



**KAIKŌURA**  
DISTRICT COUNCIL

Annual Plan 2023/2024

# Contents

<b>THE KAIKŌURA DISTRICT</b> .....	<b>1</b>
<b>FROM THE CEO</b> .....	<b>2</b>
<b>CHANGES FROM THE LONG-TERM PLAN 2021-2031</b> .....	<b>3</b>
<b>FINANCIAL HIGHLIGHTS</b> .....	<b>5</b>
COMPLIANCE WITH FINANCIAL STRATEGY .....	7
FORECAST STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE .....	8
FORECAST STATEMENT OF FINANCIAL PERFORMANCE BY ACTIVITY.....	9
FORECAST STATEMENT OF MOVEMENTS IN EQUITY .....	10
FORECAST STATEMENT OF FINANCIAL POSITION.....	11
FORECAST STATEMENT OF CASH FLOWS .....	12
STATEMENT OF ACCOUNTING POLICIES .....	13
BASIS OF PREPARATION.....	13
SIGNIFICANT ACCOUNTING POLICIES .....	14
NOTES TO THE FORECAST FINANCIAL STATEMENTS.....	26
CAPITAL WORKS PROGRAMME .....	27
SPECIAL RESERVES & FUNDS.....	29
BORROWING & DEBT SERVICING PROGRAMME .....	31
FINANCIAL FORECASTING ASSUMPTIONS.....	32
FORECAST FUNDING IMPACT STATEMENT (WHOLE OF COUNCIL).....	34
ANNUAL PLAN DISCLOSURE STATEMENT FOR THE YEAR ENDING 30 JUNE 2024 .....	35
RATING FUNDING IMPACT STATEMENT .....	37
RATES FOR 2023/2024 .....	40
OTHER RATES & CHARGES .....	49
RATES FOR 2023/2024 .....	50
IMPACT OF RATES ON BENCHMARK PROPERTIES .....	51
<b>ROADING</b> .....	<b>54</b>
<b>WATER SUPPLIES</b> .....	<b>56</b>
<b>WASTEWATER</b> .....	<b>58</b>
<b>STORMWATER</b> .....	<b>60</b>
<b>REFUSE &amp; RECYCLING</b> .....	<b>62</b>
<b>FACILITIES</b> .....	<b>64</b>
<b>LEADERSHIP &amp; GOVERNANCE</b> .....	<b>66</b>
<b>BUILDING &amp; REGULATORY</b> .....	<b>68</b>
<b>COMMUNITY &amp; CUSTOMER SERVICES</b> .....	<b>70</b>
<b>DISTRICT DEVELOPMENT</b> .....	<b>72</b>

# The Kaikōura District

The Kaikōura district spans from the Haumuri bluffs in the south to the Kekerengu valley in the north, covering 2,046 square kilometres of diverse landscape. The inland boundary of our district is the Inland Kaikōura Range, climbing 2,885 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. Māori legend tells that it was from this peninsula that Maui fished up the North Island from out of the ocean. Māori history and culture are an integral part of Kaikōura, and there is evidence of Māori settlement in the area up to 1,000 years ago.

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

## Rating database estimate at 1 July 2023:

	Capital value \$000's	Land value \$000's	Count
<b>Rateable</b>	2,237,341	1,341,657	3,035
<b>Non-rateable</b>	114,636	59,510	252
<b>Part-non-rateable</b>	7,031	4,051	9
<b>Total rating units</b>	2,359,008	1,405,218	3,296
<b>Separately used or inhabited parts of a rating unit</b>			3,061

**Population** 3,912 (usually resident population count, Census 2018)

**Land Area** 2,046 sq. km

**Represented by** 1 Mayor and 7 Councillors, elected at large

**Utilities & Services**  
1 Landfill  
8 Public Water Supplies  
1 Wastewater system

**Address** Kaikōura District Council  
PO Box 6  
Kaikōura 7340

Level 2, 96 West End  
Kaikōura

Phone: (03) 319-5026

Web: [www.Kaikōura.govt.nz](http://www.Kaikōura.govt.nz)

Facebook: [www.facebook.com/KaikōuraDistrictCouncil](https://www.facebook.com/KaikōuraDistrictCouncil)

Twitter: [www.twitter.com/@KaikōuraDC](https://www.twitter.com/@KaikōuraDC)

## From the CEO

Welcome to the Annual Plan for the 2023/2024 financial year.

As we head into year three of the Long-Term Plan, we are continuing to focus on delivery of our priority projects and our agreed levels of service. We have not consulted this year on the annual plan as we are simply sticking to the plan and not adding anything new. Our opportunity to reshape the priorities will come with the Long-Term Plan work for 2024-2034 which we will start later this year.

For the year ahead we have focused on updating our budgets for all of the activities as well as including any grants and subsidies that have been confirmed. As with all Councils across the country, higher than expected inflation has been one of the key issues we have had to deal with. We have taken a good look at the major workstreams that are especially impacted by inflation, such as roading, and worked hard to ensure that we can manage these impacts without needing to reduce scope of work or our levels of services. We are continuing to address our backlog in road surface maintenance and also the next year of footpath repair work. It is vital we continue to get it done otherwise we will go backwards!

Despite inflation and other pressures, we are very pleased to be able to keep the overall rates increase to 4.99%. This is in the lowest quartile of increases across the country. We have been very mindful of the wider impacts of the cost of living on our community.

In the delivery space we have identified our Top 15 projects to focus on for this coming year. These include continued delivery of some large-scale capital projects such as replacement of the Glen Alton bridge (over the Waiau-Toa Clarence River), Wakatu Quay redevelopment, the link pathway, our infrastructure acceleration funded programme, as well as the projects funded through the Better off Funding (including the West End toilet replacement). Our Top 15 also includes key projects such as our Spatial Plan, our rating review to help inform the financial strategy for the Long-Term Plan, the Long-Term Plan itself for 2024-34 and a representation review which needs to be completed ahead of the next local body elections in 2025. We also want to make sure we have good oversight of our roading and footpath programmes as well as our three waters service and delivery.

Central government's massive reform agenda continues to create uncertainty for the local government sector. This will be further complicated by the general election scheduled for October 2023. Some of the key components of the reform agenda do not have cross-party support and so we could see further changes in policy come November. In the Affordable Waters space, we have already seen a shift to a 10-entity model across the country and a potential delay to implementation up to 2026. This impacts on our Long-Term Plan work as the original reform agenda had the responsibility for three waters delivery removed from Councils prior to the next LTP in July 2024. However, with the current changes our LTP may need to account for ongoing delivery until 2026. This may change again come November. The Resource Management reforms are likely to have an even greater impact on communities albeit over a longer period of change. We are still to fully understand the implications of the RMA reforms but in the meantime are progressing with our own spatial plan for the next 30 years and District Plan review. As a community we want to be in the best position to be able to control our own destiny rather than have that decided for us. The final Future for Local Government Review report is expected out in June. We are not anticipating that central government will pick up any of the recommendations prior to the election.

It has been fantastic to see international visitors returning to our streets over the summer and the interest being shown in Kaikōura both nationally and internationally. We have some exciting new external projects coming to the district over the coming year or so and every indication is that our visitor numbers will continue to recover to pre-Covid-19 pandemic numbers much faster than anticipated. There is no doubt that we have another exciting year ahead of us.

As a Council, we will continue to focus on our agreed community priorities and ensure we do what we say we are going to do. We will continue to strongly advocate and represent our local voice regarding the reform agenda.

Wishing everyone a good year ahead and stay safe and well.

Will Doughty  
Chief Executive

# Changes from the Long-Term Plan 2021-2031

This 2023/2024 Annual Plan shows that there are no significant changes to what was already provided for in the 2023/2024 year of the Long-Term Plan (the LTP). It is for that reason that the Council opted not to consult on the Annual Plan – all the main issues in the Annual Plan were already consulted on for the LTP.

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

## Timing of capital spend

The Glen Alton bridge replacement has experienced significant delays, with the Rūnanga expressing their concerns about Waka Kotahi (NZTA)'s chosen solution and its potential impact on the Waiau-Toa Clarence River. This bridge once crossed the river inland up the Clarence Valley Road until it was destroyed in the 2016 earthquake. The replacement was originally forecast to be complete by June 2024, however this is now expected to take until June 2025, and with the most significant costs in the 2024 and 2025 years. The Council is reliant on a 95% subsidy from Waka Kotahi for the bridge replacement to progress.

A portion of the NCTIR haul routes budget has also been rolled over, to progress with Ludstone Road rehabilitation and resealing. That work had been delayed while an adjacent project – to widen the road and include a footpath or cycleway – was worked through.

As signalled in last year's Annual Plan, the Link Pathway is assumed to be completed by the end of June 2024 – a year later than the LTP had forecast. Progress on the Link Pathway will become more visible over winter and spring of 2023 as vegetation is cleared and tracks are widened, and through summer 2023/24 as the coastal path surfaces are laid.

The Wakatu Quay development has paused after having a keen expression of interest from a third party to co-fund the project, that developer has since withdrawn. This leaves the Council revisiting options for either new co-funder(s) or for the Council to own and develop the land and buildings with tenancies. While the Council considers its options, the capital costs of the Wakatu Quay project have been reforecast in the budgets. Options will need to be considered as part of the process for the LTP 2024-2034.

Other minor timing differences have subtle differences to that of the LTP. The increasing cost of construction has been widely acknowledged, although on the whole, inflationary cost pressures have not significantly affected the capital project budgets. This is because several projects have a financial limit, such as the Glen Alton bridge, Wakatu Quay and Link Pathway projects where an external funder has granted a set dollar amount and that is the limit that the Council can spend.

## Lower debt levels

The combined effect of capital project delays from the 2022 and 2023 financial years, and unexpected funding from the government and other sources, has meant that loans forecast to be drawn in 2023 have not been required. We start the 2023/2024 year with \$3 million less in debt than the LTP had forecast.

We now forecast ending the 2024 financial year with \$8.3 million in external debt, versus \$10.0 million forecast for the same year in the LTP.

## Inflation

The cost of bitumen products for road surfacing, fuel prices, electricity, insurance, and inflation adjustments on contracts for maintenance have impacted the Council's budget forecasts as they have across NZ.

Road maintenance has been most significantly affected by inflation with costs in some instances increasing costs by more than 20%. The Council had already signalled in the LTP that it would address a backlog in road surface maintenance, regardless that a large portion of that backlog work would be unsubsidised, and loan funded. The impact of inflation, therefore, is that the Council confirms its commitment to renew road surfaces and that it will meet the additional cost by borrowing.

## User fees & charges

One of the main ways the Council can mitigate the effect of inflation on rates is to increase its user fees and charges. The fees for harbour, airport, cemetery, building and resource consents, and other services, have increased by at least 10% to help share the impact of inflation across users and ratepayers. The Council

will do a more extensive review of all user fees and charges for the LTP 2024-2034.

## Grants and subsidies funding

The LTP had forecast over \$6.1 million in grant funding for the 2023/2024 year, virtually all of which being Waka Kotahi subsidies for the Glen Alton bridge over the Waiiau-Toa Clarence River, plus other roading subsidies. This Annual Plan forecasts almost \$8.7 million in grants and subsidies for the 2023/2024 year, being \$4.7 million for the Glen Alton bridge replacement (adjusted due to project delays), \$1.7 million in other roading subsidies from Waka Kotahi, plus \$1.36 in the government's "Better Off" funding package. The balance includes funding for the Wakatu Quay project, and the Link Pathway, both of which have also been adjusted for timing.

The Council will receive \$1.55 million in "Better Off Funding" (the first tranche of a government sweetener to offset the bitter taste of three-waters reform). This will enable several projects including upgrading the West End toilets and Gooches Beach playground, new toilets on Churchill Park, upgrading the Lookout and contributing to a new emergency helipad opposite the hospital. With some of those projects already wholly or partially complete by 30 June 2023, the remainder carry over into 2023/2024. These include feasibility studies into township flood protection and Papakainga housing as well as grants to support cycling trails, community halls and dark sky accreditation.

## How will rates be affected?

The LTP forecast the rates increase for the 2023/2024 year would be 1.9% overall, expecting the economy to be slowly recovering following the COVID-19 pandemic. The Annual Plan 2023/2024 shows a total rate increase of 4.99%, as like much of the country we grapple with relentless increases to costs, loan interest hikes, and having to compete for a shortage of resources.

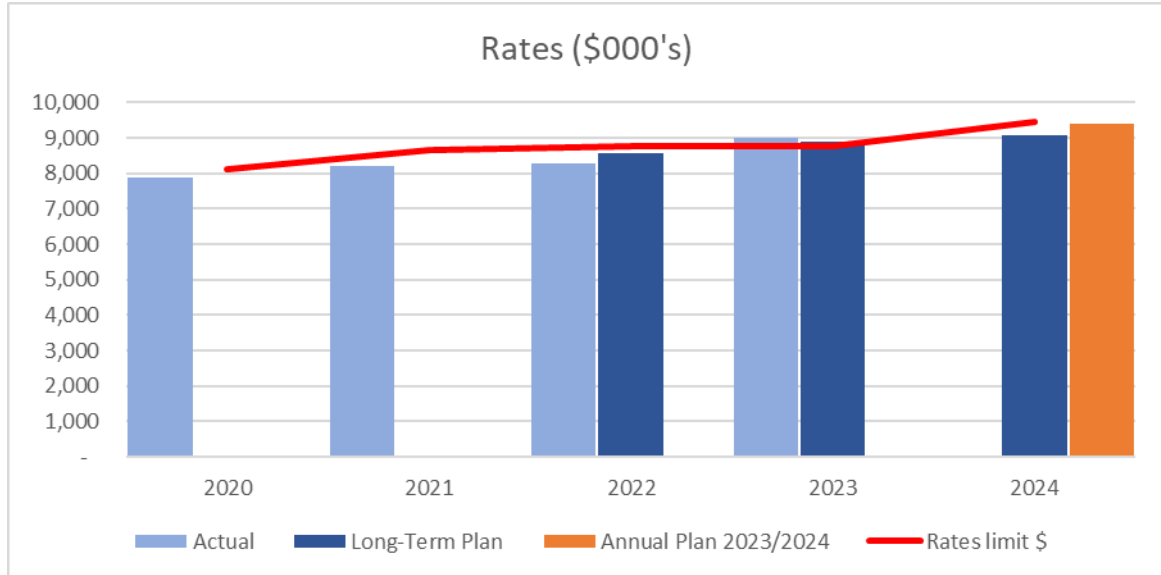
In keeping the increase to just under 5% (the Council's self-imposed limit on rates increases), we acknowledge that rates are a fixed cost to households, businesses, and farms, and that while the Council itself is struggling with the cost of inflation, rates themselves are a contributor to the increasing cost of living.

## The Council Discretionary Fund

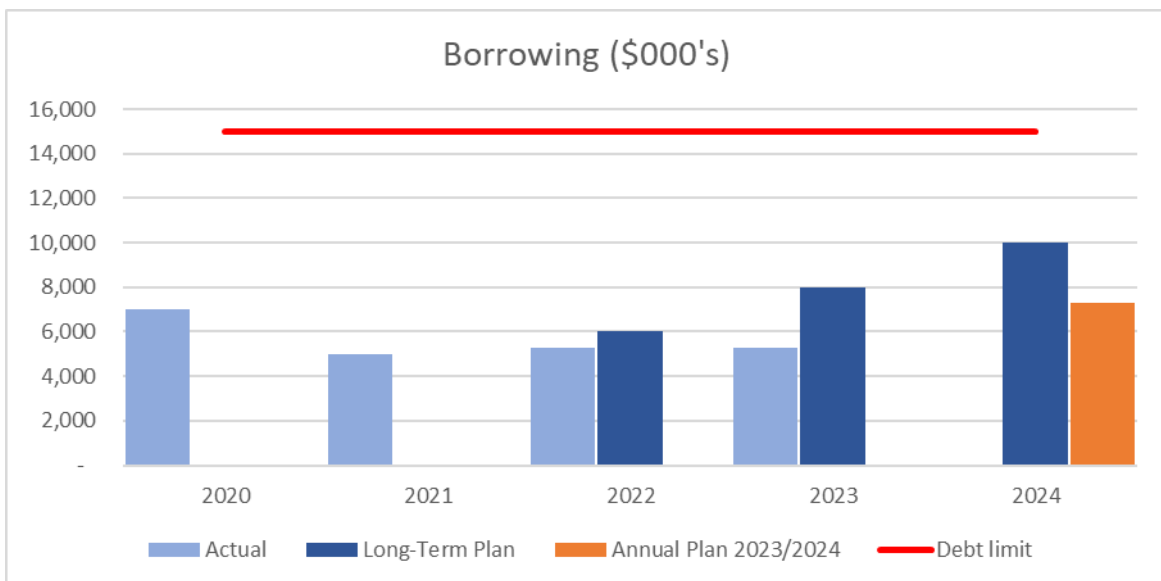
Introduced in the 2022/2023 Annual Plan to address the gap for organisations that might normally seek funding through submitting to the Annual Plan, the Council's Discretionary Fund now enables more community groups to access funding support. The fund also requires more accountability from successful recipients to show how ratepayer funds have been spent. Confirmed at \$100k for 2023/2024, applications seeking support have well-exceeded this amount. We have been able to fully allocate the fund through an open process and support a total of 13 projects. We will also look to support a number of relevant small initiatives through our economic development and environmental planning budgets over the coming year.

## Financial Highlights

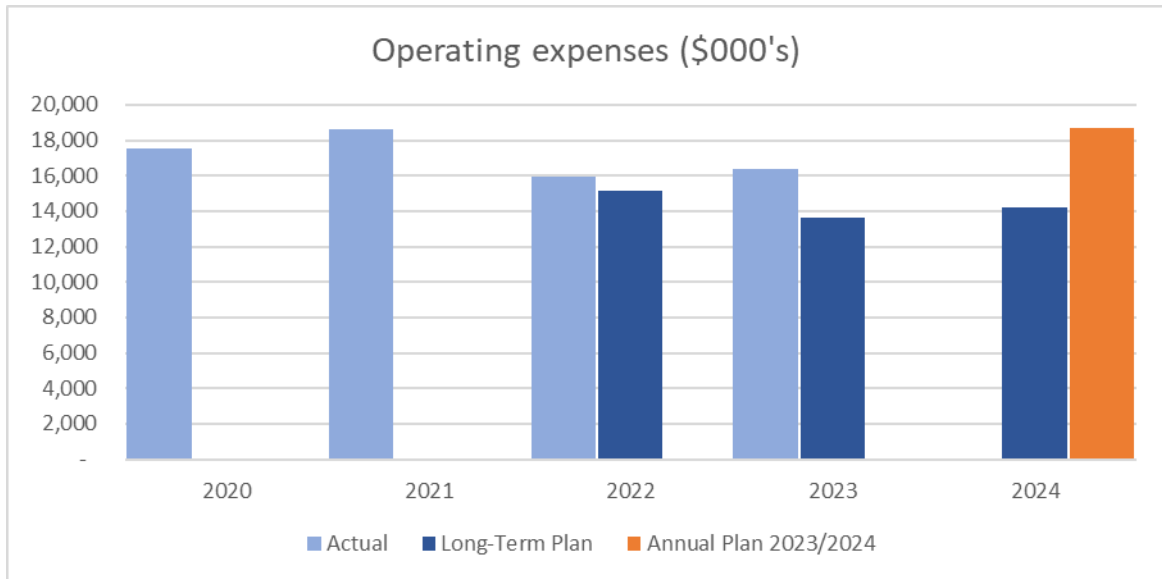
Since the Long-Term Plan (the LTP) was developed in July 2021, economies in New Zealand and across the world have been grappling with the ongoing impacts of COVID-19, and now the war in Ukraine (and other factors) are causing supply issues and high inflation. It is within this ongoing uncertainty that the Council presents an Annual Plan that shows a stable financial state and confirms that the Council is getting on with the job and delivering on the LTP programme.



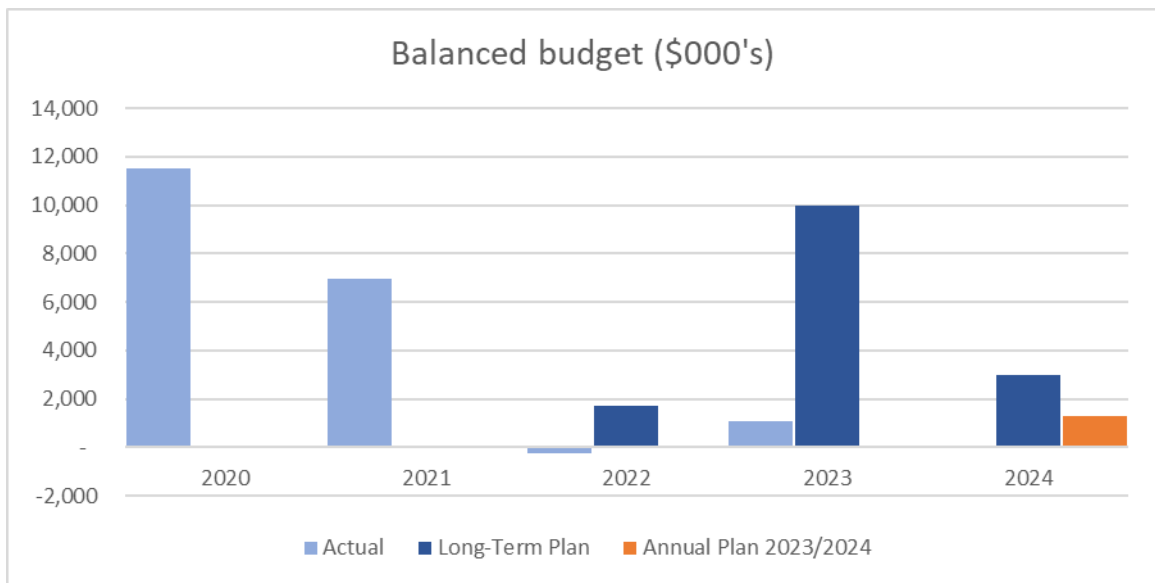
For the Annual Plan 2024 financial year we will keep our total rates increase to 4.99% - within our rates limit of 5%.



With the extent of grants and subsidies revenue paid to the Council over the last four years (and since the earthquake), and delays in projects that would be wholly or partially loan funded, the Council has not needed to borrow to the levels originally forecast. In this Annual Plan 2024 financial year, we predict our borrowings to reach no more than \$8.3 million (compared to a forecast \$10 million for the same financial year in the Long-Term Plan). The Council has a self-imposed limit on borrowings of \$15 million.



The Annual Plan 2024 financial years budgets are almost \$4 million higher than the 2024 year in the Long-Term Plan, because of the effects of inflation especially in roading, plus projects carried over into 2024 such as Wakatu Quay which contains a component of operating costs while designs and funding structures are being considered.



The balanced budget reflects the net surplus (or deficit) at year end. The Annual Plan for the 2024 financial year is relatively close to the forecast for the same year in the LTP, the main difference being increased operating expenses now forecast in the Annual Plan.



## Compliance with Financial Strategy

### Rates limits

The Council's financial strategy set a limit on rates increases for the 2024 financial year at 5%, and to remain at 5% for every year thereafter to 2031. This Annual Plan shows the total rates requirement is 4.99% increase over last year; therefore complying with the limit set by the Council's financial strategy.

### Debt limits

The Council has set a self-imposed limit on the amount it can borrow, to no more than \$15 million. It has also set a limit on loan interest expenses to be no more than 10% of total revenue. Actual debt is expected to reach up to \$8.3 million, less than the \$10.0 million forecast in the LTP. Loan interest is forecast to only be around 1.03% 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 \$1.32 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 \$8.7 million forecast in grants and/or subsidies for 2023/2024.

### Financial assumptions

- Loan interest rates on any new loans raised will be 5.7% on average with the Council borrowing from the Local Government Funding Agency (LGFA), and 3.77% on existing loans, using the current weighted average interest rates for existing loans on fixed terms.
- Waka Kotahi (NZTA) subsidies for roading work is 51% for normal roading maintenance, 71% for major works on the Blue Duck and Puhi Puhi Valley Roads, and 95% to rebuild the Glen Alton Bridge.
- PGF funding will be received to progress the Link Pathway and the Wakatu Quay projects, with expected completion for both projects by end of June 2024
- The Glen Alton Bridge replacement is ongoing with close to \$5 million forecast spend for the 2024 financial year.
- The Better Off projects will be completed by 30 June 2024 with \$1.365 million to spend with grant funding from the government (from a total \$1.55 million granted).

### Level of uncertainty and risks

With the COVID-19 pandemic, the Russian invasion of Ukraine, and some banks collapsing overseas, the confluence of the number of shocks to societies and economies globally is unprecedented. This Annual Plan has been prepared during this uncertainty, and it is expected to be several years before things return to "normal" (whatever that is).

Not least amongst the uncertainty is the increasing cost of construction, and the delays in supply of goods and materials. We are also facing the risk that Council staff need to take sick leave for extended periods or at key times of the year, and that this could affect our levels of service. We have business continuity plans in place to help to mitigate this issue.

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

## Forecast Statement of Comprehensive Revenue & Expense

For the financial years ending 30 June

	Long-Term Plan 2022/2023 \$000's	Long-Term Plan 2023/2024 \$000's	Annual Plan 2023/2024 \$000's
<b>Revenue</b>			
Rates (including water charges)	8,897	9,066	9,383
User fees & charges	1,590	1,817	1,735
Grants & subsidies	12,972	6,115	20,483
Development contributions	45	46	44
Interest revenue	4	4	3
Other revenue	91	114	113
<b>Total revenue</b>	<b>23,599</b>	<b>17,162</b>	<b>31,761</b>
<b>Expenses</b>			
Personnel costs	3,471	3,565	3,836
Depreciation & amortisation	3,356	3,498	6,248
Finance costs	134	225	327
Other expenses	6,678	6,902	8,633
Losses	-	-	-
<b>Total expenses</b>	<b>13,639</b>	<b>14,190</b>	<b>19,044</b>
<b>Net surplus / (deficit)</b>	<b>9,960</b>	<b>2,978</b>	<b>12,717</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>9,960</b>	<b>2,978</b>	<b>12,717</b>

## Forecast Statement of Financial Performance by Activity

For the financial years ending 30 June

	Long-Term Plan 2022/2023 \$000's	Long-Term Plan 2023/2024 \$000's	Annual Plan 2023/2024 \$000's
<b>Revenue</b>			
Roading	7,182	7,419	14,866
Water supplies	1,435	1,472	1,388
Wastewater	679	699	758
Stormwater	119	123	57
Refuse & recycling	377	408	421
Facilities	8,399	1,581	7,843
Leadership & governance	53	38	86
Building & regulatory	853	854	1,049
Community services	64	56	583
District development	501	516	549
General rates	3,932	3,992	4,158
Interest revenue	4	4	3
<b>Total revenue</b>	<b>23,599</b>	<b>17,162</b>	<b>31,761</b>
<b>Expenses</b>			
Roading	2,688	2,836	4,129
Water supplies	1,715	1,765	2,389
Wastewater	1,097	1,118	1,554
Stormwater	196	200	236
Refuse & recycling	771	775	698
Facilities	2,613	2,836	4,418
Leadership & governance	1,416	1,428	1,468
Building & regulatory	1,386	1,433	1,689
Community services	910	929	1,599
District development	847	870	864
<b>Total expenses</b>	<b>13,639</b>	<b>14,190</b>	<b>19,044</b>
<b>Net surplus / (deficit)</b>	<b>9,960</b>	<b>2,972</b>	<b>12,717</b>
Gains/(losses) on asset revaluation	-	-	-
<b>Total comprehensive revenue</b>	<b>9,960</b>	<b>2,972</b>	<b>12,717</b>

## Forecast Statement of Movements in Equity

For the financial years ending 30 June

	Long-Term Plan 2022/2023 \$000's	Long-Term Plan 2023/2024 \$000's	Annual Plan 2023/2024 \$000's
<b>Equity opening balance</b>	210,823	220,783	289,138
<b>Comprehensive revenue &amp; expense</b>			
Net surplus/(deficit)	9,960	2,972	12,717
Gains on asset valuation	-	10,159	-
<b>Total comprehensive revenue &amp; expense</b>	<b>9,960</b>	<b>13,131</b>	<b>12,717</b>
<b>Equity closing balance</b>	<b>220,783</b>	<b>233,914</b>	<b>301,855</b>

## Forecast Statement of Financial Position

For the financial years ending 30 June

	Long-Term Plan 2022/2023 \$000's	Long-Term Plan 2023/2024 \$000's	Annual Plan 2023/2024 \$000's
<b>Current assets</b>			
Cash & cash equivalents	1,330	1,004	1,615
Receivables	1,616	1,175	2,175
Prepayments	185	185	185
Other financial assets	-	-	20
<b>Total current assets</b>	<b>3,131</b>	<b>2,364</b>	<b>3,995</b>
<b>Non-current assets</b>			
Other financial assets	207	207	177
Forestry	2,956	2,956	2,155
Investment property	10,229	10,229	9,236
Property, plant & equipment	215,858	230,437	298,294
Intangible assets	-	-	-
<b>Total non-current assets</b>	<b>229,250</b>	<b>243,829</b>	<b>309,862</b>
<b>Total Assets</b>	<b>232,381</b>	<b>246,193</b>	<b>313,857</b>
<b>Current liabilities</b>			
Payables & deferred revenue	1,251	1,290	1,537
Employee entitlements	263	263	304
Borrowings	-	-	-
<b>Total current liabilities</b>	<b>1,514</b>	<b>1,553</b>	<b>1,841</b>
<b>Non-current liabilities</b>			
Borrowings	8,000	10,000	8,300
Provisions	1,616	258	1,445
Other term liabilities	468	468	416
<b>Total non-current liabilities</b>	<b>10,084</b>	<b>10,726</b>	<b>10,161</b>
<b>Equity</b>			
Accumulated public equity	128,620	132,227	130,831
Special reserves & funds	3,576	2,941	4,380
Asset revaluation reserves	88,587	98,746	166,644
<b>Total equity</b>	<b>220,783</b>	<b>233,914</b>	<b>301,855</b>
<b>Total Liabilities &amp; Equity</b>	<b>232,381</b>	<b>246,193</b>	<b>313,857</b>

## Forecast Statement of Cash Flows

For the financial years ending 30 June

	Long-Term Plan 2022/2023 \$000's	Long-Term Plan 2023/2024 \$000's	Annual Plan 2023/2024 \$000's
<b>Operating activities</b>			
<i>Cash was provided from:</i>			
Rates (excluding water meter charges)	8,754	8,920	9,243
Interest received	4	4	3
Receipts from other revenue	14,382	8,679	21,609
<i>Cash was applied to:</i>			
Interest paid	(134)	(225)	(327)
Payments to suppliers & employees	(10,358)	(10,428)	(12,520)
<b>Net cash flow from operating</b>	<b>12,649</b>	<b>6,950</b>	<b>18,008</b>
<b>Investing activities</b>			
<i>Cash was provided from:</i>			
Sale of property, plant & equipment	-	-	150
<i>Cash was applied to:</i>			
Purchase of investment properties	(5,900)	-	(4,436)
Purchase of intangible assets	-	-	-
Purchase of property, plant & equipment	(8,162)	(7,918)	(18,447)
Reduction in provisions	-	(1,358)	-
<b>Net cash flow from investing</b>	<b>(14,062)</b>	<b>(9,276)</b>	<b>(22,733)</b>
<b>Financing activities</b>			
<i>Cash was provided from:</i>			
Proceeds from borrowings	2,000	2,000	3,000
<i>Cash was applied to:</i>			
Repayment of borrowings	-	-	-
<b>Net cash flow from financing</b>	<b>2,000</b>	<b>2,000</b>	<b>3,000</b>
<b>Total net cash flows</b>	<b>587</b>	<b>(326)</b>	<b>(1,724)</b>
<b>Opening cash balance</b>	<b>742</b>	<b>1,330</b>	<b>3,340</b>
<b>Closing cash balance</b>	<b>1,330</b>	<b>1,004</b>	<b>1,615</b>

## Statement of Accounting Policies

### Reporting entity

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

The Kaikōura District Council group (KDC) consists of Kaikōura District Council and its subsidiary, the Kaikōura Enhancement Trust, a charitable Trust controlled by the Council. That Trust in turn owns 100% of Innovative Waste Kaikōura Ltd. The Council has an 11.5% interest in the Marlborough Regional Forestry joint venture.

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

The forecast financial statements of the Council are for the year 1 July 2023 to 30 June 2024.

The prospective financial statements were authorised for issue by the Council on 28 June 2023.

## Basis of preparation

### Statement of Compliance

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

The financial statements have been prepared in accordance with Tier 2 PBE Accounting Standards Reduced Disclosure Regime, on the basis that KDC has expenses of more than \$2 million and less than \$30 million and is not publicly accountable. The financial statements comply with 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 estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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

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

### Functional and Presentation Currency

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

## Significant Accounting Policies

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

### Subsidiaries

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

### Joint ventures

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

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

### Revenue

Revenue is measured at the fair value of consideration received.

### Rates revenue

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

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

### Other revenue

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

### Government Grants

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

### Provision of Services

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

### Sale of Goods

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

### Vested Assets

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

### Agency Arrangements

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

---



## Interest and dividends

Interest revenue is recognised using the effective interest method.

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

## Development Contributions

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

## Borrowing Costs

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

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

## Grant Expenditure

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

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

## Foreign currency transactions

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

## Leases

### Finance leases

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

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

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

### Operating leases

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

## Cash and Cash Equivalents

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

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

## Debtors and Other Receivables

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

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

### Derivative financial instruments and hedge accounting

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

### Other financial assets

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

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

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

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

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

### Financial assets at fair value through surplus or deficit

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

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

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

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

### Loans and receivables

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

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

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

---

face value and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant.

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

### Held to maturity investments

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

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

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

### Fair value through other comprehensive revenue

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

The Council includes in this category:

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

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

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

### Impairment of Financial Assets

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

### Loans and other receivables

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

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

### Financial assets at fair value through other comprehensive revenue

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

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

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

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

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

### Inventory

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

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

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

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

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

### Non-Current Assets Held for Sale

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

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

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

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

### Property, Plant and Equipment

Property, plant and equipment consists of:

#### Operational assets

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

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

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

#### Infrastructure Assets

This includes roads, bridges & footpaths, water systems, sewerage systems and stormwater systems, stated at fair value determined on a depreciated replacement cost basis by an independent valuer. At balance date the Council assesses the carrying values of its infrastructure assets to ensure that they do not differ materially from the assets' fair values. If there

is a material difference, then the off-cycle asset classes are revalued. Roading, water, wastewater and stormwater infrastructure were valued as at 30 June 2022 and the valuation was independently reviewed by WSP.

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

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

### Revaluation

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

### Additions

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

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

### Disposals

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

### Depreciation

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

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

Operational Assets	Estimated Life (years)	Rate (Rounded)
Land		Not Depreciated
Buildings – Structure	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%
Library books	12	8%
Library non-books	5	20%
Park Furniture & Other Assets	8 – 50	From 2% to 12.5%
Artwork		Not Depreciated
Infrastructural Assets	Estimated life (years)	Rate (Rounded)
<i>Roading</i>		
Road formation and 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%

Infrastructural Assets	Estimated life (years)	Rate (Rounded)
<i>Roading (continued from previous page)</i>		
Seawalls	50	2.09%
Footpaths – Structure		Not Depreciated
Footpaths – Surface	25	5.39%
Street Lighting	17	5.79%
<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%

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

### Subsequent costs

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

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

### Deemed cost

#### Land under roads

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

#### Library collections

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

### Harbour assets

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

### Accounting for revaluations

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

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

first in the surplus or deficit up to the amount previously expensed, and then credited to the other comprehensive revenue and revaluation reserve for that class of asset.

### Forestry Assets

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

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

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

### Investment Property

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

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

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

### Intangible Assets

#### Emissions Trading Scheme (ETS) – Marlborough Regional Forestry

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

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

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

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

#### Emissions Trading Scheme (ETS) – Council Forestry

In addition to its share of forestry in MRF, the Council owns forestry assets. However, the small forest at South Bay does not meet the minimum criteria to enter the scheme.

#### Emissions Trading Scheme (ETS) – Council Landfill

The Council's landfill entered the ETS from 1 January 2013. The Council does not hold carbon credits, instead purchasing carbon credits when required to meet its immediate obligations arising from landfill emissions.

### 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 asset's ability to generate net cash flows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

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

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

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

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

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

### Creditors and other payables

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

### Borrowings

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

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

### Employee Entitlements

#### Short-term benefits

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

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

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

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

#### Long-term benefits

##### Superannuation schemes

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

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

---



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

### Provisions

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

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

### Equity

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

The components of equity are:

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

### Special reserves and funds

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

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

Council-created reserves (special funds) are reserves which may be altered without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

### Asset revaluation reserves

This reserve relates to the revaluation of property, plant and equipment to fair value.

### Fair value through other comprehensive revenue reserves

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

### Goods and Services Tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

## Cost Allocation

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

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

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

## Statement of Cash Flows

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

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

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

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

## Critical Accounting Estimates and Assumptions

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

### Landfill aftercare provision

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

### Infrastructural assets

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

These include:

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

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

### Critical Judgments in Applying the Council's Accounting Policies

Kaikōura District Council management has exercised the following critical judgments in applying accounting policies for financial years 2021-2031:

#### Classification of property

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

#### Changes in Accounting Policy

There have been no significant changes in accounting policies. The accounting policies have been applied on a basis consistent with those used in the 2021-2031 Long-Term Plan.

---

## Notes to the Forecast Financial Statements

### For the financial years ending 30 June

#### Depreciation & amortisation expenses

	Long-Term Plan 2022/2023 \$000's	Long-Term Plan 2023/2024 \$000's	Annual Plan 2023/2024 \$000's
Roading	1,326	1,395	2,479
Water supplies	500	508	978
Wastewater	426	427	788
Stormwater	77	77	139
Refuse & recycling	187	188	76
Facilities	720	741	1,645
Leadership & governance	109	148	100
Building & regulatory	-	-	-
Community services	11	14	43
District development	-	-	-
	<b>3,356</b>	<b>3,498</b>	<b>6,248</b>

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

	Long-Term Plan 2022/2023 \$000's	Long-Term Plan 2023/2024 \$000's	Annual Plan 2023/2024 \$000's
Water meter charges	143	146	140

Water meter charges are included in rates income in the Statement of Comprehensive Revenue and Expense (page 8) and are included in targeted rates in the Forecast Funding Impact Statement (page 34), as required by the Local Government (Financial Reporting and Prudence) Regulations 2014. Water meter charges are defined as a targeted rate in the Local Government (Rating) Act 2002.

## Capital Works Programme

	Long-Term Plan 2022/2023 \$000's	Long-Term Plan 2023/2024 \$000's	Annual Plan 2023/2024 \$000's
<b><u>Roading</u></b>			
Glen Alton (Waiau-Toa Clarence) Bridge	5,140	5,284	4,987
NCTIR haul roads renewals	-	-	443
Sealed surface renewals	421	531	552
Unsealed road renewals	185	190	198
Drainage, kerb & channel	67	69	72
Sublayer rehabilitation	339	348	460
Traffic services	62	63	66
Minor safety improvements	154	159	300
Blue Duck & Puhi Puhi Valley work	-	-	800
Infrastructure Acceleration Project	-	-	6,995
Footpaths	103	106	100
Streetlights	-	-	-
	6,471	6,750	14,973
<b><u>Water supplies</u></b>			
Kaikōura Urban pipe renewals	-	344	-
Kaikōura Urban structure renewals	12	73	20
Kaikōura Urban electrical improvements	-	-	45
Kaikōura Urban variable speed drives	-	-	30
Ocean Ridge steel plant pipe renewals	-	-	30
Peketa structure renewals	9	-	-
Fernleigh structure renewals	-	-	15
East Coast pipe renewals	-	104	61
Kincaid turbidity meter renewal	-	-	15
Kincaid stabilise intake	-	-	40
Kincaid reconfigure raw water tanks	-	-	10
Kincaid treatment upgrade	-	-	80
	21	521	346
<b><u>Wastewater</u></b>			
Structure renewals	79	25	24
Pump station renewals	-	-	155
	79	25	179
<b><u>Refuse &amp; recycling</u></b>			
Transfer station construction	-	-	250
Landfill closure	-	1,358	500
	-	1,358	750

## Capital Works Programme continued

	Long-Term Plan 2022/2023 \$000's	Long-Term Plan 2023/2024 \$000's	Annual Plan 2023/2024 \$000's
<b><u>Facilities</u></b>			
Playgrounds	-	-	55
Public toilets – West End	15	-	790
Public toilets – Churchill Park	-	-	90
West End security cameras	-	-	10
West End carpark reseal	-	-	32
Community Courts	-	-	25
Housing for the elderly	33	75	40
Peninsula lookout upgrade	-	-	85
Airport projects	35	-	40
South Bay harbour projects	51	131	50
Wakatu Quay (PGF project)	5,900	-	4,436
25 Beach Road (Op Shop)	-	5	5
Point Kean & Jimmy Armers	-	33	-
Link Pathway	1,327	-	836
Civic Centre	-	21	20
	7,361	265	6,514
<b><u>Leadership &amp; Governance</u></b>			
Office furniture & equipment	15	16	15
Computers & software	47	278	46
Vehicles & plant	34	29	28
	96	323	89
<b><u>Community Development</u></b>			
Library books	33	33	32
Equipment & other projects	-	-	-
	33	33	32
<b>Total Capital Works Programme</b>	<b>14,061</b>	<b>9,276</b>	<b>22,883</b>

## Special Reserves & Funds

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

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

Special reserves	Purpose	Opening Balance \$000's	Transfers In \$000's	Transfers Out \$000's	Closing Balance \$000's
Kaikōura water cohort	All costs for the Kaikōura, Ocean Ridge, Suburban, Oaro, and Peketa water supplies	644	-	(125)	519
Roading	Maintenance and upgrading of local roads and bridges	829	-	(695)	134
Roading emergency fund	Urgent repairs following flood or other events	163	-	(98)	65
East Coast water	Maintenance, administration, upgrading and loan costs	65	-	(65)	-
Kincaid water	Maintenance, administration, upgrading and loan costs	181	-	(164)	17
Fernleigh water	Maintenance, administration, upgrading and loan costs	15	-	(15)	-
Stormwater	Maintenance, administration, upgrading and loan costs	166	-	(40)	126
Wastewater	Maintenance, administration, upgrading and loan costs	230	-	(179)	51
Footpaths & streetlights	Maintenance, administration, upgrading and loan costs	29	-	-	29
Town centre	Maintenance, administration, upgrading and loan costs	(22)	-	-	(22)
District Plan	Conduct a rolling review of the Kaikōura District Plan and develop a Spatial Plan	67	-	-	67
Stock control	The net costs of stock control	23	-	(3)	20
Recycling	Net costs of recycling services	15	-	-	15
Tourism & Commercial rate	Support for the i-Site and Destination Kaikōura	(10)	-	-	(10)
Harbour	South Bay & North Wharf maintenance, administration, upgrading and loan costs	119	-	-	119
Civic centre	Maintenance, administration, upgrading and loan costs	(375)	-	-	(375)
<b>Total special reserves</b>		<b>2,139</b>	<b>-</b>	<b>(1,384)</b>	<b>755</b>

Special funds	Purpose	Opening Balance \$000's	Transfers In \$000's	Transfers Out \$000's	Closing Balance \$000's
Social services	Social services committee expenses plus social projects	5	-	-	5
George Low fund	Grants for recreational facilities for the youth of Kaikōura	65	-	-	65
Tourism Strategy fund	Support development and implementation of a Tourism Plan	35	-	-	35
Forestry	Net costs of forestry, and strategic purposes including purchase of assets and/or offsetting rates	953	-	(136)	817
Parks & reserves	Upgrading, improvement and purchase of parks & reserves	135	8	-	143
Community facilities	Upgrading, improvement and purchase of community facilities	1,167	-	(82)	1,085
Landfill aftercare	Capping and ongoing maintenance of the landfill site after closure	161	-	(161)	-
Mayoral fund	Respond to community hardship following an emergency event	33	-	-	33
Kaikōura Marine Development Project	Wakatu Quay & South Bay projects	998	-	-	998
Pensioner flats	Maintenance, administration, upgrading and loan costs	(21)	-	-	(21)
Library grants	Books and other resources	2	-	-	2
Building accreditation	Accreditation costs and offset rates	61	-	(47)	14
Financial & corporate sustainability	Systems improvements including assets and document management	112	-	(68)	44
Airport	Maintenance, administration, upgrading and loan costs	18	-	(18)	-
Freedom camping	Responsible camping ambassadors, signage, site maintenance, etc	173	-	(71)	102
Significant natural areas	Funding assistance for landowners to protect areas of biodiversity	22	-	-	22
Waste minimisation levy	Waste minimisation projects	107	-	-	107
Creative Communities	Funding available to creative arts projects	11	-	-	11
Legal Challenges	Legal and other expenses involved in defending any legal challenge	100	-	-	100
Environmental projects	Projects that enhance or protect the environment	18	-	-	18
Economic development	Projects that promote or support economic activity	10	-	-	10
Ford maintenance	Ford maintenance for Hapuku, Puhi Puhi and Kahutara River fords	15	-	-	15
IAF Project	Track spend per the Infrastructure Acceleration Fund	(62)	-	-	(62)
3Waters transition	Support 3Water transition costs	82	-	-	82
Better Off fund	Grant to complete various projects	385	-	(385)	-
<b>Total special funds</b>		<b>4,585</b>	<b>8</b>	<b>(968)</b>	<b>3,625</b>
<b>Total special reserves and funds</b>		<b>6,724</b>	<b>8</b>	<b>(2,352)</b>	<b>4,380</b>



## Borrowing & Debt Servicing Programme

### New borrowing

Loan Name	Purpose	Amount \$000's
Waiau-Toa Bridge Loan (2023)	Construct a new bridge across the Waiau-Toa (Clarence River) including road protection work and ford crossings, to replace the Glen Alton Bridge destroyed by the 2016 earthquake	249
Roading Backlog Loan (2023)	To fund the net cost (after subsidy) to complete road sublayer rehabilitation and surface reseals	821
Landfill Loan (2023)	Reconfigure landfill site to a transfer station	588
District Plan Loan (2023)	To fund the District Plan review and Spatial Plan development	155
Link Pathway Loan (2023)	Develop the Link Pathway (net costs after PGF funding)	211
Airport Loan (2023)	Develop a new sealed access to airport hangars	19
		<b>2,043</b>

### Summary of forecast borrowing needs:

	Long-term Plan 2022/2023 \$000's	Long-term Plan 2023/2024 \$000's	Annual Plan 2023/2024 \$000's
Opening balance of debt (including internal borrowing)	7,447	7,969	7,134
<b>Movements through the financial year:</b>			
Loans maturing	(652)	(539)	(617)
New borrowings	1,174	2,710	2,043
<b>Net movement through the financial year:</b>	<b>522</b>	<b>2,171</b>	<b>1,426</b>
Closing balance of debt (including internal borrowing)	7,969	10,140	8,560

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

Measure	Limit	Actual
Total debt	\$15 million	\$8.3 million
Loan interest as a percentage of total revenue	10%	1.03%

## Financial Forecasting Assumptions

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

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

### Interest rates

- Interest rates for new loans raised are forecast to be 5.7%
- For existing loans we have applied the current actual weighted average interest cost of 3.77%
- Interest revenue on term deposits is forecast to be 0.25%

### Marlborough Regional Forestry revenues

The Council usually receives a capital distribution from the Marlborough Regional Forestry 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. In recent years MRF signalled that all mature trees would be harvested, and that the joint venture partners will be required to contribute to MRF operating costs for around six years, until the next block of trees have sufficiently matured for logging to commence.

This means we are no longer forecasting cash inflows from the MRF capital distributions, and that there will be cash outflows (payments **to** MRF) to cover MRF operations for the next six years. The Council will continue to draw on some of our forestry reserves in 2023/2024 so that there is no draw on rates to cover this cost.

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

### Grants and subsidies

- The Bridge over the Waiau-Toa Clarence River is the only remaining earthquake-related project, to replace the Glen Alton bridge destroyed in the 7.8M quake; this project is assumed to be 95% subsidised by Waka Kotahi (NZTA).
- We are assuming that the remaining "Better Off" government-funded projects will be fully completed by the end of June 2024 and that the cost of each project is matched by the government grants.
- The Infrastructure Acceleration Project incorporates \$7 million worth of road extensions from Ludstone Road, following Green Lane through to Ocean Ridge, including a rail overpass (or crossing), shared pathways and safety work. The project will be cost neutral to the Council, being funded from MBIE's Kanoa Fund and the Ocean Ridge and Vicarage Views developers.
- Waka Kotahi subsidies are assumed to be 51% for all maintenance and capital work, except for the Blue Duck and Puhi Puhi Valley Roads which require remediation to protect against flood and slip damage; this is assumed to be funded at 71% by Waka Kotahi.
- The Link Pathway is substantially funded from the Provincial Growth Fund, and we assume that the carry-over work continues to be grant funded up to the PGF approved amount of \$1.9 million in total for the project.
- The Sport NZ rural travel grants, Creative Communities, and family violence coordination are assumed to continue at the same level of funding as was received in 2021/2022.

### District valuation

The latest District valuation for rating purposes was undertaken in 2021, and those values are used to calculate the actual rates and charges in the Rating Funding Impact Statement, after having adjusted for new builds, demolitions,

---

subdivisions, service connections and any other changes to the value of individual properties since that date, and which have an impact on the rating database.

### Inflation

Inflation has been applied across expenditure budgets using special adjustments based on contractual changes, recent tenders, and supplier notifications. Examples are increases of 8% to insurance, 10% to electricity and fuel, a range of 10% to 30% for roading, and specific increases per known contract price adjustments.

### Taxation

The commercial nature of the South Bay Marina makes the harbour a taxable activity. The Council has unused tax losses at 31 March 2022 of \$982,794, with a tax effect of \$324,322 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.

### Landfill capacity

The landfill is close to reaching its full capacity, and during the 2022/2023 year the Council developed the Scarborough Street site as a transfer station, for waste to be transferred outside the district (to Kate Valley and/or Blue Gums solid waste sites). That site is assumed to be operational by 1 July 2023 (a year later than forecast) and that the landfill will now be capped and closed by the end of the 2023/2024 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 has greenhouse gas emissions. For this 2023/2024 financial year, the Council has not provided for the cost of carbon credits because the landfill will be closed, and the site operating as a transfer station with no waste remaining in the district. The cost of carbon credits will be borne via the fees paid to Kate Valley and/or Blue Gums landfills, and these costs have been included in our budget estimates.

### 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. While there are no short-term loans specifically provided for within this Annual Plan, the Council retains the right to raise unspecified loans for periods not exceeding 12 months, and for amounts not exceeding \$2 million, for cash management purposes.

### Uncertainty and risk of forecasting assumptions

This Annual Plan has been prepared with the risk of uncertainty, in part due to the impact of the COVID -19 pandemic and geopolitical conflicts overseas, but also the risk of severe weather events and the potential for another large earthquake. To mitigate the uncertainty, the Council has a loan facility in place that exceeds its borrowing forecasts (by at least \$2 million), and so if there were to be an unforeseen event or loss, the Council could borrow in the first instance, if deemed necessary.

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

## Forecast Funding Impact Statement (Whole of Council)

For the years ended 30 June

	Long-Term Plan 2022/2023 \$000's	Long-Term Plan 2023/2024 \$000's	Annual Plan 2023/2024 \$000's
<b>Sources of operating funding</b>			
General rates, UAGC, rates penalties	3,932	3,991	4,159
Targeted rates (incl. water meter charges)	4,964	5,075	5,224
Subsidies and grants - operating	645	658	1,903
Fees & charges	1,590	1,817	1,735
Interest & dividends from investments	4	4	3
Fuel tax, fines & other revenue	91	114	113
<b>Total operating funding (A)</b>	<b>11,226</b>	<b>11,659</b>	<b>13,137</b>
<b>Applications of operating funding</b>			
Payments to staff & suppliers	10,149	10,467	12,470
Finance costs	134	225	327
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>10,283</b>	<b>10,692</b>	<b>12,797</b>
<b>Surplus/(deficit) of operating funding (A - B)</b>	<b>944</b>	<b>967</b>	<b>340</b>
<b>Sources of capital funding</b>			
Subsidies and grants – capital	12,327	5,457	18,580
Development and financial contributions	45	46	44
Increase / (decrease) in debt	522	2,171	1,426
Gross proceeds from sale of assets	-	-	150
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>12,894</b>	<b>7,674</b>	<b>20,200</b>
<b>Applications of capital funding</b>			
Expenditure to meet additional demand	7,227	-	5,271
Expenditure to improve level of service	272	264	9,286
Expenditure to replace assets	6,562	9,011	8,326
Increase / (decrease) in reserves	(223)	(635)	(2,343)
Increase / (decrease) in investments	-	-	-
<b>Total application of capital funding (D)</b>	<b>13,838</b>	<b>8,641</b>	<b>20,540</b>
<b>Surplus/(deficit) of capital funding (C – D)</b>	<b>(944)</b>	<b>(967)</b>	<b>(340)</b>
Funding balance ((A – B) + (C – D))	-	-	-

## Annual plan disclosure statement for the year ending 30 June 2024

### 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			
<ul style="list-style-type: none"> <li>Income (quantified limit on rates)</li> </ul>	\$9,457,067	\$9,382,785 <sup>1</sup>	Yes
<ul style="list-style-type: none"> <li>Increases (quantified limit on rate increases)</li> </ul>	5.0%	4.18% <sup>1</sup>	Yes
Debt affordability benchmark			
<ul style="list-style-type: none"> <li>Quantified limit on borrowing</li> </ul>	\$15 million	\$8.3 million	Yes
Balanced budget benchmark	>/= 100%	166.5%	Yes
Essential services benchmark	>/= 100%	353.6%	Yes
Debt servicing benchmark	=/< 10%	1.03%	Yes

### Notes

#### Rates affordability benchmark

For this benchmark —

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

The Council meets the rates affordability benchmark if—

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

#### Debt affordability benchmark

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

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

<sup>1</sup> Rates includes water meter charges for the purposes of this disclosure statement. With water meter charges excluded from the calculation, the rates increase is 4.99%, which is still within the Council's rates increase limit.

### **Balanced budget benchmark**

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

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

### **Essential services benchmark**

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

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

### **Debt servicing benchmark**

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

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

## Rating Funding Impact Statement

### For the financial year ending 30 June 2024

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. The objective of the differential rate is to acknowledge that rural and semi-rural properties are predominantly farmland with high capital values (in comparison with their urban counterparts) but that their capital value does not necessarily reflect the services they receive or have access to.

#### *Self-contained and serviced*

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

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

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

- *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.

#### *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.

---





## Rates for 2023/2024

### 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 the previous page indicates those rating areas.

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

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

Category	Differential	Factor	Rate	Amount required (including GST)
All rateable properties within the urban area, and all rateable properties classified as utilities	1:1	per dollar of rateable capital value	\$0.00129623	\$1,486,162
All rateable properties outside the urban area, except for properties classified as utilities	0.9:1	per dollar of rateable capital value	\$0.00116661	\$1,263,446
<b>Total</b>				<b>\$2,749,608</b>

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

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

Category	Differential	Factor	Rate	Amount required (including GST)
All rateable properties within the Kaikōura district	None	Fixed amount per separately used or inhabited part of a rating unit	\$663.93	\$2,032,284

## Targeted Rates

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

<b><i>Earthquake Levy: to fund the net costs of earthquake response and rebuilding, including loan servicing costs relating to earthquake work (most notably roading) and, once those costs are covered, to build resilience reserves which can be used for current and future emergency event response and rebuilding.</i></b>				
<b>Category</b>	<b>Differential</b>	<b>Factor</b>	<b>Rate</b>	<b>Amount required (including GST)</b>
All rateable properties within the Kaikōura district	None	Fixed amount per separately used or inhabited part of a rating unit	\$40.00	\$122,440
<b><i>Roading Rate: to fund the net costs of upgrading and maintenance of the district bridges and roading network</i></b>				
<b>Category</b>	<b>Differential</b>	<b>Factor</b>	<b>Rate</b>	<b>Amount required (including GST)</b>
All rateable properties within the Kaikōura district	None	per dollar of rateable capital value	\$0.00053026	\$1,182,246
<b><i>District Planning Rate: to fund the net costs of district planning, including development of the Kaikōura District Plan.</i></b>				
<b>Category</b>	<b>Differential</b>	<b>Factor</b>	<b>Rate</b>	<b>Amount required (including GST)</b>
All rateable properties within the Kaikōura district	None	per dollar of rateable capital value	\$0.00010418	\$232,265
<b><i>Civic Centre charge: to fund the net costs (after lease revenues) of the museum, library and Council office building.</i></b>				
<b>Category</b>	<b>Differential</b>	<b>Factor</b>	<b>Rate</b>	<b>Amount required (including GST)</b>
All rateable properties within the Kaikōura district	None	Fixed amount per separately used or inhabited part of a rating unit	\$168.28	\$515,118

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, Fernleigh, Peketa and Oaro water supplies.</i></b>				
<b>Category</b>	<b>Differential</b>	<b>Factor</b>	<b>Rate</b>	<b>Amount required (including GST)</b>
All rateable properties connected to the Kaikōura water supply.	Full charge	Fixed amount per separately used or inhabited part of a rating unit	\$478.37	\$896,471
All rateable properties situated within 100 metres of any part of the Kaikōura water supply, but not connected to the supply.	Half charge	Fixed amount per separately used or inhabited part of a rating unit	\$239.19	\$26,550
<b>Total</b>				<b>\$923,021</b>
<b><i>Suburban Water Charge: to contribute to the cost of the supply, treatment, upgrading and maintenance of the Kaikōura water supply.</i></b>				
<b>Category</b>	<b>Differential</b>	<b>Factor</b>	<b>Rate</b>	<b>Amount required (including GST)</b>
All rateable properties situated within the Suburban water area and connected to the Kaikōura water supply. The Suburban water area is from the Waimangarara water intake and the Kaikōura flats area including properties on Postmans Road, McInnes Road, Brunells Road, Schrodgers Road, Mt Fyffe Road, Schoolhouse Road and Red Swamp Road north of Postmans Road. Properties in this area have a different type of connection to the Kaikōura water supply in that Suburban water connections are supplied in water units regulated by a restrictor.	None	Fixed amount per water unit (1,000 litres)	\$478.37	\$23,440

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

<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>				
<b>Category</b>	<b>Differential</b>	<b>Factor</b>	<b>Rate</b>	<b>Amount required (including GST)</b>
All rateable properties connected to the Ocean Ridge water supply.	Full charge	Fixed amount per separately used or inhabited part of a rating unit	\$478.37	\$32,051
All rateable properties situated within 100 metres of any part of the Ocean Ridge water supply, but not connected to the supply.	Half charge	Fixed amount per separately used or inhabited part of a rating unit	\$239.19	\$19,852
<b>Total</b>				<b>\$51,903</b>

<b><i>East Coast Rural Water Charges to fund the supply, treatment, upgrading, and maintenance of the East Coast Rural Water supply.</i></b>				
<b>Category</b>	<b>Differential</b>	<b>Factor</b>	<b>Rate</b>	<b>Amount required (including GST)</b>
All rateable properties connected to the East Coast rural water supply and outside the Clarence Village area.	1:1	Fixed amount per water unit (1,800 litres)	\$690.00	\$88,320
All rateable properties situated within the Clarence Village area, being that area from the East Coast water intake near the Clarence River to where the main rail line runs adjacent to State Highway One and incorporating all properties to the South of Clarence Valley Road and State Highway One to the Clarence River or the main rail line as applicable.	0.69:1	Fixed amount per water unit (1,800 litres)	\$478.37	\$7,176
<b>Total</b>				<b>\$95,496</b>
<p><i>A differential applies as to whether a property is connected to the Clarence Village (treated) supply or not. The rural differential is 1:1 due to the large pipe network and booster pumps required to supply water over the rural area. The village differential is 0.69:1 because (for economic reasons<sup>2</sup>), these properties are part of the Kaikōura Water Cohort and are partially subsidised by the Kaikōura water supply.</i></p>				

<sup>2</sup> There are only 15 households within the Clarence Village area, with the water being primarily used for drinking, cooking and domestic purposes (as opposed to the rural area where the water is primarily used for stock and irrigation). The cost of treating water to ensure it meets drinking water standards would make the cost per unit inequitable – and likely unaffordable – for those households.

<b><i>Other Rural Water Charges to fund the supply, treatment, upgrading, and maintenance of the following water supply areas.</i></b>			
<b>Rate and Category</b>	<b>Factor</b>	<b>Rate</b>	<b>Amount required (including GST)</b>
<b>Kincaid Rural Water Charge:</b> all rateable properties connected to the Kincaid rural water supply.	per water unit (1,000 litres per day)	\$158.29	\$101,620
<b>Oaro Rural Water Charge:</b> all rateable properties connected to the Oaro rural water supply.	per separately used or inhabited part of a rating unit	\$478.37	\$34,443
<b>Peketa Rural Water Charge:</b> all rateable properties connected to the Peketa rural water supply.	per separately used or inhabited part of a rating unit	\$478.37	\$9,089
<b>Fernleigh Rural Water Charge:</b> all rateable properties connected to the Fernleigh rural water supply	per water unit (1,000 litres per day)	\$558.47	\$175,917

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>Differential</b>	<b>Factor</b>	<b>Rate</b>	<b>Amount required (including GST)</b>
All rateable properties within the Kaikōura urban area.	None	per dollar of rateable capital value	\$0.00005386	\$58,312

<b><i>Sewerage Charge: to fund the costs of sewage disposal, treatment, upgrading and maintenance of the Kaikōura sewerage (wastewater) system.</i></b>				
<b>Category</b>	<b>Differential</b>	<b>Factor</b>	<b>Rate</b>	<b>Amount required (including GST)</b>
<b>Sewerage Charge:</b> All rateable properties within the area serviced by the Kaikōura sewerage system.	Full charge	Fixed amount for the first water closet per separately used or inhabited part of a rating unit (plus a targeted rate for each additional water closet or urinal if applicable <sup>3</sup> , please refer to the following pages).	\$369.52	\$643,896

<sup>3</sup> A rating unit used primarily as a residence for one household will not be treated as having more than one water closet or urinal.

<b><i>Sewerage Charges (continued): to fund the costs of sewage disposal, treatment, upgrading and maintenance of the Kaikōura sewerage (wastewater) system.</i></b>				
<u>Sewerage Additional Pan Charge:</u> 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).	Half charge	One full charge for the first water closet or urinal applies, then a fixed amount for each water closet and urinal after the first, within each separately used or inhabited part of a rating unit where there are more than one water closet or urinal	\$184.76	\$4,619
<u>Sewerage Half Charge (Available):</u> All rateable properties situated within 100 metres of any part of the Kaikōura sewerage system, but not connected to the system	Half charge	Fixed amount per separately used or inhabited part of a rating unit	\$184.76	\$40,832
<u>Sewerage Charge - Self-contained &amp; Serviced:</u> All rateable properties within the area serviced by the Kaikōura sewerage system, and used principally for short term accommodation, but limited to those properties with motel-type units, including motels, motor lodges, motor inns, motel apartments, serviced apartments and serviced holiday cottages, each of which contain a private or ensuite bathroom, with bedding, linen and cooking facilities provided, and which are serviced daily	None	One full charge for the first water closet or urinal applies, then a fixed amount for each water closet and urinal after the first within each separately used or inhabited part of a rating unit where there are more than one water closet or urinal.	\$140.00	\$51,380
<u>Sewerage Charge - Commercial:</u> All rateable properties within the Kaikōura urban area used principally for commercial and/or industrial purposes; or used as a licensed premise under the Sale of Liquor Act 1989; or used for providing short term accommodation for commercial reward, but not including rateable properties defined as Self Contained and Serviced	None	One full charge for the first water closet or urinal applies, then a fixed amount for each water closet and urinal after the first within each separately used or inhabited part of a rating unit where there are more than one water closet or urinal	\$240.00	\$65,520
<b>Total</b>				<b>\$162,351</b>

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

<b><i>Kerbside Recycling Charge: to fund the costs of the weekly kerbside recycling collection service.</i></b>				
<b>Category</b>	<b>Differential</b>	<b>Factor</b>	<b>Rate</b>	<b>Amount required (including GST)</b>
All rateable properties within the Kaikōura urban area, except for properties in the West End and properties defined as Commercial property.	None	Fixed amount per separately used or inhabited part of a rating unit	\$185.03	\$308,636

### 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><i>not less than five persons</i></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>	\$0.00239489 per dollar of rateable capital value	\$481,445
<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	\$78,000



<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><i>not less than five persons</i></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>	\$162.46 per separately used or inhabited part of a rating unit	\$38,017
<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.	\$347.43 per license (liquor licence or food premises licence)	\$41,170

Please refer to the sewerage charges on page 44-45 as they pertain to certain commercial properties, and also to the water meter charges on page 49 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 39.

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

<b><i>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.</i></b>				
<b>Category</b>	<b>Differential</b>	<b>Factor</b>	<b>Rate</b>	<b>Amount required (including GST)</b>
All rateable properties within the urban area.	1:1	per dollar of rateable capital value	\$0.00004473	\$51,285
All rateable properties within the semi-rural area.	0.5:1	per dollar of rateable capital value	\$0.00002237	\$12,654
All rateable properties within the rural area.	0.25:1	per dollar of rateable capital value	\$0.00001118	\$5,784
<b>Total</b>				<b>\$69,723</b>

<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>Differential</b>	<b>Factor</b>	<b>Rate</b>	<b>Amount required (including GST)</b>
All rateable properties within the urban area.	1:1	per dollar of rateable capital value	\$0.00008497	\$97,421
All rateable properties within the semi-rural area.	0.5:1	per dollar of rateable capital value	\$0.00004249	\$24,038
All rateable properties within the rural area.	0.25:1	per dollar of rateable capital value	\$0.00002124	\$10,987
<b>Total</b>				<b>\$132,446</b>
<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>Differential</b>	<b>Factor</b>	<b>Rate</b>	<b>Amount required (including GST)</b>
All rateable properties within the urban area.	1:1	per dollar of rateable capital value	\$0.00023897	\$273,991
All rateable properties within the semi-rural area.	0.5:1	per dollar of rateable capital value	\$0.00011949	\$67,604
All rateable properties within the rural area.	0.2:1	per dollar of rateable capital value	\$0.00004779	\$24,721
<b>Total</b>				<b>\$366,316</b>

The previous pages identify each rate for the 2023/2024 financial year. Note that all amounts are GST inclusive, whereas those amounts within the Forecast Funding Impact Statement (on page 34) exclude GST.

## Other Rates & Charges

### Water Meter Charges

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

For water usage which exceeds 365m<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.

<b>Meter read date:</b>	<b>For the period:</b>	<b>Due date for payment:</b>
1st week July	January to June	20 August 2023
1st/2nd week January	July to December	20 February 2024

Meter reading dates and the period they cover are approximate.

### Rates Penalties

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

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

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

	<b>For the period:</b>	<b>Last date for payment:</b>
Instalment 1:	1 July 2023 to 30 September 2023	20 September 2023
Instalment 2:	1 October 2023 to 31 December 2023	20 December 2023
Instalment 3:	1 January 2024 to 31 March 2024	20 March 2024
Instalment 4:	1 April 2024 to 30 June 2024	20 June 2024

### Environment Canterbury Rates

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

## Rates for 2023/2024

All rates are shown including GST	Rates 2022/2023 \$	Rates 2023/2024 \$	Increase / (Decrease) %
General Rate (Urban & Utilities)	0.00120434	0.00129623	7.63%
General Rate (Rural & Semi-rural)	0.00108390	0.00116661	7.63%
Uniform Annual General Charge	632.65	663.93	4.94%
Earthquake Levy	40.00	40.00	-
Roading Rate	0.00046924	0.00053026	13.01%
District Planning Rate	0.00015760	0.00010418	(33.90%)
Civic Centre Charge	151.80	168.28	10.86%
Kaikōura Water Annual Charge	437.74	478.37	9.28%
Kaikōura Water Annual Charge (Half)	218.87	239.19	9.28%
Ocean Ridge Water Annual Charge	437.74	478.37	9.28%
Ocean Ridge Water Annual Charge (Half)	218.87	239.19	9.28%
East Coast Rural Water Charge	690.00	690.00	-
East Coast Village Water Charge	437.74	478.37	9.28%
Kincaid Water Charge	147.45	158.29	7.35%
Fernleigh Water Charge	342.25	558.47	63.18%
Oaro Water Charge	437.74	478.37	9.28%
Peketa Water Charge	437.74	478.37	9.28%
Suburban Water Charge	437.74	478.37	9.28%
Water Meter Charge (per m3)	1.00	1.00	-
Water Meter Maintenance Charge <sup>4</sup>	50.00	50.00	-
Sewerage Charge	350.51	369.52	5.43%
Sewerage Half Charge (Available)	175.25	184.76	5.43%
Sewerage Additional Pan Charge <sup>5</sup>	175.25	184.76	5.43%
Sewerage Charge – Commercial <sup>5</sup>	213.40	240.00	12.46%
Sewerage Charge – Self Contained & Serviced <sup>5</sup>	123.55	140.00	13.31%
Stormwater Rate	0.00005865	0.00005386	(8.16%)
Footpath & Streetlight Rate – Urban	0.00029919	0.00023897	
Footpath & Streetlight Rate – Semi-rural	0.00014960	0.00011949	(20.13%)
Footpath & Streetlight Rate – Rural	0.00005984	0.00004779	
Town Centre Rate – Urban	0.00006923	0.00008497	
Town Centre Rate – Semi-rural	0.00003461	0.00004249	22.74%
Town Centre Rate – Rural	0.00001731	0.00002124	
Harbour Rate – Urban	0.00007776	0.00004473	
Harbour Rate – Semi-rural	0.00003888	0.00002237	(42.48%)
Harbour Rate – Rural	0.00001944	0.00001118	
Commercial Rate	0.00250973	0.00239489	(4.58%)
Accommodation Sector Charge	400.00	400.00	-
Registered Premises Charge	322.92	347.43	7.59%
Public Rubbish Bin Charge	157.52	162.46	3.14%
Kerbside Recycling Charge	178.49	185.03	3.67%

<sup>4</sup> Invoiced twice a year \$25.00

<sup>5</sup> For each subsequent pan where there is more than one pan

## Impact of Rates on Benchmark Properties

The district rating valuation was completed as at 1 August 2021, which means that all property rates will be assessed on that valuation, plus the value of any construction work completed since that date. Changes in rating values have an impact on individual property rates beyond any changes to rates from this Annual Plan, and these changes in rating values are outside the Council's control.

Note CV stands for Capital Value; the total value of each property including land and buildings, for rating purposes. Please refer to the map on page 39 for the urban, semi-rural and rural areas, and the definitions on page 37-38 as to what is a commercial property.

		2021/2022	2022/2023	2023/2024
<b>Urban area – Kaikōura township including Ocean Ridge and South Bay</b>				
Residential	Change %	2.91%	4.87%	2.97%
High Value	Total rates	4,291.84	4,500.96	4,634.87
CV \$1,160,000	Change \$	121.27	209.12	133.90
Residential	Change %	3.34%	2.05%	3.56%
Medium Value	Total rates	3,456.60	3,566.56	3,693.58
CV \$760,000	Change \$	111.68	71.52	127.02
Residential	Change %	4.13%	4.98%	4.50%
Low Value	Total rates	2,551.75	2,678.87	2,799.36
CV \$380,000	Change \$	101.29	127.13	120.49
Commercial	Change %	(0.25%)	(5.51%)	0.72%
High value 30 room motel	Total rates	29,163.32	27,557.01	27,748.94
CV \$4,490,000	Change \$	(72.75)	(1,606.31)	191.94
Commercial	Change %	(0.09%)	3.88%	1.19%
Medium value 12 room motel	Total rates	11,650.13	12,101.83	12,245.35
CV \$1,785,000	Change \$	(10.07)	451.70	143.52
Commercial	Change %	1.05%	(4.66%)	0.91%
Medium Value Retail shop	Total rates	6,414.33	6,115.10	6,170.92
CV \$830,000	Change \$	66.70	(299.22)	55.82
Commercial	Change %	1.18%	9.63%	1.99%
Low Value Retail shop	Total rates	4,075.01	4,467.55	4,556.57
CV \$490,000	Change \$	47.39	392.54	89.02
<b>Semi-rural area – including the Kaikōura flats, Peketa &amp; Hapuku</b>				
Farm	Change %	5.60%	(6.93%)	2.93%
High Value	Total rates	10,402.29	9,681.42	9,965.27
CV \$4,580,000	Change \$	551.43	(720.87)	283.86
Lifestyle block	Change %	5.82%	9.00%	3.61%
Medium Value	Total rates	2,495.13	2,719.61	2,817.89
CV \$980,000	Change \$	137.23	224.49	98.28
Residential	Change %	6.06%	23.09%	4.19%
Low Value	Total rates	1,376.83	1,694.68	1,765.64
CV \$450,000	Change \$	78.64	317.85	70.96

		2021/2022	2022/2023	2023/2024
<b>Rural area – all areas beyond the Semi-rural area</b>				
Farm	Change %	4.69%	(5.08%)	4.18%
High Value	Total rates	17,529.07	16,638.59	17,333.30
CV \$8,750,000	Change \$	785.62	(890.48)	694.70
Farm	Change %	4.79%	6.89%	4.25%
Medium Value	Total rates	8,092.57	8,650.19	9,018.10
CV \$4,330,000	Change \$	369.79	557.62	367.91
Farm	Change %	4.95%	6.17%	4.40%
Low Value	Total rates	4,232.19	4,493.33	4,691.18
CV \$2,030,000	Change \$	199.68	261.15	197.85

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

All of the above benchmark properties have one separately used or inhabited part of a rating unit (see definitions on pages 37-38).

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

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

# Council Activities

# Roading

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

## Sub-Activities

- Roads & bridges
- Footpaths & cycleways
- Streetlights

## What we do and why we do it

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

The Glen Alton bridge in the Clarence Valley was destroyed during the November 2016 earthquake and is to be replaced. With rebuild costs estimated to be over \$13 million, support from Waka Kotahi (NZ Transport Agency) is essential, and that Agency has indicated it will fund 95% of the cost subject to it being to a design agreed with the Agency. The design phase of the project has commenced but actual construction will not be underway until this 2023/2024 financial year. The project has been delayed while the Council is working through issues raised by Te Rūnanga O Kaikōura and Environment Canterbury.

In the Long-Term Plan 2021-2031 (the LTP), the Council has substantially increased its investment in local roading maintenance and renewal programmes to address a backlog of road remedial work and surface resealing. This will bring our roads back to a good, safe condition. Alongside the increased capital investment, we are also ensuring our maintenance budgets are at a level sufficient to keep the roads in good condition.

This increased investment in roading will not only address the risk of the roads deteriorating, but also our roads and footpaths are maintained by local contractors, and so continuing with these programmes of work helps keep local people employed and our local economy functioning. This is vital to help sustain our

community during the COVID-19 pandemic, and we will continue to support roading projects.

Having completed a township-wide conversion of streetlights to LED in the last couple of years (except for the state highway which is owned and controlled by Waka Kotahi), there are no significant projects required for streetlighting. The Council will continue to work alongside the Kaikōura Dark Sky Working Group towards the long-term goal of making the Kaikōura district an internationally recognised Dark Sky Reserve.

## What we're planning for 2023/2024

Roading renewals will be a key focus for this year, and for at least the next six years, as the Council works to address the accumulated backlog of underinvestment in road rehabilitation.

Footpaths have consistently scored very poorly in our resident satisfaction survey, and the Council has approved an accelerated programme of renewals for next 10 years to address this issue. Construction will commence in 2023, including creating footpaths of asphalt or concrete to provide safer access for elderly and others that rely on a smooth footpath.

The Infrastructure Acceleration Fund and developers from Ocean Ridge and Vicarage Views will fund the extension of road access from Ludstone Road to Ocean Ridge, including shared pathways (walking and cycling).

## Major assumptions

- Waka Kotahi will continue to fund eligible roading activities at 51% or better
- The Glen Alton bridge over the Waiau-Toa Clarence River is constructed and is 95% funded by Waka Kotahi
- There are no significant flooding events during the year
- Funding for Puhi Puhi and Blue Duck Valley Road emergency works will be funded at 71% by Waka Kotahi
- The IAF project is cost neutral to Council, and is completed per forecast timeframes.



## Funding Impact Statement: Roading

For the year ended 30 June

	Long-Term Plan 2022/2023 \$000's	Long-Term Plan 2023/2024 \$000's	Annual Plan 2023/2024 \$000's
<b>Sources of operating funding</b>			
General rates, UAGCs, rates penalties	-	-	-
Targeted rates	1,315	1,387	1,453
Subsidies & grants for operating purposes	514	528	534
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	39	40	43
<b>Total operating funding (A)</b>	<b>1,867</b>	<b>1,955</b>	<b>2,030</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	1,186	1,221	1,371
Finance costs	44	81	127
Internal charges and overheads applied	132	138	152
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,362</b>	<b>1,441</b>	<b>1,650</b>
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>505</b>	<b>514</b>	<b>380</b>
<b>Sources of capital funding</b>			
Subsidies & grants for capital expenditure	5,308	5,457	12,829
Development and financial contributions	6	6	6
Increase/(decrease) in debt	651	772	965
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>5,966</b>	<b>6,235</b>	<b>13,800</b>
<b>Application of capital funding</b>			
Capital expenditure			
- To meet additional demand	-	-	6,995
- To improve the level of service	257	264	400
- To replace existing assets	6,214	6,485	7,578
Increase/(decrease) in reserves	-	-	(793)
Increase/(decrease) in investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>6,471</b>	<b>6,750</b>	<b>14,180</b>
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>(505)</b>	<b>(514)</b>	<b>(380)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Water supplies

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

## Sub-Activities

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

## What we do and why we do it

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

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

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

## What we're planning for 2023/2024

With several significant changes and improvements to water supplies implemented in recent years, Council's

water supplies are now functioning well, consistently providing water that is safe to drink. All the boil water notices that had previously been in place have now been lifted, and the pipes and other assets that make up the water supplies are considered to generally be in good condition, with relatively little renewal required.

The most significant works targeted for the 2023/24 year are improvement to the Kincaid water supply intended to address the current inability of the treatment process to operate effectively when the Waimangarara Stream source is discoloured after heavy rain, which has potential to result in extended interruptions to water supply.

Another aspect requiring attention is proper setting, recording, and charging in respect of flow restrictors on the 'trickle feed' rural water supplies. Over time change have occurred to restrictors which have in some cases compromised fairness and equity for customers of the schemes, and there is a need for these issues to be remedied

## Major assumptions

- The Government's Three-Waters Reform does not significantly affect service delivery or the structure of water ownership during this 2023/2024 year
- Water assets perform to their expected remaining useful lives as identified in the Council's asset management plans

## Funding Impact Statement: Water Supplies

For the year ended 30 June

	Long-Term Plan 2022/2023 \$000's	Long-Term Plan 2023/2024 \$000's	Annual Plan 2023/2024 \$000's
<b>Sources of operating funding</b>			
General rates, UAGCs, rates penalties	-	-	-
Targeted rates	1,417	1,454	1,370
Subsidies & grants for operating purposes	-	-	-
Fees and charges	8	8	8
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	-	-	-
<b>Total operating funding (A)</b>	<b>1,425</b>	<b>1,462</b>	<b>1,378</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	794	816	974
Finance costs	-	2	-
Internal charges and overheads applied	421	439	437
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,215</b>	<b>1,257</b>	<b>1,412</b>
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>210</b>	<b>205</b>	<b>(34)</b>
<b>Sources of capital funding</b>			
Subsidies & grants for capital expenditure	-	-	-
Development and financial contributions	10	10	10
Increase/(decrease) in debt	(2)	102	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>8</b>	<b>113</b>	<b>10</b>
<b>Application of capital funding</b>			
Capital expenditure			
- To meet additional demand	-	-	-
- To improve the level of service	-	-	140
- To replace existing assets	21	521	206
Increase/(decrease) in reserves	196	(204)	(370)
Increase/(decrease) in investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>218</b>	<b>317</b>	<b>(24)</b>
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>(210)</b>	<b>(205)</b>	<b>34</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Wastewater

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

## Sub-Activities

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

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

## What we do and why we do it

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

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

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

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

## What we’re planning for 2023/2024

The only planned capital work of note is some minor replacements or repairs to reticulation in the Avoca St/Esplanade area and the corrosion protection of a pump station.

Continuing efforts will be made to identify and reduce sources of stormwater infiltration into sewers and to implement the provisions of KDC’s Trade Waste Bylaw to control the discharge of difficult to treat effluent into the sewer system.

There is also a need to address some recently identified issues of non-compliance in respect of the resource consents for this activity.

## Major assumptions

- The Government’s Three-Waters Reform does not significantly affect service delivery or the structure of wastewater ownership during this 2023/2024 year
- Wastewater assets perform to their expected remaining useful lives as identified in the Council’s asset management plans
- Resource consent compliance issues do not necessitate substantial additional expenditure

## Funding Impact Statement: Wastewater

For the year ended 30 June

	Long-Term Plan 2022/2023 \$000's	Long-Term Plan 2023/2024 \$000's	Annual Plan 2023/2024 \$000's
<b>Sources of operating funding</b>			
General rates, UAGCs, rates penalties	8	9	9
Targeted rates	627	646	701
Subsidies & grants for operating purposes	15	15	18
Fees and charges	21	21	24
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	-	-	-
<b>Total operating funding (A)</b>	<b>671</b>	<b>691</b>	<b>752</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	412	421	452
Finance costs	-	-	-
Internal charges and overheads applied	259	271	315
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>671</b>	<b>691</b>	<b>767</b>
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>-</b>	<b>-</b>	<b>(15)</b>
<b>Sources of capital funding</b>			
Subsidies & grants for capital expenditure	-	-	-
Development and financial contributions	16	16	15
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>16</b>	<b>16</b>	<b>15</b>
<b>Application of capital funding</b>			
Capital expenditure			
- To meet additional demand	-	-	-
- To improve the level of service	-	-	-
- To replace existing assets	79	25	179
Increase/(decrease) in reserves	(63)	(9)	(179)
Increase/(decrease) in investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>16</b>	<b>16</b>	<b>-</b>
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>-</b>	<b>-</b>	<b>15</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Stormwater

---

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

## Sub-Activities

- Stormwater collection
- Stormwater disposal

## What we do and why we do it

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

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

## What we're planning for 2023/2024

Our service provider, IWK, undertakes a planned programme of work to ensure the stormwater system is functioning well and kept clear of debris ready for heavy rain events.

The stormwater network is generally in a sound condition and no significant capital works are currently planned for the 2023/24 year.

Work will however be required during the year to update and achieve compliance with the global resource consent for discharge of stormwater from the network.

## Major Assumptions

- The Government's Three-Waters Reform does not significantly affect service delivery or the structure of stormwater ownership during this 2023/2024 year
- Wastewater assets perform to their expected remaining useful lives as identified in the Council's asset management plans
- The achievement of compliance with resource consent conditions does not require substantial additional expenditure

## Funding Impact Statement: Stormwater

For the year ended 30 June

	Long-Term Plan 2022/2023 \$000's	Long-Term Plan 2023/2024 \$000's	Annual Plan 2023/2024 \$000's
<b>Sources of operating funding</b>			
General rates, UAGCs, rates penalties	-	-	-
Targeted rates	114	118	51
Subsidies & grants for operating purposes	-	-	-
Fees and charges	1	1	2
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	-	-	-
<b>Total operating funding (A)</b>	<b>114</b>	<b>119</b>	<b>53</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	34	35	49
Finance costs	-	-	-
Internal charges and overheads applied	85	88	49
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>119</b>	<b>123</b>	<b>98</b>
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>(5)</b>	<b>(5)</b>	<b>(45)</b>
<b>Sources of capital funding</b>			
Subsidies & grants for capital expenditure	-	-	-
Development and financial contributions	5	5	5
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>5</b>	<b>5</b>	<b>5</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	-	-	(40)
Increase/(decrease) in investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>-</b>	<b>-</b>	<b>(40)</b>
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>5</b>	<b>5</b>	<b>45</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Refuse & Recycling

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

## Sub-Activities

- Refuse disposal
- Recycling & waste diversion

## What we do and why we do it

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

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

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

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

## What we're planning for 2023/2024

The focus will be on finishing the reconfiguration of the RRC, adapting operating practices to the new site and planning and commencing the final closure of the landfill. A specialist consultant has been engaged to prepare a plan for this closure, which will need to be approved by Environment Canterbury (ECan).

Work will also be undertaken to address issues of non-compliance in respect of resource consents for the RRC/landfill site that have recently been identified by ECan. Some of this work is expected to be integrated with the landfill closure, but depending on the expectations of ECan regarding timing, some may need to be conducted in advance.

## Major assumptions

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



## Funding Impact Statement: Refuse &amp; Recycling

For the year ended 30 June

	Long-Term Plan 2022/2023 \$000's	Long-Term Plan 2023/2024 \$000's	Annual Plan 2023/2024 \$000's
<b>Sources of operating funding</b>			
General rates, UAGCs, rates penalties	241	238	260
Targeted rates	255	262	301
Subsidies & grants for operating purposes	-	-	-
Fees and charges	92	94	70
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	31	52	51
<b>Total operating funding (A)</b>	<b>618</b>	<b>646</b>	<b>682</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	388	365	428
Finance costs	13	31	41
Internal charges and overheads applied	183	191	154
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>584</b>	<b>587</b>	<b>623</b>
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>34</b>	<b>59</b>	<b>59</b>
<b>Sources of capital funding</b>			
Subsidies & grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	(77)	1,136	529
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>(77)</b>	<b>1,136</b>	<b>529</b>
<b>Application of capital funding</b>			
Capital expenditure			
- To meet additional demand	-	-	-
- To improve the level of service	-	-	750
- To replace existing assets	-	1,358	-
Increase/(decrease) in reserves	(43)	(163)	(162)
Increase/(decrease) in investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>(43)</b>	<b>1,195</b>	<b>588</b>
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>(34)</b>	<b>(59)</b>	<b>(59)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Facilities

**Goal:** to provide fit for purpose facilities which meet a broad range of community social and recreational needs, and which are not provided by central government and cannot be readily provided by the private sector.

## Sub-Activities

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

## What we do and why we do it

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

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

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

## What we're planning for 2023/2024

The Link Pathway, funded by the Provincial Growth Fund (PGF), will transform the way we enjoy the peninsula coastline. The Link Pathway will provide walking and cycling access from the West End to the Point Kean seal colony, up to the peninsula lookout. The project has already commenced, and due to the complexities, we aim to have it completed by June 2025.

The Wakatu Quay project is ongoing as the Council seeks either another funding partner (the first partner having withdrawn their interest due to the economic climate and their other project priorities). The Council has signalled its commitment to Kanoa (PGF) to secure the \$10.88 million in funding for the project.

Other projects of note are the replacement of the West End toilet block, and the construction of new toilets in Churchill Park and the Northern entrance to the township. We will continue to refurbish the housing for the elderly units on Torquay St, and complete repairs to the amphitheatre.

## Major assumptions

- There are no new legal requirements that impose greater obligations on the Council in respect of these activities
- All the major buildings associated with this activity remain under the control and ownership of the Council and do not require very major renewal or repair works during the year.
- Funding for the Link Pathway, Wakatu Quay, and Better Off Funding projects is received as and when the projects progress, and the projects are completed in the forecast timeframes.

## Funding Impact Statement: Facilities

For the year ended 30 June

	Long-Term Plan 2022/2023 \$000's	Long-Term Plan 2023/2024 \$000's	Annual Plan 2023/2024 \$000's
<b>Sources of operating funding</b>			
General rates, UAGCs, rates penalties	860	855	939
Targeted rates	657	617	747
Subsidies & grants for operating purposes	86	86	643
Fees and charges	629	870	695
Internal charges and overheads recovered	127	127	127
Fuel tax, fines, infringement fees & other	-	-	-
<b>Total operating funding (A)</b>	<b>2,359</b>	<b>2,555</b>	<b>3,151</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	1,309	1,461	1,958
Finance costs	64	86	129
Internal charges and overheads applied	646	674	813
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>2,019</b>	<b>2,222</b>	<b>2,900</b>
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>340</b>	<b>333</b>	<b>251</b>
<b>Sources of capital funding</b>			
Subsidies & grants for capital expenditure	7,019	-	5,751
Development and financial contributions	8	8	8
Increase/(decrease) in debt	(186)	(228)	(210)
Gross proceeds from sale of assets	-	-	150
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>6,841</b>	<b>(220)</b>	<b>5,699</b>
<b>Application of capital funding</b>			
Capital expenditure			
- To meet additional demand	7,227	-	5,271
- To improve the level of service	15	-	1,000
- To replace existing assets	119	266	242
Increase/(decrease) in reserves	(180)	(153)	(563)
Increase/(decrease) in investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>7,181</b>	<b>113</b>	<b>5,950</b>
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>(340)</b>	<b>(333)</b>	<b>(251)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Leadership & governance

**Goal:** to provide leadership to the community and have in place a system of representation which is open and transparent. We engage with, and inform our community, and give opportunities for participation in the democratic process and decision making. We provide accountable stewardship of the Council's assets and resources.

### Sub-Activities

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

### What we do and why we do it

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

The Council's aim is to provide an effective and fit for purpose system of governance and democratic local decision making that facilitates the involvement of the community, residents and ratepayers and mana whenua.

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

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

### What we're planning for 2023/2024

The Council plans to undertake a representation review which addresses the total number of councillors there should be for the district and the way they are elected. The review involves deciding whether councillors are elected from wards or at large, as well as whether there

should be community boards and if so, each board's boundary, purpose, and membership arrangements.

During 2023/2024 the Council will be developing its Long-Term Plan for the ten years 2024-2034. With the currently known changes to the government's Three-Waters reform, the actual date that the transition takes place is expected to be 1 July 2026, which is the third year of the next Long-Term Plan. This means there will be two years of "three-waters in" and the remaining years of the Long-Term Plan will be developed on the assumption that three-waters are not activities provided by the Council.

The Council has initiated a rating review, which means it is deliberating over each activity the Council provides and who benefits from that activity, to then determine how much of the activity should be funded from rates versus other revenue sources, and how those rates should be levied (i.e., general rates or targeted rates). Community views on the rating review will be sought late 2023, to then inform the financial modelling for the Long-Term Plan taking effect 1 July 2024.

### Major assumptions

- There are no significant changes to the form, functions, or funding of local government because of reforms currently being considered by central government, for the 2023/2024 year.
- The Council can attract and retain suitably qualified staff
- The relationship with Te Rūnanga o Kaikōura continues to flourish

## Funding Impact Statement: Leadership &amp; Governance

For the year ended 30 June

	Long-Term Plan 2022/2023 \$000's	Long-Term Plan 2023/2024 \$000's	Annual Plan 2023/2024 \$000's
<b>Sources of operating funding</b>			
General rates, UAGCs, rates penalties	1,291	1,284	1,302
Targeted rates	-	-	-
Subsidies & grants for operating purposes	-	-	40
Fees and charges	53	38	46
Internal charges and overheads recovered	2,381	2,493	2,506
Fuel tax, fines, infringement fees & other	-	-	-
<b>Total operating funding (A)</b>	<b>3,724</b>	<b>3,815</b>	<b>3,894</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	3,317	3,386	3,525
Finance costs	-	3	-
Internal charges and overheads applied	371	384	348
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>3,688</b>	<b>3,772</b>	<b>3,873</b>
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>36</b>	<b>43</b>	<b>21</b>
<b>Sources of capital funding</b>			
Subsidies & grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	-	220	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>220</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	96	323	89
Increase/(decrease) in reserves	(60)	(60)	(68)
Increase/(decrease) in investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>36</b>	<b>263</b>	<b>21</b>
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>(36)</b>	<b>(43)</b>	<b>(21)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Building & regulatory

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

### Sub-Activities

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

### What we do and why we do it

Building and regulatory services ensure that rules and regulations are adhered to, especially in the areas affecting public health and safety. It involves assessing and processing building and resource consent applications, inspecting buildings under construction, ensuring compliance with legislation relating to food premises, sale of liquor, and animal control. We also provide a responsive and efficient resource consent service that observes planning rules.

### What we're planning for 2023/2024

As a NZ Territorial Authority (TA) the Kaikōura District Council has legislative obligations to ensure that:

- Building Act requirements are met
- Land use and subdivision consents are assessed against applicable standards
- 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
- Noise complaints and other environmental nuisances are responded to appropriately
- Advice and guidance on building and regulatory matters is available to members of the public
- Responsible Camping is 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 is investigated, and action taken as necessary
- Swimming pools are inspected

### Major assumptions

- The legislation relating to natural and built environments, strategic planning and climate change adaptation will not have effect during the 2023/2024 year
- The Council can make progress towards internal employment of Building Control Officers
- Building activity remains at similar levels to that of 2022/2023.
- Subdivision activity remains at similar levels to that of 2022/2023.

## Funding Impact Statement: Building &amp; regulatory

For the year ended 30 June

	Long-Term Plan 2022/2023 \$000's	Long-Term Plan 2023/2024 \$000's	Annual Plan 2023/2024 \$000's
<b>Sources of operating funding</b>			
General rates, UAGCs, rates penalties	480	529	518
Targeted rates	68	64	147
Subsidies & grants for operating purposes	-	-	62
Fees and charges	765	769	820
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	21	21	20
<b>Total operating funding (A)</b>	<b>1,334</b>	<b>1,383</b>	<b>1,567</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	1,064	1,098	1,344
Finance costs	-	-	-
Internal charges and overheads applied	321	335	344
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,385</b>	<b>1,433</b>	<b>1,688</b>
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>(52)</b>	<b>(50)</b>	<b>(121)</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	(52)	(50)	(121)
Increase/(decrease) in investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>(52)</b>	<b>(50)</b>	<b>(121)</b>
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>52</b>	<b>50</b>	<b>121</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Community & customer services

**Goal:** we are committed to putting our community first and will consolidate processes where residents come together to take collective action generating solutions to common problems.

### Sub-Activities

- Customer services
- Community development
- Emergency management
- Community grants, events & fundraising
- 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 planning for 2023/2024

The emphasis for this financial year is supporting the Kaikōura community through the help and advice of our community development officers, working collaboratively with community groups and government agencies to move Kaikōura forward.

We further aim to provide professional effective and efficient customer services, with capacity to respond to any issues that present themselves.

We are continuing to migrate our current records to a new records management system, which involves much scanning and updating files to new naming protocols,

establishing a professional electronic data records management system that complies with the Public Records Act. More work and cost will be required in this area.

We continue to work towards having 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 with traditional library services.

Emergency management is a key function of the Council, and we are continually training and participating in mock exercises alongside local emergency services (Police, Fire & Emergency, St Johns, and Red Cross, etc), to keep up to date with evolving emergency management systems and in a state of preparedness for any event.

### Major assumptions

- No major natural hazard events will occur in the next three years. Statistically, the odds of a major natural hazard event are very low while the consequences of a major event are high.
- Council services are not adversely impacted by a natural disaster and our team is able to support the community as planned.
- Community grants, events and fundraising activities continue at levels similar to that of 2022/2023, such as Mayor's Taskforce for Jobs, enabling planned community support to continue.



## Funding Impact Statement: Community &amp; customer services

For the year ended 30 June

	Long-Term Plan 2022/2023 \$000's	Long-Term Plan 2023/2024 \$000's	Annual Plan 2023/2024 \$000's
<b>Sources of operating funding</b>			
General rates, UAGCs, rates penalties	887	909	970
Targeted rates	10	10	-
Subsidies & grants for operating purposes	30	28	557
Fees and charges	23	18	25
Internal charges and overheads recovered	222	225	311
Fuel tax, fines, infringement fees & other	-	-	-
<b>Total operating funding (A)</b>	<b>1,172</b>	<b>1,190</b>	<b>1,863</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	922	930	1,639
Finance costs	12	16	25
Internal charges and overheads applied	187	193	204
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,121</b>	<b>1,139</b>	<b>1,867</b>
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>51</b>	<b>50</b>	<b>(4)</b>
<b>Sources of capital funding</b>			
Subsidies & grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	(19)	(17)	(14)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>(19)</b>	<b>(17)</b>	<b>(14)</b>
<b>Application of capital funding</b>			
Capital expenditure			
- To meet additional demand	-	-	-
- To improve the level of service	-	-	-
- To replace existing assets	33	33	32
Increase/(decrease) in reserves	-	-	(50)
Increase/(decrease) in investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>33</b>	<b>33</b>	<b>(18)</b>
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>(51)</b>	<b>(50)</b>	<b>4</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

# District development

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

## Sub-Activities:

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

## What we do and why we do it

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

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

## What we're planning for 2023/2024

We will continue a rolling review of the Kaikōura District Plan that results in a progressive plan that reflects the expectations of our community, while protecting and enhancing our unique biodiversity. Given Resource Management reform the rolling review has been paused to enable our community to better prepare for future Government direction.

We know the Resource Management Act will be replaced with three new pieces of legislation being the Natural Built Environments Act, Spatial Planning Act and Climate Adaptation Act.

The Council is currently developing a Spatial Plan to ensure our community direction is well established. The development of the Spatial Plan will continue into the 2023/24 financial year. Once completed we will be better placed to assess our District Plan review and prioritise what is important over the next 5 years. In

2022/2023 we completed the Natural Hazards Chapter which is now operative.

We will also continue to provide a friendly and helpful service, keep abreast of pending changes to planning legislation and will ensure that planning standards and guidelines set down in regulations are met.

The Council provides ecological support to landowners and works in partnership with landowners, our community, and Environment Canterbury, to achieve the best environmental outcomes for the district.

Kaikōura is a unique community that values a vital, diverse, well-structured district economy, based on best practice and innovative environmental management that attracts values-based investment. The Council supports economic and environmental projects and events that align with our values and promote Kaikōura as a leader in innovative solutions that strengthen our Kaikōura brand.

The Council also supports Destination Kaikōura to promote the Kaikōura district offerings to international and domestic markets.

## Major assumptions

- The Resource Management Reforms proceed as outlined by the Bills introduced into Parliament in November 2022
- The District Plan review progresses as per the review Road Map
- The significant changes that have been signalled for Resource Management legislation do not result in significant costs or direction for the Council or the district.
- The Council continues to work in partnership with Environment Canterbury for planning services.
- The Council does not move to a full E-plan format for the District Plan.
- COVID-19 will continue to affect the economy, with overseas visitors returning in line with predictions from the Ministry of Tourism.
- The Council continues to support Destination Kaikōura at similar levels to 2022/2023.

## Funding Impact Statement: District development

For the year ended 30 June

	Long-Term Plan 2022/2023 \$000's	Long-Term Plan 2023/2024 \$000's	Annual Plan 2023/2024 \$000's
<b>Sources of operating funding</b>			
General rates, UAGCs, rates penalties	166	168	160
Targeted rates	501	516	454
Subsidies & grants for operating purposes	-	-	50
Fees and charges	-	-	45
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	-	-	-
<b>Total operating funding (A)</b>	<b>337</b>	<b>684</b>	<b>709</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	721	733	730
Finance costs	1	6	4
Internal charges and overheads applied	125	131	129
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>847</b>	<b>870</b>	<b>864</b>
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>(180)</b>	<b>(186)</b>	<b>(155)</b>
<b>Sources of capital funding</b>			
Subsidies & grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	155	186	155
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>155</b>	<b>186</b>	<b>155</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	(25)	-	-
Increase/(decrease) in investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>(25)</b>	<b>-</b>	<b>-</b>
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>180</b>	<b>186</b>	<b>155</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

P O Box 6

96 West End

Kaikōura 7300

P: 03 319-5026

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

 [@KaikōuraDistrictCouncil](https://www.facebook.com/KaikōuraDistrictCouncil)

*“Moving Kaikōura forward”*



**KAIKŌURA**  
DISTRICT COUNCIL

