KAIKŌURA DISTRICT COUNCIL MEETING

Date:	Wednesday 25 June 2025
Time	9.00am
Location	Totara, Council Chambers

AGENDA

1. **Open with a Karakia**
   Kia wātea te Wairua, Kia wātea te tinana, Kia wātea te hinengaro, Kia wātea ai te mauri, Tuturu ōwhiti whakamaua kia tina, TINA!, Haumi e, Hui e, TAIKI E!

2. **Apologies**

3. **Declarations of Interest**

4. **Public Forum**
   Public forums provide opportunity for members of the public to bring matters, not necessarily on the meeting's agenda, to the attention of the Council.

5. **Formal Deputations**
   The purpose of a deputation is to enable a person, group or organisation to make a presentation to a meeting on a matter or matters covered by that meeting's Agenda.

6. **Adjourn to Works & Services Committee meeting (9.30am)**

   Reconvene to the Council Meeting

7. **Confirmation of Minutes:**

9. **Matters of Importance to be raised as Urgent Business**

10. **Matters for Decision:**

11. **Public Excluded Session**
    Moved, seconded that the public be excluded from the following parts of the proceedings of this meeting, namely
    a) Public Excluded Extraordinary Council meeting minutes dated 28 May 2025
    b) Waiau Toa Clarence Valley Report
    c) Chief Executive Annual Performance Review 2024/25

The general subject matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1), 6 and 7 of the Local Government Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each to be considered	Reason for excluding the public	Grounds of the Act under which this resolution is made
Public excluded council meeting minutes dated 28 May 2025	The minutes are being tabled for confirmation and include commercially sensitive information relating to Waiau Toa Clarence Valley Project and harbour financial matters.	Section (7)(b)(ii) would be likely unreasonable to prejudice the commercial position of the person who supplied or who is subject of the information Section (7)(2)(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities Section (7)(2)(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) Section (7)(2)(e) maintain legal professional privilege
Waiau Toa Clarence Valley Report	To provide a status update of the project including potential financial implications	Section (7)(b)(ii) would be likely unreasonable to prejudice the commercial position of the person who supplied or who is subject of the information Section (7)(2)(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities Section (7)(2)(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) Section (7)(2)(e) maintain legal professional privilege
Chief Executive Annual Performance Review 2024/25	Annual performance of the Chief Executive which contains personal information that is not publicly available.	Section (7)(2)(a) protect the privacy of natural persons

*This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:

- Harbour Financial Matters: We do not want to reveal the details of those negotiations. Information will be made publicly available in due course.
- Waiau Toa Clarence valley project: Publishing the information in the public would be detrimental to the legal process.
- Chief Executive Annual Performance Review 2024/25: Contains personal information. The Chief Executive's salary is disclosed in annual reports.

12. Matters for Information:

13. Close meeting with a Karakia

AUDIO RECORDINGS:

"Audio recordings will be made of this meeting for the purpose of assisting the minute taker to create accurate minutes. Audio recordings should not be taken of any confidential, public excluded or otherwise sensitive matters. The Chair of the meeting is responsible for indicating if/when recording should be stopped and restarted. While held, the audio recordings are subject to LGOIMA, they may be released in line with Councils LGOIMA processes and/or at the discretion of the meeting Chair. A copy of the guidelines and principals for the use of recordings is available on request"

MINUTES OF THE KAIKŌURA DISTRICT COUNCIL MEETING HELD AT ON WEDNESDAY 28 MAY 2025 AT 9.00 AM, TOTARA, COUNCIL CHAMBERS, 96 WEST END, KAIKŌURA

PRESENT: Mayor C Mackle (Chair), Deputy Mayor J Howden, Councillor V Gulleford, Councillor T Blunt, Councillor J Diver, Councillor K Heays, Councillor L Bond, Councillor R Roche

IN ATTENDANCE: W Doughty (Chief Executive Officer), P Kearney (Senior Manager Corporate Services), B Makin (Executive Officer-Minutes)

1. KARAKIA

2. APOLOGIES Nil

Councillor R Roche entered the room at 9.01am

3. DECLARATIONS OF INTEREST Nil

4. PUBLIC FORUM Nil

5. FORMAL DEPUTATIONS Nil

6. ADJOURN TO WORKS & SERVICES COMMITTEE MEETING
The meeting adjourned to the Works & Services Committee meeting at 9.01 am.
The meeting was reconvened at 9.29 am.

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7. MINUTES TO BE CONFIRMED
7.1 Council meeting minutes dated 30 April 2025

RESOLUTION
THAT the Council:
- *Confirms as a true and correct record, the circulated minutes of the Council meeting held on 30 April 2025.*

Moved: Councillor V Gulleford
Seconded: Councillor L Bond

CARRIED UNANIMOUSLY

7.2 Extraordinary Council Meeting Minutes dated 7 May 2025

RESOLUTION
THAT the Council:
- *Confirms as a true and correct record, the circulated minutes of an Extraordinary Council meeting held on 7 May 2025.*

Moved: Deputy Mayor J Howden
Seconded: Councillor V Gulleford

CARRIED UNANIMOUSLY

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8. REVIEW OF ACTION LIST
The Action List was reviewed and noted.

- Discretionary Grant – Kaikōura Bridge Club – Councillor V Gulleford advised that confirmation was received from the club around the financials. The club have set aside money for insurance. The Council agreed that the explanation was fair and they were happy to move forward with the funding to the bridge club. It was agreed to include wording in the application form for the next round of funding for applicants to provide details on earmarked funding.
- Thank you letter to Bin Kennedy and responses to public forum speakers – completed.

9. MATTERS OF IMPORTANCE TO BE RAISED AS URGENT BUSINESS

Councillor J Diver raised a commercially sensitive matter to be discussed in public excluded around a company and a site.

10. MATTERS OF DECISION

10.1 Local Water Done Well – Option for Water Services Delivery

It was noted that the levies have been set for the Water Services Authority (WSA) - Taumata Arowai which come into force from 1 July. The levies apply to all options and have been included in the draft annual plan.
It was clarified that further financial data will be available once a decision has been made which option to progress with as further work is to be done.
It was clarified that should the recommendation be approved, a delivery plan will be prepared and include high level arrangements. Any changes to the deliver plan would require a variation from the DIA.
A discussion was held around the costs of an in-house model versus a joint Council Controlled Organisation. Deputy Mayor J Howden highlighted that the modelling shows that an inhouse model would be more expensive and the joint model is more affordable to the community in the long-term.

RESOLUTION

a) Receives this report and attachment

b) Approves the option of providing water services through a jointly established water services Council Controlled Organisation (WSCCO) owned by Kaikōura District Council and Hurunui District Council as shareholders for inclusion in the Water Services Delivery plan (WSDP).

c) Notes that the Water Services Delivery Plan (WSDP) will need to be approved by the Department of Internal Affairs (DIA) by 3rd September 2025.

d) Notes that the final WSDP will be brought to Council for adoption prior to submission to DIA.

e) Notes that work will also progress with Hurunui District Council to develop the joint CCO model further.

f) Notes that the earliest that new arrangements are likely to be in place will be the financial year 2026/27.

Moved: Deputy Mayor J Howden
Seconded: Councillor T Blunt

Against: Councillor J Diver, Councillor K Heays

CARRIED

It was requested for a combined hui with the Hurunui District Council to be arranged amongst all elected members (**ACTION**).

10.2 Making of Traffic and Parking Bylaw 2025

D Clibbery joined the table. Of note, two submissions were received and these are included in the report.

The report recommends retaining the provisions of the Bylaw, monitoring and actively enforcing non-compliance and educating around footpaths not being designed to take the weight of heavy vehicles. There is a provision in the bylaw to stop people parking cars on the roadside for sale, for example the kerb by New World.

It was highlighted that the boat parking at South Bay will have a restricted time for short-stay (page 51 of the agenda). It was noted that the cruise boat bus parking is not defined on the map and it was agreed to include this.

RESOLUTION

a) *The proposed Kaikōura District Traffic and Parking Bylaw 2025 and the associated Register of Localised Traffic and Parking Controls (copies of which accompany this report) are confirmed by Council, with the provisions of such coming into effect on 9 June 2025.*

b) *That the extent of driving over the kerb to park in the community and the offering of vehicles for sale on public road reserve is monitored and if significant increases are observed in the extent or effect of either of these activities then the provisions of clauses 11(2) and 14(1)(b) of the bylaw shall be more actively enforced.*

Moved: Councillor L Bond
Seconded: Councillor V Gulleford

MOTION LOST

An amendment was put forward to include the cruise boat bus parking.

AMENDED RESOLUTION

a) *The proposed Kaikōura District Traffic and Parking Bylaw 2025 and the associated Register of Localised Traffic and Parking Controls (copies of which accompany this report) are confirmed by Council, with the agreed amendment on the parking of the South Bay Wharf, with the provisions of such coming into effect on 9 June 2025.*

b) *That the extent of driving over the kerb to park in the community and the offering of vehicles for sale on public road reserve is monitored and if significant increases are observed in the extent or effect of either of these activities then the provisions of clauses 11(2) and 14(1)(b) of the bylaw shall be more actively enforced.*

Moved: Councillor L Bond
Seconded: Councillor R Roche

CARRIED UNANIMOUSLY

10.3 Proposed Declaration of Road Stopping

RESOLUTION

a) *Council declares Section 2 Section 94 Town of Kaikōura MB57/159, as shown on Plan No.SO601338 with an area of 0.0166Ha to be stopped as road.*

Moved: Councillor R Roche
Seconded: Deputy Mayor J Howden

CARRIED UNANIMOUSLY

10.4 Delegation Manual Update – Building Act 2004

RESOLUTION

a) *Adopts the changes to Part 5.3.3 of the Council Delegations Manual in respect of items relating to the Building Act as per changes attached in Appendix 1*

Moved: Councillor R Roche
Seconded: Councillor L Bond

CARRIED UNANIMOUSLY

10.5 Kaikōura Recovery Manager

It was noted that the controllers and recovery managers are legislated positions that require Council approval. The recommendation will then be put to the Canterbury Joint Committee for their approval. S Haberstock was acknowledged for her work as recovery manager to date.

RESOLUTION

a) *Receives this report*
b) *Approves Joanna York as the Recovery Manager for the Kaikōura District Council*

Moved: Councillor J Diver
Seconded: Councillor V Gulleford

CARRIED UNANIMOUSLY

10.6 Kaikōura Business Park Stormwater

Mayor C Mackle amended the resolution to include various spelling errors. M Hoggard highlighted an error in the report where reference to discharge should be 'stormwater' and reference to the river in Amberley instead of 'Kowhai'.
It was clarified that rates for the property can only be struck in July each year and the property could be considered as a targeted rate. It was highlighted that the Council could sell the land to the developer, however this would be a separate process, there is no certainty that the road stopping would occur as any objection would be determined by the environment court.

Councillor J Diver left the meeting at 10.28am.

AMENDED RESOLUTION

a) Receive the report;
b) That Council approves the use of road reserve for the development of a First Flush Stormwater Retention Basin as shown on plan "Baseline Group Sheet 8456-01 dated 6/5/25 For Information", subject to the following conditions:
  a. Kaikōura Business Park Utilities Limited enters into a developer agreement and/or potential compensation agreement approved by the Mayor and Chief Executive Officer, including but is not limited to the following:
    i. The final design of the stormwater retention basin
    ii. Fair and reasonable methods agreed to manage ongoing consent conditions
    iii. Aspects considered necessary by Councils Engineers to ensure the safe and efficient operations of the stormwater basin.
  b. Council reserves the right to review and amend conditions as needed due to 2 factors,
    i. Extremely short timeframe to accurately assess the impact of the proposed conditions imposed by ECan
    ii. That the conditions are still in draft format with expert evaluation still underway with Ecan.
  c. Baseline testing of the proposed stormwater basin is undertaken prior to any formal agreement be entered into so that a full understanding of the existing soil conditions are understood.

Moved: Councillor R Roche
Seconded: Councillor V Gulleford

CARRIED UNANIMOUSLY

The meeting adjourned at 10.29am and reconvened at 10.53am. Councillor J Diver re-joined the meeting at 10.53am.

The meeting moved to Item 12.1 Mayoral Verbal Update.

12.1 Mayoral Verbal Update

Mayor C Mackle highlighted the site visits and workshops held in May, including the South Bay Forestry Reserve workshop. He met with MP Stuart Smith on Monday and showed him Wakatu Quay and the Pier Hotel upgrade. The Mayoral Forum is being held in Kaikōura over the next two days and due to a passing the arrangements at Takahanga Marae have been re-scheduled to be at the Sudima.

Mayor C Mackle highlighted the changes to the Mayors Taskforce for Jobs (MTFJ) and the funding cuts smaller councils are experiencing. The reduction in funding is to a third of what it originally was. The Council are waiting for a draft contract from the MTFJ.

12.2 Elected Member Verbal Updates

Councillor R Roche Nil

Councillor V Gulleford

Councillor V Gulleford advised that 16 district licensing applications have been processed in May. One application was stalled with the contractor as they were moving offices.

Councillor L Bond

Councillor L Bond attended the monthly Mayfair and Opshop meetings and also met with MP Stuart Smith to discuss the interim effects of the cruise ships and the whale trail.

Councillor J Diver

Councillor J Diver attended the Rural Travel Fund and George Low Grants meetings with Councillor L Bond. He met with Dr David Simons who prepared the Lincoln University reports for case studies and set up the international tourism strategy.

Deputy Mayor J Howden

Deputy Mayor J Howden advised that work on the visitor centre strategy is progressing with the Runanga. She attended a meeting regarding the local government system improvements programme which covered interesting financial metrics.

Councillor K Heays

Councillor K Heays chaired the first walking and riding strategy group meeting. Three further meetings will be held to provide an indication for staff to prepare a draft strategy. He visited the Sports Hub and it was noted that the parking plan on the road will be revised by the Operations Team.

Councillor T Blunt

Councillor T Blunt attended the site visit with the Waterzone Committee to lake Rotorua. He commented that a thorough report was received which showed a major improvement in the health of the lake with the removal of the Canadian geese.

The meeting moved to the 12.4 Kaikōura Youth Council.

12.4 Kaikōura Youth Council

The representatives from the youth council highlighted the events held this year and the tour of the council building. They handed out invitations to the upcoming Youth Awards.

RESOLUTION

It is recommended that the Council receives this report for information.

Moved: Councillor V Gulleford

Seconded: Councillor T Blunt

CARRIED UNANIMOUSLY

11. RESOLUTION TO MOVE INTO COUNCIL PUBLIC EXCLUDED SESSION

Moved, seconded that the public be excluded from the following parts of the proceedings of this meeting, namely

a) Public Excluded Extraordinary Council meeting minutes dated 26 February 2025
b) Waiau Toa/ Clarence Valley Project – Verbal Update
c) Harbour Financial Matters – Verbal Update
d Matter of Importance to be raised as urgent business from Councillor J Diver.

The general subject matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1), 6 and 7 of the Local Government Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each to be considered	Reason for excluding the public	Grounds of the Act under which this resolution is made
Public excluded council meeting minutes dated 30 April 2025	The minutes are being tabled for confirmation and include commercially sensitive information relating to a proposal to sell a section of land and harbour financial matters.	Section (7)(b)(ii) would be likely unreasonable to prejudice the commercial position of the person who supplied or who is subject of the information Section (7)(2)(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities Section (7)(2)(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) Section (7)(2)(e) maintain legal professional privilege
Waiau Toa/ Clarence Valley Project – Verbal Update	To provide a status update of the project including potential financial implications	Section (7)(b)(ii) would be likely unreasonable to prejudice the commercial position of the person who supplied or who is subject of the information Section (7)(2)(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities Section (7)(2)(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) Section (7)(2)(e) maintain legal professional privilege
Harbour Financial Matters – verbal update	To provide an update on the ongoing negotiations that are commercially sensitive.	Section (7)(2)(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities Section (7)(2)(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) Section (7)(2)(e) maintain legal professional privilege
Matter of importance to be raised as urgent business by Councillor J Diver	To bring to attention a commercially sensitive item around a company and a site.	Section (7)(b)(ii) would be likely unreasonable to prejudice the commercial position of the person who supplied or who is subject of the information

*This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:

- Harbour Financial Matters: We do not want to reveal the details of those negotiations. Information will be made publicly available in due course.
- Waiau Toa Clarence valley project: Publishing the information in the public would be detrimental to a legal process.

Moved: Mayor C Mackle
Seconded: Councillor V Gulleford

CARRIED UNIANOUMSLY

The meeting moved into the Public Excluded Session at 11.24 am.
The meeting moved out of the Public Excluded Session at 12.18 pm. Mayor C Mackle left the meeting at 12.18pm.

The meeting adjourned at 12.18pm and reconvened at 12.51pm.

Deputy Mayor J Howden chaired the meeting.

12 MATTERS FOR INFORMATION
12.3 CEO MONTHLY REPORT

Mayor C Mackle rejoined the meeting at 12.56pm.

It was noted that the building at Wakatu Quay was on track for October/November completion. A site visit will be held next month. Focus for the remaining site will be discussed at a workshop in the next few months.

RESOLUTION
It is recommended that the Council receives this report for information.

Moved: Councillor L Bond
Seconded*:* Councillor R Roche

CARRIED UNANIMOUSLY

Mayor C Mackle resumed as Chair.

12.5 Community Services Team Update Report

RESOLUTION
It is recommended that the Council receives this report for information.

Moved: Councillor T Blunt
Seconded: Councillor V Gulleford

CARRIED UNANIMOUSLY

12.6 Planning Update Report

RESOLUTION
It is recommended that the Council receives this report for information.

Moved: Councillor L Bond
Seconded: Deputy Mayor J Howden

CARRIED UNANIMOUSLY

12.7 Building and Regulatory Update Report
Of note, Clive Matthews was congratulated for receiving an award for youth building contractor professional of the year.

RESOLUTION
It is recommended that the Council receives this report for information.

Moved: Councillor L Bond
Seconded: Councillor R Roche

CARRIED UNANIMOUSLY

12.8 Discretionary Grant Quarterly Report from Kaikōura Rifle Club

RESOLUTION
It is recommended that the Council receives this report for information.

Moved: Councillor R Roche
Seconded: Councillor K Heays

CARRIED UNANIMOUSLY

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13. CLOSE OF MEETING
There being no further business the meeting was declared closed at 1.21 pm.

CONFIRMED _____________________ Chairperson
Date

THIS RECORD WILL BE HELD IN ELECTRONIC FORM ONLY

ACTIONS FROM COUNCIL MEETINGS
AS AT 18 JUNE 2025

OPEN ACTION ITEMS

	ACTION ITEMS	ASSIGNED TO	DUE	STATUS
1	***Discretionary Grants Quarterly Progress Reports from 1-Jul FY 25-26***	-	August 2025	First round of reports are due in August.
2	Combined hui with the Hurunui District Council be arranged	W Doughty / B Makin	TBC	

CLOSED ACTION ITEMS

	ACTION ITEMS	ASSIGNED TO	DUE	STATUS
2	High-level summary of the number of consents and related issues was requested to be included in the next regulatory update report.	J York	June 2025	Completed - included in report for May 2025.
3	Update Discretionary Grants Application Form for next year to include 'if you have reserves, what are these for?'	W Doughty / B Makin	March 2026	Completed.
4	Discretionary Grant – Kaikōura Bridge Club – follow up response	Cr V Gulleford	28 May 2025	Completed. Agreed at the May Council meeting to proceed. Response provided to the Bridge Club by EO.

Report to:	**Council**
Date:	25 June 2025
Subject:	Adoption of the Annual Plan 2025/2026
Prepared by:	P Kearney - Senior Manager Corporate Services
Input sought from:	C Kaa – Finance and Business Partnering Manager
Authorised by:	W Doughty - Chief Executive Officer

1. PURPOSE

The purpose of this report is to present the Draft Annual Plan 2025/2026 for adoption.

Attachment A: Draft Annual Plan 2025/2026

2. RECOMMENDATION

It is recommended that:

a) This report be received

b) The Draft Annual Plan 2025/2026 be adopted as final, subject to any minor amendments.

3. SUMMARY

3.1 Broadly in line with year two of the Long-Term Plan 2024-2034

The Council is predominantly "sticking to the plan" with the Annual Plan 2025/2026 mirroring the priorities and service delivery objectives stated in the Long-Term Plan (the LTP).

Other than the timing of some capital projects and removal of the NZTA funding for the Clarence / Waiau-Toa Bridge that was unforeseen at the time of preparing the LTP, the Annual Plan for the 2025/2026 includes the same priorities as laid out in the LTP which are to deal with roading backlog, footpath improvements, District Plan review, and progressing the capital work programme. It is for these reasons that the Council opted not to consult on the draft Annual Plan but instead made it available for the public to view while in its draft form and informed the community through newsletters, website updates and other media channels.

One of the issues that Council has had to deal with was the impact of the property revaluation (carried out in 2024) which saw lower value residential properties increase in value far higher, in percentage terms, than what was realised for other sectors such as rural/farming. This is of significance as it means the proportion of rates distributed by Capital Value is swung, in percentage terms, towards these properties, all else being equal. With limited options to mitigate this, Council approved a resolution to adjust the Uniform Annual General Charge (UAGC) down by $100, to approximately $700 as a gesture towards mitigating some of the impact, albeit, the net result is fairly minor.

3.2 Changes from the draft Annual Plan presented in April 2025

Following the draft Annual Plan presented to Council in April, outside of minor grammatical updates and minor budget line true ups, below are the key changes that have been reflected in the version of the Annual Plan presented for adoption:

i. Removal of NZTA emergency funding for the Clarence / Waiau-Toa Bridge replacement and updates for related wording as relevant, however, the annual plan maintains the local share of approximately $0.5m
ii. Reduction of new borrowing interest rates to 5.5%
iii. Adjustment for Harbour debt profile

3.3 Overall Financial Performance

The total rates revenue that the Council needs to fund its operations for the 2025/2026 financial year increases by 8.94% over last year. This is less than the 9.95% that was anticipated to be required when the LTP was prepared and adopted. The percentage figure of 8.94% represents the total rates funding that Council requires to fund its operations and does not mean that all ratepayers will incur this change. It should be expected that certain properties may see a rates change that could be either higher or lower in comparison.

Insurance remains a significant burden for the council financials with the insurance budget for the coming year needing to be uplifted by $170,000 (driven by both the value of our total assets increasing and the general tightening of insurance capacity in the market which constrained supply and pushed up prices further). This substantial increase in insurance partially offset other cost reductions we were able to incorporate such as reducing our interest rate costs as financial markets relaxed financial policies globally. Insurance premiums remain a significant cost factor for not only councils but households as well.

Total revenue is forecast to be approximately $30 million, and operating expenses $20 million, leaving a forecast net surplus for the 2025/2026 year to be almost $10 million. This surplus is primarily due to the timing of grant funding for capital works relative to when the associated expenditure occurs. It should not be interpreted as Council generating excess revenue.

Grants and subsidies continue to flow into the Council's activities, with approximately $16 million in forecast grant revenue. The most significant grants are:

- $10.8 million from the Infrastructure Acceleration Fund (IAF)
- $3.2 million from Kanoa (formerly the Provincial Growth Fund) for the Wakatu Quay development (note some of these funds have been received in the current year and recognised as revenue in advance)
- $1.5 million from Waka Kotahi for roading work
- $0.1 million assumed for the Mayors Taskforce for Jobs

The bulk of the above grants are to fund capital projects (capital expenditure is forecast at $18.5 million). Some of these projects are subject to external influences that are likely to have an impact on the timing of both the capital work and when grants are received. The Annual Plan, however, signals the Council's planned intentions for the year, with best known forecasts at the time the Annual Plan is prepared.

The Annual Plan continues its commitment to deal with the backlog of roading remediation and resealing works, and to improve footpath surfaces throughout the Kaikōura township.

The total borrowing of $10.3 million, while $3 million higher than our expected 2025 year end position, remains in line with what was forecast in the LTP.

Further detail can be found within the Annual Plan 2025/2026.

4. FINANCIAL IMPLICATIONS AND RISKS

The Annual Plan provides for prudent financial stewardship, and its financial performance provides for revenue to cover operating expenses.

5. COMMUNITY OUTCOMES SUPPORTED

The work is in support of all community outcomes.

Community
We communicate, engage 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

6. SIGNIFICANCE OF DECISION

This decision is not considered significant in terms of Council's Significance and Engagement Policy.

7. RELEVANT LEGISLATION:

The Local Government Act 2002 states that a local authority should ensure prudent stewardship and the efficient and effective use of its resources in the interests of its district or region.

8. COMMUNITY VIEWS

No community views were sought in relation to this report

Annual Plan 2025/2026

KAIKŌURA
DISTRICT COUNCIL

Contents

The Kaikōura District

The Kaikōura district spans from the Haumuri bluffs in the south to the Kekerengu Valley in the north, covering 2,046 square kilometres of diverse landscape. The inland boundary of our district is the Inland Kaikōura Range, climbing 2,885 meters and snow covered for much of the year. The spectacular coastline provides excellent fishing, sporting and recreation for both residents and visitors alike. The Kaikōura Canyon, at around 1,300 meters deep, provides the natural habitat for the sperm whale, and is also host to over 200 species of marine life.

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

Historically the district has thrived in the fishing, farming and dairy industries. Today Kaikōura is a world-class tourism destination, attracting one million visitors each year, yet still maintaining its fishing and farming heritage. The district boasts award-winning restaurants, cafés and accommodation facilities, and world-renowned visitor attractions such as whale watching, swimming with dolphins and seals, surfing, golf, and much more.

Rating database estimate at 1 July 2024:

	Capital value $000's	Land value $000's	Count
Rateable	2,317,633	1,357,619	3,121
Non-rateable	116,233	61,490	258
Part-non-rateable	5,404	3,421	8
Total rating units	2,439,271	1,422,530	3,387
Separately used or inhabited parts of a rating unit			3,134

Population	4,215 (usually resident population count, Census 2023)
Land Area	2,046 sq. km
Represented by	1 Mayor and 7 Councillors, elected at large
Utilities & Services	1 Landfill 8 Public Water Supplies 1 Wastewater system
Address	Kaikōura District Council PO Box 6 Kaikōura 7340 Level 2, 96 West End Kaikōura Phone: (03) 319-5026 Web: www.Kaikōura.govt.nz Facebook: www.facebook.com/KaikōuraDistrictCouncil Twitter: www.twitter.com/@KaikōuraDC

From the CEO

Welcome to the Annual Plan for the 2025/26 financial year.

The annual plan for financial year 2025/26 is essentially delivering on Year 2 of our Long-Term Plan (LTP) for 2024-34. We have reviewed and updated all the budgets to reflect the latest numbers, but we have not materially changed our levels of service or introduced new major projects.

Overall, our proposed rates increase is slightly lower than signalled in the LTP. However, the updated independent QV valuations for properties in 2024 has had a significant impact on the various categories of rate payers. The revaluation has seen the biggest capital value increases in the lower value properties across the District. Elected Members voted to reduce our percentage of Uniform Annual General Charge (UAGC) from 29.5% to 27% for the draft annual plan in order to try to reduce this impact. This is one of the only levers available for us but has not been able to make a meaningful difference. As there are no significant or material changes in levels of service, we will not be consulting with the community on the plan but rather informing as to what the key points for the year ahead are.

In the delivery space this year we will see the completion of a number of big projects. The first building on Wakatu Quay is scheduled to be completed by Christmas, work is ongoing regarding finding an appropriate tenant. Work is also progressing on options for the remainder of that site. Physical construction of transport component of the Infrastructure Acceleration Fund (IAF) along Green Lane will hopefully progress in the second half of the year, with design and procurement happening before then. We will be continuing with our focus on the roading and footpath programmes. The Waiau Toa Clarence Valley access project has been a complex earthquake recovery project. We recently heard the unfortunate news that the NZTA board were no longer prepared to continue to fund this project under emergency works. We will continue to explore options for how to support the affected residents in that area. Council will leave the local share commitment of $500,000 in the annual plan for financial year 2025/26.

Internally, a major system upgrade of our Enterprise Resource Planning (ERP) software will go live from 1 July 2025 with two modules (building and planning) following before Christmas 2025. This is a massive improvement to the way we work, replacing outdated technology from the 1990's. It has taken a significant amount of work to get the system set up with our specific data and to get our people training on how to use it. We are anticipating the improvements will be noticeable from the outset. Two other North Canterbury Councils, Hurunui and Waimakariri, are also implementing the same system and so there is greater opportunity for collaboration and shared ways of working to be more efficient and effective going forward.

Over the year ahead the coalition government reform agenda will continue to have impacts on local councils around the country. Our current preferred option for Local Waters Done Well is to establish a new jointly owned Water Services Council Controlled Organisation (WSCCO) with Hurunui District Council for delivery and management of our three waters services (water, sewer and stormwater). This will be a major change but provides the best longer-term option for our community. By September 2025 we will need to have a Water Service Delivery Plan (WSDP) approved by central government which outlines our implementation plan for the next ten years and beyond. It is anticipated that the new arrangements will be implemented in financial year 2026/27, but irrespective of the final option, a lot of preparatory and set up work will be required before then. Central Government has also signalled that major reform of the Resource Management Act and also Building Act is also underway. We will need to be able to respond and adapt to these changes as we get greater clarity, especially as we continue to undertake our review and update of our District Plan.

In the strategic space, a number of Reserve Management Plans have now been completed and one key focus for the year ahead will be to develop a masterplan for the South Bay area that has been recently harvested. There is an opportunity to plan and develop a truly amazing community reserve in that area for the long - term. We will also be rebooting our economic development roadmap to continue to support growth and development in the District over the coming years.

Our triennial local body elections will take place in October 2025 and so a new governance team will be in place at the Council table from November. As a Council, we will continue to focus on our agreed community priorities and ensure we keep doing what we say we are going to do. We will continue to advocate and represent our local voice and work with central government over the issues and challenges ahead.

Wishing everyone a good year ahead.

Will Doughty
Chief Executive

Changes from the Long-Term Plan 2024-2034

This 2025/2026 Annual Plan shows that there are no significant changes (outside of the to what was already provided for in the 2025/2026 year of the Long-Term Plan (the LTP). It is for that reason that the Council opted not to consult on the Annual Plan – all the main issues in the Annual Plan were already consulted on for the LTP.

There are, however, some changes from the LTP, and these are highlighted below.

Timing of capital spend

The removal of the Waiau Toa Clarence Valley Bridge replacement funding by NZTA means that the majority of Council's capital spend is now driven by two material projects, namely, the Infrastructure Acceleration Fund (IAF) and the Wakatu Quay Development. Progress on the Wakatu Quay development is well underway with the construction contract, to a local contractor, being awarded in late 2024 and the project is forecast to be completed by December 2025.

The market environment, impacted by high interest costs has resulted in milestones for the IAF project needing to be reviewed as it was deemed unrealistic to attract buyers/developers while financing costs remained high. The commitment by Council and the developer remains intent on completing and progressing this work, however, spend, and completion milestones continue to be monitored between the Council, developer and government agencies.

The Link Pathway is almost complete however some of the last aspects of the beautification elements of the project are likely to take place early in the 2025/2026 year.

The projects funded by the Better Off Funding, of which the most material was for the West End Toilet upgrades, $800,000, have been largely completed and we expect to see the landscaping aspects surrounding the West End toilet and 'amphitheatre' taking shape through 2025/2026.

Other changes to the LTP are related to minor timing aspects on less material projects. In order to ensure best value to the community the council may change the timing of footpath or roading works while staying within the funding envelope provided by the LTP 2024-2034.

The cost of insurance

The cost of insurance remains a significant cost to Council and is further impacted by infrastructure revaluations which increases any cost of asset replacement and drivees up our insurance premiums. During the 2024-year end three water assets were increased in value by over $9m and this has had a subsequent knock on to our insurance premiums which had to increase substantially ($170,000) for the year 2025-2026. Negotiations with our insurance brokers have suggested that premium increases for insurance are expected to ease going forward, however, we are yet to see this.

Savings for building control

With the recent hire of our new Building Manager, Council was able to reduce the cost burden of this service being carried out by a contractor although it should be noted that the contractor ensured Council achieved its statutory obligations and service levels remained unaffected to the community. The savings generated by the permanent hire of our Building Manager were unfortunately offset by the insurance premium increases noted earlier.

Grants and subsidies funding

The LTP had forecast approximately $17m in grant funding for the 2025/2026 year, with over 75% of this being Waka Kotahi subsidies for the Glen Alton Bridge over the Waiau-Toa Clarence River plus IAF subsidies. This Annual Plan forecasts $16m in grants and subsidies for the 2025/2026 year. Approximately $15m of these grants are for capital works with $2m in other roading subsidies from Waka Kotahi with the balance largely for the IAF project but also includes funding for the Wakatu Quay project both of which have been adjusted for timing. The Council was granted $1.55m in "Better Off Funding" which enabled several projects including upgrading the West End toilets and Gooches Beach playground, new toilets on Churchill Park, upgrading the Lookout and contributing to a new emergency helipad opposite the hospital, almost all of these have either been completed as at the time of writing or are about to complete early in 2025/2026 (e.g. beautification works around the West End toilets). A small portion of this funding will carry over into 2025/2026 of which less than $0.1m include feasibility studies into township flood protection and Papakainga housing.

How will rates be affected?

The LTP forecast that the rates increase for the 2025/2026 year would be 9.95% overall. The Annual Plan 2025/2026 shows a total rate increase of 8.94%.

Council Activities

Roading

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

Sub-Activities

- Roads & bridges
- Footpaths & cycleways
- Streetlights

What we do and why we do it

The Council maintains 208km of local roads and 40 bridges in our district. Approximately half of our roads are sealed. Of the bridges, 32 are single lane and 6 apply weight restrictions. The New Zealand Transport Agency (NZTA) owns and maintains State Highway One, which includes Churchill Street and Beach Road (within the Kaikōura township).

What we're planning for 2025/2026

Roading renewals continues be a key focus through 2025-2026, building on the significant work over the last three years to address the accumulated backlog of road rehabilitation and resealing.

Footpaths renewals are also ongoing, with a focus on renewing surfaces in the main high use areas, ensuring better accessibility and safety for pedestrians.

The Infrastructure Acceleration Fund and developers from Ocean Ridge and Vicarage Views will fund the extension of road access from Ludstone Road to Ocean Ridge, with a shared pathway from SH1 intersection to Mt Fyffe Road already complete.

The Glen Alton Bridge in the Clarence Valley was destroyed during the November 2016 earthquake and had been planned for replacement. With rebuild costs estimated to be over $16 million, support from Waka Kotahi (NZ Transport Agency) was essential, however in June 2025 the NZTA board resolved to no longer fund this project and therefore Council will not be in a position to move forward with the replacement as had been planned. This change is the cause of the reduction in expected capital funding and costs for the annual plan when compared to the LTP 2025/2026.

The Jordan Stream Bridge is expected to complete in the 2025/2026 year having been declared structurally unsafe at the back end of the 2023/2024 financial year. A cost estimate of $800,000 was budgeted as part of the LTP.

Major assumptions

- Waka Kotahi will continue to fund eligible roading activities at 51% or better.
- Funding for the Jordan Stream Bridge will be partially subsidised by Waka Kotahi
- There are no significant flooding events during the year.
- The IAF project is cost neutral to the Council and is completed per forecast timeframes.

Funding Impact Statement: Roading

For the year ended 30 June

	Long-Term Plan 2024/2025 $000's	Long-Term Plan 2025/2026 $000's	Annual Plan 2025/2026 $000's
Sources of operating funding			
General rates, UAGCs, rates penalties	-	-	-
Targeted rates	1,790	1,953	2,079
Subsidies & grants for operating purposes	645	658	645
Fees and charges	12	12	12
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	43	44	43
Total operating funding (A)	**2,490**	**2,667**	**2,779**
Applications of operating funding			
Payments to staff and suppliers	1,695	1,729	2,283
Finance costs	161	215	210
Internal charges and overheads applied	157	170	272
Other operating funding applications	-	-	
Total applications of operating funding (B)	**2,013**	**2,113**	**2,765**
Surplus/(deficit) of operating funding (A-B)	477	553	**14**
Sources of capital funding			
Subsidies & grants for capital expenditure	9,038	13,962	11,754
Development and financial contributions	2	7	7
Increase/(decrease) in debt	962	1,527	1,505
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**10,001**	**15,495**	**13,265**
Application of capital funding			
Capital expenditure			
- To meet additional demand	6,439	5,550	10,880
- To improve the level of service	410	418	410
- To replace existing assets	3,603	10,010	1,919
Increase/decrease) in reserves	26	70	70
Increase/(decrease) in investments	-	-	-
Total applications of capital funding (D)	**10,478**	**16,048**	**13,279**
Surplus/(deficit) of capital funding (C-D)	**(477)**	**(553)**	**(14)**
Funding balance ((A-B) + (C-D))	**-**	**-**	**-**

Water supplies

Goal: To provide clean potable water for our communities in the Kaikōura district

Sub-Activities

- Kaikōura Urban water supply (now includes the former Suburban water supply),
- Ocean Ridge water supply,
- East Coast rural & village water supply,
- Kincaid rural water supply,
- Fernleigh rural water supply,
- Oaro rural water supply,
- Peketā rural water supply.

What we do and why we do it

Treating, storing, testing, and distributing water is a major part of the Council's core business because human health and disease prevention, tourism and other industries rely on having a safe and reliable water supply.

The Council aims to supply water reliably and efficiently to residents and businesses, while also ensuring ecological, recreational, and cultural values are recognised and enhanced.

The Government is currently undertaking a review of the way water services are delivered across the country. New levels of service for drinking water have been introduced and changes to the ownership and management of these water supplies are proposed, for implementation by not later than June 2026.

What we're planning for 2025/2026

In 2025/2026, we will continue to improve and maintain our water supply systems, focusing on renewing aging infrastructure to meet future demand. Planned upgrades include replacing key pipeline sections and enhancing water storage to ensure reliable and safe water supply to all residents. We are also assessing options for improving the resilience of the water supply in the face of climate change.

Major assumptions

- The Government's Local Water Done Well reform does not significantly affect service delivery during this 2025/2026 year.
- Water assets perform their expected remaining useful lives as identified in the Council's asset management plans.

Funding Impact Statement: Water Supplies

For the year ended 30 June

	Long-Term Plan 2024/2025 $000's	Long-Term Plan 2025/2026 $000's	Annual Plan 2025/2026 $000's
Sources of operating funding			
General rates, UAGCs, rates penalties	-	-	-
Targeted rates	1,651	1,910	1,824
Subsidies & grants for operating purposes	-	-	109
Fees and charges	11	11	11
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	-	-	-
Total operating funding (A)	**1,662**	**1,921**	**1,944**
Applications of operating funding			
Payments to staff and suppliers	1,048	1,109	1,211
Finance costs	-	-	-
Internal charges and overheads applied	426	464	512
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**1,474**	**1,573**	**1,723**
Surplus/(deficit) of operating funding (A-B)	**188**	**348**	**221**
Sources of capital funding			
Subsidies & grants for capital expenditure	-	-	-
Development and financial contributions	4	8	8
Increase/(decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**4**	**8**	**8**
Application of capital funding			
Capital expenditure			
- To meet additional demand	-	-	-
- To improve the level of service	126	-	6
- To replace existing assets	213	379	295
Increase/(decrease) in reserves	(147)	(22)	(72)
Increase/(decrease) in investments	-	-	-
Total applications of capital funding (D)	**192**	**357**	**229**
Surplus/(deficit) of capital funding (C-D)	**(188)**	**(348)**	**(221)**
Funding balance ((A-B) + (C-D))	**-**	**-**	**-**

Wastewater

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

Sub-Activities

- Kaikōura wastewater network
- Koura Bay wastewater network (pending)
- Stock effluent facilities

Note the terms “wastewater” and “sewerage” are used interchangeably throughout this Annual Plan and other Council documents.

What we do and why we do it

The Council operates a wastewater (sewer) network that services the Kaikōura township including South Bay, and Ocean Ridge.

The systems include 63km of reticulation, 10 major pump stations, 33 smaller (pressure sewer) pump stations, various odour control units and the treatment and effluent disposal facility off Old Beach Road.

The system can cope with a peak demand equivalent to 10,000 people, so has ample capacity to serve our community for the foreseeable future.

The Council also operates a stock truck effluent disposal point at the Inland Road/SH1 intersection.

What we’re planning for 2025/2026

Wastewater management will focus on maintaining the capacity of treatment facilities and ensuring compliance with updated environmental standards. We will prioritise upgrades to the wastewater treatment plant and the maintenance of the pump stations, aiming to reduce the risk of overflows and ensure that treated water meets all regulatory requirements. Additionally, work will continue inspecting and maintaining sewerage networks to prevent blockages and leaks.

Major assumptions

- The Government’s Local Water Done Well reform does not significantly affect service delivery during this 2025/2026 year.
- Wastewater assets perform to their expected remaining useful lives as identified in the Council’s asset management plans.
- Resource consent compliance issues do not necessitate substantial additional expenditure.

Funding Impact Statement: Wastewater

For the year ended 30 June

	Long-Term Plan 2024/2025 $000's	Long-Term Plan 2025/2026 $000's	Annual Plan 2025/2026 $000's
Sources of operating funding			
General rates, UAGCs, rates penalties	10	11	12
Targeted rates	1,217	1,257	1,373
Subsidies & grants for operating purposes	20	21	20
Fees and charges	29	30	29
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	-	-	-
Total operating funding (A)	**1,276**	**1,318**	**1,435**
Applications of operating funding			
Payments to staff and suppliers	575	599	654
Finance costs	3	4	4
Internal charges and overheads applied	356	387	456
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**934**	**990**	**1,114**
Surplus/(deficit) of operating funding (A-B)	**341**	**328**	**321**
Sources of capital funding			
Subsidies & grants for capital expenditure	-	-	-
Development and financial contributions	3	12	12
Increase/(decrease) in debt	100	(2)	(2)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**103**	**11**	**10**
Application of capital funding			
Capital expenditure			
- To meet additional demand	-	-	-
- To improve the level of service	100	5	5
- To replace existing assets	379	283	276
Increase/decrease) in reserves	(35)	50	50
Increase/decrease) in investments	-	-	-
Total applications of capital funding (D)	**444**	**338**	**331**
Surplus/(deficit) of capital funding (C-D)	**(341)**	**(328)**	**(321)**
Funding balance (A-B) + (C-D))	**-**	**-**	**-**

Stormwater

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

Sub-Activities

- Stormwater collection
- Stormwater disposal

What we do and why we do it

The stormwater network includes pipes, open channels, overland flow paths, swale drains and wetland systems, within the Kaikōura township including South Bay and Ocean Ridge.

Stormwater is part of the Council's core activities because it prevents water from accumulating in low lying areas and potentially causing harm to people or damage to buildings, properties, or the environment.

What we're planning for 2025/2026

Our stormwater management plan for 2025-2026 will address the challenges of increased rainfall and urban development. We will continue with the upgrade of stormwater infrastructure to improve capacity and reduce the risk of flooding in vulnerable areas. Key projects will involve upgrading culverts and enhancing natural drainage systems to mitigate the effects of extreme weather events.

Major Assumptions

- The Government's Local Water Done Well reform does not significantly affect service delivery.
- Wastewater assets perform to their expected remaining useful lives as identified in the Council's asset management plans.
- The achievement of compliance with resource consent conditions does not require substantial additional expenditure.

Funding Impact Statement: Stormwater

For the year ended 30 June

	Long-Term Plan 2024/2025 $000's	Long-Term Plan 2025/2026 $000's	Annual Plan 2025/2026 $000's
Sources of operating funding			
General rates, UAGCs, rates penalties	-	-	-
Targeted rates	110	126	114
Subsidies & grants for operating purposes	-	-	-
Fees and charges	2	2	2
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	-	-	-
Total operating funding (A)	**112**	**128**	**116**
Applications of operating funding			
Payments to staff and suppliers	62	73	61
Finance costs	-	-	-
Internal charges and overheads applied	51	55	54
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**112**	**128**	**116**
Surplus/(deficit) of operating funding (A-B)	-	-	-
Sources of capital funding			
Subsidies & grants for capital expenditure	-	-	-
Development and financial contributions	-	2	2
Increase/(decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**-**	**2**	**2**
Application of capital funding			
Capital expenditure			
- To meet additional demand	-	-	-
- To improve the level of service	5	5	5
- To replace existing assets	5	5	5
Increase/decrease) in reserves	(10)	(8)	(8)
Increase/decrease) in investments	-	-	-
Total applications of capital funding (D)	**0**	**2**	**2**
Surplus/(deficit) of capital funding (C-D)	**-**	**-**	-
Funding balance (A-B) + (C-D))	**-**	**-**	**-**

Refuse & Recycling

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

Sub-Activities

- Refuse disposal
- Recycling & waste diversion

What we do and why we do it

The Council, through our contracted service provider Innovative Waste Kaikōura Ltd (IWK), operates a Resource Recovery Centre (RRC) in Kaikōura that offers services for the disposal of refuse and hazardous wastes and the recovery, recycling or re-use of green waste and a range of other materials or items.

Through IWK we also provide street litter bins and kerbside collection services in the urban area for domestic rubbish, household recycling and organic food waste. Three collection points for recycling are also provided in the rural areas.

The Kaikōura Landfill ceased operation in 2022 and collected refuse is now transported to the Kate Valley Landfill near Waipara for disposal.

The resource recovery centre and landfill are being reconfigured to operate as a refuse transfer station, with work currently nearing completion. Once reconfiguration of the site is complete, the remaining areas of the landfill will be capped and closed.

What we're planning for 2025/2026

In 2025/2026, our focus will be on improving the efficiency and sustainability of our solid waste and recycling systems to reduce environmental impact. A key priority will be the continued closure of the old landfill, including the capping and rehabilitation of the site. Additionally, we will explore new initiatives to further minimise waste and promote environmental sustainability, with an emphasis on waste reduction education for the community.

Major assumptions

- Upon closure of the landfill, the full cost of disposal of refuse is met from user pays charges.
- That the requirements and costs of completing the site reconfiguration and landfill closure are in line with expectations.
- That works required to address resource consent non-compliance can largely be integrated with RRC reconfiguration and landfill closure.
- That forthcoming legislation on mandatory recycling does not result in significant additional costs being imposed on ratepayers.

Funding Impact Statement: Refuse & Recycling

For the year ended 30 June

	Long-Term Plan 2024/2025 $000's	Long-Term Plan 2025/2026 $000's	Annual Plan 2025/2026 $000's
Sources of operating funding			
General rates, UAGCs, rates penalties	164	200	181
Targeted rates	242	282	302
Subsidies & grants for operating purposes	-	-	-
Fees and charges	122	120	117
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	80	82	80
Total operating funding (A)	**608**	**684**	**680**
Applications of operating funding			
Payments to staff and suppliers	413	451	456
Finance costs	39	47	44
Internal charges and overheads applied	130	141	144
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**582**	**639**	**644**
Surplus/(deficit) of operating funding (A-B)	**26**	**45**	**36**
Sources of capital funding			
Subsidies & grants for capital expenditure	**-**	-	-
Development and financial contributions	**-**	-	-
Increase/(decrease) in debt	374	152	356
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**374**	**152**	**356**
Application of capital funding			
Capital expenditure			
- To meet additional demand	-	-	-
- To improve the level of service	400	197	392
- To replace existing assets	-	-	-
Increase/decrease) in reserves	-	-	-
Increase/decrease) in investments	400	197	-
Total applications of capital funding (D)	**400**	**197**	**392**
Surplus/(deficit) of capital funding (C-D)	**(26)**	**(45)**	**(36)**
Funding balance (A-B) + (C-D))	**-**	**-**	**-**

Facilities

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.

Sub-Activities

- Parks & reserves
  - Cemetery
  - Playgrounds
  - Public toilets
  - Recreational & coastal reserves
  - Sports fields
  - Town centre
  - Walkways
- Property
  - Civic centre
  - Community halls
  - Housing for the elderly
  - Wakatu Quay development
- Airport
- Harbour & wharves

What we do and why we do it

Our community amenities help provide for the health, wellbeing, social, educational, recreational, leisure and cultural needs of the community as well as providing an important role in the development of a vibrant town by creating a sense of place and providing opportunities for people to meet and interact socially.

Community facilities help to define how we live, work and play. In many ways, the condition of community facilities reflects our quality of life. Clean and well-maintained buildings, peaceful open spaces and aesthetically pleasing parks and playgrounds enable us to come together, interact, keep fit, relax, or play sports.

We want to provide facilities that are safe, welcoming, attractive and culturally appropriate. Equally important is ensuring facilities are affordable to operate and access on an ongoing basis.

What we're planning for 2025/2026

Property – Memorial Hall, Civic Centre, etc

In 2025-2026, the planned upgrades for Memorial Hall and the Civic Centre will focus on improving accessibility, functionality, and safety. This includes some minor structural enhancements and modernisation of facilities to better serve community events. Additionally, we will continue with the renovation of Pension Housing ensuring these facilities meet the evolving needs of the community.

Parks & Reserves, Playgrounds, Town Centre, etc

The upgrade and development of parks and reserves will be a priority, with a focus on creating vibrant, accessible spaces for recreation and leisure. Planned projects include upgrading walking tracks, as well as enhancing West End to increase their utility and aesthetic appeal. The town centre will continue its beautification efforts, with recent improvements including the replacement of the West End Toilets, the addition of green spaces and enhancements to pedestrian areas. These changes will make the town centre more pedestrian-friendly, inviting, and enjoyable for residents and visitors alike.

Wakatu Quay

Construction completion of Wakatu Quay is anticipated in late 2025 which will be an exciting and long-awaited milestone. Key actions in 2025/2026 will include tenant fit out and exploring additional options for the site post investment into the overall layout.

Major assumptions

- All the major buildings associated with this activity remain under the control and ownership of the Council and do not require very major renewal or repair works during the year.
- Funding for the Link Pathway and Wakatu Quay is received as and when the projects progress, and the projects are completed in the forecast timeframes.

Funding Impact Statement: Facilities

For the year ended 30 June

	Long-Term Plan 2024/2025 $000's	Long-Term Plan 2025/2026 $000's	Annual Plan 2025/2026 $000's
Sources of operating funding			
General rates, UAGCs, rates penalties	853	956	899
Targeted rates	790	833	662
Subsidies & grants for operating purposes	95	95	95
Fees and charges	640	687	673
Internal charges and overheads recovered	127	127	127
Fuel tax, fines, infringement fees & other	541	194	194
Total operating funding (A)	**3,046**	**2,891**	**2,639**
Applications of operating funding			
Payments to staff and suppliers	1,609	1,623	1,681
Finance costs	136	150	117
Internal charges and overheads applied	798	868	656
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**2,543**	**2,641**	**2,453**
Surplus/(deficit) of operating funding (A-B)	**503**	**250**	186
Sources of capital funding			
Subsidies & grants for capital expenditure	5,009	2,359	3,298
Development and financial contributions	53	68	68
Increase/(decrease) in debt	(241)	549	571
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**4,820**	**2,976**	**3,936**
Application of capital funding			
Capital expenditure			
- To meet additional demand	3,891	3,091	4,030
- To improve the level of service	623	69	68
- To replace existing assets	612	101	109
Increase/(decrease) in reserves	198	(35)	(85)
Increase/(decrease) in investments	-	-	-
Total applications of capital funding (D)	**5,324**	**3,226**	**4,122**
Surplus/(deficit) of capital funding (C-D)	**(503)**	**(250)**	**(186)**
Funding balance (A-B) + (C-D))	**-**	**-**	**-**

Leadership & Governance

Goal: to 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.

Sub-Activities

- Mayor & Councillors
- Office of the Chief Executive
- Support Services
- Communications & Engagement

What we do and why we do it

The Kaikōura district is governed by the Council consisting of one Mayor and seven councillors, each elected at large (which means each of these elected members represent the entire district, there are no separate wards based on geographic area).

The Council's aim is 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.

The CEO and Council staff provide advice to the elected members, provide support and corporate functions (such as Finance, IT, and Communications), manage Council assets, and meet our health and safety obligations and legal responsibilities.

The Council recognises Te Rūnanga O Kaikōura as our iwi partner.

What we're planning for 2025/2026

October 2025 heralds the local government elections and determines who will represent the district for the next triennium.

The Council will also be implementing a new core enterprise system, Datascape, and while the transition is likely to place strain on staff capacity due to the additional workload for the implementation period, the advantage and benefit of the new system is due to the efficiencies and improved customer experience both internally and external to Council.

Major assumptions

- The local government elections do not result in a significant change of direction for the Council.
- The Council can attract and retain suitably qualified staff.
- The new Datascape system is implemented without any significant impacts on service delivery.
- The relationship with Te Rūnanga o Kaikōura continues to grow.

Funding Impact Statement: Leadership & Governance

For the year ended 30 June

	Long-Term Plan 2024/2025 $000's	Long-Term Plan 2025/2026 $000's	Annual Plan 2025/2026 $000's
Sources of operating funding			
General rates, UAGCs, rates penalties	1,356	1,441	1,591
Targeted rates	-	-	-
Subsidies & grants for operating purposes	-	-	-
Fees and charges	45	64	63
Internal charges and overheads recovered	2,593	2,761	2,829
Fuel tax, fines, infringement fees & other	-	-	-
Total operating funding (A)	**3,994**	**4,267**	**4,483**
Applications of operating funding			
Payments to staff and suppliers	4,048	3,993	4,166
Finance costs	13	24	23
Internal charges and overheads applied	347	371	417
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**4,408**	**4,388**	**4,606**
Surplus/(deficit) of operating funding (A-B)	**(414)**	**(121)**	**(123)**
Sources of capital funding			
Subsidies & grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	400	214	214
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**400**	**214**	**214**
Application of capital funding			
Capital expenditure			
- To meet additional demand	-	-	-
- To improve the level of service	-	-	-
- To replace existing assets	61	93	91
Increase/decrease) in reserves	(75)	-	-
Increase/decrease) in investments	(14)	93	-
Total applications of capital funding (D)	**(14)**	**93**	**91**
Surplus/(deficit) of capital funding (C-D)	**414**	**121**	**123**
Funding balance (A-B) + (C-D))	**-**	**-**	**-**

Building & Regulatory

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

Sub-Activities

- Building control
- Statutory planning
- Food premises & environmental health
- Parking & traffic control
- Dog & stock control
- Liquor licensing
- Other TA Regulatory functions

What we do and why we do it

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 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.

What we're planning for 2025/2026

The building and regulatory teams will be implementing a new core enterprise system (Datascape), which is expected to improve efficiency across all functions.

Building control

The building team will continue to upskill, with the goal of all achieving suitable qualifications for the Kaikōura Building Control Authority unit to be self-sufficient in terms of consent processing, building inspections, and code of compliance sign-off, to reduce the need for external service providers. It is also possible that the team may have capacity to assist the Hurunui District Council building team depending on consent volumes.

Regulatory functions

The regulatory team aims to ensure that it can respond to needs from the community in a prompt and efficient manner. This includes but is not limited to responding to food hygiene related complaints, premises that sell alcohol and/or prepare and sell food are appropriately registered/licensed and inspected, noise complaints are responded to dogs are registered and adequately controlled.

In 2025/2026 the team will be working to ensure consents are monitored and compliant.

Statutory Planning

Statutory Planning will be business as usual until the changes are implemented with the Resource Management Act Reform. Council staff will continue to support our community by providing advice on the District Plan which provides the framework for our planning regulations. Staff will continue to process resource consent for activities that are not permitted within the District Plan, if an influx in number occurs then external contractors will be used to support internal staff resources.

Major assumptions

- The legislation relating to natural and built environments, strategic planning and climate change adaptation will not have any effect during the 2025/2026 year
- Building and subdivision activity remains at similar levels to that of 2024/2025.
- Monitor consent compliance can be achieved with no increase in staff levels
- Changes to the RMA will not have a significant impact on service levels

Funding Impact Statement: Building & regulatory

For the year ended 30 June

	Long-Term Plan 2024/2025 $000's	Long-Term Plan 2025/2026 $000's	Annual Plan 2025/2026 $000's
Sources of operating funding			
General rates, UAGCs, rates penalties	659	780	642
Targeted rates	63	67	78
Subsidies & grants for operating purposes	-	-	-
Fees and charges	943	975	955
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	21	22	21
Total operating funding (A)	**1,686**	**1,843**	**1,697**
Applications of operating funding			
Payments to staff and suppliers	1,372	1,468	1,336
Finance costs	-	-	-
Internal charges and overheads applied	344	379	361
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**1,716**	**1,843**	**1,697**
Surplus/(deficit) of operating funding (A-B)	**(31)**	**-**	-
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	(31)	-	-
Increase/decrease) in investments			-
Total applications of capital funding (D)	**(31)**	**-**	**-**
Surplus/(deficit) of capital funding (C-D)	**31**	**-**	**-**
Funding balance (A-B) + (C-D))	**-**	**-**	**-**

Community & Customer Services

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.

Sub-Activities

- Customer services
- Community development
- Emergency management
- Community grants, events & fundraising
- Kaikōura District Library

What we do and why we do it

Community and customer service activities support a welcoming and proactive face of Council. It also supports the health, wellbeing, growth and development of the Kaikōura community. These services prepare the community for disasters, access information and funding on behalf of groups and individuals, provide library services and connect community groups, NGO's and national agencies with each other and those they support.

What we're planning for 2025/2026

The major things we will be focussing on for the 2025 – 2026 financial year are:

Customer Services:

- Implementation of a new Customer Relationship Management (CRM) module with Datascape
- New phone system
- Process mapping for all standard operating procedures to ensure consistent service delivery
- Increased customer experience through the Antenno app, where the community can receive up-to-date, relevant notifications and can report issues quickly and easily

Community Development:
Bolster activity in community events

Emergency management
Increased EMO hours to ensure preparation for any event is in place and the emergency operations centre is stocked and ready to go

Library

- Increased staff to provide consistent level of service
- Book renewal budgets linked to inflation

Major assumptions

- No major natural hazard events will occur in the next three years. Statistically, the odds of a major natural hazard event are very low while the consequences of a major event are high.
- Council services are not adversely impacted by a natural disaster and our team is able to support the community as planned.
- Community grants, events and fundraising activities continue at levels similar to that of 2024/2025, enabling planned community support to continue (with the exception of the Mayor's Taskforce for Jobs, with government funding expected to cease or reduce).

Funding Impact Statement: Community & customer services

For the year ended 30 June

	Long-Term Plan 2024/2025 $000's	Long-Term Plan 2025/2026 $000's	Annual Plan 2025/2026 $000's
Sources of operating funding			
General rates, UAGCs, rates penalties	1,161	1,194	1,215
Targeted rates	-	-	-
Subsidies & grants for operating purposes	232	28	159
Fees and charges	17	8	8
Internal charges and overheads recovered	273	356	319
Fuel tax, fines, infringement fees & other	-	-	-
Total operating funding (A)	**1,683**	**1,586**	**1,701**
Applications of operating funding			
Payments to staff and suppliers	1,382	1,268	1,372
Finance costs	26	26	26
Internal charges and overheads applied	229	247	257
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**1,637**	**1,541**	**1,654**
Surplus/(deficit) of operating funding (A-B)	**46**	**47**	**46**
Sources of capital funding			
Subsidies & grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	(14)	(14)	(14)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**(14)**	**(14)**	**(14)**
Application of capital funding			
Capital expenditure			
- To meet additional demand	-	-	-
- To improve the level of service	-	-	-
- To replace existing assets	32	33	32
Increase/decrease) in reserves	-	-	-
Increase/decrease) in investments	-	-	-
Total applications of capital funding (D)	**32**	**33**	**32**
Surplus/(deficit) of capital funding (C-D)	**(46)**	**(47)**	**(46)**
Funding balance (A-B) + (C-D))	**-**	**-**	**-**

District Development

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.

Sub-Activities:

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

What we do and why we do it

The Kaikōura District Plan sets strategic direction for how and where development should occur, provides standards for development, and identifies where resource consents are required, whilst seeking to manage the environment, in accordance with the Resource Management Act (the RMA).

The Council plays a role in supporting and promoting economic development for the district. Whilst tourism, directly and indirectly, is the major contributor to Kaikōura's Gross Domestic Product (GDP), all businesses and activities contribute to the district's economy and employment.

What we're planning for 2025/2026

District Plan

The review of the Kaikōura District Plan will be a significant project for our community. Although the concepts in our District Plan have served our community well, a number of aspects do not reflect the current needs and direction of our communities, and so a rolling review of our District Plan has been initiated. The rolling review allows for consulting with our community with manageable sections while also spreading the costs of the review. We will continue to work closely with Te Runanga o Kaikōura to ensure our District Plan as best as possible meets the expectations for our community. The District Plan will take into account direction for existing legislation, our communities Iwi Management Plan and our Spatial Plan.

In addition to the need for our community to ensure our planning provision meets our current direction, Central Government is also working to review the Resource Management Act 1991. Council staff and consultants will keep a close eye on how this new legislation develops to ensure that our community is not unnecessarily reworking our community planning provisions.

Economic development

Council have endorsed reigniting a focus on economic development. This work will take into account previous effort in this space, however, a key focus item for 2025/2026 will be working to develop a long - term vision (50 years) for Kaikōura with the input of the community. "What does Kaikōura look like in 50 years"? A key output following the development of a Kaikōura long term vision will be an economic development strategy with the goal of increasing wellbeing across the district in a co-ordinated and purposeful way.

We are also collaborating with Canterbury Councils to develop a Canterbury Economic Development strategy.

We will work with Enterprise North Canterbury to assist in promoting the district which includes supporting recognition of Kaikōura businesses at the North Canterbury Business Awards.

Environment & climate action

Collaboration with Canterbury councils in the development of a Canterbury Climate Action plan with work expected to build momentum through 2025/2026 but likely take 2-3 years to complete. $18,500 has been set aside to support this initiative for the year and $13,500 the year after for a total investment of $36,750 over 3 years.

Major assumptions

- The Resource Management Reforms proceed as outlined by the Bills introduced into Parliament in November 2022
- The District Plan review progresses as per the review Road Map
- The significant changes that have been signalled for Resource Management legislation do not result in significant costs or direction for the Council or the district.

- The Council continues to work in partnership with Environment Canterbury for planning services.
- The Council does not move to a full E-plan format for the District Plan.
- The Council continues to support Destination Kaikōura at similar levels to 2024/2025.

Funding Impact Statement: District development

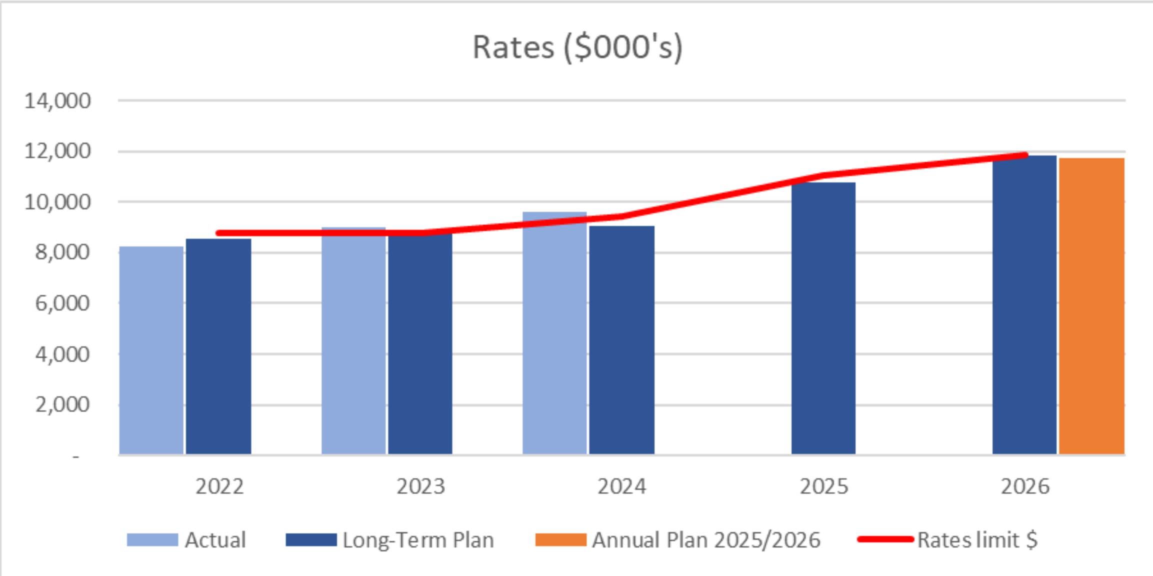
For the year ended 30 June

	Long-Term Plan 2024/2025 $000's	Long-Term Plan 2025/2026 $000's	Annual Plan 2025/2026 $000's
Sources of operating funding			
General rates, UAGCs, rates penalties	147	176	353
Targeted rates	554	652	414
Subsidies & grants for operating purposes	-	-	-
Fees and charges	102	12	12
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	-	-	-
Total operating funding (A)	**803**	**839**	**779**
Applications of operating funding			
Payments to staff and suppliers	870	880	802
Finance costs	14	23	8
Internal charges and overheads applied	154	168	146
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**1,038**	**1,071**	**956**
Surplus/(deficit) of operating funding (A-B)	**(236)**	**(231)**	**(177)**
Sources of capital funding			
Subsidies & grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	236	231	177
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding			-
Total sources of capital funding (C)	**236**	**231**	**177**
Application of capital funding			
Capital expenditure			
- To meet additional demand	-	-	-
- To improve the level of service	-	-	-
- To replace existing assets	-	-	-
Increase/decrease) in reserves	-	-	-
Increase/decrease) in investments	-	-	-
Total applications of capital funding (D)	**-**	**-**	**-**
Surplus/(deficit) of capital funding (C-D)	**236**	**231**	**177**
Funding balance (A-B) + (C-D))	**-**	**-**	**-**

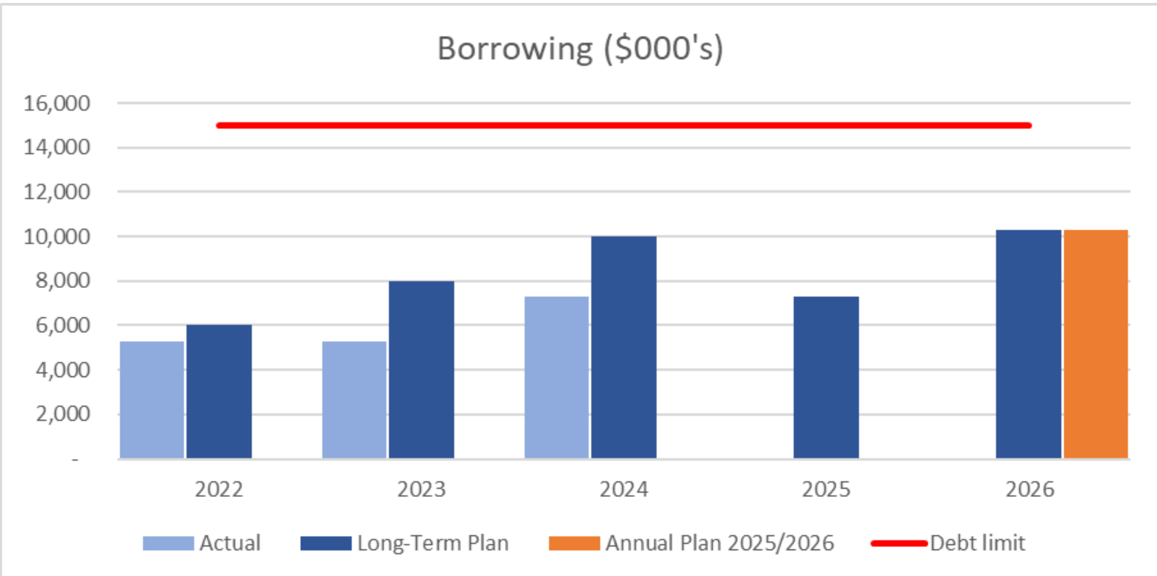
Financial Information

Financial highlights

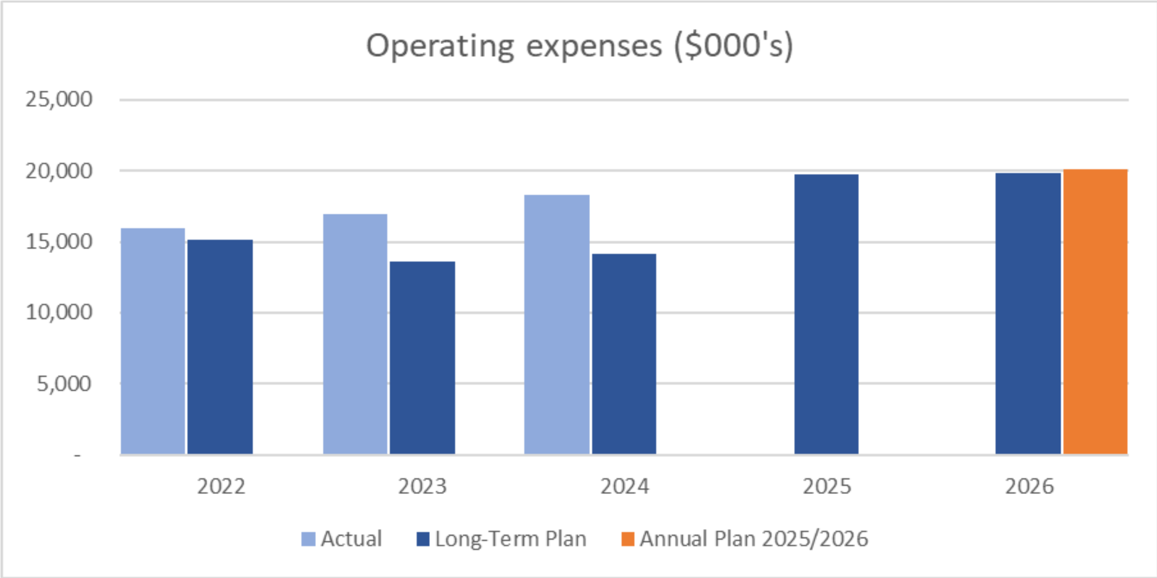
When the Long-Term Plan (LTP) 2024–2034 was adopted, the global economy was beginning to experience a shift toward more relaxed fiscal policies. Interest rates, which had previously been raised to counter the significant inflationary effects of Covid-19, were widely considered to have peaked and were starting to decline both in New Zealand and internationally. While the war in Ukraine still carries the risk of escalation and broader European involvement along with wider geo-political tensions in the middle east, the direct impact on New Zealand has remained relatively limited. A new trade tariff conflict seems to be emerging, though its long-term consequences particularly for New Zealand remain uncertain. However, through this plan, the Council has reaffirmed its commitment to completing the work begun under the LTP 2021–2031, with a continued emphasis on delivering core services. This annual plan reflects that ongoing focus and determination to see projects through.



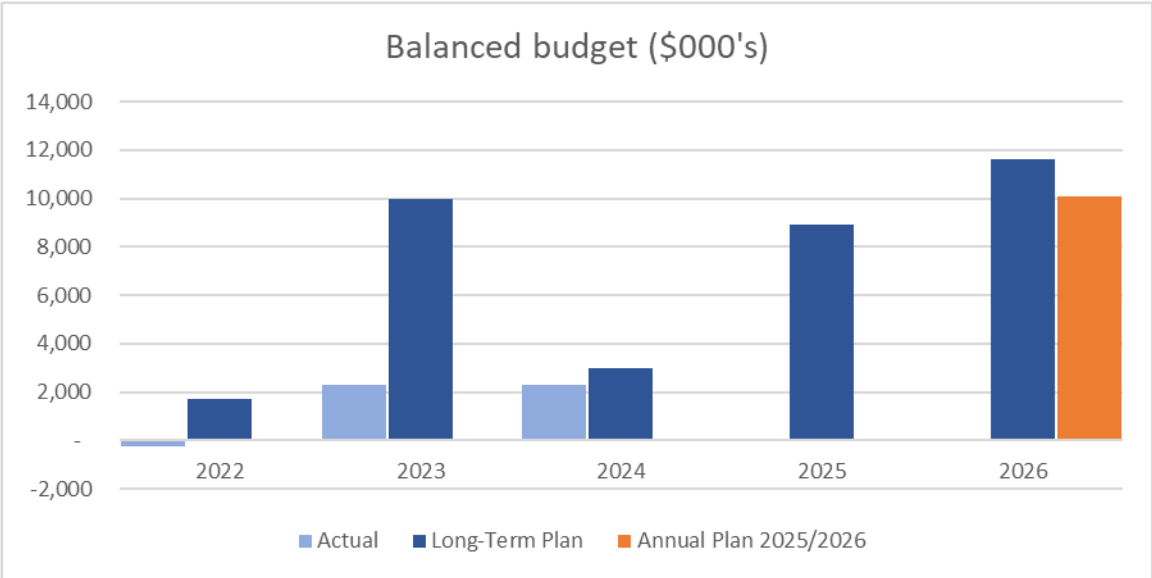
For the Annual Plan 2026 financial year we will keep our total rates increase to 8.94% - below our rates limit of 9.95%.



In this Annual Plan 2026 financial year, we predict our borrowings to reach no more than $10.3 million (in line with forecast $10.3 million for the same year in the Long-Term Plan). The Council has a self-imposed limit on borrowings of $15 million.



The Annual Plan 2026 financial year's budgets are broadly in line with what was expected in the LTP although where cost reductions were found for the 2026 year these have been largely offset with increased insurance premiums. Any change noted is largely due to immaterial updates to timing of projects e.g. District Plan.



The balanced budget reflects the net surplus (or deficit) at year end. The Annual Plan for the 2026 financial year is lower than that forecast for the same year in the LTP, the main difference being the timing of external revenues received particularly driven by current expectations on IAF and the removal of the Waiau Toa / Clarence River Bridge replacement.

Compliance with Financial Strategy

Rates limits

The Council's financial strategy set a limit on rates increases for the 2026 financial year at 9.95%, and to remain at 10% for three years (2026 to 2028). This Annual Plan shows the total rates requirement is 8.94% increase over last year; therefore complying with the limit set by the Council's financial strategy.

Debt limits

The Council has set a self-imposed limit on the amount it can borrow, to no more than $15 million. It has also set a limit on loan interest expenses to be no more than 10% of total revenue. Actual debt is expected to reach up to $10.3 million, in line with the $10.3 million forecast in the LTP. Loan interest is forecast to only be around 1.43% of total revenue.

Balanced budget

A balanced budget means that revenue is set at a level that is adequate to cover all operating expenses (including depreciation). This Annual Plan forecasts a surplus of $10 million and therefore meets the definition of having a balanced budget. Once again grants and subsidies are a large portion of our total revenue, with approximately $16 million forecast in grants and/or subsidies for 2025/2026.

Financial assumptions

- Loan interest rates on any new loans raised will be 5.5% on average with the Council borrowing from the Local Government Funding Agency (LGFA), and approximately 4% on existing loans, using the current weighted average interest rates for existing loans on fixed terms.
- Waka Kotahi (NZTA) subsidies for roading work is 51% for normal roading maintenance
- Provincial Growth Fund (PGF) funding will be received to progress the Link Pathway and the Wakatu Quay projects, with expected completion for both projects by end of December 2025

Level of uncertainty and risks

Another pandemic, escalation into Europe of the war in Ukraine, significant natural disasters, and the risk of an escalating war in the middle east plus possible trade war between America and China and spill-over of these to the wider global economy create an operating environment of high uncertainty. In line with previous years, this Annual Plan has been prepared during an environment of uncertainty and we have had to make a number of assumptions which may create an outcome that is either more or less favourable than what we have assumed.

Not least amongst the uncertainty is the general high cost of procuring goods and services, the need to attract and retain quality staff and working through various central government reform agendas. We are also facing the risk that Council staff and or contractors need to take sick leave for extended periods or at key times of the year, and that this could affect our levels of service although we have business continuity plans in place to help to mitigate this issue.

Readers are encouraged to consider the very high level of uncertainty in preparing these budgets. The Council has mitigated the financial uncertainty by ensuring we have some reserve funds in place and can raise short term contingency loans at short notice if reserve funds are unavailable.

Forecast Statement of Comprehensive Revenue & Expense

For the financial years ending 30 June

		Long-Term Plan 2024/2025 $000's	Long-Term Plan 2025/2026 $000's	Annual Plan 2025/2026 $000's
Revenue				
	Rates (including water charges)	10,768	11,838	11,730
	User fees & charges	1,923	1,920	1,882
	Grants & subsidies	15,039	17,122	16,079
	Development contributions	62	97	96
	Interest revenue	57	46	45
	Other revenue	685	341	338
	Gains	88	65	65
	Total revenue	**28,621**	**31,429**	**30,235**
Expenses				
	Personnel costs	4,126	4,325	4,494
	Depreciation & amortisation	6,239	6,113	5,683
	Finance costs	392	488	431
	Other expenses	8,947	8,869	9,528
	Losses			
	Total expenses	**19,705**	**19,795**	**20,136**
Net surplus / (deficit)		**8,916**	**11,634**	**10,099**
Other comprehensive income				
	Gains on asset revaluation	8,591	-	813
	Financial assets at fair value through equity	**-**	-	-
Total other comprehensive income		**8,591**	**-**	813
Total comprehensive income		**17,507**	**11,634**	**10,911**

Forecast Statement of Financial Performance by Activity

For the financial years ending 30 June

		Long-Term Plan 2024/2025 $000's	Long-Term Plan 2025/2026 $000's	Annual Plan 2025/2026 $000's
Revenue				
	Roading	11,529	16,635	14,423
	Water supplies	1,666	1,929	1,973
	Wastewater	1,269	1,319	1,452
	Stormwater	113	130	120
	Refuse & recycling	444	484	504
	Facilities	7,127	4,235	5,001
	Leadership & governance	45	64	63
	Building & regulatory	1,027	1,063	1,056
	Community services	249	35	167
	District development	656	664	428
	General rates	4,351	4,758	4,938
	Interest revenue	57	46	45
	Gains	88	65	65
	Total revenue	**28,621**	**31,429**	**30,235**
Expenses				
	Roading	4,612	4,819	5,114
	Water supplies	2,365	2,434	2,850
	Wastewater	1,779	1,818	2,162
	Stormwater	252	267	258
	Refuse & recycling	647	703	682
	Facilities	4,001	3,991	3,129
	Leadership & governance	1,924	1,657	1,891
	Building & regulatory	1,717	1,844	1,712
	Community services	1,369	1,190	1,376
	District development	1,038	1,071	962
	Total expenses	**19,705**	**19,795**	**20,136**
Net surplus / (deficit)		**8,916**	**11,634**	**10,099**
Gains/losses) on asset revaluation		8,591	-	813
Total comprehensive revenue		**17,507**	**11,634**	**10,911**

Forecast Statement of Movements in Equity

For the financial years ending 30 June

		Long-Term Plan 2024/2025 $000's	Long-Term Plan 2025/2026 $000's	Annual Plan 2025/2026 $000's
Equity opening balance		303,776	321,283	311,667
Comprehensive revenue & expense				
	Net surplus/(deficit)	8,916	11,634	10,099
	Gains on asset valuation	8,591	-	813
Total comprehensive revenue		**17,507**	**11,634**	**10,911**
Equity closing balance		**321,283**	**332,918**	**322,578**

Forecast Statement of Financial Position

For the financial years ending 30 June

		Long-Term Plan 2024/2025 $000's	Long-Term Plan 2025/2026 $000's	Annual Plan 2025/2026 $000's
Current assets				
	Cash & cash equivalents	1,682	1,948	1,034
	Receivables	1,956	2,149	2,068
	Prepayments	254	254	254
	Other financial assets	20	20	20
	Inventory	330	330	330
	Total current assets	**4,243**	**4,702**	**3,706**
Non-current assets				
	Other financial assets	207	207	237
	Forestry	2,521	2,521	2,865
	Investment property	7,478	10,572	9,869
	Property, plant & equipment	316,712	327,808	319,051
	Intangible assets	-	-	-
	Total non-current assets	**326,917**	**341,107**	**332,021**
Total Assets		**331,160**	**345,809**	**335,727**
Current liabilities				
	Payables & deferred revenue	1,612	1,627	1,729
	Employee entitlements	257	257	194
	Borrowings	1,000	1,000	2,000
	Provisions	-	-	-
	Total current liabilities	**2,869**	**2,884**	**3,922**
Non-current liabilities				
	Borrowings	6,300	9,300	8,300
	Provisions	225	225	381
	Other term liabilities	483	483	545
	Total non-current liabilities	**7,008**	**10,008**	**9,226**
Equity				
	Accumulated public equity	143,790	155,323	75,899
	Special reserves & funds	2,378	2,479	3,872
	Asset revaluation reserves	175,115	175,115	242,807
	Total equity	**321,283**	**332,918**	**322,578**
Total Liabilities & Equity		**331,160**	**345,809**	**335,727**

Forecast Statement of Cash Flows

For the financial years ending 30 June

	Long-Term Plan 2024/2025 $000's	Long-Term Plan 2025/2026 $000's	Annual Plan 2025/2026 $000's
Operating activities			
Cash was provided from:			
Rates (excluding water meter charges)	10,767	11,838	11,730
Interest received	57	46	45
Receipts from other revenue	16,871	19,287	18,335
Cash was applied to:			
Interest paid	(392)	(488)	(431)
Payments to suppliers & employees	(13,938)	(13,179)	(16,622)
Net cash flow from operating	**13,366**	**17,504**	**13,056**
Investing activities			
Cash was provided from:			
Sale of property, plant & equipment	(13,008)	(17,207)	-
Cash was applied to:			
Purchase of investment properties	(3,891)	(3,030)	(3,030)
Purchase of intangible assets	-	-	-
Purchase of property, plant & equipment	-	-	(15,492)
Reduction in provisions	-	-	-
Net cash flow from investing	**(16,899)**	**(20,238)**	**(18,522)**
Financing activities			
Cash was provided from:			
Proceeds from borrowings	2,000	4,000	5,000
Cash was applied to:			
Repayment of borrowings	(2,000)	(1,000)	(2,000)
Net cash flow from financing	**-**	3,000	3,000
Total net cash flows	**(3,533)**	**266**	**(2,466)**
Opening cash balance	**5,215**	**1,682**	**3,500**
Closing cash balance	**1,682**	**1,948**	**1,034**

Statement of Accounting Policies

Reporting entity

Kaikōura District Council (the Council) is a territorial local authority governed by the Local Government Act 2002.

The Kaikōura District Council group (KDC) consists of Kaikōura District Council and its subsidiary, Innovative Waste Kaikōura Ltd, a Council-Controlled Organisation. The Council also has an 11.5% interest in the Marlborough Regional Forestry joint venture.

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

The forecast financial statements of the Council are for the year 1 July 2025 to 30 June 2026.

The prospective financial statements were authorised for issue by the Council on 25 June 2025.

Basis of preparation

Statement of Compliance

The Council and management of the Kaikōura District Council confirm that the financial statements of the Council have been prepared in accordance with all requirements of the Local Government Act 2002, including the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The financial statements have been prepared in accordance with Tier 2 Public Benefit Entity Accounting Standards Reduced Disclosure Regime, on the basis that KDC has expenses of more than $2 million and less than $30 million and is not publicly accountable. The financial statements comply with Public Benefit Entity (PBE) Standards.

Measurement Base

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

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

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

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

The Council and management of the Kaikōura District Council are responsible for the preparation of the prospective financial statements.

Functional and Presentation Currency

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

Significant Accounting Policies

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

Subsidiaries

The Council does not account for its subsidiaries, the Kaikōura Enhancement Trust and Innovative Waste Kaikōura Ltd ("the Group"), in its Annual Plan. It does account for the Group in its Annual Reports, and those Reports contain the accounting policies as they pertain to the Group and consolidation.

Joint ventures

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

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

Revenue

Revenue is measured at the fair value of consideration received.

Rates revenue

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

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

Other revenue

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

Government Grants

The Council receives government grants from NZ Transport Agency, which subsidises part of the costs of maintaining the local roading infrastructure, plus various other government grants such as for responsible camping, and capital projects. These grants and subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Provision of Services

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

Sale of Goods

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

Vested Assets

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

Agency Arrangements

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

Interest and dividends

Interest revenue is recognised using the effective interest method.

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

Development Contributions

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

Borrowing Costs

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

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

Grant Expenditure

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

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

Foreign currency transactions

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

Leases

Finance leases

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

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

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

Operating leases

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

Cash and Cash Equivalents

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

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

Debtors and Other Receivables

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

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

Derivative financial instruments and hedge accounting

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

Other financial assets

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

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

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

a) Fair value at fair value through surplus or deficit
b) Loans and receivables
c) Held to maturity investments
d) Fair value through other comprehensive revenue

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

Financial assets at fair value through surplus or deficit

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

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

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

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

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

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

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

Held to maturity investments

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

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

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

Fair value through other comprehensive revenue

Financial assets at fair value through other comprehensive revenue are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the share investment within 12 months of balance date or if the debt instrument is not expected to be realised within 12 months of balance date.

The Council includes in this category:

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

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

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

Impairment of Financial Assets

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

Loans and other receivables

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

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

Financial assets at fair value through other comprehensive revenue

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

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

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

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

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

Inventory

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

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

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

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

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

Non-Current Assets Held for Sale

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

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

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

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

Property, Plant and Equipment

Property, plant and equipment consists of:

Operational assets

These include land, buildings, harbour assets, library books, computer equipment, office furniture, vehicles and plant.

Land and buildings were valued effective as at 30 June 2019 by Cameron Ferguson, (B.Com, VPM) of Quotable Value NZ, at fair value as determined from market-based evidence. Carrying values for those specific assets are shown less accumulated depreciation and plus any subsequent additions at cost.

The Council does not revalue its harbour assets, library books, computer equipment, office furniture, vehicles and plant.

Infrastructure Assets

This includes roads, bridges & footpaths, water systems, sewerage systems and stormwater systems, stated at fair value determined on a depreciated replacement cost basis by an independent valuer. At balance date the Council assesses the carrying values of its infrastructure assets to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued. Roading, water, wastewater and stormwater infrastructure were valued as at 30 June 2022 and the valuation was independently reviewed by WSP.

Each asset class includes all items required for the network to function, for example sewer reticulation includes reticulation pipes and sewer pump stations.

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

Revaluation

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

Additions

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

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

Disposals

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

Depreciation

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

The estimated useful economic lives of major classes of assets, and the depreciation rates to apply to them, are as follows:

Operational Assets	**Estimated Life (years)**	**Rate (Rounded)**
Land		Not Depreciated
Buildings – Structure	20-100	From 1% 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%
Library books	12	10%
Library non-books	1	100%
Park Furniture & Other Assets	3 – 50	From 1.33% to 30%
Artwork		Not Depreciated
Infrastructural Assets	**Estimated life (years)**	**Rate (Rounded)**
Roading		
Road formation and base course		Not Depreciated
Bridges	5 – 97	From 1.03% to 20%
Sealed Top Layer	1 – 42	From 2.38% to 100%
Kerb and Channels	37 – 76	From 1.32% to 2.7%
Drainage	37 – 42	From 2.38% to 2.7%
Traffic Facilities	1 – 10	From 10% to 100%
Base Course	20	4.55%

Infrastructural Assets	**Estimated life (years)**	**Rate (Rounded)**
Roading (continued from previous page)		
Seawalls	22 – 47	From 2.13% to 4.55%

Footpaths – Structure		Not Depreciated
Footpaths – Surface	1 – 49	From 2.04% to 100%
Street Lighting	10 – 27	From 3.70% to 10%
Sewerage		
Equipment & Oxidation Ponds	50	From 2% to 6%
Pump Stations	17 – 100	From 2% to 7%
Catchment Mains & Reticulation	25 – 77	From 1% to 14%
Water		
Pump Stations	12 – 25	From 4% to 8%
Pipes & Reticulation	7 – 99	From 1% to 14%
Stormwater		
Catchment Mains & Reticulation	70 – 99	From 1% to 22%
Structures	19 – 75	From 1% to6%

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. A summary of these lives is detailed above. The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

Subsequent costs

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

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

Deemed cost

Land under roads

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

Library collections

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

Harbour assets

The South Bay harbour was fully remediated in 2018 by NZTA (NCTIR) following the November 2016 earthquake, which included dredging and deepening the sea floor. Harbour depth is the only asset of any considerable value, and it has a similar characteristic to land under roads (it does not depreciate, and revaluing serves no purpose). The Wakatu Quay (North) Wharf was fully impaired as the cost to repair far exceeded carrying value. The remainder of harbour assets have an immaterial carrying value and have not been revalued.

Accounting for revaluations

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

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

Forestry Assets

Forestry assets owned via the Marlborough Regional Forestry joint venture, and also the Council's own forestry assets, are independently revalued annually at fair value less estimated point of sale costs. These valuations were performed at 30 June annually, by Forme Consulting Group for the joint venture, and by Merrill & Ring Ltd for the South Bay plantation. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate.

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

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

Investment Property

Properties leased to third parties under operating leases only classified as investment property if the property is held to earn net rental yields or for capital appreciation. Most of the Council's leased properties are held to meet service delivery objectives and therefore are not classified as investment property.

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

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

Intangible Assets

Emissions Trading Scheme (ETS) – Marlborough Regional Forestry

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

Pre-1990 emission units (NZU's) received under the ETS Allocation Plan are recognised at cost and subsequently measured at cost subject to impairment. It is not anticipated that MRF will have any future liabilities or obligations with regard to its pre-1990 forests.

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

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

Emissions Trading Scheme (ETS) – Council Forestry

The Council owns a small pine plantation at South Bay and logged all standing trees from the site during 2025. The forest does not meet the minimum criteria to enter the ETS scheme.

Emissions Trading Scheme (ETS) – Council Landfill

The Council's landfill was closed in 2023, and the site reconfigured as a transfer station. As this activity doesn't meet the definition of a landfill activity, the Ministry for the Environment issued a ruling that the Council no longer has a surrender obligation in relation to this site.

Impairment of Property, Plant and Equipment and Intangible Assets

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

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

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

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

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

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

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

Creditors and other payables

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

Borrowings

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

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

Employee Entitlements

Short term benefits

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

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

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

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

Long-term benefits

Superannuation schemes

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

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

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

Provisions

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

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

Equity

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

The components of equity are:

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

Special reserves and funds

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

Restricted (special) 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 (special funds) are reserves which may be altered without reference 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 reserves

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

Goods and Services Tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Cost Allocation

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

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

Direct costs are charged directly to significant activities. Indirect costs are allocated to Council activities based on the total operating costs of the activity proportionate to the total operating costs of the Council.

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

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

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

Critical Accounting Estimates and Assumptions

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

Landfill aftercare provision

The Council estimates the current Scarborough Street landfill will reach the end of its useful life in 2024 and has reconfigured the site as a transfer station. Capping the landfill will commence in that same year, and all aftercare will be undertaken as part of the transfer station site operations.

Infrastructural assets

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

These include:

- The physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by the Council performing a combination of physical inspections and condition modelling assessments of underground assets.
- Estimating any obsolescence or surplus capacity of an asset.
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over or under-estimating the annual depreciation charge recognised as an expense in the surplus or deficit. To minimise this risk, the Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives further assurance over useful life estimates.

Infrastructure valuations are prepared by suitably qualified Council staff, and experienced independent valuers perform an assurance review over those Council's infrastructural asset revaluations for reasonableness.

Critical Judgments in Applying the Council's Accounting Policies

Kaikōura District Council management has exercised the following critical judgments in applying accounting policies for financial years 2024-2034:

Classification of property

The Council owns property which is maintained primarily to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives and to meet community outcomes. These properties are accounted for as property, plant and equipment.

Changes in Accounting Policy

There have been no significant changes in accounting policies. The accounting policies have been applied on a basis consistent with those used in the 2024-2034 Long-Term Plan.

Notes to the Forecast Financial Statements

For the financial years ending 30 June

Depreciation & amortisation expenses

	Long-Term Plan 2024/2025 $000's	Long-Term Plan 2025/2026 $000's	Annual Plan 2025/2026 $000's
Roading	2,600	2,706	2,465
Water supplies	891	862	1,106
Wastewater	845	828	1,029
Stormwater	140	139	140
Refuse & recycling	65	64	32
Facilities	1,585	1,476	776
Leadership & governance	108	31	100
Building & regulatory	1	1	1
Community services	4	7	32
District development	-	-	-

Targeted rates for metered water supply (water meter charges)

	Long-Term Plan 2024/2025 $000's	Long-Term Plan 2025/2026 $000's	Annual Plan 2025/2026 $000's
Water meter charges	230	235	230

Water meter charges are included in rates income in the Statement of Comprehensive Revenue and Expense (page 32) and are included in targeted rates in the Forecast Funding Impact Statement (page 58), as required by the Local Government (Financial Reporting and Prudence) Regulations 2014. Water meter charges are defined as a targeted rate in the Local Government (Rating) Act 2002.

Capital Works Programme

	Long-Term Plan 2024/2025 $000's	Long-Term Plan 2025/2026 $000's	Annual Plan 2025/2026 $000's
Roading			
Glen Alton (Waiau-Toa Clarence) Bridge	2,000	8,053	-
Jordan Stream Bridge	300	510	500
Bridge renewals	-	102	100
Sealed surface renewals	562	599	587
Unsealed road renewals	187	180	175
Drainage, kerb & channel	155	158	155
Sublayer rehabilitation	330	337	330
Traffic services	70	72	70
Minor safety improvements	160	163	150
Infrastructure Acceleration Project	6,439	5,550	10,880
Footpaths	250	255	250
Road safety Promotion	10	10	10
Total Roading	**10,452**	**15,978**	**13,207**
Water supplies			
Urban – Water Main Torquay St	-	31	30
Urban – Water Main Esplanade	-	77	-
Urban Structure Renewals	141	144	140
Urban Treatment	20	-	-
Toby boxes & meters	25	26	25
Peketā structures	3	3	3
Peketā - SCADA	-	-	6
Fernleigh structure	10	61	59
Fernleigh treatment	3	-	-
Oaro structures	7	7	7
Oaro treatment	3	-	-
Kincaid structures	23	13	13
Kincaid treatment	90	-	-
Kincaid tobies & meters	9	9	9
East Coast Village	-	-	8
East coast structures	5	8	-
Total Water Supplies	**338**	**379**	**300**
Wastewater			
Structure renewals	34	47	46
Pump station renewals	120	154	150
Pump renewals	100	51	49
Pipe renewals	-	26	25
Treatment & odour control	225	10	10
Total Wastewater	**479**	**288**	**280**

Capital Works Programme continued

	Long-Term Plan 2024/2025 $000's	Long-Term Plan 2025/2026 $000's	Annual Plan 2025/2026 $000's
Stormwater			
Renewals	10	10	10
Total Stormwater	**10**	**10**	**10**
Refuse & Recycling			
Landfill closure	400	197	392
Total Refuse & Recycling	**400**	**197**	**392**
Facilities			
Airport – water services	-	7	8
Airport – new wastewater	-	61	60
Harbour – renewals	5	-	-
Old wharf buildings	20	-	-
Pensioner housing	20	61	70
Tree replacement	25	-	-
Parking area reseals	12	20	20
Civic Centre renewals	-	20	19
Public toilets West End	390	-	-
Public toilets Churchill Pk	60	-	-
Public toilets Mill/Beach	100	-	-
Community Courts	168	-	-
Wakatu Quay project	3,891	3,091	4,030
Link Pathway	400	-	-
Town Centre	35	-	-
25 Beach Rd (Op Shop)	-	-	-
Total Facilities	**5,125**	**3,260**	**4,206**
Leadership & Governance			
Office furniture & equipment	15	15	15
Computers & software	46	47	46
Vehicles & plant	-	31	30
Total Leadership & Governance	**61**	**93**	**91**
Community Development			
Library books & resources	32	33	32
Total Community Development	**32**	**33**	**32**
Total Capital Works Programme	**16,899**	**20,239**	**18,522**

Special Reserves & Funds

Special reserves & funds are money set aside by the Council for a specific purpose. The Council defines its special reserves as those that are funded by a targeted rate – and therefore are required by legislation to only be used for the purpose of the targeted rate. Where an activity is funded by a targeted rate, the incoming and outgoing funds of the activity are recorded in special reserves to keep any surpluses or deficits separate from other activities.

Special funds are established where the Council has received a grant, or raised a loan, or has some other specific revenue to undertake a project and so it sets aside those funds to track spend against it.

Special reserves	Purpose	Opening Balance $000's	Transfers In $000's	Transfers Out $000's	Closing Balance $000's
Kaikōura water cohort	All costs for the Kaikōura, Ocean Ridge, Suburban, Oaro, and Peketā water supplies	797	9	(50)	756
Roading	Maintenance and upgrading of local roads and bridges	128	1	-	129
Roading emergency fund	Urgent repairs following flood or other events	200	-	70	270
East Coast water	Maintenance, administration, upgrading and loan costs	(87)	-	-	(87)
Kincaid water	Maintenance, administration, upgrading and loan costs	95	1	(22)	75
Fernleigh water	Maintenance, administration, upgrading and loan costs	(13)	-	-	(13)
Stormwater	Maintenance, administration, upgrading and loan costs	36	-	(8)	28
Wastewater	Maintenance, administration, upgrading and loan costs	(211)	-	49	(161)
Footpaths & streetlights	Maintenance, administration, upgrading and loan costs	80	-	1	81
Town centre	Maintenance, administration, upgrading and loan costs	145	2	-	147
District Plan	Conduct a rolling review of the Kaikōura District Plan and develop a Spatial Plan	6	-	-	6
Stock control	The net costs of stock control	18	-	-	18
Recycling	Net costs of recycling services	204	-	-	204
Tourism & Commercial rate	Support for the i-Site and Destination Kaikōura	(108)	-	-	(108)
Harbour	South Bay & North Wharf maintenance, administration, upgrading and loan costs	(126)	-	-	(126)
Civic centre	Maintenance, administration, upgrading and loan costs	(294)	-	-	(294)
Total special reserves		**867**	**13**	**41**	**925**

Special funds	Purpose	Opening Balance $000's	Transfers In $000's	Transfers Out $000's	Closing Balance $000's
Social services	Social services committee expenses plus social projects	5	-	-	5
George Low fund	Grants for recreational facilities for the youth of Kaikōura	61	1	-	62
Tourism Strategy fund	Support development and implementation of a Tourism Plan	35	-	-	35
Forestry	Net costs of forestry, and strategic purposes including purchase of assets and/or offsetting rates	1,134	12	(152)	994
Parks & reserves	Upgrading, improvement and purchase of parks & reserves	152	2	67	221
Community facilities	Upgrading, improvement and purchase of community facilities	997	11	-	1,009
Mayoral fund	Respond to community hardship following an emergency event	26	-	-	26
Kaikōura Marine Development Project	Wakatu Quay & South Bay projects	(23)	-	-	(23)
Pensioner flats	Maintenance, administration, upgrading and loan costs	23	-	-	23
Library grants	Books and other resources	2	-	-	2
Building accreditation	Accreditation costs and offset rates	60	-	-	60
Financial & corporate sustainability	Systems improvements including assets and document management	(23)	-	-	(23)
Airport	Maintenance, administration, upgrading and loan costs	(2)	-	-	(2)
Freedom camping	Responsible camping ambassadors, signage, site maintenance, etc	138	-	-	138
Significant natural areas	Funding assistance for landowners to protect areas of biodiversity	22	-	-	22
Waste minimisation levy	Waste minimisation projects	187	2	-	190
Creative Communities	Funding available to creative arts projects	8	-	-	8
Legal Challenges	Legal and other expenses involved in defending any legal challenge	100	-	-	100
Family Violence Fund	Projects that support anti-violence programmes	25	-	-	25
Environmental projects	Projects that enhance or protect the environment	16	-	-	16
Economic development	Projects that promote or support economic activity	11	-	-	11
Ford maintenance	Ford maintenance for Hāpuku, Puhi Puhi and Kahutara River fords	22	-	-	22
IAF Project	Track spend per the Infrastructure Acceleration Fund	-	-	-	-
3Waters transition	Support 3Water transition costs	-	-	-	-
Better Off fund	Grant to complete various projects	-	-	-	-
Total special funds		**2,975**	**29**	**(85)**	**2,920**
Total special reserves and funds		**3,842**	**42**	**(44)**	**3,841**

Borrowing & Debt Servicing Programme

New borrowing

Loan Name	Purpose	Amount $000's
Waiau-Toa Bridge Loan	With the removal of NZTA funding Council will still need to explore options and close off prior commitments as part of the initial investigations and feasibility work. This amount reflects the local share that Council had estimated through the LTP 2024-2034	500
Roading Backlog Loan	To fund the net cost (after subsidy) to complete road sublayer rehabilitation and surface reseals	670
Footpaths	To fund the net cost (after subsidy) to accelerate programme	148
Landfill Loan	Reconfigure landfill site to a transfer station	392
District Plan Loan	To fund the District Plan review and Spatial Plan development	130
Ozone Replacement	Replace end of life IT system with Datascape	250
Wakatu Quay	To unlock government funding and progress development of the Quay	800
Jordan Stream	Replace the bridge over the Jordan Stream	373
Whale Trail	Capital Contribution for the development of the Whale Trail	50
		3,313

Summary of forecast borrowing needs:

	Long-term Plan 2024/2025 $000's	Long-term Plan 2025/2026 $000's	Annual Plan 2025/2026 $000's
Opening balance of debt (including internal borrowing)			7,300
Movements through the financial year:			
Loans maturing			(2,000)
New borrowings			5,000
Net movement through the financial year:			**3,000**
Closing balance of debt (including internal borrowing)			10,300

The projected debt levels, and the costs of servicing debt, are within the limits prescribed in the Council's Liability Management Policy. Those limits are;

Measure	***Limit***	***Actual***
Total debt	$15 million	$10.3 million
Loan interest as a percentage of total revenue	10%	1.43%

Financial Forecasting Assumptions

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

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

Interest rates

- Interest rates for new loans raised are forecast to be 5.5%
- For existing loans we have applied the current actual weighted average interest cost of 4%
- Interest revenue on term deposits is forecast to be 0.25%

Marlborough Regional Forestry revenues

The Council usually receives a capital distribution from the Marlborough Regional Forestry (MRF) Joint Venture, of which we issue 13.37% to Environment Canterbury for their share of the joint venture held on behalf. These funds are used to cover all expenses relating to Council's forestry activities in the first instance, with the balance used to replenish the forestry special fund. In recent years MRF signalled that all mature trees would be harvested, and that the joint venture partners will be required to contribute to MRF operating costs for around six years, or until the next block of trees have sufficiently matured for logging to commence.

This means we are no longer forecasting cash inflows from the MRF capital distributions, and that there will be cash outflows (payments ***to*** MRF) to cover MRF operations for the next six years. The Council will continue to draw on our forestry reserves as required so that there is no draw on rates to cover this cost.

There is currently no intention to sell the Council's share of MRF, as future returns from the joint venture are forecast to be strong.

Grants and subsidies

- We are assuming that the remaining "Better Off" government-funded projects will be fully completed by the end of June 2026 and that the cost of each project is matched by the government grants.
- The Infrastructure Acceleration Project incorporates $7 million worth of road extensions from Ludstone Road, following Green Lane through to Ocean Ridge, including a rail overpass (or crossing), shared pathways and safety work. The project will be cost neutral to the Council, being funded from Ministry of Business, Innovation and Employment (MBIE)'s Kanoa Fund and the Ocean Ridge and Vicarage Views developers.
- Waka Kotahi subsidies are assumed to be 51% for all maintenance and capital work except for the Jordan Stream Bridge replacement where we expect to be funded at 51% for the first $250,000.
- The Link Pathway is substantially funded from the Provincial Growth Fund, and we assume that the carry-over work continues to be grant funded up to the PGF approved amount of $1.9 million in total for the project.
- The Sport NZ rural travel grants, Creative Communities, and family violence coordination are assumed to continue at the same level of funding as was received in 2024/2025.

District valuation

The latest District valuation for rating purposes was undertaken in August 2024, and those values are used to calculate the actual rates and charges in the Rating Funding Impact Statement, after having adjusted for new builds, demolitions, subdivisions, service connections and any other changes to the value of individual properties since that date, and which have an impact on the rating database.

Inflation

Inflation has been applied across expenditure budgets using special adjustments based on contractual changes, recent tenders, and supplier notifications.

Taxation

The commercial nature of the South Bay Marina makes the harbour a taxable activity. The Council has unused tax losses available to carry forward and offset against future profits. It is assumed that the activity will be managed on a balanced budget basis; therefore, no surpluses will be generated to create a tax liability.

Emissions trading scheme (ETS)

The Council has received an Emissions Ruling (ER2023003) from the Environmental Protection Authority, confirming that it no longer operates a solid waste disposal facility (per Landfill closure above), and therefore no longer has any ETS surrender obligations that would have applied for disposal of solid waste. This means the Council is no longer required to purchase carbon credits (ETS Units) and surrender them annually to the ETS.

Short term loans

From time to time the Council may need to raise short-term loans to manage its cash flow and to pay commitments to suppliers. While there are no short-term loans specifically provided for within this Annual Plan, the Council retains the right to raise unspecified loans for periods not exceeding 12 months, and for amounts not exceeding $2 million, for cash management purposes.

Uncertainty and risk of forecasting assumptions

This Annual Plan has been prepared with the risk of uncertainty, in part due to any further Pandemics, geopolitical conflicts overseas, escalating trade war but also the risk of severe weather events and the potential for another large earthquake. To mitigate the uncertainty, the Council has a loan facility in place that exceeds its borrowing forecasts (by at least $2 million), and so if there were to be an unforeseen event or loss, the Council could borrow in the first instance, if deemed necessary.

The actual results are highly likely to vary from the forecast information contained in this Annual Plan, and such variations are likely to be material.

Forecast Funding Impact Statement (Whole of Council)

For the years ended 30 June

	Long-Term Plan 2024/2025 $000's	Long-Term Plan 2025/2026 $000's	Annual Plan 2025/2026 $000's
Sources of operating funding			
General rates, UAGC, rates penalties	4,351	4,758	4,884
Targeted rates (incl. water meter charges)	6,417	7,080	6,846
Subsidies and grants - operating	992	801	1,028
Fees & charges	1,923	1,920	1,882
Interest & dividends from investments	57	46	45
Fuel tax, fines & other revenue	685	341	338
Total operating funding (A)	**14,424**	**14,946**	**15,022**
Applications of operating funding			
Payments to staff & suppliers	13,074	13,193	14,022
Finance costs	392	488	431
Other operating funding applications	-	-	-
Total applications of operating funding (B)	13,466	13,682	**14,453**
Surplus/(deficit) of operating funding (A - B)	**958**	**1,265**	**569**
Sources of capital funding			
Subsidies and grants – capital	14,047	16,321	15,052
Development and financial contributions	62	97	96
Increase / (decrease) in debt	-	3,000	2,806
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding			
Total sources of capital funding (C)	**14,109**	**19,418**	**17,954**
Applications of capital funding			
Expenditure to meet additional demand	10,330	8,641	14,910
Expenditure to improve level of service	1,664	694	886
Expenditure to replace assets	4,906	10,903	2,726
Increase / (decrease) in reserves	(1,832)	444	-
Increase / (decrease) in investments	-	-	-
Total application of capital funding (D)	**15,067**	**20,682**	**18,522**
Surplus/(deficit) of capital funding (C – D)	**(958)**	**(1,265)**	**(569)**
Funding balance ((A – B) + (C – D))	-	-	-

Annual plan disclosure statement for the year ending 30 June 2026

What is the purpose of this statement?

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

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

Benchmark	Limit	Planned	Met
Rates affordability benchmark			
• Income (quantified limit on rates)	$12,500,000	$11,729,839	Yes
• Increases (quantified limit on rate increases)	9.95%	8.94%	Yes
Debt affordability benchmark			
• Quantified limit on borrowing	$15 million	$10.3 million	Yes
Balanced budget benchmark	>/= 100%	145%	Yes
Essential services benchmark	>/= 100%	325%	Yes
Debt servicing benchmark	=/< 10%	1.43%	Yes

Notes

Rates affordability benchmark
For this benchmark —

A. the Council's planned rates income for the year is compared with a quantified limit on rates contained in the financial strategy included in the Council's long-term plan; and
B. the Council's planned rates increase for the year are compared with a quantified limit on rates increases for the year contained in the financial strategy included in the Council's long-term plan.

The Council meets the rates affordability benchmark if—

A. its planned rates income for the year equals or is less than each quantified limit on rates; and
B. its planned rates increase for the year equal or are less than each quantified limit on rates increases.

Debt affordability benchmark
For this benchmark, the Council's planned borrowing is compared with quantified limits on borrowing contained in the financial strategy included in the Council's long-term plan.

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

Balanced budget benchmark
For this benchmark, the Council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant, or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

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

Essential services benchmark

For this benchmark, the Council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.

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

Debt servicing benchmark

For this benchmark, the Council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects that the Council's population will grow slower than the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.

Rating Funding Impact Statement

For the financial year ending 30 June 2026

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

Definitions

The following pages refer to several categories of property, and several types of rates. The following definitions should be helpful to determine which rates apply to certain property.

Commercial property

All rateable properties in the District;

- Used principally or exclusively for commercial and/or industrial purposes, (not being farmland as defined by Land Information NZ); or
- Used *principally for visitor accommodation for commercial reward for **five persons or more**, and for the avoidance of doubt, including any motel, hotel, motor lodge, bed and breakfast, hostel, or camping ground; or
- Used as licensed premises under the Sale and Supply of Alcohol Act 2012.

* Definition of "Principally for visitor accommodation is defined as *"Any property that is advertised or made available for short term visitor accommodation for five or more people for commercial reward shall be classified as commercial visitor accommodation and rated accordingly, regardless of actual occupancy or personal use."*

General rate

The general rate is a rate set for all rateable properties within the district and is based on the property's capital value. The Council introduced a differential of 0.8:1 on the general rate for rural and semi-rural properties. The objective of the differential rate is to acknowledge that rural and semi-rural properties are predominantly farmland with high capital values (in comparison with their urban counterparts) but that their capital value does not necessarily reflect the services they receive or have access to.

Self-contained and serviced

All rateable properties within the area serviced by the Kaikōura wastewater system, and used principally for short term accommodation, but limited to those properties with motel-type units, including motels, motor lodges, motor inns, motel apartments, serviced apartments and serviced holiday cottages, each of which contain a private or ensuite bathroom, with bedding, linen and cooking facilities provided, and which are serviced daily.

Separately used or inhabited part of a rating unit

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

(1) any part of a rating unit that is used or inhabited by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement (whether formal or informal), or

(2) Any part or parts of a rating unit that is used or occupied by the ratepayer for more than one single use. Without limitation, the following are separately used parts of a rating unit:

- Individual flats or apartments
- Separately used or leased commercial areas which are comprised in one rating unit, including each shop within a mall (for example)
- A business that employs more than one FTE who does not reside on site
- Single rating units which contain multiple uses such as a shop with a dwelling or commercial activity with a dwelling
- A building or part of a building that is used, or can be used as an independent residence
- A manager's residence within a hotel or motel

An independent residence is defined as a liveable space with its own kitchen, living and toilet/ bathroom facilities that can be deemed to be a secondary unit to the main residence. Note: a kitchen is defined as any space, facilities and surfaces for the storage, rinsing, preparation and/or cooking food, the washing of utensils and the disposal of wastewater, including, for example a food preparation bench, sink, cooking appliance(s), refrigerator, and may include other kitchen appliances.

The following are not considered to be separately used parts of a rating unit:

- A residential sleep-out or granny flat that does not meet the definition of an independent residence
- A hotel room with or without kitchen facilities
- A motel room with or without kitchen facilities
- Individual storage garages/sheds/portioned areas of a warehouse
- Individual offices or premises of business partners
- Bars or areas within sports club facilities where alcohol is sold and/or consumed under a Club Licence

Where a rating unit is identified as having more than one separately used or inhabited part available to be used, but it is not actually separately used or inhabited, then it shall be assessed as having separately used or inhabited parts and the ratepayer may apply annually for remission of rates on the unused part(s). The remission would only be available where the unused part(s) are unused for the entire rating year. Where a remission has been granted, and it is discovered that the part(s) were actually used during that rating year, that rating unit will not be eligible for remission of rates for unused part(s) for any subsequent rating year.

Small accommodation property

All rateable properties providing short term accommodation for commercial reward but not meeting the criteria of a commercial property. For the avoidance of doubt, this means (having not met the criteria of a commercial property in the first instance), all rateable properties that provide short term visitor accommodation, and which are;

- **not used principally and exclusively** for commercial or industrial purposes (other than for visitor accommodation). Examples may include a residential dwelling where the principal use is residential, but visitor accommodation is also provided on the property (whether within the dwelling or in separate units); or a residential dwelling where the principal use is a holiday home for the owner, which is rented out as a holiday home for commercial reward (including Air B&B style accommodation); or any other property not principally commercial/industrial, but which provides visitor accommodation, or

- if they are used principally for visitor accommodation, the property only provides for **four or fewer persons**. This includes any property providing short term accommodation such as small bed & breakfasts but not including long-term rental accommodation.

These properties are subject to the visitor accommodation charge and may also be subject to separate sewer charges. These rates are applied on a per separately used or inhabited part of a rating unit.

Targeted rates

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

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

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

Targeted rates may be either a rate based on a property's value, or a set dollar amount per annum. Unless otherwise specified throughout the following pages, where a targeted rate is applied, this is a rate based on a property's capital value; and where a uniform targeted rate is applied, this refers to a fixed (uniform) dollar amount per annum regardless of property value.

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

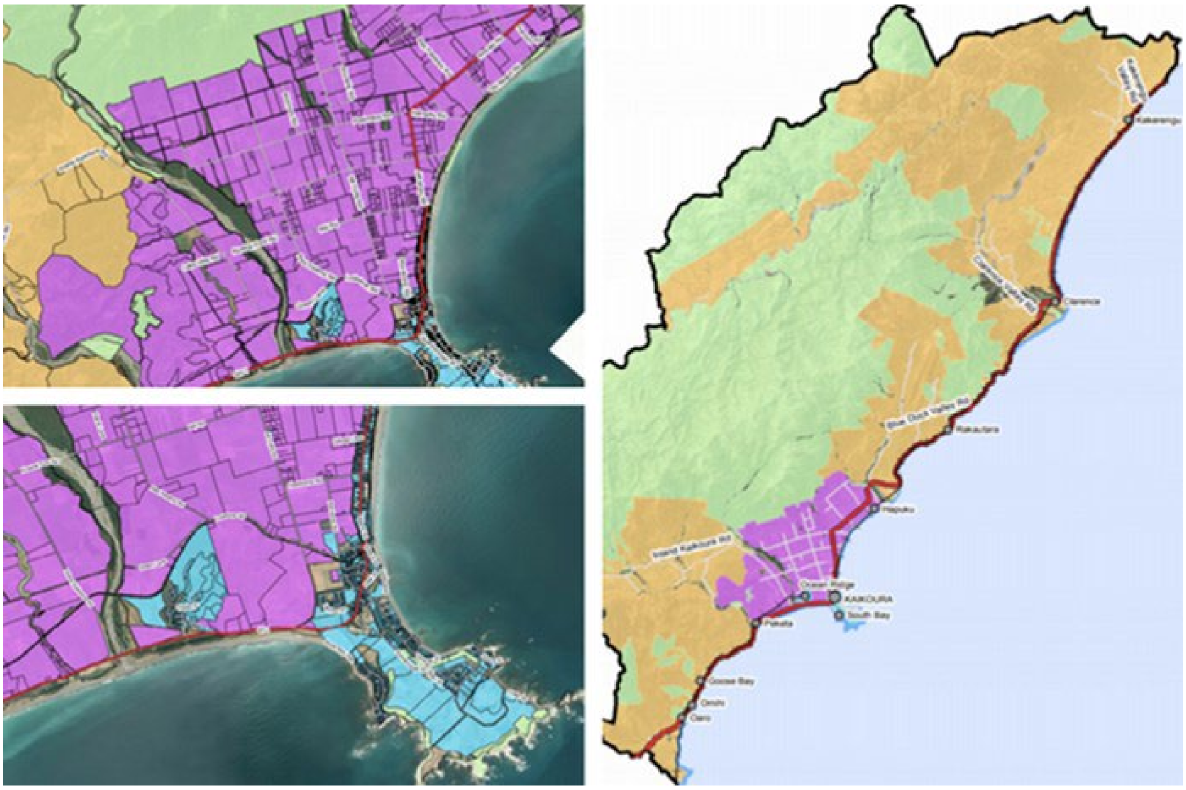
The Council will not be inviting lump sum contributions in respect of any targeted rates.

Uniform Annual General Charge (UAGC)

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

Rating Areas

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



The above map shows each of the rating areas.

Urban area for rating purposes

The pale blue area is the current urban area for rating purposes. It includes the Kaikōura peninsula, South Bay, Ocean Ridge, Beach Road from the West End to Mill Road, the southern length of Ludstone Road from the West End to (and including) Vicarage Views, and the northern length of Ludstone Road from the West End to (and including) the Kaikōura High School. As the town grows, this area may be extended to incorporate new areas as appropriate to meet the intent of these rates – i.e., in areas where property is able to connect to the Urban water supply or wastewater systems, or where footpaths, streetlights, or stormwater is developed.

Semi-rural area for rating purposes

The purple area on the map is the semi-rural area for rating purposes. It is an area defined for its proximity to urban services, and therefore has no relationship to the size, land use, or value of individual properties within, or outside of, this area. The semi-rural area extends to the Hāpuku River in the north, and to the Kahutara River to the south (thereby including the villages of Hāpuku and Peketā). This area also extends inland to the foothills of Mt Fyffe and west on the Kaikōura Inland Road as far as (but not including) Kowleigh Farm.

Rural area for rating purposes

The remainder of the district is rural, with rateable properties portrayed in pale orange. Effectively the rural area for rating purposes is all rateable property that is not located within either the Urban or Semi-rural rating areas. Department of

Conservation (DoC) land is shown in pale green, and while it makes up a significant part of the district, this land is non-rateable.

Utilities

Utilities are as defined by the Resource Management Act (1991), and include Council-owned water, wastewater and stormwater systems, as well as electricity, telecommunications, and railway networks.

Rates for 2025/2026

General Rates & Uniform Annual General Charges

General Rates and the Uniform Annual General Charge apply to all rateable land. The Council applies a differential on the general rate of 0.8:1 for all properties in the rural and semi-rural areas (i.e. outside the urban area), except for utilities. The map on the previous page indicates those rating areas.

General Rate: ***to fund the general operations of Council, including general management, community services, communications, strategy & policy, economic development, environmental planning, the net costs of statutory planning, building control, dog control, forestry, community facilities, general parks and reserves, the airport, and a portion of public toilets and traffic control.***

The general rate may also fund the same activities as the UAGC, because the UAGC lever provides for costs to be transferred to the general rate where necessary to remain under the 30% cap on rates set on a uniform basis, as required by the Local Government (Rating) Act 2002 (the Rating Act).

Category	Differential	Factor	Rate	Amount required (including GST)
Urban & Utilities All rateable property within the urban area, and all rateable property within the district defined as Utilities	1:1	Rate in the $ of capital value	0.00136918	2,026,079
Rural & Semi-rural All rateable property outside the urban area, except for property defined as utilities	0.8:1	Rate in the $ of capital value	0.00109534	1,388,084
Total				

Uniform Annual General Charge: ***to fund the general operations of Council, including landfill and recycling operations, governance, library services, sports fields, playgrounds, cemetery, walkways, public halls, swimming pool, general environmental health and emergency management.***

The Council uses a UAGC lever to transfer costs to or from the general rate where necessary to remain under the 30% cap required by the Rating Act.

Category	Differential	Factor	Rate	Amount required (including GST)
All rateable properties within the Kaikōura district	None	Fixed $ amount per separately used or inhabited part of a rating unit	689.15	2,202,167

Targeted Rates

The earthquake levy, roading rate, district planning rate, and civic centre charge (as below), apply to all properties within the Kaikōura district. They are separate targeted rates for the purposes of transparency and accountability, rather than for the purpose of targeting certain categories of land.

***Earthquake Levy:** to fund the net costs of earthquake response and rebuilding, including loan servicing costs relating to earthquake work (most notably roading) and, once those costs are covered, to build resilience reserves which can be used for current and future emergency event response and rebuilding.*				
Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
All rateable properties within the Kaikōura district	None	Fixed $ amount per separately used or inhabited part of a rating unit	40	127,820
***District Planning Rate:** to fund the net costs of district planning, including development of the Kaikōura District Plan.*				
Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
All rateable properties within the Kaikōura district	None	Rate in the $ of capital value	0.00004416	121,513
***Civic Centre Rate:** to fund the net costs (after lease revenues) of the museum, library and Council office building.*				
Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
All rateable properties within the Kaikōura district	None	Fixed $ amount per separately used or inhabited part of a rating unit	121.39	387,904
Roading Differential Rate: funds the net operating and capital costs (after subsidies) for maintenance and upgrading of the district's roading and bridges network				
Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
Urban & Utilities All rateable property within the Urban area (except for property defined as Commercial), plus all rateable property within the district defined as Utilities	1:1	Rate in the $ of capital value	0.00054319	695,102
Semi-rural & Rural All rateable property outside the Urban area (except for property defined as Commercial and/or defined as Utilities)	1.2:1	Rate in the $ of capital value	0.00065183	801,165
Commercial All rateable property defined as Commercial (and excluding property defined as Utilities)	2:1	Rate in the $ of capital value	0.00108638	240,992

Roading Fixed Rate: funds the net operating and capital costs (after subsidies) for maintenance and upgrading of the district's roading and bridges network				
Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
All rateable property outside the Urban area (except for defined as Utilities)	None	Fixed $ amount per separately used or inhabited part of a rating unit	200.00	249,200

Rates on the following pages are targeted rates for specific categories of land and apply to specific services.

Kaikōura Water Annual Rate: ***to fund the net costs of the supply, treatment, upgrading and maintenance of the Kaikōura water cohort, which includes the Kaikōura Urban water supply, as well as partially subsidising the net costs of the Suburban, Ocean Ridge, East Coast village, Peketā, and Oaro water supplies.***				
Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
All rateable properties connected to the Kaikōura water supply.	Full charge 1:1	Fixed $ amount per separately used or inhabited part of a rating unit	605.98	1,192,574
All rateable properties situated within 100 meters of any part of the Kaikōura water supply but not connected to the supply.	Half charge 0.5:1	Fixed $ amount per separately used or inhabited part of a rating unit	302.99	34,390
Kaikōura Water Loan Rate: ***to fund the loan servicing costs of the Kaikōura Urban water supply.***				
Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
All rateable properties situated within 100 meters of any part of the Kaikōura water supply.	None	Fixed $ amount per separately used or inhabited part of a rating unit	N/A	N/A

Note that, for the Kaikōura water supply and Suburban water area, certain properties are "extraordinary consumers", such as commercial and accommodation premises, properties with a swimming pool, or rural properties using water for irrigation, for example. These properties are metered, and water meter charges apply in addition to the applicable rates above.

Ocean Ridge Water Rate: ***to fund the costs of the supply, treatment, and maintenance of the Ocean Ridge water supply.***				
Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
All rateable properties connected to the Ocean Ridge water supply.	Full charge 1:1	Fixed $ amount per separately	605.98	47,873

		used or inhabited part of a rating unit		
All rateable properties situated within 100 meters of any part of the Ocean Ridge water supply but not connected to the supply.	Half charge 0.5:1	Fixed $ amount per separately used or inhabited part of a rating unit	302.99	23,330

***Peketā Water Rate** to fund the supply, treatment, upgrading, and maintenance of the Peketā water supply.*				
Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
All rateable properties connected to the Peketā water supply.	None	Fixed $ amount per separately used or inhabited part of a rating unit	605.98	12,120
***Oaro Water Rate** to fund the supply, treatment, upgrading, and maintenance of the Oaro water supply.*				
Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
All rateable properties connected to the Oaro water supply.	None	Fixed $ amount per separately used or inhabited part of a rating unit	605.98	44,237

The following table of rates are applied per water unit. A water unit refers to a certain water connection, generally a rural water connection, that restricts the quantity of water supplied to a property to the quantity of litres per day as specified.

***Suburban Water Rate:** to contribute to the cost of the supply, treatment, upgrading and maintenance of the Suburban water scheme.*				
Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
All rateable properties situated within the Suburban water area[1] and connected to the Suburban water scheme.	None	Fixed $ amount per water unit (1,000 litres per day)	605.98	32,117

[1] The Suburban water area is from the Waimangarara water intake and the Kaikōura flats area including properties on Postmans Road, McInnes Road, Brunells Road, Schroders Road, Mt Fyffe Road, Schoolhouse Road and Red Swamp Road north of Postmans Road.

Note that, for the Suburban water area, certain properties are "extraordinary consumers", such as commercial and accommodation premises, properties with a swimming pool, or rural properties using water for irrigation, for example. These properties are metered, and water meter charges apply in addition to the applicable rates above.

<u>East Coast Rural Water Rate</u> to fund the supply, treatment, upgrading, and maintenance of the East Coast Water supply, the costs as identified to relate predominantly to the rural part(s) of the supply.				
Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
All rateable properties connected to the East Coast rural water supply (excluding those within the Clarence Village water supply area).	None	Fixed $ amount per water unit (1,800 litres)	688.08	83,258
<u>East Coast Village Water Rate</u> to fund the supply, treatment, upgrading, and maintenance of the East Coast Water supply, the costs as identified to relate predominantly to the Clarence village part(s) of the supply.				
All rateable properties situated within the Clarence Village area, being that area from the East Coast water intake near the Clarence River to where the main rail line runs adjacent to State Highway One and incorporating all properties to the South of Clarence Valley Road and State Highway One to the Clarence River or the main rail line as applicable.	None	Fixed amount per water unit (1,800 litres)	605.98	9,090
<u>Kincaid Water Rate</u> to fund the supply, treatment, upgrading, and maintenance of the Kincaid water supply.				
Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
All rateable properties connected to the Kincaid rural water supply.	None	Fixed $ amount per Kincaid water unit (1,000 litres per day)	211.77	133,626
<u>Fernleigh Water Rate</u> to fund the supply, treatment, upgrading, and maintenance of the Fernleigh water supply.				
Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
All rateable properties connected to the Fernleigh water supply.	None	Fixed $ amount per Fernleigh water unit (1,000 litres) per day	737.66	221,298

<u>Sewerage Loan Rate:</u> to fund the loan servicing costs of the Kaikōura sewerage system.				
Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
All rateable properties within the area serviced by the Kaikōura sewerage system (which includes the Kaikōura township, South Bay, Ocean Ridge, and parts of the Kaikōura flats), or within 100 meters of any part of that system.	None	Rate in the $ of capital value	0.00000464	6,629

***Sewerage Charge:** to fund the costs of sewage collection, treatment, disposal, upgrading, and maintenance of the Kaikōura sewerage scheme.*				
Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
Sewerage Charge: All rateable properties connected to the Kaikōura sewerage system (which includes the Kaikōura township, South Bay, Ocean Ridge, and parts of the Kaikōura flats).	Full charge 1:1	Fixed $ amount for the first water closet per separately used or inhabited part of a rating unit (plus a targeted rate for each additional water closet or urinal if applicable[2]).	707.04	1,241,569
Sewerage Charge (Subsequent): All rateable properties within the area serviced by the Kaikōura sewerage system, not being either commercial or self-contained and serviced.	Half charge 0.5:1	Fixed $ amount for each water closet and urinal after the first, within each separately used or inhabited part of a rating unit where there are more than one water closet or urinal[2]	353.52	124,616
Sewerage Half Charge (Available): All rateable properties situated within 100 meters of any part of the Kaikōura sewerage system, but not connected to the system	Half charge 0.5:1	Fixed $ amount per separately used or inhabited part of a rating unit		
Sewerage Charge - Self-contained & Serviced: All rateable properties within the area serviced by the Kaikōura sewerage system, and used principally for short term accommodation, but limited to those properties with motel-type units, including motels, motor lodges, motor inns, motel apartments, serviced apartments and serviced holiday cottages, each of which contain a private or ensuite bathroom, with bedding, linen and cooking facilities provided, and which are serviced daily.	None	Fixed $ amount for each water closet and urinal after the first within each separately used or inhabited part of a rating unit where there are more than one water closet or urinal.	200.00	99,200
Sewerage Charge - Commercial: All rateable properties within the Kaikōura urban area used principally for commercial and/or industrial purposes; or used as a licensed premise under the Sale of Liquor Act 1989; or used for	None	Fixed $ amount for each water closet and urinal after the first within each separately used or inhabited part of a rating unit where there are more than	350.00	107,100

[2] A rating unit used primarily as a residence for one household will not be treated as having more than one water closet or urinal.

providing short term accommodation for commercial reward, but not including rateable properties defined as Self Contained and Serviced.		one water closet or urinal.		

***Stormwater Rate:** to fund the costs of stormwater disposal, loan servicing, upgrading and maintenance of the Kaikōura Stormwater scheme.*				
Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
All rateable properties within the Kaikōura urban area.	None	Rate in the $ of capital value	0.00009464	131,011

The Kerbside Recycling Charge pertains to whether a property has access to the kerbside recycling collection service. More properties may be charged the kerbside recycling charge if the service is extended over a wider area, or to more properties within the serviced area.

***Kerbside Recycling Charge:** to fund the costs of the fortnightly kerbside recycling collection service as well as contributing to the cost of operating the Resource Recovery Centre where recyclable materials are sorted, compacted, and transported to markets outside the district.*				
Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
All rateable properties within the Kaikōura urban area, or on the periphery of the urban area and receiving the kerbside collection service, except for commercial properties and properties in the West End, but this rate will apply where a property is a residential dwelling in nature but deemed commercial by virtue of the number of visitors accommodated.	None	Fixed $ amount per separately used or inhabited part of a rating unit	175.66	309,253

It is the intention of the above Kerbside Recycling Charge to capture all properties that have access to the kerbside collection service, whether they use the service or not. The Council's contractor does not use the defined rating areas when making the decision how far to extend the service, therefore some properties outside the urban area do have access to the kerbside collection. The contractor doesn't provide the standard kerbside collection service to commercial properties (these are assumed to have separate arrangements that they each pay for separately) and cannot safely provide the kerbside service in the West End as the collection vehicle is unable to turn in the confined space.

Commercial Rates and Charges

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

Commercial Rate: ***to fund the net costs of tourism and economic development, the annual grant paid to the visitor centre, and a portion of territorial authority regulatory functions, traffic control, harbour facilities, and public toilets.***		
Category	**Calculation**	**Amount required (including GST)**
All rateable properties in the District; • Used principally or exclusively for commercial and/or industrial purposes, (not being farmland as defined by Land Information NZ); or • Used principally for visitor accommodation for commercial reward for **five persons or more**, and for the avoidance of doubt, including any motel, hotel, motor lodge, bed and breakfast, hostel, or camping ground; or • Used as licensed premises under the Sale and Supply of Alcohol Act 2012; or • Used for the provision of utilities infrastructure	$ 0.00122690 per dollar of rateable capital value	381,797
Accommodation Sector Charge: ***to fund the net costs of tourism and economic development, the annual grant paid to the visitor centre, and a portion of traffic control, harbour facilities and public toilets.***		
Category	**Calculation**	**Amount required (including GST)**
All rateable properties providing accommodation for commercial reward, but not meeting the criteria of a commercial property, and for the avoidance of doubt, including any property providing short term accommodation such as small bed & breakfasts, baches rented out as holiday homes, and other visitor accommodation such as Air B&B-style, but not including long-term rental accommodation.	$600.00 per separately used or inhabited part of a rating unit	157,800

Public Rubbish Bin Charge: ***to fund the costs of providing a public rubbish bin collection service at various locations around the District.***		
Category	**Calculation**	**Amount required (including GST)**
All rateable properties in the District; • Used principally or exclusively for commercial and/or industrial purposes, (not being farmland as defined by Land Information NZ); or • Used principally for visitor accommodation for commercial reward for **five persons or more**, and for the avoidance of doubt, including any motel, hotel, motor lodge, bed and breakfast, hostel, camping ground or "boarding house"; or • Used as licensed premises under the Sale of Liquor Act 1989.	$ per separately used or inhabited part of a rating unit	N/A
Registered Premises Charge: ***to fund the net costs of liquor licensing, food and health safety inspections, and environmental health.***		
Category	**Calculation**	**Amount required (including GST)**
All rateable properties undertaking a licensed activity, such as premises where alcohol is sold or consumed, food premises, camping grounds, funeral directors or hairdressers.	$880.30 per license (liquor licence or food premises licence)	94,632

Please refer to the sewerage charges on page 69 as they pertain to certain commercial properties, and also to the water meter charges on page 74 for commercial properties that are metered.

Rating area differentials

Throughout these pages there is reference to properties within defined areas (urban, semi-rural and rural rating areas). Please refer to the definitions and map of rating areas on page 61-63.

These rating areas apply differentials to acknowledge that it is the properties within the urban area that benefit most from urban-type services, properties on the outskirts of the township benefit to a lesser extent, and properties further away from the town benefit least of all. Utilities services are not subject to these rates because they cover a wide area and so it is impossible to determine which rating area they are situated in.

Harbour Rate: ***to fund 50% of the net costs of operating the harbour facilities, including South Bay and the North and Old Wharves, including loan servicing costs.***				
Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
All rateable properties within the urban area.	1:1	Rate in the $ of capital value	0.00000835	11,579
All rateable properties within the semi-rural area.	0.75:1	Rate in the $ of capital value	0.00000626	4,378
All rateable properties within the rural area.	0.25:1	Rate in the $ of capital value	0.00000209	1,185

Town Centre Rate: ***to fund the net costs of town centre maintenance, including cleaning and servicing the West End toilets, and the loan servicing costs of the West End upgrading loans.***

Category	Differential	Factor	Rate	Amount required (including GST)
All rateable properties within the urban area.	1:1	Rate in the $ of capital value	0.00005356	74,469
All rateable properties within the semi-rural area.	0.75:1	Rate in the $ of capital value	0.00004017	28,090
All rateable properties within the rural area.	0.25:1	Rate in the $ of capital value	0.00001339	7,605

Footpath & Streetlight Rate: ***to fund the net costs of maintaining, upgrading and operating footpaths and streetlights, including electricity and loan servicing costs.***

Category	Differential	Factor	Rate	Amount required (including GST)
All rateable properties within the urban area.	1:1	Rate in the $ of capital value	0.00013454	187,069
All rateable properties within the semi-rural area.	0.75:1	Rate in the $ of capital value	0.00010091	70,564
All rateable properties within the rural area.	0.25:1	Rate in the $ of capital value	0.00003364	19,103

Harbour Special Operator Rate: ***funds the net costs (after user fees), of the South Bay harbour facilities (including operations, capital work, and loan servicing costs). The differential aims to align with the area of the harbour that is predominantly for the exclusive use of the special operators***

Category	Differential	Factor	Rate	Amount required (including GST)
No. 1: The rateable property used as the primary ticketing office of Whale Watch Kaikōura (which is identified as a special operator of the harbour facilities at South Bay)	85% of total revenue to be collected from the rate	Rate in the $ of capital value	0.04556289	74,268
No. 2: The rateable property used as the primary ticketing office of Dolphin Encounter (which is identified as a special operator of the harbour facilities at South Bay)	15% of total revenue to be collected from the rate	Rate in the $ of capital value	0.00770943	13,106

The previous pages identify each rate for the 2025/2026 financial year. Note that all amounts are GST inclusive, whereas those amounts within the Forecast Funding Impact Statements exclude GST.

Other Rates & Charges

Water Meter Charges

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

For water usage which exceeds 365m^3 per annum, a charge of $2.10 including GST per cubic meter applies. All properties with a meter will incur a twice-annual meter maintenance charge of $30.00 ($60.00 per year) to cover the costs of the meter as well as administration expenses.

Meter read date:	For the period:	Due date for payment:
Last two weeks of June	January to June	20 August 2025
1st/2nd week January	July to December	20 February 2026

Meter reading dates and the period they cover are approximate.

Rates Penalties

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

An additional 10% penalty will be added to all previous year's rates unpaid as at 20 July. A further additional charge of 10% will be added to any rates to which the additional penalty referred to in this paragraph is added and remains unpaid as at 20 January.

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

	For the period:	Last date for payment:
Instalment 1:	1 July 2025 to 30 September 2025	20 September 2025
Instalment 2:	1 October 2025 to 31 December 2025	20 December 2025
Instalment 3:	1 January 2026 to 31 March 2026	20 March 2026
Instalment 4:	1 April 2026 to 30 June 2026	20 June 2026

Environment Canterbury Rates

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

Rates for 2025/2026

All rates are shown including GST	Rates 2024/2025 $	Rates 2025/2026 $	Increase / (Decrease) %
General Rate (Urban & Utilities)	0.00128041	0.00136918	6.93%
General Rate (Rural & Semi-rural)	0.00102433	0.00109534	6.93%
Uniform Annual General Charge (UAGC)	742.14	689.15	-7.14%
Earthquake Levy	40	40	0.00%
Roading Rate	0.00000000	0.00000000	0.00%
District Planning Rate	0.00013268	0.00004416	-66.71%
Civic Centre Charge	134.84	121.39	-9.97%
Kaikōura Water Annual Charge	541.55	605.98	11.90%
Kaikōura Water Annual Charge (Half)	270.77	302.99	11.90%
Ocean Ridge Water Annual Charge	541.55	605.98	11.90%
Ocean Ridge Water Annual Charge (Half)	270.77	302.99	11.90%
East Coast Rural Water Charge	690.00	688.08	-0.28%
East Coast Village Water Charge	541.55	605.98	11.90%
Kincaid Water Charge	184.77	211.77	14.61%
Fernleigh Water Charge	631.78	737.66	16.76%
Oaro Water Charge	541.55	605.98	11.90%
Peketā Water Charge	541.55	605.98	11.90%
Suburban Water Charge	541.55	605.98	11.90%
Water Meter Charge (per m3)	2.10	2.10	
Water Meter Maintenance Charge[3]	60.00	60.00	
Sewerage Full Charge	624.95	707.04	13.14%
Sewerage Half Charge	312.47	353.52	13.14%
Sewerage Additional Pan Charge[4]			
Sewerage Charge – Commercial[5]	350.00	350.00	
Sewerage Charge – Self Contained & Serviced[5]	200.00	200.00	
Stormwater Rate	0.00011299	0.00009464	-16.24%
Footpath & Streetlight Rate – Urban	0.00014988	0.00013454	-10.23%
Footpath & Streetlight Rate – Semi-rural	0.00011241	0.00010091	-10.23%
Footpath & Streetlight Rate – Rural	0.00003747	0.00003364	-10.23%
Town Centre Rate – Urban	0.00006608	0.00005356	-18.95%
Town Centre Rate – Semi-rural	0.00006608	0.00004017	-39.21%
Town Centre Rate – Rural	0.00001652	0.00001339	-18.95%
Harbour Rate – Urban	0.00003392	0.00000835	-75.39%
Harbour Rate – Semi-rural	0.00002544	0.00000626	-75.39%
Harbour Rate – Rural	0.00000848	0.00000209	-75.39%
Commercial Rate	0.00197312	0.00122690	-37.82%
Accommodation Sector Charge	600.00	600.00	0.00%
Registered Premises Charge	728.46	880.30	20.84%
Public Rubbish Bin Charge	0.00	0.00	0.00%
Kerbside Recycling Charge	140.75	175.66	24.80%
Harbour Special Operator Rate 1	97,438	74,268	-23.78%
Harbour Special Operator Rate 2	17,195	13,106	-23.78%

[3] Invoiced twice a year $30.00

[4] For each subsequent Pan where there is more than one Pan

Impact of Rates on Benchmark Properties

The district rating valuation was completed with an effective date of valuation of 1 July 2024, which means that all property rates will be assessed on that valuation, plus the value of any construction work completed since that date. Changes in rating values have an impact on individual property rates beyond any changes to rates from this Annual Plan, and these changes in rating values are outside the Council's control.

Note CV stands for Capital Value; the total value of each property including land and buildings, for rating purposes. Please refer to the map at the start of this section for the urban, semi-rural and rural areas, and the definitions provided earlier as to what is a commercial property.

		2023/2024	2024/2025	2025/2026
Urban area – Kaikōura township including Ocean Ridge and South Bay				
Residential	Change %	2.98%	**6.16%**	11.62%
High Value	Total rates	4,634.87	**4,920.51**	5,492.38
CV $1,400,000	Change $	214.80	**285.64**	571.88
Residential	Change %	3.56%	**8.05%**	9.41%
Medium Value	Total rates	3,693.58	**3,990.75**	4,366.26
CV $900,000	Change $	127.02	**297.17**	375.50
Residential	Change %	4.50%	**11.01%**	12.97%
Low Value	Total rates	2,799.36	**3,107.49**	3,510.40
CV $520,000	Change $	120.49	**308.12**	402.91
Commercial	Change %	-0.16%	**9.00%**	-7.70%
High value 30 room motel	Total rates	27,541.55	**30,021.50**	27,711.04
CV $4,810,000	Change $	(15.46)	**2,479.95**	(2,310.46)
Commercial	Change %	6.13%	**14.13%**	-1.74%
Medium value 12 room motel	Total rates	12,843.25	**14,657.40**	14,402.03
CV $2,010,000	Change $	741.41	**1,814.15**	(255.36)
Commercial	Change %	18.37%	**18.93%**	1.70%
Medium Value Retail shop	Total rates	7238.35	**8,608.78**	8,755.17
CV $940,000	Change $	1,123.25	**1,370.43**	146.36
Commercial	Change %	-0.14%	**16.20%**	-0.16%
Low Value Retail shop	Total rates	4,461.50	**5,184.23**	5,175.71
CV $530,000	Change $	(6.05)	**722.73**	(8.52)
Semi-rural area – including the Kaikōura flats, Peketā & Hāpuku				
Farm	Change %	2.93%	**3.00%**	-3.26%
High Value	Total rates	9,965.27	**10,263.88**	9,929.64
CV $4,580,000	Change $	283.86	298.61	(334.24)
Lifestyle block	Change %	3.61%	**9.09%**	2.60%
Medium Value	Total rates	2,817.89	**3,074.17**	3,153.99
CV $1,085,000	Change $	98.28	**256.28**	79.82
Residential	Change %	4.19%	**14.16%**	7.42%
Low Value	Total rates	1,765.64	**2,015.69**	2,165.27
CV $575,000	Change $	70.96	**250.05**	149.58

		2023/2024	2024/2025	2025/2026
Rural area – all areas beyond the Semi-rural area				
Farm High Value CV $8,970,000	Change %	9.42%	**2.25%**	-0.03%
	Total rates	18,205.46	**18,615.67**	18,609.87
	Change $	1,566.87	**410.21**	(5.80)
Farm Medium Value CV $4,300,000	Change %	4.25%	**2.28%**	-2.81%
	Total rates	9,018.10	**9,223.59**	8,964.45
	Change $	367.91	**205.49**	(259.13)
Farm Low Value CV $2,080,000	Change %	4.40%	**4.82%**	-0.79%
	Total rates	4,691.18	**4,917.53**	4,878.66
	Change $	197.85	**226.34**	(38.87)

Rural water charges have been excluded from this table, because other properties in those areas may or may not have these charges, and the charges vary depending on which water supply the property is connected to, as well as the number of water units they may hold. All urban properties are subject to urban water charges, and these have been included in the above table where applicable.

All of the above benchmark properties have one separately used or inhabited part of a rating unit.

Water meter charges are excluded in all instances because these are charged per cubic meter of water consumed, and this will vary from property to property.

The properties in the above tables are benchmark properties used to give an indication of rates that would be assessed by properties with their stated capital value, location, and category of use. This will differ from actual rates assessed when the capital value, location, category of use, and other factors about the property are different to the benchmark property used in the table.

Report to:	**Council**
Date:	25 June 2025
Subject:	Setting the rates for the Financial Year commencing 1 July 2025
Prepared by:	P Kearney - Senior Manager Corporate Services
Input sought from:	C Kaa – Finance and Business Partnering Manager
Authorised by:	W Doughty - Chief Executive Officer

1. PURPOSE

The purpose of this report is for the Council to set the rates for the year commencing 1 July 2025 and ending 30 June 2026, as stated in the Annual Plan 2025/2026 which was adopted earlier today.

2. RECOMMENDATION

It is recommended that the Council:

a) **Receives** this report, and

b) **Sets the rates and charges as set out in Part 3 of this report** under the Local Government Act 2002 and the Local Government (Rating) Act 2002, on rating units in the Kaikōura District for the financial year commencing on 1 July 2025 and ending on 30 June 2026, and

c) **Approves** the due dates for the payment of rates as:
  20 September 2025, for instalment 1 from 1 July 2025 to 30 September 2025, and
  20 December 2025, for instalment 2 from 1 October 2025 to 31 December 2025, and
  20 March 2026, for instalment 3 from 1 January 2026 to 31 March 2026, and
  20 June 2026, for instalment 4 from 1 April 2026 to 30 June 2026, and

d) **Approves** the due dates for the payment of volumetric water meter charges as:
  20 August 2025, for water meter invoices covering the period January to June 2025, and
  20 February 2026, for water meter invoices covering the period July to December 2025, and

e) **Approves** that a 10% penalty will be added to any portion of the rates instalment remaining unpaid after the relevant due date for payment. However, a penalty on the first instalment will be waived if the total years rates are paid on or before 20 December (the due date for payment of instalment 2). An additional 10% penalty will be added to all previous year's rates unpaid as at 20 July and 20 January (up to 20% per annum in total). Penalties are applied no earlier than the next working day after the due date for payment, and as soon as practicable.
  Penalties do not apply to volumetric water meter charges.

3. THE RATES AND CHARGES FOR THE 2025/2026 FINANCIAL YEAR

3.1 Definitions

The schedule of rates and charges refer to several categories of property, and several types of rates. The following definitions determine which rates apply to certain property.

a) Commercial property

All rateable properties in the district:

- Used principally or exclusively for commercial and/or industrial purposes, (not being farmland as defined by Land Information NZ); or
- Used principally for visitor accommodation for commercial reward for not less than five persons, and for the avoidance of doubt, including any motel, hotel, motor lodge, bed and breakfast, hostel, or camping ground; or
- Used as licensed premises under the Sale and Supply of Alcohol Act 2012.

b) General rate

The general rate is a rate set for all rateable properties within the Kaikōura district and is based on the property's capital value. The Council has set a rating differential of 0.8:1 on the general rate for rural and semi-rural properties. The objective of the differential rate is to acknowledge that rural and semi-rural properties are predominantly farmland with high capital values (in comparison with their urban counterparts) but that their capital value does not necessarily reflect the services they receive or have access to.

c) Self-contained and serviced

All rateable properties within the area serviced by the Kaikōura sewerage system, and used principally for short term accommodation, but limited to those properties with motel-type units, including motels, motor lodges, motor inns, motel apartments, serviced apartments, and serviced holiday cottages, each of which contain a private or ensuite bathroom, with bedding, linen and cooking facilities provided, and which are serviced daily.

d) Separately used or inhabited part of a rating unit

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

(1) any part of a rating unit that is used or inhabited by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement (whether formal or informal), or
(2) Any part or parts of a rating unit that is used or occupied by the ratepayer for more than one single use. Without limitation, the following are separately used parts of a rating unit:
    - Individual flats or apartments
    - Separately used or leased commercial areas which are comprised in one rating unit, including each shop within a mall (for example)
    - A business that employs more than one FTE who does not reside on site
    - Single rating units which contain multiple uses such as a shop with a dwelling or commercial activity with a dwelling
    - A building or part of a building that is used, or can be used as an independent residence
    - A manager's residence within a hotel or motel

An independent residence is defined as a liveable space with its own kitchen, living and toilet/ bathroom facilities that can be deemed to be a secondary unit to the main residence. Note: a kitchen is defined as any space, facilities and surfaces for the storage, rinsing, preparation and/or cooking food, the washing of utensils and the disposal of wastewater, including, for example a food preparation bench, sink, cooking appliance(s), refrigerator, and may include other kitchen appliances.

The following are not considered to be separately used parts of a rating unit:

- A residential sleep-out or granny flat that does not meet the definition of an independent residence
- A hotel room with or without kitchen facilities
- A motel room with or without kitchen facilities
- Individual storage garages/sheds/portioned areas of a warehouse
- Individual offices or premises of business partners
- Bars or areas within sports club facilities where alcohol is sold and/or consumed under a Club Licence

Where a rating unit is identified as having more than one separately used or inhabited part available to be used, but it is not actually separately used or inhabited, then it shall be assessed as having separately used or inhabited parts and the ratepayer may apply annually for remission of rates on the unused part(s). The remission would only be available where the unused part(s) are unused for the entire rating year. Where a remission has been granted, and it is discovered that the part(s) were actually used during that rating year, that rating unit will not be eligible for remission of rates for unused part(s) for any subsequent rating year.

e) Small accommodation property

All rateable properties providing short-term accommodation for commercial reward, but not meeting the criteria of a commercial property. For the avoidance of doubt, this means (having not met the criteria of a commercial property in the first instance), all rateable properties that provide short-term visitor accommodation, and which are;

a) not used principally and exclusively for commercial or industrial purposes (other than for visitor accommodation). Examples may include a residential dwelling where the principal use is residential, but visitor accommodation is also provided on the property (whether within the dwelling or in separate units); or a residential dwelling where the principal use is a holiday home for the owner, which is rented out as a holiday home for commercial reward (including Air B&B style accommodation); or any other property not principally commercial/industrial, but which provides visitor accommodation, or
b) if they are used principally for visitor accommodation, the property only provides for no more than four persons. This includes any property providing short-term accommodation such as small bed & breakfasts, but not including long-term rental accommodation.

These properties are subject to the visitor accommodation charge, and may also be subject to separate sewer charges. These rates are applied on a per separately used or inhabited part of a rating unit.

f) Targeted rates

Targeted rates enable the Council to identify specific properties that it considers receive the greatest benefit from, or create the greatest need for, the Council's various activities. Targeted rates can be applied on a number of categories of rateable property, including (for example):

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

Targeted rates may be either a rate based on a property's value, or a set dollar amount per annum. Unless otherwise specified throughout the following pages, where a targeted rate is applied, this is a rate based on a property's capital value; and where a uniform targeted rate is applied, this refers to a fixed (uniform) dollar amount per annum regardless of property value.

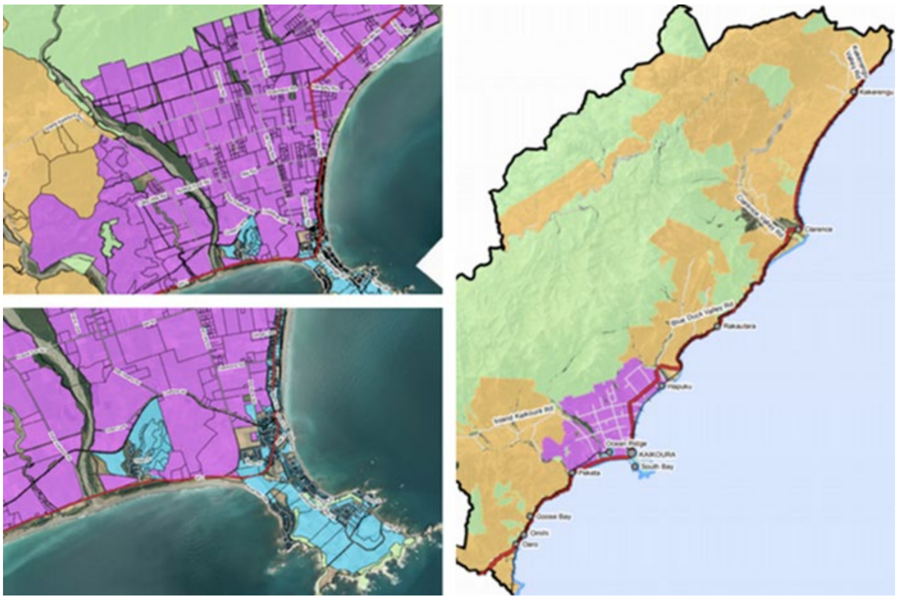
The Council has chosen to apply most of its uniform targeted rates to separately used or inhabited parts of a rating unit, to remain consistent with the principles of the uniform annual general charge. In some instances, however, such as the registered premises charge, or sewerage charges, these are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

The Council will not be inviting lump sum contributions in respect of any targeted rates.

g) Uniform Annual General Charge (UAGC)

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

h) Rating Areas



The above map shows each of the rating areas.

i) Urban area for rating purposes

The pale blue area is the current urban area for rating purposes. It includes the Kaikōura peninsula, South Bay, Ocean Ridge, Beach Road from the West End to Mill Road, the southern length of Ludstone Road from the West End to (and including) Vicarage Views, and the northern length of Ludstone Road from the West End to (and including) the Kaikōura High School. As the town grows, this area may be extended to incorporate new areas as appropriate to meet the intent of these rates – i.e., in areas where property is able to connect to the Urban water supply or wastewater systems, or where footpaths, streetlights, or stormwater is developed.

j) Semi-rural area for rating purposes

The purple area on the map is the semi-rural area for rating purposes. It is an area defined for its proximity to urban services, and therefore has no relationship to the size, land use, or value of individual properties within, or outside of, this area. The semi-rural area extends to the Hapuku River in the north, and to the Kahutara River to the south (thereby including the villages of Hapuku and Peketa). This area also extends inland to the foothills of Mt Fyffe and west on the Kaikōura Inland Road as far as (but not including) Kowleigh Farm.

k) Rural rating area

The remainder of the district is rural, with rateable properties portrayed in pale orange. Effectively the rural area for rating purposes is all rateable property that is not located within either the Urban or Semi-rural rating areas. Department of Conservation (DoC) land is shown in pale green, and while it makes up a significant part of the district, this land is non-rateable.

l) Utilities

Utilities are as defined by the Resource Management Act (1991), and include Council-owned water, wastewater, and stormwater systems, as well as electricity, telecommunications, and railway networks.

3.2 Schedule of Rates and Charges for 2025/2026

3.2.1 General Rates & Uniform Annual General Charges

General Rates and the Uniform Annual General Charge apply to all rateable land. The Council applies a differential on the general rate of 0.8:1 for all properties in the rural and semi-rural areas (i.e. outside the urban area), except for utilities. The map in k) of this report indicates those rating areas.

General Rate: ***to fund the general operations of Council, including general management, community services, communications, strategy & policy, economic development, environmental planning, the net costs of statutory planning, building control, dog control, forestry, community facilities, general parks and reserves, the airport, and a portion of public toilets and traffic control.*** ***The general rate may also fund the same activities as the UAGC, because the UAGC lever provides for costs to be transferred to the general rate where necessary to remain under the 30% cap on rates set on a uniform basis, as required by the Local Government (Rating) Act 2002 (the Rating Act).***				
Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
Urban & Utilities All rateable property within the urban area, and all rateable property within the district defined as Utilities	1:1	Rate in the $ of capital value	0.00136918	2,026,079
Rural & Semi-rural All rateable property outside the urban area, except for property defined as utilities	0.8:1	Rate in the $ of capital value	0.00109534	1,388,084
Total				

Uniform Annual General Charge: ***to fund the general operations of Council, including landfill and recycling operations, governance, library services, sports fields, playgrounds, cemetery, walkways, public halls, swimming pool, general environmental health and emergency management.*** ***The Council uses a UAGC lever to transfer costs to or from the general rate where necessary to remain under the 30% cap required by the Rating Act.***				
Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
All rateable properties within the Kaikōura district	None	Fixed $ amount per separately used or inhabited part of a rating unit	689.15	2,202,167

- **Targeted Rates**

The earthquake levy, roading rate, district planning rate, and civic centre charge (as below), apply to all properties within the Kaikōura district. They are separate targeted rates for the purposes of transparency and accountability, rather than for the purpose of targeting certain categories of land.

<u>Earthquake Levy:</u> to fund the net costs of earthquake response and rebuilding, including loan servicing costs relating to earthquake work (most notably roading) and, once those costs are covered, to build resilience reserves which can be used for current and future emergency event response and rebuilding.				
Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
All rateable properties within the Kaikōura district	None	Fixed $ amount per separately used or inhabited part of a rating unit	40	127,820
<u>District Planning Rate:</u> to fund the net costs of district planning, including development of the Kaikōura District Plan.				
Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
All rateable properties within the Kaikōura district	None	Rate in the $ of capital value	0.00004416	121,513
<u>Civic Centre Rate:</u> to fund the net costs (after lease revenues) of the museum, library and Council office building.				
Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
All rateable properties within the Kaikōura district	None	Fixed $ amount per separately used or inhabited part of a rating unit	121.39	387,904
Roading Differential Rate: funds the net operating and capital costs (after subsidies) for maintenance and upgrading of the district's roading and bridges network				
Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
Urban & Utilities All rateable property within the Urban area (except for property defined as Commercial), plus all rateable property within the district defined as Utilities	1:1	Rate in the $ of capital value	0.00054319	695,102

Semi-rural & Rural All rateable property outside the Urban area (except for property defined as Commercial and/or defined as Utilities)	1.2:1	Rate in the $ of capital value	0.00065183	801,165
Commercial All rateable property defined as Commercial (and excluding property defined as Utilities)	2:1	Rate in the $ of capital value	0.00108638	240,992

Roading Fixed Rate: funds the net operating and capital costs (after subsidies) for maintenance and upgrading of the district's roading and bridges network				
Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
All rateable property outside the Urban area (except for defined as Utilities)	None	Fixed $ amount per separately used or inhabited part of a rating unit	200.00	249,200

Rates on the following pages are targeted rates for specific categories of land and apply to specific services.

Kaikōura Water Annual Rate: ***to fund the net costs of the supply, treatment, upgrading and maintenance of the Kaikōura water cohort, which includes the Kaikōura Urban water supply, as well as partially subsidising the net costs of the Suburban, Ocean Ridge, East Coast village, Peketā, and Oaro water supplies.***				
Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
All rateable properties connected to the Kaikōura water supply.	Full charge 1:1	Fixed $ amount per separately used or inhabited part of a rating unit	605.98	1,192,574
All rateable properties situated within 100 meters of any part of the Kaikōura water supply but not connected to the supply.	Half charge 0.5:1	Fixed $ amount per separately used or inhabited part of a rating unit	302.99	34,390
Kaikōura Water Loan Rate: ***to fund the loan servicing costs of the Kaikōura Urban water supply.***				

Category	Differential	Factor	Rate	Amount required (including GST)
All rateable properties situated within 100 meters of any part of the Kaikōura water supply.	None	Fixed $ amount per separately used or inhabited part of a rating unit	N/A	N/A

Note that, for the Kaikōura water supply and Suburban water area, certain properties are "extraordinary consumers", such as commercial and accommodation premises, properties with a swimming pool, or rural properties using water for irrigation, for example. These properties are metered, and water meter charges apply in addition to the applicable rates above.

***Ocean Ridge Water Rate:** to fund the costs of the supply, treatment, and maintenance of the Ocean Ridge water supply.*				
Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
All rateable properties connected to the Ocean Ridge water supply.	Full charge 1:1	Fixed $ amount per separately used or inhabited part of a rating unit	605.98	47,873
All rateable properties situated within 100 meters of any part of the Ocean Ridge water supply but not connected to the supply.	Half charge 0.5:1	Fixed $ amount per separately used or inhabited part of a rating unit	302.99	23,330
***Peketā Water Rate** to fund the supply, treatment, upgrading, and maintenance of the Peketā water supply.*				
Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
All rateable properties connected to the Peketā water supply.	None	Fixed $ amount per separately used or inhabited part of a rating unit	605.98	12,120
***Oaro Water Rate** to fund the supply, treatment, upgrading, and maintenance of the Oaro water supply.*				

Category	Differential	Factor	Rate	Amount required (including GST)
All rateable properties connected to the Oaro water supply.	None	Fixed $ amount per separately used or inhabited part of a rating unit	605.98	44,237

The following table of rates are applied per water unit. A water unit refers to a certain water connection, generally a rural water connection, that restricts the quantity of water supplied to a property to the quantity of litres per day as specified.

Suburban Water Rate: ***to contribute to the cost of the supply, treatment, upgrading and maintenance of the Suburban water scheme.***				
Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
All rateable properties situated within the Suburban water area[1] and connected to the Suburban water scheme.	None	Fixed $ amount per water unit (1,000 litres per day)	605.98	32,117
East Coast Rural Water Rate ***to fund the supply, treatment, upgrading, and maintenance of the East Coast Water supply, the costs as identified to relate predominantly to the rural part(s) of the supply.***				
Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
All rateable properties connected to the East Coast rural water supply (excluding those within the Clarence Village water supply area).	None	Fixed $ amount per water unit (1,800 litres)	688.08	83,258
East Coast Village Water Rate ***to fund the supply, treatment, upgrading, and maintenance of the East Coast Water supply, the costs as identified to relate predominantly to the Clarence village part(s) of the supply.***				
All rateable properties situated within the Clarence Village area, being that	None	Fixed amount per water unit	605.98	9,090

[1] The Suburban water area is from the Waimangarara water intake and the Kaikōura flats area including properties on Postmans Road, McInnes Road, Brunells Road, Schroders Road, Mt Fyffe Road, Schoolhouse Road and Red Swamp Road north of Postmans Road.

Note that, for the Suburban water area, certain properties are "extraordinary consumers", such as commercial and accommodation premises, properties with a swimming pool, or rural properties using water for irrigation, for example. These properties are metered, and water meter charges apply in addition to the applicable rates above.

area from the East Coast water intake near the Clarence River to where the main rail line runs adjacent to State Highway One and incorporating all properties to the South of Clarence Valley Road and State Highway One to the Clarence River or the main rail line as applicable.		(1,800 litres)		

Kincaid Water Rate ***to fund the supply, treatment, upgrading, and maintenance of the Kincaid water supply.***				
Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
All rateable properties connected to the Kincaid rural water supply.	None	Fixed $ amount per Kincaid water unit (1,000 litres per day)	211.77	133,626
Fernleigh Water Rate ***to fund the supply, treatment, upgrading, and maintenance of the Fernleigh water supply.***				
Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
All rateable properties connected to the Fernleigh water supply.	None	Fixed $ amount per Fernleigh water unit (1,000 litres) per day	737.66	221,298

Sewerage Loan Rate: ***to fund the loan servicing costs of the Kaikōura sewerage system.***				
Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
All rateable properties within the area serviced by the Kaikōura sewerage system (which includes the Kaikōura township, South Bay, Ocean Ridge, and parts of the Kaikōura flats), or within 100 meters of any part of that system.	None	Rate in the $ of capital value	0.00000464	6,629
Sewerage Charge: ***to fund the costs of sewage collection, treatment, disposal, upgrading, and maintenance of the Kaikōura sewerage scheme.***				

Category	Differential	Factor	Rate	Amount required (including GST)
Sewerage Charge: All rateable properties connected to the Kaikōura sewerage system (which includes the Kaikōura township, South Bay, Ocean Ridge, and parts of the Kaikōura flats).	Full charge 1:1	Fixed $ amount for the first water closet per separately used or inhabited part of a rating unit (plus a targeted rate for each additional water closet or urinal if applicable[2]).	707.04	1,241,569
Sewerage Charge (Subsequent): All rateable properties within the area serviced by the Kaikōura sewerage system, not being either commercial or self-contained and serviced.	Half charge 0.5:1	Fixed $ amount for each water closet and urinal after the first, within each separately used or inhabited part of a rating unit where there are more than one water closet or urinal[2]	353.52	124,616
Sewerage Half Charge (Available): All rateable properties situated within 100 meters of any part of the Kaikōura sewerage system, but not connected to the system	Half charge 0.5:1	Fixed $ amount per separately used or inhabited part of a rating unit		
Sewerage Charge - Self-contained & Serviced: All rateable properties within the area serviced by the Kaikōura sewerage system, and used principally for short term accommodation, but limited to those properties with motel-type units, including motels, motor lodges, motor inns, motel apartments, serviced apartments and serviced holiday cottages, each of which contain a private or ensuite bathroom, with bedding, linen and cooking facilities provided, and which are serviced daily.	None	Fixed $ amount for each water closet and urinal after the first within each separately used or inhabited part of a rating unit where there are more than one water closet or urinal.	200.00	99,200

[2] A rating unit used primarily as a residence for one household will not be treated as having more than one water closet or urinal.

Sewerage Charge - Commercial: All rateable properties within the Kaikōura urban area used principally for commercial and/or industrial purposes; or used as a licensed premise under the Sale of Liquor Act 1989; or used for providing short term accommodation for commercial reward, but not including rateable properties defined as Self Contained and Serviced.	None	Fixed $ amount for each water closet and urinal after the first within each separately used or inhabited part of a rating unit where there are more than one water closet or urinal.	350.00	107,100

***Stormwater Rate:** to fund the costs of stormwater disposal, loan servicing, upgrading and maintenance of the Kaikōura Stormwater scheme.*				
Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
All rateable properties within the Kaikōura urban area.	None	Rate in the $ of capital value	0.00009464	131,011

The Kerbside Recycling Charge pertains to whether a property has access to the kerbside recycling collection service. More properties may be charged the kerbside recycling charge if the service is extended over a wider area, or to more properties within the serviced area.

***Kerbside Recycling Charge:** to fund the costs of the fortnightly kerbside recycling collection service as well as contributing to the cost of operating the Resource Recovery Centre where recyclable materials are sorted, compacted, and transported to markets outside the district.*				
Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
All rateable properties within the Kaikōura urban area, or on the periphery of the urban area and receiving the kerbside collection service, except for commercial properties and properties in the West End, but this rate will apply where a property is a residential dwelling in nature but deemed commercial by virtue of the number of visitors accommodated.	None	Fixed $ amount per separately used or inhabited part of a rating unit	175.66	309,253

It is the intention of the above Kerbside Recycling Charge to capture all properties that have access to the kerbside collection service, whether they use the service or not. The Council's contractor does not use the defined rating areas when making the decision how far to extend the service, therefore some properties outside the urban area do have access to the kerbside collection. The contractor doesn't provide the standard kerbside collection service to commercial properties (these are assumed to have separate arrangements that they each pay for separately) and cannot safely provide the kerbside service in the West End as the collection vehicle is unable to turn in the confined space.

- **Commercial Rates and Charges**

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

Commercial Rate: ***to fund the net costs of tourism and economic development, the annual grant paid to the visitor centre, and a portion of territorial authority regulatory functions, traffic control, harbour facilities, and public toilets.***		
Category	**Calculation**	**Amount required (including GST)**
All rateable properties in the District; • Used principally or exclusively for commercial and/or industrial purposes, (not being farmland as defined by Land Information NZ); or • Used principally for visitor accommodation for commercial reward for **five persons or more**, and for the avoidance of doubt, including any motel, hotel, motor lodge, bed and breakfast, hostel, or camping ground; or • Used as licensed premises under the Sale and Supply of Alcohol Act 2012; or • Used for the provision of utilities infrastructure	$ 0.00122690 per dollar of rateable capital value	381,797
Accommodation Sector Charge: ***to fund the net costs of tourism and economic development, the annual grant paid to the visitor centre, and a portion of traffic control, harbour facilities and public toilets.***		
Category	**Calculation**	**Amount required (including GST)**
All rateable properties providing accommodation for commercial reward, but not meeting the criteria of a commercial property, and for the avoidance of doubt, including any property providing short term accommodation such as small bed & breakfasts, baches rented out as holiday homes, and other visitor accommodation such as Air B&B-style, but not including long-term rental accommodation.	$600.00 per separately used or inhabited part of a rating unit	157,800

Public Rubbish Bin Charge: ***to fund the costs of providing a public rubbish bin collection service at various locations around the District.***		
Category	**Calculation**	**Amount required (including GST)**
All rateable properties in the District; • Used principally or exclusively for commercial and/or industrial purposes, (not being farmland as defined by Land Information NZ); or • Used principally for visitor accommodation for commercial reward for **five persons or more**, and for the avoidance of doubt, including any motel, hotel, motor lodge, bed and breakfast, hostel, camping ground or "boarding house"; or • Used as licensed premises under the Sale of Liquor Act 1989.	$ per separately used or inhabited part of a rating unit	N/A
Registered Premises Charge: ***to fund the net costs of liquor licensing, food and health safety inspections, and environmental health.***		
Category	**Calculation**	**Amount required (including GST)**
All rateable properties undertaking a licensed activity, such as premises where alcohol is sold or consumed, food premises, camping grounds, funeral directors or hairdressers.	$880.30 per license (liquor licence or food premises licence)	94,632

- **Rating area differentials**

Throughout these pages there is reference to properties within defined areas (urban, semi-rural and rural rating areas). Please refer to the definitions and map of rating areas on previous pages.

These rating areas apply differentials to acknowledge that it is the properties within the urban area that benefit most from urban-type services, properties on the outskirts of the township benefit to a lesser extent, and properties further away from the town benefit least of all. Utilities services are not subject to these rates because they cover a wide area and so it is impossible to determine which rating area they are situated in.

Harbour Rate: ***to fund 50% of the net costs of operating the harbour facilities, including South Bay and the North and Old Wharves, including loan servicing costs.***				
Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
All rateable properties within the urban area.	1:1	Rate in the $ of capital value	0.00000835	11,579

All rateable properties within the semi-rural area.	0.75:1	Rate in the $ of capital value	0.00000626	4,378
All rateable properties within the rural area.	0.25:1	Rate in the $ of capital value	0.00000209	1,185

<u>Town Centre Rate:</u> to fund the net costs of town centre maintenance, including cleaning and servicing the West End toilets, and the loan servicing costs of the West End upgrading loans.

Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
All rateable properties within the urban area.	1:1	Rate in the $ of capital value	0.00005356	74,469
All rateable properties within the semi-rural area.	0.75:1	Rate in the $ of capital value	0.00004017	28,090
All rateable properties within the rural area.	0.25:1	Rate in the $ of capital value	0.00001339	7,605

<u>Footpath & Streetlight Rate:</u> to fund the net costs of maintaining, upgrading and operating footpaths and streetlights, including electricity and loan servicing costs.

Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
All rateable properties within the urban area.	1:1	Rate in the $ of capital value	0.00013454	187,069
All rateable properties within the semi-rural area.	0.75:1	Rate in the $ of capital value	0.00010091	70,564
All rateable properties within the rural area.	0.25:1	Rate in the $ of capital value	0.00003364	19,103

<u>Harbour Special Operator Rate:</u> funds the net costs (after user fees), of the South Bay harbour facilities (including operations, capital work, and loan servicing costs). The differential aims to align with the area of the harbour that is predominantly for the exclusive use of the special operators

Category	**Differential**	**Factor**	**Rate**	**Amount required (including GST)**
No. 1: The rateable property used as the primary ticketing office of Whale Watch Kaikōura (which is identified as a special operator of the harbour facilities at South Bay)	85% of total revenue to be collected from the rate	Rate in the $ of capital value	0.04556289	74,268

No. 2: The rateable property used as the primary ticketing office of Dolphin Encounter (which is identified as a special operator of the harbour facilities at South Bay)	15% of total revenue to be collected from the rate	Rate in the $ of capital value	0.00770943	13,106

Note that all amounts are GST inclusive, whereas those amounts within the Forecast Funding Impact Statements exclude GST.

Other Rates & Charges

- **Water Meter Charges**

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

For water usage which exceeds 365m3 per annum, a charge of $2.10 including GST per cubic meter applies. All properties with a meter will incur a twice-annual meter maintenance charge of $30.00 ($60.00 per year) to cover the costs of the meter as well as administration expenses. Final readings (such as when a property has been sold) or other one-off special meter reads are arranged as required and invoiced separately. A one-off $75.00 reading fee applies.

Meter read date:	**For the period:**	**Due date for payment:**
Last two weeks of June	January to June	20 August 2025
1st/2nd week January	July to December	20 February 2026

Meter reading dates and the period they cover are approximate.

- **Rates Penalties**

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

An additional 10% penalty will be added to all previous year’s rates unpaid as at 20 July. A further additional charge of 10% will be added to any rates to which the additional penalty referred to in this paragraph is added and remains unpaid as at 20 January.

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

	For the period:	**Last date for payment:**
Instalment 1:	1 July 2025 to 30 September 2025	20 September 2025
Instalment 2:	1 October 2025 to 31 December 2025	20 December 2025
Instalment 3:	1 January 2026 to 31 March 2026	20 March 2026
Instalment 4:	1 April 2026 to 30 June 2026	20 June 2026

4. FINANCIAL IMPLICATIONS AND RISKS

The Schedule of Rates and Charges provides for revenue to cover operating expenses.

5. COMMUNITY OUTCOMES SUPPORTED

The work is in support of all community outcomes.

Community

We communicate, engage 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

6. SIGNIFICANCE OF DECISION

This decision is not considered significant in terms of Council’s Significance and Engagement Policy.

7. RELEVANT LEGISLATION

The rates and charges are set for the financial year 1 July 2025 to 30 June 2026 in accordance with the Local Government Act 2002 and the Local Government (Rating) Act 2002.

8. COMMUNITY VIEWS

No community views were sought in relation to this report

Report to:	Council
Date:	25 June 2025
Subject:	Schedule of Fees and Charges for the Financial Year commencing 1 July 2025
Prepared by:	P Kearney - Senior Manager Corporate Services
Input sought from:	C Kaa – Finance and Business Partnering Manager
Authorised by:	W Doughty - Chief Executive Officer

1. PURPOSE

The purpose of this report is for the Council to adopt the Schedule of Fees & Charges for the year commencing 1 July 2025 and ending 30 June 2026.

Attachment: Schedule of Fees & Charges 2025/2026

2. RECOMMENDATION

It is recommended that the Council:

a) **Receives** this report, and
b) **Approves** the wording change for the Building Control Fees, and
c) **Adopts the Schedule of Fees and Charges as set out in the Attachment** of this report to take effect on 1 July 2025.

3. INCREASES TO FEES AND CHARGES FOR THE 2025/2026

3.1 The Annual Plan 2025/2026

The Annual Plan is largely a continuation of the plan that was expected for year 2 of the Long-Term Plan (LTP) 2024-2034. As part of the LTP process discussions it was held that rates should not be expected to absorb costs of delivering services without also considering user fees and charges.

As part of the LTP adoption, the Council signalled that – to help absorb the increasing cost of providing services – increases of not less than 10% should be applied to building and resource consents, harbour, airport, cemetery, and licences to occupy. The changes noted above were captured for year 1 of the LTP and the current fees and charges schedule has not made any further changes toother than some relatively minor adjustments to i) correct grammatical issues ii) incorporation of the MPI Food levy and iii) changes to the slipway charges. Changes to the slip way fees are as follows:

i. Annual Fee – decrease to $285 from $345
ii. Monthly Fee – decrease to $95 from $100
iii. Single Launch Fee – increase to $12.50 from $11.50

There has also been a late change to the wording for Building Control Fees to ensure greater transparency on the pricing. Previously the wording was as follows:

The following building control fees are a deposit only. They include processing times and inspections. The fees are not determined until all processing is complete, then an invoice may be produced, and any extra fees will be required to be paid before the consent is issued.
External consultants or contractors such as Fire Engineers, Structural Engineers, Environmental Health Officers are not included in the deposit but may be required for some consent processing for example commercial buildings.
Further fees may accrue throughout the building process, e.g. re-inspection for failed inspections

The wording has been changed to the following:

The following building control fees are a deposit only. This deposit fee only includes processing time. Required inspections for your building consent will be charged additionally. The fees are not final until all processing is complete, then an invoice may be produced and any extra fees are required to *be paid before the consent can be issued. External consultants such as Fire Engineers, Structural Engineers, Environmental Health Officers are not included in the deposit but may be required for some consent processing e.g. Commercial Buildings. Further fees may occur throughout the building process, e.g. re-inspections for failed inspections*

3.2 The impact of the fees and charges increase on users

The Council has considered the impact of the fees increase on users both through the LTP and the preceding Rating Review and the fees are held to still be fair and reasonable.

4. FINANCIAL IMPLICATIONS AND RISKS:

The Schedule of Rates and Charges provides for revenue to cover operating expenses.

5. COMMUNITY OUTCOMES SUPPORTED:

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We value and protect our environment

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We work with our community and our partners to create a better place for future generations

6. SIGNIFICANCE OF DECISION

This decision is not considered significant in terms of Council's Significance and Engagement Policy.

7. RELEVANT LEGISLATION

The rates and charges are set for the financial year 1 July 2025 to 30 June 2026 in accordance with the Local Government Act 2002 and the Local Government (Rating) Act 2002.

8. COMMUNITY VIEWS

No community views were sought in relation to this report

Schedule of Fees & Charges

Administration Fees

Administration and processing hourly rates	
Processing fees (hourly rates) per processing officer	**Hourly rate (including GST):**
Administration Officers	$120.00
Asset Manager / Engineering Manager / Planning Manager	$210.00
Building Control Officer	$210.00
Engineering Technical Support Officer	$180.00
Environmental Health Officer / Food Act Verifier / Food Safety Officer	$180.00
Planning Officer	$180.00
Regulatory Officer (monitoring and enforcement)	$180.00
Consultancy/External contractor/Legal Advice	At actual cost
Site Visits and Travel costs	Hourly rate plus 95c per km

Administration: photocopying, scanning		
	Black & White	**Colour**
A4 Photocopying/printing	20c per sheet	$1.00 per sheet
A4 Photocopying/printing double-sided	25c per sheet	$2.00 per sheet
A3 Photocopying/printing	35c per sheet	$2.00 per sheet
A2 Photocopying/printing	$4.00 per sheet	$10.00 per sheet
A1 Photocopying/printing	$5.00 per sheet	$15.00 per sheet
Debtors Booking Fees	$25.00	

Administration: maps and property files	
GIS map production (if it takes more than 15 minutes to produce)	$100.00 per hour
GIS map production for bona fide community groups	First 30 minutes no charge
Other GIS services (charged in 15-minute increments)	$100.00 per hour
Property files – already in electronic format	$30.00
Requests for information Pursuant to section 13(1A) of the Local Government Official Information and Meetings Act 1987, the Council may charge for the supply of information to recover its reasonable costs for labour and materials. The first hour of time spent actioning a request for information shall be provided free of charge. The Council reserves its rights to charge for the provision of information above one hour. The Council requires payment in advance.	$38.00 per half hour after the first hour, plus photocopying & printing (see Administration charges above). If external resources are required to process the request, then their actual hourly rate will be charged.

Airport Landing Fees

	Price per landing (incl. GST)
Up to 800kg gross take-off weight	$8.00
800-1500kg	$11.50
1500-2000kg	$16.10
2000-3000kg	$23.00
3000-4000kg	$34.50
4000-5000kg	$46.00
Aerial spray contractors	$8.00 per tonne

Alcohol Licensing Fees

	Application Fee	**Annual Fee***	**Risk Weighting**
On, Off and Club premises			
Very low risk	$368.00	$161.00	0-2
Low risk	$609.50	$391.00	3-5
Medium risk	$816.50	$632.50	6-15
High risk	$1,023.50	$1,035.00	16-25
Very high risk	$1,207.50	$1,437.50	26 plus
Special licence			
Small (one or two events)	$63.25	Less than 100 people attending	
Medium (1-3 medium events or 3-12 small events)	$207.00	100-400 people attending	
Large (3 or more small events or more than 4 medium events)	$575.00	400 plus people attending (AMP required)	
Other fees			
Alcohol compliance certificate (new premises)		$130.00	
Alcohol compliance certificate (existing premises)		$60.00	
Temporary Authority		$296.70	
Managers Certificate - new applications and renewals		$316.25	

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

Animal Control Fees

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

	Price (incl. GST)
Dog Registration Fees	
Standard	$80.00 per dog
Neutered or Spayed Dogs	$60.00 per dog
Menacing/Dangerous Dogs	$100.00 per dog
Working Dogs1	$160.00
Guide Dogs	Free
Replacement tag	$5.50
Licence Fee for keeping more than two dogs in a residential area (Kaikōura Township, Oaro, Goose Bay, Peketa, Hapuku, Rakautara, Clarence and Kekerengu)	$40.00
Late Registration Penalty	
A 50% penalty will be applied if a registration has not been completed by the owner by 30 August 2025	
Microchipping	
Microchipping as a service (dogs only)	$60.00
Impoundment Fees	
Impoundment First Offence Impoundment Second Offence Impoundment Third Offence Daily Impoundment (Sustenance) Fee Investigative fee	$80.00 $110.00 $160.00 $25.00 per day $210.00 per hour
Stock Control Fees	
Callout fee	$210.00 per hour

1 Dog control officers may need to verify that the dog meets the definition of a working dog in the Dog Control Act 1996. This may involve observing the dog at work (e.g. mustering or some other activity that proves it can be classified as working under the Act).

Building Control Fees

The following building control fees are a deposit only. This deposit fee only includes processing time. Required inspections for your building consent will be charged additionally. The fees are not final until all processing is complete, then an invoice may be produced and any extra fees are required to be paid before the consent can be issued. External consultants such as Fire Engineers, Structural Engineers, Environmental Health Officers are not included in the deposit but may be required for some consent processing e.g. Commercial Buildings. Further fees may occur throughout the building process, e.g. re-inspections for failed inspections.

The following fees are not fixed costs nor final costs.

	Price incl. GST
Residential Buildings	
New Dwelling – large > 250m2	4,719.00
New Dwelling – small < 250m2	3,751.00
Dwelling alterations – large	2,662.00
Dwelling relocated	1,936.00
Dwelling – minor plumbing	545.00
Solid/Liquid Fuel Heaters	
Solid/Liquid fuel heater – freestanding/inbuilt/liquid	484.00
Solid/Liquid fuel heater – change location or make and/or model	300.00
Garages and/or Conservatories	
Proprietary garage – no plumbing	1,210.00
Proprietary garage – with plumbing & drainage	1,694.00
Proprietary garage – with sleepout, plumbing & drainage	2,057.00
Conservatories	968.00
Commercial or Industrial Buildings	
Commercial/industrial building =/<$50,000	2,662.00
Commercial/industrial building $50,001 - $100,000	3,872.00
Commercial/industrial building $100,001 - $150,000	4,840.00
Commercial/industrial building $150,001 - $250,000	5,808.00
Commercial/industrial building $250,001 - $350,000	7,018.00
Commercial/industrial building $350,001 - $500,000	8,107.00
Commercial/industrial building $500,001 - $1,000,000	9,075.00
Commercial/industrial buildings > $1 million	At time and cost
Commercial alterations large	4,235.00
Commercial new/alterations small	2,420.00

Farm buildings	
Minor farm building (four bay shed)	900.00
Large farm buildings	1,210.00
Other Building Consent Applications	
Septic tank and effluent field consent only	665.00
Decks, patios, garden sheds, retaining walls, verandas, pergolas etc	665.00
Swimming pool – inbuilt plus fencing consent	545.00
Swimming pool – 1,200mm above ground and spa pool and fencing	121.00
Swimming pool compliance audit	242.00
Marquee over 100m2	440.00
Solar hot water systems	560.00
Partial demolition of building	560.00
Drainage & septic tanks – minor work	560.00
Drainage & septic tanks – major work	1,089.00
Extension of time for consents not started within first year of granting	120.00
Application for minor exempt work (CodeMark insulation injection system, additional bay on existing pole shed, etc)	250.00
Waiver/modification waiver amendment	210.00
Project Information Memoranda (PIM)/Building Consideration	
PIM (deposit only) – processing time for PIM will be invoiced upon completion	425.00
Territorial Authority Building Consideration where no PIM applied for (deposit only) – processing time for PIM will be invoiced upon completion	425.00
PIM/Building Consideration rechecking fee	240.00
Specialist Reviews	
Consultancy or external contractor (specific design peer reviews)	At Cost
Various charges	
Pre-consent meeting	First 30 minutes free, then charged at hourly rate
Monthly building statistics report	187.50
Lapsing of building consent	100.00
Surcharge – receiving hard copy applications, lodging online (per hour)	100.00
Construction statement review and acceptance	Charged at hourly rate in 15-minute increments
Exempt Building Work	
Lodgement of Building Act Schedule 1 - Exempt work reports with owner's declarations	100.00
Application for exempt work	615.00
Application for property report	85.00

Notices to Fix	
Notice to fix where consent held	$242.00 plus recovery charges per hour for monitoring of notices under the Building Act 2004.
Notice to Fix where no consent held	$545.00 plus recovery charges per hour for investigation and monitoring of notices under the Building Act 2004.
Application for Certificate of Acceptance (non-refundable) Note: In the case of an application for a certificate of acceptance under Section 96(1)(a) of the Building Act 2004, the application must be accompanied by any fees, charges or levies that would have been payable had the owner, or the owner's predecessor in title, applied for a building consent before carrying out the building work.	$1,029.00 Where the cost to process a Certificate of Acceptance exceeds the deposit then additional cost will be charged at the relevant processing time.
Code Compliance Certificates & Compliance schedules	
Compliance schedule	242.00
Compliance schedule amendment	180.00
Compliance schedule statement	242.00
Code compliance certificate	One certificate included in consent application fee
New code compliance application following rejected application	$121.00
Older code compliance certificate application (includes review of building consents if over four years old)	At cost
Earthquake prone buildings	
Application for exemption for an earthquake prone building (deposit)	545.00
Application for extension of time for a Heritage earthquake prone building (deposit)	545.00
Assessment of information related to a building's earthquake prone status (deposit)	665.00
Building Act 2004 Certificates	
Section 72 Land information Certificate (hazardous land register)	$450.00
Section 73 Natural hazard	$450.00
Section 75 Construction of building on 2 or more allotments	$407.00
Building warrant of fitness renewal	120.00
Building Warrant of Fitness audits	$242.00 (1 inspection plus hourly charge)
Certificate of Public Use	$420.00 (includes one inspection)
Certificate of Public Use – first extension	$545.00
Certificate of Public Use – any further extensions	$726.00
Request for Certificate of Title	$30.00
Request for information to be placed on property file	$100.00 plus photocopying
Fire & Emergency New Zealand reviews (plus all FENZ charges)	$300.00 plus FENZ charges

Levies	
MBIE Levy – assessed on the value of building work over $20,444 (including GST)	0.175%
BRANZ Levy – assessed on the value of building work over $20,000	0.1%
Building Consent Accreditation (BCA) levy, applies per $1,000 of the estimated project value	$1.10
Printing/submitting Building Consents (does not apply to minor consents)	
Full Building Consent	$50.00
Additional Copy	$50.00 + administration time
GoGet Administration Surcharge (all consents)	$33.00
Online portal charge (all consents)	$55.00

Car Parking Fees – Pay & Display

Fee/charge	**Price (inc GST)**
Peak (22 December – 31 January)	$1.50 / hour
Off peak (1 February – 21 December)	$1.00 / hour
Monthly permit (May – September inclusive only)	$50.00/month
Annual permit (Limited to 15 permits annually)	$650.00/year

Cemetery Charges

Fee/charge	**All Prices Include GST**
Ashes:	
Ashes Plot Reservation Fee	$600.00
Interment Fee	$600.00
Lawn Cemetery:	
Lawn Plot Reservation Fee	$1,350.00
Interment Fee (includes extra depth)	$1,650.00
Interment Fee (children under 15)	$990.00
Other additional fees	
RSA plot reservation fee	Free
Weekend or statutory holiday burial (additional fee)	$350.00

Development Contributions

The Council's Development Contributions Policy provides further detail about development contributions, and how these are assessed. Please refer to Councils Development Contributions Policy for details on the Housing Equivalent Unit, and how this policy applies. The Policy can be found on our website www.kaikoura.govt.nz or at the Council office.

Purchase of water units, connection fees and other costs associated with the development will also apply.

Fee/charge	Per Housing Equivalent Unit	Per Bed (Accommodation)
Footpaths	$1,914.04	$425.84
Roading	-	-
Sewer	$3,436.10	$763.58
Stormwater	$518.17	$115.15
Water – Kaikōura Urban & Suburban supply	$1,148.38	$255.16
Water – Peketa supply	$1,412.72	$313.94
Water – Oaro supply	$1,412.72	$313.94
Fee/charge	**Per Water Unit**	
Water – East Coast supply	$1,455.16	
Water – Kincaid supply	$2,000.00	
Other Development Contribution Levies		
Parks & Reserves The land value is to be determined by: An estimate from a Council Officer based on similar lot (size, attributes, and location), if agreed to by the applicant, or if no agreement, either: An independent valuation for the new lot(s) which is no greater than three months old, arranged at the applicants cost, Or a signed sale and purchase agreement for the new lot(s)	Residential	2.5% of land value of each additional lot
	Rural residential (lots < 5 hectares)	1.0% of land value of each additional lot (assessed up to maximum 6,000m2)
	Rural (lots > 5 hectares)	0.5% of land value of each additional lot (assessed up to maximum 40,000m2)
	Non-subdivision	The value equivalent to 20m2 of land for each additional housing equivalent unit created

Engineering Fees

See “Administration and processing hourly rates” for the fees that apply per Council Officer time spent.

Fee/charge	Price (including GST)
Road Crossing Fee Applies to laying of services under a road or footpath	$400.00 Plus hourly rate of processing officer should reinstatement fail to comply with stated conditions
Service Approval Fees For each of water, sewerage and stormwater services	$275.00 per service
Effluent Disposal Fees Applies to septic tank and/or portaloo emptying to the sewerage ponds	$90.00 per cubic metre of waste

Environmental Health Fees

Fee/charge	Price (incl. GST)
Amusement devices	$11.50 for one device, for seven days of operation, and $2.30 for each additional device, for seven days, and $1.15 for each device for each further period of up to seven days.
Camping Grounds Registration	$302.50
Funeral director	$225.00
Hairdressers Registration	$225.00
Hawkers Licence & Itinerant Traders	$130.00
Mobile Shop (Non-Food)	$130.00
Offensive Trade Licence	$225.00
Transfer Fees	$100.00
Food Safety Officer enforcement actions	$210.00
Any other environmental health service	$176.00 per hour plus mileage

Food Premises

The Food Act 2014 introduced a number of new fees and charges, with a focus for full cost-recovery of the cost of processing food premises registrations and audits.

Fee/Charge	Price incl. GST
New registration	
Food Control Plan (FCP) single site	$308.00
Food Control Plan multi-site	$341.00
National Programme (NP)	$473.00
New business assistance over one hour, or pre-opening visit	$176.00/hr plus travel
Registration renewal	
12-month renewal of Food Control Plan single site	$308.00
12-month renewal of Food Control Plan multi-site	$341.00
24-month renewal National Programme	$473.00
Site audits	
Food Control Plan – single site audit (incl. Close out up to 15 minutes)	$682.00 plus travel
Food Control Plan – multi site audit (incl. Close out up to 15 minutes)	$682.00 plus hourly rate if close out takes > 15min
Food Control Plan audit close out over 15 minutes	$180.00 plus travel
Additional fees	
Food Control Plan mentoring (based on two hours)	$352.00 plus travel
Complaint resulting in issue of improvement notice and its review	$180.00/hr plus travel
Application for exemption	$180.00/hr plus travel

MPI Food Levy Fee (per annum)	$66.13
Travel fees	
Where fees are stated "plus travel" above, the following charges apply:	
Zone 1	No additional fee
Zone 2	$32.95
Zone 3	$92.30
Zone 4	$179.90

Harbour Fees

Fee/charge	Price (inc GST)	Frequency
Slipway fee (single launch)	$12.50	Per launch
Slipway fee (one month ticket)	$95.00	Per month
Slipway fee (one year ticket)	$295.00	Per annum
South Bay boat park lease (per boat park)	$3,967.50	Per annum
Slipway fee (commercial user)	$1,983.75	Per annum
Fishing charters and other commercial users	$264.50	Per month
Berthage fees – New North Wharf	$2,645.00	Per annum
Passenger Cruise vessels	$6.00 per passenger capacity per vessel	Per visit

Infringement Fees & associated costs

Litter infringements	
Litter left in a public space or on private land without occupier's consent	$400.00
Hazardous or offensive litter[2] left in a public space or on private land without the occupier's consent	$400.00 plus clean-up costs at $90.00 per cubic metre of waste
Noise control	
Infringement notice to be issued under Resource Management Act (RMA 1991)	$500.00
Return of confiscated equipment (seizure of any property)	$100.00 plus investigative time at officer's hourly rate

Land Information Memoranda (LIM's)

Fee/charge	Price (including GST)
LIM – available within 10 working days	$320.00
LIM – fast track (no more than three working days)	$500.00 (if service is available)

[2] Hazardous litter includes broken glass, barbed wire, jagged metal, medicines. Offensive waste includes rotting food, animal remains, faeces (including discarded nappies).

Library Fees

Fee/Charge	Price (including GST)
Overdue Items – charges accrue at the following rates: - Children's / Young Adult's - Adults - DVDs	Full replacement cost of items will be charged when the items have not been returned within three months of due return date
Lost or damaged item	Full replacement of purchase cost (if invoiced, admin fee of $25.00 applies)
Premier Card	$50.00 per annum
Room rental (Matariki Room)	$20.00
Inter-library loans (postage fee)	$12.00
Public PC's	No Charge
Photocopy printing - Black & White A4 - Black & White A3 - Colour A4 - Colour A3	 20c 40c $2.00 $4.00
Scanning	No Charge
Internet and WIFI	No Charge
Laminating A4	$1.50 per page
Laminating A3	$3.00 per page
New Fiction and Rental Fiction (three-week issue)	$1.00, $2.00

Licence to Occupy

Fee/charge	Price (inc GST)
Mobile shops (foreshore, Beach Rd, Esplanade)	$3,165.00 per annum
West End carpark (tourism advertising signs)	$360.00 per m2/year
Outdoor dining licence to occupy	$253.00 per annum
Retail display licence to occupy	$253.00 per annum

Pensioner Units

	Price (inc GST)
Single Bed Unit	$145.00 per week
Double Bed Unit	$185.00 per week
Two Bedroom Units (1 x double + 1 guest room)	$220.00 per week

Resource Management Fees

All resource management fees are based on actual processing time, and are the ***minimum*** payable, subject to additional actual costs. "Additional actual costs" includes photocopying and postage, additional processing time above the base fee, and consultant or external contractor charges, legal advice, etc. Fees are payable on application for consent, and an invoice may be issued for any additional actual costs where these are higher than the fee paid.

	Price (including GST)	Fee Type
Land Use Consents		
Boundary Activity (s87BA of the RMA)	$355.00	
Non-Notified Land Use Base Fee 1. Less than 20% breach of bulk and location standards of the District Plan for the following rules: - Internal boundary - Road setback - Recession plane - Site Coverage, Height, Density 2. Breach of one District Plan rule (Bulk or Siting) 3. Earthworks within an archaeological area/site	$1,073.00	Minimum
Breach of two or more District Plan rules (Bulk or Siting)	$1,305.00	Minimum
Breach of rules design standards, natural hazards (excluding flooding), sig nificant or outstanding landscapes	$1,920.00	Minimum
Visitor accommodation (less than 5 guests	$880.00	Minimum
Visitor accommodation (5 guests or more	$1,183.00	Minimum
Relocated buildings	$1,450.00	Minimum
Building in a flood hazard area (with a flood certificate)	$412.50	Flat fee
Building in a flood hazard area (without a flood certificate)	$1,450.00	Minimum
Earthworks within a flood hazard area	$1,383.00	Minimum
Temporary activities	$490.00	Minimum
Land use consent lodged concurrently with a subdivision	$600.00	Flat fee
All other Non- Notified Land Use Consent Applications not listed above – Base Fee	$2,100.00	Minimum
Notified consent (any application) – add to non-notified consent fee	$1,660.00	Minimum
If an application requires a hearing	An additional base fee of $6,250.00 plus costs	Minimum
Subdivision Consents		
To stage an existing subdivision consent	$990.00	Per Stage
Boundary adjustment (2-lot subdivision with no new services)	$1,145.00	Minimum
Non-notified subdivisions:		

2 lot	$2,640.00	Minimum
3-4 lots	$3,105.00	Minimum
5-10 lots	$4,140.00	Minimum
11-20 lots	$6,000.00	Minimum
20 or more lots	$7,500.00	Minimum
Notified subdivisions:		
2 lot	$4,255.00	Minimum
3-4 lots	$4,720.00	Minimum
5-10 lots	$5,755.00	Minimum
11-20 lots	$7,600.00	Minimum
20 or more lots	$9,100.00	Minimum
Hearing is required – add to consent fee	$6,250.00	Minimum
Other fees (both notified and non-notified):		
Variation of consent conditions - non-notified	$785.00	Flat Fee
Variation of consent conditions - notified	$2,070.00	Flat Fee
Extension of timeframe	$785.00	Flat Fee
Existing use rights (section 139 RMA)	$1,070.00	Flat Fee
Certificate of compliance (section 139 RMA)	$1,070.00	Flat Fee
Hearings/Committee Meetings – both notified and non-notified applications	Refer to hourly fees by Officer. Hourly fees will be charged per hour after first ½ hour, plus Commissioner (if required) at actual cost.	
Submitter request to Council for independent Commissioner under section 100A(2)	Base fee $2,200.00 plus additional actual costs	Minimum
Application for variation of consent conditions (including change of consent notices for non-notified consents)	$785.00	Minimum
Application for extension of consent timeframe (including change of consent notices for notified consents)	$2,070.00	Minimum
Application for extension of consent timeframe	$785.00	Minimum
Application for existing use rights	$1,070.00	Minimum
Certificate of Compliance (section 139 RMA)	$1,070.00	Minimum
District Plan Changes & Designations		
Plan Change	$20,000.00	Minimum
Requirement for Designations or Heritage Orders – Non notified	$2,160.00	Minimum
Requirement for Designations or Heritage Orders – Notified	$3,760.00	Minimum
Alteration of Designation – non-notified	$2,160.00	Minimum
Alteration of Designation – notified	$3,760.00	Minimum
Assessment of Outline Plan (s176A RMA)	$825.00	Minimum
Waiver of Outline Plan	$310.00	Minimum
Breach of District Plan rule for heritage buildings	$683.00	Minimum
Removal of Designation (s182 RMA)	$1,150.00	Minimum

Miscellaneous Charges		
Consultation of more than 60 minutes regarding interpretation of District Plan	Base fee $60.00 plus fee at the hourly rate of the processing officer	Minimum
Cancellation of Building Line Restriction	$410.00	Flat fee
Cancellation of Easements	$410.00	Flat fee
Certified Resolution	$410.00	Flat fee
Right of Way Approval	$770.00	Flat fee
Completion Certificate	$500.00	Flat fee
Withdrawal of Caveat	$410.00	Flat fee
Creation/Variation or Waiver of Esplanade Strips and Reserves	$410.00	Flat fee
Approval of survey plans (s223 RMA)	$291.50	Minimum
Deposit of survey plans (s224 RMA)	$291.50	Minimum
Certificate Under s226 of the RMA	$715.00	Flat Fee
Section 124, 125, 126, 127, 221 non-notified	Actual costs	
Section 127, 128 notified	$1,073.00	Minimum
Minimum fee if not specified above	$410.00	Minimum
Request for information / require documentation	$216.00	Flat Fee
Hearing cancellation fee	$1,140.00	Flat Fee
Road naming fee	$280.00	Flat Fee
Bond administration fee	$150.00	Flat Fee
Certificate under Overseas Investment Act	$550.00	Flat Fee
Consent Monitoring		
Resource consent monitoring	$180.00	Per hour
Monitoring permitted activities where non-compliance identified	$180.00	Per hour
Investigations (once non-compliance identified)	$180.00	Per hour
Reports and Plans		
Kaikōura District Plan (Full Printed Copy)	$190.00	
Kaikōura District Plan (Printed Maps Only)	$50.00	
Kaikōura District Plan (Digital)	$60.00	

Venue and Equipment Hire

Memorial Hall hires are subject to an additional charge for metered use of heater. Terms and conditions apply to hire of the hall and all equipment hire. Bonds are refunded less cost of power and/or cleaning, once the venue has been inspected and found to be in acceptable condition.

Memorial Hall	**Half Day**	**Whole Day**	**Bond**
Supper Room only (hire fee includes chairs & tables)	$50.00	$100.00	$200.00

Supper Room, Projector & Screen Package	$150.00	$200.00	$400.00
Supper Room bond for function serving alcohol			$400.00
Main Hall only (hire fee includes chairs & tables)	$150.00	$300.00	$200.00
Main Hall & sound equipment (PACKAGE TWO)	$200.00	$350.00	$400.00
Main Hall & Microphone Only (PACKAGE THREE)	$250.00	$400.00	$500.00
Main Hall & Projector & Screen (PACKAGE FOUR)	$300.00	$450.00	$500.00
Main Hall & Projector, Screen & Microphone (PACKAGE FIVE)	$350.00	$500.00	$500.00
Main Hall & Projector, Screen & Wireless Headset (PACKAGE SIX)	$450.00	$600.00	$600.00
Main Hall bond for function serving alcohol			$600.00
Upstairs meeting room (includes two trestle tables)	$30.00	$60.00	-
Downstairs meeting room	$20.00	$40.00	-
Additional equipment		**Hire Fee**	**Bond**
Extra handheld microphone & stand		$50.00	-
Extra wireless headset microphone		$100.00	-
Civic Centre		**Hourly**	**Bond**
Totara Room (1st Floor)		$40.00	-
Tawa Room (Top Floor)		$20.00	-
Matariki Room (Library 1st Floor)		$20.00	
Equipment available for external hire	**Half Day**	**Whole Day**	**Bond**
Portable projector screen	$60.00	$120.00	$100.00
Portable data projector	$20.00	$40.00	$40.00
Chairs (per chair per day)		$1.00	$50.00
Trestle tables (per table per day)		$5.00	$50.00

Water services fees

Fee/charge	Price (including GST)	
Water unit charges Applies to purchase of new units of water. These charges are in addition to service approval fees and development contributions (if any).	Fernleigh Kincaid Peketa Suburban East Coast	\$1,150.00 \$1,150.00 \$1,150.00 \$1,374.25 \$1,150.00
Service Approval fees Apply to each of water, wastewater, and stormwater services	\$270.00	Per service
Change in restrictor size Applies to either an increase or a reduction in the size of restrictor	All supplies	\$125.00
Physical works All costs associated with connection, shifting location, or other physical work related to water supply such as pipes, toby, restrictor, backflow preventer, meter, and any other components	Actual costs of plant, labour and materials.	
Meter reading fee (extra) Applies to any meter reading required to be taken outside the usual meter reading schedule (such as a final meter reading)	All supplies	\$75.00

Report to:	**Council**
Date:	25 June 2025
Subject:	Innovative Waste Kaikōura Ltd - Statement of Intent 2025/2026 - 2027/2028
Prepared by:	P Kearney – Senior Manager Corporate Services
Input sought from:	J Remihana – GM Innovative Waste
Authorised by:	W Doughty - Chief Executive Officer

1. PURPOSE

The purpose of this report is to present the Innovative Waste Kaikōura (IWK) Statement of Intent (SOI) for 2025/2028.

Attachment: Innovative Waste Kaikōura Ltd Statement of Intent 2025/2028

2. RECOMMENDATION

It is recommended that the Council:

a) Receives the Innovative Waste Kaikōura Ltd. Statement of Intent 2025/2028 (subject to no change from the IWK board meeting on 26th June 2025).

3. SUMMARY

In February 2025 Council provided its Letter of Expectation to IWK following feedback from Council workshops and also the Council meeting in February. The Letter of Expectation set out high level shared priorities and specific areas of focus for IWK from a Council perspective with specific call outs for consideration of the environment. The draft Statement of Intent was then prepared by IWK outlining the scope of the activities to be undertaken, performance targets and other measures by which the performance of the company may be judged in relation to its objectives, amongst other requirements which was then shared to the Council in April 2025. Per Schedule 8 Part 1 Section 2 of the Local Government Act 2002 (the Act) the Council has until 1 May to provide feedback on the Draft, with the final to be provided by IWK no later than 30 June, or commencement of the financial year, as per Schedule 8 Part 1 Section 3.

The Council was broadly satisfied with the draft SOI as presented in April 2025 other than the request to see public tours of the Resource Recycling Centre (RRC) put in place as part of the objectives. IWK have taken on board the feedback and SOI presented today is considered final subject to the IWK board approving this on the 26th June 2025. The inclusion of the tours to the RRC can be seen on page 10 of the SOI attached to this report.

4. FINANCIAL IMPLICATIONS AND RISKS

There are no significant financial implications or risks from receiving the Statement of Intent. It should be noted, however, that in relation to process and due to timing of meetings, Council will be receiving the SOI prior to the IWK board officially approving (IWK board meeting will be on the 26th of June). IWK management have, however, provided confirmation that, given the boards involvement in developing the updated SOI, no changes are expected.

5. SIGNIFICANCE OF DECISION

This decision is not considered significant in terms of Council's Significance and Engagement Policy.

6. RELEVANT LEGISLATION

The Local Government Act 2002 states that a local authority should ensure prudent stewardship and the efficient and effective use of its resources in the interests of its district or region.

7. COMMUNITY VIEWS

No community views were sought in relation to this report

8. COMMUNITY OUTCOMES SUPPORTED

The work is in support of all community outcomes.

Community
We communicate, engage 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

Innovative Waste Kaikōura Ltd
Statement of Intent
2025/26 – 2027/28

Contents

1. Introduction

This Statement of Intent (SOI) is prepared in accordance with Section 64(1) of the Local Government Act 2002 (LGA).

The SOI specifies for Innovative Waste Limited (IWK), the objectives, the nature and scope of the activities to be undertaken, and the performance targets and other measures by which the performance of the company may be judged in relation to its objectives, amongst other requirements.

The process of negotiation and determination of an acceptable SOI is a public and legally required expression of the accountability relationship between the company and its Shareholder, the Kaikōura District Council (KDC).

IWK is contracted to manage and operate the Kaikōura Resource Recovery Centre and 3 Waters operations and maintenance activities. This includes:

- The Materials Recovery Facility (MRF) which processes, Glass, Plastics, and Metals and sells the output product commercially, to external parties, from recyclable materials collected from the wider Kaikōura District.
- The Recycling and Refuse Drop off area is open to the public along with commercial customers for the disposal of most household waste and commercial general waste and domestic recycling.
- Management of the Transfer Station facility.
- The re-use retail store which sells all types of previously-owned goods are collected from members of the public, carefully sorted, priced and then sold to the Kaikōura public.
- Operating and maintaining 7 Water schemes (Oaro, Ocean Ridge, Peketa, Urban, Fernleigh, Kincaid and East Coast)
- Operating and maintaining the Waste Water Treatment Plant and the Wastewater Reticulation network
- Undertaking maintenance activities on the stormwater network

IWK also provides the following services to KDC under contract:

- Kerbside Collection of recycling & rubbish to the Kaikōura township, South Bay and Ocean Ridge
- Rural recycling collection (Lynton Downs, Clarence & Kekerengu)
- Public Amenities cleaning and maintenance

IWK provides the following services to the wider Kaikōura District:

- Skip Hire service
- Business waste & recycling services
- Event Waste management

The SOI is reviewed annually with the Shareholder and covers a three-year period. Innovative Waste Kaikōura Ltd is a Council-Controlled Organisation (CCO) for purposes of the Local Government Act 2002.

2. Contact Details

Address and Registered office

82 Scarborough Street
KAIKŌURA 7300

Board of Directors

Glen Hughes (Chair)
Diane Brandish
Craig Mackle
Jacquie Boer
Daniel Yallop

General Manager

Jacki Remihana

Telephone

03 319 7148

Web

www.iwk.org.nz

Email

iwk@iwk.org.nz

3. Objectives

Our aspiration is to contribute to a thriving, sustainable future for Kaikōura, where we minimise waste, enhance our environment and empower individuals through education and awareness to protect and preserve our community for generations to come.

The objectives of IWK are:

- **Deliver excellent services**
    - Develop and agree levels of service with KDC
    - Regularly survey and report stakeholder satisfaction levels
    - Constantly seek areas for improved service delivery
- **Educate the community**
    - Promote and encourage waste minimization
    - Establish partnerships with schools
    - Establish partnerships with community groups for upcycling/recycling
- **Be a good employer**
    - Pay the living wage
    - Provide training and development opportunities
    - Provide local apprenticeships/cadetships where possible
- **Be innovative**
    - Partnership based contracts with KDC
    - Seek innovative ways to enhance services, including waste minimisation innovations that contribute to improved diversion performance
    - Seek alternative revenue opportunities and/or cost savings
- **Consider expansion and diversification within the district**
    - Assess alternative opportunities that are sympathetic with current operations and beneficial to KDC and the community.

Reporting to the Shareholder will include progress on the above objectives on a quarterly basis.

4. Nature and Scope of Activities

IWK is a Council-Controlled Organisation (CCO) for the purposes of the Local Government Act 2002 and the Companies Act 1993, operating for charitable purposes and specifically for the promotion, development and implementation of environmentally sound waste management processes and practices in New Zealand.

IWK's current area of operation is in the upper South Island.

IWK's function is the provision of solid waste management services, resource recovery, 3 water operations and maintenance, amenity servicing and environmental enhancement services.

5. Governance

IWK has a Board of directors in place. This board is appointed by the Shareholder. IWK's Board of Directors are responsible for the corporate governance of the company. The Board and management are committed to ensuring the company operates to the recognised principles of best practice governance and adheres to high ethical standards and in alignment with the IWK Constitution.

This Statement presents an overview of the main corporate governance policies of the company.

Role and Responsibility of the Board of Directors

IWK's Board of Directors is appointed by the shareholder, and is responsible for the direction and control of the company's activities.

The primary function of the Board is to ensure that the company meets its objectives and requirements as listed in the SOI and in accordance with an annual Letter of Expectation received from the Shareholder. Additionally, the Board has obligations under the Local Government Act 2002 to deliver an annual Statement of Intent and relevant half- yearly and annual reports to the Shareholder (and for publication as required by legislation).

All Directors endorse and are required to comply with the New Zealand Institute of Directors' Code of Proper Practice for Directors.

The board must make best endeavours to ensure:

1. The Company's financial position is protected to make sure that it is able to meet all debts and obligations.
2. The company's financial statements are a true and fair representation and otherwise conform to law.
3. The company has appropriate risk management in place.

Conflict of Interest

The Board is conscious of its obligations to ensure that Directors avoid conflicts of interest (both real and apparent) between the company and their interests. Where conflicts do exist, then the Director/s concerned must disclose their interest, and participation will be as per the Conflict-of-Interest action plan.

The Board maintains a Board and Management Interests Register and reviews this register quarterly at a board meeting.

The Board is to prepare a succession and rotation plan for all Directors to ensure continuity and continued fit of skillset to meet the nature of the services required including waste management.

Board Composition

The Board will consist of a minimum of 4 directors. With prior Shareholder approval, the Board may appoint one full time executive as a Director of the company.

Currently all members of the Board are non-executive Directors.

The Shareholder has the right to appoint a Chairperson and if it considers appropriate, a Deputy Chairperson for such periods as it sees fit. If the Shareholder does not exercise that right, then the Board may elect their own Chairperson or Deputy Chairperson.

The Board supports the separation of the role of Chairperson and General Manager. The Chairperson's role is to manage and provide leadership to the Board and to facilitate the Board's interface with the General Manager.

The Board has delegated to the General Manager the day-to-day leadership and management of the company. The General Manager has formally delegated certain authorities to direct reports and has established a formal delegated authority framework for those direct reports to sub-delegate as appropriate.

The company may also make use of external advisors from time to time.

The Board is responsible for reviewing the company's accounting policies, reporting practices and resultant financial statements. It also considers external audit reports; audit relationship matters and fees as well as delegated authorities.

Board Meetings
Each year there are a minimum of 6 scheduled meetings of the Board, the Board also meets as required between the scheduled meetings.

Director Induction and Education
Upon appointment to the Board, all new Directors will undergo a tailored induction programme appropriate to their experience to familiarise them with IWK's business and strategy. The programme includes one-on-one meetings with management and visits to facilities managed by the company.

Directors are expected to keep themselves informed of changes and trends in the company's business and in the environment and markets in which the company operates.

All Directors will undertake continuous education so that they may appropriately and effectively perform their duties.

Board Performance Review
The Board reviews its own performance and the performance of the General Manager. The process includes one-on-one meetings between the Chairperson and each Director, as well as regular Board discussion on governance and performance issues.

General Manager Performance Review
The Board reviews the performance of the General Manager against their key performance objectives at least once a year.

Controlling and Managing Risk
Health and Safety – The Board oversees company health and safety protection policies and hazard assessments and regularly monitor their performance. The General Manager provides a report and supporting data at each Board meeting to the Board to review.

Risk Management - The company has developed a formal risk management framework which identifies the key risks and outlines the appropriate risk management and mitigation plans. The risk management framework is reported to and reviewed by the Board. Mitigation plans are controlled and administered by Management.

Performance – The Board sets the strategic direction of the company and participates in developing strategic plans, approves budgets and monitors company performance monthly.

Insurance – The Board satisfies itself that adequate insurance cover is in place for the company's size and risk profile. External advice is received by the Board as appropriate.

6. Performance Targets

Financial Performance Targets

The financial performance targets for the company are as follows (based on status quo of delivered services):

	2025/26	2026/27	2027/28
Revenue	2,797,035	2,851,926	2,892,088
Net Profit Before Tax	63,799	60,700	66,167
Return on Equity	9%	8%	8%
Equity	730,091	790,791	856,958
Fixed Asset turnover	3.6	4.2	5.0
Liquidity ratio (excl Holiday pay accrual)	1.5	2.0	2.4
Wages as % of Revenue	41%	41%	41%
R & M as a % of Revenue	1%	1%	1%

Operational Performance Targets

In addition to the above financial performance measures, IWK will use the following measures to assess its performance of the 2025/26 financial year. These measures also correlate to the specific areas of focus as directed by the Shareholders Letter of Expectation.

Performance Targets	LoE Focus Area	Performance Measure 2024/25
Client Satisfaction	Client satisfaction and service	98% of all urgent callouts, applicable to the contract are responded to within one hour (wastewater) or two hours (water) from the time of the notification to the time that service personnel attend the site. 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. Compliance with KDC contractual requirements, including provision of all information required by KDC to enable assessment of its adopted performance measures in respect of public complaints and responsiveness for the three-waters (as per Appendix Two) and solid waste activities supported by IWK. Service requests received about recycling collections is less than 20 per year. Obtaining an unqualified audit opinion
Service Performance	Client satisfaction and service	Zero abatement notices or infringements issued to KDC for non-compliance with resource consent conditions. The number of complaints received per year due to a service request not being actioned appropriately is less than 10. The Annual Residents Survey, undertaken by KDC, shows a continuous improvement result for the Resource Recovery Centre (73% for the 2023/24 year)
Health and Safety	Organisational culture	5% reduction in TRIF (Total Recordable Incident Frequency) accident rates LTIFR (LTI per 200,000 hours worked) <6 Near Miss Reporting Rate (# NM/Total Hours worked) x 1000 (score of 2.0 or better) % of RRC Staff completed competency training (75% target) Staff Survey – IWK has a safe work environment (score of 4.0 or better)
Staff Engagement	Staff wellbeing	Engagement score of 4.0 or better Communication score of 4.0 or better Culture score of 4.0 or better

Education activities	Supporting the delivery of the KDC WMMP	24 Social media posts 6 Hard media adverts Invite schools to visit IWK on an annual basis 3 Public tours of the RRC
Diversion from Landfill	Service performance	55% or higher (as per Ministry for Environment methodology)

7. Financial Statements 2025/26, 2026/27 & 2027/28

The prospective financial statements for the years ending 30 June 2026, 2027 and 2028 are attached as Appendix One and include any significant assumption disclosures.

8. Accounting Policies

IWK has adopted accounting policies that are consistent with New Zealand International Financial Reporting Standards, generally accepted accounting practice and the policies adopted by the KDC.

The company's current Accounting Policies are attached to this Statement of Intent as Appendix One.

9. Distributions

IWK will consider a dividend to the shareholder, the Kaikōura District Council, from residual cash after operating cash flow is applied to necessary capital expenditure, including future capital expenditure initiatives, finance costs, the reduction of debt and maintaining reserves sufficient to meet the company's future obligations. IWK recognises that some of its revenues are susceptible to commodity price fluctuations. For this reason, the directors consider it prudent for the company to maintain cash reserves and/or borrowing capacity to ensure the company can withstand unfavourable short- term movements. The dividends payable to the shareholder, will be determined by the IWK Board after consideration of the company's funding requirements and the requirement to meet the solvency test under the provisions of the Companies Act 1993.

10. Information to be provided to the Shareholder

An annual report will be submitted to the Shareholders. The annual report will include audited financial statements and such other details as are necessary to permit an informed assessment of the company's performance and financial position during the reporting period provided to the Shareholder.

Quarterly reports will also be provided to the Shareholder. These reports will contain unaudited information and comply with NZ IAS 34.

Annual reports will provide a comparison of the performance of the IWK with the statement of intent; and an explanation of any material variances between that performance and the statement of intent.

The statement of intent will be submitted to the Shareholder for consultation annually, as required by the Local Government Act 2002. The Directors will include any other information they consider appropriate.

The Board and the Company will collaborate with the Shareholder in relation to the Government's proposed three-waters reforms.

The company will operate on a "no surprises" basis in respect of significant Shareholder- related matters, to the extent possible in the context of commercial sensitivity and confidentiality obligations.

The company will provide information requested by the Shareholder in accordance with the requirements of the Local Government Act 2002.

11. Acquisition and Divestment Policy

The subscription or acquisition of securities in any company or organisation, or a divestment of part of the existing business, will only be considered where it is consistent with the long-term objectives of IWK.

When the subscription, acquisition or divestment is considered by Directors to be significant to the company's business operations, it will be subject to consultation with the Shareholder. Any significant investment or acquisition is subject to a post investment review.

Appendix One
Prospective Financial Statements

Introduction
Innovative Waste Kaikoura Limited's (IWK) Statement of Intent covers the period 1 July 2025 to 30 June 2028. The financial information contained in the Statement of Intent has been prepared to assist the Shareholder to consider IWK's planned performance and is not appropriate for any other purpose.

The prospective financial statements are based on assumptions as to future events that IWK may reasonably expect to occur at the time when this information was prepared. Actual results may vary, and this variation may be material.

Factors that may impact results
Results may vary due to circumstances that IWK are unable to predict at this time and may include the current government's revised legislation in relation to 3 Waters activities, capital works that have been budgeted for to be undertaken by IWK not being awarded to IWK, contract rate/gate fee increases not being accepted by the Council, a substantial difference in general waste being received by the Resource Recovery Centre.

Assumptions
The following assumptions have been made whilst preparing the prospective financial statements (the Statements). These assumptions are based on IWK's most recent management reports and existing council and private contracts, while allowing for anticipated rate increases.

<u>Revenue</u>

Public Amenities is based on the current contract rate.

Blue rubbish bag sales with a slight projected increase as more of the community come on board with the service.

Resource Recovery Centre – the budget has been compiled for general and greenwaste based on current tonnages and gate fees, with slight increases on tonnage over the subsequent years

3 Waters is based on contract amounts and contract provisions as well as proposed Capex works (KDC) and with an increase in subsequent years. We have taken a conservative approach with the private contract work.

<u>Expenditure</u>

Direct Labour - costs are based on actual staffing required to run the various activities. Salary rates include an allowance for a 3% wage increase year on year and the continued objective of achieving the living wage.

Direct Costs - include Cost of Goods, Subcontractors, General Waste attributed costs (compactor hire, transport of waste, glass transport, fuel and materials) and costs directly attributed to contracts.

Staff costs – include all staff expenses, training, and administration costs, along with admin and management wages. These include a 3% year on year increase.

Operating expenses - include the remaining business expenses such as the general waste rebate to KDC (on 1550 tonnes of general waste @ $100 per tonne), health and safety equipment and PPE requirements, attendance at the WasteMinz conference, Sponsorship of community events and Utilities expenses. While these are based on previous years actuals they have been adjusted for changes in activities or timing, and with a general uplift of between 3%-5% depending on the nature of the expense.

Finance costs – costs for Insurance finance, Interest payments to KDC and our Capex expenditure proposed budget.

Depreciation – increased based on Capex budget.

Accounting Fees – these have a nominal small increase in year one and then static for the following years.

Audit Fees – based on the agreed Audit Fee letter and remaining static for the following two years.

INNOVATIVE WASTE KAIKOURA LIMITED
Prospective Statement of Revenue & Expenses
for the year ended 30 June 2026, 2027 and 2028

	BUDGET		
	FY 2026	**FY 2027**	**FY 2028**
REVENUE			
Public Amenities	$ 192,000	$ 195,840	$ 199,757
Rubbish Bags	$ 35,000	$ 35,700	$ 36,414
Resource Recovery Centre	$ 1,504,675	$ 1,528,726	$ 1,547,531
3 Waters	$ 1,065,000	$ 1,091,300	$ 1,108,026
Other Income	$ 360	$ 360	$ 360
Total Revenue	$ 2,797,035	$ 2,851,926	$ 2,892,088
DIRECT COSTS			
Direct Labour	$ 902,600	$ 916,139	$ 929,881
Direct Costs	$ 982,944	$ 997,688	$ 1,012,653
Total Direct Costs	$ 1,885,544	$ 1,913,827	$ 1,942,534
GROSS PROFIT	$ 911,491	$ 938,099	$ 949,554
	33%	33%	33%
EXPENDITURE			
Staff Costs	$ 275,900	$ 284,889	$ 288,936
Operating Expenses	$ 356,164	$ 365,829	$ 366,582
Finance Costs	$ 6,488	$ 5,481	$ 4,469
Depreciation	$ 122,640	$ 133,200	$ 133,400
Professional Fees - Accounting	$ 40,000	$ 40,000	$ 40,000
Professional Fees - Audit	$ 46,500	$ 48,000	$ 50,000
Total Expenditure	$ 847,692	$ 877,399	$ 883,387
Operating Surplus/(Deficit) before Tax	**$ 63,799**	**$ 60,700**	**$ 66,167**
Income Tax	$ -	$ -	$ -
Total Comprehensive Surplus/(Deficit) after Tax	**$ 63,799**	**$ 60,700**	**$ 66,167**

These Prospective Financial Statements are to be read in conjunction with the Notes to the Prospective Financial Statements.

INNOVATIVE WASTE KAIKOURA LIMITED
Prospective Statement of Changes in Net Assets/Equity
for the year ended 30 June 2026, 2027 and 2028

	BUDGET		
	FY 2026	**FY 2027**	**FY 2028**
EQUITY AT START OF YEAR			
Opening Balance*	$ 666,292	$ 730,091	$ 790,791
Total Comprehensive Surplus/(Deficit) after Tax	$ 63,799	$ 60,700	$ 66,167
EQUITY AT END OF YEAR	$ 730,091	$ 790,791	$ 856,958

**Opening Balance is based on the 2025 Forecast Budget*

These Prospective Financial Statements are to be read in conjunction with the Notes to the Prospective Financial Statements.

INNOVATIVE WASTE KAIKOURA LIMITED
Prospective Statement of Financial Position
as at 30 June 2026, 2027 and 2028

	BUDGET		
	FY 2026	**FY 2027**	**FY 2028**
ASSETS			
Current Assets			
Cash & Cash Equivalents	$ 199,110	$ 335,486	$ 483,744
Debtors & Other Receivables	$ 228,837	$ 232,662	$ 235,171
Work in Progress	$ 18,144	$ 18,144	$ 18,144
Income Tax			
Total Current Assets	**$ 446,091**	**$ 586,292**	**$ 737,059**
Non Current Assets			
Property, Plant & Equipment	$ 742,949	$ 629,749	$ 516,349
Deferred Tax Asset	$ -5,641	$ -5,641	$ -5,641
Total Non Current Assets	**$ 737,308**	**$ 624,108**	**$ 510,708**
TOTAL ASSETS	**$ 1,183,399**	**$ 1,210,400**	**$ 1,247,767**
LIABILITIES			
Current Liabilities			
Trade & Payables	$ 162,397	$ 165,409	$ 167,147
Employee Benefit Liabilities	$ 147,636	$ 147,993	$ 148,356
Income Tax	$ -	$ -	$ -
GST	$ 27,328	$ 30,880	$ 30,892
Current Loans	$ 40,620	$ 36,041	$ 44,414
Total Current Liabilities	**$ 377,981**	**$ 380,323**	**$ 390,809**
Term Liabilities			
Deferred Tax Liability	$ -	$ -	$ -
Loans	$ 75,327	$ 39,286	$ -
Total Term Liabilities	**$ 75,327**	**$ 39,286**	**$ -**
TOTAL LIABILITIES	**$ 453,308**	**$ 419,609**	**$ 390,809**
NET ASSETS	**$ 730,091**	**$ 790,791**	**$ 856,958**
EQUITY			
Share Capital	$ 100	$ 100	$ 100
Retained Earnings	$ 729,991	$ 790,691	$ 856,858
TOTAL EQUITY	**$ 730,091**	**$ 790,791**	**$ 856,958**

These Prospective Financial Statements are to be read in conjunction with the Notes to the Prospective Financial Statements.

INNOVATIVE WASTE KAIKOURA LIMITED
Prospective Statement of Cash Flows
for the year ended 30 June 2026, 2027 and 2028

	BUDGET		
	FY 2026	**FY 2027**	**FY 2028**
CASH FLOWS FROM OPERATIONS			
Cash Provided From			
Receipts from Customers	$ 3,199,146	$ 3,257,116	$ 3,304,251
Interest Received	$ 360	$ 360	$ 360
Total Cash Provided From	**$ 3,199,506**	**$ 3,257,476**	**$ 3,304,611**
Cash Applied To			
Payments to Suppliers & Employees	$ 2,819,641	$ 2,872,488	$ 2,911,971
Interest Paid	$ 7,461	$ 6,303	$ 5,139
Net GST	$ 177,368	$ 178,689	$ 185,330
Income Tax Paid	$ -	$ -	$ -
Total Cash Applied To	**$ 3,004,470**	**$ 3,057,480**	**$ 3,102,440**
TOTAL CASH FLOWS FROM OPERATIONS	**$ 195,036**	**$ 199,996**	**$ 202,171**
CASH FLOWS FROM INVESTING			
Cash Provided From			
Receipts from Sale of Property, Plant & Equipment	$ -	$ -	$ -
Total Cash Provided From	**$ -**	**$ -**	**$ -**
Cash Applied To			
Payments to Acquire Property, Plant & Equipment	$ 69,000	$ 23,000	$ 23,000
Total Cash Applied To	**$ 69,000**	**$ 23,000**	**$ 23,000**
TOTAL CASH FLOWS FROM INVESTING	**$ -69,000**	**$ -23,000**	**$ -23,000**
CASH FLOWS FROM FINANCING			
Cash Provided From			
Proceeds from Loans from Other Parties	$ -	$ -	$ -
Total Cash Provided From	**$ -**	**$ -**	**$ -**
Cash Applied To			
Repayments of Loans from Other Parties	$ 55,389	$ 40,620	$ 30,913
Total Cash Applied To	**$ 55,389**	**$ 40,620**	**$ 30,913**
TOTAL CASH FLOWS FROM FINANCING	**$ -55,389**	**$ -40,620**	**$ -30,913**
NET INCREASE/(DECREASE) IN CASH	**$ 70,647**	**$ 136,376**	**$ 148,258**
CASH BALANCES			
Cash & Cash Equivalents at Beginning of Period	$ 128,463	$ 199,110	$ 335,486
Cash & Cash Equivalents at End of Period	$ 199,110	$ 335,486	$ 483,744
NET CHANGE IN CASH FOR PERIOD	**$ 70,647**	**$ 136,376**	**$ 148,258**

These Prospective Financial Statements are to be read in conjunction with the Notes to the Prospective Financial Statements.

Notes to the Prospective Financial Statements

Statement of Accounting Policies

Reporting Entity

Innovative Waste Kaikoura Limited (“the Company”) is a company incorporated in New Zealand registered under the Companies Act 1993. The company is wholly owned by Kaikoura Enhancement Trust, a subsidiary of Kaikoura District Council, therefore the company is a council controlled organisation as defined in section 6 of the Local Government Act 2002.

Innovative Waste Kaikoura Limited is engaged in the business of operation of Kaikoura resource recovery centre & landfill. The company secured a three year contract in July 2020 (with rights of renewal) to provide contractual maintenance services in Kaikoura to the Council for the storm water, wastewater and water supply.

The financial statements have been prepared in accordance with NZ PBE IPSAS Tier 2 RDR accounting standards. They comply with New Zealand generally accepted accounting practices (NZ GAAP). The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of the company is New Zealand dollars.

Statement of Compliance

Measurement Base

The financial statements of Innovative Waste Kaikoura Limited have been prepared on an historical cost basis, except as noted otherwise below. The statements have been prepared on the going concern basis and the accounting policies have been applied consistently throughout the period.

Statement of Accounting Policies

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Significant Accounting Policies

In the preparation of these financial statements, the specific accounting policies are as follows:

Revenue

Revenue is measured at the fair value of consideration received.

Grants

Council, government and non-government grants are recognised as revenue when they become receivable unless there is an obligation 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.

Other Revenue

Products held for sale are recognised when a product is sold to the customer. Sales are usually in cash or by credit card. The recorded revenue is the gross amount of the sale, including credit card fees payable for the transaction. Such fees are included in gate expenses.

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

Volunteer services received are not recognised as revenue or expenditure as the company is unable to reliably measure the fair value of the services received.

Interest income is recognised using the effective interest method.

Property, Plant & Equipment

The entity has the following classes of Property, Plant & Equipment. Depreciation is calculated using the straight line basis, apart from site development, to allocate their cost over their useful life. The following rates have been used:

Asset type	2025 (%)
Buildings	2.0% - 22.65% SL
Motor vehicles	6.5% - 13.5% SL
Office equipment	6.5% - 67.0% SL
Plant & equipment	4.0% - 33.0% SL

All property & equipment is stated at cost less depreciation and impairment, except for land that is not depreciated.

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

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.

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

Impairment

Assets with a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the company would, if deprived of the asset, replace its remaining future economic benefits or service potential. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of an asset is reduced to its recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment is recognised in surplus or deficit.

Goods and Services Tax

These financial statements have been prepared on a GST exclusive basis with the exception of accounts receivable and accounts payable which are shown inclusive of GST. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net GST paid to, or received from the Inland Revenue, 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.

Income Tax

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax. Current tax is the amount of income tax payable based on the taxable surplus 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 substantively enacted by balance date.

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 surpluses will be available against which the deductible temporary differences or tax losses can be utilised.

Leases

Operating Leases

Operating leases are those which all the risks and benefits are substantially retained by the lessor. Operating lease payments are expensed in the periods the amounts are payable.

Lease incentives received are recognised in the surplus or deficit over the lease term as an integral part of the total lease expense.

Cash and Cash Equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less plus bank overdrafts. Bank overdrafts are shown on the balance sheet as current liabilities within short term borrowings.

Receivables

Trade and other receivables are recorded at their fair value less any provision for impairment.

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

Financial Assets

Financial assets are initially recognised at fair value on the trade date, which includes transaction costs when the contractual rights or obligations exist. After initial recognition, financial instruments are measured as set out below:

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition they are measured at amortised cost using the effective interest method.

Impairments

The company assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. Impairment losses are recognised in the surplus or deficit. Impairment is established when there is evidence that the company will not be able to collect amounts due according to the original terms.

De-recognition of Financial Instruments

The de-recognition of a financial instrument takes place when the company sells the instrument, or all cash flows attributable to the instrument are passed to an independent third party.

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of the expenditure expected using an appropriate discount rate.

Employee Entitlements

A liability for holiday pay entitlements is recognised in the balance sheet.

Where the payment is expected to be longer than 12 months of balance date, the liability is recorded at its present value. Where the payment is expected to be less than 12 months, the provision is the amount expected to be paid.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months.

Finance Costs

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

Creditors and Other Payables

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

Borrowings

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

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after balance date. Borrowings where the company has an unconditional right to defer settlement of the liability for at least 12 months after balance date are classified as non-current liabilities.

Public Benefit Entity Prospective Financial Statements (PBE FRS 42)

Innovative Waste Kaikoura Limited has complied with PBE FRS 42 in the preparation of these prospective financial statements. In accordance with PBE FRS 42, the following information is provided:

(i) Description of the nature of the entity's current operation and its principal activities
The Company is a Council Controlled Organisation, as defined in the Local Government Act 2002. The Company's principal activities are outlined within this Statement of Intent.

(ii) Purpose for which the prospective financial statements are prepared
It is a requirement of the Local Government Act 2002 to present prospective financial statements that cover 3 years and include them within the Statement of Intent. The purpose of the Statement of Intent is to state publicly the activities and intentions of The Company for the year and the objectives to which these activities will contribute. Prospective financial statements are revised annually to reflect updated assumptions and costs.

(iii) Bases for assumptions, risks and uncertainties
The financial information has been prepared on the basis of best estimate assumptions as the future events which the Company expects to take place. The Company has considered factors that may lead to a material difference between information in the prospective financial statements and actual results. These factors, and the assumptions made in relation to the sources of uncertainty and potential effect, are outlined within this Statement of Intent.

(iv) Cautionary Note
The financial information is prospective. Actual results are likely to vary from the information presented, and the variations may be material.

(iv) Other Disclosures
The draft prospective financial statements have been delivered to the Board on 27 June 2024. The Company is responsible for the prospective financial statements presented, including the assumptions underlying prospective financial statements and all other disclosures.

Appendix Two

IWK Responsibilities – Contributions to Reporting Against Non-Financial Performance Measures Rules 2013

(in accordance with section 261B of the Local Government Act 2002)

IWK shall have reporting responsibilities in respect of the *Fault Response Times* reporting requirements of section 3 of Sub-part 1 of Part 2, and section 3 of Sub-part 2 of Part 2 of the Rules as follows (in italics):

To record, in a spreadsheet provided and maintained by IWK, the dates and times at which IWK staff are notified, attend the site and confirm resolution of any and all matters in the categories described in these sections, that originate from the sources below:

1. ***KDC Customer Service Request (CSR) system.***

   For notifications received by IWK through Council's CSR system the notification dates and times for both IWK and KDC will be considered to be that at which the CSR is entered, saved and sent to IWK.

2. ***SCADA System.***

   The notification time will be that of the SCADA generated fault report.

3. ***Direct notification of IWK staff***

   Such notifications may come from the public or Council staff, by phone, email or any other means.

   Where a KDC staff member needs to directly notify an IWK staff member without going through the CSR system (for example if the KDC staff member becomes aware of an issue requiring attention outside of Council working hours) the KDC staff member shall do so immediately upon becoming aware of the issue, and hence the notification date and time for Council will also be considered to be the same as that recorded by IWK on receipt of the notification.

The recording responsibilities above shall only apply to matters that fall into the category of 'faults or unplanned interruptions', responses to which are clearly necessary to maintain the planned level of service. Requests for investigations or improvements that are not immediately required to maintain essential functionality, or complaints that do not relate to current well defined service faults or interruptions shall not fall into this category.

In regard to the customer satisfaction reporting requirements of section (4) of Sub-part 1 of Part 2, and section (4) of Sub-part 2 of Part 2 of the Rules, the responsibilities of IWK shall be as follows (in italics):

> *To ask any parties raising issues with IWK relating to the matters in these sections whether they are making a complaint regarding that matter, if they have not already made it clear that the nature of the issue raised is a complaint, rather than just a request for service.*
>
> *Where a party makes a complaint to IWK relating to any of the matters in these sections IWK shall provide details of the complaint in writing to Council's 3 Waters Engineer or advise the complainant to direct their complaint to the Engineer, so that Council can maintain a single register of all complaints received.*

All other responsibilities in respect of the reporting requirements of the Non-Financial Performance Measures Rules 2013 shall lie with Kaikōura District Council.

NON-FINANCIAL PERFORMANCE MEASURES RULES 2013

Pursuant to and in accordance with section 261B of the Local Government Act 2002, the Secretary for Local Government makes the following rules.

RULES

Part 1 – Measurement Period

Any calculation, measure, number or percentage set out in Part 2 of these Rules must be calculated for a financial year (unless otherwise specified in these Rules).

Part 2 – Performance Measures

Sub-part 1 - Water supply

(3) Performance measure 3 (fault response times)

Where the 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:

(a) attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site (target < 2 hours), and

(b) resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption (target < 12 hours).

(c) attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site (target < 48 hours), and

(d) resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption (target < 7 days).

(4) Performance measure 4 (customer satisfaction)

The total number of complaints received by the local authority about any of the following:

(a) drinking water clarity

(b) drinking water taste

(c) drinking water odour

(d) drinking water pressure or flow

(e) continuity of supply, and

(f) the local authority's response to any of these issues

expressed per 1000 connections to the local authority's networked reticulation system (target no more than 18 complaints in total per 1000 connections).

Sub-part 2 – Sewerage and the treatment and disposal of sewage

(3) Performance measure 3 (fault response times)

Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured:

(b) attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site (target < 1 hour), and

(c) resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault (target < 24 hours).

(4) Performance measure 4 (customer satisfaction)

The total number of complaints received by the territorial authority about any of the following:

(a) sewage odour

(b) sewerage system faults

(c) sewerage system blockages, and

(d) the territorial authority's response to issues with its sewerage system,

expressed per 1000 connections to the territorial authority's sewerage system (target less than 21 complaints about these issues in total per 1000 connections).

Sub-part 3 – Stormwater drainage

(1) Performance measure 1 (system adequacy)

(d) The number of flooding events that occur in a territorial authority district (target zero).

(e) For each flooding event, the number of habitable floors affected, expressed per 1000 properties connected to the territorial authority's stormwater system (target < 3).

(3) Performance measure 3 (response times)

The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site (target < 1 hour).

(4) Performance measure 4 (customer satisfaction)

The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system (target < 3).

Interpretation

In these rules, unless the context otherwise requires, -

drinking water has the same meaning as in section 69G of the Health Act 1956

drinking–water supply has the same meaning as in section 69G of the Health Act 1956

dry weather sewerage overflow *means sewage that escapes a territorial authority's sewerage system and enters the environment during periods of dry weather*

financial year means a period of 12 months ending on 30 June

flooding event means an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor

habitable floor means a floor of a building (including a basement) but does not include ancillary structures such as stand-alone garden sheds or garages

sewerage overflow *means sewage that escapes a territorial authority's sewerage system and enters the environment*

sewerage system means the pipes and infrastructure that collect, convey, pump and treat sewerage and other liquid wastes from the point of connection to a treatment facility, including single purpose or combined sewers

stormwater system means the pipes and infrastructure (excluding roads) that collect and manage rainwater run-off from the point of connection to the point of discharge

territorial authority means a city council or a district council named in Part 2 of Schedule 2 to the Local Government Act 2002

urgent means (for water) service failure, supply fault or contamination, and (for wastewater) sewage overflows.

Report to:	Council	File
Date:	25 June 2025	
Subject:	Wildlife Reserves - Kororā Safe Zones	
Prepared by:	J Thornton – LIM & Planning Admin Officer	
Input sought from:	Sabrina Luecht, J Prentice – Roading Engineer, M Russel – Facilities Manager, M Hoggard – Strategy, Policy & Planning Manager	
Authorised by:	M Hoggard – Strategy, Policy & Planning Manager	

1. SUMMARY

The Little Penguin (Eudyptula minor), or kororā, is the world's smallest penguin species. While internationally (Southern Australia and New Zealand) classified as "Least Concern" the Kaikōura population is experiencing serious decline, with fewer than 50 individuals remaining. This decline is primarily due to habitat loss from coastal development, predation by introduced species like dogs and rats, and human disturbances. Additionally, climate change impacts, such as reduced ocean productivity, exacerbate food scarcity, leading to high mortality rates. Immediate conservation actions are essential to prevent local extinction and ensure the survival of this unique species in the region.

This report seeks to facilitate action and maintain ongoing conservation efforts at various sites across the peninsula to support the protection of the Kororā (little penguin) population. These nesting areas include fencing, nesting boxes, trapping, minimal signage, and native planting.

The project carries no financial or long-term implications for Council; this document simply provides formal support for a community-led initiative taking place on land under Council authority.

2. RECOMMENDATION

It is recommended that the Council:

a) Receive the report

b) Approve the retention and implementation of the three proposed Penguin Nesting Areas on the Kaikoura Peninsula.

3. BACKGROUND

He korora, he tohu orange - the little penguin is the sign of life.

Little penguins (Eudyptula minor) are seen under the International Union for Conservation of Nature (IUCN) with a conservation status of Least Concerns, despite this Little penguins/kororā in Kaikōura are in serious trouble. With less than 50 individuals remaining in the district, local extinction in the near term is likely if increased protection measures are not implemented. Kaikōura's remnant colony is collapsing and urgently requires increased protection. Individual breeding pairs persist under man-made structures at limited sites around the Kaikōura Peninsula.

The population is limited to just 12 pairs in South Bay, and 10 pairs on the northern side of the peninsula. High mortality rates from starvation in relation to decreased ocean productivity (e.g. climate change and overfishing); in conjunction with secondary threats such as predation (e.g. irresponsible pet ownership, introduced predators) and public disturbance, being key drivers of population loss. These threats can be addressed and are preventable if correct actions are taken to safeguard the remnant population before they completely disappear from the Kaikōura region.

The Kaikōura Wildlife Centre Trust (KWCT) is coordinating efforts to urgently protect Little Penguin/Kororā, to safeguard White-Flippered Penguins (Endangered) and Blue Penguins (Declining). With only few kororā remaining in the Kaikōura district, it is critical that known threats are mitigated and safe breeding habitat is facilitated.

3.1. Proposed Areas of Action

The proposed sites are based on known remaining kororā breeding pairs (e.g. Wakatu Quay - Lower Ward Street and upper Esplanade), which currently have no protection. It is critical that these remnant breeding sites are managed with effective protection measures, to halt further loss.
Similar to the existing fenced site at the Coastguard in South Bay, this can be replicated on the northern side of the peninsula to safeguard remaining kororā pairs. These will safeguard kororā from public disturbance and predation risk.

Areas of interest

i. EXISTING SITE: South Bay Recreation Reserve – Coastguard

There are two safe nesting zones in this area

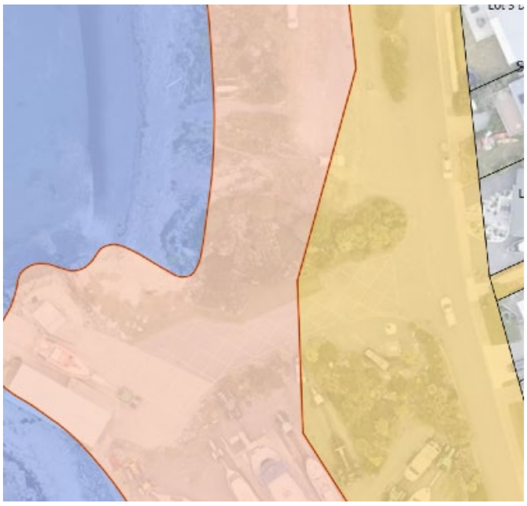
- below the Coastguard building (including nearby nest boxes in surrounding boulder breakwater bank); and
- a fenced habitat adjacent to the beach. The land is under KDC stewardship as part of a Recreational Reserve.

The Kaikōura Wildlife Centre Trust became involved in discussions with DoC, and being acutely aware of the declining penguin population, measures were urgently undertaken to improve and revamp the wider Coastguard area to facilitate suitable and safe penguin habitat.

Given the rate of mortality (beach cast penguins) and number of penguins in care on the cusp of death (organ failure - starvation), the Trust is focused on emergency care, preventative care and effective kororā habitat protection.

The fence is made of Xcluder® stainless steel welded fence mesh for pest animal exclusion and was kindly constructed by the Kaikoura Lions Club.
In the coming future, the South Bay safe nesting zone will ideally reach the shore to create best access for penguins.

NB: Future development adjacent to this area has the potential to severely impact remaining penguins. Kororā are known to consistently return to the same breeding and nesting location and do not have the adaptability of moving on.



Map 1: South Bay Recreation Reserve (pink) Source LINZ

Photo 1: South Bay Coastguard (established fence) Source: KDC GIS

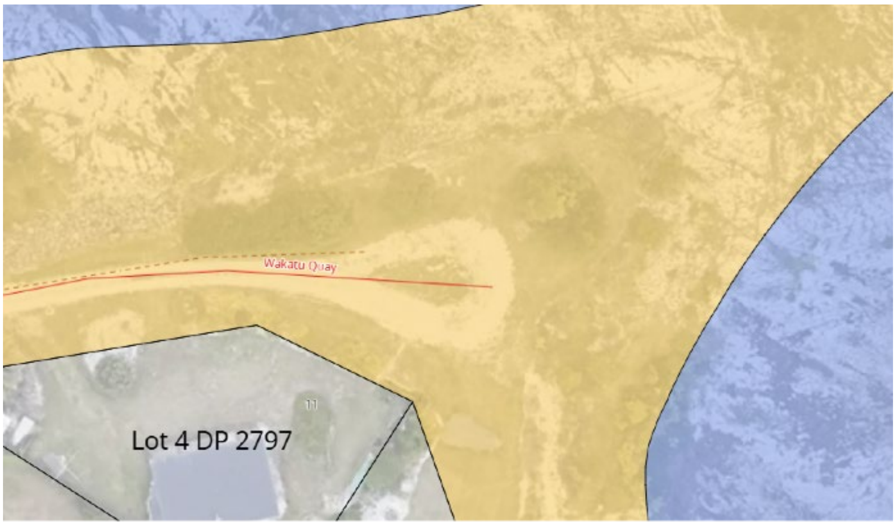
ii. PROPOSED SITE: Wakatu Quay - Lower Ward Street

The proposed reserve is at the end of Wakatu Quay, just beyond the cul-de-sac, starting at the rahui sign by the Ngaio tree (currently 3 nest boxes, 1 active). This safe zone is proposed to be implemented via fencing, nest boxes, traps, and signage. The Wakatu Quay Development Project supports this initiative, and has offered support to provide next boxes to KWCT.

Immediate residents have been consulted, with nest boxes also supplied where kororā remain on nearby private property. The Trust collected feedback from residents, which included that adjacent public access to the rahui, and walking track should be retained, whilst also stating the proposed fence area (a small footprint) receives little use. Feedback from residents noted general misuse of the area: “tarnished by rubbish, human waste, dog faeces, freedom camping, and drug dealing behind vegetation”.

The proposal would enhance the area in terms of limiting misuse of the area, beautification, wildlife protection and community guardianship (already happening for the South Bay site).

The area being a road reserve, a safe zone under Council approval is possible in this area.



Map 2: Wakatu Quay Road Reserve (yellow) Source – LINZ

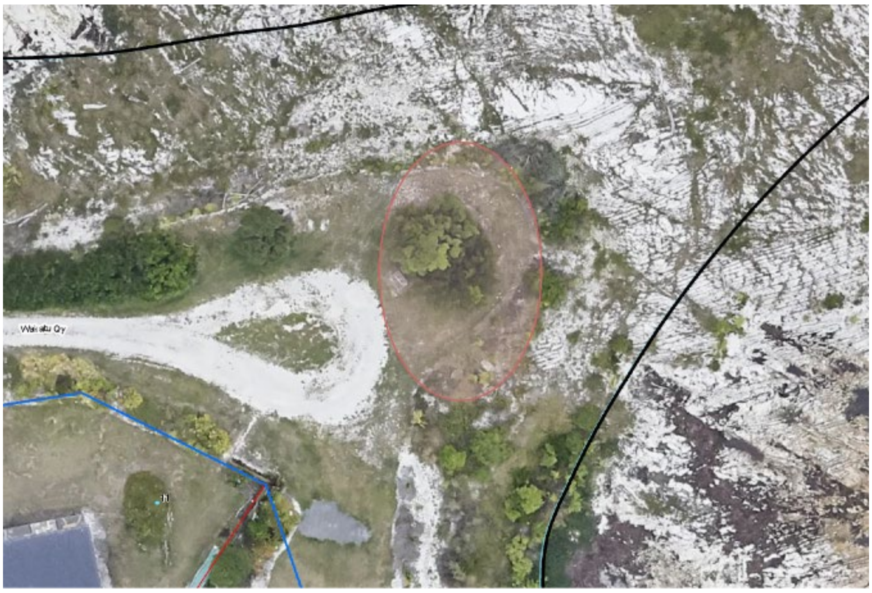


Photo2 : Proposed Safe Zone Source - KDC GIS

iii. PROPOSED SITE: Esplanade

These identified sites are

- along the rock wall below the Esplanade (see green highlighted zone below)
- In the bushes at the southern end of Gooches beach, between the beach and the road (see red highlighted zone below)

KEY
GREEN AREA: KWCT Proposed Site (Primary Option - Critical for protection as rockwall site is crucial for remnant kororā pairs). *Requires KDC and ECan approval.*
RED AREA: KDC Proposed Site (Secondary Option - Useful as adjacent re-gen habitat for future kororā breeding expansion).

Photo 3: Prioritized working zones (Green: urgent; Red: less urgent).
Source KWCT

Photo 4: Red Line marking District Boundary.
Source KDC GIS

Site 1: Rockwall below Esplanade

As per the photo above, this site falls under both Environment Canterbury (Ecan) (where District Boundary ends) and KDC stewardship. ECan has been contacted, and research has been made on their side following contact. They do not require a resource Consent for this project, and they are fully supportive of the action taking place, so is DoC.

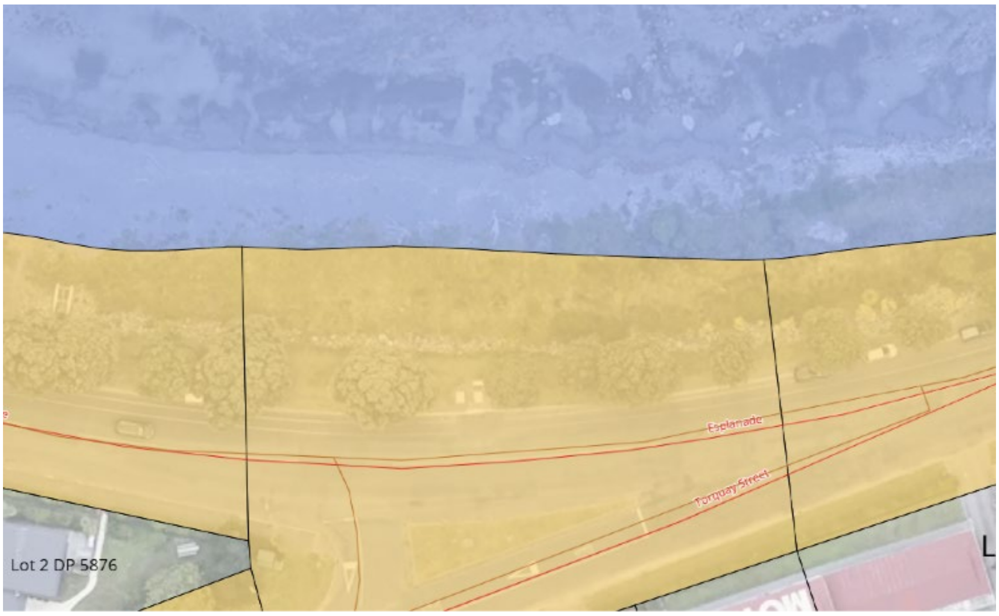
The area under KDC stewardship being a road reserve, a safe zone under Council approval is possible in this area.

Currently, there are 5 known nest sites in the rock wall area below the Esplanade. Proposal is to fence the zone, introduce nest boxes, predator control and signage. This area, in need of urgent action following a dog attack resulting in death and an injured penguin, will be the first zone to be created, followed by Wakatu Quay and finally the south end of Gooches Beach.

Site 2: Southern end of Gooches beach
Although there are no record of nesting in this area, there have been sign of moulting activity. The proposal, along the line of the two other areas (fencing, nesting boxes, trapping, limited signage, native planting) could offer a safe nesting and moulting area for kororā.

This site, at the end of Gooches Beach, where Esplanade and Torquay Street meet, is under road reserve and KDC control. No public access would be impacted, regarding the roadside pedestrian route above the site, or along the beach. Potentially, two zones could be created with a passageway in the middle, enabling safe and guided access for pedestrian in the middle of the two zones.

The area being a road reserve, a safe zone under Council approval is possible in this area.



Map 3: Road Reserve at Esplanade and Torquay Street intersection

4. ADDITIONAL INFORMATION
The Penguin Nesting Areas will act as kororā safe zones and be limited to immediate nesting habitat, consisting of fencing, nest boxes, traps, limited signage and vegetation management around existing nest sites.
The Trust will source funding for materials, and volunteer labour to build nest boxes. To date 60 nest boxes have been deployed at the South Bay Coastguard site.
There is no expectation of Council upkeep regarding costs or maintenance, this would be volunteer managed via the Trust on behalf of DOC (a department with no capacity to undertake this conservation work).

The Trust will manage volunteers regarding ongoing maintenance. Maintenance is primarily focused on fencing integrity (e.g. pruning of natives) and trap checks. Nest box monitoring will be minimal to limit disturbance to penguins (i.e. primarily remote monitoring via trail cameras).
The Trust will manage funding applications to enable material costs of fencing and arrange volunteer labour. Should Council wish to support the Trust with funding, this would be

The Trust already has existing kororā awareness signage in place at the Coastguard and Wakatu quay sites, in conjunction with KDC and DoC; as well as dog control signage at various sites in conjunction with Animal Control. Signage is focused on responsible dog control and reporting unwell penguins. It is kept to a minimum so as not to draw negative public attention (intentional harm and penguin disturbance by visitors seeing these as an 'attraction').

5. CONSIDERATIONS

Any remnant breeding sites must not be promoted as 'visitor' destinations, nor as official viewing areas. These sites cannot be woven into eco-tourism. Human and pet disturbance continue to be threats on a nightly basis - and viewing is not encouraged, for now, given the ongoing loss of penguins.
The Trust has worked with residents in South Bay to create volunteer dusk patrols, to guide the public away from the foreshore and limit excessive ongoing disturbance to penguins.

The Trust is also liaising with tourism operators to raise awareness, to ensure these vulnerable breeding sites are no longer advertised online via websites or in activity brochures at accommodation providers.

6. FINANCIAL IMPLICATIONS AND RISKS

The Kaikōura Wildlife Centre Trust has proposed to oversee and source the acquisition of materials to implement fencing, nest boxes, native planting and trapping and the maintenance of the safe zones, in conjunction with volunteers, on behalf of DoC.

7. RRELEVANT LEGISLATION

7.1 Policy

Kaikoura District Plan

Issue

ECO-I2 Loss and destruction of indigenous vegetation, fauna, and habitats. Loss and destruction of areas of significant indigenous vegetation and significant habitats of indigenous fauna as a result of human activities, plant and animal pests, fire and natural hazards.

Objective

ECO-O2 Protect indigenous vegetation, fauna, and habitats. To protect areas of significant indigenous vegetation and significant habitats of indigenous fauna, and associated biodiversity, from adverse effects of activities.

Policies

ECO-P6 Increase public awareness. To increase public awareness of the potential adverse effects on areas of significant indigenous vegetation and significant habitats of indigenous fauna that may arise from: human activities; plant and animal pests; fire; and natural hazards.

7.2 Legislation (Act and Section)

Resource Management Act 1991 Section 6(c) - Matters of National Importance:
Protection of areas of significant indigenous vegetation and significant habitats of indigenous fauna

Conservation Act 1987
Wildlife Act 1953

8. COMMUNITY OUTCOMES SUPPORTED

This work is in support of all community outcomes.

This matter is not a matter of significance in terms of the Council's Significance and Engagement Policy.

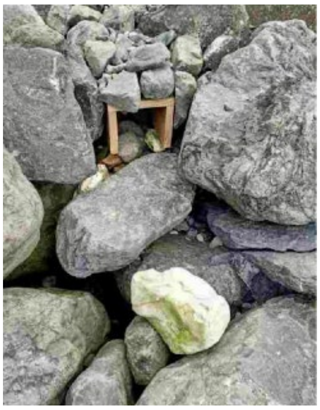
Community
We communicate, engage and inform our community

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




DOGS MUST BE
KEPT ON LEAD
AT ALL TIMES
PLEASE CLEAN
UP AFTER YOUR
DOG

Report to:	Council	File #
Date:	25 June 2025	
Subject:	Bird Protection and Cat Management	
Prepared by:	D Hirst - Policy Planner	
Input sought from:	J York - Regulatory Manager	
Authorised by:	M Hoggard - Strategy, Policy and District Plan Manager P Kearney - Senior Manager Corporate Services	

1. SUMMARY

The purpose of this report is to seek Council confirmation as to the next steps that Kaikōura District (KDC) will take to protect our birdlife and improve the wellbeing of our cats. The two main approaches were presented to the Council on 21 May 2025: restricting activities that are detrimental to the dotterels during their nesting seasons (1 September – 1 December); and, managing our companion cat population through initiatives that increase microchipping and desexing. While better management of cats will have some benefit for bird protection as it will result in less strays, microchipping and desexing cats is also beneficial for cat wellbeing.

As discussed at the workshop, we also recommend the introduction of a bylaw mandating the microchipping, registration and desexing of cats. This would become a section of an Animal Control Bylaw, that will replace the Dog Control Bylaw and have sections devoted to the control of cats and dogs, and potentially other animals if the need arises. The cat management part of the bylaw would not be implemented immediately, as we would want to give our community approximately 18 months from the beginning of this work programme to prepare.

Finally, these initiatives build upon the wider work we are doing to promote our district. Protecting our wildlife is inherently good and advances our reputation of being a community that looks after our environment, which enhances our potential for economic development (including tourism and research).

2. RECOMMENDATIONS

It is recommended that the Council:

a) Receives this report as information.

b) Approves:

1. the development of a draft Animal Control Bylaw for public consultation that replaces the current Dog Control Bylaw, with a section devoted to mandating the microchipping, desexing and registering of companion cats to be implemented approximately 18 months from now.
2. the placement of signs around the dotterel nesting places between 1 September and 1 December each year asking people not to drive vehicles or have their dogs off the leash within these locations during this period.
3. the amendment to the dog control section of the proposed Animal Control Bylaw that would support the prohibition of having dogs off the leash within the dotterel nesting areas between 1 September and 1 December each year.
4. the roll out of subsidised microchipping and desexing for companion cats and the promotion of this campaign.
5. the roll out of an educational campaign that informs residents of both the dotterel protection campaign and the importance of responsible cat ownership, including microchipping and desexing companion cats.

3. BACKGROUND

There is concern among aspects of our community that we are not doing enough to protect our birds from harm, particularly during the nesting season. The feedback we have received is that such harm comes from humans driving vehicles near nesting birds and from off-leash dogs in such areas. The additional concern is that feral, stray and domestic cats are threatening various bird populations, including dotterels. In a 2022 article titled 'Time to Talk About Cats', Forest and Bird Aotearoa/New Zealand noted that in one season dotterels built 46 nests but only two chicks made it to adulthood, with the rest mostly wiped out by cats.

Two potential options have been raised with KDC: putting restrictions in place within reserves and marine hydroparcels (beaches) during the nesting season to protect the dotterels; and implementing a bylaw that forces cat owners to microchip and desex their pet cats. The following provides relevant background information and a rationale for our proposed response.

<u>Dotterel Nesting Season Protection</u>

a) There are various types of reserves that can be created via the *Reserves Act 1977* (the Act), but the area in the South Bay where we are looking to make an intervention is recreational.
b) Recreational reserves, created under the Act, are designed for the purpose of providing areas for recreation and sporting activities, the physical welfare and enjoyment of the public, and for the protection of the natural environment and beauty of the countryside.
c) The use of recreational reserves can be adjusted in line with the two ways outlined in section 17(2).

1. Firstly, bylaws can be applied to recreational reserves, containing the conditions and restrictions the administering body considers necessary for the protection and general well-being of the reserve and for the protection and control of the public using it (section 17(2)(a)).
2. Secondly, where scenic, historic, archaeological, biological, geological, or other scientific features or indigenous flora or fauna or wildlife are present on the reserve, those features or that flora or fauna or wildlife shall be managed and protected to the extent compatible with the principal or primary purpose of the reserve (section 17(2)(b)).

d) Therefore, even without creating a bylaw, the Act provides flexibility for KDC to put some measures in place to protect birds within its recreational reserves, so long as doing so does not entirely prevent people from being able to access the area for recreational purposes.
e) The dotterels also nest on marine hydoparcels in the more southern area of South Bay and the northern beach areas (see attachment 1); LINZ has confirmed with us that such land is under no ownership, and we have the power to make the type of interventions described above within marine hydroparcels.

<u>Response</u>

f) It is feasible to perform actions within the dotterels nesting areas/seasons such as discouraging vehicle traffic and off-leash dogs through signage and education. However, such an intervention would be strengthened through the use of a bylaw, particularly the dog control aspect.
g) The protection of dotterels in this way would require our Regulatory Team to place signs and respond to any complaints, which could be done without any staff increases to the Regulatory Team (see Appendix 3: Cost and Resources Table). In addition, we would need to engage in a communication campaign to inform town residents of the expectations, funded by the operational budget.

<u>Cat Management</u>

h) According to the Ministry of Primary Industries' Code of Welfare: Companion Cats there are three different categories of cats: companion cats (pets), stray cats (live near or among humans but have no owners), and feral cats (do not live among people or rely on them for their welfare needs). According to the SPCA New Zealand, there are approximately 1.2 million companion cats in 41% of households across New Zealand

- 88% of owners desex their cats;
- 49% microchip their cats; and

- 11% keep their cats at home.

i) There are also approximately 200,000 stray cats and an estimated 2.4 million feral cats in New Zealand (Donnell, 2021). It is unclear how many feral cats there are in Kaikōura, however, the Kaikōura Wildlife Centre Trust notes that volunteers were seeing a spike in deaths of Red-billed Gull/tarāpunga and other birds due to feral cats.
j) SPCA, and other community groups, including Forest and Bird, argue the current government approach to cat management has failed to protect the public goods of cat welfare and native wildlife.
k) Some informative statistics and facts are as follows

- Cats negatively impact native bat and bird species, reptiles, invertebrates, and frogs (Farnworth et al., 2013; Fitzgerald et al., 1985; Fitzgerald, 1988; Gillies et al., 2003; Gordon et al., 2010; Norbury et al., 2008; van Heezik et al., 2010).
- A recent study that reviewed 16 years of native wildlife admissions to three wildlife hospitals in New Zealand found that cats preyed on a range of native wildlife in urban and rural environments. Of the 639 animals admitted due to being preyed on by cats (93.6% birds, 6.4% reptiles), only 38.2% of them survived (Gartrell et al. 2023).
- Both male and female cats have a longer life span when desexed (Banfield Pet Hospital, 2013). Un-desexed female cats are at risk of malignant mammary gland tumours (Dorn et al.,1968; Graf et al., 2016; Hampe & Misdorp, 1974; Hayes et al., 1981).
- Failure to desex, microchip, and keep cats at home results in an increased number of cats living as strays, and seasonal influx of unwanted kittens that experience high mortality (Marston & Bennet, 2009; Nutter et al., 2004).
- Cats are the only definitive host of the parasite Toxoplasma gondii, which causes toxoplasmosis in other animals and people (Stelzer et al., 2019). Pastorally farmed animals are primarily infected through feed and water contaminated with faeces from cats who have shed the protozoa eggs (Dubey, 2009; Stelzer et al., 2019). Toxoplasmosis infection poses economic impacts due to abortion in sheep (Dempster et al., 2011) and deer (Patel et al., 2019). Toxoplasmosis is also a cause of death for New Zealand's native wildlife.
- The Australian Veterinary Society argues that desexing cats is an important way of reducing the number of unwanted cats, improving the health of individual animals, and reducing the potential for problems associated with cats in communities, and that retaining cats on their owners' properties helps to protect local wildlife from predation.
- The most common reasons for not desexing cats are the cost and a general feeling it is not necessary (CANZ, 2020; Gates et al., 2019). The main barriers to microchipping are owners not feeling it is necessary and the cost. Additionally, cat owners do not microchip their cats because they have not made the time to do it or did not realise cats could be microchipped (CANZ, 2020).
- The Australian Veterinary Society is against the attempt to control feral or stray cats as pests, noting that the attempt to control cats in this manner would be extremely costly, result in only temporary predation relief for native animals and birds, and that the available technologies (trapping, shooting, and poisoning) are unlikely to achieve eradication, and can be inhumane.

Response

a) To reduce the negative impact cats are having on the birding populations and to improve their health, a variety of non-profit organisations have recommended interventions to expand the microchipping and desexing of companion cats. In response, we recommend an immediate educational and subsidisation campaign, which would lead some of those who do not do these actions due to cost-pressures and lack of knowledge to change in a favourable direction.
b) We have already engaged VetCare about providing free microchipping and a 50% subsidisation for a total of $4k from the 2024/2025 operational Environment Fund, with the intention of extending the programme into the 2025/26 FY if successful.

c) The second intervention to increasing cat desexing and microchipping is a bylaw mandating it. A variety of districts have taken this direction. A discussion with Selwyn, Palmerston North, Whangarei and Hutt City councils indicates this would entail little work for the Regulatory Team. The bylaw itself would operate as an educational campaign and more than anything would be a public statement of commitment to this direction, encouraging more people to get their cats desexed and microchipped.

d) The exception to the councils surveyed was Wellington City, which went down a more resource intensive direction. They actively trap cats then hold them for 7 days, and if the cat is determined to be unable to be rehomed and/or has ongoing welfare concerns, then the cat is euthanised.

e) The legal grounds for a cat management bylaw are that it would support the reduction of the nuisance caused by cats, meeting the requirements of *Local Government Act* section 145 (a), and section 146 (a)(v) that gives the power to territorial authorities to make bylaws for its district for the purposes of keeping of animals, bees, and poultry. Moreover, section 64(m) of the *Health Act* grants districts the power to create bylaws for the purpose of 'regulating, licensing, or prohibiting the keeping of any animals in the district'. There is no Court precedent as to how a challenge against this would be determined, with the nuisance argument difficult to prove without hard evidence that such a bylaw would reduce roaming cats and stray colonies. Various councils have however pursued this course regardless of the legal ambiguity (see attachment 2).

Focus Areas for Next Three Months

Over the next three months KDC will

- Start preparations for the protection of the dotterels during their nesting seasons by preventing the driving of motor vehicles and the letting of dogs off their leashes in nesting areas.
- Launch a public education campaign on the importance of cat microchipping and desexing.
- Launch our first subsidised microchipping and desexing effort.
- Develop a draft Animal Control Bylaw for public consultation that will include a revised version of the current Dog Control Bylaw (2015), and a section devoted to cat management.
- Continue exploring how other agencies or groups can support these proposed animal welfare initiatives, including Environment Canterbury, the Department of Conservation, and Forest and Bird.

4. FINANCIAL IMPLICATIONS AND RISKS

a) Developing and implementing a bylaw, educating the community on the benefits of microchipping and desexing, and facilitating the protection of the behaviours allowed on our reserve land and marine hydro parcels would have an opportunity cost for our planning, comms and regulatory teams.

b) As outlined in appendix 3 of this document, it would cost approximately $15k to implement the actions outlined in this report. However, this could be met from within environment support budgets and phased as appropriate for financial integrity.

c) To date, KDC is leading this project without financial support from Environment Canterbury and the Department of Conservation.

5. RELEVANT LEGISLATION

Animal Welfare Act 1999

- Section 28 of this this Act prohibits the killing or harming of animals, unless they fall into an exempted categories such as 'pests', which are animals in a wild state declared by the Minister of Conservation to be a pest. Feral cats are deemed pests (section 2), and differ from companion and stray cats, as they are completely self-sufficient, having no reliance on humans for survival.

Conservation Act 1987

- DOC has a legislated mandate to control feral cats on conservation sites as pests.

Crimes Act 1961

- Destroying someone's property is a crime and pet cats are technically considered property.

Health Act 1956

- Section 64(m) grants districts the power to create bylaws for the purpose of 'regulating, licensing, or prohibiting the keeping of any animals in the district'.

Local Government Act 2002

- There three reasons are creating a bylaw are outlined in section 145 and are:
  (a) protecting the public from nuisance:
  (b) protecting, promoting, and maintaining public health and safety:
  (c) minimising the potential for offensive behaviour in public places.

- Section 146 (a)(v) gives the power to territorial authorities to make bylaws for its district for the purposes of keeping of animals, bees, and poultry.

6. COMMUNITY OUTCOMES SUPPORTED

This paper proposes initiatives that will protect our environment and promote our economic development.

Community
We communicate, engage 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

Appendix 1: Dotterel Nesting Locations
Appendix 2: Examples of Approaches to Cat Management
Appendix 3: Cost and Resources Table

(Note: the red dots are nests that failed to hatch, the green dots are nests that have hatched, and the purple dots fledged a chick.)

Mill Road
Mill Road
Beach Road
Esplanade Reserve
Rorrisons Road
Beach Road
ww05 rr
ww04 ubf
ww25 rybw rbww
ww14 rbwb f ubm
ww03 rbog f rrro
ww02 rlbr ubm
ww10 rbrb ubm
ww33 rbrb f rwyy m
ww01 rrrr rbry
Kaikoura
sipo01


Kaikoura
Primary School
ikoura
creation
eserve
Kaikoura
Memorial
Gardens
G02 rgoo ubm
Torquay Street
G01 RGWW RRLY
Kaikoura
Reserve
G03 RYGW

Tasman	The Tasman Cat Management Bylaw is that any cat over 6 months of age must be **microchipped** and the microchip registered with the New Zealand Companion Animal Register. They must also be **desexed** unless the cat is kept for breeding purposes and registered with a nationally recognised breeder's body, or a vet provides a certificate saying that desexing would adversely impact the cat's health.
Selwyn	Selwyn includes their cat management policy as part of a broader Bylaw for Animals, Poultry and Bees. Their position is that every person who keeps cats must ensure that their cats over 4 months of age are **microchipped** and registered with the New Zealand Companion Animals Register or another approved microchip registry. Selwyn District Council **removed desexing** of cats in the 2020 review of their Keeping of Animals, Poultry, and Bees Bylaw, because it was deemed too difficult to enforce.
Hutt City	The Hutt City Control of Animals Bylaw states that every person who keeps cats must ensure that cats of 12 weeks of age or older are: a. **Microchipped**; b. Registered on the New Zealand Companion Animal Register; and c. **Desexed** (unless kept for breeding purposes and registered with a nationally recognised cat breeders' body).
Palmerston North	The Palmerston North Animals and Bees Bylaw mandates all cats over six months of age and born after 1st of July 2018 to be **microchipped** and registered on the New Zealand Companion Animal Register, and **desexing** for all cats over six months of age, born after the 1st of July 2018 (exemptions are in place for registered breeders).
Ruapehu	The Ruapehu District Council Bylaw requires **microchipping** for all cats over six months of age and microchip registration with the New Zealand Companion Animals Register or another Council approved microchip registry. Ruapehu also mandates **desexing** for all cats over six months of age (unless kept for breeding purposes and registered with a nationally recognised breeders' body). Cats are exempt if a veterinarian deems the procedure would endanger the cat's life.
Whangārei	The Whangarei District Council Animals Bylaw mandates **microchipping** for all cats over six months of age and the microchip registered on the New Zealand Companion Animal Register. It also requires the **desexing** for all cats over six months of age unless the cat is kept for breeding purposes and registered with a nationally recognised breeders' body, or the owner provides a veterinarian certificate that desexing will adversely impact the health or welfare of the cat.
Wellington	The Wellington Council Animals Bylaw mandates that all domestic cats over the age of 12 weeks are **microchipped** and the cat's microchip registered with New Zealand Companion Animal Register. Owners must ensure the microchip information is kept up to date, and all domestic cats over six months must be **desexed** (unless they are kept for breeding purposes and the owner is a current registered breeder with a recognised New Zealand registering body). Cats are exempt from being desexed if a registered veterinarian certifies that undergoing the procedure will place the cat at unnecessary risk.
Auckland	Auckland Council notified its Animal Management Bylaw review last year but explicitly stated **cats were not within scope**. It said: "Council has ... determined that suggestions about registration and microchipping of cats **require central government legislation** similar to the *Dog Control Act 1996* to be effective."
Dunedin	Dunedin did not introduce cat-specific clauses into its bylaw. Dunedin City Council notified its Keeping of Animals Bylaw review last year, saying: "Local authorities are somewhat **limited in their bylaw making powers** in relation to the control of cats: "*The Dog Control Act 1996* contains express provisions for Council to prescribe how dogs are to be controlled in public places. There is no equivalent specific legislation that applies for the control of cats in public places."

Microchipping and Desexing	*2024/25 FY*: 4K (already committed from the Environment Support Budget (ESB).
	2025/26 FY: 4K (from the ESB)
Cat cages to assist people with feral cat issues	*2025/26*: 1k (from the ESB)
Signs for the dotterel nesting season	*2024/25* FY: 3K (already committed from the ESB)
GPS tracking devises for youth engagement/education	*2024/25* FY: 1K (already committed from the ESB)
Education materials to support all initiatives	*2025/26* FY: 2k (from operational comms budgets)
Regulatory Staff Resources	- 3 days full time work for two KDC Regulatory Team members to organise and put up the signs, and 10 hours of work a week to respond to complaints throughout the 3-month dotterel nesting period - KDC staff to print out leaflets, make use of social and traditional media, and perform school and preschool visits as part of community education - KDC staff to coordinate with the vet and the SPCA mobile van as part of the microchipping and desexing initiative - Potentially run a microchipping and registration database for chipped cats (datascape has this); the resource being the Regulatory Team's time to enter the cats. *Note*: the Long-Term Plan has provision for an additional Regulatory Officer to assist with compliance; this additional staff could potentially take on consent monitoring, building monitoring, other regulatory work (including parking), leaving with the current staff member who manages dog control to be solely focussed on Animal Management.
Policy Staff Resources	The main work would be the development of the cat section of the Animal Control Bylaw. As the Dog Control Bylaw needs to be reviewed, the additional work in adding the cat management section is minor.
Total cost	$15k funded from the ESB and internal comms budgets across the 2024/25 and 2025/26 financial years in preparation for the bylaw implementation. As the additional regulatory staff member is already budgeted for, the complete project would only come with an opportunity cost regarding staff (i.e time spent supporting enforcing the bylaw would detract from time available for other enforcement actions), as no further staff resources would be required.

Report to:	Council	File
Date:	25 June 2025	
Subject:	Control of Alcohol in Public Places Bylaw	
Prepared by:	D Hirst - Policy Planner	
Input sought from:	J York - Regulatory Services Team Manager	
Authorised by:	M Hoggard - Strategy, Policy and District Plan Manager P Kearney - Senior Manager Corporate Operations	

1. SUMMARY

The purpose of this report is to obtain Council approval to roll-over the current version of the *Control of Alcohol in Public Places Bylaw* without any non-trivial amendments.

At a workshop on 21 May 2025, Council indicated that it was comfortable with the locations where possession and consumption of alcohol in public places is prohibited by the current bylaw. The bylaw has therefore been updated with a new date and attached for approval without going through a special consultation process.

2. RECOMMENDATION

It is recommended that the Council:

a) Notes this report for information.
b) Approves the updated and attached version of the Control of Alcohol in Public Places Bylaw for public release.

3. BACKGROUND

The current version of the bylaw is due for review as it was developed 10 years ago so has met the statutory timeframe for the maximum length for intervals between bylaw reviews. The most significant part of the bylaw is the list of public places and the corresponding map that outlines where individuals cannot possess or consume alcohol in Kaikōura. (Alcohol being transported to legal premises, and licenced providers in the areas, are excluded from the scope of the Bylaw.)

This bylaw should not be confused with Kaikōura District Council's *Local Alcohol Policy*, which due to statutory obligations must go through a full public consultation as part of its review. We intend to do this review separately in the first quarter of 2026, as some operational issues need to be worked through before we go out for consultation.

Council has indicated that we do not need to revise the *Control of Alcohol in Public Places Bylaw* in a non-trivial way, such as amending the locations where alcohol possession and consumption is prohibited. In response, we have provided a revised version with no changes to the locations and have not taken and do not intend to take the revised bylaw through a special consultative process as per section 83 of the *Local Government Act 2002*.

Focus Areas for next three months

If approved, we will upload the revised version of the *Control of Alcohol in Public Places Bylaw*.

4. FINANCIAL IMPLICATIONS AND RISKS

The recommended course of action will not involve any changes to the financial implications and risk of the status quo.

5. RELEVANT LEGISLATION

Section 10(1)(b) of the *Local Government Act* states that one of the purposes of local government is to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

Section 83 of the *Local Government Act* outlines the consultation process that must be followed in cases where bylaws are developed or edited in non-trivial ways.

Section 147 of the *Local Government Act* excludes licenced premises ((1)(b)) and alcohol being transported in an unopened container (4(a-d)) from the scope of this Bylaw.

Section 156 (2)(a)(i) of the *Local Government Act* states that the Council can make minor changes to the bylaw if these changes do not affect 'an existing right, interest, title, immunity, or duty of any person to whom the bylaw applies'.

Section 159 of the *Local Government Act* states that bylaws must be reviewed no later than 10 years after they were last reviewed.

6. COMMUNITY OUTCOMES SUPPORTED

This paper supports the community outcomes below.

Community
We communicate, engage 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

Appendix 1: Control of Alcohol in Public Places Bylaw

Control of Alcohol in Public Places Bylaw 2025

1. Title and Commencement

This Bylaw is the Kaikōura District Council **Control of Alcohol in Public Places Bylaw** and comes into force on the **1 July 2025**.

2. Repeal

a) From the date this Bylaw comes into force, any previous Bylaws and their amendments, purporting to alcohol in public places within the Kaikōura District shall be repealed.

b) All approvals, permits and other acts of authority which originated under the Control of Liquor and Liquor Ban Bylaw 2006 or any previous Bylaw, and all applications, shall for the purpose of this Bylaw continue as if they had originated under this Bylaw.

c) The revocation of the Control of Liquor and Liquor Ban Bylaw 2006 shall not prevent any legal proceedings, criminal or civil, being taken to enforce those bylaws and such proceedings shall continue to be dealt with and completed as if the Bylaws have not been revoked.

3. Object

The purpose of this Bylaw is to reduce alcohol-related harm, damage, disorder and crime and to improve community safety by putting alcohol restrictions in some public places.

This Bylaw prohibits or otherwise regulates or controls the possession and consumption of alcohol in specified public places and the bringing of alcohol into specified public places.

4. Interpretation

ACT	means the Local Government Act 2002
ALCOHOL	has the same meaning as in the Sale and Supply of Alcohol Act 2012 and generally means alcoholic beverages such as beer, wine and spirits.
COUNCIL	means the Kaikōura District Council

PERMANENT ALCOHOL BAN AREA	means an area described in the Schedule to this Bylaw in which alcohol restrictions are permanently in place in the public places within the area.
PUBLIC PLACE	has the meaning given by section 147 of the Local Government Act 2002.

5. Permanent Alcohol Ban Areas

Permanent Alcohol Ban Areas are listed in the Schedule to this Bylaw. The Schedule describes the specified public places that are Permanent Alcohol Ban Areas. The ban in the Scheduled areas is always in place; there is no time or day when this is not the case.

6. Resolution to Specify Public Places

1. Addition/Removal Specified Public Places

Council may from time to time by resolution following the use of special consultative procedures in accordance with the Local Government Act add to the Schedule of Permanent Alcohol Ban areas other public places to which this Bylaw shall then apply, or in like manner, delete from the Schedule those places in respect of which it considers this Bylaw should no longer apply.

2. Temporary Addition of Specified Public Places

Council may from time to time by resolution specify additional periods and public places during which the bringing of alcohol into, the possession and/or consumption of alcohol in that public place may be temporarily prohibited. Council may make such a resolution in relation to any planned public event, function or social gathering to be held in that public place.

Before a Temporary Alcohol Ban is declared, Council will consider whether the benefits to local residents and the Town would outweigh the restrictions the resolution would impose on local residents and other people, including those who may be attending any events in the area covered by the resolution.

7. Restrictions in Alcohol Ban Areas

No person shall:

- bring alcohol into a public place whether in a vehicle or not; or
- possess alcohol in a public place whether in a vehicle or not; or
- consume alcohol in a vehicle in a public place; or
- consume alcohol in

any Permanent Alcohol Ban Area or Temporary Specified Public Place during the specified period.

8. Exemptions to Restrictions in Alcohol Ban Areas

1. The alcohol restrictions do not apply to areas or activities covered by a licence issued under the Sale and Supply of Alcohol Act 2012, including;

   a) any public place which is part of a licensed premises' outdoor area where permission to occupy that area has been granted by the Council; or

   b) the carrying of alcohol directly between one part of a licensed premise and another part of the same licensed premise across a public place that separates the parts of the licensed premise; or

   c) any public place that is subject to a special licence, for the term of that licence.

Explanatory Note: A number of exemptions for the transportation of unopened bottles or containers of alcohol though Alcohol Ban Areas are listed in section 147(4) of the Sale and Supply of Alcohol Act and are not restricted by this bylaw.

9. Powers of Arrest, Search and Seizure

1. Powers of the Police

Where a prohibition on the possession and/or consumption of alcohol is in effect in any public place pursuant to the provisions of section 169 of the Act, a member of the Police may, without warning:

a) For the purpose of ascertaining whether alcohol is present, search;
   i) any container (for example, a parcel, package, bag or case) in the possession of any person who is in, or entering, the public place:
   ii) any vehicle that is in, or entering, the public place.
b) Seize or remove alcohol and its container if the alcohol is in the public place in breach of that prohibition;
c) Arrest any person whom the member of Police finds committing an offence against that prohibition;
d) Arrest any person who has refused to comply with a request by a member of the police
   i) to leave the specified public place; or
   ii) to surrender to a member of the Police the alcohol that, in breach of that prohibition, is in that person's possession.

2. Warning by the Police

Before exercising the power of search under Clause 9.1(a) in relation to a container or a vehicle, a member of the Police must –

a) Inform the person in possession of the container or vehicle, as the case may be, that he or she has the opportunity of removing the container or the vehicle from the specified public place; and
b) Provide the person with a reasonable opportunity to remove the alcohol or the vehicle as the case may be, from the public place.

10. Offences

Every person who breaches this Bylaw commits an offence under section 239 of the Local Government Act 2002, and is liable on conviction to a fine under section 242 of the Local Government Act 2002.

Schedule – Permanent Alcohol Ban Areas

- Beach Road from Gillings Lane to West End
- Churchill Street from West End to Scarborough Street
- Deal Street including Churchill Park
- Esplanade from West End to Ramsgate Street
- West End
- Whaleway Station Road to West End
- Torquay Street from Killarney Street to Ramsgate Street
- Upper Killarney Street to Scarborough Street to Churchill Street corner
- Ludstone Road from Department of Conservation building to Beach Road/Churchill Street
- Davidson Terrace
- Takahanga Terrace
- Killarney Street
- Yarmouth Street
- Brighton Street
- Ramsgate Street
- Adelphi Terrace
- Including the beach, foreshore, reserves, walkways, car parks, sports ground and camp areas within the above specified areas.

Alcohol Ban Areas

Kaikoura

100 200 m

DISTRICT COUNCIL

14!05/2015. Kakoura District Council does not guarantee that the da1a In this map fs without flaw of any kind and dlsciaims all !labilrty 1or any errors, loss or other conseqJanoes whict, may arise from relying on any information depicted. Cadastral andtopographic data sourced from LINZ. CrownCopyright Reserved.

Report to:	**Council**	**File**
Date:	25 June 2025	
Subject:	Debtors Policy	
Prepared by:	D Hirst - Policy Planner	
Input sought from:	C Kaa - Finance and Business Partnering Manager D Currie - Rates Officer	
Authorised by:	P Kearney - Senior Manager Corporate Operations	

1. SUMMARY

The purpose of this report is to obtain Council approval for a new policy that outlines Kaikōura District Council's (KDC) approach to managing debt (rates and sundry).

Attachment - Debtors Policy

2. RECOMMENDATION

It is recommended that the Council:

a) Notes this report for information.
b) Approves the attached Debtors Policy.

3. BACKGROUND

At present KDC does not have a formal debt management policy. The attached policy fills and gap and outlines the policy and associated processes to managing situations where the public is in debt to us, in the form of unpaid rates or sundry debt. It contains our general approach to pursuing debt, and the thresholds at which we escalate our response.

Focus Areas for next three months

We will upload the attached Debtors Policy onto the KDC website.

4. FINANCIAL IMPLICATIONS AND RISKS

The recommended course of action will not involve any financial implications or risk.

5. RELEVANT LEGISLATION

Sections 59 to 83 in the *Local Govt (Rating) Act 2002* (the Act) pertain to the recovery of unpaid rates.

6. COMMUNITY OUTCOMES SUPPORTED

This paper supports the 'services' and 'future' outcomes below.

Community
We communicate, engage 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

KAIKŌURA
DISTRICT COUNCIL

Debtors Policy

Name of Policy:	Debtors Policy
Purpose of Policy:	This policy outlines how staff must act when engaging in the recovery of unpaid rates from ratepayers and/or landowners, and unpaid sundry debts owing to the Kaikōura District Council.
Policy Applies to:	This policy applies to the Finance Team, especially Rates & Revenue Officer(s) and Revenue Administration Officer(s).
Approved by:	Executive Leadership Team
Responsible for its Updating	Senior Manager Corporate Services
Final Approval by:	Executive Leadership Team and the Council
Policy First Issued	June 2025
Proposed Date of Review	June 2028

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Contents

1. PURPOSE

a) This policy outlines how staff are to pursue the recovery of unpaid rates from ratepayers and/or landowners, as well as sundry debts owing to the Kaikōura District Council (KDC).
b) The following policy statements and supporting procedures enable the fair and consistent treatment of unpaid rates and sundry debt and prevent outstanding balances accumulating.

2. GUIDING PRINCIPLES

a) KDC needs rates revenue to cover the cost of operations and to manage cashflows. Unpaid rates/revenue can have dire implications for KDC's capacity to deliver its services effectively.
b) Unpaid rates can also have devastating consequences for ratepayers and landowners, including the additional financial cost of rates penalties, through to the potential sale of their property to recover the unpaid rates balances. For this reason, KDC staff should approach the recovery of unpaid rates with a "fair but firm" approach.
c) To limit the effects of unpaid rates and sundry debts on KDC, the debtor, and the town's wider ratepaying community, it is essential that debt recovery is managed firmly, fairly, consistently, and is addressed as early as possible.

3. POLICY

Rates

a) The expectation is that all unpaid rates will be fully recovered by the end of the financial year in which any action is taken. For example, ratepayers with unpaid rates from the year ended 30 June 2025 will be required to enter a payment plan that ensures all rates (from the previous and the current year) will be paid no later than 30 June 2026.
b) Agreed payment plans are the first preferred action for the recovery of unpaid rates, provided these payment plans achieve payment of all rates by the end of the financial year.
c) There are however times when it makes greater sense to have the payment set to be paid by the end of the next rating year, such as when the present year is near its conclusion and the payment is large. The decision as to what financial year the debt must be cleared by is made at the discretion of the rates officer in charge of the case, taking account of the amount and the time left in the current financial year. Such decisions should be shared with the Finance and Business Partnering Manager prior to implementing.
d) If no payment plan can be agreed, or the plan is not adhered to, then further action must be taken to ensure payment is made in full within the financial year in accordance with KDC procedures. For a detailed breakdown of the actions to be taken at each step and when debt collection is to be engaged, please refer to the procedures below titled 'Thresholds for Actions Taken to Collect Unpaid Rates'.
e) The powers within the *Local Government (Rating) Act 2002* to initiate legal action, mortgage demands, and rating sales will be undertaken as the last option when other rate collection methods have been exhausted.
f) All recovery action will be applied on a consistent basis and action will be paused or modified only where it is considered fair and equitable to do so, and only with the approval of the Finance and Business Partnering Manager and the Senior Manager Corporate Services. Such circumstances include extreme compassionate grounds in response to hardship, which may be supported by health services, police, or another agency.
g) Rates rebates are available to ratepayers who earn less than the threshold set by the Department of Internal Affairs per annum, and this option must always be investigated prior to commencing any collection actions.
h) Given it is inevitable that some debtors will not be able to meet their rates payment obligations and legal proceedings will be taken, it is critical that records are kept of the

emails, phone call conversations, letters and notices between KDC and the ratepayers so this can be produced as evidence of contact and attempts for rates collection.

i) A spreadsheet must be kept in KDC's document management system listing the ratepayers contacted, their property details, the date of contact and the type of contact. The actual documents will be kept in the confidential rates section on the property files. Further notes and comments will also be kept in KDC's core enterprise systems with the property records.

Sundry Debt

j) All unpaid sundry invoices (resource consents, building consents, vehicle crossing, water applications, library fees, LIMs, landing fees, and leases etc) must be paid by the 20th of the following month after the customer is invoiced. If they do not pay by this point, then the steps must be followed in the procedures below titled 'Thresholds for Actions Taken to Collect Sundry Debt'.

k) At the discretion of the Finance and Business Partnering Manager, some leniency will be provided to those deemed to be in hardship (see the definitions section below). Depending on the material impact, this may be escalated to the Senior Manager Corporate Services for decision.

l) A record of all interaction between KDC, the debtor and if relevant the debt recovery agency must be filed within a confidential location with all supporting documentation.

Default Listing

m) Once a debt has been referred to debt recovery, KDC reserves the right to request that the debtor be default listed, provided the relevant requirements are met. This action requires the approval of both the Finance and Business Partnering Manager and the Senior Manager Corporate Services.

4. PROCEDURES

<u>Thresholds for Actions Taken to Collect Unpaid Rates</u>

	Threshold	Action
1	Prior year rates have been paid in full, but current year rates are falling behind **** 'Falling behind' is defined as follows:*** *Payments are being made, but at a level inadequate to clear all rates owing by 30 June of the current rating year. This determination is made by KDC staff, however, if a ratepayer has paid less than 50% of the rates owing at any point, then they are automatically deemed as having fallen behind.*	If picked up on prior to an instalment penalty being applied: - Contact the ratepayer (by phone or email) - Encourage direct debit - If not willing to set up a direct debit, advise of the adequate payment level to clear the rates by 30 June of the current financial year. Encourage the entering into of a payment plan - Advise / warn of penalty If a penalty *has already* been applied**:** • See Threshold 2
2	Missed payment for instalments (nonpayment or insufficient payment), with the oldest debt/instalment less than 12 months old	Apply penalties and send the penalty letter as per LTP/AP Financial Information No proactive contact is required — the penalty notices serve as the formal triggers.

		- If the ratepayer contacts KDC in response to the penalty:
		  o Encourage the setting up a direct debit or payment plan.
		  o Refer to the ‘Payment Plans for Rates’ procedures to assess eligibility and structure.
		  o Consider eligibility for penalty remission, where appropriate.
		  o Record the interaction and assess for hardship if raised.

3	Missed payment for instalments (nonpayment or insufficient payment), with the oldest debt/instalment more than 12 months old	Under 25k in arrears: - Refer to the ‘Payment Plans for Rates’ procedures to determine whether a standard or non-standard repayment plan is appropriate. - Escalate to the Finance and Business Partnering Manager for mitigation and escalation recovery options. 25k or over in arrears: - Refer to the ‘Payment Plans for Rates’ procedures to determine whether a standard or non-standard repayment plan is appropriate. - Escalate to the CEO for mitigation and further escalation/recovery options *Potential Options:* - Do a title search to check whether this ratepayer has a mortgage over the property. Where a mortgage exists over the property, send a letter to the landowner advising them of the implications to their mortgage and their legal options and refer to the ‘Mortgage Demands’ procedures. - Where there is no mortgage over the property, send a letter to the landowner advising them that their overdue rates will be subject to a collection process through the District Court, and refer to the ‘Legal Action – Mortgage Free Properties’ procedures. - Record correspondence in the property file (tagged confidential). Payment plans or direct debit must be entered into; see ‘Payment Plans for Rates’ procedures. Record the reason for non-payment.

		- Send to debt management service provider who will carry out the above options on our behalf.
4	Deceased estate	- There is generally a lag on funds becoming available from a deceased estate. No payment plan is necessary unless rates remain unpaid for more than 6 months from the date of death.

- Where three payment plans have been entered into (or three payment plan letters have been sent) within a 24-month period and all have been broken no further plans will be available for a stand down period of 36 months. This avoids applicants trying to postpone having penalties imposed, delaying a second demand being sent or potential mortgagee sales, when they never really had an intention of meeting their obligation to pay the rates.
- A further effect of ratepayers breaking agreements is that the escalation towards taking legal action to recover the debts becomes delayed further for KDC. At the same time, the arrears are continuing to increase putting more burden on the ratepayer and making it more difficult to manage the debt within a reasonable timeframe.

Payment Plans for Rates

- Payment by direct debit is the preferred option. Ratepayers who enter direct debit arrangements will have the penalty applied to the previous instalment remitted in full, provided the direct debit is not rejected when processed (for lack of funds etc.). However, this penalty remission does not apply to direct debits for a fixed amount, unless the fixed amount is adequate to pay the rates in full by 30 June of the current rating year (or a longer period if per the terms of a payment agreement).
- For those who do not accept payment by direct debit, payment by automatic payments should be set at a similar level as though the payment were by direct debit (consistent in value, regular, and set at a level that will see payment in full by 30 June).
- Payments by automatic payment, and direct debits for a fixed amount, must be checked and adjusted annually by the debtor to ensure they are still adequate to pay rates in full within the rating year.
- Manual payments are the least preferred payment method as they require the ratepayer to remember to adjust their payment, for their payment to be allocated correctly, and for successful delivery of the rates invoice to the ratepayer. Failure to receive the invoice by post or email is a relatively common reason given for non-payment of rates.
- For both automatic payments and manual payments, penalties will still be applied during the year for prior years rates outstanding, unless otherwise agreed due to the hardship of the debtor.
- As part of the agreement, the ratepayer should be advised that if more than one payment is missed during the period of the agreement, KDC will consider the agreement to be broken and that penalties will be applied to the overdue amounts.
- If the ratepayer is eligible for a rates rebate, they should be strongly encouraged to apply. It is assumed as part of any payment agreement that the ratepayer will apply for a rebate (if they qualify for a rebate) every year prior to 20 September (the due date of the first instalment). If the ratepayer is no longer eligible or the rebate is less than previously estimated, the agreed payment level may need to be adjusted.

Standard Repayment Agreement for Rates

- A 'Standard Repayment Agreement' will include a repayment period of up to 18 months. Where a ratepayer agrees to this repayment term, they will also be eligible for the Rates Penalty Remission.
- 'Standard' circumstances can be defined as a ratepayer:
  a) having had no mortgagee demands made in the past 3 years
  b) not being a deceased estate
  c) not having broken 2 agreements in the past 2 years
  d) not starting agreements confirmed in writing.

Non-Standard Repayment Agreement for Rates

- To meet the criteria for a non-standard response, and qualify for repayment periods in excess of 18 months, the ratepayer will meet one or more of the following conditions, with the decision made at the discretion of the KDC staff weighing up the conditions met in light of the other factors in the case.
    - *The ratepayer:*
  a) has been approached by KDC and offered a period in excess of 18 months, such as in cases of mortgagee-free properties or properties that would otherwise go to mortgagee sale or legal action (verified by mortgagee)
  b) is experiencing financial hardship, evidenced by one or more of the following:
    - Engagement with a recognised budget or financial service
    - Receipt of a main benefit from MSD (e.g. Jobseeker, Sole Parent, Supported Living)
    - Application approval for a KiwiSaver financial hardship withdrawal
    - Receipt of a rates rebate in the current or previous year
    - Referral or documentation from a social or health service confirming hardship
  c) have not had more than 2 broken agreements in the past 2 years
  d) the property is a family property, with payments being received from family members (especially when doing so to assist the occupier who is on a low income)
  e) has a mortgage, but KDC has been informed by the mortgagee if a further second demand is made by KDC to the mortgagee, mortgage-sale proceedings will commence.
- A 'Non-Standard Repayment Agreement' will include repayment periods of up to 24 months, with the scope for exceptional circumstances of up to 36 months. The ratepayer may still be eligible for the rates penalty remission for these agreements, limited to the provisions in the KDC Rates Remissions and Postponement Policy.
- In exceptional circumstances the repayment period can be extended beyond 36 months, with the agreement of the Chief Executive Officer.

Mortgagee Demands

- If there are arrears outstanding from the previous rating year, KDC can under section 62 of the *Local Government (Rating) Act 2002* inform the mortgagee (bank). If the arrears are still outstanding after three months, KDC can enforce payment from the mortgagee (but not before 1 November).
- At the time of 1st mortgagee notification, a copy of the notice is sent to the ratepayer.
- If KDC comes to an agreement with the ratepayer after the first notification has been sent to the mortgagee, the demand notice is not withdrawn until the previous year's arrears have been cleared.
- KDC will not come to an agreement for the previous year arrears one month prior to the date the second mortgagee demand is due for payment (unless the ratepayer did not receive the copy of the first notification, or some other proven exceptional circumstance.)

- Restrictions need to be applied to the number of times KDC will come to an agreement once first demand notification has been sent. Some ratepayers each year upon receiving the first demand notification continually contact KDC requesting agreement, then either make a few payments or do not commence payments (delaying tactics). This generally just delays the second demand, with payment quite often not being received until January at which time the debt is 7 months old (some banks will not process second demands in December).
- The following restrictions apply if a ratepayer has received two first demand notifications (whether a second demand was sent or not) within a three-year period. This ratepayer will already be aware KDC can make a demand for payment of rates upon their mortgagee and will have previously been urged to come to an agreement.

	Agreement for Current Year's Rates	Agreement for Previous Year's Rates
1st year	Yes	Yes
2nd year	Yes	No
3rd year +	No	No

Legal action – Mortgage Free Properties

- With mortgage-free properties, an option for the collection of arrears is to start legal action. This can result in the enforced rating sale of the property. As this action is a lengthy and costly process (financially to KDC and the ratepayer) it is KDC's intention to avoid this action in the first instance.
- Prior to forwarding the debt to the collection agency, KDC will have sent the owner at least three arrears reminder letters. These letters provide a notice period to the ratepayer to either settle the account or to come to a payment agreement.
- Where the ratepayer fails to contact KDC following the receipt of the 21 days' notice letter, for example, then a 14 days' notice letter will be sent, and so on.
  a) There would be a notice period of:
     - 21 days to pay, then
     - 14 days to pay (signed by the Finance Manager), and finally
     - 7 days to pay (signed by either the Senior Manager Corporate Services or the CEO).
- These urge the ratepayer to get in contact or face legal action.
- Payment plan options are available to the ratepayer, along the same conditions as other ratepayers.
- Following the receipt of the 7-day notice, and upon expiry of the notification period, the debt will be forwarded to the collection agency.
- Once legal proceedings have been filed, these will only be withdrawn upon payment in full of all outstanding rates.
- Copies of invoices for any legal expenses incurred are noted on file. Once judgment is received by the High Court, the ratepayer is legally obliged to pay the costs, at which time these expenses are to be added onto the rates account. This should be made clear before the case is heard in the Court.

Thresholds for Actions Taken to Collect Sundry Debt

Threshold	Action
The debtor has failed to make the payment by the 20th of the month following the invoice	A reminder letter must be sent out to the debtor as close to the 20th as possible. The relevant KDC department must also

	be informed where a contact person may be able to provide direct communication due to an existing relationship.
One month after the 20th of the month that the debt was due	One month after the due date (for the avoidance of doubt this would be expected to fall into the over 60 days debtors), if the debt has not been paid a formal warning must be sent out noting that if the debtor does not pay or create a payment plan within 7 working days the debt management agency will be engaged.
After the period of 7-day warning	We will engage debt management service after this period of warning has passed and the debt has not been paid.

5. DEFINITIONS

Term	Definition
Arrears	Money that is owed and should have been paid earlier.
Budget Services	Te Whare Putea, Te Ha O Marokura, Marlborough Community Law, or some other independent financial advisory/support service
Debt	The amount of money owed by a debtor as a result of a transaction with KDC.
Debtor	Any individual, corporation, or organisation or other entity owing money to KDC.
Hardship	Includes serious illness, bereavement or similar personal misfortune.
Remission	The cancellation of a debt, charge, or penalty.
Staff	Paid workers (including contractors) and volunteers.
Sundry Debt	General debts owed to KDC for various reasons like licenses, permits and services.

6. DELEGATED AUTHORITIES (if applicable)

Delegations	Chief Executive	Senior Manager Corporate Services	Finance Manager	Rates & Revenues Officer
Payment plan to clear 30 June	✓	✓	✓	✓
Standard repayment agreement	✓	✓	✓	✓
Non-standard repayment agreement	✓	✓	✓	
Payment plan to clear up to 24 months	✓	✓	✓	
Payment plan to clear up to 36 months	✓	✓		
Penalty remissions	✓	✓	✓	
Penalty suppressions (all)	✓	✓	✓	
Penalty suppressions (P1 suppressions for direct debits and rates rebates only)	✓	✓	✓	✓

7. REFERENCES AND RELATED DOCUMENTS

DOCUMENT/LINK

LGSectorGoodToolkit A Local Government Sector Good Toolkit has been developed which includes legal compliance modules, and these modules are available to all member local authorities. Rating, billing and collection processes are described in these modules, and should be regularly referred to when taking action to recover unpaid rates.
Local Govt (Rating) Act 2002 (the Act) Sections 59 to 83 in the *Local Govt (Rating) Act 2002* (the Act) pertain to the recovery of unpaid rates. Section 62 provides that if a landowner defaults in payment, use first mortgagee provisions, provided this action is taken at least 3 months after people with an interest in the rating unit have been notified, and not earlier than 1 November of the subsequent rating year (overdue rates are from the prior financial year). Section 63 then provides that, where there is no mortgage, KDC can take legal action through the District Court if rates remain unpaid for 4 months after due date, and for consistency this policy recommends 1 November of the subsequent rating year. The action through the courts can include the first instalment of current year as well. Section 64 provides for service of summons where the ratepayer is unknown, not in NZ, or cannot be found. Section 65 states that unpaid rates older than 6 years cannot be collected. By implication this means that unpaid rates must be recovered before they reach this age, even if this requires using the harshest actions under the Act. Sections 67-76 then sets out the process to initiate Rating Sales, and sections 77-81 deal with abandoned land.
Rates, Remissions and Postponement Policy KDC has a policy on rates remissions and postponement of rates (as part of its Long-Term Plan 2024-2034) which contains specific conditions and criteria for: • Land protected for natural, historical, cultural or conservation purposes, • Land affected by a natural disaster, • Excessive targeted rates by water meter, • Māori freehold land, • Postponement of rates (no postponement is available under this policy) • Remission of penalties. The policy on remission of penalties provides for penalties to be remitted or suppressed. Remission of penalties on late payment of rates may be made when it is considered fair and equitable to do so and may be used to facilitate the collection of overdue rates, but only where this is considered appropriate. In almost all cases, penalties are an appropriate mechanism to incentivise payment of rates.

8. DEVIATION FROM POLICY

Once this policy has been implemented, any deviations from this policy can only be made with the approval of the Executive Team. Failure to comply with the requirements of this policy may be considered a breach of your employment agreement.

Report to:	**Council**
Date:	25 June 2025
Subject:	CEO Monthly Report
Prepared by:	W Doughty - Chief Executive Officer
Input sought from:	
Authorised by:	W Doughty - Chief Executive Officer

1. PURPOSE
To provide the Council with an update on major work streams and other CEO activities.

2. RECOMMENDATION
It is recommended that the Council receives this report for information.

3. COUNCIL ACTIVITY – KEY FOCUS AREAS
Overview

Our final annual plan for financial year 2025/26 is on the agenda for adoption. It is great to see that we have reduced the overall rates requirement further in the final version to 8.94%. This is 1% lower overall than was signaled in the Long Term Plan for Year 2. This is despite a number of cost pressures, the largest being increased insurance premiums. We have also managed to do this without cutting scope or affecting levels of service. As indicated in all our communications, 8.94% is the overall increase in rates required and does not reflect what individual households will be facing. The significant changes to the independent property revaluations by QV have had an impact on the rates distribution and page 74 of the annual plan outlines typical rates changes for some benchmark properties. Each year Council only collects the revenue required through rates in order to balance the expenditure for that year.

Following the Local Waters Done Well (LWDW) decision last month to progress with a Joint Water Services CCO with Hurunui District Council, work is underway to develop a joint water services delivery plan with Hurunui to be submitted to Department of Internal Affairs (DIA) by 3rd September. The current timeline has a draft overview of the document being presented to Council in a workshop in July with Council sign-off at the July meeting. The WSDP is a high-level document outlining the joint implementation arrangements and demonstrating financial sustainability. In parallel to that, both Councils will work on the details of the joint WSCCO with support and guidance from DIA. A commitment agreement in being developed and put in place to guide the process until proposed go live in July 2026.

The internal teams have put in a phenomenal effort this month regarding the ERP replacement project and standing up Datascape. We are still on track to go live on the 1st July 2025, which is in itself a major achievement. The project has added significant workloads and stress to people on top of usual activities, but their dedication and commitment is really apparent. The finance team especially needs acknowledgment. Further work will be ongoing until December 2025 to roll out the building and planning modules as well as ongoing support and training for all the team. As with all new IT systems, a small number of teething problems are anticipated with go live and we ask our customers to bear with us, but the benefits of the system will be quickly realised.

Significant physical work is continuing around the township with the various footpaths, Wakatu Quay build and roading. The weather has had minor impacts on the programmes, but the bulk of work is still on track for completion by the end of June. The decision by NZTA board to discontinue the emergency works funding for the Waiua Toa/Clarence valley Access project leaves very few options available for the project going forward. A separate report is included in the public excluded section outlining the status of the project including commercials and legal discussions.

A number of planning workstreams continue at pace with the masterplan for South Bay Forest Reserve as well as the Walking, Cycling and Riding Strategy update. Both will be presented in a workshop to the Council in July, with any required decisions at the July Council meeting. There continues to be good engagement with the community on both. The preferred consultants for the District Plan review have now been identified and work will commence early in the new financial year. It is still anticipated that PC6 for Ocean Ridge will be lodged by the applicant by the end of June 2025.

Other Items
On the 29th and 30th May we hosted the quarterly Canterbury Mayor Forum, Regional Transport Committee and Civil Defense and Emergency Management Joint Committee meetings in Kaikōura. Unfortunately, we were unable to host them at the marae, but the Sudima provided a great backstop as a venue. We were joined with representatives from the Chatham Islands as well.

The LGNZ annual conference is scheduled for 16th and 17th July in Christchurch. LGNZ will be strongly advocating on the sector's behalf regarding the proposal by Government for rates capping.

Central Government will be publishing the first of their local government statistics at the end of June. The initial focus is on financial data taken from annual reports and long term and annual plans. Council officers have reviewed the draft information being released which appears to be in line with our reported data. Further reporting metrics will be added over time including service delivery, asset management and governance performance.

I attended the annual Canterbury Emergency Management Controller's forum in June and also Chaired the quarterly Communications and Engagement Forum.

Council Team
Corinna Vaughan has joined us as the new permanent accounts payable officer, and with the promotion of Cherie to lead the team as Finance and Business Partnering Manager, we will be recruiting for a replacement chartered accountant in a Finance Business Partner role. Given the demands on the finance team in general at the moment and until the new resource is in place, we have agreed to a three month fixed term contract with Ismail Che Mood. Ismail joins us from Wellington as much needed extra pair of hands.

We are about to start our end of year review process for all the team to be completed by the end of August.

Focus areas for the next three months

a) Project phoenix implementation.
b) Local Waters Done Well and Water Services Delivery Plan
c) Elections

4. COMMUNITY OUTCOMES SUPPORTED

Community
We communicate, engage 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

Attachments:
Attachment 1 – Financial Key Indicators as of 31 May 2025

KEY INDICATORS

AS AT 31 MAY 2025

OPERATING RESULT

operating surplus/(deficit)

$6.43m

$2,199k favourable v/s year to date budget of $4,230k

OPERATING COSTS

costs to deliver existing levels of service

$17.27m

$513k favourable v/s year to date budget of $17.78m

TOTAL EXTERNAL BORROWING

total borrowings from bank

$7.30m

$00k unfavourable v/s full year budget of $7.3m

INTEREST ON DEBT

cost to service debt

$430k

$67k unfavourable v/s year to date budget of $364k

CAPITAL EXPENDITURE

cost of new &/or replacement of assets

$8.03m

$3431.6K favourable v/s year to date budget of $11457.3K

DEVELOPMENT CONTRIBUTIONS

received for district growth

$122.7k

$63.1k favourable v/s year to date budget of $60k

LONG TERM PLAN MEASURES

DEBT AFFORDABILITY BENCHMARK

financing expenses as a % of rates

4.0%

6.0% favourable v/s council approved limit of 10.0%

EBID

earnings before interest and depreciation

$12.06m

$1,814K favourable v/s year to date budget of $10.25m

BALANCED BUDGET BENCHMARK

revenue equal or greater than expenses

137%

37% favourable v/s council benchmark of 100%

BORROWINGS TO EQUITY

Term loans as a % of equity

2.38%

0.11% unfavourable v/s full year budget of 2.27%

STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE

FOR THE PERIOD ENDED 31 MAY 2025

	BUDGET 2025 $	BUDGET YTD YTD 31/05/2025 $	ACTUAL YTD 31/05/2025 $	YTD VARIANCE 31/05/2025 $
REVENUE				
Rates revenue	10,537,555	10,537,555	10,710,285	172,730
Water meter charges	229,600	114,800-	132,266	17,466
User fees & charges	1,922,856	1,760,125	1,561,619	(198,506)
Grants & subsidies	991,880	923,222	1,155,280	232,058
Development contributions	61,559	59,600	122,684	63,084
Interest revenue	57,489	52,699	173,294	120,595
Gain	88,200	-	-	-
Other revenue[1]	685,001	499,590	894,365	394,775
Total Operating Revenue	**14,574,140**	**13,947,591**	**14,749,792**	**802,201**
Grants & Subsidies - Capital	14,046,867	8,065,605	8,949,279	883,674
Total Revenue	**28,621,007**	**22,013,196**	**23,699,071**	**1,685,875**
DIRECT OPERATING EXPENSES				
Personnel	4,126,431	3,798,326	3,589,887	(208,439)
Personnel Related Expenses	342,958	321,321	313,660	(7,661)
Admin & Office Expenses	452,374	403,793	397,846	(5,947)
Contractors	621,402	569,413	443,039	(126,374)
Professional Services	1,517,867	1,433,916	1,586,300	152,384
Grants/Donations	736,084	735,293	821,103	85,810
IT & Telecommunications	811,735	679,337	512,906	(166,431)
MRF	119,676	119,676	136,321	16,645
Utilities	716,573	657,885	637,762	(20,123)
Project Expenses	259,832	251,566	478,181	226,615
Repairs & Maintenance - Facilities	482,574	451,367	368,932	(82,435)
Repairs & Maintenance - Roading	1,368,522	1,311,757	1,171,751	(140,006)
Repairs & Maintenance - Waste	352,000	322,565	339,720	17,155
Repairs & Maintenance - Water	787,800	723,020	743,223	20,203
Other Expenses	574,096	345,710	229,261	(116,449)
Total Direct Operating Expenses	**13,269,924**	**12,124,945**	**11,769,894**	**(355,051)**
INDIRECT OPERATING EXPENSES				
Depreciation	6,238,922	5,655,343	5,204,159	(451,184)
Financing expenses	392,361	363,575	430,376	66,801
Overheads and Internal Charges	(196,378)	(360,928)	(134,295)	226,633
Total Indirect Operating Expenses	**6,434,905**	**5,657,990**	**5,500,241**	**(157,749)**
Total Operating Expenses	**19,704,829**	**17,782,935**	**17,270,135**	**(512,800)**
Operating surplus/(deficit)	**(5,130,689)**	**(3,835,344)**	**(2,520,343)**	**1,315,001**
TOTAL COMPREHENSIVE REVENUE & EXPENSE	**8,916,178**	**4,230,261**	**6,428,936**	**2,198,675**

STATEMENT OF FINANCIAL POSITION

AS AT 31 MAY 2025

	BUDGET to year end $000s	ACTUAL 31/05/2025 $000s	ACTUAL 31/05/2024 $000s
ASSETS			
Current assets			
Cash & cash equivalents	1,682,415	3,375,443	2,325,468
Trade & other receivables	1,956,405	3,342,830	2,782,909
Prepayments & inventory	254,081	274,806	212,018
Current financial Assets	20,000	20,000	20,000
Other Current Assets	330,000	330,000	330,000
Total current assets	**4,242,902**	**7,343,079**	**5,670,396**
Non-current assets			
Intangible assets	-	5,079	36,390
Forestry assets	2,520,931	2,784,009	2,400,887
Investment property	7,477,534	3,774,455	2,940,000
Financial Assets	206,500	274,029	206,500
Property, plant & equipment	316,712,143	304,480,719	291,498,333
Total non-current assets	**326,917,108**	**311,318,290**	**297,082,110**
TOTAL ASSETS	**331,160,010**	**318,661,370**	**302,752,505**
LIABILITIES			
Current liabilities			
Trade & other payables	1,611,807	2,899,520	2,120,042
Employee liabilities	257,367	176,299	193,265
Landfill Provision - current	-	-	-
Current Portion of term debt	1,000,000	388,680	579,887
Total current liabilities	**2,869,174**	**3,464,499**	**2,893,194**
Non-current liabilities			
Provisions	224,575	382,133	224,575
Borrowings – non-current	6,300,000	7,300,000	7,300,000
Other term debt	482,928	545,169	482,928
Total non-current liabilities	**7,007,503**	**8,227,302**	**8,007,503**
EQUITY			
Public equity	143,790,195	121,381,660	119,234,862
Asset revaluation reserve	175,115,415	176,793,446	166,524,581
Special funds & reserves	2,377,723	8,794,463	6,092,364
Total equity	**321,283,333**	**306,969,569**	**291,851,808**
TOTAL LIABILITIES & EQUITY	**331,160,010**	**318,661,370**	**302,752,505**

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 MAY 2025

	BUDGET to year end $	ACTUAL 31/05/2025 $	ACTUAL 31/05/2024 $
OPERATING ACTIVITIES			
Receipts from rates	10,767,157	10,710,285	9,452,333
Interest received	57,489	173,294	97,502
Receipts from other revenue	16,871,284	1,237,709	4,983,586
Payments to employees & suppliers	(13,937,592)	(12,100,134)	(13,653,786)
Interest paid	(392,362)	(430,376)	(294,765)
Goods & services tax (net)	-	284,498	(543,843)
Net Cash from Operating Activities	**13,365,976**	**(124,724)**	**41,026**
INVESTING ACTIVITIES			
Grants received for capital work	-	8,949,279	4,092,839
Purchase of investment property	(3,890,816)	-	-
Purchase of property, plant & equipment	(13,007,991)	(7,969,887)	(7,192,460)
Purchase of forestry assets	-	-	-
Purchase of intangible assets	-	-	-
Purchase/Sale of non-financial assets	-	(67,529)	(30,000)
Purchase of current-financial asset	-	-	-
Sale of property, Plant & equipment	-	-	-
Payment into term deposits	-	-	-
Net Cash from Investing Activities	**(16,898,807)**	**911,864**	**(3,129,620)**
FINANCING ACTIVITIES			
Movement in borrowings	-	-	2,000,000
Net Cash from Finance Activities	**-**	**-**	**2,000,000**
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	**(3,532,831)**	**731,365**	**(1,088,694)**
OPENING CASH	**5,215,246**	**2,644,078**	**3,414,063**
CLOSING CASH BALANCE	**1,682,415**	**3,375,443**	**2,325,369**

Report to:	Council	File #
Date:	25 June 2025	
Subject:	Community Services Team and partners	
Prepared by:	S Haberstock – Community Services Manager	
Input sought from:	Community Services Team and partners	
Authorised by:	P Kearney – Senior Manager Corporate Services	

1. SUMMARY

The purpose of this report is to keep the Mayor and Councillors informed of the activities delivered by the Community Services Team and showcasing the strong partnerships we have with the Kaikōura community. The report this month includes activity updates for May and June.

2. RECOMMENDATION

It is recommended that the Council receives this report for information.

3. ACTIVITY UPDATES

1. Community Development

a) *Community Development and Community Groups*

i. Te Whare Putea

- The temporary units now have a panel of 5 to support decision making for eligible tenants who meet criteria. The panel is comprised of the Te Whare Putea Manager, a Te Whare Putea Board member, a property management assistant, a person from Kaikōura Healthcare and someone from Kaikōura District Council (yet to be determined).
- The new maintenance person is doing a good job with maintaining the grounds.
- Foodbank – School deliveries thanks to the OP shop are going well and care packs are being delivered to people who are unwell. This service is for anyone.
- Heartlands – Kapri is working on a new presentation with the Westpac Manager regarding internet scams and how to remain safe.
- The Senior's Navigator is off to great start, working through referrals from the Seniors Expo.
- Two staff members are busy with ongoing mid to severe cases working with tamariki/ families in need through the Oranga Tamariki contract. Some youth in Kaikōura have been mentored and supported to undertake study in Christchurch.
- The Housing Navigator is keeping people in open rentals and preventing emergency housing for Work and Income clients.
- The Building Financial Capability Mentor is very busy and achieving great outcomes for people in Kaikōura who are under financial strain.

ii. Te Ha o Matauranga

<u>Mayor's Taskforce for Jobs</u>

Te Ha's target is 30 youth into full time sustainable work (over 91 days in the role) for the financial year. They are currently sitting at 26, although the report shows 29 (some of these were for part time work). They have another 15 placements made and of these, they anticipate 7 becoming sustainable, which means their yearly target will be well met.

Good news stories this month have included a couple of young men supported into vineyard work and a young woman into part time hospitality work.

As you will have seen from the Mayor's commentary through the media, the direction of MTFJ has changed for the coming year with the focus on 18–24-year-olds who are in receipt of a Jobseeker benefit. The funding offered is related to the number of young people on benefit in Kaikōura hence Kaikōura District has been offered significantly funding of $100,000 which is significantly less than before. This means that the proactive work Te Ha has been able to do in the past of upskilling young people in Kaikōura will come to an end. They cannot continue to support driver licence practical test trips to Blenheim, nor continue to run Youth Employability Programmes, and will not be able to offer in training and micro-credential opportunities. They will not be working in the early intervention space with 16,17-year-olds as they are not the target group anymore.

Driving
Te Ha has been lobbying with Ministers Stuart Smith, James Meager and Jamie Arbuckle and contacting NZTA directly, to try and obtain a test route here for practical tests. No clear progress to date - lots of unclear comments around looking at new test routes next year and Kaikōura may be considered as part of this. Te Ha is currently working with 23 individuals to progress through the licensing process; the majority are working towards their restricted licence.

	2024						2025						
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Totals
Passed Learners	4	1	6	2		4	2	1	3	1	1		25
Passed Restricted	2	2	3	4	1		2	2	6	3	6		31
Passed Full	3	2	2		2	1		1	1		2		14
Mentoring Sessions	12	2	6	2	11	7	3	8	15	15	14		95
Driving Lessons	20	30	30	36	31	14	33	31	60	35	39		359
Theory lessons						5	4	1	4	4	3		21
Defensive Driving Course			4	3	6				6				19

Education Support
It was great to collaborate with Pauly Clyne to support a group of rangatahi to create a mural at the Lyell Creek Bridge by the Village Green. This project involved a lot of background work to create a 'giving back' idea that could be carried out. The young people learned a lot about project management, design, technical mural painting skills and earned NCEA credits through completing the project.

Positive Youth Development Aotearoa training
Te Ha is really pleased to advise that they have PYDA training coming to Kaikōura on Tuesday 8th July. This is free for everyone who works or volunteers with youth.

Staffing
Te Ha farewells Mark Paterson from the role of Youth Worker this month. Mark has been an incredibly valuable team member who will be missed. Mark will remain connected to Te Hā by continuing to support their youth mentoring programme.

iii. Other community group updates

Pensioner Flats
All flats are doing well. The maintenance schedule has been updated, and we are seeking quotes for the reroofing of flats 9-12. The Flat 10 kitchen is fitted next week and the new tenant is scheduled to move in at end of June/ start of July.

Community Networkers
The monthly Community Networkers Meeting is held every second Tuesday of the month at Te Whare Putea-Heartlands. This meeting provides a 5–10-minute time slot for external and internal community groups and services to present subjects or promote support to Kaikōura, ensuring we develop better understanding and pathways for how our community can access the services they need.

The speaker this month was Renee Wood. She is the Adult Community Education Co-ordinator employed by Te Ha o Matauranga, funded by REAP Marlborough. This role focuses on providing educational opportunities for literacy, numeracy, and inclusion. Renee also introduced other services Te Ha o Matauranga provide which include youth education, support, and resources along with community groups support, projects and workshops/trainings i.e. Community Garden and The Community Shed.

Areas of concern raised at the meeting worth highlighting are

- Marlborough Community Law is now based at Heartlands weekly instead of monthly, due to increasingly high need and demand.
- Those working in the family harm and violence areas continue to provide support and safety. Capacity to continue with the level of support required with the increasing number of incidents and necessity is a concern.
- The Community Foodbank managed by Te Whare Putea are now part of the 'Rescue Food' group and uplift food items from Christchurch. These items are provided by supermarkets, bulk food stores and community donations. Foodbank demand and need is still high, and the Foodbank organisers would like to invite the community to consider future donations and fundraising events.
- Concerns were raised that there is an increase in our elderly disregarding their nutritional and health needs due to increasing costs. A reminder that Meals on Wheels is a strong option for our elderly, these meals are cooked in the Te Ha o Te Ora kitchen where volunteer's co-ordinate deliveries.

Other areas discussed

- Suicide Awareness (whakamomori) and training is actively provided by both Te Ha o Te Ora and community groups involved in the support of our community. This is a highly specialised area where clinical professionals and others that have attended specialised training will assist, support, and provide follow up needs – as required. The discussion also included previous and ongoing specialised workshops and training.
- Hikitia was introduced to the community last month, a resource funded by ACC, a new national prevention strategy for family violence and sexual violence.
- The Kaikōura Men's group and the Dad's group is progressing well with 6 possible referrals from the Empowering Seniors Expo.
- Resources discussed and provided regarding online harm, particularly with youth. These resources highlight positive relationships, empowerment, and support of women that have experienced abuse.

iii. Grants

Sports NZ Rural Travel Fund
3 applications approved and allocated $9,500.00

- Kaikōura High School – Hockey
- Kaikōura Netball Centre
- Kaikōura Rugby Club (JAB)

George Low Fund

4 applications received and approved - total $4,500.00.

- Providing sports equipment and resources for Kaikōura youth
- Kaikōura High School Hockey and Rugby
- Kaikōura Netball Centre
- Te Kura o Hapuku – Netball and Cycle helmets
- St Joseph's School - Netball

Creative Communities Scheme

15 applications received, 13 approved, 2 declined – allocated $15,928.00

- Kaikōura Art Society – Art classes
- Kai – a short film (Phase 3) – based in and produced in Kaikōura
- Kaleidoscope Kaikōura – Marlborough Orchestra
- Te Kura o Hapuku – Kapa Haka Taonga
- The Barden Party – McBeth performance
- Spring into Line Dancing – elderly activity
- Fyffe House – community activities throughout the year
- KHS Mural – student art, outside of education curriculum
- Stitch'n' by the Sea 2025 – Kaikōura Embroidery club invites members of Embroiderers Guild of NZ (South Island)
- No, No, No production – science fiction dark comedy
- Douce Ambiance – a quartet concert musical concert
- Kai – a short film (Phase 4)
- Youth Music Recital 2025 – annual end of year opportunity to present to families and the community

Community Initiatives Fund

4 applications received, 3 approved, 1 declined – allocated $5,990.00

- Takiwa Kapa Haka – approximately 500 primary school children from within and outside of Kaikōura attended this cultural experience.
- Wikipedia – Historical Society – Workshop/training on how to use this online resource
- Empowering Seniors Expo – Provide a one stop information event providing options, awareness, and support.

b. Community Events

Game On

Sport Tasman held their Game On event for all year 7 & 8 Kaikōura students on Friday 16th May at Takahanga Domain. Participants had the opportunity to experience learning and playing four different sports from croquet, netball, ki-o-rahi, bowls and squash. An awesome event organised by Saraya Brown – Sport Tasman, great weather day and lots of happy children.

Community involvement included Sport Tasman, KDC, Maori Wardens, Squash Club, Takahanga Bowls Club, Croquet Club, Netball Centre, Property Brokers (BBQ use).

<u>**Upcoming events**</u>

- Matariki Sunrise event, Saturday 21st June at Esplanade/Brighton Street area
- Matariki Community Stargazing, Saturday 21st June at Fyffe House
- Star Pati, Tuesday 24th June at Memorial Hall for children
- Matariki ma Puanga Makete (Evening Market) to be held on Wednesday 25th June at Memorial Hall (3pm – 6pm), followed by a session with Rikki Solomon
- Rikki Solomon Matariki workshops 25th/26th June for groups such as Healthcare and teachers

2. Customer Service Requests (CSR's) at Front of House

May was less busy than last month where reception captured 509 customer service requests (only quick complete requests) down from 583 in April 2025. The four busiest areas were:

- Building: 159 (up from 156) calls supported the booking of consents
- Planning: 107 (up from 108) calls dealt with planning inquiries
- Finance: 99 (down from 121) calls were rates inquiries
- Animal control: 21 calls regarding animal inquiries, mostly dogs.

3. Kaikōura District Library

As another financial year comes to an end, we would like to say a big 'thank you' to our community and our Council for such fantastic support. Our District Library is incredibly valuable to our rural community for a range of social, educational, and cultural reasons. Below is a synopsis of what we currently offer:

<u>**Access to Information and Technology**</u>

- We offer free internet and computer access - in our rural and remote area where connectivity can be limited or expensive, our library provides essential digital access for work, study, and communication.

- We also offer digital literacy support - our staff help with using technology (where fewer people may have tech support at home).

Educational Support

- Lifelong learning - we offer early literacy programmes for children to adult education and workshops, and foster learning at all stages of life.
- We have strong school partnerships - in small communities where schools have limited resources, our library helps to fill some of these educational gaps.

Community Connection

- Social hub - our library is a safe, welcoming space where people can gather without needing to spend money - important in our isolated and/or lower-income community.
- Combatting isolation - especially for older adults, new parents, and newcomers, our library can be a place to connect with others and participate in community life.

Support Services and Information Access

- Community noticeboards and referrals - our library acts as a hub for local service information, from health to council services to job listings.
- Help with local and tourist information – our staff often assist with things like where to go for passport forms, or online government services and which restaurant serves crayfish!

Inclusive and Free

- We pride ourselves that our library is one of the few places that is universally welcoming, non-commercial, and open to all, regardless of age, background, or income level.

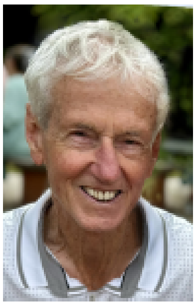
In essence, our library is so much more than just a book lender - we're connectors, educators, preservers of culture, and anchors of social wellbeing. Our adaptability and community-centered mission makes our service indispensable. Thank you for supporting us.

Please see our May dashboard below:

We are very lucky to have the Parawhenua Komaru Solar Tsunami showcase, currently displayed in the library. This is a free interactive display about space, weather and it's effects on Aotearoa, kindly lent to us by the Otago Museum.

This month the library had the pleasure of hosting a talk by author Des Casey. His book Nature's Future, Our Future deals with the environment, mental health and how to find pathways through the challenges we face.

We had great feedback after his visit and we hope to host him again in the future.



LIBRARY VISITORS IN MAY

3,388

MAY STATISTICS

	22/23	23/24	24/25
▼ ISSUES	2,929	3,308	3,041
▲ RENEWALS	264	212	234
▲ RETURNS	2,101	2,323	2,342

MAY WRAPPED

Over the past decade, library book issues have declined worldwide as more and more people discover the convenience of digital borrowing and online information.

Despite a global decline in library borrowing, our little library is setting itself apart with issues steadily rising over the past decade.

KAIKOURA 25% increase in issues over the last decade

UK -44% decrease in issues over the last decade

AUS -22% decrease in issues over the last decade

NZ -17% decrease in issues over the last decade

USA -17% decrease in issues over the last decade

"a world class library service which retains its community values"

4. FINANCIAL IMPLICATIONS AND RISKS

None – expenditure remains within budgets.

5. COMMUNITY OUTCOMES SUPPORTED

Community
We communicate, engage 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

Report to:	**Council**
Date:	25 June 2025
Subject:	Planning Update Report
Prepared by:	D Hirst – Policy Planner
Input sought from:	J Thornton – Land Information Memorandum and Planning Administration Officer M Hoggard – Strategy, Policy and District Plan Manager R Hurley – Consents Panner
Authorised by:	P Kearney – Senior Manager Corporate Services

1. SUMMARY

This report provides a high-level update on what is occurring in the planning and policy spaces. The key aspects to note are:

- Following the District Plan Review Tender process that closed on 21 March 2025, KDC selected a combined tender of Perspective Consulting and Marcus Langmann as the preferred candidate after interviewing the three top candidates and is in the process of agreeing on the terms of the contract.

- The KDC Planning Team worked with Chair Kevin Heays to have two three-hour workshops to determine the strategic vision and key projects that would implement this vision. The workshops were highly interactive and positive, and the Planning Team is now putting together a draft strategy to go to Council in July with the intention of then going out to a one-month public consultation throughout the month of August.

- At the National Level Resource Management Act reform continues.

2. RECOMMENDATIONS

It is recommended that that Council receives this report for information.

3. RESOURCE CONSENT STATUS

The Planning Team continues to offer support to other internal teams, bringing value in resolving historical outcomes for the GIS, Rating and Regulatory teams.

In the last reporting period (19 May 2025 to 12 June 2025):

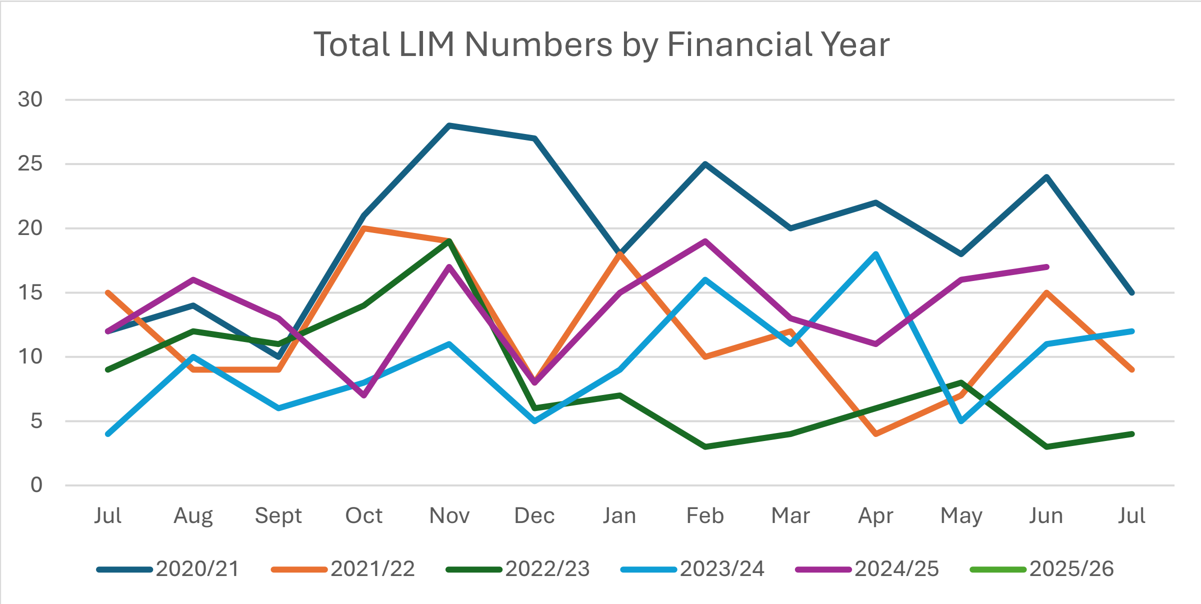
- 32 Historical Consents existed (19 Land Use/8 Subdivision/5 Variations)
- 9 New Resource Consents have been received (7 Land Use/2 Subdivision/1 Variations)
- 6 Resource Consents have been issued
- 4 Resource Consents have been declined (Historical, RFI Information not provided by applicant)
- 8 Resource Consents are on s92 RFI hold awaiting further information from agents/applicants
- 4 Resource Consents are on s92 hold at the applicants request
- 0 Resource Consents have been rejected as s88 incomplete applications
- 0 Resource Consents have been Publicly Notified (0 Land Use/0 Subdivision)
- 1 Resource Consent have been, or are to be, Limited Notified (0 Land use/1 Subdivision)
- 9 PIM Requests have been processed for the Building Team
- 30 Public Enquries have been received and resolved by Rex Hurley.

The average processing time for new consents in the reporting period was 18 days.
Looking at the financial year:
July 2024- June 2025 - Total Consents: 64

Percentage within timeframes	Percentage outside of timeframes
70%	**30%**
Percentage within timeframes without Subdivision Consents	**Percentage outside of timeframes without Subdivision Consents**
86%	**14%**

4. LAND INFORMATION MEMORANDUMS

The total number of LIMs received since the last report to Council is 17.
16 have been finalized, 1 is currently being processed.
The average processing time is 4 days.



5. District Plan Review

The District Plan evaluation panel engaged in a robust short-listing process against pre-determined criteria, including three in-person interviews with the top candidates. Perspective Consulting and Marcus Langmann was selected as the preferred candidate, and we are now determining a three-year plan, including how we will work together.

6. Policy Planning Update

Strategies

The two workshops held over the last month were successful in clarifying the 7 key strategic goals of the projects, which formed the basis for our discussions and the vision we have for the town. These goals are:

1. Decrease reliance on cars as a method of transportation, in favour of walking and cycling, or other non-carbon emitting transportation alternatives
2. Health, safety and accessibility, allowing all to move safely around the town
3. Increase the outdoor and play activity options for youth
4. Intergenerational inclusivity
5. Increase in the infrastructure that supports active recreation
6. Diversification of the types of recreational activities in Kaikoura
7. Value for money

In addition, we came to an agreement on approximately 25 potential projects that we can engage in by 2030 / by 2035/ beyond 2035. As a group we brainstormed how these projects would meet the strategic goals. The discussion led to a series of project themes emerging strongly among the workshop participants, including the desire to turn Kaikoura into a world-class mountain biking destination centered on Mt Fyffe but connecting more broadly to other riding destinations, a place where horse-riders can ride safety through a network of attractive local trails, and, in general, a interconnected active transport hub where safety is taken into account throughout.

A draft will be presented to the Council at the July meeting to go out to a one-month consultation.

Policies and Bylaws
The Planning Team is presenting a review of the Control of Alcohol in Public Places Bylaw to this Council meeting, after previously presenting the attention to roll-over the current version of the bylaw without changing the locations where alcohol possession and consumption is prohibited. As noted at the May 2025 workshop, the New Zealand Police are comfortable with the current list of locations and believe the bylaw is working as intended.

Also presented at this meeting is the KDC proposal to turn the current Dog Control Bylaw into a broader Animals Control Bylaw, which would have a section devoted to cat management. If Council approves this proposal, then the Planning Team will begin work on the development of this bylaw to replace the Dog Control Bylaw, which is due to review.

The Planning Team has worked with the Finance Team to develop a KDC Debtors Policy, which is also presented to the Council at this meeting. Thie policy clarifies our agreed position on how we pursue debt.

The Planning Team developed a draft Risk Policy following on from the workshop hosted by Philip Jones. The draft was sent to Philip on 29 May for feedback. Philip is on vacation and is expected to reply shortly, after which the draft will go to management for approval before being presented in Council at the July meeting.

Resource Management Act Reform

Four new packages have been released for consultation:

Package 1 and 2 – Infrastructure and development, the primary sector
Package 3 - Freshwater management changes
Package 4 - Testing policy options for urban management in the new resource management system (Housing Growth)

Submissions are open as follows:

Packages 1 – 3 can be made until 27 July
Package 4 consultation will open on 3rd June

More information on the changes can be found at Ministry for the Environments website.

Relevant Legislation
The *Resource Management Act 1991* (RMA) remains the relevant legislation.

7. COMMUNITY OUTCOMES SUPPORTED

This report enables a communication flow that improves our community service as KDC management (and other staff) and Council members are of the same understanding as to what we are doing and where we are going.

Community
We communicate, engage 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

Appendices

1. **Resource Consents in Progress**

No	RC ID	Applicant Name	RC Description	RC Location	Status / Notes	Days
1	1603/1	Abernethy	Land use (Additional storage Units)	106 Schoolhouse Rd	Active, Processing internally	4
2	1632	D & R NZ Ltd	Land Use (Mixed use building development)	26-36 West End	Declined s104(6) after 3 year delay waiting on applicant to provide information. Site now up for sale.	-
3	1870	Mark Baxter	Outdoor Dinning Area – Temporary Activity	21 West End	Declined s104(6) as application and issue with neighbour never resolved. Application superseded by a larger more complete development submitted initially as LU2016(s88) and now LU2033.	65 3
3	1895/1	Meyn	Variation of consent – roading conditions, turning circle, vesting of road	427 Inland Kaikoura Rd	Active, Processing internally On hold, engineering construction standards and road vestment explanation required	11
4	1908	Moanna Farms Ltd	Earthworks within landscape area	20 Moana Road	Decline s104(6) as applicant provided required information. Enforcement action to follow.	
5	1956	Benjamin Jurgensen	2-lot subdivision	290 Red Swamp Rd	Active, processed externally (PLANZ) Limited Notification undertaken	48
6	1965	Marlborough Kaikoura Trail Trust	Earthworks and structures associated with the construction of a cycle trail between tirohanga and kekerengu which forms part of the Whale Trail	Section 1 SO 7346, Lot 1 DP 946, SO 5281, Lot 1 DP 10979, Lot 1 DP 418536	Active, Processing externally (RMG) Still on hold at Board of Directors instruction.	53
7	1966	Marlborough Kaikoura Trail Trust	To build, operate & maintain a cycle trail bridge over the Kekerengu River which forms part of the Whale Trail	State Highway 1	Active, Processing externally (RMG) Still on hold at Board of Directors instruction.	53
8	1979	Robyn Murray	Visitor accommodation – up to 6 guests	43 Clarence Valley Road	Active, Processing externally (PLANZ) On hold at applicants request to obtain neighbours written approval.	30
9	1982	Avodah Spiritual Respite/Vineyard Church	Erect several buildings to support the proposed facility at the site – area is approx. 5.8ha	23 Bay Paddock Road	Active, Processing externally (PLANZ) Action on Matt H to resolve	14

10	1983	Rockwood Kaikoura Limited	Create 4 allotments held in three fee simple titles	Red Swamp Road (Section 10 Kaikoura Suburban Dist & Section 60 Kincaid Run, Kaikoura Dist)	Active, Processing externally (PLANZ) RFI for water supply not resolved. RFI for transport matters not resolved.	13
11	1987	Melody Barlow	10 guests per night	54 Kotare Place	Granted, Processed externally (RMG)	17
12	1990	160 Beach Road Limited	4 lot subdivision and change of use/disturbance of contaminated soil	31 Beach Road	Active, Processing externally (PLANZ) S92 RFI regarding contaminated land and Site management plan required	2
13	1998	Marlborough Kaikoura Trail Trust	LU consent for earthworks and structures associated with the construction of earthworks and structures associated with the construction of a cycle trail between Middle Creek and the Hapuku Beach Carpark which forms part of The Whale Trail.	Between Middle Creek & Hapuku	Active, Processing externally (RMG) Still on hold at Board of Directors instruction.	40
14	2001	Haldon Downs Ltd	4 lot subdivision and amalgmation	163 Inland Kaikoura Road	Active, Processing externally (PLANZ) s92 RFI outstanding PLANZ update 19 May indicates consent is near issuance.	4
15	2008	Louise Fisher & Daniel Farr	Breach of rural density standards (and consent notice), and operate a visitor accommodation	12B Louis Edgar Place	Granted, Processed externally (RMG)	16
16	2009	John Drew	Variation to Consent notice, building outside of the required buildable area, retrospective consent for clearance of indigenous vegetation in the significant landscape area	1481D State Highway 1	Active, Processing externally (RMG) Limited notified and outstanding RFI's Landscape and Ecological Impact outstanding. Enforcement Action undertaken Still awaiting technical RFI responses from applicant's third party experts.	11
17	2014	Kaikoura DC	Glen Alton Road Project and realignment of road	Clarence Valley Rd	Active, Processing externally (RMG) To be Limited notified Outstanding RFI's landscaping Decision to be made by 27 June by WD if consent application will proceed.	5

18	2015	Marlborough Kaikoura Trail Trust	Earthworks & structures associated with the construction of a cycle trail between Kekerengu to Clarence	State Highway 1	Active, Processing externally (RMG) Still on hold at Board of Directors instruction.	9
19	2017	McIntyre Family Trust	Boundary Adjustment	200 Torquay	Granted, Processed Internally.	18
20	2019	Howden	Construct new private hangar	617 State Highway 1	S127 variation for Commercial use to be applied for by agent, yet to be lodged.	-
20	2020	Joyce	2 Lot Subdivision	87 Green Lane	Granted, processed internally	17
21	2023	Joyce	2 Lot Subdivision	87 Green Lane	Granted, processed internally Land use component of SU2020.	17
22	2024	Melody Barlow	Visitor Accommodation - 10 guests per night	54 Kotare Place	Granted, Processing externally (RMG) Reentered in system as original application returned incomplete, resolved 9 May. Issued 27 May.	17
23	2025	Meyn Viatchslav	Additional 3 Lot to application 1895	427-671 Inland Kaikoura Road	Active, Processing Internally s92(1) and s92(2) RFI's to resolve, road vesting, turning circle construction, Geotech and Geotech peer review	10
24	2026	Meyn Viatchslav	Variation of conditions RC1895	427-671 Inland Kaikoura Road	Active, Processing internally On hold, engineering construction standards and road vestment explanation required	11
25	2027	Gain Hamilton	Construction of a single residential dwelling Non compliance to site area Non compliance to internal Boundary	74B Torquay Street	Active, Processing Internally s92(1) and s92(2) RFI's to resolve, consent notice compliance, Geotech and Geotech peer review	3
26	2028	Alaska Gray Ltd	LU consent to establish mixed-use development comprising 7 residential units and 2 commercial unit	72 Beach Road	Active, Processing Internally s92(1) and s92(2) RFI's to resolve, written approvals Kiwirail, NZTA, rule breaches, PSI required , Geotech and Geotech peer review	6
27	2029	Anderson	Visitor Accommodation 13 guests	9 Hawthorne Rd	Active, Processing Internally On hold until 16 June at applicants request to obtain neighbours written approval	6
28	2030	David Barker	Alteration to Garage	17 Deal Street	Active, Processing Internally	6
29	2031	Seith Piercey	Construct 2 residential units	1/1 Fyffe Ave	Active, Processing Internally S91(1) RFI to resolve, construction of building over Council easement	1
30	2032	Samuel Dunfoy	Visitor Accommodation 2 guests	254 Mill Road	Active, Processing Internally	3

31	2033	Strawberry Tree	Changes to site and extension of existing building	19-21 West End	Active, Processing Internally New submission of rejected LU2016	3
32	2034	Hilda Kovacs	Construct new 3 bedroom dwelling	118 South Bay Parade	Active, Processing Internally Awaiting Payment	0
33	2035	Connexa	Upgrading equipment on existing telco pole	Seal Point Road	Active, Processing Externally (Stradegy)	1

Report to:	**Council**	**File #**
Date:	25 June 2025	
Subject:	Building and Regulatory Update	
Prepared by:	J York – Regulatory Services Manager	
Input sought from:	R Harding – Senior Building Admin, F Buchanan – Regulatory Admin Officer, G Vaughan – Building Control Manager	
Authorised by:	W Doughty – Chief Executive Officer	

1. SUMMARY
This is a routine report on recent activity in the BCA and regulatory areas of Council.

2. RECOMMENDATION
It is recommended that the Council receives this report for information.

3. SUMMARY STATISTICS

BUILDING AND REGULATORY STATS

May 25

Building Reports

Building consent applications	15
Building consents issued	12
Building exemption issued	0
Code Compliance Certificates received	9
Code Compliance Certificates granted	4
Inspections conducted	86
Inspection failed percentage%	48%

CSR's Received

Seagulls	0
Abandoned Vehicles	0
General animal enquiries	0
Parking	0
Freedom camping	1
B.W.O.F processed	10
Dogs Impounded	0
Dog adopted	0

Fees

Total parking fees received including slipway
$2899.20

Dogs	6
Dog Infringement	0
Noise complaints	3
Un-consented buildings	1
Roaming stock	0
Seals	0

Dog Registrations

Registrations Open now for 25/26 year

Managers Certificate - 1x New 2 x Renewals
Special Licence - 1
New Managers applications received - 6
Renew Managers applications received - 2
Special Licence applications - 1
Premises applications - 1
Managers Certificate issued - 13
Special Licence - 2
Premises Licence issued On/Off/Club - 4

4. BUILDING CONTROL
The following apply for the period May 2025
See infographic on previous page

Young Building Professional of the Year

On the 26th-27th of May Clive and Glenn attended the BOINZ Symposium during which Clive was awarded the Young Building Professional of the Year award. This award goes to an individual who reflects strong professional growth and has dedicated their time to enhancing the Building Control profession, this was a great achievement and certainly well deserved.

5. SALE AND SUPPLY OF ALCOHOL ACT 2012

Notable Events

- Monitoring for compliance visit undertaken in May. All premises that were inspected were compliant with the legislation at the time of monitoring.
- Meeting held with Police to discuss applications, any issues, further Local Alcohol Policy and Alcohol Ban insights and discussions.

On June 27, 9:00am – 2:30pm there will be a training held in Kaikoura by Steve McDowell, *Introduction to the Sale and Supply of Alcohol Act 2012 - Workshop on the Function, Processes, and Administration of a District Licensing Committee*

If committee members wish to attend, please let me know. This will be valuable training especially with the move to Datascape and the changes this will incur regarding administration.

6. FOOD ACT 2014

Food Act report

- New Food Act Registrations **0**
- Completed verifications **10**
- Total Food Act Registrations **64**
- **54** Template Food Control plan registrations
- **10** National Programme registrations
- Meetings were attended senior MPI management regarding their very recent released latest guidance covering requirements for food businesses advertising and selling Gluten Free products. Business can no longer specifically advertise GF. To sell GF products MPI has put the onus onto verifiers to determine adequate separation of GF and non-GF foods, to enable them to sell GF foods. This caused confusion and concerns among verifiers around the country.
- The MPI levies have caused considerable angst amongst Tas throughout the Country. Some negative feedback could be experienced from food business operators. This kicks in from 1 July 2025 and will increase over a three-year period.
- Kaikōura has no food businesses of interest by MPI in their oversight programme.

7. HEALTH ACT 1956

Nothing to report

8. REGULATORY SERVICES

- 3 Noise complaints, all were dealt with on the night and no further action required
- Dog registrations have been opened, there is a small delay due to the roll out of new computer system, however the team are ready to answer any questions from the community.

9. COMMUNITY OUTCOMES SUPPORTED

The work is in support of all/the following community outcomes.

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