



Kaikoura District Council Annual Plan 2016-2017



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Introduction

The Kaikoura Community is audited and certified under the independent EarthCheck Environmental Programme, and has successfully been doing so since 2004. The Kaikoura District Council uses EarthCheck as a tool to guide sound environmental practice for the whole community and has now been awarded platinum certification for environmental performance.

Kaikoura is the first community in the southern hemisphere to achieve platinum certification from EarthCheck. For Kaikoura the Earthcheck program extends to all Council and community operations and is about walking the talk for sustainability.

Success in an environmental program requires the commitment of all residents, businesses and key stakeholders, as well as a readiness to submit to expert scrutiny. The result demonstrates that the whole Community does consider everyday practices and choose to act sustainably.

In response to climate change and global resource depletion Kaikoura is taking a holistic approach, the program extends over all areas of operations. By collecting data on environmental performance, Kaikoura District Council has identified where substantial progress has been made and where further improvements are required.

Population	3,555 (Census 2013)
Number of Properties	3,385 (total number of properties) 2,981 (rateable, separately used or inhabited parts of a property)
Land Area	2,048 sq. km
District Capital Value	\$1,385,753,600
Represented by	1 Mayor and 7 Councillors, elected at large
Number of Council Staff	23 FTE
Utilities & Services	1 Landfill 8 Public Water Supplies 1 Sewerage System
	Kaikoura District Council PO Box 6 34 Esplanade Kaikoura
	Phone: (03) 319-5026 Fax: (03) 319-5308 Web: www.kaikoura.govt.nz

Changes in response to community feedback

The council received 35 submissions to the Draft Annual Plan, over a wide range of issues, from street lighting and road safety to airport landing fees and harbour rock removal. Following a day's meeting to hear submitters, and a day of deliberations, the council has made the following changes in response to the feedback received.

Extra costs added to the budget as requested by submitters

Summary of the decision	Change to budget	Funded by
Provide for a Community Development Officer role on a part-time basis, in conjunction with the Economic Development resource already signaled in the Plan	Up \$5,000	Commercial rate
Reinstate the budget for a new public toilet at a coastal location with the site to be agreed	Up \$30,000	Reserves
Progress the Kaikoura Cycle Trail development	Up \$10,000	Reserves
Increase the grant to Kaikoura Information & Tourism Inc. to participate in a new international marketing campaign	Up \$5,000	Commercial rate
Provide a grant to Te Korowai O Te Tai O Marokura to assist with implementing Kaikoura's Marine Strategy	Up \$5,000	General rate
Provide for purchase of a financial reporting tool to improve the effectiveness of council software systems	Up \$20,000	Loan
Increase East Coast rural water charges to enable the supply to reduce its debt, a request by the committee	Up \$14,100	East coast rural water charges

Overall, following the above increases to the budget, the rates requirement has increased 4.93% over the 2015/2016 financial year, only slightly up on the 4.6% signaled in the Draft Annual Plan. By using reserves and loans to fund the larger items, and by increasing revenue forecasts for airport landing fees and cruise ship berthage fees, the council has managed to provide for most funding requests without too much impact on the rates requirement.

New differential on the general rate

The change with the greatest impact, following strong lobbying from the farming community during the consultation process, was to introduce a differential to the general rate of 0.9 for properties within the rural and semi-rural areas. The council has made this decision in response to the current economic climate, in an attempt to soften rates increases for rural properties. The district valuation taking effect this 2016/2017 rating year produced large increases in capital value for rural property, (see page 5). Without any intervention from the council, this generated high rates increases for high valued farms at a time when dairy, crop, sheep and beef prices have dropped.

What this new differential means is that properties in the rural and semi-rural areas will pay slightly less, and those in Kaikoura township and Ocean Ridge will pay slightly more than what was signalled in the Draft Annual Plan, because urban ratepayers are subsidising the rates paid by rural and semi-rural landowners.

Key Issues for 2016/2017

The impact of the district valuation on individual rates

All rateable properties in the Kaikoura district were valued for rating purposes by Quotable Values Ltd, as at 1 September 2015. The new values have resulted in some reasonably large movements in property values.

An increase in a property's value doesn't necessarily result in an increase in rates, as long as every other property being valued also has a similar increase in value. This is because the individual property remains at a similar proportion of the total value of all properties, and so pays a similar share of the total rates required.

This year there have been disproportionate changes in rating values. The Quotable Value revaluation report explains that the district is still in recovery phase from the global recession, but that the market is stabilising for residential properties. Market prices in South Bay are getting closer to pre-recession levels, and so those properties may have increases in value higher than average. There are signs of growth in rural and lifestyle markets, with more interest in pastoral grazing, and dairy farmers are still expanding demand for buying adjoining properties. In contrast, there is a continued decrease in demand for commercial properties reflecting the seasonal economy, high risk of vacant buildings, and large supply of accommodation with low to moderate occupancy levels.

By sector, the changes in values are:

Sector	Number of properties	New capital value (\$000's)	% change
Farming	188	388,587	15.2
Crop & specialist	18	25,797	13.8
Forestry	4	2,170	0.0
Lifestyle	631	277,673	0.9
Residential	1,779	578,440	3.2
Commercial	199	123,541	(9.2)
Industrial	51	22,914	(9.0)
Other	338	126,796	4.3
TOTAL	3,208	1,545,918	4.3

This shows that, at 15.2% increase, farms have increased in value far more than the average 4.3% overall, and that commercial/industrial properties have decreased in value. What this means is that rural farms are highly likely to experience significant rates increases this year, while commercial and industrial properties are likely to receive large rates decreases. This comes at a time when some dairy farmers are facing financial hardship due to low milk prices.

Financial strategy

Rates limits

Council aims to limit our rates increases to no more than the Local Government Cost Index plus 3% each year. In 2016/2017 that means our total rates requirement shouldn't be more than 5.3% over what we required in total rates for 2015/2016. The actual increase in the total rates requirement is 4.93% over last year, which is within our rate increase limit, and less than the 5.3% that had been forecast for this year in the Long Term Plan 2015-2025.

Note that this cap is for the total amount that Council requires in rates (which this year will be \$5,783,761 plus GST), and is not to be confused with rates increases for individual properties.

Debt limits

Council set limits for the amount we can borrow, those limits are;

- Actual total borrowings will not exceed the self-imposed \$12 million cap, and
- Gross interest expense of all external borrowings will not exceed 10% of total revenue.

For the 2016/2017 financial year, our total borrowings are forecast to be \$9.5 million, and loan interest expenses are forecast to be 5.96% of total revenue; well within the limits set by our Financial Strategy.

No balanced budget

We are forecasting a deficit of \$266,837, which means operating income is not sufficient to cover operating costs. The reason is the council does not fully fund depreciation. Instead the council takes the view that, when assets need replacing, we will seek alternative sources of funds such as grants or subsidies, or raise loans if no other funds are available. This means we are not accumulating large cash reserves from the current generation in anticipation of capital work that may be required in the future.

Significant issues different to the Long Term Plan

Road rehabilitation projects

Road rehabilitation involves removing the surface of the road, reforming the structure beneath, and sealing the road again. This is different to simply resealing the road, which is simply adding a new layer of bitumen and chip over the existing layers. We have identified a number of roads, mainly in the Kaikoura flats area, that have very uneven and weak substructures and will benefit from rehabilitation. Spending \$300,000 a year will still take thirty years to rehabilitate all roads.

We had signalled a substantial increase in the budget for road rehabilitation, in the Long Term Plan, from \$100,000 to \$300,000. The council deferred the rehabilitation work for the first year of the Long Term Plan, because of the impact on rates, particularly those properties with a high capital value such as commercial businesses and farms. The council has again deferred this work for the second year of the Long Term Plan, because once again it will have a significant impact on rates.

Beach Road vs. West End aesthetic improvements

The Kaikoura Enhancement Group has been advocating for Beach Road to receive some aesthetic improvements such as repair the footpaths, provide pedestrian crossing points, landscaping, planting and vehicle calming to improve the appearance of our main thoroughfare through the township. This work was planned to commence in 2016/2017 spending \$100,000 each year for four years until 2019/2020, funded by loan.

The West End aesthetics involves redevelopment of parking spaces including bus parking, removing the wooden planter boxes, coordinating outdoor dining spaces and improving access to the Civic Centre and *i*-Site. The Long Term Plan provided for this work to commence in 2017/2018, spending \$100,000 each year for five years until 2020/2021. As the Civic Centre nears completion the council feels the West End improvements have a higher priority, and has opted to proceed with the West End work in 2017/2018, with Beach Road deferred to the following year.

Old Beach Road-State Highway One intersection

The intersection is the northern entrance to the township, which incorporates the Mill Road turn off and the triangular reserve opposite a small takeaway, hairdresser and retail area. We had signalled in the Long Term Plan to upgrade this intersection, providing for better visibility and safety, improved drainage, car parking and reserve beautification, and that we would do this in 2016/2017. The LTP included \$428,800 for the project, which we expect to be subsidised by NZTA.

The project is still in design phase. The council is proposing to defer the project until 2017/2018 (a year later than had been signalled in the LTP), to finalise the designs and gain consensus from adjacent landowners and the NZTA.

In response to community feedback about the truck noise overnight since the public toilets were built, the council will place boulders in such a way to prevent trucks from using the site until a longer term solution can be found.

Footpath renewal

Our Long Term Plan had provided \$500,000 to renew footpaths in the Kaikoura township during the 2015/2016 financial year. In reality we spent around half of that amount because some of the work would be more economic to wait for associated projects such as where underground water pipes, or power and telephone cables, were due to be laid. For 2016/2017, rather than invest in footpath renewal, have increased our footpath maintenance budget. This means we won't renew the surface of our footpaths, but we would be doing more sweeping and filling in potholes to improve the quality of the existing surfaces.

South Bay Harbour projects

Safety issues have been identified, with rock hazards within the present approach to the harbour. The council has been working with harbour users, Cruise NZ and the Canterbury Regional Harbour Master to see how we can make the harbour entrance safer. The council had signalled \$170,000 in year one of the Long Term Plan to remove the rock. Progress has been slow but steady, with the 2015/2016 year focussing on obtaining resource consent (including geological and cultural impact assessments) before we can remove the rock itself. We now expect the consent to cost up to \$50,000 spent in 2015/2016, and the project to carry over to the 2016/2017 year with actual costs increased to \$250,000. The reason for the increased cost is the area of rocks to remove is much larger than originally estimated.

The Long Term Plan had also provided for \$493,120 to develop a new jetty for cruise ship passengers to disembark safely from the smaller tender boats that ferry them from the ship to the harbour. We haven't started getting designs and specifications for this project. Much of the funds for the project were hoped to come from contributions from other commercial operators, with the balance by loan, but these contributions have yet to be agreed.

Economic Development resources

Over the last ten years or so, the council has been focussing on tourism as the main driver for the Kaikoura economy. In 2014, Kaikoura became a Regional Tourism Organisation enabling us to be a member of Regional Tourism Organisations NZ (RTONZ), and to have a greater voice in domestic and inbound tourism matters. While visitor numbers are growing and tourism as a sector has grown exponentially, we want to build on our economic base, and encourage diversification and new business to the district. There is enormous potential for Kaikoura to attract businesses that can leverage off our environmental reputation, benefitting the district as well as the business itself.

During 2016/2017 we intend to form a working group of key stakeholders (e.g. iwi, local businesses, etc.), and to develop a three- to five-year action plan, collaborating with Canterbury and Marlborough councils to take a whole-of-region approach. The council will employ an Economic Development Officer, and in response to community feedback, that person will have a community development aspect to their role.

External Community Facilitator funding has ceased

The Ministry of Social Development has confirmed it will not be funding the Community Facilitator role in the Kaikoura district, and funding ceases on 30 June 2016. The council has agreed to add \$5,000 to provide for a part-time community component to the new economic development role, and removed the budget for the facilitator, which had been fully funded by MSD.

Other projects

Sewerage

We will fully fence the oxidation ponds, and renew the existing resource consent for the disposal of sludge on site. We have set aside \$90,000 (an increase of \$50,000) to complete both projects, funded by sewerage annual charges.

Stormwater

We need to renew the resource consent to discharge stormwater this year. We estimate the consent to cost an extra \$25,000 funded by the stormwater rate.

West End safety

We will upgrade the CCTV system in the West End to give wider area coverage and better picture clarity, to help improve safety for people and businesses in the West End. This will be at a cost of \$26,000, funded from the Town Centre reserve fund (i.e. no affect on rates).

New recycling stations

We will put in some more recycling stations around the township, using \$15,000 from our waste minimisation fund.

Airport

We will reseal the runway and taxiways at the airport, because loose chip seal is causing safety concerns for aircraft. This is to cost around \$50,000, funded by loan, planned to take place during September 2016. We have also increased the maintenance budget to \$30,000 (from \$6,000) to tidy up the terminal building.

Solid Waste Asset Management Plan and Landfill Project

The council will retain the proposal to investigate options around relocating the transfer station when the landfill has reached capacity. The council has decided that building a new landfill is unaffordable, and that any solid waste will be transported to a regional landfill outside the district. Disposing of rubbish will be a user pays charge, and the costs to dispose of rubbish should not change much. The cost of maintaining the landfill may reduce and offset the costs of transporting waste.

New Food Act

New legislation has been introduced, affecting the licensing and monitoring of food premises. The Food Act (2014) came into force on 1 March 2016, and takes a new approach to food safety, including the requirement for food premises to have Food Control Plans. The Act has also introduced new fees including full cost recovery of council's environmental health and food safety services.

Update on Major Projects

Kaikoura Hospital

The council signed a Memorandum of Understanding with the Canterbury District Health Board that the Kaikoura community would underwrite up to \$3.4 million for the new Kaikoura Hospital. Our Long Term Plan signalled that we expected the Kaikoura Health Facility Charitable Trust would raise a substantial amount with the help of, and on behalf of, the community, and that the council would need to raise \$2.5 million in 2015/2016 to help meet our commitment. In reality, the Charitable Trust has raised around \$1.5 million, and so we have paid \$2,030,445 to the CDHB. This also means we have not needed as much as we anticipated in loans.

We had signalled in the Long Term Plan that we would raise a loan of \$2.5 million, at a forecast interest rate of 6.0%, and that the Kaikoura Hospital Charge would be \$101.46 in the 2016/2017 year to cover the loan cost. Thanks to the fundraising efforts of the Trust, we have only raised a loan for \$2,030,000, and interest rates have been secured between 4.14% and 5.6%. We will pass on those cost savings to ratepayers by keeping the Kaikoura Hospital Charge at only \$88.14 (a saving of \$13.32). The charge applies to every rateable property in the district, applied per separately used or inhabited part of a rating unit (such as each shop within a mall, or each flat within a block of flats).

South Bay water pipe renewal

The Long Term Plan had provided \$80,000 worth of renewal work in 2015/2016, year one of the Plan. The underground water pipes in parts of South Bay were to be replaced in 2014/2015 (before the start of the Long Term Plan) but the project was delayed due to archaeological requirements. The council approved the project go ahead at a total cost of \$300,000, and the work started in January 2016. While the underground pipes are being replaced, we are coordinating with other services and landowners to also lay underground power cables, ducting for future fibre network, replace laterals and resurface footpaths. The project will take several months to complete and we expect work will partially carry over into 2016/2017. With insufficient budget in 2015/2016 to cover the costs, and limited available funds, the council is adding the balance (\$220,000) to this Annual Plan year, and providing for the entire project cost of \$300,000 to be funded by loan.

Civic Centre

We envisage the museum, library, Environment Canterbury and council will be moving in to our new building at 94-96 West End mid-2016. The building has had a major issue with a batch failure of an insulation foam product in the roof, which required full replacement of the roof and caused substantial building delays and additional costs. There is a claim in progress with the foam supplier's insurers, but at the time of preparing this Annual Plan the claim is yet to be settled. The council needed to raise short-term (interest only) loans to cover our cash losses so that we could complete the project.

The Annual Plan has been updated to provide for \$1 million interest-only loans to be funded by the Civic Centre Charge in this 2016/2017 year. The impact is an additional \$35.91 on the Civic Centre Charge in 2016/2017, increasing it to \$60.15. The charge applies to every rateable property in the district, applied per separately used or inhabited part of a rating unit (such as each shop within a mall, or each flat within a block of flats). It is the council's intention that, assuming operating costs are similar to current forecasts, and once the insurance claim is settled and the interest-only loans are repaid, this charge will be able to drop for the 2017/2018 financial year. Once the insurance claim is settled, the loans will be repaid and the Civic Centre Charge should drop for subsequent financial years.

Review of Fees & Charges

The council has reviewed its user fees and charges and, as a result, has made some changes to our hourly charge out rates for staff time, as well as some minor changes to dog control, waste disposal, and environmental health fees.

Several submitters have asked the council to review airport landing fees, and these will be reviewed during 2016/2017 as part of a wider review of airport operations.

The fees and charges are listed on pages 58 to 67.

Financial Information

Forecast Statement of Comprehensive Revenue & Expense

	Annual Plan 2015/2016 \$	Long Term Plan 2016/2017 \$	Annual Plan 2016/2017 \$
Revenue			
Rates revenue	5,512,259	5,804,370	5,783,761
Water meter charges	162,000	165,775	130,000
User fees & charges	1,327,823	1,520,097	1,285,904
Grants & subsidies	617,822	1,197,048	521,734
Development contributions	75,540	77,512	30,216
Interest income	56,298	66,667	38,958
Other revenue	1,043,281	1,058,336	1,025,704
Total revenue	8,795,023	9,889,804	8,816,277
Expenses			
Personnel	1,767,236	1,808,361	1,773,015
Depreciation & amortisation	1,890,145	1,945,708	1,912,379
Financing expenses	541,208	627,806	525,426
Other expenses	7,155,016	4,694,134	4,872,294
Total expenses	11,353,605	9,076,009	9,083,114
Net surplus / (deficit)	(2,558,582)	813,795	(266,837)
Other comprehensive income			
Gains on asset revaluation	7,019,096	-	-
Financial assets at fair value through equity	-	-	-
Total other comprehensive income	7,019,096	-	-
Total comprehensive income	4,460,514	813,795	(266,837)

The council projects a deficit from its activities this year. The main reasons for the difference between the Annual Plan deficit and the surplus forecast in the Long Term Plan for the same year are:

- less grants and subsidies revenue, due to the deferral of roading and harbour projects, and social services funded by grants now being administered by other local organisations
- lower water meter revenue due to the loss of the Kaikoura cheese factory
- forecast lease revenues reviewed

Forecast Statement of Financial Performance (by Activity)

	Annual Plan 2015/2016 \$	Long Term Plan 2016/2017 \$	Annual Plan 2016/2017 \$
Revenue			
Roading	1,348,952	1,822,936	1,379,380
Water services	904,271	906,705	896,086
Sewerage	587,987	596,470	629,938
Stormwater	129,986	131,337	129,020
Refuse & recycling	142,572	145,894	143,058
Community facilities	1,057,499	1,507,489	1,128,743
Commercial activities	1,165,056	1,179,056	1,049,953
Leadership & governance	38,706	51,488	51,064
Regulation & control	388,716	396,765	413,007
Safety & wellbeing	241,084	246,702	116,318
District development	390,837	395,903	503,065
Kaikoura hospital	137,500	267,500	230,323
General rates	2,205,560	2,174,892	2,107,364
Interest revenue	56,297	66,667	38,958
Total revenue	8,795,023	9,889,804	8,816,277
Expenses			
Roading	1,540,120	1,599,881	1,618,215
Water services	1,028,324	1,025,161	1,066,606
Sewerage	760,217	758,036	750,458
Stormwater	149,482	149,902	141,402
Refuse & recycling	393,507	390,214	395,082
Community facilities	1,787,714	1,793,050	1,900,514
Commercial activities	873,653	884,116	895,362
Leadership & governance	619,044	671,138	609,254
Regulation & control	680,523	706,382	723,453
Safety & wellbeing	434,265	442,834	250,758
District development	511,756	512,796	626,691
Kaikoura hospital	2,575,000	142,500	105,319
Total expenses	11,353,605	9,076,010	9,083,114
Net surplus / (deficit)	(2,558,582)	813,795	(266,837)
Gain on asset revaluation	7,019,096	-	-
Financial assets at fair value through equity	-	-	-
Total comprehensive revenue	4,460,514	813,795	(266,837)

For further information please refer to the Funding Impact Statements for each group of activities, found in the Council Activities section of this Annual Plan (pages 68-137).

Forecast Statement of Movement in Equity

	Annual Plan 2015/2016 \$	Long Term Plan 2016/2017 \$	Annual Plan 2016/2017 \$
Equity opening balance	159,437,853	163,898,368	163,664,508
Net surplus/(deficit)	(2,558,582)	813,795	(266,837)
Revaluations	7,019,096	-	-
Equity closing balance	163,898,368	164,712,163	163,397,671

Forecast Statement of Financial Position

	Annual Plan 2015/2016 \$	Long Term Plan 2016/2017 \$	Annual Plan 2016/2017 \$
Current assets			
Cash and cash equivalents	2,909,790	3,151,447	1,422,105
Trade & other receivables	1,077,377	1,211,072	1,082,135
Prepayments	98,200	98,200	98,200
Other financial assets	-	-	-
Total current assets	4,085,367	4,460,718	2,602,440
Non-current assets			
Other financial assets	-	-	-
Forestry assets	2,583,334	2,583,334	2,583,334
Investment property	2,408,000	2,408,000	2,113,125
Property, plant & equipment	167,063,468	167,130,887	167,401,186
Total non-current assets	172,054,802	172,122,221	172,097,645
Current liabilities			
Trade & other payables	1,400,004	1,201,677	1,119,285
Employee entitlements	100,000	100,000	100,000
Borrowings - current	1,985,309	1,289,723	1,276,820
Total current liabilities	3,485,313	2,491,400	2,496,105
Non-current liabilities			
Borrowings – non-current	8,191,882	8,814,770	8,241,703
Other term debt	564,606	564,606	564,606
Total non-current liabilities	8,756,488	9,379,376	8,806,309
Net assets	163,898,368	164,712,163	163,397,671
Equity			
Ratepayers equity	73,111,404	73,111,404	73,782,954
Special funds & reserves	2,055,309	2,532,347	1,545,837
Asset revaluation reserve	81,427,688	81,427,688	81,256,673
Accumulated funds	7,303,967	7,640,724	6,812,207
Total equity	163,898,368	164,712,163	163,397,671

Forecast Statement of Cash Flows

	Annual Plan 2015/2016 \$	Long Term Plan 2016/2017 \$	Annual Plan 2016/2017 \$
Operating activities			
<i>Cash was provided from:</i>			
Rates	5,512,259	5,804,370	5,783,761
Interest revenue	56,298	66,667	38,958
Other	3,169,769	3,907,583	2,998,655
<i>Cash was applied to:</i>			
Interest expense	(541,208)	(627,806)	(525,426)
Operating expenses	(8,559,436)	(6,800,821)	(6,927,362)
Net cash flow from operating	(362,318)	2,349,992	1,368,586
Investing activities			
<i>Cash was provided from:</i>			
Sale of investment properties	-	-	-
Sale of assets	-	-	-
<i>Cash was applied to:</i>			
Purchase of assets	(2,150,515)	(2,035,637)	(2,562,423)
Net cash flow from investing	(2,150,515)	(2,035,637)	(2,562,423)
Financing activities			
<i>Cash was provided from:</i>			
Drawdown of borrowings	4,786,905	1,912,611	3,276,784
<i>Cash was applied to:</i>			
Repayment of borrowings	(2,403,095)	(1,985,309)	(2,780,959)
Net cash flow from financing	2,383,810	(72,698)	495,825
Total net cash flows	(129,023)	241,657	(698,012)
Opening cash balance	3,038,812	2,909,790	2,120,117
Closing cash balance	2,909,790	3,151,447	1,422,105

Statement of Accounting Policies

Reporting Entity

Kaikoura District Council is a territorial local authority governed by the Local Government Act 2002.

The Kaikoura District Council group (KDC) consists of Kaikoura District Council and its subsidiary, the Kaikoura Enhancement Trust, a charitable Trust controlled by the council. That Trust in turn owns 100% of Innovative Waste Kaikoura Ltd. The Kaikoura Community Facilities Trust was established in 2009 with the objective to determine what facilities the community requires and where these are best located. That Trust has been active in terms of driving the project, but is financially dormant; meaning it currently has no financial transactions, assets, or liabilities. The council has an 11.5% interest in the Marlborough Regional Forestry joint venture.

The primary objective of the council 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 ended 30 June 2017.

Basis of preparation

Statement of Compliance

The financial statements of the council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The financial statement have been prepared in accordance with Tier 2 PBE Accounting Standards Reduced Disclosure Regime, on the basis that the Kaikoura District Council have expenses of more than \$2 million and less than \$30 million, and is not publicly accountable. These financial statements comply with 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 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 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.

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

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

Other revenue

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

Government Grants

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

Provision of Services

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

Sale of Goods

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

Vested Assets

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

Agency Arrangements

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

Interest and Dividends

Interest revenue is recognised using the effective interest method. Dividends are recognised when the right to receive payment has been established. Dividends are recorded net of imputation credits.

Development Contributions

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

Borrowing Costs

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.

Income Tax

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

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

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

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

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

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

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

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

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:

- Fair value at fair value through surplus or deficit
- Loans and receivables
- Held to maturity investments
- Fair value through other comprehensive revenue

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

Financial assets at fair value through surplus or deficit

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

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

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

Council does not hold any financial assets in this category.

Loans and receivables

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

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

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

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

Held to maturity investments

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

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

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

Fair value through other comprehensive revenue

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

The council includes in this category:

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

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

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

Impairment of Financial Assets

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

Loans and other receivables

Impairment is established when there is objective evidence that the council will not be able to collect amounts due according to the original terms of the debt. Significant financial difficulties of the debtor, probability that the debtor will enter into 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 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. 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 into 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 or property, plant and equipment to inventory, the fair value of the land at the date of the transfer is its deemed cost.

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

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, plant and equipment, and motor vehicles.
- Restricted assets
Restricted assets are parks and reserves owned by the Council which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.
- Infrastructure assets
Infrastructure assets are the fixed utility systems owned by the Council. Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.

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

Revaluation

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

Operational land and buildings

Several key properties; the Council office, memorial hall, pensioner flats and the swimming pool, were valued to component level by Sarah Rowse, (ANZIV, SPINZ) of Quotable Value NZ as at 30 June

2013. The balance of land and buildings were valued effective as at 30 June 2013 by Sarah Rowse, (ANZIV, SPINZ) of Quotable Value NZ, at fair value as determined from market-based evidence. Carrying values for those specific assets are shown less accumulated depreciation and plus any subsequent additions at cost.

Restricted land and buildings

The most recent valuation was performed by Sarah Rowse, (ANZIV, SPINZ) of Quotable Value NZ, and the valuation is effective as at 30 June 2013 at fair value as determined from market-based evidence. Subsequent additions are recorded at cost.

Infrastructure

This includes roads, bridges & footpaths, water systems, sewerage systems and stormwater systems, 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. MWH New Zealand Ltd performed the most recent valuation of road assets, water, sewer and stormwater infrastructure, valued as at 30 June 2013.

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 have been estimated as follows:

Infrastructural Assets	Years	Rate (Rounded)
<i>Roading</i>		
Land and Road Formation		Not Depreciated
Base Course		Not Depreciated
Bridges	50	1.93%
Sealed Top Layer	7	15.46%
Kerb and Channels	50	2.72%
Drainage	50	1.73%
Traffic Facilities	4	20.2%
Seawalls	50	2.09%
Footpaths – Structure		Not Depreciated
Footpaths – Surface	25	5.39%
Street Lighting	17	5.79%

Infrastructural Assets	Years	Rate (Rounded)
<i>Sewerage</i>		
Equipment & Oxidation Ponds	50	From 0.28% to 5.03%
Pump Stations	17 - 100	From 2.51% to 6.67%
Catchment Mains & Reticulation	25 – 77	From 1.13% to 2.71%
<i>Water</i>		
Pump Stations	12 – 25	From 4.22% to 7.74%
Pipes & Reticulation	7 – 99	From 1.19% to 13.14%
<i>Stormwater</i>		
Catchment Mains & Reticulation	70 – 99	From 1% to 1.42%
Structures	19 – 75	From 5.26% to 1.33%
Operational Assets	Years	Rate (Rounded)
Buildings – Structure	50	2%
Buildings – Services	15 - 33	From 3% to 6.67%
Buildings – Internal Fit out	4 - 33	From 6.67% to 25%
Harbour Seawall & Wharf	30 – 50	From 2.0% to 3.45%
Computer Equipment	5	20%
Plant, Vehicles and Machinery	5 - 50	From 2% to 20%
Land		Not Depreciated
Library books	12	8%
Library non-books	5	20%
Restricted Assets	Years	Rate (Rounded)
Parks and Reserves Buildings	50	2%
Parks and Reserves Land		Not Depreciated
Parks Furniture & Other Assets	8 – 50	From 2% to 12.5%
Artwork		Not Depreciated

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

Subsequent costs

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

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

Deemed cost

Land under roads

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

Library collections

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

Accounting for revaluations

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

The 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 Council's own forestry assets, are independently revalued annually at fair value less estimated point of sale costs. These valuations are performed by Merrill & Ring Ltd. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate.

Gains or losses arising on initial recognition of forestry assets at fair value less estimated point of sale costs and from a change in fair value less estimated point of sale costs are recognised in the 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 are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

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

In addition to its share of forestry in MRF, Council holds forestry assets in its own right. However, the Council is not the landowner of the Clarence forest, and is therefore ineligible to enter the scheme. The small forest at South Bay does not meet the minimum criteria to enter the scheme.

Emissions Trading Scheme (ETS) – Council Landfill

Council's landfill entered the ETS from 1 January 2013. Council has purchased 2,000 carbon credits to meet its immediate obligations arising from landfill emissions.

Carbon Credits

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

Impairment of Property, Plant and Equipment and Intangible Assets

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

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

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

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

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

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

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

Creditors and other payables

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

Borrowings

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

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

Employee Entitlements

Short-term benefits

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

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

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

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

Long-term benefits

Superannuation schemes

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

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

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

Provisions

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

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

Equity

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

The components of equity are:

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

Special and Council Created Reserves

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

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

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

Council's objectives, policies and processes for managing capital are described in note 31.

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 on a percentage of use basis.

Statement of Cash Flows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments, with original maturities of three months or less, in which Council invests as part of its day-to-day cash management.

Operating activities include cash received from all 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.

Cost of Service Statements

The cost of service statements, as provided in the Statements of Service Performance, report the net cost of services for significant activities of the Council, and are represented by the costs of providing the service less all revenue that can be allocated to these activities.

Critical Accounting Estimates and Assumptions

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

Landfill aftercare provision

The exposure of the Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision has not been considered; the impact is likely to be minimal in this Annual Plan year.

Infrastructural assets

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

These include:

- The physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset;
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then 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.

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

Critical Judgments in Applying Council's Accounting Policies

Kaikoura District Council management has exercised the following critical judgments in applying accounting policies for the year ended 30 June 2017:

Classification of property

The Council owns a number of properties, which are maintained primarily to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of the Council's social housing policy. 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 2015-2025 Long Term Council Community Plan.

Notes to the Forecast Financial Statements

The Local Government (Financial Reporting and Prudence) Regulations 2014 have introduced a number of mandatory reporting requirements, including the need for the notes to the financial statements to specify total depreciation for each group of activities, and separate disclosure of water meter charges.

Depreciation & amortisation expenses

	Annual Plan 2015/2016 \$	Long Term Plan 2016/2017 \$	Annual Plan 2016/2017 \$
Roading	775,366	810,578	807,147
Water services	377,786	368,615	371,433
Sewerage services	305,593	305,678	306,149
Stormwater	64,794	65,900	66,022
Refuse & recycling	64	71	102
Community facilities	291,940	311,042	320,037
Commercial activities	-	-	-
Leadership & governance	45,890	53,540	20,470
Regulation & control	-	-	-
Safety & wellbeing	28,712	30,284	21,019
District development	-	-	-
Kaikoura hospital	-	-	-
	1,890,145	1,945,708	1,912,379

Targeted rates for metered water supply (water meter charges)

	Annual Plan 2015/2016 \$	Long Term Plan 2016/2017 \$	Annual Plan 2016/2017 \$
Water meter charges	162,000	165,775	130,000

Water meter charges are separately identified in the Statement of Comprehensive Revenue and Expense (page 9), but are included in targeted rates in the Forecast Funding Impact Statement (page 39), as required by the Local Government (Financial Reporting and Prudence) Regulations 2014. Water meter charges are defined as a targeted rate in the Local Government (Rating) Act 2002.

Capital Works Programme

	Annual Plan 2015/2016 \$	Long Term Plan 2016/2017 \$	Annual Plan 2016/2017 \$
<u>Roading</u>			
Bridge replacement	90,000	92,349	90,000
Beach Road aesthetics	-	107,200	-
West End aesthetics	-	-	100,000
Old Beach Road intersection	-	428,800	-
Sealed surface renewals	100,000	102,610	100,000
Unsealed road renewals	60,000	61,566	60,000
Kerb & channel renewals	50,000	51,305	50,000
Road rehabilitation	100,000	307,830	101,923
Minor improvements	50,000	51,305	50,000
Traffic Services	9,356	11,810	10,844
Footpath renewals	500,000	-	-
New Streetlights	27,644	26,156	26,156
	987,000	1,240,931	588,923
<u>Water supplies</u>			
Kaikoura township	80,000	82,088	300,000
Ocean Ridge	-	-	-
East Coast	-	-	-
Kincaid	15,000	15,392	20,000
Fernleigh	-	-	-
Oaro	4,179	4,288	4,000
Peketa	-	-	16,000
	99,179	101,768	340,000
<u>Sewerage</u>			
Oxidation pond & consents	-	-	50,000
Pipe renewals	40,000	42,880	40,000
	40,000	42,880	90,000
<u>Stormwater</u>			
Upgrades & consents	-	-	25,000
Renewals	25,000	26,800	25,000
	25,000	26,800	50,000
<u>Refuse & Recycling</u>			
Landfill development	-	-	-
New recycling stations	-	-	15,000
Landfill aftercare	7,500	7,696	7,500
	7,500	7,696	22,500

Capital Works Programme

	Annual Plan 2015/2016 \$	Long Term Plan 2016/2017 \$	Annual Plan 2016/2017 \$
<u>Community Facilities</u>			
New public toilet	30,000	-	30,000
West End CCTV upgrade	-	-	26,000
Airport runway resealing	-	-	50,000
Coastal development	20,000	20,000	-
South Bay marina upgrade	170,000	493,120	250,000
Memorial Hall	11,500	-	-
Swimming pool	200,000	-	50,000
Civic Centre	4,900,000	-	1,000,000
Library books	36,626	39,263	26,000
	5,338,126	552,383	1,432,000
<u>Commercial Activities</u>			
Planting/Pruning/Thinning	4,464	4,581	4,464
	4,464	4,581	4,464
<u>Leadership & Governance</u>			
Office furniture	10,000	10,261	10,000
Computer software	-	-	20,000
Computer equipment	20,000	20,522	20,000
Vehicles & plant	20,000	30,284	20,000
	50,000	61,067	70,000
Total Capital Expenditure	6,580,523	2,035,658	2,597,887

Special Funds & Reserves

	Opening Balance	Transfers In	Interest Applied	Transfers Out	Closing Balance
Town water maintenance	2,150	-	53	-	2,203
Town water capital	107,483	13,856	2,656	-	123,995
Roading	219,824	-	5,431	-	225,247
East coast water	(14,358)	4,000	-	-	(10,358)
Kincaid water	88,471	43	2,186	-	90,700
Fernleigh water	47,352	-	1,170	-	48,522
District plan	(142,000)	4,000	-	-	(138,000)
Stormwater	5,790	3,640	143	-	9,573
Sewer maintenance	10,044	-	248	-	10,293
Sewer capital	370,563	9,476	9,156	-	389,196
Social services	3,608	-	89	-	3,697
Tourism	30,038	-	742	-	30,780
George low fund	57,140	-	1,412	-	58,552
Forestry	94,685	180,000	2,340	-	277,025
Parks & reserves	80,321	3,000	1,985	(45,000)	40,306
Properties	28,221	-	697	(25,409)	3,509
Vehicles & plant	26,840	-	663	-	27,503
Landfill aftercare	102,399	-	2,530	-	104,929
Landfill development	81,118	-	2,004	-	83,123
Library donations	15,489	-	383	-	15,872
Mayoral fund	7,905	-	195	-	8,100
Footpaths & streetlights	102,750	-	2,539	-	105,289
Town centre	31,073	-	768	(26,000)	5,841
Stock control	4,143	-	102	-	4,245
Rural fire control	(20,000)	-	-	-	(20,000)
Significant natural areas	28,587	-	706	-	29,294
Waste minimisation levy	30,644	-	757	(15,000)	16,401
	1,400,281	218,015	38,955	(111,409)	1,545,837

Borrowing & Debt Servicing Programme

New borrowing

Several of the capital projects listed on pages 35-36 require loans to complete. The civic centre insurance loan is assumed to be a short-term loan, to be repaid within 12 months. The airport runway loan will be drawn for ten years (the life of the runway reseal), and the computer software loan will also be limited to a ten year period (the life of the software), with the remainder of these loans being drawn for no more than twenty years.

	Purpose	Amount \$
Civic centre insurance loan	Interest-only loan to fund the building cost over-runs until the insurance claim is settled	1,000,000
Airport runway loan	Reseal the airport runway	50,000
Water # 6 loan	South Bay water pipe renewals	300,000
Harbour # 5 loan	Safety work (rock removal) in the harbour	250,000
West End aesthetics loan	Improve parking, footpaths, etc, in the West End	100,000
Computer software loan	Implement Datacom Financial Business software	20,000
		1,720,000

Summary of forecast borrowing needs:

	Annual Plan 2015/2016 \$	Long Term Plan 2016/2017 \$	Annual Plan 2016/2017 \$
Opening balance of debt	7,793,381	10,177,191	9,022,700
Movements through the financial year:			
Loans maturing	(2,403,095)	(1,985,309)	(2,781,000)
Amount to be refinanced	1,836,300	1,464,315	1,556,823
New borrowings	3,370,000	448,296	1,720,000
Net movement through the financial year:	2,803,205	(72,698)	495,824
Closing balance of debt	10,177,191	10,104,493	9,518,523

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;

Limit	Limit	Actual
Total debt (unless activity is self-funded)	\$12 million	\$9.5 million
Loan interest as a percentage of total revenue	10%	5.93%

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 – including refinanced loans – raised during 2016/2017 are forecast to be 5.6%
- For existing loans, current interest rates are applied up to the point of maturity
- Interest revenue on term deposits is forecast to be 2.2%

Marlborough Regional Forestry revenues

- Council receives a capital distribution from the Marlborough Regional Forestry joint venture, assumed \$236,000 in 2016/2017 – of which we issue 13.38% to Environment Canterbury. These funds are used to cover all expenses relating to Council's forestry activities in the first instance, with the balance (\$180,000) used to replenish the forestry special fund. That fund can then be used for strategic purposes, such as investing in property.

Taxation

The commercial nature of the South Bay marina makes the harbour a taxable activity. Council has unused tax losses at 30 June 2013 of \$251,261, with a tax effect of \$70,353 available to carry forward and offset against future profits. It is assumed that the activity will be managed on a balanced budget basis; therefore no surpluses will be generated to create a tax liability.

Grants and subsidies

- NZ Transport Agency subsidies are assumed to be 48% for all road and bridges maintenance, road renewals and improvements, and street light electricity, maintenance, and upgrades. No subsidies are available for seal extensions or aesthetic improvements.
- SPARC, George Low, and Creative Communities funding are assumed to continue at current levels.
- Family Violence and Strengthening Family activities will be administered by other local organisations, and so these subsidies (and the activity associated with them) are no longer relevant to the council's financial statements.

District Valuation

The latest district valuation for rating purposes was undertaken in September 2015, and this valuation, combined with the value of any construction work completed during the year, forms the basis upon which rates for 2016/2017 will be set. The district valuation has no effect on Council's prospective financial statements, but can have a significant effect on individual rateable properties, as most of the Council's rates are applied to the capital value of property.

Inflation

In previous years, the council has used the BERL forecasts of price level changes to adjust future year's costs, relative to the type of expenditure. This year we have assumed inflation to be zero, reflecting not only the subdued state of the economy, but our own commitment to retaining expenses at similar levels to 2015/2016.

Useful life of significant assets

The useful lives of significant assets are disclosed in the Statement of Accounting Policies, and are used as the basis for the calculation of depreciation.

Landfill capacity

The capacity of the landfill to take more waste is limited and, despite achieving excellent success with recycling being diverted from landfill, it could potentially reach full capacity within the next few years. This Annual Plan assumes that the landfill will remain able to take waste for at least the period covered by the 2016/2017 financial year.

Emissions trading scheme

While the Emissions Trading Scheme may result in increased fuel and electricity costs, specific increases in budgeted expenditure as a direct result of the scheme have not been included. The council has a commitment to reducing our carbon footprint, so any increase in cost should be offset by a reduction in the quantity of fuel or electricity we use.

While there will be a cost to Innovative Waste Kaikoura, the operator of the landfill, of approximately \$16,500 per annum (based on 600 tonnes of waste being landfilled), the operator has increased gate charges to cover these costs. Innovative Waste's activities are not included in the council's financial statements in our Annual Plans (although they are included in the Group statements in the council's Annual Reports).

Short term loans

From time to time the council may need to raise short-term interest-only loans (i.e. cash advances) to pay commitments to suppliers. The civic centre insurance loan is an example, and that loan has been specifically provided for within this Annual Plan. The council retains the right to raise other unspecified cash advances for periods not exceeding 12 months, and for amounts not exceeding \$500,000, for cash management purposes.

Uncertainty and risk of forecasting assumptions

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

All other assumptions are considered low risk or low materiality.

Forecast Funding Impact Statement

	Annual Plan 2015/2016 \$,000s	Long Term Plan 2016/2017 \$,000s	Annual Plan 2016/2017 \$,000s
Sources of operating funding			
General rates, UAGC, rates penalties	2,206	2,175	2,107
Targeted rates (incl. water meter charges)	3,469	3,795	3,806
Subsidies and grants - operating	394	407	292
Fees & charges	1,328	1,520	1,286
Interest & dividends from investments	56	67	39
Fuel tax, fines & other revenue	1,043	1,058	1,026
Total operating funding (A)	8,496	9,022	8,556
Applications of operating funding			
Payments to staff & suppliers	8,805	6,380	6,517
Finance costs	541	628	525
Other operating funding applications	56	67	-
Total applications of operating funding (B)	9,402	7,075	7,042
Surplus/(deficit) of operating funding (A - B)	(906)	1,948	1,514
Sources of capital funding			
Subsidies and grants – capital	224	790	230
Development and financial contributions	76	78	30
Increase / (decrease) in debt	3,214	(73)	496
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	3,513	795	756
Applications of capital funding			
Capital expenditure to meet demand	906	1,054	1,512
Capital expenditure to improve service	102	102	405
Capital expenditure to replace assets	1,143	880	676
Increase / (decrease) in reserves	456	707	(323)
Increase / (decrease) in investments	-	-	-
Total application of capital funding (D)	2,607	2,742	2,270
Surplus/(deficit) of capital funding (C - D)	906	(1,948)	(1,514)
Funding balance ((A - B) + (C - D))	-	-	-

Note this table displays in thousands (\$,000s).

Rating Funding Impact Statement

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

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 has introduced a differential of 0.9:1 on the general rate for rural and semi-rural properties, in the 2016/2017 financial year.

Uniform Annual General Charge

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

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

Any portion of a rating unit used or inhabited by any person, other than the ratepayer or member of the ratepayers household, having a right to use or inhabit that portion by virtue of a tenancy, lease, license or other agreement.

For clarification, this means that each flat within a block of flats, or each shop within a block of shops, for example, would be rated a uniform annual general charge. The same would apply to a farm with more than one dwelling (i.e. worker accommodation), or a residential property with a separate fully self-contained unit available for visitor accommodation.

Targeted Rates

Targeted rates enable 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 targeted **charge** is applied, this refers to a set dollar amount per annum.

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

General Rates

General Rates and the Uniform Annual General Charge apply to all rateable land. In 2016/2017 the council has introduced a differential on the general rate of 0.9:1 for all properties, except for utilities, in the rural and semi-rural areas (i.e. outside the urban area). A map on page 52 indicates those rating areas.

<i>General Rate: to fund the general operations of Council, including general management, community services, environmental planning, the net costs of statutory planning, building control, dog control, community facilities, general parks and reserves, and a portion of public toilets and traffic control.</i>		
Category	Calculation	Amount required (including GST)
All rateable properties within the urban area, and all rateable properties classified as utilities	\$0.00076396 per dollar of rateable capital value	\$540,189
All rateable properties outside the urban area, except for properties classified as utilities	\$0.00068756 per dollar of rateable capital value	\$527,928
Total		\$1,068,117
<i>Uniform Annual General Charge: to fund the general operations of Council, including landfill operations, governance, library services, sports fields, playgrounds, cemetery, walkways, public halls, general environmental health and civil defence.</i>		
Category	Calculation	Amount required (including GST)
All rateable properties within the district	\$451.03 per separately used or inhabited part of a rating unit	\$1,355,353

Targeted Rates

The roading rate and the district planning rate (as follows), are also applied to all properties within the district. They are separate targeted rates for the purposes of transparency and accountability, rather than for the purpose of targeting certain categories of land.

<i>Roading Rate: to fund the net costs of upgrading and maintenance of the district bridges and roading network</i>		
Category	Calculation	Amount required (including GST)
All rateable properties within the district	\$0.00051005 per dollar of rateable capital value	\$752,278

District Planning Rate: to fund the costs of District Planning for the Kaikoura district.

Category	Calculation	Amount required (including GST)
All rateable properties within the district	\$0.00014533 per dollar of rateable capital value	\$214,351

The Kaikoura Hospital Charge and the Civic Centre Charge are both relatively new uniform charges, first levied in 2015/2016 financial year. Like the roading and district planning rates, they are separate targeted rates for the purposes of transparency, rather than to target certain categories of land. They differ from the roading and district planning rates, however, in that they are a set amount per rateable property, rather than being calculated on the capital value of property.

Kaikoura Hospital Charge: to fund the loan servicing costs of the shortfall for the Canterbury District Health Boards new hospital construction.

Category	Calculation	Amount required (including GST)
All rateable properties within the district	\$88.14 per separately used or inhabited part of a rating unit	\$264,871

Civic Centre charge: to fund the net costs of the museum, library and council office building.

Category	Calculation	Amount required (including GST)
All rateable properties within the district	\$60.15 per separately used or inhabited part of a rating unit	\$180,763

The following pages are targeted rates (and charges) applied to specific rateable properties based on certain categories of land and calculated as stated.

Kaikoura Water Annual Charge: to fund the costs of the supply, treatment, upgrading and maintenance of the Kaikoura water supply, including the Suburban water scheme, as well as to partially subsidise the net costs of the Peketa and Oaro water supplies.

Category	Calculation	Amount required (including GST)
Full Charge: All rateable properties connected to the Kaikoura water supply.	\$263.19 per separately used or inhabited part of a rating unit	\$452,423

<u>Half Charge</u> : All rateable properties situated within 100 metres of any part of the Kaikoura water supply, but not connected to the supply.	\$131.59 per separately used or inhabited part of a rating unit	\$26,714
Total		\$479,137

Kaikoura Water Loan Charge: to fund the loan servicing costs of the Kaikoura water supply.

Category	Calculation	Amount required (including GST)
All rateable properties situated within 100 metres of any part of the Kaikoura water supply.	\$57.03 per separately used or inhabited part of a rating unit	\$109,449

Ocean Ridge Water Annual Charge: to fund the costs of the supply, treatment, and maintenance of the Ocean Ridge water supply.

Category	Calculation	Amount required (including GST)
<u>Full Charge</u> : All rateable properties connected to the Ocean Ridge water supply.	\$335.70 per separately used or inhabited part of a rating unit	\$13,764
<u>Half Charge</u> : All rateable properties situated within 100 metres of any part of the Ocean Ridge water supply, but not connected to the supply.	\$167.85 per separately used or inhabited part of a rating unit	\$18,128
Total		\$31,892

<i>Rural Water Charges to fund the supply, treatment, upgrading, and maintenance of the following water supply areas.</i>		
Category	Calculation	Amount required (including GST)
East Coast Rural Water Charge: all rateable properties connected to the East Coast rural water supply.	\$690.00 per water unit (1,800 litres per day)	\$97,290
Kincaid Rural Water Charge: all rateable properties connected to the Kincaid rural water supply.	\$167.88 per water unit (1,000 litres per day)	\$103,579
Oaro Rural Water Charge: all rateable properties connected to the Oaro rural water supply.	\$263.19 per separately used or inhabited part of a rating unit	\$17,897
Peketa Rural Water Charge: all rateable properties connected to the Peketa rural water supply.	\$263.19 per separately used or inhabited part of a rating unit	\$5,001
Suburban Water Charge: all rateable properties within the Suburban water area.	\$184.23 per water unit (1,000 litres per day)	\$18,239
Fernleigh Rural Water Charge: all rateable properties connected to the Fernleigh rural water supply	\$21.12 per water unit (1,000 litres per day)	\$6,210

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.

Note that, for the Kaikoura water supply, certain properties are “extraordinary consumers”, such as commercial and accommodation premises, or properties with a swimming pool, for example. These properties are metered and water meter charges apply in addition to the applicable rates above.

<i>Stormwater Rate: to fund the costs of stormwater disposal, loan servicing, upgrading and maintenance of the Kaikoura Stormwater scheme.</i>		
Category	Calculation	Amount required (including GST)
All rateable properties within the Kaikoura urban area.	\$0.00021209 per dollar of rateable capital value	\$142,347
<i>Sewerage Loan Rate: to fund the loan servicing costs of the Kaikoura Sewerage scheme.</i>		
Category	Calculation	Amount required (including GST)
All rateable properties within the area serviced by the Kaikoura sewerage system, or within 100 metres of any part of that system.	\$0.00025116 per dollar of rateable capital value	\$174,471
<i>Sewerage Charge: to fund the costs of sewage disposal, treatment, upgrading and maintenance of the Kaikoura sewerage scheme.</i>		
Category	Calculation	Amount required (including GST)
All rateable properties within the area serviced by the Kaikoura sewerage system, not being either commercial or self contained and serviced (definition on the following page).	<p>\$230.93 for the first water closet and urinal within each separately used or inhabited part of a rating unit, and</p> <p>\$115.46 for each subsequent water closet and urinal within each separately used or inhabited part of a rating unit where there are more than one water closet or urinal.</p> <p><i>A rating unit used primarily as a residence for one household will not be treated as having more than one water closet or urinal.</i></p>	\$384,494
Category	Calculation	Amount required (including GST)
<u>Half Annual Charge:</u> All rateable properties situated within 100 metres of any part of the Kaikoura sewerage system, but not connected to the system.	\$115.46 per separately used or inhabited part of a rating unit.	\$36,833

Continued ...

<i>Sewerage Charge: to fund the costs of sewage disposal, treatment, upgrading and maintenance of the Kaikoura sewerage scheme.</i>		
Category	Calculation	Amount required (including GST)
<u>Self Contained and Serviced:</u> All rateable properties within the area serviced by the Kaikoura 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.	\$230.93 for the first water closet and urinal within each rating unit, and \$105.00 for each subsequent water closet and urinal within each separately used or inhabited part of a rating unit where there are more than one water closet or urinal.	\$42,210
Category	Calculation	Amount required (including GST)
<u>Commercial:</u> All rateable properties within the Kaikoura urban area used principally for commercial and/or industrial purposes; or used as a licensed premise under the Sale of Liquor Act 1989; or used for providing short term accommodation for commercial reward, but not including rateable properties defined as Self Contained and Serviced.	\$230.93 for the first water closet and urinal within each rating unit, and \$189.00 for each subsequent water closet and urinal within each separately used or inhabited part of a rating unit where there are more than one water closet or urinal.	\$48,384
Total		\$511,921

The next two charges pertain to whether or not a property has access to the weekly kerbside collection service. More properties may be charged the kerbside recycling charge if the service is extended over a wider area.

<i>Kerbside Recycling Charge: to fund the costs of the weekly kerbside recycling collection service.</i>		
Category	Calculation	Amount required (including GST)
All rateable properties that have access to the kerbside recycling collection service (including Oaro)	\$40.77 per separately used or inhabited part of a rating unit	\$79,737
<i>Rural Recycling Charge: to fund the net costs of the rural weekly recycling collection service which is made available at various pickup points around the district, and the residual costs of recycling facilities available at the landfill.</i>		
Category	Calculation	Amount required (including GST)
All rateable properties other than those that have access to the kerbside recycling collection service	\$27.46 per separately used or inhabited part of a rating unit	\$28,337

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.

<i>Commercial Rate: to fund the net costs of tourism and economic development, the annual grant paid to the visitor centre, and a portion of traffic control, harbour facilities and public toilets.</i>		
Category	Calculation	Amount required (including GST)
All rateable properties in the district; <ul style="list-style-type: none"> • Used principally or exclusively for commercial and/or industrial purposes, (not being farmland as defined by Land Information NZ); or • Used principally for visitor accommodation for commercial reward for <i>not less than five persons</i>, and for the avoidance of doubt, including any motel, hotel, motor lodge, bed and breakfast, hostel, camping ground or “boarding house”¹; or • Used as licensed premises under the Sale of Liquor Act 1989. 	\$0.00242788 per dollar of rateable capital value	\$357,941
<i>Accommodation Sector Charge: to fund the net costs of tourism and economic development, the annual grant paid to the visitor centre, and a portion of traffic control, harbour facilities and public toilets.</i>		
Category	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, and baches rented out as holiday homes, but not including long-term rental accommodation.	\$320.00 per separately used or inhabited part of a rating unit	\$58,880

¹ As defined in the Kaikoura District Plan

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

Category	Calculation	Amount required (including GST)
All rateable properties in the district; <ul style="list-style-type: none"> • Used principally or exclusively for commercial and/or industrial purposes, (not being farmland as defined by Land Information NZ); or • Used principally for visitor accommodation for commercial reward for <i>not less than five persons</i>, and for the avoidance of doubt, including any motel, hotel, motor lodge, bed and breakfast, hostel, camping ground or “boarding house”²; or • Used as licensed premises under the Sale of Liquor Act 1989. 	\$155.00 per separately used or inhabited part of a rating unit	\$35,650

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

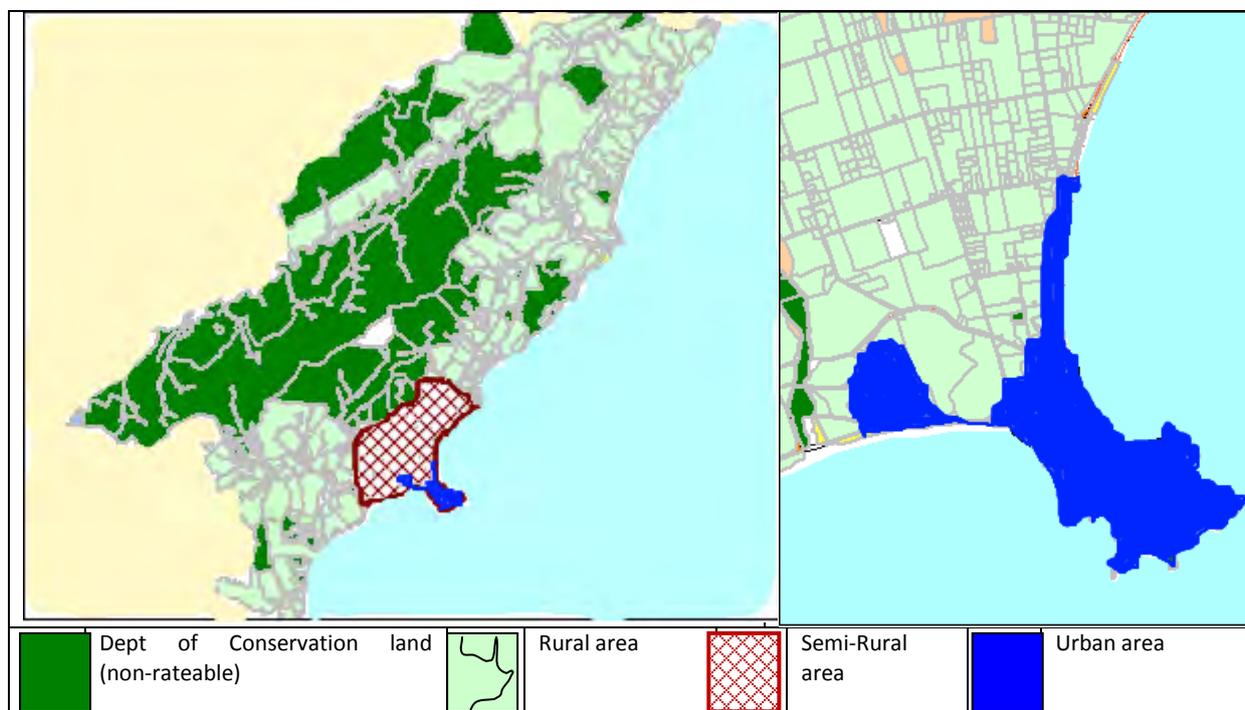
Category	Calculation	Amount required (including GST)
All rateable properties undertaking a licensed activity, such as premises where alcohol is sold or consumed, food premises, camping grounds, or hairdressers.	\$268.52 per license	\$33,565

Please refer to the sewerage charges on page 46 as they pertain to certain commercial properties, and also to the water meter charges on page 53 for commercial properties that are metered.

² As defined in the Kaikoura District Plan

Rating Areas

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



The map on the left is of the whole Kaikoura district, a large proportion of which is Department of Conservation land which is non-rateable. The bulk of the district is rural, portrayed in pale green. The red and white thatched area is the semi-rural area for rating purposes. It is an area defined for its proximity to urban services, and has no relationship to the size, land use, or value of individual properties within, or outside of, this area. The semi-rural area extends to the Hapuku River in the north, and to the Kahutara River to the south (thereby including the villages of Hapuku and Peketa). This area also extends inland to the foothills of Mt Fyffe, abutting the Dept of Conservation land.

The map on the right (above) shows the current urban area for rating purposes. As the town grows, this area may be extended to incorporate new areas as appropriate to meet the intent of these rates – i.e. in areas where footpaths, streetlights and/or stormwater is developed. The rating boundaries shown in the above maps are approximate, and for indicative purposes only.

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. Therefore, for each of the following three targeted rates (harbour rate, town centre rate, and footpath & streetlighting rate) a differential has been applied thus:

	Harbour Rate	Town Centre Rate	Footpath & Streetlights Rate	General Rate
Urban	1:1	1:1	1:1	1:1
Semi-rural	0.5:1	0.5:1	0.5:1	0.9:1
Rural	0.25:1	0.25:1	0.2:1	0.9:1
Utilities	N/A	N/A	N/A	1:1

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	Calculation	Amount required (including GST)
All rateable properties within the urban area.	\$0.00006966 per dollar of rateable capital value	\$46,659
All rateable properties within the semi-rural area.	\$0.00003483 per dollar of rateable capital value	\$14,348
All rateable properties within the rural area.	\$0.00001742 per dollar of rateable capital value	\$6,198
Total		\$67,205

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	Calculation	Amount required (including GST)
All rateable properties within the urban area.	\$0.00013491 per dollar of rateable capital value	\$90,362
All rateable properties within the semi-rural area.	\$0.00006746 per dollar of rateable capital value	\$27,787
All rateable properties within the rural area.	\$0.00003373 per dollar of rateable capital value	\$12,004
Total		\$130,153

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

Category	Calculation	Amount required (including GST)
All rateable properties within the urban area.	\$0.00022826 per dollar of rateable capital value	\$152,884
All rateable properties within the semi-rural area.	\$0.00011413 per dollar of rateable capital value	\$47,013
All rateable properties within the rural area.	\$0.00004565 per dollar of rateable capital value	\$16,247
Total		\$216,144

Two other targeted rates also rely upon these definitions of rating areas to determine which properties the rate applies to. They are the stock control rate and the rural fire rate.

<i>Stock Control Rate: to fund the net costs of stock control.</i>		
Category	Calculation	Amount required (including GST)
All rateable properties <i>outside the urban area</i> (i.e. including both semi-rural and rural properties).	\$0.00001769 per dollar of rateable capital value	\$13,581
<i>Rural Fire Control Rate: to fund the net costs of rural fire control.</i>		
Category	Calculation	Amount required (including GST)
All rateable properties <i>outside the urban area</i> (i.e. including both semi-rural and rural properties).	\$0.00012629 per dollar of rateable capital value	\$96,969

The previous pages identify each rate for the 2016/2017 financial year. Note that all amounts are GST inclusive, whereas those amounts within the Forecast Funding Impact Statement (on page 41) exclude GST.

Other Rates & Charges

Water Meter Charges

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

For water usage which exceeds 365m³ per annum, a charge of \$1.00 including GST per cubic meter applies. All properties with a meter will incur a twice-annual meter maintenance charge of \$25.00 to cover the costs of the meter as well as administration expenses.

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 and 20 January (up to 20% pa in total).

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 2016 to 30 September 2016	20 September 2016
Instalment 2:	1 October 2016 to 31 December 2016	20 December 2016
Instalment 3:	1 January 2017 to 31 March 2017	20 March 2017
Instalment 4:	1 April 2017 to 30 June 2017	20 June 2017

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 show the amount of rates we collect from you on behalf of Environment Canterbury.

Rates for 2016/2017

	Rates 2015/2016 \$	Rates 2016/2017 \$	Change %
General Rate (Urban & Utility)	0.00076337	0.00076396	0.08%
General Rate (Rural & Semi-rural)	0.00076337	0.00068756	(9.93)%
Uniform Annual General Charge	489.42	451.03	(7.84)%
Kaikoura Water Loan Charge	64.62	57.03	(11.74)%
Kaikoura Water Annual Charge	248.96	263.19	5.72%
Kaikoura Water Half Annual Charge	124.48	131.59	5.72%
Sewerage Loan Rate	0.00024584	0.00025116	2.16%
Sewerage Charge (1 Pan)	221.21	230.93	4.39%
Sewerage Half Charge	110.61	115.46	4.39%
Sewerage Charge*	110.61	115.46	4.39%
Sewerage Commercial Charge*	180.00	189.00	5.00%
Sewerage Self Contained Charge*	100.00	105.00	5.00%
* = 2 nd and subsequent pans			
Stormwater Rate	0.00021244	0.00021209	(0.17)%
Ocean Ridge Water Annual Charge	319.96	335.70	4.92%
Ocean Ridge Water Half Charge	159.98	167.85	4.92%
Roading Rate	0.00054038	0.00051005	(5.61)%
Footpath & Streetlight Rate			
Urban	0.00022340	0.00022826	2.17%
Semi-rural	0.00011170	0.00011413	2.17%
Rural	0.00004468	0.00004565	2.17%
Kerbside Recycling Charge	40.87	40.77	(0.26)%
Rural Recycling Charge	27.22	27.46	0.88%
Public Rubbish Bin Charge	160.21	155.00	(3.25)%

Rates for 2016/2017

	Rates 2015/2016 \$	Rates 2016/2017 \$	Change %
Stock Control Rate	0.00002106	0.00001769	(16.01)%
Rural Fire Control Rate	0.00013988	0.00012629	(9.71)%
Commercial Rate	0.00204912	0.00242788	18.48%
Accommodation Sector Charge	315.00	320.00	1.59%
Registered Premises Charge	265.47	268.52	1.15%
Civic Centre Charge	24.24	60.15	148.16%
Kaikoura Hospital Charge	52.67	88.14	67.35%
Town Centre Rate			
Urban	0.00014809	0.00013491	(8.90)%
Semi-rural	0.00007405	0.00006746	(8.91)%
Rural	0.00003702	0.00003373	(8.89)%
District Planning Rate	0.00011037	0.00014533	31.68%
Harbour Rate			
Urban	0.00007247	0.00006966	(3.88)%
Semi-rural	0.00003624	0.00003483	(3.89)%
Rural	0.00001812	0.00001742	(3.89)%
East Coast Water Charge	575.00	690.00	20.00%
Kincaid Water Charge	167.91	167.88	(0.02)%
Fernleigh Water Charge	21.14	21.12	(0.00)%
Oaro Water Charge	248.96	263.19	5.72%
Peketa Water Charge	248.96	263.19	5.72%
Suburban Water Charge	174.27	184.23	5.72%
Water Meter Charge (per m ³)	1.00	1.00	-
Water Meter Maintenance Charge	50.00	50.00	-

All rates are shown GST inclusive.

Impact of Rates on Benchmark Properties

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

The district rating valuation was completed as at 30 September 2015, which means that all property rates will be assessed on that valuation, plus the value of any construction work completed since that date, for the 2016/2017 rating year. Changes in rating values have an impact on individual property rates beyond any changes to rates from this Annual Plan, these changes in rating values are outside the council's control.

Note CV is Capital Value; the total value of each property including land and buildings, for rating purposes.

		Rates 2015/2016	Rates 2016/2017
Residential - Whitby Place	<i>Change %</i>	5.58%	3.45%
CV \$270,000	<i>Total rates</i>	\$1,755.83	\$1,816.41
CV increase 1.89%	<i>Change \$</i>	\$92.86	\$60.58
Commercial - Beach Road	<i>Change %</i>	4.45%	0.75%
CV \$1,350,000	<i>Total rates</i>	\$12,069.15	\$12,159.72
CV decrease (10.0)%	<i>Change \$</i>	\$513.78	\$90.59
Commercial - Beach Road	<i>Change %</i>	4.88%	2.7%
CV \$730,000	<i>Total rates</i>	\$5,807.28	\$5,963.85
CV decrease (6.41)%	<i>Change \$</i>	\$269.95	\$156.58
Farm – Inland Road*	<i>Change %</i>	(4.50)%	8.61%
CV \$8,350,000	<i>Total rates</i>	\$13,330.00	\$14,477.60
CV increase 15.17%	<i>Change \$</i>	\$(628.81)	\$1,147.62
Commercial - West End	<i>Change %</i>	4.28%	(2.81)%
CV \$1,150,000	<i>Total rates</i>	\$9,926.54	\$9,648.07
CV decrease (14.81)%	<i>Change \$</i>	\$407.11	\$(278.47)
Accommodation – Scarborough St	<i>Change %</i>	3.01%	6.57%
CV \$1,070,000	<i>Total rates</i>	\$5,160.86	\$5,499.98
CV increase 10.31%	<i>Change \$</i>	\$151.03	\$339.13
Farm – Kekerengu*	<i>Change %</i>	(4.68)%	7.62%
CV \$4,560,000	<i>Total rates</i>	\$7,293.07	\$7,848.53
CV increase 14.0%	<i>Change \$</i>	\$(358.05)	\$555.46

Impact of Rates on Benchmark Properties

		Rates 2015/2016	Rates 2016/2017
Farm – Schoolhouse Rd*	<i>Change %</i>	(2.09)%	3.64%
CV \$5,650,000	<i>Total rates</i>	\$10,495.82	\$10,877.42
CV increase 9.07%	<i>Change \$</i>	\$(219.36)	\$381.60
Commercial – Beach Road	<i>Change %</i>	5.77%	4.08%
CV \$760,000	<i>Total rates</i>	\$5,196.40	\$5,408.67
CV decrease (3.8)%	<i>Change \$</i>	\$283.40	\$212.27
Residential – Bayview Street	<i>Change %</i>	5.78%	3.52%
CV \$255,000	<i>Total rates</i>	\$1,721.08	\$1,781.68
CV increase 2.0%	<i>Change \$</i>	\$94.04	\$60.60
Residential – Esplanade	<i>Change %</i>	3.72%	3.30%
CV \$460,000	<i>Total rates</i>	\$2,184.35	\$2,256.34
CV increase 2.22%	<i>Change \$</i>	\$78.27	\$71.98
Residential – Beach Road	<i>Change %</i>	4.67%	3.12%
CV \$350,000	<i>Total rates</i>	\$1,941.12	\$2,001.64
CV increase 1.45%	<i>Change \$</i>	\$86.53	\$60.51
Residential – South Bay	<i>Change %</i>	3.52%	6.82%
CV \$520,000	<i>Total rates</i>	\$2,242.26	\$2,395.26
CV increase 9.47%	<i>Change \$</i>	\$76.28	\$153.00
Residential – Oaro	<i>Change %</i>	6.39%	1.86%
CV \$255,000	<i>Total rates</i>	\$1,283.25	\$1,307.13
CV no change	<i>Change \$</i>	\$77.11	\$23.88
Residential – Ocean Ridge (Bare Land)	<i>Change %</i>	8.31%	(0.07)%
CV \$115,000	<i>Total rates</i>	\$1,190.50	\$1,189.68
CV decrease (14.81)%	<i>Change \$</i>	\$91.33	\$(0.82)

* Rural water charges have been excluded from this table where they apply to rural farms, so as to make comparisons easier, because other farms in the district may or may not have these charges.

Fees & Charges

Building Control Fees

The following building control fees are a deposit only. They include processing times and inspections. The fees are not determined until all processing is complete, then an invoice may be produced and any extra fees will be required to be paid before the consent is issued. External consultants such as Fire Engineers or Structural Engineers are not included in the deposit, but may be required for some consent processing (usually commercial buildings); these are determined on a case-by-case basis. Further fees may accrue throughout the building process subject to the management of the project, for example extra inspections booked by builders, agents, etc. The following fees are not fixed costs or final costs.

	All Prices Include GST
New Dwelling – large > 250m ²	\$3,434.00
New Dwelling – small < 250m ²	\$2,624.00
Dwelling alterations – large	\$1,814.00
Dwelling alterations – small	\$907.00
Dwelling minor alterations	\$270.00
Dwelling relocated	\$1,312.00
Garage residential new	\$974.50
Garage and plumbing new	\$1,447.00
Dwelling – solid fuel heater – freestanding	\$270.00
Dwelling – solid fuel heater – inbuilt	\$405.00
Dwelling – minor plumbing	\$270.00
Farm building/lean-to	\$637.00
Commercial building new >\$500,000	\$3,437.00
Commercial alterations large	\$2,797.00
Commercial new/alterations small	\$1,177.00
Marquee over 100m ²	\$270.00
Application for exempt work	\$135.00
Application for property report	\$70.00
Notice to fix	\$135.00 + hourly rate
Compliance schedule	\$70.00 + hourly rate
Certificate of acceptance	\$562.00 + costs
Natural hazard (section 73)	\$311.00

Swimming pool failed re-inspection	\$145.00 per hour
Building Warrant of Fitness audits	\$135.00 + hourly
Certificate of Public Use	\$135.00
Miscellaneous administration	\$70.00 per hour
Service approval fees (for each of water, sewerage and stormwater)	\$230.00 per service
BRANZ Levy	0.1% of value of building work over \$20,000
DBH Levy	0.201% of value of building work over \$20,000
Building Compliance Levy	0.4% of value of building work up to \$20,000, or 0.13% of value of building work \$20,000 and over

Resource Management

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

	All fees include GST and are subject to additional actual costs
Sign Consents	
Signs Permit Fee	\$160.00
Land Use Consents	
Category 1 – Non-Notified Land Use Base Fee	\$700.00
<ol style="list-style-type: none"> 1. Less than 20% breach of bulk and location standards of the District Plan for the following rules: <ul style="list-style-type: none"> - Internal Boundary or Road Setback - Recession plane - Site Coverage - Height - Density 2. Visitor accommodation 3. Relocated buildings 	
Category 2 – Non-Notified Land Use Base Fee	\$360.00
<ul style="list-style-type: none"> - Building in a flood hazard area - Earthworks or modification within an archaeological area or site - Temporary activities 	
Category 3 – All other Non-Notified Land Use Consent Applications not listed as either category 1 or category 2 – Base Fee	\$900.00
If an application requires a hearing	An additional base fee of \$1,600.00 plus costs

Subdivision Consents	
Subdivision – two lots	Base fee \$1,800.00
Subdivision – more than two lots	Base fee plus \$400.00 per lot over two lots
If public or limited notification of an application requires a hearing	An additional base fee of \$1,600.00 plus additional actual costs
Subdivision Consent (Post Decision) – this is invoiced on completion of the consent. These fees are charged on an hourly rate based on time spent. These fees and charges relate to the processing and administration of subdivision consent post decision up to the S224 stage and include the following: Planner's time per hour: <ul style="list-style-type: none"> - Title plan checking and certification (s223) - Consent notice preparation & issue - Refundable bond preparation - Checking & Issuing conditions certificate (s224) - Registering bond preparation & releases Engineering time per hour: <ul style="list-style-type: none"> - Engineering Plan checking and approval - Roads, access ways and services 	See "Processing Fees" on the next page.
Hearings/Committee Meetings – non-notified applications	\$72.00 for first ½ hour or part thereof \$145.00 per hour after first ½ hour, plus officer's attendance per hour per officer, plus Commissioner (if required) at actual cost
Hearings/Committee Meetings – notified applications	Actual cost of committee attendance, facility cost, officer attendance, minutes secretary, or independent Commissioner (if required) at actual cost
Submitter request to Council for independent Commissioner under section 100A(2)	Base fee \$1,300.00 plus additional actual costs
Application for variation of consent conditions (including change of consent notices)	\$360.00
Application for extension of consent timeframe	\$360.00
Application for existing use rights	\$360.00
Certificate of Compliance (section 139 RMA)	\$360.00

Processing Fees & Administration	
Processing fees (hourly rates) per processing officer	
Planning Officer	\$115.00
Senior Planner	\$150.00
Asset Manager	\$150.00
Engineering Technical Support Officer	\$145.00
Monitoring Officer	\$145.00
Environmental Health Officer	\$150.00
Administration	\$70.00
Building Control Officer	\$150.00
Consultancy/Legal Advice	At actual cost
Creation/Variation or Waiver of Esplanade Strips and Reserves	\$260.00
Monitoring and Enforcement	
Compliance monitoring	\$90.00 per hour, plus 57c per km outside residential or business zone boundaries
Plan Changes & Designations	
Fees are the minimum payable and required in advance – final fees will be based on actual time spent, at the hourly rate of the processing officer	
Plan Change	\$6,000.00
Requirement for Designations or Heritage Orders	\$1,740.00
Alteration of Designation	\$650.00
Assessment of Outline Plan	\$650.00
Removal of Designation	\$650.00
Miscellaneous Charges	
Consultation of more than 60 minutes regarding interpretation of District Plan	Base fee \$30.00 plus fee at the hourly rate of the processing officer
Cancellation of Building Line Restriction	\$340.00
Cancellation of Easements	\$350.00
Certified Resolution	\$350.00
Right of Way Approval	\$350.00
Completion Certificate	\$250.00
Withdrawal of Caveat	\$200.00
Certificate Under s226 of the RMA	\$650.00
Reports and Plans	
Kaikoura District Plan (Full Copy)	\$175.00
Kaikoura District Plan (Maps Only)	\$35.00
Kaikoura District Plan (CD)	\$60.00

Animal Control Fees

	All Prices Include GST
Standard Fee	\$50.00 per dog
Neutered or Spayed Dogs	\$40.00 per dog
Menacing/Dangerous Dogs	\$80.00 per dog
Working Dogs (three or more) ³	\$95.00
Working Dogs (less than three)	\$35.00 per dog
Guide Dogs	-
<u>Late Registration Penalty</u>	
Each dog	\$15.50
Three dogs or more (Working Dogs only)	\$37.00
<u>Impoundment and Call Out Fees</u>	
Impoundment First Offence	\$50.00
Impoundment Second Offence	\$100.00
Impoundment Third Offence	\$150.00
Daily Impoundment Fee	\$20.00 per day
Roaming dog fee (dog returned to owner the same day)	\$30.00
Miscellaneous inspection fee	\$45.00
Roaming stock fee	Impoundment fee plus transportation, sustenance and advertising costs
Licence Fee for keeping more than two dogs in a residential area (Kaikoura Township, Oaro, Goose Bay, Puketa, Hapuku, Rakautara, Clarence and Kekerengu)	\$40.00

The Dog Control Act 1996 provides for a number of infringement fees such as for failing to register dogs, failing to keep a dog under control, and other provisions relating to dog attacks. Those fees and remedies are in addition to the above fees and charges.

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

³ Working Dogs are as defined in the Dog Control Act 1996

Liquor Licensing Fees

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

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

New Food Premises fees under the Food Act 2014

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

	All Prices Include GST
<u>New registration</u>	
Food Control Plan single site	\$150.00
Food Control Plan multi site	\$225.00
NP	\$150.00
FCP or NP involving more than one hour officer time	\$150.00/hr
New business assistance over one hour, or pre-opening visit	\$150.00/hr plus travel
<u>Registration renewal</u>	
12 month renewal of Food Control Plan single site	\$150.00
12 month renewal of Food Control Plan multi site	\$225.00
24 month renewal NP	\$187.50

Site audits	
Food Control Plan – single site audit (incl. Close out up to 15 minutes)	\$300.00 plus travel
Food Control Plan – multi site audit (incl. Close out up to 15 minutes)	\$150.00 plus travel
Food Control Plan audit close out over 15 minutes	\$150.00/hr plus travel
NP 1 check (one-off)	\$150.00 plus travel
NP 2 audit (three-yearly)	\$300.00 plus travel
NP 3 audit (two-yearly)	\$300.00 plus travel
Additional fees	
Food Control Plan mentoring (based on two hours)	\$300.00 plus travel
Monitoring and compliance (based on half hour time spent)	\$75.00
Complaint resulting in issue of improvement notice and its review	\$150.00/hr plus travel
Application for exemption	\$150.00/hr plus travel
Travel fees	
Where fees are stated “plus travel” above, the following charges apply:	
Zone 1	No additional fee
Zone 2	\$29.95
Zone 3	\$83.93
Zone 4	\$163.55

Landfill Charges

	All Prices Include GST
Bag	\$3.85 per bag
Large bag	\$7.10 per bag
Electronics, whiteware, gas bottles	\$3.00 per item
General refuse	\$270.00 per tonne
Green waste	\$40.00 per tonne
Wood waste	\$40.00 per tonne
Clean Fill	\$70.00 per tonne
Car	\$3.50
4X4	\$7.00
Large vehicle/truck	\$13.00
Truck Spills and Out of District Refuse	\$645.00 per tonne

Memorial Hall Daily Hire Fees

	All Prices Include GST
Main hall	\$300.00
Supper room	\$100.00 whole day \$50.00 half day
Meeting rooms	\$5.00 per hour (\$10.00 minimum)
Itinerant Trader	\$400.00
Chair Hire	\$1 per chair, plus \$50.00 bond
Trestle Hire	\$5.00 per trestle, plus \$50.00 bond
Hall and Supper Room Hire Bond (no alcohol)	\$200.00
Hall and Supper Room Hire Bond (with alcohol)	\$400.00
Equipment hire	
Data projector	\$120.00
Projector screen	\$40.00
TV	\$20.00
DVD player	\$20.00
Laptop	\$60.00
Overhead projector	\$40.00

Hall hires are subject to an additional charge for metered use of heater. The above equipment hire charges are for a full day. Half day hires are available at 50% of the above rates. Terms and conditions apply to hire of the hall and all equipment hire.

LIM Fees

	All Prices Include GST
LIM – available within 10 working days	\$180.00
LIM – fast track (two working days)	\$280.00

Environmental Health Fees

	All Prices Include GST
Funeral director	\$160.00
Camping Grounds Registration	\$265.00
Playground Inspection	\$125.00
Hairdressers Registration	\$165.00

Offensive Trade Licence	\$180.00
Transfer Fees	\$70.00
Itinerant Traders	\$115.00
Hawkers Licence	\$23.00
Mobile Shop (Non Food)	\$115.00
Mobile Shop (Food)	\$184.50
Any other environmental health service (including Amusement Devices)	\$150.00 per hour plus mileage

Airport Landing Fees

	All Prices Include GST (per landing)
Up to 800kg gross take-off weight	\$7.00
800-1500kg	\$10.00
1500-2000kg	\$14.00
2000-3000kg	\$20.00
3000-4000kg	\$30.00
4000-5000kg	\$40.00
Aerial spray contractors	\$5.00 per tonne

Harbour Fees

	All Prices Include GST	Frequency
Slipway fee (single launch)	\$10.00	Per launch
Slipway fee (one month ticket)	\$70.00	Per month
Slipway fee (one year ticket)	\$250.00	Per annum
South Bay boat park lease (per boat park)	\$3,000.00	Per annum
Slipway fee (commercial user)	\$1,500.00	Per annum
Fishing charters and other commercial users	\$200.00	Per month
Berthage fees – New North Wharf	\$2,000.00	Per annum
Passenger Cruise vessels	\$2.00 per person	Per visit

Licence to Occupy (foreshore sites)

	All Prices Include GST
Licence to occupy	\$2,875.00

Engineering Fees

	All Prices Include GST
Road Crossing Fee Applies to laying of services under a road or footpath	\$320.00 Plus hourly rate of processing officer should reinstatement fail to comply with stated conditions
Service Approval Fees For each of water, sewerage and stormwater services	\$230.00 per service
Hourly processing fees	Asset Manager \$150.00 Engineering Support \$145.00

Cemetery Charges

	All Prices Include GST
Ashes Plot:	
Ashes Plot Fee	\$200.00
Plinth Base	\$200.00
Preparation of Plot	\$150.00
Standard Rose	\$50.00
Maintenance Fee	<u>\$100.00</u>
	<u>\$700.00</u>
Lawn Cemetery:	
Lawn Plot Fee	\$500.00
Preparation of Plot (includes extra depth)	\$1,000.00
Children under 15	60% of Adult
RSA Plots	-

Pensioner Units

	All Prices Include GST
Single Bed Unit	\$105.00 per week
Double Bed Unit	\$140.00 per week
Two Bedroom Units (1 x double + 1 guest room)	\$155.00 per week

Marriage Licence Fees

	All Prices Include GST
Notice of Marriage by Celebrant	\$122.60
Notice of Marriage by Registrar	\$173.78

Administration Fees

	All Prices Include GST
A4 Photocopying	20c per sheet
A4 Photocopying Double Sided	25c per sheet
A3 Photocopying	35c per sheet
Debtors Booking Fees	\$25.00
Property File Lookups (if not your own property)	\$20.00

Development Contributions

	Per Housing Equivalent Unit ⁴	Per Bed (Accommodation)
Roading	\$1,552.50	\$256.16
Water	\$2,501.25	\$412.71
Sewer	\$2,724.35	\$449.52
Stormwater	\$1,046.50	\$172.67
Other Development Contribution Levies		
Parks & Reserves The land value is to be determined by either; <ul style="list-style-type: none"> - An independent valuation for the new lot(s) which is no greater than three months old, arranged at the applicants cost, Or - a signed sale and purchase agreement for the new lot(s) 	Residential	2.5% of land value of each additional lot
	Rural residential (lots < 5 hectares)	1.0% of land value of each additional lot (assessed up to maximum 6,000m ²)
	Rural (lots > 5 hectares)	0.5% of land value of each additional lot (assessed up to maximum 40,000m ²)
	Non-subdivision	The value equivalent to 20m ² of land for each additional housing equivalent unit created

⁴ Please refer to Councils Development Contributions Policy for details on the Housing Equivalent Unit, and how this policy applies. The Policy can be found on our website www.kaikoura.govt.nz or at the Council office.

Annual plan disclosure statement

Annual plan disclosure statement for year ending 30 June 2017

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)	\$5,829,000	\$5,783,761	Yes
• Increases (quantified limit on rate increases)	5.3%	4.93%	Yes
Debt affordability benchmark			
• Quantified limit on borrowing	\$12 million	\$9.5 million	Yes
Balanced budget benchmark	100%	96.7%	No
Essential services benchmark	100%	68.9%	No
Debt servicing benchmark	10%	5.96%	Yes

Notes

Rates affordability benchmark

For this benchmark,—

- 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
- the council's planned rates increases 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—

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

Debt affordability benchmark

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

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

Balanced budget benchmark

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

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

Essential services benchmark

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

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

Debt servicing benchmark

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

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

Council Activities

Roading

Sub Activities:

**Roads & bridges,
Footpaths & cycleways,
Streetlights**

Goal

Our vision is for a well-planned community, and infrastructure where growth and development are managed and controlled. This may mean moving away from a reliance on road transport within the community, and managing our transport sector on which our economic wellbeing survives.

Key Issues for 2016/2017

Four roading projects have been highlighted in our consultation document for public feedback.

Our Long Term Plan 2015-2025 and our Infrastructure Strategy included road rehabilitation work of \$9 million over thirty years (i.e. \$300,000 per year). While this work will be subsidised by the NZ Transport Agency, the impact on rates has been such that the council reduced the amount it will spend in 2016/2017 to \$100,000.

Aesthetic projects for Beach Road and West End were reprioritised so the West End proceeds sooner, largely due to anticipated pedestrian and vehicle pressure on the West End once the civic centre is complete.

The intersection of Old Beach Road and the State Highway has been highlighted as an area that could do with better visibility, car parking and drainage. The project is still in design phase and the council has deferred the project for at least a further 12 months.

Footpaths have consistently appeared in the top five issues the council should focus on, in our resident satisfaction surveys. Our Long Term Plan had provided \$500,000 worth of footpath renewal/replacement in 2015/2016, but in reality only a portion of that amount has been spent. A footpath options report presented to council in 2016 suggests that the standard of our footpaths could be improved very cost effectively by sweeping and filling in potholes rather than full replacement.

Roads & Bridges

The council maintains 205km of local roads and 40 bridges in our district. Approximately half of our roads are sealed. Of the bridges, 32 are single lane and 6 apply weight restrictions. The New Zealand Transport Agency (NZTA) subsidy will fund 48% of eligible work during 2016/2017, with the subsidy rate expected to increase by 1% per annum until 2020.

Major Projects for 2016/2017:

Project Expenses		Funded by	
West End aesthetics	\$100,000	Loan	\$100,000
Bridge upgrades	\$90,000	NZTA subsidy	\$67,200
Minor improvements	<u>\$50,000</u>	Roading rates	<u>\$72,800</u>
	<u>\$140,000</u>		<u>\$140,000</u>
Road and drainage renewals	\$322,767	NZTA subsidy	\$154,928
		Roading rates	<u>\$167,839</u>
			<u>\$322,767</u>

Levels of Service

	Baseline	2016/2017 Target	10 Year Target
The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network expressed as a number.	No fatalities or serious injuries	0	0
The average quality of ride on a sealed road network measured by the smooth travel exposure.	Quality of sealed urban road < 100 (NAASRA)	100	100
The average quality of ride on a sealed road network measured by the smooth travel exposure.	Quality of sealed rural road < 280 (NAASRA)	280	280
The percentage of the sealed local road network that is resurfaced.	5%	1%	5%
Percentage of customer service requests relating to roads, to which the council responds to within one week	100%	100%	100%
The percentage of residents surveyed who are satisfied with urban streets	80%	80%	80%
The percentage of residents surveyed who are satisfied with rural roads	80%	78%	72%

Baseline figures reflect the baseline from the 2015-2025 LTP.

Footpaths & Cycleways

Council's 21km of footpaths are all within the Kaikoura Township; many of these footpaths were renewed in 2005, and several new footpaths have been developed throughout the township.

Major Projects for 2016/2017:

The council is proposing to increase our maintenance budget, for sweeping and pothole filling, rather than substantive renewal and replacement of footpaths. We consider that this will improve the standard of footpaths in the short term, and enable us to coordinate capital works with other projects such as undergrounding of power and telecommunication cables, or water pipe replacement, as these projects arise in the future.

Levels of Service

	Base Line	2016/2017	10 Year Target
The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its annual plan, activity management plan, asset management plan, annual works program or long term plan).	37%	50%	50%
Percentage of customer service requests relating to footpaths, to which the council responds to within one week	100%	100%	100%

Streetlights

Most of the town's streetlights have been renewed within the last five years, and many of these lights are now hooded so as to minimise any adverse impacts on the Huttons Shearwaters, as the birds can become disorientated by the lights. Decorative streetlights have been installed on some parts of the Esplanade in conjunction with under-grounding of power lines. These new streetlight posts also provide for banners to decorate the township, which can be used to promote events such as Seafest, and for Christmas and other seasonal displays.

Major Projects for 2016/2017:

Project Expenses		Funded by	
Streetlight renewals	\$26,156	NZTA subsidy	\$12,555
		Footpath & Streetlight Rate	<u>\$13,601</u>
			<u>\$26,156</u>

Levels of Service

There are no levels of service, nor any performance measures, identified for streetlights in the Long Term Plan.

Forecast Funding Impact Statement

	Annual Plan 2015/2016 \$000's	Long Term Plan 2016/2017 \$000's	Annual Plan 2016/2017 \$000's
Sources of operating funding			
General rates, UAGC, rates penalties	-	-	-
Targeted rates and water meter charges	833	980	842
Subsidies & grants	246	256	270
Fees & charges	-	-	-
Internal charges & overheads recovered	-	-	-
Fuel tax, fines & other revenue	32	33	34
Total operating funding (A)	1,112	1,269	1,144
Applications of operating funding			
Payments to staff & suppliers	516	528	586
Finance costs	59	83	43
Internal charges & overheads applied	190	179	182
Other operating funding applications	-	-	-
Total applications of operating funding (B)	765	789	811
Surplus/(deficit) of operating funding (A – B)	347	480	333
Sources of capital funding			
Subsidies & grants	224	540	230
Development & financial contributions	14	14	5
Increase/(decrease) in debt	403	207	21
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	640	761	256
Applications of capital funding			
Capital expenditure – to meet additional demand	-	536	140
Capital expenditure – to improve level of service	78	77	126
Capital expenditure – to replace existing assets	909	627	323
Increase/(decrease) in reserves	-	-	-
Increase/(decrease) in investments	-	-	-
Total application of capital funding (D)	987	1,241	589
Surplus/(deficit) of capital funding (C – D)	(347)	(480)	(333)
Funding balance ((A – B) + (C – D))			-
Reconciliation			
Total application of operating funding (B)	765	789	811
Plus – depreciation	775	811	807
Expenditure per statement of financial performance (by activity) on page 14	1,540	1,600	1,618

Water Services

Sub Activities:

**Kaikoura urban water supply,
Ocean Ridge water supply,
East Coast rural water supply,
Kincaid rural water supply,
Fernleigh rural water supply,
Oaro rural water supply,
Peketa rural water supply,
Kaikoura Suburban water supply**

Goal

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

Key Issues for 2016/2017

The Kaikoura urban supply is in very good stead for reliability of supply for the foreseeable future, with the construction of two new reservoirs in recent years. Council has also replaced approximately 2km of underground pipe infrastructure, and is now focussing on demand management (including leak detection and installation of water meters) to reduce waste or unaccounted for water.

Kaikoura Urban Water Supply

The township is supplied from a secure ground water source, with water that is proving to be of exceptional quality and reliability. The water supply is secure and requires no treatment; however for residual purposes the water is disinfected using chlorine gas. The water is not fluoridated, and there are no plans to fluoridate the water.

Ocean Ridge Water Supply

Ocean Ridge is the residential subdivision to the south of the Kaikoura Township, spanning approximately 142 hectares. The developer of the subdivision has developed the water supply as part of the conditions of that particular subdivision consent. Ownership of the supply, and therefore responsibility for operating the supply, was transferred to Council in 2009. Construction of water systems is taking place in a staged approach; the current stage was constructed in 2006 and is considered to be appropriate for a population of up to 500 people. The supply is treated using cartridge filtration and UV for disinfection. Being so new, the supply is operating very well to meet current and expected demands.

East Coast Rural Water Supply

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

Some of the pipework is becoming problematic and needs to be replaced, and the system would benefit from improved telemetry systems for remote monitoring of the bore and pumps.

Kincaid Rural Water Supply

The Kincaid water supply is located about 10km north of Kaikoura, and supplies 190 properties. The scheme is fed from a shallow intake gallery located in the Waimangarara Stream at the foot of Mount Fyffe, an unprotected native forest catchment, and is therefore subject to contamination. Part of the gallery is covered in filter fabric in an attempt to reduce the amount of sediment entering the system. In 2008 a reservoir system consisting of 20 new 30m³ plastic storage tanks was installed bringing the total storage volume for Kincaid to 666m³, thereby providing 24 hours of storage.

Fernleigh Rural Water Supply

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

The Fernleigh Water Management Committee has assumed responsibility for the maintenance of the water scheme; however the council still incurs the costs of depreciation, water monitoring, and insurance, recovered from consumers through the Fernleigh water charge.

Oaro Rural Water Supply

The Oaro water supply was constructed in 1995 and supplies 67 properties of Oaro M and Oaro N, drawing its water from a shallow borehole approximately 100m from the Oaro River. The scheme consists of the borehole, a pumping and treatment system, four storage tanks and a distribution

system. The system is maintained to a very high standard with no water leaks in either the pumping system or the reticulation. A new filtration and UV system was installed in 2012, which is fully compliant with NZ drinking water standards. The Oaro supply is partially subsidised by Kaikoura urban water consumers, who will provide funding assistance for this project through urban water supply reserves.

Peketa Rural Water Supply

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

Similar to the Oaro supply, the increasing costs associated with the Peketa supply and the small number of consumers to meet these costs means the cost per household is relatively high when compared to the other water supplies in the district. The Kaikoura Urban water consumers therefore partially subsidise the Peketa water supply so as to reduce the unit cost for Peketa consumers.

Suburban Water Supply

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

Currently there is no storage provision for this system, and most of the properties on this scheme have restricted supply and have their own storage facilities.

Major Projects for 2016/2017:

Replacement of underground pipes in South Bay has been the major focus late in 2015/2016 and into the 2016/2017 financial year. This project included undergrounding power cables and replacing footpaths.

Of the rural water supplies, some provision has been made for renewal work as required for the Peketa, Oaro and Kincaid schemes. No capital work is currently planned for Ocean Ridge, East Coast, Fernleigh or Suburban water schemes.

Project Expenses		Funded by	
South Bay pipe renewals	\$220,000	Loan	\$220,000
Kaikoura township renewals	\$80,000	Kaikoura water uniform annual charges and water meter charges, and Peketa & Oaro water annual charges	\$100,000
Peketa capital work	\$16,000		
Oaro capital work	\$4,000		
Kincaid renewals	\$20,000	Kincaid rural water charges	\$20,000

Level of service performance measures

The following performance measures apply to each of the water supplies in the district.

	Base Line	2016/2017 Target	10 Year Target
The extent to which the water supply complies with part 4 of the drinking water standards (<i>bacteria compliance criteria</i>)	100%	100%	100%
The extent to which the water supply complies with part 4 of the drinking water standards (<i>protozoal compliance criteria</i>)	100%	100%	100%
The percentage of <i>real water loss</i> from the urban networked reticulation system	< 1%	< 1%	< 1%
The median time taken to <i>attend urgent callouts</i> in response to a fault or unplanned interruption, from the time of notification to the time that service personnel reach the site	1 hour	1 hour	1 hour
The median time taken to <i>resolve the fault</i> or interruption, from the time of notification to the time of resolution	4 hours	3.8 hrs	2.2 hrs
The median time taken to <i>attend non-urgent callouts</i> , from the time of notification to the time that service personnel reach the site	1 day	1 day	1 day
The median time taken to <i>resolve non-urgent callouts</i> , from the time of notification to the time of resolution	1 week	1 week	1 week
The number of complaints received about drinking water <i>clarity</i> , per year per 1,000 connections	< 1	1	1
The number of complaints received about drinking water <i>taste</i> , per year per 1,000 connections	< 10	5	5
The number of complaints received about drinking water <i>odour</i> , per year per 1,000 connections	< 10	5	5
The number of complaints received about drinking water <i>pressure or flow</i> , per year per 1,000 connections	< 10	10	10
The number of complaints received about drinking water <i>continuity of supply</i> , per year per 1,000 connections	< 10	5	5
The number of complaints received about the council's (or the council's service provider's) <i>response</i> to any of the above complaints/issues, per year per 1,000 connections	< 10	5	5
The <i>average consumption</i> of drinking water per day per resident within the Kaikoura district	1,000 litres	980 litres	904 litres

Forecast Funding Impact Statement

	Annual Plan 2015/2016 \$000's	Long Term Plan 2016/2017 \$000's	Annual Plan 2016/2017 \$000's
Sources of operating funding			
General rates, UAGC, rates penalties	-	-	-
Targeted rates and water meter charges	883	884	885
Subsidies & grants	-	-	-
Fees & charges	-	-	2
Internal charges & overheads recovered	-	-	-
Fuel tax, fines & other revenue	-	-	-
Total operating funding (A)	883	884	887
Applications of operating funding			
Payments to staff & suppliers	475	487	517
Finance costs	44	43	38
Internal charges & overheads applied	132	127	140
Other operating funding applications	-	-	-
Total applications of operating funding (B)	651	657	695
Surplus/(deficit) of operating funding (A – B)	232	228	192
Sources of capital funding			
Subsidies & grants	-	-	-
Development & financial contributions	22	22	9
Increase/(decrease) in debt	(69)	(67)	157
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	(47)	(45)	166
Applications of capital funding			
Capital expenditure – to meet additional demand	-	-	16
Capital expenditure – to improve level of service	4	4	224
Capital expenditure – to replace existing assets	95	97	100
Increase/(decrease) in reserves	86	81	18
Increase/(decrease) in investments	-	-	-
Total application of capital funding (D)	185	183	358
Surplus/(deficit) of capital funding (C – D)	(232)	(228)	(192)
Funding balance ((A – B) + (C – D))			-
Reconciliation			
Total application of operating funding (B)	651	657	695
Plus – depreciation	377	368	372
Expenditure per statement of financial performance (by activity) on page 14	1,028	1,025	1,067

Sewerage

Goal

To protect the health of the district's residents and environment by providing an efficient and effective means of collecting, treating and disposing of sewage effluent.

Key Issues in 2016/2017

There is only one sewerage system in the district, and that serves the Kaikoura township, including Ocean Ridge to the south, and as far north as the Mill Road area. Substantial upgrades have been undertaken in recent years, and the system is in a very good condition as a result.

The oxidation pond will be fully fenced during 2016/2017, and we will renew the existing resource consent for the disposal of sludge at the site.

Sewerage

The system comprises of 46km of pipes, eleven pump stations and a treatment and disposal system. Sewage is treated using a partially aerated lagoon before being pumped into infiltration beds to settle and finally disposed of into the ground. The council has substantially upgraded most of the sewerage system since 2005. The system can accommodate a population of 10,000, and so should serve the community for at least the next 20 years.

Major projects for 2016/2017:

Project expenses		Funded by	
Oxidation pond fencing and resource consent renewal	\$50,000	Sewerage pan charges	\$90,000
Underground pipe renewals	\$40,000		

Level of service performance measures

	Base Line	2016/2017 Target	10 Year Target
The number of dry weather sewage overflows , expressed per 1,000 sewer connections	0	0	0
The number of abatement notices issued to the council for non-compliance with resource consent conditions	0	0	0
The number of infringement notices issued to the council for non-compliance with resource consent conditions	0	0	0
The number of enforcement orders issued to the council for non-compliance of consent conditions	0	0	0
The number of convictions against the council in relation to its resource consents	0	0	0
The median time taken to attend urgent callouts in response to sewage overflow resulting from a blockage or other fault, from the time of notification to the time that service personnel reach the site	1 hour	1 hour	1 hour
The median time taken to resolve the fault or interruption, from the time of notification to the time of resolution of the blockage or other fault	7 days	6.5 days	2.5 days
The number of complaints received about sewage odour , expressed per 1,000 connections	2	2	2
The number of complaints received about sewage system faults , expressed per 1,000 connections	3	3	3
The number of complaints received about sewage system blockages , expressed per 1,000 connections	3	3	3
The number of complaints received about the councils (or the councils service providers) response to the above issues , expressed per 1,000 connections	3	3	3

Forecast Funding Impact Statement

	Annual Plan 2015/2016 \$000's	Long Term Plan 2016/2017 \$000's	Annual Plan 2016/2017 \$000's
Sources of operating funding			
General rates, UAGC, rates penalties	-	-	-
Targeted rates and water meter charges	543	550	597
Subsidies & grants	-	-	-
Fees & charges	22	22	24
Internal charges & overheads recovered	-	-	-
Fuel tax, fines & other revenue	-	-	-
Total operating funding (A)	564	572	620
Applications of operating funding			
Payments to staff & suppliers	178	182	169
Finance costs	75	72	66
Internal charges & overheads applied	202	198	210
Other operating funding applications	-	-	-
Total applications of operating funding (B)	455	452	444
Surplus/(deficit) of operating funding (A – B)	110	120	176
Sources of capital funding			
Subsidies & grants	-	-	-
Development & financial contributions	24	24	9
Increase/(decrease) in debt	(70)	(77)	(86)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	(46)	(53)	(77)
Applications of capital funding			
Capital expenditure – to meet additional demand	-	-	-
Capital expenditure – to improve level of service	-	-	-
Capital expenditure – to replace existing assets	40	43	90
Increase/(decrease) in reserves	24	24	9
Increase/(decrease) in investments	-	-	-
Total application of capital funding (D)	64	67	99
Surplus/(deficit) of capital funding (C – D)	(110)	(120)	(176)
Funding balance ((A – B) + (C – D))	-	-	-
Reconciliation			
Total application of operating funding (B)	455	452	444
Plus – depreciation	305	306	306
Expenditure per statement of financial performance (by activity) on page 14	760	758	750

Stormwater

Goal

To protect the health of the district's residents and environment by providing an efficient and effective means of collecting and disposing of stormwater.

Key Issues in 2016/2017

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

The system is comprised of a number of small piped and open drain networks most of which discharges to sea or to Lyell Creek. The stormwater system includes that provided by kerb and channel on the roads, swales such as those found in the Seaview and Ocean Ridge subdivisions, and large drains such as Phairs Drain and Sullivans Gully.

We need to renew the existing resource consent to discharge stormwater, during 2016/2017.

Stormwater

The system is generally coping well with most heavy rainfall events.

Major projects for 2016/2017:

Project expenses		Funded by	
Resource consent renewal	25,000	Stormwater rate	50,000
Pipe renewals	25,000		
	<u>50,000</u>		

Levels of Service

	Base Line	2016/2017 Target	10 Year Target
The number of flooding events ⁵	0	< 5	< 5
For each flooding event, the number of habitable floors affected , expressed per 1,000 properties connected to the stormwater system	0	< 3	< 3
The number of abatement notices issued to the council for non-compliance with resource consent conditions	0	0	0
The number of infringement notices issued to the council for non-compliance with resource consent conditions	0	0	0
The number of enforcement orders issued to the council for non-compliance of consent conditions	0	0	0
The number of convictions against the council in relation to its resource consents	0	0	0
The median response time taken to attend a flooding event , from the time of notification to the time that service personnel reach the site	1 hour	1 hour	1 hour
The number of complaints received about performance of the stormwater system , expressed per 1,000 connections	< 10	9	1
The major flood protection and control works that are maintained, repaired and renewed to the key standards defined in the council's relevant planning documents (such as asset management plans).	100%	100%	100%

⁵ Flooding events mean an event that either closes a road (except a known ford) or floods a habitable floor.

Forecast Funding Impact Statement

	Annual Plan 2015/2016 \$000's	Long Term Plan 2016/2017 \$000's	Annual Plan 2016/2017 \$000's
Sources of operating funding			
General rates, UAGC, rates penalties	-	-	-
Targeted rates and water meter charges	121	122	124
Subsidies & grants	-	-	-
Fees & charges	-	-	-
Internal charges & overheads recovered	-	-	1
Fuel tax, fines & other revenue	-	-	-
Total operating funding (A)	121	122	125
Applications of operating funding			
Payments to staff & suppliers	49	50	49
Finance costs	12	10	-
Internal charges & overheads applied	24	24	26
Other operating funding applications	-	-	-
Total applications of operating funding (B)	85	84	75
Surplus/(deficit) of operating funding (A – B)	36	38	50
Sources of capital funding			
Subsidies & grants	-	-	-
Development & financial contributions	9	9	4
Increase/(decrease) in debt	(11)	(11)	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	(2)	(2)	4
Applications of capital funding			
Capital expenditure – to meet additional demand	-	-	-
Capital expenditure – to improve level of service	-	-	-
Capital expenditure – to replace existing assets	-	-	50
Increase/(decrease) in reserves	25	27	4
Increase/(decrease) in investments	9	9	-
Total application of capital funding (D)	34	36	54
Surplus/(deficit) of capital funding (C – D)	(36)	(38)	(50)
Funding balance ((A – B) + (C – D))			-
Reconciliation			
Total application of operating funding (B)	85	84	75
Plus – depreciation	64	66	66
Expenditure per statement of financial performance (by activity) on page 14	149	150	141

Refuse & Recycling

Goal

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

Key Issues in 2016/2017

Innovative Waste Kaikoura Ltd (IWK) is the company responsible for the day-to-day management of the landfill and resource recovery centre. IWK continues to make outstanding progress, increasing the rate of diversion of waste from the landfill consistently above 70%. This has eased pressure on the landfill, and has extended the usable life of the landfill well beyond original predictions of closure by 2010.

The council remains committed to investigating options around relocating the resource recovery centre when the landfill has reached capacity. A new landfill will be unaffordable, and so a suitable location needs to be found for a transfer station to process and pack solid waste and transport it to a regional landfill outside the district.

Solid Waste

There is one landfill in operation in the Kaikoura district, located on Scarborough Street, and comprising the Resource Recovery Centre. Innovative Waste Kaikoura Ltd (IWK), a Council Controlled Organisation, is responsible for the day to day management of these facilities. The landfill has resource consent to operate until 2034; however it is likely that the landfill will reach full capacity within the next few years.

Recycling

Kaikoura's recycling initiatives are the culmination of Council's Zero Waste Policy, adopted in 1999 with the mission to achieve zero waste within 20 years. The Resource Recovery Centre hosts a composting facility for green waste and organics, a second-hand goods shop, a recycling centre, a hazardous waste disposal facility, and a native plant nursery to aid the Trees for Travellers program.

In our mission to achieve zero waste to landfill, Council does not provide a kerbside rubbish collection service. In its place, there is a weekly kerbside *recycling* collection within the Kaikoura township and Oaro village, and for properties on the state highway north and south there is a weekly collection of recyclable materials from convenient community drop-off sites. IWK currently diverts 74% of the waste stream from the landfill, and continually aims to improve the diversion rate so as to extend the life of the landfill as much as possible.

Major projects for 2016/2017:

Project Expenses		Funded by	
Landfill capping	\$7,500	Uniform annual general charges	\$7,500
New recycling stations	\$15,000	Waste minimisation reserve	\$15,000

Level of service performance measures

	Base Line	2016/2017 Target	10 Year Target
Solid waste produced (by kilogram)per person	152kg	152kg	152kg

Forecast Funding Impact Statement

	Annual Plan 2015/2016 \$000's	Long Term Plan 2016/2017 \$000's	Annual Plan 2016/2017 \$000's
Sources of operating funding			
General rates, UAGC, rates penalties	265	258	267
Targeted rates and water meter charges	124	127	125
Subsidies & grants	-	-	-
Fees & charges	5	5	5
Internal charges & overheads recovered	-	-	-
Fuel tax, fines & other revenue	13	14	13
Total operating funding (A)	407	404	410
Applications of operating funding			
Payments to staff & suppliers	335	343	344
Finance costs	3	3	3
Internal charges & overheads applied	55	44	48
Other operating funding applications	-	-	-
Total applications of operating funding (B)	393	390	395
Surplus/(deficit) of operating funding (A – B)	14	14	15
Sources of capital funding			
Subsidies & grants	-	-	-
Development & financial contributions	-	-	-
Increase/(decrease) in debt	(6)	(6)	(8)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	(6)	(6)	(8)
Applications of capital funding			
Capital expenditure – to meet additional demand	-	-	-
Capital expenditure – to improve level of service	-	-	15
Capital expenditure – to replace existing assets	8	8	8
Increase/(decrease) in reserves	-	-	(15)
Increase/(decrease) in investments	-	-	-
Total application of capital funding (D)	8	8	8
Surplus/(deficit) of capital funding (C – D)	(14)	(14)	(15)
Funding balance ((A – B) + (C – D))			-
Reconciliation			
Total application of operating funding (B)	393	390	395
Plus – depreciation	-	-	-
Expenditure per statement of financial performance (by activity) on page 14	393	390	395

Community Facilities

Sub Activities:

Parks & reserves
Community properties
Library
Airport
Harbour

Goal

To provide, maintain and improve all recreational areas, reserves and facilities to a level that satisfies the social, economic, environmental and cultural needs of the community. Airport and harbour facilities are to be developed in the most appropriate manner to provide for the needs of its commercial and recreational users.

Key Issues in 2016/2017

The new Civic Centre remains the key project for council, with progress ongoing at the site, and completion now expected during the 2016 calendar year. The building has been subject to numerous delays, problems and cost overruns – the most significant of which was a faulty batch of insulation foam installed in roof panels, which required full replacement of the roof and substantial rework. That damage is subject to an insurance claim, which is yet to be settled.

Once the building is finished, and the claim is settled, the new civic centre will be an icon for the community. The chosen location, opposite the *i*-Site in the West End, means the museum and library should benefit from their high profile and foot traffic. On the ground floor, the museum will have a large display area, research room and a multi-purpose space for travelling exhibitions or other uses such as an AV theatre. The library takes the second floor, with opportunities to create modern spaces for various uses such as research, teenager zone, and toddler area. Adjacent to the library will be the council chambers and leasable office space. The top floor will house both the Kaikoura District Council and Environment Canterbury, creating a customer focussed one-stop shop.

The new building has been designed to be in tune with Councils environmentally sustainable philosophy, being constructed from renewal materials, and utilising natural light and warmth to maximum advantage.

Parks & Reserves

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

Public toilets can be found in the town centre, at Gooches Beach, Jimmy Armers Beach, Beach Road, Moa Point, the South Bay Gateway reserve, Mangamaunu, and Point Kean. The council remains committed to adding a public toilet on the state highway, and has included the project in the Annual Plan, although a site is yet to be identified or discussed with communities.

Coastal erosion is becoming an issue in some areas of the district, including within the township boundary. Beach renourishment will be undertaken within the roading activity wherever possible so that the costs can be partially subsidised from the NZTA. The costs of beach renourishment, therefore, no longer appear within our foreshore reserves budgets – appearing in roading instead.

In response to submissions to the Annual Plan, the council has added \$10,000 to the budget for the Kaikoura Cycle Club to complete the section of the cycle trail from Postmans Rd to town, creating a 40km loop trail.

Major projects for 2016/2017:

Project expenses		Funded by	
West End CCTV upgrade	26,000	Town centre reserves	26,000
New public toilet	30,000	Reserve development reserve	30,000
Cycle trail	10,000	Reserve development reserve	10,000

Levels of Service

	Base Line	2016/2017 Target	10 Year Target
Total area of recreational space available per capita	> 60m ²	> 60m ²	> 60m ²
Total area of esplanade reserve planted per year	> 100m ²	> 100m ²	> 100m ²
Public toilet cleaning and hygiene levels comply with the contract for public toilets	100%	100%	100%
The percentage of pesticides used that are biodegradable	100%	100%	100%
The percentage of cleaning chemicals purchased that are biodegradable	> 66m ²	> 66m ²	> 66m ²
The percentage of survey respondents who are satisfied or very satisfied with the cemetery	95%	96%	97%

Community Properties

Community properties consist of the Esplanade offices, the swimming pool, memorial hall, drill hall, housing for the elderly and, once completed, the Civic Centre in the West End.

The new Civic Centre will have a high profile location in the town centre, and is anticipated to be finished and officially opened during 2016. A substantial insurance claim is underway to recover costs relating to damage caused by a bad batch of insulation foam in the roof panels. The council will arrange short-term interest only loans to fund these costs until the claim is settled.

The “Lions Pool” at Gooches Beach is a heated open-air facility, with changing rooms, toilets and a toddler’s shaded pool. The pool is generally open from November to March, seven days a week. At the end of its economic life, the community faces a significant funding challenge to replace the pool, and the council will be spending up to \$50,000 in repairs and maintenance this year to keep it operating. The Kaikoura Community Facilities Charitable Trust has been tasked with investigating the feasibility of a modern aquatic centre. In response to affordability concerns, the project has been removed from the Long Term Plan, but remains on the wish-list.

Major projects for 2016/2017:

Project expenses		Funded by	
Civic centre completion	\$1,000,000	Interest only loans	\$1,000,000
Swimming pool facilities	\$50,000	Loan	\$50,000

Level of service performance measures

	Base Line	2016/2017 Target	10 Year Target
The number of Memorial Hall bookings (excluding KDC use) per annum	52	54	64
The percentage of council housing tenants who fit Criteria One (the highest priority), in the councils housing for the elderly policy.	100%	100%	100%
The number of swims (by number of swim tickets at the Lions pool) per annum	6,800	6,700	6,870
The number of people attending learn to swim programmes at the Lions Pool	150	160	153

Library

The library operates a diverse service as an educational, informational, recreational and cultural resource, and aims to satisfy the developing needs of the Kaikoura community. The library provides a range of services in addition to its collection, such as colour and black & white photocopying, computer and internet access, laminating, fax, large print books, talking books, magazines, newspapers, videos, DVDs, puzzle's and children's toy library. A number of programmes are run throughout the year, such as toddler time, school visits, and holiday programmes.

Major projects for 2016/2017:

The library relocated to the Harakeke Mall in April 2013, so as to make way for the Civic Centre construction to proceed. The library will need to relocate again during 2016/2017, this time to the second floor of the new building, with opportunities for exciting new user-friendly spaces including research section, teenager zones, and toddler areas.

Project expenses		Funded by	
Library books & resources	26,000	Book Rentals & User Charges	2,860
		Uniform Annual General Charge	<u>23,140</u>
			<u>26,000</u>

Level of service performance measures

	Base Line	2016/2017 Target	10 Year Target
The number of lending items available per capita	6.3	6.3	6.3

Airport

Situated on Department of Conservation land at Peketa, 8km south of the township on State Highway 1, Kaikoura's airport is the home of the Kaikoura Aero Club and the new Wings Over Whales operator. New aircraft hangars were built in 2011, and these are leased to the Wings Over Whales.

Council purchased the airport terminal building in 2009, thereby securing a strategic asset for future development of air transport services. First constructed in 1996, the terminal is a small but modern facility providing primarily for passengers on short sight-seeing flights. The building is in need of some maintenance, and council has increased the budget to complete some minor work.

Major projects for 2016/2017:

The council will reseal the runway and taxiways, because loose chip seal is causing safety concerns for aircraft. We will also increase the maintenance budget to tidy up the terminal building.

Project expenses		Funded by	
Runway resealing	50,000	Loan	50,000

Level of service performance measures

	Base Line	2016/2017 Target	10 Year Target
The number of <i>landings</i> per annum	1,600	1,633	1,701

Harbour Facilities

The South Bay Marina provides a seawall, slipway, fuel facility, public toilets, boat wash down area, and parking for buses, cars, trailers and boats. This area provides the base for Kaikoura's key visitor activities such as whale watching, dolphin swimming and fishing charters. On the northern side of the peninsula, the North Wharf and Old Wharf are utilised (albeit to a lesser extent) by commercial fishers.

Commercial use of the South Bay Marina continues to increase, with larger boats needing to be accommodated each year. These increasing demands are placing pressure on the facilities at South Bay, and the council acknowledges that we will need to consider options for a much larger facility within the next ten years.

The north wharf has been replaced, providing for the disembarking of passengers from the cruise ships that frequent our shores over the summer season. It has also improved the unloading facilities for fishermen using the wharf.

Major Projects for 2016/2017:

So as to improve access for cruise ship tenders and other large boats, rock hazards at the entrance to the marina need to be removed. The new jetty for cruise ship passengers, signalled in our Long Term Plan to be constructed to 2016/2017, is proposed to be deferred to the following year to allow the rock hazards to be cleared.

Project expenses		Funded by	
Rock hazard removal	250,000	Loan	250,000

Level of service performance measures

	Base Line	2016/2017 Target	10 Year Target
The percentage of survey responses expressing satisfaction with our harbour facilities	81%	85%	85%
The number of recreational slipway uses per annum	3,500	3,550	3,566

Forecast Funding Impact Statement

	Annual Plan 2015/2016 \$000's	Long Term Plan 2016/2017 \$000's	Annual Plan 2016/2017 \$000's
Sources of operating funding			
General rates, UAGC, rates penalties	783	711	687
Targeted rates and water meter charges	322	350	413
Subsidies & grants	3	3	1
Fees & charges	725	897	712
Internal charges & overheads recovered	-	-	-
Fuel tax, fines & other revenue	-	-	-
Total operating funding (A)	1833	1961	1,813
Applications of operating funding			
Payments to staff & suppliers	931	942	1,051
Finance costs	272	273	267
Internal charges & overheads applied	293	267	273
Other operating funding applications	-	-	-
Total applications of operating funding (B)	1496	1482	1,580
Surplus/(deficit) of operating funding (A – B)	337	479	233
Sources of capital funding			
Subsidies & grants	-	250	-
Development & financial contributions	8	8	3
Increase/(decrease) in debt	109	(159)	1,133
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	116	98	1,136
Applications of capital funding			
Capital expenditure – to meet additional demand	902	513	1,356
Capital expenditure – to improve level of service	-	-	-
Capital expenditure – to replace existing assets	36	37	76
Increase/(decrease) in reserves	(484)	27	(63)
Increase/(decrease) in investments	-	-	-
Total application of capital funding (D)	453	577	1,369
Surplus/(deficit) of capital funding (C – D)	(337)	(479)	(233)
Funding balance ((A – B) + (C – D))			-
Reconciliation			
Total application of operating funding (B)	1,496	1,482	1,580
Plus – depreciation	292	311	331
Expenditure per statement of financial performance (by activity) on page 14	1,788	1,793	1,901

Commercial Activities

Sub Activities:

Leased properties
Forestry

Goals

Forestry resources, investments, and properties are to be managed in a cost effective manner so as to provide the optimum financial return on these assets.

Key Issues for 2016/2017

The property at 25 Beach Rd was purchased back in 2004 to secure the site for a new museum. That property is no longer being considered for redevelopment by council, and potentially may be sold to generate funds to reduce the loan burden for the new civic centre, or for other strategic property purchases. The buildings on Wakatu Quay currently house the aquarium and commercial seafood packing and storage, and could be a potential location for a substantial hotel development.

The Marlborough Regional Forestry joint venture does have a logging programme underway, and as a result the council expects to receive capital distributions from that joint venture.

In recent years the council has sold the Clarence forest, the Pynes building in the West End, and the house at 20 Beach Road.

Leased Properties

These properties include the land and some buildings at the north wharf and the old wharf, currently leased by various commercial operators. The north wharf tenant is proposing an ambitious hotel complex, including retail and café spaces, subject to securing sufficient investors in the project.

The building at 25 Beach Rd had been acquired for strategic purposes, for which those purposes no longer exist. The property is surplus to Council requirements, and will be sold at an appropriate point in the real estate cycle.

Forestry

Council has an 11.5% share in the Marlborough Forestry joint venture with the Marlborough District Council. This joint venture pays a capital distribution to both councils annually when the venture has generated surpluses. Of Council's share, 13.38% is held on behalf of Environment Canterbury, therefore capital distributions received are also apportioned and passed on to that organisation. These funds are used to cover all expenses relating to the council's forestry activities in the first instance, with the balance transferred to reserves, to be used to fund strategic purposes such as land purchases in the future.

Major projects for 2016/2017:

There are no major projects planned for the year.

Level of service performance measures

	Base Line	2016/2017 Target	10 Year Target
The percentage of revenue from commercial activities, as a proportion of total revenue.	10%	10%	10%

Forecast Funding Impact Statement

	Annual Plan 2015/2016 \$000's	Long Term Plan 2016/2017 \$000's	Annual Plan 2016/2017 \$000's
Sources of operating funding			
General rates, UAGC, rates penalties	(8)	(19)	-
Targeted rates and water meter charges	-	-	-
Subsidies & grants	-	-	-
Fees & charges	167	167	70
Internal charges & overheads recovered	-	-	-
Fuel tax, fines & other revenue	998	1012	980
Total operating funding (A)	1,157	1,160	1,050
Applications of operating funding			
Payments to staff & suppliers	845	855	853
Finance costs	-	-	-
Internal charges & overheads applied	29	29	43
Other operating funding applications	-	-	-
Total applications of operating funding (B)	874	884	895
Surplus/(deficit) of operating funding (A – B)	283	276	155
Sources of capital funding			
Subsidies & grants	-	-	-
Development & financial contributions	-	-	-
Increase/(decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	-	-	-
Applications of capital funding			
Capital expenditure – to meet additional demand	4	5	-
Capital expenditure – to improve level of service	-	-	-
Capital expenditure – to replace existing assets	-	-	-
Increase/(decrease) in reserves	279	272	155
Increase/(decrease) in investments	-	-	-
Total application of capital funding (D)	283	276	155
Surplus/(deficit) of capital funding (C – D)	(283)	(276)	(155)
Funding balance ((A – B) + (C – D))			-
Reconciliation			
Total application of operating funding (B)	874	884	895
Plus – depreciation	-	-	-
Expenditure per statement of financial performance (by activity) on page 14	874	884	895

Leadership & Governance

Sub Activities:

Governance
Support services

Goals

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

Key Issues for 2016/2017

Local government elections take place in October 2016, providing for election of Mayor and councillors at the Kaikoura District Council, members of the Canterbury District Health Board, and – for the first time in nine years – election of up to half of the councillors for Environment Canterbury.

Governance

The Mayor and seven Councillors are elected by the district at large; there are no wards within the district. In addition to the council, there are seven standing committees, four of which include Iwi representatives and members of the community.

Support Services

Support services can be further defined as the roles of the Chief Executive, corporate services, IT and mapping functions, plant and vehicles, and asset management. It is these activities that support the organisation to deliver Council services, provide financial and human resources, and provide good quality information to the public.

Major projects for 2016/2017:

The local government elections in October 2016 will be the major focus, as will training and professional support and development for any new councillors following those elections.

In terms of capital expenditure, modest amounts have been budgeted to buy new office furniture and computer equipment, and to replace vehicles. The council will implement a new financial reporting module, funded by loan.

Project Expenses		Funded by	
Office furniture/equipment	10,000	Overhead recoveries (costs are distributed proportionately throughout all council functions)	50,000
Computer equipment	20,000		
Vehicle replacement	<u>20,000</u>		
	<u>50,000</u>		
Computer software	20,000	Computer software loan	20,000

Level of service performance measures

	Base Line	2016/2017 Target	10 Year Target
The number of council committees with Runanga member representation	7	7	7
Percentage of eligible electors who vote in the local government elections	70%	70%	75%
Paper use by council employees, per person per year	15 reams	15 reams	15 reams
The percentage of satisfaction with the Mayor, Councillors and staff (annual survey)	75%	75%	75%

Forecast Funding Impact Statement

	Annual Plan 2015/2016 \$000's	Long Term Plan 2016/2017 \$000's	Annual Plan 2016/2017 \$000's
Sources of operating funding			
General rates, UAGC, rates penalties	584	627	590
Targeted rates and water meter charges	-	-	-
Subsidies & grants	-	-	-
Fees & charges	39	51	53
Internal charges & overheads recovered	1,371	1,326	1,355
Fuel tax, fines & other revenue	56	67	-
Total operating funding (A)	2,050	2,072	1,998
Applications of operating funding			
Payments to staff & suppliers	1,731	1,730	1,740
Finance costs	-	-	1
Internal charges & overheads applied	213	214	205
Other operating funding applications	56	67	-
Total applications of operating funding (B)	2,000	2,011	1,946
Surplus/(deficit) of operating funding (A – B)	50	61	52
Sources of capital funding			
Subsidies & grants	-	-	-
Development & financial contributions	-	-	-
Increase/(decrease) in debt	-	-	18
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	-	-	18
Applications of capital funding			
Capital expenditure – to meet additional demand	-	-	-
Capital expenditure – to improve level of service	20	21	40
Capital expenditure – to replace existing assets	30	41	30
Increase/(decrease) in reserves	-	-	-
Increase/(decrease) in investments	-	-	-
Total application of capital funding (D)	50	61	70
Surplus/(deficit) of capital funding (C – D)	(50)	(61)	(52)
Funding balance ((A – B) + (C – D))	-	-	-
Reconciliation			
Total application of operating funding (B)	2,000	2,011	1,946
Less – internal payments	(1,371)	(1,326)	(1,355)
Plus – depreciation	45	54	18
Less interest transfers to sinking fund	(56)	(67)	-
Expenditure per statement of financial performance (by activity) on page 14	619	671	609

Regulation & Control

Sub Activities:

Statutory planning
Building control
Traffic control
Dog & stock control
Liquor licensing & other

Goal

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

Key Issues in 2016/2017

Changes to the Resource Management Act, the Sale and Supply of Alcohol Act, and ever-more demanding building regulations, plus a central government review of how several of these services are delivered, continues to place pressure on our regulatory activities.

Statutory Planning

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

Building Control

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

Traffic Control

Council employs a person with traffic warden duties as part of his role, to minimise irresponsible parking practices, particularly in the West End and Moa Point. It is his duty to make sure people are parking with consideration for others, and enforcing the use of parking for the disabled spaces, time-limited parking areas, loading zones, etc. His role has been expanded to also educating campervan and other campers of the issues surrounding freedom camping, and moving people on to more appropriate sites where necessary. Pay and display parking in the town centre is complemented by free parking spaces throughout the West End and another parking area over a footbridge opposite Lyell Creek.

Dog & Stock Control

There are currently over 1,100 dogs registered in the district, the majority of which are farm dogs. Council's traffic warden is also responsible for responding to complaints regarding dogs and stock, and for impounding when these are found wandering.

Liquor Licensing & other regulatory functions

Kaikoura is a popular destination for visitors, and as such our reputation depends upon excellent hospitality services. Council ensures that the sale and supply of liquor is responsibly managed, and that licensed premises are top quality hosts. A liquor ban has been put in place to address issues relating to alcohol consumption in public spaces, and the number of instances of inappropriate behaviour and violence has decreased within the liquor ban areas.

Council recognises the requirements of the new Act to establish and maintain arrangements between the Licensing Inspector, Police and Medical Officer of Health to ensure the ongoing monitoring of licenses and the enforcement of the Act together with the need to develop and implement strategies to reduce alcohol related harm.

Other regulatory functions include noise and litter control. While noise is a rare complaint within the district, litter and illegal dumping in public areas such as riverbeds is an issue that rears its head from time to time. Council is working with Environment Canterbury on this issue, and enforces litter infringements wherever the offenders can be identified.

Level of service performance measures

	Base Line	2016/2017 Target	10 Year Target
Estimated parking occupancy rate in the West End pay and display car park during November to February	20,000	20,000	20,000
The number of complaints about dogs (wandering, barking nuisance, dogs rushing, etc) is to reduce by 5% annually	184	166	110
The percentage of licensed liquor premises assessed as low to medium risk	83.7%	83.7%	83.7%

Forecast Funding Impact Statement

	Annual Plan 2015/2016 \$000's	Long Term Plan 2016/2017 \$000's	Annual Plan 2016/2017 \$000's
Sources of operating funding			
General rates, UAGC, rates penalties	292	310	310
Targeted rates and water meter charges	39	40	43
Subsidies & grants	-	-	-
Fees & charges	350	357	369
Internal charges & overheads recovered	-	-	-
Fuel tax, fines & other revenue	-	-	-
Total operating funding (A)	681	706	723
Applications of operating funding			
Payments to staff & suppliers	478	488	521
Finance costs	-	-	-
Internal charges & overheads applied	203	219	202
Other operating funding applications	-	-	-
Total applications of operating funding (B)	681	706	723
Surplus/(deficit) of operating funding (A – B)			-
Sources of capital funding			
Subsidies & grants	-	-	-
Development & financial contributions	-	-	-
Increase/(decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	-	-	-
Applications of capital funding			
Capital expenditure – to meet additional demand	-	-	-
Capital expenditure – to improve level of service	-	-	-
Capital expenditure – to replace existing assets	-	-	-
Increase/(decrease) in reserves	-	-	-
Increase/(decrease) in investments	-	-	-
Total application of capital funding (D)	-	-	-
Surplus/(deficit) of capital funding (C – D)	-	-	-
Funding balance ((A – B) + (C – D))	-	-	-
Reconciliation			
Total application of operating funding (B)	681	706	723
Plus – depreciation			-
Expenditure per statement of financial performance (by activity) on page 14	681	706	723

Safety & Wellbeing

Sub Activities:

- Civil defence
- Rural fire control
- Environmental health
- Land transport safety
- Community development

Goal

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

Key Issues in 2016/2017

The new enlarged rural fire district spanning the top of the South Island, including Kaikoura and Marlborough districts and the Department of Conservation estate, has now been functioning for a year. There have been no major impacts on the community as a result of the change.

An emergency storage garage on Scarborough Street has enabled some plant and equipment to be stored in a central location away from any risk of tsunami. That garage could also be equipped as an alternate Civil Defence headquarters; however at this stage there are no plans to install telecommunications, power, or office equipment to that site.

Civil Defence

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

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

Rural Fire Control

The council is part of the Marlborough/Kaikoura Enlarged Rural Fire District, which means there is one Principal Rural Fire Officer (based in Blenheim), one rural fire response plan, and one permit system for Marlborough and Kaikoura districts, including the Department of Conservation estate.

Our ability to respond to rural fires has been enhanced by this change, by having access to more volunteers and resources. Volunteer fire forces are based at Oaro and Goose Bay, Clarence, Kekerengu, and Kaikoura, and fire fighting equipment including protective clothing is supplied on an ongoing basis.

Environmental Health

Food & Health Standards NZ provide environmental health services under contract, which includes drinking water testing, and inspection of food outlets, public swimming pools, and investigating food nuisance complaints and reported infectious diseases. This activity is regulated by the Health Act 1956, the Food Act 1981, and the Food Hygiene Regulations Act 1974. Protecting the community's health and wellbeing is of critical importance, and Council is committed to adequately resourcing these services.

Land Transport Safety

Council receives funding from NZ Transport Agency to coordinate road safety initiatives, and to educate road users regarding the main causes of accidents, such as speed and fatigue. A road safety action plan committee consisting of roading engineers, road safety coordinator, and major stakeholders such as NZTA, police, and ACC, meet twice annually to set strategies in place and review past performance. The Council undertakes the LTSA coordination role including arranging defensive driving courses to enabling young people to obtain their driving licenses.

Community Development

This activity encompasses the coordination of local social services, and promotes community-led initiatives. Various organisations are involved with youth, elderly, and families. This role involves working with these organisations, including Police, Work and Income, Child Youth and Family, and Ministry of Social Development, to bring them together to achieve the best outcome for people in our district. Family violence and strengthening families programmes are being administered by Te Tai o Marokura.

Level of service performance measures

	Base Line	2016/2017 Target	10 Year Target
Percentage of survey respondents with an <i>emergency kit</i>	90%	90%	90%
The percentage of food premises with <i>food control plans</i>	50%	51%	52%
Community Enhancement Indicators (reported annually)			
The number of school leavers with <i>NZQA Level 2</i> or higher	66%	66%	66%
Family violence investigations and number where an offence was detected (per year)	35	<35	<35
Participation in Netball and Rugby Clubs (per year)	360	>360	>360
Growth in Employees and Work Place Counts	1600	>1600	>1600
Destination Recorded Crime Rates	2%	<2%	<2%
Unemployment Rates	6%	4%	4%

Forecast Funding Impact Statement

	Annual Plan 2015/2016 \$000's	Long Term Plan 2016/2017 \$000's	Annual Plan 2016/2017 \$000's
Sources of operating funding			
General rates, UAGC, rates penalties	161	163	113
Targeted rates and water meter charges	97	99	95
Subsidies & grants	128	132	5
Fees & charges	15	16	16
Internal charges & overheads recovered	-	-	
Fuel tax, fines & other revenue	-	-	
Total operating funding (A)	403	410	230
Applications of operating funding			
Payments to staff & suppliers	297	302	154
Finance costs	-	-	-
Internal charges & overheads applied	108	110	76
Other operating funding applications	-	-	
Total applications of operating funding (B)	406	413	230
Surplus/(deficit) of operating funding (A – B)	(3)	(3)	-
Sources of capital funding			
Subsidies & grants	-	-	-
Development & financial contributions	-	-	-
Increase/(decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	-	-	-
Applications of capital funding			
Capital expenditure – to meet additional demand	-	-	-
Capital expenditure – to improve level of service	-	-	-
Capital expenditure – to replace existing assets	-	-	-
Increase/(decrease) in reserves	(3)	(3)	-
Increase/(decrease) in investments	-	-	-
Total application of capital funding (D)	(3)	(3)	-
Surplus/(deficit) of capital funding (C – D)	3	3	-
Funding balance ((A – B) + (C – D))	-	-	-
Reconciliation			
Total application of operating funding	406	413	230
Plus – depreciation	-	-	-
Expenditure per statement of financial performance (by activity) on page 14	406	413	230

District Development

Sub Activities:

District planning
Sustainable development
Tourism & development
Community services

Goal

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

Key Issues for 2016/2017

Having achieved Platinum Earthcheck certification status in 2014, the Council is fully committed to sustainable practices, both for the organisation and for the community. A new strategic focus for the 2016/2016 will to focus on economic development. This year will be a planning year as we hope to identify goals and formulate action plans to build on the economic base of the district, and encourage diversification and attract new business and investment to Kaikoura. In response to submissions to the Annual Plan, the council has provided budget for a part-time, joint community and economic development role, with the details to be further refined during the financial year.

District Planning

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

The Kaikoura District Plan became fully operative in 2008, and has been subject to two plan changes, with reviews ongoing.

Environmental Planning

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

The Council also promotes energy efficiency and water conservation, and actively works to reduce waste. We work closely with organisations such as WasteMiNZ, Landcare Research, Department of Conservation, local Runanga, EECA, and other organisations such as Te Korowai O Te Tai O Marokura and the Lyell Creek Stream Care Group, to ensure our environment is sustainably managed.

Tourism & Economic Development

Tourism has a major effect on the lifestyles we lead in Kaikoura. Over 1/3 of the local workforce is directly or indirectly employed in the tourism industry. Tourism functions are now provided by Kaikoura Information & Tourism Incorporated (KITI), based at the Kaikoura i-Site. Council supports tourism development that has local socio-economic benefits, and promotes Kaikoura as a unique visitor destination, and will fund KITI on an annual basis to further that goal.

To kick off the strategic focus on Economic development Council would form a working group of key stakeholders (such as iwi, local businesses, etc), and develop a three- to five-year action plan collaborating where possible with Canterbury, taking a whole-of-region approach. This working group will identify and prioritise Economic Development initiatives and formulate a three year action plan. Funding is required for advocacy and for funding of short term economic development projects.

Community Services

Each year the council grants funding to several organisations so that they can carry out their day to day operations, and cover salaries and other expenses that are usually ineligible for funding from other sources. The council also administers several central government grant schemes, such as Creative Communities, and the SPARC Rural Travel Fund.

Grants to be paid out for the 2016/2017 financial year are;

	2015/2016	2016/2017
<u>Non-Contestable Grants</u>	\$	\$
Kaikoura Information & Tourism Inc	215,000	220,000
Kaikoura Historical Society	10,000	10,000
Te Korowai o Te Tai o Marokura	5,000	5,000

Project Kaikoura (Garden Competition)	500	500
Sport Kaikoura	6,500	6,500
Events Funding	20,000	20,000
Kaikoura Youth Council	3,000	3,000
	260,000	265,000
<u>Plus grants are available from the following schemes:</u>		
Creative Communities Scheme	6,814	6,814
SPARC Rural Travel Fund	9,500	9,500
George Low Trust	4,500	4,500
Mayoral Fund	500	500

Level of service performance measures

Performance Indicator and Measure	Targets																								
Annual Earthcheck reporting requirements																									
Report District Energy Use in Gigajoules per person	<p>District Energy Consumption in GJ</p> <table border="1"> <tr><th>Year</th><th>Consumption (GJ)</th></tr> <tr><td>Baseline</td><td>448,000</td></tr> <tr><td>2015/2016</td><td>446,000</td></tr> <tr><td>2016/2017</td><td>444,000</td></tr> <tr><td>2017/2018</td><td>442,000</td></tr> <tr><td>2018/2019</td><td>440,000</td></tr> <tr><td>2019/2020</td><td>438,000</td></tr> <tr><td>2020/2021</td><td>436,000</td></tr> <tr><td>2021/2022</td><td>434,000</td></tr> <tr><td>2022/2023</td><td>432,000</td></tr> <tr><td>2023/2024</td><td>430,000</td></tr> <tr><td>2024/2025</td><td>428,000</td></tr> </table>	Year	Consumption (GJ)	Baseline	448,000	2015/2016	446,000	2016/2017	444,000	2017/2018	442,000	2018/2019	440,000	2019/2020	438,000	2020/2021	436,000	2021/2022	434,000	2022/2023	432,000	2023/2024	430,000	2024/2025	428,000
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<p>The percentage of District Water Quality (samples passing "Quality Standard")</p>	<p style="text-align: center;">District Water Quality</p> <table border="1"> <caption>District Water Quality</caption> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr><td>Baseline</td><td>70%</td></tr> <tr><td>2015/2016</td><td>72%</td></tr> <tr><td>2016/2017</td><td>73%</td></tr> <tr><td>2017/2018</td><td>74%</td></tr> <tr><td>2018/2019</td><td>75%</td></tr> <tr><td>2019/2020</td><td>76%</td></tr> <tr><td>2020/2021</td><td>77%</td></tr> <tr><td>2021/2022</td><td>78%</td></tr> <tr><td>2022/2023</td><td>79%</td></tr> <tr><td>2023/2024</td><td>80%</td></tr> <tr><td>2024/2025</td><td>81%</td></tr> </tbody> </table>	Year	Percentage	Baseline	70%	2015/2016	72%	2016/2017	73%	2017/2018	74%	2018/2019	75%	2019/2020	76%	2020/2021	77%	2021/2022	78%	2022/2023	79%	2023/2024	80%	2024/2025	81%
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Tourism and Economic Development	Base Line	2016/2017 Target	10 Year Target
Visitor Numbers per annum	200,000	200,000	200,000
Visitor Nights per annum	280,000	297,052	376,297
The percentage of environmentally accredited tourism Operators	18%	18%	20%
Visitor length of stay as reported through Commercial Accommodation Monitor	1.5	1.6	2.0

Forecast Funding Impact Statement

	Annual Plan 2015/2016 \$000's	Long Term Plan 2016/2017 \$000's	Annual Plan 2016/2017 \$000's
Sources of operating funding			
General rates, UAGC, rates penalties	128	124	139
Targeted rates and water meter charges	369	374	451
Subsidies & grants	17	17	17
Fees & charges	5	5	35
Internal charges & overheads recovered	-	-	-
-	-	-	-
Total operating funding (A)	519	520	642
Applications of operating funding			
Payments to staff & suppliers	469	473	549
Finance costs	2	2	2
Internal charges & overheads applied	41	38	75
Other operating funding applications	-	-	-
Total applications of operating funding (B)	512	513	627
Surplus/(deficit) of operating funding (A – B)	7	7	16
Sources of capital funding			
Subsidies & grants	-	-	-
Development & financial contributions	-	-	-
Increase/(decrease) in debt	(8)	(8)	(17)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	(8)	(8)	(17)
Applications of capital funding			
Capital expenditure – to meet additional demand	-	-	-
Capital expenditure – to improve level of service	-	-	-
Capital expenditure – to replace existing assets	-	-	-
Increase/(decrease) in reserves	(1)	(1)	(1)
Increase/(decrease) in investments	-	-	-
Total application of capital funding (D)	(1)	(1)	(1)
Surplus/(deficit) of capital funding (C – D)	(7)	(7)	(16)
Funding balance ((A – B) + (C – D))	-	-	-
Reconciliation			
Total application of operating funding (B)	512	513	627
Plus – depreciation	-	-	-
Less – interest transfers to sinking fund	-	-	-
Expenditure per statement of financial performance (by activity) on page 14	512	513	627

Kaikoura Hospital

Sub Activities:

Kaikoura Hospital “Kaikoura Health Te Ha o Te Ora”

Goal

To fund the Canterbury District Health Board shortfall for the new hospital construction.

Key Issues for 2016/2017

In 2015 the Kaikoura community entered into a memorandum of understanding to underwrite a shortfall of funds for the Canterbury District Health Board to construct a new integrated health facility for Kaikoura. The hospital has been built, and the community has met our commitment to fund the \$3.4 million shortfall. The council raised loans totalling \$2.03 million during 2015/2016 in order to meet that commitment, and is now obliged to repay the loan principal and interest for the next twenty years.

The Kaikoura Hospital is not part of the council’s normal operating activities, nor is the hospital a council asset, and so this cost centre is separate from other council groups of activities in our annual plan and future annual reports. There are no service performance measures for the hospital loan repayments.

Forecast Funding Impact Statement

	Annual Plan 2015/2016 \$000's	Long Term Plan 2016/2017 \$000's	Annual Plan 2016/2017 \$000's
Sources of operating funding			
General rates, UAGC, rates penalties	-	-	-
Targeted rates and water meter charges	138	268	230
Subsidies & grants	-	-	-
Fees & charges	-	-	-
Internal charges & overheads recovered	-	-	-
Fuel tax, fines & other revenue	-	-	-
Total operating funding (A)	138	268	230
Applications of operating funding			
Payments to staff & suppliers	2,500	-	-
Finance costs	75	143	105
Internal charges & overheads applied	-	-	-
Other operating funding applications	-	-	-
Total applications of operating funding (B)	2,575	143	105
Surplus/(deficit) of operating funding (A – B)	(2,438)	125	125
Sources of capital funding			
Subsidies & grants	-	-	-
Development & financial contributions	-	-	-
Increase/(decrease) in debt	2,438	(125)	(125)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	2,438	(125)	(125)
Applications of capital funding			
Capital expenditure – to meet additional demand	-	-	-
Capital expenditure – to improve level of service	-	-	-
Capital expenditure – to replace existing assets	-	-	-
Increase/(decrease) in reserves	-	-	-
Increase/(decrease) in investments	-	-	-
Total application of capital funding (D)	2,438	(125)	(125)
Surplus/(deficit) of capital funding (C – D)	2,438	(125)	(125)
Funding balance ((A – B) + (C – D))			
Reconciliation			
Total application of operating funding (B)	2,575	143	125
Plus – depreciation	-	-	-
Less – interest transfers to sinking fund	-	-	-
Expenditure per statement of financial performance (by activity) on page 14	2,575	143	125

