

2010/11

KĀPITI COAST CHOOSING FUTURES

SUMMARY ANNUAL REPORT

**This is a snapshot of activities and finances for Year Two
of the 2009 Long Term Council Community Plan.**

Mayor's Introduction

Due to the electoral cycle, the year between 30 June 2010 and 30 June 2011 was led by the previous Council for three and a half months and the current Council for eight and a half months.

Big local issues were Expressway developments, progressing toward a water supply solution, and clearing the way for the Aquatic Centre.

We also watched in dismay as earthquakes devastated Christchurch, and we continued to feel recession effects, particularly the downturn in building activity.

We reluctantly accepted at the end of 2009 that the Expressway would replace the Western Link Road. Council then worked with the community and New Zealand Transport Authority (NZTA) to establish objectives for our participation in the Expressway Alliance for the MacKays to Peka Peka route.

One of our main objectives was achieved with the replacement of the single Kāpiti interchange originally proposed for Otaihangā with two interchanges at Kāpiti Road and Te Moana Road. The latter will provide local access to a much needed second crossing over Waikanae River.

We have also confirmed the Council's preferred southern entry route, which preserves Queen Elizabeth Park and its ecological values.

Work also continued on the Peka Peka to Ōtaki route, but as there is no Alliance for that section Council has less ability to effect change.

Council is very conscious of the Expressway's effects on people, and has encouraged NZTA to deal expeditiously with those affected by it.

After the Expressway is constructed it is proposed the Kāpiti section of State Highway 1 will come under Council management. We are working with NZTA to optimise opportunities the change in status will bring.

The Water Supply Project has continued to advance. In August 2010 Council confirmed River Recharge with Groundwater as the top ranked water supply option for the Waikanae/Paraparaumu/Raumati catchment following an exhaustive review of 44 options.

Funding was brought forward to cover preliminary work on this option, while Council also confirmed the Maungakotukutuku Dam as the second ranked water supply option.

Drilling investigations have begun in the Waimea aquifer, studies undertaken on mixing bore water with the Waikanae River, and a study commenced on the cultural impacts of river recharge and the dam on the Waikanae River and catchment.

Several innovative schemes are under way to reduce water consumption. All new dwellings must have rain water tanks or diversion systems, and an interest-free loan scheme for rain water tanks for existing homes will start later in 2011.

Council decided to include water meters in the mix when it became clear peak water demand could be lowered by up to 25% as a result of a change in water

use habits and a further 5% reduction in water loss. This outcome would mean the \$28 million dam would not be needed for at least 20 years, lessening the cost-impact on current ratepayers.

Public concerns about water meters include the spectre of privatisation, however Council is increasing the hurdles future Councils will face if they move in that direction.

Since the end of the 2010/11 year Council has set up a Charging Regime Advisory Group, chaired by the head of the Water Supply Technical Advisory Group, Don Hunn.

Consultation on the water metering proposal was carried out in the Annual Plan process through an amendment to the Long Term Council Community Plan that allows water metering consumption charges. There will be further discussion during Long Term Plan consultation in 2012.

Good progress on the Aquatic Centre includes getting its resource consent in May and earthworks were due to be completed by late August. A PAK'nSAVE sponsorship of \$400,000 announced in May was followed in August with a further boost of \$750,000 by Coastlands Shoppingtown. Aquatic Centre Trust fundraising continues.

A proposal for a joint development of Mahara Gallery and Waikanae Library would see a permanent home for the prestigious Field Collection. Council would fund the library upgrade with the Mahara Gallery Trust responsible for the gallery upgrade.

Some of the many projects undertaken throughout the year include the Raumati South Esplanade upgrade, near completion of the Paekākāriki Rock Revetment and fast progress on the \$2.7million Raumati Stormwater Upgrade. Signs have been put up where possible at larger projects so ratepayers can see where their rates go.

My thanks go to the staff who manage the many complex issues that face our District. Thanks also to the Elected Members whose enthusiasm and ideas benefit the District.



Jenny Rowan QSO, JP
Mayor, Kāpiti Coast District



Chief Executive's Message

This Annual Report reviews the activities and financial performance of the organisation from July 1, 2010 to June 30, 2011.

The effects of the recession continued to be felt, with reduced demand for building inspections and resource consents. Despite this Council ended the year in a satisfactory financial position, mainly due to savings in loan servicing costs.

The Council has recorded an operating surplus of \$327,000, compared to a budgeted operating surplus of \$5.478million. The difference is largely due to the non-receipt of a New Zealand Transport Agency (NZTA) subsidy of \$5.58million for the purchase of property relating to the Western Link Road. This was not received because the purchase was not completed by the end of the financial year.

The total operating revenue of \$55.069million is \$4.976million below the budget of \$60.057million, which is also largely due to the NZTA budgeted capital subsidy. Total operating expenditure of \$54.912million was \$345,000 above budget. It includes an unrealised loss of \$1.252million in the value of Council's interest rate swaps at June 30, 2011.

A rates surplus of \$441,000 has been largely used to offset the 2011/12 rates increase and the balance will be used to offset future rates increases.

This report highlights key projects and achievements for Council's 16 major activity areas and presents the results against performance indicators.

Council has generally performed well against its 138 Key Performance Indicators. Ninety seven were achieved, 16 were on-going or on-target, 10 were no longer relevant or required and 15 were not achieved.

Work on the proposed Expressway, water supply solution, Aquatic Centre and town centre developments attracted the most attention throughout the year.

As a member of the MacKays Crossing to Peka Peka project Alliance, we have played an active role in discussions on the route, Expressway design and mitigation issues. This is the first time a council has been in an Alliance of this nature. It has enabled us to advocate strongly in support of the community objectives adopted by Council in April 2010.

There is no Alliance for the Peka Peka to Ōtaki Expressway section. While Council may have access to more expertise to inform our submissions on this route, ultimately they may not carry any greater weight.

Work on the water supply solution continues as the Mayor outlined. The preferred solution of River Recharge with Groundwater is being tested and developed, and negotiations continue on a future dam site in the Maungakotukutuku Valley.

Members of the Charging Regime Advisory Group (CRAG) named since the end of the financial year are expected to begin their work shortly.

Public debate continues on the proposal for water meters. Council is planning regular information updates on the issues surrounding water supply, water conservation, meters and water charging in local papers and our website, and is exploring other opportunities for dialogue. This will help people have an informed view on water supply initiatives when Long Term Plan consultation takes place in March/April next year.

Major projects initiated during the year included the Raumati Stormwater Upgrade, which involved significant earthworks to install large diameter pipes and a pump station to reduce the risk of flooding. Once completed there will be little sign of the major infrastructure underground.

Rock revetment at Raumati Esplanade and Paekākāriki should reduce erosion risk on those parts of the coast for a long time, while also improving the look of the area.

High expectations for Ōtaki Town Centre upgrade were not met initially but there should be a satisfactory end-result in November, following a review and new contractors. Widening the road at the eastern end was recently approved by the Ōtaki Community Board following community feedback.

In the coming year a much needed upgrade of our Rimu Road Building will result in a more accessible, ground floor Council Chamber and customer service area. If tenders are within budget Council expects to move Customer Services to the former Dick Smith premises at Kapiti Lights before Christmas, and administration staff to the former Whitireia Polytechnic at Lindale. Council meetings will also move during the 12 month building upgrade.

Working from temporary premises will provide challenges and we hope ratepayers will bear with us as we try to provide high standards of service.

Pat Dougherty
Chief Executive

Who we are and what we do

This summary covers activities under two Councils; the first from 1 July 2010 to 14 October 2010 and the second following the October 2010 Local Body Election through to 30 June 2011.

Council comprises a Mayor and 10 elected Councillors. Half represent a ward and half are district wide.

Council meetings are held six weekly. Several Standing Committees report to Council on particular areas, including:

- Environmental and Community Development
- Corporate Business
- Regulatory Management

Four Community Boards – Ōtaki, Paraparaumu/Raumati, Waikanae and Paekākāriki- represent local community interests.

Council provides a wide range of services and infrastructure, as well as making decisions that help shape the District's future.

Council staff provide advice, implement Council decisions and look after the District's day to day operations.

Work is divided into 16 categories. All are linked to one or more Community Outcomes – the aspirations people consider important for the District's wellbeing.

Full information on Community Outcomes can be found at www.kapiticoast.govt.nz



SPENDING AT A GLANCE

The diagram below shows how many cents went on each of Council’s 16 activity areas, per dollar spent. For example, six cents per dollar of Council expenditure went on community facilities.

WHERE YOUR RATES DOLLARS WERE SPENT (typical urban example 2010/11)



KEY ACHIEVEMENTS

Access and Transport

This is one of Council’s most important activities, linking to all seven Community Outcomes and a key factor in people being able to participate fully in their community.

The proposed Expressway dominated transport discussions. Council was involved in the New Zealand Transport Agency’s submissions process, while its ground-breaking membership of the Expressway Alliance aimed to mitigate negative effects on the District.

On-going improvements to the local network included starting the Kāpiti/Rimu Road intersection upgrade, the Rata Road upgrade, major work on The Esplanade and footpath at Raumati South, a new footpath at Rahui Road, Ōtaki and 1.27kms of improvements and extensions to the District’s cycleways/walkways.

Joint safety initiatives included children’s car seat checks with Plunket, ‘Operation Glow’ promoting visibility for cyclists and a ‘Drive to the Conditions’ campaign with Police.

Building Control and Resource Consents

Council was pleased to be able to send 11 staff to help following the Christchurch earthquakes.

The recession’s building downturn has had major impact on Council’s demand for building services and income derived from this. Indicators are new dwelling demand is unlikely to increase before 2012.

Building Control met its statutory processing requirements, processing all 877 Building Consents within 20 days and all 397 Land Information Memorandum requests within 10 days.

A key focus is on maintaining a high quality, efficient and healthy building stock. During the year 5,825 building site inspections were completed and 844 Code of Compliance Certificates issued.

Another key focus is helping manage the effects of activities on the environment, by ensuring District Plan rules are followed.

During the year 212 Resource Consent decisions were issued.

Coastal Management

The Coast is synonymous with Kāpiti and its management is a focus area for the District Plan Review.

A discussion document on Natural Hazards and Managed Retreat was released in October 2010, followed by a workshop with Elected Members.

Coastal experts were working with Council on a management plan for the Marine Parade Rock Revetment.

The Coastal Strategy 2006 continued to guide work, including improved access and signage. Protection work included upgrading Paekākāriki Rock Revetment and, with community groups, planting 3,000 dune plants.

Community Facilities

The proposed Aquatic Centre is an example of how community facilities support social and cultural wellbeing, while their design affects the area’s character.

Design work continued on this major facility, resource consent was issued and earthworks were well under way as at 30 June.

Other pool work was the replacement of Raumati Pool roof and major leak repair, painting Waikanae Pool and installing solar heating at Ōtaki Pool.

A natural burial section was being developed at Ōtaki Cemetery, while Council’s commitment to older people was illustrated by the 99% occupancy of its housing stock for the elderly.



Development Management

This activity is about addressing growth management pressures in a way that reflects community vision.

The District Plan Review continued with the release of seven discussion documents receiving more than 100 submissions. This feedback and reports on areas such as coastal hazards, housing choice and employment contributed to a series of workshops with Elected Members. Expressway issues are also being considered in the Review process.

Community design ideas contributed to the Raumati Beach Town Centre upgrade, underway this year.

Economic Development

The opening of Ōtaki’s Clean Tech Centre in November, a joint initiative with Grow Wellington, received much positive attention.

Council’s economic development work involves Grow Wellington to the South, which is responsible for delivering the Wellington Regional Strategy; and Horowhenua District Council to the North, through a joint initiative with Nature Coast Enterprise.

Work continued with Nature Coast Enterprise on Rugby World Cup preparedness, aided by the new Paraparaumu i-SITE opened in July 2010.

Environmental Protection

This largely regulatory activity helps protect public health and safety. It includes noise and animal control, liquor licensing, inspections of food premises and swimming pools, and emergency management.

The Fire Prevention Bylaw 2010 was adopted to manage the lighting of open air fires, and a second fire truck was supplied to Te Horo Rural Fire Force.

A Freedom Camping Policy was adopted in December to better manage freedom camping on the Coast.

There was close coordination with Wellington and Porirua councils to send help after the Christchurch earthquakes. The earthquakes sparked much interest in emergency preparedness information, and Council in conjunction with other Councils in the region developed a proposal for a unified Civil Defence Emergency Management Structure for the Wellington Region.

Governance and Tāngata Whenua

The establishment of a Water Working Party and a process for iwi to contribute to the District Plan Review showed commitment to the 1994 Memorandum of Partnership between iwi and the Council.

Waitangi Day commemorations went well at Tainui Marae in Ōtaki, Marae support grants were allocated and Matariki was celebrated around the community.

Nearly 18,200 people voted in the October 2010 elections. At the same time 260 year 9 students participated in Kids Voting, aimed at raising awareness of elections.

The new Council successfully worked through the 2011/12 Annual Plan process.

Libraries, Arts and Museums

Libraries play a big part in fostering an informed community. Nearly 20,000 items were added to the collections and free internet was introduced in December 2010. Community appreciation was evident by a 5% increase in library visitors and an increase in the number of items issued from around 775,000 the previous year to nearly 804,000.

Paekākāriki Library’s relocation to the Paekākāriki Tennis Court building in May attracted 900 visitors in its first two months.

A Memorandum of Understanding was signed between Council, the Mahara Gallery Trust and the Field Collection Trust for the integrated upgrade of Waikanae Library and Mahara Gallery.

Sixteen groups received a share of more than \$16,360 of Creative Communities Funding.

Parks and Open Space

Parks and open spaces play a big part in the natural feel and character of the District, while key parks and coastal reserves support biodiversity.

Important to this is the work of 23 community ‘friends’ groups involved in restoration projects and planting more than 22,000 native plants.

Playgrounds were installed at Maclean Park at Paraparaumu Beach and Otaihanga Domain and a water bore and irrigation system was installed at Ōtaki Domain. When finished an upgrade of Te Āti Awa Courts and pavilion should attract bigger sporting events.



Solid Waste

This activity contributes mainly to Community Outcome 4, which wants use to be made of local resources and for people to be able to act sustainably on a daily basis.

During the year there was increased use of the recycling drop-off and shop at the Otaihangā Resource Recovery Centre, weekly kerbside recycling continued in urban areas, and the three yearly Kāpiti Coast District Survey of Solid Waste was completed.

Solid Waste services are fully funded via user charges.



Stormwater Management

Removing stormwater run-off and its safe disposal is important to health and safety, and the protection of ecosystems and the environment.

Strategically it is important given climate change is likely to lead to more flooding and pressure on our stormwater systems.

The biggest stormwater project this year was at Raumati Beach Town Centre, due for completion in December 2011.

Consultation on new flood hazard mapping is due to start in late 2011.

Supporting Environmental Sustainability

Council provides advice, education and practical assistance to support community action on environmental sustainability.

This work depends on collaboration with the community. New this year was the Greenest Street competition, won by Te Roto Road, Ōtaki. Four streets participated, with the winners reducing their environmental footprint by 29% in nine months. This competition contributed to environmental and social wellbeing aims.

The Sustainable Home and Garden Show attracted more than 4,000 visitors despite bad weather, while the Eco Designer provided 450 home visits or advice on improving energy efficiency.

Progress continued on Energise Ōtaki, the long term project to make greater Ōtaki a net exporter of clean energy. The solar pool water heating array at the town's swimming pool will provide ongoing energy savings.

Installing a woodfired boiler at the Wastewater Treatment Plant will save more than \$300,000 a year and cut Council's carbon footprint by 23%.

Annual Heritage Grants allocations totalling around \$27,500 enabled conservation projects costing \$169,000 to proceed.

Supporting Social Wellbeing

Youth and the elderly were a big focus of this work area.

The Youth Council had a busy year, surveying more than 750 young people on their views of the District and then working with Council to develop the Youth2U action plan, making 46 personal development grants of \$300, participating in consultation on Raumati Beach Town Centre upgrade and attracting more than 3,000 people to YouthFest held at Maclean Park in March.

In April the Council of Elders, assisted by Council, launched the Older Persons Strategy at a forum on 'Making the most of Retirement on the Coast'.

Grants totalling \$25,000 were made to 31 community groups, while Employment Initiative Grants totalling \$20,000 were also allocated.

Wastewater Management

The provision of reliable wastewater collection, including maintaining 380kms of wastewater reticulation and 142 pump stations, contributes greatly to public health.

During the year 98% of blockages, breaks and overflows were responded to within an hour, while the new woodfired boiler at Paraparaumu Wastewater Treatment Plant was working well.

Water Management

River Recharge with Groundwater was selected in August 2010 as the preferred option for additional capacity for Waikanae, Paraparaumu and Raumati as part of the Water Supply Project. Negotiations for land purchase for the Maungakotukutuku Dam continue.

The Water Conservation Plan was adopted in September 2010, identifying seven action areas.

In line with the project's other major aim to reduce water use, Council signalled its intention to fund potable water costs from water meter charges. It also reaffirmed the aim to reduce peak water demand to 400 litres per person per day.

Ongoing water conservation work included nearly 420 Green Plumber visits to residents and 41 Green Gardener workshops.

A preferred site and capacity for the Ōtaki Water Supply Reservoir was determined by Council in June 2011.



Summary of the Statement of Comprehensive Income

For the Year Ended 30 June 2011

The Council ended the year with an operating surplus of \$0.327million. This compares to a budgeted surplus of \$5.558million which included \$5.58million of NZTA capital funding for the Western Link.

During the year, Council revalued its Infrastructure, Land and Building assets leading to a \$59.146million increase in the revaluation reserves, compared to the \$42.482million revaluation surplus budgeted.

2009/10 Actual \$000		2010/11 Actual \$000	2010/11 Budget \$000
39,638	Total Rates	42,504	42,004
11,862	Other Revenue	9,496	9,720
4,667	NZTA Operating Funding	2,379	2,753
-	NZTA Expressway Project	736	-
241	NZTA Capital Funding	3	5,580
56,408	TOTAL OPERATING REVENUE	55,118	60,057
33,900	Expenditure	36,029	36,211
-	NZTA Expressway Project	736	-
723	Loss on Disposal	265	-
8,200	Impaired Asset	-	-
4,333	Finance Costs	4,473	6,710
1,649	Gain/(loss) on Revaluation of Financial Instruments	1,252	-
11,653	Depreciation/Amortisation	12,036	11,578
60,458	TOTAL OPERATING EXPENDITURE	54,791	54,499
(4,050)	NET SURPLUS /(DEFICIT)	327	5,558
	Other Comprehensive Income		
(817)	Property, Plant and Equipment - Increase/ (Decrease) in Revaluation Reserves	59,146	42,482
(4,867)	TOTAL COMPREHENSIVE INCOME	59,473	48,040

Summary of Changes in Equity

For the Year Ended 30 June 2011

2009/10 Actual \$000		2010/11 Actual \$000	2010/11 Budget \$000
683,160	Equity as at 1 July	678,293	712,820
(4,867)	Total Comprehensive Income	59,473	48,040
678,293	Equity as at 30 June	737,766	760,860
	Equity is represented by:		
573,006	Retained Earnings	576,366	613,370
100,192	Revaluation Reserves	159,338	143,491
3,549	Reserves and Special Funds	2,062	2,705
1,546	Sinking Funds	-	1,294

Summary of Financial Position

As at 30 June 2011

Total Public Equity increased by the reported \$59.473million Comprehensive Income to \$737.766million. This compares to the \$760.86million budgeted for Total Public Equity.

2009/10 Actual \$000		2010/11 Actual \$000	2010/11 Budget \$000
16,951	Current Assets	5,584	12,286
754,337	Non-Current Assets	824,023	877,300
771,288	TOTAL ASSETS	829,607	889,586
59,072	Current Liabilities	56,999	29,492
33,923	Non-Current Liabilities	34,842	99,234
92,995	TOTAL LIABILITIES	91,841	128,726
678,293	TOTAL PUBLIC EQUITY	737,766	760,860
771,288	TOTAL LIABILITIES AND PUBLIC EQUITY	829,607	889,586

Summary of Cash Flows

For the Year Ended 30 June 2011

The higher net cash outflow related to the additional repayment of debt from Council’s loan repayment reserves.

2009/10 Actual \$000		2010/11 Actual \$000	2010/11 Budget \$000
10,404	Net Cash Flows From Operating Activities	16,909	8,971
(10,470)	Net Cash Flows From Investing Activities	(22,041)	(29,768)
1,447	Net Cash Flows From Financing Activities	(6,028)	19,659
1,381	NET CASH INFLOW / (OUTFLOW) FOR YEAR	(11,160)	(1,138)

Notes:

- Part 6 s 98(b) of the Local Government Act 2002 requires Council to make publicly available a summary of information contained in the Annual Report.
- The specific disclosures included in the summary financial report have been extracted from the full financial report adopted on 6 October 2011. This summary has been prepared in accordance with FRS-43: Summary Financial Statements.
- The summary financial report cannot be expected to provide as complete an understanding as provided by the full financial report. Both the full financial report and the summary report have received unqualified audit reports. Copies of both documents may be obtained from the Council’s offices or viewed online at www.kapiticoast.govt.nz.
- This summary financial report has been examined by the auditor for consistency with the full financial report. An unqualified auditor’s report is included with this summary.
- The Council has complied with New Zealand equivalents to International Financial Reporting Standards as applicable for public benefit entities.
- The summary of the Kāpiti Coast District Council 2010/11 Annual Report was authorised by the Deputy Chief Executive on 12 October 2011.

AUDIT REPORT

MORE INFORMATION

This is a summary of the 2010/11 Annual Report, dated 6 October 2011, which contains detailed information about Council's finances and service performance.

The full Annual Report can be obtained from the main Council office in Paraparaumu, Council Service Centres/libraries or online at www.kapiticoast.govt.nz

Main Office

175 Rimu Road,
Paraparaumu
Phone 04 296 4700

Service Centres

Mahara Place, Waikanae
Phone 04 296 4761

Ōtaki Library,
81-83 Main Street, Ōtaki
Phone 06 364 9317

For all information
Call free 0800 486 486
Fax: 04 296 4830
Email:
kapiti.council@kapiticoast.govt.nz

www.kapiticoast.govt.nz

Kāpiti Coast District Council
Private Bag 60601
Paraparaumu 5254

Chartered Accountants



ERNST & YOUNG

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF KAPITI COAST DISTRICT COUNCIL'S SUMMARY OF THE ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

We have audited the summary of the annual report (the summary) as set out on pages 3 to 6, which was derived from the audited statements in the annual report of the Kapiti Coast District Council (the District Council) for the year ended 30 June 2011 on which we expressed an unmodified audit opinion in our report dated 6 October 2011.

The summary comprises:

- the summary statement of financial position as at 30 June 2011, and summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and the notes to the summary financial statements that include other explanatory information; and
- the summary of the District Council's non-financial performance information and summaries of other information contained in its annual report.

Opinion

In our opinion, the information reported in the summary complies with FRS-43: Summary Financial Statements and represents, fairly and consistently, the information regarding the major matters dealt with in the annual report.

Basis of opinion

The audit was conducted in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand).

The summary and the audited statements from which they were derived, do not reflect the effects of events that occurred subsequent to our report dated 6 October 2011 on the audited statements.

The summary does not contain all the disclosures required for audited statements under generally accepted accounting practice in New Zealand. Reading the summary, therefore, is not a substitute for reading the audited statements in the annual report of the District Council.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary in accordance with FRS-43: Summary Financial Statements. We are responsible for expressing an opinion on the summary, based on the procedures required by the Auditor-General's auditing standards and the International Standard on Auditing (New Zealand) 810: Engagements to Report on Summary Financial Statements.

Other than the audit and in carrying out the audit of the Statements of Proposal to amend the long term council community plan, dated 17 March 2011 and 18 August 2011, we have no relationship with or interests in the District Council.



G J Taylor
Ernst & Young
On behalf of the Auditor-General
Wellington, New Zealand

12 October 2011