

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 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 (WREDA), 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 WREDA 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 WREDA 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 WREDA 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.

Economic development includes the following services and programmes:

- managing projects which contribute to the Council's strategy for supporting economic development
- providing networking and an informed point of contact for businesses
- business attraction and retention initiatives
- tourism product development and marketing
- delivering a visitor information centre (i-SITE) in Paraparaumu
- supporting events development and facilitation
- supporting Māori economic development
- providing economic development advice together with policy and strategy development, and
- setting policy direction for council land throughout the district, including strategic land purchase.

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 Kapiti Island. This resulted in a number of articles, including a significant story in the Sunday Star Times in August 2018.
- o We have also commissioned articles about the Kāpiti Coast for *Go Travel* magazine which are available at selected i-SITE's, travel agents, tourism providers, and airports throughout the country.
- o A 'Studying in Kāpiti' tear-away newsletter was created for distribution, in collaboration with WREDA.
- o 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 *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 Deloitte audit by i-SITE New Zealand 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 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.

Kapiti 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 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.



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

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.

Council has 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.

The Provincial Growth Fund

The 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 on-going 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 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

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 Pekapeka to Ōtaki Expressway. Projects and programmes will be implemented over five years and co-funded by NZTA and 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;
- Council acquired approximately 60m² of land on Rata Road, Raumati, for waste water purposes with a sale price of \$2,500; and.
- 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.

70



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	The ED 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. 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 ED team this year. Good progress has been made since new staff were brought on board in May 2019. (2017/18 result was 'Partially achieved')
	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	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. (2017/18 result was 'Not achieved')
Māori economic development priorities will be articulated in a strategy for Council and iwi to implement	The Māori Economic Development Strategy implementation plan deliverables are achieved	Achieve	Achieved	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. 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. (New measure, no prior result)



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 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 strikeout 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 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 expected to be

Districtwide planning includes the following services and programmes:

- environmental planning through the district plan and other associated processes, including district plan review process and plan changes
- preparation of strategies, plans and policies for the district
- urban management strategies and local community outcome statements which inform Council activities
- monitoring of market indicators in line with the National Policy Statement-Urban Development Capacity
- sustainable design guidance for engineering and infrastructure development, various best practice design guides and engineering input into subdivision consents
- design and planning advice to external stakeholders and to other activity areas within the Council, and
- preparing submissions on central and local government legislative, policy and planning proposals.

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 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 was renewed in December 2018;
- the Policy Work Programme itself was reviewed and adopted by Council in January 2019;
- the Class 4 Gambling Policy and the TAB venue Gambling Policy were adopted in April 2019; and
- the review of the 2008 Stormwater Strategy got underway.

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 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.

Regulatory Services 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 Otaki 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.

Regulatory services includes the following services and programmes:

- processing of building consent applications
- maintaining accreditation as a registered BCA
- processing of Land Information Memoranda (LIMs)
- undertaking building warrant of fitness audits
- processing of resource consent and designation applications
- providing advice to applicants on opportunities for innovation, good design, links to the wider community vision around the environment, walkways, water quality etc
- undertaking district plan and consent monitoring and compliance checks
- leading pre-application meetings with land-owners to promote sustainable design and coordinate whole-of-council advice for commercial activities and major subdivisions
- inspection of food premises and alcohol licensing
- animal management
- inspection of swimming pools
- investigation and enforcement of excessive noise complaints under those provisions in the Resource Management Act 1991, and
- bylaw enforcement and administration.

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 have 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 Council to follow a prescribed methodology to profile buildings. Where buildings fit the earthquake-prone profile, 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. 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

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 Chinese Stakeholder workshops were held using an interpreter in both Mandarin and Cantonese.

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, Probations, 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.

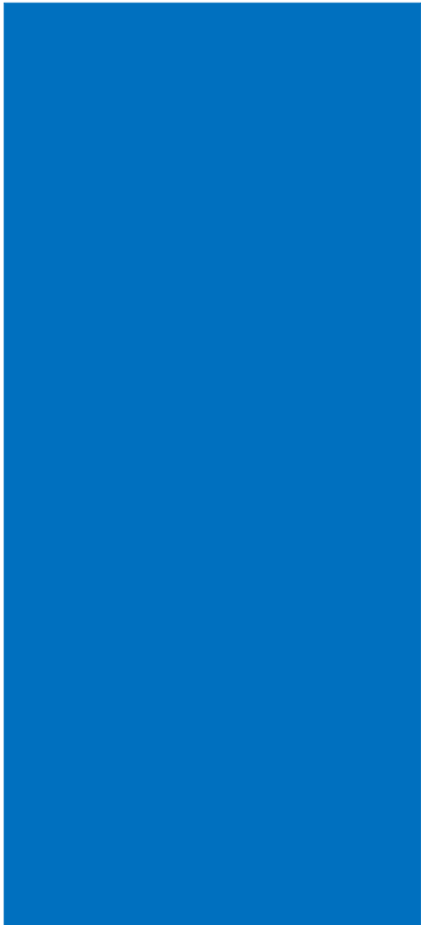


One of our animal management officers helped rescue animals from the Nelson fires in early 2019

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.

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 BCA 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 our three 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 (157-158) 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, Council received and responded to 232 requests under the Local

Governance and tāngata whenua includes the following services and programmes:

- management of all Council and committee processes, both formal and informal
- maintenance of a legally coherent and workable governance structure
- delivery of statutory documents and processes under associated legislation
- management of electoral processes including representation reviews, elections and by-elections
- elected member remuneration and expenses
- tāngata whenua relationships and associated projects, such as inviting Te Whakaminenga o Kāpiti to contribute to resource management planning
- management of the integration of tāngata whenua aspirations across Council work-streams, and
- encouraging community awareness of and participation in decision-making processes through a civics education programme.

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.
- 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 some Council services and facilities, about perceptions of the Council and satisfaction with their interactions with Council.

Overall satisfaction with 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 mechanism 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 goes towards meeting the legislative requirement on the Council in regards to 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).

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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

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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 xx to xx 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	Reserves and special funds	Revaluation reserve	Total equity	Total equity
	Actual \$'000	Actual \$'000	Actual \$'000	Actual \$'000	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 xxx to xxx form part of these financial statements. Explanation of the major variances against budget are provided in note 30.

90

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	22,719	22,908
Targeted rates	38,905	39,144	41,876	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	18,372	12,029
> to replace existing assets	11,881	11,427	10,746	9,765
Increase (decrease) in reserves	1,536	10,279	5,503	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 of 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 Otaihangā 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.

96

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	555,976	243,251
Total	25,775	15,372,161	7,366,205

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 measured 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
Roads – land under road	795,759	-	-	-	-	-	-	795,759	-	-	-	-	-	-	795,759	795,759
Roads 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 obsolesce 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
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 Rooding 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 Roding assets (excluding land under roads) were valued as at 30 June 2019.

The revaluation uplift of \$27.47 million was recognised. The increase was mainly due to:

- Since the 2017 revaluation, Council has had a change in Roding Contractor from Downer to Higgins with an increase in unit contact 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 Roding 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	693	244	(449)	-	-
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	3,947	4,488	680	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	646	-
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 Otaihangā 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 Otaihangā 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
Roads 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
Roads 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.

118

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	
Interest rate risk	+100 BPS	-100 BPS	+100 BPS	-100 BPS
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	
Interest rate risk	+100 BPS	-100 BPS	+100 BPS	-100 BPS
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)

124

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		
Members	2017/18	2018/19
Councillors and elected members	27	27
Senior Management Team, including Chief Executive Officer	6	6
Total Members	33	33
Remuneration	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	Number of non-permanent staff (Temporary staff)		Number of permanent employees	Number of non-permanent staff (Temporary staff)
(headcount)	(headcount)		(headcount)	(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

Roading 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 Roding 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).

128

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.

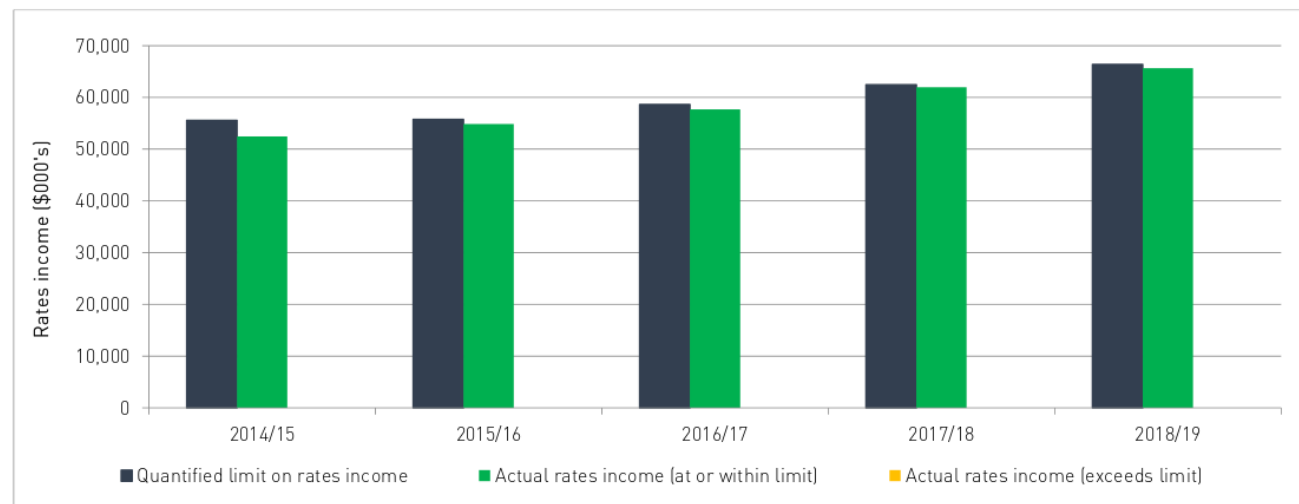
Rates affordability

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.

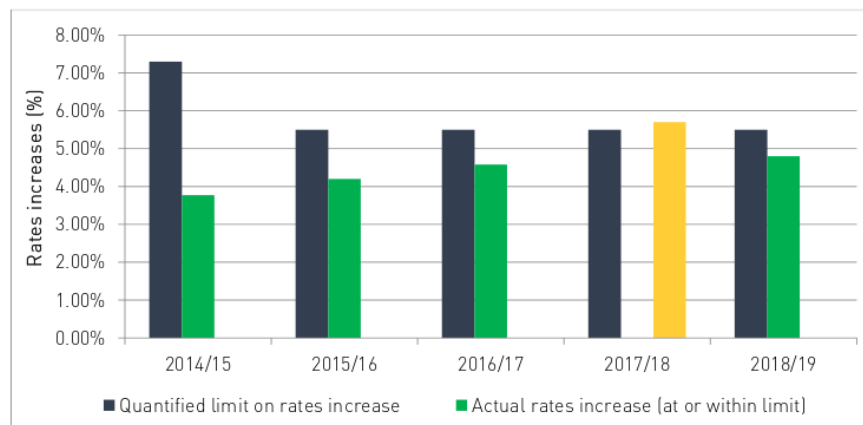
Rates (income) affordability

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

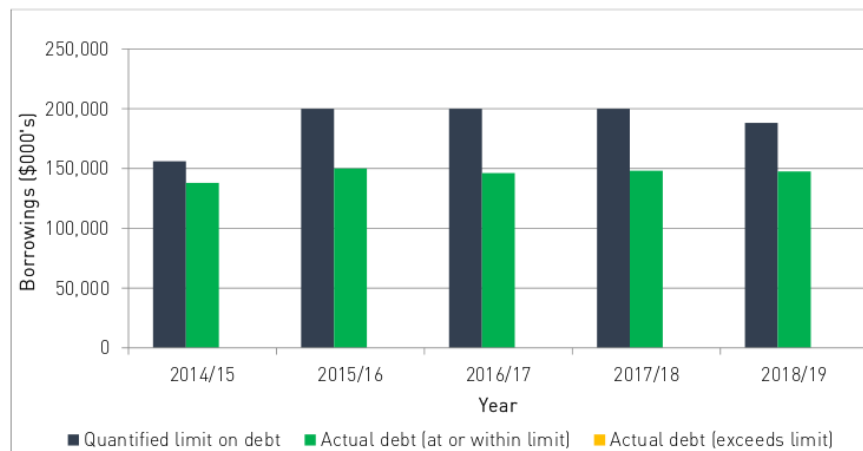
The graph at right compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in Council's long term plans.

**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.

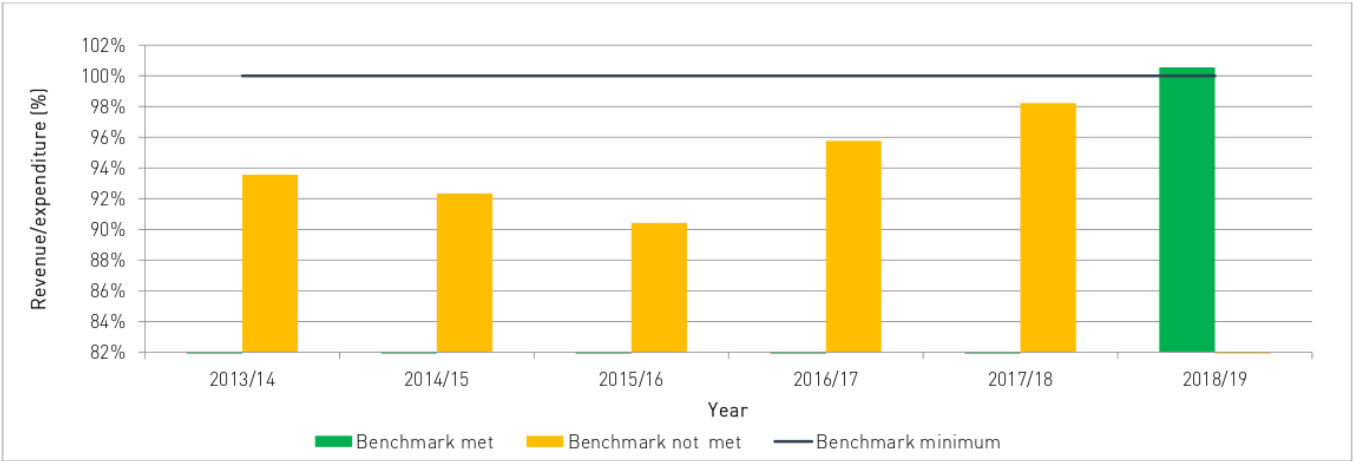


Balanced budget

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.

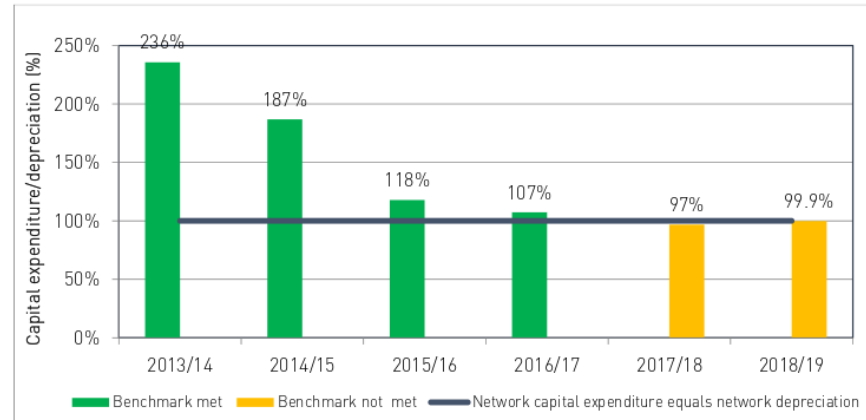


Essential services

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.

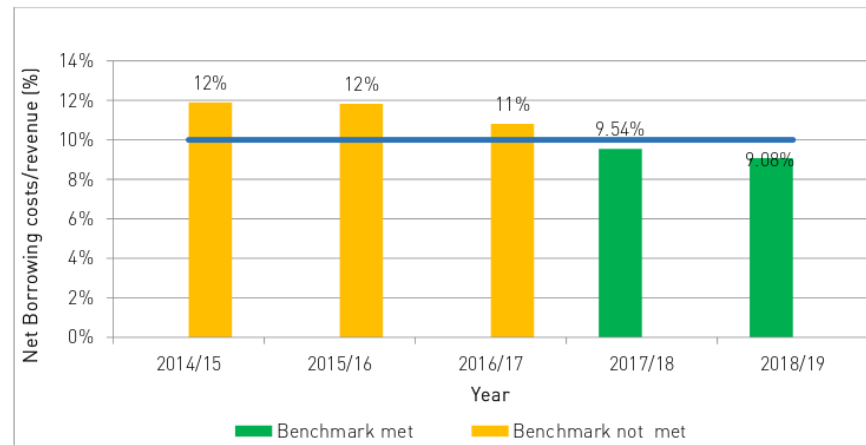


Debt servicing

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.

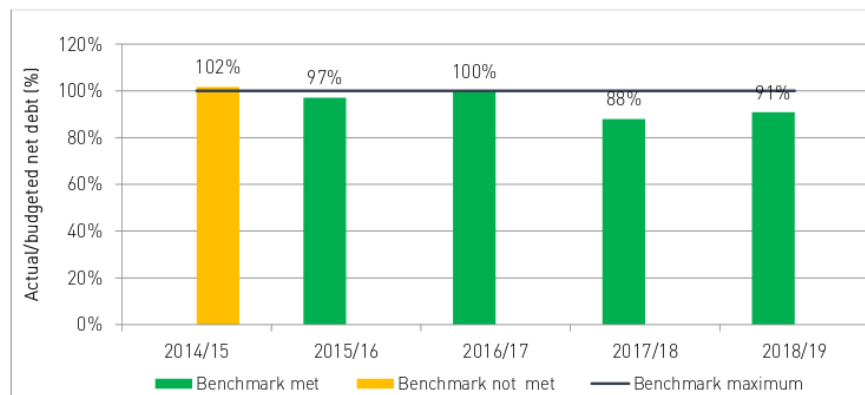
Council has started meeting this benchmark through our green-line strategy (reducing borrowings) and our careful treasury management. This was recognised by Standard and Poor's in their upgrade of Council's credit rating from A+ to AA.



Debt control

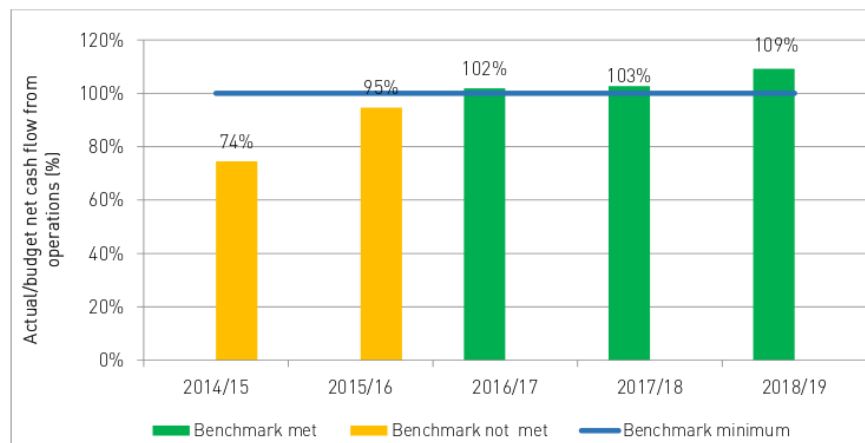
The graph at right shows Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

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 Kapiti 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 89 to 140:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2019;
 - the results of its 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 91, 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 25 to 86:
- 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 136 to 142, 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 134 to 140, 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 129 to 133 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 of 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 2 to 21 and 145 to 154, 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 engagements in the areas of debenture trust reporting and the long term plan audit, which are compatible with those independence requirements. Other than these engagements 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

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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

145

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; 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; 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 Toarangatira, Te Āti Awa
Hapū affiliation - 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.

Elected member	Council meetings (13)			Council committee meetings (36)			
	Attended	Absent (leave)	Absent (apology)	Possible attendance	Attended	Absent (leave)	Absent (apology)
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



Districtwide Councillor
Dr David Scott
(Currently on leave of absence)



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
Mark Benton
mark.benton@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



Paraparaumu Ward Councillor
Fiona Vining
fiona.vining@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.



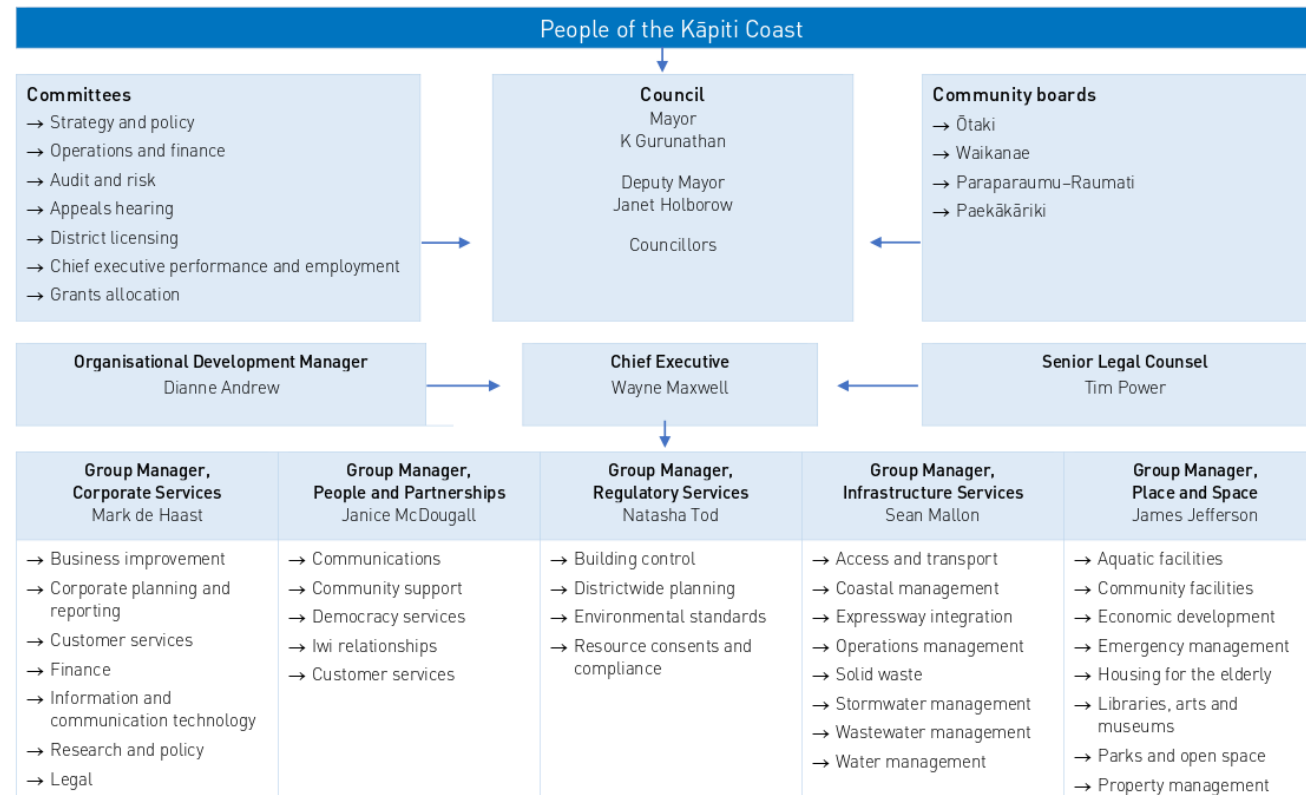
Philip Edwards | Chair
philip.edwards@kapiticoast.govt.nz

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
Phone: 04 296 4700 or 0800 486 486
kapiticoast.govt.nz

