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Annual Plan 2011/2012

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Introduction

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

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

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

More recently, Kaikoura has set the stage as a leader in environmental awareness, recognised through our Green Globe certified status, having adopted a zero waste policy, and making huge inroads into recycling innovation, plus achieving benchmark standards in climate change protection.

Population	3,621 (Census 2006)
Rateable Properties	2,660
Land Area	2,048 sq. km
District Capital Value	\$1,474,398,000

Kaikoura District Council

Represented by	1 Mayor and 7 Councillors, elected at large
Number of Staff	24 FTE
Utilities & Services	1 Landfill 8 Public Water Supplies 1 Sewerage System
	Kaikoura District Council PO Box 6 34 Esplanade Kaikoura
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Key Issues for 2011/2012

Affordability

Christchurch and Canterbury's earthquakes, followed so mercilessly by the overwhelming devastation in Japan, the slow recovery from the global financial crisis, and rising energy and food prices paint a very bleak picture, and Kaikoura is not immune to their impact. Even the promise of a boost to our economy from the Rugby World Cup towards the end of 2011 has been marred as the games diverted from Christchurch also diverts tourist spend from the greater Canterbury area. It is no surprise then that business confidence seems mediocre at best.

Consumer spending is likely to be weak as people build their precautionary savings in these uncertain times. Record commodity prices, most notably dairy products, are one of the few supporting factors for our local economy this year. Farmers, however, have focused on repaying debt rather than spending, and even this good news means the price of basic food items has increased for the average consumer.

It is yet to be determined how much impact Canterbury's earthquakes will have on visitor numbers, which are critical to our local economy. Potentially, international visitors and other holiday-makers – those with disposable incomes to spend – may remain in the North Island rather than travelling south. Japanese visitors make up a good percentage of our total international visitors and are among the biggest spenders, but their numbers are expected to be at record lows in the short term.

A perverse consequence of the weak outlook for the economy is that, while keeping the rates at existing levels – or reducing them – would be the preferred outcome so as to ease financial pressures on businesses and households, Council's alternative sources of revenue such as consent fees, etc, have also declined, effectively making us even more reliant on rates in the short term.

Council, in its Draft Annual Plan released in May 2011, had intended to limit its total rates requirement to 2.59% increase over last year. Since that time, however, the costs of insurance for underground infrastructure (water and sewer mains and pipes, etc) have become somewhat clearer following the Canterbury earthquakes. To maintain its insurance cover, Council's premiums for this type of infrastructure have increased 400%. A number of other changes have been made to the Draft Annual Plan following submissions, and these are explained on pages 7-8.

Deferral of projects from previous years

Several major projects originally planned to commence in the year ended 30 June 2011 are yet to start, and Council has rolled these over to proceed in 2011/2012.

Building a new museum, to adjoin the library in the West End, is the most significant of those projects. With a total budget of \$2,365,000, the final designs are still to be finalised and construction is now hoped to start in 2012.

While the sewer pipe renewal work is ongoing, the timing of the work is almost a full year behind what had been projected, and so budgets for both the work and the loans to fund them have been delayed by 12 months.

Contracts have been let to construct airport hangars, originally planned back in 2009/2010; however commencement has again been delayed due to reprioritising this work in the current economic climate.

Funding strategy

Council funds its cash needs by setting rates to cover net operating costs less depreciation, plus capital expenditure not funded by other sources. In essence this means Council is not setting its rates to cover the cost of depreciation for all of its activities. The result of this funding strategy is that Council is not accumulating large cash reserves from the current generation in anticipation of capital work that may be required in the future to replace or renew expired assets. Instead Council takes the view that, when these new assets are needed, it will seek alternative sources of funding such as grants and subsidies in the first instance; or raise loans if no other funds are available.

Council's rates revenues make up 57% of total operating revenue for the 2011/2012 financial year; the sector average is 62% (based on a survey taken in which 32 other councils responded).

Major capital works

Museum

A new museum, planned for 2010/2011, is hoped to be constructed in 2011/2012. The Kaikoura Historical Society is currently finalising their needs, so that the plans can be drawn and consents lodged.

Roading

Two years worth of reseals are planned to be undertaken in 2011/2012, and every second year thereafter, because it has been found to be more cost-effective in the long run. Costs will be averaged over the two year period and funded from a combination of NZTA subsidy, roading rates, and reserves.

Footpaths, walkways & cycleways

A walkway planned to link the New World Supermarket to the West End, adjacent to the railway line, is subject to funds being available and appropriate consent being obtained. Currently anticipated to be funded from special reserves, those reserves are being depleted and so grants and subsidies will also be sought for the project to go ahead.

Kaikoura urban water supply

Having benefited from the new ground water source, two new reservoirs and substantial replacement of underground pipes, the focus will now be on demand management; involving systematic installation of water meters to aid in detecting water losses.

Oaro water supply

The existing treatment system, while working perfectly well and without issue, has not been validated by the Ministry of Health. A new system is required to meet mandatory drinking water standards. Due to the small number of consumers on the supply, the system will need to be subsidised by the Kaikoura urban water supply consumers so as to reduce the impact on the Oaro consumers.

Sewerage mainline

The Ministry of Tourism has approved funding assistance for half the cost to construct a new mainline from Hawthorne Rd to Mill Rd and on to the oxidation pond. That project has been retained in the 2011/2012 schedule of planned capital work, but a review is currently underway to determine if the mainline is now actually required.

Council Offices

Plans to build a new Council office were widely opposed by the community in recent years, and were finally removed from the LTCCP in 2009. However, the state of the existing building is such that it requires urgent attention to bring it up to a safe and sanitary condition. Council will fund depreciation of the building commencing 2011/2012, and use those funds to improve heating, insulation, and other

basic services to alleviate issues with cold, mould and condensation. Other improvements needed over time include refurbished kitchen and toilet facilities to improve the current unsanitary conditions.

Proposed Aquatic Centre

At its meeting on 16th February 2011, the Council endorsed a proposed aquatic facilities concept presented to it by the Kaikoura Community Facilities Trust. The concept provides for a 20m x 25m indoor lane pool, toddler pool, youth splash pool, outdoor hot pools, gymnasium, hydroslides, private hot pools and spa treatment rooms. The concept is in the hands of the Trust for ongoing investigations into the feasibility of an aquatic centre of that size in Kaikoura. This exciting project, if completed, will have a substantial positive impact on the district. As is currently proposed, the concept will not only be cost neutral (i.e. no impact on rates), but could be an injector of funds into our community. The Council wishes the Kaikoura Community Facilities Trust all the best in its investigations into the most suitable ownership, funding and management structure for this major development.

Rural Fire Control

Discussions are taking place with Marlborough District Council and the Department of Conservation on the possible formation of an enlarged rural fire district for the top of the south. The aim is to develop one fire plan for the region and to support the great work currently being done on the ground by our various teams of volunteers.

Changes made in response to submissions

Council received 11 submissions to the Draft Annual Plan 2011/2012, and listened to seven submitters at a hearing on Monday 20 June 2011.

As a result of those submissions, Council made the following changes to the Annual Plan.

- Sport Tasman will receive an additional \$5,000 to help fund the shortfall in funding for Kaikoura's sports coordinator
- The Mayfair Theatre will receive \$10,000 in funding assistance
- The Memorial Hall painting project will commence with a provision of \$25,000 (an increase of \$15,000), with painting of the roof as the top priority

An enthusiastic community group has approached Council wishing to progress several beautification projects, such as cleaning up Lyell Creek, building bus shelters, hanging floral baskets throughout the West End, and new welcoming signage at the entrance to the township (amongst others). Council appreciates the enthusiasm of the group, but rather than add these projects (totalling \$50,000) to the Annual Plan, some of these have already been provided for and others may be eligible for alternative funding sources. Council is keen for the group to maintain its momentum and hopes to work with them to progress town enhancement projects.

A request for additional funding for the Kaikoura Historical Society was declined, given the high level of financial input Council will have in the construction of the new museum building in 2011/2012.

Several submissions requested minor wording changes, additional information and/or explanations for various activities. In summary these were;

- Provide a split of uniform annual general charges and general rates in the Council activity tables (contained within pages 53-118)
- Provide tables highlighting the impact of rates on benchmark properties (see p49)
- Acknowledge pressures on the South Bay harbour facility, and the economic contribution recreational fishing makes to the town (see p89)
- Explain the projected surplus from operations (see p11)
- Explain how the airport hangar loans are to be funded (see p88)
- Change Sport Kaikoura to Sport Tasman (see p118)
- Change "guardian groups" to "organisations such as Te Korowai O Te Tai O Marokura and Lyell Creek Streamcare Group" (see p114)
- Explain the increase in kerbside recycling charges (see p41)

These changes have been incorporated in the Annual Plan in the relevant areas throughout.

Changes made in response to submissions

In addition to the changes made in response to external submissions, since publishing the Draft Annual Plan in May 2011, Council has been made aware of pending increases to insurance cover for underground infrastructure.

Council insures its underground water and sewerage mains and pipes, etc, with the Local Authority Protection Programme (LAPP). That organisation has advised that, following the Canterbury earthquakes, Council can expect its insurance premiums for this type of infrastructure to increase by at least 400%.

Council has provided for these increases in the Annual Plan. This represents an increase of \$62,500 per annum for water services, and \$40,000 for sewerage. Regrettably, as these services are almost entirely funded by rates, and by rates which only apply to properties within the urban area, or connected to the suburban and Oaro water supplies, residents within those areas can expect their rates to increase by over 6%. Some increases could be as high as 10%.

On a positive note, Council has secured \$60,000 from the Ministry of Social Development to employ a Family Violence Prevention Coordinator. This 12-month project has also been included in the Annual Plan.

Financial Information

Forecast Statement of Comprehensive Income

	Annual Plan 2010/2011 \$	LTCCP 2011/2012 \$	Annual Plan 2011/2012 \$
Revenue			
Rates Revenue	4,487,827	4,633,008	4,736,499
Water Meter Charges	143,325	150,491	155,000
User Fees & Charges	1,090,723	1,227,168	1,052,652
Grants & Subsidies	1,147,168	1,330,670	1,203,469
Development Contributions	9,000	1,164,880	293,200
Interest Income	116,175	131,475	137,965
Other Revenue	560,845	425,025	397,435
Vested Assets	0	3,311,259	0
Total Revenue	7,555,063	12,373,976	7,976,220
Expenses			
Personnel	1,774,057	1,722,466	1,787,488
Depreciation & Amortisation	1,666,900	1,632,955	1,758,309
Financing Expenses	481,780	458,114	489,376
Other Expenses	3,254,904	3,263,368	3,277,129
Total Expenses	7,177,641	7,076,903	7,312,302
Net Surplus / (Deficit)	377,422	5,297,073	663,918
Other Comprehensive Income			
Gains on asset revaluation	0	0	0
Financial assets at fair value through equity	0	0	0
Total Other Comprehensive Income	0	0	0
Total Comprehensive Income	377,422	5,297,073	663,918

While Council projects a surplus from its activities again this year, the reason for the surplus is the grant funding that Council receives to fund capital projects. These grants must, in order to comply with financial reporting standards, be recorded as operational revenue. The projects being funded, however, are capital works which are not recorded as operating expenditure.

The forecast Statement of Cash Flows on page 15 shows the net cash from operations (of almost \$2.4 million) is used to purchase fixed assets (i.e. capital projects) and repay debt. That Statement also shows that Council is forecasting to reduce its cash balances by the end of the financial year.

Reconciliation of Forecast Statement of Comprehensive Income to Forecast Cost of Service Statements

	Annual Plan 2010/2011 \$	LTCCP 2011/2012 \$	Annual Plan 2011/2012 \$
Revenue			
Roading	1,089,883	1,263,826	1,157,027
Water Services	937,407	883,281	873,481
Sewerage & Stormwater	612,405	1,456,440	1,256,538
Refuse & Recycling	120,450	110,183	154,036
Community Facilities	875,984	1,435,043	640,591
Commercial Activities	887,945	837,263	780,491
Leadership & Governance	83,060	125,515	40,160
Regulation & Control	374,813	427,815	307,067
Safety & Wellbeing	168,615	137,752	229,246
District Development	365,462	331,952	321,554
General Rates	1,922,864	1,922,171	2,078,064
Interest Income	116,175	131,475	137,965
Vested Assets	0	3,311,260	0
Total Revenue	7,555,063	12,373,976	7,976,220
Expenses			
Roading	1,384,891	1,425,675	1,368,142
Water Services	855,389	920,310	992,126
Sewerage & Stormwater	681,131	752,601	742,943
Refuse & Recycling	386,061	382,989	390,110
Community Facilities	1,115,345	1,044,073	1,196,934
Commercial Activities	700,280	484,873	558,265
Leadership & Governance	550,220	588,204	511,572
Regulation & Control	630,517	708,598	615,859
Safety & Wellbeing	322,973	277,770	406,960
District Development	548,835	491,810	529,391
Total Expenses	7,175,642	7,076,903	7,312,302
Net Surplus / (Deficit)	377,422	5,297,073	663,918

Forecast Statement of Movement in Equity

	Annual Plan 2010/2011 \$	LTCCP 2011/2012 \$	Annual Plan 2011/2012 \$
Equity Opening Balance	132,426,546	132,389,084	155,229,298
Comprehensive Income	377,422	5,297,073	663,918
Equity Closing Balance	132,803,968	137,686,157	155,893,216

Equity opening balances have been recalculated to reflect significant increases following the asset revaluations in the financial year ended 30 June 2010.

Forecast Statement of Financial Position

	Annual Plan 2010/2011 \$	LTCCP 2011/2012 \$	Annual Plan 2011/2012 \$
Current Assets			
Cash and Cash Equivalents	2,105,247	2,661,745	3,041,134
Trade & Other Receivables	917,123	1,509,349	966,360
Prepayments	71,111	71,111	71,111
Other Financial Assets	333,768	305,532	373,796
GST Refundable	14,400	14,400	14,400
Total Current Assets	3,441,649	4,562,137	4,466,801
Non Current Assets			
Other Financial Assets	619,856	567,417	694,193
Forestry Assets	2,583,334	2,583,334	2,583,334
Investment Property	3,841,000	3,841,000	3,841,000
Property, Plant & Equipment	132,828,461	135,754,837	152,986,460
Total Non Current Assets	139,872,651	142,746,588	160,104,987
Current Liabilities			
Trade & Other Payables	2,820,009	2,814,692	1,024,405
Borrowings - Current	2,497,999	2,386,173	2,145,831
Total Current Liabilities	5,318,008	5,200,865	3,170,236
Non Current Liabilities			
Borrowings	4,543,412	3,790,792	4,859,424
Other Term Debt	648,912	648,912	648,912
Total Non Current Liabilities	5,192,324	4,439,704	5,508,336
Net Assets	132,803,968	137,686,156	155,893,216
Equity			
Ratepayers Equity	74,676,056	74,676,056	74,676,056
Special Funds & Reserves	1,075,164	2,968,698	592,964
Asset Revaluation Reserve	49,359,397	49,550,812	68,850,250
Accumulated Funds	7,693,351	10,490,590	11,773,946
Total Equity	132,803,968	137,686,156	155,893,216

Forecast Statement of Cash Flows

	Annual Plan 2010/2011 \$	LTCCP 2011/2012 \$	Annual Plan 2011/2012 \$
Operating Activities			
<i>Cash was provided from:</i>			
Rates	4,487,827	4,633,008	4,736,499
Interest Income	116,175	131,475	137,965
Other	2,914,111	3,645,674	3,067,160
<i>Cash was applied to:</i>			
Interest Expense	481,780	458,114	489,376
Operating Expenses	5,009,467	4,989,726	5,063,526
Net Cash Flow from Operating	2,026,865	2,962,318	2,388,722
Investing Activities			
<i>Cash was provided from:</i>			
Sinking Funds Received	265,037	483,066	308,348
Sale of Assets	0	0	0
<i>Cash was applied to:</i>			
Sinking Funds Paid	425,814	407,017	422,713
Purchase of Assets	3,942,105	3,668,524	2,342,707
Net Cash Flow from Investing	(4,102,883)	(3,592,476)	(2,457,072)
Financing Activities			
<i>Cash was provided from:</i>			
Drawdown of Borrowings	2,740,578	2,440,947	1,516,569
Repayment of Borrowings	(1,290,999)	(2,286,358)	(1,552,725)
Net Cashflow from Financing	1,449,579	154,588	(36,156)
Total Net Cash Flows	(626,438)	(475,569)	(104,506)
Opening Cash Balance	2,731,685	3,137,315	3,145,640
Closing Cash Balance	2,105,247	2,661,745	3,041,134

Statement of Accounting Policies

Reporting Entity

The financial forecasts reflect the operations of the Kaikoura District Council. The Kaikoura District Council is a territorial local authority governed by the Local Government Act 2002.

The Kaikoura District Council group (KDC) consists of Kaikoura District Council and its subsidiary, the Kaikoura Enhancement Trust, a charitable Trust 100% owned by Council. That Trust in turn owns 100% of Innovative Waste Kaikoura Ltd. Group prospective financial statements have not been presented, as they would not differ significantly from the parent financial statements presented for Council.

The Council has an 11.5% interest in the Marlborough Regional Forestry joint venture.

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

Basis of Preparation

The financial statements of KDC 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). They comply with NZ IFRS, including FRS 42 Prospective Financial Statements, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

Accounting Policies

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

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

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

Standards, amendments and interpretations issued that have not been adopted

NZ IAS 23, Borrowing Costs, introduced the compulsory capitalisation of borrowing costs for qualifying assets for accounting periods beginning on or after 1 January 2009.

This change could potentially create significant additional work and cost for councils and other public benefit entities that have significant assets which can take significant periods to construct, particularly where those assets are revalued.

The Accounting Standards Review Board has recognised the challenges involved and decided to indefinitely defer the adoption of NZ IAS 23, Borrowing Costs, for public benefit entities. That is, public benefit entities can continue to apply the “old” version of NZ IAS 23 rather than the revised

one. This means that public benefit entities may but are not required to capitalise borrowing costs for qualifying assets for accounting periods beginning on or after 1 January 2009.

KDC has opted not to adopt the “new” NZ IAS 23, and therefore will not capitalise borrowing costs.

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 KDC recognises in its financial statements its share of the assets that it controls, the liabilities and expenses it incurs, and the share of income that it earns from the joint venture.

Of KDC’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 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.

Other revenue

Water billing revenue is recognised on an accrual basis.

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

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.

Sales of goods are recognised when a product is sold to the customer. Sales are usually in cash, cheque, or Eftpos. The recorded revenue is the gross amount of the sale.

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 KDC are recognised as revenue when control over the asset is obtained.

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 income is recognised using the effective interest method.

Development contributions

The revenue recognition point for development and financial contributions is at the later of the point when KDC 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

Borrowing costs are recognised as an expense in the period in which they are incurred. Note that KDC has opted not to adopt the “new” NZ IAS 23, which gives Council the option to capitalise borrowing costs.

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 KDC 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 KDC’s decision.

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.

Trade and Other Receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Loans, including loans to community organisations made by KDC 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 asset/investment. They 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 statement of comprehensive income as a grant.

A provision for impairment of receivables is established when there is objective evidence that KDC will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

Financial Assets

KDC classifies its financial assets into the following four categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and financial assets at fair value through equity. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit or loss in which case the transaction costs are recognised in the statement of comprehensive income.

Purchases and sales of investments are recognised on trade-date, the date on which KDC 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 KDC has transferred substantially all the risks and rewards of ownership.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. KDC uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The four categories of financial assets are:

- Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the statement of comprehensive income.

Currently, KDC does not hold any financial assets in this category.

- Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the statement of comprehensive income. Loans and receivables are classified as “prepayments and receivables” in the statement of financial position.

- Held to maturity investments

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that KDC has the positive intention and ability to hold to maturity.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the statement of comprehensive income.

Investments in this category include: local authority and government stock, sinking funds and bank term deposits.

- Financial assets at fair value through equity

Financial assets at fair value through equity are those that are designated as fair value through equity or are not classified in any of the other categories above.

This category encompasses:

Investments that KDC intends to hold long-term but which may be realised before maturity; and shareholdings that KDC holds for strategic purposes. KDC's investment in its subsidiary is not included in this category as it is held at cost (as allowed by NZ IAS 27 Consolidated and Separate Financial Statements) whereas this category is to be measured at fair value.

After initial recognition these investments are measured at their fair value.

Gains and losses are recognised directly in equity except for impairment losses, which are recognised in the statement of comprehensive income. In the event of impairment, any cumulative losses previously recognised in equity will be removed from equity and recognised in the statement of comprehensive income even though the asset has not been derecognised.

On de-recognition the cumulative gain or loss previously recognised in equity is recognised in the statement of comprehensive income.

Currently Council does not have any assets in this category.

Impairment of Financial Assets

At each balance sheet date KDC assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the statement of comprehensive income.

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 statement of comprehensive income.

Any increases in fair value (less costs to sell) are recognised 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 KDC which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

o Infrastructure assets

Infrastructure assets are the fixed utility systems owned by KDC. 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.

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 KDC 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 statement of comprehensive income. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

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 KDC and the cost of the item can be measured reliably.

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	50	2%
Bridges	67	1.5%
Sealed Top Layer	12	8.3%
Kerb and Channels	100	1%
Drainage	75	1.3%
Traffic Facilities	8	12.5%
Seawalls	45	2.2%
Footpaths – Structure		Not Depreciated
Footpaths – Surface	12	8.3%
Street Lighting	12	8.3%

Infrastructural Assets	Years	Rate (Rounded)
<i>Sewerage</i>		
Land		Not Depreciated
Buildings	50	2%
Equipment and Pump Stations	50	2%
Rising Mains/Gravity Reticulation	25 – 77	From 1.3% to 4.0%
<i>Water</i>		
Rural Water Supplies	50	2%
Land		Not Depreciated
Buildings and Equipment	50	2%
Intake Gallery	77	1.3%
Chlorine Treatment Facility	20	5%
Groundwater Bores and Pumps	20 – 60	From 1.7% to 5.0 %
Pressure Mains	50 – 77	From 1.3% TO 2.0%
Valves and Fittings	15 – 50	From 2.0% to 6.7%
<i>Stormwater</i>		
Manholes, Outlets, Pipes	44 – 72	From 1.4% to 2.3%
Drums	8	12.5%
Operational Assets		
Landfill Post Closure	40	2.5%
Buildings – Structure	50	2%
Buildings – Services	30	3.33%
Buildings – Internal Fit out	5	20%
Harbour Seawall & Wharf	50	2%
Computer Equipment	5	20%
Plant, Vehicles and Machinery	5	20%
Land		Not Depreciated
Library books	12	8.33%
Library non-books	5	20%
Restricted Assets		
Parks and Reserves Buildings	50	2%
Parks and Reserves Land		Not Depreciated
Parks Furniture & Other Assets	40 – 50	2% to 2.5%
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.

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. Fair value is determined on a depreciated replacement cost basis by an independent valuer. At balance date KDC 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 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. The most recent roading valuations were performed by Michelle Walker, Chartered Engineer, of MWH New Zealand Ltd, and the valuation is effective as at 30 June 2010. All infrastructure asset classes carried at valuation were valued. Additions are recorded at cost.

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, KDC 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

KDC 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 statement of comprehensive income. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the statement of comprehensive income will be recognised first in the statement of comprehensive income up to the amount previously expensed, and then credited to the 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 statement of comprehensive income.

The costs to maintain the forestry assets are included in the statement of comprehensive income.

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, KDC measures all investment property at fair value as determined annually by an independent valuer, Quotable Value NZ.

Gains and losses arising from a change in the fair value of investment property are recognised in the statement of comprehensive income.

Impairment of Non-Financial Assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and 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 it's 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 statement of comprehensive income.

For assets not carried at a revalued amount, the total impairment loss is recognised in the statement of comprehensive income.

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 statement of comprehensive income, a reversal of the impairment loss is also recognised in the statement of comprehensive income.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the statement of comprehensive income.

Employee Benefits

Short-term benefits

Employee benefits that KDC 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.

KDC recognises a liability for sick leave to the extent that 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 KDC anticipates it will be used by staff to cover those future absences.

KDC recognises a liability and an expense 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 statement of comprehensive income as incurred.

KDC 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

KDC recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures 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.

Borrowings

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

Equity

Equity is the community's interest in KDC 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 funds and reserves
- Asset revaluation 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 KDC.

Restricted reserves are those subject to specific conditions accepted as binding by KDC and which may not be revised by KDC 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.

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

KDC has derived the cost of service for each significant activity of the Council 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.

Critical Accounting Estimates and Assumptions

In preparing these financial statements, KDC 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:

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 KDC could be over or under-estimating the annual depreciation charge recognised as an expense in the statement of comprehensive income. To minimise this risk, KDC'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 KDC's asset management planning activities, which gives KDC further assurance over its useful life estimates.

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

Critical Judgements in Applying KDC's Accounting Policies

Management has exercised the following critical judgements in applying KDC's accounting policies for the periods ended 30 June in the Plan:

Classification of property

KDC 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 KDC's social housing policy. These properties are accounted for as property, plant and equipment.

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 income 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 Statement 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.

Changes in Accounting Policy

There have been no significant changes in accounting policies. The accounting policies have been applied on a basis consistent with those used in the 2009-2019 Long Term Council Community Plan.

Capital Works Programme

	Annual Plan 2010/2011 \$	LTCCP 2011/2012 \$	Annual Plan 2011/2012 \$
<u>Roading</u>			
Sealed Pavement Renewals	132,611	136,324	264,000
Unsealed Pavement Renewals	59,410	61,073	60,000
Kerb & Channel Renewal	58,349	59,983	50,000
Pavement Rehabilitation	63,653	65,435	60,000
Associated Improvements	8,487	8,725	6,000
Minor Improvements	74,262	76,341	63,000
Seal Extensions	0	0	0
Traffic Services	21,218	21,812	22,000
	417,989	429,693	525,000
<u>Footpaths</u>			
New Footpaths	153,900	158,209	150,000
Renewals	26,305	27,106	28,922
	180,205	185,315	178,922
<u>Streetlights</u>			
New Streetlights	20,667	20,683	21,073
Renewals	0	0	0
	20,667	20,683	21,073
<u>Kaikoura Urban Water</u>			
New Storage Reservoirs	360,000	0	0
Renewals	103,470	117,802	128,890
	463,470	117,802	128,890
<u>Rural Water</u>			
Ocean Ridge	0	0	0
East Coast	0	0	0
Kincaid Renewals	16,665	17,177	23,349
Kincaid Upgrades	56,160	0	0
Ferneleigh	0	0	0
Oaro	0	0	25,000
Peketa	0	0	0
Suburban	0	0	0
	72,825	17,177	48,349
<u>Sewerage</u>			
New Mainline	0	1,143,000	1,143,000
Pipe Renewals carried over	432,000	0	432,000 ¹
Renewals	0	334,800	140,000
	432,000	1,477,800	1,715,000
<u>Stormwater</u>			
Structure Upgrades	5,000	5,000	5,000
Structure Upgrades carried over	0	0	224,000 ¹
Renewals	12,000	12,000	12,000
	17,000	17,000	241,000

¹ Denotes items that have been carried over from previous years

Capital Works Programme

	Annual Plan 2010/2011 \$	LTCCP 2011/2012 \$	Annual Plan 2011/2012 \$
<u>Refuse & Recycling</u>			
Collection Point Reconfigured	0	228,600	0
Cell Capping & Landfill Development	15,000	15,000	15,000
Aftercare	7,500	142,875	7,500
	22,500	386,475	22,500
<u>Community Facilities</u>			
Playground Equipment	14,040	14,508	8,000
Coastal Strategy Development	21,254	19,820	19,820
West End (Security Camera's)	15,000	0	0
Library Books	32,000	27,519	32,147
Museum	2,365,000	920,700	2,365,000 ²
Council Office	0	0	20,291
	2,415,294	955,028	2,445,258
<u>Commercial Activities</u>			
Airport Hangers	0	0	150,000 ²
Planting/Pruning/Thinning	4,277	4,379	4,000
	36,277	31,898	154,000
<u>Leadership & Governance</u>			
Office Furniture & Equipment	12,318	10,401	10,244
Computer Equipment	8,000	2,321	0
New Vehicles/Plant	19,325	16,931	23,471
New Fire Tanker	0	0	0
	39,643	29,653	33,715
Total Capital Expenditure	4,117,870	3,668,524	5,513,707

² Denotes items that have been carried over from previous years

Borrowing & Debt Servicing Programme

Borrowing in 2011/2012

None of the new projects planned for 2011/2012 require any borrowing. However, there are loans that were provided for in the 2010/2011 financial year that have not been drawn due to those projects not having commenced. It is anticipated that these loans will be required during 2011/2012.

Loan Name	Purpose	Amount
Sewer # 12 Part 2 Loan	Replacement of pipe infrastructure identified by CCTV project	\$159,000
Stormwater # 4 Loan	Upgrade stormwater structures, particularly Sullivan's Gully	\$224,000
Museum Loan	Construct a new museum and extend the library, at 94-96 West End	\$500,000
Airport # 2 Loan	Construct aircraft hangars at the airport	\$150,000
	Loans carried over from 2010/2011	\$1,033,000

Note that these borrowings do not appear on the Funding Impact Statement for 2011/2012, as they are carry over's that have been accounted for in previous years.

Summary of Forecast Borrowing Needs:

	Annual Plan 2010/2011 \$	LTCCP 2011/2012 \$	Annual Plan 2011/2012 \$
Opening Balance of Debt	5,591,832	6,004,377	6,266,105
<i>Movements through the financial year:</i>			
Loans maturing	(1,291,000)	(2,286,358)	(1,545,000)
Amount to be refinanced	1,940,579	1,803,292	1,251,150
New borrowings	800,000	637,654	1,033,000
Net movement through the financial year:	1,449,579	154,588	739,150
Closing balance of debt	7,041,411	6,158,965	7,005,255

Opening balances have been revised to reflect actual loan balances. The projected debt levels, and the costs of servicing debt, are within the limits prescribed in Council's Liability Management Policy.

Forecasting Assumptions

Financial Forecasting Assumptions

The financial information included in this Annual Plan is a forecast based on assumptions that Council can reasonably expect to occur, along with the actions it reasonably expects to take, as at the date the forecast was prepared. We recommend caution if this prospective financial information is used for any purpose other than as an Annual Plan prepared under the Local Government Act 2002.

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

Interest Rates

- Interest rates for new loans raised on or after 1 July 2011 are forecast to be 7.2%.
- For existing loans, current interest rates are used up to the point of maturity.
- Interest rates on sinking funds is forecast to be 3.0%
- Interest revenue on term deposits is forecast to be 3.0%

Marlborough Regional Forestry Revenues

- Council receives a capital distribution from the Marlborough Regional Forestry Joint Venture, assumed to be \$150,000 per annum.

Harbour Activity

The commercial nature of the South Bay marina makes the harbour a taxable activity. Council has unused tax losses at 30 June 2010 of \$167,719, with a tax effect of \$47,521 available to carry forward and offset against future profits. It is assumed that the activity will be managed on a balanced budget basis; therefore no surpluses will be generated to create a tax liability.

Grants and Subsidies

- NZ Transport Agency subsidies are assumed to be 47%.
- SPARC, George Low, and Creative Communities funding are assumed to continue at current levels
- Family Violence and Strengthening Family subsidies are assumed to be ongoing and to fully fund these services.

District Valuation

District valuations for rating purposes were undertaken in September 2009, and every three years thereafter. No attempt has been made to predict the increase in rating values that may occur as a result of these valuations. The district valuation has no affect on Council's prospective financial statements, but can have a significant affect on individual rateable properties, as most of the Council's rates are applied to the value of property.

Inflation

The financial information is based on the following adjustments for inflation. Council has used the BERL forecasts of price level changes to adjust future year's costs, relative to the type of expenditure.

Year to	Road	Property	Water	Staff	Other
Jun 2012	2.8	3.3	3.2	2.4	2.4
Jun 2013	2.4	2.6	3.0	2.7	2.4
Jun 2014	2.4	2.5	3.1	2.6	2.3
Jun 2015	2.4	3.0	3.3	2.6	2.4
Jun 2016	2.4	3.1	3.4	2.6	2.4
Jun 2017	2.5	2.5	3.3	3.1	2.4
Jun 2018	2.4	2.4	3.4	3.2	2.5
Jun 2019	2.2	2.3	3.5	3.1	2.5

Note that Council has not applied the BERL inflation index where it relates to energy consumption, as Council has in place a Communities for Climate Protection Plan aimed at reducing energy consumption.

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.

Kate Valley Landfill

The landfill could potentially reach full capacity by 2013. It is assumed that, once full, Council will be able to use the Kate Valley landfill facility in North Canterbury.

Emissions Trading Scheme

There is some degree of uncertainty over the Emissions Trading Scheme and its impact, and Council has not attempted to estimate the costs that may arise from the Scheme. Nevertheless it is clear that there will be some form of charge for emissions and this will have an effect on the cost of activities in the future.

Uncertainty and risk of forecasting assumptions

The actual results are likely to vary from the information disclosed, and such variations may be material.

Currently the final costs for the indoor swimming pool and sports facilities are not known with real certainty, and Council has yet to confirm alternative funding sources. Due to the timing of the project, which has now been assumed to commence in 2014, there is an opportunity to obtain more accurate costs before the next LTCCP review for the year commencing July 2012.

All other assumptions are considered low risk or low materiality

Funding Impact Statement

	Annual Plan 2010/2011 \$	LTCCP 2011/2012 \$	Annual Plan 2011/2012 \$
Rates Revenue			
General Rates	926,293	970,565	1,051,114
Uniform Annual General Charge	996,570	951,606	1,026,951
Roading Rate	481,950	524,465	472,535
Footpaths & Streetlights Rate	157,340	169,587	151,448
Urban Recycling Charge	37,950	32,000	59,251
Rural Recycling Charge	20,000	20,000	20,125
Public Rubbish Bin Charge	25,000	25,000	27,500
Registered Premises Charge	11,959	14,963	15,969
Commercial Rate	297,427	264,626	257,997
Stock Control Rate	11,907	12,092	11,262
Rural Fire Control Rate	48,059	59,571	65,560
Town Centre Rate	152,025	107,596	124,157
District Planning Rate	114,047	117,466	107,251
Harbour Rate	38,061	39,479	37,222
Water Loan Charge	110,223	111,735	133,838
Water Annual Charge	324,907	361,600	382,757
Ocean Ridge Water Charge	19,676	22,365	19,358
Sewer Loan Rate	72,845	113,458	74,513
Sewer Annual Charge	403,527	483,640	445,020
Stormwater Rate	110,286	104,628	107,004
East Coast Water Charge	43,806	38,673	45,366
Kincaid Water Charge	51,870	53,945	62,705
Oaro Water Charge	13,720	15,501	16,802
Oaro Loan Charge	5,322	5,322	5,322
Peketa Water Charge	3,907	4,455	3,837
Suburban Water Charge	9,150	8,670	11,635
Water Meter Sales	143,325	150,491	155,000
Rates Penalties	20,000	20,000	20,000
Rates Remissions	(20,000)	(20,000)	(20,000)
	4,631,152	4,783,499	4,891,499
Other Revenue			
User Fees & Charges	1,090,724	1,227,168	1,052,652
Grants & Subsidies	1,147,168	1,330,670	1,203,468
Interest Revenue	116,175	131,475	137,965
Development Contributions	9,000	1,164,880	293,200
Other Revenue	560,845	425,025	397,435
Reserves	1,770,630	(93,905)	477,233
Borrowings	800,000	637,654	0
Sale of Assets	0	0	0
	5,494,542	4,822,967	3,561,953 ³
TOTAL FUNDING	10,125,694	9,606,467	8,453,452

³ These revenues do not include carry over funding from previous years, such as grants, reserves, and borrowings listed on page 31.

The Rating System

The Council reviewed its rating system in 2008/2009, in conjunction with a full review of its Revenue and Funding Policy, which determines how each Council activity is funded, and by whom. As a result of that review Council removed the differential on the general rate, and instead has applied a number of targeted rates and charges, so as to enable a far more transparent and equitable system.

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. Under the new rating system, there is no longer a differential applied to different categories of property. 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 rated 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 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.

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.

The following pages explain our rating system in detail.

General Rates

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

<i>General Rate: to fund the general operations of 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	Rate per dollar of rateable capital value	Amount Required (including GST)
All rateable properties within the district	\$0.00086618	\$1,208,781
<i>Uniform Annual General Charge: to fund the general operations of Council, including waste management and recycling, governance, library services, sports fields, playgrounds, cemetery, walkways, public halls, general environmental health and civil defence.</i>		
Category	Rate per separately used or inhabited part of a rating unit	Amount Required (including GST)
All rateable properties within the district	\$398.98	\$1,180,993

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	Rate per dollar of rateable capital value	Amount Required (including GST)
All rateable properties within the district	\$0.00038940	\$543,416
<i>District Planning Rate: to fund the costs of District Planning for the Kaikoura district.</i>		
Category	Rate per dollar of rateable capital value	Amount Required (including GST)
All rateable properties within the district	\$0.00008838	\$123,338

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 costs of the supply, treatment, upgrading and maintenance of the Kaikoura water supply.</i>		
Category	Rate per separately used or inhabited part of a rating unit	Amount Required (including GST)
<u>Full Charge</u> : All rateable properties connected to the Kaikoura water supply.	\$251.84	\$410,749
<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.	\$125.92	\$33,620
Total		\$444,369
<i>Kaikoura Water Loan Charge: to fund the loan servicing costs of the Kaikoura water supply.</i>		
Category	Rate per separately used or inhabited part of a rating unit	Amount Required (including GST)
All rateable properties situated within 100 metres of the Kaikoura water supply.	\$80.41	\$153,914
<i>Ocean Ridge Water Annual Charge: to fund the costs of the supply, treatment, and maintenance of the Ocean Ridge water supply.</i>		
Category	Rate per separately used or inhabited part of a rating unit	Amount Required (including GST)
<u>Full Charge</u> : All rateable properties connected to the Ocean Ridge water supply.	\$261.90	\$5,500
<u>Half Charge</u> : All rateable properties situated within 100 metres of any part of the Ocean Ridge water supply, but not connected to the supply.	\$130.95	\$16,762
Total		\$22,262

<i>Rural Water Charges to fund the supply, treatment, upgrading, and maintenance of the following water supply areas.</i>		
Category	Rate per water unit	Amount Required (including GST)
East Coast Rural Water Charge: all rateable properties within the East Coast rural water area.	\$367.40	\$52,171
Kincaid Rural Water Charge: all rateable properties within the Kincaid rural water area.	\$120.18	\$72,111
Oaro Rural Water Charge: all rateable properties within the Oaro rural water area.	\$251.84	\$16,871
Peketa Rural Water Charge: all rateable properties within the Peketa rural water area.	\$245.16	\$4,413
Suburban Water Charge: all rateable properties within the Suburban water area.	\$176.29	\$11,633
<i>Oaro Water Loan Charge: to fund the loan servicing costs of the Oaro water supply.</i>		
Category	Rate per water unit	Amount Required (including GST)
All rateable properties within the Oaro rural water area, other than those properties in respect of which a lump sum contribution has been paid.	\$133.06	\$6,121

A “water unit” refers to a certain water connection, generally rural water connections, that restrict the quantity of water that is supplied to a property (to 1,000 litres per day).

Note that, for the Kaikoura water supply, certain properties are considered “extraordinary consumers”, such as commercial premises or properties with a swimming pool, for example. These properties are metered and water meter charges apply. See page 46 for details of these charges.

Stormwater Rate: to fund the costs of stormwater disposal, loan servicing, upgrading and maintenance of the Kaikoura Stormwater scheme.

Category	Rate per dollar of rateable capital value	Amount Required (including GST)
All rateable properties within the Kaikoura urban area.	\$0.00018666	\$123,055

Sewerage Loan Rate: to fund the loan servicing costs of the Kaikoura Sewerage scheme.

Category	Rate per dollar of rateable capital value	Amount Required (including GST)
All rateable properties within the Kaikoura urban area.	\$0.00012609	\$85,690

Sewerage Charge: to fund the costs of sewage disposal, treatment, upgrading and maintenance of the Kaikoura sewerage scheme.

Category	Rate per water closet and urinal within the rating unit	Amount Required (including GST)
All rateable properties within the Kaikoura urban area not being either commercial or self contained and serviced.	\$257.78 per water closet and urinal within the rating unit, or \$128.89 per water closet and urinal within the rating unit where there are more than one water closet or urinal.	\$338,210
Category	Rate per separately used or inhabited part of a rating unit	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.	\$128.89 per separately used or inhabited part of a rating unit.	\$74,885

Continued ...

<i>Sewerage Charge: to fund the costs of sewage disposal, treatment, upgrading and maintenance of the Kaikoura sewerage scheme.</i>		
Category	Rate per separately used or inhabited part of a rating unit	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 private or ensuite bathroom, with bedding, linen and cooking facilities provided, and which are serviced daily.	\$257.78 per water closet and urinal within the rating unit, or \$100.00 per water closet and urinal within the rating unit where there are more than one water closet or urinal.	\$37,500
Category	Rate per water closet and urinal within the rating unit	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.	\$257.78 per water closet and urinal within the rating unit, or \$190.00 per water closet and urinal within the rating unit where there are more than one water closet or urinal.	\$61,180
		Total for year
		\$511,775

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.

Previously, due to the number of properties subject to each charge (i.e. economies of scale) both the kerbside and the rural charges were a similar amount, despite a wide disparity in the actual level of service being received. This year Council has increased the kerbside recycling charge so as to reflect that the kerbside recycling charge provides a far higher level of service to those properties in the urban area (and Oaro). Council has achieved this by allocating a portion of the cost pertaining to sorting and storing recyclable materials at the resource recovery centre to the kerbside collection costs – rather than merely recovering the cost of vehicle running expenses and staff time to carry out the pickup.

<i><u>Kerbside Recycling Charge: to fund the costs of the weekly kerbside recycling collection service.</u></i>		
Category	Rate per separately used or inhabited part of a rating unit	Amount Required (including GST)
All rateable properties that have access to the kerbside recycling collection service (including Oaro)	\$36.01	\$68,139
<i><u>Rural Recycling Charge: to fund the costs of providing a rural weekly recycling collection service at various locations around the district.</u></i>		
Category	Rate per separately used or inhabited part of a rating unit	Amount Required (including GST)
All rateable properties other than those that have access to the kerbside recycling collection service	\$22.00	\$23,144

Commercial Rates and Charges

Commercial businesses use, and contribute to the need for, certain services that a residential household or rural property does not. In removing the 300% differential that (until the rating system review in 2009) had applied to commercial properties, a new commercial rate, and an accommodation sector charge, ensures that these properties 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	Rate per dollar of rateable capital value	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 in section 2 of the Rating Powers Act 1988); 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, hotel, motor lodge, bed and breakfast, hostel, camping ground or “boarding house”⁴; or • Used as licensed premises under the Sale of Liquor Act 1989. 	\$0.00154797	\$263,306
<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>		
Category	Rate per separately used or inhabited part of a rating unit	Amount Required (including GST)
All rateable properties in the district used for providing accommodation for commercial reward, but not meeting the criteria of a commercial property (as they provide for <i>less than five people</i> , for example), 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	\$33,390

⁴ As defined in the Kaikoura District Plan

Public Rubbish Bin Charge: to fund the costs of providing a public rubbish bin collection service at various locations around the district.

Category	Rate per separately used or inhabited part of a rating unit	Amount Required (including GST)
All rateable properties defined as commercial (see Commercial Rate)	\$135.15	\$31,625

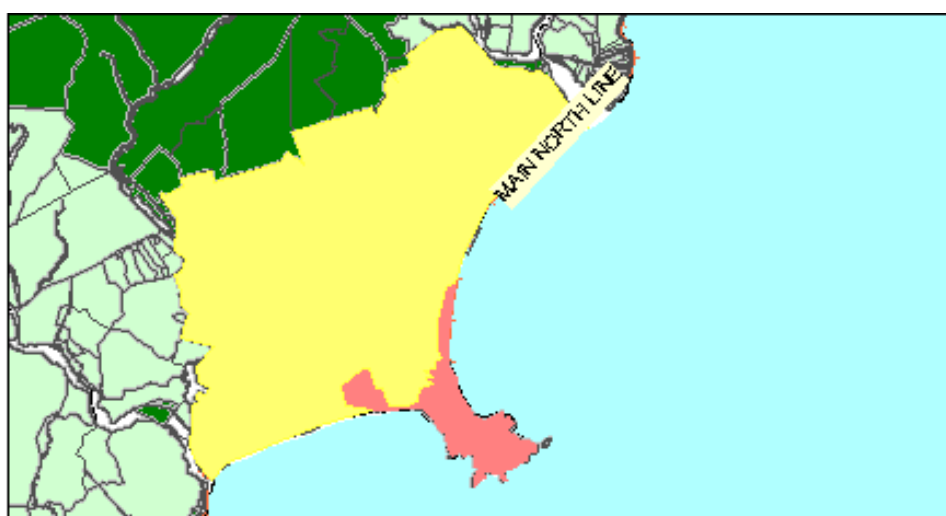
Registered Premises Charge: to fund the net costs of liquor licensing, food and health safety inspections, and environmental health.

Category	Rate per license	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.	\$178.29	\$18,364

Please refer to the sewerage charges on pages 39-40 as they pertain to certain commercial properties, and also to the water meter charges on page 46 for commercial properties that are metered.

New Rating Areas

Throughout these pages there is reference to properties within defined areas. With the new rating system, Council has introduced new rating areas (semi-rural and rural), and redefined the urban area.



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

The pink area, encompassing the Kaikoura Township including Ocean Ridge, the entire peninsula, and the developed stretch of Beach Road, is 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 yellow area is the semi-rural area for rating purposes, and has generally been defined as all those properties within a 10km radius of the Kaikoura Township, including Peketa and Hapuku. 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 pale green area represents the rural area, and is effectively all rateable land outside the urban and semi-rural areas. The dark green areas are conservation land areas which are non-rateable.

These new rating areas apply differentials to acknowledge that it is the properties within the urban area that have the closest proximity to certain urban-type services, and therefore benefit most from those 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 & streetlighting rate) a differential has been applied thus:

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

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

<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	Rate per dollar of rateable capital value	Amount Required (including GST)
All rateable properties within the <i>urban</i> area.	\$0.00004621	\$30,469
All rateable properties within the <i>semi-rural</i> area.	\$0.00002311	\$8,497
All rateable properties within the <i>rural</i> area.	\$0.00001155	\$3,839
	Total	\$42,805

<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	Rate per dollar of rateable capital value	Amount Required (including GST)
All rateable properties within the <i>urban</i> area.	\$0.00015414	\$101,633
All rateable properties within the <i>semi-rural</i> area.	\$0.00007707	\$28,336
All rateable properties within the <i>rural</i> area.	\$0.00003854	\$12,811
Total		\$142,780

<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	Rate per dollar of rateable capital value	Amount Required (including GST)
All rateable properties within the <i>urban</i> area.	\$0.00018802	\$123,972
All rateable properties within the <i>semi-rural</i> area.	\$0.00009401	\$34,565
All rateable properties within the <i>rural</i> area.	\$0.00004701	\$15,628
Total		\$174,165

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. Unlike the above rates, these two rates only apply to properties outside the urban area (i.e. only the semi-rural and rural areas).

<i>Stock Control Rate: to fund the net costs of stock control.</i>		
Category	Rate per dollar of rateable capital value	Amount Required (including GST)
All rateable properties <i>outside the urban area</i> (i.e. including both semi-rural and rural properties).	\$0.00001850	\$12,951

<i>Rural Fire Control Rate: to fund the net costs of rural fire control.</i>		
Category	Rate per dollar of rateable capital value	Amount Required (including GST)
All rateable properties <i>outside the urban area</i> (i.e. including both semi-rural and rural properties).	\$0.00010769	\$75,394

The previous pages identify each rate for the 2011/2012 financial year. Note that all amounts are GST inclusive, whereas those amounts within the Funding Impact Statement 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 reading charge of \$16.50 per reading. This charge will not apply if a meter reading is supplied by the consumer for the half-yearly reading (the final reading at 30 June must be undertaken by the Council or its contractors).

Rates Penalties

A 10% penalty will be added to any portion of the instalment remaining unpaid after the relevant last date for payment.

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).

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).

Last dates for payment are:

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

Environment Canterbury

The Council acts as agents for the collection of rates for Environment Canterbury, which makes its own rates. This Annual Plan does not refer to those rates.

Rates for 2011/2012

	2011/2012 \$	2010/2011 \$
General Rate	0.00086618	0.00077385
Uniform Annual General Charge	398.98	390.35
Kaikoura Water Loan Charge	80.41	65.85
Kaikoura Water Annual Charge	251.84	212.10
Kaikoura Water Half Annual Charge	125.92	106.05
Sewerage Loan Rate	0.00012609	0.00012464
Sewerage Charge (1 Pan)	257.78	223.96
Sewerage Half Charge	128.89	111.98
Sewerage Charge*	128.89	111.98
Sewerage Commercial Charge*	190.00	188.09
Sewerage Self Contained Charge*	100.00	101.20
* = 2 or more pans		
Stormwater Rate	0.00018666	0.00019445
Roading Rate	0.00038940	0.00040263
Ocean Ridge Water Annual Charge	261.90	272.62
Ocean Ridge Water Half Charge	130.95	136.31
Footpath & Streetlight Rate		
Urban	0.00018802	0.00019800
Semi-rural	0.00009401	0.00009900
Rural	0.00004701	0.00004950
Kerbside Recycling Charge	36.01	22.90
Rural Recycling Charge	22.00	22.68
Public Rubbish Bin Charge	135.15	128.92

Rates for 2011/2012

	2011/2012 \$	2010/2011 \$
Stock Control Rate	0.00001850	0.00001990
Rural Fire Control Rate	0.00010769	0.00008032
Commercial Rate	0.00154797	0.00199085
Town Centre Rate		
Urban	0.00015414	0.00019131
Semi-rural	0.00007707	0.00009565
Rural	0.00003854	0.00004783
Registered Premises Charge	178.29	180.96
Accommodation Sector Charge	315.00	345.00
District Planning Rate	0.00008838	0.00009528
Harbour Rate		
Urban	0.00004621	0.00004790
Semi-rural	0.00002311	0.00002395
Rural	0.00001155	0.00001197
East Coast Water Charge	367.40	362.42
Kincaid Water Charge	120.18	101.97
Oaro Water Loan Charge	133.06	133.06
Oaro Water Charge	251.84	212.10
Peketa Water Charge	245.16	249.63
Suburban Water Charge	176.29	148.47
Water Meter Charge (per m ³)	1.00	1.00
Water Meter Reading Charge	33.00	33.00

All rates are shown GST inclusive.

Impact of Rates on Benchmark Properties

Each year Council measures the impact of its rates on a group of benchmark properties. These are real properties within the district that were selected over ten years ago, and have been used as benchmarks ever since.

	2009/2010	2010/2011	2011/2012
Residential - Whitby Place	1.99%	1.12%	7.87%
CV \$265,000	1,436.52	1,452.60	1,566.98
	28.06	16.08	114.38
Large Motel - Beach Road	1.52%	3.43%	-3.86%
CV \$1,550,000	10,730.11	11,098.67	10,670.58
	160.17	368.56	-428.09
Small Motel - Beach Road	5.53%	6.77%	-5.06%
CV \$780,000	4,916.36	5,249.02	4,983.28
	257.61	332.66	-265.74
Inland Road - Farm	1.35%	10.93%	5.53%
CV \$7,250,000	10,425.93	11,565.35	12,204.53
	138.87	1,139.42	639.18
Commercial - West End	4.63%	2.78%	-5.86%
CV \$1,500,000	9,393.07	9,654.57	9,088.58
	415.35	261.50	-565.99
Bed & Breakfast - Scarborough	6.32%	1.77%	4.78%
CV \$1,075,000	4,279.62	4,355.49	4,563.54
	254.33	75.87	208.05
Kekerengu - Farm	8.10%	14.68%	3.77%
CV \$4,000,000	9,635.28	11,049.61	11,466.21
	722.37	1,414.33	416.60
Dairy Farm - Schoolhouse Rd	1.91%	7.43%	9.38%
CV \$2,000,000	5,339.00	5,735.56	6,273.54
	100.06	396.56	537.98
Commercial - Beach Road	-0.91%	17.68%	-6.06%
CV \$870,000	3,987.86	4,692.75	4,408.36
	-36.68	704.89	-284.39
Residential - Bayview Street	1.99%	-1.00%	8.02%
CV \$250,000	1,436.52	1,422.18	1,536.30
	28.06	-14.34	114.12

Impact of Rates on Benchmark Properties

	2009/2010	2010/2011	2011/2012
Residential - Esplanade	5.07%	-2.99%	6.28%
CV \$475,000	1,936.40	1,878.48	1,996.45
	93.46	-57.92	117.97
Residential - Beach Road	3.27%	1.44%	7.09%
CV \$355,000	1,611.91	1,635.12	1,751.04
	51.00	23.21	115.92
Residential - South Bay	4.99%	-2.63%	6.31%
CV \$470,000	1,918.86	1,868.35	1,986.22
	91.18	-50.51	117.87
Residential - Oaro	2.45%	11.72%	8.21%
CV \$285,000	937.64	1,047.51	1,133.50
	22.40	109.87	85.99
Residential - Ocean Ridge	35.22%	-3.01%	3.54%
CV \$180,000 (Bare Land)	1,058.47	1,026.59	1,062.96
	275.67	-31.88	36.37

Council Activities

Roading

Sub Activities:

**Roads & Bridges,
Footpaths & Cycleways,
Streetlights**

Goal

To provide and maintain a safe and cost effective land transport system within the district and minimise effects on the environment.

Key Issues for 2011/2012





The Council continues to lobby the NZ Transport Agency (NZTA) to designate the Inland Road as a state highway. The Inland Road is part of the Alpine Pacific Triangle, and most of its travellers are visitors to the district using the road as an alternative route to Waiiau, Hanmer Springs, and the West Coast. The road is also the only route linking Kaikoura to Christchurch when coastal sections of the state highway are closed due to slips. Changing to state highway status would mean its ownership (and responsibility for maintenance, etc) would transfer to the NZTA.

World events, particularly in the Middle East, are placing pressure on the price of oil; which impacts on the cost of oil-based products used to seal and maintain roads. Council finds it is more cost-effective to seal more roads at a time (larger contracts are more attractive for tendering), but only every second year. This year we will reseal a substantial number of roads in the district. NZTA subsidies will fund the reseals in the first instance, with the balance funded from the roading reserves.

What's changed since the 2009-2019 LTCCP?

There are no major variations between this Annual Plan and the same year forecast in the LTCCP.

Effects on the Community

Economic		Links the district to other commercial centres
Environmental		Controls traffic flow, but can disrupt natural drainage patterns
Social		Protects the safety of all road users
Cultural		Provides access throughout the district

Roads & Bridges

The Council maintains 205km of local roads and 40 bridges in our district. Approximately half of our roads are sealed. Of the bridges, 32 are single lane and 6 apply weight restrictions. The New Zealand Transport Agency subsidises 47% of the costs to maintain and renew our local road network.

Major Projects for 2011/2012:

Capital Projects	Cost	Funded by
Renewal work	\$198,000	NZTA subsidies, roading rates, and petrol tax levies
Minor Improvements	\$63,000	
Reseals	\$264,000	NZTA subsidies and road reserve funds

Levels of Service

	Baseline	2011/12 Target	10 Year Target
Bi-annual Roughness Survey of the surface condition of Kaikoura district roads shall be better than the NAASRA target of			
- 80 for sealed rural and	60%	100%	100%
- 100 for sealed urban roads	72%	100%	100%
Potholes shall be repaired within specified time frames:			
- Strategic 2 days	67%	100%	100%
- Local 7 days	98%	100%	100%
- Unsealed 7 days	95%	100%	100%

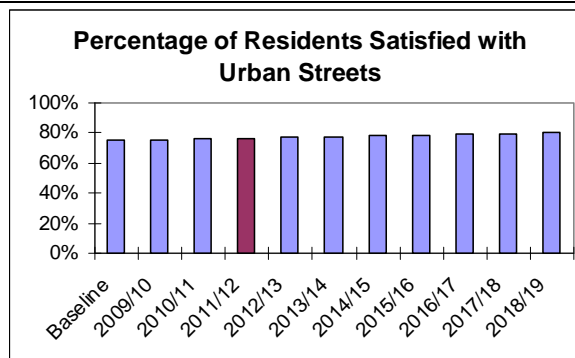
Baseline figures reflect the actual results for the 2009/2010 year. Council aims to improve the surface condition of local roads so as to meet this target in future.

Community Outcomes

Sustainable Development

Roading contributes to sustainable development by providing and planning for good quality, cost efficient infrastructure that meets the needs of the community now and into the future.

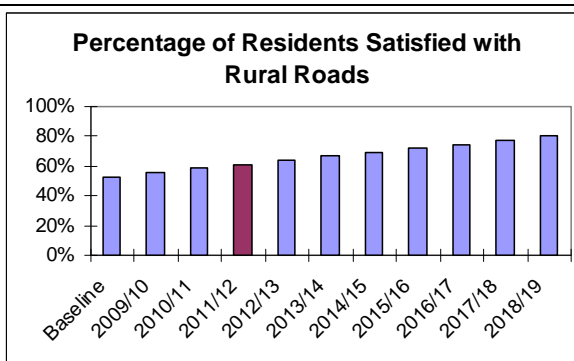
We measure our performance by the level of public satisfaction.



Sustainable Development

Roading contributes to sustainable development by providing and planning for good quality, cost efficient infrastructure that meets the needs of the community now and into the future.

We measure our performance by the level of public satisfaction.



The roading activity also contributes to the outcome “Safe, Efficient Transport Network” through the achievement of its levels of service.

Footpaths & Cycleways

Council’s 21km of footpaths are all found within the Kaikoura Township. Many of these footpaths were renewed in 2005, and new footpaths were built in South Bay, Ludstone Road, and Hawthorne Road. Council raised loans to complete this work, as no subsidies were available. In 2009, NZTA built a new walkway-cycleway linking Churchill Street to South Bay. Council subsequently improved the access from that walkway, behind the race course to South Bay Parade.

Footpaths and cycleways are a high priority for Council, fitting well with our vision for sustainable modes of transport and increased fitness and wellbeing for our residents and visitors. Various options for new walkways and cycleways have been identified in the Kaikoura Walking and Cycling Strategy, some of which can be funded from reserves, and some of which may be reliant upon funding being available from NZTA.

Major Projects for 2011/2012:

Capital Projects	Cost	Funded by
Footpath Renewals	\$28,922	Targeted Rates
Walkway/Cycleway adjacent to the beach, from New World supermarket to the town centre.	\$150,000	Special Reserves, grants and subsidies if available

The walkway/cycleway project is totally reliant upon funds being available from either special reserves or grants. Currently anticipated to be funded from special reserves, those reserves are being depleted and alternative funding will also be sought for the project to go ahead.

Levels of Service

	Base Line	2011/12 Target	10 Year Target
The percentage of residents surveyed that are satisfied with footpaths and cycleways	56%	70%	80%

Council aims to increase the satisfaction level over time. Footpaths will be renewed and extended as funds permit, and within the next few years substantial footpath and cycleway development is proposed.

Community Outcomes

<p>Sustainable Development</p> <p>Footpaths contribute to sustainable development by providing and planning for good quality, cost efficient infrastructure that meets the needs of the community now and into the future.</p> <p>We measure our performance by the level of public satisfaction.</p>	<p>Percentage of Residents Satisfied with Footpaths & Cycleways</p> <table border="1"> <caption>Percentage of Residents Satisfied with Footpaths & Cycleways</caption> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr><td>Baseline</td><td>42%</td></tr> <tr><td>2009/10</td><td>52%</td></tr> <tr><td>2010/11</td><td>62%</td></tr> <tr><td>2011/12</td><td>68%</td></tr> <tr><td>2012/13</td><td>70%</td></tr> <tr><td>2013/14</td><td>72%</td></tr> <tr><td>2014/15</td><td>74%</td></tr> <tr><td>2015/16</td><td>76%</td></tr> <tr><td>2016/17</td><td>78%</td></tr> <tr><td>2017/18</td><td>80%</td></tr> <tr><td>2018/19</td><td>82%</td></tr> </tbody> </table>	Year	Percentage	Baseline	42%	2009/10	52%	2010/11	62%	2011/12	68%	2012/13	70%	2013/14	72%	2014/15	74%	2015/16	76%	2016/17	78%	2017/18	80%	2018/19	82%
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<p>Safe, Efficient Transport Network</p> <p>This activity contributes by encouraging and supporting people to choose walking and cycling for active, healthy lifestyles and an improved environment, by developing a safe, accessible, and integrated network for walking and cycling.</p>	<p>Kilometres of Formed and/or Marked Cycle Lanes and Cycleways</p> <table border="1"> <caption>Kilometres of Formed and/or Marked Cycle Lanes and Cycleways</caption> <thead> <tr> <th>Year</th> <th>Kilometres</th> </tr> </thead> <tbody> <tr><td>Baseline</td><td>3.5</td></tr> <tr><td>2009/10</td><td>4.5</td></tr> <tr><td>2010/11</td><td>5.0</td></tr> <tr><td>2011/12</td><td>5.5</td></tr> <tr><td>2012/13</td><td>6.0</td></tr> <tr><td>2013/14</td><td>6.5</td></tr> <tr><td>2014/15</td><td>7.0</td></tr> <tr><td>2015/16</td><td>7.5</td></tr> <tr><td>2016/17</td><td>8.0</td></tr> <tr><td>2017/18</td><td>8.5</td></tr> <tr><td>2018/19</td><td>9.0</td></tr> </tbody> </table>	Year	Kilometres	Baseline	3.5	2009/10	4.5	2010/11	5.0	2011/12	5.5	2012/13	6.0	2013/14	6.5	2014/15	7.0	2015/16	7.5	2016/17	8.0	2017/18	8.5	2018/19	9.0
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<p>Safe, Efficient Transport Network</p> <p>Footpaths contribute by meeting the needs for expansion of the Kaikoura township by encouraging development of parallel roads, walkways and cycleways to relieve the State Highway of conflicting uses.</p>	<p>Performance Target:</p> <p>Develop a parallel walkway and cycleway to Beach Rd, along the beachfront from Hawthorne Rd (the New World supermarket) to the town centre, by June 2012.</p>																								

Streetlights

Most of the town’s streetlights have been renewed within the last five years. Decorative streetlights have been installed on some parts of the Esplanade, along with under-grounding of power lines. These new streetlight posts also provide for banners to decorate the township, which can be used to promote events such as Seafest, and for Christmas and other seasonal displays.

Major Projects for 2011/2012:

Capital Projects	Cost	Funded by
Street Lights	\$21,073	Targeted Rates

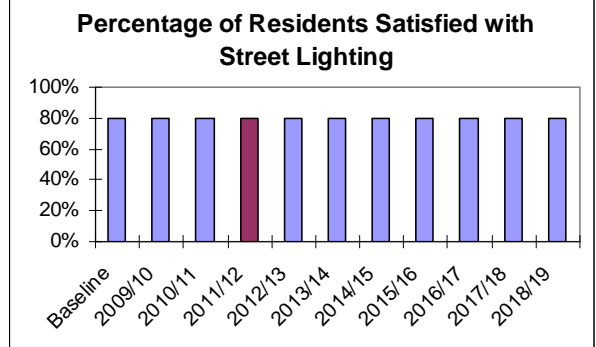
Levels of Service

	Base Line	2011/12 Target	10 Year Target
The percentage of residents surveyed who are satisfied with streetlighting	81%	80%	80%

Community Outcomes

Sustainable Development

Streetlighting contributes to sustainable development by providing and planning for good quality, cost efficient infrastructure that meets the needs of the community now and into the future.



Forecast Cost of Service Statement Roading

	Annual Plan 2010/2011	LTCCP 2011/2012	Annual Plan 2011/2012
Operating Expenses			
<u>Roads</u>			
Operations	433,463	474,458	460,649
Loan Interest	21,113	20,849	22,814
Depreciation	727,400	709,072	693,480
	1,181,976	1,204,379	1,176,943
<u>Footpaths</u>			
Operations	25,214	21,172	22,074
Loan Interest	36,110	51,062	34,772
Depreciation	57,211	72,519	54,543
	118,535	144,752	111,389
<u>Streetlights</u>			
Operations	47,667	48,350	44,621
Loan Interest	4,021	4,021	4,021
Depreciation	32,692	24,173	31,168
	84,380	76,544	79,810
Total Operating Expenses	1,384,891	1,425,675	1,368,142
Funded by:			
Targeted Rates	639,290	694,052	623,983
Subsidies	412,594	422,984	468,164
Other Income	38,000	41,652	39,000
	1,089,884	1,158,688	1,131,147
Operating Surplus/(Deficit)	(295,007)	(266,986)	(236,995)
Capital Expenses			
<u>Roads</u>			
New/Upgrade Assets	82,749	85,066	69,000
Renewals	335,240	344,627	456,000
	417,989	429,693	525,000
<u>Footpaths</u>			
New/Upgrade Assets	153,900	158,209	150,000
Renewals	26,305	27,106	28,922
	180,205	185,315	178,922
<u>Streetlights</u>			
New/Upgrade Assets	20,667	20,683	21,073
Renewals	-	-	-
	20,667	20,683	21,073
<u>Capital Debt Servicing</u>			
Loan Principal	57,335	64,536	56,681
Total Capital Expenditure	676,197	700,227	781,676
Funded by:			
General Rates	-	-	-
Transfer from/(to) Reserves	153,900	56,311	213,600
Development Contributions	-	-	25,880
Loans	-	105,138	-
Depreciation	817,304	805,764	779,191
Operating Surplus/(Deficit)	(295,007)	(266,986)	(236,995)
	676,197	700,227	781,676

Water Services

Sub Activities:

**Kaikoura Urban Water Supply,
Ocean Ridge Water Supply,
East Coast Rural Water Supply,
Kincaid Rural Water Supply,
Fernleigh Rural Water Supply,
Oaro Rural Water Supply,
Peketa Rural Water Supply,
Kaikoura Suburban Water Supply**

Goal

To provide water infrastructure that meets the needs of the community, ensures a healthy standard of living, and minimises effects on the environment.

Key Issues for 2011/2012





The Kaikoura urban water supply has benefited from the construction of a new reservoir on Churchill St, with a further reservoir expected to be constructed by June 2011. This places our township in very good stead for reliability of supply for the foreseeable future. Council has also replaced approximately 2km of underground pipe infrastructure, and is now focussing on demand management (including leak detection and installation of water meters) to reduce waste or unaccounted for water. Kincaid rural water supply should have completed the upgrade of its treatment systems by the end of June 2011, to improve drinking water quality, leaving only minor renewal work for that supply.

The Oaro water scheme, supplying 67 households, will need a treatment system upgrade in order to meet the Ministry of Health drinking water standard.

What's changed since the 2009-2019 LTCCP?

The treatment system upgrade for the Oaro water scheme was not foreseen.

Effects on the Community

Economic		Quality, potable water on demand is essential for agriculture, horticulture and fisheries, and also for tourism and commercial activity.
Environmental		Water used for irrigation
Social		Clean, pure, potable water is fundamental to the health and safety of all residents and visitors.
Cultural		Swimming pools are part of the culture of our community

Kaikoura Urban Water Supply

The township is now supplied from a new secure ground water source, and provides water that is proving to be of exceptional quality and reliability. The water supply is secure and requires no treatment; however for residual purposes the water is disinfected using chlorine gas.

Major Projects for 2011/2012:

Capital Projects	Cost	Funded by
Renewals and water meter installations	\$128,890	User fees and charges, and water rates

Levels of Service

	Base Line	2011/12 Target	10 Year Target
Water Quality ⁵	B	A	A
Reticulation ⁵	c	c	b
Fire hydrants give sufficient water pressure for fire fighting purposes	100%	100%	100%
Reservoirs provide adequate storage capacity	11 hours	16 hours	24 hours

Community Outcomes

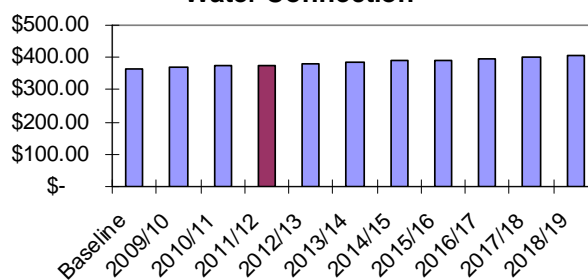
<p>Sustainable Development</p> <p>Kaikoura water supply provides and plans for good quality, cost efficient infrastructure that meets the needs of the community now and into the future.</p>	<p>Percentage of Residents Satisfied with Water Services</p> <table border="1"> <caption>Percentage of Residents Satisfied with Water Services</caption> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr><td>Baseline</td><td>75%</td></tr> <tr><td>2009/10</td><td>75%</td></tr> <tr><td>2010/11</td><td>75%</td></tr> <tr><td>2011/12</td><td>75%</td></tr> <tr><td>2012/13</td><td>75%</td></tr> <tr><td>2013/14</td><td>75%</td></tr> <tr><td>2014/15</td><td>75%</td></tr> <tr><td>2015/16</td><td>75%</td></tr> <tr><td>2016/17</td><td>75%</td></tr> <tr><td>2017/18</td><td>75%</td></tr> <tr><td>2018/19</td><td>75%</td></tr> </tbody> </table>	Year	Percentage	Baseline	75%	2009/10	75%	2010/11	75%	2011/12	75%	2012/13	75%	2013/14	75%	2014/15	75%	2015/16	75%	2016/17	75%	2017/18	75%	2018/19	75%
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<p>Environmental Protection and Enhancement</p> <p>Water services contribute to this outcome by encouraging sustainable management of resources and promoting a reduction in water use.</p>	<p>Water Consumption per Person Urban (Includes residents and visitors) (litres m³)</p> <table border="1"> <caption>Water Consumption per Person Urban (Includes residents and visitors) (litres m³)</caption> <thead> <tr> <th>Year</th> <th>Consumption (litres m³)</th> </tr> </thead> <tbody> <tr><td>Baseline</td><td>350</td></tr> <tr><td>2009/10</td><td>330</td></tr> <tr><td>2010/11</td><td>320</td></tr> <tr><td>2011/12</td><td>310</td></tr> <tr><td>2012/13</td><td>300</td></tr> <tr><td>2013/14</td><td>290</td></tr> <tr><td>2014/15</td><td>280</td></tr> <tr><td>2015/16</td><td>270</td></tr> <tr><td>2016/17</td><td>260</td></tr> <tr><td>2017/18</td><td>250</td></tr> <tr><td>2018/19</td><td>240</td></tr> </tbody> </table>	Year	Consumption (litres m ³)	Baseline	350	2009/10	330	2010/11	320	2011/12	310	2012/13	300	2013/14	290	2014/15	280	2015/16	270	2016/17	260	2017/18	250	2018/19	240
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⁵ Ministry of Health Grading

Quality Standard of Housing

Water services contribute to this outcome by ensuring that all dwellings have access to a potable water supply which is provided at an affordable cost.

Total Operating Cost of Service per Water Connection



Ocean Ridge Water Supply

Ocean Ridge is the new subdivision to the south of the Kaikoura Township, spanning approximately 142 hectares. The developer of the subdivision has developed the water supply as part of the conditions of that particular subdivision consent. Ownership of the supply, and therefore responsibility for operating the supply, was transferred to Council in 2009.

Major Projects for 2011/2012:

The Ocean Ridge water supply is very new, and is operating very well to meet current and expected demands. No major projects are planned in 2011/2012.

Levels of Service

	Base Line	2011/12 Target	10 Year Target
Water Quality ⁶	B	B	B
Reticulation ⁶	b	b	b
Fire hydrants provide sufficient water pressure for fire fighting purposes	100%	100%	100%
Reservoirs provide adequate storage capacity	24 hours	24 hours	24 hours

There are no proposed changes to the intended levels of service.

Community Outcomes

The Ocean Ridge water supply contributes to the outcomes; Sustainable Development, Quality Water & Wastewater Services, a Quality Standard of Housing, and Environmental Protection & Enhancement, through the achievement of its levels of service.

⁶ Ministry of Health Grading

East Coast Rural Water Supply

The East Coast supply is from a 37m deep underground aquifer located on the bank of the Clarence River. The system consists of three reinforced concrete tanks of varying storage capacities and one HDPE tank of approximately 25m³. The tanks are located at different elevations to serve different areas of the community. There is no treatment system for this water supply, and its use is predominantly a rural stock supply.

Major Projects for 2011/2012:

Having undertaken upgrading work under urgency in 2009/2010, replacing pumps and switchboard, there are no further plans for upgrading the supply in 2011/2012. The LTCCP had suggested that the storage tanks were leaking and required replacement; however investigation has shown that the tanks are in reasonable condition for the foreseeable future, and that the work done in 2009/2010 has addressed the urgent water leak issues.

Levels of Service

	Base Line	2011/12 Target	10 Year Target
Water Quality ⁷	Ungraded	Ungraded	C
Reticulation ⁷	Ungraded	Ungraded	c

Community Outcomes

The East Coast water supply contributes to Sustainable Development, Quality Water & Wastewater Services, A Quality Standard of Housing, and Environmental Protection & Enhancement, through the achievement of its levels of service.

⁷ Ministry of Health Grading

Kincaid Rural Water Supply

The Kincaid water supply is located north of Kaikoura, and services approximately 144 properties. The scheme is fed from a shallow intake gallery located in the Waimangarara Stream at the foot of Mount Fyffe, an unprotected native forest catchment, and is therefore subject to contamination. In 2008 a reservoir system consisting of 20 new 30m³ plastic storage tanks was installed bringing the total storage volume for Kincaid to 666m³, thereby providing 24 hours of storage.

Upgrading of the treatment system should also be complete by June 2011, placing the supply in a very good position, with only minor renewal work planned for the foreseeable future.

Major Projects for 2011/2012:

Capital Projects	Cost	Funded by
Renewals	\$23,349	Reserves

Levels of Service

	Base Line	2010/11 Target	10 Year Target
Water Quality ⁸	E	E	B
Reticulation ⁸	c	c	b
Minimum water pressure at the property boundary should be greater than 20 metres ⁹	95% of reticulation	95% of reticulation	100% of reticulation
Reservoirs provide adequate storage capacity	24 hours	24 hours	24 hours

Community Outcomes

The Kincaid water supply contributes to Sustainable Development, Quality Water & Wastewater Services, A Quality Standard of Housing, and Environmental Protection & Enhancement, through the achievement of its levels of service.

⁸ Ministry of Health Grading

⁹ System pressure greater than 20 metres means that if there was a burst pipe at the boundary, the resulting height of the water column would be higher than 20 metres. This pressure would be sufficient to enjoy a comfortable shower, water the garden, and use a washing machine.

Fernleigh Rural Water Supply

The Fernleigh water supply is located to the south and inland of the township, and covers a large rural area to its source at Cribb Creek, providing water for both stock and domestic purposes. In 2007 the water source dried up and an emergency bore had to be drilled. The new bore has since been operating without any quality issues.

The Fernleigh water supply is currently administered by the Fernleigh Water Management Committee, a committee consisting of a group of consumers. This committee has assumed responsibility for the maintenance of the water infrastructure; therefore no costs are incurred by Council except for depreciation and insurance pertaining to the scheme.

Major Projects for 2011/2012:

There are no major projects planned.

Levels of Service

	Base Line	2010/11 Target	10 Year Target
Water Quality ¹⁰	Ungraded	Ungraded	C
Reticulation ¹⁰	Ungraded	Ungraded	Ungraded

Community Outcomes

The Fernleigh water supply contributes to Sustainable Development, Quality Water & Wastewater Services, A Quality Standard of Housing, and Environmental Protection & Enhancement, through the achievement of its levels of service.

¹⁰ Ministry of Health Grading

Oaro Rural Water Supply

The Oaro water supply was constructed in 1995 and supplies 67 properties near the southern boundary of the district, drawing its water from a shallow borehole approximately 100m from the Oaro River. The scheme consists of the borehole, a pumping and treatment system, four storage tanks and a distribution system. The system is maintained to a very high standard with no water leaks in either the pumping system or the reticulation.

While the UV treatment system is in a good working condition and performance has been excellent in terms of treatment, the system is not of a type that is validated by the Ministry of Health, and so a new treatment system is required to meet mandatory drinking water standards. The Oaro supply is partially subsidised by Kaikoura urban water consumers, who will provide funding assistance for this project through urban water supply reserves.

Major Projects for 2011/2012:

Capital Projects	Cost	Funded by
Treatment system	\$25,000	Oaro water charges and Kaikoura urban water supply reserves

Levels of Service

	Base Line	2011/12 Target	10 Year Target
Water Quality ¹¹	E	E	C
Reticulation ¹¹	c	c	c

Community Outcomes

The Oaro water supply contributes to Sustainable Development, Quality Water & Wastewater Services, A Quality Standard of Housing, and Environmental Protection & Enhancement, through the achievement of its levels of service.

¹¹ Ministry of Health Grading

Peketa Rural Water Supply

The smallest of Council's public water supplies, the Peketa water supply is situated within the Peketa village, and supplies 18 households. The supply is treated by cartridge filtration and UV. The scheme consists of a shallow well, a pumping and treatment system, a surge tank and a distribution system. The scheme has no storage tanks; instead water is pumped directly from the bore into the distribution system. There is a small provision of underground storage for fire fighting purposes.

Major Projects for 2011/2012:

There are no major projects planned.

Levels of Service

	Base Line	2011/12 Target	10 Year Target
Water Quality ¹²	B	B	B
Reticulation ¹²	b	b	b

Community Outcomes

The Peketa water supply contributes to Sustainable Development, Quality Water & Wastewater Services, a Quality Standard of Housing, and Environmental Protection & Enhancement, through the achievement of its levels of service.

¹² Ministry of Health Grading

Suburban Water Supply

The suburban water supply was created and registered with the Ministry of Health as a separate water supply zone when the new urban ground water source was being commissioned in 2006. The supply boundary between the Kaikoura Urban Supply and this supply is at the alternate bore located on Mt Fyffe Road and serves the areas of Postmans, Schoolhouse, and Red Swamp Roads.

There is no storage provision for this system, most of the properties on this scheme have restricted supply and have their own storage facilities. The scheme draws its water from the Waimangarara Stream at the foot of Mount Fyffe.

Major Projects for 2011/2012:

There are no major projects planned.

Levels of Service

	Base Line	2011/12 Target	10 Year Target
Water Quality ¹³	Ungraded	Ungraded	C
Reticulation ¹³	Ungraded	Ungraded	C

Community Outcomes

The Suburban water supply contributes to Sustainable Development, Quality Water & Wastewater Services, A Quality Standard of Housing, and Environmental Protection & Enhancement, through the achievement of its levels of service.

¹³ Ministry of Health Grading

Forecast Cost of Service Statement Water Services

	Annual Plan 2010/2011	LTCCP 2011/2012	Annual Plan 2011/2012
Operating Expenses			
Kaikoura Urban	364,032	393,204	352,909
Ocean Ridge	19,676	22,365	19,358
East Coast	35,983	37,673	37,380
Kincaid	39,205	40,768	41,356
Fernleigh	-	-	-
Oaro	16,851	17,306	11,395
Puketa	7,657	8,205	7,337
Loan Interest	59,675	62,085	73,906
Depreciation	312,309	338,703	385,985
Total Operating Expenses	855,389	920,310	929,626
Funded by:			
Targeted Rates & Charges	582,582	622,266	619,121
Water Meter Charges	143,325	150,491	155,000
User Fees & Charges	0	6,800	2,000
Subsidies	202,500	-	-
	928,407	779,557	776,121
Operating Surplus/(Deficit)	73,018	(140,752)	(153,506)
Capital Expenditure			
<u>Kaikoura Urban Water Supply</u>			
New/Upgrade Assets	360,000	-	-
Renewals	103,470	117,802	128,890
	463,470	117,802	128,890
<u>Rural Water Supplies</u>			
New/Upgrade Assets	56,160	-	25,000
Renewals	16,665	17,177	23,349
	72,825	17,177	48,349
<u>Capital Debt Servicing</u>			
Loan Principal	63,692	54,972	73,241
Total Capital Expenditure	599,987	189,950	250,479
Funded by:			
Transfer from/(to) Reserves	205,660	(111,724)	(16,860)
Loans	-	-	-
Depreciation	312,309	338,703	385,985
Development Contributions	9,000	103,724	34,860
Operating Surplus/(Deficit)	73,018	(140,752)	(153,506)
	599,987	189,950	250,479

Sewerage & Stormwater

Goal

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.

Key Issues in 2011/2012

The second aerated lagoon development originally planned for the 2009/2010 financial year and deferred to 2010/2011 will be completed by June 2011. This work will improve the efficiency of the oxidation pond in treating effluent. The replacement of several substantial sections of underground pipe, found to be in a poor condition during the CCTV survey of the pipe infrastructure, has also been delayed and the work planned to commence in 2010/2011 will now commence in 2011/2012.





Similarly, stormwater development proposed for 2009/2010, which would have seen some urban areas able to withstand a one-in-fifty year flood event, will also proceed in 2011/2012. Top priority for that work will be to upgrade the Sullivans Gully stormwater system.

A new sewerage main line, from Hawthorne Rd to Mill Rd to the oxidation ponds, remains in the 2011/2012 planned upgrades as had been projected in the LTCCP; however Council is reassessing the need for this project. Should it proceed, this project is partially funded by the Ministry of Tourism's grant first approved in 2005.

What's changed since the 2009-2019 LTCCP?

Other than the timing of the major projects highlighted above, there are no major variations to what had been forecast in the LTCCP.

Effects on the Community

Economic		Safe and sanitary wastewater treatment and disposal systems are critical for any community to function
Environmental		An efficient sewage treatment and disposal system ensures that what is returned to the environment is not harmful. Stormwater protects individual properties as well as harbour, waterways, and the surrounding environment.
Social		Safe and sanitary wastewater treatment is fundamental to the health of the community.
Cultural		Offensive matter is efficiently disposed of.

Sewerage

The system comprises of 46km of pipes, twelve pump stations and a treatment and disposal system. Sewage is treated using a partially aerated lagoon before being pumped into infiltration beds to settle. Once this treatment is complete, the waste water is disposed of into the ground.

The Council has substantially upgraded most of the facilities comprising the sewerage system since 2005. At present the system only serves properties within the urban area, including Ocean Ridge, with 1,805 lots having access while approximately 1,295 lots are actually connected to the system. On average over half a million cubic meters of sewage is discharged annually.

Major Projects for 2011/2012:

Capital Projects	Cost	Funded by
Carried over from 2010/2011:		
Replacement of underground pipes	\$432,000	Loan and sewerage rates
New Project in 2011/2012:		
Main line from Hawthorne – Mill Rds to oxidation ponds (to be reassessed)	\$1,143,000	Ministry of Tourism grant, development contributions and reserves

Ongoing replacement of underground pipes has been deferred by one year in recognition that the planned 2010/2011 work will only proceed in 2011/2012.

Levels of Service

	Base Line	2011/12 Target	10 Year Target
Levels of dissolved oxygen exceed 2mg/l at the Oxidation Pond ¹⁴	80%	90%	100%
Nitrogen levels at the Oxidation Pond are less than 10mg/l ¹⁵	100%	100%	100%

¹⁴ The pond is designed to operate in an aerobic environment meaning it needs oxygen for the bacterial activities to occur. If the concentration of oxygen falls below 2mg/l it means the pond activity is not optimal and the efficiency of the pond has reduced.

¹⁵ Excess nitrogen can mean the pond becomes overly rich in nutrients, enabling algae and bacteria to grow rapidly and deplete the oxygen supply

Levels of Service (continued)

	Base Line	2011/12 Target	10 Year Target
Alarms, overflows and breaches of consent conditions are responded to within 1 hour of reporting or detection	100%	100%	100%

Community Outcomes

<p>Sustainable Development</p> <p>The sewerage activity provides and plans for good quality, cost efficient infrastructure that meets the needs of the community now and into the future.</p> <p>We measure our performance by resident satisfaction with the service.</p>	<p>Percentage of Residents Satisfied with Sewerage Services</p> <table border="1"> <caption>Percentage of Residents Satisfied with Sewerage Services</caption> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr><td>Baseline</td><td>80%</td></tr> <tr><td>2009/10</td><td>80%</td></tr> <tr><td>2010/11</td><td>80%</td></tr> <tr><td>2011/12</td><td>80%</td></tr> <tr><td>2012/13</td><td>80%</td></tr> <tr><td>2013/14</td><td>80%</td></tr> <tr><td>2014/15</td><td>80%</td></tr> <tr><td>2015/16</td><td>80%</td></tr> <tr><td>2016/17</td><td>80%</td></tr> <tr><td>2017/18</td><td>80%</td></tr> <tr><td>2018/19</td><td>80%</td></tr> </tbody> </table>	Year	Percentage	Baseline	80%	2009/10	80%	2010/11	80%	2011/12	80%	2012/13	80%	2013/14	80%	2014/15	80%	2015/16	80%	2016/17	80%	2017/18	80%	2018/19	80%
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<p>Quality Standard of Housing</p> <p>Sewerage services contribute to this outcome by ensuring that all urban properties have access to a sewerage system that is efficient and affordable.</p>	<p>Total Operating Cost of Service per Sewer Connection</p> <table border="1"> <caption>Total Operating Cost of Service per Sewer Connection</caption> <thead> <tr> <th>Year</th> <th>Cost (\$)</th> </tr> </thead> <tbody> <tr><td>Baseline</td><td>380</td></tr> <tr><td>2009/10</td><td>380</td></tr> <tr><td>2010/11</td><td>380</td></tr> <tr><td>2011/12</td><td>380</td></tr> <tr><td>2012/13</td><td>380</td></tr> <tr><td>2013/14</td><td>380</td></tr> <tr><td>2014/15</td><td>380</td></tr> <tr><td>2015/16</td><td>380</td></tr> <tr><td>2016/17</td><td>380</td></tr> <tr><td>2017/18</td><td>380</td></tr> <tr><td>2018/19</td><td>380</td></tr> </tbody> </table>	Year	Cost (\$)	Baseline	380	2009/10	380	2010/11	380	2011/12	380	2012/13	380	2013/14	380	2014/15	380	2015/16	380	2016/17	380	2017/18	380	2018/19	380
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<p>Environmental Protection and Enhancement</p> <p>Sewerage services contribute to this outcome by ensuring that sewage is disposed of with minimal impact.</p>	<p>Performance Target:</p> <p>No spills occur from pump stations or manholes.</p>																								

The sewerage activity also contributes to Quality Water & Wastewater Services through the achievement of its levels of service.

Stormwater

The stormwater system predominantly protects the Kaikoura Township, including Ocean Ridge, and comprises of approximately 17km of reticulation system that discharges to land, sea and other water courses.

Much of the Kaikoura stormwater system was constructed within the last 16 years as part of private subdivision and handed over to Council on completion. The system is comprised of a number of small piped and open drain networks most of which discharges to sea or to Lyell Creek. The stormwater system includes that provided by kerb and channel on the roads, swales such as those found in the Seaview and Ocean Ridge subdivisions, and large drains such as Phairs Drain and Sullivans Gully.

Major Projects for 2011/2012:

Capital Projects	Cost	Funded by
Carried over from 2009/2010:		
Stormwater structures, particularly Sullivans Gully, Deal St, Ramsgate St, Whitby Pl, Killarney St, Avoca St and the Churchill St/Deal St intersection.	\$224,000	Loan
New projects for 2011/2012:		
Stormwater structures	\$5,000	Development contributions and reserves
Pipe renewals	\$12,000	Stormwater rates

Levels of Service

	Base Line	2011/12 Target	10 Year Target
The system complies with the conditions of its resource consents	90%	100%	100%
System should accommodate 2 yr and 5 yr flood event without and with surcharge respectively ¹⁶	67% (two year)	100%	100%
	91% (five year)	100%	100%

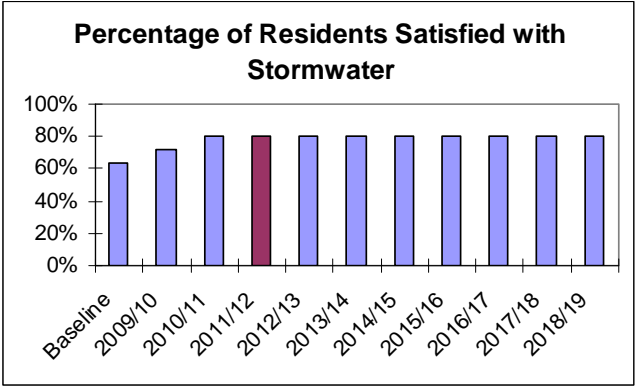
¹⁶ Surcharge refers to the capacity of the system – so accommodating a 2 year flood event without surcharge means the system has capacity to spare, but accommodating a 5 year flood event with surcharge means the system is at full capacity (but not compromised).

Community Outcomes

Sustainable Development

The stormwater activity provides and plans for good quality, cost efficient infrastructure that meets the needs of the community now and into the future.

We measure our performance by resident satisfaction with the service.



Stormwater contributes to Quality Water & Wastewater Services through the achievement of its levels of service.

Forecast Cost of Service Statement Sewerage & Stormwater

	Annual Plan 2010/2011 \$	LTCCP 2011/2012 \$	Annual Plan 2011/2012 \$
Operating Expenses			
<u>Sewerage</u>			
Operations	297,275	316,802	288,779
Loan Interest	42,117	75,904	47,471
Depreciation	224,314	243,412	239,874
	<u>563,706</u>	<u>636,118</u>	<u>576,124</u>
<u>Stormwater</u>			
Operations	46,564	47,805	45,461
Loan Interest	24,710	22,348	22,532
Depreciation	46,151	46,330	58,825
	<u>117,425</u>	<u>116,483</u>	<u>126,818</u>
Total Operating Expenses	681,131	752,601	702,942
Funded by:			
Targeted Rates & Charges	586,657	701,725	586,539
User Fees & Charges	25,748	27,963	23,758
	<u>612,405</u>	<u>729,688</u>	<u>610,297</u>
Operating Surplus/(Deficit)	(68,725)	(22,913)	(92,645)
Capital Expenses			
<u>Sewerage</u>			
New/Upgrade Assets	-	1,143,000	1,143,000
Renewals	432,000	334,800	572,000 ¹⁷
	<u>432,000</u>	<u>1,477,800</u>	<u>1,715,000</u>
<u>Stormwater</u>			
New/Upgrade Assets	5,000	5,000	229,000 ¹⁷
Renewals	12,000	12,000	12,000
	<u>17,000</u>	<u>17,000</u>	<u>241,000</u>
<u>Capital Debt Servicing</u>			
Loan Principal	52,739	55,029	49,054
Total Capital Expenditure	501,739	1,549,829	2,005,054
Funded by:			
Transfer from/(to) Reserves	-	231,248	809,760
Loans	300,000	325,000	383,000 ¹⁷
Development Contributions	-	155,252	34,740
Subsidies	-	571,500	571,500
Depreciation	270,465	289,742	298,699
Operating Surplus/(Deficit)	(68,725)	(22,913)	(92,645)
	<u>501,739</u>	<u>1,549,829</u>	<u>2,005,054</u>

¹⁷ Denotes items that have been carried over from previous years

Refuse & Recycling

Goal

To progressively decrease the volumes of solid waste landfilled in the district, with a view to ultimately achieving zero waste to landfill.





Key Issues in 2011/2012

Innovative Waste Kaikoura Ltd (IWK) is the company responsible for the day to day management of the landfill and resource recovery centre. IWK continues to make outstanding progress increasing the rate of diversion of waste from the landfill to an exemplary 72%. This has eased pressure on the landfill, and means that there is no need to transport waste to Kate Valley until around 2014. It is vital for the community that this level of diversion is maintained, as transporting waste out of the district will be at a substantial cost to the ratepayer.

What's changed since the 2009-2019 LTCCP?

It had been anticipated that the landfill would be full, and that the site would require reconfiguration as a transfer station for loading and transporting waste to Kate Valley, in 2011/2012.

Effects on the Community

Economic		The promotion of Kaikoura as a zero waste district has boosted our profile internationally and arguably therefore has also generated increased visitor numbers
Environmental		Kaikoura continues to maintain high levels of diversion from landfill, and is a leader in reduce, reuse, recycle initiatives
Social		Our recycling initiatives have culminated in an intense community pride in our zero waste achievements
Cultural		The goal of zero waste has in itself become embedded in the culture of our community

Refuse & Recycling

Kaikoura’s Resource Recycling Centre is the culmination of Council’s Zero Waste Policy, which was adopted in 1999 with the mission to achieve zero waste within 20 years. Where previously there existed only a dump, the site now hosts a composting facility for green waste and organics, a second-hand goods shop, a recycling centre able to cater for anything recyclable, a hazardous waste disposal facility, and a small native plant nursery to assist the Trees for Travellers biodiversity program.

The Resource Recycling Centre has, since its instigation, had significant environmental, social, cultural and economic benefits for the community. IWK currently diverts 72% of the waste stream from the landfill, and aims to increase that to 80% over the next few years.

Major Projects for 2011/2012:

Capital Projects	Cost	Funded by
Cell Capping	\$22,500	Development contributions and reserves

Levels of Service

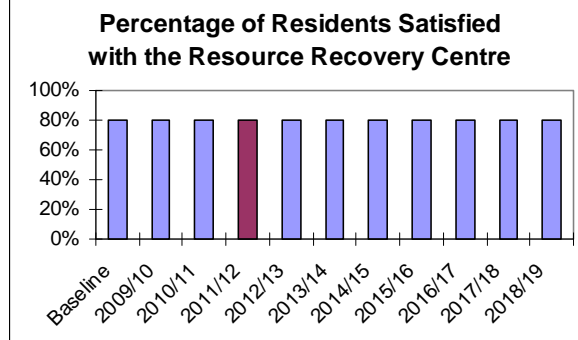
	Base Line	2010/11 Target	10 Year Target
Provision of a weekly recycling kerbside collection service to the Kaikoura township, plus the Hapuku and Oaro villages	100%	100%	100%
Provision of a fortnightly rural recycling pickup service from various locations to the north and south of the Kaikoura township	100%	100%	100%
The Resource Recovery Centre is open at least 356 days per year	356	356	356

Community Outcomes

Sustainable Development

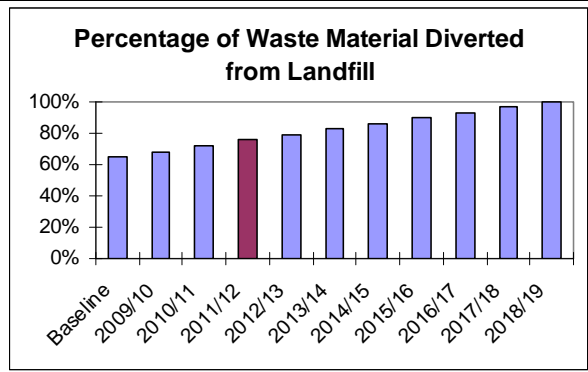
Refuse & Recycling contributes to this outcome by providing and planning for good quality, cost efficient facilities and services that meet the needs of the community now and into the future.

We measure our performance by the level of resident satisfaction with these facilities.



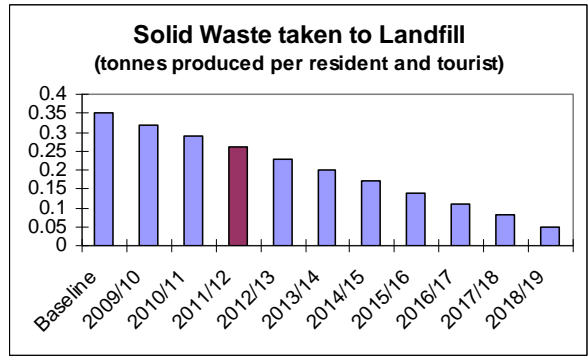
Environmental Protection & Enhancement

Refuse & Recycling contributes to this outcome by continuing our commitment to Zero Waste, and implementing the Waste Minimisation and Management Plan, including planning for future treatment and disposal options.



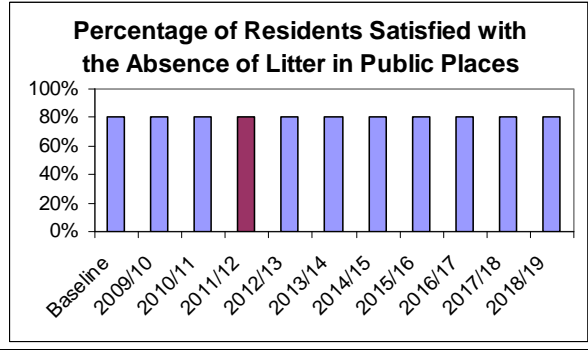
Environmental Protection & Enhancement

Refuse & Recycling contributes to this outcome by continuing our commitment to Zero Waste, and implementing the Waste Minimisation and Management Plan, including planning for future treatment and disposal options.



Environmental Protection & Enhancement

Refuse & Recycling contributes to this outcome by preserving and enhancing the scenic and amenity values of the district by ensuring that coastal reserves and public places are clean and free of waste and litter.



Forecast Cost of Service Statement Refuse & Recycling

	Annual Plan 2010/2011 \$	LTCCP 2011/2012 \$	Annual Plan 2011/2012 \$
Operating Expenses			
Operations	377,718	348,377	383,436
Loan Interest	6,049	29,433	4,960
Depreciation	2,294	5,180	1,714
	386,061	382,990	390,110
Funded by:			
User Fees & Charges	24,000	-	28,800
Waste Levy	13,500	13,500	13,500
Targeted Rates	82,950	77,000	106,876
	120,450	90,500	149,176
Operating Surplus/(Deficit)	(265,611)	(292,490)	(240,934)
Capital Expenditure			
New/Upgrade Assets	-	228,600	-
Renewals & Aftercare	22,500	157,875	22,500
Loan Principal	6,325	16,355	6,325
	28,825	402,830	28,825
Funded by:			
Uniform Annual General Charge	292,142	303,665	268,045
Transfer from/(to) Reserves	-	54,138	(4,860)
Loan	-	312,654	-
Development Contributions	-	19,683	4,860
Depreciation	2,294	5,180	1,714
Operating Surplus/(Deficit)	(265,611)	(292,490)	(240,934)
	28,825	402,830	28,825

Community Facilities

Sub Activities:

Parks & Reserves
Community Properties
Library

Goal

To provide, maintain and improve all recreational areas, reserves and facilities to a level that satisfies the social, economic, environmental and cultural needs of the community.

Key Issues in 2011/2012

The new museum project remains a high priority for Council, and while progress to date has been slow, residents should expect to see visible signs of construction by the end of the 2011/2012 financial year. Current designs provide 695m² of floor space for the museum and, by joining the existing library in the West End, will have a high profile for the township. The museum will benefit from a large display area, research room and a multi-purpose space for travelling exhibitions or other uses such as an AV theatre. The library stands to lose 55m² of office space at the western end of the building, but gains 60m² by way of a new extension at the eastern end.





The Kaikoura Community Facilities Charitable Trust publicly released the investigative study it had commissioned, prepared by Stuart Chadwick of Commercial Project Management, in October 2010. That report, called the “Hypothetical Development Statement”, states that in concept design stage is the development of the South Bay domain to accommodate an aquatic centre providing an indoor 20m x 25m lane pool, toddler’s pool, youth splash pool, heated outdoor hot pools, gymnasium, hydroslides, private hot pools and treatment rooms. While there is no provision for the aquatic centre to be developed in 2011/2012, there will be opportunities for public to participate in the debate as to whether an aquatic centre is feasible.

Construction of a new Council office was widely opposed by the community in recent years, and was finally removed from the LTCCP in 2009. However, the condition of the existing building is such that it will require attention to bring it up to a safe and sanitary state. Therefore Council will fund depreciation of the building commencing 2011/2012, and use those funds to improve heating, insulation, and other basic services to alleviate issues with cold, mould and condensation. Other improvements to be completed over time include refurbished kitchen and toilet facilities to improve the current unsanitary conditions.

What’s changed since the 2009-2019 LTCCP?

Last year, an amendment to the LTCCP provided for the museum project to be brought forward one year (to 2010/2011), in recognition that there is a pressing need for the museum to be relocated due to its current position in a high-risk flood zone. The budget was also substantially increased (from \$920,700 to \$2,365,000). Construction has yet to commence, while architectural designs are finalised and tenders yet to be prepared, and now looks unlikely to proceed before January 2012 at the earliest. The Historical Society has already secured some funds for the project, and Council will fund the balance from development contributions and a loan.

Effects on the Community

Economic		These facilities do come at a cost to ratepayers, but enhance appeal for residential and commercial development
Environmental		Parks and reserves increase green space and enhance the appearance of the district, and public toilets protect areas from human waste and spread of disease
Social		These facilities provide for interaction, leisure, sport, education and recreation
Cultural		The library, public halls and civic offices are cultural hubs of our community

Parks & Reserves

The Council provides several parks, playgrounds, walkways and sports fields for the recreational and sporting needs of the community. The main parks and reserves include Churchill Park, South Bay Domain, Takahanga Domain, South Bay Gateway Reserve, and Kekeno Park at Ocean Ridge. Playgrounds are located at Gooches beach, South Bay, Bayview Street, Churchill Park, Seaview and Beach Rd/Gillings Lane. The coastline also provides a major recreational playground for residents and visitors to the district. Council administers numerous coastal and road reserves, some with long term leases attached to them. These reserves are administered under the Reserves Act. Public toilets, walkways, and the Kaikoura cemetery are also included within the parks and reserves activity.

Significant savings in the parks and reserves maintenance contracts when they were tendered last year has made it possible to not only decrease the rates requirement for this activity, but also to plan for the improvement of the Annie Boyd walkway, Whitby Place alleyway, and Tom's Track. This work represents long overdue maintenance rather than capital projects, so they do not appear on the major projects schedule below.

An enthusiastic community group has approached Council wishing to progress several beautification projects, such as cleaning up Lyell Creek, building bus shelters, hanging floral baskets throughout the West End, and welcoming signage at the entrance to the township (amongst others). Council appreciates the enthusiasm of the group, but rather than add these projects (totalling \$50,000) to the Annual Plan, some of these have already been provided for and others may be eligible for alternative funding sources. Council is keen for the group to maintain its momentum and hopes to work with them to progress town enhancement projects.

Despite pressure from some sectors of the community for more public toilets, Council has been unable to gain consensus for a location. There are no plans for additional public toilets in this Annual Plan.

Major Projects for 2011/2012:

Capital Projects	Cost	Funded by
Coastal Strategy Work	\$19,820	Development Contributions and Reserves
Playground Equipment	\$8,000	

Levels of Service

	Base Line	2011/12 Target	10 Year Target
Maintenance contracts are carried out in compliance with specifications (relating to frequency of grass cutting, clearing away wind blown detritus, etc)	100%	100%	100%
Public toilets are cleaned per contract specifications and complaints are responded to within four hours	100%	100%	100%
Playground equipment meets appropriate NZ Standards in terms of safety	New	100%	100%

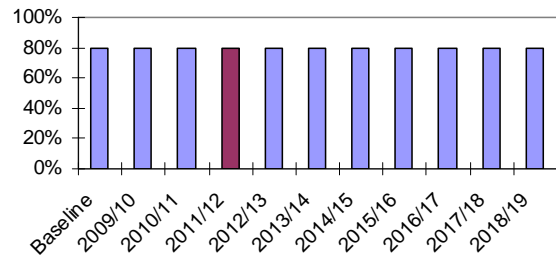
Community Outcomes

Sustainable Development

Parks & Reserves contribute to this outcome by providing and planning for good quality, cost efficient infrastructure, facilities, amenities and services that meet the needs of the community now and into the future.

We measure this by levels of satisfaction with these services.

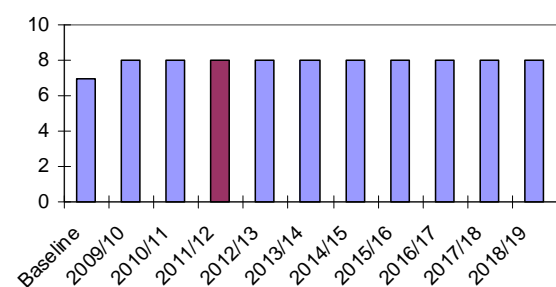
Percentage of Residents Satisfied with Parks & Reserves



Environmental Protection and Enhancement

Parks & Reserves contribute to this outcome by investigating possible locations and potential installation of new public toilets along the coastal reserves, with particular emphasis on high use areas.

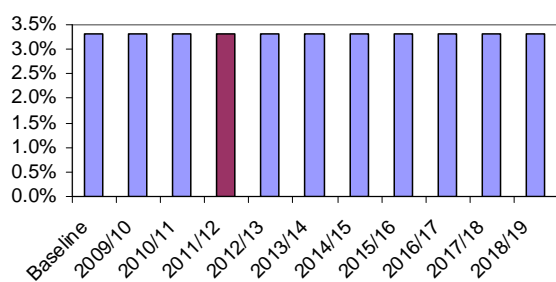
Number of Public Toilet Facilities



Affordable Access to Quality Community Facilities

Parks & Reserves contribute to this outcome by providing attractive recreational reserves, and ensuring that these areas continue to be developed with the expansion of the urban area.

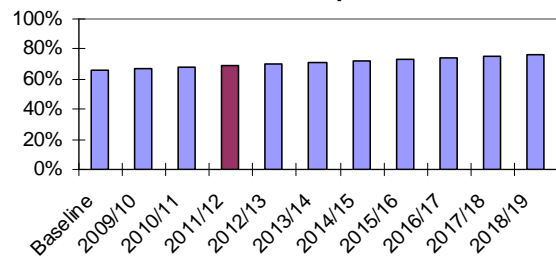
Percentage of Green Spaces



Affordable Access to Quality Community Facilities

Parks & Reserves contribute to this outcome by encouraging increased physical activity, through the provision of walking and cycling tracks, and by implementing the Kaikoura Physical Activity Plan and the Kaikoura Walking and Cycling Strategy.

Percentage of Residents who exercise 3 or more hours per week



Community Properties

Community properties consist of the civic offices, swimming pool, memorial hall, drill hall, housing for the elderly and, once developed, a new indoor aquatic centre, plus indoor sports facility and/or gymnasium. It is possible that these proposed facilities could be located together or at separate locations.

The new museum is to be constructed in the West End, adjoining the existing library building. The Kaikoura Historical Society will continue to manage the museum, and to own all of its treasures and archived material. While the finer points of the arrangement are yet to be finalised, the Society will remain responsible for its own operating expenses, such as wages, telephone, electricity, cleaning etc, and will also remain the beneficiary of an annual grant from Council to assist with these expenses. These matters reflect the status quo.

The “Lions Pool” at Gooches Beach is a heated open-air facility, with changing rooms, toilets and a toddler’s shaded pool. The pool is generally open from November to March, seven days a week. Nearing the end of its economic life, the community faces a significant funding challenge to replace the pool, and the Kaikoura Community Facilities Charitable Trust has been tasked with investigating the feasibility of a modern aquatic centre. The timing of any construction will depend on the final position adopted, and funding availability and feasibility.

Major Projects for 2011/2012:

Capital Projects	Cost	Funded by
Carried over from 2010/2011:		
Museum	\$2,365,000	Grants & Subsidies, Development Contribution Reserves and Loan
New projects in 2011/2012:		
Council office renewals	\$20,291	General Rate

Levels of Service

	Base Line	2011/12 Target	10 Year Target
Swimming pool opening hours are 11.00am to 5.00pm seven days per week, from November to March (excluding Christmas Day)	100%	100%	100%
Housing for the elderly is provided with walk-in showers and disability access	New	100%	100%
The Memorial Hall is cleaned and maintained to a satisfactory standard	New	100%	100%

Community Outcomes

<p>Sustainable Development</p> <p>Community Properties contribute to this outcome by providing and planning for good quality, cost efficient infrastructure, facilities, amenities and services that meet the needs of the community now and into the future.</p> <p>We measure this by levels of satisfaction with these services.</p>	<p style="text-align: center;">Percentage of Residents Satisfied with Community Properties</p> <table border="1"> <caption>Percentage of Residents Satisfied with Community Properties</caption> <thead> <tr> <th>Fiscal Year</th> <th>Percentage Satisfied</th> </tr> </thead> <tbody> <tr> <td>Baseline</td> <td>80%</td> </tr> <tr> <td>2009/10</td> <td>80%</td> </tr> <tr> <td>2010/11</td> <td>80%</td> </tr> <tr> <td>2011/12</td> <td>80%</td> </tr> <tr> <td>2012/13</td> <td>80%</td> </tr> <tr> <td>2013/14</td> <td>80%</td> </tr> <tr> <td>2014/15</td> <td>85%</td> </tr> <tr> <td>2015/16</td> <td>85%</td> </tr> <tr> <td>2016/17</td> <td>85%</td> </tr> <tr> <td>2017/18</td> <td>85%</td> </tr> <tr> <td>2018/19</td> <td>85%</td> </tr> </tbody> </table>	Fiscal Year	Percentage Satisfied	Baseline	80%	2009/10	80%	2010/11	80%	2011/12	80%	2012/13	80%	2013/14	80%	2014/15	85%	2015/16	85%	2016/17	85%	2017/18	85%	2018/19	85%
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<p>Affordable Access to Quality Community Facilities</p> <p>Community Properties contribute to this outcome by developing sports, leisure and cultural facilities at a location or locations that satisfy the wishes of the community, including an indoor pool, indoor sports complex, gymnasium, museum, and potentially also administrative offices.</p>	<p>Performance Target:</p> <p>Construction of the Museum to commence in 2011/2012.</p> <p>The Kaikoura Community Facilities Charitable Trust will be reporting back on preferred ownership, management and financing options for the swimming pool.</p>																								

Library

In the heart of the West End, opposite the Visitor Information Centre, the Kaikoura District Library welcomes residents and visitors in a quiet, relaxed atmosphere and maintains an up to date and extensive range of fiction and non-fiction for all ages. The library also provides a range of services in addition to its collection, such as colour and black & white photocopying, computer and internet access, laminating, fax, large print books, talking books, magazines, newspapers, videos, DVDs, puzzle's and toy library.

Major Projects for 2011/2012:

Capital Projects	Cost	Funded by
Library collection	\$32,147	Grants & Donations, and Uniform Annual General Charge

The library site is the chosen location for the new museum facility, and while the library will lose the office space at its western end, it will gain a similar floor space at its eastern end. The costs of this project form part of the museum construction on the previous pages. It is envisaged that the construction of the museum will have a significant impact on the library operations while building is underway, and a decision is yet to be made whether to temporarily relocate the library service.

Levels of Service

	Base Line	2011/12 Target	10 Year Target
Toddler time program has at least 30 sessions per annum	34	30	30
A minimum of 20 school visits per annum	22	20	20
The library collection exceeds 4.5 items per resident	4.7	4.7	4.7
The number of book issues per annum is maintained	39,000	39,000	39,000

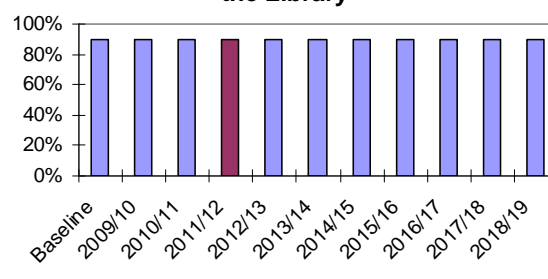
Community Outcomes

Sustainable Development

The library contributes to this outcome by providing and planning for good quality, cost efficient infrastructure, facilities, amenities and services that meet the needs of the community now and into the future.

We measure this by levels of satisfaction with the library service.

Percentage of Residents Satisfied with the Library



Forecast Cost of Service Statement Community Facilities

	Annual Plan 2010/2011	LTCCP 2011/2012	Annual Plan 2011/2012
Operating Expenses			
<u>Parks & Reserves</u>			
Operations	410,023	379,261	433,071
Loan Interest	49,204	42,292	44,835
Depreciation	30,478	31,818	32,564
	489,705	453,371	510,470
<u>Community Facilities</u>			
Operations	189,935	213,850	233,931
Loan Interest	55,283	27,220	57,782
Depreciation	119,328	68,688	124,542
	364,546	309,758	416,255
<u>Library</u>			
Operations	229,877	252,030	238,062
Depreciation	31,216	28,913	32,147
	261,093	280,943	270,209
Total Operating Expenses	1,115,345	1,044,073	1,196,934
Funded by:			
Targeted Rates	172,042	136,769	140,952
General Rates	251,111	252,828	263,393
Uniform Annual General Charge	387,718	352,534	445,408
User Fees & Charges	291,442	264,691	303,779
Grants & Subsidies	12,500	2,500	3,000
	1,114,813	1,009,322	1,156,532
Operating Surplus/(Deficit)	(532)	(34,751)	(40,402)
Capital Expenses			
<u>Parks & Reserves</u>			
New/Upgrade Assets	36,254	19,820	19,820
Renewals	14,040	14,508	8,000
	50,294	34,328	27,820
<u>Facilities</u>			
New/Upgrade Assets	2,365,000	920,700	2,365,000 ¹⁸
Renewals	-	-	20,291
	2,365,000	920,700	2,385,291
<u>Library</u>			
Book Renewals	32,000	27,519	32,147
	32,000	27,519	32,147
<u>Capital Debt Servicing</u>			
Loan Principal	110,266	55,456	110,505
Total Capital Expenditure	2,557,560	1,038,003	2,555,763
Other Revenue:			
Transfer from/(to) Reserves	1,477,070	(87,748)	1,314,052 ¹⁸
Loans	500,000	-	500,000 ¹⁸
Development Contributions	-	781,083	192,860
Grants & Subsidies	400,000	250,000	400,000 ¹⁸
Depreciation	181,022	129,419	189,253
Operating Surplus/(Deficit)	(532)	(34,751)	(40,402)
	2,557,560	1,038,003	2,555,763

¹⁸ Denotes items carried over from previous years

Commercial Activities

Sub Activities:

Airport
Harbour Facilities
Leased Properties
Forestry

Goals

Airport and harbour facilities are to be developed in the most appropriate manner to provide for the needs of its commercial and recreational users. Forestry resources, investments, and properties are to be managed in a cost effective manner so as to provide the optimum financial return on these assets.





Key Issues for 2011/2012

The property at 25 Beach Rd, currently housing the Kaikoura Community Gym, was originally purchased so as to secure the site for the museum back in 2004. That property is no longer being considered for redevelopment by Council, and with the Gym relocating, is now proposed to be sold.

What's changed since the 2009-2019 LTCCP?

The Pynes building, purchased in September 2009, had not been specifically provided for in the LTCCP, other than a general provision for Council to undertake strategic land purchases from time to time as opportunities arise. Ownership costs and revenues have now been incorporated in these activity statements. Airport hangars planned for 2009/2010 have been deferred, with construction likely to take place in 2011/2012.

Effects on the Community

Economic		A primary driver for these activities is to provide a return to ratepayer investment. Commercial users rely heavily on provision of harbour and airport facilities.
Environmental		Forestry stabilises sandy ground and acts as a carbon sink, but depletes nutrients in the soil over time
Social		Harbour and airport facilities provide for leisure, sport, and recreation activity
Cultural		This activity can provide a return on investment which enables future cultural facilities to be funded

Airport

Kaikoura’s airport is situated on Department of Conservation land at Peketa, 8km south of the township on state highway 1, and is currently the home of the Kaikoura Aero Club and Wings Over Whales.

Council purchased the airport terminal building in 2009, thereby securing a strategic asset for future development of air transport services. First constructed in 1996, the terminal is a small but modern facility providing primarily for passengers on short sight-seeing flights. Sounds Air withdrew its scheduled flight service to Wellington in 2009, and this service is unlikely to return in the medium term. Skydive Kaikoura has been providing an adrenalin packed visitor attraction over the summer months, along with the traditional Wings Over Whales experience.

Major Projects for 2011/2012:

New aircraft hangars first provided for in 2009/2010 have not yet been developed. A tender to construct hangars has been let and will be built later in 2011. The costs of the hangar loan should be covered by the lessees, however overall the airport is not expected to be self-funded in 2011/2012 and general rates will need to pick up the shortfall of around \$8,000.

Capital Projects	Cost	Funded by
Carried over from 2009/2010:		
Aircraft Hangars	\$150,000	Loan

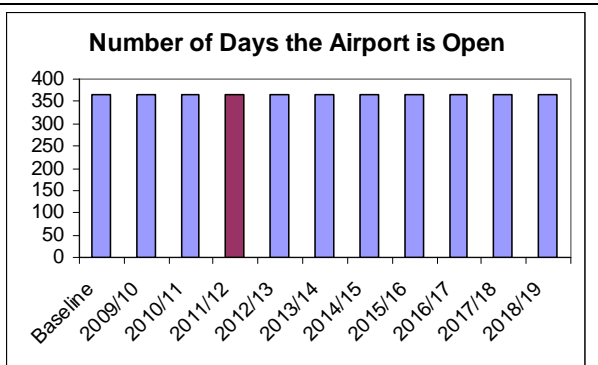
Levels of Service

	Base Line	2011/12 Target	10 Year Target
All airport facilities (land, buildings and hangar sites) are fully leased	100%	100%	100%
Airport facilities are adequate for aircraft weighing up to 5,000kg	100%	100%	100%

Community Outcomes

Safe, Efficient Transport Network

The airport contributes to this outcome by developing airport facilities as required to service passenger traffic, until such time as the scale of operations warrants fully commercial management.



Harbour Facilities

The harbour facilities were vested in Council in 1989 from the former Marlborough Harbour Board (the assets then only consisted of the north wharf, old wharf, a shed and lockers, offices and a slipway at South Bay). Since then Council has spent over \$1m on the development of the South Bay Marina, which has a seawall, slipway, fuel facility, public toilets, boat wash down area, and parking for buses, cars, trailers and boats.

Commercial use of the South Bay Marina continues to increase, with larger boats needing to be accommodated each year. These increasing demands are placing pressure on the facilities at South Bay, and Council will need to consider options for the area within its upcoming long term plan. Recreational fishing makes an important economic contribution to the town, by attracting visitors and investment to the area; the needs of recreational fishers will also need to be considered when Council considers any future options for harbour facilities.

The north wharf has been replaced, providing an improved service for the disembarking of passengers from the cruise ships that frequent our shores over the summer season, attracting renewed interest in Kaikoura as a destination from several major cruise operators. It has also improved the unloading facilities for fishermen using the wharf.

Major Projects for 2011/2012:

Boat parking protection work remains an issue of polarised community views, and Council will continue to investigate options to protect the area

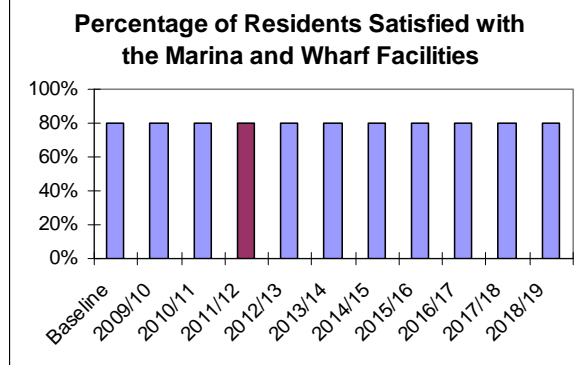
Levels of Service

	Base Line	2011/12 Target	10 Year Target
All boat parking facilities are fully leased	100%	100%	100%

Community Outcomes

Sustainable Development

The harbour contributes to this outcome by providing and planning for good quality, cost efficient infrastructure, facilities, amenities and services that meet the needs of the community now and into the future.



Leased Properties

Leased properties include the land and some buildings at the north wharf, and that lessee has recently lodged a resource consent application to develop a major hotel and other facilities at the site, with a 99-year lease in place.

Council also owns the property at 25 Beach Rd currently occupied by the community gymnasium in the upper floor, and the lower floor is being used by a community group. That property had originally been purchased with the intention of constructing new museum plus council offices and library. It is now Council's intention to sell the property, as it is no longer required for its intended purpose.

A house at 20 Beach Rd and an area of land behind it are intended to be sold to a developer to provide for a new shopping and accommodation area. Proceeds from the sale could also be used for any new community facilities, or be reinvested into other property.

Council purchased the Pynes building in 2009 due to its strategic location in the heart of the West End, and has several tenants occupying the building and yard while Council considers the long-term potential for the property.

Major Projects for 2011/2012:

Any major projects for these leased properties, such as redevelopment of the north wharf buildings, will be undertaken by the lessee. No major projects by Council are planned this year.

Levels of Service

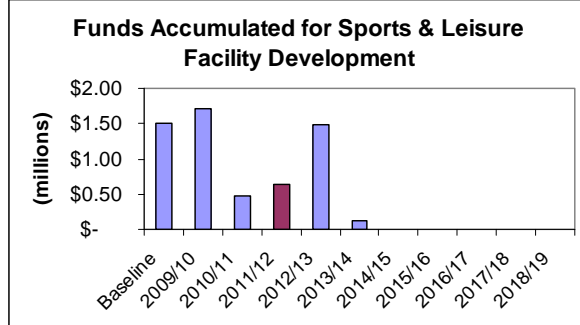
	Base Line	2011/12 Target	10 Year Target
All properties are fully leased	100%	100%	100%

Community Outcomes

Affordable Access to Quality Community Facilities

It is the intent of leasing properties that cash operating surpluses and proceeds from property sales are accumulated in readiness to potentially assist funding the construction of new sports, leisure and cultural facilities.

Leased properties share this target with the forestry activity (see next page).



Forestry

Council owns 378 hectares of pinus radiata forest located on leased land at Clarence, with the lease valid until 2025. Logging sales are undertaken whenever the log prices are advantageous and logging blocks are at a suitable stage of maturity. There is less than 20 years remaining on the lease of the Clarence land, and so Council has continually reviewing the planting of new pine trees, as these would not reach maturity by the time the lease expires. Other tree varieties are being investigated to generate improved cash flow. Pruning and thinning of the pine plantation is still necessary to ensure the trees are viable for logging when they reach maturity, and this work is capitalised. Having cut substantial areas of trees during 2011 due to the high prices being obtained, very little (if any) logging is planned in 2011/2012.

Council has an 11.5% share in the Marlborough Forestry joint venture with the Marlborough District Council. This joint venture pays a capital distribution to both councils annually when the venture has generated surpluses. Of Councils share, 13.38% is held on behalf of Environment Canterbury, therefore capital distributions received are also apportioned and passed on to that organisation.

Major Projects for 2011/2012:

Capital Projects	Cost	Funded by:
Pruning & thinning	\$4,000	Logging sales or forestry reserves

Levels of Service

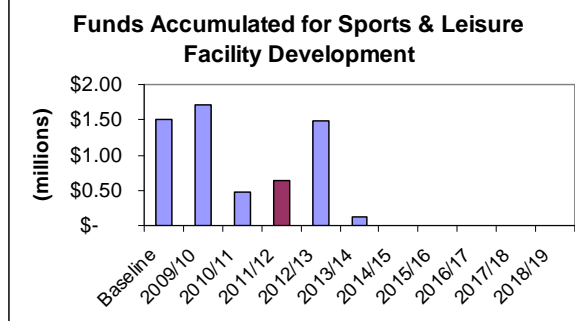
	Base Line	2011/12 Target	10 Year Target
Forestry activity generates cash surpluses that are able to be used to help offset the rate requirement, or to undertake strategic land purchases	100%	100%	100%

Community Outcomes

Affordable Access to Quality Community Facilities

It is the intent of forestry activities that cash operating surpluses and proceeds from logging sales are accumulated in readiness to fund the construction of new sports, leisure and cultural facilities.

Forestry shares this target with the leased properties activity (see previous page).



Forecast Cost of Service Statement Commercial Activities

	Annual Plan 2010/2011	LTCCP 2011/2012	Annual Plan 2011/2012
Operating Expenses			
<u>Airport</u>			
Operations	26,208	28,176	17,920
Loan Interest	41,518	41,059	40,731
Depreciation	11,802	2,124	11,570
	79,528	71,359	70,221
<u>Harbour</u>			
Operations	79,265	79,103	79,413
Loan Interest	78,409	68,345	69,892
Depreciation	35,231	35,231	35,495
	192,905	182,679	184,800
<u>Leased Properties</u>			
Operations	28,541	15,948	37,609
Loan Interest	58,500	9,038	61,200
	87,041	24,986	98,809
<u>Forestry</u>			
Operations	340,806	205,848	204,435
Total Operating Expenses	700,280	484,873	558,265
Funded by:			
User Fees & Charges	288,978	374,931	347,613
Forestry Revenues	522,845	383,373	358,435
Targeted Rates	76,122	78,959	74,443
	887,945	837,263	780,491
Operating Surplus/(Deficit)	187,666	352,390	222,226
Capital Expenses			
<u>Airport</u>			
New/Upgrade Assets	-	-	150,000 ¹⁹
	-	-	150,000
<u>Forestry</u>			
New/Upgrade Assets	3,000	4,379	4,000
	3,000	4,379	4,000
<u>Capital Debt Servicing</u>			
Loan Principal	87,746	112,090	118,901
Total Capital Expenditure	90,746	116,470	272,901
Other Revenue:			
General Rates (Offset)	(63,952)	(23,145)	8,071
Transfer (to)/from Reserves	(80,000)	(250,130)	(154,460)
Loans	-	-	150,000 ¹⁹
Depreciation	47,032	37,355	47,064
Operating Surplus/(Deficit)	187,666	352,390	222,226
	90,746	116,470	272,901

¹⁹ Denotes items carried over from previous years

Leadership & Governance

Sub Activities:

- Governance
- Support Services

Goals

To provide leadership to the community, and to have in place a system of representation which is open and transparent, and which gives opportunities for participation in the democratic process.

Key Issues for 2011/2012





Council’s core operating system, including financial, rating and consent processing systems, is now dangerously obsolete and Council has taken up the opportunity to migrate to a new fully-integrated computer system, including replacement of its aging servers. This is the first significant investment in Council’s technology in sixteen years, and will be a major focus for support services staff as they implement the new system.

The Long Term Plan for the ten years from 2012 to 2022 will be developed over the coming months.

What’s changed since the 2009-2019 LTCCP?

The need for a new operating system had not been forecast in the LTCCP.

Effects on the Community

Economic		Every decision Council makes has an effect on the economic, environmental, social and cultural wellbeing of our community. It is Council's responsibility to ensure that this effect is a positive one, and one that promotes the lifestyle of all Kaikoura residents in a balanced, fair and equitable manner.
Environmental		
Social		
Cultural		

Governance

The mayor and seven councillors are elected by the district at large; there are no wards within the district. In addition to Council, there are seven standing committees.

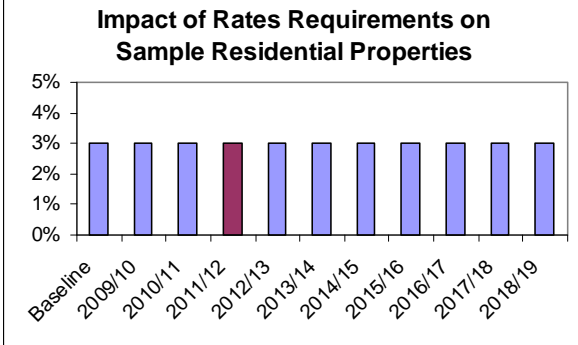
Major Projects for 2011/2012:

Council is continuing to review its performance for all areas of Council – including its major policies and bylaws, and delivery of its services – to ensure that Kaikoura’s needs are met efficiently and effectively. The Long Term Plan (formally known as the Long Term Council Community Plan) is up for review for the year commencing 1 July 2012, and this will be a major focus for Council’s strategic decision making in conjunction with the community, over the coming months.

Levels of Service

	Base Line	2011/12 Target	10 Year Target
Agendas for all public meetings are publicly available within statutory timeframes	100%	100%	100%

Community Outcomes

<p>Safe, Efficient Transport Network</p> <p>Governance contributes to this outcome by advocating for the Inland Rd to be designated to State Highway status, thereby acknowledging its true use as the Alpine Pacific Triangle Highway and securing its future as a strategic visitor thoroughfare.</p>	<p>Performance Target:</p> <p>The Inland Road is designated as State Highway 70 within the ten year period (by June 2019).</p>																								
<p>Quality Standard of Housing</p> <p>Governance contributes to this outcome by reviewing all activities and their funding to ensure that costs and benefits are equitably matched as between various sectors of the community, to reduce the impact of rates requirements on the residential householder.</p>	<p>Impact of Rates Requirements on Sample Residential Properties</p>  <table border="1"> <caption>Impact of Rates Requirements on Sample Residential Properties</caption> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr><td>Baseline</td><td>3%</td></tr> <tr><td>2009/10</td><td>3%</td></tr> <tr><td>2010/11</td><td>3%</td></tr> <tr><td>2011/12</td><td>3%</td></tr> <tr><td>2012/13</td><td>3%</td></tr> <tr><td>2013/14</td><td>3%</td></tr> <tr><td>2014/15</td><td>3%</td></tr> <tr><td>2015/16</td><td>3%</td></tr> <tr><td>2016/17</td><td>3%</td></tr> <tr><td>2017/18</td><td>3%</td></tr> <tr><td>2018/19</td><td>3%</td></tr> </tbody> </table>	Year	Percentage	Baseline	3%	2009/10	3%	2010/11	3%	2011/12	3%	2012/13	3%	2013/14	3%	2014/15	3%	2015/16	3%	2016/17	3%	2017/18	3%	2018/19	3%
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<p>Environmental Protection and Enhancement</p> <p>Governance contributes to this outcome by developing an effective strategy for the protection of coastal areas by advocating and working with agencies to reduce the incidents of inappropriate camping.</p>	<p>Performance Target:</p> <p>There are no complaints received regarding freedom camping.</p>																								

Environmental Protection and Enhancement

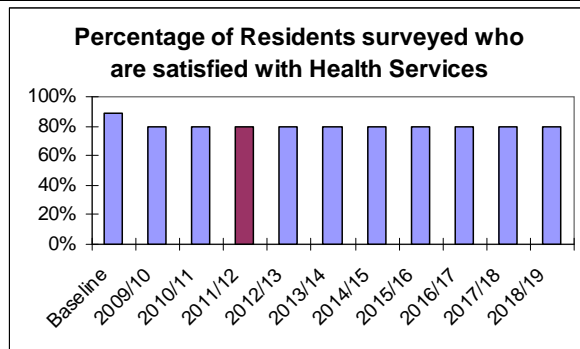
Governance contributes to this outcome by developing an effective strategy for the protection of coastal areas, and the depletion of marine resources, by advocating and working with agencies to reduce poaching.

Performance Target:

At least one full-time fisheries officer is based in Kaikoura.

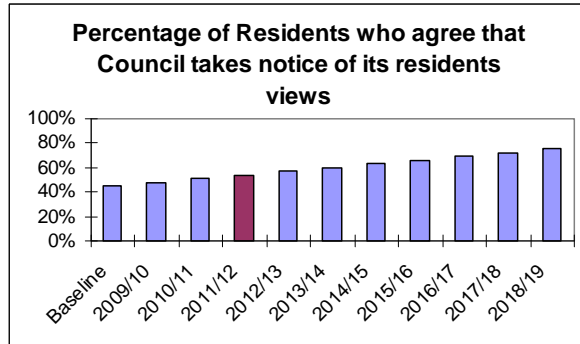
Affordable Access to Quality Community Facilities

Governance contributes to this outcome by advocating for health facilities which encompass all health services and agencies necessary to maintain a high level of wellbeing in our small rural isolated community, and advocate for social service agencies to provide a good level of service locally.



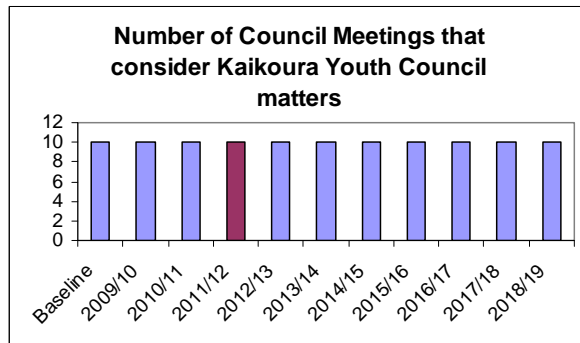
Community Involvement in Planning the Future and Managing the Present

Governance contributes to this outcome by improving communication and consultation processes with the community, so as to ensure open, consistent and transparent local governance, encourage dialogue about broad direction, and benefit from the maximum application of local knowledge and expertise.



Community Involvement in Planning the Future and Managing the Present

Governance contributes to this outcome by supporting and encouraging youth involvement in community decision making processes and participation in the local community through the Kaikoura Youth Council.



Support Services

Support services can be further defined as the roles of general management, corporate services, geographic information services, network administration, plant and vehicles, and asset management. It is these activities that support the organisation to deliver council services, provide financial and human resources functions, and provide good quality information to the public.

Major Projects for 2011/2012:

Capital Projects	Location	Cost	Funded by
Office Equipment & Furniture	Council office	\$10,244	Overhead Recoveries
Vehicle Replacement	N/A	\$23,471	

Council is migrating to a new core operating system, planned to be fully implemented by November 2011. This does not appear on the above schedule, as the costs involved are annual operating licences and lease expenses, which are not capital costs.

Levels of Service

	Base Line	2011/12 Target	10 Year Target
Annual Reports, Annual Plans and Long Term Council Community Plans are compliant with statutory requirements	100%	100%	100%

Community Outcomes

<p>Quality Water & Wastewater Services</p> <p>Support services contribute to this outcome by planning for infrastructure to support anticipated development needs, including investigation into existing and future services.</p>	<p>Performance Target:</p> <p>Asset Management Plans are to be updated not less than every three years.</p>
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Other than the above, Support Services do not *directly* contribute to community outcomes, but do provide support and administrative services to all council activities, thereby contributing to the achievement of all community outcomes.

Forecast Cost of Service Statement Leadership & Governance

	Annual Plan 2010/2011	LTCCP 2011/2012	Annual Plan 2011/2012
Operating Expenses			
Governance	270,714	234,905	241,656
General Management	226,446	233,984	230,148
Corporate Services	18,130	22,761	19,916
GIS/Network Admin	(8,000)	(2,321)	-
Plant & Vehicles	(19,325)	(16,931)	-23,471
Asset Management	30,000	92,353	10,000
Loan Interest	612	-	-
Depreciation	31,643	23,453	33,323
Total Operating Expenses	550,220	588,204	511,572
Funded by:			
User Fees & Charges	83,060	125,515	40,160
Interest & Other	-	-	-
	83,060	125,515	40,160
Operating Surplus/(Deficit)	(467,160)	(462,690)	(471,412)
Capital Expenditure			
Equipment Renewals	12,318	10,401	10,244
Equipment New Assets	8,000	2,321	-
Vehicle Replacement	19,325	16,931	23,471
Loan Principal	-	-	-
	39,643	29,653	33,715
Other Revenue:			
General Rates	226,446	233,984	230,148
Uniform Annual General Charge	248,714	234,905	241,656
Depreciation	31,643	23,453	33,323
Operating Surplus/(Deficit)	(467,160)	(462,690)	(471,412)
	39,643	29,653	33,715

Regulation & Control

Sub Activities:

Statutory Planning
Building Control
Traffic Control
Dog & Stock Control
Liquor Licensing & Other

Goal

To ensure the natural and physical environment of the district is sustainably managed, by providing a friendly helpful service and ensuring that standards and guidelines set down in legislation and regulations are met.





Key Issues in 2011/2012

The fragile economy continues to impact heavily on revenues to Council from building consents and resource consents. Christchurch's devastating earthquake in February creates some uncertainty as to the impact on our district, but it is envisaged that any building work in Canterbury will focus on the Christchurch area, putting a squeeze on communities like Kaikoura. Conversely there could be an upturn in local work if people decide to relocate.

What's changed since the 2009-2019 LTCCP?

Planning staff time has been diverted away from resource consent processing, to more strategic issues such as district plan changes and environmental planning work. While this means costs decrease for the Regulation & Control activities, a simultaneous drop in consent fee revenues has increased our reliance on rates funding.

Effects on the Community

Economic		Efficient building and statutory planning processes assist development to proceed, however enforcement of statutory obligations places restrictions on certain aspects of development
Environmental		The aim of this activity is to protect the environment by enforcing legislation, Council bylaws and the district plan
Social		This activity protects the health and safety of the whole community
Cultural		Cultural wellbeing is protected by this activity

Statutory Planning

This is a regulatory function that ensures the statutory planning provisions of the Kaikoura District Plan, Resource Management Act 1991, Local Government Act 2002 and other legislation are met. This includes processing of resource consents, compliance monitoring, plan approvals, easements, caveats, road closures, right of way approvals, planning enforcement and education, etc. It is the goal of the statutory planning function to undertake its obligations in a friendly, helpful manner, which assists the community to achieve its aims, while promoting that the natural and physical resources of the district are sustainably managed.

Major Matters for 2011/2012:

Subdivision consents are projected to be very slow over the next few years, due to the oversupply of sections within the district. Land use consents (such as new accommodation facilities) are expected to be ongoing, but certainly not in the volumes experienced during the 2006-2007 boom.

Levels of Service

	Base Line	2011/12 Target	10 Year Target
Resource consents are processed within statutory timeframes	100%	100%	100%

Community Outcomes

<p>Sustainable Development</p> <p>Statutory Planning contributes to this outcome by encouraging the design and construction of sustainable developments and buildings to increase energy efficiency, reduce waste and increase efficient use of potable water, through appropriate planning policies and removing unnecessary barriers where they exist.</p>	<p>Percentage of Planning Clients aware of Sustainable Building Designs</p> <table border="1"> <caption>Percentage of Planning Clients aware of Sustainable Building Designs</caption> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr><td>Baseline</td><td>100%</td></tr> <tr><td>2009/10</td><td>100%</td></tr> <tr><td>2010/11</td><td>100%</td></tr> <tr><td>2011/12</td><td>100%</td></tr> <tr><td>2012/13</td><td>100%</td></tr> <tr><td>2013/14</td><td>100%</td></tr> <tr><td>2014/15</td><td>100%</td></tr> <tr><td>2015/16</td><td>100%</td></tr> <tr><td>2016/17</td><td>100%</td></tr> <tr><td>2017/18</td><td>100%</td></tr> <tr><td>2018/19</td><td>100%</td></tr> </tbody> </table>	Year	Percentage	Baseline	100%	2009/10	100%	2010/11	100%	2011/12	100%	2012/13	100%	2013/14	100%	2014/15	100%	2015/16	100%	2016/17	100%	2017/18	100%	2018/19	100%
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<p>Sustainable Development</p> <p>Statutory Planning contributes to this outcome by recognising the importance of Te Poha O Tohu Raumati (Te Runanga O Kaikoura Environmental Management Plan).</p>	<p>Percentage of Resource Consent Applications Assessed Against Te Poha O Tohu Raumati</p> <table border="1"> <caption>Percentage of Resource Consent Applications Assessed Against Te Poha O Tohu Raumati</caption> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr><td>Baseline</td><td>100%</td></tr> <tr><td>2009/10</td><td>100%</td></tr> <tr><td>2010/11</td><td>100%</td></tr> <tr><td>2011/12</td><td>100%</td></tr> <tr><td>2012/13</td><td>100%</td></tr> <tr><td>2013/14</td><td>100%</td></tr> <tr><td>2014/15</td><td>100%</td></tr> <tr><td>2015/16</td><td>100%</td></tr> <tr><td>2016/17</td><td>100%</td></tr> <tr><td>2017/18</td><td>100%</td></tr> <tr><td>2018/19</td><td>100%</td></tr> </tbody> </table>	Year	Percentage	Baseline	100%	2009/10	100%	2010/11	100%	2011/12	100%	2012/13	100%	2013/14	100%	2014/15	100%	2015/16	100%	2016/17	100%	2017/18	100%	2018/19	100%
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Building Control

All new buildings within the district must comply with the Building Act 2004 and building standards and regulations, to provide the assurance that our homes and businesses are structurally sound and weatherproof. Similarly, all public buildings in our district must be safe and fit for purpose, there must be accessible facilities for the disabled, and swimming pools must be fenced for safety.

Major Matters for 2011/2012:

Council will continue to meet its obligations to the Building Act 2004, including meeting the stringent requirements surrounding accreditation to function as a BCA (building consent authority). Numbers of building consent applications are expected to drop in response to the Christchurch earthquake, however the actual impact of building activity in the district is currently extremely uncertain.

Central government is currently reviewing how consents are processed nationally, and may well change the legislation to require consents to be processed either centrally or regionally. Any such legislative changes could impact on the future resourcing needs of this function.

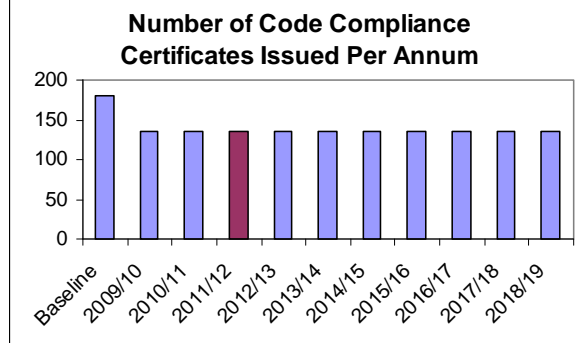
Levels of Service

	Base Line	2011/12 Target	10 Year Target
Building consents are processed within statutory timeframes	100%	100%	100%

Community Outcomes

A Quality Standard of Housing

Building Control contributes to this outcome by ensuring that all housing is built to a quality standard, by fulfilling Council's obligations to the Building Act, and encouraging sustainable design and construction of all new buildings.



Traffic Control

Council employs a traffic warden to minimise irresponsible parking practices, particularly in the West End and Moa Point. His role is to make sure people are parking with consideration for others, through education where possible and issuing infringement notices where necessary. He monitors and enforces the use of parking for the disabled spaces, time limited parking areas, loading zones, etc.

Council provides car parking areas so as to meet reasonable public expectations at all times of the year. Pay and display parking in the town centre is complemented by free parking spaces throughout the West End and another parking area over a footbridge opposite Lyell Creek.

Major Projects for 2011/2012:

The number of car parks available in the West End, and opposite Lyell Creek appears to be adequate for visitor numbers to the town centre for the foreseeable future, and this activity is assumed to continue business as usual. Council is considering increasing the hourly pay and display fees, as these had not been reviewed for some time. A portion of these fees help repay the West End upgrade loans.

Levels of Service

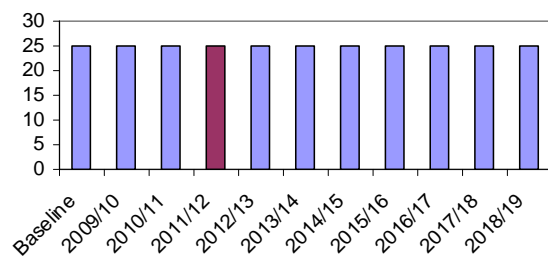
	Base Line	2011/12 Target	10 Year Target
Traffic infringements are processed within statutory timeframes	100%	100%	100%

Community Outcomes

Safe, Efficient Transport Network

Traffic Control contributes to this outcome by providing for efficient traffic flows, particularly in the West End, by reducing the instances of inappropriate or inconsiderate parking.

Number of Parking Infringements Issued



Dog & Stock Control

Dogs roaming the streets, dogs that constantly bark, and sheep or cattle that have escaped their fields, cause an unnecessary nuisance, even a danger, to residents and travellers. It is Council’s role to ensure that complaints about dogs or stock are responded to quickly. A contractor currently provides this service.

Amendments to the Dog Control Act have significantly affected the level of administration required by the dog control function, and the level of compliance expected of dog owners. New categories of dangerous and menacing dogs were introduced in 2004, and now all new dogs must be micro-chipped.

Major Projects for 2011/2012:

There are no major projects or major matters this year, this activity will continue business as usual.

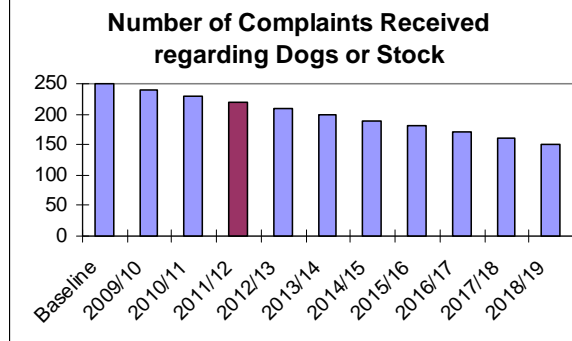
Levels of Service

	Base Line	2011/12 Target	10 Year Target
Dog complaints are responded to within 24 hours	100%	100%	100%
Stock complaints are responded to within 24 hours	100%	100%	100%

Community Outcomes

Sustainable Development

Dog & Stock Control contributes to this outcome by preserving the present small-town atmosphere and coastal village character that makes Kaikoura so unique; reducing nuisance from wandering animals, barking dogs, etc.



Liquor Licensing & Other

Kaikoura is a popular destination for visitors, and as such our reputation depends upon excellent hospitality services. Council ensures that the sale and supply of liquor is responsibly managed, and that licensed premises are top quality hosts.

Other regulatory functions include noise and litter control.

Major Projects for 2011/2012:

There are no major projects or major matters this year; this activity will continue business as usual.

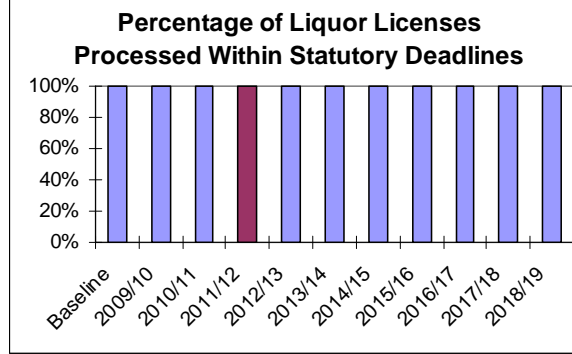
Levels of Service

	Base Line	2011/12 Target	10 Year Target
Liquor licenses are processed within statutory timeframes	100%	100%	100%

Community Outcomes

Sustainable Development

Liquor Licensing & Other contributes to this outcome by preserving the present small-town atmosphere and coastal village character that makes Kaikoura so unique; reducing nuisance from noise, litter, vandalism and disruptive behaviour, by effectively managing licensed activity and undertaking regulatory functions.



Forecast Cost of Service Statement Regulation & Control

	Annual Plan 2010/2011	LTCCP 2011/2012	Annual Plan 2011/2012
Operating Expenses			
Building Control	280,941	289,539	268,288
Statutory Planning	212,105	275,098	213,005
Traffic Control	39,897	39,817	40,156
Dog & Stock Control	51,621	57,147	51,247
Liquor Licensing & Other	45,953	46,997	43,163
Total Operating Expenses	630,517	708,598	615,859
Funded by:			
User Fees & Charges	337,446	388,992	264,302
Targeted Rates	37,367	38,823	42,765
	374,813	427,815	307,067
Operating Surplus/(Deficit)	(255,704)	(280,783)	(308,792)
Capital Expenditure			
Regulation & Control	-	-	-
	-	-	-
Other Revenue:			
General Rates	255,704	280,783	308,792
Reserves	-	-	-
Loans	-	-	-
Operating Surplus/(Deficit)	(255,704)	(280,783)	(308,792)
	-	-	-

safety & wellbeing

Sub Activities:

Civil Defence
Rural Fire Control
Environmental Health
Land Transport Safety
Community Development

Goal

To protect the safety, health and well-being of all residents and visitors to the district.

Key Issues in 2011/2012





A new enlarged rural fire district spanning the top of the South Island, including Kaikoura and Marlborough districts and the Department of Conservation estate, may be established by the end of 2011. This new district would result in one fire plan being developed for the area. While not affecting the ability of local volunteer rural fire forces to respond to vegetation fires in our district, there may well be an impact on the level of subsidies available, and other administrative matters.

Funding for youth skills projects, sports coordination, strengthening families and family violence prevention, have again been secured; these projects have been highly successful and well supported, thanks to grants from the Ministry of Social Development, Ministry for Youth Development, and the Canterbury Community Trust.

What's changed since the 2009-2019 LTCCP?

The LTCCP did not contain any budgetary provision for the sports coordination project, as at the time of its writing, funding for the project had not been confirmed.

Effects on the Community

Economic		Safety and wellbeing has a negligible effect on economic activity – business and insurance risks increase without it
Environmental		Fire control is fundamental to protection of the environment
Social		Social wellbeing is the very essence and purpose of the provision of Safety and Wellbeing function
Cultural		Community development protects and enhances cultural wellbeing

Civil Defence

Council works with the Canterbury Civil Defence Emergency Management Group and other partners to promote public education and awareness of Kaikoura’s natural and human-caused hazards, to reduce the likelihood and effect of those hazards on the community.

The Council office is the civil defence headquarters in the event of a civil defence emergency, with various sector posts throughout the district supporting the headquarters. Staff and volunteers are trained annually, by way of a major exercise held in conjunction with local, regional and national Civil Defence Emergency Management organisations.

Major Projects for 2011/2012:

Training staff and volunteers in their response to any foreseeable event remains the focus of this activity. Recent devastating events in Japan and Christchurch have renewed concern over the vulnerability of the Council office in an aged concrete building near the foreshore, and so an alternative emergency garage will be built to store rural fire and civil defence equipment.

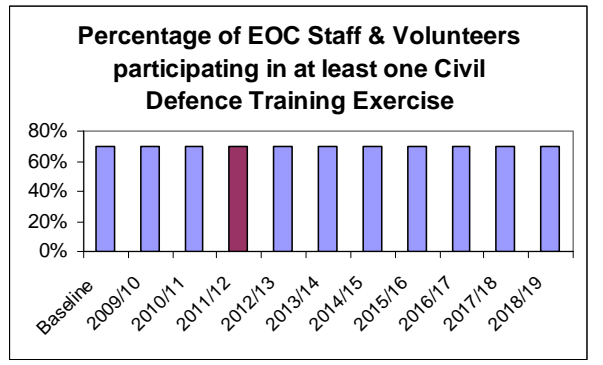
Levels of Service

	Base Line	2011/12 Target	10 Year Target
A minimum of one training exercise, combining local and regional response teams, is undertaken annually	1	1	1

Community Outcomes

Sustainable Development

The Civil Defence activity contributes to this outcome by protecting life and property in the event of Civil Defence Emergency, and other significant adverse events, by ensuring we are prepared for and have the ability to respond to and recover from any such event.



Rural Fire Control

The Council responds to rural fires, through its volunteer rural fire forces. We also monitor the fire risk and restrict the lighting of fires when it is appropriate to do so. In a restricted fire season, we issue fire permits so as to provide for the safe controlled burning of vegetation, etc, outside of the urban area.

Volunteer rural fire forces are based in Kaikoura, Oaro/Goose Bay, Clarence and Kekerengu. Each team has been trained in fire fighting, and is equipped with water pumps and hoses, etc, so they can respond effectively to vegetation fires. Council owns a water tanker, based in the township, which is used regularly by both the rural fire forces and the Kaikoura Volunteer Fire Brigade.

Major Projects for 2011/2012:

Establishment of a new enlarged rural fire district has been under investigation for the past year, and is now expected to come into force in 2011. While the changes are promoted as reducing administrative costs, an audit of fire fighting equipment has shown that replacement of hoses and other gear is needed, plus maintenance work on fire fighting tankers and vehicles, as well as several additional kits for volunteers (boots, fire-retardant overalls, etc), requiring a quite substantial budget increase in this activity this year.

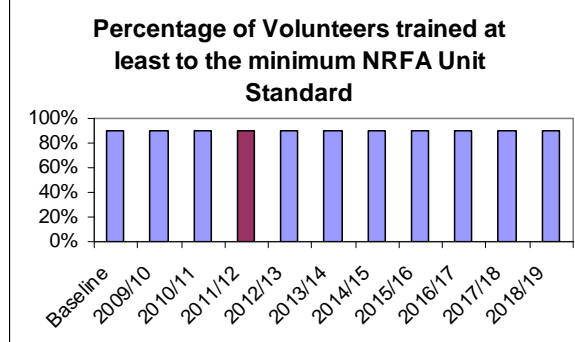
Levels of Service

	Base Line	2010/11 Target	10 Year Target
Volunteer rural fire force teams have been trained to minimum fire ground entry levels and equipped to national standards	100%	100%	100%
A current operating fire plan is in place	Yes	Yes	Yes

Community Outcomes

Environmental Protection & Enhancement

Rural Fire Control contributes to this outcome by protecting life, property and the environment from rural fires, by ensuring we are prepared for and have the ability to respond to rural fire emergencies.



Environmental Health

Food & Health Standards NZ provide environmental health services under contract, which includes drinking water testing, and inspection of food outlets, public swimming pools, and investigating food nuisance complaints and reported infectious diseases.

This activity is regulated by the Health Act 1956, the Food Act 1981, and the Food Hygiene Regulations Act 1974. Protecting the community’s health and wellbeing is of critical importance, and Council is committed to adequately resourcing these services.

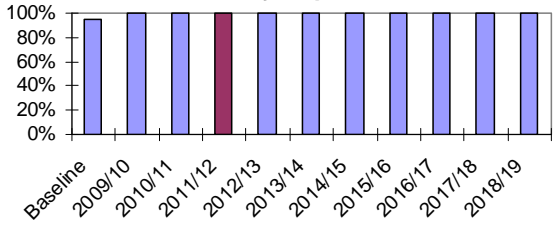
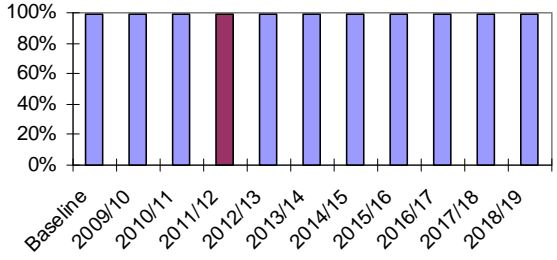
Major Projects for 2011/2012:

This activity is functioning well, without any issues, and will continue business as usual.

Levels of Service

	Base Line	2011/12 Target	10 Year Target
Inspect food premises, public and school swimming pools, public spa pools, hairdressers, camping grounds and offensive trades to promote and conserve the public health, and monitor compliance with all statutory requirements	100%	100%	100%

Community Outcomes

<p>Sustainable Development</p> <p>Environmental Health contributes to this outcome by ensuring that development and activity is carried out responsibly, and sensitive to the health and safety of residents and visitors, by ensuring food premises, public and school swimming pools, hairdressers, and other services maintain high standards of hygiene.</p>	<p>Percentage of Food Premises achieving high levels of compliance with statutory requirements</p>  <table border="1"> <caption>Data for Percentage of Food Premises</caption> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr><td>Baseline</td><td>100%</td></tr> <tr><td>2009/10</td><td>100%</td></tr> <tr><td>2010/11</td><td>100%</td></tr> <tr><td>2011/12</td><td>100%</td></tr> <tr><td>2012/13</td><td>100%</td></tr> <tr><td>2013/14</td><td>100%</td></tr> <tr><td>2014/15</td><td>100%</td></tr> <tr><td>2015/16</td><td>100%</td></tr> <tr><td>2016/17</td><td>100%</td></tr> <tr><td>2017/18</td><td>100%</td></tr> <tr><td>2018/19</td><td>100%</td></tr> </tbody> </table>	Year	Percentage	Baseline	100%	2009/10	100%	2010/11	100%	2011/12	100%	2012/13	100%	2013/14	100%	2014/15	100%	2015/16	100%	2016/17	100%	2017/18	100%	2018/19	100%
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<p>Quality Water & Wastewater Services</p> <p>Environmental Health contributes to this outcome by protecting the health of all residents and visitors, ensuring that public drinking water supplies meet safe drinking water standards.</p>	<p>Percentage of Water Samples passing Drinking Water Standards</p>  <table border="1"> <caption>Data for Percentage of Water Samples</caption> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr><td>Baseline</td><td>100%</td></tr> <tr><td>2009/10</td><td>100%</td></tr> <tr><td>2010/11</td><td>100%</td></tr> <tr><td>2011/12</td><td>100%</td></tr> <tr><td>2012/13</td><td>100%</td></tr> <tr><td>2013/14</td><td>100%</td></tr> <tr><td>2014/15</td><td>100%</td></tr> <tr><td>2015/16</td><td>100%</td></tr> <tr><td>2016/17</td><td>100%</td></tr> <tr><td>2017/18</td><td>100%</td></tr> <tr><td>2018/19</td><td>100%</td></tr> </tbody> </table>	Year	Percentage	Baseline	100%	2009/10	100%	2010/11	100%	2011/12	100%	2012/13	100%	2013/14	100%	2014/15	100%	2015/16	100%	2016/17	100%	2017/18	100%	2018/19	100%
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Land Transport Safety

Council receives funding from NZ Transport Agency (previously NZ Transport Agency) to provide a road safety coordinator on a part time basis, whose role is to educate road users regarding the main causes of accidents, such as speed and fatigue.

A road safety action plan committee, consisting of roading engineers, road safety coordinator, and major stakeholders such as NZTA, police, and ACC, meet twice annually to set strategies in place and review past performance.

Major Projects for 2011/2012:

This activity is functioning well, without any issues, and will continue business as usual.

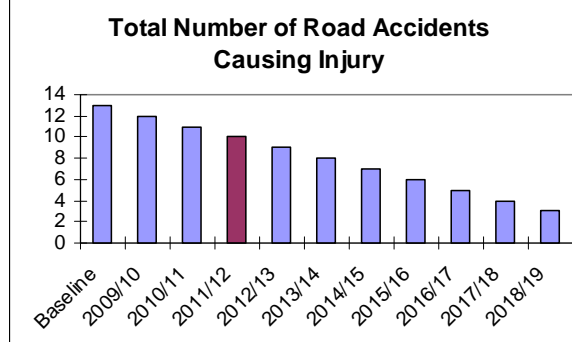
Levels of Service

	Base Line	2011/12 Target	10 Year Target
At least one awareness programme annually for speed and driver road safety	1	1	1
A road safety action plan is in place	Yes	Yes	Yes
The road safety action plan committee meets at least twice annually	2	2	2

Community Outcomes

Safe, Efficient Transport Network

Land Transport Safety contributes to this outcome by ensuring that the safety of all road users is paramount, by educating users of Kaikoura roads about local road conditions, and coordinating transport safety issues with roading service providers and regulators.



Community Development

The Community Development Officer coordinates local social services, and investigates issues relating to the health and wellbeing of the community. Various organisations are involved with youth, elderly, and families. This role involves working with these organisations, including Police, Work and Income, Child Youth and Family, and Ministry of Social Development, to bring them together to achieve the best outcome for people in our district.

Major Projects for 2011/2012:

This activity is functioning well, without any issues, and will continue business as usual.

Community Outcomes

<p>Opportunities for Quality Education and Employment</p> <p>Community Development supports youth initiatives which give the young people of Kaikoura the opportunity to engage in programmes and learn skills they would otherwise not have access to – such as the Kaikoura Youth Skills projects.</p>	<p>The number of Youth Participating in the Youth Skills Projects</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Number of Youth</th> </tr> </thead> <tbody> <tr><td>Baseline</td><td>180</td></tr> <tr><td>2009/10</td><td>180</td></tr> <tr><td>2010/11</td><td>180</td></tr> <tr><td>2011/12</td><td>180</td></tr> <tr><td>2012/13</td><td>180</td></tr> <tr><td>2013/14</td><td>180</td></tr> <tr><td>2014/15</td><td>180</td></tr> <tr><td>2015/16</td><td>180</td></tr> <tr><td>2016/17</td><td>180</td></tr> <tr><td>2017/18</td><td>180</td></tr> <tr><td>2018/19</td><td>180</td></tr> </tbody> </table>	Year	Number of Youth	Baseline	180	2009/10	180	2010/11	180	2011/12	180	2012/13	180	2013/14	180	2014/15	180	2015/16	180	2016/17	180	2017/18	180	2018/19	180
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<p>Opportunities for Quality Education and Employment</p> <p>Support and promote Adult and Community Education (ACE) at Kaikoura High School which provides adults with the opportunity to engage in many different programmes and learn skills they would not have access to, such as Literacy & Numeracy for Apprentices.</p>	<p>The number of people attending ACE courses each year</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Number of People</th> </tr> </thead> <tbody> <tr><td>Baseline</td><td>260</td></tr> <tr><td>2009/10</td><td>260</td></tr> <tr><td>2010/11</td><td>260</td></tr> <tr><td>2011/12</td><td>260</td></tr> <tr><td>2012/13</td><td>260</td></tr> <tr><td>2013/14</td><td>260</td></tr> <tr><td>2014/15</td><td>260</td></tr> <tr><td>2015/16</td><td>260</td></tr> <tr><td>2016/17</td><td>260</td></tr> <tr><td>2017/18</td><td>260</td></tr> <tr><td>2018/19</td><td>260</td></tr> </tbody> </table>	Year	Number of People	Baseline	260	2009/10	260	2010/11	260	2011/12	260	2012/13	260	2013/14	260	2014/15	260	2015/16	260	2016/17	260	2017/18	260	2018/19	260
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Forecast Cost of Service Statement Safety & Wellbeing

	Annual Plan 2010/2011	LTCCP 2011/2012	Annual Plan 2011/2012
Operating Expenses			
Civil Defence	53,307	45,816	57,022
Fire Control	51,559	63,247	75,060
Environmental Health	37,650	37,928	36,375
Land Transport Safety	27,517	35,050	27,192
Community Development	148,109	92,390	188,232
Depreciation	4,831	3,339	23,079
	322,973	277,770	406,960
Funded by:			
User Fees & Charges	19,340	15,649	15,480
Targeted Rates	54,681	70,338	74,635
Grants & Subsidies	94,594	51,765	139,131
	168,615	137,752	229,246
Operating Surplus/(Deficit)	(154,358)	(140,019)	(177,714)
Capital Expenditure			
New Fire Tanker	-	-	-
	-	-	-
Other Revenue:			
General Rates	78,531	71,754	79,793
Uniform Annual General Charge	67,996	61,925	71,842
Reserves	3,000	3,000	3,000
Depreciation	4,831	3,339	23,079
Operating Surplus/(Deficit)	(154,358)	(140,019)	(177,714)
	-	-	-

District Development

Sub Activities:

District Planning
Environment & Biodiversity
Tourism & Development
Community Services

Goal

To ensure that a planning framework is in place to enable the district to develop, while ensuring that the natural and physical environment of the Kaikoura district is sustainably managed.





Key Issues for 2011/2012

As a result of the recent earthquakes in Christchurch and Japan, the cancellation of Rugby World Cup games being held in Christchurch, and the general malaise of the NZ economy, tourism numbers to the district may decline markedly. Promotion of the district, and developing more local attractions, will be the key issue for the coming year.

What's changed since the 2009-2019 LTCCP?

There are no major variations to what had been forecast in the LTCCP.

Effects on the Community

Economic		This activity plans for growth and provides frameworks to enable economic benefits to flourish
Environmental		This activity ensures that the impact of growth is sustainable and areas of indigenous biodiversity are protected
Social		Funding assistance to voluntary and sport organisations has boosted social benefits
Cultural		Our green globe status is now embedded in the culture of the Kaikoura district

District Planning

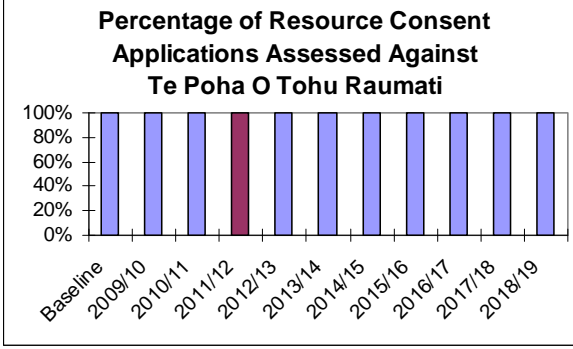
A District Plan is essential to provide a strategic framework for development in the district. The Council develops and administers that District Plan, which is a 10 year plan to manage effects on the natural and physical resources of the district (private and Council generated), and monitoring the effectiveness of the plan.

The Kaikoura District Plan became fully operative in 2008, however reviews are ongoing, and the plan has already been changed to provide for further residential expansion at Ocean Ridge, plus some minor wording corrections.

Major Projects for 2011/2012:

There are no major projects planned for this activity.

Community Outcomes

<p>Sustainable Development</p> <p>Kaikoura’s traditional culture and historic heritage is protected by working with Te Runanga o Kaikoura, the New Zealand Historic Places Trust and by developing partnerships with lead organisations and other relevant stakeholders as necessary, to actively promote sustainable strategic goals for culture and heritage.</p>	<p>Performance Measure and Target</p> <p>There are no breaches of the Historic Places Act, or the archaeological protocol within the Kaikoura District Plan, as a result of development activity.</p>																								
<p>Community Involvement in Planning the Future and Managing the Present</p> <p>District Planning contributes to this outcome by continually improving our working partnership with Iwi and Te Runanga O Kaikoura, so as to develop a shared vision and mutual accountability for its achievement, through consultation and partnership of Tangata Whenua in district planning and resource management.</p>	<p>Percentage of Resource Consent Applications Assessed Against Te Poha O Tohu Raumati</p>  <table border="1"> <caption>Percentage of Resource Consent Applications Assessed Against Te Poha O Tohu Raumati</caption> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr><td>Baseline</td><td>100%</td></tr> <tr><td>2009/10</td><td>100%</td></tr> <tr><td>2010/11</td><td>100%</td></tr> <tr><td>2011/12</td><td>100%</td></tr> <tr><td>2012/13</td><td>100%</td></tr> <tr><td>2013/14</td><td>100%</td></tr> <tr><td>2014/15</td><td>100%</td></tr> <tr><td>2015/16</td><td>100%</td></tr> <tr><td>2016/17</td><td>100%</td></tr> <tr><td>2017/18</td><td>100%</td></tr> <tr><td>2018/19</td><td>100%</td></tr> </tbody> </table>	Year	Percentage	Baseline	100%	2009/10	100%	2010/11	100%	2011/12	100%	2012/13	100%	2013/14	100%	2014/15	100%	2015/16	100%	2016/17	100%	2017/18	100%	2018/19	100%
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Environment & Biodiversity

Council takes a leading role in the Green Globe benchmarking and certification programme. We are proud to be the first local authority in the world, and the second community in the world, to achieve Green Globe certification. We work to protect our environment for our residents and visitors, and for the generations to come. We encourage willing landowners to join the significant natural areas programme, so as to have potential sites assessed for their current ecological values.

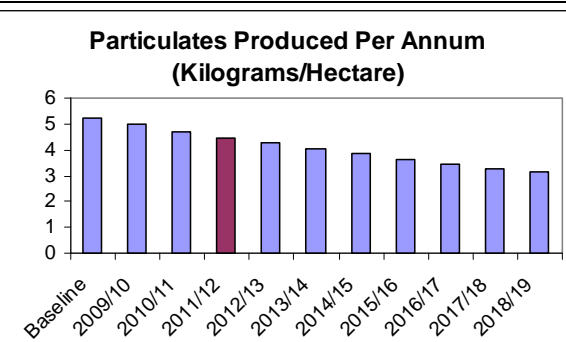
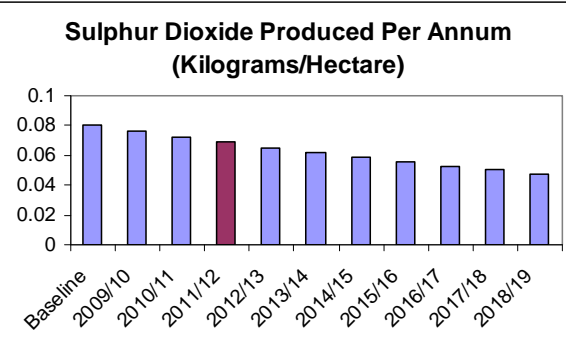
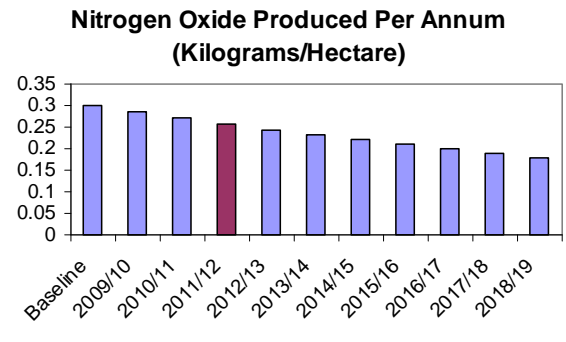
The Council also administers and promotes the Biodiversity Contestable Fund, which gives funds to help landowners protect natural areas, such as wetlands, etc. We promote energy efficiency and water conservation, and actively work to reduce waste. We work closely with organisations such as Zero Waste NZ, Landcare Research, Dept of Conservation, local Runanga, EECA, and other organisations such as Te Korowai O Te Tai O Marokura and the Lyell Creek Streamcare Group, to ensure our environment is sustainably managed.

Community Outcomes

<p>Sustainable Development</p> <p>Environment & Biodiversity contributes to this outcome by maintaining a commitment to the Green Globe certification program.</p>	<p>Performance Measure and Target</p> <p>Green Globe certification status is maintained every year.</p>																																																
<p>Quality Water & Wastewater Services</p> <p>Environment & Biodiversity contributes to this outcome by planning for equitable water consumption, and a reduction in water use per capita, using innovation through public education, initiatives, and by installation of water meters.</p>	<div data-bbox="805 1059 1385 1435"> <p>Water Consumption per Person Urban (Includes residents and visitors) (litres m³)</p> <table border="1"> <caption>Urban Water Consumption per Person (litres m³)</caption> <thead> <tr> <th>Year</th> <th>Consumption (litres m³)</th> </tr> </thead> <tbody> <tr><td>Baseline</td><td>340</td></tr> <tr><td>2009/10</td><td>330</td></tr> <tr><td>2010/11</td><td>320</td></tr> <tr><td>2011/12</td><td>310</td></tr> <tr><td>2012/13</td><td>300</td></tr> <tr><td>2013/14</td><td>290</td></tr> <tr><td>2014/15</td><td>280</td></tr> <tr><td>2015/16</td><td>270</td></tr> <tr><td>2016/17</td><td>260</td></tr> <tr><td>2017/18</td><td>250</td></tr> <tr><td>2018/19</td><td>240</td></tr> </tbody> </table> </div> <div data-bbox="805 1447 1385 1823"> <p>Water Consumption per Person Rural (Includes residents and visitors) (litres m³)</p> <table border="1"> <caption>Rural Water Consumption per Person (litres m³)</caption> <thead> <tr> <th>Year</th> <th>Consumption (litres m³)</th> </tr> </thead> <tbody> <tr><td>Baseline</td><td>5500</td></tr> <tr><td>2009/10</td><td>5300</td></tr> <tr><td>2010/11</td><td>5100</td></tr> <tr><td>2011/12</td><td>4900</td></tr> <tr><td>2012/13</td><td>4700</td></tr> <tr><td>2013/14</td><td>4500</td></tr> <tr><td>2014/15</td><td>4300</td></tr> <tr><td>2015/16</td><td>4100</td></tr> <tr><td>2016/17</td><td>3900</td></tr> <tr><td>2017/18</td><td>3700</td></tr> <tr><td>2018/19</td><td>3500</td></tr> </tbody> </table> </div>	Year	Consumption (litres m ³)	Baseline	340	2009/10	330	2010/11	320	2011/12	310	2012/13	300	2013/14	290	2014/15	280	2015/16	270	2016/17	260	2017/18	250	2018/19	240	Year	Consumption (litres m ³)	Baseline	5500	2009/10	5300	2010/11	5100	2011/12	4900	2012/13	4700	2013/14	4500	2014/15	4300	2015/16	4100	2016/17	3900	2017/18	3700	2018/19	3500
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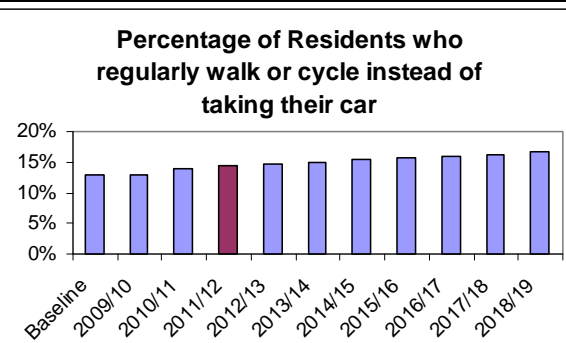
Safe, Efficient Transport Network

Environment & Biodiversity contributes to this outcome by encouraging the community to use more sustainable forms of transport, thereby contributing to a reduction in greenhouse gas emissions and energy use.



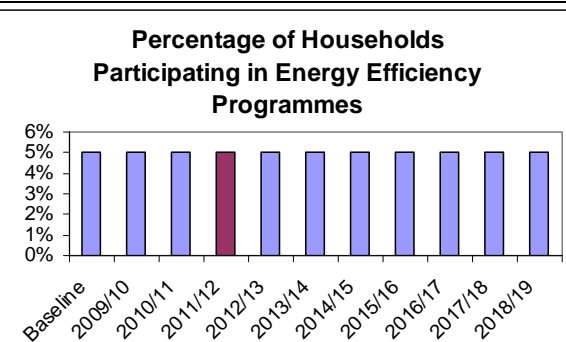
Safe, Efficient Transport Network

Environment & Biodiversity contributes to this outcome by encouraging and supporting people in Kaikoura to choose walking and cycling for active, healthy lifestyles and an improved environment by developing a safe, accessible, and integrated network for walking and cycling.



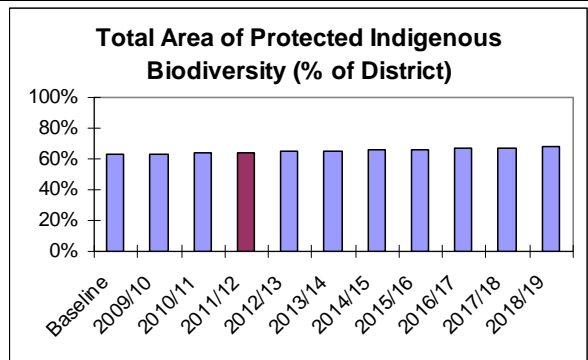
Quality Standard of Housing

This activity contributes to this outcome by providing for a quality standard of housing that provides for comfortable and affordable living standards, facilitating retro-fitting projects, and encouraging energy efficient designs, where applicable



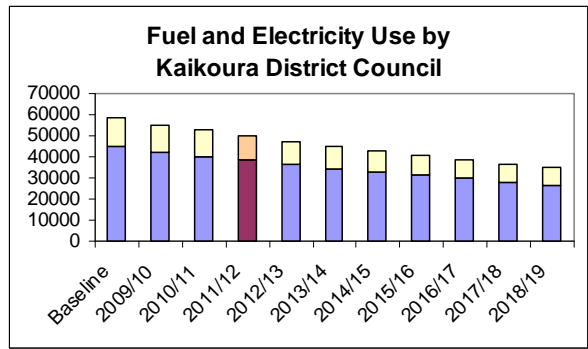
Environmental Protection and Enhancement

This activity contributes to this outcome by continuing to increase the areas of indigenous biodiversity through partnerships with lead organisations, and by implementing the Significant Natural Areas programme.



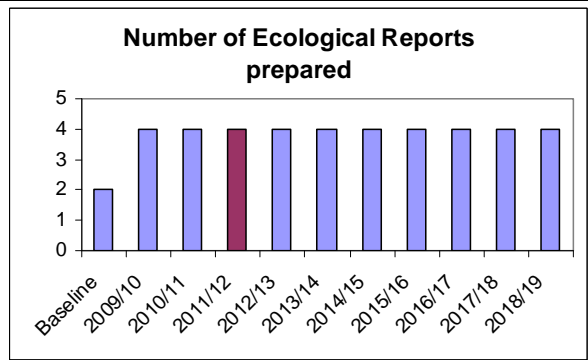
Environmental Protection and Enhancement

This activity implements the Communities for Climate Protection Plans to achieve a reduction in energy use and reducing greenhouse gas emissions by 100% in organisational context and 60% in community contexts, over a 20 year period.



Environmental Protection and Enhancement

Environment & Biodiversity contributes to this outcome by enhancing landowner awareness, understanding and support of biodiversity through the Kaikoura Biodiversity Strategy, providing an ecological report to all landowners of properties identified on Council's Significant Natural Areas register.



Tourism & Development

Tourism has a major effect on the lifestyles we lead in Kaikoura. Over 1/3 of the local workforce is directly or indirectly employed in the tourism industry. The Tourism and Development Committee helps manage the social and cultural impacts of tourism. It supports tourism development that has local socio-economic benefits, and funds district promotion. We promote Kaikoura as a unique tourism destination, and work to broaden the district's economic and employment base.

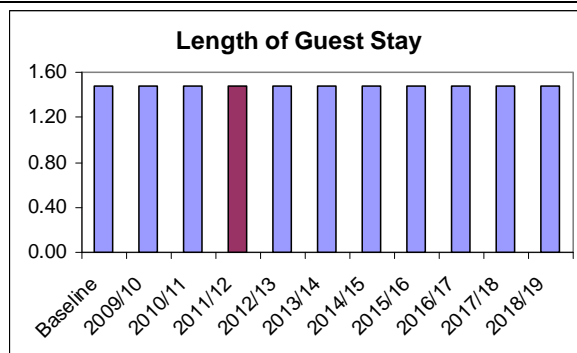
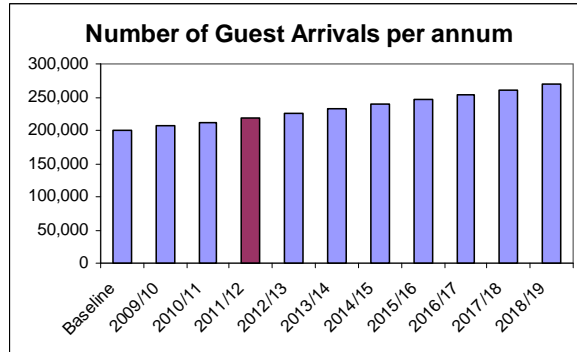
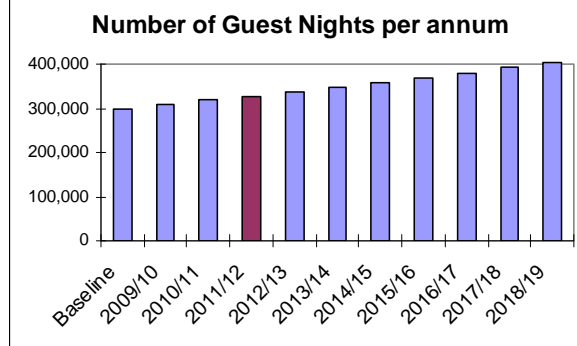
Major Projects for 2011/2012:

Promotion of the district as a unique visitor, resident and business destination is an ongoing priority for this activity.

Community Outcomes

Sustainable Development

This activity develops, strengthens and supports the tourism industry including maintaining and enhancing Kaikoura's presence in key markets, investigating options for product development as well as strengthening existing strategic partnerships.



Community Services

Each year the Council grants funds to several organisations. This helps them carry out their day to day operations, and cover salaries and other expenses that are usually ineligible for funding from other sources. Local organisations can apply to Council for these non-contestable grants annually.

Council also administers several central government grant schemes, such as Creative Communities, and SPARC Rural Travel Fund.

Grants for the 2011/2012 financial year are:

<u>Non-Contestable Grants</u>	\$
Kaikoura Information & Tourism	20,000
Kaikoura Historical Society	25,000
Te Korowai o Te Tai o Marokura	20,000
Mayfair Theatre	10,000
Project Kaikoura (Garden Competition)	500
Sport Tasman	11,500
Events Funding	5,000
Kaikoura Youth Council	2,000

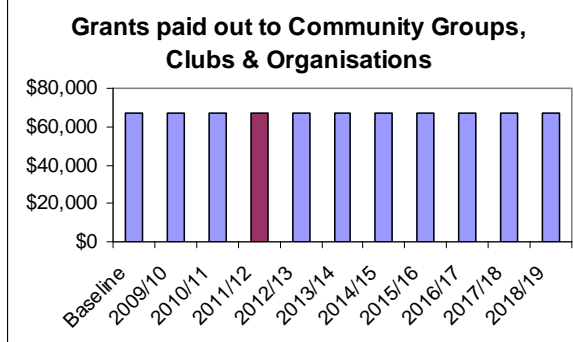
Plus grants are available from the following schemes:

Creative Communities Scheme	6,814
SPARC Rural Travel Fund	9,500
George Low Trust	4,500
Mayoral Fund	500

Community Outcomes

Sustainable Development

Community Services contribute to this outcome by providing and planning for good quality, cost efficient infrastructure, facilities, amenities and services that meet the needs of the community now and into the future, through funding assistance distributed to various not-for-profit organisations



Forecast Cost of Service Statement District Development

	Annual Plan 2010/2011	LTCCP 2011/2012	Annual Plan 2011/2012
Operating Expenses			
District Planning	102,766	105,926	94,970
Environmental Planning	145,453	126,057	106,917
Tourism & Economic Development	199,226	153,438	207,371
Community Services	98,930	101,930	115,673
Loan Interest	4,460	4,460	4,460
Depreciation	-	-	-
Total Operating Expenses	550,835	491,811	529,391
Funded by:			
Targeted Rates	333,272	290,905	286,621
User Fees & Charges	7,210	9,126	13,260
Grants & Subsidies	24,980	31,921	21,673
Interest & Other	-	-	-
	365,462	331,952	321,554
Operating Surplus/(Deficit)	(185,373)	(159,859)	(207,837)
Capital Expenditure			
Loan Principal	4,081	4,081	4,081
	4,081	4,081	4,081
Other Revenue:			
General Rates	178,453	152,939	160,917
Reserves	11,000	11,000	51,000
Loans	-	-	-
Operating Surplus/(Deficit)	(185,373)	(159,859)	(207,837)
	4,081	4,081	4,081

