

COVER PAGE

Contents

	Page number
Introduction	
Welcome to the Long-Term Plan	5
Message from the mayor	5
Message from the Chief Executive	6
Auditor’s Report	7
Part One: Kaikōura 2021	13
Kaikōura – our Town, our District	14
Our Vision: Moving Kaikōura forward	18
Executive Summary	19
Key Issues	21
The big issues we consulted on, and the changes we made to the final LTP	24
Community Outcomes	30
Part Two: Council Activities	31
Roading	33
Water supplies	45
Wastewater	60
Stormwater	67
Refuse & recycling	74
Facilities	84
Leadership & governance	95
Building & regulatory	103
Community & Customer services	117
District development	130

Other volumes:

Volume Two:

Part Three: Strategies & Policies

Volume Three:

Part Four: Financial Information & Rates

Part Five: Appendices & Other

Introduction

Welcome to the Long-Term Plan 2024-2034

The Long-Term Plan (the LTP) is our most important planning document, guiding what the Council plans to do over the next ten years – and how we intend to pay for it.

Our LTP 2024-34 is our chance to look up and look forward in terms of Council planning. It is refreshed every three years. It provides the roadmap that shapes our priorities and how they are funded.

Our plan for the next ten years and beyond hasn't changed much since 2021 (the last Long-Term Plan was 2021-2031) with several major projects and programmes continuing on course. We continue to strive towards "Moving Kaikōura Forward" as we come out the other side of the significant challenges from the last few years and look to the future. Our plan is shaped by several strategic priorities, issues and opportunities that impact us locally, regional, nationally and globally. We need to understand these strategic priorities and build in consideration of them into all that we do.

We are in a similar situation to all Council's around the country in terms of financial costs and pressures, operating in an environment where the funding system for local government is fundamentally broken. Nationally it is recognised that simply relying on rates and debt will not be enough for a sustainable long term funding model. However, right now, we need to continue to work within the framework we have and lobby for change. Our work programmes and supporting budgets have been developed from base principles on a "no frills" basis to ensure we continue to focus on our core infrastructure assets as well as

prioritise investment in catching up with our roading and footpath programmes. We need to finish what we started.

Our Infrastructure strategy shows that we are in a very good space with our core infrastructure assets compared with many other Council's around the country. We are effectively delivering an "enhanced business as usual" programme to ensure we are staying on top of the maintenance of our assets going forward to avoid kicking the can down the road.

Our Financial Strategy shows that, for the second smallest Council in New Zealand, we are in a relatively strong and stable financial position as we look to the future. Our recent comprehensive rate review process had a focus on ensuring costs are funded from the right areas, with an increased focus on user pays where possible. Our debt levels are under control and, at a maximum peak of \$10.3m in the 2026 and 2027 financial years, continue to be well below both our self-imposed borrowing limit and our lenders covenanted requirements. This is a good news story after the financial challenges of the earthquake in 2016 and as we emerge into the post Covid-19 restrictions environment.

Although we have continued with our no-frills approach to the budgets, we have been realistic with our proposed rate rise given the overall cost increases with the current economic climate. The overall rates increase for 2024/2025 is 14.75% which is below the average across the country and overall, the total rates requirement across the ten years of the LTP is expected to increase an average of 4.9%.

Message from the mayor

Our plan for the next 10 years and beyond hasn't changed much since our last LTP (2021-2031) with a number of the major projects and programmes continuing on course. What has changed is that due to factors largely outside our control, the cost of delivering our projects and services has increased significantly. This is a national problem for all local authorities.

Not only are we all having to manage the economic implications from the global pandemic, but Councils across the country are also operating in an environment where the funding system for local government is fundamentally broken. The recent review into the future for local government recommended that a substantial overhaul of the local government funding and finance system is required. Relying on rates and debt will not be enough for a sustainable local government funding model. With the new coalition Government any improved funding system will take some time to agree and implement and so we need to continue to operate within our current framework. We need to continue to try to balance rates affordability with achieving the outcomes needed and desired by you, our community. Following the investment in our infrastructure after the earthquake we find ourselves in a more fortunate position than a number of other Councils. However, if we don't continue to appropriately invest in the maintenance of our assets, we are just 'kicking the can down the road' and pushing problems down the line for others to deal with which will have far greater cost implications.

As the second smallest local authority in New Zealand with limited capacity and resources we need to continue to punch above our weight. We need to be ready to explore new revenue generating & commercial opportunities, such as Wakatu

Quay and the possibility of a hot pools development, as well as continuing to deliver core services for our Community. We also need to invest in systems and processes to help us be more efficient and effective. Our vision as a Council remains 'Moving Kaikōura Forward'.

Our partnership with Te Runanga o Kaikōura (TRoK) remains as important as ever, if not more so with the current political climate. We need to continue to try to identify and work on shared priorities for our community going forward. We also have a lot of mahi (work) ahead of us to build new relationships with central government, but we are well placed to do that and have a history of showing strength and resilience as a community with a reputation for getting on with it.

We have achieved a lot over the last three years and have dealt with some major hurdles along the way, but we have more to do. We know that it is a tough time financially for many people given the current economic climate and so have been very conscious not to drastically change our course or introduce a heap of new initiatives or projects. We are focused on finishing what we have started and getting the job done.

Craig Mackle

Mayor

Message from the Chief Executive

The Long-Term Plan 2024-34 is the Council's commitment to the community for the next ten years. It sets out what we plan to do, how much it is expected to cost, how it will be funded and how the Council will report on progress. As highlighted, this LTP has not shown a radical change in direction since our comprehensive LTP in 2021. We are continuing to finish what we have started with a number of priority areas and programmes including roading, footpaths and the District Plan update. Some of our major projects are also still ongoing and need finishing.

Through our consultation process we had a really good level of engagement and feedback. We had strong support for the preferred options of our four main consultation items which included increasing the level of investment in our footpaths, providing financial support to the Whale Trail project in terms of both capital for the build and ongoing maintenance costs, reducing the rural differential on the general rate to 0.8 and continuing with the rural recycling facilities. We also received some good ideas for consideration as future areas for focus.

This LTP also sets out how we are going to deliver on our core 'business as usual' activities like the provision of local infrastructure, including water, sewerage and storm water; emergency management and civil defence preparedness; building control and resource consents; dog, stock and noise control, and regulatory services. Each of our activities are linked to our community outcomes that promote the social, economic, environmental and cultural wellbeing of our community. The LTP also outlines a performance framework of how we know when will be successful in achieving our community outcomes and how we are going to measure success.

Given the current economic climate, I believe we have a sound plan for the next ten years which focuses on getting the job done. We know that there are still a number of uncertainties ahead of us in terms of various central government policy and initiatives that are underway. This does makes planning for the next ten years a challenge, but we have to base our LTP on what we know now, rather than anticipating or guessing how things may develop. Our Annual Plan process will be a way to respond to any changes as they become clearer.

We have a very bright future ahead of us as a District and I am excited about what we can achieve by continuing to work together

Nga mihi

Will Doughty
Chief Executive

Auditor's Report

To the reader:

Independent Auditor's report on Kaikoura District Council's 2024-34 long-term plan

LEAVE FOUR PAGES FOR THE AUDIT REPORT (THIS IS THE FIRST PAGE)

LEAVE FOUR PAGES FOR THE AUDIT REPORT (THIS IS THE SECOND PAGE)

LEAVE FOUR PAGES FOR THE AUDIT REPORT (THIS IS THE THIRD PAGE)

LEAVE FOUR PAGES FOR THE AUDIT REPORT (THIS IS THE FOURTH PAGE)

Te Rūnanga o Kaikōura

"Mō tātou, ā, mō kā uri a muri ake nei"
"For us and our children"

I would like to start by acknowledging the strength of partnership between Mana Whenua and the Kaikōura District Council community, this is a second time that Ngāti Kuri features in a district councils long term plan, this is credit to our whānau, hapu and community leadership. I acknowledge the drive for equality from our mayor and fellow Councillors. Tenei te mihi kia koutou.

Te Rūnanga o Kaikōura is the Papatipu Iwi authority for this area, our geographical boundary post settlement stems from Pari Nui O Whiti (just out of Blenheim) to the north, the Hurunui river to the south and inland past Hanmer Springs. Within our boundary we encompass Marlborough District Council, Kaikōura District Council and the Hurunui District Council. With all three councils we endeavour to foster strong partnerships for the betterment of each community and its members.

Our Papatipu Marae is Takahanga which is situated overlooking the township of Kaikōura. It is our obligation to manaaki and awhi our community and all those who are in transit and or making Kaikōura their residence. In 2016 Ngāti Kuri were able to action our manaaki for the Kaikōura community by becoming the refuge for our local community and visitors in the district when the earthquake struck. We were humbled and honoured to have taken on that role and support our community through this trying time.

Over the years Kaikōura has had an increase in cultural diversity which has been great for our small town. I would like to acknowledge your uniqueness and culture that you bring to our small town and invite the celebration of our multi-cultural traditions.

There are 5 pou which Te Rūnanga o Kaikōura operate from: Cultural, Environmental, Health and wellbeing, Economic and Rangatahi/kaumatua/pakeke. These 5 pou are the potency of our existence and they make up the fundamentals of our operation.

Within these pou we work on the values of:

- Rangatiratanga – Leadership and chieftainship over our whenua, moana, culture, whānau, hapū , iwi and all those residing in our takiwā through preservation, protection and partnership
- Kotahitanga – Working as one, uniting and partnering for the betterment of our community
- Manaakitanga – Showing kindness, care and support to all those who come under our korowai (mantle)
- Kaitiakitanga – Showing true stewardship and guardianship over our Moana, Whenua and Whanau (community)
- Tika/Pono/Aroha - Being righteous in what we do, being truthful and honourable in our actions and doing everything with compassion and empathy.

Historical records confirm 800 years of local Maori activity in Kaikōura, however local legends talk of the earliest arrivals in the 11th Century. This long-term plan is a means and guide for Mana Whenua to carry out our roles and values over our ancestral land, ocean, rivers and taonga.

The natural environment and its resources are Ngā Taonga tuku iho (treasures of the people) handed down by our ancestors. Through practicing Kaitiakitanga, a tradition handed down through generations, we enable sustainability of our natural resources for generations to come. It is our responsibility as a community to work together and show stewardship for the survival of our marine environment and our flora and fauna.

Both the Kaikōura earthquake and more recently COVID-19 have taught us valuable lessons about personal wellbeing and connectedness. Mental, Physical, Spiritual and Psychological health and wellbeing are areas of importance. Throughout this plan there are developments that could assist the wellness of the community, but I believe there are also specialised engagements, services and workshops available that are not highlighted.

Another highlighted area has been the need for affordable housing. We want to work with Kaikōura District Council to explore the possibilities around Papakainga housing. Whilst looking into Papakainga housing it is suggested that the Council research and mirror the housing scheme that the Waiau community has established with the assistance and support of the Hurunui District Council. With both these options our community will be able to mitigate the issue of housing in the district.

Ko Tapuae-o-uenuku te maunga
Ko Waiau-Toa te awa
Ko Te Tai O Marokura te moana
Ko Ngāi Tahu te Iwi
Anei Matou te Mana o te Whenua ko Ngāti Kuri e pai nei e
Kia ora

As mentioned above in our pepeha (Salutation) we as Ngāti Kuri have an intrinsic connection to our mountains, river, moana and whenua. The Waiau-Toa is our Mana awa it has a life essence and it sustains us on all levels. It is an undisturbed river that has own whakapapa (history).

This river provides employment, enjoyment, sustenance and vitality for members of our rural sector. This river feeds into many tributaries including its sister river the Waiau-Uwha. We as Ngāti Kuri have an obligation to protect the natural essence of this river and are working with the Council and Waka Kotahi (NZTA) to ensure a safe road in and out of this reserve with little to no effect on the river.

This plan is not intended as a substitute for consultation with Te Rūnanga o Kaikōura. Rather it is a guide and pathway of future sustainability for the Kaikōura community. The quintessence of partnership starts at the top and like a

ripple effect emanates through the community. It is through this partnership that we as a community will thrive and be productive, dynamic and flourish.

No reira tēnei te mihi kia koutou katoa nga whānui o Kaikōura Kia Ora

Hariata Kahu

Chair of Te Rūnanga o Kaikōura.

Part One: Kaikōura in 2024

Kaikōura – our Town, our District

The Kaikōura district is situated on the east coast of the South Island of New Zealand, with our territorial neighbours the Marlborough district to the north and west, and Hurunui district to the south.

Historically the district thrived in the fishing, farming and dairy industries. More recently Kaikōura has positioned itself as a world-class tourism destination, attracting one million visitors each year, boasting award-winning restaurants, cafés and accommodation facilities, and internationally renowned visitor attractions such as whale watching, swimming with dolphins and seals, surfing, golf, and much more. Kaikōura still maintains its fishing and farming heritage and has enhanced its product to include award-winning locally made beers, wines and manuka honey.



A scenic two-and-a-half-hour drive from Christchurch on State Highway One, visitors meander on a winding road through the Hundalees, a farmland area covered in native bush and rich in birdlife, before finding the spectacular South

Pacific Ocean and the coastal village of Oaro, our southern-most community. From there, the State Highway follows the rugged coastline before crossing the Kahutara River to Peketa, where the road straightens to pass by Ocean Ridge (a relatively new subdivision adjacent to the golf course), on to South Bay and over the hill to the Kaikōura township.

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

Travellers from the north take State Highway One, entering the Kaikōura district just before the township of Kekerengu, and are greeted by a wide oceanic panorama for much of the drive. This route takes drivers past the settlements of Clarence, Rakautara, and Hapuku, with magnificent views of the well-known surf breaks at Mangamaunu, and the seal colony at Ohau Point. Along the way, visitors often stop at the iconic Nin’s Bin for a treat of fresh crayfish.

The inland boundary of our district is the Inland Kaikōura Range, climbing 2,885 metres and snow covered for much of the year. The Kaikōura Inland Road, also known as part of the Alpine Pacific Triangle touring route, is a popular drive that ultimately leads to Mt Lyford ski fields and beyond to the towns of Waiau and Hanmer Springs, in our neighbouring Hurunui district.

The South Pacific Ocean is our coastal boundary, and this spectacular coastline provides excellent fishing, sport and recreation. The Kaikōura Canyon, at around 1,300 metres deep, provides the natural habitat for the sperm whale, dusky dolphins, hectors dolphins, NZ fur seals, and hosts over 200 species of marine life.

The Council recognises the ecological importance of Kaikōura’s biodiversity, particularly for marine mammal populations, which are crucial to our tourism industry.

Statistics

As at 30 June 2023	
Population (Census 2018)	3,912
Number of rateable properties	3,018
Total properties (includes non-rateable)	3,278
Total capital value of the Kaikōura district	\$2,348,327,150
Total land value of the Kaikōura district	\$1,399,777,750

At the time of preparation for this Long-Term Plan, the 2018 Census results remained the latest population and dwelling information available. The 2023 Census data is not expected to be released until the end of May 2024 which are too late to be an influence on the significant assumptions included in this LTP.

Population

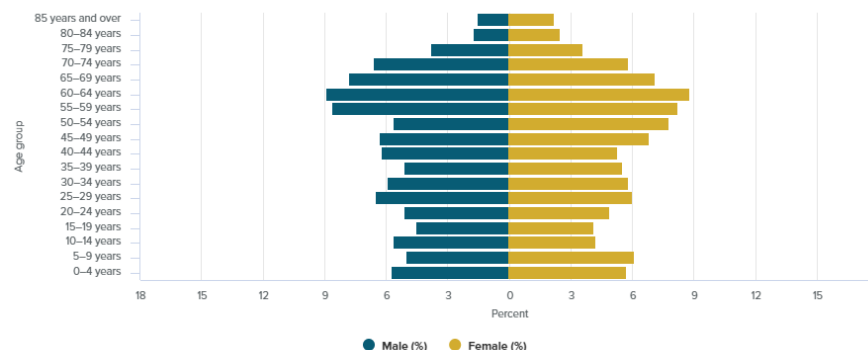
The usually resident population of the Kaikōura district increased by over 10% at the 2018 Census, from 3,552 in 2013 to 3,912 in 2018. With a post-quake rebuild workforce of over 400 people in the district to restore roads and rail networks, it is conceivable that much of this growth was rebuild-related, and temporary. When the NCTIR workforce disbanded at the end of 2020 and the NCTIR village was dismantled and sold, there was a notable drop in vehicle numbers and a notable increase in the availability of rental property.

The Census 2018 showed the median age of residents to be 46.3 years old and split relatively evenly between males and females. The median income in Kaikōura was \$32,400 – slightly higher than the median for the whole of NZ.

720 people in the district identified as Māori, with a median age among Māori of 28.4 years – much younger than the median for the whole district.

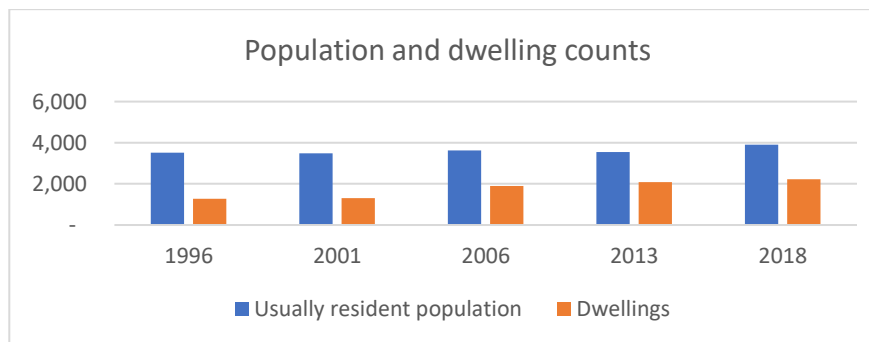
¹ Plus 30 dwellings under construction. The 2018 Census refers to 2,250 dwellings in some of its statistics reports.

Age and sex of people in Kaikoura District, 2018 Census



Dwellings

Interestingly, the number of dwellings within the Kaikōura district has increased markedly over the last 20+ years, far outstripping the rate of population growth. Of the 2,220 dwellings¹ in the district in the 2018 Census, 714 were unoccupied. This suggests that over 32% of Kaikōura property owners live outside the district. These unoccupied dwellings may be holiday homes, or – as nationwide trends suggest – an increasing number of Air B&B style visitor accommodation.



Source: Statistics New Zealand Census 2018

Insights into our district

For Kaikōura people, our environment is our strength.

We treasure:

- Our natural environment (including our marine life)
- Our cultural heritage (1000+ years of continuous occupation)
- Our connected and supportive community.

Demographic and Economic Insights

We have a high reliance on tourism - nearly 40% GDP, and static/low growth. Our reliance on tourism is far higher than most other communities, except tourism areas like Twizel or Te Anau. Many Kaikōura residents are employed in hospitality, which traditionally has low incomes and relies heavily on seasonal migrant workers.

We have always had a low unemployment rate, but there are extremely limited opportunities for specialised or highly skilled workers. Compared to the rest of NZ, we have a relatively high proportion of people aged over 60. We lose our youth as they leave for advanced education and future career prospects. Likewise, we also lose our elderly and vulnerable as they move to centres that can support them in later years.

Our communities are showing signs of financial stress because of inflationary pressures and increases in interest rates and other fixed costs. Social impacts and economic wellbeing will need to be monitored as the impacts of those pressures are expected to continue well into 2025 and uncertainty is the common catchphrase.

Opportunities for improvements

- Diversification of our local economy can only strengthen our district's resilience, and provide more economic development that will generate pathways for the next generation,
- Long term employment opportunities are essential, not just to mitigate the effects of tourism seasonality but to be able to retain our youth,
- We need to care for our elderly and acknowledge this is complicated given our small scale and the cost of high-end elderly care.

Strengths to build on

- We need to protect and preserve our unique natural environment – this is vital not just for our sustainability, but also for our competitive advantage,
- We should reshape and promote our story – historical, cultural, geological and earthquake recovery stories,
- It is important that we continue to engage with Te Rūnanga o Kaikōura as our major partner and build on our relationship with Iwi.
- We are extremely fortunate that most of our aged infrastructure has been replaced by the earthquake rebuild projects, we have surplus capacity to cater for our projected population, and we have the financial stability to improve our levels of service we deliver to our community.



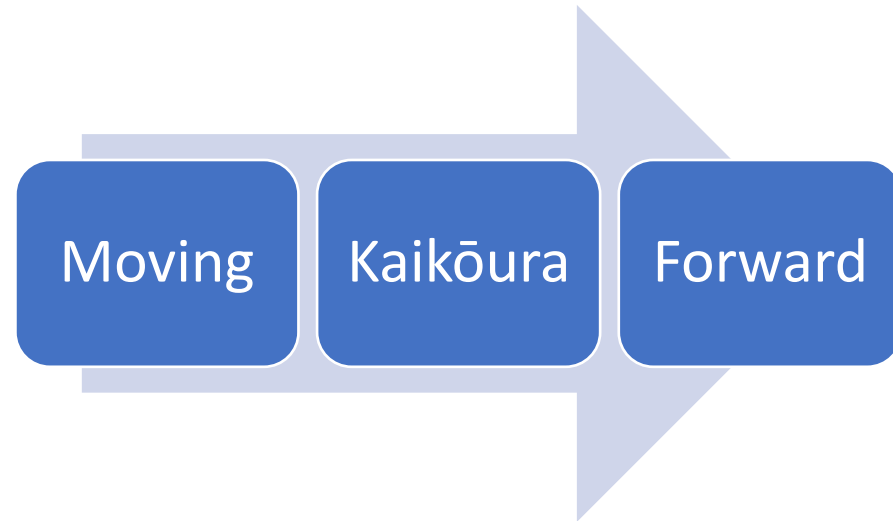
Our Vision: Moving Kaikōura forward

The Council and staff were involved in deciding our vision statement during the 2021-2031 LTP of “Moving Kaikōura Forward”. We feel this is still an appropriate and relevant statement for the current LTP period.

“Moving Kaikōura Forward” is an appropriate vision for several reasons. The first is that it acknowledges we have a point in time to move forward from – the 2016 earthquake. It recognises that the earthquake changed our lives forever, one way or another. It recognises that the earthquake also resulted in significant changes not only for our community, but also for our organisation, the Kaikōura District Council.

The second reason is that “Moving Kaikōura Forward” also recognises the rebuild projects that have now all been completed, and we can enter the next phase of recovery which is our new normal. It is our turn as a district and as a community to confidently move forward towards that new normal.

The third reason why “Moving Kaikōura Forward” is important to us is that, at the Kaikōura District Council, we have developed a strong culture of continual improvement in everything we do. We are implementing new systems including asset management, better customer service request processes, and utilising more modern technology such as our new library online portal service and replacing our outdated enterprise operating platform (Ozone). At the Council we are keen to embrace new systems that deliver a better, more efficient and user friendly, level of service to our community.



Executive Summary

Asset capacity for growth

Prior to the earthquake, the Council had increased the capacity of its water supply and wastewater infrastructure to cope with a permanent population of 10,000 in the Kaikōura township. The current population of the township is approximately 3,000 with visitor numbers increasing this to an estimated 6,000 people. We therefore believe, as a result, that there is ample capacity within our three-waters services for the foreseeable future.

Because of this spare capacity, there are no major growth-related projects in this LTP. The latest Infrastructure Strategy is best described as an ‘enhanced business as usual’ approach without proposing any dramatic changes or increases in infrastructural requirements.

Essential asset renewals

The extensive renewals that have occurred since the earthquake or which are envisaged to occur within the next 5 years (which potentially includes a renewal of the Waiau Toa/Clarence River bridge at Glen Alton) have had a very substantial effect on projected future renewal requirements. The available data suggests there will be a long period – in excess of 30 years – during which the cost of required renewals will be less than the very long-term averages and there appears to be little need to increase asset capacity or levels of service.

The Infrastructure Strategy has identified there are no major renewals required for our essential three-waters infrastructure until around 2050. There are some sections of water pipe in the Kaikōura township that will be renewed within the next ten years, however even these renewals are relatively minor with approximately less than \$300,000 of spend planned for this specific water pipe replacement on average per year.

The Council’s roading network comprises 210km of roads, of which 53% (110km) are sealed. 87% of roads by length classified as rural, and 48% of the network is classified as low volume roads, carrying less than 200 vehicles per day. However, even allowing for the low-volume nature of local roads, the level of expenditure on them has been very low which has seen some assets go so far past their due renewal dates that very substantial decreases in level of service have occurred.

As a result, roading continues to be a major focus through this LTP which also reflects addressing the results of recent resident survey results where satisfaction levels have been below 45% for a number of years. The overall strategy for roading levels of service is considered one of restoration and maintenance of sound basic levels of service.

Critical assets and their condition

Following the 2016 Kaikōura earthquake extensive work was conducted to identify and replace assets damaged by that event. This work included widespread CCTV pipe inspections. The older and more fragile pipes were often identified as being damaged by the earthquake and were subsequently replaced, but condition data was also gathered on the other better pipes. Whilst the general conclusion of these post-earthquake investigations (that the pipes unaffected by the earthquake are in good condition) are reflected in the relevant Asset Management Plans and this Infrastructure Strategy.

An appropriate threshold for a KDC asset being considered critical is where there is potential for the asset to fail completely and the product of number of people affected, and the duration of the effect exceeds 250 person-days. Accurately assessing exactly which assets meet this criterion is difficult, in particular because of uncertainties regarding both how many people would suffer a complete loss of service rather than a reduction, and how long the effect would be likely to persist for. In many cases even if a particular asset completely fails, some degree of service can be maintained by using other assets.

Currently only the following assets are considered likely to meet the above definition of criticality:

- Water mains of diameter greater than 200mm diameter
- Trunk wastewater reticulation downstream of the Lyell Creek pump station

No roading assets are considered to meet this definition of criticality because in most cases alternative routes are available. No-exit roads such as Blue Duck and Puhī Puhī have such low numbers of residents that the 250 person-day threshold is still unlikely to be exceeded.

Debt and Rates

This LTP shows that total borrowings will not exceed \$10.3 million within the ten-year period, which is well within the Council's self-imposed limit of \$15 million, and well within the Local Government Funding Agency (LGFA) covenants.

Total rates will increase by 14.75% for the 2024/25 financial year and expected to average 4.9% over the total ten-year period.

Unbalanced budget for financial years 2027 to 2034

All Council's must ensure each year's projected revenues are sufficient to cover all operating costs, unless that Council resolves that it is financially prudent to do otherwise. Historically, the Council has never fully funded depreciation in collecting rates, and other Councils have varying policies. Funding depreciation involves accumulating cash reserves from today's ratepayer to pay for future asset renewals. Where reserves are accumulated, the effect is that current asset users fund future asset use (in full or part). Where reserves are not accumulated, future users may be required to fund the asset renewal.

A key component of the Council's Financial Strategy – based on the reliable information we now have about our assets and their condition – is that there are extremely low levels of asset renewal work required over the next ten (if not thirty) years.

The Council's policy not to fund depreciation takes into consideration that when assets do need to be replaced, we will seek alternative sources of funding such as grants or subsidies in the first instance or raise loans if no other funds are available. Rates may be used to fund the net cost of renewals on an ongoing basis provided the annual renewal cost is equal to or less than the annual depreciation for that asset category.

The Council proposes to continue its historic policy not to fund depreciation. This LTP, therefore, projects an annual deficit from the 2027 financial year, attributable to depreciation.

Key issues

It is not always possible to predict the future, however, there are some key issues that we know we face in the immediate horizon and some issues that we expect will probably come to fruition within the next ten years.

Climate Change

Unlike many coastal areas around New Zealand, we are not expected to be affected by any significant sea level rise over the next fifty years. This was primarily due to the big coastal uplift following the 2016 earthquake however, this does not mean that we won't be affected by other climate change effects which require consideration in all of our activities going forward. Our natural hazards report for Kaikōura outlines the natural hazards that have potential to impact the district including flooding, fault rupture, liquefaction, landslide debris inundation and debris flow fans. This is built into our District Plan as well as our Infrastructure Strategy.

As our District Plan review progresses over the next ten years, we will be ensuring that climate change issues are fully integrated into our planning. We expect that over time we will experience more extreme weather events more frequently, including droughts, fires, flooding and unpredictable rain events. Council has made provision in our emergency works budget to address issues on our roading and three waters networks after relatively minor events. However, this is unlikely to be sufficient for a major event such as the Kaikōura earthquake or the anticipated Alpine Fault rupture (AF8). Rising sea temperatures and ocean acidification are issues that have potential to significantly impact on our coastal and marine environment. Local environmental groups have already identified impacts on marine birds and mammals from the reduced availability of food sources. Kaikōura District Council is partnering with ECan and other local authorities through our jointly agreed regional Climate Change Action plan to fund some regional level priorities over the next three years.

At a local level we are continuing to focus our infrastructure investment on alternative transport modes such as footpaths and shared user paths. We are

promoting more efficient use of water through our water Supply Bylaw 2020 which limits things such as garden watering by non-handheld irrigation. We are also continuing to partner with and work alongside a number of community groups such as the Kaikōura Dark Sky Trust and anticipate adopting a plan change for improved responsible lighting across the District during year 1 of this LTP.

We work with ECan where we can, to manage our natural resources water, air and land and Council and Councillors actively support the Kaikōura Water Zone Committee. We will continue to work in partnership with a number of organisations such as Te Korowai, Te Whare Haumanu, DOC and Kori to achieve our common goal for sustainable guardianship of our unique environment.

Capital projects and our capacity to deliver them

This Long-Term Plan provides for a total of \$65.0 million in capital work in the next ten years, including the Waiau-Toa bridge (\$11.4M) and the Wakatu Quay development (\$6.99M)². There is also \$13.4M indicated as part of the Infrastructure Acceleration Fund which is aimed at enabling housing related growth. \$37.14 million will be spent in the first two years (2025-2026) and an average of \$3.5 million per year thereafter.

If the Council were unable to secure the contractors and resources it needs or, is unable to obtain tenders at the prices it has considered applicable for a project, then it is likely that the project will be delayed until either the resources, or the additional funding, are sourced as appropriate. The capital programme and progress of projects has been right sized for delivery to reflect complexity and availability of resources. For example, the Waiau-Toa (Glen Alton) bridge has represented challenges in terms of finding a satisfactory solution for all stakeholders, however at this stage we assume the project will proceed as planned.

Partnership & Collaboration

The political and legislative landscape for local government will continue to significantly change over the next few years. We have seen a radical policy shift with the new coalition government with some major reforms altering course. It will be a while before we get further clarity on exactly what that means. Through

² both projects commenced their design phase in 2020/2021

that change and opportunity, we need to strengthen our partnership with local Iwi as well as key stakeholders such as central government, neighbouring Councils, Environment Canterbury, Department of Conservation, our health services and community services groups. Working collaboratively has never been so important ensure the best outcomes for our community.

Demographic changes

Based on historic trends as well as predictions from Statistics NZ, the Council has concluded that there will be very low levels of population growth, effectively that permanent residents in the district will not increase by more than 1.5% per annum. In contrast, trends in home ownership suggest that the portion of residential dwellings that are used as holiday homes (rather than by permanent residents) will increase to around one-third, and this will create higher summer peaks and lower winter troughs in visitor numbers.

The critical assets (roads and three-waters) servicing the Kaikōura township have surplus capacity to cater for a population of up to 10,000 people, and this should be ample to meet these summer peaks in the township – including South Bay and Ocean Ridge – for at least the next 20 years.

While we predict no issues relating to population growth, we must also cater for an ageing population which brings with it different challenges and demands on infrastructure, such as wider footpaths and wheelchair access. The Council plans to accelerate its footpath programme over the next six years.

Affordable housing

Te Rūnanga o Kaikōura has signalled, in its message to the community within our Long-Term Plan consultation document, that it wants to work with the Council to explore the possibilities of Papakainga housing and other affordable housing solutions. Papakainga housing is a housing development for Māori people on their ancestral land. The Council currently provides 16 units for housing for the elderly and has ownership of seven temporary housing units built by MBIE to provide emergency housing after the earthquake. Those units are now providing

social housing, but at this stage they are only expected to be used until 2025 unless the lease is extended.

Currently there are no plans for the Council to provide affordable housing at its own cost, although private developers may wish to do so. The issue of advancing Papakainga housing is not specifically provided for in this Long Term Plan but is likely to be an ongoing conversation between the Council and the Rūnanga.

Reform Agenda

The major shift in policy from the new coalition government has come at a challenging time in the LTP development process for all Councils across the country. Although both the Affordable Water Reform legislation and that relating to the Resource Management Act have been repealed it will be some time before we are clear on a detailed way forward for either topic. The Future for Local Government review completed in October 2023 also raised some very important issues, especially around a sustainable funding model for local authorities given the current model is viewed as 'broken'. Local Government New Zealand (LGNZ) reached a consensus position across the country in terms of the 17 recommendations from the review with the aim of picking up the conversation with the new coalition government through 2024.

Kaikōura District Council has always recognised that nationally there is a need for change in terms of Waters infrastructure delivery, especially around the funding for infrastructure, but did not believe that the proposed mega entity model was in the best interests for our District. There is now an opportunity to pick that conversation up with our local counterparts in Canterbury and beyond when considering Local Waters Done Well. We have assumed that ownership and responsibility for ongoing maintenance and service delivery for three waters remains the responsibility of Council over the ten-year period and our Infrastructure and Financial Strategies reflect that. We have built in appropriate planning for renewal of three waters infrastructure as well as meeting all known regulatory requirements from Taumata Arowai, the water services regulator for Aotearoa.

The Big Issues we consulted on, and the changes we made to the final LTP

The feedback you gave us

Our consultation document was published on 28 March 2024 and submissions closed on 30 April 2024. The Council held three community information sessions, one within the township, one at Kekerengu and one at the Collie Club (Inland Road).

We received submissions from 124 submitters, and 14 people or groups came to the Council offices on Wednesday 15th May to speak to the Council about their submissions and how they felt the LTP could be improved.

We have taken that feedback on board, and this Long-Term Plan 2024-2034 now reflects the changes we have made in response to submissions, and also changes that we had to make because of information that has since come to light.

Footpath improvements

The Kaikōura township lends itself to walking, with stunning scenery backdrops everywhere you look, but our footpaths continue to score among the lowest levels of satisfaction in the Council's resident satisfaction survey. There are 38 kilometres of footpaths in the Kaikōura township, and the Council is proposing significant extra investment in upgrading current footpaths, as well as proposed cycle and walkways along Beach Road and the Esplanade area.

In 2021 we set aside \$60,000 per annum to maintain our footpaths and an additional \$100,000 per annum to undertake footpath renewals. For the 2024-2034 LTP we are providing a further \$150,000 per year for six years (from 2024/2025) to bring our urban footpaths up to the standard expected from the community. This additional \$150,000 is on top of the existing \$100,000 currently provided. We are referring to this as an acceleration of our footpath programme as at the end of the ten-year period we expect to have completed twice the work programme than if we maintained the 2021-2031 LTP investment. Our total investment into footpaths will be \$310,000 per year for the first six years of the LTP.

What you told us

Of the 71 footpath submissions, 61 submitters, 86%, agreed with our preferred option to accelerate the programme and complete more of the work sooner. 10 disagreed and opted to retain the status quo investment. 16 submitters provided feedback with feedback highlighting the improvement the current programme has delivered while also needing to ensure health and safety considerations for users are taken into account. Based on the feedback, Council staff will look to reinvigorate the Footpath Working Group to assist in prioritisation for the next 3 years.

Council Financial Support for the Whale Trail

The Whale Trail project was largely borne out of "Reimagine Kaikōura", our post-earthquake community recovery plan and sits well within our 2024-2034 Long Term Plan vision to continue "Moving Kaikōura Forward". To date the project has secured \$28m with \$26m from Central Government, \$2m from Marlborough District Council and \$0.6m from the Rata Foundation. The trail is approximately 194 kilometres long and would be used for both cycling and walking that will connect the communities of Picton, Blenheim, Seddon, Ward, Kekerengu, Clarence and Kaikōura.

The total budget for the project is approximately \$32m of which \$30m is for construction and \$2m for enhancement works. The Trust aims to secure the difference from the project budget to the current funding through sponsorship (\$3m) and community engagement (\$1m). The Whale Trail is designed to bring economic, health and wellbeing, environmental and cultural benefits to the region and its communities with the primary objectives including i) build community connections and encouraging local recreational uses ii) increase understanding of local taonga and history iii) attract new and regular visitors and encourage them to spend more and stay longer in more communities along the trail iv) increase access to existing and new amenities and v) grow existing and encourage new small and medium businesses. Currently, there are multiple sections of the trail under construction within the districts north of Kaikōura and the project is anticipated to be complete by the end of 2025.

What you told us

Of the 94 submissions, 76 responses, 81%, agreed with the Council's preferred option to fund the trail with \$200,000 funding spread over 4 years and a phased approach to annual maintenance costs with an upper limit maximum of \$80,000. 15 submissions opted for option 2 (this was the same as option 1 but with maintenance funding limited to a maximum of \$40,000 per annum) and 3 submissions opted for option 3 which was to not financially support the trail at all. 32 submitters provided additional comments with the overwhelming majority highlighting the benefits the trail would provide to the district and town.

Council will work with the Trail team to investigate use of counters to determine trail usage and explore options for the Trail team's economic development expert to present an "Is your town ready" workshop.

Reduce the General Rate Differential for Rural and Semi-Rural Properties

As signalled in the last LTP, Council undertook a comprehensive review of its funding sources, known as the rates review, and went out for public feedback over September and October of 2023, with a hearing in November 2023. A change to the general rate differential had not been signalled in the rates review consultation options, and so the wider public had not been given the opportunity for feedback on this issue.

The change was considered relatively significant because it affects how the proportion of overall general rates is split and therefore the level of rates payable by every ratepayer in the district. The general rate differential will be decreased from 0.9 to 0.8. The outcome is that semi-rural and rural ratepayers pay slightly less than they otherwise would have done of the overall general rate, urban ratepayers (residential and commercial) will pay slightly more. One reason the Council feels a lower differential on the general rate may be appropriate is that

the general rate funds certain activities that are more likely to benefit urban ratepayers.

What you told us

We received strong support for our proposal to reduce the differential on general rates from 0.9 to 0.8 to rural and semi-rural properties with 57 submitters, 79% in favour, and 15 against. Many rural submitters were appreciative of the proposed change and noted that other Councils around the country have a rural differential of 0.7 which could be considered in the future.

Rural Recycling Services

The provision of rural recycling services was a topic of discussion in the Council's last Long-Term Plan and some changes were subsequently made, with the Council currently providing three un-manned facilities at Clarence, Kekerengu and on the Inland Road for receipt of recyclable materials, at a total cost of approximately \$26,000 per year. Because of their locations the catchments for these facilities are relatively small, attract low volumes of recyclable materials which are sometimes contaminated by refuse, and many rural ratepayers receive no benefit from them. It is also recognised that in most cases the rural residents of the district have to visit either the Resource Recovery Centre in Kaikōura to dispose of their refuse or facilities outside of the District, and that they could also deliver their recycling at the same time

What you told us

We received a total of 66 submissions on this topic of which 37 submitters, 56%, were in support of the preferred option which was for rural recycling services to be funded by all rate payers. 15 submitters wanted rural rate payers only to continue paying for this service while 14 submissions wished for this service to be ceased.

Based on the feedback we will explore rural rubbish collection options (private or other) during the Waste Management and Minimisation Plan review

Other issues raised and changes we have made

Community facilities

Several submissions were received requesting the Council improve existing facilities or develop new ones.

The requests included pushing forward with the community-led refurbishment of the Community Courts at Takahanga domain. This project remains a Council focus. However, the original estimate for the repair work at \$200,000 was grossly underestimated. We have now received up to date cost estimates and will be applying for additional funds to complete the works. Some funding may be required from the Council to complete the project, but no Council budget has been allocated at this time other than the grants confirmed to date.

Several submitters also highlighted the importance of the community swimming pool and the amenity value it brings to the community and included requests for additional opening hours and consideration of a covered facility. Several requests were received for Council to increase the annual grant allocation to the pool as operational expenses have increased since this was first agreed. Council has increased the annual contribution from \$70,000 to \$85,000 which will be index linked.

West End

The importance and vibrancy of the West End was mentioned by 33% of submissions in the non-consultation topic comments. We understand the need to ensure the West End remains attractive and welcoming to locals, visitors and investors alike.

Outside of the West End toilet upgrade and amphitheatre we do not have any further specific West End projects in this LTP. However, based on the feedback received, to determine practical and cost-efficient development options we will work with local businesses to explore possibilities for small projects or development. This will take some time and, therefore, we have proposed a small amount, \$90,000, be allocated over 3 years from year 4 of this LTP. As further information becomes available, we may need to reconsider the proposed timing and funding the through relevant mechanisms. At this stage, the current amount allocated will not be a cost to ratepayers for years 1-3.

Other

Ensuring power resilience in the event of a major disaster for some of our core services was raised, such as providing solar panels for powering our water, particularly Mackles bore, and sewer pumps. This is something we will continue to look at especially as solar power generation costs start to decrease.

In line with ensuring resilience for our core services, we also noted the concern raised regarding the Kowhai River and related flood risks. Council will continue to work with ECAN around an action plan for the Kowhai River flood protection. We plan to use the \$50,000 from the Better Off Fund to undertake work or establish tangible actions.

Other comments noted as part of the feedback and our response:

- i) The risk of cats to our natural birdlife and the need for regulation. We will focus on education rather than enforcement at this time
- ii) Our Walking and Cycling strategy was last reviewed in 2009 and needs to be updated. We will do this over the next 3 years and will incorporate horse riding as part of the review update
- iii) Mitigate pests and invasive weeds – we are currently undergoing a process to develop our reserve management plans and will incorporate pests and invasive weed control into these
- iv) We will prepare an options report to Council for plans for the Old Wharf that includes ownership, short term make safe works and long-term options. No budget has been allocated in the LTP
- v) While we consulted on the Special Harbour Operators rate at the back end of 2023, there were submissions received on this rate as part of the LTP consultation. Council at this time plans to continue with the Funding and Revenue policy as adopted in December 2023

Budget adjustments and carry-overs

While the Draft LTP was out for public consultation, several budget items were finalised and adjusted. These include:

- Local Authority Protection Program (LAPP) insurance premiums

- District Plan timing of loans
- Capital project carry-overs from 2024 financial year
- Uplift of funding to the Community Swimming Pool
- West End development options funding in years 4-6
- Provision for capital work related to the Jordan Stream on the Puhi Puhi Valley Road over the next two years due to failures in the structural integrity of the current bridge.

The result of all changes

With all of the above changes incorporated into the Council's LTP financial model, the result is an overall rates increase of 14.75% for 2024/2025, and a ten-year average increase of 4.9%. Borrowing is forecast to reach no more than \$10.3 million at its peak in the 2026/2027 financial year.

Community Outcomes

What are they?

Community Outcomes are the high-level priorities the Council will focus on to promote community well-being. These outcomes have originated from several sources, such as from community feedback, from interactions with our partner agencies and key stakeholders, and from the Corporate & Financial Sustainability Review which concluded in 2020.

Each activity we undertake supports one or more of these outcomes. In the Council Activities section of this LTP, there are explanations for each activity, in terms of:

- The Community Outcome the activity supports or has influence over,
- How the activity contributes to that Outcome,
- What the activity needs to do to support achieving that Outcome,
- The Level of Service we provide,
- How we know we are succeeding,
- How we will measure our performance, and
- The performance target.

	<p>COMMUNITY We communicate, engage with, and inform our community</p>
	<p>DEVELOPMENT We promote and support the development of our economy</p>
	<p>SERVICES Our services and infrastructure are cost effective, efficient and fit-for-purpose</p>
	<p>ENVIRONMENT We value and protect our environment</p>
	<p>FUTURE We work with our community and our partners to create a better place for future generations</p>

