BUILDING A RESILIENT FUTURE FOR KĀPITI

Te whakatupu i te anamata manawaroa mō Kāpiti



Annual Report Summary 2025/26

Te Rīpota Whakarapopoto a tau 2025/26

Kāpiti Coast DISTRICT COUNCIL
Me Huri Whakamuri, Ka Titiro Whakamua

HOW TO
CONTACT US
Te whakapā mai ki a mātou

Visit our website: www.kapiticoast.govt.nz

Email us: kapiti.council@kapiticoast.govt.nz

Call us: 04 296 4700 or freephone 0800 486 486 (including after hours)

Visit us:
Civic Building Service Centre
175 Rimu Road, Paraparaumu
9am–5pm, Monday to Friday

Or our other service centres:
Waikanae Library, Mahara Place, Waikanae
Ōtaki Library, 81–83 Main Street, Ōtaki
9am–5pm, Monday, Tuesday, Thursday, Friday
and 10am–5pm Wednesdays

Connect with us:
Sign up for Everything Kāpiti, our weekly e-newsletter for Kāpiti residents, at kapiticoast.govt.nz/EverythingKapiti

Download Antenno, a free mobile app that we use to send Council-related notifications and you can use to report Council-related issues.

Follow us on our social media channels:

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NAU MAI, HAERE MAI



A MESSAGE FROM OUR MAYOR AND CHIEF EXECUTIVE

He Karere nā te Koromatua me Te Tumuaki

Nau mai haere mai, welcome to Kāpiti Coast District Council's Annual Report for 2025/26.

This is our second year reporting against the Long-term Plan 2024–34. It provides a snapshot of our financial and non-financial performance, and our progress against the community outcomes of place, people and partnership.

It was another year shaped by change, cost pressure and reform. In this uncertain environment, Council focused on maintaining essential services, investing carefully in infrastructure, supporting community wellbeing, and making decisions that contribute to a resilient, liveable and thriving Kāpiti.

In October, we welcomed new and returning councillors and community board members. Elected members quickly moved into a substantial work programme, including the formation of councillor-led Engagement and Finance Focus Groups to drive the initial work on the Long-term Plan 2027-37. We also carried out early engagement to ensure we hear what's important to our community as we balance affordability with the investment needed to maintain services, renew assets and respond to a growing and changing district.

We achieved 87 percent of our non-financial performance measures this year. This reflects the commitment of our people, the value of strong partnerships and the resilience of the organisation as we continued to respond to a busy and complex operating environment.

Partnering with mana whenua

Our partnership with mana whenua continued to strengthen through Te Whakaminenga o Kāpiti – He Whakaaetanga Hononga | Partnership Agreement. This year, Council began important work to make the partnership more visible in how we plan, decide, and deliver. This included a Council-wide Readiness Assessment and Te Ao Māori capability development for staff, supporting stronger understanding of Te Tiriti o Waitangi, tikanga Māori and the mātāpono that guide our partnership. This work builds a stronger foundation for more consistent, practical and accountable partnership across Council.

Supporting our community

Community was at the centre of our work during 2025/26. We supported connection, wellbeing and participation through events, grants, advisory groups, partnerships, facilities and public spaces. These activities help people take part in local life, access support, and contribute to decisions that affect their neighbourhoods and the wider district.

Our Youth Council and Advisory Groups provided advice on strategic planning, climate action, accessibility, transport, parks and community facilities, and the wider community provided feedback on a number of items to help our decision making.

We supported community and affordable housing initiatives through the Community and Affordable Housing Seed Fund and work with organisations such as the Kāpiti Housing Solutions Trust.

Movies in the Park, the Christmas on the Coast Festival and Parade, school holiday activities, and the 25th Kāpiti Art Trail helped residents and visitors connect with local places, people and creativity.



Investing in infrastructure

We delivered a $61.5 million capital works programme, with investment in the infrastructure our community relies on every day. This included water supply pipeline renewals in Waitohu Valley, Stage 1 of the Ōtaki wastewater network upgrade, flood relief works at Kenakena, and upgrades to the Waikanae Water Treatment Plant.

Construction also began on Te Ara Whetū, the new Waikanae library hub, and the Waikanae skatepark and playground refresh. Both projects have been shaped by community input and will provide important places for people to learn, connect, play and spend time together.

Work also started on the Paekākāriki seawall replacement, a multi-year project to improve protection for nearby infrastructure.

Keeping water services in-house

Water services were a significant focus this year. After community consultation, Council chose to keep water services in-house. Our Water Services Delivery Plan has been endorsed, and work is underway to establish the Water Services Internal Business Unit so we can continue to meet new requirements while retaining a strong local focus.

Responding to reform

Central government reform continued to demand time and resources, with proposed changes to resource management, local government systems and structure, and rates settings. We support simpler, more enabling legislation, while continuing to advocate for local voice and long-term community interests.

When the Government announced voluntary, fast-tracked pathways for councils considering amalgamation, our community survey saw 2,770 residents share their views. This feedback reinforced the importance of local voice and helped shape our response.

The Government put the Head Start local government pathway on hold in September 2026 until after the general election.

Managing affordability and financial sustainability

Affordability remains one of the most important issues facing Council and our community. In early 2026, Council commissioned a rates affordability report to better understand household pressures and inform future decision-making. Its findings will help shape our next Long-term Plan, balancing affordability with investment in the services and infrastructure our community relies on.

The Government's proposed rates cap will make these conversations more challenging, reinforcing the need for clear choices, transparent trade-offs and honest conversations about what Council can and can't deliver.

Building resilience and caring for the environment

We strengthened resilience through districtwide stormwater flood modelling, emergency preparedness training, additional emergency water tanks, and solar energy systems for community buildings. This work helps Kāpiti prepare for future events and adapt to a changing climate.

We also progressed environmental work, including engagement on the draft Emissions Reduction Plan, reserve management planning, biodiversity and fish passage improvements, the restoration at Pharazyn Reserve, Sustainable Spring, and waste minimisation initiatives.

Supporting growth

We continued to support economic development and well-planned growth. The Kāpiti NZ Trust deed was signed in April as part of a new operating model for economic development, designed to improve outcomes while reducing reliance on ratepayer funding over time.

Major events supported local businesses, brought people to Kāpiti and strengthened community identity.

As the district grows, we're ensuring there are enough parks, reserves and recreational spaces for current and future communities, including through subdivision planning and assessment of potential new reserve sites. These spaces are central to wellbeing, community connection and the way people experience Kāpiti.

Change will continue to shape our operating environment, but our commitment remains clear - to build a resilient, liveable and thriving Kāpiti for current and future generations.

We thank everyone who has contributed to Council's work this year. Your knowledge, time, feedback and support help shape the decisions we make and the district we are building together.

Toitū te whenua, toitū te wai, toitū te tāngata – toitū Kāpiti.



Janet Holborow
Mayor of Kāpiti Coast District Council
Koromatua o te Kaunihera a Rohe o Kāpiti



Darren Edwards
Chief Executive
Te Tumuaki Rangatira

WE'VE HAD A BIG YEAR

- We responded to nearly 80,000 customer service enquiries - connecting with our community in person, online, and over the phone to make sure you got the info and support you needed.
- We cleaned 28km of open waterways - restoring nature, reducing flood risk, and creating healthier spaces for our communities to thrive.
- Over 18km of local roads got a fresh new look by being resurfaced, making your journey smoother, safer and more comfortable.
- We built 1.5km of new footpaths, making it easier and safer for everyone to walk, roll, and move around their neighbourhoods.
- We delivered over 6 million cubic metres of safe, treated drinking water to households - keeping our communities healthy, hydrated, and flowing smoothly every day.
- We treated over 4.6 million cubic metres of wastewater - that's like cleaning the equivalent of 1,776 Olympic-sized swimming pools or nearly 30 million bathtubs!
- We helped 131 dogs who came into our care, reuniting them with their families or finding them loving new homes and a fresh start.
- Our libraries fostered learning, creativity, and community to 14,638 people through more than 500 sessions and events including children's programmes, school holiday activities, adult learning, book groups, and workshops.
- The Makerspace buzzed with creativity, welcoming 3,303 visitors to design, make, experiment, and learn at Paraparaumu Library.
- Curiosity and teamwork were on full display at the annual Mastermind event, which engaged more than 100 primary school students, teachers, and whānau.
- Our district welcomed around 20,000 visitors during the Kāpiti Arts Trail, where 138 talented artists showcased the vibrant creative spirit of our community.
- Over 4,000 people rolled out their picnic blankets for Movies in the Park at Waikanae - taking time to connect and soak up the February sunshine.
- Around 16,000 enjoyed our coast / sunshine at our council led community events.
- Over 250 school children enjoyed getting muddy and shaping a greener future, planting 1,800 trees (that's 10% of the 18,000 dune, forest, and wetland plants we planted this year).



- Sustainable Spring brought over 1,200 people together for 35+ events and workshops - supporting community connection, resilience, and local sustainability initiatives.
- We teamed up with the Youth Council to run a youth survey with over 1,000 young people sharing what it's like growing up in Kāpiti - that's more than 10% of our youth! Their voices will help shape future plans and services.
- With over 5,910 registrations, our water safety programmes made a splash - giving our community vital skills and confidence to stay safe in the water.
- Our community made waves in 1,172 aquafit classes - boosting health, fitness, and connection through fun and movement!
- Council is "all in" for emergency preparedness with 130 staff completing emergency management or emergency assistance training, strengthening our ability to respond swiftly and effectively when it matters most.
- 322 new citizens were welcomed to our district over five citizenship ceremonies throughout the year.



KIA PAKARI TE HONONGA STRENGTHENING THE PARTNERSHIP

Te Whakaminenga o Kāpiti - He Whakaaetanga Hononga | Partnership Agreement confirms the enduring relationship between Kāpiti Coast District Council and Mana Whenua. It sets out four shared mātāpono | principles that guide how we work together: Kotahitanga, Rangatiratanga, Whanaungatanga and Manaakitanga.

During the year, Council began work to make the Partnership Agreement more visible in how the organisation plans, decides, and delivers. This included starting a Council-wide Readiness Assessment and beginning Te Ao Māori capability development for staff.

By 30 June 2026, the Readiness Assessment had moved into its information gathering phase. The assessment is helping Council identify current strengths, capability gaps, and practical opportunities to align systems, processes, and behaviours with Mana Whenua aspirations, priorities, and strong partnership practice.

Council also undertook training in Te Tiriti o Waitangi and The Wall Walk®. This work supports staff to better understand the history, legislation, and local context that shape Council's responsibilities and relationships with Mana Whenua.

Building capability in te reo Māori, tikanga Māori and Te Tiriti helps staff move beyond participation into active partnership and protection of this knowledge. It supports practical fluency in the mātāpono, so staff understand how these principles shape planning, engagement, advice, investment, and decision-making.

This work builds on many years of partnership and good practice across Council. The focus is not to replace what already exists, but to strengthen Council's ability to coordinate itself internally so its work is connected to Mana Whenua aspirations. Through the partnership, Council's role is to act as an enabler — aligning people, systems, advice, and delivery so Mana Whenua aspirations can be understood, supported, and progressed where they are expressed.

Partnering for outcomes

Mātāpono| Principles	What this means in practice
Kotahitanga	Aligning Council work and Mana Whenua aspirations through shared purpose and collective responsibility for outcomes.
Rangatiratanga	Upholding Mana Whenua leadership, aspirations, and decision-making pathways as central to partnership practice.
Whanaungatanga	Maintaining enduring relationships through trust, consistency, presence, and shared commitment to the kaupapa.
Manaakitanga	Working in ways that uphold mana, apply tikanga and support the aspirations and priorities of Mana Whenua.

Progress During the Reporting Period

- Initiated a Council-wide Readiness Assessment to understand Council's capability and readiness to give effect to the Partnership Agreement.
- Began information gathering across Council to understand how current systems, processes and work programmes support delivery of the Partnership Agreement, and where there are clear opportunities to strengthen alignment with Mana Whenua priorities and aspirations. Initiated te Ao Māori capability development to support understanding of Te Tiriti o Waitangi, te reo Māori, tikanga Māori and local history, and build the confidence and capability needed to give practical effect to the Partnership Agreement
- Maintained and strengthened trusted relationships with Mana Whenua through established ways of working.
- Strengthened understanding that giving effect to the Partnership Agreement requires ownership across Council, not responsibility sitting with one group or team alone
- Held hui with Mana Whenua to understand their priorities and aspirations ahead of the 2027-37 Long Term Plan. This engagement is ongoing and will inform how Council aligns its work programmes with Mana Whenua priorities as they are confirmed Identified how the mātāpono can shape Council planning, advice, investment, and decisions.
- Began scoping a Rautaki Māori to set Councils strategic direction for its partnership and relationship with mana whenua and Māori.

Next Steps

- Finalise the Readiness Assessment and use its evidence-based recommendations to guide and prioritise the next stages of implementing the Partnership Agreement.
- Continue building staff capability in Te Tiriti o Waitangi, te reo Māori, tikanga Māori and partnership practice.
- Support staff to apply the mātāpono in practical ways across planning, advice, delivery, and decision-making.
- Develop an internal Mana Whenua engagement framework, setting out the tikanga for how Council works in partnership with Mana Whenua across the organisation, to strengthen internal coordination and the systems and processes that support it. This will ensure Mana Whenua aspirations are understood and connected to relevant work programmes, and that Council is better positioned to act as an enabler and partner through the partnership. The framework will be delivered alongside a defined work programme informed by Mana Whenua known priorities.
- Progress the design and development of the Rautaki Māori.

Overall, Council has begun strengthening the capability, systems and shared understanding needed to give practical effect to the mātāpono of Kotahitanga, Rangatiratanga, Whanaungatanga and Manaakitanga.

Together, this work marks an important shift from participation to active partnership. It strengthens Council's ability to coordinate internally, apply the mātāpono in practical ways, and connect planning, advice, investment, and delivery to shared priorities with Mana Whenua. Raising awareness through capability building is critical to moving from understanding to action, and to ensuring the partnership is enduring, reciprocal and grounded in shared responsibility. As the Readiness Assessment is finalised and the Rautaki Māori is developed, this foundation will support more consistent, coordinated, and accountable partnership practice across Council.

WHAT WE DELIVERED



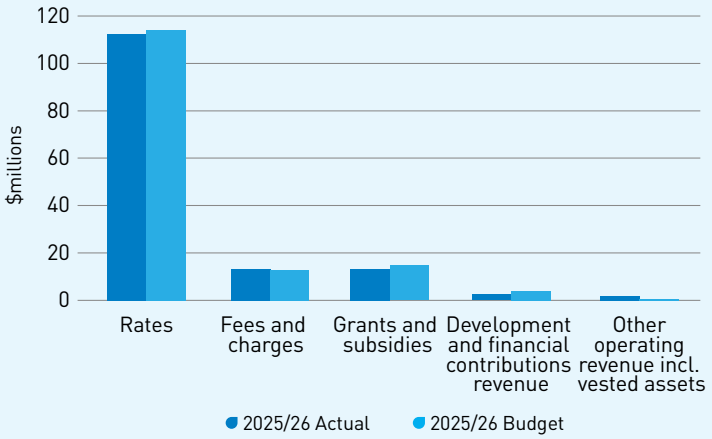
SUMMARY OF COUNCIL'S PERFORMANCE FOR THE YEAR

FINANCIAL PERFORMANCE

REVENUE
for the year was
$143.9m

Revenue for the year was $4.2 million lower than budget. Revenue was mostly from rates ($112.5 million), fees and charges ($13.2 million), grants and subsidies ($11.8 million), and development contributions ($3.8 million).

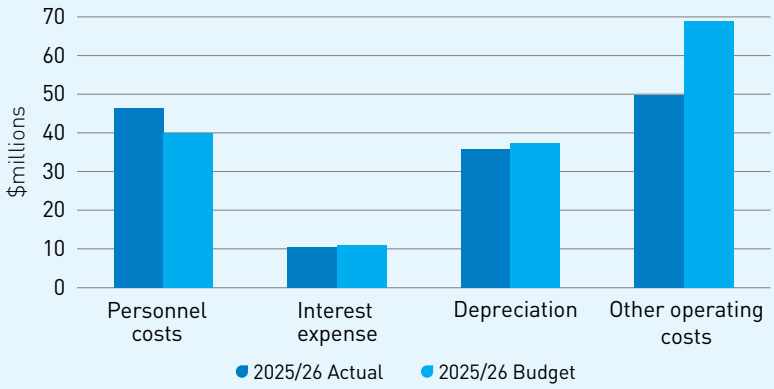
Revenue vs. Budget



EXPENDITURE
for the year was
$142.3m

Expenditure was $14.6 million lower than budget largely due to a zero cost planned transfer of our Older Persons Housing portfolio not eventuating in 2025/26. The variance reflects timing and accounting treatment rather than reduced day-to-day service delivery costs.

Operating Expenditure



OPERATING SURPLUS
for the year
$1.6m

Our operating surplus was $10.3 million above budget, compared with a budgeted deficit of $8.7 million.

The result was largely due to the timing of the proposed Older Persons Housing sale, with the associated transfer not occurring in 2025/26 as planned, along with net interest costs being lower than planned. The surplus also includes capital grants and development contributions received for infrastructure projects. These funds are set aside for capital investment and are not available to fund Council's day-to-day activities. The accounting surplus therefore does not reflect surplus cash available for spending.

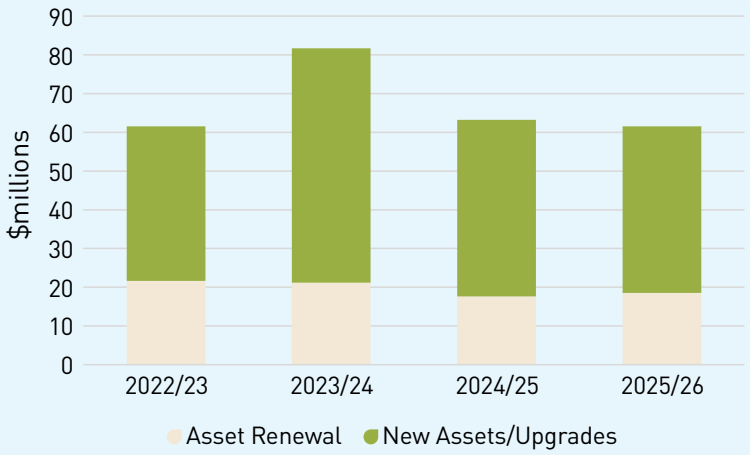
CAPITAL SPEND

for the year was

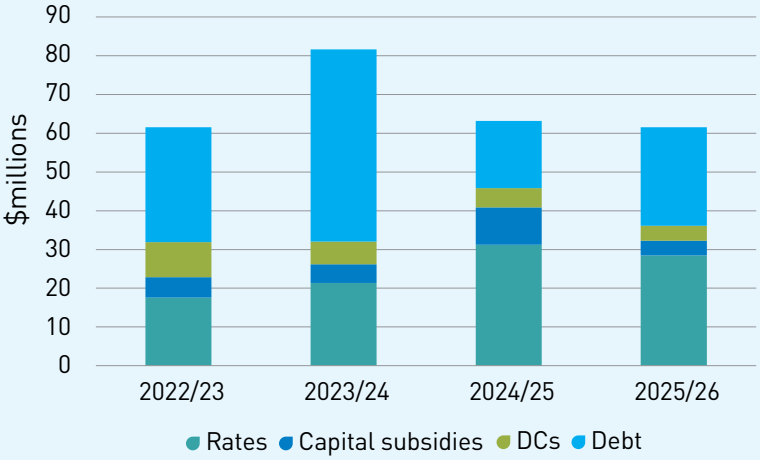
$61.5m

Our capital spending for the year included Three Waters ($30.2 million), Access and Transport ($12.4 million), and Community Facilities ($11.7 million).

Capex by expenditure type



Capex by funding source



NET DEBT

was

$299.5m

at 30 June 2026

Net borrowings	Actual $000
Gross borrowings	**402,957**
Less	
- Cash & cash equivalents	(9,814)
- Term Deposits	(80,000)
- Borrower notes	(13,615)
Net borrowings	**299,528**

NET DEBT TO REVENUE

was

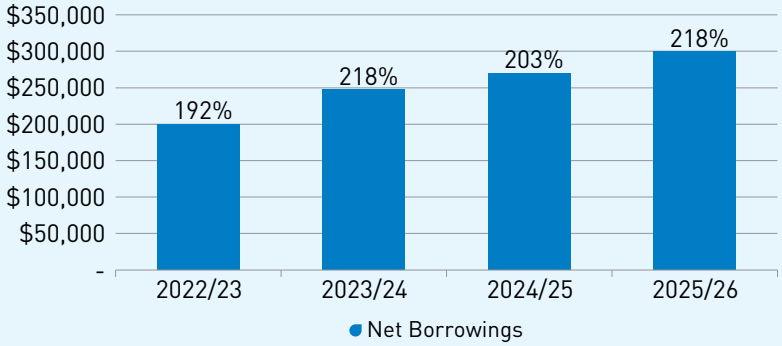
218%

at 30 June 2026.

This is below the quantified limit as determined by the Local Government Funding Agency (LGFA).

.

Net debt/Total operating income ratio



PROPERTY, PLANT AND EQUIPMENT were **$2.43b**

$1.42b
Infrastructure - Roading and bridges

$197m
Restricted reserve land, buildings and parks assets

$93m
Infrastructure - Under construction

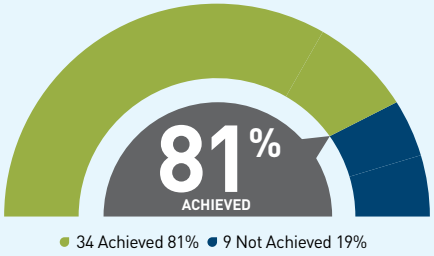
$521m
Infrastructure - Three Waters

$177m
Council land, building and other operational assets

$13m
Infrastructure - Coastal erosion and flood protection

NON-FINANCIAL PERFORMANCE

Strategic impact measures



34 Achieved 81% ● 9 Not Achieved 19%

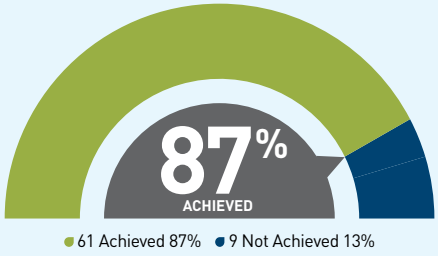
PLACE
92%

PEOPLE
82%

PARTNERSHIP
75%

TOP 10 PRIORITIES progress
96%
are on track.
One action has been delayed.

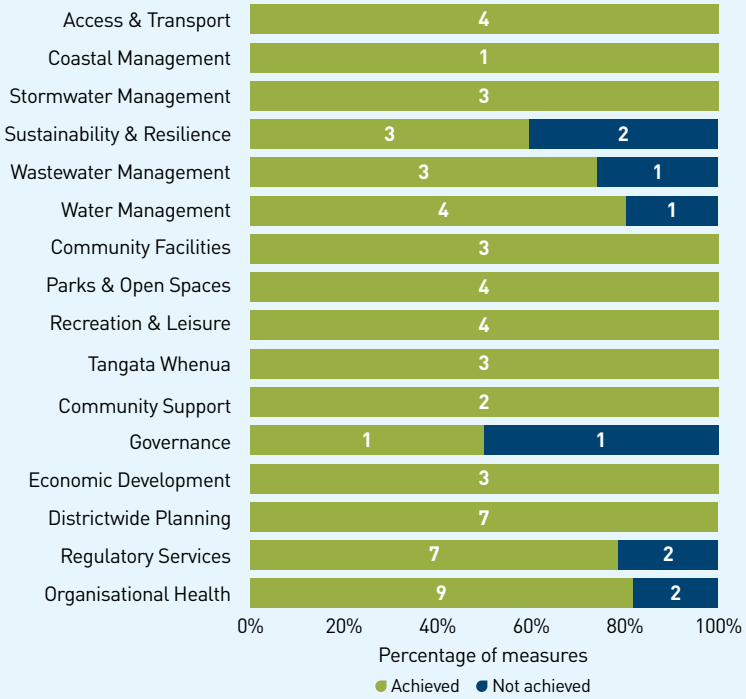
Level of service measures



61 Achieved 87% ● 9 Not Achieved 13%

Level of service performance by activity

Numbers in bars show the number of measures.



ACTIVITY COST PER RATEPAYER

The information below highlights what Council delivers and what ratepayers actually pay for these services. More detailed financial information can be found in the Funding Impact Statement for each activity - click on the symbol beside the activity (e.g. for water management) to view.

Council services provided		Total operating costs[1]	Income to offset operating costs	Net operating cost[2]	Cost per rating unit per week[3]
	Water Management	$16.5m	$1.5m	$15.0m	$11.05
	Wastewater Management	$16.0m	$0.7m	$15.3m	$10.84
	Stormwater Management	$9.0m	$1.2m	$7.8m	$5.64
	Three Waters Total	**$41.5m**	**$3.4m**	**$38.1m**	**$27.53**
	Access & Transport	$23.2m	$7.1m	$16.1m	$11.63
	Recreation & Leisure	$17.8m	$2.6m	$15.2m	$10.98
	Parks & Open Spaces	$12.4m	$0.7m	$11.7m	$8.45
	Regulatory Services	$15.5m	$6.1m	$9.4m	$6.79
	Community Facilities	$10.3m	$2.2m	$8.1m	$5.85
	Districtwide Planning	$7.3m	$0.6m	$6.7m	$4.84
	Governance	$3.6m	$0.1m	$3.5m	$2.53
	Economic Development	$3.0m	$0.3m	$2.7m	$1.95
	Tangata Whenua	$2.7m	$0.0m	$2.7m	$1.95
	Community Support	$2.3m	$0.1m	$2.2m	$1.59
	Sustainability & Resilience	$3.3m	$1.3m	$2.0m	$1.44
	Coastal Management	$1.3m	$0.1m	$1.2m	$0.87
	Total rest of Council	**$102.7m**	**$21.2m**	**$81.5m**	**$58.87**
	Total	**$144.2m**	**$24.6m**	**$119.6m**	**$86.40**

[1] Costs include day-to-day expenses including staff costs, overheads, utilities, maintenance, supplies, interest on debt, and depreciation.

[2] Net ratepayer funded operating costs are those funded only by rates. Costs covered by government subsidies and fees and charges are excluded.

[3] Number of rating units 26,618 as at 30 June 2026.

SERVICE PERFORMANCE OVERVIEW

Council's performance framework includes 44 strategic impact measures and 73 operational level of service measures across 16 activity areas. This section reports on performance against the level of service measures set in the Long-term Plan. Strategic impact results can be found on pages 25 to 34.

Of the 73 level of service measures, three were assessed as not applicable for 2025/26 and were therefore excluded from the overall achievement calculation. One measure relates to the Takutai Kāpiti programme, for which Council is yet to confirm future delivery arrangements, and one relates to major stormwater flood protection and control works, for which no works were planned. The third relates to Coastal Management, for which there were no urgent requests for seawall repairs during the year.

Of the remaining 70 level of service measures, Council achieved 61 (87%). Nine measures (13%) were not achieved.

Council's overall level of performance



61 Achieved 87% 9 Not Achieved 13%

PARTNERSHIPS

90%

ACHIEVED

9 Achieved 90% • 1 Not Achieved 10%

INFRASTRUCTURE

82%

ACHIEVED

18 Achieved 82% • 4 Not Achieved 18%

PLANNING AND REGULATORY

88%

ACHIEVED

14 Achieved 88% • 2 Not Achieved 12%

ORGANISATIONAL HEALTH

82%

ACHIEVED

9 Achieved 82% • 2 Not Achieved 18%

SERVICES

100%

ACHIEVED

11 Achieved 100% • 0 Not Achieved 0%

FINANCIAL MANAGEMENT



FINANCIAL STATEMENTS

In this section we provide summary financial information required by law as part of the Annual Report.

It includes the summary financial statements that show our actual expenditure and income, changes in our equity, total assets and liabilities and our cash flows for the 2025/26 financial year against budget.

Statement of comprehensive revenue and expense for the year ended 30 June 2026

2024/25 Actual $000		2025/26 Actual $000	2025/26 Budget $000
	Revenue		
106,375	Rates	112,457	114,024
38,051	Other operating revenue	31,423	34,113
144,426	**Total revenue excluding gains**	**143,880**	**148,137**
	Expenses		
123,723	Operating expenses	131,907	146,026
123,723	**Total expenses**	**131,907**	**146,026**
	Interest		
4,649	Interest income	4,320	4,627
15,255	Finance expense	14,690	15,466
10,606	**Total interest expense**	**10,370**	**10,839**
10,097	**OPERATING SURPLUS/(DEFICIT)**	**1,603**	**(8,728)**
	Unrealised gains/(losses)		
(6,558)	Unrealised gain/(loss) on revaluation of financial derivatives	(688)	2,366
(6,558)	**Total unrealised gains/(losses)**	**(688)**	**2,366**
3,539	**NET OPERATING SURPLUS/(DEFICIT)**	**915**	**(6,362)**
	Other comprehensive revenue and expense		
(16,861)	Revaluation of property, plant and equipment	85,895	49,324
(13,322)	**TOTAL COMPREHENSIVE REVENUE AND EXPENSE**	**86,810**	**42,962**

Statement of financial position as at 30 June 2026

2024/25 Actual $000		2025/26 Actual $000	2025/26 Budget $000
111,329	Current Assets	117,945	123,877
2,328,496	Non-Current Assets	2,442,039	2,441,015
2,439,825	**TOTAL ASSETS**	**2,559,984**	**2,564,892**
105,050	Current Liabilities	138,368	123,162
297,820	Non-Current Liabilities	297,851	331,809
402,870	**TOTAL LIABILITIES**	**436,219**	**454,971**
2,036,955	**TOTAL EQUITY**	**2,123,765**	**2,109,921**
2,439,825	**TOTAL LIABILITIES AND PUBLIC EQUITY**	**2,559,984**	**2,564,892**

Statement of changes in net assets/equity for the year ended 30 June 2026

2024/25 Actual $000		2025/26 Actual $000	2025/26 Budget $000
2,050,277	**Equity at 1 July 2025**	**2,036,955**	2,066,959
3,539	Net operating surplus/(deficit)	915	(6,362)
(16,861)	Revaluation of property, plant and equipment	85,895	49,324
(13,322)	Total comprehensive revenue and expense for the year	86,810	42,962
-	Transfer from revaluation reserve	-	-
2,036,955	**CLOSING EQUITY AT 30 JUNE**	**2,123,765**	**2,109,921**
	Equity is represented by:		
719,337	Accumulated Funds	721,607	707,770
11,862	Reserves and special funds	9,384	17,019
1,305,756	Revaluation reserve	1,392,774	1,385,132
2,036,955	**CLOSING EQUITY AT 30 JUNE**	**2,123,765**	**2,109,921**

Statement of cash flows for the year ended 30 June 2026

2024/25 Actual $000		2025/26 Actual $000	2025/26 Budget $000
34,667	Cash flows from operating activities	34,741	54,221
(59,084)	Cash flows from investing activities	(62,132)	(81,053)
28,885	Cash flows from financing activities	23,362	29,561
4,468	**Net increase/(decrease) in cash and cash equivalents**	(4,029)	2,729
11,102	Total cash and cash equivalents at 1 July	15,570	7,719
15,570	**TOTAL CASH AND CASH EQUIVALENTS AT 30 JUNE**	**11,541**	**10,448**

Notes

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

The summary financials have been prepared in accordance with PBE FRS 43. They are presented in New Zealand dollars and rounded to the nearest thousand ($000).

The summary financial statements do not provide as complete an understanding as the full financial statements in the Annual Report 2025/26.

There have been no changes in the accounting policies in the year ended 30 June 2026.

Water services reform programme

The Government's Local Water Done Well reforms have introduced new requirements for the planning, funding, governance, reporting, and delivery of water services. Following public consultation in 2025, Kāpiti Coast District Council resolved to retain the delivery of drinking water, wastewater, and stormwater services within Council through a dedicated Water Services Internal Business Unit (IBU).

Council adopted and submitted its Water Services Delivery Plan to the Department of Internal Affairs (DIA) in September 2025. The DIA subsequently approved the Plan, confirming that Council's proposed delivery model and implementation approach met the requirements of the Local Government (Water Services Preliminary Arrangements) Act 2024.

Council is currently implementing the transition programme required to establish the IBU. This includes strengthening governance and accountability arrangements, implementing financial ring-fencing of water services activities, enhancing reporting systems and regulatory compliance processes, and preparing for the increased disclosure and performance reporting requirements under the new framework. The Water Services IBU is scheduled to become operational on 1 July 2027.

The reform programme has had no material impact on the financial statements presented in this Annual Report. However, Council continues to incur costs associated with planning for and implementing the transition to the new operating model.

Compliance

A statement of compliance to generally accepted accounting practice in New Zealand can be found in the full annual report. Council is a Tier 1 entity and the full financial statements comply with the standards for public sector public entities (PBE Standards) reporting.

The full and summary financial statements have been subject to audit and both received unqualified audit opinions.

Events after the end of the reporting period

There are no material adjusting events after the reporting period.

This summary has been extracted from the Annual Report 2025/26, which was adopted by the Council on 22 October 2026. It contains detailed information about Council's service and financial performance for the year ending 30 June 2026.

Local Government Reform

Simplifying Local Government

The Government is progressing a wider programme of local government reform, including consideration of future local government structures and functions across New Zealand. As part of this programme, the Government released a policy proposal for the voluntary "Head Start" pathway, enabling councils to bring forward reorganisation proposals ahead of wider reforms.

The Council participated in discussions relating to a Wellington regional Head Start proposal and tabled an alternative option for the future governance of the Kāpiti Coast. Council resolved to reject amalgamation options to form a single unitary region and to seek inclusion for a Kāpiti Unitary option, through the Wellington Region Head Start Proposal.

Council submitted the Kāpiti Unitary proposal directly to the Ministry for Cities, Environment, Regions and Transport (MCERT), Ministers and other relevant parties. In September 2026, the Government announced that consideration of Head Start proposals had been deferred until early 2027. The Wellington Mayoral Forum has subsequently agreed to stop all work related to amalgamation through the Wellington Regional Leadership Forum.

The outcome, timing and nature of any local government reorganisation remain uncertain.

Legislative Reform

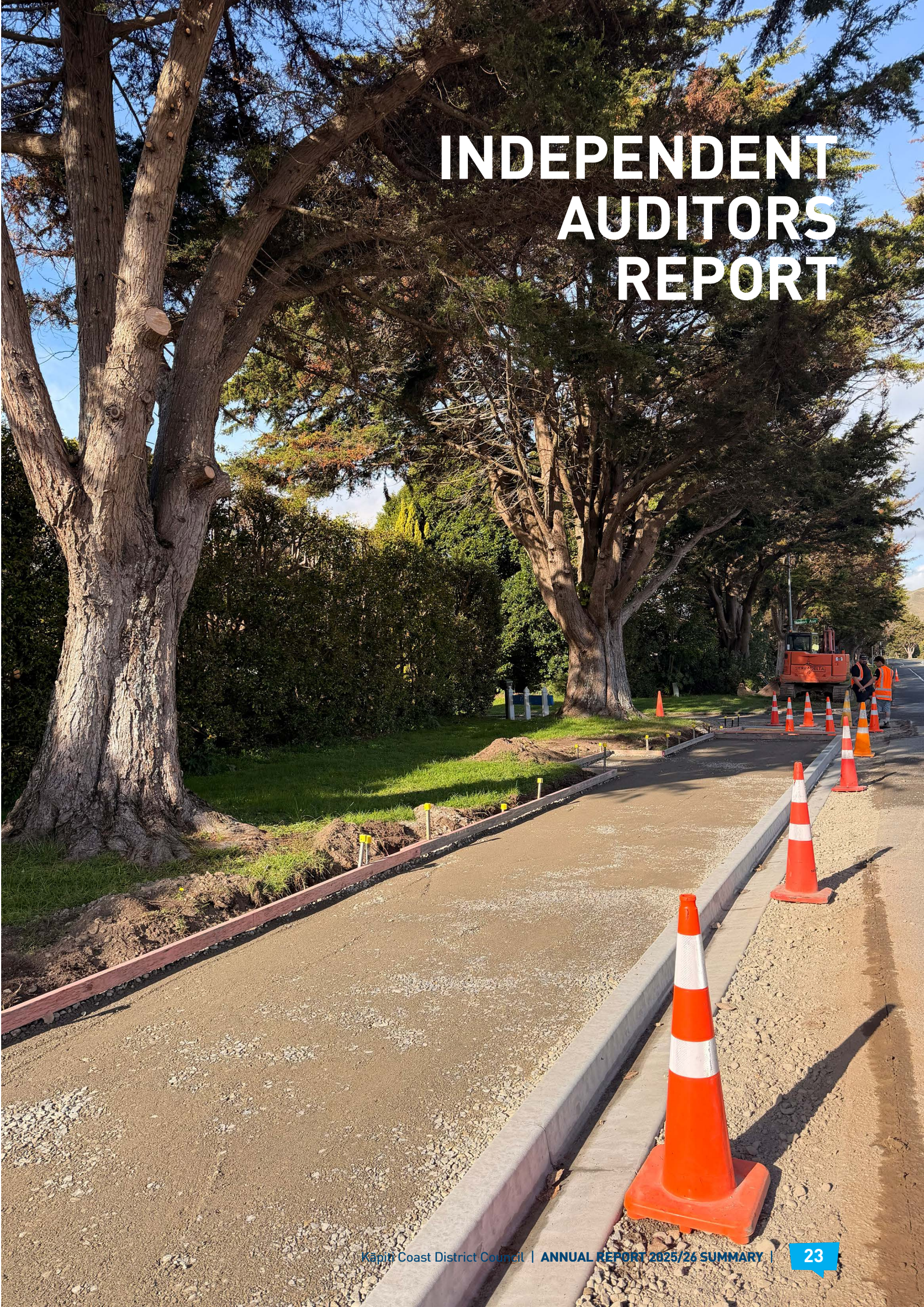
The Government has also passed, or is progressing, several legislative reforms that may affect how local authorities operate in the future, including:

- Local Government (System Improvements) Amendment Act 2026
- Local Government (Water Services) Act 2025
- Local Government (Water Services) (Repeals and Amendments) Act 2025
- Planning and Natural Environment Acts 2026
- Local Government (Rates Capping) Amendment Bill

The Council is currently assessing the implications of these reforms.

The financial statements have been prepared on a going concern basis as the Council continues to operate as a legally established local authority, and the outcome and timing of any future reform remain uncertain.

INDEPENDENT AUDITORS REPORT



INDEPENDENT AUDITOR'S REPORT

The Audit Office
Te Mana Arotake

TO THE READERS OF KĀPITI COAST DISTRICT COUNCIL'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2026

The summary of the annual report was derived from the annual report of the Kāpiti Coast District Council (the Council) for the year ended 30 June 2026.

The summary of the annual report comprises the following information on page 17 and pages 19 to 22:

- the summary statement of financial position of the Council as at 30 June 2026;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows of the Council for the year ended 30 June 2026;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service provision referred to as "Activities & Services".

Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: *Summary Financial Statements.*

Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2026 in our auditor's report dated 22 October 2026. Our opinion included an emphasis of matter drawing readers' attention to the disclosures about Simplifying Local Government reform.

Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: *Summary Financial Statements.*

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: *Summary Financial Statements*.

Our opinion on the summary of the annual report is based on our procedures, which were carried out 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.

In addition to our audit and our report on the disclosure requirements, we have carried out a limited assurance engagement in relation to the District Council's debenture trust deed, which is compatible with independent requirements. Other than this engagement, we have no relationship with, or interests in, the Council.



Sam Nicolle,
Ernst & Young
On behalf of the Auditor-General
Wellington, New Zealand
22 October 2026



Annual Report Summary 2025/26

Te Rīpota Whakarapopoto a tau 2025/26

Kāpiti Coast DISTRICT COUNCIL

Me Huri Whakamuri, Ka Titiro Whakamua