Annual Plan 2026/2027



KAIKŌURA
DISTRICT COUNCIL

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The Kaikōura District

The Kaikōura District stretches from the Haumuri Bluffs in the south to the Kēkerengū Valley in the north, covering approximately 2,046–2,048 km² of coastal and alpine landscape. The district is bordered inland by the Seaward and Inland Kaikōura Ranges, including peaks rising up to 2,885 metres, with snow commonly present for much of the year. Kaikōura's iconic coastline is one of New Zealand's most dramatic, where steep mountains meet the Pacific Ocean along a narrow coastal margin. The nearby Kaikōura Canyon, plunging to around 1,300 metres, creates an exceptional marine environment that supports hundreds of marine species, including a year-round population of sperm whales. This deep-water upwelling zone sustains the rich biodiversity that makes Kaikōura internationally renowned for marine wildlife experiences.

Kaikōura township sits on a peninsula that features prominently in Māori tradition. According to stories of Māui, it was from this peninsula that he hauled the North Island from the sea. Māori settlement in the area spans nearly 1,000 years, and the district's mana whenua, Te Rūnanga o Kaikōura, remain central to its cultural identity.

Historically, Kaikōura's economy was built on fishing, farming, and dairying, industries that continue to contribute to the district's identity and prosperity. In more recent decades, Kaikōura has become a world-class tourism destination, celebrated for its marine encounters, outdoor recreation, and landscape appeal. Visitors are drawn to activities such as whale watching, dolphin and seal experiences, surfing, hiking, and coastal exploration. The district supports a high volume of visitor activity relative to its population of around 4,340 residents (2025 estimate; 2023 census 4,215), supported by a strong hospitality and accommodation sector. Since the townships inclusion as a Dark Sky sanctuary, Astro tourism is a developing tourism experience and attraction.

Kaikōura remains a rare place globally where visitors can experience snow-capped mountains, a deep-ocean canyon, rich biodiversity, and cultural heritage all in one small, accessible region, a combination that continues to shape the district's future and its role within New Zealand.

Rating database estimate at 1 July 2025:

	Capital value $000's	Land value $000's	Count
Rateable	2,778,381	1,572,612	3,102
Non-rateable	131,564	67,525	257
Part-non-rateable	5,632	3,661	8
Total rating units	2,915,577	1,643,797	3,367
Separately used or inhabited parts of a rating unit			3,241

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 – Transferred ownership to CCO 1 July 2026 1 Wastewater system – Transferred ownership to CCO 1 July 2026
Address	Kaikōura District Council PO Box 6 Kaikōura 7340 Level 2, 96 West End Kaikōura

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From the CEO

Welcome to the Annual Plan for the 2026/27 financial year. This is the first year that we have prepared an Annual Plan that reflects water services being managed and operated by the new entity. From 1 July 2026 responsibility for delivery and management of all three water activities lies with the new joint water entity Kaikōura Hurunui Water Services Ltd. A separate Annual Plan has been prepared for the entity for the year ahead. Going forward, the new entity will be responsible for developing a long-term water services strategy for the next ten plus years which will need to be in place by 1 July 2027. During year one transitional arrangements, the Council has set the rates for water activities and will be collecting these revenues on behalf of the entity with all water rates revenue then transferred to the new entity.

With the removal of water activities our rates increase (excluding water) proposed for this coming year is 3.8%. We have reviewed and updated all of the budgets for the remaining Council activities to reflect the latest numbers, but we have not materially changed our levels of service or introduced new major projects.

In the delivery space the largest capital project is now the Infrastructure Acceleration Fund transport and flood protection project. These remain fully funded by a combination of central government and a private developer but are managed by Council. There have been delays to delivery in 2025/2026 but with the decision around the Ocean Ridge Plan Change 6 imminent it is expected that physical construction will get underway early in the coming financial year. Planning work is ongoing to consider options for an alternative bridge crossing on the Wharekiri Stream in the Waiau Toa/ Clarence Valley, but funding mechanisms for construction would need to be considered as part of the long-term plan process for the period 2027-37 which will commence this coming financial year. The remainder of the capital programme remains largely as identified for year 3 of the current long-term plan with a continued investment focus on roading and footpath renewals. We will be looking to undertake further capping work at the former landfill site now that a final capping plan is close to approval by the regional Council. We will also be looking to progress actions related to the Pohōwera Park Masterplan for the regeneration of the former pine forest area south of the township. This provides an exciting opportunity to create a fantastic community area which integrates with our overall walking and riding strategy for the district. These actions will be funded from the forestry reserves.

Internally we continue to rollout the upgrade of our Enterprise Resource Planning (ERP) software with the building and planning modules going live in early July. This is later than expected due to ensuring that the product meets all legislative requirements. Continued development and improvement of the system is also ongoing with the benefits starting to flow through. We are also looking at the use of automation in areas such as invoice processing and payments to save time and cost.

We are continuing to deliver on our commitments to the community whilst also responding and adapting to a tsunami of government reform that is impacting multiple areas of local government activities. The largest reform is the recent announcements regarding simplifying local government which indicates a transformation of Regional and Local Councils into combined unitary authorities by 2028. We will be considering all options that could be available to us voluntarily before central government mandates an outcome. The political landscape will therefore look very different from 2028, but we need to ensure that we achieve the best long-term outcomes for the community that we can. A national election is also scheduled for November 2026 which could once again see a significant policy shift. We will also be managing delivery of our services in the context of global uncertainty and increased fuel supply and cost issues. We will continue to find that balance of Moving Kaikōura Forward without unnecessary wasted effort or costs.

It will be another exciting and challenging year as we navigate some of the issues outlined whilst also focusing on developing the long-term plan for the future.

Wishing everyone a good year ahead in our small part of paradise.

Will Doughty
Chief Executive

Purpose of the Annual Plan

The Council prepares a Long Term Plan every three years. In each of the two interim years, we prepare an Annual Plan. This determines the specific projects, resourcing and budgets for each year ahead. This Annual Plan outlines any changes to the information included in year two of the Long Term Plan 2024-2034. This is a statutory process, defined by the Local Government Act 2002. It is also an opportunity to refresh information and budgets for the coming year, and include the setting of rates. The focus of this Annual Plan is on preparation and delivery. It sets out how Council will continue providing essential services, maintaining infrastructure and supporting community wellbeing, while also preparing for significant work ahead, including future planning and regulatory change.

Looking ahead, work during 2026/27 will also support preparation for the next Long-Term Plan, with community consultation expected to begin toward the end of 2026. This will enable residents, businesses and stakeholders to help shape Council's priorities and investment decisions for the following ten-year period. As the policies, projects and funding outlined in this Annual Plan are consistent with the Long-Term Plan 2024–34, there are no material differences that trigger a requirement for formal consultation under section 95(2A) of the Local Government Act 2002.

Changes from the Long-Term Plan 2024-2034

This year's Annual Plan is a continuation of what we intended to achieve in our Long-Term Plan (LTP) 2024-2034. The significant change is the transfer of water services and assets to the joint CCO (KHWS) on 1 July 2026 following community consultation in early 2025.

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

Timing of capital spend

The capital investment programme contained within the Annual Plan 2026-2027 is $12.97M (excluding 3W capital work). This is an increase of $9.8M from the year 3 budget in the LTP 2024-2034 ($4.3M). Of this, 83% or $10.8M of the budget is allocated to the IAF Transport Project which has been carried forward from 2025/2026.

The market environment has been impacted by high interest costs and general consumer sentiment regarding geo-political volatility 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 Council remains intent on progressing work alongside the developer, however, spend, and completion milestones continue to be monitored between the Council, developer and government agencies.

The construction phase of at Wakatu Quay was completed in December 2025, the council is now determining the scope of what will be included in phase 2 of the overall Wakatu Quay redevelopment with consideration on a Joint Venture being proposed and early consultation on aspects of this undertaken during March/April 2026.

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 drives up our insurance premiums. Over the last 2 years we have seen a significant increase in asset values due to revaluations which has seen a subsequent impact to our insurance premiums which have had to increase on an annual basis. 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.

Water Services

As noted above, the delivery of water services was part of a community consultation in early 2025. A Water Services Delivery Plan was approved by the Secretary for Local Government in late 2025. This plan describes the current state of Kaikōura District Council's water assets and services as well as the future arrangements for delivery of water services. Since then, considerable progress has been made to establish the CCO. Progress includes work to develop a constitution for the board of directors, the appointment of the board and statement of expectations for the organisation. Alongside this is the considerable work required to deliver the legislative and regulatory requirements which are due prior to the KHWS establishment and ensure our people, systems and information are well prepared for a smooth transition.

It is expected that in time, the benefits of this service arrangement will be experienced via improved asset data information, access to improved resourcing and procurement models. The opportunity also exists for the arrangements to expand beyond Kaikōura and Hurunui only and this will add further scale to the company. Water Activity related financials are only included in this Annual plan due to the setting of water rates and to show the subsequent pass through.

Grants and subsidies funding

The LTP had forecast approximately $3.1M in grant funding for the 2026/2027 year, the majority of these being for NZTA related subsidies. This Annual Plan forecasts $12M in grants and subsidies for the 2026/2027 year. Approximately $11M of this is for the IAF project with the balance driven by NZTA subsidies.

During the 2025/2026 financial year, Council submitted funding applications for several projects under the International Visitor Levy (IVL). The projects and requested funding were:

- Cruise Ship Experience – $135,000
- Project Wellbird and Campervan Parking – $90,000
- Northern Township Entrance Enhancement – $200,000
- West End Car Park Extension and Footbridge – $500,000
- Whale Trail – 3 Cycle Bridges – $350,000
- Pohowera Park Masterplan – $500,000

At the time of writing, no funding decisions have been confirmed by the government. Accordingly, these projects are not included in the financial tables. If funding is approved, the projects will be progressed during the year in line with the funding received.

How will rates be affected?

The LTP forecast that the overall rates increase for the 2026/2027 year would be 6.3% although that included water services. It should be noted that the 6.3% was under different legislative requirements e.g. the requirement to fully fund the cost of the water services was not legislated. The Annual Plan 2026/2027 (with water services excluded) shows a total rate increase of 3.8%. The comparative LTP rates (i.e excluding water services) would have been 5.0%.

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 approximately 214km of local roads and 48 bridges (including 11 culverts) 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 2026/2027

Roading renewals continues to be a key focus through 2026-2027, building on the significant work over the last two years of the NLTP years to address the accumulated backlog of road rehabilitation and resealing. The aim is to match NZTA goal of 9% of the network resurfaced per year.

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

A large drainage maintenance and renewal programme is planned to help build resistance in the network for future rain / flooding events. This will also help extend the life of roading pavement.

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

The new roading contract is awarded for the unsealed and sealed portions of the network. The new contract shifted from the previous Network Outcome Contract model to that better suits Kaikōura's needs. The aim of this is to have better control of the Roading network.

Major assumptions

- NZTA will continue to fund eligible roading activities at 51% or better.
- NZTA will match our expected LTP budgets for the next NLTP
- There are no significant flooding events during the year.
- The IAF project is cost neutral to the Council and is completed per forecast timeframes.
- The new roading contract is awarded for unsealed and sealed portions of the network and will not have any major financial impact on roading costs
- Fuel, bitumen and roading related freight or logistics costs will stabilise.

Funding Impact Statement: Roading

For the year ended 30 June

	Long-Term Plan 2025/2026 $000's	Long-Term Plan 2026/2027 $000's	Annual Plan 2026/2027 $000's
Sources of operating funding			
General rates, UAGCs, rates penalties	-	-	-
Targeted rates	1,953	2,101	2,169
Subsidies & grants for operating purposes	658	673	645
Fees and charges	12	12	12
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	44	45	43
Total operating funding (A)	**2,667**	**2,830**	**2,868**
Applications of operating funding			
Payments to staff and suppliers	1,729	1,769	2,263
Finance costs	215	245	234
Internal charges and overheads applied	170	173	238
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**2,113**	**2,187**	**2,734**
Surplus/(deficit) of operating funding (A-B)	553	643	134
Sources of capital funding			
Subsidies & grants for capital expenditure	13,962	2,030	11,472
Development and financial contributions	7	7	7
Increase/(decrease) in debt	1,527	590	954
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**15,495**	**2,627**	**12,432**
Application of capital funding			
Capital expenditure			
- To meet additional demand	-	-	10,800
- To improve the level of service	5,969	428	270
- To replace existing assets	10,010	2,772	1,376
Increase/decrease) in reserves	70	70	120
Increase/(decrease) in investments	-		-
Total applications of capital funding (D)	**16,048**	**3,270**	**12,566**
Surplus/(deficit) of capital funding (C-D)	**(553)**	**(643)**	**(134)**
Funding balance ((A-B) + (C-D))	**-**	**-**	**-**

Water supplies *(operated by KHWS)*

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

Water services delivery will be via the new Waters entity. As part of the transitional period Council has set and will collect the rates revenue on behalf of the entity.

What we're planning for 2026/2027

Through the upcoming year we will be completing and finalising the arrangements to ensure the new Waters entity is fully operational and compliant.

The Water Entity will adopt and follow the 2026/2027 capital programme as provided by Kaikōura District Council (KDC), in the absence of an established Water Entity strategy. This approach ensures continuity of planned investment and service delivery until such time as a formal water strategy is developed.

Major assumptions

- Water assets perform their expected remaining useful lives as identified in previous asset management plans.

Funding Impact Statement: Water Supplies

For the year ended 30 June

	Long-Term Plan 2025/2026 $000's	Long-Term Plan 2026/2027 $000's	Annual Plan 2026/2027 $000's
Sources of operating funding			
General rates, UAGCs, rates penalties	-	-	-
Targeted rates	1,910	2,205	2,045
Subsidies & grants for operating purposes	-	-	-
Fees and charges	11	11	11
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	-	-	-
Total operating funding (A)	**1,921**	**2,216**	**2,056**
Applications of operating funding			
Payments to staff and suppliers	1,109	1,183	1,273
Finance costs	-	-	28
Internal charges and overheads applied	464	473	529
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**1,573**	1,655	1,831
			-
Surplus/(deficit) of operating funding (A-B)	**348**	**561**	**225**
			-
Sources of capital funding			
Subsidies & grants for capital expenditure	-	-	70
Development and financial contributions	8	7	7
Increase/(decrease) in debt	-	-	1,133
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**8**	**7**	**1,210**
			-
Application of capital funding			-
Capital expenditure			-
- To meet additional demand	-		70
- To improve the level of service	-	-	240
- To replace existing assets	379	21	253
Increase/(decrease) in reserves	(22)	600	872
Increase/(decrease) in investments	-	(53)	-
Total applications of capital funding (D)	**357**	568	1,435
			-
Surplus/(deficit) of capital funding (C-D)	**(348)**	**(561)**	**(225)**
Funding balance ((A-B) + (C-D))	**-**	**-**	**-**

The rates revenue currently collected to fund water activities will continue to be included within Council's overall rating requirement for the relevant period. However, as part of the transition to the new water entity, both the associated revenue and expenditure relating to water services will ultimately be transferred to the entity.

Accordingly, while rates funding continues to be collected in the interim, there is no net financial impact on Council in the longer term, as these revenues will be passed through to the water entity along with the corresponding operating and capital costs of delivering water services.

Wastewater *(operated by KHWS)*

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

Water services delivery will be via the new Waters entity. As part of the transitional period Council has set and will collect the rates revenue on behalf of the entity.

What we’re planning for 2026/2027

Through the upcoming year we will be completing and finalising the arrangements to ensure the new Waters entity is fully operational and compliant.

The Water Entity will adopt and follow the 2026/2027 capital programme as provided by Kaikōura District Council (KDC), in the absence of an established Water Entity strategy. This approach ensures continuity of planned investment and service delivery until such time as a formal water strategy is developed.

Major assumptions

- Wastewater assets perform to their expected remaining useful lives as identified in previous asset management plans.

Funding Impact Statement: Wastewater

For the year ended 30 June

	Long-Term Plan 2025/2026 $000's	Long-Term Plan 2026/2027 $000's	Annual Plan 2026/2027 $000's
Sources of operating funding			
General rates, UAGCs, rates penalties	11	11	(2)
Targeted rates	1,257	1,281	1,520
Subsidies & grants for operating purposes	21	21	35
Fees and charges	30	30	44
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	-	-	-
Total operating funding (A)	**1,318**	**1,343**	**1,597**
Applications of operating funding			
Payments to staff and suppliers	599	616	966
Finance costs	4	4	33
Internal charges and overheads applied	387	394	563
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**990**	**1,014**	**1,562**
Surplus/(deficit) of operating funding (A-B)	**328**	**329**	**35**
Sources of capital funding			
Subsidies & grants for capital expenditure	-	-	-
Development and financial contributions	12	13	12
Increase/(decrease) in debt	(2)	(2)	1,153
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**11**	**11**	**1,165**
Application of capital funding			
Capital expenditure			
- To meet additional demand	-	-	-
- To improve the level of service	5	5	322
- To replace existing assets	283	328	120
Increase/decrease) in reserves	50	13	758
Increase/decrease) in investments	-		-
Total applications of capital funding (D)	**338**	**340**	**1,200**
Surplus/(deficit) of capital funding (C-D)	**(328)**	**(329)**	**(35)**
Funding balance (A-B) + (C-D))	**-**	**-**	**-**

The rates revenue currently collected to fund wastewater activities will continue to be included within Council's overall rating requirement for the relevant period. However, as part of the transition to the new water entity, both the associated revenue and expenditure relating to water services will ultimately be transferred to the entity.

Accordingly, while rates funding continues to be collected in the interim, there is no net financial impact on Council in the longer term, as these revenues will be passed through to the water entity along with the corresponding operating and capital costs of delivering water services.

Stormwater *(operated by KHWS)*

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

Water services delivery will be via the new Waters entity. As part of the transitional period Council has set and will collect the rates revenue on behalf of the entity.

What we're planning for 2026/2027

Through the upcoming year we will be completing and finalising the arrangements to ensure the new Waters entity is fully operational and compliant.

The Water Entity will adopt and follow the 2026/2027 capital programme as provided by Kaikōura District Council (KDC), in the absence of an established Water Entity strategy. This approach ensures continuity of planned investment and service delivery until such time as a formal water strategy is developed.

Major Assumptions

- Wastewater assets perform to their expected remaining useful lives as identified in previous asset management plans.
- Stormwater assets and consents related to or connected to the district's roads in urban Kaikōura will be transferred to the Roading Activity not the WSSCO.

Funding Impact Statement: Stormwater

For the year ended 30 June

	Long-Term Plan 2025/2026 $000's	Long-Term Plan 2026/2027 $000's	Annual Plan 2026/2027 $000's
Sources of operating funding			
General rates, UAGCs, rates penalties	-	-	-
Targeted rates	126	129	154
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)	**128**	**131**	**156**
Applications of operating funding			
Payments to staff and suppliers	73	75	87
Finance costs	-	-	4
Internal charges and overheads applied	55	56	65
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**128**	**131**	**156**
Surplus/(deficit) of operating funding (A-B)	**-**	**-**	**-**
Sources of capital funding			
Subsidies & grants for capital expenditure	-	-	-
Development and financial contributions	2	2	2
Increase/(decrease) in debt	-	-	148
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**2**	**2**	**150**
Application of capital funding			
Capital expenditure			
- To meet additional demand	-	-	-
- To improve the level of service	5	26	5
- To replace existing assets	5	5	5
Increase/decrease) in reserves	(8)	(30)	140
Increase/decrease) in investments	-	-	-
Total applications of capital funding (D)	**2**	**2**	**150**
Surplus/(deficit) of capital funding (C-D)	**-**	**-**	**-**
Funding balance (A-B) + (C-D))	**-**	**-**	**-**

The rates revenue currently collected to fund stormwater activities will continue to be included within Council's overall rating requirement for the relevant period. However, as part of the transition to the new water entity, both the associated revenue and expenditure relating to water services will ultimately be transferred to the entity.

Accordingly, while rates funding continues to be collected in the interim, there is no net financial impact on Council in the longer term, as these revenues will be passed through to the water entity along with the corresponding operating and capital costs of delivering water services.

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 2026/2027

In 2026/2027, our focus will be on operationalising new Resource Consents for the RRC and the civil works associated with the consents to cap the remainder of the Kaikōura Landfill. Additionally, the food waste collection service will be reviewed, and a new waste and recycling educator will be employed by IWK for the 2026/2027 financial year.

Major assumptions

- The new RRC consents can be operationalised without significant new expenditure and that the capping and associated leachate and stormwater consent requirements are affordable.
- Upon closure of the landfill, the full cost of disposal of refuse is met from user pays charges.
- 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 2025/2026 $000's	Long-Term Plan 2026/2027 $000's	Annual Plan 2026/2027 $000's
Sources of operating funding			
General rates, UAGCs, rates penalties	200	181	209
Targeted rates	282	302	284
Subsidies & grants for operating purposes	-	-	-
Fees and charges	120	117	118
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	82	80	80
Total operating funding (A)	**684**	**680**	**690**
Applications of operating funding			
Payments to staff and suppliers	451	456	442
Finance costs	47	44	49
Internal charges and overheads applied	141	144	143
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**639**	**644**	**634**
Surplus/(deficit) of operating funding (A-B)	**45**	**36**	**56**
Sources of capital funding			
Subsidies & grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	152	356	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**152**	**356**	**-**
			-
Application of capital funding			-
Capital expenditure			-
- To meet additional demand	-	-	-
- To improve the level of service	197	392	
- To replace existing assets	-	-	56
Increase/decrease) in reserves	-	-	-
Increase/decrease) in investments	197	-	-
Total applications of capital funding (D)	**197**	**392**	**56**
Surplus/(deficit) of capital funding (C-D)	**(45)**	**(36)**	**(56)**
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 2026/2027

Property – Memorial Hall, Civic Centre, etc

In 2026-2027, the planned Civic Centre works as well as enhancement of some of the older toilet facilities will focus on improving accessibility & functionality while reducing maintenance. This includes some minor structural enhancements and modernisation of facilities to better serve community and visitors. Additionally, we will continue with the renovations of the Pensioner Housing ensuring these facilities meet the Healthy Home standards and 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. Completed projects in 2026 included the Link Pathway and installation of outdoor fitness equipment on the esplanade reserve. Planned projects for 2026/2027 include Stage one of the Pohowera Park Master plan. Phase 1 will create some areas of planting, perform weed control as well as identifying areas for future recreational use. The creation of tracks throughout the reserve will create easier access for multiple user groups. We will continue to enhance the Amphitheatre and town centre to increase the aesthetic appeal. These changes are planned to make the town centre more pedestrian-friendly, inviting, and enjoyable for residents and visitors alike.

Wakatu Quay

Construction and Landscaping was completed and the site reopened to the public in late 2025. Key actions in 2026/2027 will include potential tenancy agreement for the building, fit out as well exploring additional optimisation options for the site post the government investment into the precinct as part of phase 1 of the project.

Major assumptions

- All the major buildings associated with this activity do not require very major renewal or repair works during the year.

Funding Impact Statement: Facilities

For the year ended 30 June

	Long-Term Plan 2025/2026 $000's	Long-Term Plan 2026/2027 $000's	Annual Plan 2026/2027 $000's
Sources of operating funding			
General rates, UAGCs, rates penalties	956	899	962
Targeted rates	833	662	656
Subsidies & grants for operating purposes	95	95	95
Fees and charges	687	673	675
Internal charges and overheads recovered	127	127	127
Fuel tax, fines, infringement fees & other	194	194	193
Total operating funding (A)	**2,891**	**2,639**	**2,708**
Applications of operating funding			
Payments to staff and suppliers	1,623	1,681	1,736
Finance costs	150	117	118
Internal charges and overheads applied	868	656	695
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**2,641**	**2,453**	**2,549**
Surplus/(deficit) of operating funding (A-B)	**250**	**186**	**159**
Sources of capital funding			
Subsidies & grants for capital expenditure	2,359	3,298	-
Development and financial contributions	68	68	73
Increase/(decrease) in debt	549	571	(255)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**2,976**	**3,936**	**(183)**
Application of capital funding			
Capital expenditure			
- To meet additional demand	3,091	4,030	20
- To improve the level of service	69	68	190
- To replace existing assets	101	109	163
Increase/(decrease) in reserves	(35)	(85)	(397)
Increase/(decrease) in investments	-	-	-
Total applications of capital funding (D)	**3,226**	**4,122**	**(24)**
Surplus/(deficit) of capital funding (C-D)	**(250)**	**(186)**	**(159)**
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

Kaikōura District Council is governed by a Council comprising one Mayor and seven councillors, all elected at large. This means each elected member represents the entire district, with no geographic wards.

The Council's role is to provide effective, transparent, and fit-for-purpose governance and democratic local decision-making. This includes enabling meaningful participation by the community, residents, ratepayers, and mana whenua in matters that affect the district.

The Chief Executive and Council staff support the elected members by providing professional advice and delivering corporate and operational functions, including finance, information technology, communications, asset management, and regulatory services. Staff are also responsible for meeting Council's health and safety obligations and statutory responsibilities.

The Council recognises Te Rūnanga o Kaikōura as its iwi partner and is committed to strengthening this relationship over time.

What we're planning for 2026/2027

Council implemented a new core enterprise system, Datascape, with Phase 1 going live in July 2025. Phase 2, which includes the Building and Planning modules, is scheduled to go live in May 2026.

In addition to Building and Planning, Council will continue progressing increased online access through the "My Datascape" portal and expanded use of the Antenno app to support Council communications. Antenno will initially be focused on improving the timeliness and reach of Civil Defence and emergency messaging.

While the transition to Datascape has presented challenges, staff have worked through many of the initial issues. The focus for 2026/2027 is on realising the system's longer-term benefits, particularly improved operational efficiency, better data integrity, and an enhanced customer experience for both staff and the wider community.

From July 2026, Kaikōura Hurunui Water Services Limited will formally commence operations as a new Water Services Entity. Significant preparatory work has been undertaken to support a successful "day one" transition. It is anticipated that, in the short to medium term, Council will continue to provide service support to the entity. This is expected to include customer services, financial services, planning, and associated corporate support.

Major assumptions

- Council can attract and retain suitably qualified staff in a competitive labour market.
- Datascape Phase 2 modules are implemented without significant disruption to service delivery.
- The relationship with Te Rūnanga o Kaikōura continues to grow.
- Council support to Kaikōura Hurunui Water Services Limited continues for at least one to two years and can be provided without creating material capacity constraints for Council operations.

Funding Impact Statement: Leadership & Governance

For the year ended 30 June

	Long-Term Plan 2025/2026 $000's	Long-Term Plan 2026/2027 $000's	Annual Plan 2026/2027 $000's
Sources of operating funding			
General rates, UAGCs, rates penalties	1,441	1,591	1,660
Targeted rates	-	-	-
Subsidies & grants for operating purposes	-	-	-
Fees and charges	64	63	45
Internal charges and overheads recovered	2,761	2,829	3,081
Fuel tax, fines, infringement fees & other	-	-	-
Total operating funding (A)	**4,267**	**4,483**	**4,786**
Applications of operating funding			
Payments to staff and suppliers	3,993	4,166	4,206
Finance costs	24	23	25
Internal charges and overheads applied	371	417	431
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**4,388**	**4,606**	**4,662**
Surplus/(deficit) of operating funding (A-B)	**(121)**	**(123)**	**125**
Sources of capital funding			
Subsidies & grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	214	214	(64)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**214**	**214**	**(64)**
			-
Application of capital funding			-
Capital expenditure			-
- To meet additional demand	-	-	-
- To improve the level of service	-	-	-
- To replace existing assets	93	91	61
Increase/decrease) in reserves	-	-	-
Increase/decrease) in investments	93	-	-
Total applications of capital funding (D)	**93**	**91**	**61**
Surplus/(deficit) of capital funding (C-D)	**121**	**123**	**(125)**
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 and the environment. 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 2026/2027

The building and regulatory teams will be embedding the new core enterprise system (Datascape), with expectations on improving 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 and dogs are registered and adequately controlled.

In 2026/2027 the team will continue 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. While monitoring of land use consents will be undertaken by regulatory team the statutory planning team will continue to review subdivisions.

Major assumptions

- The legislation relating to natural and built environments, strategic planning and climate change adaptation will not result in any changes in the District Plan
- Building and subdivision activity remains at similar levels to that of 2025/2026.
- 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 2025/2026 $000's	Long-Term Plan 2026/2027 $000's	Annual Plan 2026/2027 $000's
Sources of operating funding			
General rates, UAGCs, rates penalties	780	642	649
Targeted rates	67	78	57
Subsidies & grants for operating purposes	-	-	-
Fees and charges	975	955	955
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	22	21	21
Total operating funding (A)	**1,843**	**1,697**	**1,683**
Applications of operating funding			
Payments to staff and suppliers	1,468	1,336	1,322
Finance costs	-	-	-
Internal charges and overheads applied	379	361	360
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**1,843**	**1,697**	**1,683**
Surplus/(deficit) of operating funding (A-B)	**-**	-	-
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	-	-	-
Increase/decrease) in investments		-	-
Total applications of capital funding (D)	**-**	**-**	**-**
Surplus/(deficit) of capital funding (C-D)	**-**	**-**	**-**
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 2026/2027

The major things we will be focussing on for the 2026 – 2027 financial year are:

Customer Services:

- Continued enhancement of the Customer Relationship Management (CRM) module with Datascape
- Explore replacement options for the old 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 and explore activities/events such as Christmas market and other community activation actions.

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

Library

- Sufficient staffing to provide consistent level of service
- Book renewal budgets linked to inflation

Major assumptions

- No major natural hazard events will occur in the next year. 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 2025/2026, enabling planned community support to continue (with the exception of the Mayor's Taskforce for Jobs, with government funding expected to cease or reduce).

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Funding Impact Statement: Community & customer services

For the year ended 30 June

	Long-Term Plan 2025/2026 $000's	Long-Term Plan 2026/2027 $000's	Annual Plan 2026/2027 $000's
Sources of operating funding			
General rates, UAGCs, rates penalties	1,194	1,215	1,196
Targeted rates	-	-	-
Subsidies & grants for operating purposes	28	159	27
Fees and charges	8	8	8
Internal charges and overheads recovered	356	319	265
Fuel tax, fines, infringement fees & other	-	-	-
Total operating funding (A)	**1,586**	**1,701**	**1,497**
Applications of operating funding			
Payments to staff and suppliers	1,268	1,372	1,166
Finance costs	26	26	25
Internal charges and overheads applied	247	257	256
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**1,541**	**1,654**	**1,447**
Surplus/(deficit) of operating funding (A-B)	**47**	**46**	**50**
Sources of capital funding			
Subsidies & grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	(14)	(14)	(15)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**(14)**	**(14)**	**(15)**
Application of capital funding			
Capital expenditure			
- To meet additional demand	-	-	-
- To improve the level of service	-	-	-
- To replace existing assets	33	32	35
Increase/decrease) in reserves	-	-	-
Increase/decrease) in investments	-	-	-
Total applications of capital funding (D)	**33**	**32**	**35**
Surplus/(deficit) of capital funding (C-D)	**(47)**	**(46)**	**(15)**
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 2026/2027

District Plan

The review of the Kaikōura District Plan (KDP) remains a significant long-term matter for the community. While the current District Plan has generally served Kaikōura well, some provisions no longer fully reflect the district's evolving needs, aspirations, and strategic direction.

To address this, Council is seeking an exemption from the stop-plan provisions of the current legislation. If granted, this would allow Council to progress two targeted plan changes focused on housing choice and affordability, and commercial development. These changes would support a greater range of residential allotment sizes and enable more efficient and flexible use of commercial land, while allowing for focused community engagement and continued partnership with Te Rūnanga o Kaikōura.

If the exemption is not granted, future planning will proceed under the new planning system established through the Planning Bill, which is expected to be enacted in mid-2026. This framework requires the preparation of a Canterbury Regional Spatial Plan (RSP) within 18 months of enactment. The RSP will set a long-term (at least 30-year) strategic direction for the region, identifying urban growth areas, infrastructure corridors, and key environmental and cultural values.

Over time, the RSP will replace district-level plans such as the KDP and be implemented through a regional combined plan using nationally standardised zones. Under this approach, Council's focus will increasingly shift from district plan review to active participation in regional spatial planning. Council will continue to monitor legislative change closely and sequence planning work to align with national direction while avoiding unnecessary duplication or rework.

Economic development

Council have endorsed focusing on economic development. A key output is the economic development strategy with the goal of increasing wellbeing across the district in a co-ordinated and purposeful way. This strategy has a 50 year horizon and has included a proposed 5 year plan.

We continue 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 continues with the development of a Canterbury Climate Action plan with the work developing further from 2025/2026. $13,500 has been budgeted for the year with a total investment of $36,750 (from 2024 over 3 years).

Major assumptions

- The Resource Management Reforms proceed as outlined by the Bills introduced into Parliament in November 2022

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- Council is able to successfully progress its Plan Change exemption application
- The significant changes that have been signalled for Resource Management legislation do not result in significant cost or new 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 2025/2026.

Funding Impact Statement: District development

For the year ended 30 June

	Long-Term Plan 2025/2026 $000's	Long-Term Plan 2026/2027 $000's	Annual Plan 2026/2027 $000's
Sources of operating funding			-
General rates, UAGCs, rates penalties	176	353	383
Targeted rates	652	414	517
Subsidies & grants for operating purposes	-	-	-
Fees and charges	12	12	12
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	-	-	-
Total operating funding (A)	**839**	**779**	**913**
Applications of operating funding			
Payments to staff and suppliers	880	802	961
Finance costs	23	8	13
Internal charges and overheads applied	168	146	193
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**1,071**	**956**	**1,167**
Surplus/(deficit) of operating funding (A-B)	**(231)**	**(177)**	**(254)**
Sources of capital funding			
Subsidies & grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	231	177	254
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding		-	-
Total sources of capital funding (C)	**231**	**177**	**254**
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)	**231**	**177**	**254**
Funding balance (A-B) + (C-D))	**-**	**-**	-

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Financial Information

Financial highlights

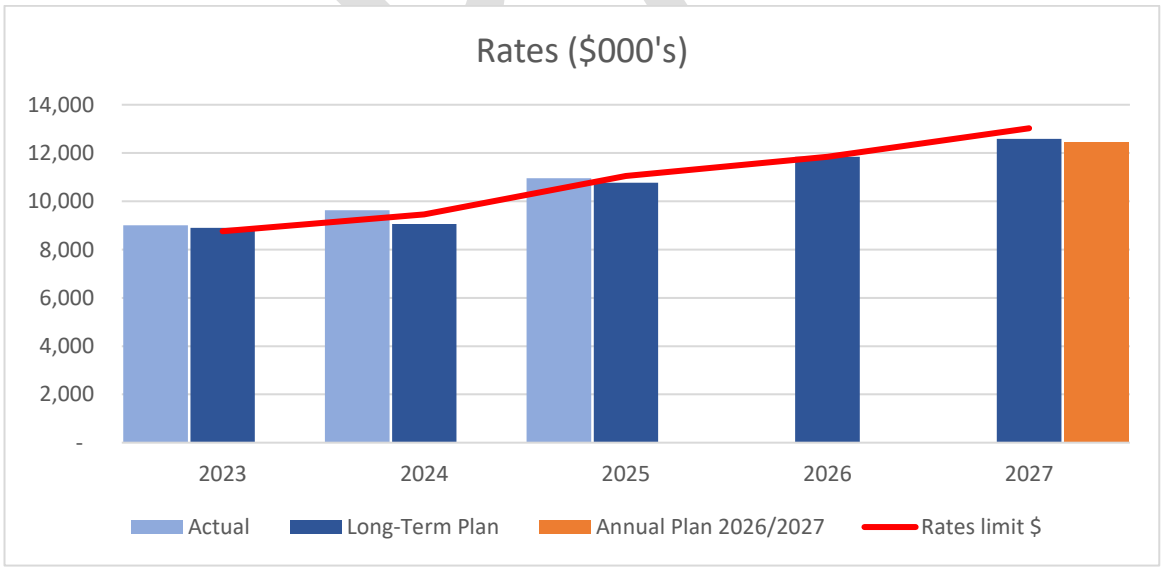
When the Long-Term Plan (LTP) 2024–2034 was adopted, there was widespread expectation that the period of high inflation and elevated interest rates following Covid-19 would ease relatively quickly. While inflation has moderated, the global and national economic environment has remained more uncertain and volatile than anticipated.

Internationally, geopolitical tensions continue, including the ongoing war in Ukraine, instability in the Middle East, and increasing strategic competition between major economies. At the same time, emerging trade-related tensions and a more fragmented global trading environment are contributing to ongoing economic uncertainty. While New Zealand has not been directly exposed to many of these pressures, they continue to influence global supply chains, interest rates, exchange rates, and the broader economic outlook.

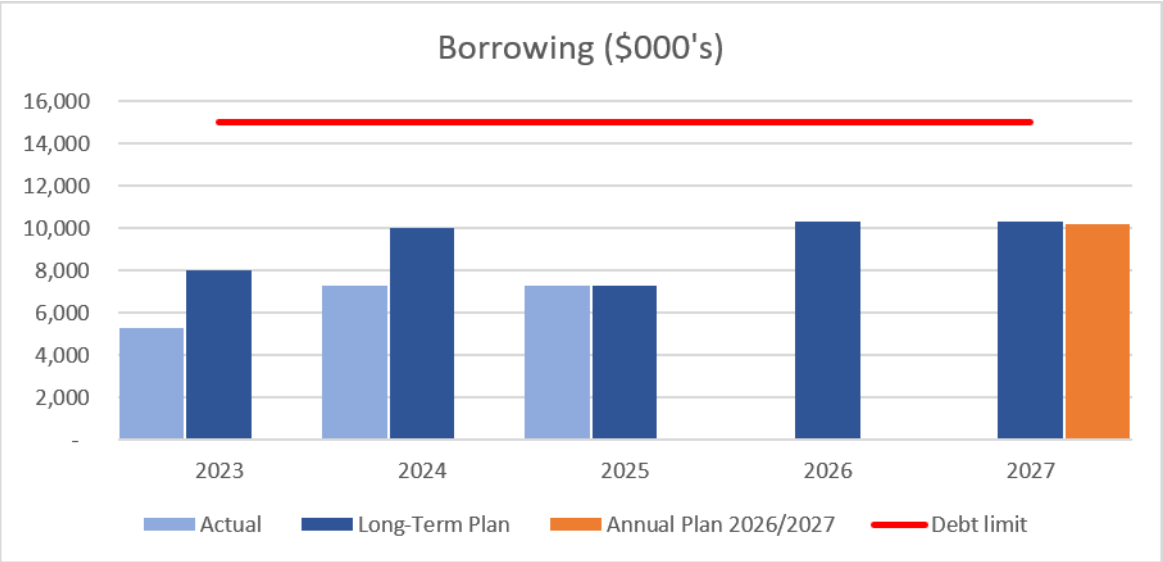
Domestically, New Zealand councils are facing a period of significant fiscal pressure. Higher borrowing costs have persisted longer than expected, construction and operating costs remain elevated, and councils are responding to substantial legislative and regulatory change particularly in relation to water services, climate adaptation, and infrastructure funding. These pressures are felt more acutely by smaller districts with limited rating bases, such as Kaikōura.

Against this backdrop, the 2026/2027 Annual Plan maintains a strong focus on financial sustainability, affordability for ratepayers, and delivery of core services. The Council continues to prioritise essential infrastructure, statutory obligations, and projects already established through the LTP while carefully managing costs and balancing near-term affordability against long-term financial resilience.

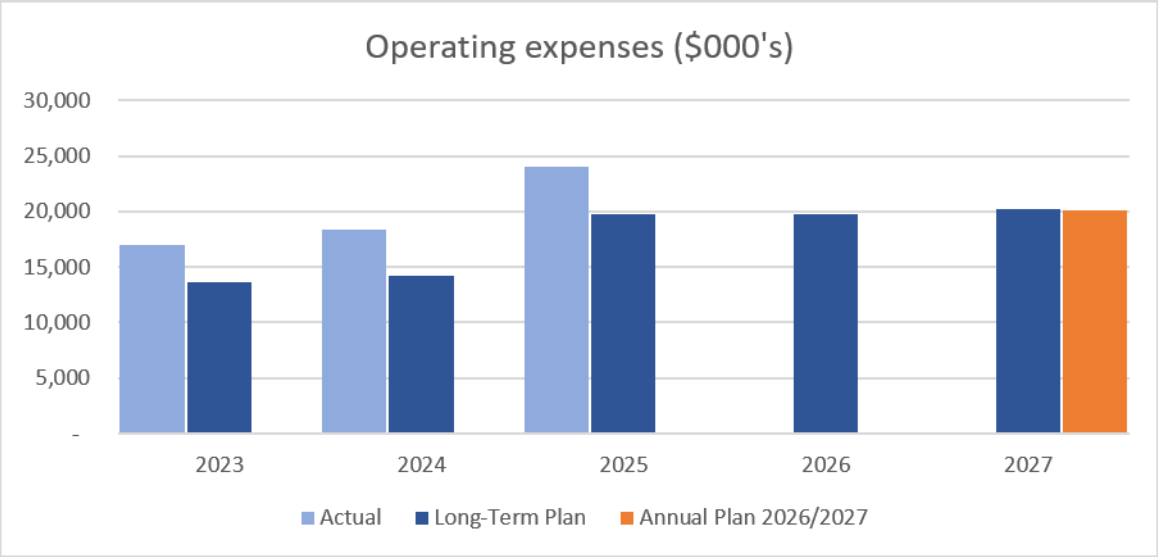
This Annual Plan reflects a prudent and adaptive financial approach recognising current uncertainty, managing transitional pressures arising from national reform, and ensuring the Council remains well positioned to respond to future challenges while continuing to deliver for the Kaikōura community



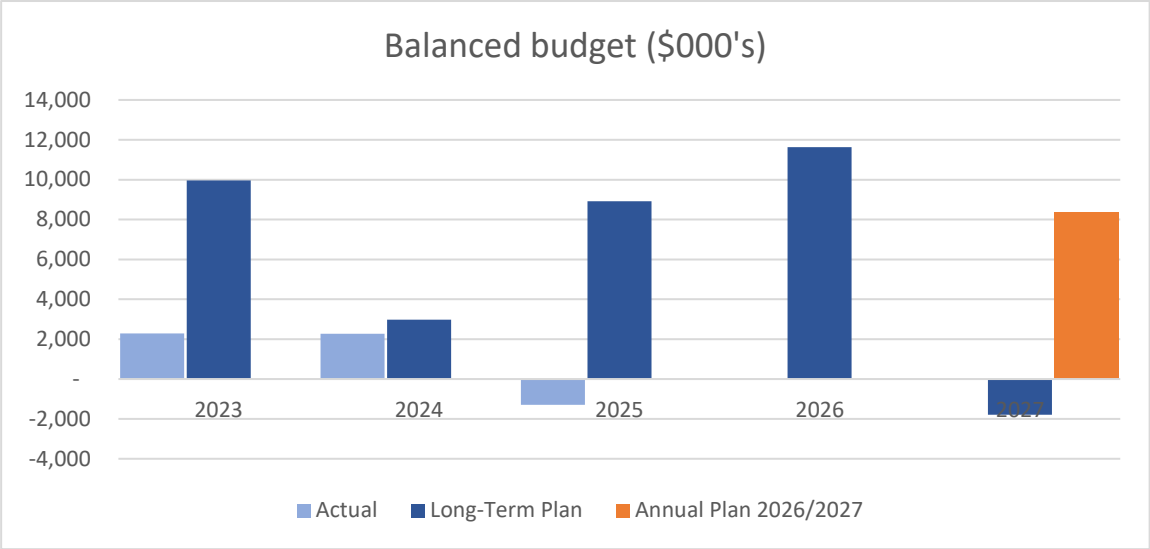
For the 2026/2027 Annual Plan financial year we will keep our total rates increase to 6.2% - below our rates limit of 6.3%, the percentage rates increase without water is 3.8%



In this Annual Plan, for the 2026/2027 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 2027 financial year's budgets are broadly in line with what was expected in the LTP although where cost reductions were found for the 2027 year these have been largely offset with increases in general inflation.



The balanced budget reflects the net surplus (or deficit) at year end. The Annual Plan for the 2027 financial year is higher than that forecast for the same year in the LTP, the main difference being the timing of external revenues received driven by current expectations on IAF and the removal the water assets and associated depreciation.

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Compliance with Financial Strategy

Rates limits

The Council's financial strategy set a limit on rates increases for the 2027 financial year at 10%, and to remain at 10% to 2028. This Annual Plan shows the total rates requirement is 3.8% (excluding water and 6.2% with water included) increase over last year; therefore complying with the limit set by the Council's financial strategy. Without Water the increase is 3.8%.

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 approximately $10.3 million, in line with the $10.3 million forecast in the LTP. Loan interest is forecast to only be around 1.92% 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 $8 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 $12 million forecast in grants and/or subsidies for 2026/2027.

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

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 2025/2026 $000's	Long-Term Plan 2026/2027 $000's	Annual Plan 2026/2027 $000's
Revenue				
	Rates (including water charges)	11,838	12,586	12,460
	User fees & charges	1,920	1,997	1,882
	Grants & subsidies	17,122	3,113	12,343
	Development contributions	97	101	100
	Interest revenue	46	57	58
	Other revenue	341	344	1,494
	Gains	65	255	255
	Total revenue	**31,429**	**18,452**	**28,593**
Expenses				
	Personnel costs	4,325	4,462	4,596
	Depreciation & amortisation	6,113	6,263	3,789
	Finance costs	488	527	462
	Other expenses	8,869	8,987	11,218
	Losses	-	-	-
	Total expenses	**19,795**	**20,239**	**20,065**
	Net surplus / (deficit)	**11,634**	**(1,786)**	**8,528**
Other comprehensive income				
	Gains on asset (losses) revaluation	-	-	-
	Financial assets at fair value through equity	-	-	-
Total other comprehensive income		-	-	-
Total comprehensive income		**11,634**	**(1,786)**	**8,528**

Forecast Statement of Financial Performance by Activity

For the financial years ending 30 June

	Long-Term Plan 2025/2026 $000's	Long-Term Plan 2026/2027 $000's	Annual Plan 2026/2027 $000's
Revenue			
Roading	16,635	4,868	14,346
Water supplies[1] – Collected on behalf	1,929	2,223	2,133
Wastewater[1] – Collected on behalf	1,319	1,345	1,611
Stormwater[1] – Collected on behalf	130	133	158
Refuse & recycling	484	491	482
Facilities	4,235	2,227	1,649
Leadership & governance	64	47	1,202
Building & regulatory	1,063	1,086	1,034
Community services	35	36	35
District development	664	866	529
General rates	4,758	4,819	5,100
Interest revenue	46	57	58
Gains	65	255	255
Total revenue	**31,429**	**18,452**	**28,593**
Expenses			
Roading	4,819	4,994	5,562
Water supplies[1] – Revenue passed on	2,434	2,533	2,574
Wastewater[1]– Revenue passed on	1,818	1,848	2,081
Stormwater[1] – Revenue passed on	267	270	219
Refuse & recycling	703	724	669
Facilities	3,991	4,131	3,186
Leadership & governance	1,657	1,398	1,719
Building & regulatory	1,844	1,816	1,683
Community services	1,190	1,216	1,205
District development	1,071	1,309	1,167
Total expenses	**19,795**	**20,239**	**20,065**
Net surplus / (deficit)	**11,634**	**1,786**	**8,528**
Gains/losses) on asset revaluation	-	-	-
Total comprehensive revenue	**11,634**	**1,786**	**8,528**

1 As part of the transition to Kaikōura Hurunui Water Services Ltd, Council will continue to collect targeted rates for the three waters in 2026/2027. In the absence of an approved water services strategy by the entity, these funds will be fully passed through, with no retention by Council, to support ongoing service delivery and planning by the entity.

Forecast Statement of Movements in Equity

For the financial years ending 30 June

		Long-Term Plan 2025/2026 $000's	Long-Term Plan 2026/2027 $000's	Annual Plan 2026/2027 $000's
Equity opening balance		321,283	332,918	344,344
Comprehensive revenue & expense				
	Net surplus/(deficit)	11,634	(1,786)	8,528
	Gains on asset valuation			
Total comprehensive revenue		**11,634**	**(1,786)**	**8,528**
Equity closing balance		**332,918**	**331,131**	**352,872**

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Forecast Statement of Financial Position

For the financial years ending 30 June

		Long-Term Plan 2025/2026 $000's	Long-Term Plan 2026/2027 $000's	Annual Plan 2026/2027 $000's
Current assets				
	Cash & cash equivalents	1,948	2,318	521
	Receivables	2,149	1,260	1,875
	Prepayments	254	254	254
	Other financial assets	20	20	20
	Inventory	330	330	330
	Total current assets	**4,702**	**4,182**	**3,000**
Non-current assets				
	Other financial assets	207	207	68,199
	Forestry	2,521	2,521	2,865
	Investment property	10,572	10,827	10,124
	Property, plant & equipment	327,808	326,317	281,784
	Intangible assets	-	-	-
	Total non-current assets	**341,107**	**339,872**	**362,972**
Total Assets		**345,809**	**344,054**	**365,972**
Current liabilities				
	Payables & deferred revenue	1,627	1,658	1,778
	Employee entitlements	257	257	194
	Borrowings	1,000	1,300	1,300
	Provisions	-	-	-
	Total current liabilities	**2,884**	**3,215**	**3,272**
Non-current liabilities				
	Borrowings	9,300	9,000	8,902
	Provisions	225	225	381
	Other term liabilities	483	483	545
	Total non-current liabilities	**10,008**	**9,708**	**9,828**
Equity				
	Accumulated public equity	155,323	153,633	207,050
	Special reserves & funds	2,479	2,383	1,828
	Asset revaluation reserves	175,115	175,115	143,994
	Total equity	**332,918**	**331,131**	**352,872**
Total Liabilities & Equity		**345,809**	**344,054**	**365,972**

Forecast Statement of Cash Flows

For the financial years ending 30 June

	Long-Term Plan 2025/2026 $000's	Long-Term Plan 2026/2027 $000's	Annual Plan 2026/2027 $000's
Operating activities			
Cash was provided from:			
Rates[1] (excluding water meter charges)	11,838	12,858	12,460
Interest received	46	57	58
Receipts from other revenue	19,287	6,445	15,830
Cash was applied to:			
Interest paid	(488)	(527)	(462)
Payments to suppliers & employees	(13,179)	(13,417)	(13,995)
Net cash flow from operating	**17,504**	**5,142**	**13,891**
Investing activities			
Cash was provided from:			
Sale of property, plant & equipment	-	-	-
Cash was applied to:			
Purchase of investment properties	(3,030)	-	-
Purchase of intangible assets	-	-	-
Purchase of property, plant & equipment	(17,207)	(4,772)	(12,971)
Reduction in provisions	-	-	-
Net cash flow from investing	**(20,238)**	**(4,772)**	**(12,971)**
Financing activities			
Cash was provided from:			
Proceeds from borrowings	4,000	1,000	565
Cash was applied to:			
Repayment of borrowings	(1,000)	(1,000)	(1,998)
Net cash flow from financing	3,000	-	(1,433)
Total net cash flows	**266**	**370**	**(513)**
Opening cash balance	**1,682**	**1,948**	**1,034**
Closing cash balance	**1,948**	**2,318**	**521**

[1] As part of the transition to Kaikōura Hurunui Water Services Ltd, Council will continue to collect targeted rates for the three waters in 2026/2027. In the absence of an approved water services strategy by the entity, these funds will be fully passed through, with no retention by Council, to support ongoing service delivery and planning by the entity.

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. KDC holds a 49% ownership interest in the CCO, with HDC holding the remaining 51%. The entity is jointly governed by the participating councils, with governance arrangements in place to ensure both councils have appropriate influence over strategic direction and performance.

As a result of this change, the Council's reporting entity has been updated to reflect the establishment of the CCO and the transfer of water service delivery functions, and where applicable, associated assets and liabilities. The Council remains a shareholder in the CCO and will recognise its interest in accordance with applicable accounting standards, with ongoing involvement reflected through governance, performance monitoring, and reporting disclosures.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 2026 to 30 June 2027.

The prospective financial statements were authorised for issue by the Council on 24 June 2026.

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, 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.

As part of the transitional arrangements, the Council sets and collects targeted rates to fund water services delivered by the water services entity.

These targeted rates are recognised as rates revenue of the Council when assessed, as the Council is the legally responsible rating authority and controls the billing and collection process.

Amounts collected are subsequently transferred to the water services entity to fund its operations. These payments are recognised as other expenses in the period to which the rates relate.

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. Amounts collected are subsequently transferred to the water services entity to fund its operations. These payments are recognised as other expenses in the period to which the rates relate.

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

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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.

Development contributions relating to water services are collected by the Council and subsequently transferred to the water services entity. These amounts are recognised as revenue when invoiced or received, with a corresponding expense recognised when the funds are passed through to the water services entity.

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.

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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.

Investment in Joint Venture

On 23 March 2026, the council obtained 49% interest in Kaikōura Hurunui Water Services Limited (KHWS), a council-owned organization with responsibility for drinking water, wastewater, and stormwater services across the Kaikoūra and Hurunui districts. The council's interest in KHWS is measured at cost in the council's financial statements and using the equity method of accounting in the group's financial statements.

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.

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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 2025by Andrew Parkyn, (B.Com (VPM), PG Dip Com, SPINZ, ANZIV) 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, , 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 were valued as at 30 June 2025 and the valuation was independently reviewed by WSP. As part of the transition into the new Water Services Entity, all Three Waters (3W) assets will be subject to revaluation. This revaluation process will ensure that asset values are accurately reflected at the point of transfer, in accordance with applicable accounting standards and transition requirements.

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%

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.

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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.

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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

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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:

Subsequent event

On 23 March 2026, the council acquired an investment in a joint venture, Kaikōura Hurunui Water Services Limited (KHWS). On 1 July 2026, the council will acquire further investment in KHWS. The share subscription price is satisfied by transferring the assets, liabilities and debt associated with the provision of water services to KHWS. The assets, liabilities and debt expected to be transferred at 1 July 2026 are still to be determined. Under the arrangements, the council become party to a several guarantee in favour of the New Zealand Local Government Funding Agency (LGFA) in support of borrowings by KHWS. The guarantee was provided as part of the financing arrangements associated with KHWS becoming the regional water services provider. The council's exposure under the guarantee is limited to its apportioned share under the guarantee arrangements.

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.

LWDW – Transfer of Assets and Liabilities

The transfer of assets, liabilities and debt from each council to KHWS is expected to occur on 1 July 2026.

KHWS is a joint venture, the council recognises the equity interest (shares) it receives in KHWS on 1 July 2026 as an investment in a joint venture, accounted for using the equity method. The Shareholders' Agreement contemplates that Class B shares will be issued to each council in consideration for the NAV of the water services assets, liabilities and responsibilities transferred by each Shareholder under the Transfer Agreement. The Shareholders' Agreement acknowledges the receipt of the sums payable by each Shareholding Council in respect of each Class A share held by that Shareholding Council.

Ongoing costs incurred by the council after the Transfer Date, such as billing or other services provided on behalf of KHWS, should be recovered through recharge arrangements where appropriate. Those arrangements may also require related party disclosures

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.

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Notes to the Forecast Financial Statements

For the financial years ending 30 June

Depreciation & amortisation expenses

	Long-Term Plan 2025/2026 $000's	Long-Term Plan 2026/2027 $000's	Annual Plan 2026/2027 $000's
Roading	2,706	2,807	2,828
Water supplies[1]	862	878	-
Wastewater[1]	828	834	-
Stormwater[1]	139	140	-
Refuse & recycling	64	66	32
Facilities	1,476	1,485	807
Leadership & governance	31	43	95
Building & regulatory	1	1	-
Community services	7	9	24
District development	-	-	-

Targeted rates for metered water supply (water meter charges)

	Long-Term Plan 2025/2026 $000's	Long-Term Plan 2026/2027 $000's	Annual Plan 2026/2027 $000's
Water meter charges[2]	235	242	230

Water meter charges are included in rates income in the Statement of Comprehensive Revenue and Expense (page 36) and are included in targeted rates in the Forecast Funding Impact Statement (page 64), 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.

[1]Depreciation has not been provided for three water assets from 1 July 2026 onwards, as these assets are scheduled to be transferred to the new water services entity on that date. Given that control and ownership will pass at the start of the financial year, no economic benefit will be derived by Council in the 2026/27 year. Accordingly, depreciation expense has not been budgeted for these assets from 1 July 2026.

This treatment aligns with the anticipated transfer arrangements under the water services reform programme and reflects the expected removal of these assets from Council's balance sheet at the beginning of the period.

[2]Council will continue to set and collect targeted rates for the three water services on behalf of the new water entity. Due to the absence of a water services strategy within the entity for this initial transition period, all revenue collected will be treated as a pass-through and transferred directly to Kaikōura Hurunui Water Services Ltd to fund the delivery, maintenance, and development of water services.

Capital Works Programme *(note water related capital works are only shown here for transparency and in the absence of a Water Strategy for KHWS)*

	Long-Term Plan 2025/2026 $000's	Long-Term Plan 2026/2027 $000's	Annual Plan 2026/2027 $000's
Roading			
Glen Alton (Waiau-Toa Clarence) Bridge	8,053	1,337	-
Jordan Stream Bridge	510	-	-
Bridge renewals	102	52	50
Sealed surface renewals	599	607	582
Unsealed road renewals	180	197	189
Drainage, kerb & channel	158	162	155
Sublayer rehabilitation	337	344	330
Traffic services	72	73	70
Minor safety improvements	163	167	150
Infrastructure Acceleration Project	5,550	-	10,800
Footpaths	255	261	110
Road safety Promotion	10	-	10
Total Roading	**15,978**	**3,200**	**12,446**
Water supplies – Undertaken by the Water Entity			
Urban – Water Main Torquay St	31	-	-
Urban – Water Main Esplanade	77	105	-
Urban Structure Renewals	144	188	-
Urban Treatment	-	21	-
Toby boxes & meters	26	26	-
Peketā structures	3	3	-
Peketā - SCADA	-	-	-
Fernleigh structure	61	63	-
Fernleigh treatment	-	-	-
Oaro structures	7	7	-
Oaro treatment	-	-	-
Kincaid structures	13	23	-
Kincaid treatment	-	-	-
Kincaid tobies & meters	9	9	-
East Coast Village	-	153	-
East coast structures	8	21	-
Work to be completed by Water Entity	-	-	657
Total Water Supplies	**379**	**338**	**657**
Wastewater – Undertaken by the Water Entity			
Structure renewals	47	196	-
Pump station renewals	154	74	-
Pump renewals	51	52	-
Pipe renewals	26	-	-
Treatment & odour control	10	5	-
Work to be completed by Water Entity	-	-	442
Total Wastewater	**288**	**327**	**442**

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Capital Works Programme continued

	Long-Term Plan 2025/2026 $000's	Long-Term Plan 2026/2027 $000's	Annual Plan 2026/2027 $000's
Stormwater – Undertaken by the Water Entity			
Renewals	10	10	-
Work to be completed by Water Entity	-	-	10
Total Stormwater	**10**	**10**	**10**
Refuse & Recycling			
Landfill closure	197	-	-
Recycling Site Improvements	-	59	56
Total Refuse & Recycling	**197**	**59**	**56**
Facilities			
Airport – water services	7	83	-
Airport – new wastewater	61	182	-
Airport – Reseal Runway	-	20	19
Harbour – renewals	-	-	-
Old wharf buildings	-	-	-
Pensioner housing	61	21	20
Tree replacement	-	126	120
Parking area reseals	20	-	-
Civic Centre renewals	20	4	4
Walking & Riding Strategy	-	-	20
Public toilets West End	-	-	-
Public toilets Churchill Pk	-	-	-
Public toilets Mill/Beach	-	-	-
Community Courts	-	-	-
Wakatu Quay project	3,091	-	-
Link Pathway	-	-	190
Town Centre	-	-	-
25 Beach Rd (Op Shop)	-	-	-
Total Facilities	**3,260**	**436**	**373**
Leadership & Governance			
Office furniture & equipment	15	16	15
Computers & software	47	48	46
Vehicles & plant	31		-
Total Leadership & Governance	**93**	**64**	**61**
Community Development			
Library books & resources	33	32	35
Total Community Development	**33**	**32**	**35**
Total Capital Works Programme (incl work undertaken by the water entity)	**20,239**	**4,466**	**14,080**

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.

All reserves relating to water, wastewater and stormwater are included in the transfer agreement to the water entity so have been removed from the Annual Plan

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	1,034	12	(154)	893
Roading	Maintenance and upgrading of local roads and bridges	810	9	-	819
Roading emergency fund	Urgent repairs following flood or other events	245	120	-	365
East Coast water	Maintenance, administration, upgrading and loan costs	(82)			(82)
Kincaid water	Maintenance, administration, upgrading and loan costs	70	1	(86)	(16)
Fernleigh water	Maintenance, administration, upgrading and loan costs	32			32
Stormwater	Maintenance, administration, upgrading and loan costs	86	1	(8)	79
Wastewater	Maintenance, administration, upgrading and loan costs	203	2	(310)	(104)
Footpaths & streetlights	Maintenance, administration, upgrading and loan costs	(161)	-	-	(161)
Town centre	Maintenance, administration, upgrading and loan costs	241	3	-	244
District Plan	Conduct a rolling review of the Kaikōura District Plan and develop a Spatial Plan	(13)	-	-	(13)
Stock control	The net costs of stock control	16	-	-	16
Recycling	Net costs of recycling services	197	-	-	197
Tourism & Commercial rate	Support for the i-Site and Destination Kaikōura	(257)	-	-	(257)
Harbour	South Bay & North Wharf maintenance, administration, upgrading and loan costs	(229)	-	-	(229)

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Civic centre	Maintenance, administration, upgrading and loan costs	(339)	-	(4)	(343)
Transfer 3W Reserves to Water Entity	Transfer Kaikōura Water Reserve, East Coast, Fernleigh, Kincaid, Stormwater, Sewerage Reserve			(1,343	(1,343
Total special reserves		**1,851**	**148**	**(1,905)**	**95**

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	722	9	(275)	455
Parks & reserves	Upgrading, improvement and purchase of parks & reserves	291	3	(118)	177
Community facilities	Upgrading, improvement and purchase of community facilities	993	11	-	1,004
Mayoral fund	Respond to community hardship following an emergency event	26	-	-	26
Kaikōura Marine Development Project	Wakatu Quay & South Bay projects	(475)	-	-	(475)
Pensioner flats	Maintenance, administration, upgrading and loan costs	(71)	-	-	(71)
Library grants	Books and other resources	2	-	-	2
Building accreditation	Accreditation costs and offset rates	79	1-	-	80
Financial & corporate sustainability	Systems improvements including assets and document management	(69)	-	-	(69)
Airport	Maintenance, administration, upgrading and loan costs	(16)	-	-	(16)
Freedom camping	Responsible camping ambassadors, signage, site maintenance, etc	81	-	-	81
Significant natural areas	Funding assistance for landowners to protect areas of biodiversity	21	-	-	21
Waste minimisation levy	Waste minimisation projects	268	3	-	272
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	14	-	-	14
Economic development	Projects that promote or support economic activity	(31)	-	-	(31)
Ford maintenance	Ford maintenance for Hāpuku, Puhi Puhi and Kahutara River fords	27	-	-	27
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		**2,096**	**28**	**(393))**	**1,731**
Total special reserves and funds		**2,606**	**160**	**(397)**	**1,826**

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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	627
Footpaths	To fund the net cost (after subsidy) to accelerate programme	65
Landfill Loan	Reconfigure landfill site to a transfer station	56
District Plan Loan	To fund the District Plan review and Spatial Plan development	211
Whale Trail	Capital Contribution for the development of the Whale Trail	50
		1,509

Summary of forecast borrowing needs:

	Long-term Plan 2025/2026 $000's	Long-term Plan 2026/2027 $000's	Annual Plan 2026/2027 $000's
Opening balance of debt	7,300	10,300	9,300
Movements through the financial year:			
Loans maturing	(1,000)	(1,000)	(2,000)
New borrowings	4,000	1,000	3,000
Borrowing Transferred to Water Entity			(98)
Net movement through the financial year:	**3,000**	-	**902**
Closing balance of debt	10,300	10,300	10,202

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	$10.2 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

- 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
- The Link Pathway was 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. Council had approved an additional $0.2m on top of the PGF funding which is planned for completing phase 2 items for the pathway.
- 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 2025/2026.

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.

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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 2025/2026 $000's	Long-Term Plan 2026/2027 $000's	Annual Plan 2026/2027 $000's
Sources of operating funding			
General rates, UAGC, rates penalties	4,758	4,819	5,100
Targeted rates (incl. water meter charges)	7,080	7,767	7,360
Subsidies and grants - operating	801	817	802
Fees & charges	1,920	1,997	1,882
Internal charges and overheads recovered[1]	-	-	(1,158)
Interest & dividends from investments	46	57	58
Fuel tax, fines & other revenue	341	344	1,494
Total operating funding (A)	**14,946**	**15,800**	**15,539**
Applications of operating funding			
Payments to staff & suppliers	13,193	,13,449	15,815
Finance costs	488	527	462
Internal Charges and overheads applied[1]	-	-	(1,158)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	13,682	**13,976**	**15,119**
Surplus/(deficit) of operating funding (A - B)	**1,265**	**1,824**	**420**
Sources of capital funding			
Subsidies and grants – capital	16,321	2,296	11,542
Development and financial contributions	97	101	100
Increase / (decrease) in debt	3,000	-	874
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	**19,418**	**2,397**	**12,515**
Applications of capital funding			
Expenditure to meet additional demand	8,641	-	10,820
Expenditure to improve level of service	694	741	460
Expenditure to replace assets	10,903	4,031	1,691
Increase / (decrease) in reserves	444	(551)	(36)
Increase / (decrease) in investments	-	-	-
Total application of capital funding (D)	**20,682**	**4,221**	**12,935**
Surplus/(deficit) of capital funding (C – D)	**(1,265)**	**(1,824)**	**(420)**
Funding balance ((A – B) + (C – D))	**-**	-	-

[1] Internal charges and overhead recoveries are shown as negatives because they are internal cost allocations, not external funding. This avoids double counting, as matching costs are included in expenditure. These entries balance out across Council and have no overall financial impact.

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Annual plan disclosure statement for the year ending 30 June 2027

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	$12,460,211	Yes
• Increases (quantified limit on rate increases)	9.95%	6.23%	Yes
Debt affordability benchmark			
• Quantified limit on borrowing	$15 million	$10.2 million	Yes
Balanced budget benchmark	>/= 100%	128.5%	Yes
Essential services benchmark	>/= 100%	230%	Yes
Debt servicing benchmark	=/< 10%	1.73%	Yes

Note: rates increase shown in this table includes water; without water the increase is 3.8%

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.

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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 2027

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

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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.

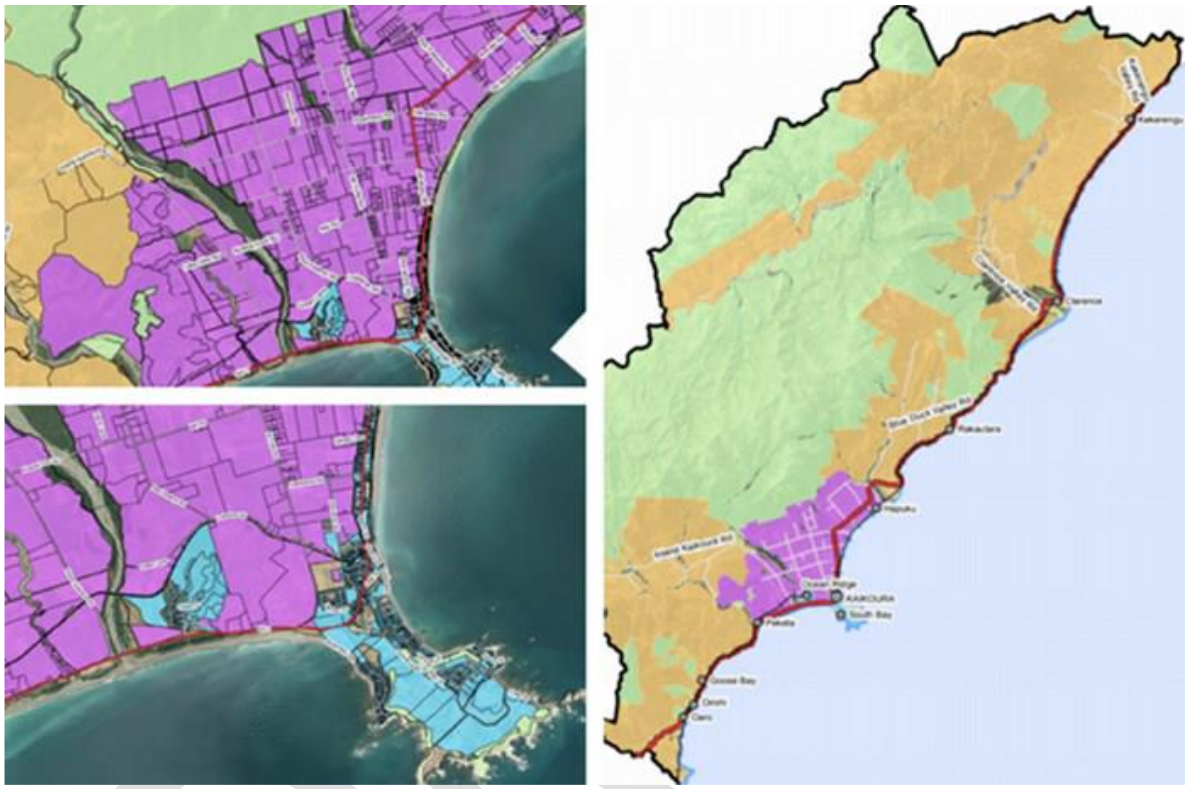
The Council will not be inviting lump sum contributions in respect of any targeted rates.

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 2026/2027

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	0.00143339	2,146,655
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	0.00114671	1,472,075
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	693.09	2,246,315

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	40.00	129,640
***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	0.00007606	211,664
***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	110.51	358,147
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	0.00055435	716,569
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	0.00066522	833,430
Commercial All rateable property defined as Commercial (and excluding property defined as Utilities)	2:1	Rate in the $ of capital value	0.00110870	259,673

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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	203.19	254,600

Council will continue to set and collect targeted rates for the three water services on behalf of the new water entity. Due to the absence of a water services strategy within the entity for this initial transition period, all revenue collected will be treated as a pass-through and transferred directly to Kaikōura Hurunui Water Services Ltd to fund the delivery, maintenance, and development of water 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	679.71	1,356,704
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	339.86	41,123
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	9.75	20,640

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	679.71	55,736
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	339.86	24,809
***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	679.71	13,594
***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	679.71	49,619

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	679.71	33,986

[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.

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		(1,000 litres per day)		
***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)	778.81	94,236
***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 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)	679.71	10,875
***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)	235.72	153,452
***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	759.12	233,049

***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	None	Rate in the $ of capital value	0.00002800	39,833

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.				
***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]).	759.50	1,359,509
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]	379.75	-
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	379.75	137,470
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	98,600
Sewerage Charge - Commercial:	None	Fixed $ amount for each water closet and	375.00	112,875

[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.

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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.		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.		

***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	0.00012663	177,498

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	160.79	287,652

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	$0.00123588 per dollar of rateable capital value	400,057
***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	160,800

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***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.	$617.06 per license (liquor licence or food premises licence)	66,026

Please refer to the sewerage charges references in the document as they pertain to certain commercial properties, and also to the water meter charges reference 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 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	0.00000428	6,011
All rateable properties within the semi-rural area.	0.75:1	Rate in the $ of capital value	0.00000321	2,287
All rateable properties within the rural area.	0.25:1	Rate in the $ of capital value	0.00000107	611

***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	0.00005287	74,452
All rateable properties within the semi-rural area.	0.75:1	Rate in the $ of capital value	0.00003966	28,251
All rateable properties within the rural area.	0.25:1	Rate in the $ of capital value	0.00001322	7,552
***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	0.00014385	202,562
All rateable properties within the semi-rural area.	0.75:1	Rate in the $ of capital value	0.00010789	76,864
All rateable properties within the rural area.	0.25:1	Rate in the $ of capital value	0.00003596	20,546
***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	0.03672123	64,629
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	0.00564613	11,405

The previous pages identify each rate for the 2026/2027 financial year. Note that all amounts are GST inclusive, whereas those amounts within the Forecast Funding Impact Statements exclude GST.

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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 2026
1st/2nd week January	July to December	20 February 2027

Meter reading dates and the period they cover are approximate.

As part of the transition to Kaikōura Hurunui Water Services Ltd, Council will continue to collect water meter charges for waters in 2026/27. These funds will be fully passed through, with no retention by Council, to support ongoing service delivery and planning by the entity.

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 2026 to 30 September 2026	20 September 2026
Instalment 2:	1 October 2026 to 31 December 2026	20 December 2026
Instalment 3:	1 January 2027 to 31 March 2027	20 March 2027
Instalment 4:	1 April 2027 to 30 June 2027	20 June 2027

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.

Three Water Rates

For the 2026/27 year, Council will rate for the three waters as part of a transitional arrangement. All water-related rating revenue will be passed through in full to the entity.

Rates for 2026/2027

All rates are shown including GST	Rates 2025/2026 $	Rates 2026/2027 $	Increase / (Decrease) %
General Rate (Urban & Utilities)	0.00136918	0.00143339	4.69
General Rate (Rural & Semi-rural)	0.00109534	0.00114671	4.69
Uniform Annual General Charge (UAGC)	689.15	693.09	0.57
Earthquake Levy	40.00	40.00	0.00
Roading Rate	200.00	203.19	1.60
Roading Rate – Urban & Utilities	0.00054319	0.00055435	2.05
Roading Rate – Commercial	0.00108638	0.00110870	2.05
Roading Rate – Rural & Semi Rural	0.00065183	0.00066522	2.05
District Planning Rate	0.00004416	0.00007606	72.22
Civic Centre Charge	121.39	110.51	(8.97)
Kaikōura Water Annual Charge	605.98	679.71	12.17
Kaikōura Water Annual Charge (Half)	302.99	339.86	12.17
Kaikōura Water Loan Rate	0.00	9.75	-
Ocean Ridge Water Annual Charge	605.98	679.71	12.17
Ocean Ridge Water Annual Charge (Half)	302.99	339.86	12.17
East Coast Rural Water Charge	688.08	778.81	13.19
East Coast Village Water Charge	605.98	679.71	12.17
Kincaid Water Charge	211.77	235.72	11.31
Fernleigh Water Charge	737.66	759.12	2.91
Oaro Water Charge	605.98	679.71	12.17
Peketā Water Charge	605.98	679.71	12.17
Suburban Water Charge	605.98	679.71	12.17
Water Meter Charge (per m3)	2.10	2.10	0.00
Water Meter Maintenance Charge[3]	60.00	60.00	0.00
Sewerage Full Charge	707.04	759.50	7.42
Sewerage Half Charge	353.52	379.75	7.42
Sewerage Loan Rate	0.00000464	0.00002800	504.00
Sewerage Additional Pan Charge[4]	353.52	379.75	7.42
Sewerage Charge – Commercial[5]	350.00	375.00	7.14
Sewerage Charge – Self Contained & Serviced[5]	200.00	200.00	0.00
Stormwater Rate	0.00009464	0.00012663	33.8
Footpath & Streetlight Rate – Urban	0.00013454	0.00014385	6.92
Footpath & Streetlight Rate – Semi-rural	0.00010091	0.00010789	6.92
Footpath & Streetlight Rate – Rural	0.00003364	0.00003596	6.92
Town Centre Rate – Urban	0.00005356	0.00005287	(1.28)
Town Centre Rate – Semi-rural	0.00004017	0.00003966	(1.28)
Town Centre Rate – Rural	0.00001339	0.00001322	(1.28)
Harbour Rate – Urban	0.00000835	0.00000428	(48.72)
Harbour Rate – Semi-rural	0.00000626	0.00000321	(48.72)
Harbour Rate – Rural	0.00000209	0.00000107	(48.72)
Commercial Rate	0.00122690	0.00123588	0.73

[3] Invoiced twice a year $30.00

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

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Accommodation Sector Charge	600.00	600.00	0.00
Registered Premises Charge	880.30	617.06	(29.90)
Public Rubbish Bin Charge	0.00	0.00	0.00
Kerbside Recycling Charge	175.66	160.79	(8.47)
Harbour Special Operator Rate 1	0.04556289	0.03672123	(19.41)
Harbour Special Operator Rate 2	0.00770943	0.00564613	(26.76)

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.

		2024/2025	2025/2026	2026/2027
Urban area – Kaikōura township including Ocean Ridge and South Bay				
Residential	Change %	**6.16%**	11.62%	6.34%
High Value	Total rates	**4,920.51**	5,492.38	5,840.55
CV $1,400,000	Change $	**285.64**	571.88	348.17
Residential	Change %	**8.05%**	9.41%	6.06%
Medium Value	Total rates	**3,990.75**	4,366.26	4,630.84
CV $900,000	Change $	**297.17**	375.50	264.58
Residential	Change %	**11.01%**	12.97%	5.73%
Low Value	Total rates	**3,107.49**	3,510.40	3711.46
CV $520,000	Change $	**308.12**	402.91	201.06
Commercial	Change %	**9.00%**	-7.70%	3.72%
High value 30 room motel	Total rates	**30,021.50**	27,711.04	28,741.02
CV $4,810,000	Change $	**2,479.95**	(2,310.46)	1,029.99
Commercial	Change %	**14.13%**	-1.74%	-0.16%
Medium value 12 room motel	Total rates	**14,657.40**	14,402.03	14,378.60
CV $2,010,000	Change $	**1,814.15**	(255.36)	(23.43)
Commercial	Change %	**18.93%**	1.70%	-1.67%
Medium Value Retail shop	Total rates	**8,608.78**	8,755.17	8,608.77
CV $940,000	Change $	**1,370.43**	146.36	(146.40)
Commercial	Change %	**16.20%**	-0.16%	-0.68%
Low Value Retail shop	Total rates	**5,184.23**	5,175.71	5,140.74
CV $530,000	Change $	**722.73**	(8.52)	(34.96)
Semi-rural area – including the Kaikōura flats, Peketā & Hāpuku				
Farm	Change %	**3.00%**	-3.26%	4.58%
High Value	Total rates	**10,263.88**	9,929.64	10,384.23
CV $4,580,000	Change $	298.61	(334.24)	454.59

Lifestyle block Medium Value CV $1,085,000	Change %	**9.09%**	2.60%	3.32%
	Total rates	**3,074.17**	3,153.99	3,258.83
	Change $	**256.28**	79.82	104.83
Residential Low Value CV $575,000	Change %	**14.16%**	7.42%	2.48%
	Total rates	**2,015.69**	2,165.27	2,219.07
	Change $	**250.05**	149.58	53.80

		2024/2025	**2025/2026**	**2026/2027**
Rural area – all areas beyond the Semi-rural area				
Farm High Value CV $8,970,000	Change %	**2.25%**	-0.03%	4.67%
	Total rates	**18,615.67**	18,609.87	19,479.59
	Change $	**410.21**	(5.80)	869.72
Farm Medium Value CV $4,300,000	Change %	**2.28%**	-2.81%	4.65%
	Total rates	**9,223.59**	8,964.45	9,381.22
	Change $	**205.49**	(259.13)	416.77
Farm Low Value CV $2,080,000	Change %	**4.82%**	-0.79%	4.09%
	Total rates	**4,917.53**	4,878.66	5,078.33
	Change $	**226.34**	(38.87)	199.67

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.

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