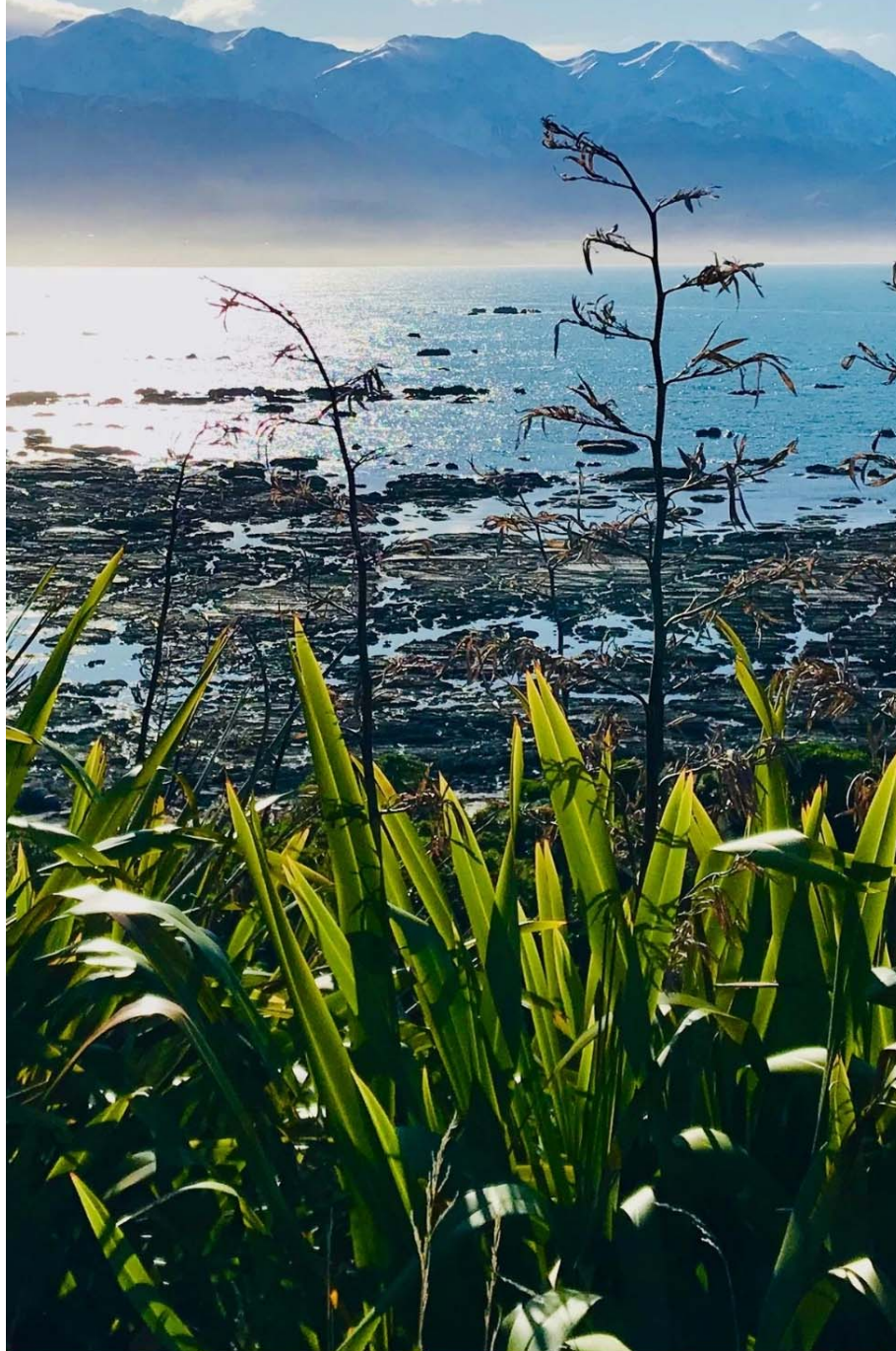


# ANNUAL PLAN 2020/2021



**KAIKŌURA**  
DISTRICT COUNCIL  
Ko te kaunihera ā  
rohe o Kaikōura



provide  
suitable  
infrastructure.



improve  
quality of  
life.



meet the  
needs of our  
community.



improve  
the local  
economy.



value the  
environment +  
biodiversity.



have  
community  
participation.





*Shared Intentions - Rebuilding Kaikōura Together*

*Nāu te poha, nāku Te poha, ka ora ai te iwi  
Through collaboration we will thrive*

*He hapori kotahi,  
He waha kotahi,  
Mo tatou katoa,  
Mo ake tonu atu*

*We are one community,  
We are one voice,  
For the betterment of all of us,  
For ever and ever*

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## The Kaikōura District

The Kaikōura district spans from the Haumuri bluffs in the south to the Kekerengu valley in the north, covering 2,048 square kilometres of diverse landscape. The inland boundary of our district is the Inland Kaikōura Range, climbing 2,885 metres and snow covered for much of the year. The spectacular coastline provides excellent fishing, sporting and recreation for our 3,912 residents. The Kaikōura Canyon, at around 1,300 metres deep, provides the natural habitat for the sperm whale, and is also host to over 200 species of marine life.

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

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

<b>Population</b>	3,912 (usually resident population count, Census 2018)
<b>Number of Properties</b>	3,208 (total number of properties) 3,029 (rateable, separately used or inhabited parts of a property)
<b>Land Area</b>	2,046 sq. km
<b>District Capital Value</b>	\$1,609,325,656 (rateable value)
<b>Represented by</b>	1 Mayor and 7 Councillors, elected at large
<b>Utilities &amp; Services</b>	1 Landfill 8 Public Water Supplies 1 Sewerage System
<b>Council</b>	Kaikōura District Council PO Box 6  Level 2, 96 West End, Kaikōura  Phone: (03) 319-5026 Fax: (03) 319-5308 Web: <a href="http://www.Kaikōura.govt.nz">www.Kaikōura.govt.nz</a> Facebook: <a href="http://www.facebook.com/KaikōuraDistrictCouncil">www.facebook.com/KaikōuraDistrictCouncil</a> Twitter: <a href="http://www.twitter.com/@KaikōuraDC">www.twitter.com/@KaikōuraDC</a>



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## From the CEO

### Priorities for this year's Annual Plan

We recognised that the rates increase signalled in the Three Year Plan (10%) would not be acceptable in the current COVID-19 environment and to this end Council directed the CEO to revise the 2020/21 Annual Plan budget to mitigate the effects on ratepayers due to the impact of COVID-19 on the community and its economy.

From publicly available information most Councils in New Zealand are preparing to implement lesser increases than planned, with almost all suggesting increases less than 5%. We are pleased to confirm that our rates increase this year is 4.0% and we are not creating an unacceptable burden for the following years.

I am further pleased to announce that we have introduced a rates relief package to ease the way for Kaikōura ratepayers hard-hit as a result of the COVID-19 crisis, and the package has been approved by Kaikōura District Council. More information is available on our website <https://www.kaikoura.govt.nz/our-services/rates/>

### COVID-19 Recovery Plan

At a meeting on 5 May 2020, Council resolved to form the Kaikōura District Economic Development Governance Group, chaired by Rawiri Manawatu. The group will provide an inclusive, collaborative, and multi-pronged sector approach founded on the four well-beings to recovery and re-imagining of our District's future in response to COVID -19.

The Group will continue the well-constructed plans from the Re-imagine Kaikōura Recovery Plan developed in 2016, reprioritising needs and seek to develop a vision and a roadmap for this district. A partnership approach with Te Rūnanga O Kaikōura, Council and this Group will ensure the recovery is inclusive, building and strengthening our unique competitive advantage - our unique natural environment, our rich cultural heritage and history, and our unique marine and environmental focus.

### Financial Stewardship

As is evident with the 2020/2021 Annual Plan Council has lowered rates to ensure rates remain affordable for our community during the COVID-19 pandemic. We have provided options for rates relief to assist ratepayers in hardship and taken measures to ensure that no future infrastructure or legacy issues have been created by doing this. Council has secured low borrowing costs from the Local Government Funding Agency (LGFA) to make sure that borrowing costs remain as low as possible in the longer term.

Council made a decision in May 2020 to no longer support the Earthcheck accreditation, funds have been repurposed to focus on new policy requirements and leverage other potential external opportunities. These include the recent Government Budget 2020 announcements for COVID-19 environmental related initiatives.

Council management are also initiating action to reduce payroll costs which will result in headcount reduction and savings in payroll costs.

### Major Strategic Projects

Lead the development of the 10-Year Long-Term Plan 2021-2031.

The Kaikōura Long Term Plan will focus on reviewing the Council community outcomes, strategic direction, objectives and projects for the next 10 years. It will involve the development of an integrated financial and infrastructure strategy for the District. This will also involve a review of all core statutory policies.

Finalise the Financial and Corporate Sustainability Project. Complete service assessments and lead improvements in asset, records and information management. Council will also continue to engage with potential neighbours for any shared service opportunities. A fit for purpose computerised asset management system (ADAPT) was put in place in 2019/2020. A priority for 2020/2021 is to include, validate and analyse water related data within ADAPT. This work will build a clear picture of the likely long term needs of councils water assets.



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## Major Strategic Projects continued

Complete the District Plan Review for the Natural Hazards Chapter – page 119

Complete the horizontal infrastructure rebuild within minimal cost overruns – page 124

Progress the Provincial Growth Funded development of Wakatu Quay and the business case for the development of South Bay harbour. – page 99

## Delivery of Water Services

During 2020/2021 there will be a review of the way in Councils water services are delivered. This will meet the goals of the financial and corporate sustainability review and satisfy the requirements of section 17A of the Local Government Act 2002

## Continue work to improve drinking water quality, safety and security

### Kaikōura Urban Scheme

An ultraviolet light (UV) disinfection stage will be added in the 2020/21 year. Water is pumped to reservoirs on the hills above Churchill Street and the peninsula.

### Suburban Water Scheme

The stream source connection and local treatment are to be made redundant and new reticulation mains will be installed to enable connection to the Urban scheme treatment plant. This upgrade will allow the scheme to meet the NZ Drinking Water Standards. A carry-over of \$104,000 is in the Annual Plan 2020/2021 to enable the works to be undertaken early in the 2020/2021 financial year.

## Other Capital Projects

A conversion of streetlights to LEDs is to take place progressively within the township, and the 2019/2020 budget of \$98k will rollover to 2020/2021 and increase to \$400k to make the most of the enhanced NZTA subsidy, which will cover 85% of the total upgrade cost. The upgrade will reduce future operating costs due to lower electricity costs.

Due to ongoing government announcements for potential funding, other capital projects may be delivered that do not appear in this Annual Plan. These projects will be dependent upon external funding.

## Community Facilities

In 2019/2020 major restoration of the Memorial Hall was undertaken, and the pensioner flats roofs were renewed. Now the management of these properties is largely returning to regular maintenance. The next target for renovation will be the Scout Hall, for which purpose Council has received Lotteries Commission funding of \$136,266 for use in the 2020/2021 year.



Angela Oosthuizen  
Chief Executive



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## Rates

This year's total rates increase is 4.0%, well below the increase limit of 10% that was forecast for this year in our Three-Year Plan 2018-2021.

These figures are based on theoretical properties. They do include water rates for urban properties, but they do not include rural water rates where they apply to rural or semi-rural properties (because charges vary depending on water supply).

## Planned Spend 2020/2021

This year we're focusing on finishing the remaining projects in our earthquake rebuild programme, renewing our footpaths and converting our streetlights to LED. A new development will begin at Wakatu Quay thanks to \$10.88 million in funding from the Provincial Growth Fund, and the Scout Hall will have a major refurbishment, with \$138k from NZ Lotteries funding and a further \$470k announced from the Provincial Growth Fund.

We are very mindful of the impact COVID-19 is having on our local economy and our community. Rates were forecast to increase by another 10% this year as we continue our recovery from the earthquake. Instead we've kept the increase at around 4% by reducing our personnel costs, trimming operating expenses (particularly in roading and recycling), and optimising use of short-term loans. With loan interest rates at record lows, it makes sense to borrow through the recession period and to continue to invest in our community.

This has been achieved in a particularly challenging environment. The COVID-19 pandemic has affected Council revenues as well, with consent revenue, airport and harbour fees, and lease revenues all forecast to be down on last year. Add to this the impact of the November 2016 earthquake, which has increased maintenance and operating costs. A further challenge is that our forestry investment, the Marlborough Regional Forest joint venture with the Marlborough District Council, will enter a period of no logging as the remaining trees are not yet mature, and so – instead of receiving a distribution from forestry – the Council will be paying into the joint venture to invest in planting and weed and pest control.

Despite these challenges, we have secured very low loan interest rates, we have ongoing external funding for some very exciting projects, and our water and wastewater infrastructure will be in very good condition thanks to the rebuild.

Due to ongoing government announcements for potential funding, other capital projects may be delivered that do not appear in this Annual Plan. These projects will be dependent upon external funding.

## Community Outcomes

Under the Three-Year Plan 2018-2021, Council adopted the vision of 'helping Kaikōura District move forward as a great place to live with a strong, well-connected community, that is ecologically exemplary and economically prosperous.'

We are working hard to become an effective, modern Council. This means actively planning to tackle the districts long standing issues, improving the quality of the services Council provides, improving the quality of life for those who live here and taking a forward-looking approach to incorporating the four wellbeing's into our work.

Council will play a broad role in promoting the social, economic, environmental, and cultural well-being of our community, to this end all Council's work over 2018-2021 contributes to one or more of the outcomes shown at the footer of this document.



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# Financial Information

## Compliance with Financial Strategy

### Rates limits

The Council's financial strategy set a limit on rates increases for the 2020/2021 financial year at 10%, having followed the 2018/2019- and 2019/2020-years limits of 14% each year. This Annual Plan proposes the total rates requirement is a 4.0% increase over last year; which is well within the limit set by the Council's financial strategy.

### Debt limits

The Council has set a self-imposed limit on the amount it can borrow, to no more than \$15 million. It has also set a limit on loan interest expenses to be no more than 10% of total revenue. Actual debt is forecast to reach up to \$10.8 million because we will optimise our use of loans rather than rates, particularly in the pandemic environment. As a result of joining the Local Government Funding Agency (LGFA) and the low interest rates on offer due to the pandemic, loan interest is forecast to only be around 0.49% of total revenue.

### Balanced budget

A balanced budget means that revenue is set at a level that is adequate to cover all operating expenses (including depreciation). This Annual Plan forecasts a surplus of \$10.7 million, and therefore meets the definition of having a balanced budget. Once again grants and subsidies are a large portion of our total revenue, with \$17.2 million forecast in grants and/or subsidies for 2020/2021.

### Financial assumptions

- Loan interest rates will be less than 1.5% with the Council borrowing from the Local Government Funding Agency (LGFA)
- NZ Transport Agency subsidies for roading work is 51% for normal roading maintenance, and 95% for earthquake rebuild projects including the Clarence Valley Bridge.
- Earthquake rebuild work is substantially completed by 30 June 2020, with the exception of some projects which will carry over into September 2020.
- Short term loans will be used to smooth cash needs over the year, on interest-only terms during 2020/2021.
- Provincial Growth Fund (PGF) of up to \$10.88 million will be received, to progress with the Wakatu Quay development and South Bay marina feasibility study.

### Other (non-financial) assumptions

- The Council's relationship with the Runanga continues to flourish

### Level of uncertainty and risks

The COVID-19 pandemic has taken the world by storm, and its devastating effect on societies and economies globally is unprecedented. This Annual Plan has been prepared during the height of the uncertainty, including during the lockdown period, and while New Zealand has fared far better than other countries, and enjoying relative freedom of movement, the full effect of the loss of international visitors will be felt for many months and potentially several years. This Annual Plan makes certain assumptions about the Council's own loss of revenues, such as drops in building consents and lease revenues. Readers are encouraged to take into account the very high level of uncertainty in preparing these budgets. The Council has mitigated the uncertainty by providing for more short-term contingency loans and use of reserve funds.



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## Forecast Statement of Comprehensive Revenue & Expense

For the period ending 30 June

	Annual Plan 2019/2020 \$000's	Three-year Plan 2020/2021 \$000's	Annual Plan 2020/2021 \$000's
<b>Revenue</b>			
Rates revenue	7,668	8,378	7,978
Water meter charges	130	137	87
User fees & charges	1,551	1,947	1,390
Grants & subsidies	21,870	889	17,176
Development contributions	81	84	-
Interest income	19	5	14
Other revenue	787	173	369
<b>Total revenue</b>	<b>32,106</b>	<b>11,613</b>	<b>27,014</b>
<b>Expenses</b>			
Personnel	3,926	2,618	3,395
Depreciation & amortisation	2,173	2,542	2,885
Financing expenses	316	596	133
Other expenses	10,683	6,098	9,919
<b>Total expenses</b>	<b>16,432</b>	<b>11,854</b>	<b>16,332</b>
<b>Net surplus / (deficit)</b>	<b>15,674</b>	<b>(241)</b>	<b>10,682</b>
<b>Other comprehensive income</b>			
Gains on asset revaluation	-	-	-
Financial assets at fair value through equity	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>15,674</b>	<b>(241)</b>	<b>10,682</b>



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## Forecast Statement of Financial Performance by Activity

For the period ending 30 June

	Annual Plan 2019/2020 \$000's	Three-year Plan 2020/2021 \$000's	Annual Plan 2020/2021 \$000's
<b>Revenue</b>			
Roading	2,636	1,962	2,419
Water supplies	1,528	1,629	1,350
Wastewater	835	759	792
Stormwater	114	130	104
Refuse & recycling	318	265	266
Community facilities	1,720	1,691	1,819
Commercial activities	750	147	11,211
Leadership & governance	766	35	194
Regulatory services	690	542	610
Community & customer services	99	70	332
District development	593	708	563
Horizontal infrastructure rebuild	19,090	213	3,955
General rates	2,948	3,457	3,385
Interest revenue	19	5	14
<b>Total revenue</b>	<b>32,106</b>	<b>11,613</b>	<b>27,014</b>
<b>Expenses</b>			
Roading	2,273	2,147	2,508
Water supplies	1,358	1,484	1,555
Wastewater	1,060	1,057	1,104
Stormwater	150	176	148
Refuse & recycling	565	606	508
Community facilities	2,383	2,309	3,171
Commercial activities	954	311	2,340
Leadership & governance	2,099	795	1,419
Regulatory services	1,075	995	1,087
Community & customer services	1,000	735	1,039
District development	1,159	1,139	1,235
Horizontal infrastructure rebuild	2,356	100	218
<b>Total expenses</b>	<b>16,432</b>	<b>11,854</b>	<b>16,332</b>
<b>Net surplus / (deficit)</b>	<b>15,674</b>	<b>(241)</b>	<b>10,682</b>
Gain on asset revaluation	-	-	-
Financial assets at fair value through equity	-	-	-
<b>Total comprehensive revenue</b>	<b>15,674</b>	<b>(241)</b>	<b>10,682</b>



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## Forecast Statement of Movements in Equity

For the period ending 30 June

	Annual Plan 2019/2020 \$000's	Three-year Plan 2020/2021 \$000's	Annual Plan 2020/2021 \$000's
<b>Equity opening balance</b>	169,946	196,932	201,563
Net surplus/(deficit)	15,674	(241)	10,682
Revaluations	-	-	-
<b>Equity closing balance</b>	<b>185,620</b>	<b>196,691</b>	<b>212,245</b>



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## Forecast Statement of Financial Position

As at 30 June

	Annual Plan 2019/2020 \$000's	Three-year Plan 2020/2021 \$000's	Annual Plan 2020/2021 \$000's
<b>Current assets</b>			
Cash and cash equivalents	500	432	7,183
Trade & other receivables	3,956	1,431	1,849
Prepayments	98	98	98
Other financial assets	-	-	-
<b>Total current assets</b>	<b>4,554</b>	<b>1,961</b>	<b>9,130</b>
<b>Non-current assets</b>			
Other financial assets	-	-	-
Forestry assets	2,583	2,583	2,583
Investment property	2,513	2,313	2,513
Property, plant & equipment	187,767	202,024	211,376
<b>Total non-current assets</b>	<b>192,863</b>	<b>206,921</b>	<b>216,472</b>
<b>Current liabilities</b>			
Trade & other payables	1,658	1,375	1,871
Employee entitlements	180	100	150
Borrowings - current	658	862	602
<b>Total current liabilities</b>	<b>2,496</b>	<b>2,337</b>	<b>2,623</b>
<b>Non-current liabilities</b>			
Borrowings – non-current	8,736	9,289	10,170
Other term debt	565	565	564
<b>Total non-current liabilities</b>	<b>9,301</b>	<b>9,854</b>	<b>10,734</b>
<b>Net assets</b>	<b>185,620</b>	<b>196,691</b>	<b>212,245</b>
<b>Equity</b>			
Ratepayers equity	121,488	116,585	130,292
Special funds & reserves	1,898	1,855	7,457
Asset revaluation reserve	62,234	78,251	74,496
<b>Total equity</b>	<b>185,620</b>	<b>196,691</b>	<b>212,245</b>



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## Forecast Statement of Cash Flows

For the period ending 30 June

	Annual Plan 2019/2020 \$000's	Three-year Plan 2020/2021 \$000's	Annual Plan 2020/2021 \$000's
<b>Operating activities</b>			
<i>Cash was provided from:</i>			
Rates	7,668	8,378	7,978
Interest revenue	19	5	14
Other	23,142	4,164	19,233
<i>Cash was applied to:</i>			
Interest expense	(316)	(596)	(133)
Operating expenses	(14,153)	(8,829)	(13,130)
<b>Net cash flow from operating</b>	<b>16,360</b>	<b>3,122</b>	<b>13,962</b>
<b>Investing activities</b>			
<i>Cash was provided from:</i>			
Sale of investment properties	-	-	-
Sale of assets	-	-	143
<i>Cash was applied to:</i>			
Purchase of investment properties	(338)	-	-
Purchase of assets	(25,061)	(2,744)	(15,051)
<b>Net cash flow from investing</b>	<b>(25,399)</b>	<b>(2,744)</b>	<b>(14,908)</b>
<b>Financing activities</b>			
<i>Cash was provided from:</i>			
Drawdown of borrowings	5,342	888	4,147
<i>Cash was applied to:</i>			
Repayment of borrowings	(305)	(844)	(375)
<b>Net cash flow from financing</b>	<b>5,037</b>	<b>44</b>	<b>3,772</b>
<b>Total net cash flows</b>	<b>(4,002)</b>	<b>422</b>	<b>2,826</b>
<b>Opening cash balance</b>	<b>4,503</b>	<b>10</b>	<b>4,357</b>
<b>Closing cash balance</b>	<b>500</b>	<b>432</b>	<b>7,183</b>



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## Statement of Accounting Policies

### Reporting entity

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

The Kaikōura District Council group (KDC) consists of Kaikōura District Council and its subsidiary, the Kaikōura Enhancement Trust, a charitable Trust controlled by the Council. That Trust in turn owns 100% of Innovative Waste Kaikōura Ltd. The Kaikōura 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 1 July 2020 to 30 June 2021.

### 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 statements have been prepared in accordance with Tier 2 PBE Accounting Standards Reduced Disclosure Regime, on the basis that the Kaikōura 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.



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### 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.



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### 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.



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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.



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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.



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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.



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## 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.



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## 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 Civic Centre, the memorial hall, and the former Council offices were valued to component level by Cameron Ferguson (Registered Valuer, B.Com, VPM) of Quotable Value as at 30 June 2019. The balance of land and buildings were valued effective as at 30 June 2019 by Cameron Ferguson (Registered Valuer, B.Com, VPM), 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 Cameron Ferguson (Registered Valuer, B.Com, VPM) of Quotable Value and the valuation is effective as at 30 June 2019 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 independent valuers Stantec New Zealand Ltd. 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 2019.

## 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%



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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.



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## Deemed cost

### Land under roads

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

### Library collections

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

### 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.



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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 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 purchases carbon credits annually to meet its immediate obligations arising from landfill emissions.

### Carbon credits

The Council no longer holds any carbon credits, instead purchasing credits annually to meet its obligations. If carbon credits were to be held, purchased carbon credits would be recognised at cost on acquisition, tested for impairment annually, and 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.



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## 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.



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The components of equity are:

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

### Special funds & 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.

### 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 operating costs 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.



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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.



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### 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 2018-2021 Three-Year Plan.



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## Notes to the Forecast Financial Statements

For the period ending 30 June

### Depreciation & amortisation expenses

	Annual Plan 2019/2020 \$000's	Three-year Plan 2020/2021 \$000's	Annual Plan 2020/2021 \$000's
Roading	821	983	1,184
Water supplies	349	397	453
Sewerage	379	428	372
Stormwater	56	69	54
Refuse & recycling	1	1	13
Community facilities	447	524	699
Commercial activities	-	-	34
Leadership & governance	85	102	66
Regulatory services	-	-	-
Community & customer services	35	38	10
District development	-	-	-
Earthquake event	-	-	-
	<b>2,173</b>	<b>2,542</b>	<b>2,885</b>

### Targeted rates for metered water supply (water meter charges)

	Annual Plan 2019/2020 \$000's	Three-year Plan 2020/2021 \$000's	Draft Annual Plan 2020/2021 \$000's
Water meter charges	130	137	87

Water meter charges are separately identified in the Statement of Comprehensive Revenue and Expense ([page 7](#)), but are included in targeted rates in the Forecast Funding Impact Statement ([page 35](#)), 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.



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## Capital Works Programme

	Annual Plan 2019/2020 \$000's	Three-year Plan 2020/2021 \$000's	Draft Annual Plan 2020/2021 \$000's
<b>Horizontal Infrastructure Rebuild (Earthquake rebuild projects)</b>			
Bridges	9,341	-	-
- Bridge replacement (x 6)	-	-	276
- Bridge repairs (x 15)	-	-	507
- Clarence Valley Bridge design	-	-	900
Kaikōura water reticulation	253	-	481
Kaikōura water structures	1,200	-	-
- Peninsula reservoir	-	-	313
- Fords reservoir	-	-	75
- Ground water bore	-	-	114
Wastewater reticulation	5,536	-	-
- South Bay	-	-	325
- Beach Road	-	-	241
- Esplanade	-	-	104
- Ocean Ridge	-	-	221
- Lyell Creek	-	-	329
Wastewater structures	3,639	-	-
- Lyell Creek pump station	-	-	585
- Aeration lagoon	-	-	123
- Manholes	-	-	130
Stormwater reticulation	-	-	360
Stormwater structures	-	-	-
	19,969	-	5,084
<b>Roading</b>			
Sealed surface renewals	300	111	150
Unsealed road renewals	180	67	65
Kerb & channel renewals	100	56	50
Road rehabilitation	307	318	100
Minor improvements	52	53	333
Traffic Services	38	40	70
Footpath renewals	140	53	190
Streetlight replacement	97	29	400
	1,214	727	1,358
<b>Water supplies</b>			
Kaikōura Urban pipe renewal	400	412	150
Kaikōura Urban treatment & SCADA	37	-	-
Suburban treatment & intake	162	50	104
Mackles bore & pump	50	-	-
Ocean Ridge upgrade	75	-	-
East Coast upgrade	9	-	-
Kincaid renewals	20	23	22
Kincaid intake upgrade	11	50	51
Fernleigh upgrade	8	2	5
Oaro upgrade	53	55	50
Peketa upgrade	226	-	50
	1,051	592	432



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## Capital Works Programme continued

	Annual Plan 2019/2020 \$000's	Three-year Plan 2020/2021 \$000's	Draft Annual Plan 2020/2021 \$000's
<b><u>Wastewater</u></b>			
SCADA upgrade	40	-	-
Renewals	40	20	150
	80	20	150
<b><u>Stormwater</u></b>			
Upgrades & consents	100	-	-
Renewals	10	11	10
	110	11	10
<b><u>Refuse &amp; Recycling</u></b>			
Landfill development	500	258	200
Landfill aftercare	-	8	-
New recycling stations	45	-	-
	545	266	200
<b><u>Community Facilities</u></b>			
Tennis courts	100	-	-
West End amphitheatre	85	-	20
Pensioner flats	30	21	30
Airport improvements	150	-	78
Airport terminal renewal	100	581	20
Airport hangar	60	-	40
New swimming pool designs etc	200	400	-
South Bay slipway & boat parking	300	-	100
North Wharf safety upgrade	100	-	-
Scout (Drill) Hall	38	-	608
Memorial Hall	750	-	-
Freedom camping signage	60	-	-
	1,973	1,002	896
<b><u>Commercial Activities</u></b>			
25 Beach Road	338	-	-
Wakatu Quay Development	-	-	4,232
Other investment property	-	-	-
	338	-	4,232
<b><u>Leadership &amp; Governance</u></b>			
Office furniture & equipment	14	15	14
Computer software & equipment	40	42	40
Vehicles & plant	38	44	25
	92	101	79
<b><u>Community Development</u></b>			
Library books	26	27	26
	26	27	26
<b>Total Capital Expenditure</b>	<b>25,398</b>	<b>2,744</b>	<b>12,467</b>



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## Special Funds &amp; Reserves

	Opening Balance \$000's	Transfers In \$000's	Interest \$000's	Transfers Out \$000's	Closing Balance \$000's
Kaikōura water cohort	199	-	1	(104)	96
Roading	188	-	1	(75)	114
East Coast water	4	-	-	-	4
Kincaid water	226	-	1	(73)	154
Earthquake levy reserve	-	10	-	-	10
District Plan	123	-	-	(65)	58
Stormwater	121	-	-	-	121
Wastewater	50	-	1	-	50
George Low fund	55	7	-	(7)	55
Forestry	799	-	3	(184)	618
Parks & reserves	50	-	1	-	50
Properties	4	4,940	-	-	4,944
Community facilities	628	-	3	-	631
Landfill aftercare	140	8	-	-	148
Landfill development	81	-	-	-	81
Mayoral fund	9	-	-	-	9
Mayoral Earthquake Relief	24	-	-	(18)	6
Community development	2	-	-	(2)	-
Pensioner flats	79	-	-	(30)	49
Footpaths & streetlights	203	-	1	-	204
Town centre	36	-	-	(20)	16
Stock control	25	-	-	-	25
Natural hazards	429	-	2	(431)	-
Freedom camping	106	-	-	(106)	-
Significant natural areas	28	-	-	(28)	-
Waste minimisation levy	8	-	-	-	8
Creative communities	6	6	-	(6)	6
	<b>3,623</b>	<b>4,971</b>	<b>14</b>	<b>(1,149)</b>	<b>7,457</b>



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## Borrowing & Debt Servicing Programme

### New borrowing

Even with the substantial subsidies forecast to be received from the government for our earthquake rebuild, there will still be a significant net cost of the earthquake to the Council.

	Purpose	Amount \$000's
Earthquake (Short Term) Loan (2021)	Financial tool to manage cashflow shortfalls during rebuild	1,000
Swimming Pool Loan (2021)	Pay a grant to the Kaikōura Community Facility Trust to build a new pool	878
Earthquake (Sewer) Loan (2021)	Rebuild damaged sewerage infrastructure	823
Earthquake (Water) Loan (2021)	Rebuild damaged water infrastructure	363
Solid Waste Loan (2021)	Reconfigure the landfill site as a transfer station	200
Footpath Renewal Loan (2021)	Renewal of footpaths	150
Sewer # 16 Loan (2021)	Step screen, odour control, and various pump renewals	150
Earthquake (Stormwater) Loan (2021)	Rebuild damaged stormwater infrastructure	144
Harbour # 4 Loan (2021)	Complete safety work at South Bay jetty & slipway	100
Earthquake (Roading) Loan (2021)	Rebuild damaged roads and bridges	84
Short Term Loan (2021)	Financial tool to minimise impact of COVID-19 on rates	80
Airport Loan (2021)	Major repair to airport hangar and fund airport shortfall	65
Streetlight Loan (2021)	Convert streetlights to LED (net cost after NZTA subsidy)	60
Water (Peketa) Loan (2021)	New bore and treatment at Peketa water supply	50
		4,147

### Summary of forecast borrowing needs:

	Annual Plan 2019/2020 \$000's	3-year Plan 2020/2021 \$000's	Annual Plan 2020/2021 \$000's
Opening balance of debt	6,139	9,315	7,000
<b>Movements through the financial year:</b>			
Loans maturing	(397)	(616)	(375)
New borrowings	2,323	1,408	4,147
<b>Net movement through the financial year:</b>	<b>1,926</b>	<b>792</b>	<b>3,772</b>
Closing balance of debt	9,315	10,108	10,772

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

Measure	Limit	Actual
Total debt (unless activity is self-funded)	\$15 million	\$10.772 million
Loan interest as a percentage of total revenue <sup>1</sup>	10%	0.49%
Loan interest as a percentage of total revenue less subsidies	10%	1.35%

<sup>1</sup> Loan interest as a percentage of total revenue is particularly low due to the significant subsidies from the government, which bring total revenue to \$27.01 million.



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## Financial Forecasting Assumptions

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

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

### Interest rates

- Interest rates for new loans raised are forecast to be 1.5%
- For existing loans, current interest rates are applied up to the point of maturity
- Interest revenue on term deposits is forecast to be 0.25%

### Marlborough Regional Forestry revenues

The Council receives a capital distribution from the Marlborough Regional Forestry joint venture (MRF), of which we issue 13.37% to Environment Canterbury for their share of the joint venture held on behalf. These funds are used to cover all expenses relating to Council's forestry activities in the first instance, with the balance used to replenish the forestry special fund. The Council signalled in the Three-Year Plan that it would draw on the special fund to help reduce the impact on rates and debt. In 2020/2021 MRF has forecast that it will harvest all remaining mature trees, and that before the end of the 2021 financial year the joint venture partners will be required to contribute to MRF operating costs for around six years, until the next block of trees have sufficiently matured for logging to commence.

This means we are forecasting cash inflows from the MRF capital distributions, of \$194,925 within the first few months of 2020/2021, and that there will be cash outflows (payments **to** MRF) to cover MRF operations for the remainder of the financial year. The Council will draw on some of our forestry reserves (of \$184,156) so that there is no draw on rates to cover this new cost, however this is a significant reduction on what had been a welcome source of revenue.

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

### Grants and subsidies

- The government is assumed to be paying 60% of all water, sewer and stormwater repairs and renewals for earthquake damaged infrastructure.
- The government is also assumed to be providing other funding support packages, such as betterment funding for certain projects where the renewal of earthquake damaged assets also requires an upgrade (such as to meet new drinking water standards).
- NZ Transport Agency subsidies are assumed to be 95% for all earthquake repairs and renewal of roads and bridges, and 51% for all other maintenance, including streetlight electricity. No subsidies are available for seal extensions or aesthetic improvements.
- The Sport NZ rural travel grants, Creative Communities, and the George Low bequest, are assumed to continue at the same level of funding as was received in 2019/2020.

### User fees & charges

The COVID-19 pandemic means that the Council is likely to experience a drop in revenues such as building consents and lease revenues. Our assumptions are;



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- Building consents, land use consents, land information memoranda, project information memoranda down 20%
- Subdivision consents revenue is zero
- Cruise ship revenue is zero
- Food premises registration fee revenue down 10%
- Rates penalties revenue is zero
- Rents, leases and licences to occupy revenue is down 20%
- Water meter consumption revenue is down 33%

### District valuation

The latest District valuation for rating purposes was undertaken in September 2018, and those values are used to calculate the actual rates and charges in the Rating Funding Impact Statement, after having adjusted for new builds, demolitions, subdivisions, service connections and any other changes to the value of individual properties since that date, and which have an impact on the rating database.

### Inflation

The Council has not applied inflation to any of its expenditure. Expenditure forecasts are based on known actual costs where possible and estimates of costs where actuals are unknown.

### Taxation

The commercial nature of the South Bay Marina makes the harbour a taxable activity. Council has unused tax losses at 30 June 2019 of \$543,886, with a tax effect of \$152,288 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.

### 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 is under increasing pressure due to demolition waste, and a significant drop in domestic and international markets to take recyclable materials. 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 2020/2021 financial year.

### Emissions trading scheme

The Council has statutory obligations under the Emissions Trading Scheme to purchase carbon credit units and surrender these dependent upon the level of emissions from Council operations. The Scarborough Street landfill does have emissions. This year the Council has made provision for the purchase and surrender of 2,240 carbon credits at \$25.00 each (a cost of \$56,000).

### Short term loans

From time to time the Council may need to raise short-term loans to manage its cash flows and to pay commitments to suppliers. The earthquake short term loan is an example, and that loan has been specifically provided for within this Annual Plan. The Council retains the right to raise unspecified loans for periods not exceeding 12 months, and for amounts not exceeding \$1 million, for cash management purposes.

### Uncertainty and risk of forecasting assumptions

This Annual Plan has been prepared in a period of extreme uncertainty, due not only to our earthquake rebuild, but also the impact of the global COVID -19 pandemic. To mitigate the uncertainty, this Plan provides for short term borrowing rather than to set rates based on the assumption that our revenue will drop, or that costs will increase, to an unknown degree.



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The significant earthquake-related projects currently underway, and forecast to occur during 2020/2021, are of a magnitude previously unseen in the Kaikōura district. The timing of these projects, the costs to complete them, and the actual amounts we receive in subsidies, are all subject to our best estimate. The Council has also based its assumptions around there being no further damaging earthquakes, aftershocks or weather events.

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



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## Forecast Funding Impact Statement (Whole of Council)

For the years ended 30 June

	Annual Plan 2019/2020 \$000's	Three-year Plan 2020/2021 \$000's	Annual Plan 2020/2021 \$000's
<b>Sources of operating funding</b>			
General rates, UAGC, rates penalties	2,948	3,457	3,385
Targeted rates (incl. water meter charges)	4,850	5,058	4,680
Subsidies and grants - operating	3,789	550	2,985
Fees & charges	1,534	1,907	1,371
Interest & dividends from investments	19	5	14
Fuel tax, fines & other revenue	802	213	389
<b>Total operating funding (A)</b>	<b>13,942</b>	<b>11,190</b>	<b>12,824</b>
<b>Applications of operating funding</b>			
Payments to staff & suppliers	13,938	8,726	13,391
Finance costs	323	609	134
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>14,261</b>	<b>5</b>	<b>13,525</b>
<b>Surplus/(deficit) of operating funding (A - B)</b>	<b>(319)</b>	<b>1,855</b>	<b>(701)</b>
<b>Sources of capital funding</b>			
Subsidies and grants – capital	18,145	339	14,191
Development and financial contributions	82	84	-
Increase / (decrease) in debt	5,097	44	3,772
Gross proceeds from sale of assets	-	-	143
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>23,324</b>	<b>467</b>	<b>18,106</b>
<b>Applications of capital funding</b>			
Expenditure to meet additional demand	1,057	474	4,793
Expenditure to improve level of service	2,337	228	1,307
Expenditure to replace assets	22,006	2,042	6,367
Increase / (decrease) in reserves	(2,395)	(422)	4,938
Increase / (decrease) in investments	-	-	-
<b>Total application of capital funding (D)</b>	<b>23,005</b>	<b>2,322</b>	<b>17,405</b>
<b>Surplus/(deficit) of capital funding (C - D)</b>	<b>319</b>	<b>(1,855)</b>	<b>701</b>
Funding balance ((A - B) + (C - D))	-	-	-



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## Rating Funding Impact Statement

### For the financial year ending 30 June 2021

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

#### Definitions

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

#### Commercial property

All rateable properties in the District;

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

#### General rate

The general rate is a rate set for all rateable properties within the District and is based on the property's capital value. The Council introduced a differential of 0.9:1 on the general rate for rural and semi-rural properties, which took effect from the 2016/2017 financial year onwards. The objective of the differential rate is to acknowledge that rural and semi-rural properties are predominantly farmland with high capital values (in comparison with their urban counterparts) but that their capital value does not necessarily reflect the services they receive or have access to.

#### Self-contained and serviced

All rateable properties within the area serviced by the Kaikōura 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.

#### Separately used or inhabited part of a rating unit

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 ratepayer's household, having a right to use or inhabit that portion by virtue of a tenancy, lease, license or other agreement, or*
- *Any part or parts of a rating unit that is/are used or occupied by the ratepayer for more than one single use.*

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. The separately inhabited part of a rating unit may be part of a larger structure containing multiple parts but is separate by virtue of being self-contained and having separate external access.



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### Small accommodation property

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

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

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

### 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.

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

### Uniform Annual General Charge (UAGC)

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



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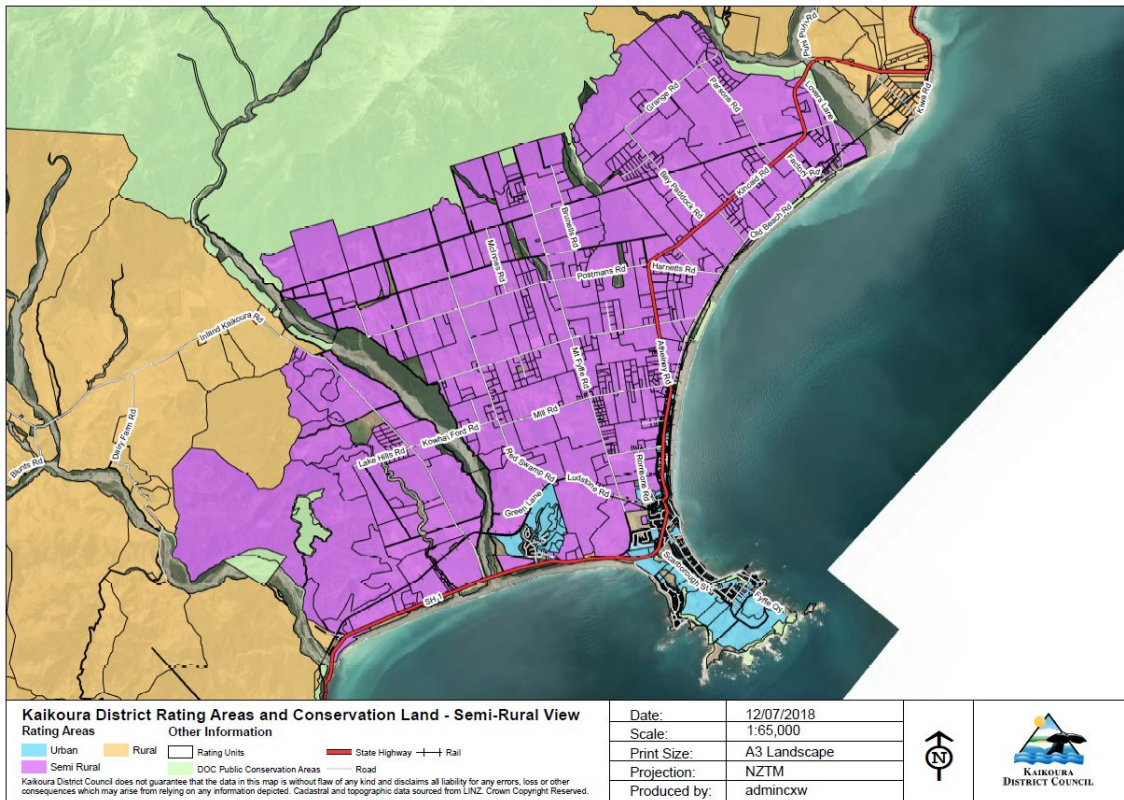


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## Rating Areas

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



The above map shows each of the rating areas. The bulk of the District is rural, portrayed in pale orange. The purple 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 Department of Conservation land.

The pale blue area is 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.



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## Rates for 2020/2021

### General Rates & Uniform Annual General Charges

General Rates and the Uniform Annual General Charge apply to all rateable land. The Council applies a differential on the general rate of 0.9:1 for all properties in the rural and semi-rural areas (i.e. outside the urban area), except for utilities. The map on page 50 indicates those rating areas.

<b><i>General Rate: to fund the general operations of Council, including general management, community services, communications, strategy &amp; policy, economic development, environmental planning, the net costs of statutory planning, building control, dog control, community facilities, general parks and reserves, the airport, and a portion of public toilets and traffic control.</i></b>		
Category	Calculation	Amount required (including GST)
All rateable properties within the urban area, and all rateable properties classified as utilities	\$0.00139276 per dollar of rateable capital value	\$1,148,941
All rateable properties outside the urban area, except for properties classified as utilities	\$0.00125348 per dollar of rateable capital value	\$995,822
<b>Total</b>		<b>\$2,144,763</b>
<b><i>Uniform Annual General Charge: to fund the general operations of Council, including landfill and recycling operations, governance, library services, sports fields, playgrounds, cemetery, walkways, public halls, swimming pool, general environmental health and civil defence preparedness.</i></b>		
Category	Calculation	Amount required (including GST)
All rateable properties within the District	\$574.56 per separately used or inhabited part of a rating unit	\$1,748,392

### Targeted Rates

The earthquake rate, earthquake levy, roading rate and the district planning rate (as below), apply 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.

<b><i>Earthquake Rate: to fund the net costs of earthquake response and rebuilding, including loan servicing costs relating to earthquake work.</i></b>		
Category	Calculation	Amount required (including GST)
All rateable properties within the District	\$0.00001279 per dollar of rateable capital value	\$20,773
<b><i>Earthquake Levy: to build resilience reserves which can be used for current and future emergency event response and rebuilding.</i></b>		
Category	Calculation	Amount required (including GST)
All rateable properties within the District	\$40.00 per separately used or inhabited part of a rating unit	\$121,720
<b><i>Roading Rate: to fund the net costs of upgrading and maintenance of the district bridges and roading network</i></b>		
Category	Calculation	Amount required (including GST)
All rateable properties within the District	\$0.00053782 per dollar of rateable capital value	\$873,829



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<b><i>District Planning Rate: to fund the costs of District Planning for the Kaikōura District.</i></b>		
Category	Calculation	Amount required (including GST)
All rateable properties within the District	\$0.00015569 per dollar of rateable capital value	\$252,954

<b><i>Civic Centre charge: to fund the net costs of the museum, library and Council office building.</i></b>		
Category	Calculation	Amount required (including GST)
All rateable properties within the District	\$88.92 per separately used or inhabited part of a rating unit	\$270,593

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

<b><i>Kaikōura Water Annual Charge: to fund the costs of the supply, treatment, upgrading and maintenance of the Kaikōura water supply, including the Suburban water scheme, as well as to partially subsidise the net costs of the Ocean Ridge, East Coast, Peketa and Oaro water supplies.</i></b>		
Category	Calculation	Amount required (including GST)
<u>Full Charge:</u> All rateable properties connected to the Kaikōura water supply.	\$547.70 per separately used or inhabited part of a rating unit	\$993,536
<u>Half Charge:</u> All rateable properties situated within 100 metres of any part of the Kaikōura water supply, but not connected to the supply.	\$273.85 per separately used or inhabited part of a rating unit	\$41,489
<b>Total</b>		<b>\$1,035,025</b>
<b><i>Kaikōura Water Loan Charge: to fund the loan servicing costs of the Kaikōura water supply.</i></b>		
Category	Calculation	Amount required (including GST)
All rateable properties situated within 100 metres of any part of the Kaikōura water supply.	\$32.49 per separately used or inhabited part of a rating unit	\$63,153

Note that, for the Kaikōura 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.

<b><i>Ocean Ridge Water Annual Charge: to fund the costs of the supply, treatment, and maintenance of the Ocean Ridge water supply.</i></b>		
Category	Calculation	Amount required (including GST)
<u>Full Charge:</u> All rateable properties connected to the Ocean Ridge water supply.	\$547.70 per separately used or inhabited part of a rating unit	\$29,028
<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.	\$273.85 per separately used or inhabited part of a rating unit	\$16,705
<b>Total</b>		<b>\$45,733</b>



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<b><i>Rural Water Charges to fund the supply, treatment, upgrading, and maintenance of the following water supply areas.</i></b>		
<b>Category</b>	<b>Calculation</b>	<b>Amount required (including GST)</b>
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)	\$99,360
Kincaid Rural Water Charge: all rateable properties connected to the Kincaid rural water supply.	\$180.92 per water unit (1,000 litres per day)	\$106,744
Oaro Rural Water Charge: all rateable properties connected to the Oaro rural water supply.	\$547.70 per separately used or inhabited part of a rating unit	\$37,792
Peketa Rural Water Charge: all rateable properties connected to the Peketa rural water supply.	\$547.70 per separately used or inhabited part of a rating unit	\$10,406
Suburban Water Charge: all rateable properties within the Suburban water area.	\$383.39 per water unit (1,000 litres per day)	\$32,588
Fernleigh Rural Water Charge: all rateable properties connected to the Fernleigh rural water supply	\$100.35 per water unit (1,000 litres per day)	\$29,403

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.

<b><i>Stormwater Rate: to fund the costs of stormwater disposal, loan servicing, upgrading and maintenance of the Kaikōura Stormwater scheme.</i></b>		
<b>Category</b>	<b>Calculation</b>	<b>Amount required (including GST)</b>
All rateable properties within the Kaikōura urban area.	\$0.00015554 per dollar of rateable capital value	\$121,352

<b><i>Sewerage Loan Rate: to fund the loan servicing costs of the Kaikōura Sewerage scheme.</i></b>		
<b>Category</b>	<b>Calculation</b>	<b>Amount required (including GST)</b>
All rateable properties within the area serviced by the Kaikōura sewerage system, or within 100 metres of any part of that system.	\$0.00016759 per dollar of rateable capital value	\$137,255

<b><i>Sewerage Charge: to fund the costs of sewage disposal, treatment, upgrading and maintenance of the Kaikōura sewerage scheme.</i></b>		
<b>Category</b>	<b>Calculation</b>	<b>Amount required (including GST)</b>
All rateable properties within the area serviced by the Kaikōura sewerage system, not being either commercial or self-contained and serviced (see definition on the following page).	\$360.98 per separately used or inhabited part of a rating unit, and \$180.49 for each water closet and urinal after the first within each separately used or inhabited part of a rating unit where there are more than one water closet or urinal. <i>A rating unit used primarily as a residence for one household will not</i>	\$626,669



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	<i>be treated as having more than one water closet or urinal.</i>	
<b>Half Annual Charge:</b> All rateable properties situated within 100 metres of any part of the Kaikōura sewerage system, but not connected to the system.	\$180.49 per separately used or inhabited part of a rating unit.	\$55,050
<b>Self-contained and serviced:</b> all rateable properties within the area serviced by the Kaikōura sewerage system, and used principally for short term accommodation, but limited to those properties with motel-type units, including motels, motor lodges, motor inns, motel apartments, serviced apartments and serviced holiday cottages, each of which contain a private or ensuite bathroom, with bedding, linen and cooking facilities provided, and which are serviced daily.	\$360.98 per separately used or inhabited part of a rating unit, and \$120.00 for each water closet and urinal after the first within each separately used or inhabited part of a rating unit where there are more than one water closet or urinal.	\$44,880
<b>Commercial:</b> All rateable properties within the Kaikōura urban area used principally for commercial and/or industrial purposes; or used as a licensed premise under the Sale of Liquor Act 1989; or used for providing short term accommodation for commercial reward, but not including rateable properties defined as Self Contained and Serviced.	\$360.98 per separately used or inhabited part of a rating unit, and \$210.00 for each water closet and urinal after the first within each separately used or inhabited part of a rating unit where there are more than one water closet or urinal.	\$58,380
<b>Total</b>		<b>\$784,979</b>

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.

<b><i>Kerbside Recycling Charge: to fund the costs of the weekly kerbside recycling collection service.</i></b>		
<b>Category</b>	<b>Calculation</b>	<b>Amount required (including GST)</b>
All rateable properties that have access to the kerbside recycling collection service (including Oaro)	\$104.00 per separately used or inhabited part of a rating unit	\$200,512
<b><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></b>		
<b>Category</b>	<b>Calculation</b>	<b>Amount required (including GST)</b>
All rateable properties other than those that have access to the kerbside recycling collection service	\$48.78 per separately used or inhabited part of a rating unit	\$52,000



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## 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.

<b><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></b>		
<b>Category</b>	<b>Calculation</b>	<b>Amount required (including GST)</b>
All rateable properties in the District; <ul style="list-style-type: none"> <li>Used principally or exclusively for commercial and/or industrial purposes, (not being farmland as defined by Land Information NZ); or</li> <li>Used principally for visitor accommodation for commercial reward for <b>not less than five persons</b>, and for the avoidance of doubt, including any motel, hotel, motor lodge, bed and breakfast, hostel, or camping ground; or</li> <li>Used as licensed premises under the Sale of Liquor Act 1989.</li> </ul>	\$0.00264318 per dollar of rateable capital value	\$436,653
<b><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></b>		
<b>Category</b>	<b>Calculation</b>	<b>Amount required (including GST)</b>
All rateable properties providing accommodation for commercial reward, but not meeting the criteria of a commercial property, and for the avoidance of doubt, including any property providing short-term accommodation such as small bed & breakfasts, baches rented out as holiday homes, and other visitor accommodation such as Air B&B-style, but not including long-term rental accommodation.	\$400.00 per separately used or inhabited part of a rating unit	\$85,600
<b><i>Public Rubbish Bin Charge: to fund the costs of providing a public rubbish bin collection service at various locations around the District.</i></b>		
<b>Category</b>	<b>Calculation</b>	<b>Amount required (including GST)</b>
All rateable properties in the District; <ul style="list-style-type: none"> <li>Used principally or exclusively for commercial and/or industrial purposes, (not being farmland as defined by Land Information NZ); or</li> <li>Used principally for visitor accommodation for commercial reward for <b>not less than five persons</b>, and for the avoidance of doubt, including any motel, hotel, motor lodge, bed and breakfast, hostel, camping ground or "boarding house"; or</li> <li>Used as licensed premises under the Sale of Liquor Act 1989.</li> </ul>	\$149.59 per separately used or inhabited part of a rating unit	\$36,800



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<b><i>Registered Premises Charge: to fund the net costs of liquor licensing, food and health safety inspections, and environmental health.</i></b>		
<b>Category</b>	<b>Calculation</b>	<b>Amount required (including GST)</b>
All rateable properties undertaking a licensed activity, such as premises where alcohol is sold or consumed, food premises, camping grounds, funeral directors or hairdressers.	\$345.00 per license (liquor or food premises)	\$44,333

Please refer to the sewerage charges on page 41 and 42 as they pertain to certain commercial properties, and also to the water meter charges on page 46 for commercial properties that are metered.

### Rating area differentials

Throughout these pages there is reference to properties within defined areas (urban, semi-rural and rural rating areas). Please refer to the definitions and map of rating areas on [page 38](#).

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.***

<b>Category</b>	<b>Calculation</b>	<b>Amount required (including GST)</b>
All rateable properties within the urban area.	\$0.00008701 per dollar of rateable capital value	\$71,779
All rateable properties within the semi-rural area.	\$0.00004351 per dollar of rateable capital value	\$18,320
All rateable properties within the rural area.	\$0.00002175 per dollar of rateable capital value	\$8,121
Total		\$98,220



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<b><i>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.</i></b>		
<b>Category</b>	<b>Calculation</b>	<b>Amount required (including GST)</b>
All rateable properties within the urban area.	\$0.00007914 per dollar of rateable capital value	\$65,283
All rateable properties within the semi-rural area.	\$0.00003957 per dollar of rateable capital value	\$16,662
All rateable properties within the rural area.	\$0.00001978 per dollar of rateable capital value	\$7,386
Total		\$89,331
<b><i>Footpath &amp; Streetlight Rate: to fund the net costs of maintaining, upgrading and operating footpaths and streetlights, including electricity and loan servicing costs.</i></b>		
<b>Category</b>	<b>Calculation</b>	<b>Amount required (including GST)</b>
All rateable properties within the urban area.	\$0.00016386 per dollar of rateable capital value	\$135,174
All rateable properties within the semi-rural area.	\$0.00008193 per dollar of rateable capital value	\$34,499
All rateable properties within the rural area.	\$0.00003277 per dollar of rateable capital value	\$12,236
Total		\$181,909

One targeted rate also relies upon these definitions of rating areas to determine which properties the rate applies to, by excluding the urban area.

<b><i>Stock Control Rate: to fund the net costs of stock control.</i></b>		
<b>Category</b>	<b>Calculation</b>	<b>Amount required (including GST)</b>
All rateable properties outside the urban area (i.e. including both semi-rural and rural properties).	\$0.00001607 per dollar of rateable capital value	\$12,765

The previous pages identify each rate for the 2020/2021 financial year. Note that all amounts are GST inclusive, whereas those amounts within the Forecast Funding Impact Statement (on [page 35](#)) exclude GST.



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## Other Rates & Charges

### Water Meter Charges

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

For water usage which exceeds 365m<sup>3</sup> 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 (\$50.00 per year) to cover the costs of the meter as well as administration expenses.

Meter read date:	For the period:	Due date for payment:
1st week July	January to June	20 August 2020
1st/2nd week January	July to December	20 February 2021

Meter reading dates and the period they cover are approximate.

### Rates Penalties

A 5% 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 5% penalty will be added to all previous year's rates unpaid as at 20 July and 20 January (up to 10% per annum in total).

***Please refer to the special rates relief policies on [page 50](#), as there are penalty waivers available to certain ratepayers that have been financially affected by the COVID-19 pandemic and meet the criteria for relief.***

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 2020 to 30 September 2020	20 September 2020
Instalment 2:	1 October 2020 to 31 December 2020	20 December 2020
Instalment 3:	1 January 2021 to 31 March 2021	20 March 2021
Instalment 4:	1 April 2021 to 30 June 2021	20 June 2021

### Environment Canterbury Rates

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



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## Rates for 2020/2021

All rates are shown including GST	Rates 2019/2020 \$	Rates 2020/2021 \$	Increase / (Decrease) %
General Rate (Urban & Utility)	0.00110875	0.00139276	25.62%
General Rate (Rural & Semi-rural)	0.00099787	0.00125348	25.62%
Uniform Annual General Charge	559.15	574.56	2.76%
Earthquake Rate	0.00001429	0.00001279	(10.53)%
Earthquake Levy	45.00	40.00	-
Kaikōura Water Loan Charge	24.99	32.49	30.00%
Kaikōura Water Annual Charge	542.38	547.70	0.98%
Kaikōura Water Half Annual Charge	271.19	273.85	0.98%
Sewerage Loan Rate	0.00019470	0.00016759	(13.92)%
Sewerage Charge (1 Pan)	342.06	360.98	5.53%
Sewerage Half Charge	171.03	180.49	5.53%
Sewerage Charge <sup>2</sup>	171.03	180.49	5.53%
Sewerage Commercial Charge <sup>3</sup>	200.00	210.00	5.00%
Sewerage Self Contained Charge <sup>3</sup>	115.00	120.00	4.35%
Stormwater Rate	0.00015588	0.00015554	(0.22)%
Ocean Ridge Water Annual Charge	542.38	547.70	0.98%
Ocean Ridge Water Half Charge	271.19	273.85	0.98%
Roading Rate	0.00069515	0.00053782	(22.63)%
Footpath & Streetlight Rate - Urban	0.00016031	0.00016386	2.21%
Footpath & Streetlight Rate - Semi-rural	0.00008016	0.00008193	2.21%
Footpath & Streetlight Rate - Rural	0.00003206	0.00003277	2.21%
Kerbside Recycling Charge	104.00	104.00	-
Rural Recycling Charge	56.21	48.78	(13.22)%
Public Rubbish Bin Charge	157.94	149.59	(5.28)%
Stock Control Rate	0.00001881	0.00001607	(14.58)%
Commercial Rate	0.00263352	0.00264318	0.37%
Accommodation Sector Charge	400.00	400.00	-
Registered Premises Charge	345.00	345.00	-
Civic Centre Charge	63.27	88.92	40.55%
Town Centre Rate - Urban	0.00006933	0.00007914	14.14%
Town Centre Rate - Semi-rural	0.00003467	0.00003957	14.14%
Town Centre Rate - Rural	0.00001733	0.00001978	14.14%
District Planning Rate	0.00015311	0.00015569	1.68%
Harbour Rate - Urban	0.00008666	0.00008701	0.40%
Harbour Rate - Semi-rural	0.00004333	0.00004351	0.40%
Harbour Rate - Rural	0.00002166	0.00002175	0.40%
East Coast Water Charge	690.00	690.00	-
Kincaid Water Charge	228.36	180.92	(20.77)%
Fernleigh Water Charge	102.31	100.35	(1.91)%
Oaro Water Charge	542.38	547.70	0.98%
Peketa Water Charge	542.38	547.70	0.98%
Suburban Water Charge	379.67	383.39	0.98%
Water Meter Charge (per m3)	1.00	1.00	-
Water Meter Maintenance Charge	50.00	50.00	-

<sup>2</sup> For each subsequent pan where there is more than one pan



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## Impact of Rates on Benchmark Properties

The District rating valuation was completed as at 30 September 2018, 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 2020/2021 rating year. Changes in rating values have an impact on individual property rates beyond any changes to rates from this Annual Plan, and these changes in rating values are outside the Council's control.

Prior to the Three-Year Plan 2018-2021, we have used a sample set of benchmark properties – *actual* properties in the district; and this sample set had been used for over fifteen years. The benchmark properties we are now using are a *theoretical* set of properties, designed to give indicative rates impacts for high, medium, and low value properties across the district, and therefore should be more useful for comparisons.

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

		2018/2019	2019/2020	2020/2021
Residential	Change %	10.15%	7.21%	4.17%
Urban High Value	Total rates	2,994.94	3,211.01	3,344.93
CV \$580,000	Change \$	275.98	216.06	133.92
Residential	Change %	11.16%	8.31%	4.15%
Urban Med Value	Total rates	2,574.96	2,788.90	2,904.58
CV \$420,000	Change \$	258.59	213.93	115.68
Residential	Change %	12.66%	9.89%	4.12%
Urban Low Value	Total rates	2,141.85	2,353.60	2,450.47
CV \$255,000	Change \$	240.66	211.74	96.87
Residential	Change %	5.15%	7.67%	5.58%
Semi-Rural High Value	Total rates	2,607.51	2,807.45	2,963.98
CV \$580,000	Change \$	127.64	199.94	156.53
Residential	Change %	5.83%	7.61%	5.17%
Semi-Rural Med Value	Total rates	1,510.93	1,625.90	1,709.92
CV \$420,000	Change \$	83.28	114.98	84.01
Residential	Change %	6.29%	7.57%	4.90%
Semi-Rural Low Value	Total rates	1,181.95	1,271.44	1,333.70
CV \$255,000	Change \$	69.97	89.49	62.26
Commercial – Urban	Change %	4.30%	2.41%	2.63%
30 room motel	Total rates	27,020.55	27,670.99	28,399.80
CV \$4,200,000	Change \$	1,113.86	650.43	728.81
Commercial – Urban	Change %	5.15%	5.13%	2.85%
12 room motel	Total rates	6,841.87	7,193.15	7,397.87
CV \$730,000	Change \$	334.85	351.27	204.72
Commercial – Urban	Change %	5.55%	2.81%	2.46%
Retail shop High Value	Total rates	9,355.04	9,618.35	9,854.63
CV \$1,430,000	Change \$	492.00	263.29	236.28



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		2018/2019	2019/2020	2020/2021
Commercial – Urban	Change %	6.72%	5.17%	2.57%
Retail shop Low Value	Total rates	4,534.01	4,768.37	4,890.89
CV \$510,000	Change \$	285.46	234.35	122.52
Farm	Change %	5.07%	9.61%	5.07%
Rural High Value	Total rates	15,516.99	17,008.63	17,871.04
CV \$ 8,350,000	Change \$	748.17	1,491.64	862.41
Farm	Change %	5.19%	8.74%	4.65%
Rural Med Value	Total rates	7,784.17	9,214.83	9,642.88
CV \$4,000,000	Change \$	384.14	740.66	428.05
Farm	Change %	5.45%	9.32%	4.92%
Rural Low Value	Total rates	3,873.32	4,234.17	4,442.54
CV \$1,800,000	Change \$	200.04	360.85	208.37

\* Rural water charges have been excluded from this table where they apply to rural and semi-rural properties, so as to make comparisons easier, because other farms in the District may or may not have these charges, and the charges vary depending on which rural supply the farm is connected to. Urban properties are subject to urban water charges, and these have been included in the above table where applicable.



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## Special Rates Relief Policies – the Earthquake and COVID-19

For the last four years since the November 2016 earthquake, the Council has given rates relief to ratepayers by way of remitting rates in certain circumstances. These remissions included a “no penalty” period, for late payment of rates (from 14 November 2016 to 30 June 2018), rates remissions on property that is deemed unsafe to occupy due to earthquake damage (from 14 November 2016 to 30 June 2019), and a partial remission of capital value rates where the district valuation of 1 September 2018 resulted in some properties values increasing disproportionately to others in the district (for rates instalments from 1 July 2019 to 30 June 2020).

The Council no longer offers rates relief relating to the earthquake.

Now in 2020, the impact of COVID-19 has changed our local economy dramatically, and its full effects are still unclear. It is likely that many businesses will have irregular incomes, and potentially many people are without income for a time. The Kaikōura community, and the Council, are still recovering from the earthquake, and the Council needs to complete the rebuild programme. Rates are what pays for essential services such as water supply and waste disposal, and Council investment in projects and service delivery will help keep the economy going.

With that in mind, there are no rates remissions proposed, but a rates relief package has been adopted which aims to provide for ratepayers to pay their rates without penalty for late payment.

1. The due date of instalment four (2019/2020 year) was extended by one month to 20 July 2020
2. The penalty rate that applies to overdue rates has been reduced from 10% to 5%
3. For ratepayers that apply for relief and are eligible for the government wage subsidy and/or a mortgage holiday;
  - a. These ratepayers have until 30 June 2021 to pay all outstanding rates from 2019/2020 and 2020/2021 without incurring any late payment penalties (provided they enter – and adhere to – an agreed payment plan, and make at least three payments with the first no later than 20 December 2020)
4. The Mayoral Earthquake Relief Fund (MERF) criteria has been expanded to provide support to ratepayers experiencing financial hardship, by applying up to \$500 against their rates bill. Funds are only available until the MERF is depleted.



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## Fees & Charges

### Administration Fees

	Price (including GST)	
	Black & White	Colour
A4 Photocopying/printing	20c per sheet	\$1.00 per sheet
A4 Photocopying/printing double-sided	25c per sheet	\$2.00 per sheet
A3 Photocopying/printing	35c per sheet	\$2.00 per sheet
A2 Photocopying/printing	\$4.00 per sheet	\$10.00 per sheet
A1 Photocopying/printing	\$5.00 per sheet	\$15.00 per sheet
Debtors Booking Fees	\$25.00	
Property File Lookups (if not your own property)	\$20.00 to view	\$30.00 for scanned copy
GIS map production (if it takes more than 10 minutes to produce)	\$90.00 per hour	
GIS map production for bona fide community groups	First 30 minutes no charge	
Other GIS services	\$90.00 per hour	

### Airport Landing Fees

	Price per landing (incl. GST)
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	\$7.00 per tonne

### Animal Control Fees

This year we propose to increase dog registration fees, to ensure that these fees cover about 80% of the cost of the dog control activity. The proposal is to increase the fees by \$30 for standard dogs, and by \$20 for neutered or spayed dogs. We also propose that the registration fee for working dogs is \$160 for three or more working dogs, and the non-working fees apply per dog if less than three. Dog control officers may need to verify that the dog meets the criteria of a working dog in the Dog Control Act 1996. This may involve observing the dog at work (e.g. mustering or some other activity that proves it can be classified as working under the Act).

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

	Price (incl. GST)
<b>Dog Registration Fees</b>	
Standard	\$80.00 per dog
Neutered or Spayed Dogs	\$60.00 per dog
Menacing/Dangerous Dogs	\$100.00 per dog
Working Dogs <sup>3</sup>	\$160.00

<sup>3</sup> Working Dogs are as defined in the Dog Control Act 1996



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Guide Dogs	Free
Replacement tag	\$5.50
Licence Fee for keeping more than two dogs in a residential area (Kaikōura Township, Oaro, Goose Bay, Peketa, Hapuku, Rakautara, Clarence and Kekerengu)	\$40.00
<b>Late Registration Penalty</b>	
A 50% penalty will be applied if a registration has not been completed by the owner by 20 August of each year	
<b>Microchipping</b>	
Microchipping as a service (dogs only)	\$50.55
<b>Impoundment Fees</b>	
Impoundment First Offence	\$80.00
Impoundment Second Offence	\$110.00
Impoundment Third Offence	\$160.00
Daily Impoundment (Sustenance) Fee	\$25.00 per day
Investigative fee	\$135.00 per hour
<b>Stock Control Fees</b>	
Callout fee	\$140.00 plus \$140.00 per subsequent hour

### 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, Structural Engineers, Environmental Health Officers are not included in the deposit, but may be required for some consent processing for example commercial buildings

Further fees may accrue throughout the building process, e.g. re-inspection for failed inspections. The following fees are not fixed costs or final costs.

	Price incl. GST
<b>Residential Buildings</b>	
New Dwelling – large > 250m <sup>2</sup>	\$3,900.00
New Dwelling – small < 250m <sup>2</sup>	\$3,100.00
Dwelling alterations – large	\$2,200.00
Dwelling relocated	\$1,600.00
Dwelling – minor plumbing	\$450.00
<b>Solid/Liquid Fuel Heaters</b>	
Solid/Liquid fuel heater – freestanding/inbuilt/liquid	\$400.00
Solid/Liquid fuel heater – change location or make and/or model	\$250.00
<b>Garages and/or Conservatories</b>	
Proprietary garage – no plumbing	\$1,000.00



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Proprietary garage – with plumbing & drainage	\$1,400.00
Proprietary garage – with sleepout, plumbing & drainage	\$1,700.00
Conservatories	\$800.00
<b>Commercial or Industrial Buildings</b>	
Commercial/industrial building =/≤\$50,000	\$2,200.00
Commercial/industrial building \$50,001 - \$100,000	\$3,200.00
Commercial/industrial building \$100,001 - \$150,000	\$4,000.00
Commercial/industrial building \$150,001 - \$250,000	\$4,800.00
Commercial/industrial building \$250,001 - \$350,000	\$5,800.00
Commercial/industrial building \$350,001 - \$500,000	\$6,700.00
Commercial/industrial building \$500,001 - \$1,000,000	\$7,500.00
Commercial/industrial buildings > \$1 million	At time and cost
Commercial alterations large	\$3,500.00
Commercial new/alterations small	\$2,000.00
<b>Farm buildings</b>	
Minor farm building (four bay shed)	\$750.00
Large farm buildings	\$1,000.00
<b>Other Building Consent Applications</b>	
Septic tank and effluent field consent only	\$550.00
Decks, patios, garden sheds, retaining walls, verandas, pergolas etc	\$550.00
Swimming pool – inbuilt plus fencing consent	\$450.00
Swimming pool – 1,200mm above ground and spa pool and fencing	\$100.00
Swimming pool compliance audit	\$200.00
Marquee over 100m <sup>2</sup>	\$360.00
Solar hot water systems	\$460.00
Partial demolition of building	\$450.00
Drainage & septic tanks – minor work	\$450.00
Drainage & septic tanks – major work	\$900.00
Extension of time for consents not started within first year of granting	\$100.00
Waiver/modification waiver amendment	\$190.00
<b>Project Information Memoranda (PIM)/Building Consideration</b>	
PIM (deposit only) – processing time for PIM will be invoiced upon completion	\$350.00
Territorial Authority Building Consideration where no PIM applied for (deposit only) – processing time for PIM will be invoiced upon completion	\$350.00
PIM/Building Consideration rechecking fee	\$200.00
<b>Specialist Reviews</b>	
Consultancy (specific design peer reviews)	At Cost
<b>Various charges</b>	
Pre-consent meeting	First 30 minutes free, then charged at hourly rate
Monthly building statistics report	\$155.00
Lapsing of building consent	\$90.00
Surcharge – receiving hard copy applications, lodging online (per hour)	\$90.00
Building warrant of fitness renewal	\$100.00
Building warrant of fitness audit report and inspection fee	\$90.00



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Construction statement review and acceptance	Charged at hourly rate in 15 minute increments
<b>Exempt Building Work</b>	
Lodgement of Building Act Schedule 1 - Exempt work reports with owner's declarations	\$90.00
Application for exempt work	\$500.00
Application for property report	\$70.00
<b>Notices to Fix</b>	
Notice to fix where consent held	\$200 plus recovery charges per hour for monitoring of notices under the Building Act 2004.
Notice to Fix where no consent held	\$450 plus recovery charges per hour for investigation and monitoring of notices under the Building Act 2004.
Application for Certificate of Acceptance (non-refundable) Note: In the case of an application for a certificate of acceptance under Section 96(1)(a) of the Building Act 2004, the application must be accompanied by any fees, charges or levies that would have been payable had the owner, or the owner's predecessor in title, applied for a building consent before carrying out the building work.	\$850.00 Where the cost to process a Certificate of Acceptance exceeds the deposit then additional cost will be charged at the relevant processing time.
<b>Code Compliance Certificates &amp; Compliance schedules</b>	
Compliance schedule	\$200.00
Compliance schedule amendment	\$150.00
Compliance schedule statement	\$200.00
Code compliance certificate	One certificate included in consent application fee
New code compliance application following rejected application	\$100.00
Older code compliance certificate application (includes review of building consents if over four years old)	At cost
<b>Earthquake prone buildings</b>	
Application for exemption for an earthquake prone building (deposit)	\$450.00
Application for extension of time for a Heritage earthquake prone building (deposit)	\$450.00
Assessment of information related to a building's earthquake prone status (deposit)	\$550.00
<b>Building Act 2004 Certificates</b>	
Section 72 Land information Certificate (hazardous land register)	\$370.00
Section 73 Natural hazard	\$370.00
Section 75 Construction of building on 2 or more allotments	\$370.00
Building Warrant of Fitness audits	\$200.00 (1 inspection plus hourly)
Certificate of Public Use	\$345.00 (includes 1 inspection)
Certificate of Public Use – first extension	\$450.00
Certificate of Public Use – any further extensions	\$600.00
Request for Certificate of Title	\$25.00



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Request for information to be placed on property file	\$90.00+ any additional fees for photocopying
Fire & Emergency New Zealand reviews (plus all FENZ charges)	\$250.00 + FENZ Charges)
<b>Levies</b>	
MBIE Levy	0.201% of value of building work over \$20,444
BRANZ Levy	0.1% of value of building work over \$20,000
Building Consent Accreditation (BCA) levy, applies to all projects unless otherwise stated	\$1.00 per \$1,000 of the estimated project value
<b>Printing/submitting Building Consents*</b>	
Full Building Consent	\$45.00
Additional Copy	\$45.00 + administration time
GoGet Administration Surcharge (all consents)	\$30.00
Online portal charge (all consents)	\$50.00
<b>Regulatory hourly rates</b>	
Administration officers	\$90.00 per hour
Building control officer (processing and inspections)	\$190.00 per hour
Regulatory officers (monitoring and enforcement)	\$190.00 per hour
Fire & Emergency NZ reviews	\$250.00 plus FENZ charges

\*This charge does not apply to minor consents

### Car Parking Fees – Pay and Display

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

Please refer to the Infringement fees on pages 75-76 for statutory fines relating to parking of vehicles.

### Cemetery Charges

Fee/charge	All Prices Include GST
<b>Ashes Plot:</b>	
Ashes Plot Fee	\$200.00
Plinth Base	\$200.00
Preparation of Plot	\$150.00
Standard Rose	\$50.00
Maintenance Fee	\$100.00
	\$700.00



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Lawn Cemetery:	
Lawn Plot Fee	\$500.00
Preparation of Plot (includes extra depth)	\$1,000.00
Children under 15	60% of Adult
RSA Lawn Plot preparation	\$1,000.00
RSA Ashes Plot preparation	\$150.00

### Development Contributions

The Council's Development Contributions Policy provides for a threshold to be met before contributions apply, and recommends that developers seek to enter into a Developer Agreement with the Council (an agreement reached by negotiation with the Council).

Development contributions will apply to those developments which exceed any of the below thresholds:

- Ten (10) housing equivalent units (HEU); or
- \$1 million capital value of development; or
- For non-residential development only, a gross floor area of 100m<sup>2</sup>

The below table states the contributions that would apply to a development that exceeds the above thresholds, and only if the developer were to opt not to enter a separate developer agreement.

Fee/charge	Per Housing Equivalent Unit <sup>4</sup>	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; - 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 <sup>2</sup> )
	Rural (lots > 5 hectares)	0.5% of land value of each additional lot (assessed up to maximum 40,000m <sup>2</sup> )
	Non-subdivision	The value equivalent to 20m <sup>2</sup> of land for each additional housing equivalent unit created

### Water supply fees

Fee/charge	Price (incl GST)	
Water unit charges	Fernleigh	\$1,150.00
	Kincaid	\$1,150.00
	Peketa	\$1,150.00

<sup>4</sup> 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](http://www.kaikoura.govt.nz) or at the Council office.



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Applies to purchase of new units of water. These charges are in addition to service approval fees and development contributions (if any).	Suburban East Coast	\$1,374.25 \$1,150.00
Change in restrictor size Applies to either an increase or a reduction in the size of restrictor	All supplies	\$115.00
Physical works All costs associated with connection, shifting location, or other physical work related to water supply such as pipes, toby, restrictor, backflow preventer, meter, and any other components	Actual costs of plant, labour and materials.	
Meter reading fee (extra) Applies to any meter reading required to be taken outside the usual meter reading schedule (such as a final meter reading)	All supplies	\$60.00

### Engineering Fees

Fee/charge	Price (inc GST)
Road Crossing Fee Applies to laying of services under a road or footpath	\$350.00 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	\$250.00 per service
Effluent Disposal Fees Applies to septic tank and/or portaloos emptying to the sewerage ponds	\$11.50 per cubic metre of waste
Hourly processing fees	Asset Manager \$160.00 Engineering Manager \$160.00 Engineering Support \$145.00

### Environmental Health Fees

Fee/charge	Price (incl. GST)
Funeral director	\$170.00
Camping Grounds Registration	\$275.00
Hairdressers Registration	\$200.00
Offensive Trade Licence	\$210.00
Transfer Fees	\$90.00
Itinerant Traders	\$115.00
Hawkers Licence	\$90.00
Mobile Shop (Non Food)	\$115.00
Mobile Shop (Food)	\$184.50
Any other environmental health service (including Amusement Devices)	\$160.00 per hour plus mileage

### Food Premises

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

Fee/Charge	Price incl. GST
<b>New registration</b>	
Food Control Plan (FCP) single site	\$280.00
Food Control Plan multi-site	\$310.00
National Programme (NP)	\$430.00
FCP or NP involving more than one hour officer time	\$160.00/hr plus travel



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New business assistance over one hour, or pre-opening visit	\$160.00/hr plus travel
<b>Registration renewal</b>	
12 month renewal of Food Control Plan single site	\$280.00
12 month renewal of Food Control Plan multi-site	\$310.00
24 month renewal National Programme	\$430.00
<b>Site audits</b>	
Food Control Plan – single site audit (incl. Close out up to 15 minutes)	\$620.00 + travel
Food Control Plan – multi site audit (incl. Close out up to 15 minutes)	\$620.00 + hourly rate if close out takes > 15min
Food Control Plan audit close out over 15 minutes	\$160.00 + travel
NP 1 check (one-off)	\$300.00 plus travel
NP 2 audit (three-yearly)	\$400.00 plus travel
NP 3 audit (two-yearly)	\$150 per hour/plus travel
<b>Additional fees</b>	
Food Control Plan mentoring (based on two hours)	\$320.00 plus travel
Monitoring and compliance (based on half hour time spent)	\$80.00/30 mins
Complaint resulting in issue of improvement notice and its review	\$160.00/hr plus travel
Application for exemption	\$160.00/hr plus travel
<b>Travel fees</b>	
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

### Harbour Fees

Fee/charge	Price (inc GST)	Frequency
Slipway fee (single launch)	\$10.00	Per launch
Slipway fee (one month ticket)	\$85.00	Per month
Slipway fee (one year ticket)	\$299.00	Per annum
South Bay boat park lease (per boat park)	\$3,450.00	Per annum
Slipway fee (commercial user)	\$1,725.00	Per annum
Fishing charters and other commercial users	\$230.00	Per month
Berthage fees – New North Wharf	\$2,300.00	Per annum
Passenger Cruise vessels	\$5.00 per passenger capacity per vessel	Per visit

### Infringement Fees & associated costs

Fee/charge	
<b>Litter infringements</b>	
Litter left in a public space or on private land without occupier's consent	\$400.00



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Hazardous or offensive litter <sup>5</sup> left in a public space or on private land without the occupier's consent	\$400.00 plus clean-up costs at \$11.50 per cubic metre of waste
<b>Noise control</b>	
Infringement notice to be issued under Resource Management Act (RMA 1991)	\$500.00
Return of confiscated equipment (seizure of any property)	\$100.00 plus investigative time at officers hourly rate
<b>Parking and vehicle infringements</b>	
Parked within an intersection	\$60.00
Parked within six meters of an intersection	\$60.00
Parking near corner, bend or rise	\$40.00
Parking on or near a pedestrian crossing	\$60.00
Parking on or near a pedestrian crossing	\$40.00
Parked over the time limit	\$57.00
Parked on broken yellow line	\$60.00
Parked in area reserved for vehicles hire/reward	\$60.00
Parking within six meters of an indicated bus stop	\$40.00
Parked across a vehicle entrance	\$40.00
Parked within 500mm of a fire hydrant	\$40.00
Parked between fire hydrant and road marking	\$40.00
Double parked	\$60.00
Incorrect kerb parking – left side of road	\$40.00
Parked on footpath or cycle lane	\$40.00
Parking trailer on road more than seven days	\$60.00
Parking trailer on road more than seven days	\$60.00
Parked on a loading zone	\$40.00
Incorrect angle parking	\$40.00
Parked on a road when off road park available	\$40.00
Parked wrong way one way street	\$40.00
Parked on a flush median or traffic island	\$40.00
Parked on a level crossing	\$150.00
Parked near a level crossing	\$150.00
Left passenger service vehicle unattended	\$60.00
Used vehicle no authorised licence affixed	\$200.00
Fail to display license label prescribed manner	\$200.00
Failed to display carpark receipt	\$40.00
Parked in an area reserved for disabled persons	\$150.00

### Library Fees

Fee/Charge	Price (inc GST)
Overdue Items – charges accrue at the following rates <ul style="list-style-type: none"> <li>- Children's / Young Adult's</li> <li>- Adults</li> <li>- DVDs</li> </ul>	10c per day per item 20c per day per item \$1.00 per day per item
Lost or damaged item	Full replacement cost plus administration charge

<sup>5</sup> Hazardous litter includes broken glass, barbed wire, jagged metal, medicines. Offensive waste includes rotting food, animal remains, faeces (including discarded nappies)



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Replacement Library Card	\$5.00
Reserves	\$1.00
Inter-library loan postage	\$5.00
Public PC word processing and excel spreadsheets	\$2.00 for first half hour \$1.00 for quarter hour thereafter
Photocopy printing	
- Black & White A4	20c
- Black & White A3	40c
- Colour A4	\$2.00
- Colour A3	\$4.00
Scanning	20c per page
Internet	
- 15 minutes	\$2.00
- 30 minutes	\$3.00
- 60 minutes	\$6.00
Laminating A4	\$1.50 per page
Laminating A3	\$3.00 per page
Rental Fiction (three week issue)	50c, \$1.00, \$2.00
Tours (one to three week issue)	\$1.00, \$1.50, \$2.00
DVDs (one week issue)	\$2.00-\$4.00

### Landfill and Resource Recovery Charges

Fee/Charge	Price (inc GST)
Bag (up to 65L)	\$4.50 per bag
Large bag (over 65L)	\$8.00 per bag
General refuse	\$350.00 per tonne
Green waste	\$80.00 per tonne
Wood waste	\$160.00 per tonne
Special Waste (Commercial & Industrial Products)	\$275.00 per tonne
Mixed Demolition Waste	\$350.00 per tonne
Clean Fill	\$80.00 per tonne
Electronics (excluding TV's)	\$3.00 per item
Televisions – CRT & LCD	\$45.00 per item
Whiteware (excluding refrigerators)	\$3.00 per item
Refrigerators	\$15.00 each
LPG cylinders	\$17.60 each
Car tyre	\$4.00 each
4x4 tyre	\$6.00 each
Light truck tyre	\$8.50 each
Other tyres	Individual pricing

### Licence to Occupy

Fee/charge	Price (inc GST)
Mobile shops (foreshore, Beach Rd, Esplanade)	\$2,875.00 per annum
West End carpark (tourism advertising signs)	\$360.00 per m2/year

### LIM Fees

Fee/charge	Price (inc GST)
LIM – available within 10 working days	\$200.00
LIM – fast track (two working days)	\$300.00



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## Liquor Licensing Fees

	Application Fee	Annual Fee*	Risk Weighting
<b>On, Off and Club premises</b>			
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
<b>Special licence</b>			
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)	
<b>Other fees</b>			
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.

## Marriage Licence Fees

Fee/charge	Price (inc GST)
Notice of Marriage by Celebrant	\$150.00
Notice of Marriage by Registrar	\$240.00

## Pensioner Units

	Price (inc 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

## 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.

Fee/Charge	Price (inc GST)
<b>Sign Consents</b>	
Signs Permit Fee	\$160.00
<b>Land Use Consents</b>	
Category 1 – Non-Notified Land Use Base Fee	\$700.00
1. Less than 20% breach of bulk and location standards of the District Plan for the following rules:	
- Internal Boundary or Road Setback	



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<ul style="list-style-type: none"> <li>- Recession plane</li> <li>- Site Coverage</li> <li>- Height</li> <li>- Density</li> </ul> <p>2. Visitor accommodation</p> <p>3. Relocated buildings</p>	
<p>Category 2 – Non-Notified Land Use Base Fee</p> <ul style="list-style-type: none"> <li>- Building in a flood hazard area</li> <li>- Earthworks or modification within an archaeological area or site</li> <li>- Temporary activities</li> </ul>	\$360.00
<p>Category 3 – All other Non-Notified Land Use Consent Applications not listed as either category 1 or category 2 – Base Fee</p>	\$900.00
<p>If an application requires a hearing</p>	An additional base fee of \$5,500.00 plus costs
<p><b>Subdivision Consents</b></p>	
<p>Subdivision – two lots</p>	Base fee \$1,800.00
<p>Subdivision – more than two lots</p>	Base fee plus \$400.00 per lot over two lots
<p>If public or limited notification of an application requires a hearing</p>	An additional base fee of \$5,500.00 plus additional actual costs
<p>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:</p> <p>Planner’s time per hour:</p> <ul style="list-style-type: none"> <li>Title plan checking and certification (s223)</li> <li>Consent notice preparation &amp; issue</li> <li>Refundable bond preparation</li> <li>Checking &amp; Issuing conditions certificate (s224)</li> <li>Registering bond preparation &amp; releases</li> </ul> <p>Engineering time per hour:</p> <ul style="list-style-type: none"> <li>Engineering Plan checking and approval</li> <li>Roads, access ways and services</li> </ul>	<p>See “Processing Fees” on the next page.</p>
<p>Hearings/Committee Meetings – non-notified applications</p>	<p>\$72.00 for first ½ hour or part thereof</p> <p>\$145.00 per hour after first ½ hour, plus officer’s attendance per hour per officer, plus Commissioner (if required) at actual cost</p>
<p>Hearings/Committee Meetings – notified applications</p>	<p>Actual cost of committee attendance, facility cost, officer attendance, minutes secretary, or independent Commissioner (if required) at actual cost</p>



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Submitter request to Council for independent Commissioner under section 100A(2)	Base fee \$2,000.00 plus additional actual costs
Application for variation of consent conditions (including change of consent notices for non-notified consents)	\$360.00
Application for variation of consent conditions (including change of consent notices for notified consents)	\$700.00
Application for extension of consent timeframe	\$360.00
Application for existing use rights	\$700.00
Certificate of Compliance (section 139 RMA)	\$360.00
<b>Processing &amp; Administration</b>	
Processing fees (hourly rates) per processing officer	
Planning Officer	\$135.00
Senior Planner	\$150.00
Asset Manager / Engineering Manager	\$160.00
Engineering Technical Support Officer	\$145.00
Environmental Health Officer	\$150.00
Administration	\$90.00
Building Control Officer	\$190.00
Consultancy/Legal Advice	At actual cost
Creation/Variation or Waiver of Esplanade Strips and Reserves	\$260.00
Site Visits and Travel costs	Staff hourly rate plus 73c per km
<b>Plan Changes &amp; Designations</b>	
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	\$10,000.00
Requirement for Designations or Heritage Orders	\$1,740.00
Alteration of Designation	\$2,500.00
Assessment of Outline Plan	\$650.00
Removal of Designation	\$650.00
<b>Miscellaneous Charges</b>	
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
<b>Reports and Plans</b>	
Kaikōura District Plan (Full Copy)	\$175.00
Kaikōura District Plan (Maps Only)	\$35.00
Kaikōura District Plan (CD)	\$60.00

### Venue and Equipment Hire

Memorial Hall hires are subject to an additional charge for metered use of heater. Terms and conditions apply to hire of the hall and all equipment hire.



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Fee/charge			Price (inc GST)
<b>Memorial Hall</b>	<b>Half Day</b>	<b>Whole Day</b>	<b>Bond</b>
Supper Room only (hire fee includes chairs & tables)	\$50.00	\$100.00	\$200.00
Supper Room, Projector & Screen Package	\$150.00	\$200.00	\$400.00
Supper Room bond for function serving alcohol			\$400.00
Main Hall only (hire fee includes chairs & tables)	\$150.00	\$300.00	\$200.00
Main Hall & Microphone Only Package	\$250.00	\$400.00	\$500.00
Main Hall & Projector & Screen Package	\$300.00	\$450.00	\$500.00
Main Hall & Projector, Screen & Microphone Package	\$350.00	\$500.00	\$500.00
Main Hall & Projector, Screen & Wireless Headset Package	\$450.00	\$600.00	\$600.00
Main Hall bond for function serving alcohol			\$600.00
Upstairs meeting room (includes two trestle tables in room)	\$30.00	\$60.00	-
Downstairs meeting room	\$20.00	\$40.00	-
<b>Additional equipment</b>		<b>Hire Fee</b>	<b>Bond</b>
Extra handheld microphone & stand		\$50.00	-
Extra wireless headset microphone		\$100.00	-
<b>Civic Centre</b>	<b>Half Day</b>	<b>Whole Day</b>	<b>Bond</b>
Council Chambers (1st Floor)	\$40.00	\$80.00	-
Function Room (Top Floor)	\$20.00	\$50.00	-
<b>Equipment available for external hire</b>	<b>Half Day</b>	<b>Whole Day</b>	<b>Bond</b>
Portable projector screen	\$60.00	\$120.00	\$100.00
Portable data projector	\$20.00	\$40.00	\$40.00
Chairs (per chair per day)		\$1.00	\$50.00
Trestle tables (per table per day)		\$5.00	\$50.00



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## Annual plan disclosure statement for the year ending 30 June 2021

### 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)	\$8,749,000	\$8,065,307 <sup>6</sup>	Yes
• Increases (quantified limit on rate increases)	10%	4.0%	Yes
Debt affordability benchmark			
• Quantified limit on borrowing	\$15 million	\$10.772 million	Yes
Balanced budget benchmark	100%	165.4%	Yes
Essential services benchmark	100%	341.2%	Yes
Debt servicing benchmark	10%	0.49%	Yes

### Notes

#### Rates affordability benchmark

For this benchmark —

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

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

<sup>6</sup> Rates includes water meter charges for the purposes of this disclosure statement.



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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.



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# Council Activities



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# Roading

**Goal:** To provide for the safe and reliable movement of people and goods throughout the District, connecting communities and accessing property.

## Sub-Activities

- Roads & bridges
- Footpaths & cycleways
- Streetlights

## What we do and why we do it

The Council maintains 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) owns and maintains State Highway One, which includes Churchill Street and Beach Road (within the township), and post-quake has taken control of the Inland Road. That road will be returned to Council control once it has been fully repaired and restored.

The November 2016 earthquake severely damaged six bridges and caused moderate damage to a further fifteen. Replacement and repair of almost all those bridges will be completed by August 2020. The Waiau Toa/Clarence River bridge is the only bridge remaining to be replaced; with estimated rebuild costs over \$12 million, this project is expected to proceed in 2021/2022 subject to public consultation.

Our local roads and footpaths are maintained by local contractors, and so continuing with renewal and maintenance programmes helps keep local people employed and our local economy functioning. The Council has not reduced its investment in local roading programmes as a response to the COVID-19 pandemic, and will continue to support roading projects.

## What we're working towards

It is important that our local roads, footpaths and cycleways are safe to use and resilient to unplanned events. Resident satisfaction with the

condition of our roads and footpaths has been relatively low, and so our aim is to reseal and rehabilitate more roads, and to renew more footpaths in 2020/2021.

The Hutton's Shearwater (*Kaikōura Titi*) are a seabird species endemic to Kaikōura and are vulnerable to crash landing during February to April when they begin their migration. It has been proven that bright streetlights disorientate the birds. To reduce their fallout, we will commence a streetlight conversion to LED and fit the lights with hoods. An added benefit will be savings in electricity costs, as LED lights are cheaper to run.

Council are investigating the option of installing lights with a CCT (correlated colour temperature) of 3000K rather than the standard 4000K. Lights with a lower CCT value of 3000K are less likely to affect nocturnal wildlife, such as the Hutton's Shearwater (*Kaikōura Titi*) and strike a good compromise between safety and protecting the environment.

## Major assumptions

- The earthquake rebuild is completed as planned and all significant damage is repaired
- NZTA will continue to fund eligible roading activities at 51% or better
- NZTA will continue to fund the maintenance of NCTIR haul routes on local roads at 100%
- The LED streetlight conversion attracts a subsidy of 85% from NZTA
- The Inland Road remains under NZTA control for a further 12 months
- There are no significant flooding events during the year



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## Roads & bridges

### Issues, plans and projects for 2020/2021

Major projects for the 2020/2021 Annual Plan period include approximately \$150k of sealed road resurfacing. Areas requiring resealing will be prioritised using best practice principles. With the size and age of the network, annual reseals are needed to ensure that wherever possible, surfaces which are past their usable lives will be resurfaced before the underlying pavement begins to fail. This ensures that roads are kept waterproofed, protecting the underlying pavement structure and reducing maintenance cost.

\$70k has been included to improve traffic safety, signs and markings throughout the district, priorities for replacements or upgrades will be identified through night-time surveys and intersection safety/risk assessments. The Inland Road is likely to have new safety signage installed at some higher risk corners as well as renewal of road markings.

Over \$300k is budgeted to implement safety improvements to areas of the roading network. This includes school speed zone improvements in Ludstone Rd, Schoolhouse Rd and Rorrison's Rd. Other areas with safety issues will be identified, assessed and prioritised according to their risk.

The RAMM (Road Assessment and Maintenance Management) database, which holds all asset information on the roading network, will be validated and improved. These will enable better planning and evidence-based decision making and improve data gathering and reliability.

Heavy vehicle movements along designated haul routes for NCTIR projects (the post-earthquake rebuild of State Highway One and the railway) have substantially reduced the life of these pavements. NZTA is committed to rehabilitating NCTIR haul roads to ensure a safe and resilient roading network for the long term.

### What it costs and how it's funded

What it costs	\$000's	Funded by	\$000's
Overheads & personnel	171	NZTA subsidies	1,059
Loan interest & principal	-	Rates	760
Operating costs	993	Reserves	75
Capital projects	768	Petrol tax	38
Total cost excluding depreciation	1,932		1,932

### How we measure what we're doing

Measure	2019/2020	2020/2021
The number of fatalities and serious injury crashes on the local road network expressed as a number (Change from previous year)	Reduction of more than 1	Reduction of more than 1
The average quality of ride on the sealed road network measured by Smooth Travel Exposure.	Greater than 85%	Greater than 85%
The average quality of ride on the sealed road network measured by NAASRA roughness	Less than 120	Less than 120
The percentage of customer service requests relating to roading, footpath and associated infrastructure faults responded to within one week	Greater than 90%	Greater than 90%



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Measure	2019/2020	2020/2021
The number of customer service requests received about Council's roading network per year	Less than 365	Less than 365
The number of complaints received per year (due to a service request not being actioned appropriately)	Less than 37	Less than 37
The percentage of the sealed network that is resurfaced per year	Greater than 5%	Greater than 5%
The percentage of regulatory road signs incorrect or missing during an audit of the road network.	Less than 0.5%	Less than 0.5%

## Footpaths & cycleways

### Issues, plans and projects for 2020/2021

A budget of \$140k was set aside for the 2019/2020 financial year to provide safety repairs, overlays and footpath improvements within the Kaikōura urban area. This work was delayed allowing the Ultrafast fibre network installation to proceed, and then the COVID-19 lockdown prevented much of the remedial work to commence within the planned timeframe.

The unspent budget for 2019/2020 of \$140k will rollover into 2020/2021 and increase to \$190k partially subsidised by NZTA with the balance funded by loan, plus a small contribution from rates to achieve a smoothing of the footpath & streetlights targeted rate. This increased budget will enable a wider area of footpath to be rehabilitated. What it costs and how it's funded

What it costs (\$000's)		Funded by (\$000's)	
Overheads & personnel	43	NZTA subsidy	31
Loan interest & principal	23	Loan	150
Operating costs	16	Rates	91
Capital projects	190		
Total cost excluding depreciation	272		272

### How we measure what we're doing

Measure	2019/2020	2020/2021
The percentage of footpaths that are condition grade 4 or 5	Less than 10%	Less than 10%



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## Streetlights

### Issues, plans and projects for 2020/2021

As for footpaths, the planned work for 2019/2020 is unlikely to be completed by June 2020 due to the impact of COVID-19 alert level restrictions on projects. A conversion of streetlights to LEDs is to take place progressively within the township, and the 2019/2020 budget of \$98k will rollover to 2020/2021 and increase to \$400k to make the most of the enhanced NZTA subsidy, which will cover 85% of the total upgrade cost. The upgrade will reduce future operating costs due to lower electricity costs.

### What it costs and how it's funded

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	42	NZTA subsidy	373
Loan interest & principal	3	Loan	60
Operating costs	56	Rates	68
Capital projects	400		
Total cost excluding depreciation	501		501

### How we measure what we're doing

Measure	2019/2020	2020/2021
The percentage of streetlights not functioning during an audit of any part of the network	Less than 2%	Less than 2%



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## Funding Impact Statement: Roding

For the year ended 30 June

	2019/2020 Annual Plan \$000	2020/2021 Three-Year Plan \$000	2020/2021 Annual Plan \$000
<b>Sources of operating funding</b>			
General rates, UAGCs, rates penalties	-	-	-
Targeted rates	1,126	1,041	918
Subsidies & grants for operating purposes	949	529	722
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	38	37	38
<b>Total operating funding (A)</b>	<b>2,113</b>	<b>1,607</b>	<b>1,678</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	1,389	1,010	1,185
Finance costs	7	31	4
Internal charges and overheads applied	57	121	135
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,453</b>	<b>1,162</b>	<b>1,324</b>
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>660</b>	<b>445</b>	<b>354</b>
<b>Sources of capital funding</b>			
Subsidies & grants for capital expenditure	508	339	741
Development and financial contributions	15	15	-
Increase/(decrease) in debt	(19)	(73)	188
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>504</b>	<b>281</b>	<b>929</b>
<b>Application of capital funding</b>			
Capital expenditure			
- To meet additional demand	52	53	333
- To improve the level of service	97	29	400
- To replace existing assets	1,065	644	625
Increase/(decrease) in reserves	(50)	-	(75)
Increase/(decrease) in investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>1,164</b>	<b>726</b>	<b>1,283</b>
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>(660)</b>	<b>(445)</b>	<b>(354)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>



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# Water supplies

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

## Sub-Activities

- Kaikōura Urban water supply,
- Kaikōura Suburban 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,

## What we do and why we do it

Council owns and operates eight public water supply schemes. Whilst potential for improvement of water services remains, most of the remaining identified improvements can now be effected through progressive efforts delivered in a ‘business as usual’ environment. What remains is the possible need for further improvements to the long-term management of Council’s water assets.

A fit for purpose computerised asset management system (ADAPT) was put in place in 2019/2020, this will “go-live” in July 2021. A priority for 2020/2021 is to include, validate and analyse water related data within ADAPT. This work will build a clear picture of the likely long term needs of councils water assets.

During 2020/2021 there will be a review of the way in Councils water services are delivered. This will meet the goals of the financial and corporate sustainability review and satisfy the requirements of section 17A of the Local Government Act 2002.

A key focus is to ensure services are delivered in a cost-effective manner.

## What we’re working towards

Many of these water supplies are at risk of contamination from the source water. It is essential that water supplied to consumers is safe to drink, therefore we have developed a programme of upgrades to our water sources and water treatment plants.

## Major assumptions

- Water bore and surface water sources do not change significantly during the plan period
- The earthquake rebuild is completed as planned and all significant damage is repaired
- Recent upgrades and improvements provide the expected benefits
- Water safety plans deliver the expected safeguards to public health
- The requirements of the NZ Drinking Water Standards do not change significantly within the life of this Plan
- The number of water schemes and current scheme boundaries do not change.
- There are no significant changes to service delivery or funding
- There will be no significant changes to legislation affecting these activities
- Council can attract and retain suitably qualified staff
- That no major natural hazards events will occur in the next three years



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## How we measure what we're doing

The performance measures below apply to each of the water supplies.

Measure	2019/2020	2020/2021
The extent to which the water supply complies with part 4 of the NZ Drinking Water Standards (bacteria compliance criteria)	100%	100%
The extent to which the water supply complies with part 5 of the NZ Drinking Water Standards (protozoal compliance criteria)	100%	100%
The extent to which the water supply with the testing and monitoring requirement of the NZ Drinking Water Standards	100%	100%
The percentage of real water loss from networked reticulation systems	Less than 30%	Less than 30%
The average consumption of drinking water per day per resident	Less than 200 litres	Less than 200 litres
The median response time to urgent callouts, being service failure, supply fault or contamination, from the time of notification to the time that service personnel attend the site	Less than 1 hour	Less than 1 hour
The median resolution time to urgent callouts, being service failure, supply fault or contamination, from the time of notification to the time that the fault is resolved	Less than 2 days	Less than 2 days
The percentage of urgent callouts, being service failure, supply fault or contamination, responded to within one hour from the time of notification to the time that service personnel attend the site	98%	98%
Median response times to non-urgent callouts (minor leaks and equipment maintenance)	Less than 1 day	Less than 1 day
Median resolution time to non-urgent callouts	Less than 1 week	Less than 1 week
Percentage of non-urgent callouts responded to within 48 hours from the time of notification to the time that service personnel attend site	98%	98%
<b>Complaints and customer service requests targets apply to all water supplies combined (not per supply)</b>		
The number of customer service requests received about Council water supplies	Less than 365	Less than 365
The number of complaints received per year (due to a service request not being actioned appropriately)	Less than 37	Less than 37
The number of complaints received about drinking water clarity, per year per 1,000 connections	Less than 1	Less than 1
The number of complaints received about drinking water taste, per year per 1,000 connections	Less than 5	Less than 5
The number of complaints received about drinking water odour, per year per 1,000 connections	Less than 5	Less than 5
The number of complaints received about drinking water pressure or flow, per year per 1,000 connections	Less than 10	Less than 10
The number of complaints received about drinking water continuity of supply, per year per 1,000 connections	Less than 5	Less than 5



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## Kaikōura Urban Water

### Issues, plans and projects for 2020/2021

The Kaikōura Urban water scheme supplies treated drinking water to over 1,800 properties. Water is supplied from three bores near the base of Mt Fyffe. The water is disinfected by chlorination. An ultraviolet light (UV) disinfection stage will be added in the 2020/21 year. Water is pumped to reservoirs on the hills above Churchill Street and the peninsula. Commercial properties are metered and charged for their consumption in addition to standard water rates.

The water quality meets NZ Drinking Water Standards for microbiological compliance. It will

meet the standard for protozoal compliance once UV disinfection is commissioned. Water safety plans are being improved which will help to address some of these issues. Water is generally of good quality, water pressure is suitable for domestic use, and there is adequate water pressure for firefighting. There are some areas of aging pipes, the new asset management system will enable a renewal programme to be developed for future years.

### What it costs and how it's funded

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	298	Rates	850
Loan interest & principal	45	Water meter charges	87
Operating costs	446	User fees & charges	2
Capital projects	254	Reserves	104
Total cost excluding depreciation	1,043		1,043

## Kaikōura Suburban Water

### Issues, plans and projects for 2020/2021

The Suburban scheme supplies water to 85 properties in the Kaikōura flats area, predominantly along Mt Fyffe Road and its surrounds. This scheme is currently connected to the same Waimangarara stream source as the Kincaid scheme (see below). It has its own local treatment system, which is insufficient to manage incoming turbid water during rainfall events. The stream source connection and local treatment are to be made redundant and new reticulation mains will be installed to enable connection to the Urban scheme treatment plant. This upgrade will allow the scheme to meet the NZ Drinking Water Standards.

A carry-over of \$104,000 in the Draft Annual Plan 2020/2021 will enable the works to be undertaken early in the 2020/21 financial year.

Water is supplied to properties on the Suburban scheme through flow restrictors. Users pay for water take in units of 1,000 litres per day to reflect the rural use.

### What it costs and how it's funded

Most operating cost and revenues are included in the Kaikōura Urban water supply. Suburban water rates of \$33k are included in the table above.



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## Ocean Ridge Water

### Issues, plans and projects for 2020/2021

A total of 53 properties are connected to the Ocean Ridge supply, with a further 61 properties with water available. Ocean Ridge is a relatively new subdivision, with homes being built and connecting to the water and sewer systems on an ongoing basis. The scheme source is a pair of groundwater bores with water pumped to a single reservoir. The treatment train includes filtration,

chlorination and UV, and the water meets the NZ Drinking Water Standards.

No further major upgrades are planned for 2020/2021.

### What it costs and how it's funded

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	25	Rates	61
Operating costs	37	User fees & charges	1
Capital projects	-		
Total cost excluding depreciation	62		62

## East Coast Water

### Issues, plans and projects for 2020/2021

Geographically, the East Coast rural water scheme covers the largest area of the Council-owned water supplies, servicing a large rural area including Clarence village, but only 34 properties connected. Its intake is on the northern side of the Waiiau Toa/Clarence River, where water is pumped to reservoirs then distributed to farms and homes. Water is restricted to 1,800 litres (400 gallons) per property per day, and because this is predominantly a stock water supply, there is no water treatment.

The scheme is managed by a committee of consumers and is generally operating well.

Discussions are being held around treating the water that is supplied to homes and businesses from the scheme at customers' taps in order to meet drinking water standards. Any treatment solution would be implemented no earlier than 2021/2022.

### What it costs and how it's funded

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	7	Rates	86
Loan interest & principal	1		
Operating costs	72		
Transfer to reserves	6		
Total cost excluding depreciation	86		86



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## Kincaid Water

### Issues, plans and projects for 2020/2021

The Kincaid Water supply takes its water from an intake screen set into the gravel bed in the upper Waimangarara River. The incoming flow is turned off automatically during and after rainstorms to avoid taking high sediment loadings which the plant is unable to adequately treat. Treatment includes primary settlement, filtration, chlorination and UV. The treatment barrier meets NZ Drinking Water Standards.

Kincaid supplies a mixture of households and farms, many of which are dairy. Consumption is controlled through flow restrictors set in units of 1,000 litres per day. It is common for the dairy users to have multiple units to meet their high-water usage demands.

### What it costs and how it's funded

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	30	Rates	94
Operating costs	64	Reserves	73
Capital projects	73		
Total cost excluding depreciation	167		167

## Fernleigh Water

### Issues, plans and projects for 2020/2021

Similar to the East Coast supply, Fernleigh is a large scheme servicing a wide area in the Inland Road, Kowhai River flats area. The supply is predominantly for stock water, although 65 properties are connected including homes. Management of the supply currently sits with a consumer committee. The water is chlorinated but does not meet NZ Drinking Water Standards for either microbiological or protozoal compliance.

No projects are currently planned for improvements on the Fernleigh water scheme. Discussions are under way for formal transfer of scheme assets and financial processes to Council.

### What it costs and how it's funded

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	11	Rates	26
Operating costs	10		
Capital projects	5		
Total cost excluding depreciation	26		26



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## Peketa Water

### Issues, plans and projects for 2020/2021

The Peketa village of 19 homes is supplied from a shallow bore and treated with UV. Historically the water has been vulnerable to contamination from farming activities in the surrounding area, and the requirement to boil water is not uncommon. Further assessment of the raw water quality is

being undertaken to enable appropriate decision making with respect to any major upgrades.

### What it costs and how it's funded

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	7	Rates	29
Loan interest & principal	0	Loan	50
Operating costs	22		
Capital projects	50		
Total cost excluding depreciation	79		79

## Oaro Water

### Issues, plans and projects for 2020/2021

The Oaro scheme draws its water from a shallow bore and supplies 68 properties in the Oaro and Oaro M village, many of which are holiday homes. The Annual Plan 2019/2020 provided to upgrade the water treatment to include chlorination, however the project has been delayed subject to confirmation of an easement on the land. The

treatment project has therefore been deferred to the 2020/2021 year.

### What it costs and how it's funded

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	17	Rates	115
Operating costs	48		
Capital projects	50		
Total cost excluding depreciation	115		115



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## Funding Impact Statement: Water Supplies

For the year ended 30 June

	2019/2020 Annual Plan \$000	2020/2021 Three-Year Plan \$000	2020/2021 Annual Plan \$000
<b>Sources of operating funding</b>			
General rates, UAGCs, rates penalties	-	-	-
Targeted rates	1,397	1,600	1,346
Subsidies & grants for operating purposes	-	-	-
Fees and charges	4	3	4
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	-	-	-
<b>Total operating funding (A)</b>	<b>1,401</b>	<b>1,603</b>	<b>1,350</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	658	751	698
Finance costs	28	65	10
Internal charges and overheads applied	323	271	395
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,009</b>	<b>1,087</b>	<b>1,103</b>
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>392</b>	<b>516</b>	<b>247</b>
<b>Sources of capital funding</b>			
Subsidies & grants for capital expenditure	89	-	-
Development and financial contributions	23	24	-
Increase/(decrease) in debt	558	1	14
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>671</b>	<b>25</b>	<b>14</b>
<b>Application of capital funding</b>			
Capital expenditure			
- To meet additional demand	-	-	-
- To improve the level of service	631	157	260
- To replace existing assets	420	434	172
Increase/(decrease) in reserves	11	(50)	(171)
Increase/(decrease) in investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>1,063</b>	<b>541</b>	<b>261</b>
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>(392)</b>	<b>(516)</b>	<b>(247)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>



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# Wastewater

**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 in larger urban communities.

## What we do and why we do it

The wastewater (sewer) network comprises of 63km of reticulation, and 10 major pump stations, and services the Kaikōura township including South Bay, as well as Ocean Ridge.

The system can cope with a peak demand of 10,000 people, so has ample capacity to serve our community for the foreseeable future. Key components of the system including the Lyell Creek sewer subsystem and the aerated lagoon at the treatment plant, have been replaced as part of the rebuild following the November 2016 earthquake.

Once those projects are complete, our wastewater network will be in very good condition overall. Stormwater entry to the sewer network, including from non-compliant domestic connections, will be investigated in the 2020/2021 year to manage the risks of wet weather overflow.

## What we're working towards

The effective collection, disposal and treatment of wastewater is critical to protect the health of residents. It is therefore essential that properties in serviced communities have access to wastewater disposal facilities.

It is our aim to ensure disposal of wastewater from Council's schemes is effective and environmentally acceptable, and that the wastewater network is not interrupted by unplanned events. Similarly, our service provider, IWK, responds quickly to resolve any faults and minimise the impact and frequency of planned service interruptions.

## Major assumptions

- The earthquake rebuild is completed to program and all associated new infrastructure functions as expected
- There is no significant change in the volume and composition of the

wastewater being discharged into the system

- Wet weather infiltration into the system can be significantly reduced
- That if new wastewater schemes come under the management of Council that all costs associated with any such scheme will be fully met by the customers of that scheme.
- There are no significant changes to service delivery or funding
- That no major natural hazards events will occur in the next three years
- Council can attract and retain suitably qualified staff

## Issues, plans and projects for 2020/21

A significant area of focus for 2020/2021 will be improving Council's asset management processes for wastewater assets. This will enable greater understanding of asset condition and performance and therefore better management of maintenance and renewal programs.

During 2020/2021 there will be a review of the way Council's water services are delivered. This will meet the goals of the financial and corporate sustainability review and satisfy the requirements of section 17A of the Local Government Act 2002. A key focus is to ensure services are delivered in a cost-effective manner.

Issues with odour control have been identified at some sewer pump stations. Improvements to these sites will be prioritised and implemented within the available budget.

Unless external funding is available, It is not considered appropriate to make major new investments in wastewater assets at this point (until a greater understanding of assets and service delivery options is in place), therefore no significant changes to levels of service or major



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capital projects are proposed for 2020/2021 (unless they are externally funded).

The post-quake solution for several properties along Lyell Creek is a pressure pump system to take wastewater from private property and pump it up to the new main line on Beach Road.

Further, the new aeration lagoon has more aerators than the previous ponds. These two factors combined have resulted in electricity costs increasing substantially.

#### What it costs and how it's funded:

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	291	Rates	751
Loan interest & principal	68	Loan	150
Operating costs	433	Grants & subsidies	16
Capital projects	150	User fees & charges	25
Total cost excluding depreciation	942		942

#### Levels of Service: How we measure what we're doing

Measure	2019/2020	2020/2021
The number of dry weather sewage overflows, expressed per 1,000 sewer connections	0	0
The number of abatement notices issued to the Council for non-compliance with resource consent conditions	0	0
The number of infringement notices issued to the Council for non-compliance with resource consent conditions	0	0
The number of enforcement orders issued to the Council for non-compliance of consent conditions	0	0
The number of convictions against the Council in relation to its resource consents	0	0
The median response time to sewage overflows from the time of notification to the time that service personnel reach the site	Less than 1 hour	Less than 1 hour
The median resolution time to sewage overflows from the time of notification to the time of resolution of the blockage or other fault	Less than 1 day	Less than 1 day
The number of complaints received about sewage odour, expressed per 1,000 connections	Less than 2	Less than 2
The number of complaints received about sewage system faults, expressed per 1,000 connections	Less than 3	Less than 3
The number of complaints received about sewage system blockages, per 1,000 connections	Less than 3	Less than 3
The number of complaints received about the Councils (or the Councils service providers) response to the above issues, per 1,000 connections	Less than 3	Less than 3
The number of customer service requests received about Council wastewater schemes per year	Less than 365	Less than 365



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Measure	2019/2020	2020/2021
The number of complaints received per year (due to a service request not being actioned properly)	Less than 37	Less than 37
The percentage of urgent callouts, being service failure, supply fault or overflow, responded to within one hour from the time of notification to the time that service personnel depart to the site.	98%	98%
The percentage of non-urgent callouts, being minor breaks and equipment maintenance, responded to within 48 hours from the time of notification to the time that service personnel attend site	98%	98%



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## Funding Impact Statement: Wastewater

For the year ended 30 June

	2019/2020 Annual Plan \$000	2020/2021 Three-Year Plan \$000	2020/2021 Annual Plan \$000
<b>Sources of operating funding</b>			
General rates, UAGCs, rates penalties	-	-	-
Targeted rates	741	703	751
Subsidies & grants for operating purposes	52	13	16
Fees and charges	16	17	25
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	-	-	-
<b>Total operating funding (A)</b>	<b>810</b>	<b>733</b>	<b>792</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	397	440	433
Finance costs	22	52	8
Internal charges and overheads applied	262	137	291
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>681</b>	<b>629</b>	<b>732</b>
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>129</b>	<b>104</b>	<b>60</b>
<b>Sources of capital funding</b>			
Subsidies & grants for capital expenditure	-	-	-
Development and financial contributions	26	26	-
Increase/(decrease) in debt	(49)	(84)	90
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>(24)</b>	<b>(58)</b>	<b>90</b>
<b>Application of capital funding</b>			
Capital expenditure			
- To meet additional demand	40	-	-
- To improve the level of service	-	-	-
- To replace existing assets	40	20	150
Increase/(decrease) in reserves	25	26	-
Increase/(decrease) in investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>105</b>	<b>46</b>	<b>150</b>
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>(129)</b>	<b>(104)</b>	<b>(60)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>



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# Stormwater

**Goal:** To protect property, the environment and resident's health by providing an efficient and effective means of collecting and disposing of stormwater in larger urban areas.

## What we do and why we do it

There are piped urban stormwater systems predominantly protecting the Kaikōura Township and Ocean Ridge. This includes approximately 17km of reticulation systems that discharge to land, sea and other water courses. The stormwater systems include swale drains such as those found in the Seaview and Ocean Ridge subdivisions, and large drains such as Phairs Drain and Sullivans Gully.

## What we're working towards

It is important that properties in serviced communities are protected from flooding and stormwater inundation as much as practical. People need to be able to move around the township, whether on foot, cycle or car, to access businesses, schools etc.

Our service provider, IWK, undertakes a planned programme of work to ensure the stormwater system is secure and functional.

## Major Assumptions

- The earthquake rebuild is completed to programme and all significant damage is repaired
- There is no significant change in the volume of the stormwater being discharged into the system other than due to development
- There are no significant changes to service delivery or funding

- There will be no significant changes to legislation affecting these activities
- That no major natural hazards events will occur in the next three years

## Issues, plans and projects for 2020/2021

There are expected to be no major capital projects for stormwater in the 2020/2021 year, and levels of service are planned to remain unchanged.

A fit for purpose computerised asset management system (ADAPT) was put in place in 2019/2020. A priority for 2020/2021 is to include, validate and analyse water related data within ADAPT. This work will build a clear picture of the likely long term needs of councils water assets.

During 2020/2021 there will be a review of the way in Councils water services are delivered. This will meet the goals of the financial and corporate sustainability review and satisfy the requirements of section 17A of the Local Government Act 2002. A key focus is to ensure services are delivered in a cost-effective manner.

Once this review and the asset management system work has been completed Council will be in a better position to identify and plan further potential improvements, renewals, or potential adjustments to levels of service. In the meantime, only minor renewals are planned.

## What it costs and how it's funded:

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	39	Rates	104
Operating costs	55		
Capital projects	10		
Total cost excluding depreciation	104		104



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## Levels of Service: How we measure what we're doing

Measure	2019/2020	2020/2021
The number of flooding events where water enters habitable property per year	Less than 1	Less than 1
For each flooding event, the number of habitable floors affected, expressed per 1,000 properties connected to the stormwater system	Less than 3	Less than 3
The number of abatement notices issued to the Council for non-compliance with resource consent conditions	0	0
The number of infringement notices issued to the Council for non-compliance with resource consent conditions	0	0
The number of enforcement orders issued to the Council for non-compliance of consent conditions	0	0
The number of convictions against the Council in relation to its resource consents	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	Less than 1 hour	Less than 1 hour
The number of complaints received about performance of the stormwater system, expressed per 1,000 connections	Less than 3	Less than 3
The percentage of urgent callouts, being service failure, supply fault or overflow, responded to within one hour from the time of notification to the time that service personnel depart to the site	98%	98%
The percentage of non-urgent callouts, being minor breaks and equipment maintenance, responded to within 48 hours from the time of notification to that time that service personnel attend site	98%	98%
The number of customer service requests received about Council stormwater schemes	Less than 200	Less than 200
The number of complaints received per year due to a service request not being actioned properly	Less than 20	Less than 20



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## Funding Impact Statement: Stormwater

For the year ended 30 June

	2019/2020 Annual Plan \$000	2020/2021 Three-Year Plan \$000	2020/2021 DRAFT Annual Plan \$000
<b>Sources of operating funding</b>			
General rates, UAGCs, rates penalties	-	-	-
Targeted rates	101	117	104
Subsidies & grants for operating purposes	-	-	-
Fees and charges	3	3	-
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	-	-	-
<b>Total operating funding (A)</b>	<b>104</b>	<b>120</b>	<b>104</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	50	59	55
Finance costs	5	6	-
Internal charges and overheads applied	39	42	39
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>94</b>	<b>107</b>	<b>94</b>
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>10</b>	<b>13</b>	<b>10</b>
<b>Sources of capital funding</b>			
Subsidies & grants for capital expenditure	-	-	-
Development and financial contributions	10	10	-
Increase/(decrease) in debt	100	(2)	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>110</b>	<b>8</b>	<b>-</b>
<b>Application of capital funding</b>			
Capital expenditure			
- To meet additional demand	100	-	-
- To improve the level of service	-	-	-
- To replace existing assets	10	11	10
Increase/(decrease) in reserves	10	10	-
Increase/(decrease) in investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>120</b>	<b>21</b>	<b>10</b>
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>(10)</b>	<b>(13)</b>	<b>(10)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>



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## Refuse & Recycling

**Goal:** To protect and enhance our environment by sustainably managing the disposal of waste.

### Sub-Activities

- Landfill
- Recycling & waste minimisation

### What we do and why we do it

Kaikōura has one landfill on Scarborough Street, and there is a weekly kerbside recycling collection in the urban area and four rural recycling drop off points. Street bins for refuse and recycling are also provided to prevent litter.

### What we're working towards

- Properties in serviced communities have access to recycling and solid waste disposal facilities
- Disposal of residual solid waste is effective and environmentally acceptable
- Reviewing solid waste services to ensure that they meet the needs of the community

### Major assumptions

- Waste Assessment and Waste Management and Minimisation Plan will be completed and consulted on during the 2020/2021 financial year
- There will be no significant changes to legislation affecting these activities

### Issues, plans and projects for 2020/2021

A comprehensive review is underway to make sure rubbish and recycling services in Kaikōura are designed, delivered and paid for in a way that is appropriate to the needs of the community, taking account of factors that include affordability, convenience and environmental protection.

Continuing operation of the existing form of refuse and recycling services in Kaikōura poses both practical and financial challenges.

The range of materials that can be accepted for recycling has been reduced in response to loss of international markets for these products, and those

materials that can be marketed now generally have little value. Some of the materials that have previously been accepted by KDC services as being 'recycling', such as glass and some types of plastics have not been beneficially recycled into new products, and have instead been put in the landfill.

Amongst the matters requiring review and clarification are;

- the fundamental objectives of council regarding its involvement in the management of solid waste,
- the extent and way waste minimisation should be pursued
- the way in which residual waste should be disposed of; and
- consideration of how much capacity remains for disposal of refuse in the Kaikōura landfill, and how that capacity should be used.

The review will incorporate the development and adoption of a new Waste Management and Minimisation Plan (WMMP). This legislative requirement defines the objectives of council in respect of solid waste management and the services that will be provided in support of those objectives.

Even prior to COVID-19, KDC was already facing substantial cost increases if it was to maintain its existing refuse and recycling services, and had therefore given consideration to revising these services to provide best value to the community.

In doing so it is recognised that management of waste in a way that was perceived to protect the natural environment has been an important element of the identity of Kaikōura, and that much energy and passion has previously been invested in pursuit of 'zero waste' goals.



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It has however in recent times become widely apparent that some of the means that have been adopted in pursuit of 'zero waste' – in particular recycling – are not effective solutions, and may instead only conceal or relocate rather than eliminate the real problem, if indeed such a problem is actually present.

For these reasons Council believes that a broad discussion of the potential costs and benefits of recycling and other waste minimisation services needs to be had with the community, and that the views of the community should be obtained on potentially radical changes to services that would substantially reduce the extent to which recycling and other waste diversion activities are conducted.

With this in mind four potential options for future refuse and recycling services are presented as part of this Annual Plan, for consultation with the community.

These options are as follows:

#### **Option 1 - Continuing Current Services**

This option is to continue delivering those services largely as they exist at June 2020. This date is stated because markets for recyclables are dynamic, and in recent times there have been changes to the ranges of recyclables received by KDC services and further changes may occur in the future.

The services being provided at June 2020 comprise rates funded urban kerbside, Resource Recovery Centre ('RRC') and rural centre based recycling services, refuse disposal, green waste acceptance and processing (including composting), re-use and hazardous waste disposal services and operation of street litter bins and recycling receptables.

The challenge with this option is that maintaining these services would require a significant increase in costs, that would have to be met by either increasing rates or the level of user pays charges for refuse disposal

#### **Option 2 - Limited Recycling**

This is as for option 1, but with recycling services

only provided at the Resource Recovery Centre in Kaikoura, not at kerbside or at any rural centres.

#### **Option 3 - Likely Lowest Cost Refuse Disposal**

Under this option there would be few if any recycling services. Recycling, reuse or waste recovery (for example green waste composting) services would only be offered at the RRC if they could be operated on a profitable basis for particular materials, and it is suspected that only metals and some green-waste composting might fall into this category. There would be no recycling services provided at the kerbside or at rural centres. Opening hours for the RRC would be reduced.

Charges at the RRC for refuse disposal and green waste acceptance at the RRC would be set at a level that only covers costs. It is expected that this level would be substantially lower than what is currently charged.

Council would provide limited financial support for a user-pays wheelie-bin kerbside refuse collection in the Kaikoura urban areas. Most of the cost of this service would be met directly by users; they would be charged every time the wheelie bin was put out for emptying.

#### **Option 4 - Limited Support of Waste Diversion Services**

This would be as for option 3, but with some rates funded subsidy of composting (perhaps also including food scraps) and operation of re-use services – probably for larger items. The intention would be to get best 'bang for buck' in terms of diverting materials away from the landfill.

Options 3 and 4 are significantly reduced levels of service but are being presented because they are believed to have the potential to provide the essential services to the community at the lowest financial 'in the pocket' cost. It is believed that in the current environment, with many people being adversely impacted financially by the effects of COVID-19, such cost saving is important. This does not however necessarily mean that these are the best options for the community.

Council will not be making final decisions in respect of refuse and recycling based on feedback



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from the Annual Plan consultation process, and that feedback will instead be used as input into a further future public consultation process associated with adoption of a new Waste Management and Minimisation Plan (WMMP) during the 2020/2021 year.

Once such a plan has been adopted Council will then be able to consider how the selected services are best delivered, and this will occur through a review in accordance with section 17A of the Local Government Act 2002.

Council believes that there is a need to reduce costs of services and the financials in the draft Annual Plan are therefore based upon a move to a service similar to Option 4 in the 4<sup>th</sup> quarter of the 2020/2021 year.

It is currently believed that the Kaikōura landfill has between 6 and 10 years of usable life remaining. Previous plans to close the landfill and construct a refuse transfer station on the site have been put on hold.

In 2019/2020 Council obtained approval for \$40,000 of funding from the Tourism Infrastructure Fund for replacing and improving recycling stations. A decision on whether this work should be undertaken has however also been deferred until there is greater clarity in respect of how recycling will be conducted in the future.

More information is available online at <https://www.kaikoura.govt.nz/our-council/plans-reports-bylaws-and-policies/>

#### What it costs and how it's funded:

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	117	Rates	489
Loan interest & principal	2	Loan	200
Operating costs	376	Waste Minimisation Levies	14
Capital projects	200		
Transfer to aftercare reserves	8		
Total cost excluding depreciation	703		703

#### Levels of Service: How we measure what we're doing

Measure	2019/2020	2020/2021
Residual solid waste produced (kilogram/year) per resident	152 kg	152 kg
The number of abatement notices issued to the Council for non-compliance with resource consent conditions	0	0
The number of infringement notices issued to the Council for non-compliance with resource consent conditions	0	0
The percentage of urgent callouts, being hazardous or environmental waste dumping on public land, responded to within one hour from the time of notification to the time that service personnel depart to the site	98%	98%
The percentage of non-urgent callouts, being illegal dumping on public land, responded to within 48 hours from the time of notification to the time that service personnel attend site	98%	98%
The number of Customer Service Requests received about recycling collections per year	Less than 100	Less than 100
The number of complaints received per year (complaint being due to a service request not being actioned appropriately)	Less than 10	Less than 10



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## Funding Impact Statement: Refuse &amp; Recycling

For the year ended 30 June

	2019/2020 Annual Plan \$000	2020/2021 Three-Year Plan \$000	2020/2021 Annual Plan \$000
<b>Sources of operating funding</b>			
General rates, UAGCs, rates penalties	274	362	237
Targeted rates	259	251	252
Subsidies & grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	14	14	14
<b>Total operating funding (A)</b>	<b>547</b>	<b>628</b>	<b>503</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	433	390	377
Finance costs	11	24	2
Internal charges and overheads applied	120	189	117
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>563</b>	<b>603</b>	<b>495</b>
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>(16)</b>	<b>24</b>	<b>8</b>
<b>Sources of capital funding</b>			
Subsidies & grants for capital expenditure	45	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	500	242	200
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>545</b>	<b>242</b>	<b>200</b>
<b>Application of capital funding</b>			
Capital expenditure			
- To meet additional demand	-	-	-
- To improve the level of service	45	-	-
- To replace existing assets	500	266	200
Increase/(decrease) in reserves	(16)	-	8
Increase/(decrease) in investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>529</b>	<b>266</b>	<b>208</b>
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>16</b>	<b>(24)</b>	<b>(8)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>



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# Community facilities

**Goal:** to support residents to be active, healthy and enjoy an improved quality of life by rebuilding, improving and maintaining physical facilities

## Sub-Activities

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

## What we do and why we do it

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

## What we're working towards

We want to provide facilities that are safe, welcoming, attractive and culturally appropriate. These facilities should be accessible for all abilities, socio-economic circumstances, ages and cultures, and serve the future as well as current generations. Equally important is ensuring facilities are affordable to operate and access on an ongoing basis.

## Major assumptions

- Where external funding (grants) has been assumed the work will not proceed unless these funds are secured
- Resources will be available to deliver the programme
- There are no significant changes to service delivery or funding
- There will be no significant changes to legislation affecting these activities
- No major events will occur in the next three years
- Council can attract and retain suitably qualified staff

## How we measure what we're doing

Measure	2019/2020	2020/2021
The number of customer service requests received about Council's community facilities per year	Less than 500	Less than 500
The number of complaints received about Council's community facilities per year (due to a service request not being actioned appropriately)	Less than 50	Less than 50



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## Parks & reserves

### Issues, plans and projects for 2020/2021

It is envisaged that 2020/2021 will be largely a 'business as usual' year in respect of park and reserves activities, focussing on continued efficient

delivery of well-maintained and safe spaces, facilities and equipment.

### What it costs and how it's funded:

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	226	Rates	428
Loan interest & principal	6	User fees & charges	149
Operating costs	488	Sale of assets	143
Capital projects	20	Transfer from reserves	20
Total cost excluding depreciation	740		740

### How we measure what we're doing

Measure	2019/2020	2020/2021
The percentage of pesticides used that are biodegradable	100%	100%
The percentage of cleaning chemicals purchased that are biodegradable	Greater than 90%	Greater than 90%
The percentage of tracks and cycleways that are condition grade 4 or 5	Less than 10%	Less than 10%

## Properties

### Issues, plans and projects for 2020/2021

In 2019/2020 major restoration of the Memorial Hall was undertaken, and the pensioner flats roofs were renewed. Now the management of these properties is largely returning to regular maintenance. The next target for renovation will be the Scout Hall, for which purpose Council has received Lotteries Commission funding of \$136,266 for use in the 2020/2021 year.

During this year Council also intends to seek Code Compliance Certification for the new Civic Centre, and to make final decisions on what is to be done with the former Council offices on the Esplanade, which requires substantial structural improvement if it is to be used further.

### What it costs and how it's funded:

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	107	Rates	407
Loan interest & principal	90	Grants & subsidies	608
Operating costs	367	User fees & charges	157
Capital projects	638	Reserves	30
Total cost excluding depreciation	1,202		1,202

### How we measure what we're doing

Measure	2019/2020	2020/2021
The number of Memorial Hall bookings (excluding KDC use) per annum	75	75
The percentage of Council housing tenants who fit Criteria One (the highest priority), in the Councils housing for the elderly policy.	100%	100%



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## Swimming pool

### Issues, plans and projects for 2020/2021

Kaikōura’s only community pool closed in 2016 after it was damaged by the earthquake. The Kaikōura Community Charitable Trust is now leading a project to build a new indoor Aquatic Centre over the next four years.

The initial focus is on an outdoor facility open to the public during the summer period, with a longer-term Stage Two project goal to enclose the Centre. The Council is supporting the Trust by providing a long-term land lease for part of the Scarborough Street South Recreation Reserve (this followed community feedback in the last Annual Plan).

The Council is supporting the Trust by providing a long-term land lease at minimal cost. A concession lease has been granted to the Trust with a peppercorn rental fee for the Trust’s part of the Scarborough Street South recreation reserve behind the landfill.

Detailed design for the new pool is complete. It has been designed to serve the needs of the entire community, from elderly through to youth, for at least the next 50 years. It includes a 25 x 12m lap pool, a 6m x 10m multi-use learn to swim/ hydrotherapy pool and a beach entry toddler pool as well as a picnic area, changing rooms, toilets, a small office and a pool pod and ramp for disability access to the main and multi-use pools.

The Trust has secured \$3 million to date which includes a \$1 million contribution to its

construction from the Council. The Council has also previously committed to support the annual operating costs up to a maximum of \$250,000 per year.

With a total project cost estimate of \$3.7 million the remaining funding shortfall was budgeted to be met through fundraising, sponsorship and potentially a \$500,000 Rātā Foundation community loan. This loan was conditional on a number of matters, including a guarantee of the loan from Council. The approved Rātā loan would be charged to the Trust at an interest rate of 5%. An application for Government funding has now been granted \$1 million. This means that the previously approved Council grant for Aquatic Centre construction can remain at \$1 million in total, the potentially unacceptable external loan will not be required, and no further Council funding is required to be considered for construction. Work to demolish the damaged Lions Pool and find an alternative use for the pool site is yet to be scheduled and is not expected to take place over 2020/2021.

Note the new swimming pool will not be Council-owned, and so the \$1.0 million contribution is a grant, not a capital project. The operating costs contribution, as proposed in the Annual Plan consultation will be up to \$70,000 per annum.

### What it costs and how it’s funded:

What it costs (\$000’s)		Funding (\$000’s)	
Overheads & personnel	19	Rates	86
Loan interest & principal	7	Loan	878
Operating costs	938		
Total cost excluding depreciation	964		964



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## Airport

### Issues, plans and projects for 2020/2021

Improvements to the airport water supply and configuration arrangements to address the requirement of the CAA Part 157 Notice were largely completed in the 2019/2020 year.

Structural remediation to the northern aircraft hangar is proposed to be completed in 2020/2021 following recent receipt of an approved design

and expectation of settlement of the associated dispute.

Once this work is completed the airport is expected to be in a satisfactory condition and no further major works or changes are planned for 2020/2021.

### What it costs and how it's funded:

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	32	Rates	64
Loan interest & principal	34	Loan	65
Operating costs	44	User fees & charges	119
Capital projects	138		
Total cost excluding depreciation	248		248

## Harbour facilities

### Issues, plans and projects for 2020/2021

Kaikōura's keystone tourism operators, Whale Watch and Encounter Kaikōura (plus others) rely heavily on the South Bay harbour facilities. These organisations have been hard-hit by the impacts of COVID-19 and closure of New Zealand's international borders. Cruise ships are also unlikely to visit, from a very good season last summer the cruise industry has been devastated by the pandemic.

Complexities also exist in respect of the ownership of South Bay Harbour facilities, which will need to be resolved if the harbour's potential is to be fully realised.

An opportunity for such realisation is currently present, in the form of funding from the Provincial Growth Fund for development of a business case for the future of this site.

PGF funding has also been granted for an exciting new development on Wakatu Quay, further details of which can be found on page 101, (Commercial Activities).

It is likely, for the Long-Term Plan 2021-2031, that Harbour Facilities will be reclassified as Commercial Activities due to the intention that these facilities generate a return back to the Council and the community in future.

### What it costs and how it's funded:

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	150	Rates	171
Loan interest & principal	89	Loan	100
Operating costs	48	User fees & charges	116
Capital projects	100		
Total cost excluding depreciation	387		387



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## Funding Impact Statement: Community Facilities

For the year ended 30 June

	2019/2020 Annual Plan \$000	2020/2021 Three-Year Plan \$000	2020/2021 Annual Plan \$000
<b>Sources of operating funding</b>			
General rates, UAGCs, rates penalties	723	326	629
Targeted rates	442	421	528
Subsidies & grants for operating purposes	62	-	-
Fees and charges	762	1,261	683
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	-	-	-
<b>Total operating funding (A)</b>	<b>1,989</b>	<b>2,008</b>	<b>1,840</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	1,186	968	1,792
Finance costs	136	282	52
Internal charges and overheads applied	614	536	627
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,936</b>	<b>1,786</b>	<b>2,472</b>
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>53</b>	<b>222</b>	<b>(631)</b>
<b>Sources of capital funding</b>			
Subsidies & grants for capital expenditure	445	-	608
Development and financial contributions	8	8	-
Increase/(decrease) in debt	1,100	380	869
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>1,553</b>	<b>388</b>	<b>1,477</b>
<b>Application of capital funding</b>			
Capital expenditure			
- To meet additional demand	865	421	228
- To improve the level of service	788	-	608
- To replace existing assets	320	581	60
Increase/(decrease) in reserves	(367)	(392)	(50)
Increase/(decrease) in investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>1,606</b>	<b>610</b>	<b>846</b>
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>(53)</b>	<b>(222)</b>	<b>631</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>



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# Commercial activities

**Goal:** Forestry resources, investments and leased properties are managed in a cost-effective manner to provide the optimum financial return on those assets.

## Sub-Activities

- Leased Properties
- Forestry
- Wakatu Quay development
- South Bay feasibility study

## What we do and why we do it

By investing in forestry and properties for commercial lease, it is the intention that these assets will generate a return to the Council, provide an alternate source of revenue (rather than rates), and at the same time produce a net benefit to the community.

## What we're working towards

Thanks to almost \$10 million from the Provincial Growth Fund, Wakatu Quay will evolve into a modern development that provides a world-class experience for visitors and a popular location for locals to enjoy.

A further \$1 million from the PGF has been awarded for a feasibility study for South Bay marina development, and this may signal a further project for the medium-to-long term.

## Major assumptions

- Wakatu Quay buildings are demolished
- The Provincial Growth Fund (PGF) grants are received in 2020/2021
- Funding milestones around the Wakatu Quay and the South Bay marina projects are met
- There will be no significant changes to legislation affecting these activities
- That no major events will occur in the next three years
- Council can attract and retain suitably qualified staff
- The relationship with Te Rūnanga o Kaikōura continues to flourish

## How we measure what we're doing

Measure	2019/2020	2020/2021
The proportion of revenue from commercial activities as a percentage of total revenue	2%	2%



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## Leased Properties

### Issues, plans and projects for 2020/2021

Whereas in the past the Council owned several properties for commercial lease, the only property remaining (other than minor grazing leases, etc) is 25 Beach Road, and with the Community OpShop now occupying the building at a nominal lease,

this property is likely to be reclassified as a community facility rather than a commercial activity in the next Long Term Plan. With the major refurbishment of 25 Beach Road now complete, there are no capital projects planned.

### What it costs and how it's funded:

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	18	Rates	50
Loan interest & principal	19	User fees & charges	13
Operating costs	26		
Capital projects	-		
Total cost excluding depreciation	63		63

## Forestry

### Issues, plans and projects for 2020/2021

The Council owns a small pine plantation at South Bay opposite Ocean Ridge. In the past, there have been suggestions to carry out logging and clearing of that area, however this had been met with some resistance from the community who prefer to keep the area as a recreational forest. Certainly, the value of the trees is low, and any gains from logging would likely be absorbed by the cost incurred via the Emissions Trading Scheme (ETS). Under that scheme, the Council would need to purchase carbon units and surrender them to offset the loss of trees. The Council will undertake logging at the South Bay plantation at the optimal time.

The Council owns a 11.5% share in the Marlborough Regional Forest joint venture (MRF) and along with the Marlborough District Council,

the shareholder of the 88.5%, receives capital distributions from the forest activities. To date, these distributions have provided good revenue streams to both Councils, and post-quake Kaikōura has used these to help offset general rate increases. The MRF has been signalling for some time that there will be a period of no distributions being paid to the shareholders, with all mature trees having been logged. MRF has further signalled that there will be several years requiring payments from the shareholders to maintain the younger forests through pruning, thinning, pest control and other management costs. This period is now expected to begin during the 2020/2021 year.

### What it costs and how it's funded:

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	2	Capital distribution from MRF	195
Operating costs	377	Reserves	184
Share of MRF Expense	122	Share of MRF Revenue	122
Total cost excluding depreciation	501		501



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## Wakatu Quay development

### Issues, plans and projects for 2020/2021

Funding from the PGF has enabled a transformational development to take shape at Wakatu Quay (the area encompassing the North Wharf and the former Pacifica Fisheries buildings).

The Provincial Growth Fund (PGF) confirmed a grant of up to \$10.88 million to develop the

Wakatu Quay wharf and buildings, creating an exciting new precinct on an iconic location. That development will ultimately lead to more employment and business investment opportunities for the district. The precinct is intended to be developed by the end of 2021.

### What it costs and how it's funded:

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	43	Rates	59
Loan interest & principal	16	Grants & subsidies	9,880
Operating costs	708	Transfer to reserves	(4,940)
Capital projects	4,232		
Total cost excluding depreciation	4,999		4,999

## South Bay feasibility study

### Issues, plans and projects for 2020/2021

The PGF confirmed a grant of up to \$1 million for a feasibility study into future marina development at South Bay. At this stage, there is no capital project to be undertaken. The feasibility study is anticipated to be fully funded from the PGF grant.

Dependent on the outcome of the feasibility study, this could signal another significant multimillion-dollar project in the medium-to-long term. That future project would be a matter for the community, and potential business partners, to engage with as the Council develops the Long-Term Plan 2021-2032.

### What it costs and how it's funded:

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	-	Rates	-
Operating costs	1,000	Grants & subsidies	1,000
Capital projects	-		
Total cost excluding depreciation	1,000		1,000



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## Funding Impact Statement: Commercial Activities

For the year ended 30 June

	2019/2020 Annual Plan \$000	2020/2021 Three-Year Plan \$000	2020/2021 Annual Plan \$000
<b>Sources of operating funding</b>			
General rates, UAGCs, rates penalties	(367)	164	110
Targeted rates	-	-	-
Subsidies & grants for operating purposes	-	-	1,708
Fees and charges	15	25	13
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	785	122	317
<b>Total operating funding (A)</b>	<b>384</b>	<b>311</b>	<b>2,148</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	850	185	2,234
Finance costs	14	-	9
Internal charges and overheads applied	90	126	63
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>954</b>	<b>311</b>	<b>2,306</b>
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>(570)</b>	<b>-</b>	<b>(158)</b>
<b>Sources of capital funding</b>			
Subsidies & grants for capital expenditure	-	-	9,172
Development and financial contributions	-	-	-
Increase/(decrease) in debt	607	-	(26)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>607</b>	<b>-</b>	<b>9,146</b>
<b>Application of capital funding</b>			
Capital expenditure			
- To meet additional demand	-	-	4,232
- To improve the level of service	337	-	-
- To replace existing assets	-	-	-
Increase/(decrease) in reserves	(300)	-	4,756
Increase/(decrease) in investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>37</b>	<b>-</b>	<b>8,988</b>
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>570</b>	<b>-</b>	<b>158</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>



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# Leadership & governance

**Goal:** to provide a governance structure for effective leadership and advocacy and provide accountable stewardship of the Council’s assets and resources.

## Sub-Activities

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

## What we do and why we do it

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

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

Finance & Corporate Services provide financial stewardship and IT systems and processes so that we have a workforce that is engaged, diverse, inclusive and gives back to the wider community.

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

## What we’re working towards

- Residents, ratepayers and the wider community are effectively informed and constructively engaged in local decision making.
- Council has effective and fit for purpose internal processes and systems that prioritise affordability and sustainability.
- Council has a culture that encourages high-performance.
- Council staff have an understanding of Te Ao Maori, Treaty of Waitangi responsibilities and how to include Maori in Council work.
- Strengthening the existing partnership with Te Runanga O Kaikōura.

## Major assumptions

- There are no significant changes to service delivery or funding (any transition to alternate service delivery models arising from the Financial and Corporate Sustainability review will take place beyond the 2020/2021 financial year)
- There will be no significant changes to legislation affecting these activities
- Council can attract and retain suitably qualified staff
- The relationship with Te Rūnanga o Kaikōura continues to flourish

## Levels of Service: How we measure what we’re doing

Measure	2019/2020	2020/2021
The percentage satisfaction with the Mayor Councillors and staff	75%	75%
Compliance with legislation	100%	100%
Regular hui’s with Iwi Executive	6	6
Council meetings allows for public participation public forum, providing accountability, transparency and public accessibility to information provided.	100%	100%
Ensure at least 90% of residents are satisfied that Council consults with them on important issues	90%	90%



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## Mayor & Councillors

### Issues, plans and projects for 2020/21

Council consists of seven Councillors and one Mayor, elected to serve a three-year term of office. The Mayor and Councillors set direction, monitor and review Council performance, represent community views and engage with the community.

This financial year will be the first full year of the Mayor and Councillors 2019-2021 triennium. It is also the year during which the first long term plan since the 2016 November earthquake will be developed. The development of the long-term plan will provide an opportunity to revisit financial and infrastructure strategies, performance measures and service delivery.

A review of Council's financial and corporate sustainability (FCS) began in 2018, this review recommended changes to the way Council works including sharing or contracting out services. More detailed work is now underway and engagement about the future is being planned for the second half of 2020. This work is independent of the Annual Plan process. A funding bid for government

assistance to complete the review was unsuccessful, largely due to the COVID-19 outbreak and a reprioritising of government spend. This means any further review costs (beyond the \$1.3 million already received and spent) will be at the Councils – and ultimately the ratepayers – cost. This does not, however, mean the project will stop. To the contrary, COVID-19's impact on the local economy has put a higher urgency on the Council to find more cost-effective ways of working.

Together these two projects (the LTP and FCS) represent the revisiting of all strategic and operational aspects of Council's activities and Councillors and Mayor will be key in leading these efforts.

In addition Councillors are intimately involved in the Kaikōura Economic Recovery Governance Group, focussing on social and economic recovery in the midst of COVID-19 restrictions. Councillors are also represented on the PGF Governance Group.

### What it costs and how it's funded:

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	369	Rates	429
Operating costs	60		
Total cost excluding depreciation	429		429

## Office of the Chief Executive

### Issues, plans and projects for 2020/2021

The Chief Executive is the employer of all Council staff, and her office provides strategic and operational leadership to the ELT and wider team, HR administration and training, cultural liaison and Iwi relationship management, payroll, EAP staff support and wellbeing, and legal advice.

The Chief Executive will be involved with the Council on the FCS review. The CEO will lead the development of the Kaikōura Ten Year Long Term Plan which will focus on reviewing the Council

community outcomes, strategic direction, objectives and projects for the next 10 years. It will involve the development of an integrated financial and infrastructure strategy for the District. This will also involve a review of all core statutory policies. The CEO will provide professional advice and guidance to Council elected members and secretariat governance support. CEO will remain closely involved with the Kaikōura Economic Governance Group for District recovery from the impacts of COVID-19.



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In March 2020 – immediately prior to the COVID-19 Level 4 lockdown, a cultural liaison officer was engaged to support Council staff and the Runanga to work together and for the relationship between

Council and the Runanga to flourish. That role will continue to September 2020. A continued focus will endeavour to strength the relationship and partnership with Tre Runanga O Kaikōura.

What it costs and how it's funded:

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	504	Rates	648
Operating costs	144		
Total cost excluding depreciation	648		648

## Communications & engagement

Issues, plans and projects for 2020/2021

Communications includes all Council advertising, radio and newsletter publications, public education, and our annual resident and ratepayer satisfaction survey. Social media and the Council website are, of course, an important way for the Council to engage with our community.

Satisfaction with the standard of communications has seen improvement over the last few years.

The focus for comm's in 2020/2021 will be engaging with the community for the development of the Long-Term Plan.

What it costs and how it's funded:

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	99	Rates	161
Operating costs	71	Grants & subsidies	9
Total cost excluding depreciation	170		170



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## Corporate Support: Corporate Services & Finance, Information & Technology, GIS, Vehicles and Works & Services

### Issues, plans and projects for 2020/2021

The activities of Finance, IT, GIS/Mapping, Works & Services, and Vehicles are included here. Each are core centralised functions that touch every activity of Council, therefore the net cost of each is allocated across all activities by way of overheads. The types of costs include personnel costs of the finance and engineering teams, vehicle running costs, audit fees, office occupancy costs, photocopying, postage, software licences, etc.

Post-quake, the volume of financial transactions has almost doubled, and the value of those transactions regularly exceed millions of dollars each month. Similarly, the number of customer service requests has more than doubled. At the same time, due to the renewal of a large proportion of Council-owned infrastructure, we are implementing a new asset system, to record all our assets, and to have an estimate of useful life and a maintenance plan for each. These factors combine to place the Council and Council staff under enormous pressure. To meet these increased demands, it is inevitable that the capacity and capability of Council employees had to increase. The service delivery reviews being undertaken in 2020 will help inform the Council decision as to the sustainable operating model for the future.

The Council joined the Local Government Funding Agency (the LGFA) in 2019, and the resulting savings in loan servicing costs should be significant. Debt is expected to be within \$9-\$11 million in 2020/2021 and so the ability to borrow at lower interest is more important than ever.

The Finance and Works & Services teams will be heavily involved in developing the Long-Term Plan 2021-2032, including our Financial Strategy, Infrastructure Strategy, and numerous policies. We will review the Revenue & Financing Policy, and subject to that work progressing, we will do preparatory work on a rating review. It is likely that a new Water Bylaw will be developed during 2020/2021, and potentially other bylaws (such as Wastewater and Trade Waste) as well.

The Financial & Corporate Sustainability reviews are underway. To date the reviews have been funded by a \$1.3 million grant from the Department of Internal Affairs (DIA). A funding bid to Treasury for the next phase of the review was unsuccessful due to COVID-19 and the need for the government to reprioritise its budget to support the economy. This Draft Annual Plan does not contain any funding for FCS, and nor does it provide for the associated cost of the reviews. This does not however prevent the project from progressing, and the impact of COVID-19 has only accelerated the need for the Council to find cost-savings and/or more efficient ways of working.

A core role of the Finance team will be the development of Ten-Year Plan financials, financial policies and financial strategy. Likewise, the Works and Services team will ensure the finalisation of the ADAPT Asset Management System and data, development of Asset management plans and the 30 year Infrastructure Strategy.

### What it costs and how it's funded:

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	1,337	Internal overhead recoveries	2,427
Loan interest & principal	1	User fees & charges	29
Operating costs	1,195	Loan	80
Capital projects	79	Grants & subsidies	156
		Rates offset	(80)
Total cost excluding depreciation	2,612		2,612



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## Funding Impact Statement: Leadership &amp; Governance

For the year ended 30 June

	2019/2020 Annual Plan \$000	2020/2021 Three-Year Plan \$000	2020/2021 Annual Plan \$000
<b>Sources of operating funding</b>			
General rates, UAGCs, rates penalties	669	1,065	1,158
Targeted rates	-	-	-
Subsidies & grants for operating purposes	720	-	165
Fees and charges	46	35	29
Internal charges and overheads recovered	2,243	2,199	2,307
Fuel tax, fines, infringement fees & other	-	-	-
<b>Total operating funding (A)</b>	<b>3,677</b>	<b>3,299</b>	<b>3,659</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	3,935	2,515	3,371
Finance costs	25	50	1
Internal charges and overheads applied	296	327	288
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>4,256</b>	<b>2,892</b>	<b>3,660</b>
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>(579)</b>	<b>407</b>	<b>(1)</b>
<b>Sources of capital funding</b>			
Subsidies & grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	671	(306)	80
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>671</b>	<b>(306)</b>	<b>80</b>
<b>Application of capital funding</b>			
Capital expenditure			
- To meet additional demand	-	-	-
- To improve the level of service	40	42	40
- To replace existing assets	52	58	39
Increase/(decrease) in reserves	-	-	-
Increase/(decrease) in investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>92</b>	<b>101</b>	<b>79</b>
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>579</b>	<b>(407)</b>	<b>1</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>



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## Regulatory services

**Goal:** To protect public health and safety by ensuring building quality and regulatory decisions and enforcement are sound, compliant with legislation and local bylaws and contribute to growing Kaikōura as a great place to live.

### Sub-Activities

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

### What we do and why we do it

Council undertakes several regulatory roles, including those imposed by statute (which we are obligated to undertake) and others that Council has chosen to undertake in response to perceived issues of nuisance in the community.

### What we're working towards

- Building Act requirements are met
- All dogs are registered
- Dogs and stock are adequately controlled
- Premises that prepare and sell food are registered and inspected;
- Premises that sell alcohol are licensed and inspected
- Responding to all noise complaints and other environmental nuisances

- Advice and guidance on building and regulatory matters is available to members of the public.
- Responsible Camping monitored and controlled throughout the district
- Commercial premises are audited for Building Warrant of Fitness
- Earthquake Prone Buildings are identified
- Resource Consent conditions are checked
- Illegal building work investigated
- Swimming pools are inspected

### Major assumptions

- The Council will continue to provide core statutory and current discretionary regulatory functions for the community.
- There are no significant changes to service delivery or funding
- There will be no significant changes to legislation affecting these activities
- That no major natural hazards events will occur in the next three years
- Council can attract and retain suitably qualified staff
- Costs for provided advice or service are not always to be recovered



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## Building Control

### Issues, plans and projects for 2020/2021

The level of building activity in 2020/2021 is expected to be less than in the previous year because of the economic impact of COVID-19, but it is important to maintain building control services in readiness for a return to a business as usual state in the future.

Opportunities to conduct building control work for other councils will be pursued as a means of maintaining income in the interim.

There will also be continuing work to further develop existing collaborative arrangements with Hurunui District Council, including shared training of Cadet Building Control Officers.

### What it costs and how it's funded:

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	410	Rates	248
Operating costs	209	User fees & charges	371
Total cost excluding depreciation	619		619

## Parking & Traffic Control

### Issues, plans and projects for 2020/2021

Lower visitor numbers will ease pressure on parking and the extent of associated regulatory enforcement will be reduced in response to this. These factors are likely to result in diminished

revenues from parking machines and infringements. Council's parking wardens also deal with other issues such as dog control and other TA regulatory functions.

### What it costs and how it's funded:

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	41	Rates	27
Operating costs	1	Infringement fees	15
Total cost excluding depreciation	42		42

### Levels of Service: How we measure what we're doing

Measure	2019/2020	2020/2021
Estimated parking occupancy rate in the West End pay and display car park November to February	20,000	20,000



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## Dog & Stock Control

### Issues, plans and projects for 2020/2021

The Kaikōura district has over 1,100 registered dogs, mostly farm working dogs, and operates a small dog pound. A project that will be delivered this year is the first stage of an upgrade to our pound to ensure it meets the requirements of the Ministry of Primary Industries and our obligations under the Health and Safety Act.

Effort will be made to maintain Council's high level of dog registration and we will continue our successful programme of "reading to dogs" at our Library and local schools.

### What it costs and how it's funded:

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	62	Rates	11
Operating costs	10	User fees & charges	59
		Infringements	2
Total cost excluding depreciation	72		72

### Levels of Service: How we measure what we're doing

Measure	2019/2020	2020/2021
The number of complaints about dogs (wandering, barking nuisance, dogs rushing, etc)	135	135

## Food Premises & Environmental Health

### Issues, plans and projects for 2020/2021

The Council is responsible for ensuring local restaurants, cafés and other food premises operate with food safety in mind. Those premises are required to have food safety plans in place and are monitored periodically. Kaikōura is fortunate to have very good quality food providers to date, with the vast majority of operators being early adopters of the Food Safety Plan regime.

Along with liquor licensed premises, food premises have been hit hard by the COVID-19 pandemic lock downs. It is recognised that some businesses

may not re-open, and others will have significant changes to the way they operate. We will be working with our food operators to help ensure they are all registered and verified in accordance with food safety standards.

This service is largely delivered for Council by a contractor, who also provides the bulk of our liquor license premises registration and monitoring services.

### What it costs and how it's funded:

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	22	Rates	61
Operating costs	61	User fees & charges	22
Total cost excluding depreciation	83		83



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## Liquor Licensing

### Issues, plans and projects for 2020/2021

The COVID-19 pandemic hit the hospitality industry hard, but as the country returns to Alert Level One, licenced premises can return to normal operating procedures.

As for food premises, we will work with our alcohol licenced premises to ensure the sale and supply of alcohol is managed responsibly, to

minimise alcohol-related harm, and that licenced premises are top quality hosts.

Liquor licensing activities will continue to be delivered by KDC's District Licencing Committee, with support from a contractor.

### What it costs and how it's funded:

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	22	Rates	52
Operating costs	63	User fees & charges	33
Total cost excluding depreciation	85		85

### Levels of Service: How we measure what we're doing

Measure	2019/2020	2020/2021
The percentage of licenced liquor premises assessed as low to medium risk	83.7%	83.7%

## Other TA Regulatory functions (including Freedom Camping)

### Issues, plans and projects for 2020/2021

With the all capital works to support Council's Freedom Camping bylaw having been implemented and an initial education program completed in the 2019/2020 year, the focus for 2020/2021 will be on effective enforcement of bylaw provisions. Residual funds from a Tourism Infrastructure Fund (TIF) grant means there will be

no draw on rates for the freedom camping ambassador activities.

Other TA functions includes swimming pool inspections and building warrant of fitness monitoring, which are a statutory requirement.

### What it costs and how it's funded:

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	144	Rates	69
Operating costs	43	Transfer from reserves	107
		User fees & charges	10
		Infringements	1
Total cost excluding depreciation	187		187



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## Funding Impact Statement: Regulatory Services

For the year ended 30 June

	2019/2020 Annual Plan \$000	2020/2021 Three-Year Plan \$000	2020/2021 Annual Plan \$000
<b>Sources of operating funding</b>			
General rates, UAGCs, rates penalties	375	453	371
Targeted rates	60	106	98
Subsidies & grants for operating purposes	78	-	-
Fees and charges	541	400	495
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	12	37	17
<b>Total operating funding (A)</b>	<b>1,065</b>	<b>995</b>	<b>981</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	925	724	920
Finance costs	-	-	-
Internal charges and overheads applied	151	271	167
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,075</b>	<b>995</b>	<b>1,087</b>
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>(10)</b>	<b>-</b>	<b>(106)</b>
<b>Sources of capital funding</b>			
Subsidies & grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Application of capital funding</b>			
Capital expenditure			
- To meet additional demand	-	-	-
- To improve the level of service	-	-	-
- To replace existing assets	-	-	-
Increase/(decrease) in reserves	(10)	-	(106)
Increase/(decrease) in investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>(10)</b>	<b>-</b>	<b>-</b>
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>10</b>	<b>-</b>	<b>106</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>



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# Community & Customer services

**Goal:** to increase COVID-19 social recovery support within existing budgets, consolidating the process where the community comes together to take collective action and generates solutions to common problems. “This strengthens community resilience, safety and wellbeing, ensuring everyone in the community has their essential needs met and enhances quality of life for residents and visitors”

*(Reimagine Kaikōura p.54).*

## Sub-Activities

- Customer Services
- Community Development
- Civil Defence Emergency Management
- Community Grants, Events & Fundraising
- Youth Development
- Kaikōura District Library

## What we do and why we do it

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

## What we're working towards

- We aim to provide professional effective and efficient customer services, with capacity to respond to increasing COVID-19 related issues
- A connected community with access to information and opportunities to take collective action in the pandemic environment, finding solutions to common problems
- Strong collaborative networks between the community, business, NGOs and local government and individuals

- Effective civil defence emergency management (across the 4 R's - Reduction, Readiness, Response & Recovery)
- An engaged Youth Council creating opportunities and spaces for local youth to connect and grow
- Working towards a modern library as the heart of the community - not just a place for self-improvement from childhood to old age, but also a space with equal consideration to a proactive, constantly evolving participatory space and traditional library services.

## Major assumptions

- No major natural hazard events will occur in the next three years. Statistically, the odds of a major natural hazard event are very low while the consequences of a major event are high
- There are some changes to service delivery or funding related to COVID-19
- There may be some changes to legislation affecting these activities (i.e. reporting requirement to MSD for Caring for Communities)
- Council can attract and retain suitably qualified staff
- Costs for provided advice or service are not always to be recovered
- The relationship with Te Rūnanga o Kaikōura continues to flourish.



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## Customer Services

### Issues, plans and projects for 2020/2021

This year we plan to employ a full-time customer services officer to ensure there is adequate reception capacity to deliver a quality service.

We plan to improve information management, including to secure resources to manage information management across the whole organisation.

### Issues expected to arise during the year:

The Customer Services Improvement Project is on hold as the new Asset Management System is implemented. This new system will alleviate much of the delay in responding to requests, but we continue to monitor trends.

### What it costs and how it's funded:

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	132	Overhead recoveries	233
Operating costs	102	User fees & charges	1
Total cost excluding depreciation	234		234

### How we measure what we're doing

Measure	2019/2020	2020/2021
Increased customer satisfaction with Customer Services Team	91%	91%

## Community Development

### Issues, plans and projects for 2020/2021

#### Wellbeing and COVID-19

Amid the pandemic, our focus, more than ever, will be on community wellbeing:

- Provide accessible information
- Enable the community to identify and articulate their aspirations for the future
- Develop strategies and plans
- Monitor the journey to wellbeing

The Community Services Committee has been re-introduced to the Council committee structure as a vehicle to address COVID-19 social recovery issues. This committee will support the community to collectively build the foundations for psychosocial wellbeing, coordinating community-led recovery solutions.

We support the Council with their decision around the MBIE Village post-February 2021, supporting Te Whare Putea to manage the units while mitigating any risks to the rate payer.

### Issues expected to arise during the year:

1. Teething issues with the new Community Services Committee and defining its purpose.
2. Council decisions around the MBIE Village will continue to have its challenges around community expectations, regardless of the decision Council makes.
3. The completion the Rebuild Navigator support and possible expectations that this service is still available.
4. The COVID-19 Recovery Plan 2020 is intended to guide the actions for the next 12 months but adapting to a new reality is likely to take several years. Both the community economic and social workstreams have been developed on an understanding that Council's response and actions are in a supporting role to coordinate emerging needs and evidence.



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## What it costs and how it's funded:

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	241	Rates	226
Operating costs	258	Grants & subsidies	271
		Reserves	2
Total cost excluding depreciation	499		499

## How we measure what we're doing

Measure	2019/2020	2020/2021
Community Services Committee meets monthly	11 reports	11 meetings
MBIE Village management through Te Whare Putea meet two-monthly	4 reports	6 meetings

## Civil Defence & Emergency Management

## Issues, plans and projects for 2020/2021

The Emergency Management Officer role has been reduced to 16 hours per week. The Council is currently recruiting to fill this position.

## What it costs and how it's funded:

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	44	Rates	66
Operating costs	22		
Total cost excluding depreciation	66		66

## How we measure what we're doing

Measure	2019/2020	2020/2021
Percentage of survey respondents with an emergency kit	90%	90%
Number of function manager/CDEM meetings per year	6	4
Number of Emergency Management (all staff) exercises per year (Exercise Pandora)	1	1
Average hours of CDEM Training per staff member per year	12	12

## Why we've changed how we measure what we're doing

Measure	2019/2020	Reason
Number of Team Leadership/CDEM meetings per year	6	Decision to change meetings to quarterly 2-hour meetings from six 1-hour meetings. The term function manager better reflects the make-up of the group.
Hours of CDEM training per staff member per year	12	Hard to quantify given the fluctuation in staff numbers.



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## Community Grants, Events & Fundraising

### Issues, plans and projects for 2020/2021

Post-COVID, community events will play a much larger role in supporting community wellbeing. Events Kaikōura website will continue to be updated and will remain the one source of truth for all community events.

### Issues expected to arise during the year:

1. Working collaboratively to attract domestic visitors while ensuring locals needs are catered for
2. Competition for community grants for all the planned community projects
3. Understanding what national grants will become available and applying for them within timeframes

### What it costs and how it's funded:

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	-	Rates	68
Operating costs	92	Grants & subsidies (incl. donations)	24
Total cost excluding depreciation	92		92

### How we measure what we're doing

Measure	2019/2020	2020/2021
Externally funded community projects	4	4

## Youth Development

### Issues, plans and projects for 2020/2021

The Kaikōura Youth Council will continue to provide opportunities for youth to engage with others, make valued contributions and gain confidence and optimism.

In this pandemic-impacted environment, opportunities to connect, to have fun and to build resilience are important and Youth Council intends to provide opportunities for these.

This may include fora at school where young people learn about life, as well as opportunities to learn about submissions and support with making

these. It also may include mental health awareness raising and youth week events.

Investigating options for a youth space and for the ongoing maintenance of the temporary skate ramp at Gooches Beach playground are also on the agenda.

Youth Council members are encouraged and supported to undertake youth development opportunities and grow their leadership skills. They contribute a strong youth voice to wider community through being part of committees and working groups.



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## What it costs and how it's funded:

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	-	Rates	16
Operating costs	16		
Total cost excluding depreciation	16		16

## How we measure what we're doing

Measure	2019/2020	2020/2021
Facilitate monthly youth Council meetings	10	10
Support with youth Council activities	5	5
The number of Committees youth are represented on	3	3

## Kaikōura District Library

## Issues, plans and projects for 2020/2021

The significant IT upgrade in the library, allowing eBook capacity and many other online services, will be available. This will be carried out during the year and will include working closely with our IT department to ensure the roll-out happens smoothly.

It is envisaged that the Kaikōura District Library will become the community hub post-COVID, with increased services, events and activities.

The roll-out of the Kaikōura Newcomer Network is also planned. This will include regular hands-on community events.

**Issues expected to arise during the year:**

- Teething IT issues
- Volunteer training to deliver planned new services

## What it costs and how it's funded:

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	292	Rates	354
Operating costs	62	User fees & charges	21
Capital costs (book purchases)	26	Grants & subsidies	5
Total cost excluding depreciation	380		380

## How we measure what we're doing

Measure	2019/2020	2020/2021
The number of library event opportunities provided to the community	32	40
The number of lending items per capita	7.7	7.7
IT upgrade	N/A	110 e-Readers



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## Funding Impact Statement: Community &amp; Customer Services

For the year ended 30 June

	2019/2020 Annual Plan \$000	2020/2021 Three-Year Plan \$000	2020/2021 Annual Plan \$000
<b>Sources of operating funding</b>			
General rates, UAGCs, rates penalties	785	655	720
Targeted rates	20	10	10
Subsidies & grants for operating purposes	27	8	276
Fees and charges	49	49	44
Internal charges and overheads recovered	190	221	233
Fuel tax, fines, infringement fees & other	2	3	2
<b>Total operating funding (A)</b>	<b>1,073</b>	<b>946</b>	<b>1,285</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	1,014	771	1,094
Finance costs	-	-	-
Internal charges and overheads applied	140	148	167
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,154</b>	<b>919</b>	<b>1,261</b>
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>(81)</b>	<b>27</b>	<b>24</b>
<b>Sources of capital funding</b>			
Subsidies & grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Application of capital funding</b>			
Capital expenditure			
- To meet additional demand	-	-	-
- To improve the level of service	-	-	-
- To replace existing assets	26	27	26
Increase/(decrease) in reserves	(107)	-	(2)
Increase/(decrease) in investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>(81)</b>	<b>27</b>	<b>24</b>
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>81</b>	<b>(27)</b>	<b>(24)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>



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# District Development

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

## Sub-Activities:

- Strategy & Policy
- District Planning
- Natural Hazards
- Statutory Planning
- Economic Development
- Tourism & Marketing

## What we do and why we do it

- To enable our community to meet development needs while ensuring that the natural and physical environment of Kaikōura is sustainably managed.
- To provide clear direction and certainty for parties with buildings severely affected by natural hazards as a result of the November 2016 earthquake.
- To help Kaikōura transition from post-quake adversity to economic prosperity
- to create a passionate, creative and resilient business community with ongoing job creation
- To support our tourism sector and provide stewardship towards measured, sustainable growth

## What we're working towards

We will be undertaking a rolling review of the Kaikōura District Plan that results in an innovative and progressive plan, while protecting and enhancing Kaikōura's unique biodiversity.

We continue to create awareness and understanding of natural hazards, and to help ensure that planning standards and guidelines set down in legislation and regulations are met, through our friendly and helpful service.

In the post-quake and pandemic environment, we strive for an economy that performs well all year-round, is diverse, caters for the employment needs of current and new residents and helps attract visitors and tourists.

Kaikōura is a unique community that values a vital, resilient, well-structured district economy, based on best practice and innovative environmental management that attracts values-based investment.

## Major assumptions

The following assumptions have been made;

- There are no significant changes to service delivery or funding
- There will be no significant changes to legislation affecting these activities
- That no major natural hazards events will occur in the next three years
- Council can attract and retain suitably qualified staff
- It is not always reasonable to recover costs for provided advice
- The relationship with Te Rūnanga o Kaikōura continues to flourish.
- Council continues to work in partnership with Environment Canterbury around planning services
- Council does not move to a full E-plan format



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## Strategy & Policy

### Issues, plans and projects for 2020/2021

The projects that will be delivered this year are bylaw reviews and assisting where required with information and direction as requested for COVID-19 recovery initiatives – particularly those with an environmental or biodiversity focus. Council has several bylaws which are due for expiry and need to be brought in line with policy cycles.

Work originally planned for this year that will no longer be carried out this year includes EarthCheck certification and audit. This is because in our mid-pandemic environment, funds have been repurposed to leverage other potential external opportunities. These include the recent Government Budget 2020 announcements for environmental related initiatives for job creation.

### What it costs and how it's funded:

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	196	Rates	238
Operating costs	71	Reserves	29
Total cost excluding depreciation	267		267

### How we measure what we're doing

Measure	2019/2020 Target	2020/2021 Target
District Energy Use in Gigajoules per person	84.4	84.2
District Greenhouse Gas production, CO <sup>2</sup> per person per year (tonnes)	4.03	4.013
District Air Quality - NO <sup>2</sup> kg/ha	0.855	0.853
District Air Quality - SO <sup>2</sup> kg/ha	0.0695	0.0693
District Air Quality PM <sup>10</sup> kg/ha	3.08	3.063
Solid Waste produced per person per year (kg)	75.5	75.3
The percentage of the District's Biodiversity under protection	49.6%	49.8%
The percentage of District Water Quality (samples passing "Quality Standard")	78.5%	78.67%

Note: Much of the above data was required for our participation in Earthcheck. Earthcheck is an international framework for tourism operators and destinations to measure and manage their environmental impact. It is an environmental certification programme which has successfully supported our community direction for over a decade by providing environmental monitoring and benchmarking. The Kaikōura District Council was the first local authority in the world, and our community was the second community in the world, to achieve certification under the Earthcheck standard. By 2014 we had achieved platinum status in the programme.

Whilst Earthcheck certification was a successful and ground-breaking initiative in 1999, much has changed since. Council ceased membership with the Earthcheck programme in May 2020 and much of this data will now be difficult to obtain.



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## District Planning

### Issues, plans and projects for 2020/2021

The major projects that will be delivered this year are public notification of the natural hazards district plan provisions and preparation of summary of submissions and officers reports prior to undertaking hearings.

Planning that will be carried out during the year includes exploring how to efficiently give effect to national standards.

Issues expected to arise during the year include the impact of the National Policy Statement (NPS) which may change policy requirements. Two

which will have to be considered carefully for our district are the NPS on Highly Productive Land and the NPS for Indigenous Biodiversity.

Work originally planned for this year that will no longer be carried out this year includes completion of the Natural Hazards review. This is because of delays with technical reports and the need for further consultation. The District Plan natural hazards review is now intended to be completed in the 2021/2022 financial year.

### What it costs and how it's funded:

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	164	Rates	220
Operating costs	121	Reserves	65
Total cost excluding depreciation	285		285

### How we measure what we're doing

Measure	2019/2020	2020/2021
Maintain or enhance resident satisfaction	80%	80%
Natural hazards District Plan Review to be completed by the end of June 2020	Plan change completed	Plan change completed

Note these targets were set with the development of the Three-Year Plan, and since then we have dropped the streamlined plan process. We no longer expect to meet these timeframes. The revised timeframe allowed for public workshops and technical reports to be completed during 2019/2020, and for the plan change to be notified in 2020/2021. The plan change is now expected to run into the 2021/2022 financial year.

## Natural Hazards

### Issues, plans and projects for 2020/2021

The major projects that will be delivered this year are the physical construction of bunds for property which was exposed to an unacceptable level of risk from the November 2016 earthquake, and the demolition of buildings where no feasible mitigation options exist. Further planning in this area should not be required as the project comes

to an end. Issues expected to arise during the year include the potential for accidental discovery of archaeological material during both the construction of bunds and the demolition of property. A balance remains in the Natural Hazards fund for this work.



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## What it costs and how it's funded:

What it costs (\$000's)		Funding (\$000's)	
Operating costs	200	Reserves	420
		Rates offset	(220)
Total cost excluding depreciation	200		200

## How we measure what we're doing

Measure	2019/2020	2020/2021
Ensure that strategies for mitigation of risk or retreat occurs for properties with unacceptable life safety risks	Nil	Nil

## Statutory Planning

## Issues, plans and projects for 2020/2021

Statutory Planning is a regulatory function which ensures we can meet our obligations under the Resource Management Act 1991 and the Local Government Act 2002. This includes provision of information to address enquires about the District Plan and the provision of information to enable the community to understand local government responsibilities. The provision of this service requires either staff or consultants time and often the full cost of the provision of public information cannot be recovered. Provision of fair and quality

service is essential for the wellbeing of our community.

No major projects will be delivered this year. Council will continue to meet statutory requirements.

Issues which may arise include the potential for an appeal to the Environment Court of decisions. Such processes although infrequent require additional resourcing.

## What it costs and how it's funded:

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	155	Rates	114
Operating costs	35	User fees & charges	76
Total cost excluding depreciation	190		190

## How we measure what we're doing

Measure	2019/2020	2020/2021
Number of resource consents processed within statutory time frames	100%	100%



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## Economic Development

### Issues, plans and projects for 2020/2021

The major projects that will be delivered this year are supporting the economic and business response from COVID-19's effect on the local Kaikoura economy. Council has established an Economic Recovery Governance Group (ERGG) with a wide range of stakeholders and in partnership with Te Rūnanga o Kaikōura.

The focus for the year will be on assisting that Group and local businesses, in particular, through the challenges now faced. This is likely to include providing and sourcing specialist expertise as necessary to seek Government and other external funding coming available, including from the Government's Budget 2020 initiatives.

Issues expected to arise during the year are prioritising funds in this area, due to the potentially changing circumstances and the developing effects on the local economy. The Council has opted to no longer provide economic development functions inhouse, but rather to leverage the external providers such as the ERGG and others.

Work originally intended for this year focussed on longer term planning will now change to focus on the short to medium term – directed in part by immediate local needs as a result of the effects of COVID-19.

### What it costs and how it's funded:

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	17	Rates	69
Operating costs	52		
Total cost excluding depreciation	69		69

### How we measure what we're doing

Measure	2019/2020	2020/2021
Build conference and event business to assist with year-round visitation	recognised as a new conference destination	recognised as a new conference destination
Grow new product areas	New businesses attracted	New businesses attracted



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## Tourism and Marketing

### Issues, plans and projects for 2020/2021

The COVID-19 pandemic has had devastating impacts on the tourism industry, and NZ's borders are unlikely to expand to international visitors (other than potentially Australia and the Pacific Islands) any time soon. The marketing strategy

now needs to be completely revised to attract domestic visitors and optimise what Kaikōura has to offer. While very little will be spent on international marketing, the spend on domestic promotion will be increased.

### What it costs and how it's funded:

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	-	Rates	225
Operating costs	225		
Total cost excluding depreciation	225		225

### How we measure what we're doing

Measure	2019/2020	2020/2021
Growth of international and domestic visitor spend (Pre-quake spend \$113M)	100% of pre-quake spend	105% of pre-quake spend
Increase the length of stay and guest nights (Pre-quake nights were 1.6)	2.0	Increase by 5%
Collaborative/partnership marketing	Continue work with RTOs, Tourism NZ, and to grow visitor numbers	
The percentage of environmentally friendly tourism operators	18%	18%



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## Funding Impact Statement: District Development

For the year ended 30 June

	2019/2020 Annual Plan \$000	2020/2021 Three-Year Plan \$000	2020/2021 Annual Plan \$000
<b>Sources of operating funding</b>			
General rates, UAGCs, rates penalties	487	431	159
Targeted rates	495	595	486
Subsidies & grants for operating purposes	-	-	-
Fees and charges	98	113	76
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	-	-	-
<b>Total operating funding (A)</b>	<b>1,080</b>	<b>1,139</b>	<b>722</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	947	912	1,042
Finance costs	-	-	-
Internal charges and overheads applied	212	227	194
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,159</b>	<b>1,139</b>	<b>1,236</b>
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>(79)</b>	<b>-</b>	<b>(514)</b>
<b>Sources of capital funding</b>			
Subsidies & grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Application of capital funding</b>			
Capital expenditure			
- To meet additional demand	-	-	-
- To improve the level of service	-	-	-
- To replace existing assets	-	-	-
Increase/(decrease) in reserves	(79)	-	(514)
Increase/(decrease) in investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>(79)</b>	<b>-</b>	<b>(514)</b>
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>79</b>	<b>-</b>	<b>514</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>



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# Horizontal Infrastructure Rebuild

**Goal:** Rebuilding quality infrastructure that meets the needs of the community whilst achieving long term affordability for Council.

## Sub-Activities

Earthquake damaged Council owned horizontal infrastructure including:

- Roading and bridges
- Footpaths and streetlights
- Water supply
- Sewerage
- Stormwater

## What we do and why we do it

Put into operation after the magnitude 7.8 earthquake in November 2016, the horizontal infrastructure rebuild is a programme of work with a total cost of approximately \$52.4 million. Thanks to funding from the government and insurance settlements, the total cost to the ratepayer is just \$2.8 million. All of the programme is due to be completed in the second half of 2020, with the exception of the Clarence Valley Access due to be completed in 2022-2023.

## What we're working towards

- To restore pre-earthquake levels of service (LOS) across the infrastructure network wherever possible and improve levels of service where funding allows.
- To deliver a safe and high quality rebuild programme within the funding envelope agreed with our funding partners.
- To work with our key stakeholders in a collaborative way to achieve successful outcomes

## Major assumptions

The following assumptions have been made for the infrastructure rebuild programme, except for the Clarence Valley Access project;

- The remaining infrastructure rebuild programme in 2020-2021 is estimated to be \$4.3 million.

- The remaining physical works activity on projects will be completed early in the 2020-2021 financial year.
- Internal and external resources will be available to deliver the rebuild programme on time and within budget.

The following assumptions have been made for the infrastructure rebuild Clarence Valley Access project;

- The programme estimate in 2020-2021 is \$0.9 million to progress design, consenting, procurement, property acquisition, and ongoing maintenance of the temporary Southern Access Route
- The project construction will be undertaken and completed in the 2021-2022 and 2022-2023 financial years and is estimated at around \$11.2 million. The temporary Southern Access Route will be maintained until the new road links and Waiau Toa/Clarence River bridge are opened to the public.
- The Financial Assistance Rate from the New Zealand Transport Agency for this project is 95%.

The following assumptions have been made across all projects;

- There are no significant changes to service delivery or funding
- There will be no significant changes to legislation affecting these activities
- That no major natural hazards events will occur in the next three years
- Council can attract and retain suitably qualified staff
- Costs for provided advice or service are not always to be recovered
- The relationship with Te Rūnanga o Kaikōura continues to flourish.



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### Issues, plans and projects for 2020/2021

The Horizontal Infrastructure Rebuild Programme was originally intended to have been completed by 30 June 2020, noting that only the Clarence Valley Access project had a longer timeframe for completion. The COVID-19 pandemic alert level restrictions have caused programme delays of 2 to 3 months.

Despite these delays, almost all the Programme works will be complete by 30 June 2020 representing approximately \$35.9 million expended since 2017. Only \$4.3 million remains to be spent in 2020/2021 to complete the Programme works. The Council’s estimated cost share of this Programme (excluding the Clarence

Valley Access project) has not increased from the original \$2.2 million operating funding estimated in the 3 Year Plan 2018-2021.

The Clarence Valley Access project had a nominal estimate of \$5.1 million in the 3 Year Plan. The current revised estimate for the proposed option is \$12.2 million to undertake the project from 2020-2021 and complete in 2022-2023. The Financial Assistance Rate from the New Zealand Transport Agency for funding this project is 95% and remains unchanged from the original 3 Year Plan assumptions.

### How we measure what we’re doing

Measure	2019/2020	2020/2021
Rebuild programme completed on time and budget	Rebuild complete by June 2020	Rebuild complete by June 2020
The rebuild is delivered safely	Zero fatalities	Zero fatalities
Compliance with statutory requirements	No major transgressions on consent conditions	No major transgressions on consent conditions
Customer satisfaction with rebuild outcomes	Over 80% satisfaction measure in rate payer survey	Over 80% satisfaction measure in rate payer survey
Handover of acceptable asset data on time and to KDC requirements	Council asset management system updated within three months of project completion	Council asset management system updated within three months of project completion
Quality rebuild outcomes	Less than 5% rework across the rebuild programme	Less than 5% rework across the rebuild programme



Location of a proposed new bridge downstream of Glen Alton with a ford across the old riverbed

## Rebuild team

### Issues, plans and projects for 2020/2021

The rebuild project team aim to have all projects completed by the end of October, with handover to the business-as-usual Works & Services team by the end of November 2020.

The team have collectively managed an earthquake rebuild programme totalling \$40 million (excluding the Clarence Valley access project). To see the rebuild reaching the final phase is an achievement for all involved.

### What it costs and how its funded:

What it costs (\$000's)		Funding (\$000's)	
Overheads & personnel	139	Rates	88
Loan interest & principal	7	Grants & subsidies	98
Operating costs	30		
Transfer to reserves	10		
Total cost excluding depreciation	186		186

## Roads and bridges

### Issues, plans and projects for 2020/2021

The COVID-19 alert level lockdowns delayed the last of the bridge replacement and repair works, and so these have carried over into the 2020/2021 year. Once completed, six bridges (Hawthorne, Rorrison, Scotts, Gillings Lane, and Evans and Wards 2 on Mt Fyffe Road) will have been fully replaced, with Hawthorne, Rorrison and Evans bridges being widened from one lane to two. A further fourteen bridges will have been repaired.

The NZ Transport Agency (NZTA) has confirmed it will continue to subsidise the bridge rebuild work at the 95% emergency subsidy rate beyond the original deadline of 30 June 2020. Current forecasts assume the work will now be completed by 31 August 2020.

The major project that will commence this year is the Clarence Valley Access design, consenting, property acquisition and procurement, to replace the 130-metre long Glen Alton Bridge that was lost during the November 2016 earthquake. Construction is expected to be underway in the 2021/2022 financial year.

The total loss of the bridge and some 600m of the Clarence Valley Road approaching the bridge on the northern side, cut-off the Glen Alton community of about 15 residents and leaseholders on the south side of the river. The earthquake also significantly changed the Waiau Toa/Clarence River making access unsafe on sections of Clarence Valley Road, with increased likelihood of flooding and erosion. The loss of all-weather access has impacted various activities in the Clarence Valley, including forestry and farming.

Two options were considered. Only Option 2 will attract a subsidy at 95% from NZTA, and both options incur ongoing annual costs of road and bridge protection work to maintain the Clarence Valley Road.

**Option 1:** Access via Clarence Valley Road, and a permanent replacement bridge in the same location as the former Glen Alton Bridge. Cost \$19.3 million plus \$202k maintenance.

This option has not been approved by NZTA and so the Council would bear 100% of the cost (\$19.3 million).



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**Option 2 (preferred):** Access via Clarence Valley Road and a permanent bridge across a new channel (approx. 500m downstream of the former bridge) and then a ford across the normally dry bed of the former river channel.

Total cost \$12.2 million plus \$142k maintenance. NZTA has approved this option and have confirmed they will subsidise this project at 95%, leaving the net cost to the Council (and therefore the community) would be \$610,000.

For the 2020/2021 planned year, we are assuming Option Two is the preferred outcome, and the

costs in the table below are based on completing the remaining roads and bridge renewals, plus \$900k spent during the year on finalising the Clarence Valley Access designs.

Further information is available in our consultation document and on our website

<https://www.kaikoura.govt.nz/our-council/plans-reports-bylaws-and-policies/>

#### What it costs and how its funded:

What it costs (\$000's)		Funding (\$000's)	
Loan interest & principal	36	Rates	36
Operating costs	-	Grants & subsidies	1,599
Capital projects	1,683	Loan	84
Total cost excluding depreciation	1,719		1,719

## Water supply

### Issues, plans and projects for 2020/2021

The remaining projects are planned to be completed by the end of September 2020:

- Mackles Bore repairs
- Lining Concrete Peninsula Reservoir
- Completing Fords Reservoir
- Reticulation repairs

#### What it costs and how its funded:

What it costs (\$000's)		Funding (\$000's)	
Loan interest & principal	10	Rates	10
Operating costs	-	Grants & subsidies	620
Capital projects	983	Loan	363
Total cost excluding depreciation	993		993



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## Wastewater

### Issues, plans and projects for 2020/2021

The remaining projects are planned to be completed by the end of September 2020:

- Finishing touches to the aeration lagoon
- Lyell Creek pump station
- Manhole repairs
- Pipe reticulation repairs

### What it costs and how its funded:

What it costs (\$000's)		Funding (\$000's)	
Loan interest & principal	51	Rates	51
Capital projects	2,057	Grants & subsidies	1,234
		Loan	823
Total cost excluding depreciation	2,108		2,108

## Stormwater

### Issues, plans and projects for 2020/2021

Stormwater Reticulation repairs are planned to be completed by the end of October 2020.

### What it costs and how its funded:

What it costs (\$000's)		Funding (\$000's)	
Loan interest & principal	1	Rates	1
Capital projects	360	Grants & subsidies	216
		Loan	144
Total cost excluding depreciation	361		361



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## Funding Impact Statement: Horizontal Infrastructure Rebuild

For the year ended 30 June

	2019/2020 Annual Plan \$000	2020/2021 Three-Year Plan \$000	2020/2021 Annual Plan \$000
<b>Sources of operating funding</b>			
General rates, UAGCs, rates penalties	-	-	-
Targeted rates	211	213	187
Subsidies & grants for operating purposes	1,454	-	98
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	-	-	-
<b>Total operating funding (A)</b>	<b>1,666</b>	<b>213</b>	<b>285</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	2,155	-	143
Finance costs	74	100	49
Internal charges and overheads applied	127	-	26
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>2,356</b>	<b>100</b>	<b>218</b>
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>(690)</b>	<b>113</b>	<b>67</b>
<b>Sources of capital funding</b>			
Subsidies & grants for capital expenditure	17,424	-	3,670
Development and financial contributions	-	-	-
Increase/(decrease) in debt	1,735	(113)	1,357
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>19,159</b>	<b>(113)</b>	<b>5,027</b>
<b>Application of capital funding</b>			
Capital expenditure			
- To meet additional demand	-	-	-
- To improve the level of service	398	-	-
- To replace existing assets	19,571	-	5,084
Increase/(decrease) in reserves	(1,500)	-	10
Increase/(decrease) in investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>18,469</b>	<b>-</b>	<b>5,094</b>
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>690</b>	<b>(113)</b>	<b>(67)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>



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## Council Controlled Organisations

A Council-controlled organisation is an organisation that the Council owns 50% or more of the voting rights or can appoint 50% or more of the directors or trustees.

### Kaikōura Enhancement Trust

The Council owns a 100% shareholding in the Kaikōura Enhancement Trust. The primary purpose of the Trust is to protect, enhance and sustain the district's natural resources through sustainable waste management practices, rather than for financial return. Accordingly, the Trust has designated itself and group as public benefit entities for the purposes of NZ IFRS (the New Zealand equivalents to International Financial Reporting Standards).

#### Objectives

The objectives of the Trust are exclusively charitable, and are;

- The collection and disposal of waste in an ecologically sound manner including but not limited to management of refuse facilities and including sewerage treatment programmes;
- To protect, enhance and sustain the natural and physical resources of the Kaikōura District particularly through sustainable waste management practices and more widely to encourage development of similar practice in other areas;
- The establishment, improvement and promotion of recycling programmes and programmes generally to reduce waste;
- Raise public awareness of the effects of alternative waste disposal methods through education and generally to create public awareness of sustainable management of resources;
- To make grants or provide other assistance for the research, development, distributions and implementation of alternative waste disposal methods, including waste reduction methods;
- To promote ecologically sound waste management processes and practices generally;
- To do all such things as may be necessary and consistent with creating a better living environment whilst sustaining the natural environment for future generations.

### Innovative Waste Kaikōura Ltd

Innovative Waste Kaikōura Ltd (IWK), 100% owned by the Kaikōura Enhancement Trust, is responsible for the day-to-day objectives of that Trust.

IWK is a leading provider of waste management services, public toilet maintenance, recycling services, 3 waters maintenance services, reserve planting and maintenance services and general maintenance services.

#### Objectives

IWK's key objectives are:

- To implement safe working practices to maintain a safe working environment for staff, contractors, customers and others and to recognise Council's legal obligations under the Health and Safety at Work Act 2015.
- To maintain a strong market presence in the areas of waste minimisation, maintenance and management of public utilities.
- To provide cost effective and efficient service delivery that meets the district and clients' expectations and maintains contract longevity.
- To provide advice and support to local businesses to divert waste from landfill.
- To deliver Kaikōura District Council essential services which ensure continuity of supply, value for money and prudent management of Council assets
- To operate in an environmentally friendly manner.



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- To be recognised nationally as a leader in environmental sustainability
- To operate water supply and wastewater facilities in an environmentally sustainable manner.
- To ensure that the business operates in a way that generates appropriate financial returns and dividend streams for the shareholder. To implement sound strategic and financial planning to ensure the capacity is available to meet the three waters, waste and recycling needs of the Kaikōura District in a commercially viable manner.
- To assist Council in empowering, educating and encouraging the community in recycling surplus resource and waste in the community.

### Nature and Scope of Activities

IWK is in the business of minimising waste and maintaining and managing public amenities. The company's main service offerings currently are as follows:

- Waste minimisation and management through provision of recycling services, resource recovery and landfill management
- Environmental rehabilitation preservation and development through the Trees for Travellers programme
- Maintaining water and wastewater infrastructure predominately for local authorities
- Maintaining public toilet facilities in Kaikōura

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

### Key performance targets

The following are the financial performance targets from IWK's Statement of Intent 2019-2020.

Table 1 – Financial Performance Targets

	2019/20	2020/21	2021/22
<b>Revenue</b>	1,953,864	2,051,568	2,124,500
<b>Net Profit After Tax</b>	9,116	67,944	78,135
<b>Return on Equity</b>	1%	9%	10%
<b>Shareholder funds/total assets</b>	57%	67%	77%
<b>Equity</b>	669,866	737,810	815,945
<b>Debt to Debt plus Equity</b>	9%	9%	9%
<b>Earnings per Share</b>	91	679	781
<b>Dividend Ratio</b>	10%	10%	10%

The following are IWK's operational performance targets for the 2019/2020 year.

Table 2 – Operational Performance Targets

Target	Performance measure 2019/20
<b>Client Satisfaction</b>	<p>98% of all urgent or callouts to the contract are responded to within one hour or two hours respectively from the time of notification to the time that service personnel depart to the site.</p> <p>98% of all non-urgent call outs, applicable to the contract are responded to within 48 hours from the time of notification to the time that service personnel attend site.</p> <p>Service requests received about recycling are less than 20 per year.</p>



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<b>Health &amp; Safety</b>	5% reduction in TRIF (Total Recordable Incident Frequency) accident rates. LTIFR (LTI per 200,000 hours worked) <6
<b>Staff Engagement</b>	Establish baseline satisfaction by 10%.
<b>Service Performance</b>	Zero abatement notices or infringements issued to KDC for non-compliance with resource consent conditions.  The number of complaints received per year being due to a service request not being actioned appropriately is less than 10.

## Kaikōura Community Facilities Trust

The KCFT was established in 2009 with its primary role being to develop funding options for the community and recreational facilities in the Kaikōura District, initially focusing on a new aquatic centre. The KCFT has no equity and generates no revenue and has no funds of its own. It did not trade with the intention or purpose of making a profit. The KCFT was a Council Controlled Organisation because the Kaikōura District Council appoints its trustees.

The KCFT was formally disestablished early in 2020. A new Trust, the Kaikōura Facilities Trust, has been established to manage the proposed new swimming pool. The KFT is not a council-controlled organisation.

### Past Objectives

- Develop funding options for the planning and establishment of a community centre and recreational facility on land administered by the Council,
- To encourage and enable ongoing funding for public recreation, leisure and health facilities, including aquatic centres, museums, sports halls and other recreation and community facilities,
- Any other charitable purpose related to the above objects.

### Past Performance targets

The KCFT is inactive and has no performance targets.



provide suitable infrastructure.



improve quality of life.



meet the needs of our community.



improve the local economy.



value the environment + biodiversity.



have community participation.





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[www.kaikoura.govt.nz](http://www.kaikoura.govt.nz)

P O Box 6  
96 West End  
Kaikōura 7300

P: 03 319-5026

E: [kdc@kaikoura.govt.nz](mailto:kdc@kaikoura.govt.nz)

*"Helping Kaikōura District move forward"*



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