KAIKŌURA DISTRICT COUNCIL
ANNUAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2025

KAIKŌURA
DISTRICT COUNCIL

Contents

Cover image;

General Information

Kaikōura: a great place to live

The Kaikōura district spans from the Haumuri Bluffs in the south to North of the Kēkerengū valley in the north, covering 2,048 square kilometres of diverse landscape. The inland boundary of our district is the Inland Kaikōura Range, climbing 2,885 metres and snow covered for much of the year.

Historically the district has thrived in the fishing, farming and dairy industries. More recently Kaikōura has positioned itself as a world-class tourism destination, attracting one million visitors each year. We enjoy award-winning eateries and locally made products, as well as internationally renowned whale watching, swimming with dolphins and seals, surfing, golf and much more.

Our spectacular coastline provides excellent fishing, sporting, and recreation. The Kaikōura Canyon, at around 1,300 metres deep, provides the natural habitat for southern right and sperm whales, orca, and dusky dolphin, and is also host to over 200 species of marine life.

The township is situated on a peninsula protruding from this rugged coastline. Māori legend tells that it was from this peninsula that Maui braced his foot to fish up the North Island from the ocean. Kaikōura has a rich history with strong connections to Māori and European culture, and there is evidence of Māori settlement in the area up to 1,000 years ago. The area was first named by explorer Tama ki Te Rangi, who found the area abundant with crayfish. He named the area “Te Ahi Kaikōura a Tama ki Te Rangi” – the fire that cooked the meal of crayfish for Tama ki Te Rangi. This was shortened to Kaikōura, kai meaning food and koura meaning crayfish.

Our District*	
Population (Census 2023)	4,215
Rateable properties	3,082
Total rating units (includes non-rateable properties)	3,348
Total capital value of district	$2,439,270,650
Total land value of district	$1,422,529,750

*From QV Report dated 30 June 2024

Our Council~	
Represented by	1 Mayor & 7 elected representatives
Total equity	$342,971,909
Total assets	$358,832,126
Number of staff	29 FTE
Utilities & services	7 Public water supplies 1 Sewerage system

~on 30 June 2025

2024/2025 Highlights, challenges, and achievements

Improving our infrastructure and facilities

Progress on the Wakatu Quay project has built momentum through the year with the contract going to construction through a local contractor in October 2024. The IAF Ocean Ridge extension has been slower than desired although remains a key council project however, the Council has made significant improvements to infrastructure, including:

- Footpath improvements for Churchill St, Beach Rd and Bayview St,
- The Link Pathway development in in the final stages of the project before the beautification and landscaping can be done to complete the project,
- Over 10% of unsealed roads have been resurfaced, using locally sourced gravels (a significant cost saving),
- The Infrastructure Acceleration Fund (IAF) 3 Waters network upgrade is nearing completion. Procurement processes for the Green Lane Road and Rail overcrossing are currently underway

Becoming more efficient and effective

- The introduction of the dog registration service, Doggone, has proved a success
- Our property file information has been completely digitized and the original files are now held offsite. The project resulted in a number of error files being reported which was not unexpected given the age of many of the files and these errors have now been fully worked through and resolved.
- We have been working through improving our Asset Management Systems (AMS) and the team have worked through a number of legacy issues relating to our AMS which we will connect to our new Enterprise Resource Planning system (i.e. IT system) which should further automate and refine our Customer Service Reporting (CSR) systems allowing improved reporting on the mandatory performance measures such as response times to water services issues.
- A huge amount of work has gone into preparing for the go live of our new ERP system, Datascape, with the go-live planned for 1 July 2025. This system is expected to revolutionise our ways of working bringing automation and improved online access to the community.

Enhancing our community's perception of the Council and our services

Overall satisfaction with the Council continues to improve (70%), with a solid increase from 65% in 2024; and remaining well above the national average (54%). Footpaths showed a fantastic improvement in satisfaction, at 69% vs. 51% last year. Another area with good improvement was quality of life (63% vs. 50%). Roads stayed static (56% vs. 56%) while the remainder were broadly in line with the previous years with marginal increases or decreases. The top performing areas, with very high satisfaction levels, including the library (97%), and Memorial Hall, Scout Hall, and Op Shop building (collectively 90%).

Challenges we face

- Delays on the Glen Alton bridge replacement have been ongoing and in late May 2025 NZTA announced that they would no longer be funding this project at the emergency funding rates of 95% after June 2025. Any further funding requests would require a new business case
- Abatement notices have been issued by Environment Canterbury for the Council's wastewater treatment plant, and the landfill site. The Council is working through those issues and expects a satisfactory outcome.
- Recruitment continues to be a challenge in areas where high technical expertise is required such as RMA Planning or Accounting and in some cases this forces reliance on external resources which come at the higher cost.

New projects

- The Council has adopted the Kaikōura Spatial Plan which will assist in planning future land use as well as assist in any regional spatial plan considerations posed by RMA reforms
- The Council consulted on and approved 4 of the 5 Reserves Management Plans that had been proposed for Council-owned reserve areas (Gooches Beach and the Lions Pool area, the South Bay Forest, South Bay Racecourse and the Top 10 Holiday Park). The plans for Takahanga Domain will be revisited in the new year.

From the Chief Executive

The 2024/2025 year was another strong performance from Council as we focused on delivering year one of the Long Term Plan 2024-2034. This LTP stuck with the same core themes from the 2021-2031 LTP of finishing what we have started in the core infrastructure space but also included financial support for the Whale Trail walking and cycling trail and upping the level of investment in our footpath programme. In February 2025, we received the results of our annual resident's satisfaction survey which saw an increase in the number of responders and the overall satisfaction score increase to 70% from 65% the previous year. There were strong increases in satisfaction for our walking cycling facilities with the investment in footpaths as well as completion of our link pathway project along the Esplanade. Confidence and satisfaction with the Mayor and Councillors and staff also remained high which is positive news.

The impacts of the change in central government were felt through the year with significant changes in direction to the previous government's reform agenda and policies. New legislation was introduced for water service delivery reform and reform of the Resource Management Act (RMA). We actively worked with the Department of Internal Affairs (DIA), Minister for Local Government and our neighbouring North Canterbury Councils of Hurunui and Waimakariri to look at long term options for water service delivery under the Local Water Done Well policy. The outcome of this work and subsequent community consultation resulted in a decision in May 2025 to establish a joint water services council controlled organisation (WSCCO) with Hurunui District Council for the financial year 2026/27. A joint water services delivery plan has subsequently been submitted to DIA for approval and both Councils are working closely on a joint WSCCO implementation plan. Further changes in RMA reform, emergency management and building control have also been signalled and are underway.

It was big year for our planning team. After a collaborative process that took 18 months, the Kaikōura Spatial Plan was formally adopted by Kaikōura District Council in December 2024. The Kaikōura Spatial Plan is a strategic guide to shape the future development of the Kaikōura township. The Spatial Plan sets out where and how the district should grow and develop over the next 30 years. The Kaikōura Spatial Plan will play a crucial role in shaping future land use patterns and guiding decisions relating to new zoning within the Kaikōura District Plan. Although the substantial review of the district plan is now on hold pending the new RMA legislation, Council has been working to identify key areas of the current plan that need updating to align with governments economic growth agenda. Two private plan changes were also adopted including the Light Industrial Business Park and the Dark Sky Lighting plan change which supported the Dark Sky accreditation initiative with a focus on responsible lighting. On 12th September 2024, the Kaikōura International Dark Sky Sanctuary was officially designated, becoming the 22nd sanctuary accredited worldwide which was a major outcome for our District. Covering 98% of the Kaikōura region (approximately 2,039 km^2), this sanctuary boasts a low population density—with an estimated 1,730 residents (Stats NZ, June 2020). This designation recognises Kaikōura as a globally significant site for stargazing, wildlife protection, and environmental conservation, ensuring the night sky remains pristine for generations to come. Four reserve management plans and an additional masterplan for investment in the former South Bay forest reserve were also completed. Overall, 70% of resource consents received were processed within statutory timeframes and in the Building Control space 100% of building consents were processed within statutory timeframes.

In terms of our operations and core infrastructure we had a strong year for delivery of both our business-as-usual capex and opex programmes regarding our LTP commitments. Our capital programme was again dominated by three main projects including the IAF funded infrastructure programme related to housing outcomes at both Vicarage View and Ocean Ridge, the Glen Alton bridge replacement in the Waiau Toa/Clarence Valley and the Wakatu Quay redevelopment.

Physical works were completed on the first section of shared use path along Ludstone Road to the Vicarage View subdivision at Mt Fyffe Road and although planning progressed regarding the other components of the IAF programme, no further physical works were undertaken. The developer progressed all necessary approvals for the Vicarage Views subdivision and is also focusing on a large private plan change for the Ocean Ridge subdivision. Despite significant changes to the economic climate signs are hopefully for getting physical works underway in terms of both housing and supporting infrastructure in 2026.

The Glen Alton bridge replacement continued to have challenges and despite some progress being made on key issues, the NZTA board resolved in May 2025 to remove the emergency works funding support for the project (approximately $11.5m). This was incredibly disappointing for not only Council, but especially for affected residents in the valley. As we move in 2025/26 Council will consider options for the best use of the local share funding of approximately $500,000.

Following detailed design and consenting, work commenced on the construction of the first major Council owned building as part of the Wakatu Quay PGF development and is due to be completed by November 2025. Work has also been completed on the local road network to support the redevelopment. Work is ongoing regarding tenants for the building as well as possible developments for the remainder of the site.

Several community facilities projects were completed including the replacement of the West End toilet block and additional toilets added at Mill Road and Churchill Park. Phase 1 of the redevelopment of the multiuse courts at Takahanga domain was also completed for use by tennis, netball and potentially other sports. Council has worked with a community sports hub to establish a mechanism for ongoing management of the facilities.

In terms of our financial result, the net deficit for the year was $1.3 million, largely due to losses of $2.3 million and the treatment of the expenditure relating to the Glen Alton Bridge, compared to a budgeted surplus of $8.9 million. There is also a gain on asset revaluation of $43 million due to the roading revaluation undertaken. Borrowings were kept to $7.3 million compared to a forecast $7.3 million Total revenue for the year was $22.8 million, with operating expenditure at $24 million. We remain in a strong financial position as a small rural Council and continue to punch well above our weight whilst we focus on the basics. We continue to look at more efficient and effective ways to deliver best value for our community. One such example of this has been the introduction of our new Enterprise Resource Planning (ERP) System. This is our fundamental base system that integrates all business processes. We have updated technology from the 1990's. The first modules of the new system went live in July 2025 with the building and planning modules following before December 2025. This extensive upgrade will not only improve the way we do things but also open up greater opportunities for working together with our neighbouring Councils.

Overall, it has been a very productive year delivering on our commitments. My thanks to both the Council team and elected members for all their hard work through the year. We have once again managed to achieve great outcomes with our small and dedicated Council team. A heartfelt thank you must also go to all of the community groups, volunteers and our partner organisations who year on year tirelessly contribute to making Kaikōura a very special place.

Will Doughty
Chief Executive Officer

Statement of Compliance

The Council and management of Kaikōura District Council confirm that all the statutory requirements in relation to the Annual Report, as outlined in Section 98 and Part 3 of Schedule 10 of the Local Government Act 2002, have been complied with.

The Statement of Service Performance has been prepared in accordance with the requirements of Part 3 of Schedule 10 of the Local Government Act 2002, including the requirement from Section 111 of the Local Government Act to prepare all information in accordance with NZ generally accepted accounting practice (NZ GAAP).

The Council and management of Kaikōura District Council accept responsibility for the preparation of the annual financial statements and service performance reports, and the judgements used in them.

The Council and management of Kaikōura District Council accept responsibility for establishing and maintaining a system of internal control designed to provide assurance as to the integrity and reliability of financial and service performance reporting.

In the opinion of the Council and management of the Kaikōura District Council, the annual financial statements and statements of service performance for the year ended 30 June 2025 fairly reflect the financial position and operations of the Kaikōura District Council.

The annual report was adopted on 29 October 2025.

Will Doughty
Chief Executive

Craig Mackle
Mayor

Council Activities

The Council delivers a range of services on behalf of the community. This section reports on those services, what we planned to do, what we did and our key projects.

Contextual information

Why we exist

The Kaikōura District Council is a territorial authority in the Canterbury region, established in 1989 having formerly been the Kaikōura County Council. We are responsible for a wide range of local services including roads, water treatment and reticulation, sewerage and refuse collection, libraries, parks, recreation services, local regulations, community and economic development, emergency management, environmental health, and town planning.

One of our strengths is the opportunity we allow, as a local government authority, for our community to be directly engaged in the process of governing their own town and district. This practice of self-governance enhances our sense of place-shaping, while ensuring our services are responsive to the needs of our communities.

What we intend to achieve in the future

The Council's Long-Term Plan 2024-2034 (the LTP) sets out the direction for Council and the Kaikōura community. The LTP includes a meaningful performance framework which shows the community outcomes each group of activities affects, how our activities contribute to achieving the outcomes, and what we need to do to achieve this. That performance framework then clarifies our levels of service, and the performance measures and targets we will use to determine whether we are succeeding in providing those services at the agreed standard.

The LTP identified five community outcomes:

- ***Community –*** we communicate, engage with, and inform our community
- ***Development –*** we promote and support the development of our economy
- ***Services –*** our services and infrastructure are cost effective, efficient and fit for purpose
- ***Environment –*** we value and protect our environment
- ***Future –*** we work with our community and our partners to create a better place for future generations

The LTP also identified several big issues the Council wishes to address in the ten-year period, such as dealing with a backlog of roading maintenance, sublayer rehabilitation, and reseals. The Council also committed to improving footpaths, reviewing the District Plan, and supporting the Whale Trail.

How we will do it

The LTP explains, for every activity, how we aim to achieve our community outcomes and level of service goals.

By way of example, in the Roading group of activities, the LTP performance framework shows that roads and bridges contribute to the Services outcome (that our services and infrastructure are cost effective, efficient and fit for purpose). We will achieve that outcome through our renewal, repair and improvement programmes, which ensure the condition of roads are safe and not deteriorating. We state the level of service should therefore be that road surfaces are renewed not less than every sixteen years, with high-use roads resealed more often than this. We measure our performance against this level of service by requiring the percentage of the sealed road network that is resealed per year to be greater than 5% per year.

We recommend readers of this Annual Report also refer to the LTP for further information on the performance framework and service performance information.

What we do

The Council delivers core services as required by the Local Government Act 2002. It also delivers services that support the wellbeing of the community and undertaken with the support of residents and ratepayers. Our services are classified into 10 groups of activities.

Council Surveys

The Council conducts annual resident satisfaction surveys to gather information to report against satisfaction performance measures for the Annual Report, and to support planning and decision making.

The surveys are conducted by SIL Research, using a survey questionnaire that has been consistently used since 2018. Research for 2024/2025 was conducted between 15 November 2024 and 23 January 2025. This years responses at n=364 was the highest response rate received to date.

SIL Research used a mixed methods approach to collect surveys across Kaikōura District Community members. A mixed-method approach included:

1) Postal survey. Using a ratepayer database, a hard copy of the survey was sent to 1,500 Kaikōura property owners and district residents. All postal surveys also included an online link to complete the survey.
2) Online. The survey was provided online via Council's Facebook page, to increase survey awareness and allow both residents and community members to have their say. This includes CATI interviews.
3) Social media. The invitation advertisement was randomly promoted to Kaikōura District residents (available via SIL Research social media platforms, such as Facebook).

The mixed-method approach produced a relatively balanced proportion of paper-based and online submissions, with paper questionnaires boosting participation generally and the online campaign facilitating responses from younger residents.

Performance achievement

Across these groups this year, the Council achieved 97 out of 100 performance measures (overall achievement 97%), in line with 98% last year. Significant improvement in our data collection has resulted in no measures unavailable or incomplete for the 2024/2025 year.

	Number of measures		
Year	2022/2023	2023/2024	2024/2025
Actual performance measure reported	64	85	97
Incomplete performance measure reported	10	-	-
Result not available	12	-	
Not applicable	1	2	3
Total performance measures	87	87	100
Performance measures accurately reported on	**73%**	**98%**	**97%**

In the table of performance indicators above, incomplete, not available, and not applicable are defined as follows:

Incomplete – Customer service request (CSR) results reported are based on data derived from the service request system. However not all service requests were recorded in the system for the financial year, and therefore the results are incomplete.

Not available (Only on CSR measures) – Call out response times have not been recorded or not accurately captured in the service request system for the financial year, and therefore results are not available.

Not applicable – where a performance measure is taken from a survey or some other source that is only supplied once every two years or more, then the performance measure is not applicable in the intervening years.

Roading

Our Goal: to provide a transport network for the safe and reliable movement of people and goods throughout the district, connecting communities and accessing property.

What we do

The Roading group of activities includes.

- Roads & bridges
- Footpaths & cycleways
- Streetlights

The Council maintains 214km of local roads and 37 bridges in our district. Approximately half of our roads are sealed. Of the bridges, 32 are single lane and 6 apply weight restrictions. Waka Kotahi (NZTA) owns and maintains State Highway One, which includes Churchill Street and Beach Road (within the township). The Council also maintains approximately 41.3km of footpaths and over 400 streetlights.

Key issues in the year to 30 June 2025

In addition to the normal ongoing routine road operational and maintenance activities key areas of focus during the year were continuing to address the backlog of road pavement rehabilitation and reseals and undertaking further footpath renewals and improvements in Kaikoura.

What we did

Substantial reseals were completed on Austin St, Esplanade, Ludstone Road, Hawthorne Road West, Yarmouth St and Cromer St, resulting in 64,105 square metres - equivalent to 7.9% of the sealed road network - being resurfaced this year.
Pavement rehabilitation was completed on Mt Fyffe Road totalling 4,410m2 which is 0.55% of the total sealed area.

Some of the key maintenance statistics were:

- 262km of unsealed road graded,
- 133 potholes repaired,
- 1,718m2 of stabilisation repaired,
- 4,830m2 of crack sealing completed
- 5,870m of high shoulder removal done

There was a significant amount of footpath renewals completed on Beach Road, Churchill Steet, Bayview St, Killarney St Upper, Davison Tce, and Esplanade seafront. These were a mixture of concrete and asphalt renewals. Some of these works were financially supported by the link pathway and private development.

These works resulted in 4.7km of footpath being build and renewal which is 11.5% of the total network.

There was also a large amount of unsealed road surface renewals on Brunell's Rd, Chapmans Rd, McInnes Rd, Pooles Rd, Postman's Rd, Red Swamp Road, Schoolhouse Rd and Topline Road. This resulted in 2,477m3 of new surface material being placed over these roads in addition to drainage improvements. The renewals resurfaced over 10% of the total unsealed road network area.

The temporary Bailey bridge is still in place at Jordan Stream crossing with funding now approved for its permanent replacement.

What we planned to do but didn't

The NZTA Board made the decision not to support further request for an extension of time and additional funding under emergency works for the bridge replacement project for Waiau-Toa/Clarence Valley following the loss of the Glen Alton bridge.

Work has been now undertaken to consider next steps both in the immediate and longer-term solutions for the access.

Effects on community wellbeing

	Positive effects	Negative effects
Social	Significant renewal of roads has improved vehicle travel and safety. New footpaths also improve pedestrian connectivity and safety.	Disruption of vehicle movements while roadworks are in place, nuisance of noise, and dust on unsealed roads
Cultural	No effects have been identified	No effects have been identified
Economic	Better condition of roads enables the efficient delivery/dispatch of goods.	No effects have been identified
Environmental	Improved condition of roads reduces operating and maintenance requirements of vehicles and improves freight connections. The conversion of streetlights to LED has reduced light pollution and helped mitigate fallout of the Hutton's Shearwater.	Roads, bridges, kerbs, and channels disrupt natural drainage patterns

Major projects

Project	Planned $000	Spent $000	Comment
Upgrades to meet additional demand:			
IAF Project – Cycleway	-	-	The Infrastructure Acceleration Fund (IAF) has approved a grant totalling $7.88 million to enable further residential development through the Ludstone Road, Mt Fyffe Road, Green Lane and through to Ocean Ridge area. Only the shared pathway was completed during the year.
IAF Project – Green Lane extension	-	74	
IAF Project – Mt Fyffe widening	-	15	
Ocean Ridge Connection	-	127	
IAF Project – Rail crossing	-	154	
IAF Project – Shared pathway	-	144	
	6,439	**514**	
Upgrades to improve level of service:			
Footpath improvements	250	396	Beach Road, Churchill St and Bayview St accelerated spend to bring forward the programme
	250	**396**	
Renewal/replacement of existing assets			
Glen Alton (Clarence River) Bridge	2,000	707	Project not progressing – all costs written off to losses in the statement of Comprehensive revenue and Expenditure
Jordan Stream Bridge	300	41	Jordan Bridge
Sealed surface renewals	561	516	Reseal Programme
Sublayer rehabilitation	330	278	Mt Fyffe Road
Unsealed surface renewals	187	115	Rates cheaper due to established local contractor metal source
Drainage kerb & channel	155	104	One job cancelled on Lower Ward St
Traffic services	70	72	
Low Cost/Low Risk (Minor Safety Improvements)	150	1	

Less capital Expenditure transferred written off		**(2,074)**	Glen Alton Bridge – Bridge not progressing, all capital expenditure written off to losses
Total capital projects	**3,753**	**670**	

Performance indicators

Community Outcome		How do Roads & Bridges contribute to this Outcome?	What do we need to do towards achieving this Outcome?
	Development We promote and support the development of our economy	Good quality roads support economic activity by providing for the efficient delivery of goods and services throughout the district so that the economy can function.	Our roads and bridges must be well-managed to ensure that annual renewal and maintenance programmes are optimised.

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?
The average quality of ride on the sealed local road network, measured by smooth travel exposure	Not available	92%	88%	No
The average quality of ride on the sealed road network measured by NAASRA roughness[2]	Not available	<95	111	No

Smooth travel exposure means a measure of the percentage of vehicle kilometres travelled on roads that occurs above the targeted conditions for those roads. The Council sets its targeted conditions based on NAASRA counts. The rougher the road, the higher the NAASRA counts per km. A NAASRA count of greater than 150 typically indicates a road that is becoming a concern in terms of its roughness.

The most recent HSD survey was completed in January 2025 and was undertaken before the resealing.

Community Outcome		How do Roads & Bridges contribute to this Outcome?	What do we need to do towards achieving this Outcome?
	Services Our services and infrastructure are cost-effective, efficient and fit for purpose.	Roading is one of the main activities of the Council, with roads and bridges costing around 20% of total costs annually. It is essential therefore that roads are well-managed and that the roading network is safe and resilient for all road users.	Renewal, repair and minor improvement programmes should ensure that the condition of roads and footpath are safe and not deteriorating. A new reseal programme has been introduced with this LTP to address a backlog of surface renewal.

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?
The percentage of the sealed network that is resurfaced per annum	8.5%	> 5%	7.2%	Yes

This measure is based on area sealed, not length of road (kilometres) sealed, as it provides a more realistic measure of network cover.

Community Outcome		How do Roads & Bridges contribute to this Outcome?	What do we need to do towards achieving this Outcome?
	**Services** Our services and infrastructure are cost-effective, efficient and fit for purpose	The Council and our contractors are adequately resourced and available to respond to reports of roading faults	Our customer request systems need to record and report on our responses to requests, so that we can manage our contractors to ensure that requests relating to roading faults are responded to, and addressed, in an appropriate timeframe.

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?
The percentage of customer service requests relating to roading, footpath and associated faults responded to within timeframes: Urgent – 1 day Other – 1 week	87%	> 90%	93%	Yes

Community Outcome		How do Roads & Bridges contribute to this Outcome?	What do we need to do towards achieving this Outcome?
	**Future** We work with our community and our partners to create a better place for future generations	It is essential that the roading network is safe and resilient for all road users.	It is the Council's role to ensure that high risk areas such as intersections, school zones, pedestrian crossings and high speed-limit areas have good visibility, road works are marked clearly, and road surfaces are kept clean and clear of hazards.

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?
The change from the previous year in the number of fatalities and serious injury crashes on the local road network expressed as a number	0	0	0	Yes
The percentage of regulatory road signs incorrect or missing during an audit of the road network (whether a full or partial audit is completed)	0.0%	< 0.5%	1.8%	No

No fatal or series crashes have been recorded in the last year from the CAS data

Community Outcome	How do Footpaths & Cycleways contribute to this Outcome?	What do we need to do towards achieving this Outcome?
Services Our services and infrastructure are cost-effective, efficient and fit for purpose	Footpaths provide a healthy alternative for people to access the town services and recreational areas, and so it is important to ensure our footpaths are mobility friendly, smooth and free of trip hazards.	The quality of footpaths throughout the township is very irregular, with a mixture of very new concrete walkways through to very old chip-seal paths. A consistent walking experience, by an ongoing programme of surface renewals, would go a long way to improve pedestrian satisfaction.

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?
The percentage of footpaths that are poor condition (grade 4 or 5)	Not available*	< 5%	8.7%	No
Resident satisfaction with footpaths (satisfaction with footpaths in the annual survey improves by at least 3% per annum)	51%	54%	69%	Yes

***Not available** – an inspection of the footpaths was not performed in the 2023/2024 financial year, and therefore results were not available.

An internal inspection of the footpaths was undertaken and used for the condition scoring. The target of less than 5% in the poor or very poor was based off an older footpath rating survey which was deemed too optimistic. The updated conditional rating is deemed to be more realistic and a good starting point for improvement.

The Council has continued undertaken significant upgrades to footpaths during the 2024/2025 year, resulting in a dramatic improvement in the footpath network as shown in the resident satisfaction as seen by the increase from 51% to 69% which has been driven by the investment in Link Pathway along the Esplanade and a commitment to increased investment in footpaths as per the LTP 2024-2034.

Community Outcome	How do Streetlights contribute to this Outcome?	What do we need to do towards achieving this Outcome?
Environment We value and protect our environment	Streetlights are necessary for visibility for road users, but we should be mindful of the impact of lighting on the environment, particularly the Hutton's Shearwater *(Titi)*, and also to night sky enthusiasts.	We need to find a balance between road user safety, and light pollution impacts on the Hutton's Shearwater *(Titi)*, which are disoriented by lights when they fledge, and can fall to the ground and be injured.

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?
Streetlights				
The percentage of streetlights not functioning during an audit of any part of the network	0%	< 1%	0%	Yes

KDC has such a small streetlight network we don't have a formal audit process with our MainPower contractor, and any outages are reported to MainPower within a day and resolved within a week, therefore 0%.

Funding Impact Statement: Roading

For the year ended 30 June 2025

	2023/2024 Long-Term Plan $000	2024/2025 Long-Term Plan $000	2024/2025 Actual $000
Sources of operating funding			
General rates, UAGCs, rates penalties	-	-	-
Targeted rates	1,387	1,790	1,830
Subsidies & grants for operating purposes	528	645	1,137
Fees and charges	-	12	(64)
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	40	43	74
Total operating funding (A)	**1,955**	**2,490**	**2,977**
Applications of operating funding			
Payments to staff and suppliers	1,221	1,695	1,488
Finance costs	81	161	198
Internal charges and overheads applied	138	157	182
Other operating funding applications	-	-	256
Total applications of operating funding (B)	**1,441**	**2,013**	**2,124**
Surplus/(deficit) of operating funding (A-B)	**514**	**477**	**852**
Sources of capital funding			
Subsidies & grants for capital expenditure	5,457	9,038	1,764
Development and financial contributions	6	2	9
Increase/(decrease) in debt	772	962	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**6,235**	**10,001**	**1,772**
Application of capital funding			
Capital expenditure			
- To meet additional demand	-	6,439	1,222
- To improve the level of service	264	410	-
- To replace existing assets	6,485	3,603	(552)
Increase/(decrease) in reserves	-	26	(1,955)
Increase/(decrease) in investments	-	-	-
Total applications of capital funding (D)	**6,750**	**10,478**	**(2,625)**
Surplus/(deficit) of capital funding (C-D)	**(514)**	**(477)**	**(852)**
Funding balance ((A-B) + (C-D))	**-**	**-**	**-**
Reconciliation			
Total application of operating funding (B)			**2,124**
Plus depreciation			2,364
Expenditure as per Note 4			**4,488**

Water supplies

Our Goal: to provide clean, potable water for our communities in the district.

What we do

The Council owns and manages eight water supplies. In order from north to south they are:

- East Coast
- Kincaid
- Kaikōura Urban
- Ocean Ridge
- Airport
- Peketa
- Fernleigh
- Oaro

The Council has a responsibility to ensure that water supplied to consumers is safe to drink. We also must ensure continuous supply of water for people, and for livestock on rural properties. We aim for minimal interruptions, timely responses to service requests, and good consumer satisfaction with water pressure, taste, odour, and clarity of drinking water.

Key issues in the year to 30 June 2025

At a strategic level the key issue has been consideration and preparation for potential changes to the form of delivery for water supplies under the National government's 'Local Waters Done Well' program. This has involved public consultation with proposed options for a new water services delivery plan to met regulatory requirements.

These initiatives and the changes to them consumed significant amounts of staff time and created ongoing uncertainty.

At an operational level the focus has been on making ensuring improvements to data collection and analysis for reporting are meeting current reporting requirements to Taumata Arowai.

What we did

Maintained consistent supplies of safe water on all schemes meeting or exceeding existing levels of demand.

Made progressive improvements in respect of the collection and management of quality and performance data.

Undertook various minor asset renewals or improvements, including upgrading ageing asbestos watermains to modern pipe types which will add resilience to our networks.

What we planned to do but didn't

The planned renewal of pipework at the water treatment plant at Ocean Ridge was postponed due to delays in assessing the feasibility and ensuring the accuracy of the full scope of works. The project is now scheduled for completion during the 2025/2026.

Effects on community wellbeing

	Positive effects	Negative effects
Social	Clean, potable water is fundamental to the health of all residents and visitors	Chlorination, required to meet drinking water standards, can affect water taste and smell
Cultural	No specific effects have been identified	No effects have been identified
Economic	Clean water on demand is essential for many businesses to function (including visitor accommodation, commercial activities, and primary industries)	Low pressure, pipe breaks, and other faults can disrupt economic activity.
Environmental	Water is used for irrigation, replenishing the land and flora, as well as amenity values.	Over-use can create water shortages and require water restrictions

Major projects

Project	Planned $000	Spent $000	Comment
Upgrades to meet additional demand:			
IAF Project – Flood protection	-	93	Kowhai River modelling, funded by developer
	-	**93**	
Upgrades to improve level of service:			
Kaikōura Urban electrical improvements	20	20	
	20	**20**	
Renewal/replacement of existing assets:			
Kaikōura Urban Toby box and meter renewals	25	30	
Kaikōura Urban Water Point & Structures Renewals	141	153	
AC Pipe Renewal	-	106	
East Coast renewals	5	25	Water pipe renewals & replace booster pump
Kincaid Treatment Upgrade	100	-	
Kincaid Renewals	13	1	
Kincaid Toby & Meter Renewals	9	-	
Fernleigh renewals	13	5	
Peketa renewals	3	-	
Oaro renewals	10	2	
	319	**322**	
Total major projects	**339**	**435**	

Performance indicators

The performance measures have been updated to provide reporting on the extent to which Council's drinking water supplies complies with the Drinking Water Quality Assurance Rules set by the regulatory agency (Taumata Arowai) as explained in more detail below. Compliance is based on provision of data in compliance periods. One 15-minute instance of missing or deficient data will result in compliance failure for at least a day and, for many of KDC's supplies, for a whole month.

Compliance was independently assessed and verified by Matt Molloy Consulting Ltd.

The overall compliance percentages in the table below were based on population weightings of information on individual water schemes taken from the following table.

NZ Drinking Water Quality Assurance Rules

The assessment parameters have been defined by the Department of Internal Affairs (DIA). In June 2025 DIA provided clarification on the expected assessment and reporting methodology that is to be used for the 2024/25 audits. This is based on the Water Services Authority/Taumata Arowai process using an aggregate compliance rate methodology. Additional guidance was provided on what was expected to be assessed to meet drinking water performance measures.

The summary table and notes below are from the independent drinking water assessor's report for the period 1 July 2024 to 30 June 2025.

Community Outcome	How do Water Supplies contribute to this Outcome?	What do we need to do towards achieving this Outcome?
Future We work with our community and our partners to create a better place for future generations	Water is a precious resource, and so it is essential for future generations that water takes are sustainable. Water sources need to be adequate both in quantity and quality to meet foreseeable consumer demands.	We plan for water infrastructure to support anticipated development needs, including investigating options for existing and future services. Ground water sources and intakes must be secure, and the water must be free of contamination from surrounding land use.

Water Scheme	Compliance with NZ Drinking Water Quality Assurance Rules				
	Treatment Rule	**Bacterial**	**Target 2024/2025 = 100% - Achieved**	**Protozoa**	**Target 2024/2025 = 100% - Achieved**
Fernleigh	T2/D2	99% Almost met	No	100% All met	Yes
Kaikoura	T3/D3	100% All met	Yes	100% All met	Yes
Kaikoura Airport	T1/D1	100% All met	Yes	100% All met	Yes
East Coast Rural	T2/D2	97.4% Almost met	No	99.3% Almost met	No
Kincaid	T2/D2	97.1% Almost met	No	98.6% Almost met	No
Oaro	T2/D2	98.7% Almost met	No	100% All met	Yes
Ocean Ridge	T2/D2	98.5% Almost met	No	100% All met	Yes
Peketa	T1/D1	100% All met	Yes	100% All met	Yes

Notes

- The outcome for each treatment plant and distribution zone is summarised in the table above. This is for the period 1 July 2024 – 30 June 2025. Bacterial and protozoa compliance at the treatment plant is assessed each day, the distribution zone is assessed each month
- The % relates to the overall compliance against all appropriate rules for that category (appropriate meaning those rules that DIA have specifically identified in the guidance material)
- 100% = All met, 95-99.9% = Almost met, 0.01-94.99% = Partially met, 0% = None met.
- To ensure consistency across the reporting period, for level 2 supplies a monthly compliance period has been used for 2024 and 2025.
- 2024/2025 data can not be compared to last year as the it was not using the aggregate compliance methodology now required.

Community Outcome	How do Water Supplies contribute to this Outcome?	What do we need to do towards achieving this Outcome?
Environment We value and protect our environment	Water is a precious resource, and so water use must be sustainable. This involves distributing water to consumers without unintentional waste of water, and restrictions on water use are enforced through the Water Supply Bylaw.	It is important that water is not lost through poorly maintained or old leaking pipe networks. It is equally important that people take a conservative approach in the amount of water they consume.

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?
The percentage of real water loss from networked reticulation systems	37%	< 30%	34%	No
The average consumption of drinking water per day per resident	270	< 400 litres	355	Yes

The Kaikōura Urban system must be continuously pumped, so the water loss calculation is based on minimum night flow when reservoirs are full, less allowance for night use at 4l/person/4 hours and 3000 people = 1 l/s

Real water loss is calculated using the Water New Zealand "Water Loss Guidelines". These guidelines provide methodologies that can be used to determine water loss across the piped reticulation. The method that KDC uses is called the MNF or "Minimum Night Flow" analysis.

The target of less than 40% real water loss is applied where such measurement is realistically achievable. On rural supplies the trickle feed supply arrangements prevent this.

The average consumption measure is an estimate for the Kaikōura Urban water supply only. Other water supplies have substantial proportions of water used for non-potable purposes and/or are subject to very inconsistent demand.

- The reported change in water consumption, increased from an estimated 270 litres per resident per day in 2024, to 355 in 2025, this was caused by Assessing using industry standard calculators.

Community Outcome	How do Water Supplies contribute to this Outcome?	What do we need to do towards achieving this Outcome?
Services Our services and infrastructure are cost-effective, efficient, and fit for purpose	The Council and our contractors respond promptly to reported problems or issues with our water supplies	We need to be adequately resourced and operate an efficient Customer Service Request (CSR) system to record requests relating to water services, efficiently forward them to the contractor and prioritise, manage, monitor, and record responses and resolution.

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?
Fault response times:				
Where a local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured:				
Attendance for urgent[1] callouts, from the time that the local authority receives notification to the time that service personnel reach the site	0.5 hours	< 2 hours	0.25 hours	Yes
Resolution of urgent callouts, from the time the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption	1.0 hours	< 12 hours	0.75 hour	
Attendance for non-urgent callouts, from the time we received notification to the time that service personnel reach the site	0.75 hours	< 48 hours	0.5 hours	
Resolution of non-urgent callouts, from the time the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption	1.5 days	< 7 days	0.75 hours	

[1] For the purposes of the above performance indicators, urgent callouts include major pipe bursts, and non-urgent callouts include minor leaks and equipment maintenance.

Community Outcome		How do Water Supplies contribute to this Outcome?	What do we need to do towards achieving this Outcome?
	Development We promote and support the development of our economy	Ready access to water facilitates economic growth. We protect public health by providing drinking water in urban areas that is clean and safe to drink. We protect property by providing water at pressure that is adequate for firefighting needs.	It is essential that water sources are adequate to meet foreseeable consumer demands, and that water treatment and distribution networks reliably provide water that is safe to drink.

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?
Complaints and requests for service[2]:				
The number of complaints received about drinking water ***clarity***, per year per 1,000 connections	0.9	No more than 13 complaints about these issues in total (per 1,000 connections)	0.43	Yes
The number of complaints received about drinking water ***taste***, per year per 1,000 connections	0		0	
The number of complaints received about drinking water ***odour*** per year per 1,000 connections	0		0	
The number of complaints received about drinking water ***pressure or flow***, per year per 1,000 connections	2.7		1.29	
The number of complaints received about drinking water ***continuity of supply***, per year per 1,000 connections	9.3		3.88	
The number of complaints received per year about the Council's response to any of these issues, per 1,000 connections	1.3		0.0	

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[2] There are 2,320 properties connected to Council-owned and operated water supplies in the district, and there were 86 complaints/requests for service received about water supplies (1 was moved to roading) during the financial year (2024: 80). 36 of these complaints were about water leaks, which are not reported in the above table (which is limited to complaints about clarity, taste, odour, pressure or continuity).

Funding Impact Statement: Water supplies

For the year ended 30 June 2025

	2023/2024 Long-Term Plan $000	2024/2025 Long-Term Plan $000	2024/2025 Actual $000
Sources of operating funding			
General rates, UAGCs, rates penalties	-	-	-
Targeted rates	1,454	1,651	1,632
Subsidies & grants for operating purposes	-	-	32
Fees and charges	8	11	33
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	-	-	-
Total operating funding (A)	**1,425**	**1,662**	**1,697**
Applications of operating funding			
Payments to staff and suppliers	816	1,048	1,111
Finance costs	2	-	-
Internal charges and overheads applied	439	426	503
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**1,257**	**1,474**	**1,614**
Surplus/(deficit) of operating funding (A-B)	**205**	**188**	**83**
Sources of capital funding			
Subsidies & grants for capital expenditure	-	-	81
Development and financial contributions	11	4	15
Increase/(decrease) in debt	102	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**113**	**113**	**96**
Application of capital funding			
Capital expenditure			
- To meet additional demand	-	-	93
- To improve the level of service	-	126	31
- To replace existing assets	521	213	311
Increase/(decrease) in reserves	(204)	(147)	(257)
Increase/(decrease) in investments	-	-	-
Total applications of capital funding (D)	**317**	**192**	**178**
Surplus/(deficit) of capital funding (C-D)	**(205)**	**(188)**	**(83)**
Funding balance ((A-B) + (C-D))	**-**	**-**	**-**
Reconciliation			
Total application of operating funding (B)			**1,614**
Plus depreciation			1.099
Expenditure as per Note 4			**2,713**

Wastewater

Our Goal: to provide a reticulated sewerage network and treatment facilities which meet environmental standards.

What we do

There is one reticulated network and one wastewater treatment and disposal facility in Kaikōura which provide wastewater services for:

- Kaikōura Urban
- Ocean Ridge
- South Bay

The wastewater (sewer) network has 63km of reticulation and 10 major pump stations. The treatment, and effluent & solids disposal systems can cope with a peak demand of 7,500 people, which is ample capacity to serve our community for the foreseeable future.

The wastewater treatment and disposal facility also serve the rural area and the State Highways by receiving, treating and disposing of stock truck effluent and septic tank sludge.

Key issues in the year to 30 June 2025

The key issue remained addressing the abatement notices issued by Environment Canterbury in June 2023, which related to a historical unconsented discharge, completion of an odour management plan, pond management, completeness of records and frequency of monitoring.

What we did

In addition to the ongoing routine operation, maintenance, and renewal of the wastewater system, we engaged Stantec consultants to apply for new resource consents for the Wastewater Treatment Facility. This process will secure suitable long-term resource consents for the continued operation of the facility.

Further work was also completed, including:

- Relining of Churchill Street and Hawthorne Road wet wells.
- Electrical and pump upgrades at the Hawthorne Road and Gillings Lane pump stations as part of the IAF Programme.

Concerns regarding odour from the Council's wastewater system were addressed at several private properties.

Additionally, a review of stock truck effluent operations and disposal was conducted.

What we planned to do but didn't

3G upgrades. This work was delayed until the 2025/26 financial year as the disconnection of New Zealand's 3G network was delayed by 1 year.

Effects on community wellbeing

	Positive effects	Negative effects
Social	Safe and sanitary collection, treatment and disposal of wastewater is essential for the health and safety of the whole community	Odour continues to be an occasional localised issue
Cultural	These systems ensure that offensive matter is treated and disposed of in a culturally acceptable manner	No identified effects
Economic	Wastewater and solids collection, treatment and disposal is essential for the commercial sector to function	No identified effects
Environmental	An efficient and effective collection, treatment and disposal system ensures that what is returned to the environment is not harmful	Sewer overflows cause health risks and may damage the environment, and must be attended to urgently

Major projects

Project	Planned $000	Spent $000	Comment
Upgrades to improve the level of service:			
Wastewater treatment plant	100	108	Consent work towards clearing abatement notices
Wastewater Pump Stations	-	309	IAF Project
	100	**417**	
Renewal/replacement of existing assets:			
Wastewater pump renewals	100	69	
Wastewater structure renewals	34	8	
Hawthorne Rd pump station	120	70	
Treatment Plant – Wheel aerator	120	115	
Odour Control Renewals	5	2	
	379	**264**	
	479	**681**	

Performance indicators

Community Outcome	How do Wastewater Services contribute to this Outcome?	What do we need to do towards achieving this Outcome?
Environment We value and protect our environment	Wastewater is collected, treated and disposed of without causing environmental harm or any unattractive visual impacts.	Our wastewater reticulation, pump stations and wastewater treatment facilities are well-maintained and managed to minimise risk of overflows, and the discharge of wastewater to the environment is controlled to ensure the system is functioning efficiently to prevent environmental harm.

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?
The number of dry weather sewage overflows, expressed per 1,000 sewer connections	1.1	0	1.1	No
Resource consents compliance (discharge from the sewerage system, measured by the number of actions taken against the Council in relation to those consents)				
- The number of abatement notices	3*	0	0	Yes
- The number of infringement notices	0	0	0	Yes
- The number of enforcement orders	0	0	0	Yes
- The number of convictions	0	0	0	Yes

* The Council received an abatement notice from Environment Canterbury (ECan) on 5 April 2022 for unconsented discharges at the Kaikōura wastewater treatment plant. The main concern was not having current consents for storage and dewatering of sludge that had to be removed from the treatment ponds to keep them functioning properly. That notice was cancelled by ECan on 10 October 2022 after actions by KDC.

ECan then issued a further three abatement notices on 7 June 2023 related to the existing consents and issues pertaining to a historical unconsented discharge, completion of an odour management plan, pond management, completeness of records, and frequency of monitoring. An action plan was provided to ECan on 29 June 2023 and accepted by them on 6 July 2023 for actions to be carried out in the 2023-2024 and 2024-2025 years.

ECan are satisfied with progress made by the Council to resolve the above issues and have provided an extension to allow the Council to apply for new resource consents.

The dry weather overflow was due to a private action where surplus concrete had been dumped and not due to a Council deficiency.

Community Outcome	How do Wastewater Services contribute to this Outcome?	What do we need to do towards achieving this Outcome?
Services Our services and infrastructure are cost-effective, efficient and fit for purpose	The Council and its contractors respond promptly to reported problems or issues with its wastewater services.	We need to be adequately resourced and operate an efficient Customer Service Request (CSR) system to record requests relating to wastewater services, efficiently forward them to the contractor and prioritise, manage, monitor and record responses and resolution.

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?
Fault response times				
Where the local authority attends to sewage overflows resulting from a blockage or other fault in the sewerage system, the following median response times measured:				
Attendance time: from the time the local authority receives notification to the time that service personnel reach the site	0.3	< 1 hour	0.21	Yes
Resolution time: from the time the local authority receives notification to the time that service personnel confirm resolution of the blockage or other fault	1.0	< 24 hours	1.25	Yes

Community Outcome	How do Wastewater Services contribute to this Outcome?	What do we need to do towards achieving this Outcome?
Development We promote and support the development of our economy	Efficient collection, treatment, and disposal of wastewater facilitates economic activity, and protects public health.	We ensure that our wastewater infrastructure is well-maintained and managed, which in turn ensures that the systems function efficiently minimising the likelihood of failures that could pose risk to public health or the nuisance of odour.

<table>
<tr><th></th><th>2023/2024 Actual</th><th>2024/2025 Target</th><th>2024/2025 Actual</th><th>Achieved?</th></tr>
<tr><td colspan="5">Complaints and requests for service</td></tr>
<tr><td>The number of complaints received about sewage odour, expressed per 1,000 connections[3]</td><td>1.665</td><td rowspan="4">Less than 20 complaints about these issues in total (per 1,000 connections)</td><td>1.14</td><td rowspan="4">Yes</td></tr>
<tr><td>The number of complaints received about sewage system faults, expressed per 1,000 connections</td><td>1.110</td><td>0</td></tr>
<tr><td>The number of complaints received about sewage system blockages, per 1,000 connections</td><td>0.555</td><td>0</td></tr>
<tr><td>The number of complaints received about the Councils (or the Councils service providers) response to the above issues, per 1,000 connections</td><td>0</td><td>0</td></tr>
</table>

[3] There are 1,749 wastewater connections, and two complaints or requests for service were received during the 2025 financial year (2024: 6).

Funding Impact Statement: Wastewater

For the year ended 30 June 2025

	2023/2024 Long-Term Plan $000	2024/2025 Long-Term Plan $000	2024/2025 Actual $000
Sources of operating funding			
General rates, UAGCs, rates penalties	9	10	10
Targeted rates	646	1,217	1,227
Subsidies & grants for operating purposes	15	20	20
Fees and charges	21	29	72
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	-	-	-
Total operating funding (A)	**691**	**1,276**	**1,329**
Applications of operating funding			
Payments to staff and suppliers	421	575	664
Finance costs	-	3	5
Internal charges and overheads applied	271	356	420
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**691**	**934**	**1,088**
Surplus/(deficit) of operating funding (A-B)	**-**	**341**	**241**
Sources of capital funding			
Subsidies & grants for capital expenditure	-	-	309
Development and financial contributions	16	3	24
Increase/(decrease) in debt	-	100	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**16**	**103**	**333**
Application of capital funding			
Capital expenditure			
- To meet additional demand	-	-	-
- To improve the level of service	-	100	417
- To replace existing assets	25	379	264
Increase/(decrease) in reserves	(9)	(35)	(108)
Increase/(decrease) in investments	-	-	-
Total applications of capital funding (D)	**16**	**444**	**574**
Surplus/(deficit) of capital funding (C-D)	**-**	**(341)**	**-**
Funding balance ((A-B) + (C-D))	**-**	**-**	**-**
Reconciliation			
Total application of operating funding (B)			**1,088**
Plus depreciation			1,044
Expenditure as per Note 4			**2,132**

Stormwater

Our Goal: to provide a reticulated urban stormwater network to prevent surface flooding causing harm to residents and their property.

What we do

The stormwater system serves the Kaikōura township, South Bay and Ocean Ridge. It comprises approximately 17km of reticulation systems that discharge to land, direct to the sea, and via the Waikoau (Lyell Creek) and other water courses.

The systems include treatment swales and basins such as those found in the Seaview and Ocean Ridge subdivisions, the Ocean Ridge wetland and large drain channels such as Phairs Drain and Sullivans Gully.

Roading kerbs, channels and sumps are maintained as part of the roading assets.

Key issues in the year to 30 June 2025

There were no significant physical issues with the stormwater system during the year. The focus for the year was instead on administrative matters that would address the abatement notice issued by Environment Canterbury in June 2023.

What we did

During the year Council provided ECan with the necessary water quality data and updated management plans required to address the abatement notice.

Effects on community wellbeing

	Positive effects	Negative effects
Social	Protection from flooding also protects property and people	No identified effects
Cultural	No identified effects	No identified effects
Economic	Protection from flooding ensures that economic activity such as delivery of goods and services is unaffected by weather events	No identified effects
Environmental	Stormwater protects individual property as well as harbour, waterways, and the surrounding environment	No identified effects

Major projects

Project	Planned $000	Spent $	Comment
Renewal/replacement of existing assets:			
Stormwater Renewals	5	-	
Stormwater Pipe Upgrades	5	1	
	10	**1**	

Performance indicators

Community Outcome	How does Stormwater contribute to this Outcome?	What do we need to do towards achieving this Outcome?
Development We promote and support the development of our economy	Stormwater management systems protect people and property from surface flooding, enabling economic activity and development to take place in areas where it might otherwise not be possible.	We plan for stormwater infrastructure to support anticipated development needs, including investigating options for existing and future services.

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?
The number of flooding events, where water enters habitable properties	0	0	0	Yes
For each flooding event, the number of habitable floors affected, expressed per 1,000 properties connected to the stormwater system	0	< 3	0	Yes

Community Outcome	How does Stormwater contribute to this Outcome?	What do we need to do towards achieving this Outcome?
Environment We value and protect our environment	Stormwater is collected, diverted and discharged without causing environmental harm or any unattractive visual impacts.	Our stormwater network is well-maintained and managed, with controls on discharges to it and with the release of stormwater to the environment monitored to ensure it does not create environmental harm.

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?
Compliance with the Council's resource consents for discharge from the stormwater system, measured by the number of actions taken against the Council in relation to those consents, namely,				
- The number of abatement notices	1	0	0	Yes
- The number of infringement notices	0	0	0	Yes
- The number of enforcement orders	0	0	0	Yes
- The number of convictions	0	0	0	Yes
The percentage of major flood protection and control work that is maintained, repaired, and renewed to the key standards defined in the Council's relevant planning documents	Not applicable – see the definition of major flood protection below[4]			

[4] ***Major flood protection and control works***, for the purposes of the performance measure mandated by the Non-Financial Performance Measures Rules (2013), means works that meet two or more of the following criteria:

(a) Operating expenditure of more than $250,000 in any one year
(b) Capital expenditure of more than $1 million in any one year
(c) Scheme and asset replacement value of more than $10 million, or
(d) Directly benefitting a population of at least 5,000 people

The Council's budgets, asset values, and population are such that we are highly unlikely to ever meet the threshold for major flood protection and control works to be reported against.

An abatement notice was issued by Environment Canterbury on 7 June 2023 in relation to the Council's Kaikoura township stormwater consent. The notice required the Council to provide an action plan in response to the notice, and to provide water quality data and up to date copies of the activity management plan and the yearly management plan. The Council has responded with the action plan, the required data, the activity management plan and the yearly management plan. Quality testing as required is being undertaken to ensure compliance to the consent and abatement notice

Community Outcome	How does Stormwater contribute to this Outcome?	What do we need to do towards achieving this Outcome?
Services Our services and infrastructure are cost-effective, efficient and fit for purpose	The Council and its contractors respond promptly to reported problems or issues with its stormwater system.	We need to be adequately resourced and operate an efficient Customer Service Request (CSR) system to record requests relating to water services, efficiently forward them to the contractor and prioritise, manage, monitor and record responses and resolutions.

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?
Fault response times				
The median response time to attend a flooding event, from the time of notification to the time that service personnel reach the site	No flooding events	< 1 hour	No flooding events	Not applicable

Not applicable – There were no flooding events or urgent callouts from which to measure response times.

Community Outcome	How does Stormwater contribute to this Outcome?	What do we need to do towards achieving this Outcome?
Development We promote and support the development of our economy	Stormwater protects people and property from surface flooding, enabling the safe collection and diversion of stormwater to controlled systems, thereby facilitating economic activity to continue to function even in heavy rain events.	We plan for stormwater infrastructure to support anticipated development needs, including investigating options for existing and future services.

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?
Complaints and requests for service				
The number of ***complaints*** received about the performance of the stormwater system, expressed per 1,000 connections[5]	3.222	< 3	0.333	Yes

[5] There are 1,862 properties connected to the Kaikoura stormwater system, and there were no complaints received about the performance of the stormwater system (2024: 6).

Funding Impact Statement: Stormwater

For the year ended 30 June 2025

	2023/2024 Long-Term Plan $000	2024/2025 Long-Term Plan $000	2024/2025 Actual $000
Sources of operating funding			
General rates, UAGCs, rates penalties	-	-	-
Targeted rates	118	110	111
Subsidies & grants for operating purposes	-	-	-
Fees and charges	1	2	2
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	-	-	-
Total operating funding (A)	**119**	**112**	**113**
Applications of operating funding			
Payments to staff and suppliers	35	62	63
Finance costs	-	-	-
Internal charges and overheads applied	88	51	60
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**123**	**112**	**122**
Surplus/(deficit) of operating funding (A-B)	**(5)**	**-**	**(9)**
Sources of capital funding			
Subsidies & grants for capital expenditure	-	-	-
Development and financial contributions	5	-	6
Increase/(decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**5**	**-**	**6**
Application of capital funding			
Capital expenditure			
- To meet additional demand	-	-	-
- To improve the level of service	-	5	-
- To replace existing assets	-	5	1
Increase/(decrease) in reserves	-	(10)	(3)
Increase/(decrease) in investments	-	-	-
Total applications of capital funding (D)	**-**	**-**	**(3)**
Surplus/(deficit) of capital funding (C-D)	**5**	**-**	**9**
Funding balance ((A-B) + (C-D))	**-**	**-**	**-**
Reconciliation			
Total application of operating funding (B)			**122**
Plus depreciation			171
Expenditure as per Note 4			**293**

Refuse & Recycling

Our Goal: our community has effective, efficient, and affordable means of managing solid waste.

What we do

The Council provides essential services to ensure that residents and ratepayers have means to dispose of waste materials in a way that is not harmful to health and wellbeing. These services include operation of a landfill, composting and re-use facilities in Kaikōura, provision of recycling services in the Kaikōura urban area and at some rural centres, and provision of public rubbish bins for street litter.

Key issues in the year to 30 June 2025

The key issues for the year continued to be focussed on the reconfiguration of the Resource Recovery Centre (RRC) and landfill site in Kaikōura following the cessation of landfilling operations in July 2022.

This ending of landfilling was due to the site approaching the limit of its capacity and the potential for adverse environmental effects.

What we did

The construction of the refuse transfer station and the relocation and reconfiguration of facilities for recycling, re-use and resource recovery on the site were completed.

A substantial quantity material has been stockpiled around the site for future use in the capping of the site.

Another change that affected services during the year was the introduction by central government of requirements for councils to provide a standardised range of recycling services. This created a need for IWK to provide a broader range of services than previously.

A consequence of the closure of the landfill and other service changes is a significant increase in costs that will ultimately have to be recovered from service users.

What we planned to do but didn't

It had been intended that works would commence to finally cap and close the remaining (approximately 1 hectare) undeveloped area of the former Kaikōura landfill, but greater than expected difficulty was encountered in obtaining the necessary approvals for the proposed works from Environment Canterbury.

It became apparent that additional professional assistance would be needed to obtain these approvals. Offers of service were sought from consultancies and Pattle Delamore Partners (PDP) were engaged for this purpose. Council Staff have been helping compile the relevant information required to gain the relevant consents from Environment Canterbury Regional Council.

Effects on community wellbeing

	Positive effects	Negative effects
Social	Provision of readily accessible refuse and recycling services reduces potential for private accumulations of refuse that may create health, vermin, or other nuisance issues.	Provision of readily available refuse disposal services may reduce incentives to minimise waste generation.
Cultural	Services and facilities are available which provide for the disposal of offensive matter.	Waste management activities can generate odours and water contamination and can be visually unappealing.
Economic	Provision of cost-effective public waste disposal services contributes to community economic wellbeing	Increased environmental standards have resulted in higher waste disposal costs that may be difficult for some to afford
Environmental	Providing community waste disposal services reduces potential for environmentally harmful activities such as littering, fly tipping or other inappropriate disposal practices.	Providing community waste disposal or recycling services reduces incentives to adopt the most environmentally favourable approach, which is to minimise waste generation

Major projects

Project	Planned $000	Spent $000	Comment
Upgrade to improve level of service:			
Landfill capping & closure	400	206	
Transfer Sti	-	62	
	400	**268**	

Performance indicators

Community Outcome	How do refuse disposal services contribute to this Outcome?	What do we need to do towards achieving this Outcome?
Community We communicate, engage with and inform our community	Many in our community take pride in our waste minimisation practices, however there are frequent instances of people using street litter bins to dispose of their household rubbish or misusing recycling services. It is therefore important that the community is well informed about waste and waste disposal.	The Council needs to ensure our community, and our visitors are aware of good waste minimisation practice, and equally that the community understands the social, environmental and financial impacts of disposing of waste irresponsibly.

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?
The number of incidents per year of street litter bins being used for grossly inappropriate purposes such as deposit of household refuse	56	<75	120	No

Community Outcome	How do Recycling services contribute to this Outcome?	What do we need to do towards achieving this Outcome?
Services Our services and infrastructure are cost effective, efficient and fit-for-purpose	Cost effective recycling and waste minimisation services can contribute to overall cost efficiency of solid waste services for the community.	Regard needs to be had to cost efficiency in making decisions on which recycling and waste minimisation services should be provided.

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?
The percentage of total Council costs for refuse collection and disposal activities (excluding street litter bins and clean-up of illegal dumping) that is recovered on a user pays basis.	100%	80%	100%[6]	Yes

.Community Outcome	How do refuse disposal services contribute to this Outcome?	What do we need to do towards achieving this Outcome?
Environment We value and protect our environment	Providing appropriate means of disposal for refuse limits potential for a range of adverse environmental impacts that includes water pollution, littering, odour, vermin infestations and creation of other unsanitary conditions	With a limited range of private waste disposal options locally available there is a need for Council to ensure that a range of services is provided to meet most waste disposal needs in an environmentally acceptable way

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?

Community Outcome	How do refuse disposal services contribute to this Outcome?	What do we need to do towards achieving this Outcome?
Community We communicate, engage with and inform our community	Whilst many in our community use waste minimisation services effectively there are frequent instances of people misusing these services. It is therefore important that the community is well informed about waste and waste disposal, including that the most effective means of waste minimisation is reducing the quantity of waste generated at source.	Provide information and education to encourage waste reduction and effective use of the provided recycling and waste minimisation services.

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?
The percentage of materials by weight deposited to recycling, recovery or re-use services that are contaminated to the extent that they must be treated as refuse.	3%	No more than 5%	4%	Yes
The total quantity of waste disposed of to landfill from Kaikōura on a district per capita basis	382kg	No more than 380kg	359kg	Yes

[6] With the permanent transfer station facilities completed there is now no cost to Council for refuse disposal, all costs are covered by user fees, hence the 100% recovery.

Funding Impact Statement: Refuse & Recycling

For the year ended 30 June 2025

	2023/2024 Long-Term Plan $000	2024/2025 Long-Term Plan $000	2024/2025 Actual $000
Sources of operating funding			
General rates, UAGCs, rates penalties	238	164	168
Targeted rates	262	262	210
Subsidies & grants for operating purposes	-	-	-
Fees and charges	94	94	147
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	52	52	81
Total operating funding (A)	**646**	**646**	**605**
Applications of operating funding			
Payments to staff and suppliers	365	365	395
Finance costs	31	31	40
Internal charges and overheads applied	191	191	153
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**587**	**587**	**588**
Surplus/(deficit) of operating funding (A-B)	**59**	**59**	**17**
Sources of capital funding			
Subsidies & grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	1,136	1,136	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**1,136**	**1,136**	**-**
Application of capital funding			
Capital expenditure			
- To meet additional demand	-	-	206
- To improve the level of service	-	-	-
- To replace existing assets	1,358	1,358	62
Increase/(decrease) in reserves	(163)	(163)	(251)
Increase/(decrease) in investments	-	-	-
Total applications of capital funding (D)	**1,195**	**1,195**	**17**
Surplus/(deficit) of capital funding (C-D)	**(59)**	**(59)**	**(17)**
Funding balance ((A-B) + (C-D))	**-**	**-**	**-**
Reconciliation			
Total application of operating funding (B)			**588**
Plus depreciation			13
Expenditure as per Note 4			**601**

Facilities

Our Goal: to provide fit for purpose facilities which meet a broad range of community social and recreational needs, and which are not provided by central government and cannot be readily provided by the private sector.

What we do

This group of activities includes:

- Parks & reserves
- Property
- Harbour
- Airport

We aim to provide facilities that are safe, welcoming, and attractive, accessible, culturally appropriate, and affordable on an ongoing basis.

Key issues in the year to 30 June 2025

Several projects dominated the Council's focus for the year – the Wakatu Quay development, the Link Pathway, the Community Courts, replacement of the West End toilets and new toilets at the Northern entry and Churchill Park.

The Wakatu Quay development is project managed by an independent working group and using external resources. During the year, the Council committed to proceeding with the Wakatu Quay project, after a potential funding partner withdrew their interest. The result is that the development is likely to be limited to one building, the restaurant, with site development including cabling, service trenching, sealed areas and landscaping to support additional buildings in time.

The link Pathway has been completed apart from some landscaping and possible features to be added along the path. Overall, the pathway has been a great success and well used by both residents and visitors alike.

The old tennis courts on Takahanga Domain, damaged by the earthquake, have been made up to single level and now house 3 interchangeable Tennis courts and Netball courts that can be used by both senior and junior players. Lighting is still to be installed.

What we did

The Link Pathway was 97% completed by the 30th June 2025, with only landscaping and beautification to be completed.

The multi courts were completed and opened at the end of February 2025.

The new toilets were installed in the West End, Northen Entry and Churchill Park.

Effects on community wellbeing

	Positive effects	Negative effects
Social	Our public halls, sports fields, parks, and reserves create provide social hubs for people to congregate	No identified effects
Cultural	Wherever possible, cultural aspects are incorporated into how our facilities are designed, maintained, and enjoyed.	No identified effects
Economic	Commercial users rely heavily on the harbour and airport facilities. The Wakatu Quay precinct will also provide new facilities from which commercial businesses could operate.	Public facilities can be costly to operate and require ratepayer funding.
Environmental	Parks and open spaces make our district even more attractive, and public toilets protect areas from human waste	No identified effects

Parks & reserves

What we do

The Council owns and maintains many community spaces throughout the district, such as:

Cemetery	South Bay Racecourse
Churchill Park	South Bay Domain
Memorial Gardens	Takahanga Domain
Playgrounds	Walking tracks
Public toilets	Recreational reserves

Key issues in the year to 30 June 2025

Early in 2023, the Council secured $1.55 million in "Better Off Funding", part of the former government's three-waters reform funding package. The Council worked through the schedule of agreed projects including, West End Toilet replacement, an additional Northen Entry toilet block, a new toilet block for Churchill Park, Security Camera upgrade, Lookout upgrade and some funds for the Community Courts.

What we did

The Link Pathway, funded by the PGF, is already an iconic walkway along the foreshore and proving to be extremely popular for families and active people of all ages.

Replacing the public toilets in the West End and installing an additional toilet at the Northern Entry as well as a new toilet facility in Churchill Park. An upgrade of the town security cameras.

At the cemetery, work has continued with the repair and refurbishment of the fences and gates as well as work on the older areas of the cemetery.

Major projects

Project	Planned $000	Spent $000	Comment
Upgrade to improve level of service:			
West End Enhancements	35	1	Amphitheatre
Old Wharf Sheds	20	-	Better Off Funding
Link Pathway	400	498	Grant Funded
Community Courts	168	395	Better Off Funding
	623	**894**	
Renewal/replacement of existing assets:			
West End/Mill Rd public toilets	550	783	Better Off Funding
Pine Tree Replacement	25	56	
Carpark resealing	12	-	Delayed until West End toilet block is installed
	592	**839**	
Total capital projects	**1,215**	**1,733**	

Performance indicators

Community Outcome	How do Parks & Reserves contribute to this Outcome?	What do we need to do towards achieving this Outcome?
Future We work with our community and our partners to create a better place for future generations	The desire for outdoor recreation is something that provides benefits across the generations. The experience of children in these spaces contributes to their development as healthy adults, and in turn the future wellbeing of the community.	We work to optimise the potential of our parks and reserves to provide enjoyable recreation opportunities for people of all ages.

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	**Achieved?**
Resident satisfaction with the cemetery, public toilets, and playgrounds (combined)	71%	75%+	80%	Yes

Property

What we do

Properties include the Memorial Hall and Scout Hall, the Op Shop, housing for the elderly on Torquay St, the Civic Centre, and the soon-to-be-developed Wakatu Quay.

Key issues in the year to 30 June 2025

The Wakatu Quay project is supported by a $10.18m grant from Kānoa – the government Provincial Growth Fund, which aims to enhance economic development opportunities, create sustainable jobs, boost social inclusion and participation and build resilient communities.

The contract for the construction of the building was awarded to a local contractor and as of the 30th June 2025 construction was well underway as well as the required infrastructure. Completion is forecasted for October 2025

What we did

Two of the pensioner units on Torquay Street were refurbished as they became vacant.

A grant was paid over to Te Ha O Matauranga to finish the Scout Hall kitchen, and audio equipment was purchased to use for events at the Memorial Hall.

Major projects

Project	Planned $000	Spent $000	Comment
Upgrade to meet increased demand:			
Wakatu Quay PGF project	3,891	2,857	Construction well underway
	3,891	**2,857**	
Renewal/replacement of existing assets:			
Housing for the Elderly	20	19	Flat refurbishment
Memorial Hall	-	5	Refurbishments
Civic Centre	-	3	
	20	**27**	
	3,911	**2,884**	

Performance indicators

Community Outcome	How does Property contribute to this Outcome?	What do we need to do towards achieving this Outcome?
 **Services** Our services and infrastructure are cost-effective, efficient, and fit for purpose	To be fit for purpose, community properties must be suitable for holding public events and gatherings, or for other public administrative or operational functions.	We need to ensure that our properties comply with current building safety standards, including disability access requirements, and that facilities are clean and well maintained.

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?
The percentage of public buildings with a current Building Warrant of Fitness (BWOF)	100%	100%	100%	Yes
The number of Memorial Hall bookings (excluding Council use) per annum	82	> 40	260	Yes

Airport

What we do

The Council owns the Kaikōura Airport situated 8km south of the township, at Peketa. The facilities include a modern terminal building, two hangars (one owned by the Kaikōura Aero Club), refuelling facilities and helipad. The sealed runway is 700 metres long and therefore only suitable for aircraft such as Cessna Caravans or similar. The grassed runway is 615 metres long and is used mainly by student pilots for training.

Key issues in the year to 30 June 2025

In 2024 the Automated Intelligent Movement Monitoring (AIMM) system at the airport, which records aircraft movements such as landings and take-offs, suffered technical issues possibly due to internet connectivity problems. This meant there were likely to have been gaps in the records of landing for the Council to recover landing fees.

What we did

We installed a new version of AIMM, which receives automated GPS tracker transmissions from aircraft, no longer relying on pilots to make radio calls. We also installed Starlink to resolve the sporadic internet connection.

What we said we'd do but didn't

We delayed the sealing of an access road to the hangar sites because there is a new Hanger being built by a private operator, so we will seal the access when works are completed.

Performance indicators

Community Outcome	How does the Airport contribute to this Outcome?	What do we need to do towards achieving this Outcome?
Development We promote and support the development of our economy	Some significant tourism related businesses operate from the airport which contribute to the local economy.	Whilst it remains under Council management Council needs to ensure that the airport is configured, managed and operated safely in a manner than conforms with CAA requirements.

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?
The number of Civil Aviation Authority Surveillance Findings[7]	0	0	0	Yes

[7] A *Surveillance Finding* is a formal identification and documentation by the Civil Aviation Authority of a material aviation risk that has not been properly managed.

Harbour

What we do

We manage and maintain the public slipway and jetty at South Bay, as well as the areas used by commercial operators (fishers and tourism operators) such as the boat park. We also manage and maintain the North Wharf at Wakatu Quay, and the Old Wharf located by Fyffe House.

Key issues in the year to 30 June 2025

Insurance is now a significant cost for the harbour, with premiums more than doubling after the Council obtained valuations for replacement cost which has increased the insured values substantially.

Due to high usage of all areas higher maintenance was needed at all harbour sites with plumbing issues at the Mariner toilets requiring urgent attention.

What we did

We replaced the plumbing in the mariner toilet block as well as internal plaster repairs and paint.

We replaced the decking and steps on the public jetty at South Bay boat ramp.

Major projects

Project	Planned $000	Spent $000	Comment
Renewal/replacement of existing assets			
South Bay harbour renewals	5	31	Licence Recognition parking machine

Performance indicators

Community Outcome	How do Harbour facilities contribute to this Outcome?	What do we need to do towards achieving this Outcome?
Development We promote and support the development of our economy	Kaikōura's economy is quite heavily reliant upon our marine-based activities, and so the harbour facilities need to have sufficient capacity to cater for growing numbers of visitors and slipway users, as well as larger boats including the return of small cruise ships	We need to ensure that harbour facilities meet the needs of existing users and plans for expansion are in readiness if a commercial business partner can be found.

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?
The number of complaints received about the condition of harbour facilities (slipway, wharves, washdown areas, etc)	2	3 or less	3	Yes

Forestry

What we do

We own 11.5% of the Marlborough Regional Forestry joint venture (MRF), with the Marlborough District Council. We also own a small plantation at South Bay opposite Ocean Ridge.

Key issues in the year to 30 June 2025

The Council made the decision

that the South Bay Forest will be harvested in 2025, with the trees at full maturity and approaching the point of becoming a safety risk due to their age.

The Council acknowledges that the area is used significantly by the community as a recreational space. A reserve management plan process is underway for the future of the area with a strong focus on community engagement.

It is important to note that the Council has applied for an exemption from carbon credit liabilities for the area. If unsuccessful, the Council will need to replant the site within four years with a species (either native or non-native) and density that meets the requirements for forested land under the Emissions Trading Scheme (ETS). Financial provision for replanting has been made in Year 4 of the Long-Term Plan 2024-2034 if replanting is required.

What we did

MRF remains in a six-year phase of no logging due to there being no forests at maturity.

Tasman Forestry Management were engaged to harvest the South Bay Forest. The forestry was harvested with the funds received from the sale of logs held in reserves to reinvest in the reserve. As part of the Reserve Management Plan the public were invited to submit their ideas on the future of the forestry area.

Funding Impact Statement: Facilities

For the year ended 30 June 2025

	2023/2024 Long-Term Plan $000	2024/2025 Long-Term Plan $000	2024/2025 Actual $000
Sources of operating funding			
General rates, UAGCs, rates penalties	855	853	872
Targeted rates	617	790	847
Subsidies & grants for operating purposes	86	95	125
Fees and charges	870	640	664
Internal charges and overheads recovered	127	127	127
Fuel tax, fines, infringement fees & other	-	541	847
Total operating funding (A)	**2,555**	**3,046**	**3,481**
Applications of operating funding			
Payments to staff and suppliers	1,461	1,609	1,572
Finance costs	86	136	148
Internal charges and overheads applied	674	798	941
Other operating funding applications	-	-	1,567
Total applications of operating funding (B)	**2,222**	**2,543**	**4,228**
Surplus/(deficit) of operating funding (A-B)	**333**	**503**	**(747)**
Sources of capital funding			
Subsidies & grants for capital expenditure	-	5,009	3,945
Development and financial contributions	8	53	69
Increase/(decrease) in debt	(228)	(241)	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**(220)**	**4,820**	**4,014**
Application of capital funding			
Capital expenditure			
- To meet additional demand	-	3,891	2,857
- To improve the level of service	-	623	105
- To replace existing assets	266	612	1,656
Increase/(decrease) in reserves	(153)	198	(3,466)
Increase/(decrease) in investments	-	-	2,114
Total applications of capital funding (D)	**113**	**5,324**	**3,267**
Surplus/(deficit) of capital funding (C-D)	**(333)**	**(503)**	**(747)**
Funding balance ((A-B) + (C-D))	**-**	**-**	**-**
Reconciliation			
Total application of operating funding (B)			**4,228**
Plus depreciation			855
Less internal charges			(127)
Expenditure as per Note 4			**4,956**

Leadership & governance

Our Goal: we provide leadership to the community and have in place a system of representation which is open and transparent. We engage with, and inform our community, and give opportunities for participation in the democratic process and decision making. We provide accountable stewardship of the Council's assets and resources.

What we do

This group of activities includes the Mayor and Councillors, the Chief Executive, HR, support services such as asset management, finance and IT, and communications.

The Kaikōura District is governed by the Council consisting of one Mayor and seven councillors, each elected at large (there are no wards with separate representation). The Council aims to provide an effective and fit for purpose system of governance and democratic local decision making that facilitates the involvement of the community, residents and ratepayers and mana whenua.

Within this activity is the Chief Executive, whose role as the employer is to provide a workplace that meets health and safety obligations, legal responsibilities, and manages risk.

The activities of Finance, Information Technology, GIS/Mapping, Works & Services, Human Resources and Vehicles are included here. Each are core centralised functions that touch every activity of Council.

Communications are a vital activity to enable our residents to be informed, to be heard, and to be involved in decision making.

The Council aims to have effective and fit for purpose services, processes and systems that prioritise affordability and sustainability.

Key issues in the year to 30 June 2025

The last 12 months have been an intense phase of Council meetings, workshops, and consultations, with approving the new Spatial Plan, progressing Wakatu Quay, development and approval of 4 out of 5 Reserve Management plans and pushing forward with a landscape plan for South Bay Reserve, to name a few.

With the change of government it was signalled that there would be new direction for both reform of planning legislation (Resource Management Act) as well as what is now referred to as Local Water Done Well. As a result of the Local Water Done Well legislation, Council approved the implementation of a joint Waters Council Controlled Entity with Hurunui.

What we did

We approved the Spatial Plan which provides for a high-level view on the direction of our district and where development could occur.

We set ourselves the target of completing 5 management plans of which 4 were completed (Esplanade Reserve, South Bay Domain, South Bay Forest and the Top 10 Holiday Park) with the remaining one for Takahanga Domain still to be progressed.

To bring our systems up the 21st century we carried out a joint procurement and implementation with Hurunui District Council to replace our IT (ERP) system which had a go live target of 1 July 2025.

Effects on community wellbeing

	Positive effects	Negative effects
Social	Every decision the Council makes influences the economic, environmental, social, and cultural wellbeing of our community. It is the Council's responsibility to ensure that this effect is a positive one.	No identified effects
Economic		No identified effects
Environmental		No identified effects
Cultural		No identified effects

Major projects

Project	Planned $000	Spent $000	Comment
Renewal/replacement of existing assets:			
Office furniture and equipment	15	9	Replace chairs for office, library, and meeting rooms
Computers & IT equipment	46	15	Replace laptops, desktops, and monitors
	61	**24**	

Performance indicators

Community Outcome	How do the Mayor and Councillors contribute to this Outcome?	What do we need to do towards achieving this Outcome?
Community We communicate, engage with, and inform our community	It is the Council's role to represent community views and aspirations, and to ensure that all decisions made are made in the best interests of the community, and as fair and equitable as practicable.	We proactively engage with individuals, community groups, key stakeholders and Iwi partners on issues that are known to be of community interest, so as our decisions are well-informed and made with consideration of our community's views.

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?
The percentage of survey respondents who are satisfied with the Mayor, Councillors, and staff	64%	60%	67%	Yes
The percentage of survey respondents who are satisfied that the Council consults with residents on important issues	59%	50%+	56%	Yes

Community Outcome	How do the CEO and Support Services contribute to this Outcome?	What do we need to do towards achieving this Outcome?
Services Our services and infrastructure are cost effective, efficient and fit-for-purpose	This leadership and management function of the Council is at the forefront of ensuring that financial and operational risks are managed, and the Council's financial position is healthy and sustainable.	We need to ensure the cost of Council services are prudently supervised to ensure that the impact of costs on rates are mitigated, annual budgets are not exceeded, and sound asset management practices are in place.

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?
Total Council operating budgets for payments to staff and suppliers are not exceeded (these payments exclude loan interest and depreciation)	102%	100%	119%	No
The percentage (by cost) of the annual capital work programme that is delivered in the planned timeframe	39%	Not less than 75%	55%	No

Community Outcome	How does Communications contribute to this Outcome?	What do we need to do towards achieving this Outcome?
Community We engage and communicate with our community	We communicate simply and effectively with our community and provide opportunities for informed decision making. We use a variety of different communication methods to ensure that as many people as possible have access to information and can participate in decision making/submission processes.	We will continue to provide accessible and current information for our diverse community. We need to enable the community to have their say on important issues and voice their opinion in a constructive way on key Council activities and proposals. We also need to take Council staff and Councillors on the journey with us so they can be the voice of the Council in the community.

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?
The number of Council Facebook followers	5,900	5,420	6,286	Yes
The percentage of survey respondents who are satisfied with the Council's communications	78%	70%	75%	Yes

Funding Impact Statement: Leadership & governance

For the year ended 30 June 2025

	2023/2024 Long-Term Plan $000	2024/2025 Long-Term Plan $000	2024/2025 Actual $000
Sources of operating funding			
General rates, UAGCs, rates penalties	1,284	1,356	1,385
Targeted rates	-	-	-
Subsidies & grants for operating purposes	-	40	1
Fees and charges	38	45	68
Internal charges and overheads recovered	2,493	2,593	3,125
Fuel tax, fines, infringement fees & other	-	-	2
Total operating funding (A)	**3,815**	**3,994**	**4,581**
Applications of operating funding			
Payments to staff and suppliers	3,386	4,048	4,043
Finance costs	3	13	19
Internal charges and overheads applied	384	347	396
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**3,772**	**4,408**	**4,458**
Surplus/(deficit) of operating funding (A-B)	**43**	**(414)**	**123**
Sources of capital funding			
Subsidies & grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	220	400	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**220**	**400**	**-**
Application of capital funding			
Capital expenditure			
- To meet additional demand	-	-	-
- To improve the level of service	-	-	15
- To replace existing assets	323	61	9
Increase/(decrease) in reserves	(60)	(75)	99
Increase/(decrease) in investments	-	-	-
Total applications of capital funding (D)	**263**	**(14)**	**123**
Surplus/(deficit) of capital funding (C-D)	**(43)**	**414**	**(123)**
Funding balance ((A-B) + (C-D))	**-**	**-**	
Reconciliation			
Total application of operating funding (B)			**4,458**
Plus depreciation			121
Less overhead recoveries			(3,125)
Expenditure as per Note 4			**1,454**

Building & regulatory

Our Goal: to protect public health and safety by ensuring compliance with legislation and local bylaws. We deliver assurance by ensuring the decisions made are fair, sound, and protect the Council and ratepayers.

What we do

This group of activities consists of:

- Building control
- Statutory planning
- Parking control
- Animal management
- Food premises, alcohol licensing & environmental health
- Other TA regulatory functions (including freedom camping, noise control and bylaw enforcement)

Building and regulatory services ensure that rules and regulations are adhered to, especially in the areas affecting public health and safety. It involves assessing and processing building and resource consent applications, inspecting buildings and resource consent applications, inspecting buildings under construction, ensuring compliance with legislation relating to food premises, sale of liquor, and animal control. We also provide a responsive and efficient resource consent service that observes planning rules.

Key issues in the year to 30 June 2025

Key issues were an increase in unregistered dogs. The current economic climate has impacted the dog registrations. There will be an increase in enforcement and education to the community regarding all aspects of dog control. There has been an increase in housing being used for Visitor Accommodation, which is having an impact across the district. We are actively monitoring this and 2026 will see an increase in enforcement action to ensure consents are gained for this activity.

Effects on community wellbeing

	Positive effects	**Negative effects**
Social	Regulations exist to protect the health and safety of the whole community by ensuring compliance with legislation and that required standards are met	No identified effects
Economic	Efficient building consent processes enable development to proceed	Regulation can result in compliance costs and delays
Environmental	Enforcement of the Responsible Camping Bylaw helps to prevent bad behaviours	No identified effects

Building control

What we do

Building control is responsible for implementing and administering the provisions of the Building Act 2004 and associated Building Regulations and Building Code. Under the Act, Council must maintain accreditation as a Building Control Authority (BCA) to provide this service. The main purpose of the Act, and our work is to is to provide oversight for building work, monitor Licensed Building Practitioners and Registered Plumbers and Drainlayers undertaking Consented Building Work to ensure the performance standards of buildings meet the Building Code.

As an accredited BCA, the Council ensure buildings are safe and healthy for the people who use them.

It is responsible for issuing documents such as Code Compliance Certificates (CCCs), Certificates of Public Use (CPUs), Building Warrants of Fitness and processing Project Information Memorandums (PIMs). The activity is focused on meeting legislative requirements, while balancing customer service with the management of risk to Council and the public.

Key issues in the year to 30 June 2025

The Building Control Manager role was finally filled as of 1 July 2024. The key focus for the year was maintaining effective operation of the BCA in an environment where the Government is currently implementing a lot of legislative changes in a short time frames. Some major legislative changes are also set to impact all Council BCAs through until 2026.

What we did

Services were maintained utilising a combination of employed KDC staff and contractors. However, Contractors are not undertaking as much of this work as they once did. We are still using Comply NZ to process a small number Building Consents this year, as you never know when we may need them again, to do the bulk of our Building Consent processing.

Between 1 July 2024 and 20 June 2025, the KDC BCA processed 110 x Building Consents, 10 x Certificates of Acceptances. We also conducted 1055 various Site Inspections, and we issued 115 Code Compliance Certificates. All were achieved within the statutory 20 working day timeframe.

This all occurred while key staff also undertook various required training programmes, and Competency Assessments via external assessors to improve our current competencies.

What we expect to happen in the next 12 months.

In the coming few months the BCA will be moving to new IT solutions to assist with our Consent Processing, Inspecting and other core BCA functions.

March / April 2026, we can expect to see IANZ onsite to carry out our 2 yearly BCA Accreditation Audit.

We are also expecting / planning to see an increase in Consent Applications, especially when the Kaikoura Business Park comes online.

Performance indicators

Community Outcome	How does Building Control contribute to this Outcome?	What do we need to do towards achieving this Outcome?
Development We promote and support the development of our economy	Building development is fundamental for economic activity to take place, and it is our role to ensure that buildings are safe and constructed in accordance with the NZ Building Code.	It is important the consent process does not overly obstruct economic investment or for new business to establish themselves in the district. We need to ensure that we retain our accreditation status, and that we are timely and efficient in our consenting, inspecting and certification processing.

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?
The percentage of building consents processed within statutory timeframes	97%	97%+	100%	Yes
IANZ independent BCA Audit (2 yearly)	Accredited	N/A	N/A	N/A

Statutory Planning

What we do

The Council provides support to our community to implement policy direction. We process resource consents for subdivision and land use. The consent process aims to ensure that the developments are sustainable and that effects on the environment are avoided, remedied, or mitigated.

We also give advice to potential investors in Kaikōura by way of pre-application meetings and through the provision of Land Information Memoranda.

Key issues in the year to 30 June 2025

There have been a number of developments taking place throughout the district, however, not on a significant scale.

The Council's back-scanning of physical property files and resource consents in now complete and quality assessment of these applications continues. The digitalisation of records will result in a modern efficient Council. The scanning has not resulted in any significant delays for LIMs (Land Information Memorandums).

Due to the size of the team, processing resource consents within timeframes can be challenging especially with staff turnover. Council has used external consultants to process some resource consents to assisting in meeting timeframes, the cost of this is met by the applicant.

What we did

We received 18 subdivision consents, 45 land use consents, as well as changes to consent conditions. A total of 72 consents were received, of these three were incomplete and three were withdrawn and two refused. In addition we processed 63 PIMs (Project Information Memorandums), 170 LIMs (Land Information Memorandums) and gave advice on the District Plan.

Most subdivision consents have resulted in less than 5 new lots being created, two significant exceptions are the approval of 52 allotments for the Kaikoura Business Park and 22 allotments for the extension of Igles Drive within Ocean Ridge.

41% (6/45) Resource consents were processed externally by consultants, meaning Council was able to process the remaining 59% internally. 70% of consents were processed within timeframes with 30% outside of timeframes. Partial refunds as required were given for consents processed outside of timeframes.

What we planned to do but didn't

Not all resource consents were processed within the statutory timeframes.

Performance indicators

Community Outcome	How does Statutory Planning contribute to this Outcome?	What do we need to do towards achieving this Outcome?
Development We promote and support the development of our economy	Resource consents, including subdivision and new land uses are important for new economic activity, and it is our role to ensure that new development meets our District Planning rules, as well as regional and national planning standards and legislation.	It is important the consent process does not overly obstruct economic activity, including investment or for new business to establish themselves. We need to ensure that we are timely and efficient in our consenting and monitoring processes.

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?
The percentage of resource consents processed within statutory timeframes	70%	97%	70%	No

Although we intended to process all consents within statutory timeframes, and used external consultants to assist, we were unable to meet these timeframes due to complexity of some consents and lack of resources.

Parking control

What we do

Traffic warden duties are undertaken by Council's Regulatory Enforcement Officers to minimise irresponsible parking practices, particularly in the West End. These duties help to ensure that people are parking with consideration for others, and make proper use of disabled parking spaces, time-limited parking areas, loading zones etc.

Parking enforcement is closely linked to management of freedom camping because campers generally park in defined parking places to stay overnight, and our parking wardens and camping ambassadors therefore shared these regulatory duties.

Regulatory officers and Freedom Camping Ambassador were also responsible for educating visitors to the town about the upcoming legislative changes to the Freedom Camping Act. They also educated visitors around our own district bylaws.

Key issues in the year to 30 June 2025

The parking warden has taken an approach of education and communication to encourage better parking behaviour, before enforcement is more forcibly undertaken. This resulted in 28 tickets being issued a drop of 174 issued tickets. This was due to having a consistent presence in the community.

What we did

Our parking team regularly monitor the town, and this has resulted with increased compliance. We have installed licence plate recognition cameras at South Bay Harbour to capture non-compliance. This can be done remotely, and customers can purchase tickets online for Annual pass, Monthly pass and daily pass. This comes into effect August 2025.

Performance indicators

Community Outcome	How does Parking Control contribute to this Outcome?	What do we need to do towards achieving this Outcome?
Development We promote and support the development of our economy	Parking control ensures parking spaces are available for the public so they can have convenient access to urban retailers, hospitality providers and businesses, and that the nuisance of inappropriate or illegal parking is minimised.	We provide regular patrols of car parking areas and respond to all complaints of inappropriate or illegal parking.

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?
The number of infringements issued for inappropriate or illegal parking.	202	<60	28	Yes

Animal control

What we do

Animal Control is responsible for implementing the Council's bylaws and policies relating to dogs and stock in our district. This activity focuses on promoting responsible dog ownership that allows owners to enjoy their dogs without inhibiting the enjoyment and safety of others.

The council maintains a register of dogs within the district as part of legislative responsibilities, and this assists us to investigate and respond to dog related incidents. We also maintain a pound to ensure we can deal appropriately with dogs, and any other animals which need to be contained.

Regulatory officers work with NZTA contractors to ensure all wandering stock is attended to, and we work closely with SPCA and MPI for any Animal Welfare complaints and concerns.

There are currently 1,262 known dogs in the district. Our Regulatory Enforcement Officers are on call 24 hours a day, 7 days a week, also educating dog owners and following up unregistered dogs.

Key issues in the year to 30 June 2025

Although staffing levels are good in the regulatory space, there is still only one dog control officer with other regulatory duties to perform. This has not impacted on response times. Economic climate and cost of living has impacted dog requiring re homing. Our team have to take dogs out of the district to welfare centres as there is not one located in the district.

What we did

We introduced Doggone – a text to unite service that provides lifetime eco-friendly tags. This service will also assist the Regulatory Team with after-hours dog calls and reduce potential fees to dog owners.

The Doggone service helps reunite lost pets with their owners by enabling a text service so anyone finding a lost pet simply texts the pet's unique tag number to 4133 to receive the information needed to reunite owner and their furry friend as quickly and humanly (or caninely!) possible.

This year we started a "Reading with dogs" program at the Library and one local primary school to help improve literacy, and we attended three community events to promote dog safety in the home.

Performance indicators

Community Outcome	How does Animal Control contribute to this Outcome?	What do we need to do towards achieving this Outcome?
Services Our services and infrastructure are cost effective, efficient and fit-for-purpose	Our internal animal control capabilities have been increased in recent years and we now have dedicated resources that can meet community expectations when responding to dog or stock control issues.	We need to provide 24/7 animal control services to minimise the danger, distress and nuisance caused by dogs and wandering stock.

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?
The percentage of dog or stock complaints that are responded to within timeframe: Urgent[8] – 1 hour Serious nuisance – 6 hours General nuisance – 1 day All other issues – 5 days	96%	80%+	96%	Yes
The percentage of dogs known to be living in the district that are registered	99%	97%	97%	Yes

[8] Urgent = dog attacks, Serious nuisance = dog rushing, dog worrying stock, dog or stock roaming, General nuisance = dog barking or animal welfare issues.

Food premises, alcohol licensing & environmental health

What we do

This activity has a primary focus on improving and promoting public health, wellness and safety within the district. The Council regulates food safety, noise control, hazardous substances and health nuisances, alcohol licensing, gambling and offensive trades.

The Council has a responsibility to administer and undertake its registration, verification and enforcement functions pursuant to the Food Act 2014, Food Regulations 2015, and Food Notices (guidelines issued by the Ministry of Primary Industries MPI). The Council will continue to carry out its functions as a co-regulator with MPI. We will work closely with the food industry to ensure that they are all registered and verified in accordance with the Act. This will be a positive and encouraging approach with a focus on compliance and ensuring that all foods sold are safe and suitable.

The Council ensures that the sale and supply of alcohol is managed responsibly with the purpose of minimizing alcohol-related harm, and that licensed premises are top quality hosts.

Environmental health services also encompass several activities in the community that require rules to safeguard public health and safety. These range from premises such as hairdressers, beauty salons, tattooists and skin piercing businesses, funeral directors, mobile shops and the keeping of animals, poultry and bees.

Key issues in the year to 30 June 2025

MPI have introduced a new Levy under the Food Act 2014. This will come into effect on 1 July 2025 and has a 3-year increase.

- from 1 July 2025 to 30 June 2026 – $66.13 (incl GST)
- from 1 July 2026 to 30 June 2027– $99.19 (incl GST)
- from 1 July 2027 – $132.25 (incl GST) per year.

Council will invoice premises for this and then be responsible to pay MPI annually.

What we did

Food premises verifications have been undertaken as required under the Food Act, and general registered premises such as hairdressers and camping grounds continue to be inspected.

Currently we have 64 Food Act Registrations, 54 are Food Control Template Plan, 10 National Programme.

30 On-licenses, 8 Off-licenses, 5 Club licenses, and 113 Certified Managers.

Performance indicators

Community Outcome	How does Food Premises, Liquor Licensing & Environmental Health contribute to this Outcome?	What do we need to do towards achieving this Outcome?
Development We promote and support the development of our economy	With our local economy heavily reliant upon international and domestic tourism, our hospitality services need to be of excellent quality to ensure that our reputation as a superior destination is upheld.	We need to educate food premises on the hygienic handling of foods and encourage good quality dining experiences that promote Kaikōura's reputation as a superior destination.

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?
The percentage of food premises inspected within statutory timeframes	40%	100%	43%	No*
The percentage of licensed liquor premises that are inspected.	100%	100%	100%	Yes

*Not all food premises were inspected within timeframe. Of 53 verifications due, 22 were completed on time, 15 were scheduled with the next trip and 4 were scheduled on an earlier trip to minimise costs, 4 were closed/on voluntary suspension, 4 were unable to be completed before 1 July 2025 but have been scheduled for 31 July or 1 August 2025 and 4 were completed late due to unforeseen circumstances.

We have worked alongside our accounts team and have developed a robust spreadsheet that will ensure verifications aren't missed or left overdue for the future. We have been endeavouring to minimise the number of overdue verifications and as a result, assuming no verifications are unexpectedly cancelled by the 1st of August 2025, there will be no overdue verifications across all council-verified food registrations in Kaikoura.

Other TA regulatory functions

What we do

Other TA functions include litter and illegal dumping control, inspecting and issuing building warrants of fitness to commercial premises, and monitoring of swimming pools.

Key issues in the year to 30 June 2025

For the majority of the year, we had a lack of qualified staff to perform Building Warrant of Fitness audits.

What we did

We now have a register of swimming pools and their inspection dates, with an information pack going out to all pool owners. We have identified 58 swimming pools in the district an increase from previous number of 23.

We updated all Freedom Camping signage, including ensuring sites are clearly marked with reflective paint. All camping parks have been resprayed to identify them. Signage has increased in areas where camping is prohibited. The Freedom Camping ambassador has continued to educate visitors around new legislation changes.

Funding was approved to employ Freedom Camping ambassadors and to replace outdated signage and increase education with the new legislation taking affect in June 2026. The significant drop in complaints shows that having a person monitoring evenings and mornings year round has seen an improvement in general camping behaviours and increased compliance.

What we planned to do but didn’t

Increased education in the Visitor Accommodation Resource Consent space, has shown an increase in consent applications and enquiries from potential buyers. Enforcement and monitoring continue in this space.

Performance indicators

Community Outcome	How do Other TA Regulatory Functions contribute to this Outcome?	What do we need to do towards achieving this Outcome?
Development We promote and support the development of our economy	The safety of commercial buildings, including accommodation providers, is essential to protect our reputation as a superior visitor destination. Responsible camping, while a contentious issue, is a rapidly growing visitor economy that should be welcomed with restrictive controls in place.	The Council has a legal obligation to undertake its Territorial Authority regulatory functions, and we will continue to ramp up our role in this area to ensure our compliance. Education and enforcement of responsible camping is a high priority during the peak visitor season.

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?
The percentage of commercial premises that have been inspected and/or audited for their BWoF as required	0%	97%	95%	No
The number of complaints received about freedom campers behaving irresponsibly	51	<12	8	Yes

Funding Impact Statement: Building & regulatory

For the year ended 30 June 2025

	2023/2024 Long-Term Plan $000	2024/2025 Long-Term Plan $000	2024/2025 Actual $000
Sources of operating funding			
General rates, UAGCs, rates penalties	529	659	673
Targeted rates	64	63	59
Subsidies & grants for operating purposes	-	-	11
Fees and charges	769	975	871
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	21	22	8
Total operating funding (A)	**1,383**	**1,686**	**1,622**
Applications of operating funding			
Payments to staff and suppliers	1,098	1,372	1,302
Finance costs	-	-	-
Internal charges and overheads applied	335	344	406
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**1,433**	**1,716**	**1,708**
Surplus/(deficit) of operating funding (A-B)	**(50)**	**(31)**	**(86)**
Sources of capital funding			
Subsidies & grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**-**	**-**	**-**
Application of capital funding			
Capital expenditure			
- To meet additional demand	-	-	-
- To improve the level of service	-	-	-
- To replace existing assets	-	-	-
Increase/(decrease) in reserves	(50)	(31)	(86)
Increase/(decrease) in investments	-	-	-
Total applications of capital funding (D)	**(50)**	**(31)**	**(86)**
Surplus/(deficit) of capital funding (C-D)	**50**	**31**	**86**
Funding balance ((A-B) + (C-D))	**-**	**-**	**-**
Reconciliation			
Total application of operating funding (B)			**1,708**
Plus depreciation			3
Expenditure as per Note 4			**1,711**

Community services

Our Goal: we are committed to putting our community first and will consolidate processes where residents come together to take collective action generating solutions to common problems.

What we do

This group of activities consists of:

- Customer services
- Community development
- Civil defence emergency management
- Community grants, events & fundraising
- Youth development
- Kaikōura District Library

We are committed to putting our community first and consolidate internal processes generating solutions to common problems. We also provide opportunities to further build partnerships with community groups and organisations to collectively build social capital.

Key issues in the year to 30 June 2025

The focus on our new Enterprise Resource Planning (ERP) system has taken up much time and thought this year. Datascape, the name of the new system, is designed to streamline operations by connecting most departments and functions into a single unified system, but it required much work to clean up the existing data before it could be moved to the new system.

What we did

We started creating written customer service requests (CSR's) to better track our responses to the community.

We worked on testing the new system, identifying and eliminating errors to improve overall efficiency and decision making in the future.

We continued to work with Te Whare Putea who purchased the 7 temporary accommodation units and is working towards becoming a Community Housing Provider.

Kaikōura Youth Council was supported to deliver successful youth events and a robust youth voice.

The Community appreciated the increased digital products available through the library with 97% in the resident satisfaction survey.

The Mayor's Taskforce for Jobs was supported to deliver another successful year for placing people into employment and training with local businesses.

What we planned to do but didn't

We planned to map our reception business processes in Flowingly. Datascape took precedence and this will happen in the next financial year.

Effects on community wellbeing

	Positive effects	Negative effects
Social	Connecting social service providers, including supporting Te Whare Putea to become a Community Housing Provider (CHP) in a cost-of -living crisis, supporting with free community events (including Violence Free funded awareness raising workshops), and developing an upgraded online library service, has connected communities, and promoted community wellbeing.	No identified effects
Economic	Managing the 16 Pensioner Units in collaboration with Te Whare Putea to ensure adequate housing for older people on a fixed income. Supporting the Mayor's Taskforce for Jobs Coordinator, assisting local businesses with employment and one-off payments and support.	No identified effects
Environmental	By supporting Youth Council, we support the youth voice endorsing climate change initiatives. We supported the Dark Sky initiative to work towards International Dark Sky accreditation.	No identified effects
Cultural	We have supported any Ngati Kuri cultural event by offering the Memorial Hall at no cost, including Takiwa Kapa Haka.	No identified effects

Customer services

What we do

The Council's Front of House staff is the first point of contact for most people, either by phoning the Council or coming to the office. The team creates customer service requests, provides receipting and administrative support, photocopying, booking meeting venues, etc., and supports the organisation with any other administrative duties as and when required.

Key issues in the year to 30 June 2025

We worked on increasing our efficiency, performance, responsiveness by logging all interactions through customer services requests, be it phone calls, emails or across the counter.

We continued to face staff changes. Reception staff dropped from 3 to 2 people, with the 3rd person taking on Datascape integration of all our systems.

What we did

We worked closely with other teams to ensure our customer service requests were set up correctly. We tested and confirmed that the new Datascape system was working as it should for service requests, ensuring they were going to the correct team.

What we planned to do but didn't

We planned to develop our customer profiles. This is planned for the new year.

Performance indicators

Community Outcome	How does Customer Service contribute to this Outcome?	What do we need to do towards achieving this Outcome?
Community We engage and communicate with our community	Smooth joined-up internal processes are delivered to residents at the front counter creating efficient and timely customer support.	We need to boost and support all areas of the organisation to be more resident focused to increase our proficient and friendly customer service across the board.

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?
The percentage of survey respondents who are satisfied, or very satisfied, with the Council's customer services team	85%	79%	84%	Yes
Number of Customer Service Requests	2,250	2,000	4,953	Yes
Number of till interactions	1,825	1,200	1,443	No
Property File Requests and Scan on Demand within timeframe		90%	100%	Yes

Community grants, events & fundraising

What we do

We administer local funds such as the Sport Rural Travel Fund, the George Low Trust, and the Creative Communities Scheme, we further facilitate and support various community events, and we continually seek and apply for external funding to enable projects, both for the Council and for community groups.

Key issues in the year to 30 June 2025

A record number of community groups applied to our locally administered funds; this meant less funding was available across community groups, and more administration time.

Our community events were less as the Event's Coordinator was on maternity leave for 6 months.

What we did

Fundraising

We secured a grant from Lotteries Community Facilities Fund for $160,000 to deliver Stage two - lighting for the Takahanga MainPower Multisport courts.

We secured $260,000 from the Ministry of Social Development to deliver the Mayor's Taskforce for Jobs.

Events

The Event Coordinator added value and support and was involved with 12 community events, including:

- West End Christmas Festival
- Kaikōura A & P Show
- Kaikōura Adventure Race
- Health Day at the Pa
- Matariki
- Empowering Seniors Expo
- North Canterbury Business Awards
- Cruise Ship welcomes
- Plunket disco
- Citizenship Ceremony
- Game On – Sport Tasman
- Easter Egg Hunt

Grants

The total of $49,286 was available across our four community grants, and we allocated 27 successful grants.

Of the 27 successful applicants, 13 of the applications supported youth, 7 supported older people initiatives, and 17 applications supported children, with some applications crossing over multiple target groups.

What we planned to do but didn't

We planned for a multicultural event, but maternity leave was taken, and it is planned for 2025.

Performance indicators

Community Outcome	How do Community Grants contribute to this Outcome?	What do we need to do towards achieving this Outcome?
Community We communicate, engage and inform our community	Small grants play a key part in creating opportunities for participation, especially for elderly and youth in the community.	We need to continue to advertise the various community grants for one of projects for community organisations, schools and clubs and create opportunities for local communities to engage with and participate in arts and sports activities otherwise not available in our district

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?
The number of individuals or organisations funded to offer an arts, sport, or other opportunities to the community	29	10	27	Yes

Community Outcome	How do Community Events contribute to this Outcome?	What do we need to do towards achieving this Outcome?
Future We work with our community and our partners to create a better place for future generations	If we can create a sustainable community event environment with information and resources that are cohesive, easily accessible and in plain English, including the printing of resources to clubs, sports groups and education facilities, we can promote small to medium sized events all year round, positively impacting our community	We need to continue to refine our community events toolbox to support sustainable growth and promotion of community events in Kaikōura. We need to continue to provide and deliver a framework to enable the growth of events.

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?
The number of Council-supported events held	22	4	12	Yes

Emergency Management

What we do

Emergency Management promotes strong, resilient, and connected communities that can prepare, respond, and recover well from any emergency. At KDC, our Emergency Operations Centre (EOC) is kept in a state of preparedness, and our staff is ready to lead a coordinated emergency response. This includes building close relationships with the community and local partner agencies, so we can help ensure an effective response and recovery.

Key issues in the year to 30 June 2025

Old technology (phones and laptops) set aside for the EOC proved no longer fit for purpose.

New mobile Starlink dishes were acquired, enabling connections via our existing mobile phones and laptops, reducing costs significantly.

What we did

We employed a new Recovery Manager for Kaikōura. This is a legislated role with specific powers that come into play during an emergency.

The candidate was approved by KDC, CDEM, CEG and the Joint Committee, and will go to Parliament in August.

We continued to strengthen Kaikōura District Council's relationship with others across the CDEM stakeholder whanau.

The annual C10 conference was held in Kaikōura this year and was hosted at Takahanga Marae. This was an opportunity to air issues and repair our mutual understanding of the post-earthquake events.

New Tsunami Evacuation maps were issued by ECan for the Kaikōura District. These were widely publicised. As a result of the new modelling, the EMO met with each of the Kaikōura Schools to review their evacuation plans and to map appropriate meeting places for parents to collect their children. We continue to look at the essential supplies the schools should have prepared for a catastrophic event.

We had a public information table at the Matariki Market, Christmas Market and the A&P Show this year to share educational materials to promote local preparedness.

Operation Pandora was practiced in November with a full-scale Canterbury-wide Emergency Operation Centre activated:

- We operated two shifts across a full day with all CIMs functional teams represented. Police, Fire and Health also took part in the mock AF8 event.
- Although we scored well with our NEMA observer and CDEM, we need further training and recruit from the Community to fill resource gaps for around-the-clock shifts should they be needed.
- The existing location and set-up of the EOC in the Council Chamber did not work well. Alternative plans were drafted to use the working Council Office floor and the former file room instead.

What we planned to do but didn't

We planned to train two more people from the organisation in C10, but this did not happen. One person is booked for 2025.

The Emergency Management Strategy document was not completed this year but becomes a priority for next year.

Performance indicators

Community Outcome	How does Emergency Management contribute to this Outcome?	What do we need to do towards achieving this Outcome?
 **Future** We work with our community and our partners to create a better place for future generations	The EMO represents the Council with the day-to-day operations of the Canterbury Civil Defence Emergency Management (Group) and manages the strategies and work programmes that result from Group membership	Our community needs to continue to be integrally involved with the internal and external response planning processes. The EMO needs to continue to represent the Council as a member of the Canterbury 10 response team.

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	**Achieved?**
The number of scenario's held with cross-agency attendance	2	2	1	No

Kaikōura District Library

What we do

The Kaikōura District Library, located on the middle floor in the Civic Centre at 96 West End, is a busy space that is increasingly being used for small events, learning opportunities, book readings, children's programmes, computer literacy training and more.

Key issues in the year to 30 June 2025

Staffing is always an issue especially when people are sick or on holiday.

What we did

We have embedded all our significant changes from last year, which have helped increase our book issues and visits to the library:

- Utilising our local book supplier enabled a better delivery of service with more up-to-date books.
- We continued to maximise the updates of our Library Management System (Softlink/Liberty) to its full potential.
- Our Collection Management Strategy enabled us to continue with a relevant and ongoing assessment of our library collection and the rotation of material.
- We created relevant displays and collaborated on community events such as Dark Sky, Matariki and Pink Shirt Day. We facilitated author talks and book launches, and worked in partnership with our local Plunket group, our local Museum and Tuhura Otago Museum.
- We continued with our 'Reading with Dogs' programme, collaborating successfully with the Regulatory team.
- The quarterly meetings with the High School Library team continued, maximising book buying power across the district.
- We continued to encourage school visits and have hosted 2-3 school visits per week.
- We increased our digital resources by adding a second e-book provider called Libby (Overdrive). We also signed up to Creative Bug, a digital craft resource.

These changes have supported a marked increase in library membership, usage, issue statistics and digital activity. Every second resident is now an active library member!

What we planned to do but didn't

We planned to utilise the library space for separate small craft projects for interested community members. This did not happen but is still on the agenda for next year.

Project	Planned $000	Spent $000	Comment
Replacement of existing assets:			
Library books & resources	32	36	

Performance indicators

Community Outcome	How does the Library service contribute to this Outcome?	What do we need to do towards achieving this Outcome?
Community We engage and communicate with our community	The library plays a key part in creating opportunities for the elderly, youth and retaining families in the community	We regularly connect with our library users to find out what their needs and interests are, and we adapt and evaluate our services, programmes, and collection. We now also support growing access to digital information and technology

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?
Number of book and resource issue	25,000	24,000	33,951	Yes
Number of patron visits to the library	36,000	30,000	38,435	Yes

Community Development

What we do

The Council's community development activities form the hub of various community services that foster a safe and resilient community. Even though the 4 'Wellbeings' were removed from the Local Government Act 2002 in 2024, they continue to be a focus for our small rural district. This includes family violence coordination, older and young person's support, housing, and supporting or facilitating conversations with our local non-government organisations to deliver outcomes in our 5 priority areas:

- Engagement and partnership – conversations to better understand community needs
- Community pride and belonging – celebrate identity, heritage and cultural diversity while developing a growing sense of belonging and inclusion
- Social equity – supporting Kaikōura as a fair and just community
- Healthy and active communities – encouraging healthy living, physical activity and access to health services
- Safe and resilient communities – helping people feel safe in their homes, neighbourhoods, and public places.

Key issues in the year to 30 June 2025

We secured funding for the second year contract for the Mayor's Taskforce for Jobs, delivered by Te Hā o Mātauranga.

The demand for housing in Kaikōura grew and more people experienced a housing need. This demand was generated by a shortage of affordable housing driving up house prices and rents.

Some community members struggled with essential bills evidenced by a huge increase in food bank requests.

What we did

We collaborated with all community groups and many government agencies to create better conditions for our locals across the board.

We worked with Te Whare Putea to set up as a Community Housing Provider over the next 4 years, mitigating some affordable housing issues at no cost to the Council.

We worked with sports codes to land the final design of one level for the refurbishment of the multisport courts.

Performance indicators

Community Outcome	How does Community Development contribute to this Outcome?	What do we need to do towards achieving this Outcome?
Community We engage and communicate with our community	We build and maintain extensive networks with key stakeholders including local and central government, community, iwi/Māori and other cultural organisations by establishing a positive, credible public profile facilitating local solutions to local needs	With our focus on community wellbeing, we: • Enable the community to identify and articulate their aspirations for the future, • Develop strategies and plans, • Monitor and map the journey to wellbeing

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?
Monthly Community Service reports to the council including how we are building resilience of whanau and communities	21 reports	Not less than 10	22 reports[9]	Yes

[9] 11 Community Networkers meetings, and 11 Council reports

Youth Development

What we do

The Council supports the Kaikōura Youth Council and Te Hā o Mātauranga to deliver youth-focussed initiatives, training, and personal development.

Key issues in the year to 30 June 2025

Staff member capacity.

What we did

Kaikōura Youth Council reformed into one group (they had previously been operating as two separate groups, one focused on advocacy and one focused on events). This has meant that members have been involved in a wider range of activities and are able to develop skills and experience in more areas.

Youth Council took a focus on development at the start of the year. This was a good chance for the new Coordinators to get to know the members, their capabilities, interests and capacity. Members enjoyed the opportunity to expand their knowledge, and attending trainings outside of Kaikōura was an opportunity to see more and meet members of other youth councils and youth groups.

Kaikōura Youth Council has formed a subcommittee to plan the 2025 Kaikōura Youth Awards and have been meeting regularly to pull together this event (planned for 23rd August 2025).

Kaikōura Youth Council ran a range of events and activities: a Talent Show, Mental Health Awareness and Te Wiki o te Reo Māori week events, a Halloween and an Easter event, and a Youth Week event at the High School. They also supported local community events such as the Matariki Market and local Wellbeing Expo.

Youth Council has member representation on the Walking and Riding Strategy Working Group and the Creative Communities Funding Committee. KYC collaborated with Te Hā o Mātauranga to run a 'Movement Consultation' at the High School and with local te kura ākonga to help members feed into the Walking and Riding Strategy hui with a wider range of ideas. KYC wrote a submission on the Reserve Management Plan Draft with ideas for the South Bay Reserve and spoke to this submission at the hearings.

What we planned to do but didn't

KYC planned an event in collaboration with Te Hā o Mātauranga for June which did not go ahead due to capacity constraints. However, KYC will look at running this later in the year.

Performance indicators

Community Outcome	How does Youth Development contribute to this Outcome?	What do we need to do towards achieving this Outcome?
Future We work with our community and with partner organisations to create a better place for future generations	We provide opportunities for young people to become confident individuals through participation on Council Committees with regular presentations to Council meetings.	Continue to create opportunities for Youth Council members to be part of the democratic process by inviting them to report in person the Council meetings and represent the youth voice on other committees

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?
Number of Youth Council presentations to Council meetings	6	6	6	Yes
Number of Youth Council activities/events	14	10	10	Yes
Number of youth training opportunities	9	4	5	Yes

Funding Impact Statement: Community services

For the year ended 30 June 2025

	2023/2024 Long-Term Plan $000	2024/2025 Long-Term Plan $000	2024/2025 Actual $000
Sources of operating funding			
General rates, UAGCs, rates penalties	909	1,161	**1,186**
Targeted rates	10	-	**-**
Subsidies & grants for operating purposes	28	232	**356**
Fees and charges	18	17	**20**
Internal charges and overheads recovered	225	273	**251**
Fuel tax, fines, infringement fees & other	-	-	**-**
Total operating funding (A)	**1,190**	**1,683**	**1,813**
Applications of operating funding			
Payments to staff and suppliers	930	1,382	**1,407**
Finance costs	16	26	**-**
Internal charges and overheads applied	193	229	**261**
Other operating funding applications	-	-	**-**
Total applications of operating funding (B)	**1,139**	**1,638**	**1,668**
Surplus/(deficit) of operating funding (A-B)	**50**	**46**	**144**
Sources of capital funding			
Subsidies & grants for capital expenditure	-	-	**-**
Development and financial contributions	-	-	**-**
Increase/(decrease) in debt	(17)	(14)	**-**
Gross proceeds from sale of assets	-	-	**-**
Lump sum contributions	-	-	**-**
Other dedicated capital funding	-	-	**-**
Total sources of capital funding (C)	**(17)**	**(14)**	**-**
Application of capital funding			
Capital expenditure			
- To meet additional demand	-	-	**-**
- To improve the level of service	-	-	**-**
- To replace existing assets	33	32	**36**
Increase/(decrease) in reserves	-	-	**108**
Increase/(decrease) in investments	-	-	**-**
Total applications of capital funding (D)	**33**	**32**	**144**
Surplus/(deficit) of capital funding (C-D)	**(50)**	**(46)**	**(144)**
Funding balance ((A-B) + (C-D))	**-**	**-**	**-**
Reconciliation			
Total application of operating funding (B)			**1,668**
Plus depreciation			39
Less overhead recoveries			(251)
Expenditure as per Note 4			**1,456**

District development

Our Goal: to enable the district to progress, while ensuring that the natural and physical environment is sustainably managed. This includes attracting investment, enhancing economic diversification, creating awareness of natural hazards, and providing for sustainable tourism opportunities.

What we do

This group of activities includes:

- District Planning
- Environmental Planning
- Economic development
- Tourism & marketing

These activities are grouped together because they collectively shape and influence how the district develops. The Kaikōura District Plan sets strategic direction for how and where development should occur, it provides standards for development, identifies the circumstances under which resource consents are required, and seeks to mitigate environmental effects.

The council also plays a key role in supporting and promoting economic development and, through its funding contributions to Destination Kaikōura, also plays a key role in supporting tourism marketing and promotion of the district.

Key issues in the year to 30 June 2025

Kaikōura's population growth is restrained by a lack of affordable housing and rental accommodation available for anyone wishing to relocate to the district.

- Adoption of the Spatial Plan for Kaikōura.
- Approval of consents and the use of property for the Light Industrial Zone at the intersection of State Highway 1 and the Inland Road.
- Appointment of contractors to
- Being a dark sky-accredited community, with a supporting dark sky plan change in place.
- Development of a number of key reserve management plans
- Partnering with mana whenua to progress options for papkainga housing
- Working with Mainpower to improve funding for biodiversity projects

What we did

- The council continues to work with both Kāinga Ora and the developer to enable residential sections within Ludstone Road/Vicarage Views and Ocean Ridge. We granted consent for an additional 22 allotments within Ocean Ridge.
- Consent was granted for the Light Industrial Park at the corner of State Highway 1 and Inland Road
- Dark Sky Plan Change and the Dark Sky Accreditation were both approved.
- The Spatial Plan was adopted by Council.

Effects on community wellbeing

	Positive effects	Negative effects
Economic	This activity plans for growth and provides frameworks to enable economic benefits to flourish	The Resource Management Act and national/regional policy statements can result in compliance costs and delays
Environmental	Planning frameworks protect against the impact of growth on the environment	No identified effects
Cultural	Ongoing engagement with Te Rūnanga o Kaikōura ensures cultural matters are considered in planning and development decisions	No identified effects

District Planning

What we do

The Kaikōura District Plan is a document which has been created under the Resource Management Act 1991 (the RMA). The Plan is used to manage development and provide for the protection of natural and physical resources within the Kaikōura District. We aim to keep this plan updated to meet the needs of our communities and national direction.

With the RMA being repealed and replaced we have refocused the 10-year rolling review to create a spatial plan with the aim of setting high-level direction for the Kaikōura Township and surrounding area for the next three decades. The spatial plan will then help to inform the rolling review of the District Plan.

Key issues in the year to 30 June 2025

The lack of affordable housing continues to make it difficult for people wanting to relocate to the District. Businesses in the summer period are experiencing difficulty recruiting and retaining staff due to the cost of accommodation. Affordable accommodation is an issue that other areas of New Zealand are also grappling with. There is concern among the local community that tourist accommodation may be placing additional demand on housing stock.

Other issues include the constant change from central government as the Resource Management Act is reformed. These changes should overtime result in better outcomes, however in the short term this creates uncertainty. Council's approach to this uncertainty has been to continue to push on with our rolling review of the District Plan.

What we did

Our existing Policy Planner left to travel and a new Policy Planner was hired from the North Island who has been able to assist in reviewing our communities housing need and updating Council Policy and Bylaws.

We continue to work with Canterbury Regional Housing Form and discussed the ability for housing uses to create conflict with the supply of accommodation, which has led to the development of a visitors accommodation monitoring program. We continued to partner with mana whenua to progress options for papkainga housing.

We granted a number of resource consents to allow for greenfield developments that will assist in providing additional housing, including approval for a 22 allotment subdivision in Ocean Ridge and a 52 allotment business park development. We also approved a number of consent for boutique visitors accommodation which over time should reduce the pressure for existing houses to be used for visitors accommodation.

The Kaikōura Spatial Plan was approved after extensive consultation with our community including mana whenua. This document identifies possible future areas for housing and will provide strategic direction for the review of the District Plan.

We completed the Dark Sky District Plan change and our community received Dark Sky Accreditation.

We also finalised a number of reserve management plans.

The creation of the above documents and additional mahi has assisted in implementing the goal for district development. We also started exploring a number of tough issues for our district such as how to manage the conflict between wildlife and cats and partnered with Mainpower to improve funding for biodiversity projects.

What we planned to do but didn't

The district plan review Phase 1A Review intends to revise the following chapters:

Strategic Direction, subdivision, residential and commercial zones -by June 2027, although still on track, we would have liked to progress this further.

Performance indicators

Community Outcome	How does District Planning contribute to this Outcome?	What do we need to do towards achieving this Outcome?
Future We work with our community and our partners to create a better place for future generations	District planning sets out the planning rules for place-making, including zones for commercial, industrial and residential expansion, and these rules help to mitigate the negative effects of activities or development, therefore making Kaikōura a better place to live in.	Our Kaikōura District Plan needs to be updated so that it reflects community needs and aspirations, to ensure that planning rules are in place to enable those needs and aspirations and prevent negative effects.

	2023/2024 Actual	2024/2025 Target	2023/2024 Actual	Achieved?
Progress on the review of the District Plan, in line with the priorities and timelines set out in the final District Plan roadmap	The district plan has been rehoused, and a first draft of the Spatial Plan was produced in January 2024	Phase 1A Review and revise the following chapters: Strategic Direction, subdivision, residential and commercial zones -by June 2027	The Spatial Plan has been made operative and contractors has been appointed to assist with the District Plan review. We remain on track for June 2027	Yes

Environmental Planning

What we do

Environmental planning supports and assists landowners and the community with environmental projects. This includes funding support for landowners to set aside significant natural areas and protect these areas from future uses.

The Council also established a grant for environmental projects, the amount of which may vary from year to year and we are currently working with Mainpower to combine resources to improve funding opportunities within our district.

Key issues in the year to 30 June 2025

Cats and their impact on bio-diversity have been a key issue which has arisen from our community. Locally we are being advised that a number of our bird species are being predated by cats.

What we did

We put forward support to promote the health benefits to cats by desexing and we have provided funding to support cat management. The 2025/26 year will see the develop an animal control bylaw which will also look to address how feral cats can be managed.

Council has also agreed to fencing and restrictions to certain areas to improve blue penguin nesting sites.

Performance indicators

Community Outcome	How does Environmental Planning contribute to this Outcome?	What do we need to do towards achieving this Outcome?
Environment We value and protect our environment	In addition to the Council's contribution to mitigating or enhancing environmental outcomes through its infrastructure, and District Plan, this specific activity provides discretionary Council resourcing to environmental outcomes	Provide Council endorsement and support, as well as discretionary financial support to events, projects and activities that support positive environmental outcomes

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?
The number of external environmental projects that are supported by the Council	3	Not less than 3	3	Yes*

*Three Environmental projects were started during the 2024/25 year, these were:

i) Development of a cat management policy (subsidised microchipping and desexing), ii) Progressing the creation of signage to ensure the public are aware of nesting dotterels, iii) Setting areas aside for the nesting of little penguins

Economic Development

What we do

The Council plays a role in supporting and promoting economic development for the district. Our most significant contributions to economic development are through provision of infrastructure and services to the district and its planning activities, including the District Plan.

In addition, the Council directly supports projects and activities outside of the Council's core business through the Council's own economic development and tourism activities. The scale of the support and assistance from the Council is relative to the funding available for this activity.

Key issues in the year to 30 June 2025

Not only in the district but across New Zealand, cost increases due to inflation and high interest rates continue to reduce disposable income for leisure purposes. In a tourism dominated economy such as Kaikōura, this creates challenges for both businesses and individuals as people reduce spending or, seek alternative employment options elsewhere. People choosing to leave the district for alternative employment options further exacerbates a shortage of staff in Kaikōura.

Added to this is a lack of appropriate rental or long-term accommodation available for those wishing to relocate to the district. The Council is working with the owner/developer of Ocean Ridge to develop infrastructure enabling more residential sections to be created within the Ludstone Road (Vicarage Views) and Ocean Ridge areas (Council funding supported by the Infrastructure Acceleration Fund grant).

What we did

We were successful in our application for international dark sky accreditation (IDA) and in time it is anticipated that becoming a recognised Dark Sky district will bring economic benefits through more visitors.

We continued to support the operational enablement of the Light Industrial Park plan change at the corner of State Highway 1 and Inland Road with the focus being on enabling the stormwater drainage. The Light Industrial Zone is anticipated to assist in enabling employment opportunity to the district and support location of light industrial type business/development away from Beach Road.

The $7.8 million grant through the Infrastructure Acceleration Fund (the IAF) will provide for economic and population growth, through a road extension from Ludstone Road and Green Lane to Ocean Ridge, including a rail crossing, shared pedestrian path and cycleway. Also included in the project is additional capacity for water and sewer infrastructure to cater for new residential sections.

We have initiated a reinvigoration of what Economic Development looks like in Kaikoura with the intent to connect with a large number of representatives from around the community with the goal in time to develop both a long term (e.g. 50 year) Economic Development strategy and relevant vision.

Performance indicators

Community Outcome	How does Economic Development contribute to this Outcome?	What do we need to do towards achieving this Outcome?
Development We promote and support the development of our economy	Our Economic Development activity, in addition to other Council activities, assists business and employment initiatives in the district with specific projects, information and other support, such as marketing and events.	Work with local and regional economic development agencies, and the local community and businesses to identify and support projects and activities that Council involvement can provide additional value for money benefits.

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?
The number of projects or events undertaken during the year that benefit the local economy	6	5	5	Yes

Tourism & Marketing

What we do

Tourism is the dominant contributor to the economy of Kaikōura. Its benefits flow through the economy across the district, including through direct and indirect income to businesses, employment, and resulting in expenditure on goods and services.

Kaikōura is a world-renowned tourist destination, initially focussed on whale watching, but now with a range of visitor activities to match the stunning scenery and the near unique proximity of the mountains and the Hikurangi trench.

The Council provides substantial funding to support Destination Kaikōura (DK), the local regional tourism organisation (in a similar manner to most territorial authorities across New Zealand) and the Kaikōura I-Site. This enables DK to market Kaikōura as a world-class visitor destination to both international and domestic visitors. Our Events Coordinator also supports a range of community and visitor events, and provides information and assistance.

Key issues in the year to 30 June 2025

The lingering effect of COVID-19 and the associated global supply chain re-set, uncertainty of geopolitical unrest and war, climate change and severe weather events, plus significant increases in the cost of living, has meant the number of visitors to NZ and to Kaikōura remains relatively under threat. Higher interest rates and higher inflation are directly impacting on disposable income for New Zealanders eroding capacity for travel and vacation.

What we did

With funding support from the Council, Destination Kaikōura actively promotes the district both domestically and internationally. This is achieved through offering 'famils' for visiting media groups, trade partners and content providers. These comes through various channels such as Tourism New Zealand (TNZ), Christchurch International Airport and our regional partners. We run digital marketing campaigns that promote shoulder season travel, in line with TNZ's promotional focus. During the cruise season Destination Kaikōura meet and greet passengers from cruise ships as well as assist in the planning that goes into making these cruise visits successful.

Implementation of our regions Destination Management Plan which represents the goals and aspirations derived from tourism for the benefit and wellbeing of all who live here.

Support for development of new products which create a broad range of experiences ensuring we cater to and connect with a greater slice of the market.

Performance indicators

Community Outcome	How does Tourism & Marketing contribute to this Outcome?	What do we need to do towards achieving this Outcome?
Development We promote and support the development of our economy	Tourism is the dominant contributor to the economy of the Kaikōura district including employment.	Support our tourism sector through the services of the local Regional Tourism Organisation (RTO), Destination Kaikōura.

	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	Achieved?
Domestic and international spend indicators show annual increases, as measured through MarketView electronic card transaction spend data.	$83 million	$74M as per the Long Term Plan	>$86 million	Yes
Six-monthly reports from Destination Kaikōura setting out activities undertaken, including against agreed key performance indicators for that period.	Reports are received demonstrating activities and achievements, in December and June each year.	Reports are received demonstrating activities and achievements, in December and June each year	Reports received demonstrating activities and achievements	Yes

Funding Impact Statement: District development

For the year ended 30 June 2025

	2023/2024 Long-Term Plan $000	2024/2025 Long-Term Plan $000	2024/2025 Actual $000
Sources of operating funding			
General rates, UAGCs, rates penalties	168	147	150
Targeted rates	516	554	597
Subsidies & grants for operating purposes	-	-	-
Fees and charges	-	102	5
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	-	-	-
Total operating funding (A)	**684**	**803**	**752**
Applications of operating funding			
Payments to staff and suppliers	733	870	655
Finance costs	6	14	1
Internal charges and overheads applied	131	154	182
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**870**	**1,038**	**838**
Surplus/(deficit) of operating funding (A-B)	**(186)**	**(236)**	**(86)**
Sources of capital funding			
Subsidies & grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	186	236	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**186**	**236**	**-**
Application of capital funding			
Capital expenditure			
- To meet additional demand	-	-	-
- To improve the level of service	-	-	-
- To replace existing assets	-	-	-
Increase/(decrease) in reserves	-	-	(86)
Increase/(decrease) in investments	-	-	-
Total applications of capital funding (D)	**-**	**-**	**(86)**
Surplus/(deficit) of capital funding (C-D)	**186**	**236**	**86**
Funding balance ((A-B) + (C-D))	**-**	**-**	**-**
Reconciliation			
Total application of operating funding (B)			**838**
Plus depreciation			-
Expenditure as per Note 4			**838**

Kaikoura District Council
Financial Statements
for the year ended 30 June 2025

Statement of comprehensive revenue and expense

For the year ended 30 June 2025

		Council			Group	
	Note	**Actual 2025 $'000**	**Budget 2025 $'000**	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Revenue						
Rates	5	**10,958**	**10,767**	9,625	**10,958**	9,625
Fees & charges	6	**1,815**	**1,923**	1,820	**2,795**	2,690
Development contributions		**123**	**62**	12	**123**	12
Grants & subsidies	7	**7,780**	**15,039**	7,962	**7,780**	7,936
Interest revenue	8	**245**	**57**	106	**244**	106
Other revenue	9	**1,009**	**685**	434	**1,011**	434
Gains	10,15	**840**	**88**	707	**858**	707
Total revenue		**22,770**	**28,621**	20,666	**23,769**	21,510
Expenses						
Personnel costs	11	**(3,800)**	**(3,931)**	(3,562)	**(5,065)**	(4,762)
Depreciation & amortisation	12	**(5,707)**	**(6,239)**	(5,233)	**(5,814)**	(5,349)
Finance costs	8	**(411)**	**(392)**	(322)	**(416)**	(330)
Other expenses	13	**(8,565)**	**(9,147)**	(8,598)	**(8,172)**	(8,322)
Losses	10	**(5,547)**	**-**	(619)	**(5,552)**	(620)
Total expenses		**(24,030)**	**(19,709)**	(18,334)	**(25,019)**	(19,383)
Operating surplus/(deficit)		**(1,260)**	**8,912**	2,332	**(1,250)**	2,127
Environment Canterbury share of Marlborough Regional Forestry surplus / (deficit)	14	**(38)**	**-**	(55)	**(38)**	(55)
Surplus before tax	4,33	**(1,298)**	**8,912**	2,277	**(1,288)**	2,072
Income tax expense	33	**-**	**-**	-	**5**	(42)
Surplus from continuing operations		**(1,298)**	**8,912**	2,277	**(1,283)**	2,030
Other comprehensive revenue & expenses						
Gains/(losses) on asset revaluation	10,15	**42,537**	**8,595**	10,269	**42,537**	10,269
Total other comprehensive income		**42,537**	**8,595**	10,269	**42,537**	10,269
Total comprehensive income		**41,239**	**17,507**	12,546	**41,254**	12,299
Surplus is attributable to:						

The accompanying notes form part of, and are to be read in conjunction with, these financial statements.

Statement of changes in equity
For the year ended 30 June 2025

		Council			Group	
	Note	**Actual 2025 $'000**	**Budget 2025 $'000**	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Equity at start of year		**300,536**	**303,780**	287,990	**301,223**	288,926
Asset revaluation reserve derecognition		**1,192**	**-**	-	**1,192**	-
Adjusted balance at 1 July		**301,728**	**303,780**	287,990	**301,223**	288,926
Comprehensive income & expense						
Net surplus/(deficit) After Tax		**(1,298)**	**8,912**	2,277	**(1,283)**	2,028
Gains/(losses) on asset revaluation		**42,537**	**8,595**	10,269	**42,537**	10,269
Total comprehensive revenue & expense		**41,239**	**17,507**	12,546	**41,254**	12,297
Equity at end of year	30	**342,967**	**321,287**	**300,536**	**343,669**	**301,223**

The accompanying notes form part of, and are to be read in conjunction with, these financial statements.

Statement of financial position
As at 30 June 2025

	Note	Council **Actual 2025 $'000**	**Budget 2025 $'000**	Actual 2024 $'000	Group **Actual 2025 $'000**	Actual 2024 $'000
ASSETS						
Current assets						
Cash and cash equivalents	16	**3,556**	**1,683**	2,644	**3,914**	2,715
Receivables from non-exchange transactions	17	**632**	**1,956**	678	**632**	678
Receivables from exchange transactions	17	**1,838**	**-**	5,322	**1,920**	5,396
Prepayments	18	**406**	**254**	348	**406**	348
Other financial assets	19	**124**	**20**	20	**85**	-
Inventories		**-**	**-**	-	**38**	10
Non-current assets held for sale	20	**330**	**330**	330	**330**	330
Total current assets		**6,886**	**4,243**	9,342	**7,325**	9,477
Non-current assets						
Other financial assets	19	**300**	**207**	207	**192**	192
Forestry assets	21	**2,326**	**2,521**	2,728	**2,326**	2,728
Investment property	22	**6,479**	**7,477**	3,775	**6,479**	3,775
Property, plant and equipment	23	**342,838**	**316,712**	301,686	**343,634**	302,458
Intangible assets	24	**3**	**-**	34	**3**	34
Total non-current assets		**351,946**	**326,917**	308,430	**352,634**	309,187
Total assets		**358,832**	**331,160**	317,772	**359,959**	318,664
LIABILITIES						
Current liabilities						
Payables and deferred revenue under exchange transactions	25	**2,877**	**1,612**	2,678	**3,135**	2,677
Payables and deferred revenue under non-exchange transactions	25	**4,250**	**-**	5,650	**4,273**	5,688
Employee entitlements	26	**267**	**257**	293	**395**	419
Borrowings	27	**2,000**	**1,000**	2,000	**2,017**	2,036
Provisions	28	**382**	**-**	389	**382**	389
Deferred Tax Liability		**-**	**-**	-	**1**	6
Total current liabilities		**9,776**	**2,869**	11,010	**10,203**	11,215
Non-current liabilities						
Borrowings	27	**5,300**	**6,300**	5,300	**5,300**	5,300
Provisions	28	**200**	**225**	382	**200**	382
Other term liabilities	29	**584**	**483**	545	**584**	545
Total non-current liabilities		**6,084**	**7,008**	6,227	**6,084**	6,227
EQUITY						
Asset revaluation reserves	30	**219,331**	**175,115**	176,793	**219,331**	176,718
Accumulated funds	30	**119,640**	**143,790**	119,940	**120,340**	120,702
Special reserve & special funds	30	**4,001**	**2,378**	3,802	**4,001**	3,802
Equity	30	**342,972**	**321,283**	300,535	**343,672**	301,222
Total equity	30	**342,972**	**321,283**	300,535	**343,672**	301,222
Total liabilities & equity		**358,832**	**331,160**	317,772	**359,959**	318,664

The accompanying notes form part of, and are to be read in conjunction with, these financial statements.

Statement of cash flows

For the year ended 30 June 2025

	Note	Council Actual 2025 $'000	Council Budget 2025 $'000	Council Actual 2024 $'000	Group Actual 2025 $'000	Group Actual 2024 $'000
Cash flows from operating activities						
Receipts from rates (excl. water meter charges)		**10,560**	**10,768**	9,552	**10,560**	9,552
Interest received		**245**	**57**	106	**244**	106
Receipts from other revenue		**7,394**	**16,872**	4,429	**8,447**	5,371
Payments to supplier and employees		**(12,459)**	**(13,938)**	(12,900)	**(13,342)**	(13,872)
Interest paid		**(411)**	**(393)**	(322)	**(411)**	(324)
GST (net) and company tax		**349**	**-**	(148)	**365**	(127)
Net cash flow from operating activities		**5,678**	**13,366**	717	**5,863**	706
Cash flows from investing activities						
Grants received for purchase of assets		**6,098**	**-**	4,523	**6,098**	4,523
Purchase of property, plant & equipment		**(8,660)**	**(13,007)**	(8,035)	**(8,713)**	(8,077)
Sale of property, plant & equipment		**-**	**-**	55	**65**	55
Purchase of forestry assets		**(56)**	**-**	-	**(56)**	-
Sale of forestry assets		**164**	**-**	-	**164**	-
Purchase of investment properties		**(2,114)**	**(3,891)**	-	**(2,114)**	-
Sale of other financial assets		**-**	**-**	-	**-**	-
Purchase of other financial assets		**(198)**	**-**	(30)	**(86)**	(50)
Net cash flow from investing activities		**(4,766)**	**(16,898)**	(3,487)	**(4,642)**	(3,549)
Cash flows from financing activities						
Proceeds from borrowings		**2,000**	**2,000**	2,000	**2,077**	2,078
Repayment of borrowings		**(2,000)**	**(2,000)**	-	**(2,099)**	(58)
Net cash flow from financing activities		**-**	**-**	2,000	**(22)**	2,020
Net increase/(decrease) in cash & cash equivalents		**912**	**(3,532)**	(770)	**1,199**	(823)
Cash and cash equivalents at the beginning of the year		**2,644**	**5,215**	3,414	**2,715**	3,538
Cash, cash equivalents, and bank overdrafts at the end of the year	16	**3,556**	**1,683**	2,644	**3,914**	2,715

The accompanying notes form part of, and are to be read in conjunction with, these financial statements.

1 Statement of accounting policies

1.1 Reporting entity

The Kaikoura District Council group consists of the ultimate parent, Kaikoura District Council, and its subsidiary, Innovative Waste Kaikoura Ltd. The Council has an 11.5% interest in the Marlborough Regional Forestry joint operation.

The Council has designated itself and the group as public benefit entities (PBEs) for reporting purposes.

The financial statements of the Council and Group are for the year ended 30 June 2025. The financial statements were authorised for issue by the Council on 29 October 2025.

2 Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

Statement of compliance

The financial statements of the Council and group have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements and service performance information have been prepared in accordance with Tier 2 PBE accounting reduced disclosure regime, as appropriate for public benefit entities that have expenses of less than $30 million and do not issue debt or equity securities or hold funds in a fiduciary capacity as part of our primary business. These statements comply with PBE reduced disclosure regime.

Measurement base

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

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and values are rounded to the nearest thousand dollars ($000).

Standards not yet issued and not yet effective, and not early adopted

Standards and amendments issued but not yet effective that have been early adopted and that are relevant to the Council and group are:

2024 Omnibus Amendments to PBE Standards (amenments to PBE IPSAS 1)

This amendment clarifies the principles for classifiying a liability as current or noncurrent, particularly in relation to loan covenants. The amendments is effective for the year ended 30 June 2027.

The Council has not yet assessed in detail the impact of these amendments.

PBE IFRS 12 Insurance Contracts

PBE IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts and will replace PBE IFRS 4. This standard is effective for the year ended 30 June 2027.

The Council has not yet assessed in detail the impact of this Standard.

New or amended standards adopted

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the Group and group are:

Disclosure of fees for Audit Firms Services (Amendment to PBE IPSAS 1)

Disclosure of fees for audit firms services has been adopted in the preparation of these financial statements. The amendment changes the required disclosure for fees for services by audit, including a requirement to disaggregate the fees into specified categorie. The new disclosure is included in Note 13.

2 Summary of significant accounting policies (continued)

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements and is effective for the year ending 30 June 2025.

Measurement base

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

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and values are rounded to the nearest thousand dollars ($000).

Changes in accounting policies

There have been no changes to the accounting policies.

2.2 Basis of consolidation

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

Subsidiaries

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

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

The Council’s investments in its subsidiaries are carried at cost in the parent entity financial statements.

Joint operations

For joint operations, the Council and group recognises its direct right to the assets, liabilities, revenues and expense of joint operations and its share of any jointly held or incurred assets, liabilities, revenue, and expenses. Assets, liabilities, revenues, and expenses relating to Council’s interest in a joint operation are accounted for in line with Council’s accounting policies and included in the relevant line items of the Council and group financial statements.

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle.

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

Forestry maintenance costs are recognised in the surplus or deficit when incurred.

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

2.3 Revenue

Revenue is measured at the fair value of consideration received. The specific accounting policies for significant revenue items are explained below:

2 Summary of significant accounting policies (continued)

Rates revenue

Rates are set annually by a resolution from the Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable. Rates collected on behalf of Environment Canterbury are not recognised in the financial statements as the Council is acting as agent for Environment Canterbury.

Water billing revenue

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

Waka Kotahi (NZTA) roading subsidies
The Council receives funding assistance from Waka Kotahi, the NZ Transport Agency (NZTA) which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Other grants and subsidies received

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Donations and bequests

Donated and bequeathed financial assets are recognised as revenue unless there are substantive use or return conditions. A liability is recorded if there are substantive use or return conditions and the liability released to revenue as the conditions are met (e.g. as the funds are spent for the nominated purpose).

Provision of services

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

Sales of goods

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

Vested assets

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

Agency arrangements

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

Interest and dividends

Interest revenue is recognised using the effective interest method.

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

Development contributions

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

2.4 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

2 Summary of significant accounting policies (continued)

2.5 Grant expenditure

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

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

2.6 Foreign currency transactions

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

2.7 Income tax

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

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

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

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

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

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

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

2.8 Leases

Finance leases

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

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

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

Operating leases

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

2 Summary of significant accounting policies (continued)

2.9 Cash and cash equivalents

Cash and cash equivalents include cash on 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.

2.10 Debtors and other receivables

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL).

The Council and group apply the simplified ECL model of recognising lifetime ECL for short-term receivables.

In measuring ECLs, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates receivable

The Council does not provide for ECLs on rates receivable. Council has various powers under the Local Government (Rating) Act 2002 (LG(R)A 2002) to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If the payment has not been made within three months of the Court's judgement, then the Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

Rates are "written-off":

- when remitted in accordance with the Council's rates remission policy; and
- in accordance with the write-off criterial of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Maori freehold land) of the Local Government (Rating) Act 2002.

Other receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

2.11 Derivative financial instruments and hedge accounting

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

2.12 Other financial assets

Other financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- amortised cost;
- fair value through other comprehensive revenue and expense (FVTOCRE); and
- fair value through surplus and deficit (FVTSD).

Transaction costs are included in the value of the financial asset at initial recognition unless the it has been designated at FVTSD, in which case it is recognised in surplus or deficit. The classification of a financial asset depends on its cash flow characteristics and the Council and group’s management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are ‘solely payments of principal and interest (SPPI)’ on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

2 Summary of significant accounting policies (continued)

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council and group may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

Initial recognition of concessionary loans
Loans made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flow, discounted at the current market rate of return for a similar financial instrument. For loans to community organisations, the difference between the loan amount and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant expense.

Subsequent measurement of financial assets at amortised cost
Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses (ECL). Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, community loans, and loans to subsidiaries and associates.

Subsequent measurement of financial assets at FVTOCRE
Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except ECL and foreign exchange gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit.

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity.

Subsequent measurement of financial assets at FVTSD
Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit. Interest revenue and dividends recognised from these financial assets are separately presented within revenue. Other than for derivatives, the Council and group has no instruments in this category.

Expected credit loss allowance (ECL)
The Council and group recognise an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to Council and group in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council and group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council and group’s historical experience and informed credit assessment and including forward-looking information.

The Council and group consider a financial asset to be in default when the financial asset is more than 90 days past due. The Council and group may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

The Council measures ECLs on loan commitments at the date the commitment becomes irrevocable. If the ECL measured exceeds the gross carrying amount of the financial asset, the ECL is recognised as a provision.

Shares in subsidiaries (at cost)
The investment in subsidiaries is carried at cost in the Council’s parent entity financial statements.

2 Summary of significant accounting policies (continued)

2.13 Inventory

Inventory held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost, adjusted when applicable, for any loss of service potential. Where inventory is acquired at no cost or for nominal consideration, the cost is the current replacement cost at the date of acquisition. Inventories held for use in the production of goods and services on a commercial basis are valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the first-in first-out (FIFO) method.

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

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

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

2.14 Non-current assets held for sale

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

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

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

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

2.15 Property, plant and equipment

Property, plant, and equipment consists of:

(i) Operational assets

These include land, buildings, landfill post closure, library books, plant and equipment, and motor vehicles.

(ii) Restricted assets

Restricted assets are parks and reserves owned by the Entity and Group that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

(iii) Infrastructure assets

Infrastructure assets are the fixed utility systems owned by the Entity and Group. 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. The asset classes recorded at cost are office equipment, vehicles and plant, park furniture and other assets, library books, artwork, and harbour assets.

2 Summary of significant accounting policies (continued)

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.

(i) Operational land and buildings

As key properties, the Civic Centre, the former office building, and the memorial hall were valued to component level by Andrew Parkyn (Registered Valuer, B. Com, VPM, PG Dip Com, SPINZ,ANZIV) of Quotable Value NZ on 30 June 2025. The balance of land and buildings were valued effective on 30 June 2025 by Andrew Parkyn (Registered Valuer, B.Com (VPM), PG Dip Com, SPINZ, ANZIV) of Quotable Value NZ, at fair value as determined from market-based evidence. Where fair value is not able to be reliably determined using market-based evidence, depreciated replacement cost is used. Operational assets valued at DRC consist of community centres, library and museum, Carrying values for those specific assets are shown less accumulated depreciation and plus any subsequent additions at cost.

(ii) Restricted land and buildings

Where there is a designation against the land or the use of the land is restricted because of reserve or endowment status, the valuation approach reflects the restriction in use. Such land is valued based on rural land value plus a location adjustment to reflect different zoning which are based on the valuer's judgement.

Restrictions on the Council's ability to sell land would not normally impair the value of the land because the Council has operational use of the land for the foreseeable and will substantially receive the full benefits of outright ownership.

The most recent valuation was performed by Andrew Parkyn, (Registered Valuer, B. Com, VPM, PG Dip Com, SPINZ, ANZIV) of Quotable Value NZ, and the valuation is effective on 30 June 2025 at fair value as determined from market-based evidence. Where fair value is not able to be reliably determined using market-based evidence, depreciated replacement cost is used. Restricted assets valued at DRC consist of public toilets, sports grounds and sports facilities.

(iii) Infrastructure

This includes roads, bridges & footpaths, water systems, sewerage systems and stormwater systems, stated at fair value determined on a depreciated replacement cost basis. The most recent valuation of water systems, sewerage and stormwater systems was performed by the Council’s inhouse engineers on 30 June 2024, and peer reviewed by WSP Ltd. Roading assets were revalued at 30 June 2025, the valuation has been carried by Kaikoura District Council and peer reviewed by WSP Ltd. When estimating the unit rate for the construction of roading assets the most current contracted unit rates for road construction have been used. Where current contracted unit rate information is unavailable, the most recent rates have been adjusted for inflation. Assumptions on the remaining useful life for an asset depreciation are based on the assets age, condition and future service potential. For roading assets, factors like ground type, weather and usage can influence these assumptions.

Building (operational and restricted)

Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions used in the 30 June 2025 valuation include the following:

- The replacement costs of the specific assets are adjusted where appropriate for optimisation due to overdesign or surplus capacity. There have been no optimisation for the most recent valuations.

- The replacement cost is derived from recent construction contracts of modern equivalent assets and third party cost database. Construction costs range from $987 to $4,780 (2024: $955 to $3,080) per square metre, depending on the nature of specific asset valued.

- There are no significant asbestos issues with the buildings.

- The remaining useful life of assets is estimated after considering factors such as condition of the asset, future maintenance and replacement plans and experience with similar buildings.

- Straight line depreciation has been applied in determining the depraciated replacement cost value of the asssets.

2 Summary of significant accounting policies (continued)

Additions

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

Work in progress is recognised at cost less impairment and is not depreciated.

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 at the date of acquisition.

Disposals

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

2 Summary of significant accounting policies (continued)

Depreciation

Depreciation is provided on a straight-line basis on all property, plant, and equipment other than land, at rates that 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:

	Years	Rate (rounded)
Infrastructural assets		
Roading		
Land and road formation		Not depreciated
Base course	20	5.26%
Bridges and Structures	28 - 46	From 2.17% - 3.57%
Sealed top layer	8	12.42%
Kerb and channels	49	2.03%
Drainage	42	2.37%
Traffic facilities	1 - 3	10% - 30%
Seawalls	22 - 33	3.03%
Footpath structure	1 - 49	2.04% - 100%
Footpath surface	19	5.41%
Street lighting	15	6.67%
Subbase		Not depreciated
Stopbanks	30	3%
Sewerage/wastewater		
Equipment and oxidation ponds	50	From 2% to 6%
Pump stations	17 - 100	From 7% to 10.94%
Rising mains & gravity reticulation	25 – 77	From 1% to 4%
Water		
Pump stations	12 – 25	From 4% to 18.12%
Pipes & reticulation	7 – 99	From 1% to 14%
Stormwater		
Catchment mains & reticulation	70 – 99	From 1% to 2%
Structures	19 – 75	From 1% to 6%
Operational assets		
Buildings – structure	20 - 135	From 0.74% to 5%
Buildings – services	9 – 33	From 3% to 11%
Buildings – internal fit out	5 – 25	From 4% to 20%
Harbour seawall & wharf	10 – 50	From 1.5% to 10%
Computer equipment	5	20%
Plant, vehicles, and machinery	5 - 50	From 2% to 20%
Land		Not depreciated
Library books	12	8.33%
Library non-books	1	100%
Restricted assets		
Parks & reserves buildings	50	2%
Parks & reserves land		Not depreciated
Parks furniture & other assets	3 – 50	From 1.33% to 30%
Artwork		Not depreciated

2 Summary of significant accounting policies (continued)

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

Subsequent costs

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

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

Deemed cost

Land under roads, was valued based on fair value of adjacent land determined by Connell Wagner Ltd effective 30 June 2001. On transition to NZ equivalents to IFRS on 1 July 2006, the Council elected to use the fair value of land under roads on 30 June 2001 as deemed cost. Land under roads is no longer revalued.

Library collections

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

Accounting for revaluations

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

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

2.16 Forestry assets

Forestry assets owned via the Marlborough Regional Forestry joint operation are independently revalued annually at fair value less estimated point of sale costs. These valuations are performed by Forme Consulting Group for the joint operation (2024: by Forme Consulting Group). Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate. The Council's forestry at South Bay has been harvested during the year therefore has a nil value.

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

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

2.17 Investment property

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

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

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

2.18 Intangible assets

(i) Carbon credits

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

2 Summary of significant accounting policies (continued)

(ii) Software acquisition

Acquired computer software licences are capitalised on the basis of costs to acquire and bring to use the specific software. Costs associated with maintaining computer software, staff training on software use, and website development and maintenance, are recognised as an expense when incurred. Computer software has a 5-year useful life, and a 20% straight line amortisation rate.

2.19 Impairment of property, plant, and equipment and intangible assets

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

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

(i) Value in use for non-cash-generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

(ii) Value in use for cash-generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

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

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

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

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

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

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

2.20 Creditors and other payables

Short-term creditors and other payables are recorded at the amount payable.

2.21 Borrowings

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

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

2 Summary of significant accounting policies (continued)

2.22 Employee entitlements

(i) Short-term employee entitlements

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

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

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that the Council anticipates it will be used by staff to cover those future absences.

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

(ii) Long-term employee entitlements

Superannuation schemes

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

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

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme, the extent to which the surplus/(deficit) will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme. note 36.

The Actuary to the Scheme recommended previously that the employer contributions were suspended with effect from 1 April 2011. In the latest report, the Actuary recommended employer contributions change from zero to 1 times (100%) of the employee’s contribution from 1 April 2019.

2.23 Provisions

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

2.24 Equity

Equity is the community’s interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into several reserves.

The components of equity are:

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

Special and Council-created reserves

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

2 Summary of significant accounting policies (continued)

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

Council-created reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the courts. Transfers to and from these reserves are at the discretion of the Council.

Asset revaluation reserves

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

Fair value through other comprehensive revenue and expense reserves

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

2.25 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.

2.26 Budget figures

The budget figures are those approved by the Council in its 2024 - 2034 Long Term Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council for the preparation of the financial statements.

2.27 Cost allocation

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

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

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

2.28 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 the 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.

3 Critical accounting estimates and assumptions

In preparing these financial statements, the Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Fair value of assets

The Council has performed a fair value assessment of asset values between valuation years, for all its asset types. The assessment shows that inflation and cost pressures are unlikely to have had a material impact on the value of Council owned assets relating to water, Sewer and Stormwater infrastructure assets and that a valuation outside the normal three-yearly cycle is not required.

(ii) Landfill aftercare provision

Note 28 discloses an analysis of the exposure of the Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

(iii) Infrastructural assets

There are several assumptions and estimates used when performing optimised DRC valuations over infrastructural assets.

These include:

The unit cost rates for valuing the three water assets reflect an average cost rate for local construction. Where there has been recent construction/renewal activity, the actual construction costs are used in place of the existing average rates.

A minimum asset life of three years for assets with expected total useful life of less or equal to 30 years, and a minimum asset life of 10% of asset expected total useful life for assets with expected useful life greater than 30 years and capped at five years.

Earthworks for wastewater lift and monitoring stations and stormwater channel linings have been assigned a residual value of 100% and 80% respectively. A residual value of 50% of programming fees has been allowed for Water supply Human Machine Interface (HMI) assets. A residual value of 0% has been adopted for all other water assets.

If no age or condition information the asset is assumed to be halfway through its expected life.

Critical judgements in applying the Council's accounting policies

Management has exercised the following critical judgements in applying accounting policies for the year ended 30 June 2025:

(i) Classification of property

The Council owns several properties, which are maintained primarily to provide housing to pensioners or other service delivery objectives. The receipt of rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives which includes the Council's social housing policy. These properties are accounted for as property, plant, and equipment.

(ii) Service performance reporting (PBE FRS48)

The Council's statements of service performance are formally classified from pages 10. The relevant legislation governing the requirement of reporting the Council's service performance is Part 3 of Schedule 10 of the Local Government Act (2002).

The Council's statements of service performance have been prepared in accordance with Public Benefit Entity (PBE) standards and are for the year ended 30 June unless otherwise stated.

In preparing the statements of service performance, the Council has made judgements on the application of reporting standards and has made estimates and assumptions concerning the measurement of certain service performance targets. The main judgements, estimates and assumptions are discussed below.

3 Critical accounting estimates and assumptions (continued)

Measurement selection and level of aggregation

The service performance measures in this Annual Report are intended to compare the actual results of the activities delivered by the Kaikoura District Council against the targeted levels of service. The service performance measures were originally adopted in the 2024-2034 Long-Term Plan.

The service performance measures are reported to the Council in a half year report, for the period ended 31 December, during the relevant annual period. The annual results are then reported in the relevant annual report for the year to 30 June.

The performance measures were selected to cover quantitative measurement of progress towards the Council’s Long-Term Plan and Annual Plan. The final measures included in this Annual Report are broken down into the ten groups of activities, providing a set of measures that give a rounded picture of the non-financial performance of the Council. Each group of activities has a set of measures that were identified through the 2024-2034 LTP involving Council and management, and are linked to the Council’s Community Outcomes, goals and objectives. This process ensured the selected measures best reflect the Council's performance and are available in a timely manner.

Several measures pertaining to water supplies, wastewater, stormwater and roading are the mandatory performance measures set under Section 261B of the Local Government Act (2002), the Secretary for Local Government made the Non-Financial Performance Measures Rules (2013).

Satisfaction and complaints

The Council has chosen to report on customer satisfaction (gathered by responses to our Resident & Ratepayer Satisfaction Survey) in 6 out of 87 performance measures, and a further 6 measures on the number of complaints received in relation to services delivered by the Council. While these measures are important, customer satisfaction or complaints are not critical to the functioning of the activity or service. The measures do not require interpretation by the reader. This judgement is not considered to be significant.

Customer service requests (CSRs)

CSRs referred to in a range of measures means requests received by email, telephone or through automated telemetry alarm systems, by Council staff and those received by the Council’s contractor, Innovative Kaikoura Ltd (IWK).

The Council and IWK do not have integrated systems, and so CSR’s received by the Council are entered into the Council’s enterprise system and forwarded to IWK as necessary, and IWK’s CSR’s are entered into a spreadsheet that is sent back to the Council to include in the Council’s service performance reporting.

4 Summary revenue and expense for group of activities

	2025 Revenue $'000	2025 Expense $'000	2025 Net result $'000
Activity revenue & expense			
Roading	**4,749**	**(4,488)**	261
Water supplies	**1,792**	**(2,713)**	(921)
Wastewater	**1,652**	**(2,132)**	(480)
Stormwater	**120**	**(293)**	(173)
Reuse & recycling	**438**	**(601)**	(163)
Community facilities	**6,496**	**(4,956)**	1,540
Leadership & governance	**70**	**(1,455)**	(1,385)
Building & regulatory	**949**	**(1,711)**	(762)
Community services	**376**	**(1,456)**	(1,080)
District development	**601**	**(838)**	(237)
Total activity income	**17,243**	**(20,643)**	**(3,400)**
Non-activity revenue & expense			
Plus general rates, uniform annual general charges, and penalties (less remissions)			4,445
Plus interest and dividends received			242
Plus net gain/(losses) on forestry assets			(441)
Plus gains from vested assets			590
Plus/(less) Landfill change in estimate			189
Plus/(less) gains on investment properties			-
Plus/(less) gains/(losses) on sale or disposal of assets			(3,222)
Plus/(less) Environment Canterbury share of MRF surplus/deficit			(38)
Plus/(less) Provision for impairment and expected credit losses			346
Plus/(less) Revaluation in excess of asset revaluation reserve			-
Less bad debt expenses (net of bad debts recovered)			(9)
Total activity expenditure			2,102
Total operating expenditure			(1,298)

5 Rates

	Council			Group	
	Actual 2025 $'000	**Budget 2025 $'000**	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
General rates	**2,330**	**2,309**	2,449	**2,330**	2,449
Uniform annual general charge	**2,049**	**2,042**	1,804	**2,049**	1,804
Earthquake levy	**110**	**-**	109	**110**	109
Roading rate	**1,504**	**1,569**	1,052	**1,504**	1,052
District planning rate	**267**	**265**	207	**267**	207
Kaikoura water annual charge	**1,074**	**1,422**	816	**1,074**	816
Suburban water unit charge	**-**	**-**	21	**-**	21
Ocean Ridge water charge	**-**	**-**	47	**-**	47
East Coast water unit charge	**73**	**-**	72	**73**	72
Kincaid water unit charge	**105**	**-**	88	**105**	88
Fernleigh water unit charge	**170**	**-**	152	**170**	152
Oaro water unit charge	**-**	**-**	30	**-**	30
Peketa water charge	**-**	**-**	8	**-**	8
Stormwater rate	**112**	**110**	52	**112**	52
Sewerage charges	**1,232**	**1,217**	749	**1,232**	749
Commercial rate	**439**	**401**	469	**439**	469
Accommodation sector charge	**135**	**103**	69	**135**	69
Registered premises charge	**68**	**69**	36	**68**	36
Footpath & streetlight rate	**224**	**221**	328	**224**	328
Harbour rate	**150**	**100**	62	**150**	62
Town centre rate	**99**	**98**	118	**99**	118
Kerbside recycling charge	**214**	**209**	273	**214**	273
Public rubbish bin charge	**-**	**34**	34	**-**	34
Civic centre rate	**372**	**371**	457	**372**	457
Rate penalties	**132**	**-**	107	**132**	107
Rates remissions, rebates & write offs	**(124)**	**-**	(133)	**(124)**	(133)
Water meter charges	**223**	**230**	149	**223**	149
Total rates, excluding targeted water supply rates	**10,958**	**10,770**	9,625	**10,958**	9,625

The Local Government (Rating of Whenua Maori) Amendment Act of 2021, which amended the Local Government Rating Act (2002). The new amendment requires that all rates on unused Maori Freehold land be written off and the land be classified as non-rateable effective from 1 July 2021. For most Maori Freehold land rates now written off, the Council had not budgeted to ever receive payment from the owners, and so has not had the burden of a funding shortfall.

6 Fees and charges

	Council			Group	
	Actual 2025 $'000	**Budget 2025 $'000**	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Buildings & resource consents fees	**509**	**659**	481	**509**	481
Lease & rental revenue	**408**	**397**	413	**408**	413
License fees	**163**	**165**	220	**163**	220
Parking & slipway fees	**163**	**166**	147	**163**	147
Other fees & charges	**572**	**536**	559	**1,552**	1,429
Total fees and charges	**1,815**	**1,923**	1,820	**2,795**	2,690

Building & resource consent revenue are below forecasts along with licence fees, parking and slipway fees. Lease rental revenue (including cemetary and septic tank disposals) were higher than budgeted.

7 Grants & subsidies

The government economic support packages such as the Provincial Growth Fund and other stimulus funding (including NZTA subsidies for emergency works such as the Glen Alton bridge replacement) have continued to support the Council's activities at significant levels. However, despite receiving close to $8.0 million in external funding support in 2025, this is $7 million less than expected. The main reason for this is due to the delay in completion and projects not progressing, compared to what had been estimated, for Wakatu Quay, Glen Alton bridge and the Infrastructure Acceleration Fund project.

	Council			**Group**	
	Actual 2025 $'000	**Budget 2025 $'000**	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Waka Kotahi (NZTA)	**2,441**	**9,798**	2,918	**2,441**	2,918
Ministry of Business, Innovation & Employment (PGF & TIF)	**3,037**	**5,009**	2,326	**3,037**	2,326
NZ Crown Infrastructure Partners (Three-waters stimulus package)	**-**	**-**	-	**-**	-
Ministry of social development (MSD)	**288**	**205**	375	**288**	375
Kainga Ora (Infrastructure Acceleration)	**399**	**-**	743	**399**	743
Department of Internal Affairs (DIA)	**542**	**-**	779	**542**	779
Developer (Infrastructure Acceleration)	**608**	**-**	745	**608**	745
NZ lottery grants	**157**	**-**	-	**157**	-
Other grants, subsidies & donations	**308**	**27**	76	**308**	50
Total grants & subsidies	**7,780**	**15,039**	7,962	**7,780**	7,936

8 Interest revenue & finance costs

	Council			**Group**	
	Actual 2025 $'000	**Budget 2025 $'000**	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Interest revenue					
Interest on term deposits	**245**	**57**	106	**244**	106
Total financing revenue	**245**	**57**	106	**244**	106
Financing expenses					
Interest on borrowings	**(411)**	**(392)**	(322)	**(416)**	(330)
Total financing expense	**(411)**	**(392)**	(322)	**(416)**	(330)
Net finance costs	**(166)**	**(335)**	(216)	**(172)**	(224)

By prudently reducing our reliance on borrowing during the year, and through the very low interest costs available through the Local Government Funding Agency, the Council has once again minimised its financing cost.

9 Other revenue

	Council			Group	
	Actual 2025 $'000	**Budget 2025 $'000**	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Share of Marlborough Regional Forestry joint opera	**847**	**541**	254	**847**	254
Petrol tax	**44**	**43**	41	**44**	41
Waste minimisation levies	**81**	**80**	68	**81**	68
Sale of land	**4**	**-**	54	**4**	54
Insurance settlement	**-**	**-**	5	**-**	5
Infringement fees & other revenue	**33**	**21**	12	**35**	12
Total other revenue	**1,009**	**685**	434	**1,011**	434

The Council accounts for its 11.5% share of the Marlborough Regional Forestry joint operation revenue. MRF revenue is higher than forecast due to the sale of carbon credits.

10 Fair value gains and losses

	Council			Group	
	Actual 2025 $'000	**Budget 2025 $'000**	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Gains					
Forestry asset revaluation gains	**-**	**-**	293	**-**	293
Gain/(loss) on sale of forestry assets	**61**	**-**	-	**61**	-
Landfill provision change in estimate	**189**	**-**	34	**189**	34
Gain on changes in fair value of investment property	**590**	**88**	380	**590**	380
Gain on sale of Property, Plant and Equipment	**-**	**-**	-	**18**	-
Total gains	**840**	**88**	707	**858**	707
Losses					
Loss on sale/disposal of asset	**(5,106)**	**-**	(250)	**(5,111)**	(251)
Forestry asset revaluation losses	**(441)**	**-**	(49)	**(441)**	(49)
Investment property revaluation losses	**-**	**-**	(320)	**-**	(320)
Total losses	**(5,547)**	**-**	(619)	**(5,552)**	(620)
Gains/(losses) through other comprehensive income expense					
Gain on asset revaluations - refer note 15	**42,537**	**-**	10,269	**42,537**	10,269
Total gains/(losses) through other comprehensive expense	**42,537**	**-**	10,269	**42,537**	10,269
Net gains	**37,830**	**88**	10,357	**37,843**	10,356

The Council owns an 11.5% share of the Marlborough Regional Forestry, which in 2025 had a 13% decrease in the crop tree crop value, primarily to a change in log prices.

The Council's small plantation at South Bay has been harvested showing a gain on sale of $61,000.

Loss on sale/disposal of asset incorporates all the work on the Glen Alton Bridge which was treated as work in progress and for accounting purposes has been classified as a loss, as this project is not progressing.

11 Personnel expense

	Council			Group	
	Actual 2025 $'000	**Budget 2025 $'000**	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Salaries, wages, and honorarium	**3,905**	**4,016**	3,552	**5,170**	4,752
Employer contributions to defined contribution plan	**112**	**111**	84	**112**	84
Increase/(decrease) in employee entitlements	**(45)**	**-**	31	**(45)**	31
Direct personnel overheads	**(172)**	**(196)**	(105)	**(172)**	(105)
Total personnel expense	**3,800**	**3,931**	3,562	**5,065**	4,762

Employer contributions to defined contribution plans include contributions to Kiwisaver and Super Trust of NZ. Salaries, wages, and honorarium include remuneration expenses relating to the Chief Executive, elected members, and Council employees. See note 31 for further disclosure on these expenses. The increase/decrease in employee entitlements refers to changes in annual leave, sick leave, and long service leave balances.

12 Depreciation & amortisation by group of activity

	Council			Group	
	Actual 2025 $'000	**Budget 2025 $'000**	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Roading	**2,363**	**2,600**	2,004	**2,363**	2,004
Water supplies	**1,099**	**891**	984	**1,099**	984
Wastewater	**1,044**	**845**	1,079	**1,044**	1,079
Stormwater	**171**	**140**	155	**171**	155
Refuse & recycling	**12**	**65**	15	**119**	131
Facilities	**855**	**1,585**	841	**855**	841
Leadership & governance	**121**	**108**	113	**121**	113
Building & regulatory	**3**	**1**	2	**3**	2
Community services	**39**	**4**	40	**39**	39
Total depreciation and amortisation expense	**5,707**	**6,239**	5,233	**5,814**	5,348

The Council’s Land, Buildings and roading were revalued at 30 June 2025 with a significant increase in the carrying value of those assets due to construction cost increases.

Conversely, the Wakatu Quay development was expected to be well under way by June 2025, with components of the project budgeted to be fully capitalised and for depreciation to commence. Delays in this project have resulted in depreciation being less than budget for facilities.

13 Other expenses

	Council			Group	
	Actual 2025 $'000	**Budget 2025 $'000**	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Audit fees to principal auditor:					
- Audit for the Council	**201**	**193**	273	**246**	313
Contractors	**3,340**	**3,430**	3,162	**3,340**	3,162
Donations and grants paid out	**840**	**736**	919	**840**	918
Insurance premiums	**882**	**746**	703	**942**	763
Legal fees	**107**	**68**	191	**107**	191
Receivables written off	**9**	**-**	7	**9**	7
Provision for impairment and expected credit losses	**(345)**	**-**	(190)	**(345)**	(189)
Operating lease expense	**16**	**20**	17	**16**	17
Share of MRF joint operation expenses	**78**	**300**	90	**78**	90
Personnel related expenses	**362**	**347**	297	**362**	297
Other operating expenses	**3,072**	**3,308**	3,095	**2,574**	2,719
Freedom camping project	**3**	**2**	34	**3**	34
Total other expenses	**8,565**	**9,150**	8,598	**8,172**	8,322

Contractors include the extensive services the Council provides using external providers, many of whom are local contractors, such as for roading & drainage maintenance, public toilet cleaning, landfill and recycling services, food premises and liquor licensing regulation.

Legal fees are over budget with contractual advice for the harbour sought working towards resolution of a dispute and legal advice on the Resource Management Plan approval. The provision for impairment of receivables decreased significantly with the likelihood of recovering a long-outstanding debt being closer to resolution.

“Other operating expenses” captures everything else not already categorised, from accreditation expenses to youth projects, and everything in between such as electricity, IT services, photocopying and printing, software licences, telecommunications, valuation services and much more. Software implementation was lower than anticipated due to the contractual milestone being established before the Long Term Plan was set resulting in a timing issue which accounts for the significant variance from budget.

The share of MRF joint operations expenses are lower than the budget due to offsetting the carbon credits received against the contributions anticipated.

Personnel related expenses include expenses directly related to employees such as FBT, medical insurance, training and recruitment expenses. The variance of $15,000 largely relates to higher recruitment expenses than budgeted.

13 Other expenses (continued)

Auditors' fees

During the year the following fees were paid or payable for services provided by the auditor of the Entity, its related practices and non-related audit firms:

	Council			Group	
	Actual 2025 $'000	**Budget 2025 $'000**	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
(a) Assurance services					
Audit services					
Audit New Zealand					
Audit and review of financial reports	**197**	**191**	174	**239**	209
Audit of the 2024-2034 Long Term Plan	**-**	**-**	93	**18**	76
Assurance Engagement in Relation to the Debenture Trust Deed	**4**	**2**	6	**6**	13
Total remuneration for audit services	**201**	**193**	273	**263**	298

14 Environment Canterbury's share of the Marlborough Regional Forestry joint operation surplus / (deficit)

The Council holds an 11.5% share in the Marlborough Regional Forestry (MRF) joint operation (see note 34). Of that share, the Council holds 13.37% share on behalf of Environment Canterbury, and their share of any surplus or deficit. Any gains or losses on asset revaluation (note 15), are shown in the statement of comprehensive revenue and expense, and the total share is disclosed as a non-current liability (note 29).

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Marlborough Regional Forestry joint operation surplus/(deficit)	**287**	410	**287**	410
Environment Canterbury share @ 13.37%	**(38)**	(55)	**(38)**	(55)

15 Gains/(losses) on asset revaluation

Gains and losses have been recorded on roading, land and buildings. Stormwater, water and sewerage were not required to be valued this year.The result is a substantial gain in the value of these assets particularly in roading, with a gain on revaluation of $37.3 million.

	Council		**Group**	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Land	**3,990**	-	**3,990**	-
Buildings	**1,260**	-	**1,260**	-
Roading	**37,287**	-	**37,287**	-
Stormwater	**-**	725	**-**	725
Water	**-**	3,580	**-**	3,580
Sewerage	**-**	5,918	**-**	5,918
Marlborough Regional Forestry joint operation revaluation	**-**	53	**-**	53
Environment Canterbury share of MRF revaluation (13.37%)	**-**	(7)	**-**	(7)
Other gains/(Losses)	**-**	-	**-**	-
	42,537	10,269	**42,537**	10,269

16 Cash & cash equivalents

	Council		**Group**	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Cash at bank and in hand	**3,556**	2,644	**3,914**	2,715
Total cash and cash equivalents	**3,556**	2,644	**3,914**	2,715

Financial assets recognised in non-exchange transaction that are subject to restrictions

The Council holds special reserves and special funds, included in cash at bank and investments, that are subject to restrictions. These funds relate to grants received, targeted rates accumulating and/or loans drawn for special projects, and other funds where the spending of funds is separately monitored. These special funds and special reserves are detailed in note 30 Equity.

17 Trade & other receivables

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Rates receivables	**595**	394	**595**	394
Debtor receivables	**1,600**	6,140	**1,682**	6,214
Debtor accruals	**842**	379	**842**	379
Receivables prior to impairment	**3,037**	6,913	**3,119**	6,987
Less provision for overdue rates	**-**	(10)	**-**	(10)
Less expected credit losses for other receivables	**(567)**	(903)	**(567)**	(903)
Total debtors and other receivables	**2,470**	**6,000**	**2,552**	**6,074**

Total receivables comprise:

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Receivables from exchange transactions- including fees and charges, lease revenue and consent fees	**1,838**	5,322	**1,920**	5,396
Receivables from non-exchange transactions- including rates, grants & subsidies, and development contributions	**632**	678	**632**	678
	2,470	6,000	**2,552**	6,074
Current portion	**2,470**	6,000	**2,552**	6,074
Non-current portion	**-**	-	**-**	-

Debtor receivables includes significant invoices for subsidies from NZTA, Developer and Kainga Ora relating to the IAF Project. Those invoices were paid after balance date.

Non-exchange transactions are primarily rates and other taxes, levies, grants, donations, infringements, and fines, where there has not been an exchange of goods, services, or use of assets of an equal value.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

	Council	
	Actual 2025 $'000	Actual 2024 $'000
The ages of rates receivables are as follows:		
Current year	**489**	295
1 - 2 years overdue	**92**	81
2 - 3 years overdue	**14**	18
Total gross trade receivables	**595**	394

	Council	
	Actual 2025 $'000	Actual 2024 $'000
Movements in the provision for overdue rates are as follows:		
At 1 July 2024	**(10)**	(53)
Receivables written-off during the period	**10**	43
At 30 June 2025	**-**	(10)

17 Trade & other receivables (continued)

The Council does not provide for ECLs on rates receivable. Council has various powers under the Local Government (Rating) Act 2002 (LG(R)A 2002) to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgement, then the Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

The ages of receivables, and the allowance for expected credit losses, is as follows:

	2025			2024		
	Gross carrying amount $'000	**Expected loss rate %**	**Provision for Impairment $'000**	Gross carrying amount $'000	Expected loss rate %	Provision for Impairment $'000
Council						
Not past due	**761**	**- %**	**-**	4,714	0.3 %	(13)
Past due 1-60 days	**4**	**- %**	**-**	15	14.5 %	(2)
Past due 61-90 days	**5**	**- %**	**-**	2	100.0 %	(2)
Past due > 90 days	**578**	**98.1 %**	**(567)**	1,192	74.3 %	(886)
Total	**1,348**		**(567)**	5,923		(903)
Group						
Not past due	**803**	**- %**	**-**	4,755	0.3 %	(13)
Past due 1-60 days	**10**	**- %**	**-**	16	14.5 %	(2)
Past due 61-90 days	**7**	**- %**	**-**	2	100.0 %	(2)
Past due > 90 days	**584**	**97.1 %**	**(567)**	1,195	74.3 %	(886)
Total	**1,404**		**(567)**	5,968		(903)

Trade debtors are shown net of Expected Credit Losses (ECL) arising from likely non-payment.

As at 30 June 2025 accounts receivable have been grouped by days past due and assessed ECL based on historical experience and the future economic environment.

Other receivables are made up of Council's debtors control accounts that are not rates. Other receivables are recorded at the amount due, less an allowance for expected credit losses (ECLs).

The Council applies the simplified ECL model of recognising lifetime ECL for short-term receivables.

In measuring ECLs, receivables have been grouped into Rates receivables (ECL does not apply) and Other receivables and assessed on a collective basis as they possess shared credit risk characteristics.

They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

The ECL rates for other receivables are based on historical credit losses experienced plus adjustments for current and forward forward looking macroeconomic factors that might affect the expected recoverability of receivables. Given the short period of credit risk exposure, the effects of macroeconomic factors are not considered significant.

	Council		**Group**	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Opening balance for credit losses at 1 July 2024	**903**	1,051	**903**	1,051
Additional Provision	**(336)**	(148)	**(336)**	(148)
At 30 June 2025	**567**	903	**567**	903

18 Prepayments

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Prepayments	**406**	348	**406**	348
Total prepayments	**406**	348	**406**	348

Prepayments are items that relate to the following financial year but have been paid in advance. They include items such as insurance, subscriptions, software licenses and similar expenses.

19 Other financial assets

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Current portion				
Loan to subsidiaries	**39**	20	**-**	-
Borrowers Notes	**50**	-	**50**	-
Carbon Credit Held	**35**	-	**35**	-
Total current portion	**124**	20	**85**	-
Non-current portion				
Unlisted shares in Civic Financial Services Ltd	**9**	9	**9**	9
Borrower Notes	**183**	183	**183**	183
Loans to Subsidiaries	**108**	15	**-**	-
Total non-current portion	**300**	**207**	**192**	**192**
Total other financial assets	**424**	**227**	**277**	**192**

Unlisted shares – valuation

The Council holds 9,000 shares in Civic Financial Services Ltd (2024: 9,000) of $1 each. The Council holds 0.08% of the total shares in the company. Due to the immaterial size and nature of the Council's investment, the Council has estimated the fair value of this investment based on Civics' net asset backing on 30 June. There were no impairment provisions for other financial assets. At balance date, none of these financial assets are either past due or impaired.

19 Non-current assets - Other financial assets (continued)

Borrower notes

The Council is a non-guaranteeing member of the NZ Local Government Funding Agency Ltd (LGFA). Borrower notes are subordinated convertible debt instruments that the Council is required to subscribe for when borrowing from the LGFA, currently set at 2.5% of the amount borrowed. The LGFA will redeem borrower notes when the Council's related borrowings are repaid or are no longer owed to the LGFA or may convert them to equity under specific circumstances. Given that the time value of money component is compensated by the interest income, the fair value of borrower notes approximates to the principal amount.

Loans to subsidiaries

In 2021, the Council provided a loan of $100,000 to Innovative Waste Kaikoura Ltd (IWK) for a five-year term, to enable IWK to purchase a truck for the kerbside collection service. The interest rate is 0.25% above the Council's 5-year fixed term borrowing rate from the LGFA, with principal and interest to be repaid quarterly. The loan is due to be fully repaid in 2026, with earlier repayment allowed. In June 2025, the Council provided a loan of $132,000 to IWK for the purchase of an excavator. The interest rate applicable is 4.58% and repayments are spread over a 5-year term.

20 Non-Current assets held for sale

	Council		**Group**	
Non-current assets held for sale are:	**Actual 2025 $'000**	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Land	**330**	330	**330**	330
Total non-current assets held for sale	**330**	330	**330**	330

The Council-owned land on The Esplanade has been presented as held for sale following approval by the Council to sell the land to Te Runanga o Kaikoura in 2022. The Runanga is yet to make an offer for the land that is acceptable to the Council.

21 Forestry assets

The Council has an 11.50% interest in a joint venture operation agreement on the Marlborough Regional Forestry (MRF). Of the Council's share of MRF, 13.37% is held on behalf of Environment Canterbury. The forestry assets are at varying stages of maturity. The joint operation had no logging activity during the 2025 year. The joint operation has now completed all its available logging and is entering a phase of limited revenues, expected to last at least five years, until the next blocks reach suitable height for logging to recommence.

The Council owns a small eight-hectare pine forest at South Bay. The Council harvested the trees in 2025 with logging sales and gains returned in 2025 (2024: $Nil).

	Council		**Group**	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Opening balance at 1 July	**2,728**	2,398	**2,728**	2,398
Increase due to addition	**56**	-	**56**	-
Gains from harvesting	**61**	-	**61**	-
Decrease due to harvest	**(164)**	-	**(164)**	-
Losses arising from changes in fair value attributable to physical changes	**341**	348	**341**	348
Gains arising from changes in fair value attributable to price changes	**(696)**	(18)	**(696)**	(18)
	(402)		**(402)**	330
Balance at 30 June 2025	**2,326**	2,728	**2,326**	2,728

21 Forestry assets (continued)

Valuation Assumptions

Forme Consulting Group valued the Marlborough Regional Forestry assets on 30 June 2025 and 2024, using the estate based net present value method. Forestry estate land and improvements owned by Marlborough Regional Forestry were valued as of 30 June at fair value. The following significant valuation assumptions have been adopted in determining the fair value of forestry assets:

- A pre-tax discount rate of 6.5% (2024: 6.5%) has been used in discounting the present value of expected future cash flows;
- The forest has been valued on a going concern basis and includes only the value of the existing crops on a single rotation basis;
- The forest valuation is pre-tax, valued over a single rotation with all cost and revenues in current (todays) dollars;
- No allowance has been made for inflation. Its is assumed inflation will affect both costs and prices equally;
- Costs are current average costs. No allowance has been made for cost improvements in future operations.

The Council has completed all the logging of trees in the 2025 financial year at South Bay Forestry and does not intend to replant with the main use as a recreational area.

The log prices are based on historical data. The Council is not expecting timber prices to decline significantly in the foreseeable future and that the outlook for timber prices is reviewed regularly.

Sensitivity analysis

The sensitivity of crop value to discount rate is shown below:

		On 30 June 2025	
Discount rate:	6%	6.5% (as used)	7%
The Council's 11.5% share of MRF tree crop value ($000's)	**2,523**	**2,326**	2,147

22 Investment property

The movement of investment property is as follows:

Breakdown of investment property and further information

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Investment property at fair value	**3,000**	2,940	**3,000**	2,940
Fair value gains/(losses) on valuation	**590**	60	**590**	60
Balance at 30 June	**3,590**	3,000	**3,590**	3,000

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
At cost				
Opening balance at 1 July	**775**	-	**775**	-
Work in progress	**2,114**	388	**2,114**	388
Transfers to/ from Property Plant and Equipment work in progress	**-**	387	**-**	387
Balance at 30 June	**2,889**	775	**2,889**	775
Total fair value and cost	**6,479**	3,775	**6,479**	3,775

The land at Wakatu Quay is the only property the Council considers to be investment property, due to the expectation (once developed) that the land will generate a net return.

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Opening balance at 1 July	**3,775**	2,940	**3,775**	2,940
Fair value gains/(losses) on valuation	**590**	60	**590**	60
Work in Progress	**2,114**	775	**2,114**	775
Closing balance at 30 June	**6,479**	3,775	**6,479**	3,775

Investment properties are valued annually at fair market value by Andrew Parkyn (Registered Valuer, B. Com (VPM), PG Dip Com, SPINZ, ANZIV) of Quotable Values Limited on 30 June. The valuer is experienced and competent in undertaking asset valuation work in accordance with valuation and accounting standards. The fair value of investment property was determined using the highest and best use method, which is defined as the most probable use of the asset that is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value.

Investment property work in progress is valued at cost.

(a) Contractual obligations

Refer to note 37 for disclosure of any contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

The Council has not identified any investment propertieds that it intends to sell.

22 Investment property (continued)

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Curent portion				
Investment property held for sale	**-**	-	**-**	-
Non-current portion				
Investment property	**6,479**	3,775	**6,479**	3,775
	6,479	3,775	**6,479**	3,775

23 Property, plant & equipment

Land and buildings were valued at fair value on 30 June 2025, by Andrew Parkyn of Quotable Values.

Water supplies, sewerage and stormwater systems were valued at 30 June 2024 by inhouse engineers and peer reviewed by WSP Ltd. Library books were valued at 30 June 2007 by the District Librarian and this value has been deemed cost at that date; library books are not revalued. Marlborough Regional Forestry PPE is valued annually. The Council does not revalue office equipment, plant and machinery, or artworks.

Land values include restricted land, which are parks and reserves owned by the Council but cannot be disposed of due to legal or other restrictions. On 30 June 2025, this land has a carrying value of $10,316,600 (2024: $7,541,953). Building values include restricted buildings, playgrounds, and other structures, that on 30 June 2025 have a carrying value of $4,246,800 (2024: $2,905,022).

Roading assets were revalued at 30 June 2025 by inhouse engineers and peer reviewed by WSP Ltd. Land under roads of $18,237,242 (2024: $18,237,242) is included under Roading in the tables on the following pages. The Council has elected to use the fair value of land under roads on 30 June 2001 as deemed cost. Land under roads is no longer revalued.

23 Property, plant & equipment (continued)

2025	Cost / revaluation 1 Jul 2024 $'000	Accumulated depreciation 1 Jul 2024 $'000	Carrying amount 1 Jul 2024 $'000	Current year additions $'000	Current year disposals/write-offs $'000	Current year transfers $'000	Current year depreciation $'000	Disposal depreciation $'000	Revaluation depreciation adjustment $'000	Current year revaluations $'000	Cost / revaluation 30 Jun 2025 $'000	Accumulated depreciation 30 Jun 2025 $'000	Carrying amount 30 Jun 2025 $'000
Land	18,089	-	18,089	-	-	432	-	-	-	3,990	22,510	-	22,510
Buildings	21,037	(1,110)	19,927	26	(1,610)	1,002	(568)	-	1,678	817	21,272	-	21,272
Landfill Provision	871	(871)	-	-	-	-	-	-	-	-	871	(871)	-
Office equipment	642	(518)	124	20	-	-	(55)	-	-	-	662	(573)	89
Vehicles & plant	750	(549)	201	17	-	-	(45)	-	-	-	767	(594)	173
Park furniture & other	1,796	(207)	1,589	498	-	40	(52)	-	-	-	2,334	(259)	2,075
Library books	757	(757)	-	36	-	-	(36)	-	-	-	793	(793)	-
Artwork	89	-	89	-	-	-	-	-	-	-	89	-	89
Harbour	10,492	(1,387)	9,105	31	-	-	(220)	-	-	-	10,523	(1,607)	8,916
Roading	173,191	(3,841)	169,350	1,482	(315)	707	(2,363)	59	6,145	31,142	206,207	-	206,207
Stormwater	8,477	-	8,477	1	-	-	(171)	-	-	-	8,478	(171)	8,307
Water supply	31,932	-	31,932	360	-	-	(1,099)	-	-	-	32,292	(1,099)	31,193
Sewerage	36,536	-	36,536	663	-	-	(1,044)	-	-	-	37,199	(1,044)	36,155
MRF PPE	2,815	(517)	2,298	-	-	-	(22)	-	-	344	3,159	(539)	2,620
Work in progress	3,969	-	3,969	3,557	(3,283)	(1,011)	-	-	-	-	3,232	-	3,232
Council total	**311,443**	**(9,757)**	**301,686**	**6,691**	**(5,208)**	**1,170**	**(5,675)**	**59**	**7,823**	**36,293**	**350,388**	**(7,550)**	**342,838**
Subsidiary buildings	411	(146)	265	21	(5)	-	(9)	-	-	-	415	(143)	272
Subsidiary plant & equip	1,503	(996)	507	164	(49)	-	(98)	-	-	-	1,510	(986)	524
Group total	**1,914**	**(1,142)**	**772**	**185**	**(54)**	**-**	**(107)**	**-**	**-**	**-**	**1,925**	**(1,129)**	**796**
Group total	**313,357**	**(10,899)**	**302,458**	**6,876**	**(5,262)**	**1,170**	**(5,782)**	**59**	**7,823**	**36,293**	**352,313**	**(8,679)**	**343,634**

23 Property, plant & equipment (continued)

2024	Cost / revaluation 1 Jul 2023 $'000	Accumulated depreciation 1 Jul 2023 $'000	Carrying amount 1 Jul 2023 $'000	Current year additions $'000	Current year disposals/write-offs $'000	Current year transfers $'000	Current year depreciation $'000	Revaluation depreciation adjustment $'000	Current year revaluations $'000	Cost / revaluation 30 Jun 2024 $'000	Accumulated depreciation 30 Jun 2024 $'000	Carrying amount 30 Jun 2024 $'000
Land	17,271	-	17,271	177	-	641	-	-	-	18,089	-	18,089
Buildings	20,698	(554)	20,144	321	-	18	(556)	-	-	21,037	(1,110)	19,927
Landfill Provision	871	(871)	-	-	-	-	-	-	-	871	(871)	-
Office equipment	580	(459)	121	62	(20)	-	(59)	20	-	642	(518)	124
Vehicles & plant	667	(512)	155	104	-	235	(56)	-	-	750	(549)	201
Park furnituer & other	439	(184)	255	1,122	-	-	(24)	-	-	1,796	(207)	1,589
Library books	720	(720)	-	36	-	-	(36)	-	-	757	(757)	-
Artwork	89	-	89	-	-	-	-	-	-	89	-	89
Harbour	10,679	(1,197)	9,482	36	(283)	59	(190)	-	-	10,492	(1,387)	9,105
Roading	168,341	(1,836)	166,505	4,605	-	244	(2,005)	-	-	173,191	(3,841)	169,350
Stormwater	8,000	(137)	7,863	45	-	-	(155)	293	432	8,477	-	8,477
Water supply	30,101	(976)	29,125	209	-	2	(984)	1,960	1,620	31,932	-	31,932
Sewerage	32,167	(776)	31,391	306	-	-	(1,079)	1,855	4,063	36,536	-	36,536
MRF PPE	2,759	(493)	2,266	-	-	-	(24)	-	56	2,815	(517)	2,298
Work in progress	4,073	-	4,073	1,869	-	(1,973)	-	-	-	3,969	-	3,969
Council total	**297,455**	**(8,715)**	**288,740**	**8,892**	**(303)**	**(774)**	**(5,168)**	**4,128**	**6,171**	**311,443**	**(9,757)**	**301,686**
Subsidiary buildings	408	(137)	271	3	-	-	(9)	-	-	411	(146)	265
Subsidiary plant & equip	1,564	(984)	580	37	(97)	-	(107)	-	-	1,503	(996)	507
Group total	**299,427**	**(9,836)**	**289,591**	**8,932**	**(400)**	**(774)**	**(5,284)**	**4,128**	**6,171**	**313,357**	**(10,899)**	**302,458**

23 Property, plant & equipment (continued)

Core infrastructure asset disclosures

The Local Government (Financial Reporting and Prudence) Regulations 2014 require separate disclosure for water supply, sewerage, stormwater drainage, flood protection and control work, and roads and footpaths. In addition, water and sewerage asset disclosures must be further split between treatment plants and facilities, and other assets. These are separately disclosed in the following table. The Council does not own any assets associated with flood protection and control works.

Included within the Council infrastructure assets above are the following core Council-owned assets:

	Closing book value on 30 June $'000	Additions constructed by the Council $'000	Additions transferred to the Council $'000	Replacement cost estimate for revalued assets $'000
2025				
Water supply:				
- treatment plants & facilities	**6,886**	83	-	6,986
- other assets	**24,307**	277	-	24,679
Sewerage:				
- treatment plants & facilities	**14,556**	662	-	14,271
- other assets	**21,600**	-	-	22,179
Stormwater drainage	**8,306**	1	-	8,530
Roads and footpaths	**206,207**	1,482	-	206,207
2024				
Water supply:				
- treatment plants & facilities	7,296	56	-	15,713
- other assets	24,636	155	-	45,010
Sewerage:				
- treatment plants & facilities	14,485	266	-	20,695
- other assets	22,049	39	-	34,897
Stormwater drainage	8,478	45	-	13,126
Roads and footpaths	169,350	4,849	-	196,137

Replacement cost differs to the closing book value (carrying amounts) because the closing book values are determined using depreciated replacement cost. Replacement costs were determined on 30 June 2024 for 3 waters and roading valuations were completed for 30 June 2025.

24 Intangible assets

Computer software

Software includes the ERP software, Ozone, supplied by Datacom NZ Ltd. This whole-of-Council software solution provides financial, rates, customer service and regulatory modules. Software also includes library software, Liberty, which now provides an improved cataloguing system.

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Computer software				
Opening balance 1 July	**34**	66	**34**	66
Additions	**-**	-	**-**	-
Disposals	**-**	-	**-**	-
Amortisation	**(31)**	(32)	**(31)**	(32)
Closing balance 30 June	**3**	34	**3**	34

25 Payables and deferred revenue

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Current portion				
Payables and deferred revenue under exchange transactions:				
Trade payables, deferred revenue, and accrued expenses	**2,867**	2,666	**3,125**	2,665
Malborough Regional Forestry creditors	**10**	12	**10**	12
GST payable	**-**	-	**-**	-
Total	**2,877**	2,678	**3,135**	2,677
Payables and deferred revenue under non-exchange transactions:				
Rates paid in advance	**287**	258	**287**	258
Goods & services tax	**220**	445	**243**	483
Deposits and bonds held	**69**	285	**69**	285
Environmental Canterbury liability	**93**	73	**93**	73
Grant liabilities	**3,581**	4,589	**3,581**	4,589
Total	**4,250**	5,650	**4,273**	5,688
Total current portion	**7,127**	8,328	**7,408**	8,365

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payables approximates their fair value.

26 Employee benefits liabilities

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Accured salaries & wages, PAYE and FBT	**89**	70	**139**	118
Annual leave	**163**	199	**241**	277
Sick leave	**6**	12	**6**	12
Long service leave	**9**	12	**9**	12
Total employee benefits liabilities	**267**	293	**395**	419

Key assumptions in measuring long service leave obligations

It is assumed that long service leave will be taken within twelve months. No discount rate has been applied, and leave obligations are stated at current rates of pay.

27 Borrowings

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Current				
Secured loans	**2,000**	2,000	**2,003**	2,004
Short term loan (cash advance)	**-**	-	**14**	32
Total current borrowings	**2,000**	2,000	**2,017**	2,036
Non-current				
Secured loans	**5,300**	5,300	**5,300**	5,300
Total non-current borrowings	**5,300**	5,300	**5,300**	5,300
Total borrowings	**7,300**	7,300	**7,317**	7,336

Security

The Council is a non-guaranteeing member of the Local Government Funding Agency (LGFA). The borrowings are secured against rates of the Council under a debenture trust deed. The Council manages its borrowings in accordance with its funding and financial policies, which includes a Liability Management Policy. These policies have been adopted as part of the Council’s Long-Term Plan.

At balance date, $7,300,000 in borrowings has been drawn with LGFA (2024: $7,300,000). No loans are held with the BNZ (2024: Nil).

27 Non-current liabilities - Borrowings (continued)

Maturity analysis and effective interest rate

	Council		Group	
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
Less than one year	**2,000**	2,000	**2,000**	2,038
Weighted average effective interest rate	**3.61 %**	5.17 %	**3.61 %**	5.17 %
Later than one year but no more than 5 years	**5,300**	5,300	**5,300**	5,300
Weighted average effective interest rate	**4.23 %**	4.40 %	**4.23 %**	4.40 %
Later than five years	**-**	-	**-**	-
Weighted average effective interest rate	**- %**	- %	**- %**	- %

There is no significant difference in the carrying amount and the fair values of borrowings in each year. There are no internal borrowings.

28 Provisions

Provision for landfill aftercare costs

The Council has a resource consent to operate the landfill and has responsibility under the consent to provide ongoing maintenance and monitoring of the landfill after the site has closed, and while the landfill has been capped and the site has been reconfigured as a transfer station, there remains some costs involved with the final capping and closure of the landfill.

The bulk of the cash outflows for landfill post-closure are expected to occur in 2026, with residual costs until 2060. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and using a multi-factored discount rate ranging from 3.14% to 5.99% (2024: 4.25% to 5.36%), and a multi-factored inflation rate ranging from 1.98% to 2.10% (2024: 2.00% to 2.32%).

	Council		Group	
	Actual	Actual	**Actual**	Actual
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
Current				
Landfill aftercare costs	**382**	389	**382**	389
Non-current				
Landfill aftercare costs	**200**	382	**200**	382
Total provisions	**582**	771	**582**	771
Movements in provisions:				
Opening balance 1 July	771	805	771	805
Amount used	-	-	-	-
Reduction in provision	(189)	(34)	(189)	-
Closing balance	582	771	582	805

29 Other term liabilities

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Non-current				
Share of interest in MRF held on behalf of ECAN	**584**	545	**584**	545
Total other term liabilities	**584**	**545**	**584**	**545**

KDC has no non-current liabilities relating to MRF because its share in MRF is offset by KDC's claim from MRF for Marlborough District Council's 88.5% share on MRF loan from KDC.

	2025 $'000	**Share**	2025 $'000
Marlborough District Council loan - KDC share at 11.5%	**5,337,916**	**11.5 %**	613,860
Kaikoura District Council loan - KDC's claim from MDC's share	**693,627**	**88.5 %**	(613,860)
Total liability			-

30 Equity

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Asset revaluation reserves	**219,331**	176,793	**219,331**	176,718
Public equity	**119,640**	119,940	**120,340**	120,702
Special reserves & special funds	**4,001**	3,802	**4,001**	3,802
Total equity	**342,972**	300,535	**343,672**	301,222

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Special reserves	**1,843**	927	**1,843**	927
Special funds	**2,158**	2,875	**2,158**	2,875
Total reserves	**4,001**	3,802	**4,001**	3,802

Public equity

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Opening balance 1 July 2024	**119,940**	117,660	**120,625**	118,594
Adjusted balance at 1 July 2024	**119,940**	117,660	**120,625**	118,594
Asset revaluation reserve derecognition	**1,192**	-	**1,192**	-
Net surplus/(deficit)	**(1,298)**	2,277	**(1,283)**	2,028
Transfers (to)/from special reserves	**(911)**	29	**(911)**	29
Transfers (to)/from special funds	**717**	(26)	**717**	(26)
Balance at 30 June 2025	**119,640**	119,940	**120,340**	120,625

30 Equity (continued)

Special reserves and special funds

Special reserves are balances set aside by legislation and are held for specific purposes which the Council has funded by way of targeted rates, such as water maintenance.

Special funds are also funds set aside by the Council for specific purposes, but which are generally funded by sources other than rates, e.g., grants and development contributions.

	Purpose	Opening balance $'000	Transfers in $'000	Transfers out $'000	Closing balance $'000
2025					
Kaikoura water	All costs for the Kaikoura, Ocean Ridge, Suburban, Oaro, and Peketa water supplies	808	1,366	(1,102)	1,072
East Coast water	Maintenance, administration, upgrading and loan costs	(88)	73	(66)	(81)
Kincaid water	Maintenance, administration, and upgrading costs	115	104	(74)	145
Fernleigh water	Maintenance, administration, and upgrading costs	(11)	168	(125)	32
Roading	Maintenance and upgrading of local roads and bridges	126	3,245	(2,569)	802
Roading events	Responding to flooding and other events, and repairing damage to roads and bridges	187	47	(59)	175
Footpaths & streetlights	Maintenance, administration, upgrading and loan costs	79	290	(530)	(161)
Recycling	Recycling collection and sorting, and recycling stations	204	209	(217)	196
District Plan	All costs in relation to the District Plan	6	271	(290)	(13)
Stormwater	Maintenance, administration, upgrading and loan costs	45	120	(71)	94
Sewerage	Maintenance, administration, upgrading and loan costs	(176)	1,587	(1,259)	152
Tourism & Marketing	Support for the i-Site and Destination Kaikoura	(37)	298	(255)	6
Commercial Rate	A portion of the cost of providing traffic control, public toilets, public rubbish bins	(71)	117	(308)	(262)
Harbour	South Bay & North Wharf maintenance, administration, upgrading and loan costs	(126)	406	(509)	(229)
West End town centre	Car park, village green, public toilets and town centre maintenance, administration, upgrading and loan costs	143	233	(137)	239
Civic centre	Maintenance, administration, upgrading and loan costs	(294)	427	(473)	(340)
Stock control	All costs including enforcement and control	18	-	(2)	16
Total restricted reserves - 2025		**928**	**8,961**	**(8,046)**	**1,843**

30 Equity (continued)

	Purpose	Opening balance $'000	Transfers in $'000	Transfers out $'000	Closing balance $'000
Special reserves					
Social Services	Social projects & committee costs	5	-	-	5
Tourism strategy	Tourism strategy costs	35	-	-	35
Creative Communities	Arts funding available by application	8	18	(18)	8
George Low bequest	Sports & recreation funding available by application	61	5	(5)	61
Economic development	Economic development projects	11	33	(75)	(31)
Forestry	Net costs of forestry and surpluses for strategic investment	920	22	(76)	866
Significant natural areas	Biodiversity projects	22	-	(1)	21
Parks & reserves	Upgrades and new parks/reserves	152	69	-	221
Pensioner Flats	Maintenance, upgrades, administration and loan costs	23	117	(210)	(70)
Community facilities	Maintenance, upgrades, administration and loan costs	983	395	(395)	983
Waste Minimisation Levy	Waste minimisation project	185	81	-	266
Library grants	Library resources	2	-	-	2
Family violence	Service coordination	25	28	(28)	25
Mayoral fund	Discretionary funds	25	-	-	25
Airport	Debt repayment and capital projects	(2)	149	(163)	(16)
Responsible camping	Grant funding for by-law & enforcement	169	11	(98)	82
Financial sustainability	Financial & Corporate Sustainability (FCS) DIA funded review	52	-	(120)	(68)
Legal challenges	Court costs and legal advice	100	-	-	100
Building accreditation	Building control authority accreditation	59	24	(5)	78
Wakatu Quay	PGF funded Wakatu Quay project	(24)	2,353	(2,830)	(501)
South Bay feasibility	PGF funded South Bay project	26	70	(70)	26
Environmental planning fund	Environmental projects and grants	16	-	(2)	14
Fords (Hapuku Puhi Kahutara)		22	9	(5)	26
		2,875	**3,384**	**(4,101)**	**2,158**

30 Equity (continued)

Asset revaluation reserves

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Opening balance 1 July	**176,794**	166,525	**176,794**	166,525
Revaluation gains/(losses)	**42,537**	10,276	**42,537**	10,276
Transfer to Public Equity	**-**	-	**-**	-
Environment Canterbury's share of MRF Revaluation gains	**-**	(7)	**-**	(7)
Closing balance 30 June	**219,331**	176,794	**219,331**	176,794

The Asset revaluation reserves consist of:

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Land	**14,252**	10,263	**14,252**	10,263
Buildings	**10,442**	9,182	**10,442**	9,182
MRF Land & Improvements	**416**	438	**416**	62
Library Books	**65**	65	**65**	65
Roading	**145,420**	108,133	**145,420**	108,133
Stormwater	**6,097**	6,097	**6,097**	6,097
Water Supply	**23,036**	23,036	**23,036**	23,036
Sewerage	**19,205**	19,205	**19,205**	19,205
Other Assets (including Harbour)	**398**	375	**398**	752
	219,331	176,794	**219,331**	176,795

31 Remuneration

Chief Executive

The total remuneration (including any non-financial benefits) paid or payable for the year to the Chief Executive was $265,081 (2024: $259,809).

Elected representatives

The Mayor and Councillors of the Kaikoura District Council received the following honorarium and attendance fees.

	Council	
	Actual 2025 $	Actual 2024 $
Mayor Craig Mackle	**89**	86
Deputy-Mayor Julie Howden	**42**	37
Councillor Vicki Gulleford	**33**	28
Councillor Lisa Bond	**28**	23
Councillor Tony Blunt	**29**	23
Councillor Kevin Heays	**26**	26
Councillor Robby Roche	**28**	23
Councillor John Diver	**29**	23
Total key management personnel remuneration	**304**	269

31 Remuneration (continued)

Key management personnel
Key management personnel include the Mayor, Councillors, Chief Executive, and Senior Managers.

	Council	
	Actual 2025 $	Actual 2024 $
Councillors		
Full time equivalent members	**8**	8
Remuneration	**304**	269
Senior Management team, including the Chief Executive		
Full time equivalent members	**3**	3
Remuneration	**599**	660
Total full-time equivalent personnel	**11**	11
Total key management personnel remuneration	**903**	929

Council employees

At balance date, the Council employed 29 full-time employees (2024: 30), with the balance of staff representing 8 full-time equivalant employees (2024: 8). A full-time employee is determined based on a 35-hour working week.

	Council	
	2025	**2024**
Total annual remuneration by band for employees on 30 June:		
< $60,000	**14**	15
$60,000 – $79,999	**11**	13
$80,000 – $119,999	**7**	6
$120,000 – $219,999	**8**	7
$220,000 - $259,999	**-**	-
$260,000 - $279,999	**1**	1
Total employees	**41**	42

During the year, the Council made one severance payment of $12,000 (2024: NIL).

32 Financial instruments

Financial instrument classification

		Council		Group	
	Level	**2025 $'000**	2024 $'000	**2025 $'000**	2024 $'000
FINANCIAL ASSETS:					
Amortised cost					
Cash and cash equivalents		**3,556**	2,644	**3,914**	2,715
Trade and other receivables		**2,470**	6,007	**2,552**	6,072
Loans to subsidiaries		**147**	35	**-**	-
Carbon credit		**35**	-	**35**	-
Civic Financial Services Ltd		**9**	9	**9**	9
Unlisted borrower notes LGFA		**233**	183	**233**	183
		6,450	8,878	**6,743**	8,979

32 Financial instruments (continued)

	Council		Group	
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
FINANCIAL LIABILITIES				
Amortised cost				
Trade & other payables	**7,128**	8,329	**7,408**	8,366
Borrowings	**7,300**	7,300	**7,317**	7,336
Share of MRF held on behalf of ECAN	**584**	545	**584**	545
	15,012	16,174	**15,309**	16,247

Fair value hierarchy

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Level 1 - Quoted market price - Financial instruments with quoted prices for identical instruments in active markets.
- Level 2 - Valuation technique using observable inputs - Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Level 3 - Valuation techniques with significant non-observable inputs - Financial instruments valued using models where one or more significant inputs are not observable.

Financial instrument risks

The Council has a series of policies to manage the risks associated with financial instruments. The Council is risk averse and seeks to minimise exposure from its treasury activities. The Council has established Council-approved liability management and investment policies. These do not allow any transactions that are speculative in nature to be entered into.

Market risk

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. The Council is not exposed to equity securities price risk on its investments, which are classified as financial assets held at fair value through equity.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Council is not exposed to currency risk, as its treasury policy does not allow the Council to enter into foreign currency ransactions and that financial instruments are transacted in New Zealand dollars

Interest rate risk

The interest rates on the Council's borrowings are disclosued in note 27.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rate. Borrowings issued at fixed rates expose the Council to fair value rate risk. The Council's liability management policy outlines the level of borrowing that is to be secured using fixed rate instruments. Investments at fixed interest rates expose the Council to fair value interest rate risk.

Sensitivity Analysis

If interest rates on borrowings/derivative financial instruments at 30 June 2025 had fluctuated by plus or minus 0.5%, the effect would have been to increase/decrease the surplus after tax by $36,500 (2024: $36,500).

32 Financial instruments (continued)

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in the market interest rates. Borrowings and investments issued at variable interest rates expose the Council to cash flow interest rate risk.

The Council manages its cash flow interest rate risk on borrowings by limiting its floating rate borrowings to the limits set in its liability management policy.

Credit risk

Credit risk is the risk that a third party will default on its obligation to the Council, causing the Council to incur a loss. The Council has a large number of credit customers, but does have a significant concentration of credit risk in the overdue balances relating to two debtors. The issues surrounding these balances are complex, and legal advice is being sought.

The Council has powers under the Local Government (Rating) Act 2002 to recover outstanding rates debts.

The Council invests funds only in deposits with registered banks and local authority stock and its investments policy limits the amount of credit exposure to any one institution or organisation.

Investments in other Local Authorities are secured by charges over rates. Other than other Local Authorities, the group only invests funds with those entities, which have a Standard and Poor's credit rating of at least A for short term and A for long term investments. Accordingly, the group does not require any collateral or security to support these financial instruments.

The derivatives are measured at fair value, and the maximum exposure to credit risk at the end of the reporting period will equal the carrying amount.

All Council's cash assets and derivative financial instrument assets are with New Zealand registered banks (Credit Ratings: BNZ AA-).

Liquidity risk

Liquidity risk is the risk that the Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Council aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements, the Council maintains a target level of investments that must mature within the next 12 months and to meet its projected business requirements in the next 12 months.

The Council manages its borrowing in accordance with its funding and financial policies, which includes a liability management policy. These policies have been adopted as part of the Council's Long-Term Plan.

The Council does not have an overdraft facility and manages its additional funding requirements through borrowingwith the LGFA.

The maturity profiles of the Council's borrowing is disclosed in note 27.

32 Financial instruments (continued)

Contractual maturity analysis of financial liabilities

The table below analyses the Council and group’s financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments.

	Carrying amount $'000	Contractual Cashflows $'000	Less than 1 year $'000	1-2 years $'000	2-5 years $'000
Council 2025					
Payables	**7,127**	**7,127**	**7,127**	**-**	**-**
Secured Loan	**7,300**	**8,140**	**2,297**	**2,208**	**3,635**
Total	**14,427**	**15,267**	**9,424**	**2,208**	**3,635**
Council 2024					
Payables	8,329	8,329	8,329	-	-
Secured Loan	7,300	8,007	2,098	2,163	3,745
Total	15,629	16,336	10,427	2,163	3,745
Group 2025					
Payables	**7,408**	**7,408**	**7,408**	**-**	**-**
Secured Loan	**7,300**	**8,140**	**2,297**	**2,208**	**3,635**
Total	**14,708**	**15,548**	**9,705**	**2,208**	**3,635**
Group 2024					
Payables	8,364	8,405	8,329	-	-
Secured Loan	7,300	8,009	2,100	2,163	3,745
Total	15,664	16,414	10,429	2,163	3,745

Contractual maturity analysis of financial assets

The table below analyses the Council and group’s financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

	Carrying amount $'000	Contractual Cashflows $'000	Less than 1 year $'000	1-2 years $'000	2-5 years $'000
Council 2025					
Cash & cash equivalents	**3,556**	**3,556**	**3,556**	**-**	**-**
Receivables	**2,470**	**2,470**	**2,470**	**-**	**-**
Carbon credit	**35**	35	35	-	-
Total	**6,061**	**6,061**	**6,061**	**-**	**-**
Council 2024					
Cash & cash equivalents	2,644	2,644	2,644	-	-
Receivables	6,007	6,007	6,007	-	-
Total	8,651	8,651	8,651	-	-
Group 2025					
Cash & cash equivalents	**3,914**	**3,914**	**3,914**	**-**	**-**
Receivables	**2,552**	**2,552**	**2,552**	**-**	**-**
Carbon credit	**35**	35	35	-	-
Total	**6,501**	**6,501**	**6,501**	**-**	**-**
Group 2024					
Cash & cash equivalents	2,715	2,715	2,715	-	-
Receivables	6,072	6,072	6,072	-	-
Total	8,787	8,787	8,787	-	-

33 Taxation

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Components of tax expense recognised in statement of comprehensive revenue and expense				
Current Taxation	**-**	-	**-**	42
Deferred Taxation	**-**	-	**(5)**	-
Income tax expense	**-**	-	**(5)**	42
Components of deferred tax recognised directly in equity:	**-**	-	**-**	-
Tax expense	**-**	-	**(5)**	42
Relationship between tax expense and accounting profit				
Surplus/(deficit) before tax	**(1,298)**	2,277	**(1,288)**	2,072
(Non-taxable income)	**-**	-	**1**	-
Tax loss not recognised	**-**	-	**(1)**	-
Deferred Taxation	**-**	-	**(8)**	90

	Property plant and equipment $'000	**Employee benefits $'000**	**Accrued expenses $'000**	**Losses to carry forward $'000**	**Total $'000**
Entity					
Balance at 1 July 2023	(20)	22	-	34	36
Recognised in income	(81)	(1)	-	40	(42)
Balance at 1 July 2024	(101)	21	-	74	(6)
Recognised in income	14	1	-	(10)	5
Balance at 30 June 2025	(87)	22	-	64	(1)

Innovative Waste Kaikoura Limited recognises its tax obligations.

34 Joint venture operation

Marlborough Regional Forestry

The Council has an 11.5% participating interest in the Marlborough Regional Forestry joint venture, with the Marlborough District Council holding 88.5%. Of the Council's share, 13.37% is held on behalf of Environment Canterbury. The Council's interest in the joint venture is accounted for as a jointly controlled operation, and are as follows:

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Current assets	**123**	239	**123**	239
Non-current assets	**4,945**	4,979	**4,945**	4,979
Total assets	**5,068**	5,218	**5,068**	5,218
Current liabilities	**10**	12	**10**	12
Non-current liabilities	**694**	1,129	**694**	1,129
Total liabilities	**704**	1,141	**704**	1,141
	4,364	4,077	**4,364**	4,077
Share of net surplus/(deficit)	**287**	410	**287**	410

The Council has no capital commitments, contingent liabilities, or contingent assets in relation to Marlborough Regional Forestry.

35 Related party transactions

Intergroup

Innovative Waste Kaikoura Ltd (IWK)

During the year, through the ordinary course of business, the Council has paid $2,112,154 including GST in fees and grants to Innovative Waste Kaikoura Ltd (2024: $1,867.950) and received $152,462 including GST from Innovative Waste Kaikoura Ltd (2024: $24,032). The transactions include the day-to-day operations of the resource recovery centre and landfill, the kerbside recycling collection, normal maintenance, and operations of water supplies, stormwater and wastewater, public toilet cleaning, and emptying of public rubbish bins.

At year end there was $20,637 including GST (2024: $117,393) payable by the Council to Innovative Waste Kaikoura Ltd and NIL including GST (2024: NIL) receivable by the Council from Innovative Waste Kaikoura Ltd.

Loan from the Council to IWK

On 26 February 2021, the Council provided a loan to IWK of $100,000. The loan term is five years, with earlier repayment allowed. The initial interest rate was set at 2.14%. The interest rate will be reset two years after commencement date and again four years after commencement date. The interest rate was reset on 10 May 2023 to 6.06% per annum.

Principal and interest payments are received from IWK quarterly with the first payment date being 20 May 2021, and all other payments being three-monthly thereafter. IWK is to make 20 equal principal payments, along with the interest due.

IWK repaid $20,000 on their term loan from the Council during the year (2024: $20,000).

On 30 June 2025, the Council provided a loan to IWK of $132,000. The loan term is 5 years. The interest rate has a margin of 0.25% above Kaikoura District Council's Weighted Average Fixed Cost (WAFC), the starting interest rate is 4.58%. Principal and interest payments are received quarterly with the first repayment starting on 20 July 2025.

Key management personnel

Key management personnel include the Mayor, Councillors, Chief Executive, and Senior Managers.

During the year Councillors and key management, as part of a normal customer relationship, were involved in minor transactions with the Council (such as payment of rates, processing of consent applications, etc.). No provision has been required, nor any expense recognised for impairment of receivables for any receivables to related parties (2024: $nil).

35 Related party transactions (continued)

Breach of legislation

During the 2023 year, a breach of section 7(1) the Local Government Members (2022/23) Determination 2022 (the LGMD) was identified. The LGMD is determined by the Remuneration Authority, which sets maximums for the Mayor and Councillor annual remuneration.

The overpayments have been recovered by each elected member within the 2023/24 financial year, or within the election term.

The breach will be disclosed in aggregate for 30 June 2025 as follows:

	Council		**Group**	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Overpayment	**(1)**	28	**-**	28
Repaid	**1**	(27)	**-**	(27)
	-	1	**-**	1

36 Commitments as lessee, and Contingent Liabilities

	Council		**Group**	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Non-cancellable operating leases as lessee				
Not later than one year	**17**	19	**17**	19
Later than one year and not later than five years	**25**	42	**25**	42
Later than five years	**-**	-	**-**	-
	42	61	**42**	61

Capital commitments

	Council & Group			
	Contract value 2025 $'000	Spent at 30 June 2025 $'000	Committed value 2025 $'000	Contracted or committed 2024 $'000
Wakatu Quay	**5,166**	2,861	**2,304**	289
IAF - Kaikoura Western Developments	**268**	184	**85**	216
Footpath Renewal	**276**	252	**24**	-
Waiau - Toa Bridge	**-**	-	**-**	111
Toilets	**-**	-	**-**	596
WWTP - Old Beach Rd	**120**	105	**14**	70
Transfer Station	**-**	-	**-**	38
	5,830	3,402	**2,427**	1,320

36 Commitments as lessee, and Contingent Liabilities (continued)

Housing NZ Corporation funding

Housing New Zealand Corporation (now Kainga Ora - Homes and Communities) has provided $497,776 (2024: $497,776) towards the construction of social housing. This funding related to the development of four new pension houses and modernisation of existing pensioner housing. This advance will cease to be repayable after 20 years. The funding would be payable if the Council were to withdraw its investment in that housing or make a decision to alter the long-term plan relating to the provision of social housing. The advance was recognised as grant revenue in the 2009 financial year and contingency related to the repayment of this funding expires in 2029..

Superannuation schemes

The Council is a participating employer in the DBP Contributors Scheme (the Scheme), which is a multi-employer defined benefit scheme. If all the other participating employers cease to participate in the Scheme, the Council could be responsible for any deficit of the Scheme. Similarly, if only some employers cease to participate in the Scheme, the Council could be responsible for an increased share of any deficit.

On 31 March 2025, the scheme had a past service deficit of $0.504 million excluding Employer Super annuation Contribution Tax (2024: $0.166 million deficit). This deficit was calculated using a discount rate equal to the expected return on assets, but otherwise the assumptions and methodology were consistent with the requirementsof PBE IPSAS 25.

Each year the Board's Actuary carries out a review of the scheme to determine an employer contribution rate sufficient to meet the accrued and future liabilities of the scheme. Based on the latest review, completed on 31 March 2025, the Actuary recommended an employer contribution rate of between four-times contributors' contributions was maintained. Following the acturial review completed as at 31 March 2025, effective from 1 July 2025, the employer contribution rate of four times contributors contributions has been maintained. The rate will be reviewed again at 31 March 2026 and any change would be implemented from 1 April 2026.

36.1 Contingent liabilities

Contingent liabilities
Contingent liabilities include those items where a liability may be incurred if certain events or outcomes occur, or where a present obligation exists but the extent of the liability cannot be measured reliably for recognition in the financial statements.

Management consider the likelihood of a particular event or outcome occurring to determine whether a contingent liability should be disclosed. No disclosure is made when the possibility of an outflow of resources is considered to be remote. Where amounts are disclosed the amount shown is the maximum potential cost.

Quantifiable contingent liabilities

	Council		**Group**	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Building Act claims	**70**	70	**70**	70
Other legal proceedings	**340**	150	**150**	150
Total contingent liabilities	**410**	220	**220**	220

Building Act claims
The Building Act 2004 imposes certain obligations and liabilities on local authorities relating to the issue of building consents and inspection of work done. At the date of this report, one matter under that Act indicating potential liabilities had been brought to the Council's attention.

Legal Proceedings
Complexities remain around judicial review proceedings in respect to challenging a the special operators rate for South Bay. Negotiations are ongoing with Whale Watch and the Council and Whale Watch have agreed to go to mediation to see if some common ground can be reached about the rating issues.

37 Commitments as lessor, and contingent assets

The New Zealand Emissions Trading Scheme

The New Zealand Emissions Trading Scheme (ETS) became law on 28 September 2008 with the passing of the Climate Change Response (Emissions Trading) Amendment Act 2009 (the Act). The Act provides for carbon credits to be allocated to owners of pre 1990 forest land pursuant to the New Zealand governments' Allocation Plan. Marlborough Regional Forestry is registered. Additionally, MRF has registered its post 1989 forestry which will entitle it to emission units as carbon is sequestered through forestry growth. The Council has no other post 1989 forestry that is eligible to enter in the Scheme.

Under the ETS, both the Council and MRF will have an obligation to account for any emission released as a consequence of deforestation of pre 1990 land by surrendering credits equal to the extent of that emission. The Council has no liability for deforestation on 30 June 2025, either on its own account or as a joint venture operation partner in MRF (2024: Nil).

38 Insurance on assets

Buildings and building contents

The assets covered by the Council's material damage policy a total depreciated value on 30 June 2025 of $59,420,836 (2024: $54,108,308), and have a total sum insured of $79,084,237 (2024: $61,048,743). The insured value takes into account the cost to replace/rebuild the assets including demolition (if any). The carrying value of buildings has been revalued on 30 June 2025, including both community buildings and infrastructure buildings such as pump stations and reservoirs. The remainder of assets (e.g., contents such as furniture, artwork, and computer equipment) are stated at their last known market value less depreciation, and after impairment (if any). The Council has an excess of $10,000 for any one claim.

Vehicles and plant

Vehicles and plant have a total asset value on 30 June 2025 of $131.548 (2024: $162,766), with insurance cover for replacement value of $286,000 (2024: $270,000). Insured cover includes windscreen replacement for all vehicles.

Water, sewerage, and stormwater assets

These activities have a total asset value for insurance purposes of $87,875,490 (2024: $112,024,618), with protection under the NZ Local Authority Protection Programme (LAPP) for up to two events up to an amount of $300 million for each event at 40% for any one event in total. The remaining 60% of a loss would be covered by central government.

The Council's threshold to make a claim is $150,000 and deductible is $60,000.

Structural above-ground assets such as water reservoirs and sewer pump stations are not covered by LAPP; they are included in the material damage policy for buildings and building contents (above). The LAPP policies provide cover for pipe networks and underground assets only. These assets have a total depreciated value on 30 June 2025 of $52,307,397 (2024: $53,038,379).

38 Insurance on assets (continued)

Roads, bridges, and footpaths

These assets have a total carrying value on 30 June 2025 of $187,969,525 excluding land under roads (2024: $151,113,198). For normal maintenance work, the Council receives 51% subsidy from the NZTA (2024: 51%). The subsidy to rebuild the bridge over the Waiau-Toa Clarence River, destroyed by the earthquake, is 95%. This subsidy and work has ceased at 30 June 2025. Emergency work is subject to a higher subsidy rate from NZTA dependent on the severity of the damage. On 30 June 2025, the Council roading special reserve has $802K of funds. (2024: $126K).

There is $9,969,831 of assets that the Council considers to be uninsured within this group of activities (2024: $5,041,076). These include sea walls and footpaths.

39 Explanation of major variances against budget

The significant variances to budget are detailed below.

Statement of Comprehensive Revenue & Expense

The Council recorded a total comprehensive income of $41.2 million, significantly higher than the budgeted surplus of $17.5 million. This variance is primarily driven by the following factors:

Revenue variances

Grants and Subsidies: Actual grants and subsidies revenue was $7.78 million, compared to a budget of $15.04 million. The shortfall of $7.26 million is largely due to delays in the Wakatu Quay, Glen Alton Bridge, and Infrastructure Acceleration Fund (IAF) projects, which deferred the recognition of associated funding.

Interest Revenue: Interest income was $0.245 mllion, significantly above the budgeted $0.057 million, reflecting improved cash management and higher interest rates.

Fair Value Gains: Gains of $0.84 million were recorded, well above the budgeted $0.088 million, driven by:

- $0.59 million gain on investment property revaluation (Wakatu Quay).
- $0.189 million gain from changes in landfill provision estimates
- Other Revenue: Other revenue was $1.01 million, exceeding the budget of $0.685 million, primarily due to higher returns from the Marlborough Regional Forestry joint operation.
-

Expense Variances

Personnel Costs: Personnel expenses were $3.80 million, slightly below the budget of $3.93 million, due to staff vacancies, specifically the Senior Operations Manager.

Depreciation and Amortisation: Depreciation was $5.71 million, under the budgeted $6.24 million, reflecting delays in capitalisation of major projects such as Wakatu Quay and Glen Alton Bridge.

Other Expenses: Other operating expenses were $8.57 million, lower than the budget of $9.15 million. Key factors driving these costs were:
(i) Increased insurance premiums and audit fees
(iiI) Legal costs related to Wakatu Quay procurement and Resource Management Plan hearings.
(iii) Timing of ERP software implementation

Other Comprehensive Revenue and Expense

A substantial $42.54 million gain was recorded from asset revaluations, primarily in Roading ($37.29 million), Land ($3.99 million), and Buildings ($1.26 million). These revaluations reflect increased construction costs and updated fair value assessments.

Statement of Financial Position

As at 30 June 2025, the Council's total assets were $358 million, exceeding the budgeted $331 million by $27 million. This variance is primarily attributable to significant increases in both current and non-current assets.

39 Explanation of major variances against budget (continued)

Current assets were $6.89 million, which is $2.6 million higher than budget. The most notable contributors to this variance were:

- Cash and cash equivalents, which were $1.9 million above budget due to the timing of grant funding receipts and lower-than-expected capital expenditure.
- Receivables from exchange transactions, which were not budgeted but came in at $1.84 million, reflecting accrued income from grants and services.
- Prepayments and other financial assets also exceeded budget, largely due to insurance prepayments and the recognition of borrower notes and carbon credits.

Non-current assets totalled $352 million, $28 million above budget. This was driven by:

- A $26 million increase in property, plant and equipment, resulting from asset revaluations, particularly in roading.
- A $0.998 million shortfall in investment property, due to delays in the Wakatu Quay development.
- Slight reductions in forestry assets, reflecting valuation losses and harvesting activity.

On the liabilities side, current liabilities were significantly higher than budget, totalling $9.8 million compared to the budgeted $2.9 million—a variance of $6.9 million. This was largely due to:

- Deferred revenue under non-exchange transactions, which was not budgeted but amounted to $4.3 million, reflecting grants received in advance for projects such as Wakatu Quay.
- Short-term borrowings were $1.0 million higher than budget, due to the classification between current and non-current.
- Landfill closure provisions were reclassified to current liabilities, adding $0.382 million.

Non-current liabilities were $6.1 million, slightly below the budgeted $7.0 million. This $0.924 million favourable variance was due to to the classification of borrowings between current and non-current.

Overall, total equity was $343 million, exceeding the budget by $22 million. This was primarily due to a $43 million increase in asset revaluation reserves, offset by a lower balance in accumulated funds due to the operating deficit and transfers to reserves.

40 Post balance date events

Water Services Reform Programme

The Government is implementing a water services reform programme to address New Zealand's water infrastructure legacy under investment challenges – Local Water Done Well. The first phase of this programme was to repeal the previous 3 Waters Reform legislation. The Local Government Water Services Preliminary Arrangements Act 2024 was enacted on 2 September 2024 and established the Local Water Done Well framework. The Act required Councils to develop Water Services Delivery Plans by 3 September 2025. These plans should outline future water services delivery arrangements and commit to an implementation plan. Kaikoura District Council entered into discussions with other North Canterbury Councils in order to explore the creation of a joint water services entity. As a result of these discussions, Kaikoura and Hurunui District Councils consulted on options regarding future water services plans which included a joint WatersServices entity between Hurunui District Council and Kaikoura District Council.

Following consultation with the community, Kaikoura District Council committed to working with Hurunui District Council on the creation of a joint water services entity and our Waters Services Delivery Plan was submitted towards the end of August 2025, ahead of the September legislative deadline. Following a collaborative process with government agencies, the Water Services Delivery Plan has been approved by the Department of Internal Affairs (DIA). We are now working through the various legislative and associated commerical details in order for the estimated go live date of 1 July 2026. While the entity is likely to be legally created before 1 July 2026, water asset transfers will only take place on 1 July 2026. Shareholdings and other details are currently being etablished and no price homogenisation between the districts is proposed.

Annual Report Disclosure Statement

For the year ending 30 June 2025

What is the purpose of this statement?

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

The Council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014. Please refer to those regulations for more information, including definitions of some of the terms used in this statement.

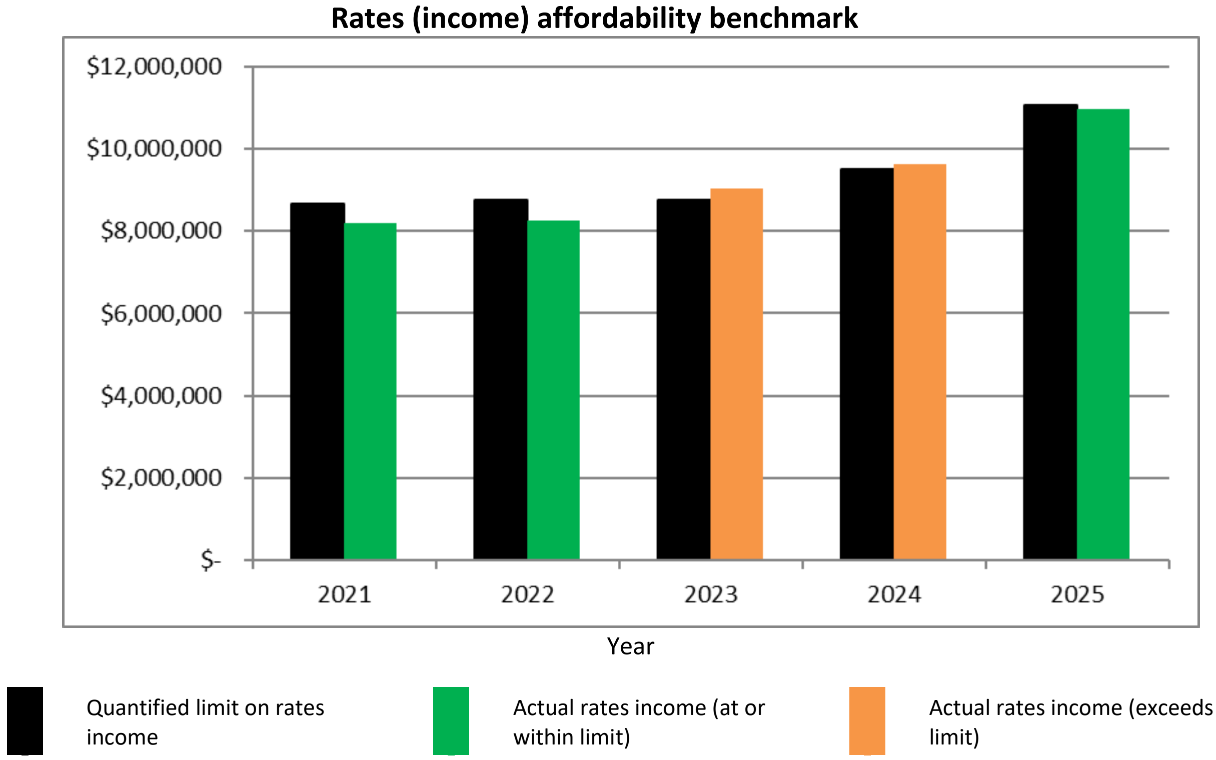
Rates affordability benchmark

The Council meets the rates affordability benchmark if –

- actual rates income equals or is less than each quantified limit on rates; and
- actual rates increases equal or are less than each quantified limit on rates increases.

Rates (income) affordability

The following graph compares the Council's actual rates income with the quantified limit on rates increases contained in the financial strategy included in the Council's LTP. The LTP set the limit on rates increases to 6% for 2023, 5% for 2024 and 14.75% for 2025. In dollar terms this set a cap for 2025 of $11,047,435.

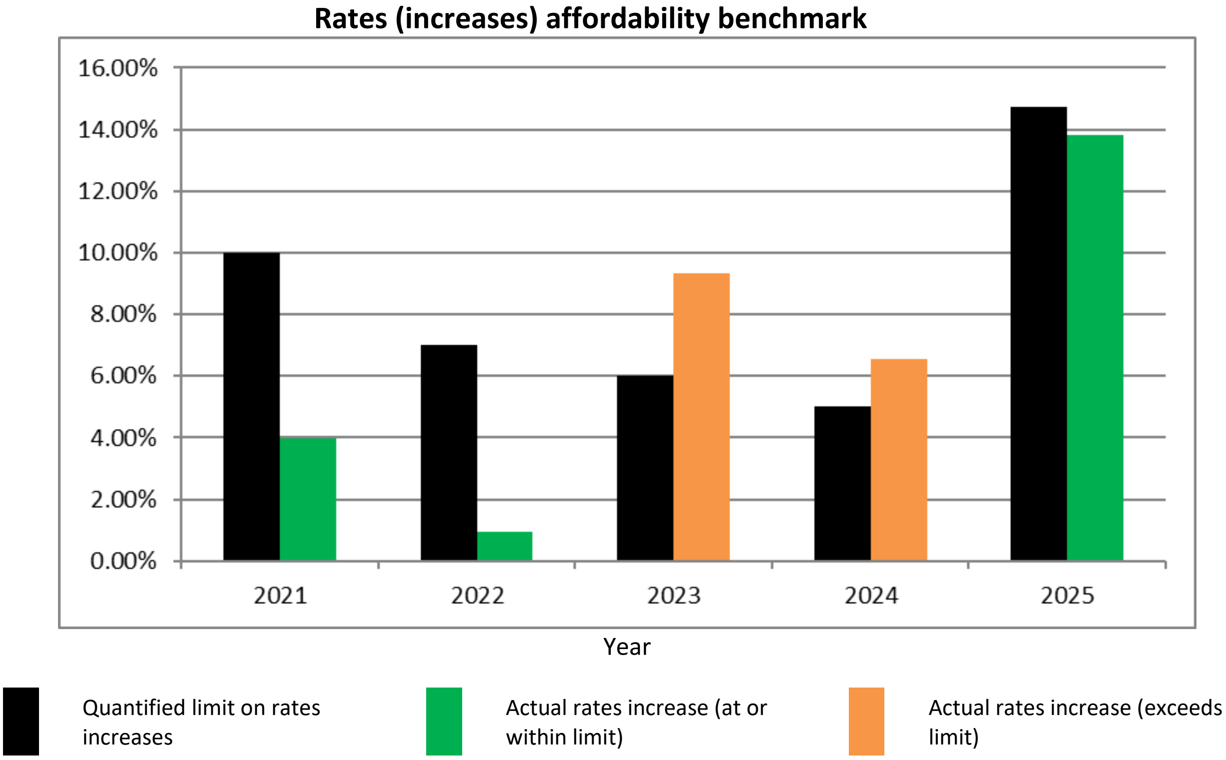


Comment

The Council's actual rates for the 2025 financial year were $10,957,543, which is a 13.82% increase on the 2024 year (therefore staying within the limit of 14.75%). Although the Council continued it's no-frills approach, we have been realistic with the rates rise given the current economic climate. This is below the average across the country overall, the total rates requirement across the ten years of the LTP is expected to increase an average of 4.9%.

Rates (increases) affordability

The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the Council's financial strategy in each of the last five years. The quantified limit is 14.75% in 2025, and the actual increase was 13.82%.



Comment

As for the Rates (Income) Affordability measure on the previous page, the 2025 rates increase stayed within the 14.75% rates increase limit – and reflects the overall cost increases with the current economic climate.

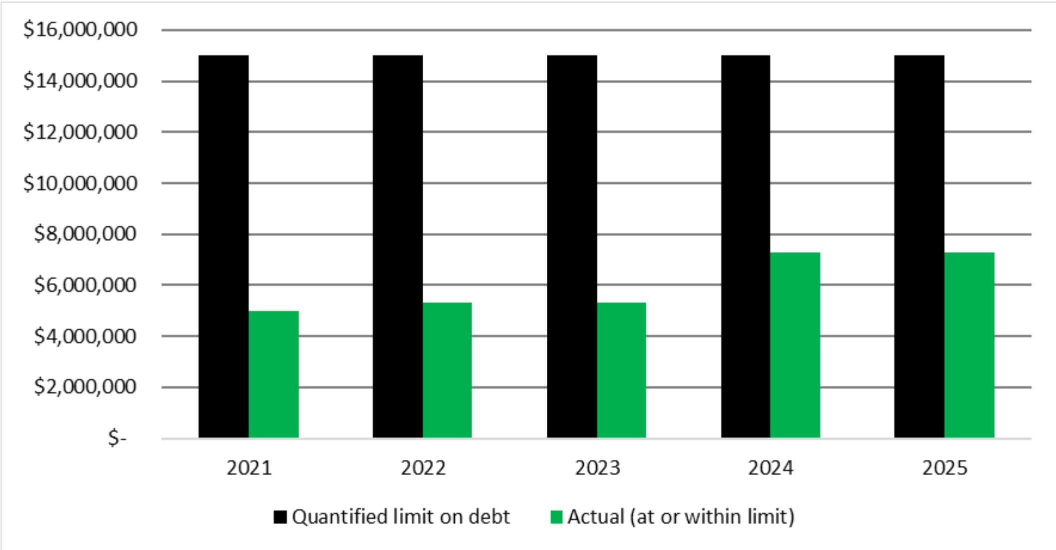
Debt affordability benchmark

The Council meets the debt affordability benchmark if –

- total borrowings do not exceed $15 million; and
- loan interest expense is less than 10% of total revenue.

The following graph compares the Council's actual borrowing with the quantified limit on borrowing stated in the financial strategy included in the Long-Term Plan. The quantified self-imposed limit is $15 million.

Total borrowings

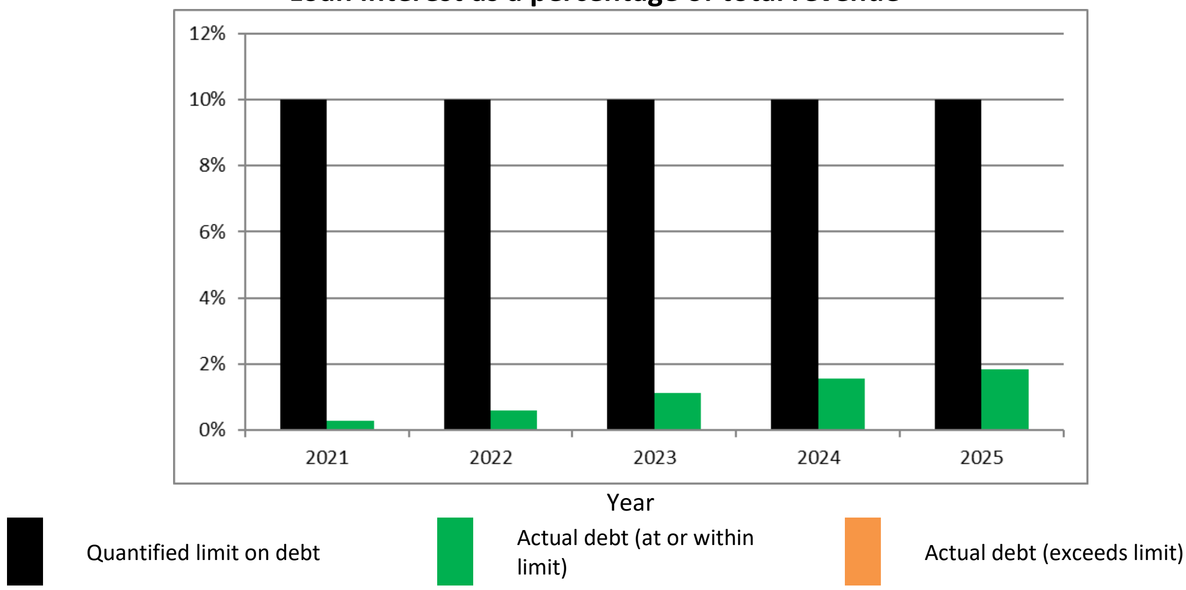


Comment

The Council has set a self-imposed limit on borrowings, of no more than $15 million. Actual borrowings on 30 June 2025 were $7.3 million.

The following graph compares the Council's actual borrowing with a quantified limit on loan interest as a percentage of total revenue. Loan interest expense has been kept at 1.86% due to savings by minimising debt. The increase in loan interest since 2021 reflects the historic interest lows during the Covid era with interest rates now returning to more 'normal' levels post a post Covid significant increase.

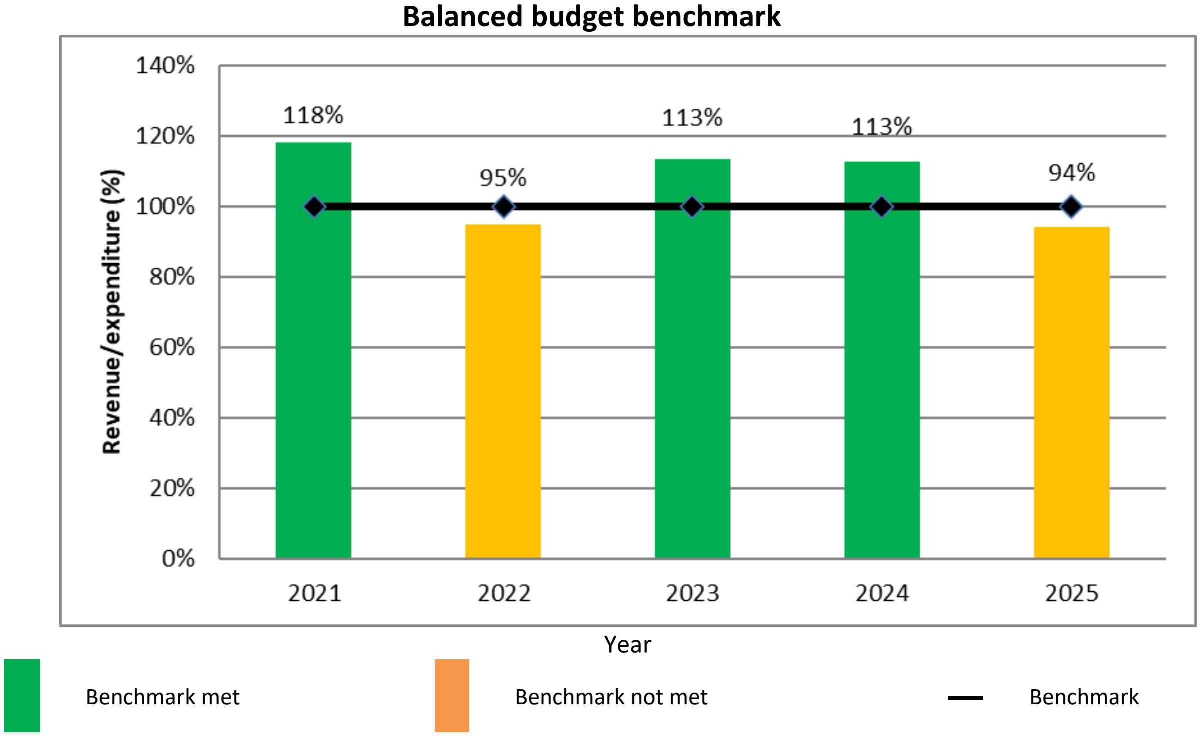
Loan interest as a percentage of total revenue



Balanced budget benchmark

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

The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



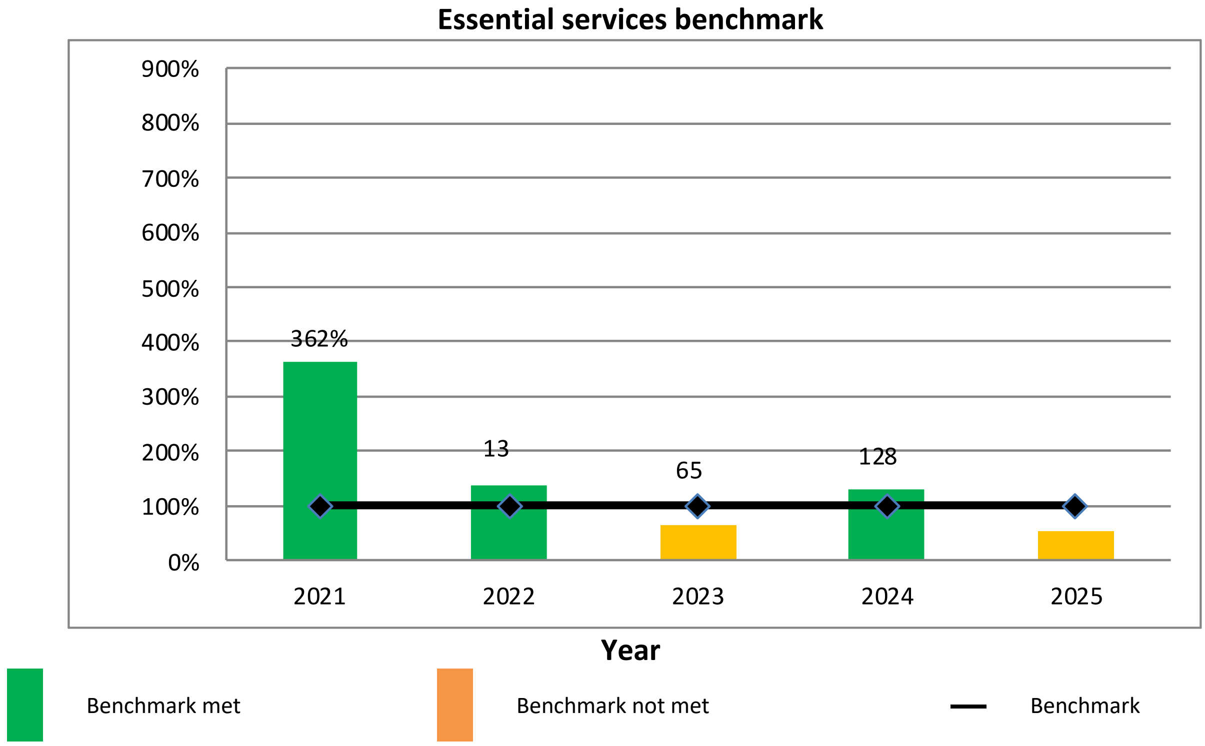
Comment

The Council receives substantial grants and subsidies to complete various projects such as the Link Pathway and the Wakatu Quay project. Those grants and subsidies are stated as operating revenue in the Council's financial statements, but the projects are capital expenditure rather than operating, and so the expenditure is not included in the above equation.

In the 2022 financial year, operating expenses exceeded operating revenue, and therefore the benchmark was not met. In that year operating expenses included one-off items such as the demolition and write-off of the former Council offices, and significant grants paid to the community swimming pool. Both items were funded from reserves or special funds, rather than from operating revenues. Similarly in 2025, the expenditure over the previous years had been accumulating as Work in Progress and reported on the balance sheet, however with the project not progressing the expenditure has been classified as operating, this expenditure was 95% funded by NZTA. Council has also made the decision to not fund depreciation, driven by the significant renewal of our infrastructure post the 2016 earthquake, and this in turn has a large impact on the 'balanced budget'. With new Local Water Done Well legislation, waters services will be expected to cover full cost of service including depreciation.

Essential services benchmark

The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Comment

The 2021 year in the above graph highlights the extent to which the earthquake rebuilds have dominated the Council's capital spend. As the earthquake rebuild projects commenced (during 2018 and 2019), significant amounts began to be spent on the capital renewal of damaged infrastructure. The 2021 financial year represented the completion of the rebuild spend, and dwarfs both annual depreciation and usual levels of annual capex.

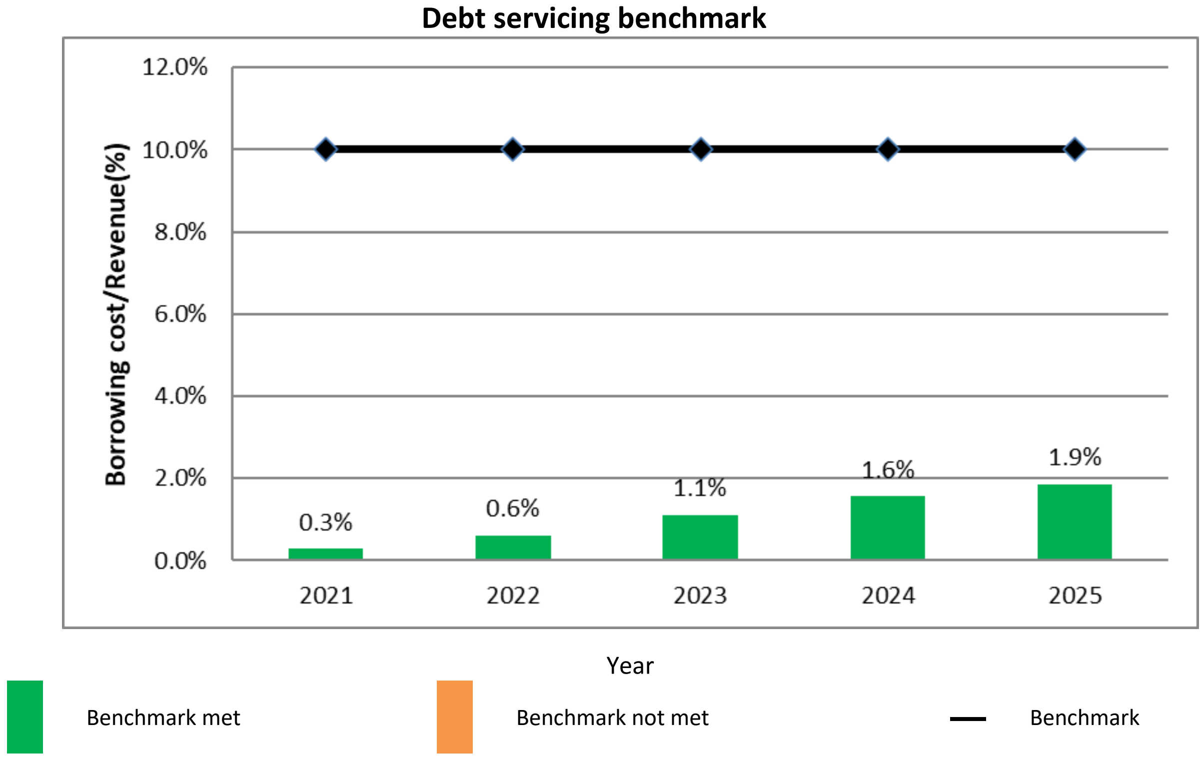
In 2023 very little capital work was required, as signalled in the Long-Term Plan 2021-2031, because the Council's renewal profile for all its asset categories is extremely low for the next 50 years largely due to the oldest and most vulnerable infrastructure having been fully renewed by the earthquake rebuild work.

The 2024 year saw a boost to capital expenditure, with government funding for the IAF project enabling significant roading works to link the Ocean Ridge area to the township via Green Lane and Ludstone Rd. The Council also committed to dealing with a backlog of roading work and substantially ramped up its capital programme for reseals, road subsurface rehabilitation, drainage, unsealed road metalling, and footpath upgrades.

The 2025 year is below the benchmark as the Glen Alton Bridge is not progressing, and an adjustment has been made to classify the expenditure as operating therefore reducing the roading capital expenditure significantly.

Debt servicing benchmark

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment). Because Statistics New Zealand projects the Council's population will grow slower than the national population growth rate, it meets the debt servicing benchmark if its borrowings costs equal or are less than 10% of its revenue. For the 2025 financial year, the Council's borrowing costs are 1.9% of revenue.

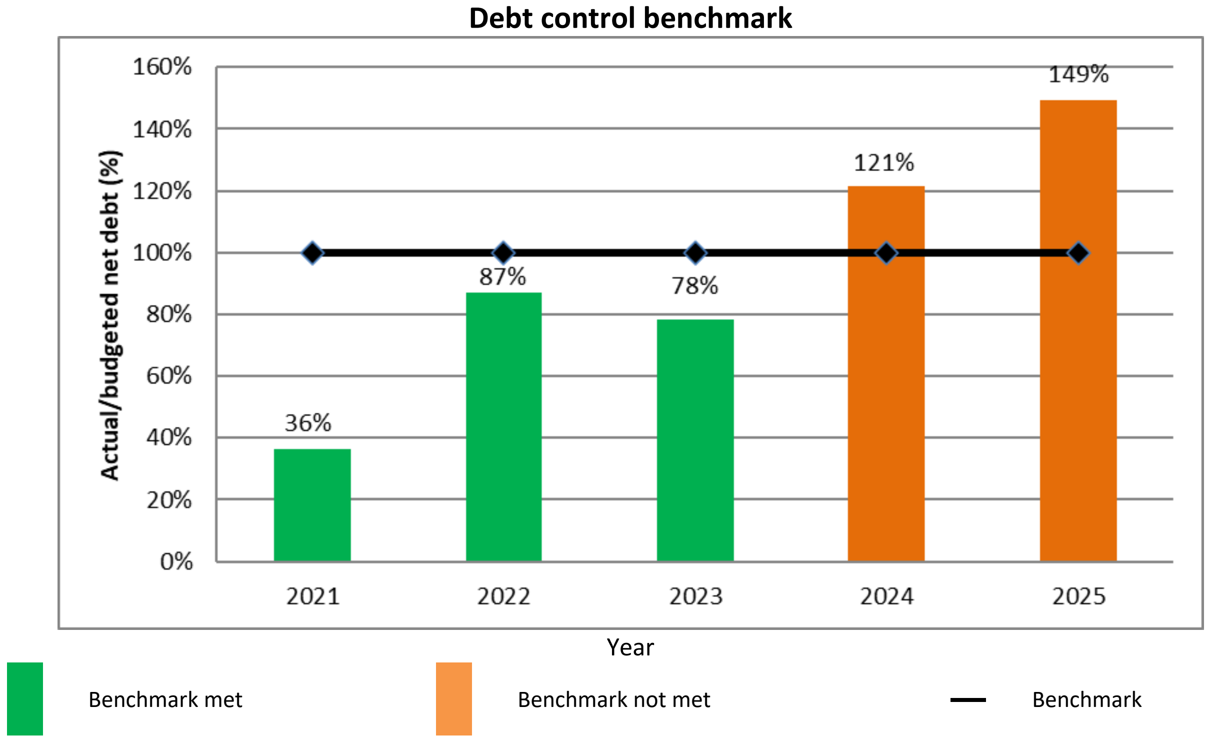


Comment

The Council has maintained extremely low levels of debt, and is well within its debt servicing benchmark.

Debt control benchmark

The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities – which includes trade and other payables; less financial assets but excluding trade and other receivables. The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



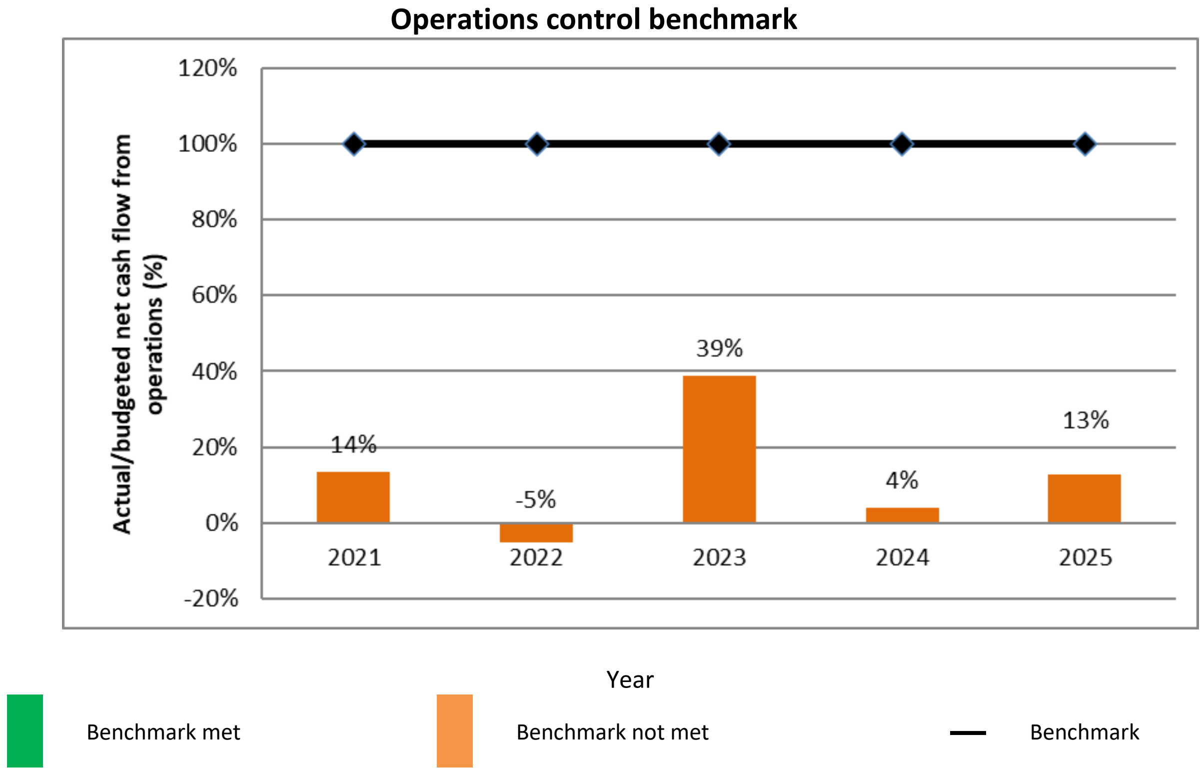
Comment

The Council did not meet this benchmark in the 2024 or 2025 year. This is largely because there is a significant amount of grant funding received at the end of the financial year, that has been held as revenue in advance (converting the revenue to a current liability). The grant funding is classified as a liability because it may be recalled by the funder if it is not spent according to the terms and conditions of the grant.

Operations control benchmark

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



Comment

This benchmark is calculated by taking the actual cashflow from operations in this Annual Reports and dividing it by the planned cashflow from operations in the Council's Annual Plans. It should be noted that the main reason for the variance is that the planned cashflow from operations, as published in the Council's Long-Term Plan, includes grants and subsidies for capital work. Grants of $15.04 m were budgeted compared to actual grants received of $7.8m.

Funding Impact Statement

	Annual Plan 2024 $'000	Actual 2024 $'000	**Annual Plan 2025 $'000**	**Actual 2025 $'000**
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	4,159	4,291	**4,351**	**4,445**
Targeted rates (incl. water meter charges)	5,224	5,337	**6,417**	**6,512**
Subsidies and grants for operating purposes	1,903	2,952	**992**	**1,682**
Fees and charges	1,735	1,820	**1,923**	**1,816**
Interest & Dividend from Investments	3	105	**57**	**245**
Fuel tax, fines, infringement fees, and other receipts	113	434	**685**	**1,010**
Total sources of operating funding (A)	13,137	14,939	**14,425**	**15,710**
Application of operating funding				
Payments to staff and suppliers	(12,470)	(12,449)	**(13,074)**	**(12,701)**
Finance costs	(327)	(322)	**(392)**	**(411)**
Other operating funding applications	-	-	**-**	**(1,823)**
Total application of operating funding (B)	(12,797)	(12,771)	**(13,466)**	**(14,935)**
Surplus / (deficit) of operating funding (A-B)	340	2,168	**959**	**775**
Sources of capital funding				
Subsidies and grants for capital expenditure	18,580	5,011	**14,047**	**6,099**
Development and financial contributions	44	12	**62**	**123**
Increase / (decrease) in debt	1,426	2,000	**1,816**	**-**
Gross proceeds from sale of assets	150	-	**-**	**-**
Lump sum contributions	-	-	**-**	**-**
Other dedicated capital funding	-	-	**-**	**-**
Total sources of capital funding (C)	20,200	7,023	**15,925**	**6,222**
Application of capital funding				
Capital expenditure:				
- To meet additional demand	(5,271)	(2,067)	**(10,330)**	**(4,378)**
- To improve the level of service	(9,286)	(347)	**(1,664)**	**(568)**
- To replace existing assets	(8,326)	(5,288)	**(4,906)**	**(1,789)**
Increase / (decrease) in reserves	2,343	(715)	**16**	**1,852**
Increase / (decrease) of investments	-	(774)	**-**	**(2,114)**
Total application of capital funding (D)	(20,540)	(9,191)	**(16,884)**	**(6,997)**
Surplus / (deficit) of capital funding (C-D)	(340)	(2,168)	**(959)**	**(775)**
Funding balance ((A-B) + (C-D))	0	0	**0**	**0**

Other information

Kaikoura Enhancement Trust

Kaikoura Enhancement Trust is a charitable trust established in 2000, for the purposes of progressing environmental projects, and is not intended to generate a profit.

The Kaikoura Enhancement Trust was dissolved in March 2024.

Innovative Waste Kaikoura Ltd

Innovative Waste (IWK) is owned by the Kaikoura District Council and is responsible for the day-to-day management of the District landfill and recycling facility. The financial activity of Innovative Waste is included in the Council's group financial statements. IWK is the Council's leading provider of waste management services, public toilet maintenance, recycling services, three-waters maintenance services.

Objectives

IWK's key objectives are:

- To implement safe working practices to maintain a safe working environment for staff, contractors, customers, and others and to recognise the Council's legal obligations under the Health and Safety at Work Act 2015.
- To maintain a strong market presence in the areas of waste minimisation, maintenance, and management of public utilities.
- To provide cost effective and efficient service delivery that meets the district and clients' expectations and maintains contract longevity.
- To provide advice and support to local businesses to divert waste from landfill.
- To operate in an environmentally friendly manner.
- To be recognised nationally as a leader in environmental sustainability.
- To operate water supply and wastewater facilities in an environmentally sustainable manner.
- To ensure that the business operates in a way that generates appropriate financial returns and dividend streams for the shareholder. To implement sound strategic and financial planning to ensure the capacity is available to meet the three waters, waste, and recycling needs of the Kaikoura District in a commercially viable manner.
- To assist the Council in empowering, educating, and encouraging the community in recycling surplus resource and waste in the community.

Nature and Scope of Activities

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

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

IWK has determined several performance measures in its Statements of Intent, and actual performance is reported as follows.

Financial Performance Targets and Operational Performance Targets

See below.

Target	Performance target to achieve the output	Achievements as at 30 June 2025	2023/24 Result
Client satisfaction	98% of all urgent or callouts, applicable to the contract are responded to within one hour or two hours respectively from the time of the notification to the time that service personnel depart to the site. . [1] 98% of all non-urgent call outs, applicable to the contract are responded to within 48 hours from the time the notification to the time that service personnel attend site. . [1] Service requests received about recycling collections is less than 20 per year.	**Partially achieved** 100% for Water 90.3% for Wastewater – due to Beach Road pumping main, overnight blockage 99.6% % for non-urgent call outs **Achieved** 1 received by KDC	**Not achieved** 84.6% for Water 86.8% Wastewater 91.7% for non-urgent call outs **Achieved** 0 received

	Compliance with and provision of all KPI information as per contracts Obtaining an unqualified audit opinion	**<u>Achieved</u>** *<u>3 Waters</u>* *Achieved* *<u>Resource Recovery</u>* *Achieved* *<u>Public Amenity cleaning</u>* *Achieved* **<u>Achieved</u>** Unqualified Audit opinion was received for 2023/24 financial year	**<u>Achieved</u>** *<u>3 Waters</u>* *Achieved* *<u>Resource Recovery</u>* *Achieved* *<u>Public Amenity cleaning</u>* *Achieved* **<u>Not achieved</u>** Qualified Audit opinion was received in 2022/23 – in relation to the Statement of Service Performance for Client Satisfaction and Diversion
Service Performance	Zero abatement notices or infringements issued to KDC for non-compliance with resource consent conditions. The number of complaints received per year being due to a service request not being actioned appropriately is less than 10. (2) The Annual Residents Survey undertaken by KDC shows a continuous improvement result for the Resource Recovery Centre (73% for the 2023/24 year)	**<u>Achieved</u>** No notices or infringements received **<u>Achieved</u>** 2 **<u>Not Achieved</u>** 70% for IWK services	**<u>Achieved</u>** No notices or infringements received **<u>Achieved</u>** 1 – 115 Ludstone Road (3/4 July 2023) New measure in 2024/25 – 73% was the result in 2023/24

Health & Safety	5% reduction in TRIF (Total Recordable Injury Frequency) rates LTIFR (Lost Time Injury per 200,000 hours worked) <6	**Not Achieved** TRIFR rate for 2024/25 was 79.54 (12 TRI x 200,000/30,173 (hours worked)). **Not achieved** LTIFR rate for 2024/25 was 6.63 (1 LTI x 200,000/30,173 (hours worked)).	**Not achieved** TRIFR rate for 2023/24 was 80.21 (12 TRI x 200,000/29,921 (hours worked)). **Not achieved** LTIFR rate for 2023/24 was 6.68 (1 LTI x 200,000/29,921 (hours worked)).
Staff Engagement	Engagement Score of 4.0 or better Communication score of 4.0 or better Culture score of 4.0 or better	**Partially achieved** Engagement 4.1 Communication 3.8 Culture 4.1	**Not achieved** Engagement 3.8 Communication 3.7 Culture 3.7
Diversion	55% (as per Ministry for Environment methodology) (3)	**Not Achieved** 47.5%	**Not Achieved** 47.4%
Education activities	24 Social media posits 6 hard media adverts Invite schools to visit IWK on an annual basis	**Achieved** **Achieved** **Achieved**	**Achieved** **Achieved** **Not Achieved**

Financial Performance Targets	**Revenue $2,736,680** **NPBT $61,061** **Return on Equity 8%** **Equity $800,631** **Fixed Asset turnover 3.4** **Liquidity ratio (excl Holiday pay accrual) 1.9** **Wages as a % of revenue 47%** **R & M as a % of revenue 1%**	**Not Achieved** **Revenue $2,950,455** **NPAT $14,219** **Return on Equity 1.3%** **Equity $699,656** **Fixed Asset turnover 1.49** **Liquidity ratio (excl Holiday pay accrual) 1.21** **Wages as a % of revenue 43.41%** **R & M as a % of revenue 2.41%**	**Not Achieved** **Revenue $2,494,348** **NPAT ($211,496)** **Return on Equity -16%** **Equity $685,437** **Fixed Asset turnover 1.26** **Liquidity ratio (excl Holiday pay accrual) 1.09** **Wages as a % of revenue 49%** **R & M as a % of revenue 4%**

(1) These measures relate to our water maintenance activity as part of our contract with Kaikoura District Council

(2) These measures relate to our services provided within the contract with Kaikoura District Council for water maintenance and recycling collection activity.

(3) There was 47.5% total diversion of recyclable material from landfill in this financial year against last year’s 47.4%. Of the 1504.10 tonnes landfilled (355.58kg per head of population (4230)) which is down from 376.66kg in 2023/24, 690.14 tonnes were from Commercial customers with domestic being 813.96 tonnes for the year (192kg per head of population (4230)).

Maori Participation in Decision Making

The Council is fortunate to have a positive relationship with Te Runanga o Kaikoura, and communication between both parties is open, frequent, and participative.

These committees are supported by Iwi representation.

- ***Kaikoura Water Zone Committee***
- ***Airport Committee (no representative appointed in the year to 30 June 2022)***

Auditor's Report

To the customers of Kaikoura District Council

Independent Auditor's Report

To the readers of Kaikoura District Council and Group's annual report for the year ended 30 June 2025

Independent Auditor's Report

To the readers of Kaikōura District Council group's annual report for the year ended 30 June 2025

The Auditor-General is the auditor of Kaikōura District Council (the Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Dereck Ollsson, using the staff and resources of Audit New Zealand, to carry out the audit on his behalf.

We have audited the information in the annual report of the Council that we are required to audit in accordance with the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations).

We refer to this information as "the disclosure requirements" in our report.

Opinion on the audited information

In our opinion:

- the financial statements of the Group on pages 81 to 137:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2025;
    - the results of its operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime; and
- the statement of service provision for the year ended 30 June 2025 on pages 13 to 79:

- provides an appropriate and meaningful basis to enable readers to assess the actual service provision for each group of activities; determined in accordance with generally accepted accounting practice in New Zealand;
- fairly presents, in all material respects, the actual levels of service for each group of activities, including:
  - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
  - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime; and

- the statement comparing actual capital expenditure to budgeted capital expenditure for each group of activities for the year ended 30 June 2025 on pages 14, 15, 20, 27, 31, 36, 40, 42, 44, 48, and 67, has been prepared, in all material respects, in accordance with clause 24 of Schedule 10 to the Act;
- the funding impact statement for each group of activities for the year ended 30 June 2025 on pages 18, 25, 30, 34, 38, 46, 50, 59, 70, and 79 has been prepared, in all material respects, in accordance with clause 26 of Schedule 10 to the Act; and
- the funding impact statement for the year ended 30 June 2025 on page 146, has been prepared, in all material respects, in accordance with clause 30 of Schedule 10 to the Act.

Report on the disclosure requirements

We report that:

- the Council has complied with the information disclosure requirements of Part 3 of Schedule 10 to the Act for the year ended 30 June 2025; and
- the Council's disclosures about its performance against benchmarks required by Part 2 of the Regulations for the year ended 30 June 2025, are complete and accurate.

Date

We completed our work on 29 October 2025. This is the date on which we give our opinion on the audited information and our report on the disclosure requirements.

Emphasis of matter – Future of water delivery

Without modifying our opinion, we draw attention to note 40 on page 137, which outlines that in response to the Government's Local Water Done Well reforms, the Council has decided to establish a multi-owned water organisation with Hurunui District Council to deliver water, wastewater and stormwater services from 1 July 2026.

The financial impact of this decision is unknown because details of the exact arrangements are still being considered.

Basis for our opinion on the audited information and the disclosure requirements

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): *The Audit of Service Performance Information issued by the New Zealand Auditing and Assurance Standards Board*. Our responsibilities under those standards are further described in the Responsibilities of the auditor for the audited information and the disclosure requirements section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information and our report on the disclosure requirements.

Responsibilities of the Council for the audited information and the disclosure requirements

The Council is responsible for preparing the audited information and the disclosure requirements in accordance with the Act.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the audited information and the disclosure requirements that are free from misstatement, whether due to fraud or error.

In preparing the audited information and the disclosure requirements the Council is responsible for assessing its ability to continue as a going concern.

Responsibilities of the auditor for the audited information and the disclosure requirements

Responsibilities for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the Council's long-term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.

- We evaluate whether the statement of service provision includes all groups of activities that we consider are likely to be material to the readers of the annual report.

- We evaluate whether the measures selected and included in the statement of service provision for groups of activities present an appropriate and meaningful basis that will enable readers to assess the Council's actual performance. We make our evaluation by reference to generally accepted accounting practice in New Zealand.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Group.

- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

- We plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Group audited information. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Responsibilities for the disclosure requirements

Our objective is to provide reasonable assurance about whether the Council has complied with the disclosure requirements. To assess whether the Council has met the disclosure requirements, we undertake work to confirm that:

- the Council has made all of the disclosures required by Part 3 of Schedule 10 to the Act and Part 2 of the Regulations; and

- the disclosures required by Part 2 of the Regulations accurately reflect information drawn from the Group's audited information and, where applicable, the Council's long-term plan and annual plans.

Our responsibilities for the audited information and for the disclosure requirements arise from the Public Audit Act 2001.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises all the information included in the annual report other than the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the audited information and our report on the disclosure requirements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Group in accordance with the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)*, issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit and our report on the disclosure requirements, we have no relationship with, or interests in, the Group.

Dereck Ollsson
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand