

Building a *stronger Kāpiti* together



Toitū Kāpiti

Kāpiti Coast District Council

Annual Report 2018/19

Year 1 of our Long Term Plan 2018–38



Purpose

The annual report is our report to the community on the progress we have made toward our outcomes and our overall delivery and performance for the year.

It is a legislative requirement and we also see it as an important opportunity to inform residents about how we're using rates funding and our stewardship of the district's assets. It's also a record of the year's achievements which reflect on the contribution of many in our community.

This annual report for 2018/19 is the first against our Toitū Kāpiti Long Term Plan 2018–38 so the key activities we discuss follow the priorities we agreed with the community when we formed the plan.

Our Council was established in the local government reorganisation of 1989. At that time the Kāpiti Coast district was expanded to include Waikanae and Ōtaki which had been part of the former Horowhenua County. We are part of the Wellington Region.



Contents

Overview

Statement of compliance and responsibility	7
Foreword from the mayor and chief executive	8
Message from tāngata whenua	11

Our year: highlights of 2018/19

Delivering on our agreed direction	14
Our plan on a page	15
Progress towards our outcomes	16
Improving our financial position and investing in infrastructure	16
Progressing priority infrastructure work	20
Making it easier to get involved and use our services	22
Moving on climate change and sustainability	25
Celebrating Kāpiti and boosting our economy	28
Progress on other outcomes	31

Our activities and services

Infrastructure

Stormwater	34
Access and transport	40
Coastal management	44
Water	47
Wastewater	52
Solid waste	56

Community services

Parks and open space	60
Recreation and leisure	65
Community facilities and community support	70
Economic development	78

Planning and regulatory

Districtwide planning	84
Regulatory services	87

Governance and tāngata whenua

Governance and tāngata whenua	92
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Our finances

Statement of comprehensive revenue and expense	97
Statement of changes in net assets/equity	97
Statement of financial position	98
Statement of cash flows	98
Funding impact statement	99
Notes to the financial statements	100
Disclosure statement	137
Funding impact statements per activity	142
Independent auditor's report	149

Other information

Council	154
Community boards	155
Te Whakaminenga o Kāpiti	155
Meeting attendance record of elected members	156
Contact details of elected members	158
Organisation structure	160
Contact information for Kāpiti Coast District Council	161



Statement of compliance and responsibility

1 July 2018 to 30 June 2019

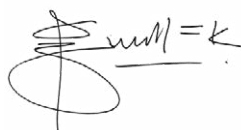
Compliance

The elected members and management of Kāpiti Coast District Council confirm that all statutory requirements of sections 98 and 99 of the Local Government Act 2002 have been complied with.

Responsibility

We accept responsibility for the preparation of the annual financial statements and the judgements used in them, and for establishing and maintaining a system of internal control that provides reasonable assurance as to the integrity and reliability of our financial reporting.

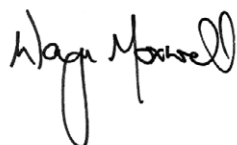
In our opinion, the annual financial statements for the year ended 30 June 2019 fairly reflect the financial position and operations of the Council.



K. Gurunathan

Mayor
Kāpiti Coast District

26 September 2019



Wayne Maxwell

Chief Executive

26 September 2019



Sean Mallon

Deputy Chief Executive
Group Manager, Infrastructure Services

26 September 2019



Foreword from the mayor and chief executive

Kia ora and welcome to this Annual Report for our district for 2018/19. We are presenting this report together as it falls at the end of the 2016–2019 electoral term.

2018/19 was year one of our Toitū Kāpiti Long Term Plan 2018–2038 so this is the first full-year progress report on our plan. We got underway on all the key areas agreed in the plan and made good progress towards our outcomes. Highlights of what we've delivered for our focus outcomes are discussed next, with all the details of the year's work in the activities and services section (page 33) and financials (page 95).

Strengthening our finances to fund infrastructure

Our first two outcomes – doing better with our finances and prioritising infrastructure for our district’s future resilience have been a major focus. We finished the year with a surplus slightly higher than projected and a good improvement in reducing our borrowings and funding depreciation.

Close management of our finances and an emphasis on reducing debt is essential to put us in a really strong financial position for when we need to borrow for major infrastructure replacement in future years. The effectiveness of our financial management was recognised with our latest credit rating. Standard & Poor’s completed their year’s review of the Council’s financial strength and credit worthiness and just after year end advised they had increased our rating two places from A+ to AA.

Our careful approach to spending also helps us in the here and now. For example, during the year we encountered some serious issues, such as the very poor state of the Waikanae Library. We needed to work rapidly to leave that space and set up an alternative while we plan for a permanent new facility. Being on top of our budget meant we could do that. And it’s not just responding to a problem where our improved financial position helps. We have been reviewing our whole property portfolio and decided that we should prioritise upgrades to our older persons’ housing; which we did, investing over twice

as much on improvements in 2018/19 compared to the original budget.

We’ve also continued investment in our water infrastructure to ensure drinking water supplies are in good shape right across the district with upgrading on the Waikanae water treatment plant begun in 2018/19. We have geared up for improvements to our stormwater network that will benefit properties most at risk of flooding. We also started comprehensive condition assessments which are showing us where there are small problems that we can fix to prevent flooding.

Moving on issues facing our community

Affordable housing in Kāpiti is becoming a pressing issue and it is one of the areas we began work on in the 2018/19 year and will move on in the next. Likewise, climate change which was discussed in our long term plan process and is one of our priority outcomes. We had some encouraging achievements during the year with converting most of our street lights to LED – reducing both our carbon emissions and electricity costs.

We have been working hard to lower emissions over the past eight years and it was gratifying that our efforts were recognised again with the Council recently receiving the Enviro-Mark Solutions award for ‘Excellence in Climate Action’ for a medium organisation. Doing even more in this area is going to need some real creativity and before our next long

term plan we will be investigating options and inviting community input.

Responding to concerns about services

Improving how we deliver our core day-to-day services is key to achieving our outcomes. We’ve been looking particularly at how we can make it easier for people to deal with us and use our services. We’ve made some improvements that have been well received such as simplifying dog registration. There have been other areas where residents’ survey results indicate people are not as satisfied as we aim for, such as with the condition of footpaths. We gave this particular attention during the year and it was good to see the last round of survey results showing people feeling more positive, though there’s more we need to do across our services.

Celebrating our Kāpiti lifestyle

Our outcomes include a focus on celebrating and promoting the district which so many of you feel passionately about. A range of positive and innovative events took place during the year with support from the Council – the iconic Māoriland Film Festival, community garden parties that brought people together, and our pop-up business school fostering emerging enterprises.

Advocating for our district

It has been a full-on year in terms of our work with our regional colleagues and our advocacy to central government on behalf of the district. Those aspects of Council's role are increasingly important and will be very significant for us dealing with social needs such as housing pressures and the massive challenge of mitigating and planning for climate change.

Partnering and collaboration within our community, and with our neighbours, will also be the path for building a future that brings opportunities and benefits across Kāpiti. This is what people envisioned through our long term plan development and our first year of delivery has started us positively along that journey.

Our thanks to Council staff, elected representatives on Council and community boards, our iwi and all the community groups and organisations we work with. We acknowledge all the residents of Kāpiti whom we serve. Toitū te whenua, toitū te wai, toitū te tāngata. Toitū Kāpiti!



A handwritten signature in black ink, appearing to read 'K Gurunathan'.

K Gurunathan JP, MA

Mayor
Kāpiti Coast District



A handwritten signature in black ink, appearing to read 'Wayne Maxwell'.

Wayne Maxwell

Chief Executive





Message from tāngata whenua

Me huri whakamuri, ka titiro whakamua – Utilising our past to inform our future

As kaitiaki and tāngata whenua of the district, our focus is on ensuring that our footsteps in the environment have a positive influence for our future generations. Our traditional practice of kaitiakitanga has developed from centuries of observation and experience and knowledge handed down from our ancestors.

The Toitū Kāpiti 2018–38 Long Term Plan reflects the vision of kaitiakitanga and sustainability that we embrace for our district and there have been positive steps made on that journey in the year just past.

Since 1994, we have committed to a partnership with the Council that recognises our dual roles in the management of the district and our responsibility to plan wisely for the future. Together, we have worked alongside each other to embed our respective knowledge bases to achieve the best outcomes for our community.

For tāngata whenua and iwi – Te Āti Awa ki Whakarongotai, Ngāti Raukawa ki te Tonga and Ngāti Toa Rangatira – there have been a wide range of contributions and achievements during 2018/19.

Iwi were part of several working parties including town centres, water management, the district plan, the treatment of bio-solids and the development of cultural impact assessments.

We made grants from Māori economic development funds to four recipients and allocated the annual marae maintenance and development fund.

Matariki was celebrated across the rohe with a range of activities in June and July 2018 and Te Wiki o Te Reo Māori was promoted through the community with a short video encouraging the correct pronunciation of some of our place names.

In March 2019 we marked 25 years of partnership between iwi and the Council. In the coming years we will be moving towards a post-Treaty settlement era and looking at increasing opportunities to foster Māori economic development, to embed matāuranga Māori and to work together to improve opportunities for tāngata whenua across the activities of the Council.

Rupene Waaka

Tumuaki, Te Whakaminenga o Kāpiti



Te Runanga o Toa Rangatira





Our year: highlights of 2018/19

This section presents highlights from our activities during the past year, from 1 July 2018 to 30 June 2019, which was the first year of our Toitū Kāpiti Long Term Plan 2018–38. It includes major work progressed, initiatives we got underway and some of the issues we dealt with during the year.

Details of all our work – what we delivered, how we did against our performance measures and how much we spent, are in the following sections: Our activities and services (pages 33–94) and Our finances (pages 95–148).

Delivering on our agreed direction

Our vision

Thriving environment

Vibrant economy

Strong communities

Toitū te whenua,
Toitū te wai,
Toitū te tāngata,

Toitū Kāpiti – the lifestyle choice

The direction we've set in our long term plan is illustrated in the 'our plan on a page' graphic opposite. We are presenting these highlights by outcome to reflect the direction agreed with the community in developing the plan.

As with our whole direction, the outcomes were shaped through early discussions with the community about the most important things the Council needed to do.

The outcomes we determined came out of looking at where we want to be – our vision of a thriving environment, vibrant economy and strong communities – and reflecting on our challenges, particularly affordability, the need to grow our economy, the importance of kotahitanga – community and being connected, and the threats to our environment.

We have 11 outcomes in total. When we finalised the long term plan we expected that in the first three years we would be able to make the most progress toward the top five outcomes.

Those five outcomes mean that by 2021, and earlier if possible, we want to have made real progress towards:

- a strong financial base
- infrastructure that helps our district to be resilient and manage growth smoothly
- everyone in our community being able to get involved, have a say and use our services easily
- action on climate change and ways of doing things that are more sustainable, and
- recognition of all that our district has to offer.

With the other six outcomes we expect it will take longer than three years to make substantial progress. However, we'll be working on them wherever we have the opportunity and, even in this first year, we have made some good progress, particularly with initiatives to improve our environment. This links to our climate change outcome so we've grouped our highlights on those together. A number of the outcomes connect like this, so work we do in one area helps us move forward on several outcomes.

At the end of this section, we've included some examples of initiatives in the past year that contribute toward the longer term outcomes.

Our plan on a page

Our plan on a page illustrates the key elements of the strategic direction developed as part of the long term plan 2018–38. More information on our long term plan is available at kapiticoast.govt.nz/long-term-plan-2018-38

Key challenges

Approaches

Financial strategy

10-year outcomes

Long term goals

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3-year focus:

- » Improved financial position against financial constraints
- » Infrastructure investment that supports resilience and agreed growth projections
- » Improved accessibility of Council services
- » A positive response to our distinct district identity
- » An effective response to climate change in Kāpiti

- » Community satisfaction with Council services is maintained or improved
- » A more diverse range of businesses in the district
- » A community that is more resilient through Council's advocacy
- » A community better supported to lead initiatives in response to agreed community priorities
- » Improved biodiversity and environment through sustainable practices
- » WREMO levels of service consistently met or exceeded in response to emergency preparedness

WISE MANAGEMENT of public resources and sustainable funding of Council services

Council is a **TRUSTED PARTNER** with tāngata whenua and strongly engaged with the community

A high **QUALITY NATURAL ENVIRONMENT** enjoyed by all

A **RESILIENT COMMUNITY** that has support for basic needs and feels safe and connected

An attractive and distinctive **KĀPITI IDENTITY** and sense of place that make people proud to live, work and play here

A **STRONG ECONOMY** with more jobs and higher average incomes

Our vision

thriving environment :: vibrant economy :: strong communities

toitū te whenua :: toitū te wai :: toitū te tāngata

toitū Kāpiti – the lifestyle choice

Overview

Our activities and services

Our finances

Other information

Progress towards our outcomes

Improving our financial position and investing in infrastructure

Our first two outcomes are focused on improving our financial position and investing in infrastructure – doing better with our money and spending on the right things. These outcomes are closely linked and reinforce each other and our approach is consistent with the Office of the Auditor General's recommendation that councils combine their financial and infrastructure strategies.

Improving our financial position means we'll:

- reduce borrowing to bring down our debt
- fully fund depreciation within five years, so we can afford to replace facilities such as roads and pipes, and
- spend less by prioritising what is most important so we can keep rates increases down.

Our infrastructure focus means we'll:

- plan for growth and invest in the right things at the right time to support the needs of our communities.



Keeping rates affordable

The majority of our activities and services – such as providing our district's pools – are funded mainly from rates.

Our average rates increase for 2018/19 was 4.8% which was in line with our projections in the Toitū Kāpiti Long Term Plan 2018–38. As our finances improve, our increases should be able to come down. Our district is very dependent on rates because we don't have other income-generating

assets that some local authorities do such as ports, or funds from the sale of local power suppliers.

During 2018/19 we made good progress in dealing with unpaid property rates. At the end of the financial year, rates outstanding amounted to \$1.87 million compared with \$2.30 million the previous year. We also reduced overdue water rates by 36% compared with the previous year.

Over the past five years, we've been focusing on living within our means – spending less so we can pay back more in preparation for the major infrastructure replacements required in the future. This approach has been successful in improving our bottom line and we maintained our close financial management in 2018/19.

As shown in the plan on a page (page 15), our financial strategy is focused on achieving a balance between delivering affordable rates; minimising borrowings; and optimising capital spending. In the 2018/19 year, we came in under all the limits we had set in our strategy for rates, debt and capital spending.

Minimising borrowings

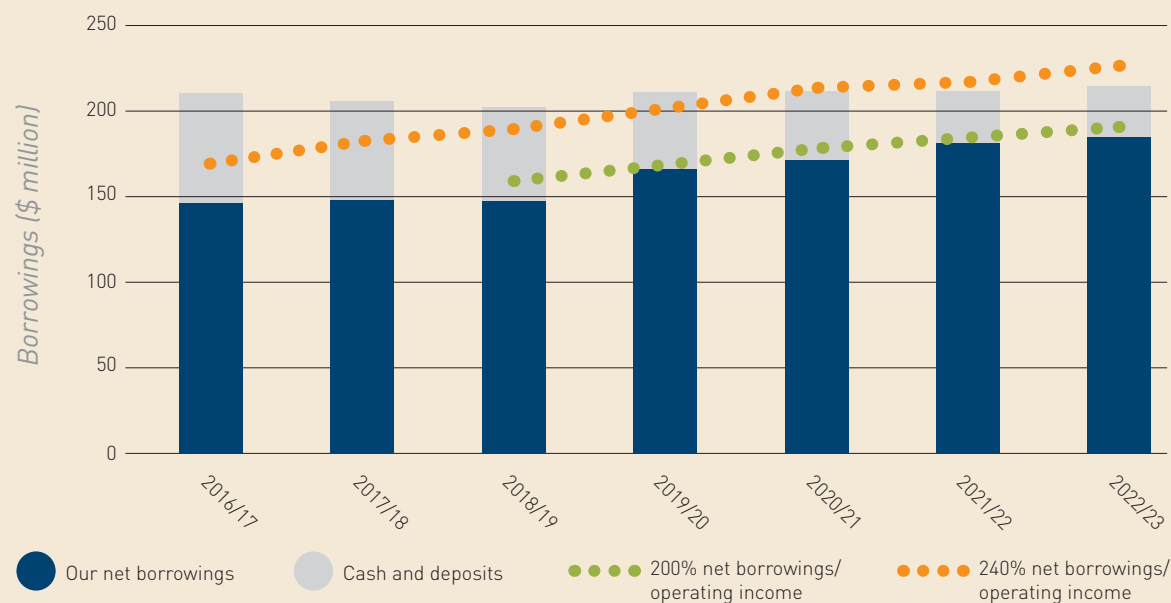
We have continued to reduce our borrowings and fund depreciation.

Over the last two years we have managed to reduce our net borrowings by 7% from what was indicated in the long term plan and we are now steadily on track with our 'green-line' strategy which aims to keep borrowings below 200% of our operating income.

For 2018/19, our borrowing was \$147.6 million or 180% of our operating income – well beneath the 'green line' limit as shown in the diagram.

We are taking a multi-faceted approach to reducing debt: limiting capital spending, using our rates surpluses to pay back borrowings, and using all of the funding from developers to contribute towards the costs of providing infrastructure. This frees up funds

Our borrowings compared with the limits we've set – our green-line strategy



We talk about our borrowings as gross and net. In the graph above, the blue and grey combined are our gross borrowings. Gross is the total borrowings and net is what we owe after allowing for our financial assets – essentially the cash and term deposits we hold to repay borrowings. To make sure we can always cover repayments when they are due, we start to build up funds in advance of the due date and put those funds into term deposits. Our net borrowings (the blue bars)

therefore reflect the true position of what we owe. This graph shows how our borrowings have tracked for the past three years and our projected borrowings for the coming years.

The graph also shows our strategy to keep below 200% of operating income – represented by the green dotted line. For the year 2018/19 our borrowings were around 180% of our operating income.

to pay back debt earlier which, in turn, will enable us to borrow in the future to replace infrastructure when it reaches the end of its life.

While we could borrow more, we are choosing to limit borrowing. As for any organisation or individual, our level of borrowing against our income shows how well placed we are to handle and repay debt in the future. It is one of the key measures used by Standard and Poor's to assess our credit worthiness.

We also reduced unfunded depreciation by \$1.3 million. Our unfunded depreciation is down from \$5.1 million to \$3.9 million and we are on track for our target of fully funding depreciation by 2022/23. Increasing the level of depreciation funding helps bring down overall debt and interest costs.

Optimising spending

During the year, we reprioritised capital spending while completing urgent and priority work. This included spending more on improving our older persons' housing. Essentially, we are not spending where we don't need to and we are spreading the work when that is possible.

We spent 76% of our capital expenditure budget and our final capital spending for 2018/19 was \$22.2 million. We will carry over \$5.0 million into next year and \$1.3 million into future years. That amount is for work we've rescheduled or where timing has changed such as our contribution to the Kāpiti College performing arts centre. All details are shown in note 15 of the financial statements [page 119].

We will review our capital spending again after the first quarter of 2019/20, to ensure that our work programme is still deliverable and that the work planned reflects priority needs.

We recorded a rates surplus of \$1.7 million. This is mostly due to partnering well with New Zealand Transport Agency (NZTA) to optimise funding, reducing our energy costs through the LED streetlight conversion, and less spending and more water use in our water activity.

Council has a separate water account to make sure water rates recover the costs of providing safe drinking water. We are working to gradually balance the costs of providing water with the revenue from water rates. We are on track to do that over the next couple of years, which is earlier than planned.

Council credit rating lifted two grades

As they do annually, Standard and Poor's reviewed our financial performance during 2018/19 and our financial plans. In July 2019, they raised our credit rating two places from A+ to AA. This puts us among the top tier of councils in New Zealand.

The AA rating means the community can be confident the Council is managing its finances well and that we're planning effectively for future borrowing requirements. Our district benefits from our high credit rating because it means we can borrow at lower rates. We borrow from the Local Government Funding Agency and our enhanced credit rating will reduce the costs of new borrowing even further.



Council efficiency confirmed








As well as carefully managing our capital spending, we focus on operating as efficiently as possible to make the best use of ratepayers' money. From 2015/16 to 2017/18, we demonstrated our efficiency with the second lowest operating spending per ratepayer among all New Zealand councils. Operating spending includes all our day-to-day costs for providing services and all maintenance. We don't have the result for 2018/19 yet but our own evaluation indicates we have continued to be very efficient.

Cost of services

This table shows the costs of all the services Council provides worked out as a cost per resident, per week. It is based on what Council spent in 2018/19 and on the forecast population* for the district of 52,762.

The majority of these activities and services were funded mainly by rates.

*Population forecast by .id.

Activity	Cost per resident per week
 Access and transport	\$4.93
 Water	\$2.92
 Wastewater	\$2.94
 Stormwater	\$1.45
 Coastal management	\$0.39
 Solid waste	\$0.47
 Recreation and leisure	\$4.05

Activity	Cost per resident per week
 Parks and open space	\$2.54
 Community facilities and community support	\$1.85
 Economic development	\$0.97
 Regulatory services	\$2.85
 Districtwide planning	\$0.91
 Governance, tāngata whenua and corporate	\$1.63

Progressing priority infrastructure work

Water supply

Our focus on improving the district's water supply for the past eight years has meant we've been able to turn around long-standing problems with water access in Kāpiti. This has been a really good investment. It also means that we don't have to do any further major work on securing our water supply for the next 30 years.

That outcome has been reinforced with the strong reduction in water usage that followed the introduction of volumetric charging, which also led to a significant increase in leak detection and repair. Average daily water use in 2012/13, prior to water meters, was 437 litres per person and has since fallen 31% to 302 litres per person in 2018/19.

Drinking water safety

Drinking water safety is a top priority for Council. The results from the Drinking Water Assessors this year underlines an acute focus on demonstrable drinking water compliance and concludes that we have work to do.

We've been aware for some time that we don't meet Part 5 of the standards (for protozoal compliance) for some of our smaller supplies and have taken steps



Recognition for our water management approach

The Office of the Auditor-General reviewed the water supply and demand management practices of four councils in the lower North Island and their final report in September 2018 strongly endorsed our integrated approach to water management. In particular, it endorsed the investment in improving data and management systems to inform decision making, the use of financial and non-financial measures and our focus on actively managing both supply and demand.

Our more recent work on the River Recharge with Groundwater scheme has been recognised

for its excellent management and compliance. We have received 'green' four star ratings from the Greater Wellington Regional Council for three years running – the highest rating achievable. Most pleasingly, residents' satisfaction with quality of the water supply has continued its steady increase from its low of 51% in 2014/15, reaching 85% in 2018/19.

Pictured is the recharge groundwater discharging into the Waikanae River.

to remedy that by installing new micro-filters for the Paekākāriki supply this year and have upgrades planned for Ōtaki and Hautere supplies over the next three years.

One aspect of the result was unexpected in that it advised we hadn't met our duty to keep records under the Health Act and so weren't compliant with Part 4 of the standards. This was due to the corruption of a day's compliance data in September 2018. Our other supplementary records show no non-compliance. We have investigated the matter and have put in additional data back-up equipment to avoid this happening in future.

Stormwater improvements

With more than a quarter of Kāpiti properties at risk of being flooded, our approach to stormwater management is of high importance. This was a key issue raised in the long term plan engagement and through the LTP the Council added \$400,000 per year to undertake proactive assessments.

In 2018/19, we assessed six out of 34 catchments and in 2019/20 we expect to do another 12 which will complete the Paraparamu network. We'll then progressively assess the rest of the district. While we previously had good information about capacity to inform our major upgrade projects, these assessments give us information about condition of pipes so we can make better decisions about which maintenance to prioritise. This is likely to fix some flooding issues as we can remove blockages and fix

cracked pipes. We are already acting on what we have found in the assessments and seeing benefits.

For major upgrades we have a 45-year prioritised programme of work. In that programme, our approach is to focus first on protecting properties where homes are at risk of flooding above floor level. In 2018/19, we made progress on all the high priority locations identified. For six of those [Amohia [Stage 1], Moa Road, Raumati Road [Area 1], Sunshine Avenue, Titoki and Riwai] the detailed designs have been completed and they've moved to the resource consent application phase. Our plan is to start construction on these in 2019/20.

Stormwater also impacts significantly on the quality of our waterways. In response to a request from iwi, we have begun a two-year programme monitoring stormwater quality for effects on mahinga kai and Māori customary use.

Sea walls

Over 2018/19 we did the bulk of the detailed design for the replacement Paekākāriki sea wall – the concrete, timber and rock concept agreed with the community. In the 2018–38 Long term plan it was decided to defer the rebuild until 2021/22 – with minor repairs until then as required. The rebuild is budgeted at \$17.7m and the rescheduling was part of reprioritising spending.

We finished strengthening the Wharemauku block wall, built following storm damage in 2016, and completed initial design for the long-term solution

for the area. Work on that is programmed for 2024/25 to 2026/27.

Footpath upgrades

Until this year, we had not been able to undertake as much work as we would have liked on our footpaths due to budget constraints, and the condition of our footpaths has been a concern for residents. We put a bid in to NZTA for a subsidy in late 2017 and shortly after that the new Government Policy Statement on Land Transport was issued and NZTA advised they would be subsidising council footpath budgets from 2018/19 onwards.

We decided to combine the subsidy and our own budget to make major improvements. This gave us \$637,600 for work in 2018/19 up from around \$220,000 in previous years. Council's share of this was \$312,400 with the remainder funded by NZTA. As a result, we renewed around 6,586 m² of footpaths – more than twice the 3,147 m² of the previous year. This significant increase in work has helped us improve accessibility and mobility for residents.

Waikanae East emergency access

An emergency access across the rail line in Waikanae was substantially completed in June 2019 with 51% of the cost funded by NZTA. The accessway, just north of the railway station between SH1 and Pehi Kupa Street, ensures that emergency vehicles can still get to properties in eastern Waikanae to respond to incidents if the main rail crossing is blocked.

Affordable housing

We began investigating options for Council's role in the supply of affordable housing as our district is experiencing similar housing pressures to other communities. We have undertaken work in 2018/19 to look at housing issues and options for Council. The next step involves gathering data and input from stakeholders including iwi and the Kāpiti Coast Communities Housing Taskforce.

Older persons' housing

Council's current social housing comprises our 118 units for older persons. During the year we completed a full upgrade of twelve units, when they became vacant, and made minor refurbishments to others. This work means we are able to provide better living conditions for our tenants.

Making it easier to get involved and use our services

This outcome is about making it easier for people to:

- use all the services and amenities the Council provides because we've considered and done as much as we can about barriers such as cost, transport and physical accessibility
- know what's happening and have a say, and
- get things done with the different parts of the Council.

The Council is responsible for a wide range of services and we want to make it as easy as possible for people to enjoy using our recreational facilities and find it simple and easy to deal with us on day-to-day matters. We recognise that some people may not be able to use services as readily as we would like, so we try to improve accessibility as far as possible. We also want our services, and especially any new developments, to reflect the community's preferences.

Otaraua Park and Maclean Park

Two of our big recreational development projects are Otaraau Park and Maclean Park.

We presented the draft development plan for Otaraau Park for community consultation in July and August 2018. It attracted over 400 submissions and work was undertaken with key stakeholders, submitters and iwi to decide how the park could best be used in the future. The revised plan was adopted by Council in December 2018. During the year we completed work to improve drainage of the sports fields. From 2020-22 we will move on to building a utility block and associated services at an estimated cost of \$1.5 million.

Waikanae Library

In late November 2018, the Council made the decision to close the Waikanae library building after the discovery of toxic mould that could not be remedied. Council moved to take a two-fold approach: to find an alternative site as soon as possible; and to thoroughly investigate what had happened.

An interim pop-up library service was opened in the cleansed library entrance foyer in December 2018, and then relocated in February 2019 to Mahara Gallery. A medium term solution was prioritised and a lease secured in May 2019 in Mahara Place which keeps the library at the heart of the town centre. A fit-out was done over May/June 2019 and the library opened in the new location in early July 2019. We will now explore options for a permanent home for the library.



Maclean Park redevelopment progressing

After extensive engagement, the draft management plan and development plan for Maclean Park was adopted by Council late in 2017. We got underway on the first stage of development in 2018/19, including removing

the pond, relocating the keyhole basketball court, and building barbeques. The next stage of development – landscaping and more work on the central path – is scheduled for 2021/22.

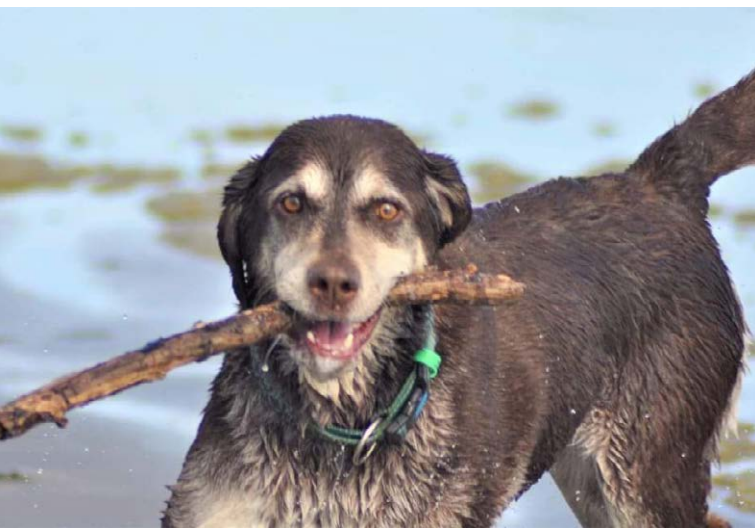
Council took advice from external specialists on how to strengthen our asset management practices and procedures. This advice included putting greater emphasis on risk when making decisions on property investment and maintenance. We will apply this across our property portfolio.

Responding to the issues with our library building and setting up the interim space cost approximately \$107,000 and we also invested \$173,000 in the medium term facility.

Te Newhanga Kāpiti Community Centre

At the beginning of the financial year, the Council began directly managing the Te Newhanga, Kāpiti Community Centre. We have taken an open for business approach, and our emphasis has been on keeping the range of spaces within the Centre available for hire and expanding the activities provided to help strengthen community connectedness. The rooms were well-used throughout the year, averaging 40 bookings per week.

The centre building has also been investigated for moisture issues and while tests have not indicated a health risk we are looking at options.



Animal management

We continued our 'dogs online' portal which gives people options for how they can register their dogs each year. We have also reorganised staff shifts so our team directly covers weekends when we get most calls about stray dogs. During 2018/19 we used the last of the funding we'd received in 2016/17 as part of the Government's initiative to reduce dog attacks through neutering of menacing dogs. We have been using the money to work with dog owners to register, neuter, and microchip certain breeds of dogs.

Performing arts centre

We are making improvements in services while keeping spending down by finding creative ways to support new facilities for the district. The Council is putting \$1.6 million towards the development of the performing arts centre at Kāpiti College. Our contribution will ensure the centre is available for community use up to 300 days each year. In response to their construction schedule our planned payment for 2018/19 has been deferred to 2019/20.

Supporting youth development

We have continued to work with our district's young people to support youth development and encourage our young people to become involved.

More young people have participated in the youth development centre activities and events – at the base in Paraparaumu and through satellite services and activities in different parts of the district. Our successful establishment of the centre saw the Council named a finalist in the Local Government New Zealand award for social well-being.

In August 2018, our youth council presented three sessions at the national youth development conference on the journey of the youth development centre from 2010 to 2018. They had made a short documentary reflecting the many people in our community who supported the centre from conception to launch.

Supporting our older residents

The Council is participating in an evaluation of the strengths and challenges of community-led age-friendly activities and projects. The initiative is led by the University of Auckland in partnership with the Office of Senior Citizens and we are one of three pilot communities along with New Plymouth and Hamilton. Findings will inform countrywide approaches by central government to age-friendly initiatives in the coming year, and we will also be able to use the findings directly and consider where we can make further improvements.

Community input on speed limits

We completed stage 2 of the speed limit review with community consultation. New speed limits on 47 rural roads and in the three village centres (Paekākāriki, Raumati South and Raumati Beach) are now in place.

Moving on climate change and sustainability

In this section, we're highlighting work on the two linked outcomes for climate change and our environment.

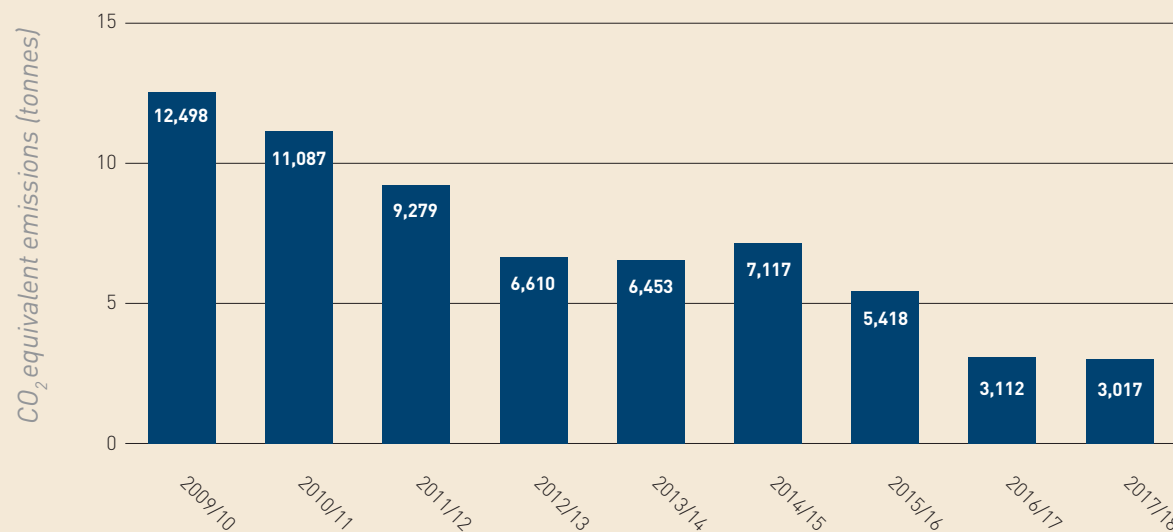
Our outcomes to respond effectively to climate change in Kāpiti and to improve our environment and biodiversity through sustainable practices mean we:

- use the information, policies and strategies coming from central and regional government
- increase our positive impact and reduce our negative impact, and
- work on Council's direct impact and support the community with what they can do.

Our district faces significant environmental challenges and we need a response that ensures we both reduce, and adapt, to the impacts of climate change. This work needs to be driven by central government so it is cohesive, but there are aspects that are suited for a regional or local response.

In May 2019 the Council declared a climate change emergency. Our district is facing prohibitive costs to manage the impacts of climate change and we

Progress in reducing carbon emissions



Council emissions reducing

We have been working hard to reduce the Council's carbon footprint with some encouraging progress. For 2016/17 Council ranked as the top carbon reducer out of all New Zealand organisations in the Certified Emissions Measurement and Reduction Scheme (CEMARS). Furthermore, due to our continued strong audited results in 2017/18 we recently won the 'Excellence in Climate Action' Award for a medium organisation at Enviro-Mark Solutions' annual awards. Additionally, our Council was cited as an example of best practice climate change (and carbon emissions) reporting in a research paper published in 2018 by sustainability experts McGuinness Institute based on our CEMARS reporting.

It is positive to have this recognition, but we're conscious that it is challenging to find further substantial reductions. We have set a target of reducing emissions by 80% by 2021/22 compared with the 2009/10 baseline year. Early in 2018/19 our carbon footprint result for 2017/18 was verified by audit as 3,017 tonnes of CO₂ equivalent, 76% below the 2009/10 level. This is only a marginal improvement on the 3,112 tonnes of CO₂ equivalent emissions reported for the 2016/17 year. Further modest reductions in emissions are expected for 2018/19 and 2019/20 following our LED streetlight upgrade.

During 2018/19, we did some initial work to identify further ways we could reduce emissions, however significant further work is required to fully assess the costs and benefits and we want to engage further with the community as we look at options.



Upgrading our streetlights to LED

The most significant thing we've done recently to bring down emissions has been our LED streetlight replacement programme. We started the conversion programme in the 2017/18 year and by the end of 2018/19 we had converted 4,440 lights to LED. All streetlights in the district will be LED by 2019/20. Conversion costs were 85% subsidised by NZTA.

Together with work undertaken in earlier years there have now been a total of 4,700 LED luminaires added to the local road lighting network. The combined energy saving of these lights is around 60% compared with conventional technology. This has resulted in around \$130,000 of power savings over the last two years.

formally called on the Government and Greater Wellington Regional Council (GWRC) to increase action and funding.

We are already working with GWRC on a strategy for responding to changes on our coastline over the long term and will be developing this in collaboration with the community.

Dealing better with waste

In terms of waste management, we have some major work to do particularly diverting waste from landfill. To help tackle our challenges with waste, in March 2019 we set up a Waste Minimisation Taskforce. The taskforce is investigating options including incentives to reduce organic waste and building waste which are major contributors to our total waste – as is the case across the country. The taskforce is due to report to Council by October/November 2019.

We've maintained our community work supporting waste minimisation with zero waste education in schools, advice on recycling, support of zero waste events and waste-free parenting and waste-free living workshops. We also used some funds from the waste levy to make grants for initiatives including coffee grounds collection and a worm farm project.

Water conservation improving

Our water conservation is getting progressively better. We have a peak-day target of less than 490 litres per person per day (l/p/d) and we were well within that in

2018/19 with peak day water use of 399 l/p/d. Average daily water use has also fallen markedly since the introduction of volumetric charging in 2014. We had set a target level of at or below 325 l/p/d in the long term plan and our 2018/19 result was 302 l/p/d. Water losses from leaks continued to decrease with losses for the past year down to an estimated 2,440 m³/day (18%) from 3,089 m³/day (20.5%) in the previous year.

Solutions needed for biosolids

Our work continued on the complex and sensitive area of biosolids management. We are part of the Lower North Island Collective Biosolids Strategy Study funded by the Ministry for the Environment to explore options. The management of our wastewater, and, in particular, the impact on land and water is of significant interest to tāngata whenua. Considerable work has been carried out to develop an iwi engagement process that will provide for kaitiakitanga and we are keen to take this further as alternative options including reuse or alternative disposal for our biosolids could provide long-term benefits for our environment.

Wastewater plan

Over the last couple of years, we have been looking at how to optimise the land treatment and disposal area (the wetland where wastewater can be safely discharged) at the Ōtaki wastewater treatment plant. We submitted our proposed upgrades to the

Greater Wellington Regional Council in October 2018 and they were approved in March 2019.

Supporting sustainability

We continued work on a broad range of initiatives to promote and encourage sustainability.

There are now five electric vehicle fast chargers across the district – two in Paraparaumu and one each in Paekākāriki, Raumati Beach, and Waikanae Beach and comparable chargers north in Horowhenua. These were installed through our partnership with Horowhenua District Council, Electra Ltd and ChargeNet NZ with costs match-funded by EECA (Energy Efficiency and Conservation Authority).

We kept up our promotion of walking, cycling and public transport use. This included maintaining our network of walkways and cycleways and supporting the national Go by Bike and Walk to Work days in March 2019.

We also supported the No. 8 wire workshops, a repair café and other community events to encourage building and sharing of skills for sustainability – from fixing bikes to making compost.



Community input helps planting

Our combined Council and community efforts to replant key areas continued with a total of 18,000 eco-sourced native seedlings planted to restore bush, riparian margins, wetlands and dunes across the district.

As Kāpiti has such a long stretch of coastline we have an annual programme of coastal restoration where our Council staff work alongside community volunteers. In 2018/19 we planted over 1,500 native sand-binding species on the fore-dunes between Paraparaumu and Ōtaki which help restore the natural environment and habitats, and prevent erosion.



Celebrating Kāpiti and boosting our economy

This outcome, about generating a positive response to our district identity, covers:

- Identifying and promoting what's special about Kāpiti, and
- encouraging residents to be proud ambassadors for our district so that more people see Kāpiti as a great place to visit, live, work and start new businesses.

Connecting residents

Several initiatives in 2018/19 highlight our focus on celebrating and encouraging connections within our community.

For the fifth year running, we supported the 'Over the Fence Cuppa' project as part of the Neighbours Day Aotearoa initiative. Over March and April 2019 almost 900 households took part in 47 events. The focus of the initiative is to provide support for people to meet and get to know their neighbours and so build community awareness and resilience. The evaluation found that 89% of hosts felt their neighbourhoods were friendlier and more connected following the events.



Community garden parties initiated

In March 2019, we began community garden parties to strengthen community connections and build resilience with a sustainability component. Our community gardens are places where skills and resources are shared, social connections are made, and local food production and resilience is nurtured so they were a natural location for a celebration.

Events took place in gardens and orchards from Paekākāriki to Ōtaki and more are planned for the coming year.

Pictured are locals enjoying the community garden party at the organic garden on the edge of Tilley Reserve in Paekākāriki.

In June 2019, our Kāpiti Coast Multicultural Council had their official launch to become part of the New Zealand Federation of Multicultural Councils. The creation of a council in our district had been enthusiastically championed by a number of new Kāpiti residents who worked with us through the year to achieve this milestone. The council provides an opportunity to address the challenges facing our residents from different cultures and to celebrate their unique contribution to our communities.

We celebrated and honoured our community with ceremonies and events, including the community and civic awards recognising contributions of our people; the Electra business awards; and six citizenship ceremonies, one of which was hosted at Raukawa Marae in Ōtaki. The Council hosted our 2019 commemoration of Waitangi Day at the Ramaroa heritage centre in Queen Elizabeth Park which included an exhibition focusing on the local signatories of Te Tiriti o Waitangi and a documentary featuring stories from their descendants.

Contributing to events that draw visitors

Major events help promote a vibrant district. In 2018/19, our events fund of \$160,000 supported five major events. For four of these events – Māoriland Film Festival, Ōtaki Kite Festival, Coastella Music Festival and the Kāpiti Food Fair – it was the third year of our three-year funding commitment. The fifth event, FFFLAIR, is an international horticultural festival planned to debut in Kāpiti in 2020 and funding went toward a feasibility study.

In the second half of 2018/19 we reviewed the fund, developing new criteria and increasing funding. The Council approved a budget increase to \$200,000 so that larger events could be considered and feasibility studies could be conducted for potential new events. The goal is to build a diverse calendar of events that attract visitors, add vibrancy to our communities and provide a return on investment for the local economy.

Enhancing our town centres

Promoting our distinct district identity includes enhancing the individual characteristics of our towns and villages. A major focus for the past few years, continuing in this long term plan, is using the opportunities created by the expressway to transform our Waikanae and Paraparaumu town centres to be places where people want to spend time and can access the services they need safely and easily.

In 2018/19 several projects were progressed or completed. In Paraparaumu we completed the Coastlands-Civic Precinct project and continued to work with NZTA on the revocation of SH1 including how we connect the town to the transport hub in Paraparaumu. We confirmed our design for the final piece of the Kāpiti Road shared path.

In Waikanae, we finished work on the cultural thread project integrating Whakarongotai Marae into the town centre, and, in May, started our upgrade of Mahara Place which was completed in August 2019.

Economic development strategy

Boosting our economy is multi-faceted, and collaboration and partnering in setting direction are vital.

During 2018/19 we began a refresh of the economic development strategy which has been in place since 2015. Work will continue into 2019/20 to gather stakeholders' ideas, with the updated strategy going to Council in February 2020. Telling the Kāpiti Story is one piece of the project which will help us articulate our identity. We are working with WellingtonNZ (formerly Wellington Regional Economic Development Agency) on this.

Closure of i-SITE

Despite progress made in 2017/18 on rationalising costs and improving operational efficiency, a decision was made in February 2019 to close the i-SITE.

Low volumes of customer visits and use of services meant the cost of each customer interaction was extremely high. Our experience is consistent with i-SITEs of a similar size in other parts of the country. i-SITE New Zealand's annual audit, carried out by Deloitte, shows average in-person, phone and email visitors continue to decline.

Our visitor information is now available at a range of locations and booking services are handled at the Coastlands Mall customer service counter. The closure will save \$247,000 annually and allow some of that budget to be reassigned to the events fund and other projects.



Supporting the local air service

Council worked vigorously in the first half of 2018 to attract a new airline to provide flights from Kāpiti to Auckland, following Air New Zealand's withdrawal. That work paid off with Air Chathams commencing

services between Kāpiti and Auckland in August 2018. Council has committed to supporting the service get established over its first three years. This is funded from existing budget.

Exploring opportunities for the provincial growth fund

Just after year end, the Government announced that two Kāpiti organisations would receive support from the provincial growth fund which was great news for the district. Council also received funding toward a provincial growth fund programme manager role. This will enable us to continue supporting further applications from Kāpiti enterprises and Council.

Proposed District Plan appeals resolution progressing

As at 30 June 2019, we had made significant progress resolving the 18 appeals on the Proposed District Plan with four appeals fully resolved, four withdrawn, two appeals partially resolved and all remaining appeals making substantial progress towards resolution. We are on track to have our District Plan operational in mid to late 2020, which will simplify the planning rules for the district.

Progress on other outcomes

As you can see in the plan on a page (page 15), we have 11 outcomes in total. As described, most of our work programme for the past year resulted in contributions to the first five and the outcome to improve our environment and biodiversity. However, we have contributed, to some degree, to all the outcomes. Below are some highlights of our progress on the other outcomes. You can read more in the Our activities and services section.

Delivering acceptable services

Overall satisfaction with our services was 76% for 2018/19 according to our Residents' Opinion Survey which we undertake quarterly to check in with the community. We want to improve on that as satisfaction was 82% in 2016/17 and 80% in 2017/18, so we know we're capable of better. As described in the outcome highlights on previous pages, we've been working on a couple of key areas that people weren't happy with including ease of getting around the district and options for reducing waste.

Encouraging a range of businesses

The national Police Digital and Communications Centre opened in Paraparaumu in November 2018 meaning a key central government service is now



Funding refocused on young people's wellbeing initiatives

During the year, our Youth Council redesigned the youth development grants combining the best aspects of the Youth2u dollars and ThinkBig programmes. The new ThinkBig model supports young people to lead their own projects that lift wellbeing for the district's rangatahi. Pictured are the young people who received grants for their initiative proposals.

based in our district. By the end of 2019, the Centre is expected to employ over 300 people.

Advocating to help resilience

Council continued to support the Kāpiti Health Advisory Group who are working on better access to tertiary health services for Kāpiti residents. We are contributing \$2,000 toward the group's costs and helping with administrative support including hosting meetings and secretarial support.

Supporting community-led initiatives

2018/19 was the first year of our social investment programme addressing priorities determined with input from the not-for-profit community sector in Kāpiti. Council awarded three-year contracts from the fund of \$345,000 to nine organisations to work on specific initiatives. We offered capacity building support for the whole sector with a series

of workshops to build skills and resources and foster collaboration and connections.

Being prepared for emergencies

We work to the levels of service for emergency preparedness set by Wellington Regional Emergency Management Office (WREMO). We met those again for 2018/19. We were fortunate that there were no extreme weather events during the year. It was good to see our residents' opinion survey results showing that 70% of our households have an emergency plan and kit to cover at least three days though we would like this to be higher. With WREMO, we also hosted workshops for local organisations about providing welfare support during emergencies.



Our activities and services

This part of the annual report details the achievements and performance of the Council across all its activities and services.

We organise our work in the community into four clusters:

- Infrastructure
- Community services
- Planning and regulatory services, and
- Governance and tāngata whenua.

In each cluster there are a number of specific services and activities. For each one we've outlined what has been achieved in 2018/19 and set out the results for our key performance indicators against the targets that were set in the Long term plan 2018–38.



Infrastructure

Infrastructure is the single biggest area of spending across the Kāpiti district.

It includes many of the essential services we provide to residents, businesses and schools – supplying clean drinking water, ensuring there are systems for removing wastewater and stormwater, and managing local roading. Infrastructure also covers coastal management and solid waste.

Our infrastructure spending is a mix of service delivery, maintenance, replacement and renewals, and new construction.

Our 30-year infrastructure strategy was revised in 2018 as part of the Long term plan 2018–38, and can be found on the Your Council/Planning sub-pages of our website www.kapiticoast.govt.nz

In this section you'll find:

- Stormwater
- Access and transport
- Coastal management
- Water
- Wastewater
- Solid waste

Stormwater – wai āwhā

The Council provides a stormwater system to manage surface water run-off from the district's urban catchments while protecting the receiving environment, ensuring water quality and reducing risks to human life and health from flooding.

The stormwater management activity manages a network of streams, open drains, pipes and retention ponds in the main urban areas to protect residents from stormwater flooding.

Expected climate change impacts are incorporated into the Council's management and design of stormwater infrastructure assets and all new flood plain management work.

Greater Wellington Regional Council (GWRC) is responsible for flood protection associated with the major rivers.

Stormwater work programme

As a result of the significant flooding experienced during the May 2015 heavy rainfall event, the Council undertook a major review of the stormwater work programme.

At the end of that review we had a re-prioritised work programme, which gave first priority to areas that had been most heavily affected by flooding to dwellings and lower priority to other types of flooding.

Subsequent weather events in early 2017 added further projects to the work programme. By the time we went to consultation in April 2018 on the Long term plan 2018-38 there was a total of 240 projects in the stormwater work programme.

Detailed investigations of all 240 projects had been completed by end 2017/18 and they were expected to cost \$489 million. A key outcome of the long term

plan consultation was that the Council decided to proceed with their preferred option of undertaking this programme of work over the next 45 years.

Throughout 2018/19 the focus was on undertaking detailed designs for the high priority major stormwater upgrade projects, as well as undertaking construction work on some of the minor upgrade projects.

Steady progress on major projects

Progress was made on all the high priority major stormwater projects in the past year. For six of those (Amohia [Stage 1], Moa Road, Raumati Road [Area 1], Sunshine Avenue, Titoki and Riwai) the detailed designs have been completed and they've moved on to the resource consent application phase. The plan is to start construction on these projects in 2019/20.

For the remainder of the major projects the detailed designs are well advanced and due for completion in the next 2-6 months. These include the Karaka Grove, Alexander Bridge, and Kākāriki projects.

Detailed designs for the under capacity network in Kena Kena were completed in December 2018. However, Greater Wellington Regional Council (GWRC) required us to do additional work to investigate alternative discharge options via the Kena Kena wetland. We are aiming to submit a resource consent application for this alternative option by December 2019.



Operating spending

\$3,969,406

\$4,046,327 budget

\$1.45 weekly per resident

Capital spending

\$2,561,610

\$2,556,225 budget



Maintaining the drain network

12km

**of open drains and streams
cleaned (30% of the network).**

Detailed design for the renewals of parts of the network in Kena Kena that is not under capacity, and doesn't require resource consent, was completed in April 2019. The physical works were tendered in May 2019 and we plan to complete the physical works in the 2019/20 financial year.

Progress on minor projects

There were a variety of projects in the minor stormwater works programme. Progress on these is outlined below:

- o completed Phase 2 of the minor stormwater improvements at Charnwood Grove in September 2018;
- o completed the 95–117 Riwai Street stormwater extension project in October 2018;
- o asset renewals, sump upgrades, overland flow paths and network extensions were completed in 14 locations in Paraparaumu and Waikanae which had been subjected to frequent flooding; and
- o commenced stormwater improvements at William Street, Waikanae, in May 2019. This work should be completed in September 2019.

Asset condition assessment underway

In 2017/18, we commenced a districtwide stormwater asset condition assessment programme which was continued into 2018/19. To date we have completed work in six of 34 catchments. Work is in progress in six other catchments.

Open drain maintenance and gravel extraction

Vegetation removal and gravel extraction in open drains helps open water courses regain their original capacity, which assists in minimising the flooding of properties due to drain/stream overflowing.

The following tasks were undertaken in 2018/19:

- o continued with the removal of sediments and gravel from Mazengarb Stream and tributaries of Wharemauku Stream;
- o completed removal of vegetation and cleaning 12km of open drains and streams (30% of 40km network); and
- o commenced work related to gaining a global maintenance consent from GWRC.

Water quality

Over 2018/19, we continued with districtwide water quality monitoring in our district's streams as part of the GWRC consent granted in June 2016.

Updating flood hazard models

Our flood hazard models need updating to incorporate updated climate change parameters, the effects of recent major roading projects, and the impacts of recent stormwater network improvement works.

The following tasks were undertaken in 2018/19:

- o we continued with the stormwater survey to determine how and where each property is discharging stormwater. This started in 2017/18 and to date work has been completed in 28 out of 34 catchments; and
- o we completed an assessment of asset data to determine any gaps and compiled missing asset data.

We plan to start updating the flood hazard models in the 2019/20 financial year.



Minor stormwater improvements

We invested just over

\$800,000

completing minor stormwater improvements in 13 locations.



Stormwater pipe inspections with a CCTV camera to check for blockages, May 2019

Updating stormwater strategy and related works

Our stormwater strategy needs updating to incorporate what we've learnt through implementing the current strategy – in particular, lessons in regard to hydraulic neutrality. That strategy update needs to include consideration of climate change parameters and the forthcoming whaitua process (which is about finding ways to understand what's important to people in their local area as regards land and water management). Alongside this work we will be developing a stormwater education programme and investigating the need for a stormwater bylaw. In regard to these objectives the following tasks were undertaken in 2018/19:

- we commenced with identification of gaps in the current stormwater strategy;
- we gathered data to help draft the bylaw; and
- we inspected stormwater assets owned by private property owners (including 280 ponds), gathered information for the education programme, and developed draft educational material.



Stream mouth 'cutting' at Peka Peka in May 2019 to improve stream flow

Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
We minimise risks to human life and health from flooding by responding efficiently and effectively to flooding issues and we maintain, repair and renew major flood protection and control works	Median response time to attend a flooding event from notification to attendance on site <i>(Department of Internal Affairs (DIA) mandatory measure)</i>	Urgent (less than or equal to 24 hours)	Achieved (less than 24 hours)	There were no urgent building flooding requests this year. The median response time was less than 24 hours for 86 other urgent requests.
		Non-urgent (less than or equal to 5 days)	Achieved (3 days)	Median response time was 3 days for 243 non-urgent flooding requests.
	Percentage of all buildings that have been inundated due to minor flooding that are visited within four weeks	90%	Achieved (100%)	There were three building flooding requests this year, all were garages. They were all visited within 3 days.
	Number of complaints received about the performance of the district's stormwater system <i>(DIA mandatory measure)</i>	Less than 30 per 1,000 properties connected to the council's stormwater system	Achieved (14.8 complaints per 1,000 connections)	There were 332 service requests related to flooding (and we are counting all of these as complaints). This translates to 14.8 complaints per 1,000 connections (there are 22,390 connections). (2017/18 result was 30.2 per 1,000)
	Major flood protection and control works are maintained, repaired and renewed to the key standards as defined in the Council's activity management plan. <i>(DIA mandatory measure)</i>	Achieve	Achieved	A number of minor projects have been completed and all have been done following the key standards. No major flood protection construction works were undertaken in 2018/19.
	Number of buildings (habitable floors) reported to be flooded as a result of a less than 1-in-50 year rain event <i>(DIA mandatory measure)</i>	Less than 3 per 1,000 properties connected to the Council's stormwater system	Achieved (none per 1,000 properties)	There were no flooding events this year that affected habitable floors.
We comply with our resource consent conditions and our stormwater systems do not harm the downstream receiving environment	Measure compliance with the Council's resource consents for discharge from its stormwater system, by the number of: a) abatement notices b) infringement notices c) enforcement orders d) successful prosecutions, received by the Council in relation to those resource consents <i>(DIA mandatory measure)</i>	None	Achieved (provisional)	We have received provisional confirmation from GWRC that there were no recorded incidents of non-compliance with Council's resource consents for discharge from its stormwater system. The final determination on this measure is made by GWRC in response to our Stormwater Compliance Report for the year (due September 2019). That assessment is expected around February/March 2020.

Access and transport – putanga me te waka

The Council aims to enhance community connectedness through the creation of a well-planned physical transport system that allows for the reliable, efficient and safe movement of people and goods.

Council's strategic goal for access and transport is to create a physical transport system that is attractive, affordable, connected, responsive, safe and offers effective mode choice so that it enables people to act in a sustainable way. All renewals, upgrades and new projects are approached with this in mind.

Roading improvements

Road reconstruction and sealed road resurfacing

Failure of chipseal sites had occurred in Mazengarb Road and Guildford Drive in April 2018. Remedial work was undertaken at the contractor's expense but failed to adequately remedy the failure. The Council agreed with the contractor that the affected roads would be resealed with asphalt. This work was completed in January 2019.

The annual reseal programme was completed in accordance with NZ Transport Agency (NZTA) requirements. A total of 21.3 kilometres of chip seal and asphalt was resurfaced, just over the 5% target for the 415km network.

Emergency rail crossing in Waikanae

An emergency access across the rail line in Waikanae, just north of the railway station between SH1 and Pehi Kupa Street, was substantially completed in June 2019.

Minor improvements

We have undertaken a range of relatively minor road and intersection improvements across the district, which have included traffic calming, increased safe crossing points, lighting improvements and installation of new road signs and road markings. For example, safety improvements were undertaken at the intersection of Gray Avenue and Beachwater Grove in Paraparaumu, and at the intersection of Te Moana Road with both Waimea Road and Ono Street in Waikanae.

District footpath renewal

It had been recognised that footpath maintenance had been underfunded for some time due to budget constraints and this prompted the Council's bid for a footpath subsidy from NZTA in late 2017.

Before we received a response to that bid the new government policy statement on land transport was issued and NZTA decided to subsidise footpath budgets from 2018/19 onwards. Together with our own plans to increase spending on footpaths this enabled us to increase the footpath renewal budget to \$637,600 for 2018/19, from around \$220,000 in previous years. Council's share of this was \$312,400 with the remainder funded by NZTA.

As a result, we renewed 6,586 m² of footpaths across the district in 2018/19, a substantial increase from 3,147 m² in the previous year.



Operating spending

\$13,523,458

\$13,597,171 budget

\$4.93 weekly per resident

Capital spending

\$7,315,784

\$9,155,277 budget



Road resurfacing

We resurfaced

21.3km

or 5.1% of the local road network.

The target was at least 5.0%.

Road design and planning

During the 2018/19 year, expert roading advice was provided for 114 resource consents and the proposed district plan hearings process.

The programme business case for the East-West Connectors project was finalised in October 2017. This is a programme of projects which aim to resolve congestion issues and future-proof Kapiti Road. We are required to update the programme business case to reflect the government's policy statement on land transport and were successful in 2018/19 in applying for NZTA funding for this work. If that revised programme business case is endorsed, we can then move on to developing the detailed business case we need to get funding for the Kapiti Road relief route.

Emergency works

No severe weather events of any significance were recorded in 2018/19, but a number of small slips and wind-blown trees were dealt with as part of emergency maintenance activities.

Road safety

The Council, jointly with the NZ Police and GWRC, supported a road safety campaign targeting key risk areas for Kāpiti: drink driving, motorcycle safety, cyclists and older drivers.

The fourth annual *Shiny Side Up* Bike Fest Regional Motorcycle event, organised by NZTA, ACC and GWRC, was attended by around 2,000 motorcyclists at the Southward Car Museum in February 2019. This event aims to educate motorcyclists on how to ride safely and improve their skills.

A road safety education course was held at the Southward Car Museum in May 2019, with 100 senior college students from Kāpiti College attending. This provided an education programme based around a

teenager's individual responsibility when driving a motor vehicle.

School traffic safety

The following projects to improve traffic safety around local schools were completed:

- kerb and footpath realignment work in Arnold Grove (Kenakena School) was completed in early 2019;
- the two Police School Education Officers for Kāpiti-Mana have progressively updated the training of all 10 primary schools and one intermediate school operating school patrol crossings; and
- cycle safety training was delivered at Kenakena, Te Ra Waldorf and Kapanui schools this year.

Cycleways, walkways, bridleways (CWB)

As part of the Council's Stride 'n Ride programme during the 2018/19 year the following work has been undertaken:

- construction of the shared path on Kapiti Road from Golf Road to Maclean Park;
- construction of the shared path on the south side of Ngaio Road in Waikanae;
- the Mazengarb Road shared path extension west of Guildford Drive has made good progress; and
- around half (700m) of the shared path on Tasman Road, Ōtaki has been completed.

Speed limit review

Stage 2 of the speed limit review and public consultation was completed. New speed limits were set for 47 rural roads and in the three village centres (Paekākāriki, Raumati South and Raumati Beach). These new speed limits took effect when the new speed signs were installed in late July 2019.

Low-energy streetlights

The LED streetlight replacement programme was completed this year with the installation of the last 2,447 lights in Paraparaumu and Raumati. The costs were 85% subsidised by NZTA again this year.

Together with work undertaken in earlier years there have now been a total of 4,700 LED luminaires added to the local road lighting network. The combined energy saving of these lights is around 58% compared with conventional technology. This is projected to result in around 1.05 million kWh in avoided electricity use per year from the end of 2018/19 onwards.

This has already resulted in around \$130,000 of power savings over the past two years and is expected to produce even higher savings in each future year, against the pre-installation baseline, as the full impact of this year's installations takes effect.



The LED streetlight upgrade project is expected to save Council around \$130,000 per annum

SH1 Revocation

The NZ Transport Agency were later than expected in starting their part of the SH1 revocation works, so we have held back on starting our physical works programme to ensure it aligns with theirs.

The Council has, to date, been providing design review to NZTA to ensure that this becomes a fit-for-purpose and future-proof local road, and working through the agreement on takeover of NZTA assets on the old SH1. We will commence our SH1 Revocation construction work in 2019/20.

Supporting sustainable transport

As part of the Council's commitment to support the use of sustainable transport modes we provide footpaths, shared paths, on-road cycle lanes and off-road cycleways that connect well throughout our local network and with public transport infrastructure. We also encourage walking, cycling and the use of public transport.

In 2018/19 this, included the following:

- o the Council supported the national *Go by Bike* day, in March 2019 which saw cyclists attend a breakfast event at the Paraparaumu library function room; and
- o we supported the national *Walk to Work* day in March 2019, with health checks carried out in Coastlands Mall by Whitireia Polytechnic nursing students and their supervising tutor.

Expressway projects

The Council continued its design review, monitoring, consenting and liaison role in the expressway projects that were underway or in development in the district in 2018/19. The construction work is the responsibility of NZTA and, in the case of the Transmission Gully project, the Wellington Gateway Partnership.

Peka Peka to Ōtaki

The Council has been involved in the Peka Peka to Ōtaki Expressway, both as consenting authority in the development of the required construction management plans and as road controlling authority in the detailed design.

Physical works started in late 2017 with an estimated completion date of 2021.

Transmission Gully

The Transmission Gully project is being undertaken by the Wellington Gateway Partnership under a public-private partnership consortium.

The Council has provided input on the MacKay's intersection to ensure a smooth and safe connection into the Kāpiti local roading network. Transmission Gully is expected to be operational by 2020.

Ōtaki to north of Levin

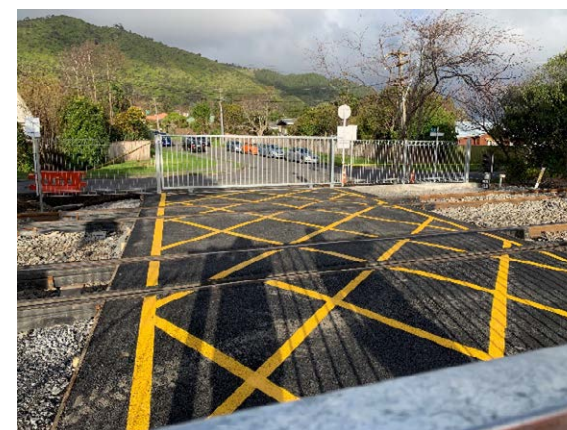
The NZTA restarted the Ōtaki to north of Levin Expressway project and the Council took part in a stakeholder's forum meeting in May 2017. Following the change of government and the new government policy statement on land transport, it has been announced that this section of the Roads of National Significance project is being reconsidered.



Footpath condition

94%

of our footpath network was assessed as being in good or better condition. Resident satisfaction with footpath condition however was 65%.



The emergency rail crossing in Waikanae cost Council \$132,000 less than budgeted due to a 51% subsidy from NZTA

Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
Our transport network allows for the safe and efficient movement of people and goods	Residents that agree that the existing transport system allows easy movement around the district	80%	Not achieved (75%)	The Resident Opinion Survey reported 75% satisfaction, down a little on the previous year. (2017/18 result was 78%)
	Number of serious and fatal crashes on district roads is falling (excludes SH1) <i>(DIA mandatory measure)</i>	5-year rolling average reduces each year <i>(it was 9.8 crashes for the 2014-18 period)</i>	Not achieved	There have been 9 serious injury or fatal crashes (1 fatal and 8 serious) in 2018/19 (down from 15 the previous year) contributing to an average of 10.2 for 2015-19; which is higher than for the previous 5 years.
	Residents that are satisfied with street lighting	85%	Achieved (85%)	The Resident Opinion Survey reported 85% satisfied. (2017/18 result was 86%)
Our transport network is affordable and reliable and users can easily get around the district by their preferred means	Percentage of the sealed local road network that is resurfaced <i>(DIA mandatory measure)</i>	5%	Achieved (5.1%)	Council resurfaced 21.3km of the local road network, which is 5.1% of the total 415km network. (2017/18 result was 4%)
	Residents that are satisfied with the condition of the road and footpath network	Roads 70%	Achieved (72%)	The Resident Opinion Survey reported 72% satisfied. (2017/18 result was 80%)
		Footpaths 65%	Achieved (66%)	The Resident Opinion Survey reported 66% satisfied. (2017/18 result was 69%)
	Roads that meet smooth roads standards <i>(DIA mandatory measure)</i>	Overall smooth travel exposure is above 85%	Achieved (87%)	NZTA's ONRC database shows a total smooth travel exposure of 87% for 2018/19. (2017/18 result was 90%)
	Average cost of the local roading per kilometre is comparable with similar sized districts in New Zealand	Achieve	Achieved	NZTA's ONRC data shows that our 'overall network cost' is comparable to our NZTA peer group. (2017/18 result was 'Achieved')
	Percentage of service requests relating to roads and footpaths responded to within 3-5 hrs (urgent), 15 days (non-urgent). <i>(DIA mandatory measure)</i>	Roads 85% Footpaths 85%	Not achieved	Indicative data from NZTA's RAMM database shows 77% of urgent roading requests were responded to within time, while other roading requests were 95% on time. Footpath requests were 100% on time (urgent) and 87% (other). ¹
	Percentage of footpaths that fall within the level of service or service standard for the condition of footpaths as set out in the activity management plan. <i>(DIA mandatory measure)</i>	40% <i>(target increases over the next three years)</i>	Achieved (94%)	The recently completed footpath survey for 20% of the network reported that 94% of the network is good or better. The remaining 80% of the network will be surveyed over the next 4 years. (2017/18 result was 'Not achieved')

1. There is a larger window for error for this measure due to underlying data integrity issues between NZTA's RAMM database and the Council's own database.

Coastal management – whakahaere takutai

A major ongoing focus for the Council and the community is determining how to respond to the effects of increased sea levels as a result of future climate change impacts and storm intensity on Kāpiti's coast.

The Council's priority in this activity is on the sustainable management of the coastal environment and the protection of publicly-owned roads and public health infrastructure by maintaining Council-owned sea walls as long as is practical and through facilitating beach protection projects.

We are committed to providing beach and coastal areas that support a wide range of activities. Improving accessibility, the enhancement of the ecological and amenity values of our coastal environment and ensuring safety are functions the Council participates in through beach patrols, monitoring and signage. We also ensure that beach accessways are maintained to a usable level.

Coastal maintenance

The Council carried out the following coastal maintenance activities during 2018/19:

- o regular cleaning of beach outlets;
- o minor repairs to seawalls; and
- o monitoring of coastal assets.

Paekākāriki seawall

In the Long term plan 2018-38 it was decided to delay the start of construction of the Paekākāriki seawall until 2021/22, with completion planned for 2022/23. The community was kept informed of the revised implementation programme.

Over 2018/19 the focus has been on advancing the detailed design of the planned concrete, timber and rock wall. The detailed design was completed by the end of June 2019.

Wharemauku block wall and Marine Parade rock revetment project

In May 2018, the Council gained resource consent from Greater Wellington Regional Council (GWRC) to carry out the strengthening work required on the Wharemauku Block wall. That work got underway in March 2019 and was completed in June 2019.

Preliminary designs for the long-term solution for the Wharemauku block wall area and the modifications to the existing Marine Parade rock revetment were also completed in 2018/19. Physical works are now programmed for the period between 2024/25 to 2026/27 with a budget of \$2.6 million.

The Old Coach Route issue

There is a long-standing un resolved ownership issue with regard to the Old Coach Route which created delays in gaining a resource consent for the Wharemauku block wall strengthening work. In 2018/19 Council engaged specialists to advise us on the best way to pursue a resolution of the ownership issue. This resolution process is continuing.



Operating spending

\$1,064,481

\$1,149,168 budget

\$0.39 weekly per resident

Capital spending

\$1,994,406

\$1,893,740 budget



Wharemauku block wall

We spent

\$267,326

**strengthening the
Wharemauku block wall.**



Realigning blocks and placing rock to strengthen the footing of the temporary Wharemauku block wall

Raumati seawall

This 3.1km long seawall was built by central government and beach property owners in the 1970s when the area was subject to heavy coastal erosion. The agreement reached at that time was that the Council would carry out required maintenance work following the construction.

Condition assessments completed in 2016 concluded that parts of the wall were in poor condition and would soon need replacing. Consequently, we engaged specialists this year to advise us on the Council's responsibility in regard to rebuilding the wall, so that we can prepare a programme of work incorporating community engagement, consenting, design and project management.

Renewal of other coastal assets

In 2018/19, we completed the detailed designs for asset renewals and replacements at Raumati Beach launching ramp, Willow Grove, and Rosetta Road. We have awarded the contracts for these works and construction will be undertaken in 2019/20.

We completed the design options for replacement of the retaining wall situated on the southern bank at the Wharemauku Stream mouth. This project will also get underway in 2019/20.

Coastal restoration

We have an ongoing programme of coastal restoration work. Degraded dune ecosystems are being restored by controlling weeds and planting local native plants, which serve the dual purpose of enhancing biodiversity while providing the best protection against erosion. Fore-dune restoration with native sand-binding plants is continuing wherever dunes are accreting. Where the current trend is erosion of dunes, the effort focuses on the back-dunes to reduce weed dominance, restore native species and build resilience.

We work closely with community volunteers who help plant and maintain dunes in their areas. As part of the coastal dune restoration programme around 1,500 native sand-binding plants are planted each year on the fore-dunes between Paraparaumu and Ōtaki focussing on blow-outs and areas where native plants were not established and marram grass predominated.

An additional 4,000 native trees, shrubs and sedges were planted in back-dune areas between Ames Street Reserve in Paekākāriki and the Waitohu Estuary in Ōtaki to improve biodiversity and replace controlled weeds such as boxthorn, pampas and lupin.



Coastal planting

We planted around

1500

**native sand-binding plants
on fore-dunes.**

Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
We respond promptly to sea wall or rock revetment failure and repair where applicable	Respond within 48 hours to urgent requests to repair sea walls or rock revetments	90%	Achieved (100%)	There were 27 requests in total this year. Four of these were urgent and all were responded to within 24 hours. (2017/18 result was 100%)
We keep our stormwater beach outlets clear to avoid flooding	Stormwater beach outlets are kept clear	80%	Achieved (100%)	All beach outlets were regularly cleaned and kept clear. (2017/18 result was 100%)

Water – wai

Water is our lifeline and the protection of public health is a number one priority. The Council provides potable water for the health of the community, for commercial and industrial enterprises, and ensures an adequate water supply and pressure for fire-fighting.

The Council maintains 640 kilometres of water pipes, five water treatment plants, seven pump stations and eight groundwater bores throughout the district.

We have been taking significant steps over recent years to secure the long-term water supply for Kāpiti and move toward ensuring the supply is as safe as we can make it.

He taonga te wai – water is precious

A secure water supply solution

The need to secure a sustainable, consentable, and cost effective long-term water supply solution led to the Council's commitment to the River Recharge with Groundwater scheme.

River recharge scheme monitoring

The required three years of baseline environmental monitoring was completed in 2017 and the Council used the data from that monitoring to prepare four Ongoing Mitigation Plans (OMPs) and submitted those to GWRC.

Two of those OMPs had already been approved by GWRC before the end of 2017/18. The third OMP was approved early in 2018/19 and the final one in early 2019.

With the transition from the extensive three-year baseline monitoring regime to the approved OMP monitoring regime completed, the management and reporting of this complex water supply solution has

been substantially streamlined. The focus now shifts to its operation under the OMPs for the next eleven years, at which time a comprehensive performance review is required.

River recharge operations

With all four ongoing mitigation plans approved we are able to use the full capacity of the first stage of the river recharge scheme to replace the water we extract from the Waikanae River.

The river recharge scheme was operated for 10 days between February and April 2019.

Water conservation – using only what we need

It has been announced previously that the installation of water meters and introduction of volumetric charging led to significantly improved water conservation and private leak detection and repair across the district.

The peak day water use target of 490 litres per person per day (l/p/d) has been consistently met since 2014/15 with peak day water use ranging between 369- 417 l/p/d. The target was met again in 2018/19 with peak day water use of 399 l/p/d.

In addition, average daily water use has also fallen markedly since the introduction of volumetric charging. In 2018/19 it was 302 l/p/d, meeting the target of being 'at or below 325 l/p/d' set in the Long term plan 2018–38.



Operating spending

\$8,011,838

\$8,395,509 budget

\$2.92 weekly per resident

Capital spending

\$1,495,817

\$1,896,248 budget

Leak detection

The 2018/19 leak detection programme surveyed five zones, covering 23.4% of the length of the network. Surveys detected no major breaks and it was observed that around 90% of service pipe repairs this year came from calls from the community rather than being picked up through the survey.

Water losses continue to drop this year and the calculated losses for 2018/19 were down to an estimated 2,440m³/day (18%) from 3,089m³/day (20.5%) in 2017/18.

The other key results for 2018/19 include:

- 637 leak repairs were made across the water network;
- 194 new homes were built and all included water saving measures as required under the district plan; and
- 328 properties received a credit on their water account for water saved by fixing leaks, with cost waivers equating to \$201,200 of water.

Audit by OAG

The Office of the Auditor-General undertook an audit in mid-2018 reviewing the water supply and demand management practices of four councils in the lower North Island. The final report in September 2018 strongly endorsed our integrated approach to water management. In particular, it endorsed the investment in improving data and management systems to inform decision making, the use of financial and non-financial measures, and our focus on actively managing both supply and demand.

Safe drinking water is paramount

Council is committed to providing safe drinking water to our communities. Our water comes from a range of sources including groundwater bores and rivers that can contain organisms that can be harmful to people's health if not treated. In Kāpiti, all of our public water supplies are treated using a multi-barrier approach. All treatment plants use high-intensity ultraviolet light and disinfection with chlorine to make it safe to drink.

Drinking water safety and resilience

To achieve safe drinking water supplies requires that the Council ensures that our main Waikanae water treatment plant is maintained at its current high

standard and that other smaller supplies are maintained or brought up to standard as necessary.

Waikanae water treatment plant upgrade

The planning and design of the Stage 2 upgrade to the Waikanae water treatment plant commenced in 2018/19. The three-year programme of work started with detailed design work and high priority activities, such as interim repairs to provide ongoing reliability of the existing clarifier while a new one is built.

In the first half of the year considerable work was put into the selection of a water professional services panel. This panel of consultants will work with the Council through the steps identified in our planning and risk study of 2016/17 in regard to the potential risks to the ongoing performance of the Waikanae water treatment plant and the consequences of any failures. The consultants will help manage the required renewals and upgrades identified in that planning and risk study as part of the Stage 2 upgrade and renewal of the water treatment plant.

Now that the panel is in place, work will get underway in 2019/20 with the design and procurement for construction of a new clarifier and other process renewals.

Paekākāriki water treatment plant

New micro-filtration units and control equipment for the Paekākāriki water treatment plant were installed and commissioned in early 2018/19 to enable complete compliance with drinking water standards at this plant.

As this new plant was commissioned after the start of 2018/19, we did not expect to receive full compliance with drinking water standards for the 2018/19 year. We expect to hear back from the Drinking Water Assessors in the near future as to whether the plant is now fully compliant for future years.



Water use reducing

Average daily water use
per person has fallen

31%

*since 2012/13 – prior to the
introduction of water meters.*



New micro-filters installed at the Paekākāriki water treatment plant

Ōtaki water treatment plant

Our assessment of the Ōtaki water treatment plant is that it achieves compliance requirements of the NZ drinking water standards 97-99% of the time each year. It is not compliant when turbidity spikes in the raw water exceed values that assure the effectiveness of the UV treatment process. Bringing

this supply up to 100% compliance is part of our work programme for the next two years.

Hautere/Te Horo water supply

In June 2018 residents on this supply were notified that during prolonged flooding Council could not be 100% confident that this treatment plant would kill all the micro-organisms that could be in the water. In that event a 'boil water' notice would be issued.

The strategy to improve the safety and resilience of this supply is programmed to be investigated in the next two years.

Maintaining and strengthening our water network

Water mains renewal

The pipe renewal contract for Ames Street in Paekākāriki, having been initially deferred from 2017/18, was completed in February 2019 with the renewal of 286 metres of that main.

Water lateral renewals continue

Over the 2018/19 financial year 34 service laterals were replaced. The replacement of water service laterals (local residential connection pipes) is ongoing and focuses on pipes that fail early due to poor pipe materials and/or ground conditions.

We're taking a 'three strikes' approach where laterals are repaired the first two times they fail and replaced the third time. It is not possible to predict which laterals will fail in the future, but this process is building an evidence base to support analysis for a future proactive renewals programme.

Water meter replacements

Over the year 11 meters were replaced due to damage or vandalism, including vehicle related damage (33 meters were replaced in 2017/18). In many cases this occurred on subdivision sites under

development. The Annual Plan now includes the extension of the developer's bond (protecting the Council's assets from damage during building construction) to repair/replace damaged water supply equipment such as meters.

A new zone meter was installed in Ngaio Road in late 2018/19. This allows improved pressures and levels of service to be achieved in the Waikanae CBD. This is part of ongoing service level improvement projects in the Long term plan 2018-38.

The water account explained

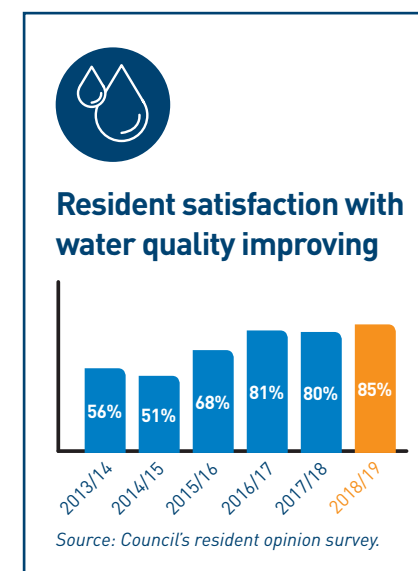
The water account is a mechanism that records the total cost of supplying drinking water, including the cost of treatment and reticulation, as well as the revenue from water rates. The aim is that the total cost of supplying drinking water is recovered by fixed and metered water supply rates.

The water account is a closed account, with any surpluses held within the account to fund the future costs of providing water; any deficits will need to be recovered from future water charges.

Districtwide water meter charging for all residential properties commenced in July 2014 and water usage, as expected, is taking a number of years to settle into a steady pattern. Therefore, the Council is carefully monitoring usage trends to best determine the level of charging necessary to fully recover the costs of providing drinking water.

Water account	2016/17 Actual \$m	2017/18 Actual \$m	2018/19 Actual \$m	2019/20 Budget \$m	2020/21 Budget \$m
Cost of providing water	8.5	8.3	8.0	8.7	9.6
Water rates revenue	7.8	8.6	8.9	9.1	9.7
Annual surplus/(deficit)	(0.7)	0.2	0.9	0.4	0.1
Balance of water account	(1.6)	(1.4)	(0.5)	(0.1)	(0.0)

Note: Some of the difference calculations in the above seem incorrect but this is due to rounding effects.



The water account deficit

The water account is currently in deficit. The Council plans to gradually increase the annual water supply rates to a level that recovers the full cost of providing this service across the district within the next five (or so) years. The water account made a surplus (\$0.9m) in the 2018/19 financial year.

The table below outlines the current water account position. This illustrates a neutral position on the water account by the end of 2020/21 based on current forecasting. This is two years earlier than originally expected.

Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
We provide a continuous potable water supply that meets New Zealand drinking water standards	Median response times to a fault or unplanned interruption to our water network measured by attendance time (from the time the Council receives notification to the time that staff are on site) <i>(DIA mandatory measure)</i>	Urgent = less than or equal to 1 hour	Achieved (15 minutes)	Median attendance time was 15 minutes for 61 urgent water interruptions.
		Non-urgent = less than or equal to 3 days	Achieved (3 hours 27 min)	Median attendance time was 3 hours and 27 minutes for 546 non-urgent water faults.
	Median response times to a fault or unplanned interruption to our water network measured by resolution time (from the time that the Council receives notification to the time that staff confirm resolution) <i>(DIA mandatory measure)</i>	Urgent = less than or equal to 5 hours	Achieved (1 hour 38 min)	Median resolution time was 1 hour and 38 minutes for 61 urgent water interruptions.
		Non-urgent = less than or equal to 4 days	Achieved (25 hrs 2 min)	Median resolution time was 25 hours 2 minutes for 546 non-urgent water faults.
	Measure the extent to which the district's drinking water supply complies with: a) Part 4 of the drinking water standards (bacteria compliance criteria), and b) Part 5 of the drinking water standards (protozoal compliance criteria) <i>(DIA mandatory measure)</i>	a) Achieve 100% b) Achieve 100%	c) Not achieved d) Not achieved	Sporadic turbidity spikes ¹ and monitoring data corruption ² resulted in non-compliance of 4 out of 5 water supply plants. Improvements have already been made to data storage, and further improvements are being made under the water safety and resilience project to address the remaining issues. a) 2017/18 result was 'Achieved' b) 2017/18 result was 'Not achieved'

1. Tasman Road (Ōtaki) and Hautere/Te Horo Water treatment plants experienced sporadic turbidity during the year. Turbidity can inhibit the effectiveness of the ultra violet light (UV) treatment process.
2. Monitoring data for 1 and 8 September 2018 for the Hautere / Te Horo, Waikanae and Paekākāriki water treatment plants became corrupted and was only able to be recovered for the 1st and partially for the 8th. While there were no transgressions on these days the detailed data was not able to be fully provided resulting in a non-compliance determination for parts 4 and 5 of the New Zealand Drinking Water Standards and a failure to keep records and to make them available under Section 69ZD Health Act.

Contribution to outcomes	Performance measures	Target	Result	Comment
We provide a continuous potable water supply that meets New Zealand drinking water standards	Residents who are satisfied with the quality of the Council's water supply (taste, odour, clarity)	80%	Achieved (85%)	The Resident Opinion Survey result for the 2018/19 year continued to show improvement with 85% satisfaction with the quality of the Council's water supply. (2017/18 result was 80%)
	Measure the total number of complaints received by the Council, per 1,000 connections, to the Council's networked reticulation system, about any of the following: a) drinking water clarity b) drinking water taste c) drinking water odour d) drinking water pressure or flow e) continuity of supply, and f) council's response to any of these issues. <i>(DIA mandatory measure)</i>	At or below 6.2 complaints per 1,000 connections	Achieved (5.56 per 1,000)	A total of 130 complaints were logged for the year (27 water quality complaints, 47 water pressure complaints and 56 valid complaints ³ in regard to continuity of supply). With a total of 23,364 connections this equates to 6.25 complaints per 1,000 connections (2017/18 result was 6.84 per 1,000)
We encourage the sustainable use of potable water and aim to reduce water loss from our water network	Peak water consumption in litres per person per day (l/p/d)	At or below 490 l/p/d	Achieved (399 l/p/d)	Peak day water use was 399 l/p/d in 2018/19, again well below the 490 l/p/d target. (2017/18 result was 417 l/p/d)
	Average water consumption in litres per person per day (l/p/d) <i>(DIA mandatory measure)</i>	At or below 325 l/p/d	Achieved (302 l/p/d)	Average water use was 302 l/p/d, slightly down on recent years. (2017/18 result was 311 l/p/d)
	Percentage of real water loss ¹ from the Council's networked reticulation system <i>(DIA mandatory measure)</i>	At or below 23.6%	Achieved (18%)	The percentage real water loss ⁴ from the Council's network in 2018/19 was calculated at 18% (2,440m ³ /day); down from 20.5% in 2017/18 (3,089m ³ /day). This further reduction in losses reflects our continued diligence in monitoring the network and prompt action to resolve leaks as they are identified.

3. There was a total of 72 service requests related to continuity of water supply. However, 14 of these were found to be private issues (private leaks or tobies turned off for plumbing repairs and not turned back on) and two were service requests where the water had been shut off for planned and pre-notified maintenance. These 16 service requests were not judged to be valid 'complaints' about the Council's water network. Excluding those, there were 56 valid complaints for the year.

4. 'Real water loss' is reported here as defined by the Department of Internal Affairs 'real losses through leaks in the network and apparent losses through metering inaccuracies and (assumed) water theft'. The industry standard definition does not include apparent losses.

Wastewater – wai para

Council provides wastewater (sewerage) infrastructure that protects public health and the natural environment and provides for continuity of service for the Kāpiti community.

Protecting public health and the environment

We are committed to ensuring receiving natural environments are not damaged by effluent discharge and are enhanced where possible and that the impact on the environment from discharged contaminants is minimised.

Consenting of the Paraparaumu wastewater treatment plant (WWTP)

The five resource consents for the Paraparaumu WWTP are due to expire in March 2022. While still some years away, the application process for such a significant plant will take some time to complete.

A key first step was taken in May 2018 with the appointment of a consultant to implement the consenting works programme. The professional services contract will support the Council to deliver the works programme including engaging with iwi, environmental studies, public consultation through to preparation and submission to Greater Wellington Regional Council (GWRC) of the consent application.

Some limited initial sampling and analysis of the receiving environment and project planning has been completed.

Land and water hold particular significance for tāngata whenua and it is considered this project is of significant interest. Ongoing efforts are being made to find mechanisms to meaningfully engage tāngata

whenua in the re-consenting of the Paraparaumu WWTP.

Ōtaki wastewater treatment plant discharge consent renewal

The new 20-year resource consent for operating the Ōtaki wastewater treatment plant was issued by GWRC in October 2016. In accordance with the consent, a study to optimise the land treatment and disposal area (discharge wetland) was started to identify any optimisation improvements and to work with iwi to prepare a future improvement plan.

That study proposing various upgrades was submitted to GWRC for approval in October 2018 and approved in March 2019. Consultants have been engaged for this work and the draft design is under review.

Revised Trade Waste Bylaw adopted

The Trade Waste Bylaw was reviewed and consulted on in 2018 and a new bylaw was adopted in early 2019. The new bylaw is the key instrument to manage commercial and industrial wastewater discharges to minimise the risk to public and staff health, minimise the risk of impacts on our wastewater system and manage ongoing compliance of our treatment processes and discharges to the environment.



Operating spending

\$8,079,122

\$8,022,823 budget

\$2.94 weekly per resident

Capital spending

\$822,800

\$2,482,139 budget

An effective and efficient wastewater service now and into the future

Waikanae duplicate rising main

The existing pumped sewer (rising) main from Waikanae to the Paraparaumu wastewater treatment plant is nearing its rated design capacity and further capacity is needed to meet future growth and provide back up to that single sewer main servicing all of Waikanae.

The first section of the duplicate rising main alongside the M2PP Expressway was completed prior to the opening of the expressway.

The completion of the remaining length of the rising main in the expressway corridor has been delayed due to unresolved discussions between NZTA and landowners about the location of the rising main. The Council has recently engaged directly with landowners to work towards a resolution.

It is hoped that this direct approach will lead to an agreement so that the resource consent may be secured with GWRC. This would then enable the Council to complete the remaining connection in the expressway alignment and move forward with confidence to complete the balance of the works. These works have been deferred to 2020/21.

Wastewater pumping stations

To maximise the value of limited budgets, a contract was let for pumping station renewal works across the 2017/18 and 2018/19 financial years.

Over the two years three pump stations had their wet well and valve chamber pipework upgraded.

The programme of wastewater pumping station condition assessments started in 2016/17 has continued through 2017/18 and 2018/19 as planned.

Pipe renewals

Pipeline renewal works had been deferred from 2015/16 and 2016/17 to provide funding to bring forward work on the Waikanae duplicate rising main. That deferred work got underway in 2017/18 and was completed in 2018/19.

Around 177 metres of wastewater mains were replaced throughout the district in the following locations in Paraparaumu: Riwai Street (60 metres), Mamaku Street (60 metres), and Epiha Street (57 metres). In addition, 65 metres of laterals (connection

pipes from household boundaries to the main sewer pipe) were renewed on Riwai and Mamaku Streets.

Paraparaumu WWTP – renewals and upgrades

A condition and capacity study was undertaken in 2016, which examined the state of the main process units in the treatment plant and considered the scope and timing of future renewals or upgrades.

Power supply renewals

A major power distribution board was successfully replaced, supplying power reticulation resilience to around half of the plant process equipment. This mitigates an increasing risk of process failure at the Paraparaumu WWTP.

Aeration process

The condition and capacity study identified that the aeration process units needed complete renewal which was deferred to 2021/22 in the Long term plan 2018–38. That study also recommended specialist inspections to assess the risk of delaying the renewal.

Those subsequent inspections confirmed the imminent failure risk of two of the three blower units. These were replaced in 2018/19 to maintain performance until the complete aeration process renewal is undertaken.

Inlet works

The Paraparaumu WWTP inlet works project was also an outcome of the condition and capacity study. The concept design and procurement approach for the inlet works was completed in 2017/18.

This project was deferred to allow the Council to stay within the limits of the financial strategy. As a result, the detailed design and construction of these works has been deferred to 2020/21.



Fault resolution time

Target less than 5 hours

2 hours and
29 minutes

We resolved 77 blockages or faults in a median time of 2 hours and 29 minutes.

2017/18 result was 2 hours and 6 minutes for 115 faults.



Number of complaints

Target less than 7.2 per 1,000

4.8 complaints
per 1,000

4.8 complaints per 1,000 connections this year.

Against a target of less than 7.2 per 1,000. 2017/18 result was 6.5 per 1,000.

Balancing investment, risk and resilience

Paraparaumu WWTP – 2016 condition and capacity study

The 2016 condition and capacity study has set the groundwork for all the renewal and upgrade projects that have since been undertaken at the plant and those planned for the next few years.

However, that study recommended more detailed specialist inspections for some processes at the plant, to accurately determine specific renewal timing (a case in point being the more detailed inspection of the aeration process units). Progressing with these specialist inspections provides confidence that the plant will continue to maintain its level of performance and meet its consent requirements protecting the environment and public health.

Biosolids management

The sewage sludge produced by the Paraparaumu WWTP is stabilised via thermal drying. The plant produces an average of four cubic metres of dried biosolids per day.

Since late 2015, the Council has been disposing of dried biosolids from the Paraparaumu wastewater treatment plant at the Silverstream landfill. This landfill has the advantage of a very high gas capture and destruction rate which has significantly reduced the Council's carbon emissions from disposal of sewage sludge.

There are potential opportunities for the beneficial reuse or alternative disposal for our biosolids that could provide long-term benefits to the environment and our communities.

Council is participating in the Lower North Island Collective Biosolids Strategy Study, which received significant Ministry for the Environment funding, to explore and develop such alternative options. A

considerable amount of work on a strategy has been undertaken over the last two years.

The management of wastewater in our district (and, in particular, the impact on land and water) is of significant interest to tāngata whenua. Considerable work has been carried out to develop an iwi engagement process that will provide for kaitiakitanga. This has proven challenging and efforts are continuing. Until such time that a mechanism to meaningfully engage iwi is agreed, the biosolids strategy cannot progress further.

Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
Our wastewater system management practices ensure that we respond efficiently and effectively to wastewater system blockages, faults and overflow issues	Median response times to sewage overflows resulting from a blockage or other fault measured by attendance time (from the time the Council receives notification to the time that staff are on site) <i>(DIA mandatory measure)</i>	Less than or equal to 1 hour	Achieved (20 minutes)	Median attendance time was 20 minutes, for 77 blockages or faults attended in the year. (2017/18 result was 27 minutes for 115 blockages or faults)
	Median response times to sewage overflows resulting from a blockage or other fault measured by resolution time (from the time that the Council receives notification to the time that staff confirm resolution) <i>(DIA mandatory measure)</i>	Less than or equal to 5 hours	Achieved (2 hrs 29 mins)	Median resolution time was 2 hours and 29 minutes for 77 blockages or faults resolved in the year. (2017/18 result was 2 hours and 6 minutes for 115 blockages or faults)
	Number of complaints received by the Council about any of the following: a) sewage odour b) sewerage system faults c) sewerage system blockages, and d) the Council's response to issues with the sewerage system <i>(DIA mandatory measure)</i>	Less than 7.2 complaints per 1000 connections to the Council's sewerage system	Achieved (4.8 complaints per 1,000)	97 complaints were received this year. With a total of 20,292 connections this equates to 4.8 complaints per 1,000 connections (2017/18 result was 6.5 per 1,000)
We comply with our resource consent conditions and our receiving natural environments are not damaged by effluent discharge and are enhanced where possible	Number of dry weather sewage overflows <i>(DIA mandatory measure)</i>	At or below 2 per 1000 connections to the Council's sewerage system	Not achieved (2.56 overflows per 1,000 connections)	There were 52 dry weather overflows from the wastewater system this year (only one of which was notifiable). Given a total of 20,292 connections this equates to 2.56 overflows per 1,000 connections. (2017/18 result was 'Achieved')
	Compliance with the Council's resource consents for discharge from its sewerage system measured by the number of: a) abatement notices b) infringement notices c) enforcement orders, and d) convictions, received by the Council in relation to those resource consents <i>(DIA mandatory measure)</i>	None	Achieved (provisional)	We have received provisional confirmation from GWRC that there were no recorded incidents of non-compliance with the Council's resource consents for discharge from its sewerage system. The final determination on this measure is made by GWRC in response to our Wastewater Compliance Report (due in October 2019). Their assessment is expected to be received in December 2019.

Solid waste – para ūtonga

We provide accessible, effective and efficient waste management options, encourage waste minimisation, and provide landfill management that meets legal requirements and best practice guidelines.

Kerbside collection services

The Council continued monitoring the delivery of kerbside collections of rubbish and recycling by private companies to ensure these services are delivered in accordance with the collectors' licence requirements.

The quarterly residents opinion surveys conducted for 2018/19 confirmed that residents remain very satisfied with the operation of the kerbside rubbish and recycling service. Over the full year the result was that 88% of residents were satisfied with kerbside collection services.

Ōtaki resource recovery centre

EnviroWaste has been leasing and operating the resource recovery centre at Riverbank Road in Ōtaki since December 2013. EnviroWaste sets the gate fees and provides all recycling and disposal services at the centre. There has been no change to opening hours.

Waikanae recycling centre

The Council continued to contract the management of the recycling drop-off station in Waikanae to Composting New Zealand (CNZ). CNZ manages the greenwaste drop-off and sets the greenwaste fees.

Paraparaumu greenwaste

CNZ continued to set greenwaste fees at the Otaihanga facility and to process greenwaste from throughout the district.

Wellington regional waste management and minimisation plan (RWMMP)

The Council established a Waste Minimisation Taskforce in March 2019. The taskforce has started to investigate how actions from the Wellington regional waste minimisation and management plan, adopted in late 2017, may be implemented to achieve the most cost-effective reduction in the volume of waste materials in the district.

They are expected to report back to Council on this by October/November 2019.

Waste minimisation

The Council continued to implement its waste minimisation and education action plan with a number of Council-facilitated waste minimisation activities. This included zero waste education in schools, recycling education visits and advice, zero waste in the Council's offices, support of zero waste events, and regional education actions such as waste-free parenting and waste-free living workshops.

The zero waste education programme was delivered to 810 students in total, across Te Horo, Raumati Beach, Paraparaumu Beach and Paraparaumu schools.

The Council hosted a waste-free parenting workshop and a waste-free living workshop that were delivered by an external presenter in September 2018 and May 2019, respectively. The waste team also supported a



Operating spending

\$1,287,859

\$1,584,747 budget

\$0.47 weekly per resident

Capital spending

\$345,000

\$586,190 budget



Resident satisfaction with kerbside collection

88%

of residents were satisfied with the standard of kerbside collection services.

series of presentations by a local presenter on plastic-free shopping.

A number of event organisers were supported in their zero waste efforts through advice and loan of waste station bin hoods and other equipment. These events included the Airport Open Day, the Vegan Expo, the Raumati South School Gala, the Big Bang Adventure Race, the Ōtaki Kite Festival, and the Waitangi Day commemoration.

Several presentations were given on the importance of recycling and waste minimisation to Scout and community groups and to the Enviroschools Hui. The team also facilitated four workshops as part of the No.8 Wire Week programme focussed on reducing food waste and packaging.

The Waste Minimisation Advisor, funded by Waste Levy funds from the Ministry for the Environment, continued to deliver waste minimisation advice to elderly residents and lower income communities. This work included regular visits to transfer stations to inform customers on waste diversion options and support for community organisations and their members with advice on waste minimisation practices.

Waste levy funding

The Council allocated a total of \$60,430 of waste levy grant funding in 2018/19. The first tranche of just over \$12,900 in grant funding was allocated in November 2018 to seven community projects.

These community projects included a coffee grounds collection initiative, composting and worm farming projects, event waste minimisation, the running of two repair cafes and the upskilling of a community group in resource recovery. These projects were

carried out by early childhood centres, community groups and a consultancy.

The second tranche of grant funding was allocated in May 2019 for new technologies and seed funding projects. A total of \$47,500 was allocated to two successful applicants (Nufuels Ltd and Astara Technologies Ltd).

The Council continued to part-subsidise the recycling costs of TVs and CRT monitors dropped off at the Otaihanga and Ōtaki resource recovery facilities.

Continued support was provided to the SeatSmart programme which diverts expired or damaged car seats from the landfill.

Otaihanga landfill

The Otaihanga landfill is closed to general material, but continues to accept cleanfill on a restricted basis, which is used to contour the landfill surface and for final capping. The contouring assists stormwater run-off over the capped surface.

Work is ongoing to complete the capping of the landfill, with around 17.15 Ha of the landfill now capped.

Work commenced in March 2019 on development of expanded wetland areas at the landfill to assist with the treatment of landfill leachate and stormwater. This wetland development work, including planting of the wetland and surrounds, was completed in June 2019.

After the capping work is completed the next step will be consideration by the Council of options for future use of this site.



Progressing with landfill capping

92%
of the Otaihanga landfill
is now capped (17.15 Ha).



Final capping underway at the closed Otaihanga landfill

Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
Otaihanga, Ōtaki and Waikanae facilities are open seven days a week and we license kerbside collection services for our urban areas	Disposal facilities are open 357 days per year	357 days per year	Achieved	Facilities met opening targets. (2017/18 result was Achieved)
	Licensed collectors are compliant with licence requirements	Achieve	Achieved	No official warnings were issued. (2017/18 result was Achieved)
	Residents who are satisfied with the standard of kerbside collections	85%	Achieved (88%)	The Residents Opinion Survey reported 88% satisfaction. (2017/18 result was 88%)
We remove illegally dumped waste	Illegally dumped waste is removed within two working days	85%	Achieved (89%)	There were 310 service requests, of which 276 were resolved within two days. (2017/18 result was 85%)
We encourage waste minimisation and provide education, information and advice	Residents who are satisfied with the waste minimisation education, information and advice available	75%	Not achieved (64%)	The Resident Opinion Survey reported 64% satisfaction in 2018/19. This measure reported a sharp fall following the cessation of Enviro Waste's plastic bag collection service in early 2018 from levels of 77% to 71% by year end. Verbatim comments from respondents report general dissatisfaction with the Council's approach to waste minimisation when the control of waste collection services, and the range of collection options offered (as well as their cost), is determined by the private sector. (2017/18 result was 71%)



Community services

The community services cluster covers a range of the Council's activities that enhance life for Kāpiti residents and visitors.

The Council looks after more than 500 hectares of parks and sports grounds which provide opportunities for diverse recreation activities, and maintains 47 playgrounds. Kāpiti also has an extensive network of cycleways, walkways and bridleways.

We provide several swimming pools and library facilities across the district and support various arts and heritage activities that are important to our community.

We maintain community facilities such as halls and meeting spaces throughout the district and provide resources to the community for capacity building and social service provision. We provide grants to a range of local community organisations and other groups.

Council also has a role in enabling sustainable economic growth.

This cluster includes our critical responsibilities for civil defence emergency management and encouraging preparedness across the community.

In this section you'll find:

- Parks and open space
- Recreation and leisure
- Community facilities and community support
- Economic development

Parks and open space – ngā papa rēhia me ngā waahi māhorahora

The Council maintains a wide range of parks, reserves and open space on behalf of the community. We facilitate barrier-free access on our network of cycleways, walkways and bridleways.

Council aims to maintain a rich and diverse network of open spaces that protect the region's ecology and support the identity, health, cohesion and resilience of the district's communities.

To this end, the following major projects were progressed or completed in the 2018/19 year.

Developing our parks and reserves

Maclean Park

The draft management plan and development plan for Maclean Park were adopted by the Council in late 2017. The first stage of the development plan got underway in 2018/19 with the removal of the kiosk, the filling in of the pond and grassing of that area, an improved half basketball court further from the road, installing a covered BBQ space, installing terraced steps, the start of the central path, landscaping and new seating, and a modest refurbishment of the toilet facilities.

The next stage of development at Maclean Park will be in 2021/22. This will involve further development of the central path and landscaping.

Otaraua Park development plan

The draft Otara Park development plan was presented for community consultation in July/August 2018. It attracted 413 submissions and work was

undertaken with key stakeholders, submitters and iwi to decide how best to address the issues raised in submissions. The plan was adopted by the Council in December 2018.

Further development works were undertaken in 2018/19. Secondary drainage on the current playing fields was completed in early 2019 resulting in a high quality playing surface. Some initial realignment of the central access road to avoid the power pylons and to improve access through the park was undertaken in June 2019. This work was done by Transpower with a modest contribution from the Council.

Upgrading Mazengarb Reserve

The drainage upgrade of the Mazengarb Reserve sports fields started in February 2019 and was completed in March 2019, in time for the winter playing season.

A lighting upgrade was also undertaken to provide a dedicated training area for winter evenings. This work was completed in June 2019.

Rahui Grandstand upgrade

The upgrade of the Rahui Grandstand got underway in early 2019 and involved refurbishment of the steel structure and replacement of the ceiling and windows. The work was completed in June 2019.



Operating spending

\$6,971,016

\$6,855,381 budget

\$2.54 weekly per resident

Capital spending

\$1,630,354

\$2,152,429 budget

Other developments

To increase awareness of the district's parks, the Council held a series of 'Parks Week' events in March 2019. Events were held every day through the week. The most popular of these was the 'Park to Path' fun run which attracted over 300 participants.

The 'How to Park' video series had over 20,000 views, and The 'Walks with Rob' series of educational videos

about our local reserves has also been very well received. The Barry Hadfield Nikau Reserve video received over 2,000 views.



The increasingly popular Waikanae River cycleway, walkway and bridleway

Upgrading playgrounds

The Council has a playground renewals/upgrade programme based on condition assessments of the equipment in each playground. Upgrades were undertaken at Pohutakawa Park and Matthews Park in 2018/19, following community consultation on these parks in the previous year. Pohutakawa Park now includes Kāpiti's first nature play area.

Review of open space strategy

Recent changes to the Resource Management Act require a change to the way the Council collects reserve contributions for new subdivisions. This, together with significant changes since the 2012 strategy was written, necessitated a comprehensive review of our open space strategy.

This review commenced in 2018/19, including consultation with key stakeholders and the community. It will take 18 months to complete and

will inform the Development Contributions Policy and the next long term plan.

Cycleways, walkways and bridleways

The Council continues to focus on improving the connectivity and experience of recreational cycling, walking and bridleway routes in the district through coordination with partnering organisations and landowners.

In the last year, we supported the delivery of the following:

- the access to the Te Arawai Bridge on the Waikanae River Trail was improved to make it more accessible;
- a new path was constructed at Waimanu Lagoon;
- an additional track was built back from Waikanae River on the northern bank to futureproof against river erosion;
- a new track was built to link Milne Drive to the expressway network;
- development of a directional signage bollard standard that will be rolled across the network;
- the first stage of an access track at Ngāwhakangutu Reserve; and
- the upgrade of the track over Kapiti Airport land in partnership with the airport to enhance the access from Paraparaumu to the beach.

Environmental restoration

More than 180 community restoration group representatives from throughout the Wellington region attend a 'Restoration Day' held in Kāpiti. Guest speakers, workshops and field trips showcased restoration projects from Ōtaki to Paekākāriki. A total of 18,000 eco-sourced native plants were planted to restore bush, riparian margins, wetlands and dunes across the district.



Maclean Park upgrade

We spent

\$361,000

on the first stage of the Maclean Park upgrade.



Environmental restoration

18,000 plants

Eco-sourced native plants were planted to restore bush, riparian margins, wetlands and dunes across the district.

Cemeteries

The RSA gardens were rebuilt at Awa Tapu Cemetery and a new access road was built to provide better walking and hearse access.

The road junction at Ōtaki cemetery was improved late in 2018/19.

Kāpiti Primary Schools Sports Programme

The Primary School Sports Coordinator delivered a number of sports competitions and events, including:

- a seven-week basketball competition that was co-hosted with Kapiti Basketball Association - seven schools attended with a total of 17 teams, approximately 140 boys and girls participating,
- the junior and senior winter tournaments,
- a weekly futsal competition,
- a softball event with 1,861 students participating from eleven schools across Kāpiti.
- the junior interschool athletics were delivered with nine schools and 238 students attending,
- the senior interschool athletics were delivered with 11 schools and 203 students attending, and
- the schools' triathlon with 250 children participating.



Another popular Soundsplash event at the Coastlands Aquatic Centre

Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
Parks and open space				
Our residents in urban areas live reasonably close to a recreation facility and a range of active recreation facilities is available throughout the district	Residential dwellings in urban areas are within 400 metres of a publicly-owned open space	85%	Achieved (99.4%)	103ha out of 18,452ha (0.6%) of the total District Plan residential area is not within 400m of a publicly-owned open space. (2017/18 result was 99.4%)
	Sportsgrounds are open (scheduled hours and weather dependent)	85%	Achieved (97%)	Sportsgrounds were open 97% of the year. (2017/18 result was also 97%)
	Residents (%) who are satisfied with the current availability of facilities	85%	Achieved (100%)	The annual Park Users' survey in February 2019 reported 100% satisfaction. (2017/18 result was 97%)
	Residents (%) who are satisfied with the quality of the Council parks and open space	85%	Achieved (100%)	The annual Park Users' survey in February 2019 reported 100% satisfaction. (2017/18 result was 92%)
	Residents (%) who are satisfied with the quality and range of recreation and sporting facilities in the district	85%	Achieved (100%)	The annual Park Users' survey in February 2019 reported 100% satisfaction. (2017/18 result was 95%)
	Residents (%) who are satisfied with the Council playgrounds	85%	Achieved (100%)	The annual Park Users' survey in February 2019 reported 100% satisfaction. 2017/18 result was 90%
Cemeteries				
We provide well maintained cemeteries and we want to ensure that most family members can access the interment site and records are available online	Users who are satisfied with the cemeteries' appearance and accessibility	85%	Achieved (100%)	The annual Park Users' survey in February 2019, reported 100% satisfaction. (2017/18 result was 98%)
	All available records will be on the Council's website within four weeks of interment	100%	Achieved (100%)	All records have been available within four weeks of interment. (2017/18 result was 100%)
We measure burial capacity across the district and anticipate future needs	At least a 10-year burial capacity is maintained across the district	Achieve	Achieved	There is an estimated total of 56 years' capacity across the three cemeteries (based on 2013 Census data and allowing for projected population growth and age profile). (2017/18 result was Achieved)

Contribution to outcomes	Performance measures	Target	Result	Comment
Cycleways, walkways and bridleways				
A range of cycleway, walkway and bridleway networks including low carbon alternatives are available throughout our district and the quality and range increase over time	Users who are satisfied with the Council's cycleways, walkways, and bridleways	85%	Achieved (94%)	The Residents Opinion Survey for 2018/19 reported 94% satisfaction. (2017/18 result was 96%)
Our beach accessways are maintained and are in a usable condition	Residents (%) who are satisfied with access points to beaches	85%	Achieved (92%)	The Residents Opinion Survey for 2018/19 reported 92% satisfaction. (2017/18 result was 91%)

Recreation and leisure – hākinakina

The Council provides facilities, services and programmes for recreation and leisure activities in the district.

We aim to provide affordable and safe aquatic facilities, services and programmes for the health and wellbeing of our community and a districtwide library service with libraries in Ōtaki, Waikanae, Paraparaumu and Paekākāriki. The Council also provides a website that gives continuous access to library services and online resources, and supports the arts.

Libraries

Waikanae Library developments

Waikanae library was closed indefinitely in late November 2018 after confirmation of toxic mould in the building. An interim pop-up library service was opened in the cleansed library entrance foyer in December 2018, before it relocated in February 2019 to Mahara Gallery.



Waikanae pop-up library in January 2019

A medium term solution for Waikanae Library was found and a lease secured in May 2019. The fit-out of the new location at 9 Mahara Place took place over May/June 2019 and the library opened in the new location on 1 July 2019.

Overview

Overall, our libraries had another successful year with a range of services, programmes and events bringing high numbers of people into the libraries.

Our standard services remained in high demand:

- more than 613,000 items were borrowed from the four district libraries over the course of the year;
- more than 88,000 items were reserved free of charge across the district;
- 17,858 eBooks were issued;
- just over 56,000 sessions were logged on the libraries' free internet computers, and 58,672 free Wi-Fi sessions were logged; and
- 17,226 new items were added to the collection, including 888 eBooks.

Customer satisfaction

The annual library customer satisfaction survey undertaken in May 2019 received 471 responses (522 last year), and again reported very high levels of satisfaction with the library services provided (98.5% of respondents were 'satisfied' or 'very satisfied'). This is despite the issues with Waikanae Library.



Operating spending

\$11,113,550

\$10,859,736 budget

\$4.05 weekly per resident

Capital spending

\$1,216,524

\$3,683,665 budget

Programmes and events

A range of popular programmes and events were offered in various library locations across the district, with more than 8,398 attendees in total:

- The library continued to run a regular suite of programmes for varying age groups from the Tamariki Story-times, Lego Club, Tween Book Club through to popular adult book, craft and social programmes including Tea and Tales, Time for a Yarn and a number of book groups;
- We collaborated with Upper Hutt, Hutt City and Wellington City Libraries to run a region-wide "Beyond the Page" literary festival in the July

2018 school holidays. Over 600 people attended the Kāpiti events;

- Regular programmes continued to be run through each school holiday period alongside regular programmes celebrating Matariki and Te Wiki o Te Reo Māori in September 2018;
- The sixth annual 'If You're a Poet, We Want to Know It' poetry competition, attracted 75 entries. Over 80 people attended the Open Mic night on August's National Poetry Day;
- We held the annual literary Mastermind competition was held in August 2018, with over 100 children from local schools reading and being tested on the books that were finalists in the New Zealand Book Awards for Children and Young People;
- The library further supported the New Zealand Book Awards by participating in the Hells Pizza Reading Challenge;
- The library continued to offer a range of digital literacy programmes including a regular afterschool Minecraft Club, Self-publishing author workshops and the Stepping Up programme of free digital workshops delivered at the Paraparaumu, Waikanae and Ōtaki Libraries focused on practical digital literacy skills;
- We celebrated Te Wiki o Te Reo Māori in September with Te Wiki Tea and Tales, Te Reo Tamariki Time, Tumeke kapa haka and Paraparaumu School kapa haka performances, with over 300 people attending these events;
- Over 90 individuals participated in the Adult/Teen Reading Challenge which is an opportunity to encourage families to read together;
- Mystery in the Library, celebrating the Ngaio Marsh Book Awards was held in April 2019, with

four local crime authors presenting to over 35 audience members; and

- A regular Justice of the Peace service was provided through the Paraparaumu and Ōtaki libraries. Across the year it supported over 2,200 people.

Arts and museums

The 2018 Kāpiti Arts Trail was held over two weekends, on 27/28 October and 3/4 November 2018, with 112 listings in the Kāpiti Arts Guide from artists, galleries and hubs. The Arts Trail continues to be a major community event for Kāpiti and, increasingly, an attraction for out-of-town visitors from the Greater Wellington region, neighbouring and more distant regions, and overseas.

Other activities over the year were:

- following advice from the Public Arts Panel, Council has approved a programme for public art installations over the coming years;
- work has commenced on an integrated artwork to be included in the Maclean Park redevelopment;
- the Council administered two rounds of the Creative Communities Scheme, with over \$44,000 of funding distributed to 23 arts projects for the local community;
- the Council supported museums in the district in holding a "Discover Kāpiti Heritage" week in January 2019; and
- exhibition art spaces at Paraparaumu, Waikanae and Ōtaki Libraries were fully booked, with 37 exhibitions held in total over the year.



**Growing the Kāpiti
Arts Trail**

112 listings

**on the Kāpiti Arts Trail October/
November 2018.**



**Artist Hannah Shand working at Artel Gallery –
Kāpiti Arts Trail 2018**

Mahara Gallery

The architect for the redevelopment of the Mahara Gallery was selected in late 2018. Substantial progress had been made on the developed design by June 2019. Council applied for resource consent before year end in order that the Mahara Gallery Trust could approach funding agencies with a confirmed gallery design.

The Council is on track to start the redevelopment work. The existing public toilets alongside the gallery will first be replaced by a new 'Exeloo' style facility to be built in 2020/21.

The gallery extension is planned for 2021 with a budget allocation of \$5.2 million, with the Council committed to providing one-third of the funds. Commencement of construction is dependent on the Mahara Gallery Trust completing the fundraising for its two-thirds share of the cost.

Swimming pools

The key priorities of the district swimming pools are to cater for all ages and abilities, for overall attendance to remain high or increase, and to provide affordable opportunities for children to learn to swim.

Over the district, a total of 256 children took part in the SwimBegin reduced price, summer holiday learn-to-swim lessons.

In addition, swimming lessons were delivered to over 1,441 children through school learn-to-swim lessons.

Over 928 people took part in the AquaEase or AquaYoga programmes (up from 331 in the previous year). A casual admission pass was introduced at Ōtaki Pool with an additional 371 attendees using this service. These programmes have been very successful for those with medical conditions or limited mobility.

Kāpiti Coast Aquatics was awarded merit in the aquatic innovation award presented at the annual WAVES Conference for the recycling of the entry wrist bands.

Waikanae Pool

Visitor numbers were again relatively high at the open air Waikanae Pool, with 47,975 visits in 2018/19.

Visitor numbers can drop to as low as 38,500 in a poor summer, as they last did in 2016/17.

Dogs in Togs was held at Waikanae Pool at the end of the summer season, on Sunday 24 March, attracting 170 dogs.

Ōtaki Pool

The Ōtaki Pool has been popular since the 2017 rebuild. There were a total of 55,994 visitors in the 2018/19 year with many enjoying the free splash pad and BBQ's.

The accessible and family changing rooms were upgraded. A bronze award was achieved from Be.Accessible.

Ōtaki Pool hosted a canoe polo tournament in June 2019 which had approximately 100 competitors and saw 500 people through the door over the three days.

Coastlands Aquatic Centre

The Coastlands Aquatic Centre had 189,669 visitors in the 2018/19 year, its sixth year of operation.

Over the course of this year, Coastlands Aquatic Centre has hosted the following events:

- Wellington Regional Long Distance Championships on 21 July 2018;
- Surf Lifesaving NZ Capital Coast Pool Champs held on 29 July 2018, which saw 172 competitors participating;
- Matson Trophy Swimming Meet in August 2018,
- Samuel Marsden College held their school swimming sports on 21 March, with 137 swimmers participating;
- the Primary Schools Swim Sports interschool was held at the Coastlands Aquatic Centre in March 2019 with 420 students competing; and
- the Gold Coast Zone Swimming Competition, held on 7 April 2019.

An artist's impression of the Mahara Gallery design



Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
Aquatics				
We provide clean and safe aquatic facilities that are well used by residents and visitors and are satisfying the needs of the community	The Council will maintain PoolSafe accreditation	Achieve	Achieved	Annual PoolSafe accreditation was retained for Coastlands Aquatic Centre, Waikanae Pool and Ōtaki Pool. (2017/18 result was 'Achieved')
	Users who are satisfied with the pools' services and facilities	85%	Achieved (96%)	Resident Opinion Survey for 2018/19 reported 96% satisfaction with the services and facilities at swimming pools in the district. (2017/18 result was 93%)
	Visits to swimming pools in the district	At or above 290,000 annual admissions	Achieved	293,638 combined swims in the year. (2017/18 result was 298,452)
	Learn-to-swim registrations	At or above 3,200 annual registrations	Achieved	3,344 registrations for the year to date. (2017/18 result was 2,986 registrations)
Arts and museums				
We provide the community with funding to support their artistic and cultural initiatives	Total value of applications received relative to the total amount of funding in each grant allocation round.	Ratio is > 1	Achieved (1.58 : 1)	In the two rounds of the Creative Communities Scheme 2018/19, 34 applications were received by the Grants Allocation Committee for a total amount of \$70,126. The total amount available was \$44,500 with the full amount being allocated. This gives a ratio of 1.58 to 1. (New measure, no prior result)
Libraries				
We provide the community with a range of library services, materials and spaces to meet their needs and preferences	Users who are satisfied with the library services	85%	Achieved (95%)	Resident Opinion Survey for 2018/19 reported 95% satisfaction with library services. (2017/18 result was 99%)
	Users who are satisfied with library spaces and physical environments	85%	Achieved (90%)	The annual library users survey undertaken in May 2019 gave a result of 90% satisfied from a total of 438 responses received. (2017/18 result was 99%)

Contribution to outcomes	Performance measures	Target	Result	Comment
We provide the community with a range of library services, materials and spaces to meet their needs and preferences	Total visits to libraries	At or above 300,000 annually	Not achieved (253,978)	Total visits for the year were 253,978, significantly down on the target largely due to a 53% drop in visits to Waikanae Library resulting from its closure in November 2018 and the opening of an interim pop-up library in mid-December and through the second half of the year. (2017/18 result was 'Not achieved')
	Collections are refreshed in accordance with New Zealand public library standards	Maintain 350 new items (including renewals) per 1,000 population	Not achieved (331)	There were 17,226 items added to the library collections in 2018/19. Based on a population of 52,000 that equates to 331 items per 1,000 of population. This outcome was strongly affected by the issues with Waikanae Library. (New measure, no prior result available)
	Number of items borrowed per annum (including renewals)	650,000	Not achieved (613,190)	There were 613,190 items borrowed (including renewals) in the year. This is below target, as expected following the closure of the Waikanae Library for a month and its replacement with a smaller pop-up library for the second half of the year. (New measure, but in 2017/18 over 639,000 items were borrowed)

Community facilities and community support – whakaurunga hāpori me ngā hāpai hāpori

We provide resources to the community for capacity building and service provision focused on community priorities, as well as support for community initiatives that promote diversity, resilience and connectedness.

One of the Council's principal roles is to provide affordable and resilient core services for a healthy, active and involved community. This includes the operation and maintenance of property assets through which some of those services are delivered. It also includes the more direct forms of support we provide for the community and community groups.

The 2018/19 work programme has included the following activities and developments.

Community facilities

Earthquake-prone building management approach

The Council identified seven council-owned buildings that it intends to seismically remediate over the next eight years. Initial remediation of the Paekākāriki Memorial Hall started in April 2019 and will be completed in early July 2019, but this work is short of a full seismic upgrade which will be undertaken later.

Remediation design work for the Paraparaumu Memorial Hall was also started in 2018/19, but construction work has been deferred while a broader strategic consideration of required property renewals is undertaken.

Housing for older persons

Much of the Council's stock of housing for older person's has reached a certain age and is in need of renewal. In light of that, Council made a decision to increase spending on renewals this year beyond the allocated budget and renew units that required it as they became vacant throughout the year.

As a result, twelve units were fully renewed as part of the annual renewals programme which includes an interior repaint, bathroom and kitchen replacement, carpet and floor coverings replaced and wiring and pipe work updated as required. In addition, five other full renewals were started later in the year but not completed until July 2019, while two further units received bathroom renewals. Some units received targeted minor refurbishment, such as interior painting and flooring replacement.

The total spend on renewals for 2018/19 was just over \$733,000, compared to the initial budget of \$276,400 set in the long term plan.

Housing for older persons achieved an occupancy rate of 99.3% for the year, despite reasonably high turnover, with 22 units becoming vacant during the year. Only 16 of these units were re-let to new tenants in 2018/19 as five were still being renewed at 30 June 2019 and one was being withheld to use as



Operating spending

\$5,082,866

\$5,172,688 budget

\$1.85 weekly per resident

Capital spending

\$1,382,213

\$1,504,169 budget

back-up accommodation for tenants whose units need an upgrade.

A number of applicants on the housing applicant register had either lost touch with us in the past few years or had found accommodation. This prompted a revalidation of the register in early 2019 which saw the number of valid applicants drop from 100 to 48. There were 46 on the register as at 30 June 2019.

Te Newhanga Kāpiti Community Centre

Since July 2018, Council has been developing a management plan for the Te Newhanga Kāpiti Community Centre. This included a detailed condition assessment of the building. Preliminary results showed heightened moisture levels in some parts of the building but results were inconclusive.

The Council then commissioned more intrusive testing which concluded that significant remediation work is required. Staff are developing options for ongoing community centre needs, including contingency options. However, as at the end of June 2019 air quality testing did not identify elevated mould readings and the levels of mould found would be unlikely to result in health issues. This is very much a watching brief at present while options are developed for consideration.

New facilities

The installation of the new toilet facility at the Ōtaki River Estuary was completed in early 2019. The cost of installation was shared equally between the Council and Greater Wellington Regional Council (GWRC). In addition to this is the cost of the supplied toilet was paid for out of fundraising by the *Friends of the Otaki River*.

Ownership of the toilet has passed to the Council with ongoing operating costs being shared between the Council and GWRC.

Waikanae Library closure

In late November 2018, the Council made the decision to close the Waikanae Library building after the discovery of toxic mould that could not be remedied. In February 2019, we engaged external consultants to investigate and provide advice to the Council to ensure a similar issue did not happen again. That investigation found that a number of

factors had combined to contribute to this situation, including:

- a history of uncertainty around the joint future redevelopment of the Waikanae Library building and Mahara Gallery, which had been deferred repeatedly since 2009;
- a culture of trying to live within allocated budgets and not ask for additional funding, which led to a failure to escalate risk to senior management due to perceived financial constraints;
- and a breakdown of asset management practices, procedures and risk-based decision making.

The consultants noted that this situation was not unique to Kāpiti as property management generally takes a 'back seat' to major infrastructure asset management in most councils.

Council accepted the recommendations in full and has already started the process of implementing them by initiating a review of our existing asset management practice and commissioning a building condition and risk assessment survey across all our properties. At the conclusion of the planned programme of work, we will have a much clearer view of the condition and life cycle of our properties, a plan for expected property investment over the next 10-20 years on a par with our Infrastructure Strategy and asset management practices that are aligned with best practice.



Maintaining our housing stock

We spent

\$733,000

on 12 full interior renewals and other partial renewals of older persons' housing units this year.



Satisfaction with public toilets

82%

of residents were satisfied that public toilets are clean, well-maintained and safe.

Community support

Achievements in youth development

The Council has renewed its contract with Zeal Education Trust for youth development services including the running of the Kāpiti Youth Development Centre. The Council has now entered into year four of a six-year contract which has a right of renewal for a further three years.

The Youth Development Centre has continued to provide social, developmental and recreation opportunities for young people. Zeal's contract with the Council also requires it to provide satellite services in communities around the district. Over the past year, Zeal has delivered the following initiatives:

- gateway barista courses in Kāpiti and Ōtaki Colleges providing senior students with workplace learning;
- over 3,000 college students have participated in and/or attended eight large events that provided opportunities to perform, learn skills and connect with youth workers;
- a comprehensive holiday programme was run in October 2018 from the youth development centre, with different activities daily;
- the 'Music Box', a popular performance and rehearsal space, has been located at Māoriland Hub engaging Ōtaki young people;
- monthly Musician's Lounge events, with 60-80 young people attending regularly;
- an art club, young women's group and 'Phat Chats' for young men, have been running weekly, initiated by young people and supported by the Zeal youth workers; and
- the centre also runs art, graphic design, barista, and photography courses.

Young people supported by Zeal have led a range of events over the summer months including a Zeal stage at Books at the Beach in Paraparaumu Beach and a skate event at Maclean Park which over 400 young people attended.

The Council's role in youth development has been recognised with the Youth Development Centre announced as a finalist in the Local Government NZ awards for excellence in Social Well-being.



The public toilets in Otaihanga Domain were substantially improved by the new mural

Supporting young people

The Council continues to work with young people in the following ways to implement youth development projects:

- In August 2018, the Kāpiti Coast Youth Council presented three sessions at the national youth development conference in Wellington on the journey of the Youth Development Centre from 2010 to 2018. They showed a short documentary video they had developed, which includes footage of former and current youth council members, councillors and mayors.

- The Youth Council reviewed and redesigned the youth development grants. They have combined the best aspects of the Youth2u dollars and Think Big programmes in their new 'ThinkBig' model going forward. The new ThinkBig 2019 funding scheme will enable young people delivering youth-led projects to apply for funding. The reboot of the fund saw nine projects receive a grant to develop initiatives within local communities and secondary schools.
- The Youth Council delivered a 'Youthoween' event with the Zeal youth volunteer team to support the Youth Development Centre and strengthen their partnership with Zeal Kāpiti.
- The Youth Council have engaged young people interested in art to develop a mural series for the district that will appear on Council assets. Designs were developed and have been considered by the Public Arts Panel and Te Whakaminenga o Kāpiti. The final designs were tweaked and approved by Te Atiawa ki Whakarongotai with murals now in place at Otaihanga Domain.

Supporting older people

The Council continues to support the Kāpiti Coast Older Persons' Council and contributed funds for a local older persons' of the year event. Council also supported the '*Grandparents Raising Grandchildren*' initiative in Kāpiti.

The Council has had a funding and advisory role in supporting Age Concern Kapiti's social isolation project called *Kāpiti Connect*.

Kapiti Coast Grey Power has been successful in receiving funding to partner with the Council to develop a local Age Friendly Strategy.

Planning continues for a major community event called 'All Ages on the Go Expo 2019' planned for September 2019.

Supporting people with disabilities

The Council continues to work with the Kāpiti Accessibility Advisory Group to provide specialist input into Council's plans and policies. The group has also partnered with Council to prepare for the 'All Ages on the Go Expo 2019'.

Well-Able (formerly Kāpiti Disability Information and Equipment Centre) and the Accessibility Advisory Group continued to deliver disability responsiveness training to all Council staff.

Community health advocacy

The Council has provided secretarial support and hosted meetings of the Kāpiti Health Advisory Group in 2018/19. They are working through priorities for advocacy to support better access to tertiary health services for Kāpiti residents.

Te Newhanga Kāpiti Community Centre

On 1 July 2018, Council began directly managing the operations of Te Newhanga Kāpiti Community Centre. The Council continued the room hire function and started to embed council-driven community initiatives that aim to build social capital and resilient neighbourhoods. Over the past year, the Centre has become an increasingly busy hive of activity with over 2,115 bookings for the year.

The Centre is an essential place for a number of community services and events, including:

- Dementia Wellington;
- an educational programme led by the Ministry of Education to pilot a Te Reo Maori initiative;
- the reinstatement of the breast screening mobile service.
- the now regular NZ Blood Service booking for those who want to make blood donations; and
- Midwifery and Ministry of Social Development (Work and Income) block courses.

In April 2019 the Centre became a distribution point for visitor information and in May 2019 it supported the Kāpiti Start-Up Weekend.

Following the moisture and dampness issues identified with the Centre its future depends on a strategic review of options.

Neighbours Day Aotearoa

The 'Over the Fence Cuppa' project was again supported by the Council as part of the Neighbours Day Aotearoa initiative in late March and early April 2019.

Overall, an estimated 890 households took part in 47 events across the district. The focus of the initiative is to provide support for residents in Kāpiti to meet and get to know their neighbours and so build community awareness and resilience. Evaluation surveys reported that 89% of hosts indicated that their neighbourhood felt more friendly and connected following the events.

Community garden parties

The Community Garden Party programme commenced in March 2019 and, as with the 'Over the Fence Cuppa' project, aims to strengthen community connections and build resilience.

Community gardens are places where skills and resources are shared, social connections are made, and local food production and food resilience is nurtured. A total of six events took place in community gardens and orchards from Paekākāriki to Ōtaki. Over 380 people attended these garden party workshops.



**Neighbours Day
events successful**

890+
households
participated in Neighbours Day
this year.

89% of hosts said their
neighbourhood felt more
friendlier and connected
after the events.



**The Community Garden Party at Paekākāriki's
organic garden on the edge of Tilley Reserve**

Social investment funding

The Council introduced its new contestable funding approach to supporting the provision of community services in 2017/18. That approach was based on priorities and principles agreed by the Council

In June 2018, after a robust procurement process, the Council invested a total of \$345,000 per annum for nine projects and programmes. This included the following organisations: Age Concern Kāpiti; Volunteer Kāpiti; Kāpiti Impact Trust (Challenge for Change); Māoriland Charitable Trust; Kāpiti Youth Support; and Energise Ōtaki.

Ongoing financial support for emergency and life saving services was provided. This includes community contracts with Surf Life Saving NZ, Wellington Free Ambulance and a grant provided to the LifeFlight Trust. Funding for these essential services totalled \$89,000 per annum.

Supporting the community sector

To build on the social investment programme a number of workshops were held. These were open to the broader community sector as well.

Approximately 180 participants have attended a range of workshops for the community and social sector.

These have included:

- o Raising my Organisation's Profile – a community workshop to enhance social media and communication use which was very popular. Another session is planned for 2019/20;
- o Treaty Voyages – a workshop held in March 2019 to help understand the Treaty of Waitangi in today's context. Those who completed the evaluation rated this as very good or excellent;

- o Festival Refuel- an end of year celebration for community organisations and a session with capacity building experts.
- o Connections and Collaboration – a workshop with specialists in community-led development which provided skills, practise models and resources on building collaboration and connections.

The Council also provided tailored support for CAB Ōtaki, CAB Kāpiti, A Safe Kāpiti and Well-Able Kāpiti. This Council-sponsored support is an ongoing commitment to previous community contract holders and concentrates on helping these organisations develop income streams and strengthen their organisational capabilities.

Te Ara Korowai, RSA Ōtaki and Kāpiti Coastguard have also received expert funding and capacity building advice through the Council.

Community grants

In August 2018, as part of its community financial support, the Council awarded a total of \$33,500 in community grants across 20 community groups and organisations that provide a social service in the district. Recipients included: Kāpiti Community Foodbank, Te Ara Korowai, Whirlwind, Adult Literacy, The Shed Project, Parent to Parent and other organisations that improve social outcomes for communities in the district.

Welfare response in emergencies

A joint initiative between the Council and Wellington Regional Emergency Management Office (WREMO) is underway. The initiative aims to support Civil Defence welfare response in an emergency event.

In September 2018, 20 people took part in a workshop which explored the roles, responsibilities and practicalities of setting up an Emergency Assistance Centre at Te Newhanga, Kāpiti Community Centre.

Participants were a mix of Red Cross, Council staff, Oranga Tamariki and Housing New Zealand.

Other community initiatives

The Council supported a Kāpiti Multi-Cultural Council shared dinner in July 2018. The evening had approximately 60 people attend from a range of ethnicities. It provided an opportunity for different cultures to come together with their traditional food and share and learn more about other cultures.

The Council, Kāpiti Impact Trust, Zeal and local community patrols collaborated on a Police-led community safety initiative in August and September 2018. Two community engagement events were held, one in Paraparaumu East and one in the Makarini Street area. These events provided an opportunity to engage with residents about their safety needs. The information gathered will inform a community safety programme.

Council worked with the wider community to honour the Muslim community and mark the tragic events of the Christchurch shootings in March 2019. A range of activities occurred including a public address by the Governor General, Dame Patsy Reddy at Kāpiti College followed by a simultaneous haka by secondary schools in the district. The Council also worked with Zeal, local police and kaumātua to support a vigil event organised by a group of young people. The evening vigil was held in March at Kāpiti Primary school. An estimated 200 people attended.

The Council supported the official launch of the Kāpiti Multi-Cultural Council in June 2019 with an event at the Council Chambers. Guest speakers included the President of the Multi-Cultural Council of New Zealand, Pancha Narayanan, the Under-Secretary for Ethnic Communities, Michael Wood, Deputy Police Commissioner, Wally Haumaha, Mayor Gurunathan and Amelia Longuet, the chair of the Kāpiti Multi-Cultural Council.

Enviroschools

Five local schools and four early childhood education centres are part of the Enviroschools programme, which is supported by the Council. A total of 70% of all schools in Kāpiti have connected with the programme. This year Enviroschools has provided guidance and mentoring for student leaders. There has been a focus on empowering secondary schools with supporting a student-led Eco Action Group that has been instrumental in taking action to address environmental issues.

Supporting sustainability

The Council supports and undertakes a range of initiatives to promote and encourage sustainability in the district. This year the main effort was focused on establishing five electric vehicle (EV) fast-charging stations throughout Kāpiti.

In last year's annual report, we noted that a trans-regional partnership had been formed between the Council, Horowhenua District Council, Electra Ltd, and ChargeNet NZ to improve the EV charging infrastructure in the Kāpiti/Horowhenua region.

That partnership submitted a proposal to the EECA Low Emission Vehicle Contestable fund to install nine 50kW DC Fast Chargers in five townships in Kāpiti and Horowhenua. In August 2018, the Energy

Efficiency and Conservation Authority (EECA) announced their decision to match-fund the installation of those EV fast charging stations.

As a result, five fast chargers were installed in Kāpiti, including two in Paraparaumu and one each in Paekākāriki, Raumati Beach, and Waikanae Beach. The installations were launched with an Electric Vehicle Road show event at Raumati Beach in March 2019.

Carbon management

The Council has a target of reducing greenhouse gas emissions by 80% by 2021/22 compared to the 2009/10 baseline year. Early in 2018/19, the Council's carbon footprint result for 2017/18 was verified by audit as 3,017 tonnes of CO₂ equivalent, 76% below its 2009/10 level of nearly 12,500 tonnes.

This is a modest improvement on the 3,112 tonnes of CO₂ equivalent emissions reported for the 2016/17 year. Further modest reductions in emissions are expected for 2018/19 and 2019/20 following the completion of the LED streetlight upgrade across the district.

Council has undertaken some initial steps to identify further emissions reduction options to enable achievement of the 80% reduction target by 2021/22. However, significant further work is required to fully assess the costs and emission reduction benefits of these options.

In further recognition of our emission reduction efforts since 2009/10 the Council won the 'Excellence in Climate Action Award' (medium organisation) at the Enviro-Mark Solutions Ltd Awards in August 2019.

This isn't the first time the Council has been recognised by Enviro-Mark Solutions for reducing its carbon footprint. In 2017, Council received the Overall Award for Outstanding Performance in Carbon Management and in 2018, was confirmed as the leading certified CO₂ equivalent emission reducer in the Certified Emissions Measurement and Reduction Scheme (CEMARS) managed and audited by Enviro-Mark Solutions.



Supporting carbon reduction initiatives

Five

EV fast charging stations were installed in the district this year.



The launch event for our new fast charging stations at Raumati Beach

Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
Council-owned property				
We provide a good standard of comfort, convenience, quality and usability of the library buildings	Users (%) who are satisfied with the standard of the library building facilities	85%	Achieved (90%)	Result from the annual library users' survey undertaken in May 2019, with a total of 438 survey responses received, was 90% satisfied. (2017/18 result was 99%)
Council hall hirers are satisfied that the halls meet their needs	Users (%) who are satisfied with halls	80%	Achieved (92%)	Result from the annual hall hirers' survey undertaken in May 2019 was 92% satisfied. (2017/18 result was 96.9%)
Our housing for older persons' rents are fair and reasonable, the service and facilities are of a good standard and our high occupancy rates are maintained	Occupancy rate of available ¹ housing for older persons units	97%	Achieved (99.3%)	Occupancy rate for 2018/19 was 99.3%. (2016/17 result was 98.7%)
	Housing for older persons tenants (%) who rate services and facilities as good value for money	85%	Achieved (100%)	Result from housing for older persons' survey undertaken in May 2019 was 100% rated the services as good value for money. (2016/17 result was 100%)
	Housing for older persons tenants (%) who are satisfied with services and facilities	85%	Achieved (97.4%)	Result from housing for older persons' survey undertaken in May 2019 was 97.4% satisfied. (2017/18 result was 96.9%)
We ensure that council-owned buildings are fit for purpose	Percentage of council-owned buildings that have a current building 'warrant of fitness' (where required)	100%	Achieved (100%)	All council-owned buildings have a current building warrant of fitness. (2017/18 result was 100%)
Our toilets are clean, feel safe, and are well maintained	Residents (%) who are satisfied that public toilets are clean, well-maintained and safe	75%	Achieved (82%)	The Residents Opinion Survey 2018/19 reported 82% were satisfied. (2017/18 result was 85%)
	Urgent requests in regard to public toilet facilities that are responded to within four hours	98%	Not achieved (97.8%)	There were 139 service requests received in the year, with 136 meeting the 4-hour target. (2017/18 result was 98.6%)

¹ Where 'available' units exclude those flats that are unavailable due to renewals or maintenance work being carried out.

Contribution to outcomes	Performance measures	Target	Result	Comment
Community support				
We provide resources to the community for capacity building and service provision focused on community priorities and we provide the youth council, older persons' council and the accessibility advisory group with opportunities to influence the content of council strategies, policies and project planning	Youth Development Centre opens and Youth development programme deliverables are achieved	Achieve	Achieved	Zeal have reported to the Council with all Year 3 contract deliverables achieved. The Year 4 – 6 contract with Zeal has been put in place. (New measure, no prior result)
	Council's social investment programme enables services to deliver on community priorities	Achieve	Achieved	Contract deliverables have been agreed and will be monitored to assess performance. Report backs due in September 2019. (New measure, no prior result)
	Participants from the social and community sector are satisfied with the learning opportunities and workshops provided by the Council.	85%	Achieved (85%)	85% of survey participants agreed that the Council's support was relevant to their organisation's needs. Workshop evaluations indicate a high level of satisfaction with Council-funded workshops and training opportunities. (New measure, no prior result)
	The youth council, older persons' council and accessibility advisory group are satisfied or very satisfied with opportunities provided to influence the content of the Council's strategies, policies and project planning	Satisfied	Achieved	Council-supported groups are satisfied that they have had the opportunity to influence the Council's plan through: the Mahara Town centre project; Creative Communities Grants Committee; Road Safety Advisory Group; and Accessibility advice on projects. (2017/18 result was 'Achieved')
	Residents (%) who are satisfied with the Council's community support services	85%	Achieved (90%)	Residents opinion survey result was 90% for 2018/19. (2017/18 result was 88%).
We provide support for community measures that promote diversity and connectedness	Community connectedness and diversity projects and initiatives planned for the year are progressed or completed	85%	Achieved	Support provided for the Kāpiti Multi-Cultural Council events. Support for the inaugural Kāpiti Settlement Network meeting and ongoing bimonthly meetings. Workshops on applying the Treaty of Waitangi have been held for social investment contract holders and the wider not-for-profit sector. The No.8 Wire week will have some sessions in Te reo Māori for the first time. (2017/18 result was 'Achieved')
We provide opportunities for the community to participate in activities and events that encourage community resilience	Estimated attendance at community and environmentally focussed activities and events	There is no target as we will use this for monitoring	Monitor only	Over 890 households participated in Neighbour's Day event – Over the Fence Cuppa week. Around 150 young people attended the ThinkBig Conference in Ōtaki. Over 380 people attended Community Garden Party events around Kāpiti.

Economic development – whakawhanake umanga

Our economic development strategy, aimed at sparking greater growth and prosperity in Kāpiti, has been collaboratively developed by representatives of the business community, iwi and the Council.

Economic development strategy

The 2015-2018 economic development strategy was planned to be refreshed in 2018/19. Although that refresh got underway it was delayed by a number of factors, including high staff turnover and significant vacancies in the economic development team that took time to fill with appropriately experienced people.

Work resumed on the strategy refresh in May 2019 following the appointment of new staff and this work will continue through the first half of 2019/20.

Workshops have been undertaken with a variety of stakeholders and these will continue while the strategy continues to be drafted. One of the immediate actions from the workshops was the development of the *Telling the Kāpiti Story* project. Working in collaboration with Wellington Regional Economic Development Agency (now operating as WellingtonNZ), we facilitated workshops to commence this project which is continuing to make good progress and is expected to be finalised early in 2019/20.

A drafting group was established to assist with the drafting of the economic development strategy refresh outcomes, governance and implementation plan – this group includes a member from the Kāpiti Chamber of Commerce, Kāpiti Economic Development Association, the community, a Councillor and Council staff. It is intended that the

draft refreshed strategy will be tested with the business community, key stakeholders and partners over August-September 2019. After that feedback is incorporated it will be circulated for final feedback in late 2019 before being finalised and presented to Council in February 2020.

Our regional relationship

Our relationship with WellingtonNZ continues to strengthen, with a continued focus on a number of key areas including destination marketing and local economic development. This includes the destination website for Kāpiti which is currently being updated, general promotional material, Screen Wellington film permitting and the PopUp Business School and ongoing digital marketing support. Representatives from WellingtonNZ have also been contributing to the refresh of the economic development strategy.

Building a visitor economy

Our visitor attraction plan has guided activity designed to grow domestic and international visitors to Kāpiti. This plan is due for renewal in 2019/20, and we will work closely with the local tourism and hospitality industry to focus delivery on the development of a new destination plan for the district.

This plan will be developed in coordination with WellingtonNZ who will also be developing a destination plan for the Wellington region following the release in May 2019 of the New Zealand-Aotearoa Government Tourism Strategy.



Operating spending

\$2,659,062

\$2,883,134 budget

\$0.97 weekly per resident

Capital spending

\$2,892,479

\$2,552,745 budget

To help support visitor attraction in the district, the Council has undertaken the following actions in the past year:

- o Further work was undertaken on our *Destination Kāpiti* website with support from WREDA. This included refining the content and optimising the site so that it lists higher on search websites such as *Google*.
- o We hosted a freelance journalist at a number of key Kāpiti destinations, including Kāpiti Island. This resulted in a number of articles, including a

significant story in the Sunday Star Times in August 2018.

- We have also commissioned articles about the Kāpiti Coast for *Go Travel* magazine which are available at selected i-SITEs, travel agents, tourism providers, and airports throughout the country.
- A 'Studying in Kāpiti' tear-away newsletter was created for distribution, in collaboration with WREDA.
- We commissioned an itinerary and tour for a local journalist to create an article titled 'Kāpiti on the menu'. This featured in the April 2019 issue of Air New Zealand's inflight magazine *Kia Ora*.

The Visitor Guide needed a reprint and distribution to local accommodation providers and other tourism operators as they were used faster than expected.

Closure of Kapiti i-SITE

Despite progress made in 2017/18 on rationalising costs and improving operational efficiency a decision was made in February 2019 to close the remaining i-SITE at Paraparaumu.

Close monitoring of service usage data identified that the Kāpiti i-SITE operating model was not financially sustainable. Low volumes of customer visits or usage of the site's services balanced against the operating costs meant the cost of each customer interaction was extremely high. Other i-SITEs of a similar size looked at in the annual audit by Deloitte NZ have shown average in-person, phone and email visitors have also continued to decline.

Visitor information will be available at the district's libraries and service centres, at the Coastlands Aquatic Centre, the Citizen's Advice Bureau, and the Te Newhanga Kāpiti Community Centre. Booking services, as well as general information services, will

now be available at the Coastlands Mall customer service counter.

This closure will save \$147,000 annually and allow budget to be reassigned to both the Major Events Fund and other economic development projects.

Strengthening local business growth

Our focus in local economic development is to strengthen and grow our business economy through support for small business start-up and growth, targeted sector support, assisting the delivery of Māori business growth, and ensuring our youth are well placed to engage in workplace opportunities.

Kāpiti Start-up Weekend

Council supported the Kāpiti Start-up Weekend on 24-26 May 2019 as part of the national 'Tech-Week'. Over 40 participants and 20 mentors were involved. This initiative gave an opportunity for hands-on experience where entrepreneurs and aspiring entrepreneurs could find out if their start-up idea was viable and build new capabilities.

It included a final night pitch session in the Council Chambers in front of over 100 attendees. The winning business is continuing to work on their idea and have already submitted a funding grant application to MBIE and are in the process of applying to the Electra Business Awards.

Kāpiti Pop-Up Business School

Council supported and managed the delivery of the Kāpiti Pop-Up Business School, which started on 24 June 2019 with around 45 participants. The programme delivered a two-week business start-up course with 20 different sessions over the 10 days. The event targeted small businesses, tourism, Māori businesses and youth employment.



**Business programmes
well attended**

45 people
participated in the Pop-Up
Business school in June 2019.



Prize-giving ceremony at the Kāpiti PopUp Business School

Work Ready Passport

The Youth Work Ready Passport has been reprinted following the success of the existing booklet. The reprint provided the opportunity to refine and update the information, including the acknowledgement of new sponsors of the programme.

Major events in Kāpiti

Major events are a significant part of promoting a vibrant and thriving economy and district. In 2018/19, the events fund of \$160,000 was used to support five major events.

For four of these events it was the third year of a three-year funding commitment to enable them to get well established. These were the Māoriland Film Festival, the Ōtaki Kite Festival, the Coastella Music Festival and the Kāpiti Food Fair.

The Council also decided to fund a feasibility assessment of FFFLAIR, an international horticultural festival expected to debut in Kāpiti from 26 February to 1 March 2020.

A review of the major events fund was undertaken in the second half of 2018/19. This resulted in a set of new criteria for multi-year funding, reporting guidelines and event management. The Council approved an increase in the fund by \$40,000 to \$200,000 so that larger events could be funded and to allow \$25,000 to be set aside for event feasibility studies.

Business retention and attraction

Air service support

The Council worked strongly in the first half of 2018 to attract a new airline to provide flights from Kāpiti to Auckland, following the cancellation by Air New Zealand. That work paid off with Air Chathams commencing services to Auckland in August 2018.

We have committed to supporting the service over its first three years using funding from the Council's existing economic development budget. These funds will be used to promote the service and help it get established.

Ultra-fast broadband for Ōtaki

The Council's bid for ultra-fast broadband (UFB) to be installed early in Ōtaki was successful. Ōtaki is one of 151 towns around the country that have been given early access to UFB. The Ōtaki installation was completed in the first half of 2018/19.

Provincial Growth Fund

The Government's Provincial Growth Fund (PGF) was launched in February 2018 and, following an initial period of uncertainty as to whether Kāpiti qualified, the Council gained acceptance of Kāpiti as a development district eligible to apply to the PGF in September 2018.

With the PGF open to a wide range of entities, we worked with the Provincial Development Unit officials for Kāpiti to organise a public meeting in Paraparaumu and two public workshops (in Paraparaumu and Ōtaki) in late 2018 so that those officials could explain the Fund's criteria and processes to potential PGF applicants from the community. Since those meetings we have continued to strengthen our relationship with the Provincial Development Unit and have been providing ongoing support and advice to organisations and groups in Kāpiti interested in applying to the PGF.

We have also been looking at potential opportunities for Council-led applications, which meet both the PGF's strategic objectives as well as the Council's long term vision and outcomes. We have identified a short-list of priority projects and are working with partners and key stakeholders to develop those concepts before any applications are considered.

The Kāpiti community is also providing support to the PGF process through the Regional Advisory Group, chaired by George Hickton and the District Leaders Group, chaired by the Rt Hon Jim Bolger. These two groups have been established to ensure that Kāpiti



Five major events supported

The events fund of

\$160,000

supported five major events:

- Māoriland Film Festival
- Ōtaki Kite Festival
- Coastella Music Festival
- The Kāpiti Food Fair
- FFFLAIR (feasibility funding)

can provide advice to the PGF about what projects are important to Kāpiti.

The value of the supporting role being played by Council has been recognised by the PDU, with the Council receiving \$140,000 over the next two years from the PGF, to help fund a Provincial Growth Fund Programme Manager in Kāpiti. This role will significantly strengthen the Council's ability to support future PGF applications from Kāpiti, as well as supporting PGF-funded projects.

Progress on development of town centres

We want our town centres to be vibrant, diverse and thriving – places where people want to spend time and where they can access the services they need safely. The town centres project is using the opportunities created by the M2PP expressway to

transform and improve the Paraparaumu and Waikanae town centres.

In 2018/19 several town centre projects were progressed or completed. These are:

- The Waikanae cultural thread project aimed at integrating the Whakarongotai Marae into the Waikanae town centre was fully completed;
- The remaining minor works on the Coastlands and Civic Precinct connection project were completed;
- The design of the Paraparaumu transport hub connector project was advanced; and
- The upgrade of Mahara Place got underway in May 2019 and is due to be completed in August 2019.



Works underway to upgrade Mahara Place

Nearing completion of the Mahara Place upgrade

Mitigating expressway impacts on Ōtaki

Elevate Ōtaki, was formed in late 2017 to focus on minimising any potential negative impacts on business and the community, and maximising any opportunities, from the Peka Peka to Ōtaki Expressway. Projects and programmes will be implemented over five years and co-funded by NZTA and the Council.

Activities to date have included work to strengthen the Ōtaki content on the Destination Kāpiti website, development of the Ōtaki identity and a promotional brochure, and meetings with Ōtaki organisations, businesses and developers to discuss their future plans for Ōtaki.

Strategic land purchases

This year two small parcels of land have been purchased for roading and wastewater purposes:

- one small parcel of land (300m²) was acquired on Poplar Avenue (across from the intersection with Leinster Avenue) in October 2018, for future road widening purposes;
- we acquired approximately 60m² of land on Rata Road, Raumati, for wastewater purposes with a sale price of \$2,500; and.
- the Council has acquired a small parcel of land in Kapiti Road (a strip on the southern side of Kapiti Road between Arawhata Road and Brett Ambler Way) to enable the completion of the shared path and provide for future road widening.



Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
We deliver the 2015 economic development strategy (implementation plan) and we involve partners and the business community at appropriate points in the decision-making process	The economic development strategy implementation plan deliverables are achieved	Achieve	Not fully achieved	<p>The economic development strategy deliverables cover a wide range of actions from work to build visitor attraction, promote the district, subsidise major events, strengthen local business growth and retain existing businesses.</p> <p>Good progress was made in all these areas over the past year but not all that had been intended was achieved, largely due to high staff turnover and significant vacancies in the economic development team this year.</p> <p>Good progress has been made since new staff were brought on board in May 2019. (2017/18 result was 'Partially achieved')</p>
	Representatives of the business leadership forum that are satisfied that the 2015 economic development strategy implementation plan deliverables are being achieved	85%	Not on target	<p>The business leadership forum was dissolved earlier this calendar year. Work on the governance structure for the new strategy is being undertaken alongside the drafting of the refreshed strategy. We currently have no leadership group to survey although based on anecdotal feedback business leaders are not currently satisfied.</p> <p>(2017/18 result was 'Not achieved')</p>
Māori economic development priorities will be articulated in a strategy for the Council and iwi to implement	The Māori Economic Development Strategy implementation plan deliverables are achieved	Achieve	Achieved	<p>Te Whakaminenga o Kāpiti (TWoK) reallocated the strategy funding to a grant fund for Māori businesses. Applications were received with funding allocated in June 2019.</p> <p>The ED team presented on the EDS refresh and the Kāpiti Destination Story to TWoK in late June. TWoK have requested a workshop on these pieces of work which will occur in July 2019.</p> <p>(New measure, no prior result)</p>



Planning and regulatory services

Many of the matters that Kāpiti people deal with the Council on are delivered through planning and regulatory services.

This cluster of services covers districtwide planning, including the preparation of the comprehensive District Plan which governs the development of the Kāpiti Coast. This cluster also covers our regulatory services, which include the issuing of building and resource consents to ensure building, subdivision and land development activities are in line with legislation and the District Plan.

Through our regulatory services, we have been profiling buildings under the requirements of the new earthquake-prone buildings legislation to determine whether they require a seismic assessment, which we then request of the building owner.

Key day-to-day activities include registering dogs and following up noise complaints. Many of our compliance functions are determined by law, but are part of the way we contribute to community wellbeing. For example, we make sure the community is safe with the inspection, licensing and audit of food and alcohol suppliers.

In this section you'll find:

Districtwide planning

Regulatory services

Districtwide planning – ngā kaupapa takiwa

Shaping the development rules and guidelines is a vital role for the Council.

Proposed district plan review

The Council publicly notified its Decisions version of the Proposed District Plan (PDP) on 22 November 2017. There were 18 appeals received by the Environment Court.

Formal Environment Court mediation meetings were held in April, May and July in 2018, with further mediation in March and May 2019 in relation to nine of the 18 appeals received.

By the end of June 2019, four of the 18 PDP appeals had been fully resolved and two partially resolved. In addition, four appeals were withdrawn by the appellants in February and March 2019. Eight consent orders relating to these appeals had been finalised by the Environment Court with immediate legal effect. This leaves 10 appeals still live and yet to be resolved, including the two that are partially resolved.

Requested change to operative district plan

A private plan change request to the current operative district plan, Plan Change 84, was made in early 2016 by Kapiti Coast Airport Holdings Ltd (KCAHL). After following due process with regard to hearings and receiving recommendations from the Hearings Panel, the Council resolved to adopt the recommended decision in October 2017. No appeals were received and the Council publicly notified its approval to make the plan change operative in February 2018.

One of the submitters then lodged a Notice of Judicial Review with the High Court in relation to Council's decision. In response, the Council filed a statement of defence and an application for strike-out with the High Court. A High Court hearing was held in August 2018. The High Court released its decision on 13 December 2018 granting the strike-out application.

Private Plan Change 84 had sought to alter the activity status of certain uses within the Airport Zones. As a result of this decision, the requested changes will proceed, with the removal of two prohibited activities, out of four previously, and provision for these to be considered by the Council on a case-by-case basis through the resource consent process.

Urban development capacity

The National Policy Statement for Urban Development Capacity 2016 (NPS-UDC) requires councils to ensure that there is sufficient development capacity to meet residential and business demand over the next 30 years. This requires capacity and demand modelling of housing and business land needs.

In 2018/19 we continued to undertake research and publish quarterly reports on housing and business demand and capacity in the district in line with NPS-UDC requirements.

Kāpiti's first assessment of housing and business development capacity under the NPS-UDC is in the process of being finalised; and is expected to be



Operating spending

\$2,486,047

\$2,638,899 budget

\$0.91 weekly per resident



Progressing the District Plan

8 appeals

out of 18, on the Proposed District Plan have been resolved or withdrawn.

published in late 2019, as part of the joint Wellington Regional Housing and Business Assessment.

Submissions

The Council has made submissions and provided feedback on a number of central and local government legislative, policy and planning proposals including:

- to the Ministry for the Environment on the proposed mandatory phase-out of single-use plastic bags;
- to the Ministry of Business, Innovation and Employment on the Residential Tenancies Act 1986;
- to the New Zealand Productivity Commission on the Local Government Funding and Financing Review;
- to the Ministry of Education on the Reform of Vocational Education;
- to Greater Wellington Regional Council on its Draft Annual Plan 2019/20;
- to the Ministry of Business, Innovation and Employment on the Building System Legislative Reform Programme; and
- to the Ministry for the Environment on the Climate Change Amendment (Zero Carbon) Bill.

The outcomes the Council is seeking generally relate to clarification of responsibilities and functions between regional and territorial authorities, and improved central government and regional government leadership.

Programme of strategy/policy work

Progress was made in 2018/19 on a number of key projects. These included:

- the Control of Alcohol in Public Places Bylaw, which was renewed in December 2018;
- the Policy Work Programme, which was reviewed and adopted by Council in January 2019;
- the Trade Waste Bylaw, adopted in January 2019;
- the Dog Control Policy and the Dog Control Bylaw, both adopted in March 2019;
- the Class 4 Gambling Policy and the TAB venue Gambling Policy, both adopted in April 2019;
- a minor amendment to the Speed Limits Bylaw in June 2019; and
- the review of the 2008 Stormwater Strategy got underway.



**During the year
we adopted**

**four bylaws &
three policies**



**Satisfaction with
district development**

**77% of
residents**

**agree that the district is
developing in a way that takes
account of its unique character
and natural environment.**

Source: Council's resident opinion survey.

Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
We efficiently and effectively develop policies and plans to encourage economic development and preserve the unique character and natural environment of our district	Residents (%) who agree that the district is developing in a way that takes into account its unique character and natural environment	75%	Achieved (77%)	The Resident Opinion Survey full-year result showed that 77% of residents agreed that the district was developing in a way that takes account of its unique character and natural environment. (2017/18 result was 82%)
	Develop and monitor a strategic policy framework and research programme to underpin the district plan and long term plan	Achieve	Achieved	The 2018-21 policy work programme was adopted by the Council on 24 January 2019. Work is progressing on the research and policy work scheduled in that programme. (2017/18 result was 'Achieved')

Regulatory services – ratonga whakaritenga

The Council provides regulatory services to ensure Kāpiti is a safe, healthy environment and a great place to live, work and play.

The Council manages a range of public health, safety and design needs associated with building control, environmental health, food safety, animal control, noise management, alcohol licensing, health and trade waste licensing, resource consents, designations and compliance. It also manages a number of other compliance activities related to the Local Government Act 2002, including parking, bylaws and the inspection of private swimming pool fencing.

While we are required to ensure rules and regulations are adhered to, our open for business approach also requires us to endeavour to assist our customers to navigate through the law while balancing the competing priorities of our community.

Building, design and development

Resource consents and compliance

The resource consents and compliance team had another busy year. In total, 232 resource consents were processed and 49 deemed permitted boundary activities. This is slightly lower than the 275 resource consents and 31 deemed permitted boundary activities that were processed last year.

As a result, the average working days to issue a decision has also decreased from an average of 17 working days last year to 15 working days this year. The team has a performance target of 17 working days for resource consents that have not had their statutory timeframes extended.

This year the Resource Consents and Compliance team continued to work closely with the District Planning team on the implementation and proposed variations of the Proposed District Plan (PDP).

Major input has continued this year into the three major roading projects within the district. Compliance staff have been ensuring that Mackays to Peka Peka is meeting its consent requirements post opening and that the construction of Peka Peka to Ōtaki and those parts of Transmission Gully that are within the Kāpiti District are meeting their obligations to the environment and the community.

Building consents and other Building Act functions

The Council issued 1,050 building consents during 2018/19, compared to 1,121 in the previous year indicating a modest decrease in the level of building activity. The average processing time over the year was 10 days against a target of 17 days. This was a comparable performance to the 11-day average achieved in the previous year.

Active workload management with the flexible use of contractors has resulted in all building consents being granted within the statutory timeframes and building inspections being available within one day. New residential building is expected to remain relatively stable. There were 133 new subdivision lots created during the year.



Operating spending

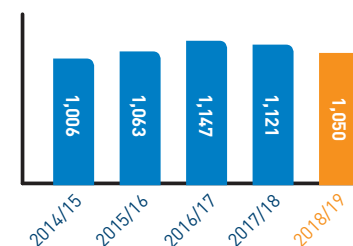
\$7,822,822

\$8,974,405 budget

\$2.85 weekly per resident



Building consents processed



The building team has continued to work with other councils in the Wellington region. A reciprocal agreement with Wellington City Council has allowed our inspectors to help out with inspections for Wellington that also benefited our staff in providing valuable commercial building experience needed to meet training requirements. Wellington has also reciprocated by helping with annual competency assessments of our building officers.

There has been a regional approach to providing technical training. Our staff have benefitted from Advanced Fire training organised by Hutt City Council and we have invited other councils to join us for Passive Fire and Accessibility training. Our staff have also provided plumbing and drainage training to neighbouring councils.

The Council submitted on the building law reform consultation and contributed to regional discussions with other building managers and at a national forum hosted by Local Government NZ.

Earthquake-prone buildings

The 1 July 2017 provisions of the Building (Earthquake-prone Buildings) Amendment Act 2016 required the Council to follow a prescribed methodology to profile buildings. Where buildings fit the earthquake-prone profile, the Council was required to request that seismic assessments be completed by building owners.

In 2018/19, all remaining appropriate buildings were profiled and potentially earthquake-prone buildings have been followed up on with owners as required. Those buildings that have been identified as earthquake prone have been issued with notices and details entered on the national register.

There are still a few buildings part-way through the owner assessment phase of the process. The Council will consider their assessment against prescribed

criteria and decide, with independent engineering advice as appropriate, if the building is earthquake-prone. We will be issuing the last remaining EPB notices to identified building owners early in 2019/20.

Public health in our community

Sale and supply of alcohol

This year the team processed:

- 80 applications for new licences and renewal of licences (63 last year);
- 136 applications for special licences (123 last year);
- 108 applications for a new manager's certificate (70 last year); and
- 114 applications for renewal of a manager's certificate (80 last year); and
- 19 temporary authorities (16 last year).

Inspection targets were achieved this year with 71 inspections undertaken for new or renewed licence applications.

Staff continued to lead the tri-agency workshops with the NZ Police and the Ministry of Health. They held two workshops with on-licence licensees and their managers. The purpose of these workshops is to build better partnerships and assist licensees and their managers to operate a business that contributes to alcohol harm reduction in the community.

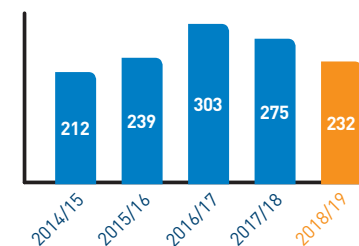
Environmental health

The Food Act 2014 came into force on 1 March 2016. All new food businesses or those that change hands must operate under a food control plan, custom food control plan or national programme.

All existing food businesses were required to have transitioned by 31 March 2018. That target had been



Resource Consents processed



Ratio of compliments to complaints

The Regulatory Services Group achieved a ratio of

4.3
compliments
for every complaint (against a target of 'greater than 3 to 1')

met, however five food premises were unregistered at the end of 2018/19 resulting in compliance action against them by our food safety officers.

Inspection and audit targets were achieved this year, with 171 inspections/audits of food businesses

undertaken. In addition to achieving the inspection targets, staff conducted additional workshops to facilitate takeaway businesses in their transition to new risk-based plans. Two stakeholder workshops were held with an interpreter for business owners whose first language was Mandarin or Cantonese to make these more accessible.

Swimming pool inspections

The Building (Pools) Amendment Act 2016 which came into effect on 1 January 2017 changed the regime around inspection of pool fencing and required compliance inspections on a mandatory three-yearly cycle, rather than the previous five-yearly cycle. We have identified a total of 900 properties that have swimming pools requiring pool barrier inspections on three-yearly cycles, thus giving a target of 300 inspections each year.

This year the team completed 302 pool barrier inspections.

Animal management

This year staff targeted known dog owners and their dogs who were identified as likely to cause nuisance in the community. The team took an educative approach in the first instance to ensure dog owners understood their responsibilities in order to prevent escalating problems. They also undertook proactive patrols in 'hot spot' areas and greater follow-up on unregistered dogs. More compliance action with dog owners was undertaken this year which led to an increase in infringement offence notices for failure to register and for dog wandering offences.

The team used the last of the funding that was received from Government in 2016/17 to continue with the de-sexing initiative to reduce dog attacks through neutering menacing dogs. The funds have been used to assist dog owners to register, neuter, and microchip certain breeds of dogs.

The animal management team again supported the aquatics team's 'Dogs in Togs' event at the end of the Waikanae Pool summer season.

The team has worked with a range of stakeholders, including the Society for the Prevention of Cruelty to Animals, Helping You Help Animals, Housing NZ, the NZ Probation Service, the NZ Police, and Animal Evacuation New Zealand, to provide a more robust service to encourage and support responsible dog ownership and prevent repeat incidents.

'Marley' became our registration ambassador and our representative for the Dog Control Bylaw and Policy review this year. He has become a mascot for all things 'dog' happening in and around the Council, appearing on posters, radio advertisements, Council service centre signs, our website, and even Facebook. He has been warmly received by staff, elected members, and the community.

The animal management team contributed to the new Dog Control Policy 2019 and Dog Control Bylaw 2019 which were adopted by Council in early 2019.

In early 2019, one of our animal management officers, along with his fully-equipped utility vehicle, was deployed to Nelson to assist with the evacuation of animals during the Nelson fires.

The team continues to be busy with the ongoing reactive demand driven by service requests. There were 2,533 animal management service requests received this year. There were around 7,730 registered dogs in Kāpiti at the end of this financial year.



One of our animal management officers helped rescue animals from the Nelson fires in early 2019

Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
We provide efficient and effective regulatory services	Percentage of service requests that are responded to within corporate standards and closed off	95%	Achieved (95%)	10,986 of the 11,569 service requests received during the year (95%) were responded to within time. (2017/18 result was 95% of 12,281 requests)
	Average working days to process building consents will not exceed 17 days	Achieve	Achieved (10 days)	Building consents were processed in 10 working days on average over the year. (2017/18 result was 11 days)
	Average working days to process non-notified resource consents will not exceed 17 days	Achieve	Achieved (15 days)	Non-notified resource consents were processed in 15 working days on average over the year (excluding consents deferred under section 37 of the Building Act 2004). (2017/18 result was 17 days)
	Percentage of survey respondents that agree that the regulatory events are good or very good	85%	Achieved (97.7%)	Ten stakeholder events were held on a range of regulatory matters. 97.7% of respondents rated the events good or excellent. (2017/18 result was 98%)
	All dog attack and threatening behaviour requests for service (classified as urgent) are responded to within 1 hour of notification	100%	Achieved (100%)	There were 21 reports of 'dog attack or threatening behaviour' classified as urgent this year. They were all responded to within 1 hour of notification. (2017/18 result was 100%)
We are responsive to customer feedback	Ratio of compliments to complaints greater than 3:1	Achieve	Achieved (4.3:1)	There were 65 compliments and 15 complaints in the year. On investigation 4 complaints were upheld. These will be used to inform improvements to our processes. (New measure, no prior result)
We will consistently and effectively carry out our building consent authority functions	BCA accreditation is retained	Achieve	Achieved	The 2-yearly IANZ audit took place in October 2017. Accreditation as a Building Consent Authority was confirmed. The next assessment audit is due in October 2019. (2017/18 result was 'Achieved')



Governance and tāngata whenua

The governance and tāngata whenua cluster focuses on our decision-making and the importance of community participation.

This cluster reports on our current arrangements in terms of the structure and make-up of the Council's governance and on the recent review of our representation arrangements.

We have a strong, active partnership with iwi and aim to embed tāngata whenua values into our operations and to guide the overall development of Kāpiti.

**All activities in this cluster
are combined in one section:**

Governance and tāngata whenua

Governance and tāngata whenua – kāwanatanga me te tāngata whenua

We value our partnership with iwi and aim to embed tāngata whenua values and aspirations into the sustainable management of our district. The Council aims to effectively and efficiently manage the democratic framework in line with legislative requirements.

Governance

This activity is an important contributor to our wider strategy of working with the community and being good partners, as well as meeting our statutory requirements relating to governance, consultation and decision-making responsibilities.

Elected members

As noted in the full schedule of meetings as reported on pages (156-157) of this annual report, there have been 13 Council meetings and 36 standing committee meetings in 2018/19. The total number of formal meetings each elected members can attend varies, depending on what committees each is appointed to.

In addition, elected members have attended a range of briefings and workshops throughout the year on specific issues, including those related to the development of the Annual Plan 2019/20 during the November 2018–March 2019 period.

Annual Plan 2019/20

Development work on the draft Annual Plan 2019/20, undertaken in late 2018 and early 2019 indicated that there were few changes required from the plans and budgets set for 2019/20 in the Long Term Plan 2018-38.

As the draft plan was largely a confirmation of the work programme laid out in the previous year's long term plan, we did things a little differently this year in sharing the draft with the community. We produced a short guide to highlight the key activities – the main work we planned to do and what we planned to spend. However, we did not produce a more detailed consultation document and nor did we seek formal submissions on the draft Annual Plan.

The Council was, however, still open to receiving feedback and comments on the draft components of the Annual Plan which were published on our website. We received feedback from 12 organisations and individuals and several of these came to speak to Council about their perspectives. Elected members took this feedback into account in finalising Council's decisions and the Annual Plan 2019/20 was adopted on 23 May 2019.

Independent organisational review

At its meeting on 27 June 2019, Council approved the commissioning of an independent organisational review. That review will be undertaken in 2019/20.

Official information requests

Over the course of 2018/19, the Council received and responded to 232 requests under the Local



Operating spending

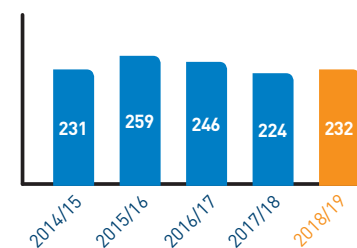
\$4,461,167

\$4,589,128 budget

\$1.63 weekly per resident



Official information requests processed



Government Official Information and Meetings Act through its official information request process. This is up slightly from the 224 in the previous year.

Civic events

The Council is committed to hosting civic ceremonies and other events. During the year events included:

- The community and civic awards;
- The 2019 commemoration of Waitangi Day was held at Ramaroa, Queen Elizabeth Park. It saw the launch of the 2019 iteration of the exhibition *Te Tiriti; me huri whakamuri ka titiro whakamua*;
- The Electra Business Awards; and
- Six citizenship ceremonies, one of which was hosted at Raukawa Marae. Citizenship was conferred on 249 people from a range of countries.

Residents' opinion survey

This quarterly survey was carried out in September and December 2018, and March and June 2019.

The survey asked residents a number of questions about their satisfaction with a range of Council services and facilities, about perceptions of the Council and satisfaction with their interactions with the Council.

Overall satisfaction with the Council recorded a satisfaction score of 76% for 2018/19, a little down on the 80% result in 2017/18.

Many of the survey results are provided in the key performance measure tables in the activity sections of this annual report. A full report on the residents' opinion survey 2018/19 can be found on the Council's website www.kapiticoast.govt.nz

Tāngata whenua

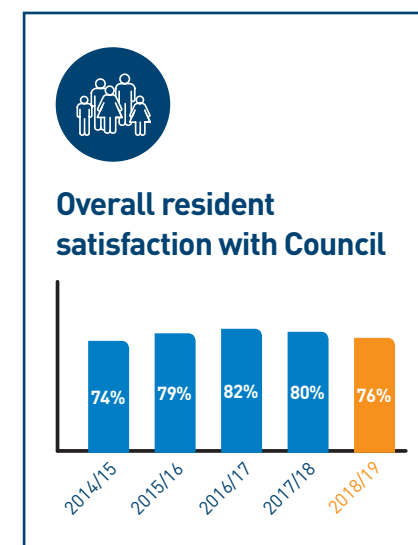
The Council has a long-standing relationship with tāngata whenua and a commitment to its partnership with Te Āti Awa ki Whakarongotai, Ngāti Raukawa ki te Tonga and Ngāti Toa Rangatira and the memorandum of partnership it holds with them. March 2019 saw the 25th anniversary of the first meeting of Te Whakaminenga o Kāpiti, the partnership forum for advancing matters of mutual interest.

This relationship provides for active projects and includes a commitment to working together. Te Whakaminenga o Kāpiti met eight times in 2018/19.

Achievements in 2018/19 included:

- Iwi were engaged in several working parties including town centres, water management, the district plan, the treatment of bio-solids and the development of cultural impact assessments.
- Te Wiki o Te Reo Māori was celebrated and promoted through the community via a short video that was released on 10 September 2018. The video models and encourages the correct pronunciation of some of the place names across Kāpiti.
- The key message of the Waitangi Day event was to respect the current Treaty settlement environment on the Kāpiti Coast and provide an opportunity for the wider community to experience and understand *Te Tiriti o Waitangi* and its relevance within the district.
- Iwi capacity contracts were signed off, supporting iwi to consult and engage in initial conversations with Council officers and provide comment on resource consents received.
- Māori economic development grants totalling \$68,000 were allocated to four recipients.

- Ongoing support was provided to other internal Council activities to facilitate iwi engagement. This work continues to inform Council officers about the critical values and aspirations that are significant to iwi, and supports the Council to ensure it meets its legislative obligations for iwi participation.
- The annual marae maintenance and development fund was allocated to Te Pou o Tainui Marae in Ōtaki.



Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
Civil defence emergency management				
We encourage households to be ready for emergencies	Number of households that have an emergency plan and kit sufficient for three days following an emergency event	70%	Achieved (70%)	Residents opinion survey result for 2018/19 was 70.5% for 2018/19 (2017/18 result was 75%)
Governance				
Residents will be informed of opportunities to engage and participate in decision-making processes within statutory timeframes	Council meeting agendas are available in hard copy in Council service centres and/or district libraries within two working days prior to the meeting	100%	Not achieved (99.4%)	There was one late report included in an agenda which missed the target of two working days prior to the meeting. (2017/18 result was 100%)
Official information requests will be responded to within statutory timeframes	Percentage of official information requests responded to within 20 working days ¹	100%	Not achieved (99%)	All 232 official information requests (OIRs), that went through the OIR process, were responded to within 20 working days. There were two additional requests that did not go through the OIR process and were not responded to within 20 working days. These were escalated to the Ombudsman. (2017/18 result was 99%)
Tāngata whenua				
We value the partnership with tāngata whenua and it is strong	The memorandum of partnership is renewed each triennium	Achieve	Achieved	The memorandum was reviewed by Te Whakaminenga o Kāpiti and adopted by the Council for the current triennium. It was signed on 5 December 2017. (2017/18 result was 'Achieved')
	Te Whakaminenga o Kāpiti is satisfied or very satisfied with the partnership	Achieve	Achieved	Te Whakaminenga o Kāpiti has reported that they are satisfied with the outcomes achieved under the partnership. Te Whakaminenga o Kāpiti noted it saw value in the proposed review of how well the Council is meeting its statutory and partnership obligations to Māori.
We provide for the active participation of tāngata whenua and Māori in decision-making processes	Māori have representation on standing committees of Council and tāngata whenua working parties contribute to significant Council work programmes	Achieve	Achieved	We have iwi representation on all the committees we have sought it for. We also gained representatives recently for the Waste Minimisation Taskforce. (2017/18 result was 'Achieved')

1. Unless a time extension is notified under the Local Government Official Information and Meetings Act (1987) section 14 (1).



Our finances

In this section we provide all the financial information required by law as part of the annual report.

It includes the full financial statements which show our actual expenditure and income, changes in our equity, total assets and liabilities and our cash flows for the 2018/19 financial year against budget.

The funding impact statements outline how we have funded our activities and the disclosure statement reports on how we are tracking against the benchmarks set by central government to measure our financial prudence.

At the end of this section you'll find the report from the Council's external auditor, David Borrie of Ernst & Young, on behalf of the Auditor-General, which explains the work they have performed and the opinions they have formed.

In this section you'll find:

- Statement of comprehensive revenue and expense
- Statement of changes in net assets/equity
- Statement of financial position
- Statement of cash flows
- Funding impact statement
- Notes to the financial statements
- Disclosure statement
- Funding impact statements per activity
- Independent auditor's report

Statement of comprehensive revenue and expense for the year ended 30 June 2019				
2017/18 Actual \$000		Note	2018/19 Actual \$000	2018/19 Budget \$000
Revenue				
60,761	Rates	2	64,225	64,075
9,344	Fees and charges	3	8,907	9,319
5,753	Grants and subsidies	4	5,878	5,691
3,772	Development and financial contributions		1,536	1,076
4,280	Other operating revenue	5	1,789	434
83,910	Total revenue excluding gains		82,335	80,595
Expenses				
51,235	Operating expenses	6	51,240	53,474
19,240	Depreciation and amortisation	12/13	20,569	20,107
70,475	Total expenses		71,809	73,581
Interest				
2,269	Interest income		2,164	2,856
9,793	Interest expense		9,592	10,263
7,524	Total interest expense		7,428	7,407
5,911	OPERATING SURPLUS/(DEFICIT)		3,098	(393)
Unrealised gains/(losses)				
(1,811)	Unrealised gain/(loss) on revaluation of financial derivatives		(8,021)	(478)
(1,811)	Total unrealised gains/(losses)		(8,021)	(478)
4,100	NET OPERATING SURPLUS/(DEFICIT)		(4,923)	(871)
Other comprehensive revenue and expense				
41,163	Unrealised gain/(loss) from revaluation of property, plant and equipment	12	25,238	43,367
41,163	Total other comprehensive revenue and expense		25,238	43,367
45,263	TOTAL COMPREHENSIVE REVENUE AND EXPENSE		20,315	42,496

The accounting policies and accompanying notes on pages 100 to 136 form part of these financial statements. Explanation of the major variances against budget are provided in note 30.

Statement of changes in net assets/equity for the year ended 30 June 2019					
	Accumulated funds Actual \$000	Reserves and special funds Actual \$000	Revaluation reserve Actual \$000	Total equity Actual \$000	Total equity Budget \$000
Opening balance at 1 July 2017	567,449	2,904	853,018	1,423,371	1,414,362
Net operating surplus/(deficit)	4,100	-	-	4,100	(1,349) ¹
Unrealised gain/(loss) from revaluation of property, plant and equipment	-	-	41,163	41,163	11,747 ¹
Total comprehensive revenue and expense for the year	4,100	-	41,163	45,263	10,398
Transfers from reserves and special funds	9,412	(9,412)	-	-	-
Transfers to reserves and special funds	(10,665)	10,665	-	-	-
Closing balance at 30 June 2018	570,296	4,157	894,181	1,468,634	1,424,760
Opening balance at 1 July 2018	570,296	4,157	894,181	1,468,634	1,462,482
Net operating surplus/(deficit)	(4,923)	-	-	(4,923)	(871) ²
Unrealised gain/(loss) from revaluation of property, plant and equipment	-	-	25,238	25,238	43,367 ²
Transfer from revaluation reserve	273	-	(273)	-	-
Total comprehensive revenue and expense for the year	(4,650)	-	24,965	20,315	42,496
Transfers from reserves and special funds	620	(620)	-	-	-
Transfers to reserves and special funds	(1,377)	1,377	-	-	-
CLOSING BALANCE AT 30 JUNE 2019	564,889	4,914	919,146	1,488,949	1,504,978

¹ As per 2017/18 Annual Plan.

² As per 2018-38 Long Term Plan.

Statement of financial position for the year ended 30 June 2019				
2017/18 Actual \$000		Note	2018/19 Actual \$000	2018/19 Budget \$000
Current Assets				
4,052	Cash and cash equivalents	7	4,086	200
8,620	Trade and other receivables	8	9,558	8,062
122	Inventories		161	116
8	Non-current assets held for sale		761	-
34,980	Other financial assets	10	45,720	45,720
58	Loans	9	55	57
47,840	Total Current Assets		60,341	54,155
Non-Current Assets				
1,645,007	Property plant and equipment	12	1,672,284	1,694,609
109	Forestry assets	11	79	429
1,026	Intangible assets	13	980	2,583
17,936	Other financial assets	10	12,776	18,035
469	Loans	9	426	409
1,664,547	Total Non-Current Assets		1,686,545	1,716,065
1,712,387	TOTAL ASSETS		1,746,886	1,770,220
Current Liabilities				
18,163	Trade and other payables	17	20,097	19,894
2,031	Employee benefit	18	1,926	2,533
1,237	Deposits	19	1,119	820
30,000	Borrowings	20	45,000	45,000
1,041	Provisions	21	557	404
244	Derivative financial instruments	25	417	2,267
52,716	Total Current Liabilities		69,116	70,918
Non-Current Liabilities				
130	Employee benefit	18	112	245
175,000	Borrowings	20	165,000	181,175
2,956	Provisions	21	2,877	3,779
12,951	Derivative financial instruments	25	20,832	9,125
191,037	Total Non-Current Liabilities		188,821	194,324
243,753	TOTAL LIABILITIES		257,937	265,242
Public Equity				
570,296	Accumulated funds		564,889	565,116
4,157	Reserves and special funds	23	4,914	3,021
894,181	Revaluation reserve	22	919,146	936,841
1,468,634	TOTAL PUBLIC EQUITY		1,488,949	1,504,978
1,712,387	TOTAL LIABILITIES AND PUBLIC EQUITY		1,746,886	1,770,220

The accounting policies and accompanying notes on pages 100 to 136 form part of these financial statements. Explanation of the major variances against budget are provided in note 30.

Statement of cash flows for the year ended 30 June 2019				
2017/18 Actual \$000		Note	2018/19 Actual \$000	2018/19 Budget \$000
Cash flows from operating activities				
<i>Cash was provided from:</i>				
60,729	Kāpiti Coast District Council rates		65,138	64,075
11,092	Greater Wellington Regional Council rates collected		12,202	-
1,658	Grants and subsidies		1,947	1,701
2,956	Interest received		1,538	2,799
14,052	Fees and charges		10,975	10,828
108	GST (net)		(59)	206
90,595			91,741	79,609
<i>Cash was applied to:</i>				
53,509	Payments to employees and suppliers		51,154	53,589
11,092	Rates paid to Greater Wellington Regional Council		12,202	-
64,601			63,356	53,589
25,994	Net cash flow from operating activities	24	28,385	26,020
Cash flows from investing activities				
<i>Cash was provided from:</i>				
71,311	Proceeds from loan repayments/term deposit maturities		51,026	30,631
311	Proceeds from sale of assets held for sale, property, plant and equipment and intangibles		747	-
4,095	Proceeds from capital grants		3,931	3,990
75,717			55,704	34,621
<i>Cash was applied to:</i>				
22,699	Construction and purchase of property, plant and equipment and intangibles		22,986	29,439
60,700	Purchase of investments		56,560	30,000
83,399			79,546	59,439
(7,682)	Net cash flow from investing activities		(23,842)	(24,818)
Cash flows from financing activities				
<i>Cash was provided from:</i>				
25,100	Proceeds from Short-term borrowings		34,772	-
75,000	Proceeds from Long-term borrowing		35,000	38,856
100,100			69,772	38,856
<i>Cash was applied to:</i>				
9,715	Interest paid		9,509	10,058
25,100	Repayment of Short-term borrowings		34,772	-
80,000	Repayment of Long-term borrowing		30,000	30,000
114,815			74,281	40,058
(14,715)	Net cash flow from financing activities		(4,509)	(1,202)
3,597	Net increase/(decrease) in cash and cash equivalents		34	-
455	Total cash and cash equivalents at 1 July		4,052	200
4,052	TOTAL CASH AND CASH EQUIVALENTS AT 30 JUNE	7	4,086	200

Funding impact statement for the year ended 30 June 2019

	2017/18 Budget \$000	2017/18 Actual \$000	2018/19 Budget \$000	2018/19 Actual \$000
Source of operating funding				
General rate, uniform annual general charge, rates penalties	22,106	22,251	15,898	22,908
Targeted rates	38,905	39,144	48,697	41,936
Grants and subsidies for operating purposes	1,543	1,658	1,701	1,947
Fees and charges	8,182	8,608	8,559	8,097
Interest and dividends from investments	1,520	2,269	2,856	2,164
Local authorities fuel tax, fines, infringement fees, and other	594	4,369	674	1,796
Total operating funding	72,850	78,299	78,385	78,848
Applications of operating funding				
Payment to staff and suppliers	50,322	50,963	53,474	51,116
Finance costs	9,543	9,793	10,263	9,592
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	59,865	60,756	63,737	60,708
SURPLUS/DEFICIT OF OPERATING FUNDING	12,985	17,543	14,648	18,140
Source of capital funding				
Grants and subsidies for capital expenditure	3,832	4,095	3,990	3,931
Development and financial contributions	1,075	3,772	1,076	1,536
Increase (decrease) in debt	10,747	8,346	15,510	8,963
Gross proceeds from sale of assets	-	311	-	742
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total source of capital funding	15,654	16,524	20,576	15,172
Applications of capital funding				
Capital expenditure				
> to meet additional demand	1,739	695	603	437
> to improve the level of service	13,483	11,666	18,041	12,029
> to replace existing assets	11,881	11,427	10,796	9,765
Increase (decrease) in reserves	1,536	10,279	5,784	11,081
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding	28,639	34,067	35,224	33,312
SURPLUS/DEFICIT OF CAPITAL FUNDING	(12,985)	(17,543)	(14,648)	(18,140)
FUNDING BALANCE	-	-	-	-

Notes to the financial statements

1. Statement of accounting policies

Reporting entity

Kāpiti Coast District Council (Council) is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The primary objective of Council is to provide goods or services for the community and social benefits to the residents of the Kāpiti coast, rather than making a financial return. Accordingly, the Council has designated itself as a public benefit entity (PBE) for the purposes of the accounting standards framework applicable to public sector entities.

The financial statements presented include a statement of comprehensive revenue and expense, a statement of changes in net assets/equity, a statement of financial position and a cash flow statement with supporting notes, encompassing all activities of the Council.

In order to meet its obligations of public accountability, the Council has also included separate funding impact statements for the whole of Council and for each activity.

The financial statements of the Council are for the year ended 30 June 2019. The financial statements were adopted and authorised for issue by the Council on 26 September 2019.

Statement of compliance

The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002 and comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with Tier 1 PBE accounting standards.

These financials comply with PBE standards.

Basis of preparation

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the year.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000's) unless otherwise stated. The functional currency of council is New Zealand dollars.

The financial statements have been prepared on a historical cost basis, modified by the revaluation of certain assets and liabilities as identified in the accounting policies.

Accounting Standards issued and not yet effective, and not early adopted

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the financial statements are as follow:

Impairment of revalued assets

In April 2017, the XRB issued Impairment of Revalued Assets, which now clearly scopes revalued property, plant and equipment into the impairment accounting standards, which will require Council to assess at each reporting date whether there is any indication that an asset may be impaired. However, where an impairment loss is recognised for an asset, or group of assets, that is revalued, an entity is not necessarily required to revalue the entire class off assets to which that impaired asset, or group of assets, belong. This amendment is effective for periods beginning on or after 1 January 2019.

The Council plans to apply this standard in preparing the 30 June 2020 financial statements and has not yet assessed in detail the impact of the new standard but anticipates that the standard will not have a material effect on Council's financial statements

Financial Instruments

In January 2017, the XRB issued PBE IFRS 9 *Financial instruments*. This replaces PBE IPSAS 29 *Recognition and Measurement*. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with earlier application permitted.

The main changes under this standard relevant to Council are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost
- A new impairment model for financial assets based on expected losses, which might result in earlier recognition of impairment losses

The Council plans to apply this standard in preparing the 30 June 2022 financial statements and has not yet assessed in detail the impact of the new standard but anticipates that the standard will not have a material effect on Council's financial statements.

Service Performance Reporting

In November 2017, the XRB issued a new standard, Service performance Reporting (PBE FRS 48). There has been no PBE standard dealing solely with service performance reporting. This Standard establishes new requirements for public benefit entities (PBEs) to select and present services performance information. The new standard is mandatory for annual periods beginning on or after 1 January 2021, with early application permitted.

The Council plans to apply this standard in preparing the 30 June 2022 financial statements. The Council has not yet assessed the effects of the new standard.

Other changes in accounting policies

There have been no other changes in accounting policies.

Summary of Significant Accounting policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Council and the revenue can be reliably measured, regardless of when the payment is made.

Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Development and financial contributions

Development and financial contributions are recognised as revenue when the Council provides the service for which the contribution was charged.

Interest income

Interest income is recognised when earned using the effective interest rate method.

Expenses

Interest expense

Borrowing costs, including interest expense are recognised as expenditure in the period in which they are incurred.

Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST except for receivables and payables which include GST billed.

Other gains and losses

Other gains and losses include fair value adjustments on financial instruments at fair value through surplus or deficit.

Assets

Inventories

Inventories are valued at cost, adjusted when applicable, for any loss of service potential. The amount of write-down for the loss of service is recognised in surplus or deficit in the statement of comprehensive revenue and expense. Cost is determined on a weighted average basis.

Other

Foreign currency translation

Foreign currency transactions are translated into the New Zealand Dollar (NZD) using the spot exchange rate at the date of the transaction.

Council has minimal foreign currency transactions. These mainly include the purchase of library books, periodicals and computer software from overseas vendors.

Allocation of overheads to significant activities

For the purposes of reporting performance by activity, all overhead costs from support service functions are allocated to Council's significant activities. The costs of internal services not already charged to activities are allocated as overheads using appropriate cost drivers such as actual usage, staff numbers and floor area.

Individual significant activity operating revenue and expenditure is stated inclusive of any internal revenue and internal charges.

The governance and tāngata whenua (i.e. elected members' costs) is reported as a separate activity as it represents a direct public service.

Budget figures

The budget figures presented in these financial statements are in line with Council's 2018–38 Long Term Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council in preparing financial statements.

During the year, the Council has made additional disclosures to provide a greater degree of disaggregation for both current and prior year amounts and balances.

Explanation of major variances between actual results and budgeted figures is provided in note 30.

Accounting judgements and estimations

The preparation of the financial statements using PBE accounting standards requires management to make judgements, estimates and assumptions concerning the future that affect the application of policies and reported amounts of assets, liabilities, revenue and expenses. These estimates and assumptions may differ from subsequent actual results. The judgements, estimates and assumptions are based on historical experience and other factors which are reviewed on an ongoing basis.

Significant judgments, estimates and assumptions have been used for measurement of the following:

- the cost of our environmental obligations in respect to the closure of the Otaihanga landfill – see note 21,
- the valuation of infrastructural assets – see note 12,
- the determination of estimated useful lives and residual values for property, plant and equipment – see note 12,
- the valuation of long term employee entitlements – see note 18, and
- the valuation of financial derivatives – see note 25.

2. Revenue from rates		
2017/18 Actual \$000		2018/19 Actual \$000
Revenue from exchange transactions:		
Targeted rates		
3,828	Districtwide water supply volumetric rate	4,114
3,828	Total rates from exchange transactions	4,114
Revenue from non-exchange transactions:		
General rates		
21,617	Districtwide	22,289
Targeted rates		
13,408	Community facilities rate	15,305
258	Hautere/Te Horo water supply rate	231
256	Ōtaki community rate	218
65	Paekākāriki community rate	43
101	Paraparaumu/Raumati community rate	82
6,871	Districtwide roading rate	8,042
3,148	Districtwide stormwater rate	2,576
113	Waikanae community rate	86
7,816	Districtwide wastewater disposal rate	7,661
4,476	Districtwide water supply fixed rate	4,564
-	Commercial rate	435
(852)	Less internal rates	(1,051)
(344)	Less rates remitted	(370)
56,933	Total rates from non-exchange transactions	60,111
60,761	Total rates from exchange and non-exchange transactions	64,225
73,049	Total rates levied	77,889
(852)	Less internal rates	(1,051)
(344)	Less rates remitted	(370)
(11,092)	Less Greater Wellington Regional Council rates	(12,243)
60,761	Total revenue from rates	64,225

Accounting policy

Revenue from rates is measured at fair value

General and targeted rates are set annually by way of a rates resolution by the Council. Rates revenue is measured at the amount assessed, which is the fair value of the cash received or receivable. The Council recognises revenue from rates when the rates are set and the rates assessments have been provided. Rates are invoiced in quarterly instalments within the financial year. Rates are a tax as they are payable under the Local Government Ratings Act 2002 and therefore meet the definition of non-exchange.

Water rates are based on a fixed portion plus a volumetric charge for usage once the service has been delivered. As the rates charged are based on a per unit of consumption basis, water rates by meter are considered to be more in the nature of an exchange transaction. Revenue from water rates by meter is recognised on an accrual basis. Unbilled usage as a result of unread meters at year end is accrued on an average usage basis.

Rates remissions are recognised when Council has received an application that satisfies its Rates Remission Policy. Rates are shown net of rate remissions and rates levied on council-owned properties. Rates levied on council-owned properties and rates remissions are excluded from expenditure.

Rates collected on behalf of Greater Wellington Regional Council (GWRC) are not recognised in the statement of comprehensive revenue and expenses as Council acts as an agent for GWRC.

Rates remissions		
2017/18 Actual \$000		2018/19 Actual \$000
52	Council community properties, sporting, recreational and other community organisations	49
103	Residential rating units containing two separately habitable units	79
147	Financial hardship	195
42	Māori freehold land	47
344	Total rates remissions	370

Rate remissions granted during the year in accordance with council's rates remission and postponement policies total \$0.37 million (2018: \$0.34 million). Total rates levied on council-owned properties were \$1.05 million (2018: \$0.85 million).

Summary of rates funding surplus		
		2018/19 Actual \$000
Operating surplus		3,098
Adjustments for non-rates funded revenue and expenditure		
Add: revaluation of Council's forestry assets		30
Add: unfunded depreciation		3,868
Less: net expenditure funded by reserves and special funds		(221)
Less: capital funding and vesting of assets		(4,972)
Less: Net gain/loss on sale of assets		(61)
Underlying rates surplus		1,742
Represented by:		
Water account surplus		864
Net underspend across the organisation		878
Underlying rates surplus		1,742

The underlying rates funding surplus of \$1.742 million is different to the operating surplus of \$3.098 million as per the statement of comprehensive revenue and expense due to the following:

- Operating surplus/(deficit) covers all of council's operating revenue and expenditure from all funding sources.
- Rates funding surplus/(deficit) only covers the council's revenue and expenditure that is rates funded.

The underlying rates funding surplus of \$1.742 million is mainly due to partnering well with New Zealand Transport Agency (NZTA) to optimise our funding and reducing our energy costs through the LED streetlight conversion as well as lower net costs of our water activity for the year.

Rating base information			
Year	Rating units	Total capital value of rating units \$000	Total land value of rating units \$000
2014/15			
Rateable units	24,527	10,431,956	5,030,918
Non-rateable units	818	363,157	134,917
Total	25,345	10,795,113	5,165,835
2015/16			
Rateable units	24,555	10,798,419	5,150,537
Non-rateable units	832	378,393	138,669
Total	25,387	11,176,812	5,289,206
2016/17			
Rateable units	24,697	10,916,193	5,173,253
Non-rateable units	668	382,366	142,618
Total	25,365	11,298,559	5,315,871
2017/18			
Rateable units	24,781	11,027,223	5,178,137
Non-rateable units	773	509,010	210,376
Total	25,554	11,536,233	5,388,513
2018/19			
Rateable units	25,053	14,816,185	7,122,954
Non-rateable units	722	555,506	242,781
Total	25,775	15,371,691	7,365,735

Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements its annual rates income. The Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (rating Act) 2002 together with any revenue received by Council from other local authorities for services provided (and for which the other local authorities rate). The annual rates revenue of the Council for the purpose of the LGFA Guarantee and Indemnity Deed disclosure are as per note 2.

3. Revenue from fees and charges

2017/18 Actual \$000		2018/19 Actual \$000
	Revenue from exchange transactions:	
1,022	Sale of goods and services	958
1,678	Rent from lease of council-owned properties	1,808
2,700	Total fees and charges from exchange transactions	2,766
	Revenue from non-exchange transactions:	
5,922	Sale of goods and services	5,331
722	Fines and penalties	810
6,644	Total fees and charges from non-exchange transactions	6,141
9,344	Total fees and charges	8,907

Revenue from sale of goods and services includes building and resource consent fees, licence fees, library charges, and LIM reports.

Fines and penalties include penalties for late payment of rates of \$0.62 million (2018: \$0.63 million) and traffic infringements of \$0.09 million (2018: \$0.08 million). It also includes library fines and fines for dog prosecution and noise control.

Accounting policy

Revenue from operating activities is generally measured at the fair value of the consideration received or receivable.

Exchange transactions

i). Sale of goods

Revenue from the sale of goods is recognised when the significant risk and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods, when the amount of revenue can be measure reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the Council.

ii). Rental revenue

Rental revenue is accounted for on a straight-line basis over the lease or rental term. Council receives rentals from properties used for operating activities e.g. community housing, and from properties that are held for future strategic purposes e.g. future infrastructural developments. Council does not hold any properties for investment purposes.

Accounting policy (continued)

Non Exchange transactions

The Council undertakes various activities as part of its normal operations which generates revenue, but generally at below market prices or at fees and user charges subsidised by rates. Revenue from the sale of goods or services at a price that is not approximately equal to the value of the goods provided by the Council is considered a non-exchange transaction. Generally, there are no conditions attached to such revenue.

i). Rendering of services

Revenue from such subsidised services is recognised when the Council issues the invoice or bill for the service. Revenue is recognised at the amount of the invoice or bill, which is the fair value of the cash received or receivable for the service.

Revenue is recognised by reference to the stage of completion of the service to the extent that the Council no longer has an obligation to refund the cash received for the service (or to the extent that the customer has the right to withhold payment from council for the service) if the service is not completed.

ii). Sale of goods –subsidised

Revenue from the sale of such subsidised goods is recognised when the Council issues the invoice for the goods. Revenue is recognised at the amount of the invoice which is the fair value of the cash received or receivable for the goods.

iii). Fines and penalties

Revenue from fines and penalties (e.g. Traffic and parking infringements, library overdue book, dog prosecution and noise control) is recognised when infringement notices are issued or when the fines/penalties are otherwise imposed. The fair value is determined based on the probability of collecting fines and considering previous collection history.

Penalties for late payment of rates are recognised as revenue when rates become overdue.

4. Revenue from grants and subsidies			
2017/18 Actual \$000			2018/19 Actual \$000
	Grants and subsidies from non-exchange transactions		
4,095	Capital grants		3,931
1,658	Operating grants		1,947
5,753	Total grants and subsidies from non-exchange transactions		5,878

As part of the above, Council received both capital and operating grants from NZTA. Capital grants of \$3.85 million (2018: 3.83 million) from NZTA were used to subsidise the construction/renewal of new/existing local roading and operating grants of \$1.89 million (2018: \$1.58 million) from NZTA were used for the cost of maintaining existing local roading.

Accounting policy

Grants, subsidies and funding subsidies are initially recognised at their fair value where there is reasonable assurance that the monies will be received and all attaching conditions will be complied with.

Council received government grants from the New Zealand Transport Agency (NZTA), which subsidises part of the cost of maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when the conditions of the grants are satisfied

5. Other operating revenue			
2017/18 Actual \$000		Note	2018/19 Actual \$000
	Other operating revenue from non-exchange transactions		
3,562	Vested assets	12	1,112
68	Donations and sponsorships		24
254	Local government petrol tax		256
396	Other revenue		213
-	Realised gain on disposal of property, plant and equipment		184
4,280	Total grants and subsidies from non-exchange transactions		1,789

Vested assets are mainly infrastructural assets such as roading, drainage, water and wastewater assets that have been constructed by developers for a subdivision development. As part of the consents process, ownership of these assets is transferred to the Council at the end of the subdivision process.

Accounting policy

Vested assets

Where a physical asset is acquired for nil or nominal consideration, with no conditions attached, the fair value of the asset received, as determined by active market prices, is recognised as non-exchange revenue. Assets vested to council are recognised as revenue when control over the asset is transferred to council.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the assets. For assets received from property developments, the fair value is based on construction price information provided by the property developer.

Realised and unrealised gains

Gains include realised gains on the disposal of property, plant and equipment or an unrealised fair value increase on the revaluation of forestry assets.

6. Operating expenses			
2017/18 Actual \$000		Note	2018/19 Actual \$000
	Ernst & Young		
119	Audit of long term plan		-
178	Audit of financial statements		181
3	Audit of debenture trust deeds		3
	Impairments and unrealised losses		
91	Loss on disposal of property, plant and equipment		123
313	Loss in fair value of forestry assets		30
166	Impairment of property, plant and equipment		-
94	Net increase/(decrease) of impairment of trade receivables		(281)
	Governance		
663	Councillor fees and costs		695
	Personnel costs		
22,007	Staff remuneration		22,390
780	Other personnel costs		595
4,328	Fixed term employees		4,305
788	Employer superannuation (including kiwisaver)		816
382	Staff training		366
	Other		
135	Transport costs		138
768	Grants		513
762	Legal costs		629
1,110	Insurance		1,551
1,504	Operating projects		1,521
254	Operating lease rentals		351
1,962	Heat, light, power (energy)		2,136
261	Communications		233
801	Professional services		740
283	Printing & stationery		258
53	Bank charges		59
13,430	Other		13,888
51,235	Total other operating expense		51,240

Accounting policy

Realised and unrealised losses

Losses include realised losses on the disposal of property, plant and equipment or an unrealised fair value decreases on the revaluation of forestry assets.

Governance and Personnel cost

Governance cost relate to the remuneration made to all elected members, comprising the Mayor, Councillors and Community Board members.

Personnel costs relate to the remuneration paid directly to staff (permanent and fixed term), other employee benefits such as Kiwisaver and other associated costs such as recruitment and training.

Grants and sponsorships

Discretionary grants (where approval or rejection is at council discretion) are recognised as expenditure when council approves the grant and communication to this effect is made to the applicant.

Operating leases (council as lessee)

Council leases certain property, plant and equipment under operating leases. Payments made under these leases (net of any incentives received from the lessor) are expensed on a straight-line basis over the term of the lease.

7. Cash and cash equivalents		
2017/18 Actual \$000		2018/19 Actual \$000
5	Cash on hand	5
1,545	Cash at bank	4,081
2,502	Short term deposits	-
4,052	Total cash and cash equivalents	4,086

8. Trade and other receivables		
2017/18 Actual \$000		2018/19 Actual \$000
	Trade and other receivables from exchange transactions	
3,011	Trade receivables	2,475
794	Rates receivable	814
605	Prepayments	906
(74)	Less provision for impairment	(33)
4,336	Total trade and other receivables from exchange transactions	4,162
	Trade and other receivables from non-exchange transactions	
403	GST Receivable	940
1,705	Trade receivables	2,455
2,877	Rates receivable	2,462
(701)	Less provision for impairment	(461)
4,284	Total trade and other receivables	5,396
8,620	Total trade and other receivables	9,558

Provision for impairment of trade and other receivables		
2017/18 Actual \$000		2018/19 Actual \$000
681	Opening balance	775
132	Increase in provision	-
(38)	Released unused provisions	(281)
775	Provision for impairment of trade and other receivables	494

Accounting policy

Cash and cash equivalents

Cash and cash equivalents are held for the purpose of meeting short term cash commitments rather than for investment or other purposes. It includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with maturities of three months or less.

Bank balances are interest bearing and earn interest based on current floating bank deposit rates. Short term deposits are made with a registered bank, with a credit rating of at least A+, for varying periods depending on the immediate cash requirements and short term borrowings of the Council, and earn interest at the applicable term deposit rates.

Trade and other receivables

Trade and other are initially measured at their face value, less any provision for impairment. Receivables are generally short term and non-interest bearing. The carrying value approximates the fair value.

A receivable is considered to be uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollected is the difference between the amount due and the present value of the amount expected to be collected.

All receivables greater than 30 days in age are considered to be past due.

The impairment provision has been calculated based on a review of specific, larger, overdue receivables and a collective assessment of the remainder of receivables. The collective impairment provision is based on an analysis of past collection history and debt write-offs. Individually impaired receivables have been determined to be impaired if the particular debtor has significant financial difficulties.

Movements in the provision for impairment of receivables are as follows:

Provision for impairment of trade and other receivables		
2017/18 Actual \$000		2018/19 Actual \$000
548	Individual impairment	434
227	Collective impairment	60
775	Provision for impairment of trade receivables at 30 June	494

9. Loans

2017/18 Actual \$000		2018/19 Actual \$000
Current		
51	Water conservation loans	48
7	Loans to community groups	7
58	Total current loans	55
Non-current		
272	Water conservation loans	236
197	Loans to community groups	190
469	Total non-current loans	426
527	Total loans	481

Loans to community groups

Loans to community groups include a loan to the Kapiti Hockey Turf Trust for laying artificial turf and construction of a new pavilion. This will enable this facility to meet standards suitable for national and international tournaments.

Water conservation loans

Council provides interest-free loans (up to \$5,000) to property owners who wish to install approved water conservation devices that have potential to reduce the use of water supply. Council recovers the loans by way of a targeted rate on the property. The period of repayment is up to 10 years.

Accounting policy

Loans are initially measured at their face value, and subsequently at amortised cost using the effective interest method, less any impairment.

A loan is considered to be impaired when there is evidence that the amount due will not be fully collected. The amount that is uncollected is the difference between the amount due and the present value of the amount expected to be collected.

Gains or losses when the asset is impaired or settled are recognised in surplus or deficit in the statement of comprehensive revenue and expense.

10. Other financial assets

2017/18 Actual \$000		2018/19 Actual \$000
Current		
Deposits		
34,500	Term deposits	45,000
Notes		
480	NZ Local Government Funding Agency	720
34,980	Total current other financial assets	45,720
Non-current		
Shares		
100	NZ Local Government Funding Agency	100
15	Civic Financial Services	15
Notes		
2,800	NZ Local Government Funding Agency	2,640
21	Fonterra perpetual	21
Deposits		
15,000	Term deposits	10,000
17,936	Total non-current other financial assets	12,776
52,916	Total other financial assets	58,496

Bank deposits

Term deposits are made with a registered bank, with a credit rating of at least A+. Council holds term deposits as part of its overall liquidity risk management programme, whereby it pre-fund upcoming debt maturities. The carry amount of term deposits approximates their fair value.

Shares

Civic Financial Services Limited (formerly Civic Assurance), 15,060 shares.

The New Zealand Local Government Funding Agency (LGFA), 100,000 ordinary shares and 100,000 ordinary unpaid shares.

Borrow notes

Borrower Notes are subordinated convertible debt instruments which each council that borrows from LGFA must subscribe for (in an amount equal to 1.6% of the total borrowing from LGFA by that council) LGFA will redeem Borrower Notes when the councils' related borrowings are repaid or no longer owed to LGFA.

assumption of the liquidation approach is that all stands can be harvested immediately at current stumpage prices.

Council is exposed to financial risks from changes in timber prices. Council is not a long-term forestry investor and has not taken any measures to manage the risks of a decline in timber prices given the comparatively small nature of its total forestry resource.

Accounting policy

Forestry assets are carried at fair value less estimated costs to sell. They are revalued annually by an independent qualified valuer.

Gains or losses arising on revaluation are recognised in surplus or deficit in the statement of comprehensive revenue and expense. Costs incurred to maintain the forests are expensed in the period they are incurred.

11. Forestry assets					
2018/19 \$000	Opening balance	Additions	Unrealised gain/(loss)	Disposals	Closing balance
Lot 1 Waikanae water treatment area, Reikorangi, Waikanae (2 hectares pinus radiata, established 1985)	54	-	(15)	-	39
Lot 2 Paraparaumu sewage treatment area, Otaihanga landfill (approximately 2 hectares pinus radiata, established 1984-86)	55	-	(15)	-	40
	109	-	(30)	-	79

Independent valuer, Tim Hunt, re-assessed the forest valuations of the pine-tree wood lots located on Kāpiti Coast District Council land at Waikanae and Otaihanga.

For the residual area the harvesting age was set at 30 years and as the stands have attained economic maturity, the liquidation approach was applied. The underlying

12. Property, plant and equipment

2018/19	Cost/Revaluation								Accumulated depreciation						Carrying amount	
	Opening balance	Additions	Vested assets	Disposals	Revaluation	Impairment	Transfers (to/from)	Closing balance	Opening balance	Depreciation	Disposals	Revaluation	Transfers (to/from)	Closing balance	Opening balance	Closing balance
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<i>Operational assets</i>																
Buildings and improvements	55,887	15	-	(332)	(2,073) ¹	-	655	54,152	(1,848)	(1,866)	49	-	-	(3,665)	54,039	50,487
Computers and office equipment	2,561	825	-	-	-	-	(525)	2,861	(1,181)	(514)	-	-	-	(1,695)	1,380	1,166
Furniture and chattels	1,703	249	-	(4)	-	-	356	2,304	(701)	(248)	-	-	-	(949)	1,002	1,356
Land	33,646	-	10	(140)	-	-	55	33,571	-	-	-	-	-	-	33,646	33,571
Landfill post-closure	5,442	-	-	(96)	-	-	-	5,346	(1,976)	(433)	-	-	-	(2,409)	3,466	2,937
Library collections	5,020	424	-	-	-	-	-	5,444	(3,166)	(486)	-	-	-	(3,652)	1,854	1,792
Motor vehicles	3,298	55	-	(26)	-	-	(17)	3,310	(2,003)	(229)	26	-	-	(2,206)	1,295	1,104
Plant and machinery	3,473	-	-	(67)	-	-	17	3,423	(1,889)	(243)	67	-	-	(2,065)	1,584	1,358
Items under construction	815	2,495	-	-	-	-	(795)	2,515	-	-	-	-	-	-	815	2,515
Total operational assets	111,845	4,063	10	(665)	(2,073)	-	(254)	112,926	(12,764)	(4,019)	142	-	-	(16,641)	99,081	96,285
<i>Infrastructural assets</i>																
Bridges	13,872	-	-	-	250	-	14	14,136	(310)	(316)	-	540	-	(86)	13,562	14,050
River flood protection and control works	1,110	-	-	-	-	-	-	1,110	1	(18)	-	-	-	(17)	1,111	1,093
Roading – land under road	795,759	-	-	-	-	-	-	795,759	-	-	-	-	-	-	795,759	795,759
Roading and footpaths	306,408	-	499	-	15,911	-	8,999	331,817	(5,363)	(5,585)	-	10,610	314	(24)	301,045	331,793
Seawalls	5,145	-	-	-	-	-	1,037	6,182	1	(440)	-	-	-	(439)	5,146	5,743
Stormwater drainage	67,777	-	144	(532)	-	-	1,333	68,722	(1,312)	(1,131)	532	-	-	(1,911)	66,465	66,811
Wastewater – other assets	115,167	-	284	-	-	-	1,110	116,561	47	(2,343)	-	-	(48)	(2,344)	115,214	114,217
Wastewater treatment plants and facilities	24,225	-	-	-	-	-	547	24,772	(20)	(1,166)	-	-	20	(1,166)	24,205	23,606
Water – other assets	96,458	-	161	-	-	-	322	96,941	(14)	(2,075)	-	-	(37)	(2,126)	96,444	94,815
Water treatment plants and facilities	22,649	-	-	-	-	-	571	23,220	(49)	(936)	-	-	(249)	(1,234)	22,600	21,986
Items under construction	14,505	16,468	-	-	-	-	(13,997)	16,976	-	-	-	-	-	-	14,505	16,976
Total infrastructural assets	1,463,075	16,468	1,088	(532)	16,161	-	(64)	1,496,196	(7,019)	(14,010)	532	11,150	-	(9,347)	1,456,056	1,486,849
<i>Restricted assets</i>																
Buildings and improvements	33,633	522	14	(14)	-	-	1,040	35,195	(2,046)	(2,147)	14	-	-	(4,179)	31,587	31,016
Land	58,035	-	-	(258)	-	-	-	57,777	-	-	-	-	(56)	(56)	58,035	57,721
Items under construction	248	1,178	-	-	-	-	(1,013)	413	-	-	-	-	-	-	248	413
Total restricted assets	91,916	1,700	14	(272)	-	-	27	93,385	(2,046)	(2,147)	14	-	(56)	(4,235)	89,870	89,150
TOTAL PROPERTY, PLANT AND EQUIPMENT	1,666,836	22,231	1,112	(1,469)	14,088	-	(291)	1,702,507	(21,829)	(20,176)	688	11,150	(56)	(30,223)	1,645,007	1,672,284

¹ In accordance with PBE IPSAS 21, the impairment of the Waikanae library and Te Newhanga Community Centre are treated as a decrease in revaluation.

12. Property, plant and equipment

2017/18	Cost/Revaluation								Accumulated depreciation						Carrying amount	
	Opening balance	Additions	Vested assets	Disposals	Revaluation	Impairment	Transfers (to/from)	Closing balance	Opening balance	Depreciation	Disposals	Revaluation	Transfers (to/from)	Closing balance	Opening balance	Closing balance
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<i>Operational assets</i>																
Buildings and improvements	55,340	547	-	-	-	-	-	55,887	-	(1,848)	-	-	-	(1,848)	55,340	54,039
Computers and office equipment	3,385	439	-	(1,263)	-	-	-	2,561	(1,942)	(502)	1,263	-	-	(1,181)	1,443	1,380
Furniture and chattels	1,378	406	-	(81)	-	-	-	1,703	(600)	(182)	81	-	-	(701)	778	1,002
Land	33,500	-	146	-	-	-	-	33,646	-	-	-	-	-	-	33,500	33,646
Landfill post-closure	6,697	-	-	(1,089)	-	(166)	-	5,442	(1,386)	(590)	-	-	-	(1,976)	5,311	3,466
Library collections	4,614	406	-	-	-	-	-	5,020	(2,551)	(615)	-	-	-	(3,166)	2,063	1,854
Motor vehicles	3,253	146	-	(101)	-	-	-	3,298	(1,841)	(238)	76	-	-	(2,003)	1,412	1,295
Plant and machinery	3,114	520	-	(161)	-	-	-	3,473	(1,790)	(224)	125	-	-	(1,889)	1,324	1,584
Items under construction	716	99	-	-	-	-	-	815	-	-	-	-	-	-	716	815
Total operational assets	111,997	2,563	146	(2,695)	-	(166)	-	111,845	(10,110)	(4,199)	1,545	-	-	(12,764)	101,887	99,081
<i>Infrastructural assets</i>																
Bridges	13,695	177	-	-	-	-	-	13,872	-	(310)	-	-	-	(310)	13,695	13,562
River flood protection and control works	1,057	-	-	-	53	-	-	1,110	(25)	(25)	-	51	-	1	1,032	1,111
Roading – land under road	795,759	-	-	-	-	-	-	795,759	-	-	-	-	-	-	795,759	795,759
Roading and footpaths	293,131	11,408	813	(252)	-	-	1,308	306,408	(224)	(5,149)	10	-	-	(5,363)	292,907	301,045
Seawalls	4,913	575	-	-	(49)	-	(294)	5,145	(373)	(374)	-	748	-	1	4,540	5,146
Stormwater drainage	68,995	710	892	-	(3,496)	-	676	67,777	(1,933)	(1,140)	-	1,761	-	(1,312)	67,062	66,465
Wastewater – other assets	92,442	1,300	846	-	20,724	-	(145)	115,167	(1,840)	(1,854)	-	3,741	-	47	90,602	115,214
Wastewater treatment plants and facilities	23,693	-	-	-	769	-	(237)	24,225	(1,071)	(1,086)	-	2,137	-	(20)	22,622	24,205
Water – other assets	84,966	1,656	530	-	10,245	-	(939)	96,458	(1,759)	(1,785)	-	3,530	-	(14)	83,207	96,444
Water treatment plants and facilities	23,094	166	-	-	(611)	-	-	22,649	(890)	(915)	-	1,756	-	(49)	22,204	22,600
Items under construction	14,874	-	-	-	-	-	(369)	14,505	-	-	-	-	-	-	14,874	14,505
Total infrastructural assets	1,416,619	15,992	3,081	(252)	27,635	-	-	1,463,075	(8,115)	(12,638)	10	13,724	-	(7,019)	1,408,504	1,456,056
<i>Restricted assets</i>																
Buildings and improvements	27,457	4,442	25	-	(220)	-	1,929	33,633	(17)	(2,053)	-	24	-	(2,046)	27,440	31,587
Land	57,444	380	310	(99)	-	-	-	58,035	-	-	-	-	-	-	57,444	58,035
Items under construction	2,177	-	-	-	-	-	(1,929)	248	-	-	-	-	-	-	2,177	248
Total restricted assets	87,078	4,822	335	(99)	(220)	-	-	91,916	(17)	(2,053)	-	24	-	(2,046)	87,061	89,870
TOTAL PROPERTY, PLANT AND EQUIPMENT	1,615,694	23,377	3,562	(3,046)	27,415	(166)	-	1,666,836	(18,242)	(18,890)	1,555	13,748	-	(21,829)	1,597,452	1,645,007

Accounting policy

Property, plant and equipment

Property, plant and equipment is categorised into:

- (i) Operational assets – these are used to provide core council services (e.g. buildings, plant and equipment, library books).
- (ii) Infrastructural assets – these are the fixed utility systems owned by council that are required for the infrastructure network to function. They include roading, water, wastewater and storm water networks.
- (iii) Restricted assets – the use or transfer of these assets is legally restricted. They include parks and reserves.

The Council does not pledge any property, plant and equipment as collateral for borrowings and none are subject to finance leases.

Initial recognition

Expenditure is capitalised as property, plant and equipment when it creates a new asset or extends or expands the service potential of an existing asset.

The costs of day-to-day servicing of property, plant and equipment are expensed as they are incurred.

Measurement

Property, plant and equipment is initially recognised at cost, or in the case of vested assets that are acquired for nil or nominal cost, at fair value. The initial cost includes all costs (other than borrowing costs) that are directly attributable to constructing or acquiring the asset and bringing it into the location and condition necessary for its intended use.

Carrying value

Property, plant and equipment is carried at historical cost less accumulated depreciation and impairment, except for land, buildings, infrastructural assets and park assets which are carried at fair value less depreciation and impairment.

Revaluation

Valuations for Council's land, buildings, park assets and infrastructural assets are performed with sufficient regularity to ensure their carrying amounts are maintained at fair value. The valuations are performed by independent qualified valuers.

Fair value is determined by reference to the depreciated replacement cost or market value on an asset class basis. Optimised depreciated replacement cost is a valuation methodology where the value of an asset is based on the cost of replacement with an efficient modern equivalent making allowance for obsolescence or surplus capacity. The remaining life of the asset is estimated and straight line depreciation applied to bring the replacement cost to a fair value.

In addition, the carrying values are assessed annually to ensure that they do not differ materially from the asset's fair values. If there is a material difference, then off-cycle revaluations are performed on the relevant asset class.

Gains or losses arising on revaluation are recognised in other comprehensive revenue and expense and are accumulated in an asset revaluation reserve for the class of assets. Where this results in a debit balance in the reserve for a class of assets, the balance is expensed in surplus or deficit in the statement of comprehensive revenue and expense. Any subsequent increase in value that offsets a previous

decrease in value will be recognised firstly in surplus or deficit in the statement of comprehensive revenue and expense up to the amount previously expensed, with any remaining increase recognised in the revaluation reserve.

Work in progress

Work in progress represents the cost of capital expenditure projects that are not financially and operationally complete. Capital work in progress is recognised at cost less impairment and is not depreciated.

The cost of assets within work in progress is transferred to the relevant asset class when the asset is in the location and condition necessary for its intended use.

Depreciation

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant or equipment less any residual value, over its remaining useful life. The residual value and useful life of an asset is reviewed and adjusted if applicable, at each financial year end.

Depreciation is charged on all assets other than land, certain parts of roading, river control and seawalls, that are composed of at least 80% base course and/or rocks, as these assets are considered to have indefinite useful lives. Regular inspections of these assets are undertaken to check for impairment.

Depreciation is not charged on work in progress until such time as the asset under construction is in its intended location and in use.

Disposal

Gains and losses on disposal of property, plant and equipment are recognised in surplus or deficit in the statement of comprehensive revenue and expense in the financial year in which they are sold.

Asset category	Useful life for new assets (years)
Operational assets	
Buildings	3 – 75
Computer equipment	4 – 5
Furniture and chattels	3 – 25
Heritage assets	100
Library collection	5 – 7
Motor vehicles, trucks, motorcycles	10
Office equipment	3 – 10
Other improvements	4 – 100
Public art	10 – 75
Plant and machinery	
Tractors, trailers, heavy mowers	5 – 10
Other plant	3 – 20
Otaihanga Landfill post closure	8
Infrastructural assets	
Bridges	50 – 100
Seawalls	
Concrete, posts, rails, panels, rocks	5 – 60
River control	
Bank protection	50

When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Asset category	Useful life for new assets (years)
Roading	
Footpaths	50 – 60
Surfacing	14 – 20
Transport models	10
Signs, railings, street lights, traffic signals	10 – 50
Drainage, surface water channels, sumps, sump leads, traffic islands	20 – 80
Stormwater	
Stormwater flood maps	10
Pump stations, manholes, Pipes	10 – 100 50 – 100
Wastewater	
Pumps and pump stations	15 – 80
Manholes, cleaning eyes	90
Pipes	70 – 90
Treatment plant	5 – 50
Water	
Storage	60 – 80
Booster stations	10 – 80
Hydrants, valves, tobies	50 – 70
Meters	25
Pipes	30 – 90
Treatment plant	3 – 80

Impairment

The Council's assets are defined as cash generating if the primary purpose of the asset is to provide a commercial return. Non – cash generating asset are assets other than cash generating assets.

The carrying value of cash generating property, plant and equipment assets are reviewed at least annually to determine if there is an indication of impairment. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported in surplus or deficit, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within the statement of comprehensive revenue and expense.

The carry value of non-cash-generating property, plant and equipment assets are reviewed at least annually to determine if there is an indication of impairment. Where an asset's recoverable service amount is less than its carrying amount, it will be reported at its recoverable service amount and an impairment loss will be recognised. The recoverable service amount is the higher of an item's fair value less costs to sell and value in use. A non-cash generating asset's value in use is the present value of the asset's remaining service potential. Losses resulting from impairment are reported in surplus or deficit, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within the statement of comprehensive revenue and expense.

Revaluation methodology

Description	Date of last asset valuation	Valuation method used to assess fair value	Next asset revaluation date
Operational assets			
Land and buildings	30 June 2017	<p>Where the information is available, the fair value of land and buildings are market value based on recent equivalent sales. The majority of Council's land and buildings are of a 'non-tradeable' or specialist nature and the value is based on the fair value of the land plus the optimised depreciated replacement cost of the buildings.</p> <p>Land has been valued as vacant with assessments to comparable market evidence taking into consideration adjustments for size, contour, quality, location, zoning and designation, current and potential uses. Where it is identified that the land is designated reserve the appropriate adjustments to reflect the restricted nature of any future development potential has been made.</p> <p>The most recent independent valuation was performed by AON Valuation Services.</p>	30 June 2020
Infrastructural assets			
Roading, footpaths, bridges and culverts	30 June 2019	<p>The fair value is measured using the optimised depreciated replacement cost method.</p> <p>The valuation is based on the inventory within the Roothing Asset Management and Maintenance (RAMM) database and unit prices updated by Stantec NZ Limited as part of the valuation. The rates for replacement costs of assets are based on current construction costs of similar works. Rates for major items are equivalent rates for similar roading work with other parts of the Wellington region. Unit rates have been adjusted using the appropriate roading construction index.</p> <p>The most recent independent valuation was performed by Stantec NZ Limited.</p>	30 June 2021
Land under roads	30 June 2017	<p>This represents the corridor of land directly under and adjacent to the Council's roading network.</p> <p>The fair value is based on the average market value of land by location and land use. The average market value is obtained from per hectare value of "across the fence" adjoining land discounted by 50% to reflect its restricted nature.</p> <p>The most recent independent valuation was performed by AON Valuation Services.</p>	30 June 2020
Water, Wastewater, Stormwater, Seawall, River control	30 June 2018	<p>The fair value is measured using the optimised depreciated replacement cost method.</p> <p>Valuations are based on the physical attributes of the assets, their condition and their remaining lives based on Council's best information reflected in its assets management plans. The costs are based on current quotes from actual suppliers and as such they include ancillary cost such as breaking through seal, traffic control and rehabilitation. Unit rates are adjusted using the appropriate water and environmental management index.</p> <p>The most recent independent valuation was performed by WSP Opus International Consultants Limited.</p>	30 June 2020
Restricted assets			
Parks and reserves structures	30 June 2017	<p>The fair value is measured using the optimised depreciated replacement cost method.</p> <p>Unit rates were checked against recent contracts for appropriateness and consistency and following the review the replacement costs were assessed using the capital goods price index for reclamation and river control.</p> <p>The most recent independent valuation was performed by AON Valuation Services.</p>	30 June 2020

Council has elected to revalue property, plant and equipment as follows:

Asset classification	Next revaluation	Subsequent revaluation
Water, wastewater and stormwater (including seawalls and river control)	30 June 2020	Every two years thereafter
Roading, excluding land under roads	30 June 2021	Every two years thereafter
Land and buildings (including land under roads revaluations)	30 June 2020	Every three years thereafter
Parks and reserves structures	30 June 2020	Every three years thereafter

Revaluation of property, plant and equipment

The Council's Roading assets (excluding land under roads) were valued as at 30 June 2019.

The revaluation uplift of \$27.311 million was recognised. The increase was mainly due to:

- Since the 2017 revaluation, Council has had a change in Roading Contractor from Downer to Higgins with an increase in unit contract rates;
- Stantec have used the actual unit contract rates in this valuation where they have been available. The increase in unit contract rates has seen some asset such as manholes and sumps value double since the 2017 valuation;
- Continuous improvement of the asset management and data quality held in the Roading Asset Management System (RAMM).

Impairment

Waikanae Library

In late November 2018 a decision was made to close the Waikanae Library due to the identification of the presence of toxic mould within the building. Council was advised that the air quality could not be effectively managed in a way that would not compromise the health and safety of persons working in or using the building for its intended purpose.

Independent consultants, Miyamoto International New Zealand, completed a building assessment report that confirmed that the building had significant water intrusion problems with estimated cost of restoration of \$1.977 million. AON Valuation Services assisted Council in determining the buildings Depreciated Replacement cost and an impairment loss of \$877,180 was recognised in other comprehensive revenue and expense. The recoverable service amount and impairment loss was calculated as follows:

Waikanae Library	
2018/19	Actual \$000
Carry value at 30 June 2019	877
Depreciated Replacement cost	1,053
Estimated restoration cost	1,977
Recoverable Service Amount	(924)
Impairment loss	877

Te Newhanga Community Centre

As part of Council's work with the community to shift the community centre back to a community-based provider, a building assessment of the centre was obtained. The report indicated moisture intrusion problems with evidence of mould contained in the walls. Miyamoto International New Zealand, estimated that the cost to remedy the weather-tightness issues identified was \$1.196 million. AON Valuation Services assisted Council in determining the buildings Depreciated Replacement cost and an impairment loss of \$1.196 million was recognised in other comprehensive revenue and expense. The recoverable service amount and impairment loss was calculated as follow:

Te Newhanga Community Centre	
2018/19	Actual \$000
Carry value at 30 June 2019	1,495
Depreciated Replacement cost	1,495
Estimated restoration cost	1,196
Recoverable Service Amount	299
Impairment loss	1,196

Property, plant and equipment (continued)			
Summary of gains/(losses) on disposal of property, plant and equipment			
	Net sale proceeds \$000	Carry amount \$000	2018/19 gain/(loss) \$000
Land	479	395	84
Buildings	242	291	(49)
Plant and machinery	26	-	26
Closing balance	747	686	61

Motor vehicle fleet summary					
2018/19	1 July 2018	Additions	Disposals during the year	Held for sale as at 30 June 2019	30 June 2019
	number	number	number	number	number
Heavy commercial vehicles (trucks)	12	-	(1)	-	11
Light commercial vehicles (utilities, 4WD, vans, minibuses)	53	1	-	-	54
Passenger vehicles (hatch, sedan, station wagons, 4WD)	24	-	-	-	24
Motorcycles, ATV, quad bikes	2	-	-	-	2
TOTAL FLEET	91	1	(1)	-	91

The replacement criteria for light commercial and passenger vehicles is the earlier of the vehicles travelling 100,000 km or reaching five years of age.

13. Intangible assets		
		Total Actual \$000
Computer software		
Cost	Opening balance 1 July 2018	1,978
	Additions/Transfers during the year	347
	Disposals during the year	-
Closing balance 30 June 2019		2,325
Amortisation	Opening balance 1 July 2018	(952)
	Amortisation during the year	(393)
	Disposals during the year	-
Closing balance 30 June 2019		(1,345)
Carrying value	As at 30 June 2018	1,026
Carrying value	As at 30 June 2019	980

Accounting policy

An intangible asset is an identifiable non-monetary asset without physical substance. An asset is a resource that is controlled by the entity as a result of past events and from which future economic benefits are expected.

Computer software

Computer software is carried at cost, less any accumulated amortisation and impairment losses.

Computer software is initially capitalised on the basis of the costs incurred to either develop or acquire it and bring it to the location and condition required for its intended use. Amortisation on a straight-line basis over the period of useful life begins from the time the asset is available for use. The estimated useful life of our computer software is 3–5 years.

Realised gains/losses on disposal of intangible assets are recognised in surplus or deficit in the statement of comprehensive revenue and expense.

Accounting policy (continued)

Impairment

The carrying value of intangible assets are reviewed at least annually to determine if there is an indication of impairment. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and a loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported in surplus or deficit.

14. Capital expenditure by activity		
2017/18 Actual \$000		2018/19 Actual \$000
758	Water	1,497
7,372	Access and transport	7,316
658	Coastal management	1,994
2,132	Wastewater management	823
1,501	Stormwater management	2,562
4,066	Economic development	2,891
463	Community facilities and community support	1,382
1,211	Parks and open spaces	1,630
4,188	Recreation and leisure	1,217
65	Regulatory services	24
504	Governance and tangata whenua	91
863	Corporate	804
7	Solid waste	-
23,788	Total capital expenditure	22,231

15. Summary of capital projects over \$250,000

	2018/19 Actual \$000	2018/19 Budget \$000	2018/19 Variance \$000	2018/19 Carry over to 2019/20 \$000	Carry over to future years \$000
Asset Renewal					
Districtwide housing	733	276	(457)	-	-
EQP building remedial work - districtwide	191	409	218	123	-
Book purchases	400	402	2	-	-
NZTA footpath	636	638	2	-	-
NZTA sealed road resurfacing	1,207	1,144	(63)	-	-
NZTA traffic services	277	411	134	-	-
Paekākāriki Seawall	852	854	2	-	-
Paraparaumu - Memorial hall	65	260	195	183	-
Paraparaumu Wastewater Treatment Plant	323	481	158	-	-
Stormwater minor works	584	512	(72)	-	-
Wastewater reticulation - planned	293	200	(93)	-	-
Water network - unplanned	355	205	(150)	-	-
Projects Individually under \$250,000	3,907	4,456	549	865	-
Subtotal	9,823	10,248	425	1,171	-
New assets/upgrades					
Coastal projects	749	585	(164)	-	-
Cycleways, Walkways & Bridleways	157	309	152	-	-
Kāpiti College performing arts centre	-	1,600	1,600	1,600	-
Maclean Park	361	362	1	-	-
NZTA footpath	329	329	-	-	-
NZTA LED streetlight deployment	1,222	1,487	265	-	-
NZTA minor safety improvements	342	364	22	-	-
Self insurance contingency fund	-	254	254	254	-
SH1 revocation	311	1,779	1,468	905	-
Stormwater category A - habitable floor flooding	1,496	1,565	69	-	-
Strategic land purchase	536	763	226	246	-
Stride N Ride	927	1,151	224	-	-
Town centres	2,213	1,790	(423)	-	-
Waikanae duplicate rising main	(190)	971	1,161	-	921
Waikanae emergency rail access	454	355	(99)	-	-
Waikanae library building	262	945	683	-	-
Waikanae water treatment plant Stage 2	514	1,250	736	-	404
Water network	121	250	129	-	-
Wharemauku block wall	267	265	(2)	-	-
Projects Individually under \$250,000	2,337	2,550	214	408	-
Subtotal	12,408	18,924	6,516	3,413	1,325
Total	22,231	29,172	6,941	4,584	1,325

16. Insurance

To reduce the cost of insurance, the Council uses a combination of:

- 1) Transferring the risk by purchasing external insurance cover.
- 2) Sharing the risk between councils. The Council participates in an outer Wellington shared services insurance programme with Porirua, Hutt and Upper Hutt City Councils for the risk of material damage and business interruption arising from damage to property, plant and equipment and infrastructure assets, both above and below ground. This policy includes cover in the event of a natural catastrophe.
- 3) Council's maximum limits of liability for the Kāpiti district's infrastructure assets have been determined independently through earthquake and liquefaction loss estimate analysis completed by Tonkin Taylor Limited.
- 4) The total value of Council's assets that are covered by insurance contracts and/or financial risk sharing arrangements and the maximum insurance amount available to council are included in the table below.
- 5) Council does not insure land, roading, bridges and its forestry and does not administer or hold a restricted self-insurance fund.
- 6) Council holds sufficient professional liability and indemnity insurance cover

Asset	Type of insurance	Total value of council assets covered by financial risk sharing arrangements as at 30 June 2019	Maximum limit of insurance cover available to council under those arrangements as at 30 June 2019
Property, plant and equipment and above- ground infrastructural assets	Material damage and business interruption	\$200 million	\$600 million for any one loss or series of losses arising out of any one event and applying to material damage and business interruption combined.
Residential property	Earthquake Commission (EQC) and material damage	\$27 million	Natural catastrophe: First \$0.1 million for each loss event per property to be recovered from the EQC. Any remaining top-up required per loss event per property to a maximum of \$27 million for 130 properties. All other losses: Replacement value per loss event per property to a maximum of \$27 million for 130 properties.
Motor vehicles	Comprehensive motor vehicle cover	\$3.03 million	Fleet vehicles: Market or lease value of insured vehicle at the time and place of loss, limited to \$0.4 million for any one insured vehicle, unless notified to insurer. Third party liability: limit indemnity of \$20 million for any one claim or series of claims arising from any one accident.
Underground infrastructural assets	Material damage and business interruption in the event of natural catastrophe	\$648 million	\$600 million combined material damage and business interruption limit for an event involving more than one council for any loss or series of losses arising out of any one event and is subject to one automatic reinstatement at nil charge. Limited to a \$130 million sub-limit.

17. Trade and other payables

2017/18 Actual \$000		2018/19 Actual \$000
	Trade and other payables	
11,897	Trade creditors	13,380
1,036	Contract retentions	1,184
1,479	Greater Wellington Regional Council rates payable	1,559
754	Interest payable	804
2,155	Rates received in advance	2,388
842	Sundry payables	782
18,163	Total trade and other payables	20,097

Accounting policy

Trade and other payables are initially recognised at fair value. Those with maturities beyond 12 months are subsequently measured at amortised cost using the effective interest rate method.

18. Employee benefit liabilities

2017/18 Actual \$000		2018/19 Actual \$000
	Current	
58	Long service leave	31
62	Salaries	70
92	Sick leave	112
1,819	Annual leave	1,713
2,031	Total current employee benefit liabilities	1,926
	Non-current	
61	Long service leave	62
69	Retirement gratuities	50
130	Total non-current employee benefit liabilities	112
2,161	Total employee benefit liabilities	2,038

Accounting policy

Short term employee entitlements

Employee entitlements for salaries and wages, annual leave, long service leave, sick leave, and other such benefits are recognised in surplus or deficit in the statement of comprehensive revenue and expense when they accrue to employees. Employee entitlements to be settled within 12 months are reported at the amount expected to be paid.

A liability for sick leave is recognised only to the extent that absences in the following financial year are expected to exceed the full sick leave entitlements to be earned in that year.

Long term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, contractual entitlement information, and
- present value of the estimated future cash flows.

Employer contribution to pension schemes

Contributions to defined contribution retirement schemes such as KiwiSaver, are recognised in surplus or deficit in the statement of comprehensive revenue and expense when they accrue to employees

19. Deposits		
2017/18 Actual \$000		2018/19 Actual \$000
	Deposits	
8	Hall deposits	10
14	Miscellaneous deposits	15
632	Resource consent planning bonds	381
583	Road damage deposits	713
1,237	Total deposits	1,119

Accounting policy

Deposits are non-interest bearing and normally settles within 12 months, therefore the carrying values approximate fair value.

20. Borrowings		
2017/18 Actual \$000		2018/19 Actual \$000
30,000	Short term borrowings	45,000
175,000	Long term borrowings	165,000
205,000	Total borrowings	210,000
	Maturity	
30,000	2018/19	-
45,000	2019/20	45,000
40,000	2020/21	40,000
35,000	2021/22	45,000
15,000	2022/23	30,000
5,000	2023/24	5,000
20,000	2024/25	20,000
-	2025/26	10,000
15,000	2026/27	15,000
205,000	Total borrowings	210,000

Accounting policy

Borrowings are initially recognised at face value plus transaction cost. After initial recognition, all borrowings are measured at amortised cost using the effective interest rate.

Due to interest rates on debt resetting to the market rate every three months, the carrying amounts of the secured loans approximate their fair value.

Borrowings are primarily used to fund the purchase of new assets or upgrades to existing assets that are approved through the Annual Plan and Long Term Plan process.

The Council joined the Local Government Funding Agency (LGFA) as a shareholder in October 2012 and has borrowed longer term funding through the LGFA to make savings on interest rate margins. As at balance date, \$210 million (2018: \$205 million) of Council's total borrowings were funded through LGFA.

The Council's borrowings from the LGFA are secured by a Debenture Trust Deed over Council rates revenue.

As at balance date, the effective weighted average interest rate on Council's borrowings was 4.46% (2018: 4.52%).

Net borrowing at 30 June		
2017/18 Actual \$000		2018/19 Actual \$000
205,000	Total gross borrowings	210,000
	Less	
(4,052)	Cash and cash equivalents (note 7)	(4,086)
(49,500)	Term deposits > 3 months (note 10)	(55,000)
(3,280)	Borrow notes - NZ Local Government Funding Agency (note 10)	(3,360)
148,168	Net borrowings	147,554

21. Provisions		
2017/18 Actual \$000		2018/19 Actual \$000
Weathertight buildings		
46	Opening balance	314
300	Increase/(decrease) in provision	(300)
(32)	Expenditure	(14)
314	Closing balance 30 June	-
Landfill aftercare		
5,065	Opening balance	3,472
(1,090)	Increase/(decrease) in provision	(50)
(503)	Expenditure	(346)
3,472	Closing balance 30 June	3,076
Other provisions		
306	Opening balance	211
(33)	Increase/(decrease) in provision	204
(62)	Expenditure	(57)
211	Closing balance 30 June	358
3,997	Total provisions	3,434

Accounting policy

Council's recognise a provision for future expenditure of uncertain amount or timing 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 measured at the level of expenditure expected to be required to settle the obligation. Material liabilities and provisions to be settled beyond 12 months are recorded at their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Provisions		
2017/18 Actual \$000		2018/19 Actual \$000
Current		
314	Provision for weathertight buildings	-
572	Provision for landfill aftercare	280
155	Other provisions	277
1,041	Total current provisions	557
Non-current		
-	Provision for weathertight buildings	-
2,900	Provision for landfill aftercare	2,796
56	Other provisions	81
2,956	Total non-current provisions	2,877
3,997	Total provisions	3,434

Provision for weathertight buildings

This provision represents the Council's estimated liability relating to the settlement of claims arising in relation to the Weathertight Homes Resolution Services (WHRS) Act 2006 and civil proceedings for weather tightness.

At balance date, the Council has provided the estimated costs of known claims currently outstanding, including those claims lodged with WHRS but not yet being actively managed. This method of calculation is consistent with prior years.

Landfill aftercare provision

Council currently operates the Otaihanga landfill and also manages the Ōtaki and Waikanae sites which are now closed.

Council obtained a resource consent for 35 years in 1994 to operate the Otaihanga landfill. Council has responsibility under the Resource Management Act 1991 to provide ongoing maintenance and monitoring of landfills after closure.

These closure responsibilities include:

- final cover application and vegetation
- stormwater control features
- completing wetlands for leachate treatment and monitoring, and
- completing facilities for monitoring and management of any landfill gas.

Landfill aftercare provision (continued)

Post-closure responsibilities include:

- monitoring of leachate
- ground water monitoring and surface water monitoring, and
- ongoing site maintenance for stormwater control, final cover and vegetation.

The Otaihanga landfill has been closed for general waste since 2007 and stopped accepting biosolids during 2015/16. Cleanfill (capping material) will however continue to be accepted until final closure in 2026 (2018:2026).

The annual cost for monitoring and maintenance of the Otaihanga landfill site after closure is estimated to be \$85,362 per year for the first three years after closure, \$69,951 per year for the next five years and then an annual monitoring cost of \$60,746 for the remaining 22 years.

The annual cost for monitoring the closed landfills in Waikanae and Ōtaki is \$5,500 per landfill and will be required until 2030 for Waikanae and 2026 for Ōtaki.

The long-term nature of the liability means that there are inherent uncertainties in estimated costs that will be incurred.

The provision is calculated as the present value of the expected cost to settle the obligation, using estimated cash flows and a discount rate that reflects the risks specific to the liability.

Due to the inherent uncertainty of the estimated cost of the provision, Council has continued to use a discount rate of 50% of the government's risk free rate (average of 1.05%) compared to 1.57% in 2018/19.

The provision is based on best estimated information available when preparing the calculation and is reviewed at reporting date.

Accounting policy

Landfill aftercare costs

Council, as operator of the Otaihanga landfill, has a legal obligation under the resource consent to provide ongoing maintenance and monitoring services at the landfill site post-closure.

The provision is based on the nominal value of future cash flows expected to be incurred, taking into account future events including known change to legal requirements and technology. The provision includes all costs associated with landfill post-closure including final cover application and vegetation, incremental drainage control features, completing facilities for leachate collection and monitoring, completing facilities for water quality monitoring, and completing facilities for monitoring and recovery of gas.

The provision is calculated as the present value of the expected cost to settle the obligation, using estimated cash flows and a discount rate that reflects the risks specific to the liability.

Amounts provided for landfill post-closure are capitalised to the landfill asset. The capitalised landfill asset is depreciated over its remaining useful life.

Equity

Equity is the community's interest in council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of components to enable clearer identification of the specified uses of equity.

The components of public equity are accumulated funds, revaluation reserves and reserves and special funds. Refer to the statement of changes in net asset/equity for the year-on-year movements of the various components.

22. Revaluation reserve				
	Opening balance	Increase	Decrease	Closing balance 2018/19
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Land and buildings	57,888	-	(2,350)	55,538
Roading and bridges	711,294	27,315	-	738,609
Water	32,152	-	-	32,152
Wastewater	74,204	-	-	74,204
Stormwater and river control	18,643	-	-	18,643
Total revaluation reserve	894,181	27,315	(2,350)	919,146

The revaluation reserves are used to record accumulated increases and decreases in the fair value of certain asset classes. Revaluation movements are non-cash in nature and represent the restating of the Council's assets, subject to revaluation, into current dollar values after taking into account the condition and remaining lives of the assets.

23. Reserves and special funds				
	Opening balance	Transfers into reserve	Transfers out of reserve	Closing balance 2018/19
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Restricted reserves				
Plant purchase and renewal fund	915	381	(54)	1,242
Waikanae property fund	93	3	-	96
Waikanae capital improvements fund	1,227	38	(200)	1,065
Total restricted reserves	2,235	422	(254)	2,403
Council-created reserves				
Contingency fund	6	150	-	156
Paekākāriki Campe Estate	121	13	(4)	130
Roading reserve	785	-	-	785
Election reserve	-	50	(18)	32
LTP Reserve	-	41	-	41
Financial contribution reserve	1,010	701	(344)	1,367
Total council-created reserves	1,922	955	(366)	2,511
Total reserves and special funds	4,157	1,377	(620)	4,914

Accounting policy

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

Council-created reserves are reserves created by a council decision. Council may alter them without reference to any third party or the courts. Transfers to and from these reserves are at the Council's discretion.

Plant purchase and renewal fund

The purpose of the reserve is to fund ongoing replacement of plant and vehicles when this falls due. The reserve is funded from depreciation charges on our current plant and vehicles.

Waikanae property fund

The purpose of the reserve is to fund improvements to council-owned properties in Waikanae. The source of funds is the proceeds from sale of other council property in the Waikanae ward (excluding districtwide funded properties).

Waikanae capital improvements fund

The purpose of the reserve is to fund capital improvements in the Waikanae ward and also to provide capital grants to Waikanae organisations in accordance with approved criteria. The source of funds is Waikanae ward's share of the property assets of the Horowhenua County Council and interest earned on the capital sum.

Contingency fund

This is a discretionary fund for the purpose of funding unexpected legal expenditure across the district, e.g. leaky home claims, flood events and insurance excess.

Paekākāriki Campe Estate

The purpose of the reserve is to fund administration of the Paekākāriki Campe Estate for the benefit of the youth of Kāpiti. The source of the funds is the proceeds from sale of the property owned by Mr Campe plus interest on the capital sum.

Roading reserve upgrading contributions

The purpose of the reserve is to fund road upgrading works. The source of funds was road upgrading development contributions from developers.

Election reserve

The purpose of the reserve is to fund the three yearly election cycle.

LTP reserve

The purpose of the reserve is to fund the three yearly long term plan.

Financial contribution reserve

Financial contributions are a contribution of money, land, or a combination of both. The purpose of a financial contribution (consisting mainly of reserves contributions) is to address the specific adverse effects generated by a land use activity or subdivision. This includes effects on open spaces and reserves; upgrading off-site infrastructure, before programmed works that will address any environmental effects created by the proposed development; significant heritage and ecological features; and riparian margins.

24. Reconciliation of operating surplus/(deficit) to cash flow from operating activities		
2017/18 Actual \$000		2018/19 Actual \$000
4,100	Net operating surplus/(deficit) for the year	(4,923)
	Add/(less) non-cash items	
19,240	Depreciation and amortisation expense	20,569
(3,562)	Vested assets	(1,112)
1,811	Unrealised loss/(gain) on revaluation of financial derivatives	8,021
166	Impairment of property, plant and equipment	-
313	(Gains)/losses in fair value of forestry assets	30
(101)	Present value adjustments	-
17,867	Total non-cash items	27,508
	Add/(less) items classified as investing or financing activities	
91	Loss/(gain) on disposal of property, plant and equipment and intangibles	(61)
(4,095)	Proceeds from capital grants	(3,931)
9,715	Interest on borrowings	9,509
5,711	Total investing or financing activities	5,517
	Add/(less) movements in working capital items	
756	(Increase)/decrease in receivables	(938)
(6)	(Increase)/decrease in inventory	(39)
(1,371)	Increase/(decrease) in payables	1,934
(60)	Increase/(decrease) in employee entitlements	(123)
417	Increase/(decrease) in deposits	(118)
(1,420)	Increase/(decrease) in provisions	(433)
(1,684)	Total movement in working capital	283
25,994	Net cash inflow/(outflow) from operating activities	28,385

25. Financial instruments

The accounting policies for financial instruments have been applied to the line items below.

Financial instruments categories		
2017/18 Actual \$000		2018/19 Actual \$000
	Financial assets	
	Loans and receivables	
4,052	Cash and cash equivalents	4,086
7,612	Trade and other receivables	7,712
527	Loans	481
3,280	LGFA borrower notes	3,360
49,500	Term deposits	55,000
64,971	Total loans and receivables	70,639
	Available-for-sale	
21	Perpetual notes	21
100	Shares in LGFA	100
15	Shares in Civic Financial Services	15
136	Total available-for-sale	136
	Financial liabilities	
	Fair value through other comprehensive revenue and expense	
	Derivative financial instruments	
244	Current	417
12,951	Non-current	20,832
13,195	Total fair value through other comprehensive revenue and expense	21,249
	Financial liabilities at amortised cost	
16,008	Trade and other payables	17,709
205,000	Borrowings	210,000
221,008	Total financial liabilities at amortised cost	227,709

Accounting policy

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Financial assets include cash and cash equivalents, receivables (net of doubtful debt provisions), community loans, and other interest-bearing assets, and investments in unlisted shares.

Council's financial assets are classified into the following categories for the purpose of measurement:

Financial assets at amortised cost

Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

They are initially recognised at fair value. Loans and receivables with maturities beyond 12 months are subsequently measured at amortised cost using the effective interest method, less any impairment.

Financial assets at fair value through surplus or deficit

Derivatives

Financial assets in this category include derivatives and financial assets that are held for trading. They are initially recognised at fair value and subsequent measurement is on the same basis, i.e. fair value. Gains or losses on revaluation or impairment are recognised in surplus or deficit in the statement of comprehensive revenue and expense.

Financial assets at fair value through other comprehensive revenue and expense

Available for sale financial assets

These are non-derivative financial assets that are designated as available for sale or do not fall within any of the above classifications of (a) loans and receivables, (b) held-to-maturity investments, or (c) financial assets at fair value through operating surplus or deficit.

Accounting Policy (continued)

Financial assets (continued)

They are initially recorded at fair value plus transaction costs directly attributable to the acquisition or issue, and are subsequently measured at fair value less any impairment.

If the asset is an equity instrument that does not have a quoted price in an active market and fair value cannot be reliably measured, the asset is measured at cost.

Any gains or losses are recognised in other comprehensive revenue and expense, except for impairment losses which are recognised in surplus or deficit in the statement of comprehensive revenue and expense.

Impairment of financial assets

Financial assets are assessed at each reporting period for impairment.

Impairment is assessed on an expected credit loss model.

For loans and receivables and held-to-maturity investments, impairment is established when there is evidence that the credit risk on a financial asset has increased significantly since initial recognition. When making the assessment, the Council uses the change in the risk of default occurring over the expected life of the financial asset. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation, and default in payments are indicators that the asset is impaired.

For available for sale financial assets impairment is first recognised as a reversal of previously recorded revaluation reserve for that class of asset. Where no reserve is available, the impairment is recognised in the surplus/deficit in the prospective statement of comprehensive revenue and expense.

The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account.

Financial liabilities

Financial liabilities at amortised cost

(i) Trade and other payables

Trade and other payables are initially recognised at fair value. Those with maturities beyond 12 months are subsequently measured at amortised cost using the effective interest rate method.

(ii) Borrowings

Borrowings are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities at fair value through surplus or deficit

(i) Derivative financial instruments

Council uses derivative financial instruments in the form of interest rate swaps to manage interest rate risks arising from borrowing activities. In accordance with its treasury management policy, council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into, and subsequently re-measured to fair value at the end of each reporting period.

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. The fair value is determined using a valuation technique based on cash flows discounted to present value using current market interest rates. Fair value gains or losses on revaluation are recognised in surplus or deficit in the statement of comprehensive revenue and expense.

The Council has not adopted hedge accounting.

Fair value

Fair value is the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The fair values of all financial instruments equate to the carrying amount recognised in the statement of financial position.

Fair value hierarchy disclosures

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy.

Level 1 – the fair value is calculated using quoted prices in an active market.

Level 2 – the fair value is estimated using inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

There were no transfers between the different levels of the fair value hierarchy.

The table below analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position.

Fair value hierarchy disclosures								
\$000	2018/19				2017/18			
	Quoted market price	Valuation technique – market observable inputs	Valuation technique – non-market observable inputs	Total	Quoted market price	Valuation technique – market observable inputs	Valuation technique – non-market observable inputs	Total
	(level 1)	(level 2)	(level 3)		(level 1)	(level 2)	(level 3)	
Financial assets								
Derivative financial instruments	-	-	-	-	-	-	-	-
Perpetual notes	-	21	-	21	-	21	-	21
Shares in Civic Financial Services	-	15	-	15	-	15	-	15
Shares in LGFA	-	100	-	100	-	100	-	100
Total	-	136	-	136	-	136	-	136
Financial liabilities								
Derivative financial instruments	-	21,249	-	21,249	-	13,195	-	13,195
Total	-	21,249	-	21,249	-	13,195	-	13,195

Financial risk management

As part of its normal operations, council is exposed to a variety of risks. The most significant are credit risk, liquidity risk and interest rate risk. Council's exposure to these risks and the action that Council has taken to minimise the impact of these risks is outlined below.

Credit risk

Credit risk is the risk that a third party will default on its obligations to council, thereby causing a loss. Council is not exposed to any material concentration of credit risk other than its exposure within the Wellington region. Receivables balances are monitored on an ongoing basis with the result that Council's exposure to bad debts is not significant.

The table below analyses Council's financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date.

The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

Contractual maturity analysis of financial assets						
2018/19	Carrying amount	Total contractual cashflow	0-12 months	1-2 years	2-5 years	More than 5 years
	\$000	\$000	\$000	\$000	\$000	\$000
Cash and cash equivalents	4,086	4,086	4,086	-	-	-
Trade and other receivables	7,712	7,712	7,712	-	-	-
Loan receivables	481	583	65	65	183	270
Term deposits	55,000	57,293	46,829	10,464	-	-
LGFA borrow notes	3,360	3,810	777	728	1,435	870
Total	70,639	73,484	59,469	11,257	1,618	1,140

Contractual maturity analysis of financial assets

2017/18	Carrying amount	Total contractual cashflow	0-12 months	1-2 years	2-5 years	More than 5 years
	\$000	\$000	\$000	\$000	\$000	\$000
Cash and cash equivalents	4,052	4,143	4,143	-	-	-
Trade and other receivables	7,612	7,612	7,612	-	-	-
Loan receivables	527	638	67	66	193	312
Term deposits	49,500	51,238	35,697	15,541	-	-
LGFA borrow notes	3,280	3,555	489	744	1,557	765
Total	64,971	67,186	48,008	16,351	1,750	1,077

The council is exposed to credit risk as a guarantor of all of the LGFA's borrowings. Information about this exposure is explained in note 29.

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available).

Counterparties with credit ratings

	2018/19	2017/18
	\$000	\$000
Cash and cash equivalents and term deposits - registered banks		
AA-	59,086	53,522
LGFA borrow notes		
AA+	3,360	3,280
	62,446	56,802

Liquidity risk

Liquidity risk is the risk that Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions.

Council manages its borrowings in accordance with its treasury management policy. Council has a \$20 million credit line facility with Westpac Banking Corporation.

The Council is exposed to liquidity risk as a guarantor of all of the LGFA's borrowings. Information about this exposure is explained in note 29.

The table below sets out the contractual cash flows from all financial liabilities that are settled on a gross cash flow basis. Contractual cash flows for financial liabilities comprise the nominal amount and interest payments.

Contractual maturity analysis of financial liabilities						
2018/19	Carrying amount	Total contractual cash flows	0-12 months	1-2 years	2-5 years	More than 5 years
	\$000	\$000	\$000	\$000	\$000	\$000
Trade and other payables	17,709	17,709	17,709	-	-	-
Derivative financial instruments	21,249	21,249	4,660	4,192	9,657	2,740
Borrowings	210,000	225,808	49,488	43,605	85,712	47,003
Total	248,958	264,766	71,857	47,797	95,369	49,743

Contractual maturity analysis of financial liabilities						
2017/18	Carrying amount	Total contractual cash flows	0-12 months	1-2 years	2-5 years	More than 5 years
	\$000	\$000	\$000	\$000	\$000	\$000
Trade and other payables	16,008	16,008	16,008	-	-	-
Derivative financial instruments	13,195	21,436	4,656	4,134	8,902	3,744
Borrowings	205,000	223,737	35,170	49,062	96,735	42,770
Total	234,203	261,181	55,834	53,196	105,637	46,514

Interest rate risk

The main objective of interest rate risk management is to reduce uncertainty around net interest expense as interest rates change.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates expose the council to fair value interest rate risk. The Council's treasury management policy outlines the level of borrowing that is to be secured using fixed rate instruments.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose council to cash flow interest rate risk.

Generally, Council raises long-term borrowings at floating rates and swap them into fixed rates using interest rate swaps in order to manage the cash flow interest rate risk. Such Interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if council borrowed at fixed rates directly. Under the interest rate swaps, the Council agrees with other parties to exchange, at specified intervals, the difference between contracted fixed rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

As at 30 June 2019, Council has interest rate swap agreements in place in relation to its borrowing programme. Including forward start swaps, the notional contract value of these agreements was \$225.5 million (2018: \$211.1 million).

The fixed interest rate range for Council's interest rate swaps are 1.64% to 5.75%. The net fair value of the interest rate swaps as at 30 June 2019 was \$21.3 million net liability (2018: \$13.2 million net liability).

The movement in the fair value of interest rate swaps at balance date is taken directly to the statement of comprehensive revenue and expense.

Sensitivity analysis

In managing interest rate risk, the Council aims to reduce the impact of short-term interest fluctuations on Council. Over the longer term, however, permanent changes in interest rates will have an impact on financial performance.

The tables on the following page illustrate the potential effect on the net operating surplus or deficit for reasonably possible market movements, with all other variables held constant, based on council's financial instrument exposures at balance date

Fair value sensitivity				
\$000	2018/19		2017/18	
	+100 BPS	-100 BPS	+100 BPS	-100 BPS
Interest rate risk				
Financial assets				
Cash and cash equivalents	-	-	25	(25)
Other financial assets – term deposits	550	(550)	495	(495)
Financial liabilities				
Derivative financial instruments – current	75	(76)	61	(63)
Derivative financial instruments – non current	9,402	(10,078)	8,596	(9,238)
Borrowings	-	-	-	-
Gain/(loss)	10,027	(10,704)	9,177	(9,821)

Cash flow sensitivity				
\$000	2018/19		2017/18	
	+100 BPS	-100 BPS	+100 BPS	-100 BPS
Interest rate risk				
Financial assets				
Cash and cash equivalents	41	(41)	16	(16)
Other financial assets – LGFA notes	34	(34)	33	(33)
Financial liabilities				
Derivative financial instruments – current	260	(260)	100	(100)
Derivative financial instruments – non current	1,995	(1,995)	2,011	(2,011)
Borrowings	(2,100)	2,100	(2,050)	2,050
Gain/(loss)	230	(230)	110	(110)

26. Related party disclosures

Related party transactions – key management personnel

For the purposes of related party disclosures, key management personnel include the mayor, councillors, the chief executive and the senior leadership team.

During the year, key management personnel have been involved in transactions with council that are of a minor and routine nature and were conducted at arm's length, such as payment of rates. These transactions have been conducted on normal commercial terms.

As at balance date, there were no commitments from council to key management personnel. The mayor and councillors disclose their personal interest in a register available on the council website.

The Local Government Act 2002 requires the council to disclose the total remuneration of key management personnel for the reporting period.

Key management personnel		
<i>Members</i>	2017/18	2018/19
Councillors and elected members	27	27
Senior Management Team, including Chief Executive Officer	6	6
Total Members	33	33

<i>Remuneration</i>	2017/18 \$000	2018/19 \$000
Councillors and elected members	663	695
Senior Management Team, including Chief Executive Officer	1,447	1,356
Total remuneration key management personnel	2,110	2,051

27. Remuneration and Staffing levels

Councillors and elected members' remuneration

Council members are paid an annual salary and phone and broadband costs are subsidised. Total remuneration paid for the year ended 30 June 2019 is summarised in the table at right.

Remuneration of councillors and elected members	
2018/19 Name	Total remuneration Actual \$000
Councillors	
K Gurunathan – Mayor	121
Angela Buswell	36
David Scott	36
Fiona Vining	44
Jackie Elliott	40
James Cootes	45
Janet Holborow	47
John Howson	36
Mark Benton	40
Michael Scott	45
Mike Cardiff	45
Paekākāriki community board members	
Philip Edwards (Chair)	9
Holly Ewens	5
Paul Hughes	5
Judith Aitken (Started on 11 December 2018)	2
Stephen Eckett (Resigned on 13 October 2018)	2
Paraparaumu – Raumati community board members	
Jonny Best (Chair)	20
Guy Burns	11
Bernie Randall	11
Kathy Spiers	11
Ōtaki community board members	
Christine Papps (Chair)	16
Marilyn Stevens	8
Kerry Bevan	8
Shelly Warwick	8
Waikanae community board members	
Jocelyn Prvanov (Chair)	17
James Westbury	9
Jeremy Seamark	9
Tonchi Begovich	9
Total	695

Chief Executive Officer's Remuneration

For the year ended 30 June 2019, Council's Chief Executive, Wayne Maxwell, who was appointed under Section 42(1) of the Local Government Act 2002, received a fixed remuneration package of \$295,000 per annum until 21 July 2018 when the package was increased to \$310,000 per annum (2018: \$295,000).

Employee staffing levels and remuneration

Number of employees		
2017/18		2018/19
252	Permanent full time employees	239
44	Full time equivalents (FTEs) of all permanent non-full time employees	45
35	Full time equivalents of non-permanent staff (Temporary staff)	39
331	Total full time equivalent employees	323

Employees who work more than 37.5 hours per week are deemed a full time equivalent even if they work on a casual basis

Salary bands				
Number of permanent employees (headcount)	Number of non-permanent staff (Temporary staff) (headcount)		Number of permanent employees (headcount)	Number of non-permanent staff (Temporary staff) (headcount)
2017/18	2017/18		2018/19	2018/19
177	59	Less than \$59,999	162	57
80	12	\$60,000 to \$79,999	70	9
36	4	\$80,000 to \$99,999	47	8
20	1	\$100,000 to \$119,999	18	2
14	2	\$120,000 - \$139,999	16	3
6	1	\$140,000 - \$159,999	8	-
-	-	\$160,000 - \$179,999	1	-
5	-	More than \$200,000	6	-
338	79	Total remuneration	328	79

Employee remuneration includes salary and motor vehicles as part of the salary package paid to the employee. These figures represent headcount and so do not agree to the total full time equivalent employees reported at the left

Included in Staff remuneration is severance payments made to four employees (2018: one) totalling \$80,681 (2018: \$15,919). The value of each of the severance payments was \$1,999, \$20,000, \$47,912 and \$10,769.

28. Commitments and operating leases

Capital commitments		
2017/18 Actual \$000		2018/19 Actual \$000
3,842	Contracted capital commitments at 30 June but not yet completed	7,691
3,842	Total capital commitments	7,691

Non-cancellable operating leases (as lessee)		
2017/18 Actual \$000		2018/19 Actual \$000
	<i>Remaining payables under leases</i>	
484	Not later than one year	479
501	Later than one year and not later than five years	392
-	Later than five years	39
985	Non-cancellable operating leases (council as lessee)	910

Council leases commercial premises in Ōtaki and Paraparaumu.

Non-cancellable operating leases (as lessor)		
2017/18 Actual \$000		2018/19 Actual \$000
	<i>Remaining receivables under leases</i>	
527	Not later than one year	575
1,643	Later than one year and not later than five years	1,473
565	Later than five years	476
2,735	Total operating lease commitments (council as lessor)	2,524

Council leases various council-owned land and buildings to the community and to commercial organisations.

29. Council-controlled organisations (CCOs)

Local Government Funding Agency

Background information

On 30 November 2012, council became a principal shareholder local authority in the Local Government Funding Agency (LGFA). Council holds 200,000 shares (total number of shares available 45,000,000) reflecting a 0.44% interest.

The primary objective of the LGFA is to optimise the debt funding terms and conditions for participating local authorities. This includes providing savings in annual interest costs, making longer-term borrowings available and enhancing the certainty of access to debt markets.

Local Government Act (2002) considerations

The LGFA meets the definition of a council-controlled organisation under section 6(10(a)) as an entity in respect of which one or more local authorities have, whether or not jointly with other local authorities or persons, control, directly or indirectly, of 50% or more of the votes at any meeting of the members or controlling body of the entity.

Council therefore has an interest over the LGFA which is subject to the reporting requirements of a council-controlled organisation.

Financial reporting considerations

IPSAS 20 Related party disclosure – Council does not have the ability to control the entity (0.44% shareholding is less than the control threshold). Council does not exercise significant influence over the entity in making financial and operating decisions. The relationship with the LGFA therefore does not meet the definitions of a related party as outlined in the accounting standard.

IPSAS 7 Investments in associates – Council does not exercise significant influence over the entity in making financial and operating decisions. The relationship with the LGFA therefore does not meet the definitions of an associate as outlined in the accounting standard.

IPSAS 6 Consolidated and separate financial statements – Council does benefit from the activities of the LGFA under the terms and conditions of participating local authorities. However, council does not have the power to govern the financial and operating policies of the LGFA and therefore the relationship with the LGFA does not meet the definition of a controlled entity.

Based on the assessments outlined above, the LGFA does not meet the definition of a related party, is not an associate and does not meet the requirements of consolidation into council's financial statements.

Implications

LGA 2002 – LGFA is subject to the reporting requirements imposed on council-controlled organisations as outlined in Part A of the Act.

Financial reporting – There are no financial reporting obligations arising from council's relationship with LGFA.

During the year council borrowed \$35 million from the LGFA and repaid \$30 million to the LGFA.

30. Major variances from budget

Major variances from council's budget figures are explained below.

Statement of comprehensive revenue and expense

Fees and Charges

Fees and charges were \$0.41 million unfavourable to budget. This was mainly due to less regulatory income from building consents and resource consents.

Development and Financial Contributions

Development and Financial Contributions were \$0.46 million favourable to budget due to higher subdivision and building activity than planned. The majority of this development has occurred in Waikanae and Ōtaki.

Other Operating Revenue

Other operating revenue was \$1.36 million favourable to budget mainly due to a greater level of vested assets from subdivision activity mainly in Waikanae and Ōtaki.

Other Operating Expenses

Other operating expenses were \$2.23 million favourable to budget mainly due to lower levels of expenditure in the following areas:

- Resourcing in the Regulatory Group - \$540,000 of the reduced spending is due to lower resourcing levels in the Planning & Regulatory team during the year in response to lower development and building activity.

- Maintenance and operations \$1.30 million – due to lower spending on:
 - planned earnings from the Kāpiti Investment funds due to the Council decision in January to not progress further with the Kāpiti Investment Funds.
 - Iwi Management Plan, Environmental Management and enforcement, Coastal adaptation, Management Projects (Place and Space), Community Grants & Projects.
 - overall maintenance including ICT, and transfer stations
 - overall investigations and Policy & Bylaw works for Water & Wastewater

Interest income

Interest income was \$0.69 million unfavourable to budget due to the Council's decision to not progress further with the Kāpiti investment funds.

Interest expense

Interest expense was \$0.67 million favourable to budget due to the Council resolving to not progress further with the Kāpiti investment funds.

Unrealised loss on financial derivatives

The Council's unrealised loss on revaluation of financial derivatives of \$8.02 million is due to derivative interest rates decreasing since 30 June 2018.

Unrealised gain from revaluation of property, plant and equipment

Roadway assets have been revalued and have increased by \$27.47 million. In addition, the value of the Waikanae Library and Te Newhanga Kāpiti Community Centre have been adjusted to reflect the current conditions of the buildings and an impairment loss of \$2.07 million was recognised directly in the revaluation reserve.

Statement of financial position

Property, plant and equipment

Property, Plant and Equipment is \$22.33 million unfavourable to budget due to:

- Lower capital spending of \$7.51 million for the 2018/19 year;
- \$31.3 million relates to Land Under Roads (a non-depreciated asset) which was included in the 2018/19 budget. This asset class will now be revalued in 2019/20 with the revaluation of all the Council's other land and building asset classes;
- The reduction in the Property, Plant and Equipment balance was offset by a \$15.08 million higher than planned uplift in the revaluation of Roadway assets.

Other financial assets

Other financial assets are \$5.26 million unfavourable to budget, mainly due to the Council not progressing with in the Kapiti Investment Funds (\$20 million), offset by an increase in the level of prefunding (\$15 million).

Borrowings

Gross borrowings are \$16.18 million favourable to budget mainly due to the Council not progressing with in the Kapiti Investment Funds (\$20 million).

Derivative Financial instruments

Derivative financial instruments are \$9.86 million unfavourable to budget. This is mainly due to the fall in fixed interest rate swap rates since 1 July 2018.

31. Contingent liabilities

Guarantees and uncalled capital

Council is one of 31 local authority shareholders of the LGFA and has an obligation in respect of uncalled capital of \$100,000.

At 30 June 2019, the LGFA had borrowings totalling \$9.612 billion (2018: \$8.272 billion).

Council considers the risk of the LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- 1) The only circumstance where LGFA would default on its debt is the event where a council defaulted on a loan obligation that exceeded LGFA's available liquidity assets. As at 30 June 2019, this would need to be a single council default event that exceeded the sum of:
 - cash and deposits of \$192.4 million,
 - LGFA borrower notes of \$154.2 million,
 - LGFA credit facility of \$700 million, and
 - uncalled share capital of \$20 million from LGFA shareholders.
- 2) In the event of an LGFA default, the call on the guarantee is made on the Council's proportion of their share of the underlying rate base.
- 3) In the event of a default exceeding the LGFA's available liquid assets, the council would be called for 1.1% of the overall call (less than the council's 2.2% of LGFA's loan assets).

Legal claims

In April 2013, the Ministry of Education (MOE) initiated High Court proceedings against Carter Holt Harvey (CHH) and others alleging inherent defects in the cladding sheets and cladding systems manufactured and prepared by CHH. Subsequently, in December 2016, CHH commenced third party proceedings against 48 Councils, including Kāpiti Coast District Council alleging a breach of duty in the processing of building consents, undertaking building inspections and issuing Code Compliance Certificates. The Councils have applied for orders setting aside and striking out CHH's claims against them. The MOE's claim against CHH is for 833 school buildings, 21 of which are located within Kāpiti Coast District, 7 of which may be time barred. At present there is insufficient information to conclude on potential liability and claim quantum, if any.

32. Events after the end of the reporting period

There are no material non-adjusting events after the reporting date.

Disclosure statement

for the year ending 30 June 2019

What is the purpose of this statement?

The purpose of this statement is to disclose council's financial performance in relation to various benchmarks to enable the assessment of whether council is prudently managing its revenue, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014, (the regulations). Please refer to the regulations for more information, including definitions of some of the terms used in this statement.

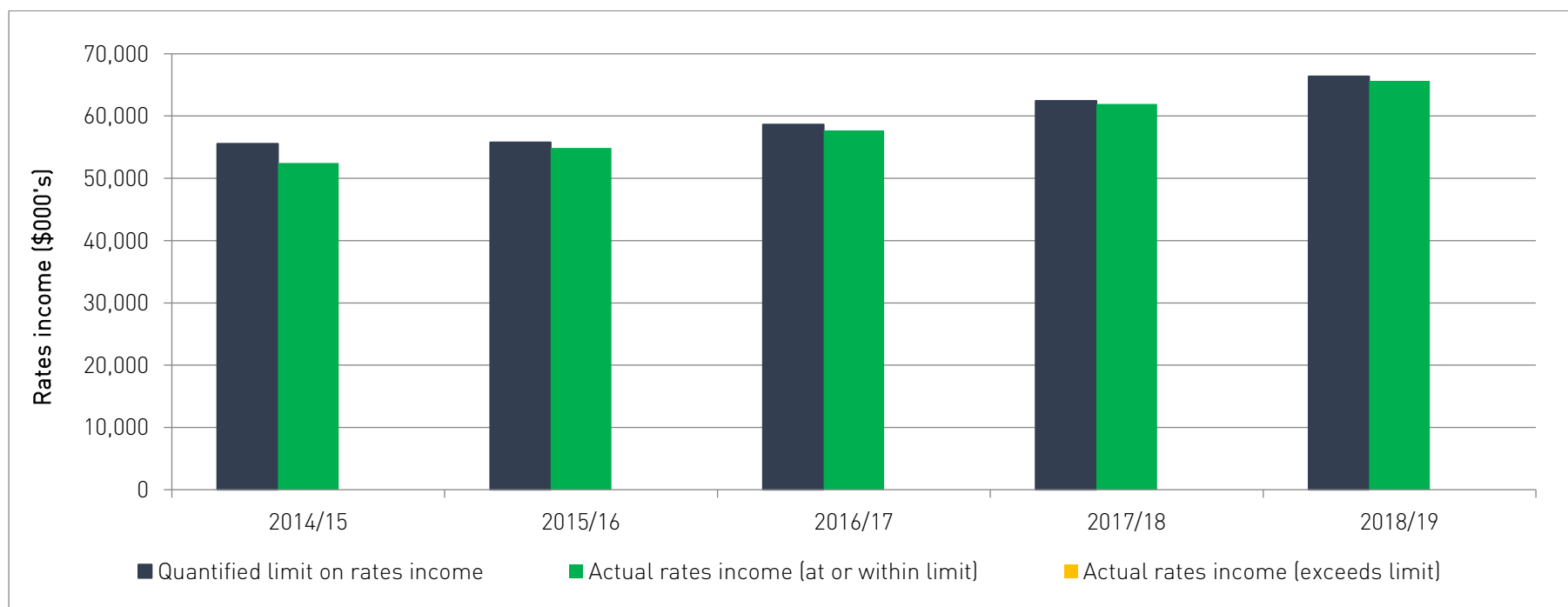
Rates affordability

Council meets its affordability benchmark if:

- its actual rates income equals or is less than each quantified limit on rates, and
- its actual rates increases equal or are less than each quantified limit on rates increases.

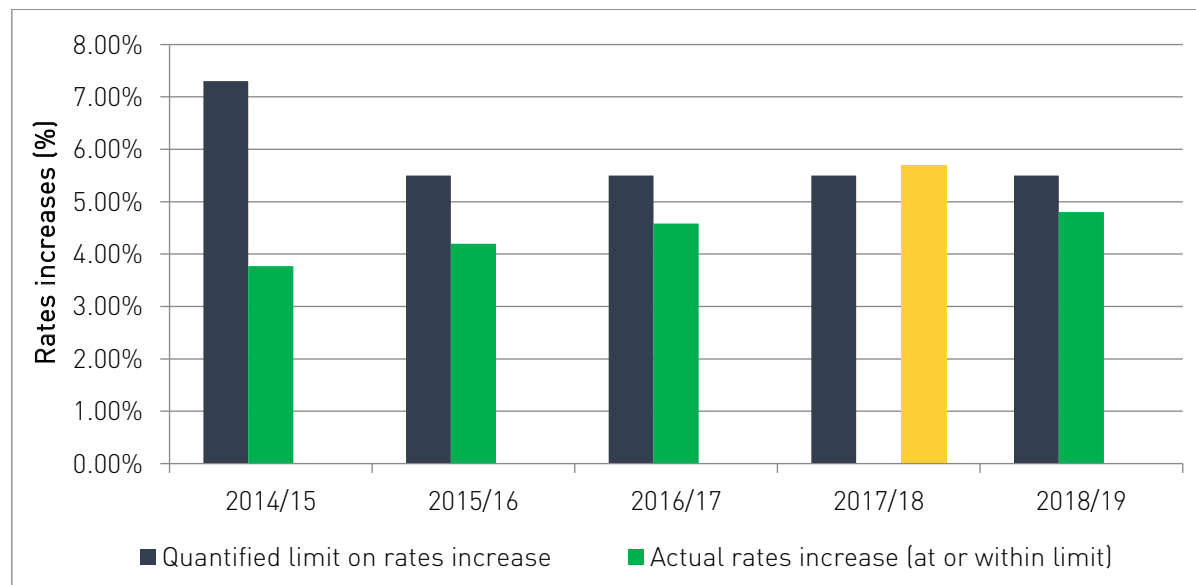
Rates (income) affordability

The following graph compares council's actual rates income with a quantified limit on rates contained in the financial strategy included in council's long term plans



Rates (increases) affordability

The graph at right compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in Council's long term plans.

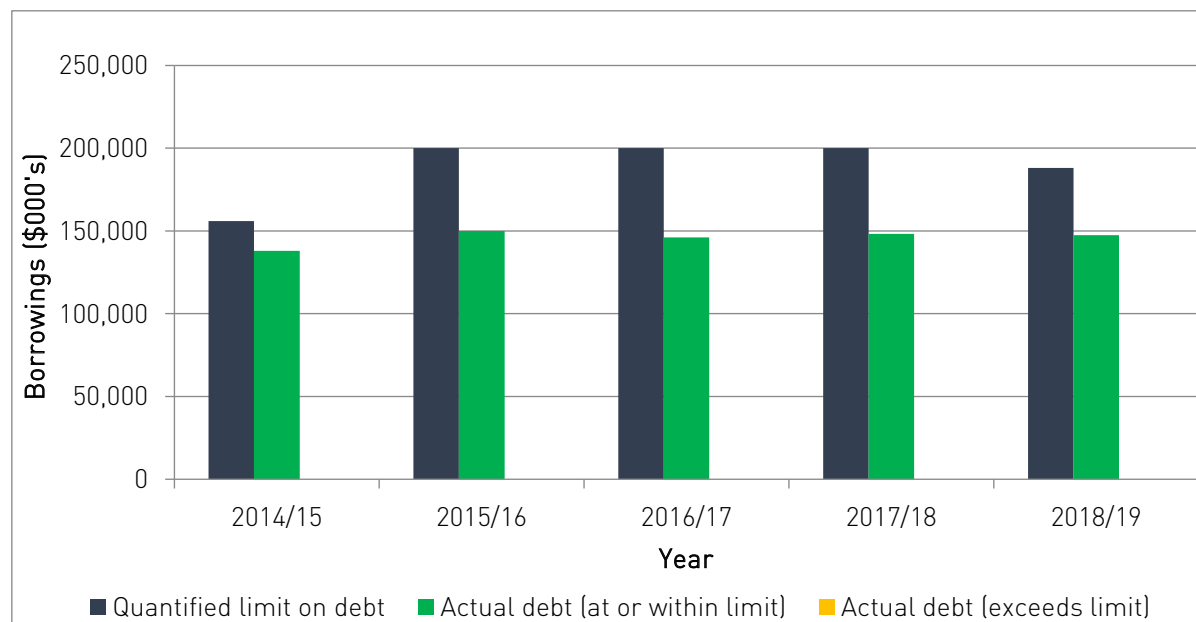


Debt affordability

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

The graph at right compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in Council's long term plans. Council's quantified limit on borrowings, as set out in the financial strategy excludes debt prefunding.

Council's gross borrowings are \$210 million at 30 June 2019 which includes total prefunding of \$50 million. Excluding prefunding, borrow notes and cash investments Council's borrowings at year end are \$147.5 million, which is within the borrowings limit.

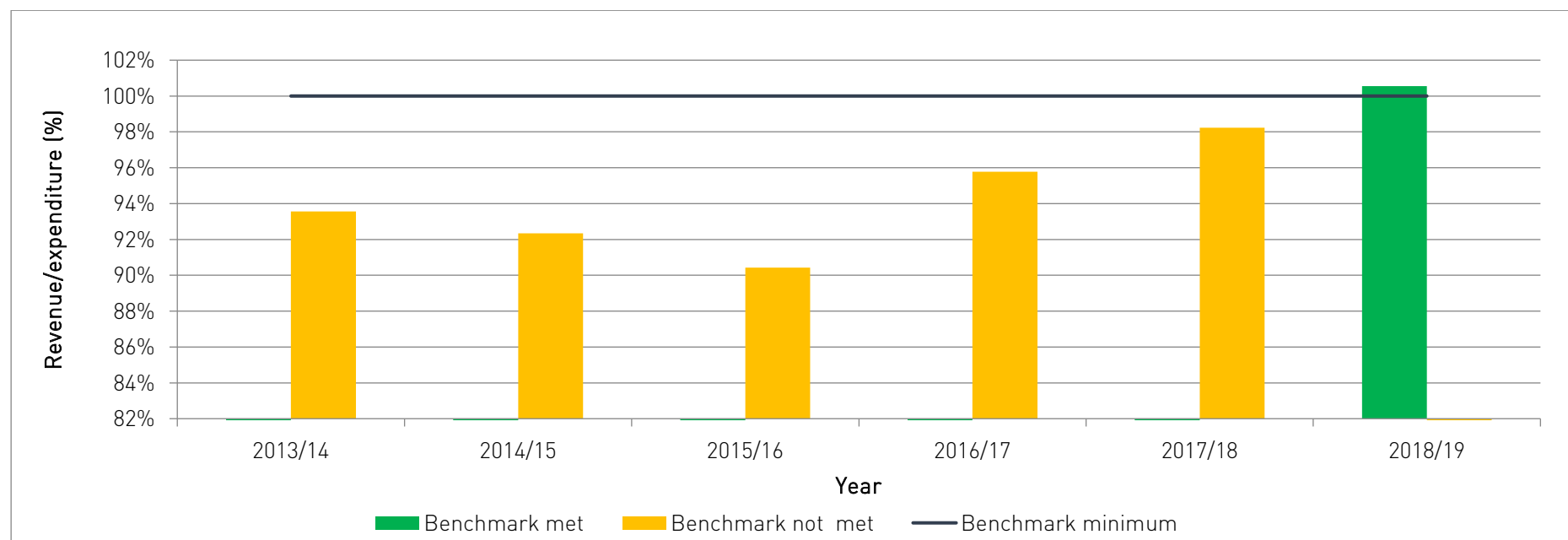


Balanced budget

The graph below shows council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant and equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant and equipment).

Council meets this benchmark if its revenue equals or is greater than its operating expenses, meaning that for 2018/19 we have covered the full operating cost of providing services to the community from our income.

Council has been able to balance our budget through committing to a financial strategy that progressively fund depreciation with a target of fully funding depreciation by 2022/23.

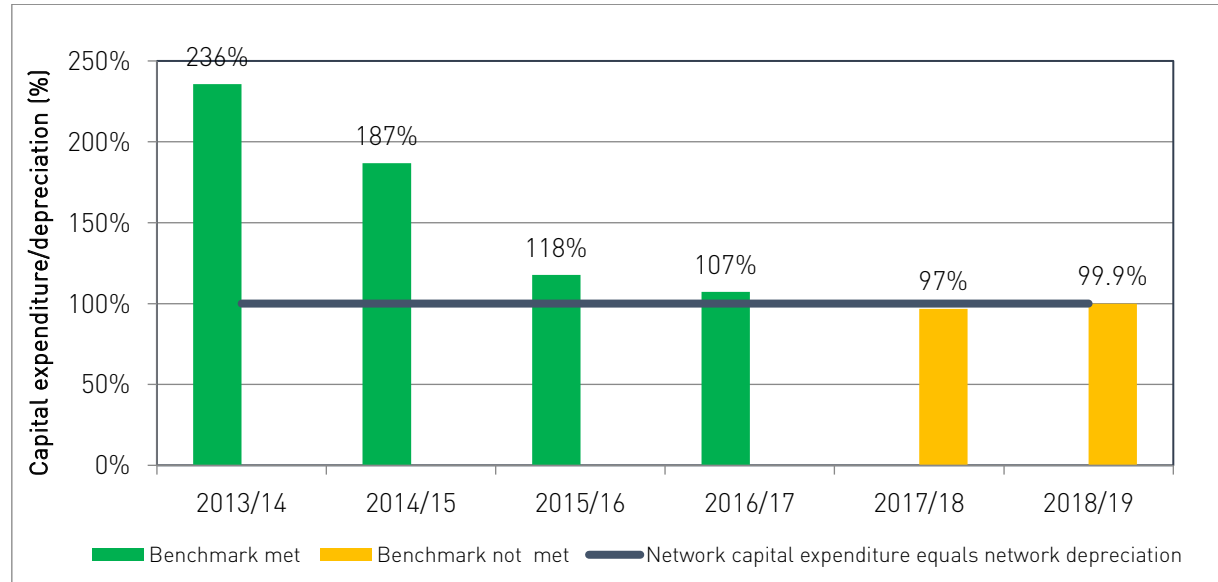


Essential services

The graph at right shows the Council's capital expenditure on network services as a proportion of depreciation on network services. Network services means infrastructure related to water supply, sewerage, treatment and disposal of sewage, stormwater drainage, flood protection and control works and the provision of roads and footpaths.

Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.

Due to the timing of the renewals cycle for the three waters assets, it is expected that the Council's capital expenditure would be below the level of depreciation as the significant renewals are not expected until around 2045 onwards.

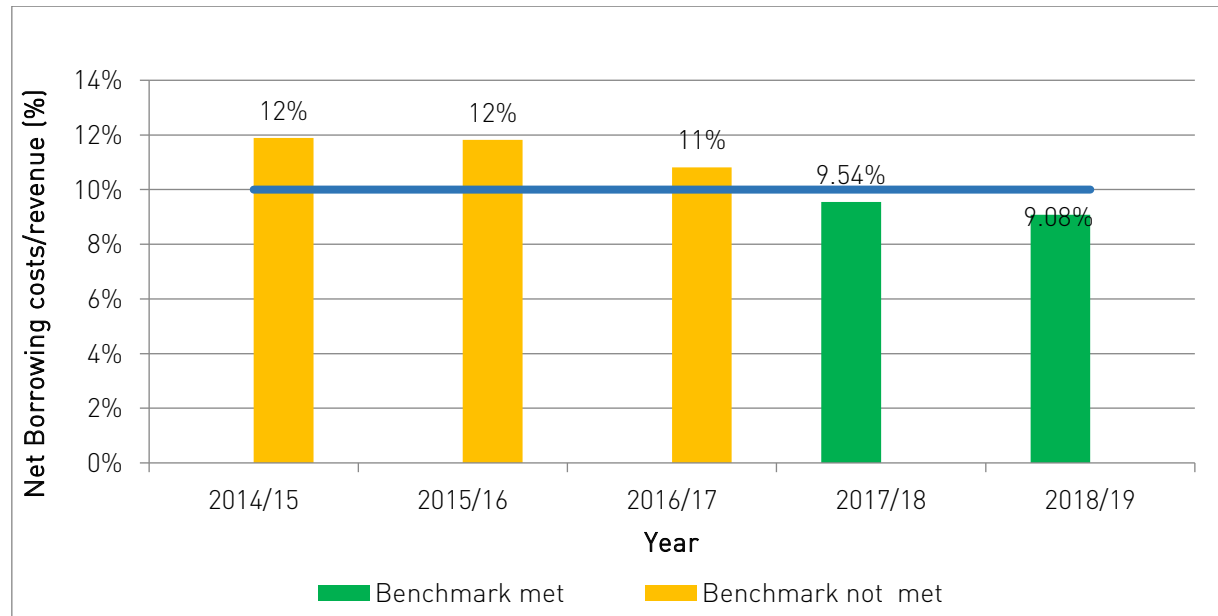


Debt servicing

The graph at right shows the Council's net borrowing costs as a proportion of revenue (excluding development contributions, financial contributions vested assets, gains on derivative financial instruments, and revaluations of property, plant and equipment).

Because Statistics New Zealand projects Council's population will grow more slowly than the national population is projected to grow, Council meets the debt servicing benchmark if its net borrowing costs equal or are less than 10% of its revenue.

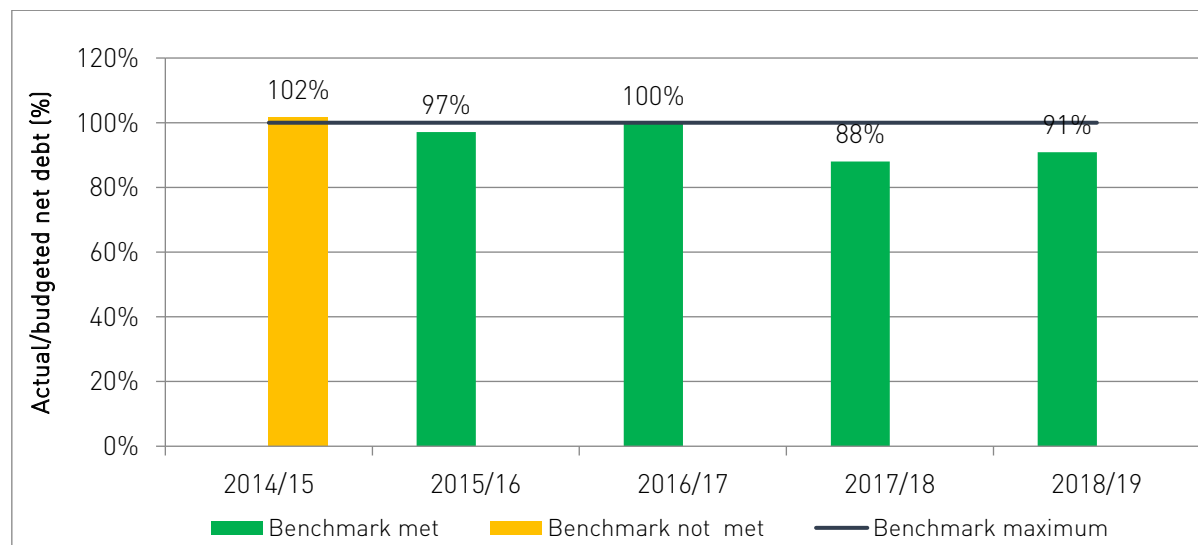
Council has started meeting this benchmark through our green-line strategy (reducing borrowings) and our careful treasury management. This was recognised by Standard and Poor's in their upgrade of Council's credit rating from A+ to AA.



Debt control

The graph at right shows Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

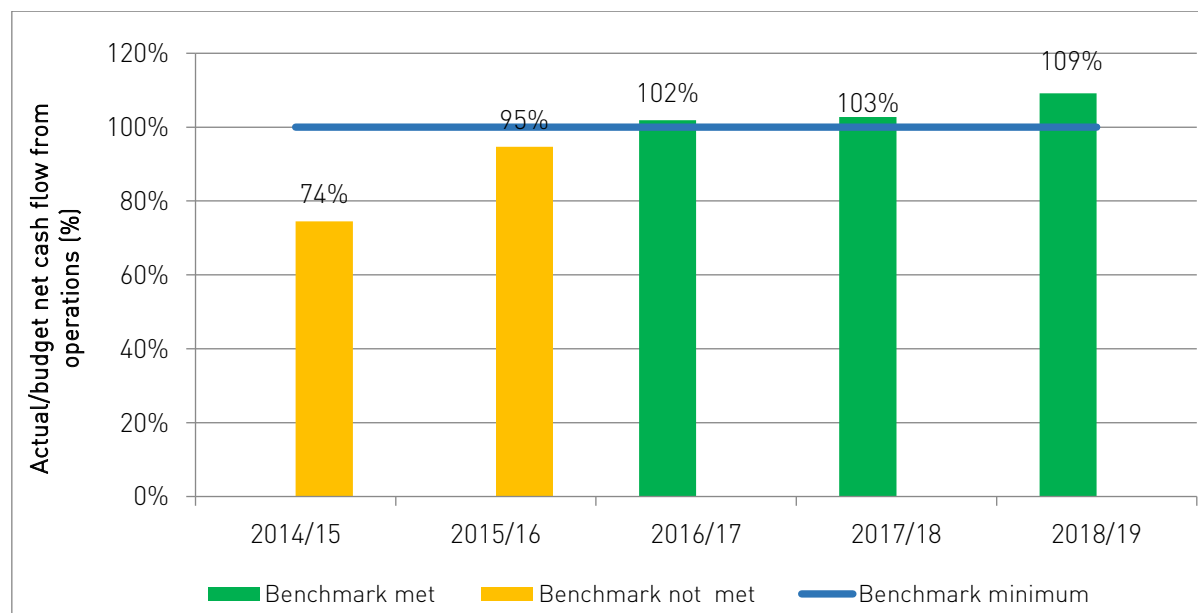
Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



Operations control

This graph at right shows Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



Funding impact statements per activity

Water management funding impact statement for the year ended 30 June 2019			
	2017/18 Budget \$000	2018/19 Budget \$000	2018/19 Actual \$000
Sources of operating funding			
General rate, uniform annual general charge, rates penalties	-	-	-
Targeted rates	8,269	8,267	7,873
Grants and subsidies for operating purposes	-	-	-
Fees and charges	39	40	36
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	-	-	-
Total operating funding	8,308	8,307	7,909
Applications of operating funding			
Payment to staff and suppliers	3,176	3,342	3,067
Finance costs	1,859	1,114	956
Internal charges and overheads applied	698	1,016	966
Other operating funding applications	-	-	-
Total applications of operating funding	5,733	5,472	4,989
SURPLUS/DEFICIT OF OPERATING FUNDING	2,575	2,835	2,920
Sources of capital funding			
Grants and subsidies for capital expenditure	-	-	20
Development and financial contributions	103	103	306
Increase (decrease) in debt	-	1,225	501
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	103	1,328	827
Applications of capital funding			
Capital expenditure			
> to meet additional demand	-	275	113
> to improve the level of service	-	1,225	522
> to replace existing assets	768	396	861
Increase (decrease) in reserves	1,910	2,267	2,251
Increase (decrease) in investments	-	-	-
Total applications of capital funding	2,678	4,163	3,747
SURPLUS/DEFICIT OF CAPITAL FUNDING	(2,575)	(2,835)	(2,920)
FUNDING BALANCE	-	-	-

Access and transport funding impact statement for the year ended 30 June 2019			
	2017/18 Budget \$000	2018/19 Budget \$000	2018/19 Actual \$000
Sources of operating funding			
General rate, uniform annual general charge, rates penalties	-	-	-
Targeted rates	6,593	7,960	7,507
Grants and subsidies for operating purposes	1,502	1,660	1,888
Fees and charges	128	70	108
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	266	272	353
Total operating funding	8,489	9,962	9,856
Applications of operating funding			
Payment to staff and suppliers	4,060	4,742	4,666
Finance costs	1,648	2,126	1,957
Internal charges and overheads applied	854	1,068	966
Other operating funding applications	-	-	-
Total applications of operating funding	6,562	7,936	7,589
SURPLUS/DEFICIT OF OPERATING FUNDING	1,927	2,026	2,267
Sources of capital funding			
Grants and subsidies for capital expenditure	3,832	3,990	3,854
Development and financial contributions	201	201	222
Increase (decrease) in debt	2,555	3,554	1,769
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	6,588	7,745	5,845
Applications of capital funding			
Capital expenditure			
> to meet additional demand	538	73	68
> to improve the level of service	5,291	6,085	4,153
> to replace existing assets	2,445	2,997	3,095
Increase (decrease) in reserves	241	615	796
Increase (decrease) in investments	-	-	-
Total applications of capital funding	8,515	9,771	8,112
SURPLUS/DEFICIT OF CAPITAL FUNDING	(1,927)	(2,026)	(2,267)
FUNDING BALANCE	-	-	-

Coastal management funding impact statement for the year ended 30 June 2019			
	2017/18 Budget \$000	2018/19 Budget \$000	2018/19 Actual \$000
Sources of operating funding			
General rate, uniform annual general charge, rates penalties	872	1,014	930
Targeted rates	-	-	-
Grants and subsidies for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	-	-	-
Total operating funding	872	1,014	930
Applications of operating funding			
Payment to staff and suppliers	307	395	368
Finance costs	323	206	136
Internal charges and overheads applied	49	129	117
Other operating funding applications	-	-	-
Total applications of operating funding	679	730	621
SURPLUS/DEFICIT OF OPERATING FUNDING	193	284	309
Sources of capital funding			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	531	902	1,068
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	531	902	1,068
Applications of capital funding			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	531	902	1,068
> to replace existing assets	1,059	992	926
Increase (decrease) in reserves	(866)	(708)	(617)
Increase (decrease) in investments	-	-	-
Total applications of capital funding	724	1,186	1,377
SURPLUS/DEFICIT OF CAPITAL FUNDING	(193)	(284)	(309)
FUNDING BALANCE	-	-	-

Wastewater management funding impact statement for the year ended 30 June 2019			
	2017/18 Budget \$000	2018/19 Budget \$000	2018/19 Actual \$000
Sources of operating funding			
General rate, uniform annual general charge, rates penalties	-	-	-
Targeted rates	7,622	7,489	7,540
Grants and subsidies for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	1,160	-	1,339
Local authorities fuel tax, fines, infringement fees, and other	-	-	-
Total operating funding	8,782	7,489	8,879
Applications of operating funding			
Payment to staff and suppliers	3,665	2,327	3,671
Finance costs	861	329	260
Internal charges and overheads applied	1,821	1,948	1,835
Other operating funding applications	-	-	-
Total applications of operating funding	6,347	4,604	5,766
SURPLUS/DEFICIT OF OPERATING FUNDING	2,435	2,885	3,113
Sources of capital funding			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	150	150	51
Increase (decrease) in debt	171	1,283	(87)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	321	1,433	(36)
Applications of capital funding			
Capital expenditure			
> to meet additional demand	1,158	-	-
> to improve the level of service	171	1,283	(87)
> to replace existing assets	1,827	1,199	910
Increase (decrease) in reserves	(400)	1,836	2,254
Increase (decrease) in investments	-	-	-
Total applications of capital funding	2,756	4,318	3,077
SURPLUS/DEFICIT OF CAPITAL FUNDING	(2,435)	(2,885)	(3,113)
FUNDING BALANCE	-	-	-

Stormwater Management funding impact statement for the year ended 30 June 2019			
	2017/18 Budget \$000	2018/19 Budget \$000	2018/19 Actual \$000
Sources of operating funding			
General rate, uniform annual general charge, rates penalties	1,433	1,494	1,492
Targeted rates	2,295	2,476	2,478
Grants and subsidies for operating purposes	-	-	-
Fees and charges	-	68	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	-	-	-
Total operating funding	3,728	4,038	3,970
Applications of operating funding			
Payment to staff and suppliers	1,294	1,616	1,613
Finance costs	942	837	867
Internal charges and overheads applied	241	374	343
Other operating funding applications	-	-	-
Total applications of operating funding	2,477	2,827	2,823
SURPLUS/DEFICIT OF OPERATING FUNDING	1,251	1,211	1,147
Sources of capital funding			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	52	52	74
Increase (decrease) in debt	1,408	1,841	1,780
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	1,460	1,893	1,854
Applications of capital funding			
Capital expenditure			
> to meet additional demand	44	255	256
> to improve the level of service	1,408	1,841	1,780
> to replace existing assets	-	461	526
Increase (decrease) in reserves	1,259	547	439
Increase (decrease) in investments	-	-	-
Total applications of capital funding	2,711	3,104	3,001
SURPLUS/DEFICIT OF CAPITAL FUNDING	(1,251)	(1,211)	(1,147)
FUNDING BALANCE	-	-	-

Solid Waste funding impact statement for the year ended 30 June 2019			
	2017/18 Budget \$000	2018/19 Budget \$000	2018/19 Actual \$000
Sources of operating funding			
General rate, uniform annual general charge, rates penalties	795	1,031	739
Targeted rates	-	-	-
Grants and subsidies for operating purposes	-	-	-
Fees and charges	489	558	609
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	-	-	-
Total operating funding	1,284	1,589	1,348
Applications of operating funding			
Payment to staff and suppliers	432	489	386
Finance costs	97	196	177
Internal charges and overheads applied	367	230	209
Other operating funding applications	-	-	-
Total applications of operating funding	896	915	772
SURPLUS/DEFICIT OF OPERATING FUNDING	388	674	576
Sources of capital funding			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	-	-	-
> to replace existing assets	518	586	-
Increase (decrease) in reserves	(130)	88	576
Increase (decrease) in investments	-	-	-
Total applications of capital funding	388	674	576
SURPLUS/DEFICIT OF CAPITAL FUNDING	(388)	(674)	(576)
FUNDING BALANCE	-	-	-

Economic Development funding impact statement for the year ended 30 June 2019			
	2017/18 Budget \$000	2018/19 Budget \$000	2018/19 Actual \$000
Sources of operating funding			
General rate, uniform annual general charge, rates penalties	2,475	2,215	2,079
Targeted rates	-	435	435
Grants and subsidies for operating purposes	-	-	-
Fees and charges	165	168	116
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	-	-	80
Total operating funding	2,640	2,818	2,710
Applications of operating funding			
Payment to staff and suppliers	1,501	1,450	1,319
Finance costs	561	673	610
Internal charges and overheads applied	498	554	726
Other operating funding applications	-	-	-
Total applications of operating funding	2,560	2,677	2,655
SURPLUS/DEFICIT OF OPERATING FUNDING	80	141	55
Sources of capital funding			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	3,162	2,553	2,892
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	3,162	2,553	2,892
Applications of capital funding			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	3,162	2,553	2,892
> to replace existing assets	-	-	-
Increase (decrease) in reserves	80	141	55
Increase (decrease) in investments	-	-	-
Total applications of capital funding	3,242	2,694	2,947
SURPLUS/DEFICIT OF CAPITAL FUNDING	(80)	(141)	(55)
FUNDING BALANCE	-	-	-

Community Facilities and Community Support funding impact statement for the year ended 30 June 2019			
	2017/18 Budget \$000	2018/19 Budget \$000	2018/19 Actual \$000
Sources of operating funding			
General rate, uniform annual general charge, rates penalties	2,470	2,631	2,506
Targeted rates	(3)	234	103
Grants and subsidies for operating purposes	-	-	-
Fees and charges	1,202	1,345	1,301
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	43	43	20
Total operating funding	3,712	4,253	3,930
Applications of operating funding			
Payment to staff and suppliers	2,345	2,854	2,648
Finance costs	49	46	16
Internal charges and overheads applied	1,472	1,178	1,267
Other operating funding applications	-	-	-
Total applications of operating funding	3,866	4,078	3,931
SURPLUS/DEFICIT OF OPERATING FUNDING	(154)	175	(1)
Sources of capital funding			
Grants and subsidies for capital expenditure	-	-	50
Development and financial contributions	48	48	182
Increase (decrease) in debt	333	33	183
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	381	81	415
Applications of capital funding			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	333	33	232
> to replace existing assets	362	1,471	1,150
Increase (decrease) in reserves	(468)	(1,248)	(968)
Increase (decrease) in investments	-	-	-
Total applications of capital funding	227	256	414
SURPLUS/DEFICIT OF CAPITAL FUNDING	154	(175)	1
FUNDING BALANCE	-	-	-

Parks and Open Spaces funding impact statement for the year ended 30 June 2019			
	2017/18 Budget \$000	2018/19 Budget \$000	2018/19 Actual \$000
Sources of operating funding			
General rate, uniform annual general charge, rates penalties	-	-	17
Targeted rates	5,045	6,125	6,207
Grants and subsidies for operating purposes	-	-	-
Fees and charges	158	162	167
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	-	-	(130)
Total operating funding	5,203	6,287	6,261
Applications of operating funding			
Payment to staff and suppliers	2,341	2,401	2,619
Finance costs	331	485	415
Internal charges and overheads applied	1,760	2,434	2,338
Other operating funding applications	-	-	-
Total applications of operating funding	4,432	5,320	5,372
SURPLUS/DEFICIT OF OPERATING FUNDING	771	967	889
Sources of capital funding			
Grants and subsidies for capital expenditure	-	-	6
Development and financial contributions	521	522	701
Increase (decrease) in debt	895	984	823
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	1,416	1,506	1,530
Applications of capital funding			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	895	984	692
> to replace existing assets	584	1,168	938
Increase (decrease) in reserves	708	321	789
Increase (decrease) in investments	-	-	-
Total applications of capital funding	2,187	2,473	2,419
SURPLUS/DEFICIT OF CAPITAL FUNDING	(771)	(967)	(889)
FUNDING BALANCE	-	-	-

Recreation and Leisure funding impact statement for the year ended 30 June 2019			
	2017/18 Budget \$000	2018/19 Budget \$000	2018/19 Actual \$000
Sources of operating funding			
General rate, uniform annual general charge, rates penalties	275	266	254
Targeted rates	8,253	8,855	9,128
Grants and subsidies for operating purposes	41	41	40
Fees and charges	1,579	1,624	1,642
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	51	63	53
Total operating funding	10,199	10,849	11,117
Applications of operating funding			
Payment to staff and suppliers	5,488	5,741	6,004
Finance costs	1,168	1,024	901
Internal charges and overheads applied	1,836	2,563	2,588
Other operating funding applications	-	-	-
Total applications of operating funding	8,492	9,328	9,493
SURPLUS/DEFICIT OF OPERATING FUNDING	1,707	1,521	1,624
Sources of capital funding			
Grants and subsidies for capital expenditure	-	-	1
Development and financial contributions	-	-	-
Increase (decrease) in debt	1,028	2,907	523
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	1,028	2,907	524
Applications of capital funding			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	1,028	2,907	523
> to replace existing assets	3,280	777	694
Increase (decrease) in reserves	(1,573)	744	931
Increase (decrease) in investments	-	-	-
Total applications of capital funding	2,735	4,428	2,148
SURPLUS/DEFICIT OF CAPITAL FUNDING	(1,707)	(1,521)	(1,624)
FUNDING BALANCE	-	-	-

Districtwide Planning funding impact statement for the year ended 30 June 2019			
	2017/18 Budget \$000	2018/19 Budget \$000	2018/19 Actual \$000
Sources of operating funding			
General rate, uniform annual general charge, rates penalties	3,038	2,563	2,478
Targeted rates	5	5	-
Grants and subsidies for operating purposes	-	-	-
Fees and charges	-	-	8
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	-	-	-
Total operating funding	3,043	2,568	2,486
Applications of operating funding			
Payment to staff and suppliers	2,279	1,916	1,669
Finance costs	-	-	-
Internal charges and overheads applied	764	652	817
Other operating funding applications	-	-	-
Total applications of operating funding	3,043	2,568	2,486
SURPLUS/DEFICIT OF OPERATING FUNDING	-	-	-
Sources of capital funding			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	-	-	-
> to replace existing assets	-	-	-
Increase (decrease) in reserves	-	-	-
Increase (decrease) in investments	-	-	-
Total applications of capital funding	-	-	-
SURPLUS/DEFICIT OF CAPITAL FUNDING	-	-	-
FUNDING BALANCE	-	-	-

Regulatory Services funding impact statement for the year ended 30 June 2019			
	2017/18 Budget \$000	2018/19 Budget \$000	2018/19 Actual \$000
Sources of operating funding			
General rate, uniform annual general charge, rates penalties	4,743	4,638	3,917
Targeted rates	-	-	-
Grants and subsidies for operating purposes	-	-	-
Fees and charges	4,121	4,228	3,780
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	132	189	149
Total operating funding	8,996	9,055	7,846
Applications of operating funding			
Payment to staff and suppliers	5,666	5,523	4,331
Finance costs	11	3	8
Internal charges and overheads applied	3,274	3,453	3,397
Other operating funding applications	-	-	-
Total applications of operating funding	8,951	8,979	7,736
SURPLUS/DEFICIT OF OPERATING FUNDING	45	76	110
Sources of capital funding			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	58	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	58	-	-
Applications of capital funding			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	58	-	-
> to replace existing assets	-	20	24
Increase (decrease) in reserves	45	56	86
Increase (decrease) in investments	-	-	-
Total applications of capital funding	103	76	110
SURPLUS/DEFICIT OF CAPITAL FUNDING	(45)	(76)	(110)
FUNDING BALANCE	-	-	-

Governance and Tangata Whenua funding impact statement for the year ended 30 June 2019			
	2017/18 Budget \$000	2018/19 Budget \$000	2018/19 Actual \$000
Sources of operating funding			
General rate, uniform annual general charge, rates penalties	4,309	4,370	4,136
Targeted rates	442	306	282
Grants and subsidies for operating purposes	-	-	-
Fees and charges	14	12	21
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	60	62	-
Total operating funding	4,825	4,750	4,439
Applications of operating funding			
Payment to staff and suppliers	2,466	2,359	2,078
Finance costs	43	(11)	(17)
Internal charges and overheads applied	2,240	2,330	2,343
Other operating funding applications	-	-	-
Total applications of operating funding	4,749	4,678	4,404
SURPLUS/DEFICIT OF OPERATING FUNDING	76	72	35
Sources of capital funding			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	31	(742)
Gross proceeds from sale of assets	-	-	742
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	-	31	-
Applications of capital funding			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	-	31	-
> to replace existing assets	489	85	91
Increase (decrease) in reserves	(413)	(13)	(56)
Increase (decrease) in investments	-	-	-
Total applications of capital funding	76	103	35
SURPLUS/DEFICIT OF CAPITAL FUNDING	(76)	(72)	(35)
FUNDING BALANCE	-	-	-



Independent auditor's report

To the readers of Kāpiti Coast District Council's annual report for the year ended 30 June 2019

The Auditor-General is the auditor of Kāpiti Coast District Council (the District Council). The Auditor-General has appointed me, David Borrie, using the staff and resources of Ernst & Young, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 26 September 2019. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 97 to 136:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2019;
 - the results of the operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards;
- the funding impact statement on page 99, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long term plan;

- the statement of service provision (referred to as "Our activities and services") on pages 35 to 94:
 - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2019, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 142 to 148, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's long term plan; and
- the funding impact statement for each group of activities on pages 142 to 148, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long term plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 137 to 141, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information and, where applicable, the District Council's long-term plan and annual plans.

Basis for our opinion on the audited information

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "*Responsibilities of the auditor for the audited information*" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's long term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service provision (referred to as "Our activities and services"), as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 3 to 31 and 153 to 161, but does not include the audited information and the disclosure requirements.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independence

We are independent of the District Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have carried out an assurance engagement in relation to the District Council's debenture trust deed, which is compatible with independence requirements. Other than the audit, our report on the disclosure requirements and the debenture trust deed reporting, we have no relationship with or interests in the District Council.



David Borrie
Ernst & Young
On behalf of the Auditor-General
Wellington, New Zealand
26 September 2019



Other information

In this section you'll find:

- Council
- Community boards
- Te Whakaminenga o Kāpiti
- Meeting attendance record of elected members
- Contact details of elected members
- Organisation structure
- Contact information for Kāpiti Coast District Council

Council

Council comprises a mayor and ten elected councillors. For the period 1 July 2018 to 30 June 2019 they were:

Mayor	K Gurunathan
Councillors	
Districtwide	Angela Buswell, Mike Cardiff, Jackie Elliott, John Howson, David Scott
Ōtaki	James Cootes
Waikanae	Michael Scott
Paraparaumu	Mark Benton, Fiona Vining
Paekākāriki-Raumati	Janet Holborow (Deputy Mayor)

Council meetings

Council meetings were scheduled every six weeks, with additional meetings held as required. These meetings were advertised in the local news media.

To assist Council to discharge its duties, it had standing committees which generally met every six weeks. Each committee had its own terms of reference and powers delegated to it by Council.

During the 1 July 2018 to 30 June 2019 period, the Council held 13 Council meetings and 36 standing committee meetings.

Committees

Strategy and policy committee

The strategy and policy committee (SPC) was chaired by Councillor James Cootes. The committee deals with all strategy and policy decision making that is not the sole responsibility of the Council. Key responsibilities include: setting and approving the policy work programme; overseeing strategic

programmes; liaison and planning with other territorial authorities; development and/or review of strategies, plans, policies and bylaws; preparation of District Plan and plan changes; economic development strategy; reviewing and approving community contracts; and receiving annual reports from any community or advisory group.

Operations and finance committee

The operations and finance committee (OFC) was chaired by Councillor Michael Scott. The committee deals with monitoring and decision-making on all broader financial management matters.

Key responsibilities include: financial management, including risk mitigation; approval of non-budgeted expenditure; approval of contracts and contract variations outside of the Chief Executive's delegations; financial policies; all regulatory and planning matters from an operational perspective; property purchases or sales; operational aspects of bylaws; civil defence and emergency matters; procedural matters relating to electoral processes; and signing off any submission to an external agency or body.

Audit and risk committee

The audit and risk committee (ARC) was chaired by Councillor Mike Cardiff. The committee monitors the Council's financial management and reporting mechanisms and framework and ensures that there are appropriate internal systems and controls for these.

Key responsibilities include: reviewing and maintaining the internal control framework; reviewing processes for ensuring the completeness and quality of financial information; considering Council's accounting policies and principles; obtaining information from external auditors relevant to Council's financial statements and assessing

whether appropriate action has been taken by management in response; considering reports on the status of investigations by the Office of the Ombudsman into decisions by Council; ensuring that Council has in place a current and comprehensive risk management framework; and making recommendations to Council on risk mitigation.

Appeals hearing committee

The appeals hearing committee was chaired by Councillor Jackie Elliott. The committee was responsible for hearing appeals or objections on Council's regulatory and compliance areas.

District licensing committee

The district licensing committee was chaired by Councillor Fiona Vining. The committee was responsible for carrying out the duties and functions as prescribed in the Sale and Supply of Alcohol Act 2012.

Chief executive performance and employment committee

The chief executive performance and employment committee was chaired by the mayor. The committee undertook the formal management of the contract of employment between the Council and chief executive.

Grants allocation committee

The chair of the grants allocation committee was Councillor Mark Benton. The committee had the authority to assess all applications and allocate funds for the following grant programmes: community grants, creative community scheme, districtwide hall hire remissions, heritage fund allocations and waste levy grants.

Māori representation members

Māori representatives in 2018/19 were Ann-Maree Ellison (OFC) and Mr Bill Carter (SPC).

Community boards

The role of the community boards is to advise the Council on local issues and help determine priorities. They also have delegated power to deal with some local matters. The community boards generally met every six weeks and during the year 30 meetings were held. The chair of each community board was also invited to sit at the Council table for meetings of the Council and committees and contribute to the discussion.

The boards and their members were as follows:

Ōtaki	Christine Papps (Chair) Marilyn Stevens (Deputy Chair) Kerry Bevan Shelly Warwick Cr James Cootes
Waikanae	Jocelyn Prvanov (Chair) James Westbury (Deputy Chair) Tonchi Begovich Jeremy Seamark Cr Michael Scott
Paraparaumu– Raumati	Jonny Best (Chair) Guy Burns (Deputy Chair) Bernie Randall Kathy Spiers Cr Mark Benton Cr Fiona Vining
Paekākāriki	Philip Edwards (Chair) Steve Eckett (Deputy Chair) Holly Ewens Paul Hughes Cr Janet Holborow

Te Whakaminenga o Kāpiti

Te Whakaminenga o Kāpiti is one of the longest partnerships between tāngata whenua and local government in New Zealand. The partners are the Kāpiti Coast District Council and the mana whenua (people with authority over the land) on the Kāpiti Coast: Te Āti Awa ki Whakarongotai, Ngāti Raukawa ki te Tonga, and Ngāti Toa Rangatira.

Representatives

Rupene Waaka, JP (Chair)

Representing – Ngā hapū o Ōtaki

Iwi affiliation – Ngāti Raukawa ki te Tonga

Hapū affiliations – Ngāti Kapumanawawhiti | Ngāti Maiotaki

Kirsten Hapeta

Representing – Ngā Hapū o Ōtaki

Iwi affiliation – Ngāti Raukawa ki te Tonga | Ngāti Toa Rangatira | Te Āti Awa

Hapū affiliations – Ngāti Maiotaki | Ngāti Huia | Kaitangata

Andre Baker

Representing – Te Āti Awa Ki Whakarongotai Charitable Trust

Iwi affiliation – Te Āti Awa ki Whakarongotai

Chris Gerretzen

Representing – Te Āti Awa ki Whakarongotai Charitable Trust

Iwi affiliation – Te Āti Awa ki Whakarongotai

Carol Reihana

Representing – Te Rūnanga o Toa Rangatira

Iwi affiliations – Ngāti Toa Rangatira | Ngāi Tahu

Hapū affiliation – Ngāti Haumia

Natalia Repia

Representing – Te Rūnanga o Toa Rangatira

Iwi affiliation – Ngāti Toa Rangatira

K Gurunathan – Mayor

James Cootes – Ōtaki Ward Councillor

Meeting attendance record of elected members

Council

The following table details the attendance record of the Mayor and Councillors at the 13 Council meetings and 36 standing committee meetings during the 2018/19 year. Membership varies between committees¹.

Council meetings (13)				Council committee meetings (36)			
<i>Elected member</i>	<i>Attended</i>	<i>Absent (leave)</i>	<i>Absent (apology)</i>	<i>Possible attendance</i>	<i>Attended</i>	<i>Absent (leave)</i>	<i>Absent (apology)</i>
K Gurunathan (Mayor)	12	-	1	32	26	-	6
Janet Holborow (Deputy Mayor)	12	-	1	31	23	-	4 + 4 DLC
Mark Benton	12	-	1	27	25	2	-
Angela Buswell	12	-	1	27	24	1	2
Mike Cardiff	12	1	-	24	21	3	-
James Cootes	13	-	-	24	24	-	-
Jackie Elliott	12	-	1	27	23	-	4
John Howson	11	-	2	24	19	4	1
David Scott	0	13	-	22	0	22	-
Michael Scott	12	-	1	22	18	-	4
Fiona Vining	11	-	2	28	24	3	1

1. This includes four District Licensing Committee hearings which Councillor Holborow did not attend as she only attends as an alternate when Councillor Vining is not attending.

Community boards

The following tables detail attendance of community board members at board meetings between 1 July 2018 and 30 June 2019.

Ōtaki			
<i>Elected member</i>	<i>Attended</i>	<i>Absent (leave)</i>	<i>Absent (apology)</i>
Christine Papps (Chair)	8	-	-
Marilyn Stevens (Deputy Chair)	5	1	2
Kerry Bevan	7	-	1
Shelly Warwick	8	-	-
Cr James Cootes	8	-	-

Waikanae			
<i>Elected member</i>	<i>Attended</i>	<i>Absent (leave)</i>	<i>Absent (apology)</i>
Jocelyn Prvanov (Chair)	7	-	-
James Westbury (Deputy Chair)	6	-	1
Tonchi Begovich	6	1	-
Jeremy Seamark	5	-	2
Cr Michael Scott	5	2	-

Paraparaumu–Raumati			
<i>Elected member</i>	<i>Attended</i>	<i>Absent (leave)</i>	<i>Absent (apology)</i>
Johnny Best (Chair)	8	-	-
Guy Burns (Deputy Chair)	8	-	-
Bernie Randall	8	-	-
Kathy Spiers	8	-	-
Cr Mark Benton	8	-	-
Cr Fiona Vining	7	-	1

Paekākāriki			
<i>Elected member</i>	<i>Attended</i>	<i>Absent (leave)</i>	<i>Absent (apology)</i>
Philip Edwards (Chair)	8	-	1
Steve Eckett (Deputy Chair until 13 Oct)	1	1	1
Holly Ewens (Deputy Chair from 13 Oct)	9	-	-
Paul Hughes	6	-	3
Cr Janet Holborow	9	-	-
Judith Aitken (from 11 Dec 2018)	4	-	1

Contact details of elected members

Council



Mayor
K (Guru) Gurunathan
k.gurunathan@kapiticoast.govt.nz



Districtwide Councillor
Mike Cardiff
mike.cardiff@kapiticoast.govt.nz



Paraparaumu Ward Councillor
Mark Benton
mark.benton@kapiticoast.govt.nz



Ōtaki Ward Councillor
James Cootes
james.cootes@kapiticoast.govt.nz



Deputy Mayor and
Paekākāriki/Raumati Ward Councillor
Janet Holborow
janet.holborow@kapiticoast.govt.nz



Districtwide Councillor
Jackie Elliott
jackie.elliott@kapiticoast.govt.nz



Paraparaumu Ward Councillor
Fiona Vining
fiona.vining@kapiticoast.govt.nz



Waikanae Ward Councillor
Michael Scott
michael.scott@kapiticoast.govt.nz



Districtwide Councillor
Angela Buswell
angela.buswell@kapiticoast.govt.nz



Districtwide Councillor
John Howson
john.howson@kapiticoast.govt.nz

Community boards

Ōtaki

The area covered by the community board includes north of Marycrest, Te Horo, Ōtaki north to Forest Lakes.



Christine Papps | Chair
christine.papps@kapiticoast.govt.nz

Marilyn Stevens | Deputy Chair
marilyn.stevens@kapiticoast.govt.nz

Kerry Bevan
kerry.bevan@kapiticoast.govt.nz

Shelly Warwick
shelly.warwick@kapiticoast.govt.nz

Waikanae

The area covered by the community board stretches from Waikanae Downs in the south through to Peka Peka in the north.



Jocelyn Prvanov | Chair
jocelyn.prvanov@kapiticoast.govt.nz

James Westbury | Deputy Chair
james.westbury@kapiticoast.govt.nz

Tonchi Begovich
tonchi.begovich@kapiticoast.govt.nz

Jeremy Seamark
jeremy.seamark@kapiticoast.govt.nz

Paraparaumu–Raumati

The area covered by the community board includes from Raumati South through to Otaihanga.



Jonny Best | Chair
jonny.best@kapiticoast.govt.nz

Guy Burns | Deputy Chair
guy.burns@kapiticoast.govt.nz

Bernie Randall
bernie.randall@kapiticoast.govt.nz

Kathy Spiers
kathy.spiers@kapiticoast.govt.nz

Paekākāriki

The area covered by the community board includes the Emerald Glen area and Whareroa Road in the north, down to Fisherman's Table in the south.



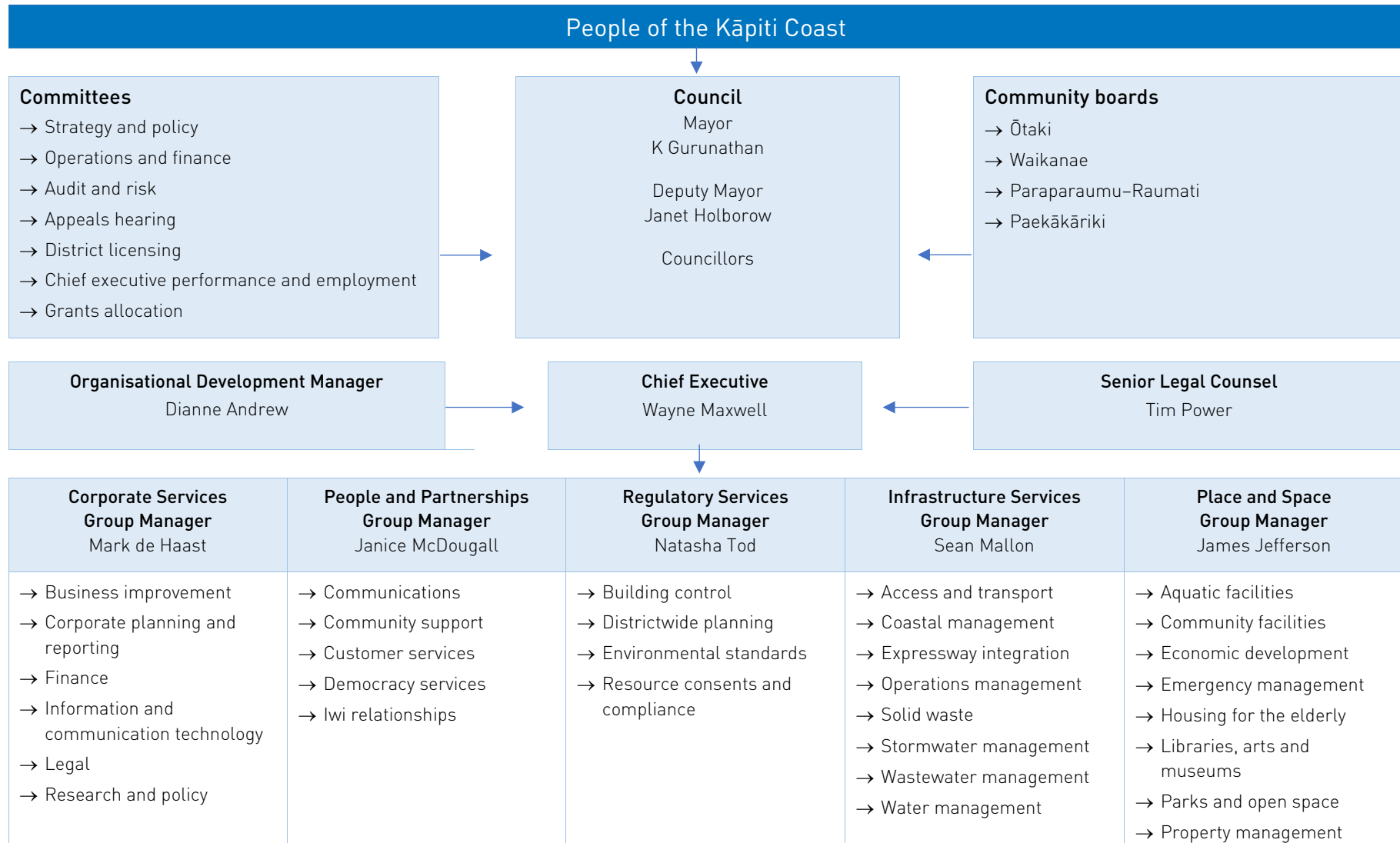
Philip Edwards | Chair
philip.edwards@kapiticoast.govt.nz

Holly Ewens | Deputy Chair
holly.ewens@kapiticoast.govt.nz

Paul Hughes
paul.hughes@kapiticoast.govt.nz

Judith Aitken
judith.aitken@kapiticoast.govt.nz

Organisation structure (update with new Group structure)



Contact information for Kāpiti Coast District Council

Main office	
Street address	175 Rimu Road Paraparaumu 5032
Postal address	Private Bag 60601 Paraparaumu 5254
Phone	04 296 4700
After hours emergency	0800 486 486 (toll free)
Fax	04 296 4830
Email	kapiti.council@kapiticoast.govt.nz
Website	kapiticoast.govt.nz
Facebook	facebook.com/kapiticoastdistrictcouncil



Kāpiti Coast District Council
Private Bag 60601
Paraparaumu 5254

04 296 4700 or 0800 486 486

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