

Kaikoura 2025

The Kaikoura District Council

Long Term Plan 2015-2025

Volume Two: Financial Statements & Policies

This volume contains information on the costs of operating our various activities, how we intend to fund them, and our policies around how we manage the financial aspects of our business.

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1.0 Summary of Significance & Engagement Policy

The council has a Significance and Engagement Policy that enables the council and the community to identify the degree of significance attached to particular issues, proposals, assets, decisions and activities. The policy provides clarity about how and when communities can expect to be engaged in decisions made by the council, and informs us from the beginning of a decision-making process about the extent, form and type of engagement required. The policy is available on our website www.kaikoura.govt.nz, or at the council office, phone (03) 319-5026 to ask for a copy.

On every issue requiring a decision, the council will consider the degree of significance and the corresponding level of engagement (unless a special consultative procedure is required by legislation) including how and when communities can expect to be engaged. Differing levels of engagement may be required during the varying phases of decision-making on an issue, and for different stakeholders.

The council will be guided by the following:

- The potential effect on delivering the council's strategic aspirations
- How the decision aligns with historical council decisions
- The likely impact of the decision on present and future interests of the community, recognising Maori culture values and their relationship to land and water
- The level of community interest in the decision and whether community views on the issue are already known
- The possible implications of reversing the decision with regard to the council's capacity to perform its role

Generally, the more significant an issue, the greater the need for community engagement. In considering the degree of significance of proposals and decisions in relation to issues, assets and other matters, the council will be guided by the following criterion:

Policy and outcomes:

- the potential effects on delivery of the council's policies and strategies
- the degree to which the decision or proposal contributes to promoting and achieving particular community outcomes
- the magnitude of the overall benefits that will be achieved for the district, its communities and present and future interests
- the magnitude of the net costs of the proposal or decision to the council and / or to affected communities or groups
- any impact on the council's capacity to undertake its statutory responsibilities
- the extent to which the proposal or decision flows logically and consequentially from a decision already made or from a decision in the Long Term Plan or the Annual Plan
- any inconsistencies with any existing policy, plan or legislation

Communities:

- the level of community interest in the proposal, decision or issue
- the extent to which the proposal or decision impacts upon community members or groups, and the numbers of people or groups affected
- the extent to which the community's views on the matter are already known

- any wider interest or concerns at national or international levels

Ngāi Tahu / Iwi:

- the values and interests of Ngāi Tahu whānau, hapū and rūnanga, as mana whenua for the district, in particular:
 - The Ngai Tahu Claims Settlement Act 1998
 - Te Poha o Tohu Raumati – Te Runanga o Kaikoura Environmental Management Plan
- where proposals or decisions relate to land or a body of water, the implications for the relationships of Ngāi Tahu and their culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna and other taonga

The above criterion outlines the circumstances under which the council is likely to consider an issue is significant and requiring community input. However, consideration will also be given to appropriate levels of engagement for those issues that, while of community interest, do not meet the criteria. Significance and engagement will be considered in the early stages of a proposal before decision making occurs and, if necessary, reconsidered as the proposal develops.

There may also be issues or decisions where there are diverse groups within the community with different concerns, interests, views and preferences, where multiple processes may be appropriate to distinguish and recognise the range of positions.

The commitment to invest in exploring options and obtaining the views of communities and affected and interested parties does not mean the council will have to fully consult with the public for every decision it makes, nor does it bind the council to the views expressed by those parties.

As well as the views of communities and affected and interested parties, there are a wide range of information sources, considerations and perspectives that will inform the council's decisions, including the requirements of government policy, technical matters and financial implications.

The council is required to undertake a special consultative procedure as set out in Section 83 of the Local Government Act 2002 on certain matters, regardless of whether they are considered significant as part of this policy.

The role of the Long Term Plan and “Kaikoura 2025”

The Long Term Plan (the LTP) is the primary document for the council to signal the major matters facing the community for a ten-year period. The LTP will include information on upcoming significant capital work projects, levels of service for major groups of activities, and levels of debt and rates. The major matters that the council wants to get public feedback for are published in our consultation document “Kaikoura 2025” with options for people to submit on.

Level	Inform	Consult	Involve	Collaborate	Empower
Promise to the public	We will keep you informed	We will keep you informed, listen to and acknowledge feedback, and let you know how your input influenced the decision	We will work with you to ensure that public concerns and aspirations are understood and considered	We will look to you for advice and incorporate that advice into the decisions made to the maximum extent possible	We will implement what you decide
What does it involve	One-way communication providing balanced and objective information to assist understanding about something that is going to happen or has happened.	Two-way communications designed to obtain public feedback about ideas on rationale, alternatives and proposals to inform decision making.	Participatory process designed to help identify issues and views to ensure that concerns and aspirations are understood and considered prior to decision-making.	Working together to develop understanding of all issues and interests to work out alternatives and identify preferred solutions.	The final decision making is in the hands of the public, or other entities
Types of issues that we might use this for	Water restrictions, fire hazard status, minutes of council meetings	Rates review Long Term Plan Annual Plan	District Plan	Coastal management planning, community facilities (e.g. aquatic centre) planning, beautification projects	Local body elections
Tools the council might use	Websites Information flyer Public notices	Formal submissions and hearings, focus groups, surveys.	Public workshops Focus groups Citizens Panel	External working groups (involving community experts)	Binding referendum Local body elections
When the community can expect to be involved	The council would generally advise the community once a decision is made	The council would advise the community once a draft decision is made and would generally provide the community with up to 4 weeks to participate and respond.	The council would generally provide the community with a greater lead in time to allow them time to be involved in the process.	The council would generally involve the community at the start to scope the issue, again after information has been collected and again when options are being considered.	The council would generally provide the community with a greater lead in time to allow them time to be involved in the process. e.g. typically a month or more.

2.0 Financial Strategy

Introduction

We begin the 2015-2025 chapter of our story with visitor numbers recovering strongly, and our platinum status in the Earthcheck programme giving us international recognition. Our local economy seems poised to move forward and most local businesses are showing good signs of confidence returning, following the global financial crisis and the Christchurch and Canterbury earthquakes.

This financial strategy is a cornerstone to Council achieving its goal of providing quality services without placing unnecessary burden on ratepayers. It outlines the key financial parameters and limits that the council will operate within. This proposed strategy does however see our debt levels continue to increase over the 10-year term of this Long Term Plan, as we endeavor to support the Kaikoura Hospital as well as continue to develop the township.

It is Council's view that this financial strategy is prudent and sustainable. In putting this strategy together, Council had to face facts that we simply cannot afford to do everything we want to, and had to prioritise which projects are important, and which to leave out for at least another decade.

Strategic goals

This Financial Strategy aims to plan for our community to be in the position, by 2025, where:

- The level of service we provide is maintained, and improved if we can afford to
- The essential projects identified in our Infrastructure Strategy have been completed if they are affordable and operationally sustainable
- Council's total debt is no more than \$12 million (excluding debt raised for any projects that generate enough revenue to fully cover expenses including debt repayment)
- Council's loan interest expense will be no more than 10% of total revenue
- Total rates increases are no more than the Local Government Cost Index plus 3%
- Council's investments are meeting their targeted returns, or have been sold if applicable

Significant issues

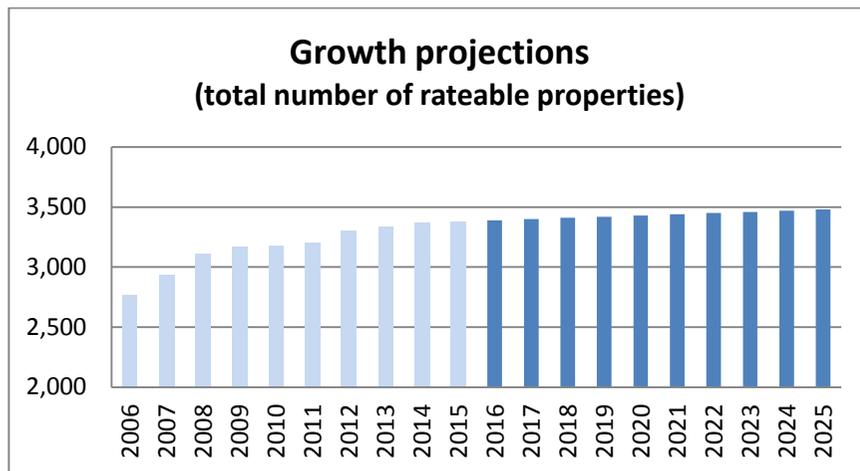
Changes in population

The usually resident population of the Kaikoura district dropped 1.9% from 3,621 people in the 2006 Census to 3,552 in 2013. Over the same census period, total population (including non-residents and visitors) fell from 4,884 to 4,467; that's 417 fewer people. Despite this, the number of rateable properties within the Kaikoura district increased markedly over

the same period, and the capacity for overnight visitors has also increased.

This suggests three things. We now have a higher proportion of property owners who live outside our district, visitor numbers had dropped (at least at the time the census was taken), and our demand for residential development appears to be well-met for the foreseeable future.

Currently we do not expect there to be very much change in our resident population; although it is conceivable that a major commercial activity could kick-start another wave of population growth.



The cost of providing for these changes

With population growth expected to remain static over the next ten years, the cost of growth has arguably already been incurred in previous years. Notwithstanding this, there are ongoing costs that are a direct result of adding new or upgrading existing assets, such as maintenance, depreciation, loan servicing and operating costs. Those costs are now part of our existing committed costs.

While we do not expect there to be significant population growth in the term of this Long Term Plan, some of our services – notably the South Bay harbour – are already struggling to cope with the number of users and the size of some boats. In other words, the past impact of growth is yet to be addressed. Council plans to open up the entrance to the harbour for larger vessels, and develop a cruise-ship terminal facility to allow for safer disembarking of passengers, within the next two years. In the medium term, we also plan to build a new, or extend the existing, harbour facility to form a marina to cater for mooring/berthage of large boats.

Changes in land use

Commercial activity

Several developments have been mooted for some time, including Whale Watch Kaikoura’s proposed visitor centre, new hotels, new boutique shopping malls, and even potentially new land-based activities. A number of these developers are talking optimistically about starting their projects within the next two or three years.

Visitors

While we anticipate very little residential subdivision activity over the life of this Long Term Plan, as discussed above there are a number of tourism-related developments that may be poised to commence as soon as confidence returns to the economy. With new visitor attractions it seems likely that new visitor accommodation will naturally follow. It remains to be seen to what degree any new attractions will impact our community, but the council needs to be sure our assets and services are ready for action.

Rural land use

Agricultural activities, particularly dairying, but also the potential for vineyards and urban sprawl, can have a large impact on resources (especially water) and impact the size and frequency of traffic on our local roads. We anticipate that the bulk of the major changes to land uses in the rural area (dairy conversion and subdivision) has already largely occurred, and there are likely to be only relatively minor change to our rural areas within the next ten years.

The cost of providing for growth

Group of activities	2015/2016 (,000s)	2016/2017 (,000s)	2017/2018 (,000s)	2018 to 2025 (,000s)
New or Improved Assets				
Roading	-	-	-	-
Water supplies	-	-	-	-
Sewerage services	-	-	-	-
Stormwater	-	-	-	-
Refuse & recycling	-	-	-	-
Community facilities	170	493	-	4,645
Other assets	-	-	-	-
New Operating Costs				
Community facilities	14	23	28	3,689
Other assets	-	-	-	-
Funding sources				
New loans	170	118	-	4,645
Grants & subsidies	-	375	-	-
User fees & charges	-	-	-	3,488
Rates	14	23	28	201

Appendix A describes the new or improved asset projects in more detail.

Levels of service

Maintaining existing levels of service

Council is extremely fortunate that our water and sewerage assets are adequate to provide for a permanent population of up to 10,000 people. This capacity should be sufficient for the foreseeable future, and certainly for the ten years of this Long Term Plan. Only minor renewal work is expected for sewerage and stormwater assets, which can be met from existing budget levels, and the replacement of two old water reservoirs above Seaview can be funded from existing reserves supplemented by the sale of land at both sites.

Projects that simply maintain the existing level of service (i.e. replace like with like) are listed below.

Project	Total Cost	Net Cost	Year	Funded by
Bridge replacement	\$1,024,548	\$511,268	2016-2025 (10 years)	NZTA subsidy, and rates
Kaikoura water reservoir replacement	\$550,150	\$220,060	2017/2018	Reserves, land sales
Kaikoura water mainline replacement	\$330,090	\$330,090	2017/2018	Reserves
Kincaid water line replacement	\$204,870	\$204,870	2024/2025	Reserves

Improving levels of service

Council's Infrastructure Strategy highlights a number of projects that will improve current levels of service. These are listed in Appendix A of this

Financial Strategy. Council has committed to funding the \$3.4 million shortfall for the new hospital, and projects are planned to improve the West End, the northern end of Beach Road, and the state of our footpaths. The Memorial Hall is currently below acceptable standards for earthquake, and requires structural strengthening. Council needs to invest in constructing a new resource recovery centre and cap the existing landfill within the life of this Long Term Plan. The community is also asking for a multi-sports facility, because the High School gymnasium is not available for community use for certain periods during the year.

There are significant roading projects proposed for the sealed rural roads, to restore the sub-structure of these roads (as opposed to simply resealing the surface) and – in order to keep the rates impact affordable – may need to be deferred and spread over a number of years rather than bring all roads up to standard in a short period. This means some rural sealed roads may deteriorate until funds are available to undertake the rehabilitation work. Council may also replace some existing low-use bridges with fords, when they reach the end of their useful life or if they are seriously damaged in a flood event.

In response to submissions the Council has deferred road habilitation work for the first (2015/2016) year of the Long Term Plan. Instead, footpath improvements have been given a higher priority, replacing chip seal footpaths with a smoother surface such as asphalt.

The Lions swimming pool is below the standard expected from a present day pool; however Council has come to the conclusion that a new swimming pool is simply unaffordable for the community. Instead, we will repair the Lions pool to stop the leaks, update the facilities, and install weather protection.

The harbour facility at South Bay is burgeoning with more and bigger boats, and so a sheltered marina with adequate berths and parking would improve safety for all users. Any new marina, or extension to existing facilities, would need to generate enough revenue to cover all of its operating expenses; including loan repayment.

This is a large number of projects, many of which come with a substantial cost – not just in terms of upfront capital cost, and the costs of borrowing, but ongoing operational expenses as well. The challenge for Council is to balance the affordability of rates (on a community which is predominantly low revenue) with enabling our community to flourish and develop facilities of a high standard.

Council is currently taking a progressive view, and wishes to progress with as many projects as it feels we can prudently afford. This will have an impact on rates and debt.

See Appendix A for more information about the projects for new or improved assets.

The cost of providing for improvements to levels of service

Group of activities	2015/2016 (,000s)	2016/2017 (,000s)	2017/2018 (,000s)	2018 to 2025 (,000s)
New or Improved Assets				
Roading	600	844	536	3,850
Water supplies	-	-	-	-
Sewerage services	-	-	-	-
Stormwater	-	-	220	-
Refuse & recycling	-	-	-	616
Community facilities	200	-	550	4,049
Other assets	-	-	-	-
New Operating Costs				
Roading	29	57	72	1,090
Water supplies	-	-	-	-
Sewerage services	-	-	-	-
Stormwater	-	-	3	20
Refuse & recycling	-	-	-	203
Community facilities	12	12	45	2,023
Other assets	2,575	143	135	858
Funding sources				
New loans	3,200	330	770	4,282
Reserves	-	-	220	-
Grants & subsidies	-	206	-	1,742
Rates	216	519	571	6,686

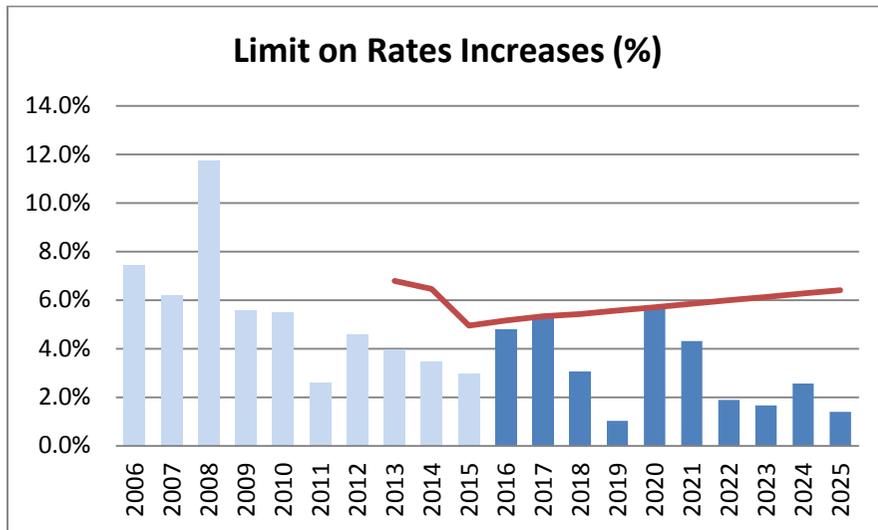
Limits on rates and debt

Limits on rates increases

Council is aiming to cap annual rates increases to no more than the Local Government Cost Index (LGCI) plus 3%. This self-imposed limit has been in place since 1 July 2012 (the 2013 financial year and the first year of the Long Term Plan 2012-2022).

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actual	4.8%	5.3%	3.0%	1.0%	5.7%	4.3%	1.9%	1.7%	2.6%	1.4%
Limit*	5.2%	5.3%	5.4%	5.6%	5.7%	5.9%	6.0%	6.1%	6.3%	6.4%

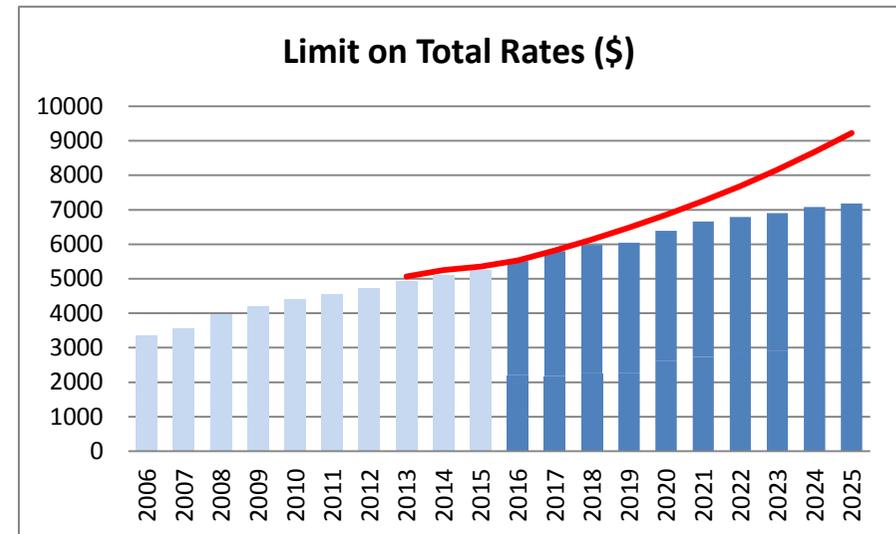
* LGCI plus 3%



The Draft Long Term Plan had projected a breach of the rates limit in year one (2016), largely brought about due to funding the hospital shortfall. To ease the impact on rates, the Council has deferred much of the road rehabilitation work planned to commence in 2015/2016, now to begin in year two. As a result, rates increases will remain within the self-imposed limit.

Limits on total rates

Whereas the above graph depicts our limit on rates increases (as an annual percentage) the following graph shows how that same limit translates into a total dollar value of rates the council proposes to collect each year.



Over the ten years of the Long Term Plan, the impact on rates will be relatively smooth, and less than our self-imposed limit.

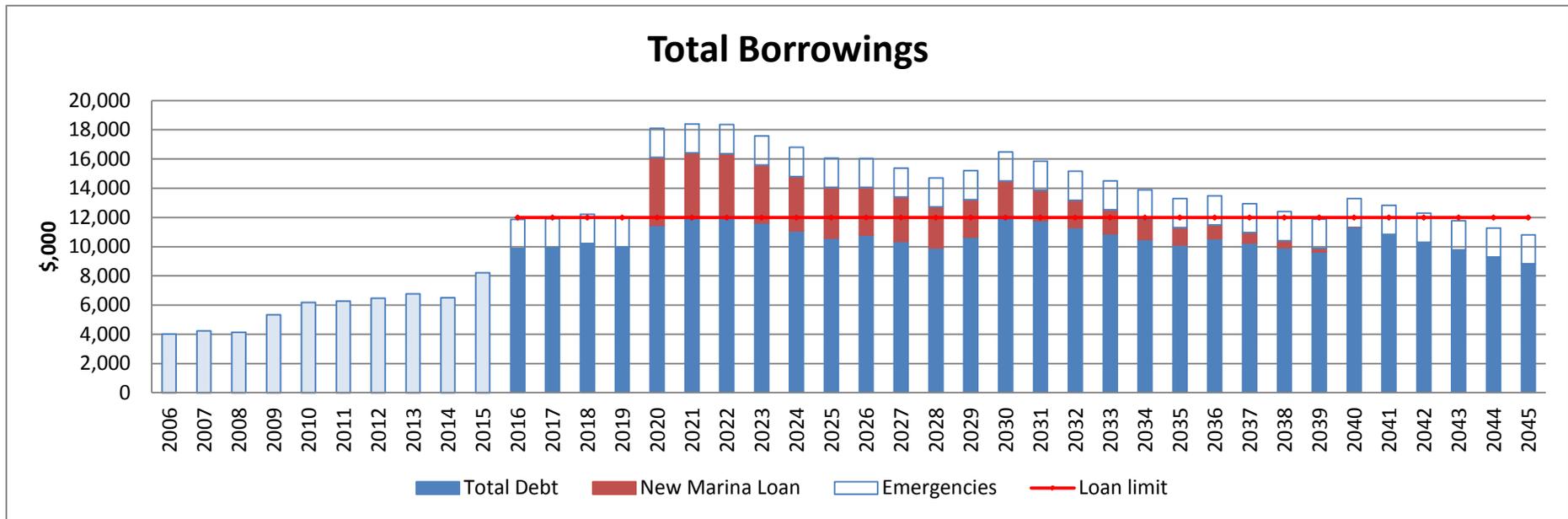
Limits on total debt

The council has set a self-imposed limit on our total borrowings of \$12 million in today's dollars. At this level, interest expenses would remain less than 10% of total revenue provided the interest rate is less than 7% overall.

Total borrowings increase in 2016 with the new hospital, and then ongoing increases to provide for various projects detailed in our Infrastructure Strategy, and listed in Appendix A of this Strategy.

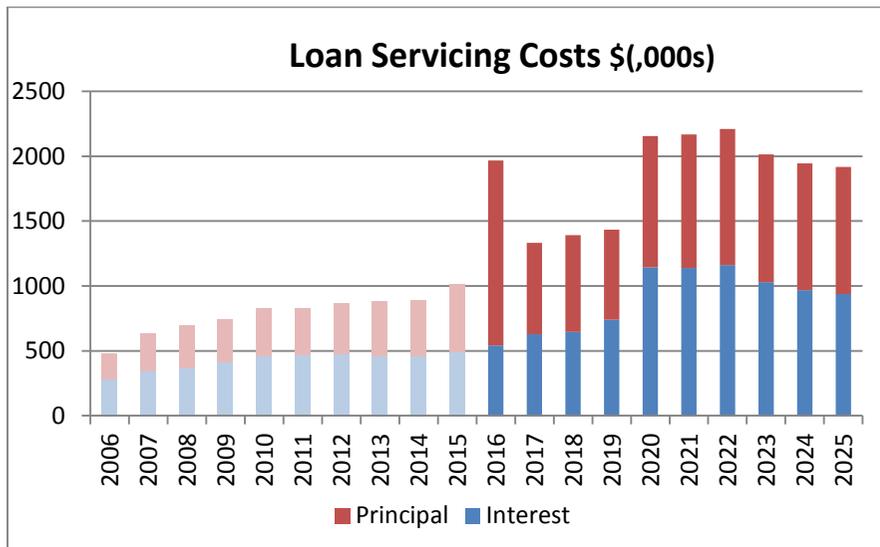
The council has decided that the loan raised to develop a new marina (of \$4.6 million) should not come under the limit for total debt, because the new marina will be fully self-funding. The berthage, mooring and slipway fees will cover all loan interest and repayments, as well as all operating expenses for the facility.

The loan limit is breached slightly in 2022, based on estimated costs to relocate the state highway planned for that year. The breach is very minor and will be reconsidered in the next Long Term Plan review (2018).



Note the above graph portrays total debt over a 30-year period, to align with the Infrastructure Strategy.

These graphs include a provision for emergency response; this is the potential impact of a significant disaster such as earthquake, flood or tsunami and is the maximum uninsured risk that the council considers we could suffer in a single large event. The emergency response provision has been set at \$2 million. The council does not include this as part of its debt limit because these loans would only ever be required in a major emergency and as a last resort. In those circumstances, the council considers that exceeding our self-imposed debt limit is an appropriate response to an emergency.



Asset sales

The council aims to sell its investment properties. The properties currently held for sale are the house at 20 Beach Road (and the land behind it), and the former Cuddons building at 25 Beach Rd. The Pynes building sold in June 2015, with the proceeds used to repay the loans associated with purchasing that property. The Beach Rd properties have no loans directly associated with them, and so their sale proceeds may be used to repay other debts, or be set aside for future asset purchases.

The council is also considering the sale of unused and/or surplus sundry land holdings (such as road reserves) with the intention to sell these if the council gets a fair price. As an example, the council proposes to sell surplus land at the reservoir sites above Seaview once those reservoirs have been replaced and decommissioned. This will effectively reduce the amount the council needs to borrow to construct the new reservoir.

Securities for borrowing

Like any other borrower, the council has to offer lenders some security, and like most other councils, we secure our debt against our rates revenue. Council has in place a borrowing facility with the Bank of New Zealand, secured by negative pledge. Council raises all of its loans with the BNZ, with the exception of two suspensory loans totalling \$484,443 with Housing Corporation NZ, which are secured by the property at 95 Torquay Street (the pensioner flats). Those loans will only need to be repaid if the council ever sells the flats. The BNZ has given its approval for council to offer this property as security. The full policy on giving securities can be found in the liability management policy on council's website www.kaikoura.govt.nz.

Managing our investments

Investments in subsidiaries

The council owns 100% of the Kaikoura Enhancement Trust (KET), which in turn owns 100% of Innovative Waste Kaikoura Ltd (IWK). The reasons for holding the equity interest in these companies and trusts is principally to achieve efficiency and community outcomes; not to receive a financial return on investment.

IWK is a multi-skilled business with the contract with the council to manage the landfill and resource recovery operations, deliver recycling services, and more recently, to provide public toilet cleaning services within the district. KET is a charitable trust established for the purpose of progressing environmental projects and accessing external funds to achieve that goal.

Cash & term deposits

Generally the council's cash management practices are to invest cash in term deposits whenever there are surplus balances left over, having met all short term commitments. Cash balances are held at an appropriate level to support the balance of special funds and reserves – although from time to time some of this cash may be used to reduce external debt, but only for short term cash management purposes.

Leased properties

The council owns five key investment properties.

House at 20 Beach Rd (and the land behind it)	The house was purchased with the intention that the title would be subdivided to enable a walkway be developed, providing for access linking to the West End, and that the house would then be sold. The house and land behind it are now being held for sale with a developer who is keen to develop a boutique shopping mall with adjacent sites.
Commercial building at 25 Beach Rd	Council purchased this property in 2004 because at the time it was the site most favored to house the Kaikoura Museum. Those plans have changed and the property is now held for sale.
Land at Wakatu Quay	Council owns the land at the North Wharf formerly occupied by Pacifica Fisheries, and the current lessee aims to build a hotel and retail development. The council may consider selling the land, either to the current lessee or to a third party, only if a fair price is agreed.
Former Council offices on the Esplanade	Once vacated, the Esplanade office building has potential for offices, visitor accommodation, or other commercial uses. If no tenant is found, the property will be sold.

Forestry

The council owns pinus radiata forest on leased land at Clarence, and on freehold land at South Bay. It also owns an 11.5% share in the Marlborough Regional Forestry joint venture, with the Marlborough District Council as the other major shareholder.

Historically the council's forestry assets were the council's key investments, and have provided reasonably substantial cash inflows in those years where logging was undertaken. Due to the nature of forestry (trees must be mature, and ideally, timber prices should be good), there may be several years of cash outflows between the years of logging. For this reason the target return on investment for the Clarence forestry is balanced over a ten year period. It is intended that surpluses from forestry be used to cover forest operations in the first instance, and may then be held in special funds for future strategic purposes (which may include purchasing other investments, reducing total debt, or used to offset general rate requirements).

Shares in Civic Assurance

Council has applied for 10,000 shares at a cost of \$9,000 from Civic Assurance, and currently the shares are yet to be allocated. Once allocated, we anticipate that dividends will provide a return to the Council.

Targeted return on investments

Our investments	Principal reason for investment	Annual targeted net return
Shareholding in subsidiaries	Efficiently manage landfill and recycling facilities and progress environmental projects.	> 2% return on equity
Cash & term deposits	Cash management	> 2%
Leased properties	Optimise value and return, with sale of properties to be used to realise strategic objectives.	> 5%
Forestry – Clarence & South Bay	Generate cash surpluses after having covered all costs associated with the activity	> \$300,000 within a 10 year period
Forestry – Marlborough Regional Forestry joint venture	Generate cash surpluses	> \$50,000
Civic Assurance shares	Generate return on investment	> 5%

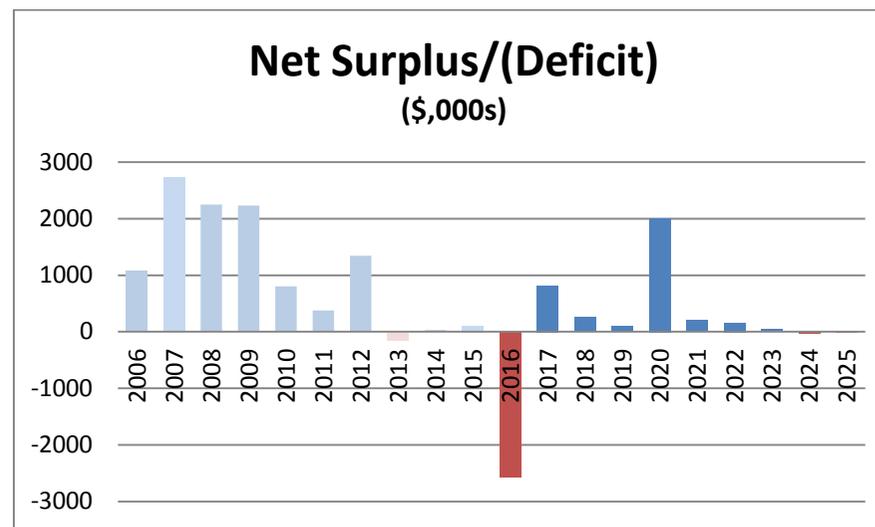
Balanced budget

Having a balanced budget means having sufficient operating revenue to cover operating expenses. Depreciation is an operating expense, although it has no cash impact. The council takes the view that it will not fully fund depreciation, because we do not see any point in unnecessarily accumulating funds when there are other options for funding renewal and/or capital work.

Instead council considers that, when assets do need to be replaced, we will seek alternative sources of funding such as grants or subsidies in the first instance, or raise loans if no other funds are available. Rates may be used to fund the net cost of renewals on an ongoing basis provided the annual renewal cost is equal to or less than the annual depreciation for that asset category.

The result of this strategy is that it is possible – and even likely – that the council will not adequately cover all operating expenses in every year of the Long Term Plan due to our conscious decision to not fully fund depreciation.

A large deficit is forecast in the 2015/2016 year, of over \$2.5 million, reflecting the council's contribution to the Kaikoura Hospital. As the hospital is not a council asset, nor is it a normal function of local government, our payment will be made in the form of a grant paid to the Canterbury District Health Board. We will need to raise a loan to pay this grant.



The surplus in 2017 is subsidies from NZTA to assist with the beautification of the Old Beach Road/State Highway intersection, plus a community grant to help us develop a cruise ship terminal. In 2020, the multi-purpose community centre is reliant upon grant funding for half of the cost of this project.

Minor deficits are forecast in 2024 and 2025 mainly due to an anticipated drop in forestry revenues.

Appendix A: Infrastructure Strategy Projects 2015-2025

Project	Total Cost	Net Cost	Year	Funded by
Growth-related projects				
Harbour entrance	\$170,000	\$170,000	2015/2016	Loan
Cruise ship facilities	\$493,120	\$118,120	2016/2017	Grant, user contribution and loan
New marina (or extend existing facilities)	\$4,645,200	\$4,645,200	2019/2020	Loan
Projects to improve levels of service				
New hospital	\$3,400,000	\$2,500,000	2015/2016	Loan
Upgrade swimming pool (fix leaks and new plant)	\$200,000	\$200,000	2015/2016	Loan
Road rehabilitation	\$14,352,500	\$7,055,523	2015-2045 (over 30 years)	NZTA subsidy, and rates
Footpath upgrades	\$1,948,255	\$1,948,255	2015-2045 (over 30 years)	Loans
Old Beach Rd-State Highway intersection	\$428,800	\$222,976	2016/2017	NZTA subsidy, and loan
Beach Rd aesthetic improvements	\$446,330	\$446,330	2016-2020 (over four years)	Loans
New stormwater on Ludstone Rd	\$220,060	\$220,060	2017/2018	Reserves
West End aesthetic improvements	\$581,990	\$581,990	2017-2022 (over five years)	Loans
Memorial Hall upgrade to earthquake standard	\$550,150	\$550,150	2017/2018	Loan
Upgrade swimming pool (stage 2)	\$564,850	\$564,850	2018/2019	Reserves
Multipurpose community centre	\$3,483,900	\$1,741,950	2019/2020	Grants and loan
Relocate State Highway from Churchill St cutting to other side of Lyell Creek	\$13,152,700 (total for NZTA)	\$657,635 (KDC contribution)	2020/2021	Loan
Reconfiguration of Resource Recovery Centre to a transfer station, and capping the existing landfill	\$4,154,150 (total for Innovative Waste Kaikoura)	\$616,450 (KDC cost for capping the landfill)	2021/2022	3 rd Party and loan
Underground existing overhead power	\$6,000,000	Nil	Within 10 year period	No contribution from KDC
Install fibre optic cable throughout district	\$4,000,000	Nil	Within 10 year period	No contribution from KDC

3.0 Infrastructure Strategy

Purpose

Infrastructure accounts approximately 70% of the council's operating expenditure and 99% of the council's capital expenditure.

Kaikoura's vision is to display responsible custodianship of its unique natural, social, cultural and built environmental resources, by ensuring the sustainable utilisation and management of these resources. What does that actually mean for Kaikoura and the future?

To strategically progress toward sustainability, members of the community need a shared understanding of what sustainability is, and a compass to frame and guide decision-making and planning. In 2000, the Kaikoura District Council adopted the principles of Agenda 21, to guide its progress toward sustainability. This meant gaining an awareness of sustainability, and gaining a deeper understanding to plan toward a sustainable society.

The commitment covers all aspects of sustainability, where the ultimate goals are social and environmental sustainability, and a vibrant economy is the means to ensure that we achieve these goals. As we strive toward social and environmental sustainability and a healthy economy in the long-term, we recognize that there will be short-term tradeoffs along the way. Tradeoffs occur when a step toward one aspect of success and sustainability means a lack of progress toward, or even a step away from another element of success and sustainability. Therefore, tradeoffs must be short-term and the initiatives that cause tradeoffs must be steppingstones for future progress toward sustainability so that the

trade-off can eventually be avoided completely. These tradeoffs must also be managed to ensure that critical aspects are not compromised. The strategy will help the council and the community make informed decisions in the next three and ten years, that position the council to deal with the major decisions and investments that will occur in the next 10 to 30 years.

This Infrastructure Strategy

This is Kaikoura District Council's first Infrastructure Strategy. It has been prepared from the council's 2015 suite of draft Activity Management Plans and the Long Term Plan 2015-25 of which it forms part.

The issues discussed reflect the current legislative environment and the communities' priorities across the district.

The financial forecasts are estimates and the reliability of the forecasts decreases beyond ten years and towards the thirty year planning horizon. This document has identified that maintenance will continue to provide existing levels of service at market rates which are subject to change. A 10 year programme of renewals is required particularly in rural roading and bridging which may have an impact on rates if it has to be accelerated.

A major list of potential projects has been identified. All these projects are likely to remain on the list until completed. The final cost and timing of the projects will depend on the community's standards and the priority it wants to give each project. The community cannot afford everything immediately and it needs to reconfirm what level of debt is acceptable

given the likely economic environment over the period of debt repayment.

Kaikoura District

Background

In the 1990s, the Kaikoura community realised that the growth in visitor numbers was beginning to have effects on the natural environment and on the local infrastructure, and together the community decided to adopt a sustainable approach to growth in the district.

This approach was recognising the importance of the healthy natural environment and the contribution the natural environment makes to Kaikoura's economic and social wellbeing. The Kaikoura District Council recognised that sustainability is important to our social and economic wellbeing for a small isolated community. Working toward sustainability is important as Kaikoura moves forward to face the challenges of the future.

In recognising this, Council made these commitments:

On 15 November 2000 Kaikoura adopted the principles of Agenda 21;

To sustain the social, economic and environmental well being of the Community now and for future generations.

Most things in our world will change significantly within the next 30 years. In this period, technological advances, political shifts and increased pressures from global challenges, including those related to energy, water, food, and climate change, will require society to adapt its social,

economic and infrastructure systems accordingly. During this time, almost all of our infrastructure systems will have passed their useful life and will have been replaced or retrofitted. We must identify and act on opportunities to ensure that the new systems are integrated and sustainable. Recognising that there is limited time to implement such fundamental societal changes, we will strive to achieve our sustainability objectives before 2045.

Geographic Context

Kaikoura District is the smallest local authority in mainland New Zealand. 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. Kaikoura District is located between the Pacific Ocean and the Inland Kaikoura Range. The Kaikoura District has wonderful geographic and environmental diversity and which ranges from a deep sea canyon to snow capped mountain of 2,885 metres. The spectacular coastline provides excellent fishing, sporting and recreation for Kaikoura's residents and visitors. The Kaikoura Peninsula is built from uplifted limestone terraces, and is located on an alluvial floodplain built from the aggrading Seaward Kaikoura ranges.

In terms of infrastructure management, Kaikoura is dictated by geological forces. The Seaward Kaikoura Ranges are located on the Hope Fault creating risk of earthquake. The alluvial nature of the floodplain makes Kaikoura susceptible to flooding and risk of alluvial gravel movement. The proximity to the coastline creates a risk of tsunami and storm surge and coastal erosion. Kaikoura's principle road link is State Highway One, much of which is a coastal highway and therefore susceptible to coastal risk. The main trunk rail line is also located along the narrow coastal strip. This makes Kaikoura's risk of isolation during storm events very frequent.

Landslip and flooding have resulted in road closures occurring on an annual basis.

While, the risk is varied and much of the Kaikoura Township is located on the stable Peninsula area, the geological risks have shaped the nature of the community.

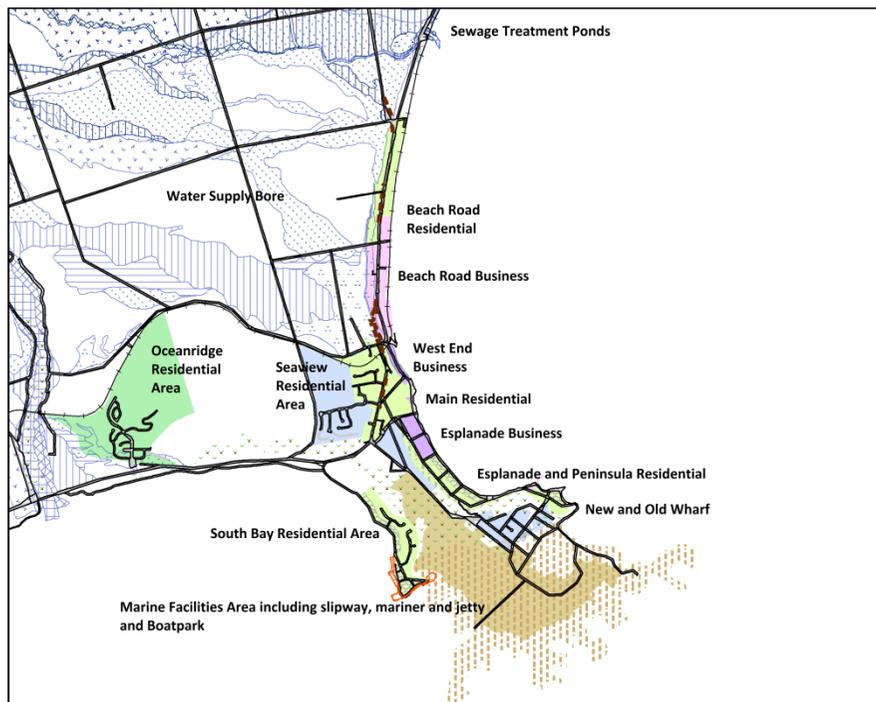


Figure 1: Kaikoura Urban Areas 2015

Environment Expectations

All Kaikoura’s decision making processes must be made through the lens of sustainability. This is why there is the need for an overarching, sustainability-based approach to long-term planning processes. This means that sustainability and protecting our natural environment are at the forefront of all decision making processes. If our natural environment was to degrade we would lose the habitats that support our marine and terrestrial ecosystems, in turn we would lose our economic foundation. In terms of infrastructure, we must ensure that we maintain the ecosystem services our natural environment provides us.

Ecosystem services can be grouped into four broad categories:

- *provisioning*, such as the production of food and water;
- *regulating*, such as the control of climate and disease;
- *supporting*, such as nutrient cycles and crop pollination; and
- *cultural*, such as spiritual and recreational benefits.

In Kaikoura, the visitor experience of viewing wildlife in its natural state is coupled with a clean natural environment. This is quite different from the visitor experience in other places in the world where the experience may be similar but the natural environment is degraded. In Kaikoura, our infrastructure must protect:

- Clean water – the water cycle ensures that clean water is renewed as it falls from our skies, flows down our rivers, out to sea and then evaporates to form rainclouds again
- Clean air – forest provide us with clean air to breath, as well as prevailing winds remove any ambient air pollution from human sources

- Habitats – the ocean provides Kaikoura with not only the wildlife that people pay to view, also food for marine mammals,
- Places and playgrounds – surf breaks, diving spots, swimming, beaches, walking tracks, wild mountains, freshwater streams
- Species – resident sperm whales, hectors and dusky dolphin, fur seals, huttons shearwater seabirds, visiting orca, common and bottlenose dolphin, blue whales, southern right whale, humpback whales, albatross, gulls, penguins, etc...
- Food source for commercial and recreational fisherman – Kaikoura means feed of crayfish, recreational fisherman bring a large visitor population to our district.

Strategy Layout

The strategy document sections and corresponding LGA Amendment Act sections are tabled below:

Table 3.1: Strategy Layout

Strategy Section	LGA 2002 as amended (Section 101B)	
1	Identifies the district and provides context	2 (a)
2	Identifies the Core infrastructure included in this strategy	2(a) and 6
	Discuss the significant infrastructure issues and the associated assumptions	2(a) & (b)
3	Illustrate the linkage between strategic documents	2 &
4	Documents the strategic statements that will guide decision-making for the next 30 years	2(b)
5	Identifies the response options for the significant	2(b); 3(a) to (e) &

Strategy Section	LGA 2002 as amended (Section 101B)	
	issues and documents benefits, cost, when and funding source	4(a)
6	Identifies the costs associated with the actions proposed	4(a) to (c)

Core Infrastructure

The Local Government Act 2002 (as amended in August 2014) Section 101B – Infrastructure Strategy states:

A local authority must, as part of its long term plan, prepare and adopt an infrastructure strategy for a period of at least 30 consecutive financial years

And

*In this section, **infrastructure assets** includes- existing or proposed assets to be used to provide services by or on behalf of the local authority in relation to the following groups of activities:*

water supply:

sewerage and the treatment and disposal of sewage:

stormwater drainage:

flood protection and control works:

the provision of roads and footpaths; and

any other assets that the local authority, in its discretion, wishes to include in the strategy.”

Core Infrastructural Assets

Asset	Schedule
Water Supply Lines	204 km
Water Reservoirs	7
Sanitary Sewer Pipes	60 km
Sewer Pump Stations	14
Sewerage Treatment Station	1
Stormwater Disposal Pipes	20 km
Roads	205 km

The core Kaikoura District Infrastructure Assets are tabled below:

Table 3.2: Kaikoura District Infrastructure Assets

Asset	Description	Replacement Value	% of total
Water	Water extraction, treatment and distribution	\$22 M	14%
Sewerage	Wastewater collection, treatment and discharge	\$16 M	10%
Stormwater	Stormwater collection and discharge	\$5 M	3%
Roads and footpaths	Roads (arterial, collectors, local; curbs and gutters), bridges, footpaths and seawalls	\$111 M	67%
Buildings and reserves	Buildings, swimming pool, playgrounds, carparks, reserves, toilets, airport and landfill,	\$6 M	3%
Harbour facilities	Wharves and tourist facilities	\$3M	1%

Asset	Description	Replacement Value	% of total
Investment properties	Buildings and land available for sale	\$3M	2%
TOTAL		\$166 M	100%

Other Activities

Parks and reserves, harbour infrastructure, solid waste, and community buildings, while not core activities, have been included in this Strategy as there are some significant projects that have been identified that will occur in the life of the Strategy.

Infrastructure Performance

It is intended that, unless modified by a specific capital project, the Levels of Service will remain approximately as at present. Where the opportunity exists to raise the Level of Service within existing budgets it may be taken.

Instances where changes may occur are:

- the road rehabilitation programmes,
- footpath renewal programmes and
- bridge renewal programmes

The new standards will be smoother roads, asphalt or concrete footpaths and bridges to a higher load carrying capacity. In general, it is expected that assets reaching the end of their useful life, will be renewed.

The performance of each asset is shown below:

Asset	Indicator
Roads	Fit for Use
Stormwater	Flooding prevented
	Meeting resource consent requirements
	Cultural values considered
Water	Meeting drinking water standards
Sewer	Meeting resource consent requirements
Buildings, Reserves, Harbour Assets	Fit for use
	Safety of users

Quality of asset information

While the exact state of each asset class is unknown, what is known is that the within the system there are minimal risks, defects and deficiencies. Any risks, defects and deficiencies that exist are either:

- Significant and well documented and allowed for in capital works programs, or,
- of a scale that can be addressed on a year to year basis as part of existing budgets.

Work is currently being undertaken to document asset information. This is allowed for within existing staff budgets. By the next Long Term Plan review period, Council envisage a full schedule of infrastructure assets will be available.

Risks to Asset Performance

The main risks that would affect the performance of the infrastructural assets are as identified below:

Risk	Roads & Footpaths	Water Supply	Waste water	Storm water	Flood Prevention	Solid Waste	Harbour	Reserves	Buildings
Earthquake (Hope/Alpine Fault)	High	High	High	Medium	Low	Low	High	Low	High
Flooding 1 in 100	High	Medium	Medium	High	Low	Low	Low	Low	High
Tsunami	High	Medium	Medium	Low	High	Low	High	Medium	High
High Wind	Medium	Low	Low	Low	Low	Low	Low	Medium	Low
Fire	Low	Low	Low	Low	Low	Low	Low	Medium	Medium
Climate Change	Low	Medium	Low	Low	Medium	Low	Low	Low	Low
Sea Level Rise	High	Medium	High	Medium	High	Low	Medium	Low	High
Change in Growth Rate	Low	Low	Low	Low	Low	Low	Medium	Low	Low
Change in Economic Climate	Medium	Low	Low	Low	Low	Low	Medium	Low	Low
Change in Tourism Patterns	Medium	Low	Low	Low	Low	Low	Medium	Low	Medium
Land Use Change	Medium	Medium	Low	Low	Low	Low	Low	Low	Low
Major Bio-security Alert	Low	Low	Low	Low	Low	Low	Low	Low	Low

Emerging Issues

The task of building, operating and maintaining these infrastructure assets is affordable however there are new projects identified that will need to be funded. This strategy intends that each asset, unless modified by a specific capital project, the Levels of Service will remain approximately as at present.

Where the opportunity arises to increase the Level of Service within existing budgets it may be taken. Within existing budgets means that there is no increase in capital expenditure to cover the change in the Level of Service. The change in Level of Service may be from new technology, increased efficiencies, or other unforeseen circumstance. Kaikoura, in comparison to the remainder of the country, has below average revenues however as a tourist resort this requires above average infrastructure.

Population Growth and Demographics

Kaikoura district's population is comprised of the resident population and the visitor population. Census data records both the population on the night of the census and the population normally resident within the district. This gives a snap shot of the visitor numbers on the night of the census, but actual visitor numbers vary seasonally so the peak population is likely to be higher than the census night count. Figure 5.1.2 below summarises data from Statistics New Zealand, including population projections.

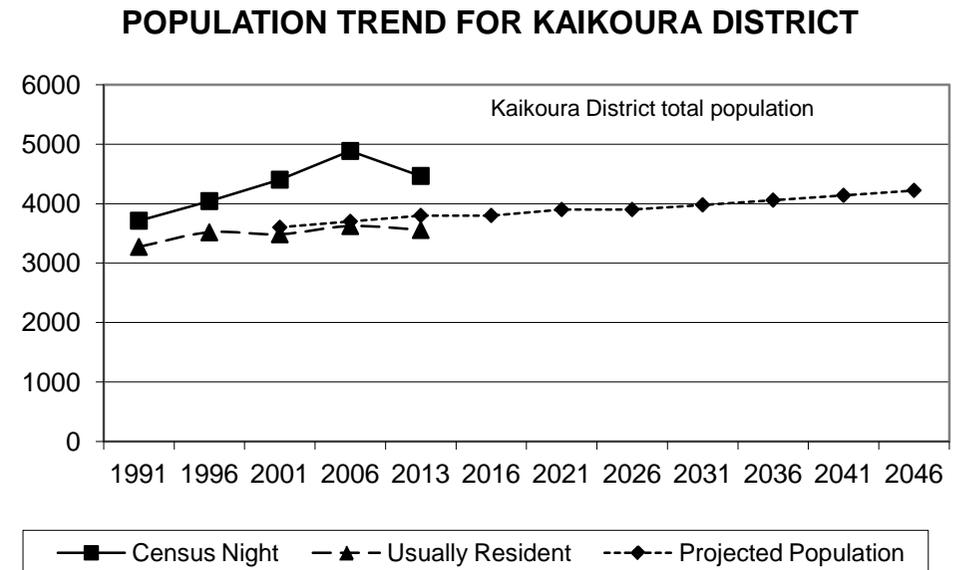


Figure 5.1.2: Census Data & Population Projections

The Kaikoura area was affected by the global economic crisis and the Christchurch Earthquakes. The global economic crisis meant that visitor numbers declined and as a result local businesses closed and jobs were lost. While the number of families leaving the district reflected in the 2013 population figures, there was some growth from families relocating due to the Christchurch Earthquake. The earthquake also had a negative effect on workers moving down to Christchurch.

While some development is still occurring in the District, mainly in the form of residential dwellings a 1.8% decrease was recorded in the resident population between 2006 and 2013. This is shown in figures

obtained from 2013 Census from Statistics New Zealand. The census figures suggest that any development is for holiday home accommodation and presumes that the owners of new residential development do not list Kaikoura as their primary place of residence. The effects of this on the district's roads will be increasing traffic volumes over the summer period.

This is lower than the 10 year population projections which implied that the resident population would continue its current trend of slow but positive growth.

Changes to the population demographics can also have an effect on road usage. For example, an aging population is often associated with a lower road usage, while a more wealthy population is associated with greater road usage. Car ownership within New Zealand, which is generally trending upwards, indicates greater overall mobility.

Kaikoura has a population that is older and with lower revenue than the national average. It also has a higher and younger proportion of Maori than average. At present no assets have been identified where growth will cause an upgrade. Some assets are presently below capacity and will be upgraded as they are renewed.

New Technologies

New technologies will continue to be embraced and will ultimately modify how the Kaikoura community manage infrastructure. However, it is impossible to surmise which infrastructure changes will come on board. With the overarching decision making through the lens of sustainability, new technology will be assessed appropriately to ensure it meets Kaikoura's strategic direction. New technologies will be particularly important in reducing Kaikoura's impact on the environment, including

reducing fresh water consumption, reducing carbon emissions and reducing waste to landfill.

The installation of fibre for telecommunication will be necessary in the immediate future to ensure that the Kaikoura community is not constrained by the limits of existing technology. Having power and telecommunications undergrounded as they are renewed is a significant financial precursor to improving the surfacing and urban design of a street. Relocation of services underground contributes to community resilience as the services are less prone to physical damage from high wind, storm or vehicle impact. However, underground services may still be vulnerable to earthquake and to a lesser extent flood or tsunami damage.

Changing Government Priorities and Legislative Environment

The National Infrastructure Plan, March 2011, states that:

There are two key outcomes the government would like to drive through its infrastructure strategy:

- *Better Use of Existing Infrastructure*
- *Better Allocation of New Investment*

The Governments focus on growth and the economy as detailed in the Business Growth Agenda is a key influence on investment prioritisation.

The Governments' focus is moving on from water quality as this has been addressed through the Health Act (Drinking Water) Amendment Act 2007 and the Drinking Water Standards for New Zealand and the focus is now changing to water quantity and the sensible, sustainable management thereof.

Environmental Compliance and progress is reflected through national policy statements and promulgated through regional and district plans.

Climate Change

The Ministry for the Environment suggests that council's plan for a sea level rise of between 0.5m and 0.8m for periods up until 2090. Sea level rise will contribute to the existing coastal erosion on the Kaikoura Peninsula. Steps need to be taken to manage the existing problem and confirm whether protection is the solution to the heightened risk in the future.

Climate change is considered to pose future risk on the Community including rainfall intensity, coastal erosion and storm surge. Impacts from such events are already being observed and will increase into the future. This requires council to consider the level of flood protection for Kaikoura against Lyell Creek and the capacity of the town's storm water drainage system. The risk of high intensity rainfall may also impact land use patterns in the future given the risk of gravel movement and flooding on the alluvial fans. More frequent droughts may affect the security of water supply to residents.

Infrastructure Resilience

Customers have a high expectation of continuing functionality and service delivery. Resilience is based on a design philosophy which acknowledges that failure will occur. Resilience requires early detection and recovery, but not necessarily through re-establishing the failed system. The general approach is that as we work on or renew infrastructure we will add the

appropriate level of resilience where sensible. Where financially reasonable we will also build redundancy into the various networks. Because of the small scale of the network infrastructure and the significant expenditure to upgrade to full resilience it is appropriate for most of the network to accept the damage that will occur in a major event where there is unlikely to be long term consequences.

Kaikoura will be affected by movement on the Alpine or Hope fault. Predictions are that this movement is likely within the next 50 years. The Kaikoura Memorial Hall does not meet the 33 per cent of current earthquake standard and upgrading is expensive. The project would include upgrading the hall to fire and electrical standards but will not include any aesthetic or enhancement upgrades.

Some of the sewer pump station and sewer and water pipeline river crossings are likely to fail under a major earthquake. Parts of the rural road network are likely to be subject to severe slippage. No reduction in risk is planned to occur except as the various parts of the network are upgraded.

A major earthquake may also raise the local sea bed which would prevent existing boats used in the tourist and fishing industry until the facilities were rebuilt.

As noted under Climate Change, Kaikoura is already susceptible to high intensity rainfall and the local and national roading network will occasionally incur major damage which will close access to all or parts of the district.

Organisations and networks of organisations with the ability to identify hazards must share information, assess vulnerabilities, and plan for and respond to emergencies.

In order to improve resilience Council’s approach is to:

- Actively participate in Lifelines, CDEM planning and activities, at both regional and local levels
- Acknowledging the value of adaptability and redundancy in the network to improve business confidence.
- Investigate options for alternative service provision and system redundancy
- Identify critical assets and cross asset dependencies and ensure mitigation methods are developed
- Obtain insurance where this is deemed to be the most cost effective approach
- Provide for emergency response within its debt limits

Aging infrastructure

All infrastructure is aging however it is managed and replaced on a regular basis that maintains the average age at approximately 50% of the expected life of the asset. The base information is held within the Activity Management Plans and databases and will increasingly be condition rated with consequent changes to the expected design life.

A significant proportion of our roads and bridges require renewal. The seven remaining timber bridges will likely to have been replaced within the next 30 years. Thirty percent (33km) of sealed road has been identified as required to be considered for rehabilitation over the next ten years. The Council intends to do the road rehabilitation over a longer period of 30 years at \$300,000 per year meaning that some of the roads

may show a reduction in ride quality until they are renewed. This work is to restore and upgrade the conditions of some of our roads. Current budgets have only been maintaining their surface condition.

A replacement water supply reservoir at the Fords site will be required, likely in the 2018/21 Long Term Plan, to replace the old concrete and the in-situ reservoirs. The pipes and pump station that form most of the remainder of the underground infrastructure will steadily be replaced as part of a programme that is still in development.

The swimming pool is also at the end of its useful life in its present form. The council has come to the conclusion that a new swimming pool is unaffordable to the community and instead we will repair and upgrade the existing pool.

Summary of significant forecasting assumptions

The main assumptions underlying the forecast information, based on predictions from both internal and external sources, are as follows.

Population growth

Risk/uncertainty	Impact	Likelihood	Comment/mitigation
Growth is higher than expected, putting pressure on council services.	Low	Low	Our critical council services (water and sewer) already have capacity to cope with more people.
Population decreases, impacting on our local economy	Medium/Low	Low	Our ratepayer base doesn’t change, but people’s ability to pay would be affected.

Potential demographic changes

Risk/uncertainty	Impact	Likelihood	Comment/mitigation
The council underestimates the demands placed by changing demographics such as population ageing and/or cultural diversity.	Medium/Low	Low	The council will continue to monitor and assess demographic change, and consider adjusting planned levels of service for certain activities accordingly.

Climate change

Risk/uncertainty	Impact	Likelihood	Comment/mitigation
Climatic events lead to increased costs for council to rebuild damage following events and also to build more resilience into our services (e.g. seawalls and stormwater)	Medium/High	Low/Medium	Emergency work to reinstate roads and bridges attracts a higher subsidy from NZTA. Our civil defence plans are useful for planning and responding to all types of events

Inflation

The financial information is based on the following adjustments for inflation.

Year	Operational % annual	Operational % cumulative	Capital % annual	Capital % cumulative
2015/2016	2.16	4.15	2.34	4.47
2016/2017	2.33	6.58	2.61	7.20
2017/2018	2.43	9.18	2.64	10.03
2018/2019	2.57	11.99	2.67	12.97
2019/2020	2.71	15.02	2.80	16.13
2020/2021	2.85	18.30	2.96	19.57
2021/2022	2.99	21.83	3.11	23.29
2022/2023	3.13	25.65	3.27	27.32
2023/2024	3.27	29.76	3.48	31.75
2024/2025	3.41	34.19	3.67	36.58

Risk/uncertainty	Impact	Likelihood	Comment/mitigation
Inflation is higher than expected, causing an increase in costs to the council.	Medium/Low	Medium/High	There is likely to be some variation in actual rates of inflation, and the council may need to adjust its budgets and/or the timing of future projects to accommodate this.

Grants and subsidies

Risk/uncertainty	Impact	Likelihood	Comment/mitigation
NZTA reduces the subsidy rates for Kaikoura.	Medium/Low	Low	Roads are one of our largest costs, but any changes to it are outside council control.
The community sports centre is unsuccessful in obtaining a grant.	High	Medium/High	The sports centre may not go ahead if we cannot source external funds.

Interest rates

We forecast interest rates for new loans raised from 1 July 2015 to be 6.0%, increasing to 7.0% by 1 July 2018.

Risk/uncertainty	Impact	Likelihood	Comment/mitigation
Interest rates increase beyond the levels anticipated	Medium	Medium/Low	The council limits our exposure to interest rate movements by spreading the maturity terms of borrowings, per our Liability Management Policy.

Borrowing

Total external borrowings are anticipated to be \$7.8 million at the start of this Long Term Plan period, increasing to \$9.7 million in the first financial year (2015/2016).

Risk/uncertainty	Impact	Likelihood	Comment/mitigation
The hospital will be successful in obtaining more funding, to the extent that the council doesn't need to borrow.	High	Medium	Until the fundraising efforts are quantified, the council is obliged to set its rates on the basis that \$2.5 million in loans are required.
The new marina planned for 2021 does not generate sufficient revenue to cover all costs including loan repayment, and the council exceeds its borrowing limit.	High	Medium/Low	Once built, the commitment to fund the loan for the new marina has already been made. The council needs to be sure its revenue sources can be relied upon <i>before</i> it starts building.

Marlborough Regional Forestry revenues

The council receives a capital distribution from the Marlborough Regional Forestry joint venture.

Risk/uncertainty	Impact	Likelihood	Comment/mitigation
Forestry activities are subject to several uncertainties, such as fluctuating log prices and the risk of forest fires.	Low	Medium/Low	The council opts to transfer any surpluses to special funds rather than rely upon them to offset rates to any large degree.

Useful life of significant assets

The useful lives of significant assets are disclosed in the Statement of Accounting Policies.

Risk/uncertainty	Impact	Likelihood	Comment/mitigation
Assets may reach the end of their useful life earlier than predicted, and funds need to be found for replacements.	Low	Low	Changes would need to be made to the underlying capital expenditure programme.

Sources of funds for the future replacement of assets

Risk/uncertainty	Impact	Likelihood	Comment/mitigation
A particular funding source may not be available or sufficient to cover full costs.	Low	Low	The funding sources in the Revenue & Financing Policy are sufficiently broad to provide for a range of options, with borrowing and/or rates the last resort.

Development contributions

Risk/uncertainty	Impact	Likelihood	Comment/mitigation
Contribution revenue is insufficient to cover the cost of growth-related capital work.	Low	Low	The council has made a conservative estimate of revenue from development

			contributions.
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Revaluation of non-current assets

Risk/uncertainty	Impact	Likelihood	Comment/mitigation
Non-current assets are valued at rates that are higher than estimated, boosting asset values and depreciation.	Low	Medium	It is likely that there is some variation in the forecast adjustors at the time of valuation. As the council does not set its rates to cover depreciation costs, there is no impact on ratepayers.

Emissions Trading Scheme (ETS)

The council sees the ETS having little impact on the community as a whole.

Risk/uncertainty	Impact	Likelihood	Comment/mitigation
Carbon pricing costs are higher than expected.	Low	Medium	The council is continually mitigating the impact of carbon emissions through Earthcheck. The cost of purchasing credits is nominal and price increases could be absorbed.

Harbour activity

The harbour activity includes commercial activities, which attract taxation.

Risk/uncertainty	Impact	Likelihood	Comment/mitigation
The harbour generates revenues to the extent that the council is required to pay taxation.	Medium	Low	If the harbour generated sufficient revenue to make a profit then it would no longer need to be partially funded by rates.

Kate Valley Landfill

The landfill will reach full capacity during the life of this plan.

Risk/uncertainty	Impact	Likelihood	Comment/mitigation
The landfill will reach capacity earlier than anticipated.	Medium	Medium	The community is proactively reducing our waste and reaching exemplary levels of diversion.

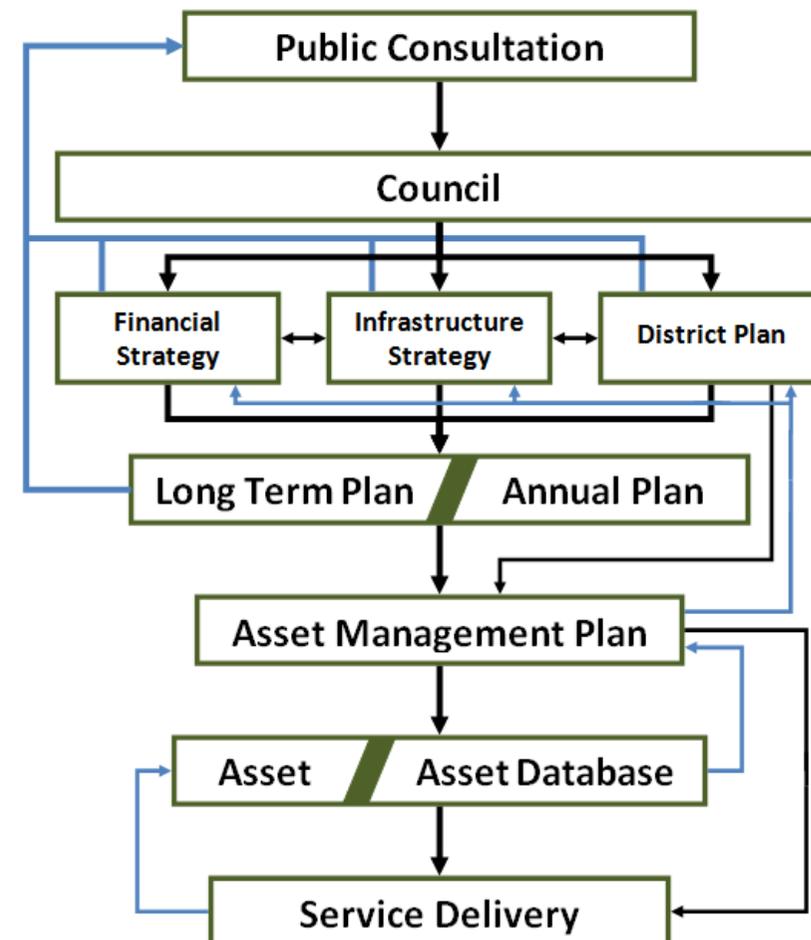
Return on investments

The council expects its investments to generate a return, and these are contained within the council’s Financial Strategy.

Risk/uncertainty	Impact	Likelihood	Comment/mitigation
The return on our investments is less than we have targeted	Low	Low	We do not rely upon the return on our investments to offset other revenues such as rates.

Linkage With Other Documents

Figure 3.1: Infrastructure Strategy - Linkages with other Documents



Thirty Year Strategy

In its role as Local Authority Kaikoura District Council will comply with the relevant New Zealand legislation. This means all Kaikoura’s decision making processes must be made through the lens of sustainability. This is why there is the need for an overarching, sustainability-based approach to long-term planning processes. This means that sustainability and protecting our natural environment are at the forefront of all decision making processes.

	Priorities
1	Sustainable Development
2	Safe, Efficient Transport Network
3	Quality Water & Wastewater Services
4	Quality Standard of Buildings and Facilities
5	Environmental Protection & Enhancement
6	Affordable Access to Quality Community Facilities
7	Community Involvement in Planning the Future and Managing the Present

Applying the Priorities to Infrastructure Planning

Our values are the foundation for all we do. They represent what is important to us as a community. Guided by our values, we are able to make difficult decisions about Kaikoura’s future, and formulate the priorities and actions. These values were identified as the outcomes for our Community, and were first developed back in 2002. In 2006, these outcomes were confirmed as still being appropriate by our Community following consultation. It is appropriate that these values be reconsidered and reconfirmed through this document.

Sustainable Development

Ensuring quality development to meet the demand of visitors and our Community does not compromise the natural environment immediately or for future generations. This includes eliminating or preventing discharges to the environment, landscape values and preservation of habitats and natural areas.

Priorities

Where social and ecological systems are sustainable and supported by a healthy economy, today and in the future but still supporting a strong tourism economy – where a healthy, diversified tourism economy is sustainable through thoughtful, long range planning, strategic marketing and business partnerships.

Safe, Efficient Transport Network

A safe, efficient transport network provides visitors and our Community with connectivity and access to amenities. In Kaikoura the transport network includes walking and cycling facilities.

Priorities

This means a well-planned community and infrastructure where growth and development are managed and controlled.

Quality Water & Wastewater Services

Our water source, treatment and disposal of wastewater have a direct impact on our environment. Ensuring the water and wastewater systems are managed as effectively and as efficiently as possible ensures costs are reduced, environmental impacts are minimised and people receive the maximum advantage from the infrastructure.

Priorities

The health and safety of our community is affected by a safe supply of drinking water and responsible disposal of wastewater. How we source water and dispose of wastewater has a direct impact on our environment.

Quality Standard of Buildings

Ensuring buildings are constructed to a good standard is important to ensure the quality of our environment and that of the Community remains high.

Priorities

Housing affects people's health and wellbeing and the standard of buildings and housing reflects the quality of life in our Community and the attractiveness to tourists.

Environmental Protection & Enhancement

Kaikoura's economy is reliant on the natural environment. By reducing impacts and supporting environmental protection, Kaikoura is safe guarding the environment and our economy. By providing facilities for the tourism economy Kaikoura is positioned to provide a long term basis for wealth and employment.

Priorities

Our natural environment and our role as responsible stewards are part of our role to respect and protect the health of natural systems today and for generations to come.

Affordable Access to Quality Community Facilities

Council provides community facilities such as libraries, parks and reserves, sports and recreation facilities, and wharves.

Priorities

A strong, healthy community where the needs of residents are met, where community life and individual well-being are fostered, where the diversity of people is celebrated, and where social interaction, recreation, culture, health services and life-long learning are accessible.

Community Involvement in Planning the Future and Managing the Present

Local government is all about community representation which is open and transparent.

Priorities

Community engagement is important for people's sense of wellbeing. The community must foster the positive, cooperative relationships that recognise the values of all the members.

Asset and Service Management Strategy

In providing services to residents and visitors through the use of infrastructural assets, Council's management strategy is to continue to maintain or keep at a similar level, the future level of service as the best long term cost affordable to the district.

- We will monitor component age and condition as information is able to be gathered
- We will optimise network performance using existing assets and resources
- Because of the small scale of the district we will monitor deterioration. This may mean periodically that renewal is required to maintain the current Level of Service. This will be done within existing budgets.
- Over time we will optimise planned maintenance and address faults in a planned manner where appropriate

Cost Effective Delivery of Services

In terms of section 10 (Purpose of local government) there is a clear requirement to meet the current and future needs of communities for good-quality local infrastructure and local services in a way that is most cost-effective for households and businesses.

In this Act, good-quality, in relation to local infrastructure, local public services, and performance of regulatory functions, means infrastructure, services, and performance that are efficient, effective and appropriate to present and anticipated future circumstances.

For consideration the council needs to:

- To demonstrate that the delivery of services are efficient, effective and appropriate; take into account 17A of the Local Government Act and will need to review the purchase of Roothing Maintenance and 3 Waters Maintenance Services with a view to either confirming or having new service providers in place from 1 July 2015.
- To use the nucleus of Innovative Waste, the Council owned Business Unit, as a vehicle to delivering certain services to the council.
- To consider whether the number of separate water schemes is appropriate.
- To consider whether the funding of depreciation is appropriate for certain assets.
- To consider whether it should build up a contingency for emergencies or be prepared to borrow if required. Significant Infrastructure Issues

The Local Government Act 2002 Amendment Bill Section 101B – Infrastructure Strategy states:

(2) The purpose of the infrastructure strategy is to—

“(a) identify significant infrastructure issues for the local authority over the period covered by the strategy; and

“(b) identify the principal options for managing those issues and the implications of those options.

In developing this 30 Year Strategy Council identified the anticipated significant infrastructure issues over the 30 years and considered each significant action and the benefits of the action. The significant

infrastructure issues faced by Kaikoura District Council with the benefits and costs are tabled below.

Water

Council’s goal for the water activity is:

- To provide water infrastructure that meets the needs of the community, ensures a healthy standard of living, and minimises effects on the environment.
- That the existing water supplies conform to the requirements of the Drinking Water Standards. It is intended that small changes to improve compliance will occur as identified and able to be afforded within exist budgets.
- That the water supplies have sufficient capacity to supply existing consumers and have some spare capacity should additional demand occur.

The existing levels of reticulation replacement are sufficient to maintain the network in a reasonable state.

The two old reservoirs at the Fords site have been identified for replacement in approximately 2017/18. The sale of the site of the old reservoirs will contribute to the cost of the new reservoir.

Issue	What are we doing?	What is the benefit?	What is the Council's contribution?	Funded by?	When are we doing it?	Growth	LoS	Renew
Aging reservoirs	Kaikoura urban water reservoir replacement	Ensure continuity of service in a reliable manner	\$0.5M	Reserves & land sales	2017/2018			

Issue	What are we doing?	What is the benefit?	What is the Council's contribution?	Funded by?	When are we doing it?	Growth	LoS	Renew
	Assumptions	The reservoirs will operate satisfactorily until 2020 with minor maintenance. Resulting surplus land at the old reservoir site will be sold.						
Aging pipes	Kaikoura urban water main line replacement	Ensure continuity of service in a reliable manner	\$0.3M	Reserves & Rates	2017/2018			
	Assumptions	That this is the most appropriate course of action						
	Options	This is the only option to ensure supply is continued						
Aging pipes	Kincaid water line replacement	Ensure continuity of service in a reliable manner	\$0.2M	Reserves	2024/2025			
	Assumptions	That this is the most appropriate course of action						
	Options	This is the only option to ensure supply is continued						
A major emergency will cause significant funding requirement at short notice	Providing a contingency for emergencies	Ensure emergencies can be funded	\$0.7M (out of \$1.5M)	Loan	2015 to 2045			
	Assumptions	At some stage a major earthquake will occur, other events will cause less damage						

Issue	What are we doing?	What is the benefit?	What is the Council's contribution?	Funded by?	When are we doing it?	Growth	LoS	Renew
	Options	The preferred option has been to provide for loans to fund emergency works in the event these works are required. This means the loan limits have been set to provide for this contingency. If an event occurred, the option exists to use up any reserves in the first instance then top up by loan. The only other option is to create a reserve fund for emergencies. This option was not favoured by the Council.						

Sewerage

Council's goal for the sewerage activity is:

- To protect the health of the district's residents and environment by providing an efficient and effective means of collecting, treating and disposing of sewage effluent and Stormwater
- To ensure the health of the community where urban housing exists, thereby eliminating the need for individuals to provide their own wastewater system (which carries much higher health risks)
- To provide a cost effective trade waste disposal system for commercial and some industrial users, thereby eliminating the need for individuals to provide their own wastewater system
- To provide acceptable collection, treatment and disposal systems for the use of communities

The existing sewer network and treatment facilities meet the requirements of the community and are able to comply with the conditions imposed under the Resource Management Act. Minor activities to improve the management of the treatment ponds have been identified and can be accommodated within existing budgets. The existing levels of reticulation replacement are sufficient to maintain the network in a reasonable state.

Issue	What are we doing?	What is the benefit?	What is the Council's contribution?	Funded by?	When are we doing it?	Growth	LoS	Renew
A major emergency will cause significant funding requirements at short notice	Providing a contingency for emergencies	Ensure emergencies can be funded	\$0.4M (out of \$1.5M)	Loan	2015 to 2045			
	Assumptions	At some stage a major earthquake will occur, other events will cause less damage						
	Options	The preferred option has been to provide for loans to fund emergency works in the event these works are required. This means the loan limits have been set to provide for this contingency. If an event occurred, the option exists to use up any reserves in the first instance then top up by loan. The only other option is to create a reserve fund for emergencies. This option was not favoured by the Council.						

Stormwater

Council’s goal for the stormwater activity is:

- To protect the health and safety of the district’s residents and environment by providing an efficient and effective means of collecting, treating and disposing stormwater
- That the existing stormwater network and treatment facilities meet the requirements of the community and are able to comply with the conditions imposed under the Resource Management Act.

Minor activities to improve the collection and treatment may be identified and will be accommodated within existing budgets.

The existing levels of reticulation replacement are sufficient to maintain the network in a reasonable state.

Issue	What are we doing?	What is the benefit?	What is the Council's contribution?	Funded by?	When are we doing it?	Growth	LoS	Renew
Deep drains	Pipe Stormwater Drains on Ludstone Road	Improve safety in front of schools	\$0.2M	Reserves	2017/2018			
	Assumptions	That this is a desirable future project						
	Options	The alternative option is to do nothing. Due to the safety concerns this was not favoured.						

Roading

Council’s goal for the roads and footpaths activity is:

- To provide and maintain a safe and cost effective land transport system within the district and minimise effects on the environment
- That the existing roading and footpath network meets the requirements of the community.

Minor activities to improve the collection and treatment may be identified and will be accommodated within existing budgets. The existing levels of replacement are sufficient to maintain the network in a reasonable state however some roads and bridges will require renewal.

The Council is planning to do substantial road rehabilitation work of around \$300 thousand each year for the next 30 years. The work will be funded from rates budgets and attract a subsidy from the New Zealand Transport Agency. This work is to restore and upgrade the conditions of some of our roads.

Current budgets have only been maintaining the surface condition of our roads. This is a long term project and not all roads can be done at once. What this means is that the surface of some sealed roads will vary depending on where they are in the rehabilitation program. Maintenance to roads has in the past included improvements to those roads. Provision of roads is the main service from rural rates and provides access to rural properties.

Issue	What are we doing?	What is the benefit?	What is the Council's contribution?	Funded by?	When are we doing it?	Growth	LoS	Renew
Aging Infrastructure	Road rehabilitation	Optimise maintenance and renewal, smooth roads	\$7.1M out of \$14.4M	Subsidy & Rates	2015 to 2045 (30 yrs)			
	Assumptions	The rehabilitation programme will be refined based on performance and condition						
	Options	Complete the road rehabilitation program is the preferred option. The other option is to do nothing and reduce speed limits on all rural roads. This option is not favoured as with weight of vehicles and use increasing, the subsurface of roads would deteriorate.						
	Bridge replacement	Continued access	\$0.5M (out of \$1.0M)	Subsidy & Rates	2015 to 2025 (10 yrs)			
	Assumptions	The bridge replacement programme will be refined based on performance and condition						
	Options	Bridge replacement is the preferred option. The other option is to do nothing and reduce speed and weight limits on all bridges. This is not favoured as may reduce access to many parts of the District.						

Issue	What are we doing?	What is the benefit?	What is the Council's contribution?	Funded by?	When are we doing it?	Growth	LoS	Renew
	Chip seal Footpath replacement	Improved access	\$1.9M	Loans	2015 to 2045 (30 yrs)		✓	✓
	Assumptions	The appropriate long term standard is asphalt or concrete and that this work will occur after undergrounding						
	Options	Upgrading the footpaths is the preferred option. The other option is to do nothing and reduce access on all footpaths. This is not favoured as Council get a lot of feedback on footpaths, with access and usability being a major issue. The option to do nothing would result in a reduced quality of surfacing						
Improve the appearance and use of the State Highway, West End and urban Kaikoura	Relocate State Highway to the west of Lyell Creek	Improved access to the West End	\$.66M (out of \$13M)	Loan	2020/2021		✓	✓
	Aesthetic improvement to Beach Road	Improved appearance	\$0.45 M	Loan	2016 to 2020 (4 yrs)		✓	✓

Issue	What are we doing?	What is the benefit?	What is the Council's contribution?	Funded by?	When are we doing it?	Growth	LoS	Renew
	Aesthetic improvement to West End	Improved appearance	\$0.58 M	Loan	2017 to 2022 (5 yrs)		✓	✓
	Upgrade Old Beach Rd-SH1 intersection	Improved access	\$0.2M (out of \$0.4M)	Subsidy & Loan	2016/2017		✓	✓
	Underground overhead power	Improved appearance	\$Nil (out of \$6M)	3 rd Party	2015 to 2025 (10 yrs)		✓	✓
	Install fibre optic	Improved communication	\$Nil (out of \$4M)	3 rd Party	2015 to 2025 (10 yrs)		✓	✓
	Assumptions	That these are desirable future projects						

Issue Legal Compliance	What are we doing?	What is the benefit?	What is the Council's contribution?	Funded by?	When are we doing it?	Growth	LoS	Renew
	Options	<p>Relocate State Highway to the west of Lyell Creek – do nothing is the other option. This is not favoured as the safety of the West End turn is an issue and the many residents have had their land designated for the works for many years.</p> <p>Aesthetic improvement to Beach Road – The focus is safety and aesthetics. The alternative to do nothing is the other option. This is not favoured as Council have previously given money toward a landscape plan and businesses have approached Council to do this work.</p> <p>Upgrade Old Beach Rd-SH1 intersection - do nothing is the other option. This is not favoured, as this area is the entrance to the Kaikoura urban area. In addition, pedestrian safety is an issue and residents have complained about trucks using the site.</p> <p>Underground overhead power – do nothing is the other option. This project is advocacy for the works to occur. The focus is safety and supply continuity.</p> <p>Install fibre optic– do nothing is the other option. This project is advocacy for the works to occur. The project will improve access for businesses and internet users.</p> <p>The project will improve access for businesses and internet users and improve aesthetics.</p>						

Issue	What are we doing?	What is the benefit?	What is the Council's contribution?	Funded by?	When are we doing it?	Growth	LoS	Renew
Sea level is rising	Rock protection Beach areas	Protects assets	\$1.1M (out of \$2.3M)	Subsidy & Loan	2029/2030			
	Assumptions	That this is a desirable future project						
	Options	The other option is to do nothing. Doing nothing not considered feasible as erosion is being felt in some parts of the District, with other properties being affected by storm surge during periods of high seas. Another option is a targeted rate around beach front properties. However, many Council assets are also prone to Erosion along the Esplanade						
No secure Over dimension route available through Kaikoura due to rail bridges	Providing route for over dimension vehicles and a contingency for emergencies	Over dimension vehicles not compromised	\$1.9M (out of \$4.7M)	Subsidy & Loan	2029/2030			
	Assumptions	That this is a desirable future project						

Issue	What are we doing?	What is the benefit?	What is the Council's contribution?	Funded by?	When are we doing it?	Growth	LoS	Renew
	Options	The other option is to do nothing. This is not considered responsible as the route currently used by over dimension vehicles is local road, paid for and maintained by the community.						
Town centre compromised by traffic	Providing alternative route into West End	Make town pedestrian friendly	\$1.9M (out of \$9.5M)	Subsidy & Loan	2039/2040			
	Assumptions	That this is a desirable future project						
	Options	The other option is to do nothing. Doing nothing will halt the capacity of the West End at the current level. By providing pedestrian friendly facilities and designated vehicle routes, the town capacity will increase with time.						
A major emergency will cause significant funding requirements at short notice	Providing a contingency for emergencies	Ensure emergencies can be funded	\$2.0M (out of \$5.3M)	Subsidy & Loan	2015 to 2045 (30 yrs)			
	Assumptions	At some stage a major flood will occur, other events will cause less damage						

Issue	What are we doing?	What is the benefit?	What is the Council's contribution?	Funded by?	When are we doing it?	Growth	LoS	Renew
	Options	<p>The preferred option has been to provide for loans to fund emergency works in the event these works are required. This means the loan limits have been set to provide for this contingency.</p> <p>If an event occurred, the option exists to use up any reserves in the first instance then top up by loan. The only other option is to create a reserve fund for emergencies. This option was not favoured by the Council.</p>						

Buildings and Reserves

Council’s goal for the buildings and reserves activity is:

- That the existing and future buildings and reserves meet the requirements of the community.

Minor activities to improve the buildings will be identified and accommodated within existing budgets. The existing level of funding is sufficient to maintain the buildings and reserves in a reasonable state.

The Council constructed its new Civic centre in 2014/15 and the loan for this is included in the overall borrowing to date.

Issue	What are we doing?	What is the benefit?	What is the Council's contribution?	Funded by?	When are we doing it?	Growth	LoS	Renew
Funding committed for new Hospital	Funding towards the hospital	Buildings appropriate to the community	\$2.5M (out of \$3.4M)	Grants & Loan	2015/2016		✓	✓
	Assumptions	The building being constructed are completed and existing budgets are correct						
	Options	Quality healthcare is essential for any community. The alternative option was to fail to support central government to provide health facilities for the Community. While this isn't a Council function, the Community sought help from the Council to retain the hospital on its current site.						

Issue	What are we doing?	What is the benefit?	What is the Council's contribution?	Funded by?	When are we doing it?	Growth	LoS	Renew
Existing landfill will reach the capacity within the next 10 years	Construct a new Resource Recovery Centre and Landfill capping	Ensure continuity of service in a reliable manner	\$0.6M- (out of \$4.2M) (depends on structure of operation)	3 rd Party & Loan	2021/2022			✓
	Assumptions	The existing site will no longer be appropriate and residual waste will be transported out of the District, and that Innovative Waste will fund the reconfigured Resource Recovery Centre						
	Options	Capping the existing landfill is mandatory under the resource consent conditions, therefore no other option exists. The options around the resource recovery centre are to move from the current site, or retain in the current site. The options to relocate depend on suitability of the current site for future use and pressure from surrounding land use. A new site could be purpose built, and will be safer and easier to use. This option is favoured by the Council.						
Existing Hall does not meet earthquake and fire standards	Upgrade for earthquake	Meets Standards	\$0.55M	Loan	2017/2018			✓
	Assumptions	Upgrade is preferred to replacement						
	Options	The other option is to do nothing and close the Memorial Hall to public use. The council do not favour this option						

Issue	What are we doing?	What is the benefit?	What is the Council's contribution?	Funded by?	When are we doing it?	Growth	LoS	Renew	Issue	What are we doing?	What is the benefit?	What is the Council's contribution?	Funded by?	When are we doing it?	Growth	LoS	Renew		
		as it is believed that the Memorial Hall is such an important Community asset that the work is necessary.										The would also provide some clubs with facilities they don't currently have. However, this will not be done until the existing facilities need replacing. The options around this are do nothing or look at a facility. Doing nothing would mean clubs would need to fund any deterioration or replacement of their facilities.							
Existing Swimming Pool has been identified for replacement	Upgrade Existing Swimming Pool	Meets the needs of the community within affordability constraints	\$0.20M Stage 1 \$0.56M Stage 2	Loan & Reserves	2015/2016 & 2018/2019		✓	✓		Relocate Airport	Provide for larger planes	\$16.9M	Loan	2045/2046	✓	✓	✓	Larger planes require a landing area that cannot be met with existing airport	
	Assumptions	That 6.0M for a new pool is unaffordable and that an upgrade of the existing site is acceptable																	
	Options	The other options are to do nothing or build a new pool. The current state of the swimming pool would mean with the do nothing option the pool would gradually deteriorate and need to be closed. That 6.0M for a new pool is unaffordable and that an upgrade of the existing site is acceptable																	
Existing Sports Facility has been identified for upgrade	Replacement Sports facility and community centre	Meets needs of the community	\$1.74M (out of \$3.48M)	Grants & Loan	2019/2020		✓	✓		Planning may require land to be made available for industry	Provides land for industry	\$Nil (out of \$6.0M)	3 rd Party		✓	✓			
	Assumptions	That this is a desirable future project																	
	Options	The Council would like to consolidate the sports complexes and sports fields into one community complex. This would save money on buildings and maintenance.																	
										Assumptions	Industrial land is required however the Council does not propose to fund this								

Issue Legal Compliance	What are we doing?	What is the benefit?	What is the Council's contribution?	Funded by?	When are we doing it?	Growth	LoS	Renew
	Options	The other option is for Council to fully fund an industrial area for the Community. Council does not favour this option as it is a large investment, with high risks for the Community						

Harbour Facilities

Council’s goal for the harbour facilities is to provide infrastructure that caters for the tourism industry as well as for local use and for visitors who bring their own boats into the district.

It is intended that this activity is significantly self funding and will generate sufficient revenue to cover all costs. The existing facilities need to meet the requirements of the present and future users. There is a steady increase in boat the size and number of the boats wishing to use the facilities

Issue	What are we doing?	What is the benefit?	What is the Council's	Funded by?	When are we doing it?	Growth	LoS	Renew
Legal Compliance								
Safety improvement for cruise ship and other users	Safety improvement to entrance of harbour plus new cruise ship tender facilities	Better access for users	\$0.3 M (out of \$0.7 M)	Loan	2015 to 2017 (2 yrs)	✓	✓	
	Assumptions	That this is a desirable future project						
	Options	This option is favoured by the Council. The other option is to do nothing. A new facility will be self funding and will allow the small boats from cruise ships land in South Bay with a better platform for passengers to disembark.						

Issue	What are we doing?	What is the benefit?	What is the Council's	Funded by?	When are we doing it?	Growth	LoS	Renew
Legal Compliance								
Increasing size and number of boats	Construct new marina and/or increase capacity of existing harbour	Provide for more and larger vessels	\$4.6 M	Loan	2019/2020	✓	✓	
	Assumptions	The demand will continue to increase						
	Options	The other option is to do nothing. Doing nothing will halt the capacity of the marina at the current level. By providing more marina and harbour facilities, the Community can continue to grow.						

Investment Properties

Council’s goal for investment properties is to purchase strategic properties that will assist the council with ensuring that development occurs that is within the long term goals of the district.

It is also wishes to obtain a return on any investments undertaken. The existing council building will be added to the investment portfolio. There may be a long term requirement for worker accommodation in Kaikoura. There may be some pressure to fund this as accommodation requirements will be seasonal.

Issue	What are we doing?	What is the benefit?	What is the Council's contribution?	Funded by?	When are we doing it?	Growth	LoS	Renew
Legal Compliance	Capital is tied up in properties that will ultimately be developed by others	Properties will be sold as appropriate	Capital will be available for new projects	- \$3.5M	Offset loans	2015 to 2025 (10 yrs)		
	Assumptions	Buyers will pay market rates						
	Options	The other option is to retain these properties as future strategic assets in the town. Retaining strategic assets mean that Council can use the assets to stimulate growth (ie, reduced rent for start up businesses) or can shape future development by retaining the asset. Council favoured disposing of these properties.						

Summary of Significant Infrastructure Issues

Overall there is an identified council expenditure of approximately \$70 million for capital projects in the next 30 years. This is an approximate increase in value of assets of 40%. There is revenue of \$4 million available. There are existing loans of \$8.2 million in place; this includes the new Museum/Council building.

The council has self imposed borrowing limits of \$12 million or loan interest expenses to be less than 10% of total revenue.

Taking a long term view to the management of infrastructural Assets, Kaikoura District Council needs to make key decisions in a timely manner.

In addressing community desires and priorities the following key decisions have been identified.

- That the methods of service delivery to be considered are sufficient for the Council to make a decision
- That the existing level of service for operations and maintenance is satisfactory
- That the projects identified are the basis for future planning
- That the existing borrowing limits are appropriate

There is strong likelihood that some items particularly power and telecommunication upgrades can attract other non-council funding providers to a greater or lesser extent. Depending on the future structure of Innovative Waste the council will have discretion over how waste infrastructure is funded. It has been taken into account that NZTA will fund where required and that insurance is sufficient to provide for funding over and above the council contribution. Obviously the occurrence or scale of any emergency requirements is unknown. It remains that council is likely to be the main source of funds for the remainder of the projects.

Financial Estimates

Total Expenditure

The projected capital expenditure associated with the significant infrastructure assets are graphically represented below:

Figure 3.2: Projected Capital Expenditure - Infrastructure Assets

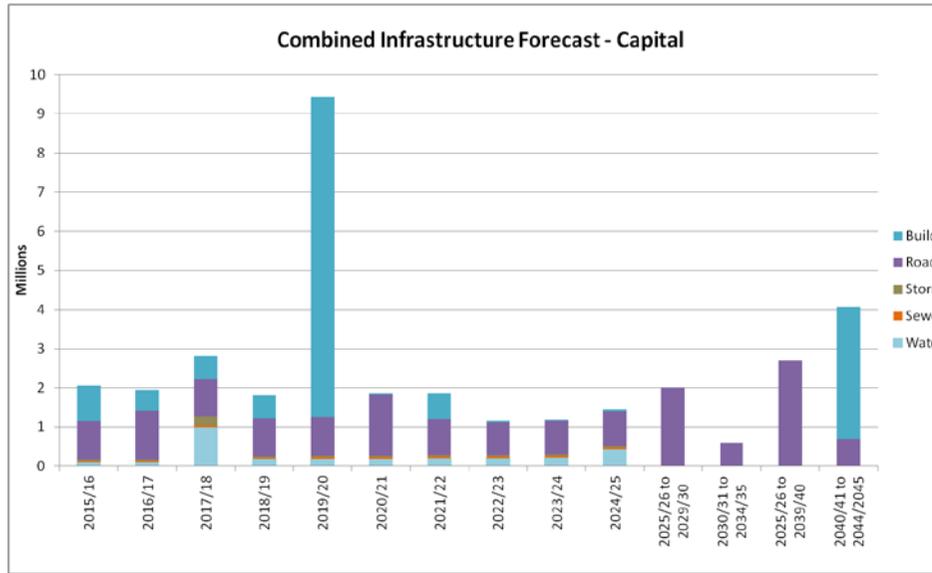
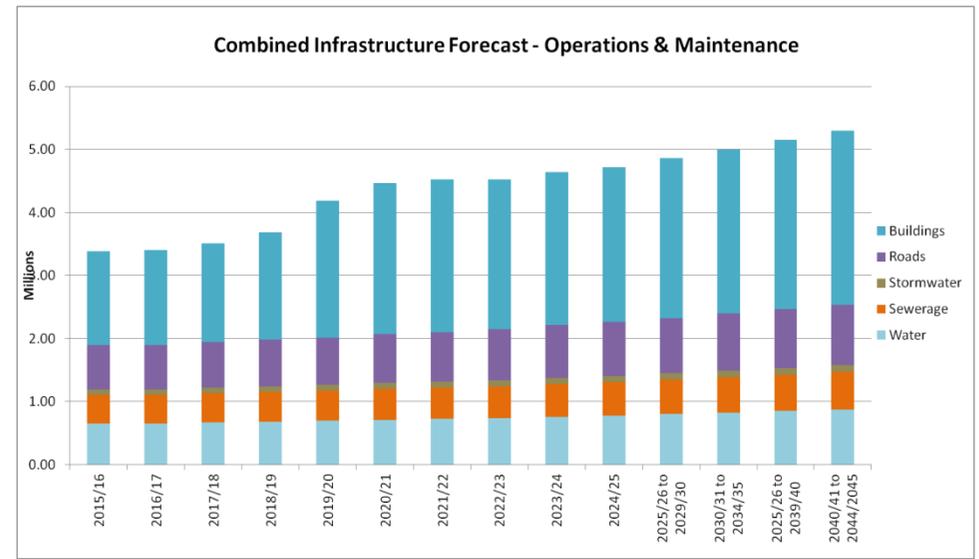


Figure 3.3: Projected Operational Expenditure – Infrastructure Assets



4.0 Long Term Plan Disclosure Statement

Long-term plan disclosure statement for the period commencing 1 July 2015

What is the purpose of this statement?

The purpose of this statement is to disclose the council’s planned financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The council is required to include this statement in its long-term plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Rates affordability benchmark

The council meets the rates affordability benchmark if –

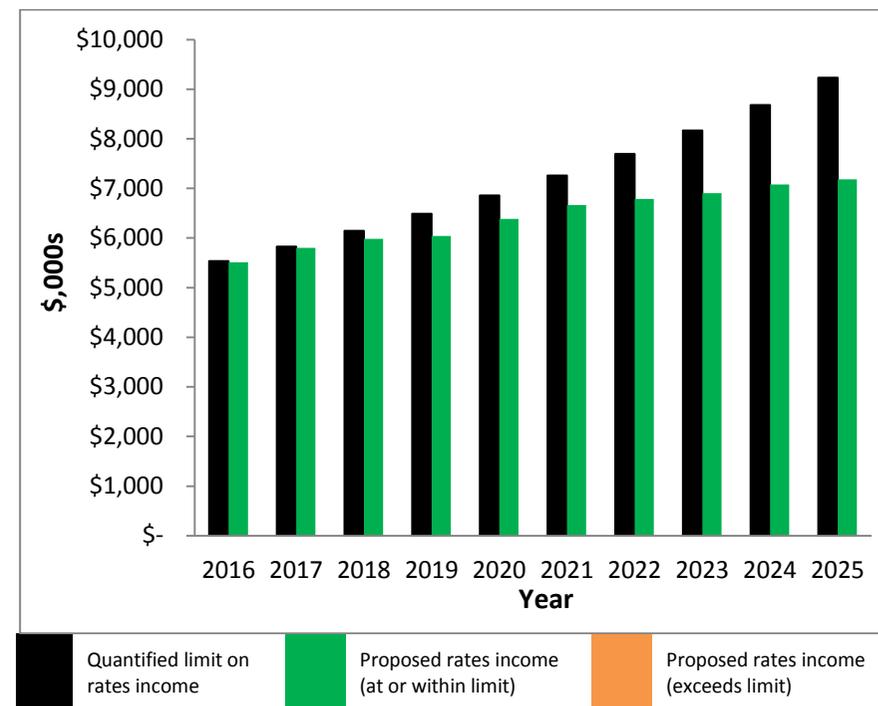
- Its planned rates revenue equals or is less than each quantified limit on rates; and
- Its planned rates increases equal or are less than each quantified limit on rates increases.

Rates (income) affordability

The following graph compares the council’s planned rates with a quantified limit on rates contained in the financial strategy included in this long-term plan. The quantified limit is shown (\$thousands) in the table below, and is calculated by multiplying the previous year’s rates by the limit on rates increases (of the Local Government Cost Index plus 3%).

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actual	5,512	5,804	5,983	6,044	6,389	6,664	6,790	6,904	7,081	7,180
Limit	5,534	5,829	6,145	6,488	6,858	7,259	7,694	8,166	8,678	9,234

All shown in \$,000’s.

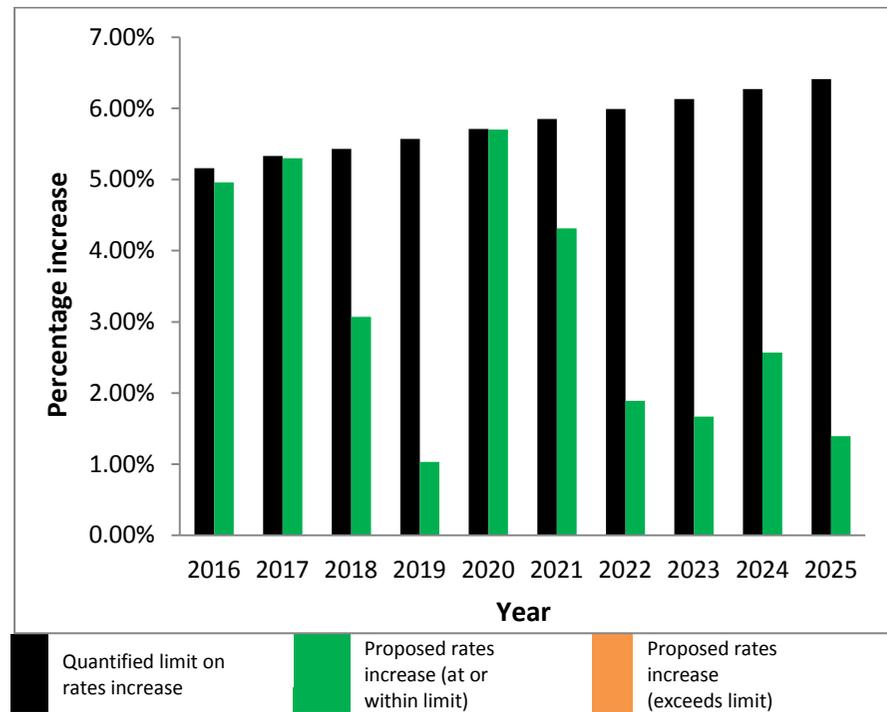


Rates (increases) affordability

The following graph compares the council’s planned rates increases with a quantified limit on rates contained in the financial strategy included in this long-term plan. The quantified limit is the Local Government Cost Index (the LGCI) plus 3%.

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actual	4.8%	5.3%	3.0%	1.0%	5.7%	4.3%	1.9%	1.7%	2.6%	1.4%
Limit*	5.2%	5.3%	5.4%	5.6%	5.7%	5.9%	6.0%	6.1%	6.3%	6.4%

* LGCI plus 3%

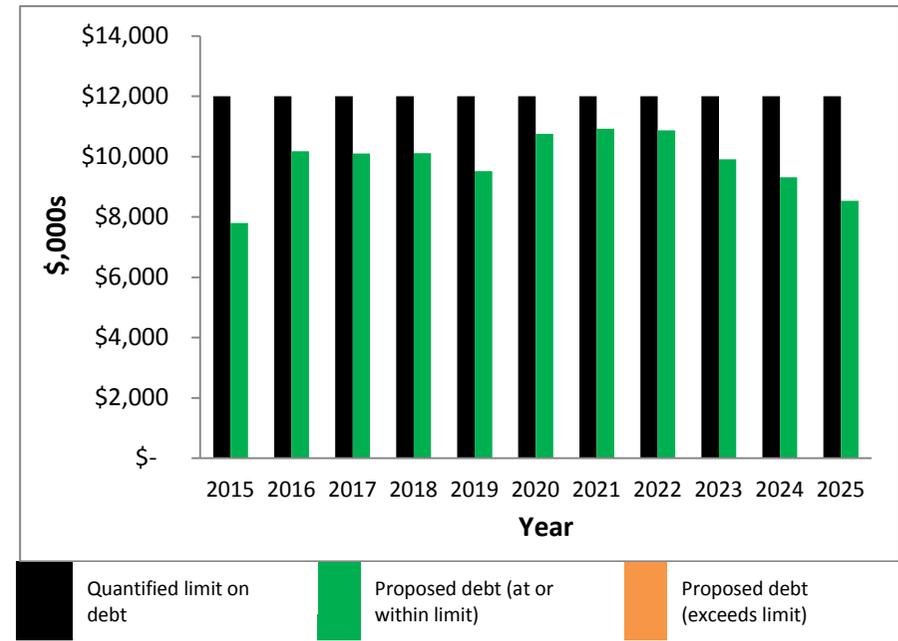


Debt affordability benchmark

The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

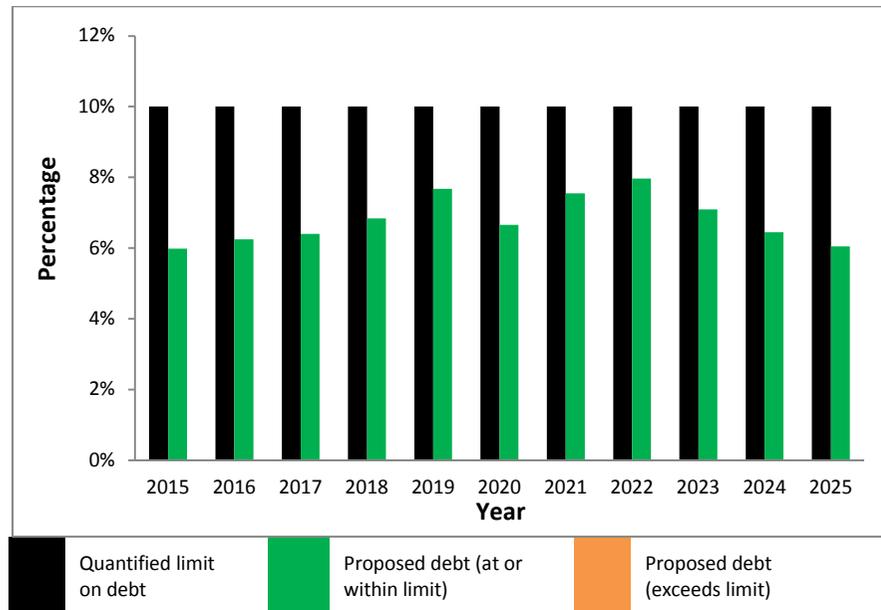
Total borrowings

The following graph compares the council’s planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is that total borrowing is no more than \$12 million (except where an activity for which a loan is raised generates sufficient revenue to cover its costs including loan repayment).



Loan interest as a percentage of total revenue

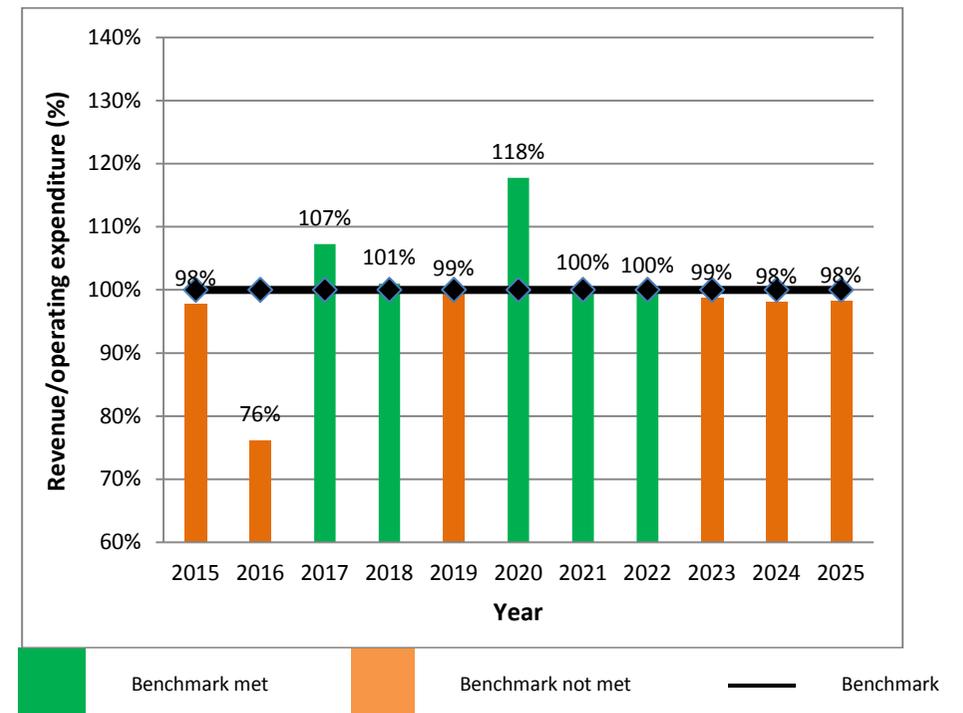
The following graph compares the council’s planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is that loan interest is not to exceed 10% of total revenue.



Balanced budget benchmark

The following graph displays the council’s planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant and equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment).

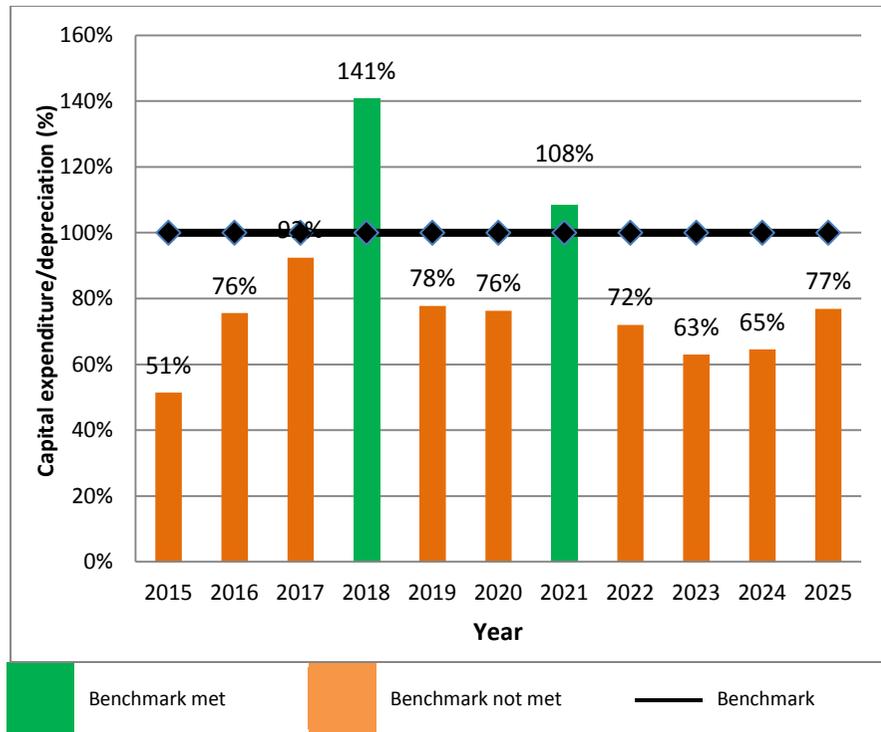
The council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.



Essential services benchmark

The following graph displays the council’s planned capital expenditure on network services as a proportion of expected depreciation on network services.

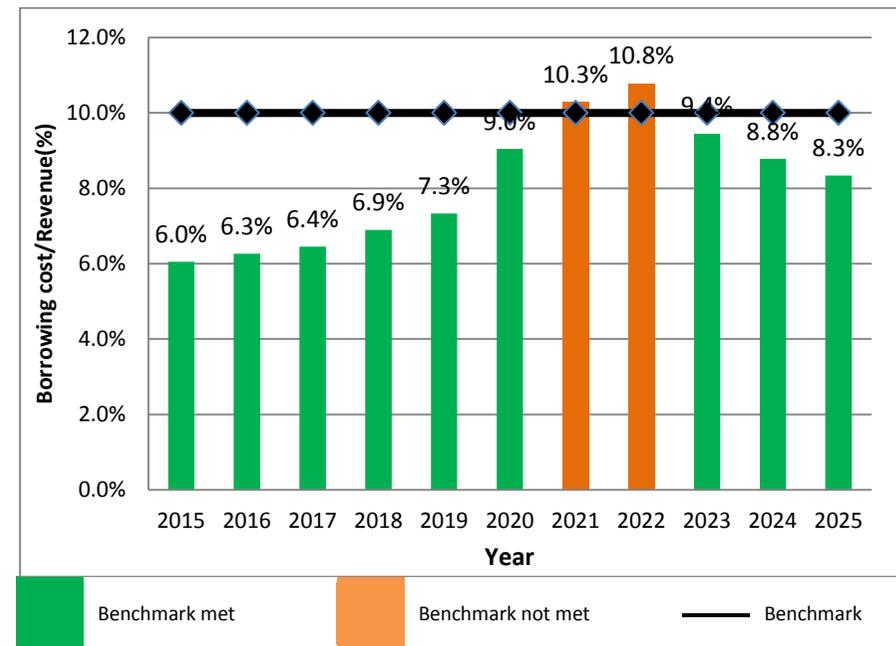
The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



Debt servicing benchmark

The following graph displays the council’s planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment).

Because Statistics New Zealand projects the council’s population will grow slower than the national population is expected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.



Explanation of limits exceeded

Rates and rates increases are within the council's self-imposed limits in every year of the long-term plan – which includes funding of the Kaikoura hospital shortfall. Funding the hospital is the main reason for not meeting our balanced budget benchmark in 2016, with only modest surpluses or deficits in remaining years.

In 2020 the council is planning to develop a new marina; this is a project that will be funded by loan, but is expected to generate sufficient revenue to cover all costs including loan repayment. The loan of \$4,645,200 for this project has therefore not been included in the total borrowings disclosure. If that loan were to be included, the council would exceed its self-imposed limit of \$12 million in 2020 and each of the subsequent years of this long-term plan.

The interest on the loan for the marina project has also been removed from the calculation to assess our self-imposed limit on interest expense as a percentage of total revenue. The debt servicing benchmark, however, includes loan interest on all loans regardless of whether or not they are self funding, and the marina loan is therefore the reason for loan interest exceeding this benchmark in 2021 and 2022.

The council only meets the essential services benchmark in two years of the long-term plan. This benchmark assesses whether the council is replacing or renewing assets at the same rate as depreciation (i.e. whether or not assets are being run down over time). The timing of major projects has a significant impact on achievement of this benchmark, and the council has completed substantial renewal and upgrading projects in recent years – particularly for water and sewerage assets – and so does not require very much capital expenditure for the next ten years or so.

5.0 Significant forecasting assumptions

The main assumptions underlying the forecast information, based on predictions from both internal and external sources, are as follows.

Population growth

The usually resident population of the Kaikoura district dropped 1.9% from 3,621 people in the 2006 Census to 3,552 in 2013, and Statistics NZ is forecasting our population to remain relatively static over the foreseeable future. We are assuming no growth in our resident population, but we are assuming visitor numbers to increase.

Risk/uncertainty	Impact	Likelihood	Comment/mitigation
Growth is higher than expected, putting pressure on council services.	Low	Low	Our critical council services (water and sewer) already have capacity to cope with more people.
Population decreases, impacting on our local economy	Medium/Low	Low	Our ratepayer base doesn't change, but people's ability to pay would be affected.

Potential demographic changes

We are currently not assuming any changes to the age, structure and household characteristics of the permanent population of our district. Notwithstanding this, we are observing an increase in the number of property owners who live outside the district (in other words, people owning property in Kaikoura as a holiday home, or to provide visitor accommodation). This type of demographic change has very little impact on the council's financial results, or on the majority of services we provide.

Risk/uncertainty	Impact	Likelihood	Comment/mitigation
The council underestimates the demands placed by changing demographics such as population aging and/or cultural diversity.	Medium/Low	Low	The council will continue to monitor and assess demographic change, and consider adjusting planned levels of service for certain activities accordingly.

Climate change

We assume that severe weather events will occur with increasing frequency and/or increasing severity. This has been the experience of recent years, and is consistent with predictions of climate change impacts. The council relies upon Ministry for the Environment guidelines in estimating sea level rise.

In Kaikoura, heavy rain and flooding events are our most likely climate-related event, with slips and damage to bridges isolating communities. Storm surges are already eroding beachfronts, requiring more frequent beach renourishment. Severe winds also have the potential to down power lines and trees. Over summer, drought is a real threat to farmers and an increased risk for vegetation fires.

Risk/uncertainty	Impact	Likelihood	Comment/mitigation
Climatic events lead to increased costs for council to rebuild damage following events and also to build more resilience into	Medium/High	Low/Medium	Emergency work to reinstate roads and bridges attracts a higher subsidy from NZTA. Our civil defence plans are useful for planning and responding to all types

our services (e.g. seawalls and stormwater)			of events
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Inflation

The financial information is based on the following adjustments for inflation. The council has used the Business & Economic Research Ltd (BERL) forecasts of price level changes to adjust future year's variable costs and revenues, relative to the type of activity (operational or capital).

Year	Operational % annual	Operational % cumulative	Capital % annual	Capital % cumulative
2015/2016	2.16	4.15	2.34	4.47
2016/2017	2.33	6.58	2.61	7.20
2017/2018	2.43	9.18	2.64	10.03
2018/2019	2.57	11.99	2.67	12.97
2019/2020	2.71	15.02	2.80	16.13
2020/2021	2.85	18.30	2.96	19.57
2021/2022	2.99	21.83	3.11	23.29
2022/2023	3.13	25.65	3.27	27.32
2023/2024	3.27	29.76	3.48	31.75
2024/2025	3.41	34.19	3.67	36.58
Risk/uncertainty	Impact	Likelihood	Comment/mitigation	
Inflation is higher than expected, causing an increase in costs to the council.	Medium/Low	Medium/High	There is likely to be some variation in actual rates of inflation, and the council may need to adjust its budgets and/or the timing of future projects to accommodate this.	

Grants and subsidies

NZ Transport Agency subsidies are assumed to be 47% for the first year (until June 2016), and then increase by 1% per annum until it reaches 51% in 2020, then remain at that level for the remainder of the term. We assume that a new community sports centre planned for 2021 will attract a grant for 50% of the construction costs (the remainder funded by loan). Should we not be successful in obtaining grant funds, we will need to consider external funding alternatives, or not proceed.

Risk/uncertainty	Impact	Likelihood	Comment/mitigation
NZTA reduces the subsidy rates for Kaikoura.	Medium/Low	Low	Roads are one of our largest costs, but any changes to it are outside council control.
The community sports centre is unsuccessful in obtaining a grant.	High	Medium/High	The sports centre may not go ahead if we cannot source external funds.

Interest rates

We forecast interest rates for new loans raised from 1 July 2015 to be 6.0%, increasing to 7.0% by 1 July 2018. For existing loans, current interest rates are used up to the point of maturity.

We forecast interest revenue on term deposits to average at 2.2%, which is lower than current market rates because surplus cash may be used to reduce debt, from time to time, rather than sit in interest-bearing accounts.

Risk/uncertainty	Impact	Likelihood	Comment/mitigation
Interest rates increase beyond the levels anticipated	Medium	Medium/Low	The council limits our exposure to interest rate movements by spreading the maturity terms of borrowings, per our Liability Management Policy.

Borrowing

Total external borrowings are anticipated to be \$7.8 million at the start of this Long Term Plan period, increasing to \$9.7 million in the first financial year (2015/2016). This is assuming that the Canterbury District Health Board requires \$2.5 million to meet the shortfall for the Kaikoura hospital. The amount they require will be significantly affected by their fundraising efforts. Based on the council's interest rate assumptions, total interest expense remains within 10% of total revenue and within the \$12 million total borrowing cap for the first five years of this Long Term Plan.

In 2021, the council plans to construct a new marina, which exceeds the council's loan limits except that the marina is expected to generate sufficient revenues to cover all costs associated with it, including loan repayment, and so the council has excluded the marina loans from its borrowing limits.

Risk/uncertainty	Impact	Likelihood	Comment/mitigation
The hospital will be successful in obtaining more funding, to the extent	High	Medium	Until the fundraising efforts are quantified, the council is obliged to set its rates on the basis that

that the council doesn't need to borrow.			\$2.5 million in loans are required.
The new marina planned for 2021 does not generate sufficient revenue to cover all costs including loan repayment, and the council exceeds its borrowing limit.	High	Medium/Low	Once built, the commitment to fund the loan for the new marina has already been made. The council needs to be sure its revenue sources can be relied upon <i>before</i> it starts building.

Marlborough Regional Forestry revenues

The council receives a capital distribution from the Marlborough Regional Forestry joint venture, this is assumed to be \$230,000 in 2015/2016, continuing at approximately this level for three years, then decreasing annually until 2020/2021, when distributions are forecast to stop for the remaining years of this Plan. These forecasts are based on Marlborough Regional Forestry's own activity forecasts.

Risk/uncertainty	Impact	Likelihood	Comment/mitigation
Forestry activities are subject to several uncertainties, such as fluctuating log prices and the risk of forest fires.	Low	Medium/Low	The council takes a conservative approach to these revenues, opting to transfer any surpluses to special funds rather than rely upon them to offset rates to any large degree.

Useful life of significant assets

The useful lives of significant assets are disclosed in the Statement of Accounting Policies, and are used as the basis for the calculation of depreciation. We assume there will be no reassessment of the useful lives of assets during the 10 years of this Long Term Plan.

Risk/uncertainty	Impact	Likelihood	Comment/mitigation
Assets may reach the end of their useful life earlier than predicted, and funds need to be found for replacements.	Low	Low	Changes would need to be made to the underlying capital expenditure programme.

Sources of funds for the future replacement of assets

We assume that funding for new or replacement assets will be obtained from the appropriate sources as detailed in the councils Revenue and Financing Policy.

Risk/uncertainty	Impact	Likelihood	Comment/mitigation
A particular funding source may not be available or sufficient to cover full costs.	Low	Low	The funding sources in the Revenue & Financing Policy are sufficiently broad to provide for a range of options, with borrowing and/or rates the last resort.

Development contributions

The council is assuming no new subdivisions to occur during the ten years of this Plan; there is, however, a strong possibility of new visitor accommodation, and so we are assuming that 100 new housing equivalent units will be created by 2025. For forecasting purposes, this has been averaged to 10 new units per year; but in reality this visitor accommodation may all occur in one single year (such as a large hotel for example).

Risk/uncertainty	Impact	Likelihood	Comment/mitigation
The level of development contribution revenue is insufficient to cover the cost of growth-related capital work.	Low	Low	The council has made a conservative estimate of revenue from development contributions.

Revaluation of non-current assets

The council values our roads, water, sewerage, stormwater, land and buildings every three years, with the next revaluation due as at 30 June 2016. Aside from directly impacting the value of these assets in our financial statements, the revaluation also changes depreciation for these activities. The forecast revaluation increases are from BERL cumulative change from June 2014 adjustors, as below.

Risk/uncertainty	Impact	Likelihood	Comment/mitigation
Non-current assets are valued at rates that are higher than estimated, boosting	Low	Medium	It is likely that there is some variation in the forecast adjustors at the time of valuation. As the

asset values and depreciation.			council does not set its rates to cover depreciation costs, there is no impact on ratepayers.
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Emissions Trading Scheme (ETS)

The council sees the ETS having little impact on the community as a whole. The council holds a small number of carbon credits to offset the carbon emissions, and has made provision to purchase more credits at a rate of \$1,200 per annum.

Risk/uncertainty	Impact	Likelihood	Comment/mitigation
Carbon pricing costs are higher than expected.	Low	Medium	The council is continually mitigating the impact of carbon emissions through Earthcheck. The cost of purchasing credits is nominal and price increases could be absorbed.

Harbour activity

The harbour activity includes commercial activities, which attract taxation. The council has tax losses at 30 June 2014 of \$227,249, with a tax effect of \$63,630 available to carry forward and offset against future profits. We assume that the harbour will be managed on a balanced budget basis; therefore while the harbour commercial operations are expected to cover all costs, no surpluses will be generated to create a tax liability.

Risk/uncertainty	Impact	Likelihood	Comment/mitigation
The harbour generates revenues to the extent that the council is required to pay taxation.	Medium	Low	If the harbour generated sufficient revenue to make a profit then it would no longer need to be partially funded by rates.

Kate Valley Landfill

The landfill will reach full capacity during the life of this plan. We assume that, once full, the council will be able to use the Kate Valley landfill facility in North Canterbury.

Risk/uncertainty	Impact	Likelihood	Comment/mitigation
The landfill will reach capacity earlier than anticipated.	Medium	Medium	The community is proactively reducing our waste and reaching exemplary levels of diversion.

Return on investments

The council expects its investments to generate a return, and these are contained within the council's Financial Strategy.

Risk/uncertainty	Impact	Likelihood	Comment/mitigation
The return on our investments is less than we have targeted	Low	Low	We do not rely upon the return on our investments to offset other revenues such as rates.

6.0 Forecast Financial Statements

Forecast Statement of Comprehensive Revenue & Expenditure

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Rates Revenue	5,258,625	5,512,259	5,804,370	5,982,664	6,044,260	6,388,883	6,664,449	6,790,476	6,903,831	7,081,241	7,180,002
Water Meter Charges	179,432	162,000	165,775	169,803	174,167	178,887	183,985	189,486	195,417	201,807	208,689
User Fees & Charges	1,312,785	1,327,823	1,520,097	1,406,018	1,497,480	2,060,138	2,216,177	2,262,231	2,228,890	2,252,213	2,307,749
Grants & Subsidies	1,029,988	617,822	1,197,048	771,508	801,922	2,577,164	858,274	881,459	907,393	936,542	966,239
Development Contributions	97,475	75,540	77,512	79,558	81,682	83,969	86,455	89,143	92,058	95,262	98,758
Interest Revenue	104,223	56,298	66,667	62,874	52,609	53,724	69,483	86,321	91,788	97,874	106,276
Other Revenue	418,291	1,043,281	1,058,336	1,042,462	1,062,682	1,032,001	786,426	283,963	309,621	160,407	158,331
Vested Assets	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	8,400,819	8,795,023	9,889,804	9,514,886	9,714,801	12,374,766	10,865,250	10,583,079	10,728,998	10,825,346	11,026,044
Personnel	1,770,282	1,767,236	1,808,361	1,852,273	1,899,831	1,951,271	2,006,835	2,066,791	2,131,432	2,201,079	2,276,083
Depreciation & Amortisation	1,868,191	1,890,145	1,945,708	1,998,680	2,053,871	2,227,854	2,352,677	2,394,047	2,515,013	2,547,540	2,585,828
Financing Expenses	496,436	541,208	627,806	645,276	700,055	1,104,459	1,099,889	1,122,264	996,401	933,679	902,553
Other Expenses	4,261,393	7,155,016	4,694,134	4,767,929	4,962,286	5,083,478	5,204,983	4,840,119	5,037,307	5,168,276	5,265,129
Total Expenses	8,396,302	11,353,605	9,076,010	9,264,158	9,616,044	10,367,062	10,664,384	10,423,221	10,680,154	10,850,574	11,029,593
Net Surplus / (Deficit)	4,517	(2,558,582)	813,795	250,728	98,757	2,007,703	200,865	159,858	48,844	(25,228)	(3,549)
Gains on asset revaluation	-	7,019,096	-	-	13,990,086	-	-	18,655,062	-	-	26,082,598
Financial assets at fair value through equity	-	-	-	-	-	-	-	-	-	-	-
Total Other Revenue	-	7,019,096	-	-	13,990,086	-	-	18,655,062	-	-	26,082,598
Total Comprehensive Revenue & Expense	4,517	4,460,514	813,795	250,728	14,088,843	2,007,703	200,865	18,814,920	48,844	(25,228)	26,079,049

Forecast Statement of Financial Performance (by Activity)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Roading	1,289,339	1,348,952	1,822,936	1,679,368	1,724,641	1,749,633	1,865,010	1,906,228	1,930,803	1,973,524	2,021,932
Water Services	902,307	904,271	906,705	935,816	953,400	969,154	989,893	1,007,635	1,028,623	1,056,912	1,080,239
Sewerage	575,437	587,987	596,470	609,200	628,379	632,042	646,820	647,039	648,209	662,979	675,288
Stormwater	120,135	129,986	131,337	135,465	136,702	140,069	145,024	145,298	149,539	155,584	156,778
Refuse & Recycling	171,265	142,572	145,894	150,131	153,281	157,435	162,671	166,763	171,983	178,429	183,664
Community Facilities	1,330,685	1,057,499	1,507,489	1,139,710	1,199,579	3,470,417	1,894,470	1,909,961	1,844,141	1,869,790	1,893,816
Commercial Activities	594,347	1,165,056	1,179,056	1,162,499	1,181,769	1,149,769	903,234	399,234	423,531	273,019	269,019
Leadership & Governance	137,404	95,004	118,155	103,444	94,222	110,129	113,442	131,594	153,405	146,091	156,138
Regulation & Control	408,656	388,716	396,765	408,979	416,568	427,703	442,664	452,706	466,643	484,929	497,937
Safety & Wellbeing	229,623	241,084	246,702	255,168	259,813	267,173	277,356	283,446	292,303	304,665	312,612
District Development	356,762	390,837	395,903	419,915	415,488	425,575	438,718	448,223	460,820	476,933	489,160
Kaikoura Hospital	-	137,500	267,500	260,000	273,750	265,000	256,250	247,500	238,750	230,000	221,250
General Rates	2,284,859	2,205,560	2,174,892	2,255,190	2,277,209	2,610,667	2,729,698	2,837,453	2,920,248	3,012,494	3,068,211
Vested Assets	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	8,400,819	8,795,023	9,889,804	9,514,886	9,714,801	12,374,766	10,865,250	10,583,079	10,728,998	10,825,346	11,026,044
Roading	1,701,000	1,540,120	1,599,881	1,639,648	1,691,196	1,765,537	1,841,638	1,877,106	1,960,804	1,982,822	2,009,965
Water Services	1,013,724	1,028,324	1,025,161	1,056,399	1,076,259	1,087,217	1,108,571	1,126,901	1,142,004	1,170,806	1,199,215
Sewerage	761,104	760,217	758,036	769,862	785,614	788,274	801,839	809,160	820,153	833,182	843,536
Stormwater	150,433	149,482	149,902	154,520	156,218	161,354	165,459	164,799	171,907	176,800	176,718
Refuse & Recycling	418,405	393,507	390,214	402,781	410,738	420,252	435,621	488,008	507,164	525,953	532,732
Community Facilities	1,782,239	1,787,714	1,793,050	1,854,831	1,976,477	2,565,493	2,887,683	2,920,330	2,901,507	2,951,287	2,992,691
Commercial Activities	390,091	873,653	884,116	866,180	941,591	906,669	691,634	254,583	282,452	238,516	236,110
Leadership & Governance	595,642	619,044	671,138	650,815	672,550	728,049	722,564	748,968	812,351	809,369	841,432
Regulation & Control	655,522	680,523	706,382	736,244	742,833	763,314	798,820	809,286	834,619	876,979	892,090
Safety & Wellbeing	434,456	434,265	442,834	460,772	468,295	482,544	504,060	514,407	530,297	556,039	569,666
District Development	493,686	511,756	512,796	537,105	545,523	558,359	575,246	587,174	603,146	623,820	639,189
Kaikoura Hospital	-	2,575,000	142,500	135,000	148,750	140,000	131,250	122,500	113,750	105,000	96,250
Total Expenses	8,396,302	11,353,605	9,076,010	9,264,158	9,616,044	10,367,062	10,664,384	10,423,221	10,680,154	10,850,574	11,029,593
	4,517	(2,558,582)	813,795	250,728	98,757	2,007,703	200,865	159,858	48,844	(25,228)	(3,549)

Forecast Statement of Movement in Equity

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Equity opening balance	171,369,272	159,437,853	163,898,368	164,712,163	164,962,891	179,051,734	181,059,437	181,260,303	200,075,222	200,124,066	200,098,839
Net surplus/(deficit)	4,517	(2,558,582)	813,795	250,728	98,757	2,007,703	200,865	159,858	48,844	(25,228)	(3,549)
Asset revaluations	-	7,019,096	-	-	13,990,086	-	-	18,655,062	-	-	26,082,598
Net movement	4,517	4,460,514	813,795	250,728	14,088,843	2,007,703	200,865	18,814,920	48,844	(25,228)	26,079,049
Equity closing balance	171,373,788	163,898,368	164,712,163	164,962,891	179,051,734	181,059,437	181,260,303	200,075,222	200,124,066	200,098,839	226,177,888

Forecast Statement of Financial Position

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Current Assets											
Cash and Cash Equivalents	3,732,225	2,909,790	3,151,447	2,564,974	2,218,275	2,666,300	3,650,956	4,197,005	4,147,944	4,750,279	4,911,834
Trade & Other Receivables	1,022,868	1,077,377	1,211,072	1,165,317	1,191,229	1,519,033	1,330,985	1,294,121	1,311,437	1,322,565	1,346,273
Prepayments	71,111	98,200	98,200	98,200	98,200	98,200	98,200	98,200	98,200	98,200	98,200
Other Financial Assets	-	-	-	-	-	-	-	-	-	-	-
GST Refundable	14,400	-	-	-	-	-	-	-	-	-	-
Total Current Assets	4,840,604	4,085,367	4,460,718	3,828,491	3,507,704	4,283,532	5,080,141	5,589,326	5,557,581	6,171,044	6,356,307
Non Current Assets											
Other Financial Assets	-	-	-	-	-	-	-	-	-	-	-
Forestry Assets	2,583,334	2,583,334	2,583,334	2,583,334	2,583,334	2,583,334	2,583,334	2,583,334	2,583,334	2,583,334	2,583,334
Investment Property	3,841,000	2,408,000	2,408,000	2,408,000	2,408,000	2,408,000	2,408,000	2,408,000	2,408,000	2,408,000	2,408,000
Property, Plant & Equipment	169,294,775	167,063,468	167,130,887	168,035,431	181,875,898	189,010,885	188,614,376	206,822,075	205,283,422	204,071,469	229,204,187
Total Non Current Assets	175,719,109	172,054,802	172,122,221	173,026,765	186,867,232	194,002,219	193,605,710	211,813,409	210,274,756	209,062,803	234,195,521
Current Liabilities											
Trade & Other Payables	1,143,631	1,500,004	1,201,677	1,216,189	1,246,014	1,267,298	1,289,128	1,251,537	1,283,817	1,308,551	1,329,738
Borrowings - Current	1,793,623	1,985,309	1,289,723	2,491,844	2,744,684	1,968,538	1,719,514	8,624,663	2,574,283	1,812,707	7,196,272
Total Current Liabilities	2,937,254	3,485,313	2,491,401	3,708,033	3,990,699	3,235,835	3,008,643	9,876,199	3,858,100	3,121,258	8,526,010
Non Current Liabilities											
Borrowings	5,999,759	8,191,882	8,814,770	7,619,726	6,767,897	13,425,872	13,852,300	6,886,706	11,285,565	11,449,144	5,283,323
Other Term Debt	248,912	564,606	564,606	564,606	564,606	564,606	564,606	564,606	564,606	564,606	564,606
Total Non Current Liabilities	6,248,671	8,756,488	9,379,376	8,184,332	7,332,503	13,990,478	14,416,906	7,451,312	11,850,171	12,013,750	5,847,929
Net Assets	171,373,788	163,898,368	164,712,163	164,962,891	179,051,734	181,059,437	181,260,303	200,075,222	200,124,066	200,098,839	226,177,888
Equity											
Ratepayers Equity	73,075,744	73,111,404	73,111,404	73,111,404	73,111,404	73,111,404	73,111,404	73,111,404	73,111,404	73,111,404	73,111,404
Special Funds & Reserves	1,787,151	2,055,309	2,532,347	2,243,440	2,058,293	2,431,536	2,813,550	3,148,354	3,519,047	3,810,913	3,906,527
Asset Revaluation Reserve	84,737,637	81,427,688	81,427,688	81,427,688	95,417,774	95,417,774	95,417,774	114,072,836	114,072,836	114,072,836	140,155,434
Accumulated Funds	11,775,256	7,303,967	7,640,724	8,180,358	8,464,263	10,098,723	9,917,575	9,742,628	9,420,779	9,103,686	9,004,522
Total Equity	171,373,788	163,898,368	164,712,163	164,962,891	179,051,734	181,059,437	181,260,303	200,075,222	200,124,066	200,098,839	226,177,888

Forecast Statement of Cash Flows

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Operating Activities											
Cash was provided from:											
Rates	4,554,625	5,512,259	5,804,370	5,982,664	6,044,260	6,388,883	6,664,449	6,790,476	6,903,831	7,081,241	7,180,002
Interest Revenue	104,223	56,298	66,667	62,874	52,609	53,724	69,483	86,321	91,788	97,874	106,276
Other	3,662,884	3,169,769	3,907,583	3,515,104	3,592,019	5,747,744	4,319,365	3,743,146	3,984,764	3,635,103	3,716,058
Cash was applied to:											
Interest Expense	496,436	541,208	627,806	645,276	700,055	1,104,459	1,099,889	1,122,264	996,401	933,679	902,553
Operating Expenses	5,976,071	8,559,436	6,800,821	6,605,690	6,832,292	7,013,466	7,189,988	6,944,502	7,136,459	7,344,622	7,520,024
Net Cash Flow from Operating	1,849,225	(362,318)	2,349,992	2,309,675	2,156,541	4,072,426	2,763,421	2,553,178	2,847,522	2,535,918	2,579,759
Investing Activities											
Cash was provided from:											
Sale of Investment Properties	-	-	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-	-	-
Cash was applied to:											
Purchase of Assets	5,369,056	2,150,515	2,035,637	2,903,225	1,904,252	9,506,230	1,956,168	1,946,684	1,245,061	1,335,586	1,635,948
Net Cash Flow from Investing	(5,369,056)	(2,150,515)	(2,035,637)	(2,903,225)	(1,904,252)	(9,506,230)	(1,956,168)	(1,946,684)	(1,245,061)	(1,335,586)	(1,635,948)
Financing Activities											
Cash was provided from:											
Drawdown of Borrowings	3,847,112	4,786,905	1,912,611	1,296,800	1,892,856	8,626,512	2,145,942	1,659,069	6,973,142	1,976,287	1,030,451
Repayment of Borrowings	(2,340,289)	(2,403,095)	(1,985,309)	(1,289,723)	(2,491,844)	(2,744,684)	(1,968,538)	(1,719,514)	(8,624,663)	(2,574,283)	(1,812,707)
Net Cash flow from Financing	1,506,823	2,383,810	(72,698)	7,077	(598,988)	5,881,828	177,405	(60,445)	(1,651,521)	(597,996)	(782,256)
Total Net Cash Flows	(2,011,008)	(129,023)	241,657	(586,472)	(346,699)	448,024	984,657	546,049	(49,061)	602,335	161,555
Opening Cash Balance	5,743,233	3,038,812	2,909,790	3,151,447	2,564,974	2,218,275	2,666,300	3,650,956	4,197,005	4,147,944	4,750,279
Closing Cash Balance	3,732,223	2,909,790	3,151,447	2,564,974	2,218,275	2,666,299	3,650,956	4,197,005	4,147,944	4,750,279	4,911,834

7.0 Statement of Accounting Policies

Reporting Entity

Kaikoura District Council is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Kaikoura District Council's operations include the LGA and the Local Government (Rating) Act 2002.

The Kaikoura District Council group (KDC) consists of Kaikoura District Council and its subsidiary, the Kaikoura Enhancement Trust, a charitable Trust controlled by the council. That Trust in turn owns 100% of Innovative Waste Kaikoura Ltd. The Kaikoura Community Facilities Trust was established in 2009 with the objective to determine what facilities the community requires and where these are best located. That Trust has been active in terms of driving the project, but is financially dormant; meaning it currently has no financial transactions, assets, or liabilities. The council has an 11.5% interest in the Marlborough Regional Forestry joint venture and a 50% interest with the John Reader Trust in a 61 hectare newly planted forest at the Clarence mouth.

The primary objective of Kaikoura District Council is to provide goods and services for the community or social benefit rather than making a financial return. Accordingly, the council has designated itself and the group as public benefit entities for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The forecast financial statements of the council are for the year ended 30 June in each of the ten years of the Long Term Plan.

The prospective financial statements were authorised for issue by Council on 29 June 2015.

Basis of Preparation

Statement of Compliance

The financial statements of the council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The financial statement have been prepared in accordance with Tier 2 PBE Accounting Standards Reduced Disclosure Regime, on the basis that the Kaikoura District Council have expenses of more than \$2 million and less than \$30 million, and is not publicly accountable. These financial statements comply with PBE Standards.

Measurement Base

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, infrastructure assets, investment property and financial instruments.

The preparation of prospective financial statements in conformity with PBE accounting standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies set out below will be applied consistently to all periods presented in the financial estimates.

Council and Management of the Kaikoura District Council are responsible for the preparation of the prospective financial statements.

The prospective financial statements have been prepared in accordance with PBE financial reporting standard 42.

Functional and Presentation Currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of the council is New Zealand dollars.

Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Subsidiaries

The council consolidates as subsidiaries in the Group financial statements, all entities where the council has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the entity. This power exists where the council controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by the council or where the determination of such policies is unable to materially impact the level of potential ownership benefits that arise from the activities of the subsidiary.

The council measures the cost of a business combination as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, in exchange for control of the subsidiary plus any costs directly attributable to the business combination.

Basis of consolidation

The purchase method is used to prepare the consolidated financial statements, which involves adding together like items of assets, liabilities, equity, revenue and expenses on a line-by-line basis. All significant intra-group balances, transactions, revenue and expenses are eliminated on consolidation.

The council's investments in its subsidiaries are carried at cost in the council's own "parent entity" financial statements.

Joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. For jointly controlled operations the council recognises in its financial statements its share of the assets that it controls, the liabilities and expenses it incurs, and the share of Revenue that it earns from the joint venture.

Of the council's interest in the Marlborough Regional Forestry joint venture, 13.37% is held in trust on behalf of Environment Canterbury. This is recognised as a non-current liability in the financial statements.

Revenue

Revenue is measured at the fair value of consideration received.

Rates revenue

Rates are set annually by a resolution from the council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

Rates collected on behalf of Environment Canterbury are not recognised in the financial statements as the council is acting as agent for Environment Canterbury.

Other revenue

Water billing revenue is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

Government Grants

The council receives government grants from NZ Transport Agency, which subsidises part of the costs of maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Provision of Services

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

Sale of Goods

Sales of goods are recognised when a product is sold to the customer. The recorded revenue is the gross amount of the sale (excluding GST).

Vested Assets

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in the council are recognised as revenue when control over the asset is obtained.

Agency Arrangements

Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on the transaction.

Interest and Dividends

Interest revenue is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established. Dividends are recorded net of imputation credits.

Development Contributions

The revenue recognition point for development and financial contributions is at the later of the point when the council is ready to provide the service for which the contribution was levied, or the event that will give rise to a requirement for a development or financial contribution under the legislation.

Borrowing Costs

The council has elected to defer the adoption of NZ IAS 23 *Borrowing Costs (Revised 2007)* in accordance with its transitional provisions that are applicable to public benefit entities.

Consequently, all borrowing costs are recognised as an expense in the period in which they are incurred.

Grant Expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the council's decision.

Foreign currency transactions

Foreign currency transactions (including those for which foreign exchange contracts are held) are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

Income Tax

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantially enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantially enacted by balance date.

Current tax and deferred tax is charged or credited to the surplus or deficit, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

Leases

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, the council recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Debtors and Other Receivables

Short-term debtors and other receivables are recorded at their face value, less any provision for impairment.

Impairment of a receivable is established when there is objective evidence that the council will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation, and default in payments are considered indicators that the debt is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account for receivables. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

Derivative financial instruments and hedge accounting

The council does not engage in the use of derivative financial instruments and hedging activities.

Other financial assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of financial assets are recognised on trade-date, the date on which the council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the council has transferred substantially all the risks and rewards of ownership.

Financial assets are classified into the following categories for the purpose of measurement:

- Fair value at fair value through surplus or deficit
- Loans and receivables
- Held to maturity investments
- Fair value through other comprehensive revenue

The classification of a financial asset depends on the purpose for which the instrument was acquired.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through profit and loss include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated into hedge accounting relationship for which hedge accounting is applied.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset. The current/non-current classification of derivatives is explained in the derivatives accounting policy above.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on re-measurement recognised in the surplus or deficit.

The council does not hold any financial assets in this category.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They

are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost, using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Loans to community organisations made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The loans are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant.

The council's loans and receivables comprise debtors and other receivables, community and related party loans. Loans and receivables are classified as "debtors and other receivables" in the statement of financial position.

Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and there is the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

The council's investments in this category include bank term deposits.

Fair value through other comprehensive revenue

Financial assets at fair value through other comprehensive revenue are those that are designated into the category at initial recognition or are

not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the share investment within 12 months of balance date or if the debt instrument is not expected to be realised within 12 months of balance date.

The council includes in this category:

- Investments that it intends to hold long-term but which may be realised before maturity
- Shareholdings that it holds for strategic purposes

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue, except for impairment losses, which are recognised in the surplus or deficit.

On de-recognition, the cumulative gain or loss previously recognised in other comprehensive revenue is reclassified from equity to the surplus or deficit.

Impairment of Financial Assets

Financial assets are assessed for objective evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

Loans and other receivables

Impairment is established when there is objective evidence that the council will not be able to collect amounts due according to the original terms of the debt. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other

receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, government stock, and community loans, are recognised directly against the instruments carrying amount.

Financial assets at fair value through other comprehensive revenue

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered objective indicators that the asset is impaired.

If impairment evidence exists for the investments at fair value through other comprehensive revenue, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognized in other comprehensive revenue is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

Inventory

Inventory held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost, adjusted when applicable, for any loss of service potential. Where inventory is acquired at no cost or for nominal consideration, the cost is the current replacement cost at the date of acquisition.

Inventories held for use in the production of goods and services on a commercial basis are valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the first-in first-out (FIFO) method.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

When land held for development and future resale is transferred from investment property/property, plant and equipment to inventory, the fair value of the land at the date of the transfer is its deemed cost.

Costs directly attributable to the developed land are capitalised to inventory, with the exception of infrastructural asset costs which are capitalised to property, plant and equipment.

Non-Current Assets Held for Sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised in the surplus or deficit up to the level of any impairment losses that have previously been recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Property, Plant and Equipment

Property, plant and equipment consists of:

Operational assets	These include land, buildings, harbour assets, library books, plant and equipment, and motor vehicles.
Restricted assets	Restricted assets are parks and reserves owned by the council which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.
Infrastructure assets	Infrastructure assets are the fixed utility systems owned by the council. Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Revaluation

Those asset classes that are revalued are valued on a three yearly cycle on the basis described below. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

Operational land and buildings

Several key properties; the council office, memorial hall, pensioner flats and the swimming pool, were valued to component level by Sarah Rowse, (ANZIV, SPINZ) of Quotable Value NZ as at 30 June 2010. The balance of land and buildings were valued effective as at 30 June 2010 by Sarah Rowse, (ANZIV, SPINZ) of Quotable Value NZ, at fair value as determined from market-based evidence. Carrying values for those specific assets are shown less accumulated depreciation and plus any subsequent additions at cost.

Restricted land and buildings

The most recent valuation was performed by Sarah Rowse, (ANZIV, SPINZ) of Quotable Value NZ, and the valuation is effective as at 30 June 2010 at fair value as determined from market-based evidence. Subsequent additions are recorded at cost.

Infrastructure

This includes roads, bridges & footpaths, water systems, sewerage systems and stormwater systems, stated at fair value determined on a depreciated replacement cost basis by an independent valuer. At balance date the council assesses the carrying values of its infrastructure assets to ensure that they do not differ materially from the assets' fair values. If

there is a material difference, then the off-cycle asset classes are revalued. The most recent valuation of water, sewer and stormwater infrastructure was performed by Kalley Simpson, Chartered Engineer, of MWH New Zealand Ltd, and the valuation is effective as at 30 June 2010. Roading assets were valued by Michelle Walker, Chartered Engineer, of MWH New Zealand Ltd, valued effective as at 30 June 2010.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the council and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at cost. Where an asset is acquired at no cost, or for nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates which will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The estimated useful economic lives of major classes of assets have been estimated as follows:

Infrastructural Assets	Years	Rate (Rounded)
<i>Roading</i>		
Land and Road Formation		Not Depreciated
Base Course		Not Depreciated
Bridges	50	1.93%
Sealed Top Layer	7	15.46%
Kerb and Channels	50	2.72%
Drainage	50	1.73%
Traffic Facilities	4	20.2%
Seawalls	50	2.09%
Footpaths – Structure		Not Depreciated
Footpaths – Surface	25	5.39%
Street Lighting	17	5.79%
<i>Sewerage</i>		
Equipment & Oxidation Ponds	50	From 0.28% to 5.03%
Pump Stations	17 - 100	From 2.51% to 6.67%
Catchment Mains & Reticulation	25 – 77	From 1.13% to 2.71%
<i>Water</i>		
Pump Stations	12 – 25	From 4.22% to 7.74%
Pipes & Reticulation	7 – 99	From 1.19% to 13.14%
<i>Stormwater</i>		
Catchment Mains & Reticulation	70 – 99	From 1% to 1.42%
Structures	19 – 75	From 5.26% to 1.33%
Operational Assets		
Buildings – Structure	50	2%
Buildings – Services	15 - 33	From 3% to 6.67%
Buildings – Internal Fit out	4 - 33	From 6.67% to 25%
Harbour Seawall & Wharf	30 – 50	From 2.0% to 3.45%

Infrastructural Assets	Years	Rate (Rounded)
Computer Equipment	5	20%
Plant, Vehicles and Machinery	5 - 50	From 2% to 20%
Land		Not Depreciated
Library books	12	8%
Library non-books	5	20%
Restricted Assets		
Parks and Reserves Buildings	50	2%
Parks and Reserves Land		Not Depreciated
Parks Furniture & Other Assets	8 – 50	From 2% to 12.5%
Artwork		Not Depreciated

In relation to infrastructural assets, depreciation has been calculated at a component level based on the estimated remaining useful lives as assessed by council's engineers and independent registered valuers. A summary of these lives is detailed above. The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the council and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Deemed cost

Land under roads

Land under roads, was valued based on fair value of adjacent land determined by Connell Wagner Ltd effective 30 June 2001. Under NZ IFRS, the council has elected to use the fair value of land under roads as at 30 June 2001 as deemed cost. Land under roads is no longer revalued.

Library collections

Library Books were valued at 30 June 2007 using actual cost per book, by the Kaikoura District Librarian, and this value has been deemed cost at that date. Library collections are no longer revalued.

Accounting for revaluations

The council accounts for revaluations of property, plant and equipment on a class of asset basis.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the surplus or deficit. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then credited to the other comprehensive revenue and revaluation reserve for that class of asset.

Forestry Assets

Forestry assets owned via the Marlborough Regional Forestry joint venture, and also council's own forestry assets, are independently revalued annually at fair value less estimated point of sale costs. These valuations are performed by Merrill & Ring Ltd. Fair value is determined

based on the present value of expected net cash flows discounted at a current market determined pre-tax rate.

Gains or losses arising on initial recognition of forestry assets at fair value less estimated point of sale costs and from a change in fair value less estimated point of sale costs are recognised in the surplus or deficit.

The costs to maintain the forestry assets are included in the surplus or deficit.

Investment Property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at cost, including transaction costs. After initial recognition, the council measures all investment property at fair value as determined annually by an independent valuer, Quotable Value New Zealand.

Gains and losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

Intangible Assets

Emissions Trading Scheme (ETS) – Marlborough Regional Forestry

Marlborough Regional Forestry (MRF) (in which the council holds a share as a joint venture) is a participant in the ETS with regard to both its significant holdings of "pre 1990" forests and currently minor holdings of "post 1989" forests.

Pre 1990 emission units (NZU's) received under the ETS Allocation Plan are recognised at cost and subsequently measured at cost subject to

impairment. It is not anticipated that MRF will have any future liabilities or obligations with regard to its pre 1990 forests.

Post 1989 NZU's received for carbon stored are recognised at cost and subsequently measured at cost subject to impairment. Where there is an obligation to return units when carbon is lost the expense and liability are recognised and are measured at the carrying value of units on hand plus the fair value of any additional units required. If operations proceed as planned there will always be post 1989 units on hand in excess of any liability.

Any future cash flows associated with units receivable/payable will be taken into consideration in determining the valuation of the forest estate.

Emissions Trading Scheme (ETS) – Council Forestry

In addition to its share of forestry in MRF, council holds forestry assets in its own right. However, the council is not the landowner of the Clarence forest, and is therefore ineligible to enter the scheme. The small forest at South Bay does not meet the minimum criteria to enter the scheme.

Emissions Trading Scheme (ETS) – Council Landfill

council's landfill entered the ETS from 1 January 2013. council has purchased 2,000 carbon credits to meet its immediate obligations arising from landfill emissions.

Carbon Credits

Purchased carbon credits are recognised at cost on acquisition. They are not amortised, but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

Impairment of Property, Plant and Equipment and Intangible Assets

Non-financial assets that have an indefinite useful life, are not yet available for use and are not subject to amortisation are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events and changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash flows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

The value in use for cash-generating assets is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for

that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

Creditors and other payables

Short-term creditors and other payables are recorded at their face value.

Borrowings

Borrowings are initially recognised at their fair value net of transactions costs incurred. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the council has an unconditional right to defer settlement of the liability for at least 12 months after the balance date or if the borrowings are expected to be settled within 12 months of balance date.

Employee Entitlements

Short-term benefits

Employee benefits that the council expects to be settled within twelve months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

A liability for sick leave is recognised to the extent that compensated absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at

balance date, to the extent that the council anticipates it will be used by staff to cover those future absences.

A liability and an expense are recognised for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Long-term benefits

Superannuation schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

The council belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme, the extent to which the surplus/(deficit) will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

Provisions

A provision for future expenditure of uncertain amount or timing is recognised when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

Equity

Equity is the community's interest in the council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- Public equity – accumulated funds
- Special reserves
- Special funds
- Asset revaluation reserves
- Fair value through other comprehensive revenue reserves

Special and Council Created Reserves

Special reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the council.

Restricted reserves are those subject to specific conditions accepted as binding by the council and which may not be revised by the council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Council created reserves are reserves restricted by council decision. The council may alter them without references to any third party or the

Courts. Transfers to and from these reserves are at the discretion of the council.

The council's objectives, policies and processes for managing capital are described in note 31.

Asset revaluation reserves

This reserve relates to the revaluation of property, plant and equipment to fair value.

Fair value through other comprehensive revenue reserves

This reserve comprises the cumulative net change in the fair value of fair value through other comprehensive revenue instruments.

Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Cost Allocation

The cost of service for each significant activity of the council has been derived using the cost allocation system outlined below:

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a significant activity.

Direct costs are charged directly to significant activities. Indirect costs are allocated to council activities on a percentage of use basis.

Statement of Cash Flows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments, with original maturities of three months or less, in which council invests as part of its day-to-day cash management.

Operating activities include cash received from all revenue sources and cash payments made for the supply of goods and services. Agency transactions (the collection of Regional Council rates) are recognised as receipts and payments in the Statement of Cash Flows because they flow through the council's main bank account.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in equity and debt structure of the council.

Cost of Service Statements

The cost of service statements, as provided in the Statements of Service Performance, report the net cost of services for significant activities of the council, and are represented by the costs of providing the service less all revenue that can be allocated to these activities.

Critical Accounting Estimates and Assumptions

In preparing these financial statements, the council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Landfill aftercare provision

The exposure of the council in relation to the estimates and uncertainties surrounding the landfill aftercare provision has not been considered; the impact is likely to be minimal for all years of this Long-term Plan.

Infrastructural assets

There are a number of assumptions and estimates used when performing DRC valuations over infrastructural assets.

These include:

- The physical deterioration and condition of an asset, for example the council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by council performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset;
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns

and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the council could be over or under-estimating the annual depreciation charge recognised as an expense in the surplus or deficit. To minimise this risk, the council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the council's asset management planning activities, which gives further assurance over useful life estimates.

Experienced independent valuers perform the council's infrastructural asset revaluations.

Critical Judgments in Applying the Council's Accounting Policies

Kaikoura District Council management has exercised the following critical judgments in applying accounting policies for the year ended 30 June 2015:

Classification of property

The council owns a number of properties, which are maintained primarily to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of the council's social housing policy. These properties are accounted for as property, plant and equipment.

Changes in Accounting Policy

There have been no significant changes in accounting policies.

8.0 Notes to the Forecast Financial Statements

The Local Government (Financial Reporting and Prudence) Regulations 2014 have introduced a number of mandatory reporting requirements, including the need for the notes to the financial statements to specify total depreciation for each group of activities, and separate disclosure of water meter charges.

Note 1: Depreciation & amortisation expenses

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2024
Roading	814,457	775,366	810,578	822,070	832,120	894,386	907,818	920,911	1,003,755	1,012,641	1,021,832
Water Services	398,890	377,786	368,615	382,564	397,510	391,391	396,505	401,773	402,850	408,471	418,746
Sewerage Services	288,180	305,593	305,678	306,547	307,439	308,418	309,361	310,332	314,219	315,256	316,329
Stormwater	63,222	64,794	65,900	67,344	68,796	71,630	71,940	72,260	76,486	76,827	77,180
Refuse & Recycling	1,778	64	71	81	87	99	108	454	5,424	5,455	5,455
Community Facilities	251,145	291,940	311,042	326,104	343,387	446,391	539,924	549,304	563,668	567,344	571,183
Commercial Activities	-	-	-	-	-	-	-	-	-	-	-
Leadership & Governance	30,482	45,890	53,540	61,732	70,215	79,008	88,133	97,616	106,013	116,200	126,831
Regulation & Control	-	-	-	-	-	-	-	-	-	-	-
Safety & Wellbeing	20,037	28,712	30,284	32,238	34,317	36,531	38,888	41,397	42,598	45,346	48,272
District Development	-	-	-	-	-	-	-	-	-	-	-
	1,868,191	1,890,145	1,945,708	1,998,680	2,053,871	2,227,854	2,352,677	2,394,047	2,515,013	2,547,540	2,585,828

Years stated are the financial years to 30 June.

Note 2: Targeted rates for metered water supply (water meter charges)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Water meter charges	179,432	162,000	165,775	169,803	174,167	178,887	183,985	189,486	195,417	201,807	208,689

Years stated are the financial years to 30 June.

Water meter charges are separately identified in the Statement of Comprehensive Revenue (page 61), but are included in targeted rates in the Forecast Funding Impact Statement (page 94), as required by the Local Government (Financial Reporting and Prudence) Regulations 2014. Water meter charges are defined as a targeted rate in the Local Government (Rating) Act 2002.

9.0 Capital Works Programme

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Roading											
Bridge replacement	-	90,000	92,349	94,787	97,318	100,043	103,004	106,207	109,680	113,497	117,663
Realign State Highway 1	-	-	-	-	-	-	657,635	-	-	-	-
Beach Rd aesthetics	-	-	107,200	110,030	112,970	116,130	-	-	-	-	-
West End aesthetics	-	-	-	110,030	112,970	116,130	119,570	123,290	-	-	-
Old Beach Rd intersection	-	-	428,800	-	-	-	-	-	-	-	-
Sealed surface renewals	-	100,000	102,610	105,319	108,131	111,159	114,449	118,008	121,867	126,108	130,736
Unsealed road renewals	60,000	60,000	61,566	63,191	64,879	66,695	68,669	70,805	73,120	75,665	78,442
Kerb & channel renewal	50,000	50,000	51,305	52,659	54,065	55,579	57,224	59,004	60,934	63,054	65,368
Surface rehabilitation	100,000	100,000	307,830	315,957	324,393	333,476	343,347	354,025	365,601	378,324	392,209
Other improvements	8,000	-	-	-	-	-	-	-	-	-	-
Minor improvements	50,000	50,000	51,305	52,659	54,065	55,579	57,224	59,004	60,934	63,054	65,368
Traffic services	30,000	9,356	11,810	11,339	11,208	9,531	9,029	8,526	5,867	5,563	5,280
Footpath renewals	20,000	500,000	-	-	-	-	-	-	-	-	-
New streetlights	44,488	27,644	26,156	26,638	26,780	28,505	29,066	29,625	32,343	32,725	33,078
Underground powerlines	20,000	-	-	-	-	-	-	-	-	-	-
	382,488	987,000	1,240,931	942,610	966,779	992,827	1,559,218	928,494	830,346	857,990	888,144
Water supplies											
Upgrade bore	15,000	-	-	-	-	-	-	-	-	-	-
Replace main line	-	-	-	330,090	-	-	-	-	-	-	-
Replace reservoirs	-	-	-	550,150	-	-	-	-	-	-	-
Kaikoura urban renewals	193,090	80,000	82,088	84,255	160,000	164,480	169,349	174,615	180,325	186,601	193,449
East Coast	20,000	-	-	-	-	-	-	-	-	-	-
Kincaid	15,000	15,000	15,392	15,798	16,220	16,674	17,167	17,701	18,280	18,916	224,480
Kincaid upgrades	-	-	-	-	-	-	-	-	-	-	204,870
Oaro	10,000	4,179	4,288	4,401	4,519	4,645	4,783	4,932	5,093	5,270	5,463
	253,090	99,179	101,768	984,694	180,738	185,799	191,299	197,248	203,698	210,787	423,392

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Sewerage											
Upgrade existing line	20,000	-	-	-	-	-	-	-	-	-	-
Pump Stations	74,000	-	-	-	-	-	-	-	-	-	-
Renewals	30,000	40,000	42,880	44,012	45,188	46,452	47,828	49,316	50,928	52,700	54,632
	124,000	40,000	42,880	44,012	45,188	46,452	47,828	49,316	50,928	52,700	54,632
Stormwater											
Capital Works	25,000	-	-	220,060	-	-	-	-	-	-	-
Renewals	20,000	25,000	26,800	27,508	28,243	29,033	29,893	30,823	31,830	32,938	34,145
	45,000	25,000	26,800	247,568	28,243	29,033	29,893	30,823	31,830	32,938	34,145
Refuse & Recycling											
Landfill Development	-	-	-	-	-	-	-	616,450	-	-	-
Leachate Collection	25,000	-	-	-	-	-	-	-	-	-	-
Aftercare	7,500	7,500	7,696	7,899	8,110	8,337	8,584	-	-	-	-
	32,500	7,500	7,696	7,899	8,110	8,337	8,584	616,450	-	-	-
Community Facilities											
Cemetery	4,000	-	-	-	-	-	-	-	-	-	-
Public toilets	30,000	-	-	-	-	-	-	-	-	-	-
Town centre	15,000	-	-	-	-	-	-	-	-	-	-
Coastal development	29,000	20,000	20,000	20,000	-	-	-	-	-	-	-
South Bay marina upgrade	-	170,000	493,120	-	-	-	-	-	-	-	-
New marina or expansion	-	-	-	-	-	4,645,200	-	-	-	-	-
Memorial Hall	20,000	11,500	-	550,150	-	-	-	-	-	-	-
Existing council office	10,145	-	-	-	-	-	-	-	-	-	-
Upgrade swimming pool	-	200,000	-	-	564,850	-	-	-	-	-	-
Community sport centre	-	-	-	-	-	3,483,900	-	-	-	-	-
Civic centre	4,400,000	500,000	-	-	-	-	-	-	-	-	-
Library books	35,059	36,626	39,263	43,201	48,805	56,677	67,768	83,552	106,378	140,153	191,421
	4,543,204	938,126	552,383	613,351	613,655	8,185,777	67,768	83,552	106,378	140,153	191,421

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Commercial activities											
Planting/Pruning/Thinning	4,362	4,464	4,581	4,702	4,827	4,963	5,109	5,268	5,441	5,630	5,837
	4,362	4,464	4,581	4,702	4,827	4,963	5,109	5,268	5,441	5,630	5,837
Leadership & governance											
Office furniture/equipment	10,000	10,000	10,261	10,532	10,813	11,116	11,445	11,801	12,187	12,611	13,074
Computer equipment	-	20,000	20,522	21,064	21,626	22,232	22,890	23,602	24,373	25,222	26,147
Vehicles & plant	19,287	20,000	30,284	32,238	34,317	36,531	38,888	41,397	42,598	45,346	48,272
	29,287	50,000	61,067	63,834	66,756	69,879	73,223	76,800	79,158	83,179	87,493
Regulation & control											
No capital projects	-	-	-	-	-	-	-	-	-	-	-
Safety & wellbeing											
No capital projects	-	-	-	-	-	-	-	-	-	-	-
District development											
No capital projects	-	-	-	-	-	-	-	-	-	-	-
	5,413,932	2,150,523	2,035,658	2,903,256	1,904,288	9,506,271	1,956,217	1,946,739	1,245,126	1,288,470	1,540,550

10.0 Special funds & reserves

SPECIAL RESERVES

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Town Water Maintenance Reserve: to fund all net operating costs for the Kaikoura, Oaro and Peketa water supplies											
Opening Balance	(15,350)	(7,850)	2,150	2,213	2,265	2,313	2,366	2,429	2,499	2,568	2,636
Transfers in	7,500	10,000	64	51	48	54	62	70	69	68	71
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	(7,850)	2,150	2,213	2,265	2,313	2,366	2,429	2,499	2,568	2,636	2,707
Town Water Capital Reserve: to fund all net capital work and loan principal costs for the Kaikoura, Oaro and Peketa water supplies											
Opening Balance	399,203	349,774	423,604	509,007	52,891	72,954	93,191	128,743	164,664	227,908	303,774
Transfers in	5,901	83,830	85,403	11,767	20,063	20,238	35,552	35,920	63,244	75,866	76,091
Transfers out	(55,330)	(10,000)	-	(467,883)	-	-	-	-	-	-	-
Closing Balance	349,774	423,604	509,007	52,891	72,954	93,191	128,743	164,664	227,908	303,774	379,865
Roading Reserve: to fund all net costs associated with district roads and bridges											
Opening Balance	29,940	39,007	39,962	41,145	42,096	42,990	43,990	45,152	46,452	47,738	49,009
Transfers in	9,068	955	1,184	951	893	1,001	1,161	1,301	1,286	1,271	1,314
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	39,007	39,962	41,145	42,096	42,990	43,990	45,152	46,452	47,738	49,009	50,323
Ocean Ridge Water Reserve: to fund all net costs associated with the Ocean Ridge water supply											
Opening Balance	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
East Coast Water Reserve: to fund all net costs associated with the East Coast water supply											
Opening Balance	(13,358)	(13,358)	(9,358)	(5,358)	(1,358)	2,642	2,704	2,775	2,855	2,934	3,012
Transfers in	-	4,000	4,000	4,000	4,000	62	71	80	79	78	81
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	(13,358)	(9,358)	(5,358)	(1,358)	2,642	2,704	2,775	2,855	2,934	3,012	3,093

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Kincaid Water Reserve: to fund all net costs associated with the Kincaid water supply											
Opening Balance	44,476	51,168	58,665	65,040	70,904	76,481	80,351	84,210	87,985	90,091	91,679
Transfers in	6,692	7,496	6,375	5,865	5,577	3,870	3,859	3,775	2,435	2,398	2,457
Transfers out	-	-	-	-	-	-	-	-	(329)	(810)	(205,546)
Closing Balance	51,168	58,665	65,040	70,904	76,481	80,351	84,210	87,985	90,091	91,679	(111,409)
Fernleigh Water Reserve: to fund all net costs associated with the Fernleigh water supply											
Opening Balance	50,443	56,189	57,564	59,269	60,639	61,925	63,367	65,040	66,914	68,766	70,596
Transfers in	5,746	1,375	1,705	1,370	1,287	1,441	1,673	1,874	1,852	1,830	1,892
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	56,189	57,564	59,269	60,639	61,925	63,367	65,040	66,914	68,766	70,596	72,489
Peketa Water Reserve: to fund all net costs associated with the Peketa water supply											
Opening Balance	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
District Plan Reserve: to fund all net costs associated with District Planning activities											
Opening Balance	(110,000)	(106,000)	(102,000)	(98,000)	(94,000)	(90,000)	(86,000)	(82,000)	(78,000)	(74,000)	(70,000)
Transfers in	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	(106,000)	(102,000)	(98,000)	(94,000)	(90,000)	(86,000)	(82,000)	(78,000)	(74,000)	(70,000)	(66,000)
Stormwater Maintenance Reserve: to fund all net operating costs for the stormwater network											
Opening Balance	1,638	1,662	1,703	1,753	1,794	1,832	1,874	1,924	1,979	2,034	2,088
Transfers in	24	41	50	41	38	43	49	55	55	54	56
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	1,662	1,703	1,753	1,794	1,832	1,874	1,924	1,979	2,034	2,088	2,144
Stormwater Capital Reserve: to fund all net capital and loan principal costs for the stormwater network											
Opening Balance	175,698	133,920	146,296	159,967	(46,811)	(36,971)	(26,856)	(16,441)	(5,702)	5,388	17,007
Transfers in	3,222	12,376	13,671	3,698	9,840	10,115	10,415	10,739	11,090	11,619	12,353
Transfers out	(45,000)	-	-	(210,476)	-	-	-	-	-	-	-
Closing Balance	133,920	146,296	159,967	(46,811)	(36,971)	(26,856)	(16,441)	(5,702)	5,388	17,007	29,360

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Sewerage Maintenance Reserve: to fund all net operating costs for the sewerage network											
Opening Balance	14,625	9,841	10,082	10,380	10,620	10,846	11,098	11,391	11,719	12,044	12,364
Transfers in	216	241	299	240	225	252	293	328	324	321	331
Transfers out	5,000	-	-	-	-	-	-	-	-	-	-
Closing Balance	9,841	10,082	10,380	10,620	10,846	11,098	11,391	11,719	12,044	12,364	12,696
Sewerage Capital Reserve: to fund all net capital and loan principal costs for the sewerage network											
Opening Balance	251,722	173,288	201,217	231,486	261,787	292,958	326,110	361,832	400,214	440,162	481,753
Transfers in	3,721	27,930	30,269	30,302	31,170	33,153	35,722	38,381	39,948	41,591	43,884
Transfers out	(82,155)	-	-	-	-	-	-	-	-	-	-
Closing Balance	173,288	201,217	231,486	261,787	292,958	326,110	361,832	400,214	440,162	481,753	525,637

SPECIAL FUNDS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Social Services Fund: to fund social projects											
Opening Balance	3,483	3,535	3,621	3,728	3,815	3,895	3,986	4,091	4,209	4,326	4,441
Transfers in	51	86	107	86	81	91	105	118	117	115	119
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	3,535	3,621	3,728	3,815	3,895	3,986	4,091	4,209	4,326	4,441	4,560
Tourism Fund: to fund all net costs associated with tourism and district marketing activities											
Opening Balance	29,000	29,429	30,149	31,042	31,759	32,433	33,188	34,064	35,046	36,016	36,974
Transfers in	429	720	893	718	674	755	876	981	970	959	991
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	29,429	30,149	31,042	31,759	32,433	33,188	34,064	35,046	36,016	36,974	37,965
George Low Fund: to provide funding assistance for recreational facilities associated with youth											
Opening Balance	74,475	75,576	77,425	79,719	81,561	83,292	85,231	87,481	90,001	92,492	94,954
Transfers in	1,101	1,849	2,293	1,843	1,730	1,939	2,250	2,520	2,491	2,462	2,545
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	75,576	77,425	79,719	81,561	83,292	85,231	87,481	90,001	92,492	94,954	97,500

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
John Gibb Fund: funded from sale of the John Gibb prints, this fund can be used at the discretion of the council											
Opening Balance	488	488	488	503	514	525	537	551	567	583	599
Transfers in	-	-	14	12	11	12	14	16	16	16	16
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	488	488	503	514	525	537	551	567	583	599	615
Forestry Fund: to fund the purchase of strategic investments, including land, buildings and other assets											
Opening Balance	1,378,159	587,529	296,903	495,698	697,157	851,948	1,011,779	1,158,490	1,246,868	1,341,381	1,342,776
Transfers in	49,370	209,374	198,795	201,459	154,791	159,831	146,710	88,878	94,513	35,704	35,992
Transfers out	(840,000)	(500,000)	-	-	-	-	-	-	-	(34,309)	(34,930)
Closing Balance	587,529	296,903	495,698	697,157	851,948	1,011,779	1,158,490	1,246,868	1,341,381	1,342,776	1,343,838
Reserves Development Fund: to fund purchase of new, or upgrading of existing, parks and reserves including playgrounds, walkways, etc											
Opening Balance	114,844	49,791	23,509	6,902	(10,040)	(6,930)	(3,593)	(10)	3,841	8,087	12,761
Transfers in	1,697	1,218	696	160	3,110	3,337	3,584	3,851	4,246	4,673	5,147
Transfers out	66,750	(27,500)	(17,304)	(17,101)	-	-	-	-	-	-	-
Closing Balance	49,791	23,509	6,902	(10,040)	(6,930)	(3,593)	(10)	3,841	8,087	12,761	17,908
Property Fund: to fund the net costs of property holdings, including purchase of new or upgrading existing properties and/or reducing term debt											
Opening Balance	93,554	180,726	268,903	358,681	445,380	(31,811)	43,972	116,832	190,994	264,324	334,492
Transfers in	87,172	88,177	89,779	86,699	87,659	75,783	72,860	74,163	73,330	70,168	70,671
Transfers out	-	-	-	-	(564,850)	-	-	-	-	-	-
Closing Balance	180,726	268,903	358,681	445,380	(31,811)	43,972	116,832	190,994	264,324	334,492	405,163
Community Facility Fund: to fund the net costs of developing or upgrading community facilities such as museums, libraries and swimming pools											
Opening Balance	1,499,891	102,061	104,558	107,655	110,144	112,481	115,099	118,138	121,541	124,906	128,230
Transfers in	862,170	502,497	3,097	2,489	2,337	2,618	3,039	3,404	3,364	3,325	3,437
Transfers out	2,260,000	(500,000)	-	-	-	-	-	-	-	-	-
Closing Balance	102,061	104,558	107,655	110,144	112,481	115,099	118,138	121,541	124,906	128,230	131,668
Plant Fund: to fund the purchase and replacement of vehicles and plant											
Opening Balance	21,086	21,397	21,921	22,570	23,092	23,582	24,131	24,768	25,481	26,187	26,884
Transfers in	312	523	649	522	490	549	637	714	705	697	721
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	21,397	21,921	22,570	23,092	23,582	24,131	24,768	25,481	26,187	26,884	27,604

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Office Equipment & Maintenance Fund: to fund the purchase and replacement of office furniture and equipment											
Opening Balance	5,274	5,352	5,483	5,645	5,775	5,898	6,035	6,194	6,373	6,549	6,724
Transfers in	78	131	162	130	123	137	159	178	176	174	180
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	5,352	5,483	5,645	5,775	5,898	6,035	6,194	6,373	6,549	6,724	6,904
Landfill Site Aftercare Fund: to fund the net costs of landfill closure, capping and site development											
Opening Balance	98,862	100,323	102,778	105,822	108,268	110,565	113,139	116,126	119,472	122,779	126,047
Transfers in	1,461	2,454	3,044	2,446	2,297	2,574	2,987	3,346	3,307	3,268	3,379
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	100,323	102,778	105,822	108,268	110,565	113,139	116,126	119,472	122,779	126,047	129,425
Landfill Development Fund: to fund the upgrading and reconfiguration of the landfill and resource recovery centre											
Opening Balance	80,834	59,879	61,344	63,161	64,621	65,992	67,529	69,311	71,308	73,282	75,233
Transfers in	1,195	1,465	1,817	1,460	1,371	1,536	1,783	1,997	1,974	1,951	2,017
Transfers out	(22,150)	-	-	-	-	-	-	-	-	-	-
Closing Balance	59,879	61,344	63,161	64,621	65,992	67,529	69,311	71,308	73,282	75,233	77,249
Library Donations Fund: to fund the purchase of library books, furniture and equipment											
Opening Balance	9,162	9,297	9,525	9,807	10,033	10,246	10,485	10,762	11,072	11,378	11,681
Transfers in	135	227	282	227	213	239	277	310	306	303	313
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	9,297	9,525	9,807	10,033	10,246	10,485	10,762	11,072	11,378	11,681	11,994
Mayoral Fund: to provide emergency assistance to people in serious hardship											
Opening Balance	10,528	10,684	10,945	11,269	11,530	11,774	12,048	12,366	12,723	13,075	13,423
Transfers in	156	261	324	261	245	274	318	356	352	348	360
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	10,684	10,945	11,269	11,530	11,774	12,048	12,366	12,723	13,075	13,423	13,783
Community Development/Strengthening Families Fund: to fund the net costs of social services coordination as determined by the funding contract											
Opening Balance	29,090	26,520	24,169	21,885	19,391	16,802	14,194	11,568	8,902	6,148	3,312
Transfers in	430	649	716	506	411	391	375	333	246	164	89
Transfers out	3,000	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
Closing Balance	26,520	24,169	21,885	19,391	16,802	14,194	11,568	8,902	6,148	3,312	400

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Pensioner Flats Fund: to fund the net costs of provision of housing for the elderly, including refurbishments and development of new housing units											
Opening Balance	36,788	85,228	125,876	169,328	214,205	261,054	309,453	361,512	417,510	476,472	538,525
Transfers in	48,440	40,648	43,452	44,887	46,849	48,399	52,060	55,998	58,962	62,053	65,921
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	85,228	125,876	169,328	214,205	261,054	309,453	361,512	417,510	476,472	538,525	604,446
Harbour Fund: to fund the net costs of activities associated with the South Bay, North Wharf and Old Wharf harbour facilities											
Opening Balance	15,551	15,781	16,167	16,646	17,031	17,392	17,797	18,267	18,793	19,313	19,827
Transfers in	230	386	479	385	361	405	470	526	520	514	531
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	15,781	16,167	16,646	17,031	17,392	17,797	18,267	18,793	19,313	19,827	20,359
Footpaths and Streetlights: to fund the net costs associated with footpaths and streetlights											
Opening Balance	100,000	61,478	62,982	64,848	66,347	67,755	69,332	71,162	73,212	75,239	77,241
Transfers in	1,478	1,504	1,866	1,499	1,408	1,577	1,830	2,050	2,026	2,003	2,070
Transfers out	40,000	-	-	-	-	-	-	-	-	-	-
Closing Balance	61,478	62,982	64,848	66,347	67,755	69,332	71,162	73,212	75,239	77,241	79,312
Registered Premises: to fund the net costs associated with liquor licensing, food safety inspections, and environmental health activities											
Opening Balance	(28,000)	(28,000)	(28,000)	(28,000)	(28,000)	(28,000)	(28,000)	(28,000)	(28,000)	(28,000)	(28,000)
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	(28,000)	(28,000)	(28,000)	(28,000)	(28,000)	(28,000)	(28,000)	(28,000)	(28,000)	(28,000)	(28,000)
Town Centre: to fund the net costs of town centre maintenance, including loan servicing costs of the West End upgrading loans											
Opening Balance	30,000	30,443	31,188	32,112	32,854	33,551	34,332	35,239	36,254	37,258	38,249
Transfers in	443	745	924	742	697	781	906	1,015	1,004	992	1,025
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	30,443	31,188	32,112	32,854	33,551	34,332	35,239	36,254	37,258	38,249	39,275
Stock Control: to fund the net costs associated with responding to and controlling stock outside of the urban area											
Opening Balance	4,000	4,059	4,158	4,282	4,381	4,474	4,578	4,699	4,834	4,968	5,100
Transfers in	59	99	123	99	93	104	121	135	134	132	137
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	4,059	4,158	4,282	4,381	4,474	4,578	4,699	4,834	4,968	5,100	5,237

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Rural Fire Control: to fund the net costs associated with rural fire response, suppression and control											
Opening Balance	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Significant Natural Areas Fund: to fund specific projects associated with significant natural areas of biodiversity											
Opening Balance	28,000	8,414	8,620	8,875	9,080	9,273	9,489	9,739	10,020	10,297	10,571
Transfers in	414	206	255	205	193	216	250	281	277	274	283
Transfers out	20,000	-	-	-	-	-	-	-	-	-	-
Closing Balance	8,414	8,620	8,875	9,080	9,273	9,489	9,739	10,020	10,297	10,571	10,855
Waste Minimisation Levy Fund: to fund waste minimisation projects as required by the Ministry for the Environment											
Opening Balance	18,000	18,266	18,713	19,267	19,713	20,131	20,599	21,143	21,752	22,355	22,950
Transfers in	266	447	554	445	418	469	544	609	602	595	615
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	18,266	18,713	19,267	19,713	20,131	20,599	21,143	21,752	22,355	22,950	23,565
TOTAL	2,089,898	2,055,309	2,532,347	2,243,440	2,058,293	2,431,536	2,813,550	3,148,354	3,519,047	3,810,913	3,906,527

11.0 Forecast Funding Impact Statement (Whole of Council)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	,000s	,000s	,000s	,000s	,000s	,000s	,000s	,000s	,000s	,000s	,000s
Sources of operating funding											
General rates, UAGC, rates penalties	2,285	2,206	2,175	2,255	2,277	2,611	2,730	2,837	2,920	3,012	3,068
Targeted rates (incl. water meter charges)	3,153	3,469	3,795	3,897	3,941	3,957	4,119	4,143	4,179	4,271	4,320
Subsidies & grants for operating purposes	451	394	407	422	436	453	465	477	491	506	520
Fees & charges	1,311	1,328	1,520	1,406	1,497	2,060	2,216	2,262	2,229	2,252	2,308
Interest and dividends from investments	69	56	67	63	53	54	69	86	92	98	106
Fuel tax, infringement fees, & other receipts	418	1,043	1,058	1,042	1,063	1,032	786	284	310	160	158
Total operating funding (A)	7,688	8,496	9,022	9,086	9,267	10,167	10,386	10,089	10,220	10,299	10,481
Applications of operating Funding											
Payments to staff and suppliers	5,649	8,804	6,380	6,494	6,733	6,902	7,075	6,766	7,023	7,219	7,385
Finance costs	496	541	628	645	700	1,104	1,100	1,122	996	934	903
Other operating funding application	64	56	67	63	53	54	69	86	92	98	106
Total application of operating funding (B)	6,209	9,402	7,075	7,202	7,486	8,060	8,244	7,974	8,112	8,250	8,394
Surplus/(deficit) of operating funding (A – B)	1,478	(906)	1,948	1,883	1,782	2,106	2,142	2,115	2,109	2,049	2,087
Sources of capital funding											
Subsidies & grants – capital	542	224	790	349	366	2,124	393	405	417	431	446
Development & financial contributions	97	76	78	80	82	84	86	89	92	95	99
Increase/(decrease) in debt	1,507	3,214	(73)	7	(599)	5,882	177	(60)	(1,652)	(598)	(782)
Gross proceeds from sale of assets	-	-	-	330	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	2,146	3,513	795	766	(152)	8,090	657	434	(1,143)	(72)	(237)

Note this table displays in thousands (\$,000s)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	,000s	,000s	,000s	,000s	,000s	,000s	,000s	,000s	,000s	,000s	,000s
Applications of capital funding											
Capital expenditure - meet additional demand	4,621	906	1,054	1,015	796	8,366	782	745	5	6	6
Capital expenditure - improve level of service	172	102	102	985	107	111	114	117	123	126	335
Capital expenditure - replace existing assets	620	1,143	880	903	1,002	1,029	1,060	1,085	1,117	1,157	1,200
Increase/(decrease) in reserves	(1,789)	456	707	(254)	(274)	690	842	601	(279)	689	309
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding (D)	3,625	2,607	2,742	2,650	1,630	10,196	2,799	2,548	966	1,977	1,850
Surplus/(deficit) of capital funding (C – D)	(1,478)	906	(1,948)	(1,883)	(1,782)	(2,106)	(2,142)	(2,115)	(2,109)	(2,049)	(2,087)
Funding balance ((A – B) + (C – D))	-	-	-	-	-	-	-	-	-	-	-

Note this table displays in thousands (\$,000s)

11.1 Rating Funding Impact Statement

The following pages set out what your rates are used for, and how they are calculated.

General Rate

The general rate is a rate set for all rateable properties within the district, and is based on the property's capital value. There is no differential applied to different categories of property, and so all property, regardless of whether it is principally for commercial, residential or rural use, will pay the same cents in the dollar on the property's capital value.

Uniform Annual General Charge

This shall be a fixed amount per separately used or inhabited part of a rating unit, for all rateable land within the district.

A "separately used or inhabited part of a rating unit" is defined as:

Any portion of a rating unit used or inhabited by any person, other than the ratepayer or member of the ratepayers household, having a right to use or inhabit that portion by virtue of a tenancy, lease, license or other agreement.

For clarification, this means that each flat within a block of flats, or each shop within a block of shops, for example, would be subject to a uniform annual general charge. The same would apply to a farm with more than one dwelling, (i.e. worker accommodation), or a residential property with a separate fully self-contained unit available for visitor accommodation.

Targeted Rates

Targeted rates enable the council to identify specific properties that it considers receive the greatest benefit from, or create the greatest need for, the council's various activities.

Targeted rates can be applied on a number of categories of rateable property, including (for example);

- the use to which the land is put,
- the provision of a service to the land,
- the availability of a service to the land,
- the location of the land

Targeted rates may be either a rate based on a property's value, or a set dollar amount per annum. Unless otherwise specified throughout the following pages, where a targeted **rate** is applied, it can be assumed this is a rate based on a property's capital value; and where a targeted **charge** is applied, this refers to a set dollar amount per annum.

The council has chosen to apply most of its targeted charges to separately used or inhabited parts of a rating unit, to remain consistent with the principles of the uniform annual general charge. In some instances, however, such as the registered premises charge, or sewerage charges, these are applied subject to certain other factors.

General Rates

General Rates and the Uniform Annual General Charge apply to all rateable land.

<i>General Rate: to fund the general operations of the council, including general management, community services, environmental planning, the net costs of statutory planning, building control, dog control, community facilities, general parks and reserves, and a portion of public toilets and traffic control.</i>		
Category	Calculation	Amount Required (including GST)
All rateable properties within the district	\$0.00076337 per dollar of rateable capital value	\$1,067,142
<i>Uniform Annual General Charge: to fund the general operations of the council, including landfill operations, governance, library services, sports fields, playgrounds, cemetery, walkways, public halls, general environmental health and civil defence.</i>		
Category	Calculation	Amount Required (including GST)
All rateable properties within the district	\$489.42 per separately used or inhabited part of a rating unit	\$1,469,252

Targeted Rates

The roading rate and the district planning rate (as follows), are also applied to all properties within the district. They are separate targeted rates for the purposes of transparency and accountability, rather than for the purpose of targeting certain categories of land.

<i>Roading Rate: to fund the net costs of upgrading and maintenance of the district bridges and roading network</i>		
Category	Calculation	Amount Required (including GST)
All rateable properties within the district	\$0.00054038 per dollar of rateable capital value	\$755,418
<i>District Planning Rate: to fund the costs of District Planning for the Kaikoura district.</i>		
Category	Calculation	Amount Required (including GST)
All rateable properties within the district	\$0.00011037 per dollar of rateable capital value	\$154,288

The Kaikoura hospital charge and the Civic centre charge are both new uniform charges proposed to be levied commencing 1 July 2015. Like the roading and district planning rates, they are separate targeted rates for the purposes of transparency, rather than to target certain categories of land. They differ from the roading and district planning rates, however, in that they are a set amount per rateable property, rather than being related to the capital value of property.

<i>Kaikoura hospital charge: to fund the loan servicing costs of the shortfall for the Canterbury District Health Boards new hospital construction.</i>		
Category	Calculation	Amount Required (including GST)
All rateable properties within the district	\$52.67 per separately used or inhabited part of a rating unit	\$158,125
<i>Civic Centre charge: to fund the net costs of the museum, library and council office building.</i>		
Category	Calculation	Amount Required (including GST)
All rateable properties within the district	\$24.24 per separately used or inhabited part of a rating unit	\$72,755

The following pages are targeted rates (and charges) applied to specific rateable properties based on certain categories of land and calculated as stated.

<i>Kaikoura Water Annual Charge: to fund the net costs of the supply, treatment, upgrading and maintenance of the Kaikoura water supply.</i>		
Category	Calculation	Amount Required (including GST)
<u>Full Charge:</u> All rateable properties connected to the Kaikoura water supply.	\$248.96 per separately used or inhabited part of a rating unit	\$419,999
<u>Half Charge:</u> All rateable properties situated within 100 metres of any part of the Kaikoura water supply, but not connected to the supply.	\$124.48 per separately used or inhabited part of a rating unit	\$27,261
Total		\$447,260
<i>Kaikoura Water Loan Charge: to fund the loan servicing costs of the Kaikoura water supply.</i>		
Category	Calculation	Amount Required (including GST)
All rateable properties situated within 100 metres of any part of the Kaikoura water supply.	\$64.62 per separately used or inhabited part of a rating unit	\$123,303

<i>Ocean Ridge Water Annual Charge: to fund the costs of the supply, treatment, and maintenance of the Ocean Ridge water supply.</i>		
Category	Calculation	Amount Required (including GST)
Full Charge: All rateable properties connected to the Ocean Ridge water supply.	\$319.96 per separately used or inhabited part of a rating unit	\$11,838
Half Charge: All rateable properties situated within 100 metres of any part of the Ocean Ridge water supply, but not connected to the supply.	\$159.98 per separately used or inhabited part of a rating unit	\$17,918
Total		\$29,756

<i>Rural Water Charges to fund the supply, treatment, upgrading, and maintenance of the following water supply areas.</i>		
Category	Calculation	Amount Required (including GST)
East Coast Rural Water Charge: all rateable properties connected to the East Coast rural water supply.	\$575.00 per water unit (1,800 litres per day)	\$81,650

<i>Rural Water Charges to fund the supply, treatment, upgrading, and maintenance of the following water supply areas.</i>		
Kincaid Rural Water Charge: all rateable properties connected to the Kincaid rural water supply.	\$167.91 per water unit (1,000 litres per day)	\$103,768
Oaro Rural Water Charge: all rateable properties connected to the Oaro rural water supply.	\$248.96 per separately used or inhabited part of a rating unit	\$16,929
Peketa Rural Water Charge: all rateable properties connected to the Peketa rural water supply.	\$248.96 per separately used or inhabited part of a rating unit	\$4,730
Suburban Water Charge: all rateable properties within the Suburban water area.	\$174.27 per water unit (1,000 litres per day)	\$14,988
Fernleigh Water Charge: all rateable properties connected to the Fernleigh rural water supply	\$21.14 per water unit (1,000 litres per day)	\$6,214

A “water unit” refers to a certain water connection, generally rural water connections, that restricts the quantity of water that is supplied to a property, to the quantity of litres per day as specified.

Note that, for the Kaikoura water supply, certain properties are considered “extraordinary consumers”, such as commercial and accommodation premises, or properties with a swimming pool, for example. These properties are metered and water meter charges apply. See page 106 for details of these charges.

<i>Stormwater Rate: to fund the costs of stormwater disposal, loan servicing, upgrading and maintenance of the Kaikoura Stormwater scheme.</i>		
Category	Calculation	Amount Required (including GST)
All rateable properties within the Kaikoura urban area.	\$0.00021244 per dollar of rateable capital value	\$139,018
<i>Sewerage Loan Rate: to fund the loan servicing costs of the Kaikoura Sewerage scheme.</i>		
Category	Calculation	Amount Required (including GST)
All rateable properties within the Kaikoura urban area.	\$0.00024584 per dollar of rateable capital value	\$166,021

<i>Sewerage Charge: to fund the costs of sewage disposal, treatment, upgrading and maintenance of the Kaikoura sewerage scheme.</i>		
Category	Calculation	Amount Required (including GST)
All rateable properties within the Kaikoura urban area not being either commercial or self contained and serviced.	\$221.21 for the first water closet and urinal within each separately used or inhabited part of a rating unit, and \$110.61 for each subsequent water closet and urinal within each separately used or inhabited part of a rating unit where there are more than one water closet or urinal. <i>A rating unit used primarily as a residence for one household will not be treated as having</i>	\$315,336

	<i>more than one water closet or urinal.</i>	
Category	Calculation	Amount Required (including GST)
Half Annual Charge: All rateable properties situated within 100 metres of any part of the Kaikoura sewerage system, but not connected to the system.	\$110.61 per separately used or inhabited part of a rating unit.	\$57,404
<i>Sewerage Charge: to fund the costs of sewage disposal, treatment, upgrading and maintenance of the Kaikoura sewerage scheme.</i>		
Category	Calculation	Amount Required (including GST)
<u>Self Contained and Serviced:</u> All rateable properties within the Kaikoura urban area used principally for short term accommodation, but limited to those properties with motel-type units, including motels, motor lodges, motor inns, motel apartments, serviced apartments and serviced holiday cottages, each of which contain a	\$221.21 for the first water closet and urinal within each rating unit, and \$100.00 for each subsequent water closet and urinal within each separately used or inhabited part of a rating unit where there are more than	\$38,900

private or ensuite bathroom, with bedding, linen and cooking facilities provided, and which are serviced daily.	one water closet or urinal.	
Category	Calculation	Amount Required (including GST)
<u>Commercial:</u> All rateable properties within the Kaikoura urban area used principally for commercial and/or industrial purposes; or used as a licensed premise under the Sale of Liquor Act 1989; or used for providing short term accommodation for commercial reward, but not including rateable properties defined as Self Contained and Serviced.	\$221.21 for the first water closet and urinal within each rating unit, and \$180.00 for each subsequent water closet and urinal within each separately used or inhabited part of a rating unit where there are more than one water closet or urinal.	\$46,440
	Total for year	\$458,081

The next two charges pertain to whether or not a property has access to the weekly kerbside collection service. More properties may be charged the kerbside recycling charge if the service is extended over a wider area.

<i>Kerbside Recycling Charge: to fund the costs of the weekly kerbside recycling collection service.</i>		
Category	Calculation	Amount Required (including GST)
All rateable properties that have access to the kerbside recycling collection service (including Oaro)	\$40.87 per separately used or inhabited part of a rating unit	\$79,583
<i>Rural Recycling Charge: to fund the net costs of the rural weekly recycling collection service which is made available at various pickup points around the district, and the residual costs of recycling facilities available at the landfill.</i>		
Category	Calculation	Amount Required (including GST)
All rateable properties other than those that have access to the kerbside recycling collection service	\$27.22 per separately used or inhabited part of a rating unit	\$28,337

Commercial Rates and Charges

Commercial businesses use, and contribute to the need for, certain services that a residential household or rural property does not. The commercial rate and accommodation sector charge ensure that these types of property continue to contribute to the costs of activities and services that they benefit from.

<i>Commercial Rate: to fund the net costs of tourism and economic development, the annual grant paid to the visitor centre, and a portion of traffic control, harbour facilities and public toilets.</i>		
Category	Calculation	Amount Required (including GST)
All rateable properties in the district; <ul style="list-style-type: none"> Used principally or exclusively for commercial and/or industrial purposes, (not being farmland as defined by Land Information NZ); or Used principally for visitor accommodation for commercial reward for <i>not less than five persons</i>, and for the avoidance of doubt, including any motel, 	\$0.00204912 per dollar of rateable capital value	\$324,166

<p>hotel, motor lodge, bed and breakfast, hostel, camping ground or “boarding house”¹; or</p> <ul style="list-style-type: none"> Used as licensed premises under the Sale of Liquor Act 1989. 		
<p><i>Accommodation Sector Charge: to fund the net costs of tourism and economic development, the annual grant paid to the visitor centre, and a portion of traffic control, harbour facilities and public toilets.</i></p>		
Category	Calculation	Amount Required (including GST)
All rateable properties providing accommodation for commercial reward, but not meeting the criteria of a commercial property, and for the avoidance of doubt, including any property providing short-term accommodation such as small bed & breakfasts, and baches rented out as holiday homes, but not including long-term rental accommodation.	\$315.00 per separately used or inhabited part of a rating unit	\$53,550

¹ As defined in the Kaikoura District Plan

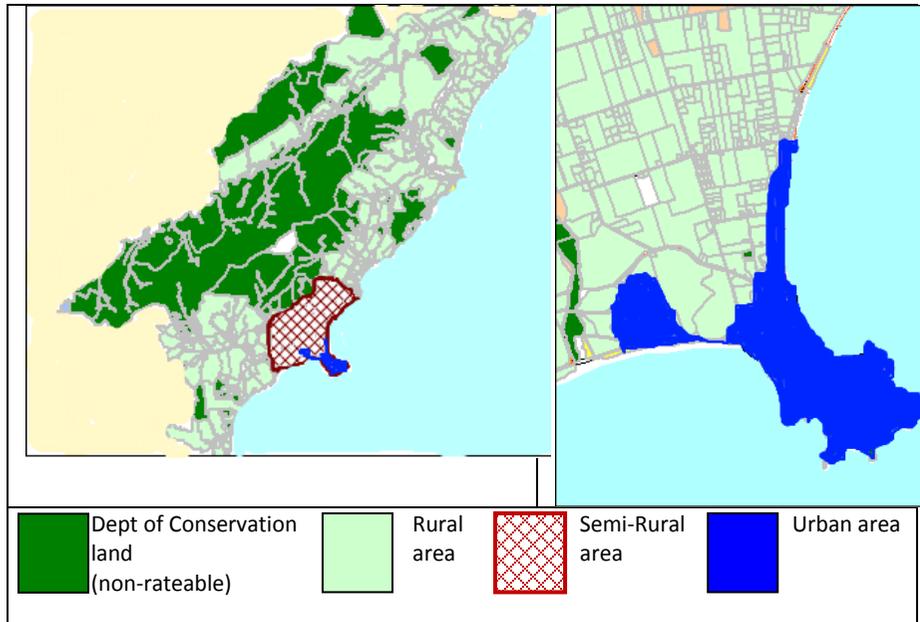
<p><i>Public Rubbish Bin Charge: to fund the costs of providing a public rubbish bin collection service at various locations around the district.</i></p>		
Category	Calculation	Amount Required (including GST)
All rateable properties defined as commercial (see Commercial Rate)	\$160.21 per separately used or inhabited part of a rating unit	\$35,245

<p><i>Registered Premises Charge: to fund the net costs of liquor licensing, food and health safety inspections, and environmental health.</i></p>		
Category	Calculation	Amount Required (including GST)
All rateable properties undertaking a licensed activity, such as premises where alcohol is sold or consumed, food premises, camping grounds, or hairdressers.	\$265.46 per license	\$29,732

Please refer to the sewerage charges on page 100 as they pertain to certain commercial properties, and also to the water meter charges on page 106 for commercial properties that are metered.

Rating Areas

Throughout these pages there is reference to properties within defined areas (urban, semi-rural and rural rating areas).



The map on the left is of the whole Kaikoura district, a large proportion of which is Department of Conservation land which is non-rateable. The bulk of the district is rural, portrayed in pale green. The red and white thatched 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, land use, or value of individual properties within, or outside of, this area. The semi-rural area extends to the Hapuku River in the north, and to the Kahutara River to the south (thereby including the villages of Hapuku and Peketa). This area also extends inland to the foothills of Mt Fyffe, abutting the Dept of Conservation land.

The map on the right (above) shows the current urban area for rating purposes. As the town grows, this area may be extended to incorporate new areas as appropriate to meet the intent of these rates – i.e. in areas where footpaths, streetlights and/or stormwater is developed. The rating boundaries shown in the above maps are approximate, and for indicative purposes only.

These rating areas apply differentials to acknowledge that it is the properties within the urban area that benefit most from urban-type services, properties on the outskirts of the township benefit to a lesser extent, and properties further away from the town benefit least of all. Therefore, for each of the following three targeted rates (harbour rate, town centre rate, and footpath & streetlight rate) a differential has been applied thus:

	Harbour Rate	Town Centre Rate	Footpath & Streetlights Rate
Urban	1:1	1:1	1:1
Semi-rural	0.5:1	0.5:1	0.5:1
Rural	0.25:1	0.25:1	0.2:1

This essentially means that, for these particular activities, urban properties pay twice as much per dollar of capital value than semi-rural properties do, and four-to-five times as much per dollar of capital value than rural properties do.

The council reduced the rural differential on the Footpath & Streetlight Rate to 0.2 from 0.25 in response to submissions, commencing 1 July 2015.

<i>Harbour Rate: to fund 50% of the net costs of operating the harbour facilities, including South Bay and the North and Old Wharves, including loan servicing costs.</i>		
Category	Calculation	Amount Required (including GST)
All rateable properties within the <i>urban</i> area.	\$0.00007247 per dollar of rateable capital value	\$47,374
All rateable properties within the <i>semi-rural</i> area.	\$0.00003624 per dollar of rateable capital value	\$13,742
All rateable properties within the <i>rural</i> area.	\$0.00001812 per dollar of rateable capital value	\$5,862
Total		\$66,978

<i>Town Centre Rate: to fund the net costs of town centre maintenance, including cleaning and servicing the West End toilets, and the loan servicing costs of the West End upgrading loans.</i>		
Category	Calculation	Amount Required (including GST)
All rateable properties within the <i>urban</i> area.	\$0.00014809 per dollar of rateable capital value	\$96,804
All rateable properties within the <i>semi-rural</i> area.	\$0.00007405 per dollar of rateable capital value	\$28,081
All rateable properties within the <i>rural</i> area.	\$0.00003702 per dollar of rateable capital value	\$11,978
Total		\$136,864

<i>Footpath & Streetlight Rate: to fund the net costs of maintaining, upgrading and operating footpaths and streetlights, including electricity and loan servicing costs.</i>		
Category	Calculation	Amount Required (including GST)
All rateable properties within the <i>urban</i> area.	\$0.00022340 per dollar of rateable capital value	\$146,029
All rateable properties within the <i>semi-rural</i> area.	\$0.00011170 per dollar of rateable capital value	\$42,360
All rateable properties within the <i>rural</i> area.	\$0.00004468 per dollar of rateable capital value	\$14,455
Total		\$202,844

Two other targeted rates also rely upon these definitions of rating areas to determine which properties the rate applies to. They are the stock control rate and the rural fire rate.

<i>Stock Control Rate: to fund the net costs of stock control.</i>		
Category	Calculation	Amount Required (including GST)
All rateable properties <i>outside the urban area</i> (i.e. including both semi-rural and rural properties).	\$0.00002106 per dollar of rateable capital value	\$14,797
<i>Rural Fire Control Rate: to fund the net costs of rural fire control.</i>		
Category	Calculation	Amount Required (including GST)
All rateable properties <i>outside the urban area</i> (i.e. including both semi-rural and rural properties).	\$0.00013988 per dollar of rateable capital value	\$98,302

The previous pages identify each rate for the 2015/2016 financial year, and are GST inclusive, whereas those amounts within the Forecast Funding Impact Statement (on page 93) exclude GST.

Other Rates & Charges

Water Meter Charges

Extraordinary consumers, such as commercial properties and homes with swimming pools, have water meters attached to their property to measure water use. These water meters are read twice each year (in January and June), and the consumers are charged for the amount of water they use. Charges are in addition to the water rates on the previous pages.

For water usage which exceeds 365m³ per annum, a charge of \$1.00 including GST per cubic meter applies. All properties with a meter will incur a twice-annual meter maintenance charge of \$25.00, to cover the costs of the meter as well as administration expenses.

Rates Penalties

A 10% penalty will be added to any portion of the instalment remaining unpaid after the relevant last date for payment. However, a penalty on the first instalment will be waived if the total years rates are paid on or before 20 December (the last day for payment of instalment 2).

An additional 10% penalty will be added to all previous year's rates unpaid as at 20 July and 20 January (up to 20% pa in total).

Penalties are applied no earlier than the next working day after the last date for payment, and as soon as practicable.

Last dates for payment are:

Instalment 1: 20 September
Instalment 2: 20 December
Instalment 3: 20 March
Instalment 4: 20 June

Environment Canterbury Rates

The Council acts as agent for the collection of rates for Environment Canterbury, which makes its own rates. This Long-term Plan does not refer to those rates, however your rates invoice does show the amount of rates we collect from you on behalf of Environment Canterbury.

Impact of Rates on Benchmark Properties

		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Residential - Whitby Place CV \$265,000	Change %	3.03%	5.59%	3.72%	2.83%	0.98%	4.01%	2.78%	0.02%	1.20%	1.87%	0.85%
	Total rates	1,657	1,756	1,821	1,873	1,891	1,967	2,022	2,022	2,046	2,085	2,102
	Change \$	48.74	92.88	65.31	51.61	18.42	75.91	54.72	0.31	24.21	38.36	17.64
Large Motel - Beach Road CV \$1,500,000	Change %	-0.17%	4.45%	3.05%	-1.12%	-0.88%	2.54%	2.99%	14.74%	0.37%	1.47%	0.50%
	Total rates	11,500	12,069	12,438	12,299	12,190	12,500	12,874	14,772	14,826	15,043	15,119
	Change \$	-19.03	513.82	368.61	-138.97	-108.78	309.83	373.73	1,897.94	54.34	217.24	75.51
Small Motel - Beach Road CV \$780,000	Change %	0.74%	4.88%	3.41%	-0.27%	0.34%	2.63%	2.98%	8.84%	0.37%	1.44%	0.70%
	Total rates	5,511	5,807	6,005	5,989	6,009	6,167	6,351	6,912	6,938	7,037	7,087
	Change \$	40.39	269.96	198.15	-16.23	20.12	157.87	183.57	561.54	25.54	99.60	49.35
Inland Road – Farm CV \$7,250,000	Change %	0.26%	-2.98%	6.02%	2.52%	-0.34%	9.80%	6.47%	0.52%	0.76%	2.22%	0.50%
	Total rates	14,050	13,753	14,581	14,948	14,898	16,358	17,417	17,507	17,640	18,031	18,121
	Change \$	36.53	-421.70	828.31	367.45	-50.94	1,460.17	1,058.90	90.65	132.79	391.35	89.26
Commercial - West End CV \$1,350,000	Change %	-0.15%	4.28%	3.05%	-0.28%	-2.60%	2.75%	3.72%	11.53%	0.44%	2.00%	0.46%
	Total rates	9,473	9,927	10,230	10,201	9,936	10,210	10,589	11,810	11,862	12,099	12,156
	Change \$	-14.20	407.13	303.25	-28.41	-264.89	273.42	379.38	1,220.85	51.71	237.55	56.18
Bed & Breakfast – Scarborough CV \$970,000	Change %	2.56%	3.02%	4.53%	2.16%	0.69%	3.99%	2.98%	-0.22%	0.58%	1.58%	0.54%
	Total rates	4,989	5,161	5,395	5,511	5,549	5,770	5,942	5,929	5,964	6,058	6,090
	Change \$	124.59	151.05	233.74	116.52	38.01	221.34	171.96	-13.09	34.14	94.10	32.43

		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Farm - Kekerengu CV \$4,000,000	Change %	0.13%	-2.37%	4.15%	1.29%	-0.20%	5.15%	3.55%	0.26%	0.40%	1.24%	0.25%
	Total rates	15,060	14,768	15,381	15,580	15,549	16,350	16,931	16,975	17,042	17,253	17,297
	Change \$	19.57	-358.04	613.21	199.16	-31.19	800.70	581.12	43.66	67.50	210.90	43.73
Farm – Schoolhouse Rd CV \$2,100,000	Change %	9.42%	1.46%	3.36%	2.31%	0.27%	5.02%	4.67%	0.87%	0.74%	2.56%	1.22%
	Total rates	7,726	7,893	8,159	8,348	8,370	8,790	9,201	9,281	9,350	9,589	9,706
	Change \$	665.27	113.59	265.43	188.75	22.38	420.44	410.52	80.07	68.93	239.18	117.25
Commercial - Beach Road CV \$790,000	Change %	0.60%	5.77%	3.71%	2.07%	-2.21%	3.23%	4.04%	2.07%	0.73%	2.45%	0.73%
	Total rates	4,886	5,196	5,389	5,501	5,379	5,553	5,777	5,897	5,940	6,085	6,130
	Change \$	28.93	283.42	192.84	111.40	-121.72	173.63	224.55	119.56	43.25	145.52	44.59
Residential - Bayview St CV \$250,000	Change %	3.06%	5.78%	3.68%	2.87%	1.00%	3.97%	2.73%	0.04%	1.25%	1.88%	0.87%
	Total rates	1,622	1,721	1,784	1,836	1,854	1,927	1,980	1,981	2,006	2,043	2,061
	Change \$	48.16	94.06	63.33	51.16	18.38	73.54	52.59	0.78	24.69	37.77	17.74
Residential – Esplanade CV \$450,000	Change %	2.74%	3.72%	4.11%	2.52%	0.81%	4.47%	3.30%	-0.22%	0.72%	1.79%	0.63%
	Total rates	2,097	2,184	2,274	2,331	2,350	2,455	2,536	2,531	2,549	2,595	2,611
	Change \$	55.93	78.29	89.75	57.20	18.91	105.14	81.01	-5.45	18.21	45.67	16.44
Residential - Beach Road CV \$345,000	Change %	2.89%	4.67%	3.91%	2.68%	0.90%	4.24%	3.03%	-0.10%	0.96%	1.83%	0.74%
	Total rates	1,847	1,941	2,017	2,071	2,090	2,178	2,244	2,242	2,264	2,305	2,322
	Change \$	51.85	86.57	75.88	54.03	18.63	88.55	66.08	-2.18	21.61	41.52	17.12
Residential - South Bay CV \$475,000	Change %	2.71%	3.52%	4.15%	2.48%	0.79%	4.52%	3.35%	-0.24%	0.67%	1.78%	0.61%
	Total rates	2,156	2,242	2,335	2,393	2,412	2,521	2,606	2,600	2,617	2,664	2,680
	Change \$	56.91	76.32	93.05	57.96	18.98	109.09	84.56	-6.23	17.40	46.65	16.28

		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Residential – Oaro CV \$255,000	Change %	4.25%	6.39%	4.61%	3.21%	1.06%	5.66%	3.91%	2.19%	2.91%	2.45%	0.89%
	Total rates	1,198	1,283	1,342	1,385	1,400	1,479	1,537	1,571	1,617	1,656	1,671
	Change \$	48.86	77.12	59.15	43.04	14.65	79.20	57.77	33.72	45.76	39.56	14.81
Ocean Ridge - Bare Land CV \$135,000	Change %	3.00%	8.31%	4.69%	2.51%	0.77%	3.78%	2.19%	0.88%	1.22%	1.40%	0.49%
	Total rates	1,083	1,191	1,246	1,278	1,287	1,336	1,365	1,377	1,394	1,414	1,421
	Change \$	31.52	91.33	55.79	31.30	9.84	48.64	29.19	11.98	16.80	19.54	6.96

11.2 Funding Impact Statements (Groups of Activities)

ROADING GROUP OF ACTIVITIES

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	,000s										
Sources of operating funding											
General rates, UAGC, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates (incl. water meter charges)	759	833	980	1015	1032	1026	1122	1142	1144	1162	1183
Subsidies and grants - operating	348	246	256	267	278	291	298	306	315	324	334
Fees & charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Fuel tax, fines, infringement fees & other	31	32	33	34	34	35	36	37	39	40	41
Total operating funding (A)	1,138	1,112	1,269	1,316	1,344	1,352	1,456	1,485	1,498	1,526	1,558
Applications of operating funding											
Payments to staff and suppliers	668	516	528	539	551	564	578	593	610	628	647
Finance costs	36	59	83	92	124	120	160	168	149	135	135
Internal charges & overheads applied	182	190	179	186	184	187	196	194	198	208	207
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total application of operating funding (B)	887	765	789	818	859	871	934	956	957	970	988
Surplus/(deficit) of operating funding (A – B)	252	347	480	498	485	481	523	529	541	555	570
Sources of capital funding											
Subsidiaries and grants - capital	142	224	540	349	366	382	393	405	417	431	446
Development & financial contributions	9	14	14	14	15	15	15	16	16	17	18
Increase / (decrease) in debt	(52)	403	207	81	101	114	628	(22)	(143)	(145)	(146)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	99	640	761	444	481	512	1,037	399	290	303	318

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	,000s										
Applications of capital funding											
Capital expenditure - meet additional demand	-	-	536	220	226	232	777	123	-	-	-
Capital expenditure - improve level of service	122	78	77	79	81	84	86	89	93	96	98
Capital expenditure - replace existing assets	260	909	627	643	660	676	696	717	737	762	790
Increase / (decrease) in reserves	(31)	-	-	-	-	-	-	-	-	-	-
Increase / (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding (D)	351	987	1241	943	967	993	1559	928	830	858	888
Surplus / (deficit) of capital funding (C – D)	(252)	(347)	(480)	(498)	(485)	(481)	(523)	(529)	(541)	(555)	(570)
Funding balance ((A – B) + (C – D))	-	-	-	-	-	-	-	-	-	-	-

WATER SERVICES GROUP OF ACTIVITIES

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	,000s										
Sources of operating funding											
General rates, UAGC, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates (incl. water meter charges)	883	883	884	913	930	945	965	982	1,002	1,029	1,052
Subsidies and grants - operating	-	-	-	-	-	-	-	-	-	-	-
Fees & charges	1	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered											
Fuel tax, fines, infringement fees & other	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	884	883	884	913	930	945	965	982	1,002	1,029	1,052
Applications of operating funding											
Payments to staff and suppliers	445	475	487	497	508	524	537	552	567	583	602
Finance costs	53	44	43	40	36	32	24	24	17	10	10
Internal charges & overheads applied	117	132	127	136	135	139	151	150	155	169	168
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total application of operating funding (B)	615	651	657	674	679	696	712	725	739	762	780
Surplus/(deficit) of operating funding (A – B)	270	232	228	239	251	249	253	257	263	267	271
Sources of capital funding											
Subsidiaries and grants - capital	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	11	22	22	23	24	24	25	26	27	27	28
Increase / (decrease) in debt	(58)	(69)	(67)	(67)	(67)	(67)	(52)	(52)	(27)	(15)	(14)
Gross proceeds from sale of assets	-	-	-	330	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(40)	(47)	(45)	286	(43)	(43)	(27)	(26)	(1)	13	14

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	,000s										
Applications of capital funding											
Capital expenditure - meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure - improve level of service	25	4	4	885	5	5	5	5	5	5	210
Capital expenditure - replace existing assets	228	95	97	100	176	181	187	192	199	206	213
Increase / (decrease) in reserves	(23)	86	81	(460)	27	21	35	34	58	69	(138)
Increase / (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding (D)	230	185	183	525	208	206	226	231	262	280	286
Surplus / (deficit) of capital funding (C – D)	(270)	(232)	(228)	(239)	(251)	(249)	(253)	(257)	(263)	(267)	(271)
Funding balance ((A – B) + (C – D))	-	-	-	-	-	-	-	-	-	-	-

SEWERAGE GROUP OF ACTIVITIES

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	,000s										
Sources of operating funding											
General rates, UAGC, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates (incl. water meter charges)	536	543	550	562	580	582	595	594	593	606	616
Subsidies and grants - operating	-	-	-	-	-	-	-	-	-	-	-
Fees & charges	27	22	22	23	23	24	25	25	26	27	28
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Fuel tax, fines, infringement fees & other	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	564	564	572	584	603	606	620	619	619	633	644
Applications of operating funding											
Payments to staff and suppliers	308	178	182	187	192	197	202	209	215	222	230
Finance costs	79	75	72	69	77	68	63	61	53	45	42
Internal charges & overheads applied	90	202	198	207	209	215	227	229	237	251	255
Other operating funding application	(5)	-	-	-	-	-	-	-	-	-	-
Total application of operating funding (B)	473	455	452	463	478	480	492	499	506	518	527
Surplus/(deficit) of operating funding (A – B)	91	110	120	121	125	126	127	120	113	115	117
Sources of capital funding											
Subsidies & grants - capital	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	12	24	24	25	26	26	27	28	29	30	31
Increase/(decrease) in debt	(61)	(70)	(77)	(77)	(79)	(79)	(79)	(71)	(62)	(62)	(62)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(49)	(46)	(53)	(52)	(54)	(53)	(52)	(43)	(34)	(33)	(32)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	,000s										
Applications of capital funding											
Capital expenditure - meet additional demand	94	-	-	-	-	-	-	-	-	-	-
Capital expenditure - improve level of service	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure - replace existing assets	30	40	43	44	45	46	48	49	51	53	55
Increase/(decrease) in reserves	(82)	24	24	25	26	26	27	28	29	30	31
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding (D)	42	64	67	69	71	73	75	77	80	83	86
Surplus/(deficit) of capital funding (C – D)	(91)	(110)	(120)	(121)	(125)	(126)	(127)	(120)	(113)	(115)	(117)
Funding balance ((A – B) + (C – D))	-	-	-	-	-	-	-	-	-	-	-

STORMWATER GROUP OF ACTIVITIES

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	,000s	,000s	,000s	,000s	,000s	,000s	,000s	,000s	,000s	,000s	,000s
Sources of operating funding											
General rates, UAGC, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates (incl. water meter charges)	120	121	122	126	127	130	135	135	138	144	145
Subsidies and grants - operating	-	-	-	-	-	-	-	-	-	-	-
Fees & charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Fuel tax, fines, infringement fees & other	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	120	121	122	126	127	130	135	135	138	144	145
Applications of operating funding											
Payments to staff and suppliers	49	49	50	51	53	54	56	57	59	61	63
Finance costs	15	12	10	10	9	9	9	7	7	7	5
Internal charges & overheads applied	23	24	24	26	25	26	28	28	29	32	32
Other operating funding application	-	-	-	-	-	-	-	-	-	-	-
Total application of operating funding (B)	87	85	84	87	87	90	94	93	95	100	100
Surplus/(deficit) of operating funding (A – B)	32	36	38	39	39	40	41	42	43	44	45
Sources of capital funding											
Subsidies & grants - capital	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	1	9	9	10	10	10	10	11	11	11	12
Increase/(decrease) in debt	(17)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(17)	(2)	(2)	(2)	(1)	(1)	(1)	-	-	-	1

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	,000s										
Applications of capital funding											
Capital expenditure - meet additional demand	25	-	-	220	-	-	-	-	-	-	-
Capital expenditure - improve level of service	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure - replace existing assets	20	25	27	28	28	29	30	31	32	33	34
Increase/(decrease) in reserves	(29)	9	9	(210)	10	10	10	11	11	11	12
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding (D)	16	34	36	37	38	39	40	42	43	44	46
Surplus/(deficit) of capital funding (C – D)	(32)	(36)	(38)	(39)	(39)	(40)	(41)	(42)	(43)	(44)	(45)
Funding balance ((A – B) + (C – D))	-	-	-	-	-	-	-	-	-	-	-

REFUSE & RECYCLING GROUP OF ACTIVITIES

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	,000s	,000s	,000s								
Sources of operating funding											
General rates, UAGC, rates penalties	263	265	258	267	272	277	285	350	359	372	373
Targeted rates (incl. water meter charges)	125	124	127	131	134	137	142	146	150	156	160
Subsidies and grants - operating	-	-	-	-	-	-	-	-	-	-	-
Fees & charges	31	5	5	5	5	5	5	6	6	6	6
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Fuel tax, fines, infringement fees & other	13	13	14	14	14	15	15	16	16	17	17
Total operating funding (A)	431	407	404	417	425	435	447	517	531	550	557
Applications of operating funding											
Payments to staff and suppliers	360	335	343	352	361	370	381	392	405	418	432
Finance costs	4	3	3	3	3	1	1	43	43	43	37
Internal charges & overheads applied	53	55	44	49	47	49	53	52	54	59	58
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total application of operating funding (B)	417	393	390	403	411	420	436	488	502	520	527
Surplus/(deficit) of operating funding (A – B)	14	14	14	14	15	15	12	30	30	30	30
Sources of capital funding											
Subsidiaries and grants - capital	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	3	-	-	-	-	-	-	-	-	-	-
Increase / (decrease) in debt	(7)	(6)	(6)	(6)	(6)	(6)	(3)	587	(30)	(30)	(30)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(4)	(6)	(6)	(6)	(6)	(6)	(3)	587	(30)	(30)	(30)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	,000s										
Applications of capital funding											
Capital expenditure - meet additional demand	-	-	-	-	-	-	-	616	-	-	-
Capital expenditure - improve level of service	25	-	-	-	-	-	-	-	-	-	-
Capital expenditure - replace existing assets	8	8	8	8	8	8	9	-	-	-	-
Increase / (decrease) in reserves	(22)	-	-	-	-	-	-	-	-	-	-
Increase / (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding (D)	10	8	8	8	8	8	9	616	-	-	-
Surplus / (deficit) of capital funding (C – D)	(14)	(14)	(14)	(14)	(15)	(15)	(12)	(30)	(30)	(30)	(30)
Funding balance ((A – B) + (C – D))	-	-	-	-	-	-	-	-	-	-	-

COMMUNITY FACILITIES GROUP OF ACTIVITIES

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	,000s										
Sources of operating funding											
General rates, UAGC, rates penalties	956	783	711	774	768	1,050	1,120	1,136	1,142	1,171	1,194
Targeted rates (incl. water meter charges)	265	322	350	344	338	329	338	320	317	320	305
Subsidies and grants - operating	1	3	3	3	3	3	3	3	3	3	3
Fees & charges	609	725	897	785	851	1,389	1,545	1,578	1,515	1,537	1,576
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Fuel tax, fines, infringement fees & other	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	1,831	1,833	1,961	1,906	1,960	2,770	3,006	3,037	2,977	3,032	3,078
Applications of operating funding											
Payments to staff and suppliers	1,000	931	942	958	1,061	1,107	1,335	1,379	1,419	1,463	1,516
Finance costs	254	272	273	295	302	734	711	696	613	588	577
Internal charges & overheads applied	277	293	267	276	270	278	301	296	306	333	329
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total application of operating funding (B)	1,531	1,496	1,482	1,529	1,633	2,119	2,348	2,371	2,338	2,384	2,422
Surplus/(deficit) of operating funding (A – B)	300	337	479	377	327	651	658	666	640	648	656
Sources of capital funding											
Subsidiaries and grants - capital	400	-	250	-	-	1742	-	-	-	-	-
Development & financial contributions	55	8	8	8	8	8	9	9	9	9	10
Increase / (decrease) in debt	1,449	109	(159)	252	(246)	5819	(573)	(578)	(548)	(553)	(558)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	1,905	116	98	259	(238)	7569	(564)	(570)	(539)	(544)	(548)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	,000s										
Applications of capital funding											
Capital expenditure - meet additional demand	4,498	902	513	570	565	8129	-	-	-	-	-
Capital expenditure - improve level of service	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure - replace existing assets	43	36	37	38	39	40	41	42	44	45	47
Increase / (decrease) in reserves	(2,337)	(484)	27	29	(514)	51	52	54	57	59	61
Increase / (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding (D)	2,205	453	577	637	89	8220	94	97	100	104	108
Surplus / (deficit) of capital funding (C – D)	(300)	(337)	(479)	(377)	(327)	(651)	(658)	(666)	(640)	(648)	(656)
Funding balance ((A – B) + (C – D))	-										

COMMERCIAL ACTIVITIES GROUP OF ACTIVITIES

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	,000s	,000s	,000s	,000s	,000s	,000s	,000s	,000s	,000s	,000s	,000s
Sources of operating funding											
General rates, UAGC, rates penalties	(55)	(8)	(19)	(23)	(17)	(22)	(15)	(14)	(8)	-	-
Targeted rates (incl. water meter charges)	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants - operating	-	-	-	-	-	-	-	-	-	-	-
Fees & charges	220	167	167	167	168	168	168	168	169	169	169
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Fuel tax, fines, infringement fees & other	374	998	1,012	995	1,014	982	735	231	255	104	100
Total operating funding (A)	540	1,157	1,160	1,139	1,165	1,127	888	386	416	273	269
Applications of operating funding											
Payments to staff and suppliers	309	845	855	834	911	875	656	221	248	200	199
Finance costs	53	-	-	-	-	-	-	-	-	-	-
Internal charges & overheads applied	28	29	29	32	31	32	35	33	35	39	37
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total application of operating funding (B)	390	874	884	866	942	907	692	255	282	239	236
Surplus/(deficit) of operating funding (A – B)	149	283	276	273	223	221	197	131	133	34	33
Sources of capital funding											
Subsidiaries and grants - capital	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase / (decrease) in debt	(30)	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(30)	-	-	-	-	-	-	-	-	-	-

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	,000s										
Applications of capital funding											
Capital expenditure - meet additional demand	4	4	5	5	5	5	5	5	5	6	6
Capital expenditure - improve level of service	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure - replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase / (decrease) in reserves	115	279	272	268	218	216	192	126	128	29	27
Increase / (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding (D)	119	283	276	273	223	221	197	131	133	34	33
Surplus / (deficit) of capital funding (C – D)	(149)	(283)	(276)	(273)	(223)	(221)	(197)	(131)	(133)	(34)	(33)
Funding balance ((A – B) + (C – D))	-	-	-	-	-	-	-	-	-	-	-

LEADERSHIP GROUP OF ACTIVITIES

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	,000s										
Sources of operating funding											
General rates, UAGC, rates penalties	561	584	627	612	627	663	664	683	724	728	752
Targeted rates (incl. water meter charges)	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants - operating	-	-	-	-	-	-	-	-	-	-	-
Fees & charges	33	39	51	41	42	56	44	45	62	48	50
Internal charges and overheads recovered	1,301	1,371	1,326	1,432	1,398	1,438	1,559	1,528	1,577	1,716	1,689
Fuel tax, fines, infringement fees & other	104	56	67	63	53	54	69	86	92	98	106
Total operating funding (A)	2,000	2,050	2,072	2,148	2,120	2,211	2,336	2,343	2,454	2,590	2,598
Applications of operating funding											
Payments to staff and suppliers	1,660	1,731	1,730	1,786	1,775	1,856	1,938	1,934	2,030	2,128	2,133
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges & overheads applied	206	213	214	235	225	232	256	246	253	281	271
Other operating funding applications	105	56	67	63	53	54	69	86	92	98	106
Total application of operating funding (B)	1,970	2,000	2,011	2,084	2,053	2,141	2,263	2,266	2,375	2,507	2,510
Surplus/(deficit) of operating funding (A – B)	29	50	61	64	67	70	73	77	79	83	87
Sources of capital funding											
Subsidiaries and grants - capital	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase / (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	-										

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	,000s										
Applications of capital funding											
Capital expenditure - meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure - improve level of service	-	20	21	21	22	22	23	24	24	25	26
Capital expenditure - replace existing assets	29	30	41	43	45	48	50	53	55	58	61
Increase / (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase / (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding (D)	29	50	61	64	67	70	73	77	79	83	87
Surplus / (deficit) of capital funding (C – D)	(29)	(50)	(61)	(64)	(67)	(70)	(73)	(77)	(79)	(83)	(87)
Funding balance ((A – B) + (C – D))	-	-	-	-	-	-	-	-	-	-	-

REGULATION & CONTROL GROUP OF ACTIVITIES

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	,000s										
Sources of operating funding											
General rates, UAGC, rates penalties	247	292	310	327	326	336	356	357	368	392	394
Targeted rates (incl. water meter charges)	40	39	40	44	44	46	52	51	54	61	61
Subsidies and grants - operating	-	-	-	-	-	-	-	-	-	-	-
Fees & charges	369	350	357	365	373	382	391	401	412	424	437
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Fuel tax, fines, infringement fees & other	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	656	681	706	736	743	763	799	809	835	877	892
Applications of operating funding											
Payments to staff and suppliers	469	478	488	499	512	525	540	556	573	591	611
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges & overheads applied	187	203	219	237	231	238	259	254	262	286	281
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total application of operating funding (B)	656	681	706	736	743	763	799	809	835	877	892
Surplus/(deficit) of operating funding (A – B)	-										
Sources of capital funding											
Subsidiaries and grants - capital	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase / (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	-										

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	,000s										
Applications of capital funding											
Capital expenditure - meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure - improve level of service	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure - replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase / (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase / (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding (D)	-	-	-	-	-	-	-	-	-	-	-
Surplus / (deficit) of capital funding (C – D)	-	-	-	-	-	-	-	-	-	-	-
Funding balance ((A – B) + (C – D))	-	-	-	-	-	-	-	-	-	-	-

SAFETY & WELLBEING GROUP OF ACTIVITIES

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	,000s	,000s	,000s	,000s	,000s	,000s	,000s	,000s	,000s	,000s	,000s
Sources of operating funding											
General rates, UAGC, rates penalties	182	161	163	170	171	176	185	187	192	203	206
Targeted rates (incl. water meter charges)	90	97	99	103	90	93	97	99	102	107	109
Subsidies and grants - operating	123	128	132	136	139	142	147	151	156	162	166
Fees & charges	17	15	16	16	31	32	33	34	35	36	37
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Fuel tax, fines, infringement fees & other	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	411	403	410	426	431	443	462	470	485	508	518
Applications of operating funding											
Payments to staff and suppliers	316	297	302	309	317	325	334	344	354	366	378
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges & overheads applied	98	108	110	119	117	121	131	129	133	145	144
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total application of operating funding (B)	414	406	413	429	434	446	465	473	488	511	521
Surplus/(deficit) of operating funding (A – B)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Sources of capital funding											
Subsidiaries and grants - capital	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase / (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	-	-	-	-	-	-	-	-	-	-	-

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	,000s										
Applications of capital funding											
Capital expenditure - meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure - improve level of service	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure - replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase / (decrease) in reserves	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Increase / (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding (D)	(3)										
Surplus / (deficit) of capital funding (C – D)	3										
Funding balance ((A – B) + (C – D))	-										

DISTRICT DEVELOPMENT GROUP OF ACTIVITIES

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	,000s	,000s	,000s	,000s	,000s	,000s	,000s	,000s	,000s	,000s	,000s
Sources of operating funding											
General rates, UAGC, rates penalties	121	128	124	127	129	132	136	138	141	146	149
Targeted rates (incl. water meter charges)	335	369	374	398	394	404	417	427	439	455	467
Subsidies and grants - operating	17	17	17	17	17	17	17	17	17	17	17
Fees & charges	5	5	5	5	5	5	5	5	5	5	5
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Fuel tax, fines, infringement fees & other	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	478	519	520	547	545	557	574	586	602	623	638
Applications of operating funding											
Payments to staff and suppliers	454	469	473	482	493	504	516	529	544	559	575
Finance costs	2	2	2	1	-	-	-	-	-	-	-
Internal charges & overheads applied	38	41	38	54	53	54	59	58	60	65	64
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total application of operating funding (B)	494	512	513	537	546	558	575	587	603	624	639
Surplus/(deficit) of operating funding (A – B)	(16)	7	7	10	(1)						
Sources of capital funding											
Subsidiaries and grants – capital	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase / (decrease) in debt	(5)	(8)	(8)	(11)	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(5)	(8)	(8)	(11)	-						

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	,000s	,000s	,000s	,000s	,000s	,000s	,000s	,000s	,000s	,000s	,000s
Applications of capital funding											
Capital expenditure - meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure - improve level of service	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure - replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase / (decrease) in reserves	(21)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Increase / (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding (D)	(21)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Surplus / (deficit) of capital funding (C – D)	16	(7)	(7)	(10)	1						
Funding balance ((A – B) + (C – D))	-	-	-	-	-	-	-	-	-	-	-

KAIKOURA HOSPITAL GROUP OF ACTIVITIES

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	,000s	,000s	,000s	,000s	,000s	,000s	,000s	,000s	,000s	,000s	,000s
Sources of operating funding											
General rates, uagc, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates (incl. Water meter charges)	-	138	268	260	274	265	256	248	239	230	221
Subsidies and grants - operating	-	-	-	-	-	-	-	-	-	-	-
Fees & charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Fuel tax, fines, infringement fees & other	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	-	138	268	260	274	265	256	248	239	230	221
Applications of operating funding											
Payments to staff and suppliers	-	2500	-	-	-	-	-	-	-	-	-
Finance costs	-	75	143	135	149	140	131	123	114	105	96
Internal charges & overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total application of operating funding (B)	-	2575	143	135	149	140	131	123	114	105	96
Surplus/(deficit) of operating funding (A – B)	-	(2438)	125	125	125	125	125	125	125	125	125
Sources of capital funding											
Subsidiaries and grants - capital	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase / (decrease) in debt	-	2438	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	-	2438	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	,000s										
Applications of capital funding											
Capital expenditure - meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure - improve level of service	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure - replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase / (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase / (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding (D)	-	-	-	-	-	-	-	-	-	-	-
Surplus / (deficit) of capital funding (C – D)	-	2438	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)
Funding balance ((A – B) + (C – D))	-	-	-	-	-	-	-	-	-	-	-

12.0 Revenue & financing policy

Objective

Provide the funding mechanisms to ensure the equitable distribution of costs to those who benefit, and to provide for the financial sustainability of the activities undertaken.

Financial management

The Kaikoura District Council will ensure that each year's projected revenues are set at a level sufficient to meet that year's projected operating expenses. In other words, it will aim to produce a balanced budget.

The council will manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community.

The council will make adequate and effective provision to meet the expenditure needs of the district, which have been identified in its Long-Term Plan, and in its Annual Plan where applicable.

In determining the sources of funding which will be used, in relation to each activity to be funded, the council has considered;

- (a) The community outcomes to which the activity contributes; and
- (b) The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
- (c) The period over which those benefits are likely to occur; and

- (d) The extent to which the actions (or inaction) of any individual or group may contribute to the need to undertake the activity; and
- (e) The costs and benefits of funding the activity from other activities

Appendix A is a summary of the council's considerations on these matters.

Having considered the most appropriate sources of funding in relation to each activity, the council has then considered the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural well-being of the community.

Funding of operating expenses

The council's policies and practices as regards the funding of its operating expenses are set to ensure that it complies with applicable legislation and generally accepted accounting practice.

In general terms the council will use a mix of revenue sources to meet operating expenses, with major sources being general rates, targeted rates, subsidies, and fees and charges. The council recognises that there

are certain circumstances that may allow it to seek alternative sources of funding, and these alternatives will be explored wherever possible.

The following sources of revenue are applied to the council's operational activities, in order of preference from left to right:

Significant activities	Fees & charges	Grants & subsidies	Interest & other	Targeted rates	General rates
Roads & bridges		✓	✓	✓	
Footpaths & cycleways		✓		✓	
Streetlights		✓		✓	
Water supplies	✓	✓		✓	
Sewerage	✓	✓		✓	
Stormwater	✓	✓		✓	
Refuse & recycling		✓	✓	✓	✓
Parks & reserves	✓	✓		✓	✓
Community property	✓	✓	✓	✓	✓
Library services	✓	✓			✓
Airport	✓				✓
Harbour activities	✓			✓	✓
Leased property	✓		✓		
Forestry			✓		✓
Governance	✓	✓			✓
Support services	✓	✓	✓		
Statutory planning	✓				✓
Building control	✓				✓

Significant activities	Fees & charges	Grants & subsidies	Interest & other	Targeted rates	General rates
Traffic control	✓			✓	✓
Dog & stock control	✓			✓	✓
Liquor licensing	✓			✓	✓
Civil defense		✓			✓
Rural fire control	✓	✓		✓	
Environmental health	✓			✓	✓
Land transport safety		✓			✓
Community development		✓			✓
District planning	✓			✓	
Environmental planning	✓	✓			✓
Tourism & development	✓	✓		✓	
Community services		✓	✓	✓	✓
Kaikoura hospital		✓		✓	

Basis for selection of mechanisms to fund operating expenses

Fees & charges are used for services where there is a benefit to an individual. If it is possible to efficiently charge a fee, the council does so on the basis of either recovering the full cost of the service, the marginal cost added by users, or a rate that the market will pay. The market rate becomes an issue to limit the potential for charging, and applies to circumstances where the council believes that a charge set too high will reduce use and therefore diminish the value of the facility to the community, such as library fees.

Grants & subsidies are used where they are available.

Interest & other revenue includes logging sales, petrol tax, environmental levies and rental revenue, and is used to;

- offset operational expenditure of the specific activity generating the revenue
- increase the size of the capital base of the specific activity generating the revenue
- offset the cost of provision of other services or activities.

Targeted rates are used to fund services where the council believes there is a public benefit, and that benefit or service is limited to a geographical area, such as properties within a water scheme area, or to a demographic type of property, such as to commercial properties and visitor accommodation. Targeted rates may also be used to separately identify a particular activity for transparency, such as the roading rate and the Kaikoura Hospital uniform charge. Where a targeted rate is used to fund or partially fund any significant activity, the revenue is only to be used for that activity and a special fund or reserve will be established to isolate

that revenue from general funds.

General rates are used to fund public benefit services, even though it may not be to the whole community. General rates typically fund "public goods" for which there is no practical method for charging individual users.

In this policy, general rates includes the general rate, which is calculated based on the capital value of the rateable property, and the uniform annual general charge, which is a fixed amount per rateable property.

Note that development contributions, although intended to fund capital expenditure, can also be applied to loan principal and interest expense, where the loan has been raised to undertake capital works for which a development contribution has been calculated. The council will use development contributions to fund interest expense, where this is the case.

Funding of capital expenses

The council's policies and practices as regards the funding of its capital expenditure are set to ensure that it complies with applicable legislation and generally accepted accounting practice.

In general terms the council will use a mix of funding sources to meet capital expenditure, with major sources being targeted rates, financial/development contributions, borrowings, reserves (particularly depreciation reserves) and funding assistance such as grants and subsidies. Funding from general rates is applied to specific activities, such as community facilities.

The following sources of revenue are applied to the council's capital programmes, in order of preference from left to right:

Significant activities	Grants & subsidies	Dev. cons	Reserves & property sales	Term loans	Rates (general or targeted)
Roads & bridges	✓	✓	✓	✓	✓
Footpaths & cycleways	✓	✓	✓	✓	✓
Streetlights	✓	✓	✓	✓	✓
Water supplies	✓	✓	✓	✓	✓
Sewerage	✓	✓	✓	✓	✓
Stormwater	✓	✓	✓	✓	✓
Refuse & recycling	✓		✓	✓	✓
Parks & reserves	✓	✓	✓	✓	✓

Significant activities	Grants & subsidies	Dev. cons	Reserves & property sales	Term loans	Rates (general or targeted)
Community property	✓	✓	✓	✓	✓
Library services	✓		✓	✓	✓
Airport	✓		✓	✓	✓
Harbour activities	✓		✓	✓	✓
Leased property	✓		✓	✓	
Forestry	✓		✓	✓	
Rural fire control	✓		✓	✓	✓

Basis for selection of mechanisms to fund capital expenses

Grants & subsidies are used where they are available.

Development contributions (Dev. Cons) fund capital projects included in the Development Contribution Policy, and to the cost of servicing debt that has been raised to undertake those projects.

Reserves & property sales may be used to fund capital works or to repay debt.

Term loans (borrowing) may be used to fund capital works where the only other alternative is rates. The council is aware, however, that it does not have unlimited capacity to borrow, nor does the community have unlimited capacity to service debt. All borrowing is therefore subject to the limits set by the councils Financial Strategy.

Rates (whether general rates or targeted rates) will be used in an ongoing replacement programme and may be used to fund a portion of the capital work. This will be balanced against the affordability of the current ratepayer, and the extent to which the capital or renewal work is even over the period of the plan.

The following pages demonstrate, in relation to each activity, an analysis of who most benefits from the provision of each activity, the extent to which these groups or individuals benefit, and the community outcomes to which each activity relates. This explains why the council has chosen the funding mechanisms it has, and why it is appropriate for each activity.

Significant activity	Outcomes	Who benefits?	Period over which benefits accrue	Extent of identifiable groups or individuals contributing to costs	Costs & benefits of funding from other sources
Roads & bridges	<ul style="list-style-type: none"> • Sustainable development • Safe, efficient transport network 	100% community as a whole, on a property basis	Maintenance annually, capital work over the life of the asset	Development places extra demands on the existing infrastructure, as does heavier traffic resulting from land use such as forestry and dairying.	User fees are not practical. Partial subsidies are available for operating and capital work. Loans and development contributions are appropriate for capex. Depreciation reserves are held for renewal projects.
Footpaths & cycleways	<ul style="list-style-type: none"> • Sustainable development • Safe, efficient transport network 	100% community as a whole, properties in the urban area have the greatest benefit, then semi-rural, then rural properties	Maintenance annually, capital work over the life of the asset	Development places demands to extend infrastructure, as does increased visitors and expectations for improved access using sustainable transport.	User fees are not practical. Subsidies will be sought wherever possible. Loans and development contributions are appropriate for capital work.
Streetlights	<ul style="list-style-type: none"> • Sustainable development • Safe, efficient transport network 	100% community as a whole, properties in the urban area have the greatest benefit, then semi-rural, then rural properties	Maintenance annually, capital work over the life of the asset	Development places demands to extend infrastructure.	User fees are not practical. Partial subsidies are available for operating and capital work. Loans and development contributions are appropriate for capital work.

Significant activity	Outcomes	Who benefits?	Period over which benefits accrue	Extent of identifiable groups or individuals contributing to costs	Costs & benefits of funding from other sources
Water supplies	<ul style="list-style-type: none"> • Sustainable development • Quality water and wastewater services • Quality standard of housing • Environmental protection & enhancement 	100% water consumers	Maintenance annually, capital work over the life of the asset	Extraordinary users on the Kaikoura supply are metered so consumption can be assessed and invoiced. All properties connected to a water supply can be identified and contribute to costs.	Meters are expensive to install and maintain. Loans and contributions are appropriate for capex. Depreciation reserves are held to fund capital renewal projects. Grants are applied for wherever possible.
Sewerage	<ul style="list-style-type: none"> • Sustainable development • Quality water and wastewater services • Quality standard of housing • Environmental protection & enhancement 	100% properties connected to (or able to be connected to) the Kaikoura sewerage system, both on a per property and a per pan basis	Maintenance annually, capital work over the life of the asset	Development places demands to extend or increase the capacity of existing infrastructure. All properties connected to the council sewerage system can be readily identified and contribute to costs.	User fees are not practical. Loans and development contributions are appropriate for capex. Depreciation reserves are held to fund capital renewal projects. Grants are applied for wherever possible.
Stormwater	<ul style="list-style-type: none"> • Sustainable development • Quality water and wastewater services • Quality standard of housing • Environmental protection & enhancement 	100% properties within the Kaikoura urban area (which includes Ocean Ridge).	Maintenance annually, capital work over the life of the asset	Development places demands to extend or increase the capacity of existing infrastructure.	User fees are not practical. Loans and development contributions are appropriate for capex. Depreciation reserves are held to fund capital renewal projects. Grants are applied for wherever possible.

Significant activity	Outcomes	Who benefits?	Period over which benefits accrue	Extent of identifiable groups or individuals contributing to costs	Costs & benefits of funding from other sources
Refuse & recycling	<ul style="list-style-type: none"> • Sustainable development • Environmental protection & enhancement 	100% community as a whole, but only some properties receive the kerbside recycling collection.	Maintenance annually, capital work over the life of the asset	Retail shops, dairies, food premises, etc, create the need for rubbish bins to be provided in public places.	Landfill charges are collected by Innovative Waste, the landfill operator.
Community property	<ul style="list-style-type: none"> • Sustainable development • Quality standard of housing • Affordable access to quality community facilities 	30% individuals and identifiable groups (such as elderly housing tenants, hall hirers, and swimming pool users), 70% community as a whole (museum, library and civic offices)	Maintenance annually, capital work over the life of the asset	This varies according to the nature of the property.	Hall hires and swim fees would be unaffordable if expectations were to cover all costs. Housing for the elderly is self-funding.
Parks & reserves	<ul style="list-style-type: none"> • Sustainable development • Environmental protection & enhancement • Affordable access to quality community facilities 	75% community as a whole, 25% user fees & charges (via lease fees, rentals, etc). Clubs and organisations through leasing of specific reserves.	Indefinitely	There is a public expectation for parks & reserves, sports clubs rely upon grounds for their sporting pursuit, public toilets and public carparks are necessary for visitors	User fees are only an option where reserves are leased. Grants will be sought wherever possible. Development contributions and loans are appropriate to fund capital work and/or new parks and reserves
Library services	<ul style="list-style-type: none"> • Sustainable development • Affordable access to quality community facilities 	75% community as a whole, on an equal basis, 25% individuals on a user pays basis.	The lifetime of the library collection	Library users contribute 100% to the need for this activity, but it is not equitable to fund this on a user-pays basis.	Grants & donations are sought wherever possible.

Significant activity	Outcomes	Who benefits?	Period over which benefits accrue	Extent of identifiable groups or individuals contributing to costs	Costs & benefits of funding from other sources
Airport	<ul style="list-style-type: none"> Safe, efficient transport network 	100% individuals or identifiable groups, on a user pays basis	Maintenance annually, capital work over the life of the asset	The commercial sector benefits the most from the provision of airport facilities, along with the Aero Club and passing aviators	The activity should be self-funding, if it creates deficits then the general rate would be the last option.
Harbour activities	<ul style="list-style-type: none"> Sustainable development 	35% community as a whole, on a property basis, 65% individuals and operators, on a user pays basis	Maintenance annually, capital work over the life of the asset	Commercial operators have the most need for this activity, and the greatest demand on the level of service.	Loans are appropriate to fund upgrades.
Leased properties	<ul style="list-style-type: none"> Affordable access to quality community facilities 	100% individuals or organisations (i.e. the lessee)	Annually	The lessee is liable for any costs relating to the property through the terms of their lease	Lease revenues ensure these properties are self-funding, and may generate surpluses
Forestry	<ul style="list-style-type: none"> Affordable access to quality community facilities 	100% community as a whole. Logging revenues are used to offset rates, generate funds for other developments, or to reinvest in investment activities.	Annually	None	Forestry revenues generate surpluses

Significant activity	Outcomes	Who benefits?	Period over which benefits accrue	Extent of identifiable groups or individuals contributing to costs	Costs & benefits of funding from other sources
Governance	<ul style="list-style-type: none"> • Safe, efficient transport network • Quality standard of housing • Environmental protection & enhancement • Affordable access to quality community facilities • Community involvement in decision making 	100% community as a whole, on an equal basis.	Annually	The benefit (and cost) of representation accrues to all residents of the Kaikoura district. Kaikoura District Council undertakes the local elections including those on behalf of the Canterbury District Health Board and Environment Canterbury.	User fees and charges are not appropriate. Election expenses are subsidised by the district health board and Environment Canterbury.
Support services	<ul style="list-style-type: none"> • Sustainable development 	10% individuals, 90% community as a whole	Annually	None	Overhead allocations are used to distribute the net costs of Support Services over the activities supported
Statutory planning	<ul style="list-style-type: none"> • Sustainable development • Environmental protection & enhancement 	80% individuals on a user pays basis, 20% community as a whole, on a property basis	Over the life of their development to the individual, annually to the community	Resource consents are fully funded by the applicant	User fees & charges are appropriate for consent applications
Building control	<ul style="list-style-type: none"> • Quality standard of housing 	80% individuals on a user pays basis, 20% community as a whole, on a property basis	Over the life of their building to the individual, annually to the community	Building consents are fully funded by the applicant	User fees & charges are appropriate for consent applications

Significant activity	Outcomes	Who benefits?	Period over which benefits accrue	Extent of identifiable groups or individuals contributing to costs	Costs & benefits of funding from other sources
Traffic control	<ul style="list-style-type: none"> Safe, efficient transport network 	20% community as a whole on a property basis, 50% commercial sector, 30% individuals on a user pays basis	Annually to the community, immediately to individuals	The commercial sector (retail shops, food premises, etc) benefit the most from provision of car parks and traffic control.	Infringement fees and car parking fees are appropriate for this activity
Dog & stock control	<ul style="list-style-type: none"> Sustainable development 	80% individuals (dog and stock owners), 20% community as a whole (protection from wandering dogs and stock).	Annually	Dog and/or stock owners create the need for these activities. Stock control is needed outside of the urban area, where the stock is located.	Dog registration fees fund the bulk of the dog control activity, and cost recoveries or fines cover costs where corrective actions are required.
Liquor licensing	<ul style="list-style-type: none"> Sustainable development 	100% licensed premises	Annually	Registered premises create the need for this activity	Fees are set by legislation, there is no opportunity to increase fees or source alternate funds
Civil defence	<ul style="list-style-type: none"> Sustainable development 	100% community as a whole, on an equal basis	Annually	None	No options for alternate funds for day to day operations
Rural fire control	<ul style="list-style-type: none"> Environmental protection & enhancement 	100% properties outside the urban area	Annually	Individuals benefit from permitted activity (i.e. fire permits)	The fire authority is eligible for subsidised volunteer training and firefighting equipment

Significant activity	Outcomes	Who benefits?	Period over which benefits accrue	Extent of identifiable groups or individuals contributing to costs	Costs & benefits of funding from other sources
Environmental health	<ul style="list-style-type: none"> Quality water & wastewater services 	60% community as a whole, on an equal basis 40% individuals on a user pays basis	Annually	Registered premises benefit and create the need for this activity	Many fees are set by legislation, there is some opportunity to increase some fees, but no source of alternate funds
Land transport safety	<ul style="list-style-type: none"> Safe, efficient transport network 	100% community as a whole	Annually	Road users create the need for education of safe road use	User fees & charges are not practical. Partial subsidies are available.
Community development	<ul style="list-style-type: none"> Sustainable development 	100% community as a whole	Annually	None	User fees & charges are not practical.
District planning	<ul style="list-style-type: none"> Sustainable development Safe, efficient transport network Quality standard of housing Environmental protection & enhancement 	100% community as a whole, except for plan changes where the applicant directly benefits	Indefinitely	None	User fees & charges are appropriate where plan changes are initiated by developers
Environmental planning	<ul style="list-style-type: none"> Sustainable development Quality water & wastewater services Safe, efficient transport network Environmental protection & enhancement 	100% community as a whole, except for consent advice	Indefinitely	Individual landowners may benefit or create the need for this activity, where they have areas of biodiversity interest on their land	Grants & subsidies are sought wherever possible

Significant activity	Outcomes	Who benefits?	Period over which benefits accrue	Extent of identifiable groups or individuals contributing to costs	Costs & benefits of funding from other sources
Tourism & development	<ul style="list-style-type: none"> Sustainable development 	100% commercial premises, but individuals to benefit from employment and economic development	Annually	Local businesses benefit from increased visitor numbers, and individuals benefit from having employment and higher revenues	Grants & subsidies are sought wherever possible
Community services	<ul style="list-style-type: none"> Sustainable development 	100% community as a whole benefits from clubs and voluntary organisations being adequately funded. The grant paid to KITI benefits the commercial sector.	Annually	Local clubs and organisations, events and projects create the need for this activity	Grants & subsidies are sought wherever possible, and redistributed through this activity.
Kaikoura hospital	<ul style="list-style-type: none"> Affordable access to quality community facilities 	100% community as a whole, and visitors also benefit.	Over the life of the facility	The Canterbury District Health Board owns this asset and is responsible for all costs associated with it	The council has agreed to fund the CDHB shortfall, and grants and subsidies are being sought wherever possible

12.1 Rating base information

Rates are set at the start of each financial year using the rates database information as at 30 June of the preceding financial year. We estimate the number of rating units to be as per the table below, which assumes slow but constant growth of ten units per year.

	No. of Rating Units (includes non-rateable)	No. of rateable properties	No. of Separately Used or Inhabited Parts of a Rating Unit
30 June 2015	3,396	2,655	3,002
30 June 2016	3,406	2,675	3,012
30 June 2017	3,416	2,685	3,022
30 June 2018	3,426	2,695	3,032
30 June 2019	3,436	2,705	3,042
30 June 2020	3,446	2,715	3,052
30 June 2021	3,456	2,725	3,062
30 June 2022	3,466	2,735	3,072
30 June 2023	3,476	2,745	3,082
30 June 2024	3,486	2,755	3,092
30 June 2025	3,496	2,765	3,102

While the Local Government Act (2002) requires we disclose the number of rating units for each year of the Long Term Plan, the term “rating unit” is often misinterpreted.

A rating unit is usually determined by the existence of a certificate of title – the rule of thumb is that one certificate of title creates one rating unit, but there are exceptions where multiple titles are combined into a single rating unit. These exceptions apply where the land in question is;

- Owned by the same person or people, and
- Used jointly as a single unit, and
- Contiguous (next to each other) or separated only by a road, railway, drain, water race, river or stream.

Some rating units are non-rateable, such as land owned by the Crown, Department of Conservation, and some others. The actual number of **rateable** units is quite a bit less than the total rating units.

The council uses separately used or inhabited parts of a rating unit when applying most of our uniform annual charges. Separately used or inhabited parts of a rating unit enables the council to apply a uniform annual charge to each flat or apartment within a block of flats or apartments, or each house on a title where there are more than one, or to each shop within a shopping mall (for example).

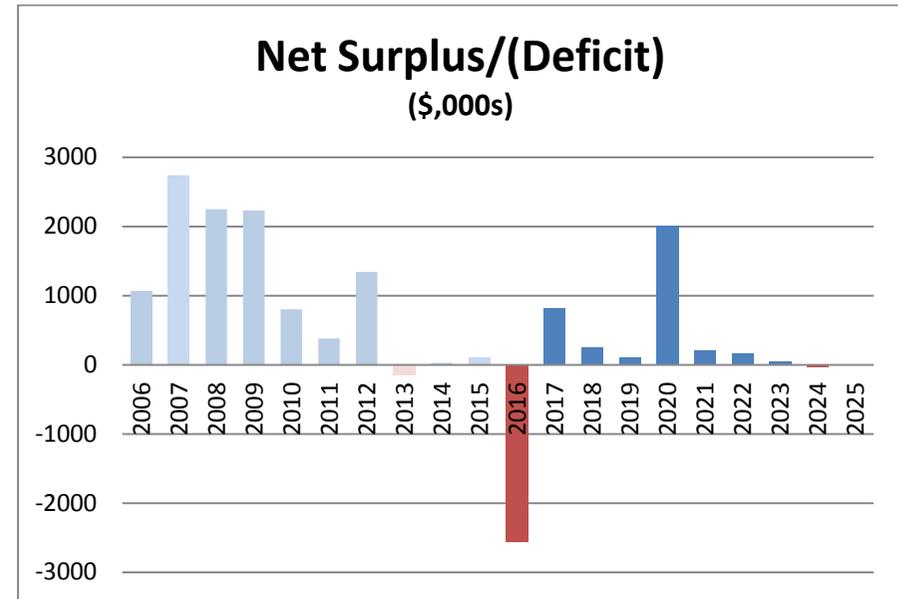
12.2 Statement concerning balancing of budget

In the first financial year of the Long Term Plan (the year ended 30 June 2016), the council is forecasting a net deficit from operations of \$2.3 million. The deficit is due to the planned \$2.5 million grant payment to the Canterbury District Health Board (the CDHB) to help meet the shortfall for the new hospital.

Community support for the new hospital has been overwhelming, and so the council considers that it is justified to operate at a deficit for the 2015/2016 financial year.

The council has signed a Memorandum of Understanding with the CDHB to fund up to \$3.4 million for the hospital construction, subject to community fundraising to help meet this shortfall. To date, the community has raised \$900,000 and so the council is currently forecasting to raise a loan of \$2.5 million for the balance. The loan will mean the community can expect ongoing loan-servicing expenses of around \$300,000 per year for the next 20 years.

We forecast modest surpluses for seven years through to 2023, with very small deficits in 2024 and 2025 due to anticipated falls in forestry revenues.



13.0 Fees & Charges

Building Control Fees

The following building control fees are a deposit only. They include processing times and inspections. The fees are not determined until all processing is complete, then an invoice may be produced and any extra fees will be required to be paid before the consent is issued. External consultants such as Fire Engineers or Structural Engineers are not included in the deposit, but may be required for some consent processing (usually commercial buildings); these are determined on a case-by-case basis. Further fees may accrue throughout the building process subject to the management of the project, for example extra inspections booked by builders, agents, etc. The following fees are not fixed costs or final costs.

	All Prices Include GST
New Dwelling – large > 250m ²	\$3,434.00
New Dwelling – small < 250m ²	\$2,624.00
Dwelling alterations – large	\$1,814.00
Dwelling alterations – small	\$907.00
Dwelling minor alterations	\$270.00
Dwelling relocated	\$1,312.00
Garage residential new	\$974.50
Garage and plumbing new	\$1,447.00
Dwelling – solid fuel heater – freestanding	\$270.00
Dwelling – solid fuel heater – inbuilt	\$405.00

	All Prices Include GST
Dwelling – minor plumbing	\$270.00
Farm building/lean-to	\$637.00
Commercial building new >\$500,000	\$3,437.00
Commercial alterations large	\$2,797.00
Commercial new/alterations small	\$1,177.00
Marquee over 100m ²	\$270.00
Application for exempt work	\$135.00
Application for property report	\$70.00
Notice to fix	\$135.00 + hourly
Compliance schedule	\$135.00 + hourly
Compliance schedule annual fee	\$55.00
Certificate of acceptance	\$562.00 + costs
Natural hazard (section 73)	\$311.00
Swimming pool failed re-inspection	\$135.00 + hourly
Building Warrant of Fitness audits	\$135.00 + hourly
Certificate of Public Use	\$135.00
Lapse of building consent	\$135.00

		All Prices Include GST
Section 37 (RMA matters)		\$135.00 per hour
BRANZ Levy	0.1% of value of building work over \$20,000	
DBH Levy	0.201% of value of building work over \$20,000	
Building Compliance Levy	0.4% of value of building work up to \$20,000, or 0.13% of value of building work \$20,000 and over	

Resource Management Fees

The resource management fees are base fees, calculated by an assessment of the actual time each category of consent requires, and are the **minimum** payable, subject to additional actual costs. "Additional actual costs" includes photocopying and postage, additional processing time above the base fee, and consultant's charges, legal advice, etc. Fees are payable on application for consent, and an invoice may be issued for any additional actual costs where these are higher than the fee paid.

	All fees include GST and are subject to additional actual costs
Sign Consents	
Signs Permit Fee	\$160.00
Land Use Consents	
Category 1 – Non-Notified Land Use Base Fee	\$700.00
<ol style="list-style-type: none"> 1. Less than 20% breach of bulk and location standards of the District Plan for the following rules: <ul style="list-style-type: none"> - Internal Boundary or Road Setback - Recession plane - Site Coverage - Height - Density 2. Visitor accommodation 3. Relocated buildings 	
Category 2 – Non-Notified Land Use Base Fee	\$360.00
<ul style="list-style-type: none"> - Building in a flood hazard area - Earthworks or modification within an archaeological area or site - Temporary activities 	
Category 3 – All other Non-Notified Land Use Consent Applications not listed as either category 1 or category 2 – Base Fee	\$900.00
If an application requires a hearing	An additional base fee of \$1,600.00 plus costs

Subdivision Consents	
Subdivision – two lots	Base fee \$1,800.00
Subdivision – more than two lots	The above base fee applies, plus \$400.00 per lot over two lots
If public or limited notification of an application requires a hearing	An additional base fee of \$1,600.00 plus additional actual costs
Subdivision Consent (Post Decision) – this is invoiced on completion of the consent. These fees are charged on an hourly rate based on time spent. These fees and charges relate to the processing and administration of subdivision consent post decision up to the S224 stage and include the following: Planner’s time per hour: - Title plan checking and certification (s223) - Consent notice preparation & issue - Refundable bond preparation - Checking & Issuing conditions certificate (s224) - Registering bond preparation & releases Engineering time per hour: - Engineering Plan checking and approval - Roads, access ways and services	See “Processing Fees” on the next page.

Subdivision Consents	
Hearings/Committee Meetings – non-notified applications	\$72.00 for first ½ hour or part thereof \$145.00 per hour after first ½ hour, plus officer’s attendance \$90-\$140 per hour per officer, plus Commissioner (if required) at actual cost
Hearings/Committee Meetings – notified applications	Actual cost of committee attendance, facility cost, officer attendance, minutes secretary, or independent Commissioner (if required) at actual cost
Submitter request to the council for independent Commissioner under section 100A(2)	Base fee \$300.00 plus deposit \$1,000.00 towards hearing cost (submitters portion of hearing cost equal any additional cost added to hearing costs resulting from use of an independent Commissioner)
Application for variation of consent conditions (including change of consent notices)	\$360.00
Application for extension of consent timeframe	\$360.00

Subdivision Consents	
Application for existing use rights	\$360.00
Certificate of Compliance (section 139 RMA)	\$360.00
Processing Fees	
Processing Fees (hourly rate)	Planning Officer \$115.00 Senior Planner \$135.00 Asset Manager \$140.00 Engineer Support \$90.00 Monitoring Officer \$90.00 Environment Officer \$90.00 Administration \$46.00 Building Officer \$135.00
Consultancy/Legal Advice	At actual cost
Creation/Variation or Waiver of Esplanade Strips and Reserves	\$260.00
Monitoring and Enforcement	
Compliance monitoring	\$90.00 per hour, plus 57c per km outside residential or business zone boundaries
Plan Changes & Designations	
Plan Change	\$6,000.00
Requirement for Designations or Heritage Orders	\$1,740.00
Alteration of Designation	\$650.00
Assessment of Outline Plan	\$650.00
Removal of Designation	\$650.00

Miscellaneous Charges	
Consultation of more than 60 minutes regarding interpretation of District Plan	Base fee \$30.00 plus fee per hour or part thereof based on staff position (see "Processing Fees")
Cancellation of Building Line Restriction	\$340.00
Cancellation of Easements	\$350.00
Certified Resolution	\$350.00
Right of Way Approval	\$350.00
Completion Certificate	\$250.00
Withdrawal of Caveat	\$200.00
Certificate Under s226 of the RMA	\$650.00
Reports and Plans	
Kaikoura District Plan (Full Copy)	\$175.00
Kaikoura District Plan (Maps Only)	\$35.00
Kaikoura District Plan (CD)	\$60.00
Coastal Management Strategy	\$90.00

Dog Control Fees

	All Prices Include GST
Standard Fee	\$50.00 per dog
Neutered or Spayed Dogs	\$40.00 per dog
Menacing/Dangerous Dogs	\$80.00 per dog
Working Dogs (three or more) ²	\$95.00
Working Dogs (less than three)	\$35.00 per dog
Guide Dogs	Free
<u>Late Registration Penalty</u>	
Each dog	\$15.50
Three dogs or more (Working Dogs only)	\$37.00
<u>Impoundment Fees</u>	
First Offence	\$50.00
Second Offence	\$100.00
Third Offence	\$150.00
Daily Impoundment Fee	\$20.00 per day
Licence Fee for keeping more than two dogs in a residential area (Kaikoura township, Oaro, Goose Bay, Peketa, Hapuku, Rakautara, Clarence and Kekerengu)	\$40.00

Part refunds may be given following death of a dog (proof required).

² Working Dogs are as defined in the Dog Control Act 1996

Liquor Licensing Fees

	Application Fee	Annual Fee*	Risk Weighting
<u>On, Off and Club premises</u>			
Very low risk	\$368.00	\$161.00	0-2
Low risk	\$609.50	\$391.00	3-5
Medium risk	\$816.50	\$632.50	6-15
High risk	\$1,023.50	\$1,035.00	16-25
Very high risk	\$1,207.50	\$1,437.50	26 plus
<u>Special licence</u>			
Small (one or two events)	\$63.25	Less than 100 people attending	
Medium (1-3 medium events or 3-12 small events)	\$207.00	100-400 people attending	
Large (13 or more small events or more than 4 medium events)	\$575.00	400 plus people attending (AMP required)	
<u>Other fees</u>			
Temporary Authority	\$296.70		
Managers Certificate	\$316.25	New applications and renewals	

* Annual fees are payable on the anniversary of the date the license was issued. If the annual fee is not paid within 30 days of due date, the license is no longer valid.

Landfill Charges

	All Prices Include GST
Bag	\$3.50 per bag
Large bag	\$6.50 per bag
Electronics, whiteware, gas bottles	\$3.00 per item
General refuse	\$245.00 per tonne
Green waste	\$40.00 per tonne
Wood waste	\$40.00 per tonne
Clean Fill	\$70.00 per tonne
Car	\$3.50
4X4	\$7.00
Large vehicle/truck	\$13.00
Truck Spills and Out of District Refuse	\$620.00 per tonne

Memorial Hall Daily Hire Fees

	All Prices Include GST
Main hall	\$300.00
Supper room	\$100.00 whole day \$50.00 half day
Meeting rooms	\$5.00 per hour (\$10.00 minimum)
Itinerant Trader	\$400.00
Chair Hire	\$1 per chair, plus \$50.00 bond
Trestle Hire	\$5.00 per trestle, plus \$50.00 bond
Hall and Supper Room Hire Bond (no alcohol)	\$200.00
Hall and Supper Room Hire Bond (with alcohol)	\$400.00
Equipment hire	
Data projector	\$120.00
Projector screen	\$40.00
TV	\$20.00
DVD player	\$20.00
Laptop	\$60.00
Overhead projector	\$40.00

Hall hires are subject to an additional charge for metered use of heater. The above equipment hire charges are for a full day. Half day hires are available at 50% of the above rates. Terms and conditions apply to hire of the hall and all equipment hire.

LIM Fees

	All Prices Include GST
LIM – available within 10 working days	\$180.00
LIM – fast track (two working days)	\$280.00

Environmental Health Fees

	All Prices Include GST
Food Premises Registration	\$200.00
Camping Grounds Registration	\$200.00
Playground Inspection	\$125.00
Hairdressers Registration	\$150.00
Offensive Trade Licence	\$150.00
Transfer Fees	\$40.00
Itinerant Traders	\$115.00
Hawkers Licence	\$23.00
Mobile Shop (Non Food)	\$115.00
Mobile Shop (Food)	\$184.50
Amusement Device	\$20.00
Each additional Amusement Device	\$5.00

Airport Landing Fees

	All Prices Include GST (per landing)
Up to 800kg gross take-off weight	\$7.00
800-1500kg	\$10.00
1500-2000kg	\$14.00
2000-3000kg	\$20.00
3000-4000kg	\$30.00
4000-5000kg	\$40.00
Aerial spray contractors	\$5.00 per tonne

Harbour Fees

	All Prices Include GST	Frequency
Slipway fee (single launch)	\$10.00	Per launch
Slipway fee (one month ticket)	\$70.00	Per month
Slipway fee (one year ticket)	\$250.00	Per annum
South Bay boat park lease (per boat park)	\$3,000.00	Per annum
Slipway fee (commercial user)	\$1,500.00	Per annum
Fishing charters and other commercial users	\$200.00	Per month
Berthage fees – New North Wharf	\$2,000.00	Per annum
Passenger Cruise vessels	\$2.00 per person	Per visit

Licence to Occupy (foreshore sites)

	All Prices Include GST
Licence to occupy	\$2,875.00

Cemetery Charges

	All Prices Include GST
Ashes Plot:	
Ashes Plot Fee	\$200.00
Plinth Base	\$200.00
Preparation of Plot	\$150.00
Standard Rose	\$50.00
Maintenance Fee	\$100.00
	\$700.00
Lawn Cemetery:	
Lawn Plot Fee	\$500.00
Digging (includes extra depth)	\$1,000.00
Children under 15	60% of Adult
RSA Plots	-

Pensioner Units

	All Prices Include GST
Single Bed Unit	\$105.00 per week
Double Bed Unit	\$140.00 per week
Two Bedroom Units (1 x double + 1 guest room)	\$155.00 per week

Marriage Licence Fees

	All Prices Include GST
Notice of Marriage by Celebrant	\$122.60
Notice of Marriage by Registrar	\$173.78

Engineering Fees

	All Prices Include GST
Hourly Charge Out Fees	
Asset Manager	\$140.00 per hour
Engineering Technical Support Officer	\$90.00 per hour
Road Crossing Fee	\$320.00
Applies to laying of services under a road or footpath	Plus \$140.00 per inspection should reinstatement fail to comply with stated conditions

Administration Fees

	All Prices Include GST
A4 Photocopying	20c per sheet
A4 Photocopying Double Sided	25c per sheet
A3 Photocopying	35c per sheet
Debtors Booking Fees	\$25.00
Property File Lookups (if not your own property)	\$20.00

Development Contributions

	Per Housing Equivalent Unit ³	Per Bed (Accommodation)
Roading	\$661.25	\$145.48
Water	\$2,501.25	\$550.28
Sewer	\$2,274.35	\$599.36
Stormwater	\$143.75	\$31.63
Community Facilities	\$3,378.70	\$743.31
Footpaths	\$77.05	\$16.95
Refuse	\$218.50	\$48.07

³ Please refer to the council's Development Contributions Policy for details on the Housing Equivalent Unit, and how this policy applies.

Other Development Contribution Levies		
Parks & Reserves The land value is to be determined by either; - An independent valuation for the new lot(s) which is no greater than three months old, arranged at the applicants cost, or - a signed sale and purchase agreement for the new lot(s)	Residential	2.5% of land value of each additional lot
	Rural residential (lots < 5 hectares)	1.0% of land value of each additional lot (assessed up to maximum 6,000m ²)
	Rural (lots > 5 hectares)	0.5% of land value of each additional lot (assessed up to maximum 40,000m ²)
	Non-subdivision	The value equivalent to 20m ² of land for each additional housing equivalent unit created

While it is the council's intention to disclose all of its current fees and charges in this schedule, it is conceivable that some charges have been missed out. The council reserves the right to vary and introduce charges at its discretion.

14.0 Council-controlled organisations

A council-controlled organisation is an organisation that the council owns 50% or more of the voting rights, or can appoint 50% or more of the directors or trustees.

Kaikoura Enhancement Trust

The council owns a 100% shareholding in the Kaikoura Enhancement Trust. The primary purpose of the Trust is to protect, enhance and sustain the district's natural resources through sustainable waste management practices, rather than for financial return. Accordingly, the Trust has designated itself and group as public benefit entities for the purposes of NZ IFRS (the New Zealand equivalents to International Financial Reporting Standards).

Objectives

The objectives of the Trust are exclusively charitable, and are;

- The collection and disposal of waste in an ecologically sound manner including but not limited to management of refuse facilities and including sewerage treatment programmes;
- To protect, enhance and sustain the natural and physical resources of the Kaikoura District particularly through sustainable waste management practices and more widely to encourage development of similar practice in other areas;
- The establishment, improvement and promotion of recycling programmes and programmes generally to reduce waste;
- Raise public awareness of the effects of alternative waste disposal methods through education and generally to create public awareness of sustainable management of resources;
- To make grants or provide other assistance for the research, development, distributions and implementation of alternative waste disposal methods, including waste reduction methods;

- To promote ecologically sound waste management processes and practices generally;
- To do all such things as may be necessary and consistent with creating a better living environment whilst sustaining the natural environment for future generations.

Performance targets

Promotion of Kaikoura as a plastic bag free district	
<i>Measured by:</i> The total sales of reusable bags	<i>Target:</i> \$2,000 revenue, or 1,335 bags sold
Fundraising for, and the application of funding to, environmental issues that meet the objectives of the Trust	
<i>Measured by:</i> The continued involvement in appropriate projects, provided fundraising and/or project revenue is sufficient to meet all direct costs relating to the project.	<i>Target:</i> Grants, donations and project revenues cover 100% of project costs.

Innovative Waste Kaikoura Ltd

Innovative Waste (IWK) is 100% owned by the Kaikoura Enhancement Trust, and is responsible for the day-to-day objectives of that Trust.

IWK is a leading provider of waste management services, public toilet maintenance, recycling services, 3 waters maintenance services, reserve planting and maintenance services and general maintenance services.

Objectives

IWK's key objectives are:

- Operate a profitable, sustainable, growing and innovative business so as to maintain a strong market presence in the areas of waste minimisation, maintenance and management of public utilities and infrastructure facilities
- To operate the business in a way that generates appropriate financial returns and dividend streams for the Shareholder and environmental benefits to our community
- To deliver operational excellence that meets clients' expectations and maintains contract longevity
- To be a responsible social, environmental and value-adding business
- To be a good employer in providing a work environment that recruits, fosters and retains competent, motivated, committed and productive employees
- To be recognised nationally as a leader in environmental sustainability
- To achieve excellence in health and safety management
- To ensure business activities comply with all legal requirements

Nature and Scope of Activities

IWK is in the business of minimising waste and maintaining and managing public infrastructure. The company's main service offerings currently are as follows:

- Waste minimisation and management through the provision of recycling services and landfill management
- Environmental rehabilitation preservation and development through the Trees for Travellers programme
- Maintaining water and wastewater infrastructure predominately for local authorities
- Maintaining public toilet facilities in Kaikoura.

IWK's current area of operation is in the upper South Island. The company is open to investigating opportunities elsewhere in New Zealand where they are advantageous and where there are synergies with the existing business and will enhance the company's financial position.

IWK may consider entering into joint venture when appropriate in order to capitalise on commercial opportunities.

Key performance targets

The Council's Financial Strategy requires that IWK is expected to produce a minimum of 2% return on equity per annum.

The following are the financial performance targets from IWK's Statement of Intent 2015-2018.

Table 1 – Long-term Financial Targets

	2015/16	2016/17	2017/18
Revenue	1,235,000	1,246,000	1,258,000
Net Profit After Tax	102,000	116,000	148,000
Return on Equity	25%	22.7%	22.94%
Shareholder funds/total assets	52.59%	63.79%	75.35%
Equity	406,000	511,000	645,000
Debt to Debt plus Equity	38.79%	26.19%	16.33%
Earnings per Share	1,020	1,160	1,480
Dividend Ratio	10%	10%	10%

The following are IWK's service performance targets for the 2015/2016 year.

Target	Performance measure 2015/16
Client Satisfaction	Maintain current client satisfaction through annual survey
Health & Safety	5% reduction in TRIF (Total Recordable Incident Frequency) accident rates
Staff Engagement	Maintain current level of staff satisfaction through annual survey
Growth	Obtain a new significant contract

Kaikoura Community Facilities Trust

The KCFT was established in 2009 and does not trade with the intention or purpose of making a profit. The KCFT is considered to be a Council Controlled Organisation because the Kaikoura District Council appoints its trustees. There are currently six appointed trustees, with the Mayor being the only elected representative.

The KCFT has no equity and generates no revenue, with its primary role being to develop funding options for the community and recreational facilities in the Kaikoura District, initially focusing on a new aquatic centre. The KCFT has no funds of its own, and applies to council on a project-by-project basis. Nothing has been allocated for the KCFT in this Draft Long Term Plan 2015-2025.

Objectives

- Develop funding options for the planning and establishment of a community centre and recreational facility on land administered by the council,
- To encourage and enable ongoing funding for public recreation, leisure and health facilities, including aquatic centres, museums, sports halls and other recreation and community facilities,
- Any other charitable purpose related to the above objects.

Performance targets

The KCFT is currently inactive and has no performance targets. The council has not provided for an aquatic centre in the Draft Long Term Plan 2015-2025.

