

Kāpiti Coast

DISTRICT COUNCIL

Me Huri Whakamuri, Ka Titiro Whakamua



LONG TERM PLAN 2012 – 2032

PART ONE

LEADERSHIP STATEMENT | FINANCIAL STRATEGY | ACTIVITIES



THE LONG TERM PLAN IS DIVIDED INTO THREE VOLUMES OR PARTS:

PART ONE:

COUNCIL DIRECTION

LEADERSHIP STATEMENT | FINANCIAL STRATEGY | ACTIVITIES

PART TWO:

LONG TERM PLAN POLICIES: Revenue and Financing, Significance, Rating

OTHER POLICIES: Treasury Management, Local Government Funding Agency, Development Contributions

PART THREE:

RATES | FEES | CHARGES: Funding Statement, Capital Expenditure Schedule, Financial Statement, Fees and Charges





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INTRODUCTION BY JENNY ROWAN, MAYOR, KĀPITI COAST DISTRICT

I am pleased to present this Long Term Plan on behalf of my fellow Councillors. It is an important document, laying down the strategic direction for this Council and the wider community for the next 20 years and covering a number of significant issues; water supply being just one.

We began consultation on the draft Plan on April 16. Our theme for the draft was a balanced approach, and one of affordability. We were then and still are very mindful that a large number of our residents are retired and on fixed incomes. We are also mindful of the large number of families and young people in our community.

In the draft Plan we outlined and retained five priority areas for action this triennium. These were: economic development; water supply/water meters; the Coastlands Aquatic Centre; the Civic Administration Building upgrade; and ensuring the proposed NZTA Expressway project reflected the needs of our community.

We also outlined a strategy to reduce the previously forecasted double digit rates increases (as outlined in the 2009 Long Term Council Community Plan) down to more manageable figures. This strategy included deferring around \$50 million of capital spending over the next 10 years, reviewing and reducing operating budgets, requiring operating budgets to be managed more tightly, and building in an aggressive debt repayment schedule from 2016/17.

We knew that some elements of the draft Plan would stimulate considerable debate, and they did. In all we received 2,423 submissions with at least 1,563 of them on water meters. Many of these submissions were a simple one-line statement saying no to meters. This is unfortunate,

as well presented arguments for or against water meters would have helped councillors more in their subsequent deliberations.

Nearly 180 submitters indicated they wished to speak to their submissions. In the end we heard 130. It would be fair to say that many concerned the issue of water meters, but a number covered a broad range of issues, from Maori representation right through to parks and reserves, rubbish collection and the state of our roads.

Your councillors worked very hard. All read the submissions and then went on to ask searching questions during the hearings. I can assure readers, every issue was on the table for debate and consideration.

In the end we stuck with our earlier theme, which was to take a balanced approach and one based on affordability.

The Coastlands Aquatic Centre and the Civic Administration Building projects needed to be progressed. The reasons for embarking on these two projects still stand firm today. The task now is to complete these projects on time and within budget. We are also working hard on the challenging task of boosting economic development. We took a key decision in this regard by agreeing to proceed with the \$1.5 million loan for the Clean Technology Park at Ōtaki to ensure it gets the foundation support it needs to establish and provide a return on this investment. Further decisions over the management of our i-SITE centres and promotion of the District are pending.

We have given considerable attention to the much vexed issue of the District's water supply and the issue of water meters. This Council has made a decision after years of on-going and costly debate to implement the use of water meters as a management

tool to underpin the need to conserve our potable water.

Previous councils have invested a considerable amount of money in the Waikanae borefield, an investment we did not want to ignore. We put before you a simple plan: to spend a little more on expanding the borefield so we could use this underground water in times of drought to “recharge” the Waikanae River, so allowing us to take more water from the river for treatment and supply to your doorstep.

If we also included water meters in the mix on the basis that they will lead to a reduction in peak demand by an estimated 25%. This will in turn allow us to defer \$36 million worth of water supply infrastructure costs. Stage 1 of the river recharge scheme coupled with reduced water demand through water meters will provide us with at least a 50 year solution.

We are well aware that a number of residents want a dam. The situation is this: the dam will cost almost twice the river recharge scheme, it will take five years to gain a consent and build a dam and up to a year to fill. This means we will not have the structure in place by 2015/16, the crunch year we expect to be regularly in breach of our existing water consent for the Waikanae River. On top of this, we are not even confident that we would gain consent for the dam without water meters, given our existing water use patterns.

As a result, and after all the submissions and hearings, Council has decided to proceed with Stage 1 of the Waikanae River recharge scheme and the installation of water meters on the basis that this is the least cost option for current ratepayers and one that will provide certainty by 2015/16. We will still proceed, however, to secure all the land necessary for a future dam.

Staff reports show between 92% and 98% of households will be better off under Stage 1 of the river recharge scheme and water meters than the full river recharge or the dam option. Council is mindful that some households are under financial pressure. With this in mind, we have decided to boost the rates remission financial hardship fund by \$50,000 in year three – the year that water meters will come into operation - to \$200,000. Further details surrounding this scheme will be released shortly.



Council has decided to bring forward the development of a youth centre, from 2022 to year 3 (2014/15). This follows considerable support for this Youth Council initiative during the consultation round. A capital budget provision of \$650,000 has been allocated to buy a building and \$193,000 per annum to operate the centre. Leasing a centre will also be considered.

Funds have also been allocated to help with the upgrading of the Te Horo Hall, maintenance of the walking track between Paekākāriki and the Muri Railway Station, the Ōtaki and Paekakariki surf life saving clubs, additional operating costs for Mahara Gallery, and funds for the Kapiti Vintage Food and Wine Show.

We have received a \$200,000 contribution from NZTA to cover the back-up assistance we require for our District Plan team because of their involvement with expressway projects. We have decided to pass on this cost saving to residents by reducing the planned 6.5% average increase in rates for 2012/13 to 5.9%. This means residents will face an average \$2.24 a week rates increase next year. This average will be slightly up or down, depending on where the resident lives.

A handwritten signature in black ink, appearing to read 'Jenny Rowan'.

Jenny Rowan, QSO, JP

Mayor

Kāpiti Coast District



A MESSAGE FROM

PAT DOUGHERTY,

CHIEF EXECUTIVE

Additional information has come to hand since the Draft 2012/32 Long Term Plan was adopted for consultation.

For a variety of reasons a number of capital projects have been carried over to 2012/13 with a subsequent saving in debt servicing and depreciation costs of \$161,000. At the time of the Draft Plan, the projected rates surplus was \$206,000. The \$206,000 has already been used to offset the draft 6.5% rates increase for 2012/13 and the following two years.

Following the review of the financial projections as at March 31, 2012, the additional projected rates surplus has increased to \$470,000, as reported to the Corporate Business Committee on May 10, 2012.

Since then, Council has made a decision to grant the Kapiti Coast Recreational Turf Trust \$95,000 to enable completion of the pavilion changing rooms at Mazengarb Park. This reduced the additional projected surplus to \$375,000. The New Zealand Transport Agency (NZTA) has also met a request for a \$200,000 contribution towards the cost of back-up assistance to the District Plan team as a consequence of the need for their involvement in the Expressway process.

Offset against these amounts are the additional costs associated with the District Plan Review of \$140,000 in the 2012/13 year and \$196,000 in the 2013/14 year to assist with ensuring that the District Plan review process is completed this triennium. Budget provision has also been made for \$80,000 in the 2012/13 year for costs associated with the review of regional governance.

The net result of these changes is to further reduce the impact of the rates increase for 2012/13 from the projected figure of 6.5% down to an average 5.9%. As the Mayor mentioned in her introduction, this represents an average increase of \$2.24 per property a week. This will vary slightly depending on the land value of the property and the ward it is in. Also the effects of the three yearly revaluation of the District will vary and will impact on the level of rate increases on individual properties.

As a result of submissions during the consultation period, Council has brought forward the development of a youth centre from 2022 to year three (2014/15) of this Plan. A capital budget of \$650,000 has been included for this project with an annual operating cost of \$193,000 plus initial debt servicing costs of \$19,000. The impact on rates in the 2014/15 year is estimated to be just under half a percent.

As mentioned by the Mayor in her introduction, Councillors have identified five priority areas. They are Economic Development; Water Supply and Water Meters; the Coastlands Aquatic Centre; the Civic Administration Building upgrade; and ensuring the NZTA Expressway project reflects the needs of our community. They have made it clear that they want real progress in these areas with the projects coming in on time and within budget.

Some structural changes within Council have taken place to ensure this happens including the appointment of a senior officer on a 12 month engagement charged with setting up a new process for overseeing major projects and



improving our project management systems in general.

A number of capital projects have also been cut back so their costs are spread over a longer period of time. This will result in a \$50 million saving over the first 10 years of the Plan. Work will still continue in the areas affected, but not at the expenditure levels previously planned.

For example, the annual \$2 million strategic land purchase budget has been cut to \$1 million per annum for year two to five and \$1.5 million per annum from year six to 10. Stormwater upgrade budgets have been cut by \$1 million per annum for the next 10 years.

Council has also decided to absorb the CPI adjustment (excluding salaries and wages) in year 1 for water, stormwater, and wastewater operating costs, and most of the CPI movement in corporate support costs.

To ensure that debt is kept at manageable levels over the longer term, Council has placed a maximum period on each of its loans of 30 years, which is less than the average life of the assets (at 50 to 70 years) that Council is investing in.

Council's current projected debt at June 30, 2012 is \$99 million. Council has a capital works programme of \$681 million over the 20 year period of which \$448 million is funded from new debt. Over the 20 year period we expect to repay \$261 million of this debt under the normal 20 to 30 year loan repayment schedules.

Council is keen to accelerate this repayment of debt and has added an additional debt repayment programme from 2016/17 to 2031/32 which will see a further \$209 million reduction in debt. The combined impact of both debt reduction programmes means that within 20 years our debt level will be only \$77 million.

In the meantime, over the intervening 20 years, our community will have gained from a \$392 million investment in new assets and \$289 million spent on asset renewals with a debt level at the end of that period not much higher than current levels.

Unfortunately all of this investment does impact on the rating base. We are not as fortunate as some areas where Councils derive funding from external sources. Our primary source of funding is our shareholders – Kāpiti ratepayers.

Under the financial strategy approved by Councillors, the average rates increase over the first five years will be 6.4% with the 2012/13 year being an average of 5.9%. Over the 20 year period of the Plan the average rates increase is 4.9%. The increases will differ from property to property and area to area across the District.

A breakdown of the full range of Council services can be found under the Activities section later in this Plan.

A handwritten signature in dark ink, appearing to read 'P. Dougherty', with a stylized flourish at the end.

Pat Dougherty

Chief Executive

Kāpiti Coast District Council



He Whakakitenga na te Tāngata Whenua



Ko Te Āti Awa ki Whakarongotai, ko Ngāti Raukawa, ko Ngāti Toa Rangatira, me ō rātou whānau, ō rātou hapū te tāngata whenua o te rohe. I ngā tau 1820 ki 1830 i nōhia tūturu hia e rātou te rohe nei, me te aha, nā rātou hoki i waitohu te Tiriti o Waitangi ki ngā wāhi e whai ake nei: ki runga i te kaupuke “The Ariel”, ki Port Nicholson i Pōneke (i te 29 o Paenga-whāwhā 1840), ki Queen Charlotte Sounds (i te 4 o Haratua 1840), ki Rangitoto (d’Urville Island, i te 11 o Haratua 1840), ki te moutere o Kāpiti (i te 14 o Haratua 1840), ki Waikanae (i te 16 o Haratua 1840), ki Ōtaki (i te 19 o Haratua 1840), ki Manawatū (i te 26 o Haratua 1840), ki te moutere o Motungarara (i te 4 o Pipiri 1840), ki Guards Bay me Cloudy Bay (Te Koko-a-Kupe i Te Tau Ihu i te 17 o Pipiri 1840), ki te moutere o Mana (i te 19 o Pipiri 1840), ā, ki te moutere anō o Kāpiti (i te 19 o Pipiri 1840).

Ahakoia e kī ana ngā pukapuka hītōria he iwi haumi mātou ki a mātou anō, arā noa atu ō mātou whanaungatanga; he mea tūhono mātou e ngā tātai whakapapa. Nā reira mai i taua wā, ā, mohoa noa nei, kei te whakamahia tonutia e te tāngata whenua tōna anō Kaitiakitanga.

Mai i te taunahatanga ō mātou ki te rohe nei me te whakatūnga o te Kaunihera i te rohe i muri noa mai, kua mahi ngātahi ki te whakahiato i tō mātou whakahoatanga me te Kaunihera mā te Whakahoatanga Manatū 1994. He mea arotake, waitohu anō hoki tēnei Whakahoatanga Manatū i te tau 2008. Mai i tēnei whakahoatanga kua hua mai ko Te Whakaminenga o Kāpiti, he taumata whakatau ā ngākau kotahi, mahi tahi hoki mō ngā take matua e whakaae tahitia ana.

Te Hekenga – The Migration

Designed by Hemi Sundgren, Te Hekenga was carved by Hemi with the assistance of Shannon Wafer (Te Āti Awa) and Tamati Holmes (Te Āti Awa).

Te Hekenga provides the entranceway to the Paraparaumu Library. The three waka symbolise the three iwi of the Kāpiti Coast (Te Āti Awa ki Whakarongotai, Ngāti Raukawa ki te Tonga me Ngā Hapū o Ōtaki, Ngāti Toa Rangatira) and their migration to the Kāpiti Coast.

Ko te Kaitiaki me te Kaitiakitanga

He whanaungatanga hōhonu tō te Māori e herengia ana ki te taiao, mai anō, mai anō ōna aronga me ōna tautōhito. Nā tēnā i hua ai ko te mātauranga ahurei me ngā tikanga hoki. He tino tāonga tēnei mātauranga tawhito i te taha o te mātauranga me te tautōhito pūtaiao o te Pākehā ki te whanaketanga o ngā whakahaere me ngā tikanga kia mau tonu ai, kia whakapaitia ake ai te mauri o te taiao.¹

Ki te Māori, ko te whakahaere tikanga kia ora ai ngā rawa māori e herengia ana ki te kaitiakitanga. Ko te tikanga o te Kaitiakitanga he tiaki, he rāhui, he haumarū. Ko te Kaitiakitanga he whakahaere i te taiao i runga anō i tā te Māori aronga ki te ao.

E hono ana te Kaitiaki/Kaitiakitanga ki te tino rangatiratanga nā te mea nō te whānau, te hapū te iwi rānei te mana whenua o tō rātou ake rohe. He rite tonu te kōkiri a te Tāngata Whenua i ēnei take hei whakatairanga i ngā tikanga whaihua e pā ana ki te whakahaere i te taiao.

- E pono ana ko te tūāpapa o ngā tikanga e hāngai ana ki tiaki taiao, ā, mā tēnā e pai ake ai ngā tikanga whakahaere;
- Ko te mahi a te kaitiaki he haumarū i te ao tūturu;
- E pono ana he hononga hira tō te wairuatanga i waenganui i ngā tikanga Māori me ōna whakahaerenga mō te taiao.²

Te moemoea mo te rohe

E whā ngā mātāpono matua o te moemoeā o te tāngata whenua:

Te Mātāpono tuatahi

Whakawhanaungatanga/Manaakitanga – ko te marae te kāinga matua, te whakatinanatanga o ō mātou tūpuna, e hono nei i te tāngata whenua ki ō mātou rohe. Tiakina, manaakitia. Mā te hā o te mauri o te marae e hua mai ai te hauora ā ngākau, ā wairua, ā tinana hoki o te iwi.

He wāhi hira ngā marae hei whakahaere i te mātauranga Māori. Ko te wāhi tēnei e manaakitia ai te manuhiri kahurangi, e whakawhāiti ai hoki ngā whānau mō ngā huihuinga nunui. Ki te Māori, ko te marae ‘te tūranga o te iwi’. He wāhi tino hira te marae, ā, he wāhi motuhake. Ko te whenua, te reo, te whakawhanaungatanga me te marae hoki ngā hononga e puta ai ngā tohu o te Māoritanga, taha tikanga, taha ora, taha umanga. Ka mutu, he whare tāonga ngā marae.

Te Mātāpono tuarua

Te Reo – Koia tēnei te reo o te tāngata whenua, te waka e puta ai ngā tikanga, e pūmautia ai te kawa. Ko te reo Māori he reo whaimana o Aotearoa. Ko te reo he taonga kāmehameha tuku iho nā ō tātou tūpuna, kia mātua poipoitia e te hāpori, kia mātua whakatupuria, kia mātua whakarauoratia hoki. Me akiaki anō ngā whakatupuranga kei te heke mai kia anga nui mai ki te hāpai i ēnei mahi.

¹ Whārangi 3, ERMA Aotearoa, Rārangi Kaupapa Here. Te Whakauru i ngā Tirohanga Māori ki roto i Wāhanga V Te Whakarite Whakataunga; Nōema 2004

² Whārangi 4, ERMA Aotearoa, Rārangi Kaupapa Here. Te Whakauru i ngā Tirohanga Māori ki roto i Wāhanga V Te Whakarite Whakataunga; Nōema 2004



Te Mātāpono tuatoru

Kotahitanga – Mā te kotahitanga e tū pakari ai te tāngata whenua me ngā hapori. Mā te mahi ngātahi ka whai kia puawai te hītōria ā rohe, te whanaketanga o ngā tikanga ā iwi, te hauora me te mātauranga o te rohe.

Te Mātāpono tuawhā

Tino Rangatiratanga – ko te whakamahi i te tino rangatiratanga me te mana whakahaere i roto i ngā take katoa e pā ana ki te iwi.

- Me whai kia whakamanatia te tū a te tāngata whenua, kia whaihua hoki hei kaitiaki i roto i te rohe, kia pā atu hoki tēnei ki te oranga taiao me te oranga whānui o te hapori;
- Kia mauritau te hapori ki te kōrero i te reo Māori, i te reo Pākehā hoki – e tautoko ana i te huatau he hapori reorua te tāone o Ōtaki;
- E ora ana ngā puna wai katoa hei mahinga kai, ki tā te tāngata whenua i pai ai hei oranga;
- Kia whaihua te mahi tahi a te rūnanga o te tāngata whenua, ki hea atu, ki hea atu e tika ana, ki ngā umanga me ngā hapori;
- Kia kite e pakari ana te noho a ngā whānau me ngā hapū, ā, ka whaihua te mahi tahi, ki hea atu, ki hea atu e tika ana, ki ngā umanga me ngā hapori;
- I roto i ngā tau e toru meake nei, kia nui ake te kanohi Māori i roto i ngā rōpū kāwanatanga ā rohe;
- Kia rauhi, kia angitū ngā pūmanawa ā auaha, ā toi o te tāngata whenua;

- Kia hou ai te rongo ki te ao whānui he wāhi tūhauora te rohe nei, taha kai, taha tikanga ā iwi, taha āhua noho, taha tāpoi;
- E whai ana kia poipoitia ngā rautaki whakawhanake umanga a te tāngata whenua;
- Kia māhorahora te whātoro atu a te hapori ki ngā ratonga hauora;
- Kia tautokotia te rangatahi, kia eke ai ki te taumata tiketike o ō rātou wawata;
- E mōhiotia ana e ngā tāngata ngā ingoa taketake mō te whenua, ngā wāhi nui o te hītōria, ngā wāhi tapu, ā, me whaimana ngā ingoa taketake nei;
- Kia mātua kitea ko te tāngata whenua hei māngai i roto i ngā whanaketanga ā rohe, taha tāonga, taha wai, te kouna me te āhua hoki o ngā nōhanga;
- Kia pakari, kia whaihua te mahi takitoru i waenganui i te tāngata whenua, te Kaunihera o Kāpiti me te Kaunihera o te rohe whānui o Te Whanganui a Tara;
- Kia whai wāhi nui te tāngata whenua ki ngā take raraunga e pā ana ki te hunga manene;
- Kia āwhinatia te tāngata whenua e te Kaunihera ki te whakawhanake i ngā mahere whakahaere ā iwi;
- Kia aro nui mai, kia mōhio mārika mai te tāngata ki ngā tūhonotanga ā wairua, ā hinengaro, o te tāngata whenua ki tōna whenua, ōna wāhi tapu me ngā taonga o roto o tōna taiao;
- E whakamaiohatia ana e te rohe te ture me te tikanga.



THE VISION FROM TĀNGATA WHENUA

The tāngata whenua of the District are Te Āti Awa ki Whakarongotai, Ngāti Raukawa, Ngāti Toa Rangatira, including whānau and hapū. In the 1820-1830s they were firmly established in the District and were signatories to the Treaty of Waitangi at the following location: on board the ship “The Ariel” at Port Nicholson in Wellington (29 April 1840), Queen Charlotte Sounds (4 May 1840), Rangitoto (d’Urville Island), (11 May 1840), Kāpiti Island (14 May 1840), Waikanae (16 May 1840), Ōtaki (19 May 1840), Manawatu (26 May 1840), Motungarara Island (4 June 1840), Guards Bay and Cloudy Bay (Te Koko-a-Kupe) in Te Tau Ihu (17 June 1840), Mana Island (19 June 1840), and again on Kāpiti Island (19 June 1840). Although the history books cite us as being allies, we were more than that, we were strongly linked. Therefore, from this time until the present, the tāngata whenua have practised and continue to practise their kaitiaki/kaitiakitanga.

From their establishment and the subsequent Council establishment in the District they jointly developed their relationship with the Council by way of the 1994 Memorandum of Partnership. This Memorandum was reviewed and re-signed in 2008. From this partnership Te Whakaminenga o Kāpiti created a forum for decision-making and collaborative engagement on mutually agreed priorities.

KAITIAKI/KAITIAKITANGA

Māori have a relationship that is inextricably intertwined with the environment, spanning centuries of observation and experience from which a unique body of knowledge and cultural practice has developed. This experience is valuable, alongside Western scientific knowledge and experience, to the development of tools and processes

for ensuring that the mauri (life force) of the environment is maintained and improved¹.

For Māori, the exercise of tikanga over natural resources is clearly bound to kaitiakitanga. Kaitiakitanga means guardianship, protection, preservation or sheltering. Kaitiakitanga is the managing of the environment, based on the traditional Māori world view.

Kaitiaki/Kaitiakitanga is linked to tino rangatiratanga as it may only be practised by those whānau, hapū or iwi who possess mana whenua in their area. Tāngata whenua consistently indicate the following reasons for seeking recognition of cultural values and practices in relation to the management of the environment:

- the belief that their cultural practices have a very strong environmental basis and could enhance the management process;
- an obligation, as kaitiaki, to protect the natural world;

The belief that spirituality is integral to the connection between Māori culture and tradition with the environment².

VISION FOR THE DISTRICT

The tāngata whenua base their vision on four main principles:

Principle One

Whakawhanaungatanga/Manaakitanga – The marae is our principal home which ties us to our whenua and is the physical embodiment of our ancestors. The wellbeing and health of the iwi and

¹ Page 3, ERMA New Zealand Policy Series. Incorporating Māori perspectives in Part V Decision Making; November 2004.

² Page 4, ERMA New Zealand Policy Series. Incorporating Māori perspectives in Part V Decision Making; November 2004.



their marae can often determine the emotional, spiritual, and physical wellbeing of the people who belong to the Iwi. Marae are important sites for the practical expression of kaupapa Māori. It is the place where distinguished manuhiri (visitors) are to be extended a welcome and hospitality, and where families meet for significant events. For Māori the marae is 'Te tūrangawaewae o te iwi – the standing place of the people'. The marae is held in high esteem by many and considered to be a place of special significance. Land, language and kinship along with marae, provide a sense of cultural identity and the continuity of a Māori identity throughout political, cultural, social and economic change. In addition, they are store houses of tāonga (treasures).

Principle Two

Te Reo – It is the language of the tāngata whenua through which tikanga is conveyed; kawa and wairua is expressed. Te Reo Māori is an official language of New Zealand. It is fundamental that the language, as a deeply treasured tāonga left by our Māori ancestors, is nurtured throughout all levels of the community and that the language continues to prosper and future generations are encouraged to use it.

Principle Three

Kotahitanga – Through unity, tāngata whenua and communities have strength. Working together we can ensure that our District's heritage, cultural development, health, education and economy flourish.

Principle Four

Tino Rangatiratanga – to exercise self determination and self governance with regard to all tribal matters. The Vision includes:

- that the tāngata whenua role of kaitiaki/ kaitiakitanga within the District is strong and effective and encompasses both the environmental and general wellbeing of the community;
- that people feel comfortable in use of Te Reo Māori and English – supporting the notion of a bilingual community;
- all waterways are healthy and able to be used as traditional food resources taking into account tāngata whenua environmental indicators;
- that the tāngata whenua represent and engage effectively, where appropriate, with agencies and communities;
- that whānau and hapū have the capacity to engage effectively where appropriate with agencies and communities;
- that Māori representation in local government is improved currently;
- that tāngata whenua creative talents are fostered and encouraged;
- that the District builds a world class economic development plan to attract international investment;
- that tāngata whenua are fostered to build Māori interest in food, culture, lifestyle and tourism sectors;
- that the community have good access to health services;
- young people of Kāpiti are supported to reach their full potential;
- people know about the Māori names for the original landscape, heritage, wāhi tapu and that Māori names for streets and future settlements are adopted;
- that tāngata whenua play a strong/central role in district planning, particularly around capacity of resources, water use, and the quality and nature of settlements;
- that there is a strong and effective partnership between tāngata whenua, the Kāpiti Coast District Council and Greater Wellington Regional Council;
- that tāngata whenua are involved in citizenship processes with new immigrants;
- that the Council assists tāngata whenua in the development of iwi plans;
- that tāngata whenua tangible and spiritual connection/association to the land, wāhi tapu and natural and physical resources is represented, understood and respected; and
- that the District appreciates tikanga Māori.

GOVERNANCE STRUCTURE

MEMBERSHIP

The Kāpiti Coast District Council comprises a Mayor and 10 elected Councillors, half of whom are districtwide and half from ward constituencies.

They are:

Mayor	Jenny Rowan
COMMUNITY BOARD MEMBERS	
Districtwide	Roger Booth (Deputy Mayor), Diane Ammundsen, Mike Cardiff, Ross Church, Peter Ellis
Ōtaki Ward	Penny Gaylor
Waikanae Ward	Tony Lloyd
Paraparaumu Ward	Krisnasamy Gurunathan, Tony Lester
Paekākāriki-Raumati Ward	Hilary Wooding
COMMUNITY BOARD MEMBERS	
Ōtaki Community Board	James Cootes (Chair), Don Moselen, Colin Pearce, Marilyn Stevens
Waikanae Community Board	Michael Scott (Chair), Eric Gregory (Deputy Chair), Jocelyn Prvanov, Harold Thomas
Paraparaumu/Raumati Community Board	Louella Jensen (Chair), Jonny Best (Deputy Chair), Trevor Daniell, Will Scollay
Paekākāriki Community Board	Janet Holborow (Deputy Chair), Rosemary Barrington, Steve Eckett, Helen Keivom.

The Council has a strong partnership base with Community Boards on local matters. As far as practicable, issues are referred to Community Boards for consideration, comment and/or recommendations before decisions are made.



SECTION ONE

INTRODUCTION

INTRODUCTION

This Long Term Plan sets out the focus, programme and financial strategy of Council for the Kāpiti Coast District for the next 20 years. It was prepared as a draft document and consulted on between 16 April to 17 May 2012.

We asked people to get involved and they did. Council received a record 2,423 submissions on the Draft Long Term Plan, which is more than three times as many as the previous highest tally of 735 in 2004.

More than half the submissions received related to water issues, which was not unexpected. The proposed introduction of water meters was a hot topic for many residents and it was appropriate they had the opportunities to make their views known to Council in a constructive way.

That is what this process is all about and why Council puts so much effort into encouraging community participation in the Long Term Plan process.

The Long Term Plan continues the Council's commitment to a sustainable development approach and the underpinning leadership areas that have been well-established by previous councils. The main point of difference is the identification of five priority areas for action for the current triennium which Council confirms are:

PRIORITIES

- Economic Development;
- Water Supply / Water Meters;
- The Coastlands Aquatic Centre;
- The Civic Administration Building upgrade; and
- Ensuring the NZTA Expressway project reflects the needs of the community.

Another new feature is the financial strategy which explains how Council will manage Council finances while delivering the desired programme. This involves balancing aspiration, affordability, debt and fairness to present and future generations.

The preparation of this Plan has involved careful consideration of what services, opportunities and advocacy support the Council can provide for the Kāpiti Coast community in these challenging economic times. The Council has concluded that it must take an active role in stimulating local economic activity and opportunities. It must speak out with community groups on behalf of those in need, and continue to protect the environment, the community's most valuable asset. It must do so in a way that minimises cost where possible.



SECTION TWO

CONTEXT

THE LONG TERM PLAN

This Long Term Plan is essentially a touchstone between Council and the communities of the Kāpiti Coast.

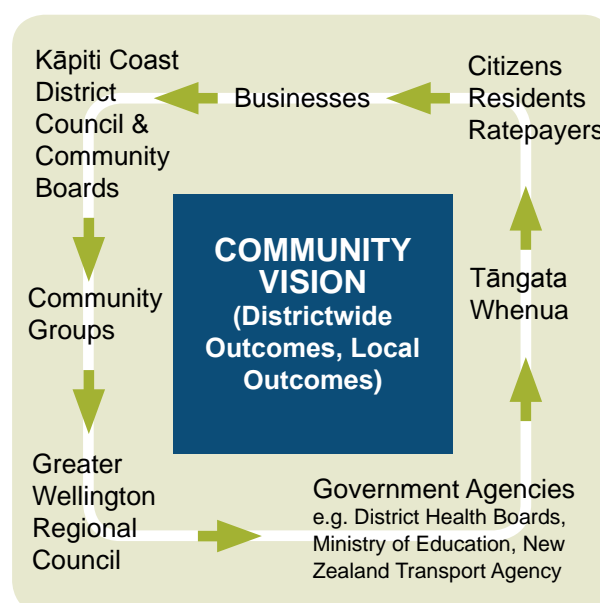
It guides both the long term planning and day to day decision making for the Council. It is just one of a number of strategies and plans and the diagram explains how it relates to other key Council plans, documents, policies and processes.

It states what Council will do to promote wellbeing and the community vision and can be used by the community to review Council performance against that vision. It also allows Council to adjust expenditure on an annual basis during the three year cycle.

This Kāpiti Coast Long Term Plan, unlike many developed by other Councils, includes a section on Council's key priorities and leadership focus. These cut across the more functional activities that are reported later in the document. Although not specifically required by law, this section is included as a way of providing further explanation of why certain actions are being taken. It also provides an overall understanding of the Council's chosen role in terms of long term change.

In order to achieve the key work programmes outlined in the Long Term Plan, the Council has organised the services it delivers into 16 different groups of activities. These are based on the services the Council has committed to provide in order to achieve the Community Outcomes and meet its statutory responsibilities.

CONTRIBUTORS TO DELIVERING THE VISION



Kāpiti Coast District Council works in partnership with Te Āti Awa ki Whakarongotai, Ngāti Raukawa and Ngāti Toa Rangitira, within each of whose rohe Kāpiti Coast District falls. This partnership is encapsulated in a Memorandum of Partnership and managed through Te Whakaminenga o Kāpiti. The Council has worked closely with these iwi and other Māori within the District via a range of structures. A summary of their vision for the future is included on pages 8 to 12 of this Plan.



COMMUNITY OUTCOMES

A legislative change in 2010 to the Local Government Act 2002 altered the process of identifying Community Outcomes. Previously, the legislation ensured the Community Outcomes reflected the vision of the community about what sort of district they wanted the Kāpiti Coast to be. It did not allow the Council to dictate the Community Outcomes. Now the Community Outcomes must be developed by the Council and relate to what the Council wants to achieve in order to promote the social, economic, environmental and cultural wellbeing of the community, both now and for the future.

The first Community Outcomes were developed in 2003/04 after an extensive community process called Kāpiti Coast: Choosing Futures. Subsequent councils have reaffirmed them with only minor alterations being made.

This Council has retained the 2009 Community Outcomes as a touchstone. They represent years of extensive work that have involved many residents in determining Community Outcomes for the District as a whole along with local outcomes for eight (so far) of the local communities that make up the Kāpiti Coast.

These detailed Community Outcomes remain very relevant given increasing awareness of major global issues. They have also been used to inform the District Plan Review which is underway. It is important to retain this connection.

The Council considers that the five immediate priorities that it has confirmed in this Long Term Plan fit with the existing Community Outcomes. For all of these reasons the Council has included the 2009 Community Outcomes in this 2012-32 Long Term Plan. The following table outlines the seven broad Community Outcome areas. There is considerable detail that sits behind these general statements. The documents can be obtained from Council Service Centres or found on the website: www.kapiticoast.govt.nz

OUTCOMES	1	there are healthy natural systems which people can enjoy	The community's vision for the Kāpiti Coast's natural environment is simple; maintain and build on valued natural qualities.
	2	local character is retained within a cohesive District	This Outcome is concerned with recognising, protecting and preserving the unique character of various communities while also nurturing those things that create a sense of community as a whole.
	3	the nature and rate of population growth is appropriate to community goals	This Outcome is about the management of population changes and development. The community has clearly indicated population growth needs to be managed in a way that brings benefits not problems.
	4	the community make use of local resources and people have the ability to act in a sustainable way on a day-to-day basis	This Outcome is concerned with the efficient use of finite resources and making sensible use of renewable resources.
	5	there is increased choice to work locally	This Outcome is concerned with how and to what extent the local economy grows and gives residents greater employment choice, including skilled work and job security.
	6	the District is a place that works for young people	The community's vision is that the Kāpiti Coast provides a place that young people can enjoy and feel a part of, where they can make the best of education and other opportunities and be encouraged to stay in the District as they grow older.
	7	the District has a strong, healthy, safe and involved community	Overall, the Kāpiti Coast community is strong, healthy and involved.

TAKING A SUSTAINABLE DEVELOPMENT APPROACH

The Local Government Act 2002 requires the Council to apply a sustainable development approach to everything it does. Rather than trying to develop a precise definition, the Council has adopted 14 sustainable development principles to guide decisions and actions. These principles are consistent with the idea of 'strong sustainability'. This approach seeks a readjustment of consumption patterns and systems and rejects the idea that resource depletion and degradation can be resolved through technological innovation alone (known as weak sustainability).

These principles are particularly important in guiding the quality of actions for current services. For example, the Council will continue to provide water supply services for the community but it chooses to do so within a clear water conservation or demand management framework.

The principles are also important in guiding thinking and action for the future across a number of activities. For example, central to sustainable development is the idea of building resilient and flexible systems which can adapt over time. For example, the Council has chosen to explore ways to separate treated water supply for essential purposes, such as cooking and washing, from uses where the water does not have to be treated, such as for the garden. This has led to an

increasing emphasis on 'on-site' systems such as roof water tanks and greywater re-use systems for gardens. The idea of resilience is also important for actions to support communities and their capacity to adapt to social and economic change, given the major pressures on communities in the next 20 to 30 years.

The 14 principles are shown on the next page. These principles inform thinking on all Council activities but the detailed activity statements later in this Long Term Plan will identify current or proposed projects or programmes that best illustrate a sustainable development approach.



KĀPITI COAST DISTRICT COUNCIL SUSTAINABLE DEVELOPMENT PRINCIPLES

SUSTAINABLE DEVELOPMENT	Principle 1:	That there should be long term balance between social, economic, cultural and environmental wellbeing;
	Principle 2:	All residents and ratepayers should have the ability to participate in the community and community processes;
	Principle 3:	Positive partnerships should exist between community groups, tāngata whenua, businesses, the voluntary sector and local and central government;
	Principle 4:	The interests of future as well as present generations are taken into account in decision making;
	Principle 5:	There is prudent stewardship of natural resources;
	Principle 6:	The people resource of knowledge, skills, wisdom, physical ability, health, creativity and flair of all generations is maintained, nurtured and increased;
	Principle 7:	The interconnectedness of the natural environment and communities is recognised when taking action;
	Principle 8:	An action should increase the resilience and adaptability of the community to external 'shocks', changes in fads and changing pressures over people's lifetimes;
	Principle 9:	The local economy and economic growth should as far as possible avoid environmental harm and develop within the basic capacity and thresholds of natural resources to support economic growth;
	Principle 10:	Decisions should take account of the impacts of social wellbeing of the community and impacts on the wellbeing of individuals;
	Principle 11:	A precautionary approach should be taken to decisions by assessing short, medium and long term financial and non-financial risk. Solutions should spread risk and actions should produce multiple benefits;
	Principle 12:	People should have easy access to tools, knowledge, systems and technologies that enable them to act sustainably, in an easy, self reliant, responsible and innovative way;
	Principle 13:	Account should be taken of the changing regional, national and global contexts when making local decisions; and
	Principle 14:	The speed of change should recognise and work within the capacity of the community and individuals to respond (including issues of affordability).

PROMOTING WELLBEING

The Local Government Act 2002 identifies a primary role of local government to promote and report on the social, economic, environmental and cultural wellbeing of the District. To guide its thinking the Council has identified some of the general characteristics which it sees as making up each of these wellbeing areas.

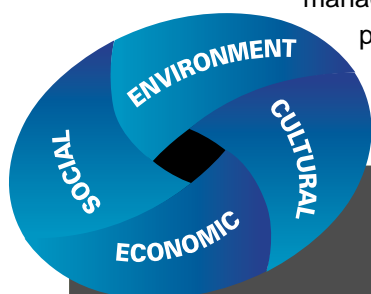
In some areas Council has direct influence through the services it provides. For example, water supply, local halls and housing for older persons contribute to social wellbeing while resource

management responsibilities promote environmental wellbeing. In other instances the influence

is more indirect and is as much to do with how Council conducts its business. For example, cultural wellbeing can be advanced via local heritage projects but it is also promoted across a range of activities by a less tangible support for a range of cultural images in public art, or protection of the character of an area.

In other situations, Council adopts an advocacy role, for example, advocating for health facilities.

This Long Term Plan meets the requirements of the Local Government Act 2002 to include descriptions of any identified effects that any activity within its activities has had on the social, economic, environmental, or cultural wellbeing of the community.



CULTURAL

CULTURAL WELLBEING INCLUDES

- an understanding of the history of cultural traditions and heritage of people living within the District;
- mutual respect for those traditions and values that contribute to human wellbeing;
- a reflection of those values (including local heritage) in the present physical and social environment;
- confidence that decisions which will result in change take these principles and values into account; and
- a sense of community control over decisions affecting what is valued for community good.

COMMUNITY OUTCOMES 1 2 3 4 5 6 7

ECONOMIC

ECONOMIC WELLBEING INCLUDES

- economic activity which is within the capacity of natural eco-systems to absorb and withstand any negative effect;
- local benefit;
- employment which provided opportunity for high paid, high skill jobs;
- a local economy which adapts to change and pressures;
- having business people who are able to establish viable businesses that return benefits to their local communities;
- a high level of skills in the community, the opportunity to train to improve skills and the opportunity to use those skills effectively;
- the ability to add value to what local resources offer, especially natural resources and creative talent; and
- equal pay for work of equal value.



SOCIAL

SOCIAL WELLBEING INCLUDES

- the ability of all to participate in and use what the District offers;
- the existence of respect, active fostering and support for people and groups that sustain and help others;
- the ability of each individual to see a future and feel they might achieve it;
- significant interaction between generations, especially the old and the young;
- the existence of basic levels of physical and mental health or wellness;
- personal safety and freedom from a sense of fear;
- that people have a sense of control over their individual and community lives, now and into the future, sustained and underpinned by personal responsibility and a functioning community;
- the ability of people to pay for their basic needs (food, housing and services) and have enough disposable income to allow participation in local community life;
- a community which shows a high level of tolerance, acceptance of others and cohesion and co-operation to achieve collective good; and
- people being supported and valued within personal networks of friends, family whānau and other social groups.

COMMUNITY OUTCOMES 1 2 3 4 5 6 7

ENVIRONMENTAL

ENVIRONMENTAL WELLBEING INCLUDES

- minimising the harmful effects of actions on the environment;
- respect for the capacity of natural environments to absorb change;
- realising community aspirations to restore the quality of natural systems;
- people having the ability and knowledge to harvest natural systems without harming them;
- maintaining current levels of biodiversity and improving these in the future;
- local access to locally produced food;
- maintenance of 'keystone' species such as the bee population;
- active enjoyment of, respect for and access to the natural environment;
- awareness and support for self sustaining eco-systems to continue to provide clean water, a functioning atmosphere, and soils that can support life; and
- minimising the harmful effects of actions on the environment.

MEASURING THE COMMUNITY'S PROGRESS TOWARDS ACHIEVING THE VISION

The Council will report on a three yearly basis on whether there has been progress towards achieving the Community Outcomes and vision.

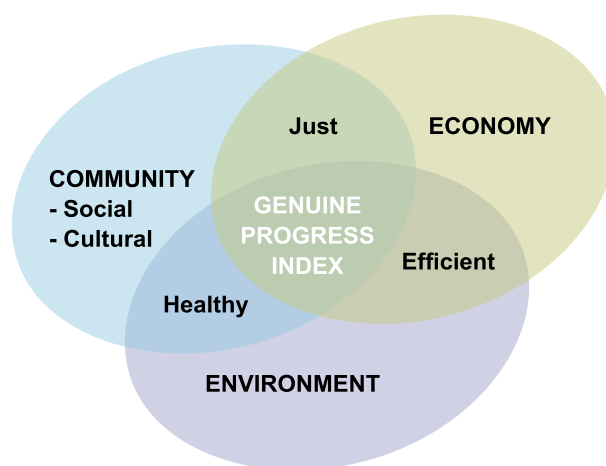
The full Kāpiti Coast 2009 Community Outcomes Progress Report can be found on the Council's website or at libraries and service centres. It describes how Council is progressing towards each of the seven Community Outcomes.

Kāpiti Coast District Council was working towards the development of a Genuine Progress Index for the District.

This is a way of measuring cumulative performance or "quality of life" across all areas of wellbeing. It is not good, for example, having economic growth if the environment is harmed in the process.

This has been replaced by the very useful Regional Progress Index, developed by the Wellington Regional Strategy Committee.

This can be found on www.wrs.govt.nz



THE REGIONAL DIMENSION

The Kāpiti Coast District exists within a complex regional environment. Despite the physical separation, Ōtaki, Waikanae, Paraparaumu, Raumati and Paekākāriki are part of a large Wellington urban or metropolitan area to the south. The influence of that area is felt in terms of employment (many people commute to work in the Wellington CBD and the Hutt Valley), transport systems, social services and entertainment. The reach of this system is felt as far north as Ōtaki with people travelling from there to Wellington for work. The rural areas provide food and other products to the southern communities of Wellington.

At the same time, the northern part of the District has economic ties to parts of Horowhenua. The Kāpiti Coast rural area has many commonalities with the Horowhenua rural communities and economy. The continuous coastal plain creates a common ground for tourism.

This complexity is compounded by the District falling completely within the Greater Wellington Regional Council jurisdiction but having divisions across a number of central government agencies. For example, the Greater Ōtaki area falls under the MidCentral District Health Board and the Central Police District. The southern areas fall under the Capital and Coast District Health Board and Wellington Police District. Finally, tāngata whenua,

particularly Ngāti Raukawa and Ngāti Toa Rangatira have rohe that stretch to the north and the south of Kāpiti Coast.

In making decisions about services and programmes the Council and community must consider the regional context and must look north and south. The southern connections exert the most influence but the northern connections are also important, especially to economic and social wellbeing.

The following table identifies the main regional structures that are relevant to the Kāpiti Coast. It is through these structures that the District can support leveraging resources into the wider region and into the District.

The Kāpiti Coast District Council is one of nine councils in the Wellington region committed to working together to promote regional economic development through the Wellington Regional Strategy (WRS). The WRS focuses on achieving sustainable economic growth and development in the region.

The Council will continue to work with the Greater Wellington Regional Council in its role as “keeper” of the WRS. This means supporting the WRS Committee in its role of overseeing the decision making and governance of the WRS.

STRUCTURE	FOCUS	GOVERNANCE
Wellington Regional Strategy	Regional Outcomes; Sustainable Economic Growth; oversight of Regional Settlement Strategy and Regional Labour Market Strategy, broadband initiatives etc.	Wellington Regional Strategy Committee Delivery: selected economic development projects – Grow Wellington.
Wellington Regional Land Transport Strategy and Programme (statutory)	Regional transport policies; investment decisions.	Regional Land Transport Committee.
Wellington Mayoral Forum	Discussion of issues relevant to the region; structure for collective engagement with central government.	No formal power.
Greater Wellington Regional Council	Flood management, coastal and regulatory.	No formal structures – formal input via Long Term Plan and regulatory documents.
Greater Wellington Regional Council	Civil Defence and Emergency Management, rural fire.	Joint Committee (Region's Mayors).

It also includes working with Grow Wellington, the region's economic development agency and working with the WRS Office in their role of supporting the Committee.

The Wellington councils are working in an increasingly collaborative way, via such things as shared services and the Mayoral Forum. Debate about whether structural change is needed, or desired, by the community will be a focus for the next three years.

REGIONAL AMENITIES FUND – NEXT STEPS

The Kāpiti Coast District Council consulted on, and has agreed to support the, establishment of a Regional Amenities Fund (the Fund). The Fund is intended as a 'top up' funding mechanism for entities that provide regional benefits primarily in the arts, culture and environmental attractions and events sectors. The Fund ensures that regionally significant entities can be developed or sustained in the Wellington Region to contribute to the Region's quality of life; attractiveness to residents and visitors; and economy.

The key features of the Fund as consulted on are that it will:

- complement existing funding as a top up fund of \$2 million, funded by all territorial authorities in the Wellington region;
- support eligible entities of regional significance with day to day operational expenses and new innovative projects (excluding capital projects) that will achieve identified regional outcomes;
- focus on arts and culture and environmental attractions and events (consistent with the findings of the regional residents survey presented in April 2011);

- grow incrementally, starting at \$2 million for 2013/14 (with a half year levy for 2012/13) and growing by \$250,000 each year to a cap of \$3 million by 2017/18;
- use a differential to consider distance between amenities and each local council area, based on the differential used for funding the Wellington Regional Stadium;
- support applications assessed by a Selection Panel of six external members (selected by the Mayoral Forum) with decisions ratified by the Mayoral Forum, established as a Joint Committee by resolution of each participating council; and
- be implemented through a binding agreement of the Territorial Authorities, agreed and adopted through each council's 2012 Long Term Plan.

Following confirmation of which other Council's have agreed to support the Fund, the cross-council working group will reconvene to work on the next steps involved to make the Fund operational and will start developing the necessary set up information on:

- constituting the Mayoral Forum as a Joint Committee;
- formalising the final funding mechanism to collect, hold and distribute funds;
- establishing core competencies to enable the appointment of a Funding Officer;
- the appointment process for the Fund's selection panel; and
- setting up a viable application process.

TIMING FOR THE SET-UP AND DISTRIBUTION OF THE FUND

2012	2012/13		2013/14		2014/15		2015/16	
March-June	July-December	January-June	July-December	January-June	July-December	January-June	July-December	January-June
Long Term Plan deliberations	Set up	Distribute Funds				Review for Long Term Plan 2015-25		
TOTAL FUND AMOUNT	\$0.5 million		\$2 million		\$2.5 million		\$2.5 million	



SECTION THREE

SIGNIFICANT ISSUES AND PLANNING ASSUMPTIONS

SIGNIFICANT ISSUES, RISKS, UNCERTAINTIES AND PLANNING ASSUMPTIONS

There will always be major structural issues, external risks and uncertainties which will either shape the Council programme or affect the ability to deliver programmes and services over time. The Local Government Act 2002 requires that these are identified and a summary of how they will be addressed or taken into account provided in the Long Term Plan. The major issues, risks and uncertainties for the Kāpiti Coast are:

CLIMATE CHANGE

The Council first identified climate change as a significant issue for the Kāpiti Coast in 2004 and noted this in the 2006 and 2009 Long Term Council Community Plans. The Ministry for the Environment updates base planning assumptions regularly. The Council also monitors independent advice on such things as rainfall change and sea level rise.

The main implications for the Kāpiti Coast are:

- rising stormwater infrastructure costs;
- increasing risk of coastal erosion and increased stormwater risks;
- the need to adapt to living within the coastal and stormwater hazard areas – involves a significant portion of the coastal plain;
- wider development management issues;
- the need for the community to adapt to rising costs;

- the need for community action to reduce greenhouse gas emissions; and
- rising costs from emissions charging.

PEAK OIL AND THE COST OF ENERGY

Known oil reserves are coming to the end of their life and the cost of finding and extracting oil from new reserves is becoming increasingly expensive. This is compounded by increasing oil consumption by growing economies such as India and China. This affects the cost of transport, food and many other day to day items. At the same time there is a growing volatility of fuel prices at the pump.

The key impacts for the Kāpiti Coast are:

- rising transport costs for households and businesses including an impact on Council activities;
- a squeezing of household incomes and increasing energy poverty as people cut back on heating to pay for other essentials. It is estimated that a number of residents on the Kāpiti Coast face 'energy poverty' over the longer term;
- health impacts from poorly insulated homes;
- increased costs of other goods;
- 'knock on' social impacts as people seek to adjust to rising costs; and



- difficulties in long term financial planning due to price volatility. This is a particular issue in estimating the cost of maintaining and upgrading community infrastructure such as roads.

GLOBAL CONFLICT AND DISRUPTION

The Wellington Regional Strategy has identified that there will be growing competition for resources such as oil and water, and increasing political and export market instability as a result. At the same time there will be increasing competition for skilled labour, particularly from Europe, as populations age. This will have an effect on the regional and local labour markets.

NARROW ECONOMIC BASE

The Kāpiti Coast has a very narrow economic base which is largely reliant on retail (including restaurants and cafes) the aged care and social services sector; and the residential construction sector for employment. The District's centres are heavily skewed to retail activity with limited business services and other activity. This makes them very reliant on the fortunes of the housing market and constraints on retail spend.

The implications for the Kāpiti Coast are:

- difficulty in maintaining and enhancing the District's centres. These centres are important as points of investment into the District, as transport nodes and as places of community and civic focus;
- pressure to maintain high levels of development and urban growth as a way of maintaining businesses and employment; and
- limited local career opportunities which would reduce "out-migration" of people in the middle age brackets.

SEISMIC RISKS

Kāpiti Coast District Council identifies seismic risk in its District Plan and manages development in relation to those risks. Uncertainties around the requirements for building strengthening will continue to exist until the report of the Canterbury Earthquakes Royal Commission is available.

This may have an impact on direct Council costs, including insurance coverage costs of any services and cost of building overall (See also Building and Resource Consent Activity on page 78). Council belongs to the Local Authority Protection Programme (LAPP) scheme which is expected to cover 40% of costs (after deduction of the excess) of damage from a natural disaster for our underground assets. It is assumed that the Government will cover 60% of the costs of damage to underground assets after deduction of the excess. The increased cost of full reinsurance for LAPP has meant that LAPP members have taken on a greater share of self insurance to keep the LAPP premiums at an affordable level. (Refer to Key Financial Forecasting Assumptions on page 59 for more details of increased risks). Council is currently insured for its 'above ground assets' with another three councils in the Wellington region, with the maximum loss limit of \$150 million. The current excess on the cover is \$100,000.

ECONOMIC DOWNTURN

Like every other community in New Zealand, the Kāpiti Coast is experiencing the effects of the current global economic downturn. Building consent and resource consent applications are down. The local community has no influence over the course of events but must find ways to maintain confidence and support those especially affected by the downturn.

The implications for the Kāpiti Coast are:

- social impacts on low income households;
- impacts on the construction industry;
- some relief in interest costs and consumer prices; and
- reduced employment opportunities.

MAJOR SWINGS IN CENTRAL GOVERNMENT POLICIES

Swings in major central government policies which affect infrastructure investment decisions or the base level of health and wellbeing can destabilise decision making and programmes. The most obvious uncertainty at this stage is in the area of climate change and energy. The District and the

region are vulnerable to shifts in transport policy and the District is especially vulnerable to swings in health services policies and services, given the limited services available and access problems.

GOVERNMENT POLICY

It is assumed that the central government policy framework will continue to provide a stable working and statutory framework for local government.

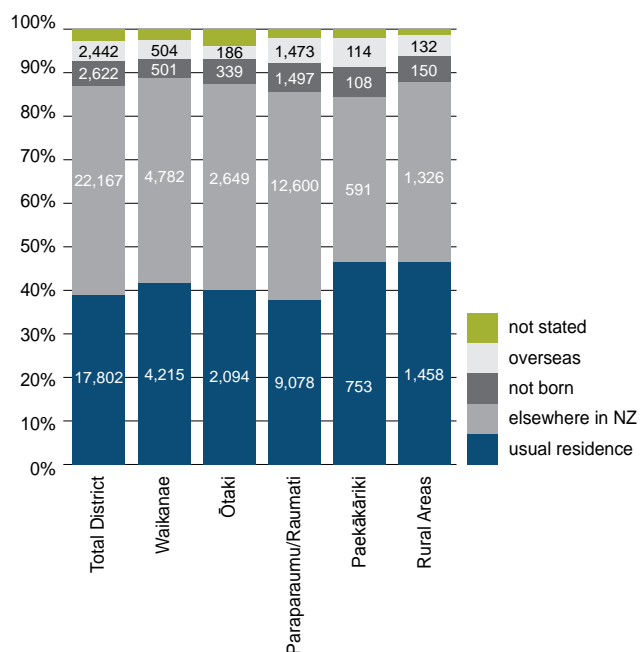
The risk is that government policy amendments may result in new legislation that results in significant resource and financial implications. The Council considers that there is a medium to high level of uncertainty that this will occur. There is a tradition of central government imposing costs and responsibility on local government without associated funding (for example gambling law reform, prostitution law reform, building compliance, building legislation and earthquake strength).

The current government has already amended the Local Government Act 2002, the Resource Management Act 1991 and recently introduced the Local Government Act (2002) Amendment Bill.

LOCAL DEMOCRATIC STRUCTURES AND SYSTEMS

The government has introduced the Local Government Act (2002) Amendment Bill signaling a review of aspects of local government structure and responsibilities. It is scheduled to be passed by November 2012. The Bill aims to tighten fiscal responsibility and create efficiencies in local government, to encourage economic growth and development. The Bill outlines new procedures for reorganisation of local authorities, financial prudence requirements, an assistance and intervention framework for strengthening governance, and additional mayoral powers. A second phase is planned focusing on the work of a local government efficiency taskforce, development of a framework for allocating central and local government roles, the efficiency of local government infrastructure provision and its use of development contributions. This work may result in a further Bill in 2013.

POPULATION MOBILITY – LOCAL AUTHORITY AREAS



AGE OF POPULATION

Territorial Authorities	% 0 to 5 yrs	% 6 to 14 yrs	% 15 to 24 yrs	% 25 to 44 yrs	% 45 to 64 yrs	% 64+ yrs
Kāpiti Coast	6	14	9	22	26	23
Porirua City	9	18	14	29	23	8
Hutt City	8	15	14	29	23	11
Upper Hutt City	7	15	13	28	24	13
Wellington City	6	12	18	35	21	8
Wellington Region	7	14	15	30	23	11
Horowhenua District	6	15	10	22	26	20
New Zealand	7	15	14	28	24	12

2006 Census (totals not exact due to rounding)



WELLINGTON REGIONAL STRATEGY

Following a review of the Wellington Regional Strategy focus areas, it is assumed that the Strategy will continue to be implemented for the next 20 years, subject to public approval of the proposal, as outlined in Greater Wellington Regional Council's Long Term Plan.

There is a low risk that the Strategy is not implemented. Kāpiti Coast District Council is part of the Governance of the Wellington Regional Strategy and the Council must agree to any outcomes. Furthermore, all the Mayors in the Wellington region, via the Mayor Forum, have agreed that this project should progress.

POPULATION STRUCTURE

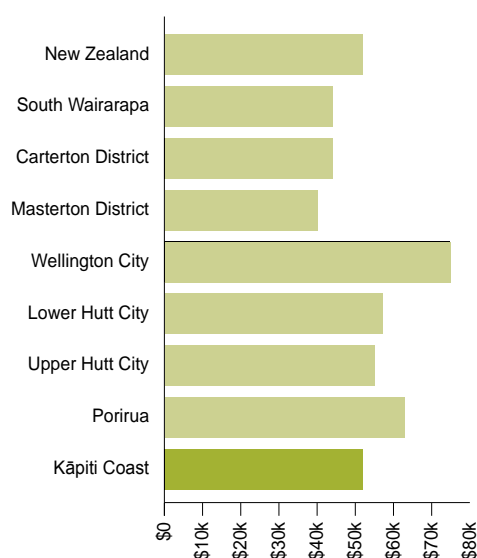
The Wellington region as a whole experiences a worrying loss of population of working age. This is the very group which provides the workforce for the region and is the source of innovation and development of businesses which provide employment. It has been identified in the Wellington Regional Strategy as a major risk

to a sustainable future, given that it is this age group that generates the wealth to support family and community needs and aspirations. This is compounded on the Kāpiti Coast by the large proportion of the population over the age of 65 years.

The implications are:

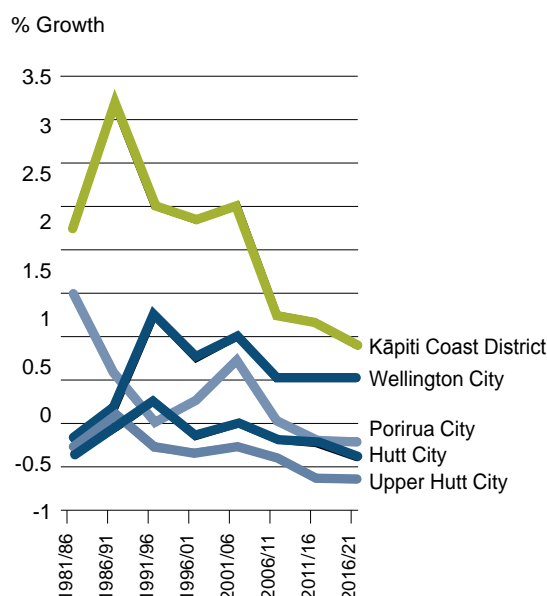
- high levels of 'churn' on the Kāpiti Coast population. For example, in 2006 just under 60% of the population had not lived on the Kāpiti Coast in 2001. This raises major communication issues as the community tries to address many of the pressures facing it;
- difficulties in developing businesses and a skilled workforce to grow the local economy;
- significant affordability problems for investing in services and initiatives which will help build social and economic resilience, due to the large proportion of the population on a fixed income;
- the need for innovation around the nature and structure of work on the Kāpiti Coast and the way in which older people enter and leave the workforce; and
- the need to support and encourage volunteers for a range of social services, environmental and cultural activities.

MEDIAN HOUSEHOLD INCOME



2006 Census

PROJECTED GROWTH – LOCAL AUTHORITY AREAS



PLANNING POPULATION ASSUMPTIONS

FORECASTING ASSUMPTIONS	RISK	LEVEL OF UNCERTAINTY	REASONS AND FINANCIAL EFFECT OF UNCERTAINTY
Population Growth			
The assumption is of a medium population growth in the Long Term Plan period over the 20 years to 2032 with a slower level of growth for the first 10 years.	In each area, population growth across the District occurs at a high or lower rate than assumed.	<p>Low (shorter term).</p> <p>Medium (up to 10 years).</p> <p>High (beyond 10 years).</p>	<p>Any significant increase in population growth above projections will place greater demands on some Council services and facilities (such as wastewater, water, stormwater, roading, libraries, community facilities etc.) and raise expected operating expenditure.</p> <p>The financial implications for Council should be limited and able to be managed in the short term but may need longer term responses.</p>

Projected 2006 to 2032 Usually Resident NZ Population by Area Unit of Usual Residence under the Medium Projection

2006 CENSUS AREA UNITS	2006	2011	2012	2016	2021	2026	2031	2032	2012-2032
Ōtaki	5,634	5,695	5,770	6,071	6,159	6,324	6,485	6,517	747
Kaitawa	507	585	586	588	586	577	561	558	-28
Ōtaki Forks	1,452	1,561	1,549	1,504	1,455	1,406	1,338	1,324	-225
Te Horo	669	714	718	734	761	784	807	812	94
Waikanae Beach	2,906	3,042	3,058	3,121	3,224	3,322	3,415	3,434	376
Waikanae East	1,929	2,105	2,122	2,192	2,291	2,386	2,474	2,492	370
Peka Peka	246	299	303	316	350	357	408	418	115
Waikanae Park	1,726	1,816	2,002	2,748	3,702	4,635	5,616	5,813	3,810
Waikanae West	3,456	3,575	3,587	3,635	3,659	3,739	3,785	3,795	208
Paraparaumu Beach North	3,306	3,469	3,479	3,522	3,558	3,597	3,607	3,609	129
Otaihanga	1,084	1,187	1,212	1,311	1,427	1,526	1,631	1,652	441
Paraparaumu Beach South	4,713	5,007	5,033	5,140	5,299	5,426	5,516	5,535	501
Paraparaumu Central	8,277	8,952	9,056	9,474	10,012	10,513	10,925	11,007	1,951
Raumati Beach	4,473	4,684	4,718	4,854	5,062	5,198	5,382	5,419	701
Raumati South	3,540	3,633	3,685	3,897	4,187	4,438	4,679	4,728	1,042
Paekākāriki	1,641	1,547	1,534	1,481	1,442	1,393	1,335	1,323	-211
Maungakotukutuku	852	938	937	935	938	946	941	940	3
Kāpiti Coast District	46,411	48,808	49,351	51,523	54,112	56,566	58,905	59,373	10,022

Source: February 2012 MERA customised Kāpiti Coast District projections.



FORECASTING ASSUMPTIONS	RISK	LEVEL OF UNCERTAINTY	REASONS AND FINANCIAL EFFECT OF UNCERTAINTY
Growth in Households			
<p>Based on current demographic analysis the number of households is expected to increase from 21,110 to 26,798 in 2032, an increase of 5,688 household (26.94%).</p> <p>Note: the planned future review of the growth management issues may bring adjustments to this assumption. These growth projections have been included in asset management planning work.</p>	Household growth is less or greater than projected.	<p>Low (in short term).</p> <p>Medium (out to 10 years).</p> <p>High (beyond 10 years).</p>	<p>Infrastructure required for growth is budgeted to be funded from Development Contributions.</p> <p>If development is lower than planned, there would be less requirements for infrastructure for growth and the timing could change.</p> <p>Any additional capital costs above the development contributions would be funded from new debt.</p>

Projected 2006 to 2032 Occupied Private Households by Area Unit under the Medium Projection

CENSUS AREA UNIT	2006	2012	2016	2021	2026	2032	CHANGE 2012-2032
Waikanae Beach	1,214	1,318	1,372	1,448	1,526	1,606	288
Waikanae East	819	926	968	1,022	1,065	1,115	189
Peka Peka	114	152	168	184	206	247	95
Waikanae Park	860	967	1,218	1,619	2,005	2,504	1,537
Waikanae West	1,677	1,758	1,824	1,843	1,882	1,916	158
Kaitawa	179	234	256	259	263	258	24
Ōtaki Forks	555	645	696	696	691	669	23
Te Horo	289	331	327	340	352	371	40
Ōtaki	2,381	2,489	2,596	2,668	2,777	2,884	396
Paraparaumu Beach North	1,264	1,372	1,469	1,513	1,542	1,567	195
Otaihanga	402	483	562	616	659	710	227
Paraparaumu Beach South	2,048	2,211	2,286	2,380	2,462	2,537	327
Paraparaumu Central	3,334	3,688	4,036	4,315	4,578	4,846	1,159
Raumati Beach	1,858	2,023	2,152	2,271	2,351	2,466	442
Raumati South	1,361	1,474	1,602	1,760	1,891	2,054	580
Paekākāriki	673	659	637	639	638	615	-44
Maungakotukutuku	315	379	413	424	434	432	53
Kāpiti Coast District	19,343	21,110	22,583	23,996	25,321	26,798	5,688

Source: MERA February 2011

SECTION FOUR

COUNCIL DIRECTION

PROJECT PRIORITIES

– IMMEDIATE

A considerable amount of time has gone into the preparation of the Long Term Plan and has involved discussing the challenges facing the District and debating the importance of key projects along with considering affordability issues. The Council has established five key priorities and 16 leadership areas.

KEY PRIORITIES

The strategic leadership direction that Council has decided to take for the District is to establish five priority projects / areas to progress; they are:

- economic development;
- delivering water supply/water meters;
- delivering the Coastlands Aquatic Centre;
- delivering the Civic Administration Building; and
- ensuring the NZTA Expressway project reflects the needs of the community.

THE FIVE PRIORITIES

Economic Development

The Council consulted on a new strategy for supporting economic development on the Kāpiti Coast as part of the consultation on this Plan. The Strategy is designed to help deliver a thriving and resilient future for the Kāpiti Coast's communities and defines the Council's contribution to economic development. This means that it does not cover all aspects of the local economy; rather it focuses on those areas in which the Kāpiti Coast District Council can make the most effective contribution.

The following areas for action have been identified:

- **Innovation and Positioning:** This is about positioning the District as a place known for its encouragement and support for innovative new and existing new business – particularly in the areas of clean technology and information

technology. This includes making business processes easier to pursue while maintaining the integrity of Council's regulatory role;

- **Adding Value:** This is concerned with extracting more value (in the form of new and skilled jobs and business activity) from food production, the health service/retirement sector, the construction sector and Māori business development. It also includes continuing to support broadband introduction; and
- **Building the Base:** This provides for ongoing investment in general business support (for example training) and tourism services. This includes working with the Kapiti Airport to maximise benefits from tourism and improved access.

The comments made by the submitters on the draft strategy are extremely useful and some interesting suggestions were made about how Council could proceed in this area. These submissions will be analysed by staff and the amended Strategy will be presented to the Environmental Community Development in July 2012 for adoption.

Council has increased funding in this area and approved seed funding of a \$1.5 million loan for the Clean Technology Park at Ōtaki to ensure it gets the foundation support it needs, to establish and provide a return on this investment. More detail can be found on page 107.

Water Supply and Water Meters

The Council considers that it is essential to complete the water supply project for Waikanae, Paraparaumu and Raumati. This involves resolving the issue of taste and ensuring there is sufficient water supply capacity to ensure compliance with resource consents. The Council's preferred solution is Stage 1 Waikanae River Recharge and the introduction of water meters. It is also securing land for a future dam (post 50 year programme).

This approach is critical to reducing overall costs to the community AND achieving a fairer distribution of costs between households. By introducing water meters, \$36 million of other work on the water supply system capacity can be deferred for at least 20 years. Council consulted on the preferred water meter charging regime alongside this Long Term Plan and decided to make a decision after years of on-going and costly debate, to implement the use of water meters as a management tool to underpin the need to conserve our potable water. Council has decided to proceed with Stage 1 of the Waikanae River Recharge scheme and the installation of water meters on the basis that this is the least cost option for current ratepayers and one that will provide certainty by 2015/16.

Coastlands Aquatic Centre

The Council has chosen this as an important project which will significantly advance the quality

of community facilities on the Kāpiti Coast. The Raumati Pool is past its useful life and a new facility is needed. The facility will be a major enhancement within the cluster of civic facilities on the Kāpiti Coast. More detail can be found on page 91.

Civic Administration Building

The Council has committed to completion of a refurbished Civic Administration Building. The existing building did not meet earthquake standards, or disability access standards. It needed strengthening, was crowded and of poor quality. Irrespective of any changes in regional governance that might happen, a safe useable building that indicates civic and community pride in its democratic institutions will still be needed.

Dealing with Expressway Impacts

If the proposed Expressway through the Kāpiti Coast is approved it will have a profound impact on communities, centres and the local environment. The Council considers it is essential to be a strong advocate for the community as it has over the last three years. It will continue to do so as each New Zealand Transport Agency Expressway Project develops over the next three to four years.



STRATEGIC BASE

Taking into account these five priorities, the Council has established as its strategic base a commitment to:

- maintain the current levels of service with no change in the level of performance the residents can expect in the five priority areas;
 - maintain the current range of services to community with no reduction in what is provided in the five priority areas;
- maintain the current broad approach to key issues and risks, for example:
 - climate change;
 - continue to take actions to reduce emissions;
 - continue to work on coastal and flood hazard avoidance and mitigation;
 - continue to explore hazard implications and retreat concepts;
 - rising/volatile transport and energy costs;
 - continue to develop opportunities to reduce fuel consumption for Council and community;
 - global financial situation;
 - take a conservative approach to factoring in economic recovery;
 - increase focus on actions which build local economy; and
- minimise the impact on rates and keep costs as affordable as possible.

This strategic approach will see Council:

- delivering Council's five priorities;
- not cutting any levels of service;
- keeping within the key financial ratio limits for Debt/Equity, Debt/ Income, and Interest Costs/Income;
- keeping debt significantly lower than 2009 Long Term Council Community Plan forecasts;
- delivering rates increases which are significantly lower than 2009 Long Term Council Community Plan forecasts for the next three years;
- delivering a Capital Expenditure programme which includes completion of the Coastlands Aquatic Centre, Civic Administration Building Upgrade, Water Supply/Water Meters, Economic Development and impacts of the Expressway decision;
- maintaining an average rates increase of 4.9% over 20 years; and
- measuring an average 4.9% total rates increase (including Local Government inflation indexed).

LEADERSHIP AREAS

The Council has identified 16 leadership areas or themes which will continue to shape its long term thinking and direction. These are outlined below.

BUILDING RESILIENCE

A resilient community has the capacity to actively respond and adapt to change with minimum cost to communities, to community systems (including infrastructure) and ecosystems. It is a community which is served by infrastructure and structures which can also adapt over time.

The Council has placed considerable emphasis on finding solutions which reduce reliance on single systems, for example: improving access, and increasing opportunities for non-potable water (not drinking water) supply. It will continue to build the idea of resilience into its thinking and decision-making, in particular about the Council infrastructure and services.

PARTICIPATION, COMMUNICATION AND CONSULTATION

Participation, communication and consultation lie at the heart of a functioning, positive, local democracy. The Council will continue to use processes which provide people with the opportunity to shape ideas and direction at the beginning of decision-making processes, rather than simply reacting to largely formed decisions.

The Council will strive to provide people with easy to understand information to assist them to participate in decision-making. Council will continue to develop improved communication tools so that people have all the information available to them that they need in order to participate in and understand decisions.

NATURAL HAZARDS

Kāpiti Coast District Council has reviewed the extent of coastal erosion hazard within the District. Global warming with expected sea level rises and increased sustained severe weather events will put pressure on our coastal and stormwater protection structures. While climate change impacts do not necessarily increase the geographic spread of stormwater risk, it is very clear that over time the capacity of an even upgraded system will be reduced. The Council has an ongoing stormwater upgrade programme which has a goal of providing protection by incorporating a design for a one in 10 year flood if the primary stormwater system has access to a secondary flow path and if there is no secondary flow path, then a design for a one in 100 year flood. The costs of this are significant and the staging of some projects has been held back beyond 2021/22.

The Council will only intervene on the coast to protect Council owned road and public health infrastructure assets from erosion. It has begun a process of community discussion about managed retreat; that is, an orderly approach to withdrawing from coastal and flood hazard areas over the long term, in the face of increasing risks and rising community costs. Such an approach would unfold over many decades. The concept would not just affect immediate issues of coastal and stormwater assets but has the potential to affect virtually every aspect of community life. For that reason it should be seen as an overarching leadership theme.

The Council has not reached a conclusion on this issue or what the appropriate approach should be. It does consider that discussion and debate should



be extensive, giving the community ample time to build up knowledge and consider the options. The Council recognises that it could be years before a clear community view is forged.

While Council believes it should take a leadership role in relation to natural hazards, it is also of the view that the Greater Wellington Regional Council and central government must also take a lead in partnership with territorial local authorities. This includes the Greater Wellington Regional Council invoking the powers it currently holds to extinguish existing use rights where it has become apparent properties will become increasingly at risk. At present the Greater Wellington Regional Council has no policy on this.

THE IMPORTANCE OF PLACE, OPEN SPACE, CENTRES AND DESIGN

People on the Kāpiti Coast have pressed for policies and action which improve the appearance and quality of new development and the quality of its town centres. There is a growing awareness that attractive town centres which are in good economic heart, have a range of activities such as retail, business services, education, civic and entertainment, will build long term resilience, attract investment in the District and support public transport.

Council will continue to focus on improving the quality of any physical developments within a broad framework of sustainable urban form and systems, for example: through the Development Management Strategy, and Subdivision and Development Principles and Requirements.

THRESHOLDS FOR DEVELOPMENT MANAGEMENT

The Kāpiti Coast District Council has developed an innovative approach to managing growth and development on the Kāpiti Coast. This is intended to give the community more control over development over time. For large developments Council has crafted the idea of development stages and thresholds, where a further stage or quantum of proposed development can be reviewed when certain thresholds are reached.

This gives Council more options than a simple decline or accept for large developments with attached conditions.

At the same time, more control over infrastructure investment decisions have been developed which clearly state that if a private development is dependent on certain community infrastructure being in place, the timing of that infrastructure development cannot be driven solely by the requirements of the private development proposal. Finally, greater use of structure plans gives more certainty around the form of any future development.

EXPLORING THE LOCAL FOOD ECONOMY

The Kāpiti Coast District Council has a major resource in the food and fibre producing potential and capacity of its rural lands. Work is continuing on assessing that economic opportunity.

This includes the idea of a local food economy and reducing leakage of benefit outside the District. Council has identified that this is a priority area under its strategy for supporting economic development.

HOUSING CHOICE

The Kāpiti Coast has a limited range of housing choice, in terms of size, type and tenure. This is a particular problem for older people who wish to stay within their community but want alternatives to retirement village options.

The District also has very limited housing options for people who need emergency support or housing assistance. There are groups on the Kāpiti Coast who wish to explore all of these issues and the Council will work with all of them to look at ideas and options.

In terms of Council's own work programme, it must review the regulatory role under the District Plan and the impacts and opportunities around affordable housing. It is also keen to explore innovation around housing options, housing design and adaptability over time with developers.

BUILDING SOCIAL CAPITAL

Social capital has many definitions but is generally concerned with the idea of the value (including economic value) of social networks and interactions and the role they play in maintaining wellbeing.

The Kāpiti Coast District has a strong network of community groups and organisations; it also has a large number of individuals who are directly involved in their communities and work as volunteers. Local groups, iwi and hapū, marae, churches, advocacy groups and individuals build and maintain social cohesion. That unity supports families under stress, builds employment and provides wider social wellbeing and enjoyment.

The Council will continue to place a leadership focus on making more of the immense local 'human resource' of skills, wisdom and creativity. The Council is not a social service delivery agency but can, in the course of undertaking its day to day activities, find innovative ways to assist groups to build skills and capacity. It also plays a major civic role in honouring and recognising the role of volunteers in the community.

PARTNERSHIP

Building partnerships with a range of groups and interests in the community is essential to achieving the community vision set out in the Community Outcomes, particularly in difficult times. The Council will work to foster four general types of community partnership:

- working to harness the wisdom and skill in the community and provide places where people can discuss and advance ideas and projects, for example the Clean Technology Centre. This involves developing relationships and partnerships with key government and funding agencies and local organisation/groups;
- working with organisations advocating the interests of their membership. Council values its relationship with groups such as Kapiti Coast Grey Power, the Kapiti Coast Older Persons' Council, the Kapiti Chamber of Commerce and the Disability Reference Group. Council will continue its commitment to maintain an open

flow of information and communication on issues of concern and interest;

- working with umbrella organisations which act as advocates on a range of social, environmental and cultural issues to assist them using the resources of Council, to gain central and regional government attention and resources; and
- developing partnerships with central and regional government organisations.

PARTNERSHIP WITH TĀNGATA WHENUA

Kāpiti Coast District Council is absolutely committed to its partnership with Te Āti Awa ki Whakarongotai, Ngāti Raukawa and Ngāti Toa Rangatira and the Memorandum of Partnership it holds with them. This involves a commitment to working via Te Whakaminenga o Kāpiti, the partnership mechanism for advancing matters of mutual interest. It is committed to working directly with each iwi and relevant hapū on matters relevant to their role as kaitiaki and to specific interest within their rohe.

Council has committed to extending involvement of Māori in decision-making. More detail can be found on page 125.

CLOSING THE LOOP: COUNCIL SERVICES – WASTE AND ENERGY

The goal of Council's zero-waste policy is to reduce or eliminate 'waste' and to re-focus many of these so-called waste products for beneficial reuse. The Council has taken the opportunity to look at energy efficiency and energy production as side-products of services and activities. For example it has improved energy efficiency with sludge drying by switching from diesel to wood fuel for the wastewater treatment boiler at the Paraparaumu Wastewater Treatment Plant.

The Council will continue to explore cross-service opportunities both locally and regionally, taking into account both the cost of energy and the cost of any emissions trading scheme, in whatever form it finally takes.



KĀPITI COAST'S PLACE IN THE REGION

The Kāpiti Coast District Council recognises that the District is inextricably linked to the Wellington region, via the transport system, the urban system, the labour market and employment, an increasing focus for migrant settlement, and the wider regional economy (to the north and south). It recognises that regional initiatives such as the Regional Land Transport Strategy and the Wellington Regional Strategy are central to leveraging resources into the District and proving the local government sector can work together in a productive way at the regional level. The presence of central government and the ability to interact more directly with key departments and ministries, via regional structures such as the Mayoral Forum and the Wellington Regional Strategy Committee, are very important.

The Council is fully involved in a range of initiatives for shared services, such as in the area of library services, where this can reduce costs or increase levels of service. Council is a member of the SMART (Shared and Managed a Region Together) consortium, this allows libraries to provide members with wider access to materials and services.

SUSTAINABLE CLEAN TECHNOLOGIES

The Kāpiti Coast District Council is promoting and developing the Kāpiti Coast as a Centre of Excellence for innovative, sustainable clean technologies, such as small scale energy systems and water conservation systems. There are a number of businesses at the Clean Technology Centre in Ōtaki developing new technologies that reduce environmental impact.

Council is exploring possible support to take this to the next stage with a Clean Technology Park. More detail can be found on page 107.

Council is actively pursuing the sustainable technology concept as part of its economic

development, water management and waste minimisation programmes. The Council's role is to encourage thinking and networking around this concept and to leverage funding into the District to support practical initiatives.

TRAINS, BUSES, CYCLING AND WALKING

The Kāpiti Coast community sees the establishment of a rail network which supports all communities, including Ōtaki, as essential to the future of the District. Ideally, there would be strong passenger rail links through to Ōtaki and Palmerston North. It will continue to advocate strongly for this service, including the Capital Connection rail commuter service between Palmerston North and Wellington, and for bus services which complement rail and provide improved services within each community. A great number of the relevant decisions will be made at regional and national levels, Council will continue to be a strong regional advocate for this vision.

Council will continue to invest in cycling and walking, and to ensure road space is shared across modes.

CREATIVITY AND THE ARTS

Creative and heritage activities, in all forms, express and support the development of individual and community identity, pride and wellbeing.

The Council believes promotion of the arts in all its forms can contribute to a sustainable local economy and a growing celebration of a place that values its identity and culture. It will bring this focus to its activities; supporting, facilitating, advocating and working in partnership with the community to foster the contribution the arts make to community wellbeing. The annual Arts Trail is one of Council's activities to promote this.

NEIGHBOURHOOD AND STREET ACTION FOR CHANGE: ENERGY, WASTE, WATER, GARDENS AND FOOD

The Council is committed to finding ways to encourage neighbourhood and street action around water consumption, water efficient gardening and waste minimisation, given the aspirations of the community around resource use and the direct effect of a range of Council services. Household energy efficiency is extremely important given the impact on household incomes and the implications of wider affordability for the District. There is also increasing interest in community gardens and food production which the Council has the opportunity to support. Council's first Greenest Street competition was a success with the winning street reducing their environmental footprint by 29% between October 2010 and June 2011.

Council will continue to encourage groups to take action, providing information, providing land for community gardens, planting fruit trees on Council roads and parks, and helping capture funding for projects.



SECTION FIVE

THE LONG TERM PROGRAMME AND FINANCIAL STRATEGY

MAJOR PROJECTS AND LONG TERM PROGRAMME

This section identifies the main features of Council's Long Term Programme, in terms of key projects and capital works programmes.

The main features are:

CAPITAL WORK PROGRAMME

- provision for improvements to the local road network. If a decision is made by the Board of Inquiry in favour of the proposed Expressway, then some works will need to be prioritised to fit that timing;
- completion by 2013/14 of the Waikanae, Paraparaumu and Raumati Water Supply project, and introduction of water meters;
- deferment of improvements to other water supply capacity across the District, as a consequence of introducing water meters and reducing consumption (\$36 million pushed out beyond twenty years);
- slowing of capital improvements to the stormwater network. Funding is fully restored after year 2022/23;
- slowing of the town centre upgrade programme. Note: subject to the Board of Inquiry decision for the MacKays to Peka Peka Expressway proposal, there will be opportunities for the upgrade of the Waikanae Town Centre and Paraparaumu Town Centre along the State Highway. This would require a review of the town centre and local road network programme once the decision is made to establish priorities. Raumati Town Centre upgrade is programmed ahead of any projects in these areas;
- provision in 2015/16 for an upgrade to the Waikanae Library and Mahara Gallery, provided

that all external funding has been obtained for the Gallery. If the funding is raised earlier than 2015/16 the Council will consider bringing the project forward;

- the annual \$2 million strategic land purchase budget has been cut to \$1 million a year for four years from 2013/14 to 2016/17 and then raised to \$1.5 million from 2018/19 to 2022/23;
- completion of the Coastlands Aquatic Centre by 2012/13;
- completion of the Civic Administration Building by 2012/13; and
- provision of \$650,000 in 2014/15 has been allocated to buy a building for a Youth Centre and \$193,000 per annum to operate the Centre.

OTHER KEY PROJECTS

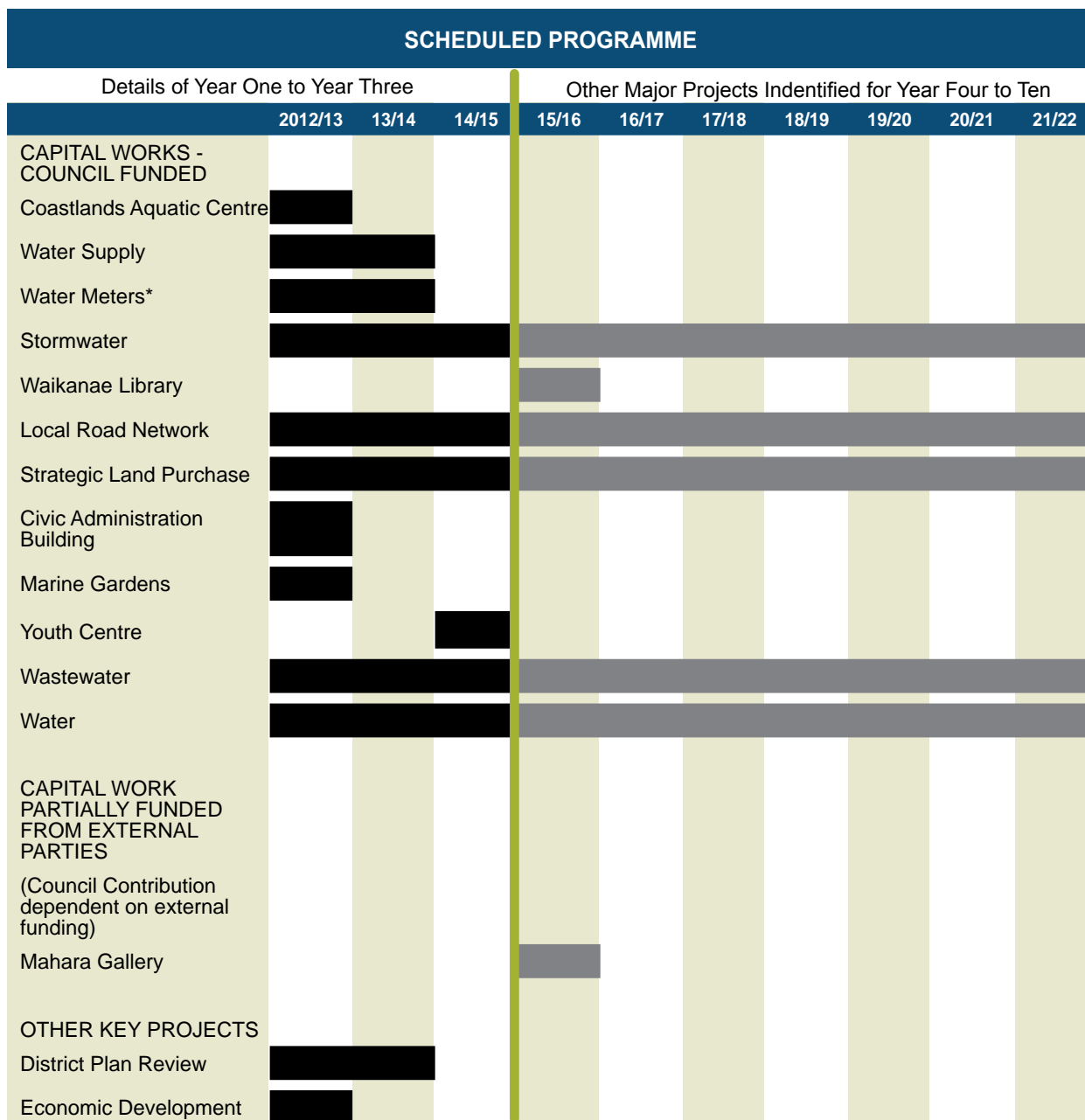
- notification of the new District Plan by the end of October 2012 with submissions and decision processes occurring in 2013;
- implementation of economic development delivery through contracts and in-house delivery during 2012/13;
- review of Council's regulatory services in 2012/13; and
- Council has set aside seed funding of \$1.5 million to support the extension of the Clean Technology Park at Ōtaki. This would be provided in 2012/13 and fully repaid by the Trust from revenue over ten years.

More detail can be found on page 107.



The diagram below sets out the main programme features.

SIGNIFICANT COUNCIL PROJECTS – PROGRAMMED THROUGH TO 2021/22 (YEAR 10)



LEVELS OF SERVICE

No cuts to Levels of Service have been made. Council has achieved the projected reduction in rates (compared with the 2009 Long Term Council Community Plan) via its Financial Management Strategy. It has absorbed CPI (the Local Government Consumer Price Index) in a number of areas and has slowed aspects of the capital works programme to achieve this outcome.

Council has identified the risks in slowing down/deferring the capital expenditure but believe these risks are manageable. For example, in stormwater Council is reducing stormwater capital expenditure by \$1 million a year for the first 10 years. The total stormwater work programme is extended from 34 to 38 years. Council is still spending \$100 million on stormwater works over the 20 year period. More detail on the Financial Strategy can be found on page 46. The Council has absorbed the events funding into the economic development area and refocused it on selected major event seed funding.



FINANCIAL STRATEGY

INTRODUCTION AND CONTEXT

The Kāpiti Coast District has until recently been a high growth area and has experienced significant pressure for investment in key infrastructure. It is expected to maintain high growth pressures relative to other parts of the Wellington region in the next 20 years, with the current economic climate slowing growth in the short term.

However, unlike many of the country's provincial towns, much of the Kāpiti Coast, with the exception of Ōtaki and Paekākāriki, is relatively new. Many in the community expect to have access to facilities that other established settlements around the country enjoy.

The Council is also of the view that if the Kāpiti Coast is going to provide well for its residents and ratepayers it needs to broaden the range, nature and quality of economic opportunities on the Kāpiti Coast. This should occur in a way that protects the highly valued local environment and way of life. Investment in the local economy, including investment in community infrastructure which attracts and retains people who will invest in that economy, is essential. The Kāpiti Coast is striving to develop a sustainable local economy which while part of the Wellington metropolitan area, should reduce many of the traditional transport costs and other costs that tend to exist for communities located on the edge of a metropolitan area.

Such a transition cannot be achieved without expenditure at some level above inflation. The challenge for this Council is to achieve change at a level of expenditure which is acceptable to the community, is financially prudent and shares the costs in a fair and equitable way across generations. It is a challenge made all the more complex by the community's lack of alternatives to rates funded Council revenue: there are no port shares, for example, to cushion needed expenditure.

Set out below are the parameters for Council's long term financial management.

OVERALL FINANCIAL APPROACH

The Council will continue to take a fiscally prudent approach. It will provide for agreed levels of service in an efficient and financially sustainable manner and will ensure that there is thorough analysis of long term costs and benefits arising from community facilities and infrastructure investments. It will ensure that funding of capital programmes takes account of intergenerational equity.

The Development Management Strategy will seek to manage the location and timing of settlement in order to ensure that demand for infrastructure and services occurs at a rate and in a way that minimises demand for resources. This will continue to include a focus on efficient resource use, for example, water consumption, as a way of deferring unnecessary expenditure on capacity upgrades. It will also continue to have a focus on compact or consolidated urban form as a way of minimising costs of new infrastructure associated with inefficient take-up of land.

The Council will continue to explicitly address the question of rate impacts on the more vulnerable members of the community via the development every three years of an Affordability Report. This will inform Council decision-making alongside other parameters outlined below.

The Rates Remission Policy (Part Two of this Long Term Plan) includes a new provision, the Financial Hardship Policy.

This policy provides the framework for partial remittance of rates to ratepayers who need financial assistance on the basis of financial hardship.

This policy covers ratepayers who are facing both long term and temporary financial difficulty. It provides for application on the grounds of hardship from ratepayers owning their own home and from ratepayers owning a rental property, where the tenant qualifies in terms of the general criteria and the requirements for transfer of rebate benefit are met.

LONG TERM PLAN: 20 YEAR OVERALL SUMMARY

In order to achieve what it views as the appropriate balance between the needs of the community and avoiding unacceptable costs to that community, the Council has taken the following approach in developing this 2012-32 Long Term Plan:

- introduction of water meters which will have the effect of deferring the need for approximately \$36 million of capital works within the water activity over the next 20 years;
- deferral of a further approximately \$50 million of capital expenditure (outside of Council's five priorities) over the first 10 years. This programme will be slowly increased in the second 10 years. Council has identified the risks in slowing down/deferring the capital expenditure but believe these risks are manageable. For example, in stormwater Council is reducing stormwater capital expenditure by \$1 million a year for the first 10 years. The total stormwater work programme is extended from 34 to 38 years. Council is still

spending \$100 million on stormwater works over the 20 year period;

- reviewed and reduced operating budgets, excluding salaries and wages. This included absorbing Local Government Inflation Index increases for water, wastewater, stormwater and most overhead support costs for 2012/13 year amounting to \$250,000;
- reviewed operating budgets based on historical expenditure including median costs over the last five years. This resulted in a number of cases of reduced expenditure compared to previous years; and
- proposed aggressive debt repayment from 2016/17 while still maintaining intergenerational equity (spreading costs across those generations that benefit).

Capital Programme

Over the 20 year period \$681 million will be spent on capital works of which \$289 million will be spent on asset renewal and \$392 million on new and upgraded assets.

The new and upgraded assets will result in an improved level of service for those activities. Key asset projects are as follows:

- Coastlands Aquatic Centre – replaces the failing Raumati Pool and increases capacity;
- Civic Administration Building upgrade – addresses seismic risk and capacity;
- Stormwater Upgrades – addresses flood and ponding risk; and
- Water Supply – Waikanae, Paraparaumu and Raumati – addresses quality and capacity risks, including introduction of Water Meters – districtwide – reduces demand for future infrastructure.

Operating Costs

Operating costs over the 20 year period are projected to increase from \$41.1 million to \$90.0 million (an increase of \$48.9 million). Of this increase, \$41.8 million relates to the impacts of inflation while \$7.1 million relates to costs associated with the improved levels of service and one-off operating projects.



COUNCIL FUNDING STRUCTURE

Rates are Council's primary source of funding for its operating expenditure (operating costs, debt interest costs and depreciation). Apart from user charges for regulatory activities, such as building consents, resource consents, environmental health etc. and New Zealand Transport Agency (NZTA) subsidies for roading, Council has no other major source of income.

The analysis of Council's 2012/13 revenue is as follows:

Rates	74.6%
User Charges	18.1%
NZTA Subsidies	2.4%
Development Contributions	3.2%
Vested Assets	1.7%
	100.0%

Although Development Contributions (developer contributions towards the cost of new infrastructure needed to serve growth) are required to be recognised as operating revenue they can only be used to fund capital works.

From 2012 to 2032 the population of the District is estimated to increase from 49,351 to 59,373. Households are expected to increase from 21,110 households in 2012 to 26,798 households in 2032 – which is an increase of 5,688 households (28.9%) over the 20 years. Detailed tables showing the latest growth projections are in the Key Financial Forecasting Assumptions, page 56.

Additional infrastructure investment will be required to cater for this growth and this will be predominantly funded from Development Contributions.

Capital expenditure on new assets is funded from Development Contributions (where the expenditure relates to population growth) and debt.

Capital expenditure on asset renewals is funded from depreciation reserves and debt.

With growth there will be an increase in rates, as there are more properties to be serviced and more people requiring use of the Council's facilities. Vested assets (non-cash assets) are wastewater,

stormwater, water and reticulation assets vested in Council at the time of completion of a subdivision by a developer.

MANAGEMENT OF DEBT

Debt is used to spread the cost of assets over the period that those assets are providing benefits to the community. This is called the Intergenerational Equity principle where costs are spread across those generations that benefit.

Council acknowledges that it is faced with a significant capital works programme driven by the asset management plans and future growth demands. To ensure debt is kept at manageable levels over the longer term, Council has placed a maximum period of 30 years on each of its loans. 30 years is less than the average life of the assets (50 years to 70 years) Council is investing in. The loans will be repaid over the 30 year period and each year funding provision is made to ensure that this is achieved.

A reduced capital works programme from 2014/15 onwards has enabled the Council to commence an additional debt repayment programme from 2016/17 which continues through to 2031/32. The additional debt repayment programme is relatively modest in 2016/17 (\$850,000). However, the cumulative effect of reducing debt and reducing debt interest each year means that the level of additional debt repayment by 2031/32 is over \$37 million without significantly affecting the level of average rate increase.

Council's Debt Management Strategy is to manage its level of debt well within its key financial limits and reduce debt over time through aggressive debt repayment programmes. Council's current projected level of debt at 30 June 2012 is \$99 million. Council has a capital works programme of \$681 million over the 20 year period, of which \$448 million is funded from new debt. The standard annual debt repayment programme based on repaying debt over the period of the loans (20 – 30 years) provides for \$261 million of debt repayment over the 20 year period. An additional debt repayment programme from 2016/17 to 2031/32 provides for a further \$209 million of debt repayment.

With future generations facing significantly higher debt servicing costs and debt levels over the longer term, Council considered this was a preferred approach to the alternative of reducing rates from 2016/17 onwards.

The position at the end for 2031/32 will be as follows:

	\$ million
Opening Debt 1 July 2012	99
Plus New Debt	448
Less Standard Annual Debt Repayment	-261
Less Additional Debt Repayment	-209
Closing Debt after 20 years	77

Over the 20 year period the total debt peaks at \$196 million in 2023/24 (net debt \$187 million) and by the end of 2031/32, Council's debt is projected to be at \$77 million, after \$681 million of capital investment.

This Debt Management Strategy places Council in a strong financial position at the end of the 20 years. It also provides future Councils with the capacity to invest in new infrastructure not currently identified without increasing rates beyond sustainable levels.

The Long Term Plan programme ensures that Council is maintaining all existing levels of service and is planning to increase levels of service in specific activities as explained earlier. At the same time Council will keep average districtwide rates increases over the 20 year period well within the proposed average long term limit of the Local Government CPI plus 2% and also keep well within its key financial debt limits.

Key Limits Set for Managing Debt

To maintain debt at manageable levels and minimise risks, the Council has set the following key limits on its borrowings.

	Limits
Net Debt as a percentage of Total Equity	20%
Net Debt as a percentage of Operating Income	250%
Debt Interest as a percentage of Total Revenue	25%

(a) Net Debt as a Percentage of Total Equity

This places a limit on the level of Net Debt (Gross Debt less Liquid Asset) Council can raise against its total equity (Total Council's Assets less Council Debt).

In this Long Term Plan with a limit of 20% this ratio peaks in 2016/17 at 19.9%. With the additional debt repayment which commences from 2015/16 the ratio decreases to a level of 3.5% by 2031/32 which is well below the current projected level in 2011/12 of 12.8%.

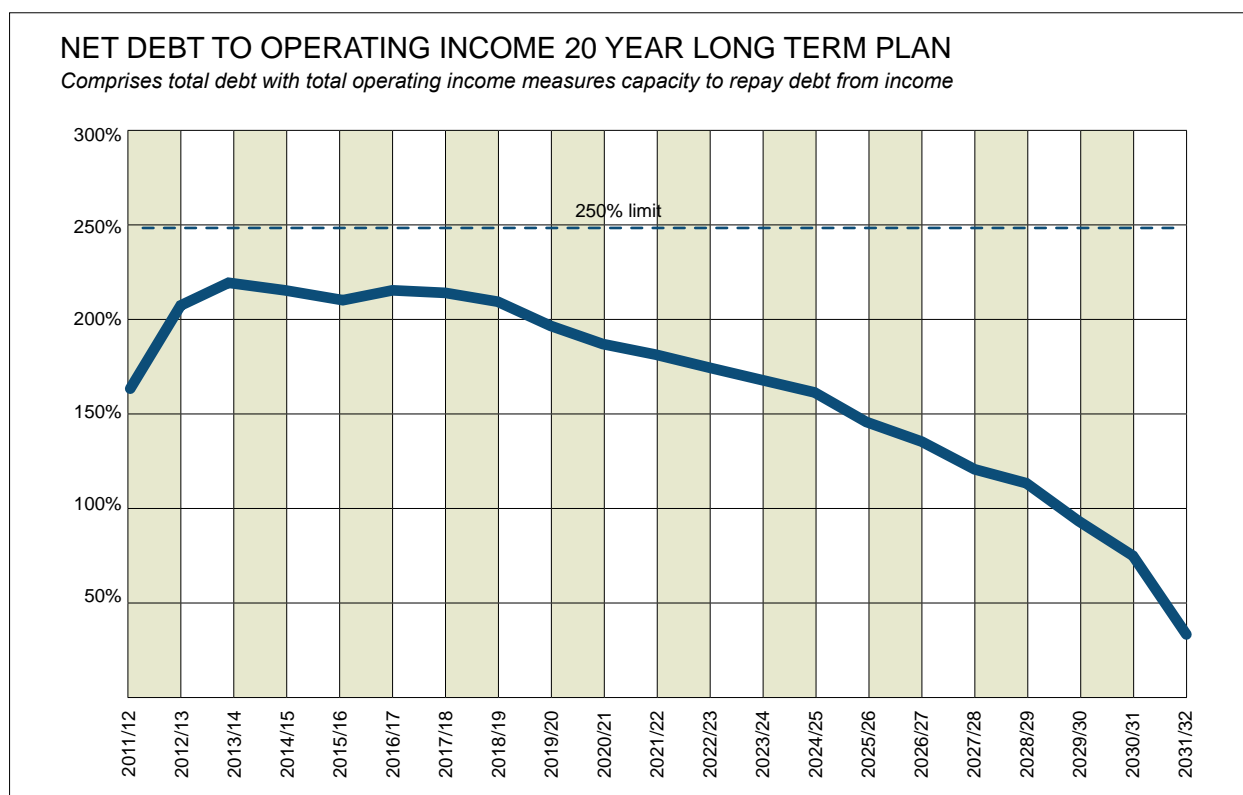
(b) Net Debt as a Percentage of Operating Income

This measures the ability of an organisation to repay its debt from operating income. This measure is of greater importance to credit rating agencies than the Net Debt/Equity ratio and is a new parameter included to manage debt levels.

In this Long Term Plan with a limit of 250% this ratio peaks in 2013/14 at 226% and then reduces over the 20 year period to 46%.



This ratio has the greatest impact on Council's credit rating and the net debt/operating income ratio for each year is shown below.



(c) Debt Interest as a Percentage of Operating Income

This places a limit of 25% on the proportion of Council's operating income that can be used to cover Council's debt interest costs each year. This ratio peaks in 2013/14 at 15% and gradually falls back to 4% by 2031/32.

Securities for Borrowing

Currently the Council has a debenture security arrangement. However, it is in the process of moving to a Debenture Trust Deed as a result of the market's requirement to have this level of security arrangement.

The Council will secure its long term debt by issuing security stock, under a Debenture Trust Deed to organisations who have lent money to it. This security stock will give these organisations

the ability to have a special rate struck to repay monies owed by them, in the event that the Council defaults on an interest payment or principal repayment.

An amended Treasury Management Policy to permit the borrowing of money from the Local Government Funding Agency (on the same basis as from other organisations) is included as part of this Long Term Plan. The Council is proposing to become a shareholder in the Local Government Funding Agency (LGFA) as from 1 July 2012 and is proposing to be able to borrow funds at a much lower margin that it can currently.

MANAGING RATES

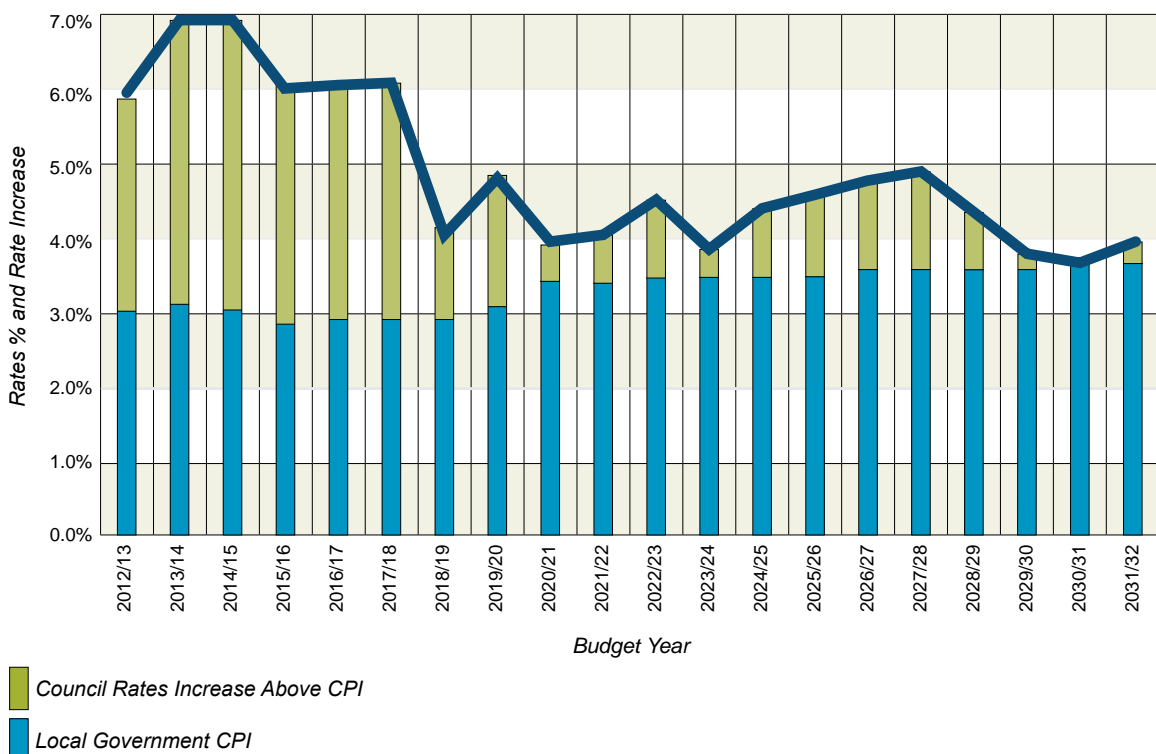
Council is committed to managing rates increases to ensure they are sustainable over the longer term. Kāpiti Coast District Council is the only local authority in New Zealand to explicitly report on rates impact on low income households. It has done so since 2006. A copy of the Affordability Report is available to view on the Documents page of the Council website www.kapiticoast.govt.nz under the heading Reports and Surveys.

The Council's Financial Strategy provides for an average annual rates increase of 4.9%. This includes provision for inflation. With the high level of investment in community infrastructure over the next two years, the Council will rate above the long term average levels. The Council has set an average rate increase over the first five years of 6.4% with the first year 2012/13 set at 5.9%.

Over the subsequent years, the average rates increase declines to range between 4% and 6%, with the overall average as noted above of 4.9%. Beyond 2016/17 a component of rates is the Additional Debt Payment Programme. While the average rate would be lower over the period if this programme did not proceed, it is Council's view that it must signal the need to reduce debt to a level that enables future communities to make real investment choices without being unreasonably constrained by past investment decisions.

Set out below is the total rates increase projected for each year split between the rates increase relating to inflation (Local Government CPI) and the Council rates increase in excess of CPI.

ANALYSIS OF RATES INCREASE



Note: The Local Government CPI applied in 2012/13 year is lower than the average Local Government CPI because Council has not applied inflation to water, wastewater, stormwater and some overhead costs for the 2012/13 year.

The analysis of the average rates increase over the 20 year period is as follows:

RATES	
Average Rates Increase over 20 years	4.9%
ANALYSIS	
Average Local Government Inflation Index over 20 years	3.3%
Average increase from Capital Works Programme and other increases	1.6%
Net Average Rate Increase per annum over 20 years	4.9%

The average increase in rates over the 20 years over and above the average Local Government Inflation Index of (3.3%) is 1.6%.

Set out below is the analysis of average rates increase in each five year period of this Long Term Plan.

RATES	YEARS 1-5	YEARS 6-10	YEARS 11-15	YEARS 16-20
Average rates increase per annum	6.9%	5.5%	5.6%	5.1%
Less average growth in rating base	-0.5%	-0.9%	-1.0%	-1.0%
Net average rates increase per annum	6.4%	4.6%	4.6%	4.1%

ANALYSIS OF RATES INCREASE				
Average Inflation Index	3.0%	3.1%	3.6%	3.6%
Average increase from Capital Works programme and other increases	3.4%	1.5%	1.0%	0.5%
Net average rates increase per annum	6.4%	4.6%	4.6%	4.1%

Over the 20 year period, the average rates increase (above Local Government Inflation Index) will vary. It will average 3.4% above Local Government CPI in the first five years but will decrease significantly in 2017/18 to 2021/22 to 1.5% and then fall to 1% and lower in the second 10 years.

The limits on rates each year is the level of total rates as set out in this Long Term Plan.

Rates could be reduced in the shorter term from 2016/17 onwards by this additional debt repayment. However, this would be to the detriment of the prudent management of debt

levels over the 20 year period of the Long Term Plan.

The limits on rates must be measurable.

Therefore the limit on rates is as follows for the first five years:

PERIOD	LIMIT ON AVERAGE DISTRICTWIDE RATES INCREASE
2012/13	5.9%
2013/14	6.9%
2014/15	6.8%
2015/16	6.1%
2016/17	6.1%

For each five year period of the 20 year Long Term Plan

PERIOD	TARGET – AVERAGE DISTRICTWIDE RATES INCREASE	LIMIT ON AVERAGE DISTRICTWIDE RATES INCREASE
2012/13 to 2016/17	6.4% p.a.	6.9% p.a.
2017/18 to 2021/22	4.6% p.a.	6.2% p.a.
2022/23 to 2026/27	4.4% p.a.	5.0% p.a.
2027/28 to 2031/32	4.1% p.a.	5.0% p.a.

Over the 20 year period, rates are projected to increase from \$48.267 million in 2012/13 to \$138.730 million in 2031/32 (adjusted for inflation).

The annual rates and rates increase are set out below.

	2011/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Total Rates	45,447	48,267	51,783	55,557	59,297	63,309	67,710	71,168	75,319	78,980	83,002
Gross % Rates Increase	7.2%	6.2%	7.3%	7.3%	6.7%	6.8%	7.0%	5.1%	5.8%	4.9%	5.1%
Less Growth in Rating Base	0.5%	0.3%	0.4%	0.5%	0.6%	0.7%	0.8%	0.9%	1.0%	1.0%	1.0%
Average Rates Increase	6.7%	5.9%	6.9%	6.8%	6.1%	6.1%	6.2%	4.2%	4.8%	3.9%	4.1%

	2022/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Total Rates	87,529	91,719	96,714	102,153	107,951	114,266	120,412	126,224	132,216	138,730
Gross % Rates Increase	5.5%	4.8%	5.4%	5.6%	5.7%	5.8%	5.4%	4.8%	4.7%	4.9%
Less Growth in Rating Base	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Average Rates Increase	4.5%	3.8%	4.4%	4.6%	4.7%	4.8%	4.4%	3.8%	3.7%	3.9%



The impact on individual ratepayers will vary according to their individual rating group and the targeted rates that each property is liable for.

BALANCING THE BUDGET

The Council is required under the Local Government Act 2002 to ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses. The Council may set projected operating revenues at a different level from that required, if the Council resolves that it is financially prudent to do so.

In assessing a financially prudent position, consideration is to be given to:

- the estimated expenses of achieving and maintaining the predicted levels of service provision set out in this Long Term Plan, including the estimated expenses associated with maintaining the service capacity and integrity of the assets throughout their useful life;
- the projected revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life;
- the equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life; and
- the funding and financial policies.

With higher levels of capital expenditure on new assets in the first few years of this Long Term Plan, this has resulted in increasing levels of depreciation to be accounted for. In the early years of assets lives, the funding of depreciation is not required to fund asset renewal. The timing of the funding of depreciation can be deferred until later in the asset life cycle. It is important that any deferral of funding of depreciation is repaid within

the 20 year period of this Long Term Plan and within the asset life cycle to avoid any erosion of Council's equity position over the longer term.

The non funding of depreciation has been applied to address the intergenerational equity issue. The significant capital investment in the early years of the Long Term Plan in infrastructure assets and community facilities provides long term benefits to future ratepayers. Even though some of the intergenerational effects have been taken into account by debt funding the assets over periods up to 30 years, the benefits to the community will be provided over 50-70 years.

To spread the costs of these benefits, it is proposed to not fully fund the depreciation on these new assets in the earlier years. The non funding of depreciation will be repaid in later years as the community continues to receive the longer term benefits from these investments in new infrastructure and community facilities.

To ensure the non funding of depreciation is managed on a prudent basis it is proposed that the following limits be placed on the level of non funding of depreciation:

- the total amount of depreciation funded over the period (of partial non funding of depreciation) must be sufficient to fund the asset renewal programme over that period;
- the non funding of depreciation can only be applied to longer term assets where the asset lives are at least 30 years; and
- the non funding of depreciation must be repaid within the 20 year period of the Long Term Plan.

Over the first eight years, while the Council is not fully funding depreciation, the total amount of depreciation that is funded is sufficient to match the total funding required for Asset Renewals over that eight year period.

The level of non funding of depreciation and the repayment of that non funding of depreciation to maintain Council's overall equity over the longer term is as follows:

	2007/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Non Funded Depreciation	900	1,500	2,100	1,800	1,800	2,429	3,857	4,302
Recovery of non funded depreciation (rate funded)	-	-	-	-	-	-	-	-

	2015/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Non Funded Depreciation	3,540	3,230	2,020	1,170	620	-	-	-
Recovery of non funded depreciation (rate funded)	-	-	-	-	-	600	1,200	2,100

	2023/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	TOTAL
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Non Funded Depreciation	-	-	-	-	-	-	-	-	-	29,267
Recovery of non funded depreciation (rate funded)	2,800	3,500	3,500	3,500	3,500	3,010	2,725	1,580	1,252	29,267

HOLDING AND MANAGING FINANCIAL INVESTMENTS

Currently the Council only holds one share investment and this is held for strategic rather than financial reasons. The Council does not have any current intention to hold and manage any additional financial investments or equity securities. For these reasons the Council has not set a targeted return on its equity investments.

Key Financial Forecasting Assumptions

The key differences in the forecasting assumptions from page 56 between the 2009 Long Term Council Community Plan (LTCCP) and the 2012-32 Long Term Plan are the assumptions relating to the growth in the rating base and the growth in the households and population.

In this Long Term Plan it is assumed that the growth in the rating base will increase at a slower rate over a longer period than what was projected in the 2009 LTCCP.

The percentage growth in the rating base is projected to be 0.3% in 2012/13 and then increase by 0.1% per annum through to 1% in 2019/20, then continue at that 1% rate for the remainder of the 20 years.

The 2009 LTCCP estimated an increase of 0.5% in the rating base for three years from 2009/10 to the 2011/12 year then increasing to 1% from 2012/13 onwards.



KEY FINANCIAL FORECASTING ASSUMPTIONS

FORECASTING ASSUMPTIONS	RISK	LEVEL OF UNCERTAINTY	REASONS AND FINANCIAL EFFECT OF UNCERTAINTY
<p>Increase in Rating Base</p> <p>The rating base is projected to increase by 0.3% in 2012/13 year and then by an additional 0.1% each year until reaching 1% annual growth by 2019/20.</p> <p>From 2020/21 to 2031/32 the growth in the rating base is estimated to be 1% per annum.</p>	<p>Rating unit growth occurs at higher or lower rates than assumed in the District.</p>	<p>Low.</p>	<p>Economic conditions and the discretionary nature of housing market can cause variations in rating unit growth from that assumed.</p> <p>The main financial effect of slower than projected growth can be a reduction in budgeted development contributions and rating revenue.</p> <p>The financial effect of lower than projected growth could result in marginally higher rate increases. The Council considers that it has been conservative in its estimated growth in the rating base so that the risks are relatively low.</p>
<p>Interest Rates</p> <p>In preparing this Long Term Plan, the Council has assumed long term interest rates for new debt of 5.5% for year 1 then 7% from year 2 to year 10. From year 11 to 20 the interest rate will be 8%. Existing loans have a weighted average interest cost of 6.75%.</p>	<p>The prevailing interest rates will differ significantly from those estimated.</p>	<p>Low (short term). Medium (long term).</p>	<p>Increases in interest rates flow through to higher debt servicing costs and higher rates funding requirements.</p> <p>The Council has mitigated these risks by using interest rate swaps to fix interest rates for periods up to 10 years. This provides Council with greater certainty over its interest rates going forward for existing debt and for new debt as it is required.</p>
<p>Levels of Service</p> <p>Council will continue to provide existing levels of service and the increased levels of service as planned and identified in this Long Term Plan.</p> <p>That the planned levels of service will not significantly change over the period.</p>	<p>As a result of ratepayers' expectations and demand there are significant changes to the levels of service.</p>	<p>Low (short term). Medium (up to 10 years). High (10 years to 20 years).</p>	<p>The planned levels of service have been well defined as part of this Long Term Plan process.</p> <p>The financial effect is relatively low in the short term but could increase over the longer term. These will be reviewed every three years as part of the three yearly review of this Long Term Plan.</p>

FORECASTING ASSUMPTIONS	RISK	LEVEL OF UNCERTAINTY	REASONS AND FINANCIAL EFFECT OF UNCERTAINTY
<p>Inflation impact on Expenditure Budget</p> <p>The Council has indexed all operating and capital costs to reflect monetary changes over the life of this Long Term Plan.</p> <p>Price changes have been indexed using the six general categories supplied by Local Government New Zealand through Bureau of Economic Research Ltd (BERL). Council has amended the index supplied for staff costs over the first three years to reflect current local trends.</p> <p>For the 2012/13 year no CPI adjusters have been applied to water, wastewater and stormwater operating costs and for most of the corporate support costs as the Council consider that costs can be held at current levels for the 2012/13 year.</p>	The inflation changes vary from those budgeted.	<p>Low (short term).</p> <p>Medium (up to 10 years).</p> <p>High (10 years to 20 years).</p>	<p>If the Reserve Bank continues to keep general inflation under 4% the projected impacts of changes to pricing levels could be relatively minor. However, if inflation increases beyond the projected levels the accumulative impact of higher inflation could have a major long term impact on the rates requirement.</p> <p>Based on projected direct operating costs starting at \$41 million and increasing to \$90 million over the 20 year, the impact of 1% movement on inflation could amount to between \$400,000 and \$900,000 per annum on the level of rates requirement.</p>

Price Adjustors: Annual Percentage Change from June 2012

	2012/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
Yearly	1	2	3	4	5	6	7	8	9	10
Roading	3.80%	3.10%	3.50%	3.10%	3.00%	3.20%	3.50%	3.70%	3.40%	3.50%
Property	3.00%	2.90%	2.90%	3.00%	3.10%	2.80%	2.80%	3.00%	3.30%	3.30%
Water	4.20%	3.90%	3.50%	3.70%	3.80%	3.50%	3.50%	3.80%	4.10%	4.10%
Energy	4.80%	4.70%	4.70%	5.00%	5.10%	4.60%	4.50%	5.00%	5.40%	5.40%
Staff	3.10%	3.10%	3.00%	2.60%	2.60%	2.40%	2.30%	2.60%	2.70%	2.70%
Other	2.40%	3.20%	3.20%	3.40%	3.50%	3.40%	3.30%	3.30%	3.60%	3.50%
Solid Waste	5.00%	5.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Earthmoving	4.10%	3.40%	2.90%	3.00%	3.30%	3.50%	3.80%	4.10%	4.30%	4.40%
Pipelines	5.20%	4.40%	3.70%	3.80%	4.20%	4.50%	4.80%	5.52%	5.50%	5.70%

	2022/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32
Yearly	11	12	13	14	15	16	17	18	19	20
Roading	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Property	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%
Water	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%
Energy	5.40%	5.40%	5.40%	5.40%	5.40%	5.40%	5.40%	5.40%	5.40%	5.40%
Staff	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%
Other	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Solid Waste	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Earthmoving	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%
Pipelines	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%



FORECASTING ASSUMPTIONS	RISK	LEVEL OF UNCERTAINTY	REASONS AND FINANCIAL EFFECT OF UNCERTAINTY
Loans New loans will be taken out for a maximum period of 20 years. The exception will be for those projects which have an average asset life of 40 years or greater where the maximum period will be 30 years.	Loans are unable to be repaid in the planned maximum loan periods.	Low.	Annual loan repayment provisions are budgeted each year to repay debt within the maximum loan periods set for each loan. These are primarily funded from depreciation which is funded through rates.
Local Government Funding Agency (LGFA) The Council will become a shareholder in the 2012/13 year and take advantage of the LGFA that was developed to source lower cost funding.	LGFA credit rating falls or lower cost funding will not be achieved. Council does not join the LGFA as a shareholder.	Low.	The projected lower interest margins through the LGFA have been factored into this Long Term Plan. If Council does not join the LGFA then the interest rate margins could be higher which would impact on the proposed rating levels.
LGFA Guarantee Each of the shareholders of the LGFA is a party to a Deed of Guarantee. This means the parties to the deed guarantee the obligations of the LGFA and the guarantee obligations of other participating local authorities to the LGFA, in the event of default.	In the event of a default by the LGFA, each guarantor would be liable to pay a proportion of the amount owing. The proportion to be paid by each respective guarantor is set in relation to each guarantor's relative rates income.	Low.	The Council believes the risk of the guarantee being called on and any financial loss arising from the guarantee is low. The likelihood of a local authority borrower defaulting is extremely low and all of the borrowings by a local authority from the LGFA are secured by a rates charge.
Renewal of External Funding It is assumed that Council will be able to refinance existing loans on similar terms.	The new borrowings cannot be accessed to fund future capital requirements.	Low.	The Council minimises its liquidity risk by having sufficient credit facilities in place to cover any short term borrowing requirements.
New Zealand Transport Agency (NZTA) Council has projected the subsidy rate of: 43% for maintenance works; and 53% for construction works.	Changes in the subsidy rate and variation in criteria for inclusion in the qualifying programme of works.	Low.	If the level of subsidy decreases there needs to be either a reduction in the roading work programme or an increase in funding from alternative sources (for example, rates). A change of 1% in subsidy rates would affect operating income by about \$65,000 in the 2012/13 year.

FORECASTING ASSUMPTIONS	RISK	LEVEL OF UNCERTAINTY	REASONS AND FINANCIAL EFFECT OF UNCERTAINTY
<p>Sources of funds for the future replacement of significant assets</p> <p>Sources of funds for operating and capital expenditure are as per the Revenue and Financing Policy. For further information see Part Two of this Long Term Plan.</p>	<p>That sources of funds are not achieved or are not accessible.</p>	<p>Low.</p>	<p>Funding of all asset replacements during the life of the 20 year period of this Long Term Plan has been disclosed. The primary funding for asset replacements is depreciation (funded through rates) and loans.</p> <p>The Council is able to access loans at levels forecast within this Long Term Plan.</p>
<p>Useful lives of significant assets</p> <p>The useful lives of significant assets with the appropriate depreciation rates are shown in the Statement of Significant Accounting Policies. For further information see Part Three of this Long Term Plan.</p> <p>It is assumed that the useful lives will remain the same throughout the 20 year period.</p> <p>It is assumed that assets will be replaced at the end of their useful life.</p> <p>Planned asset acquisitions (as per the capital expenditure programme) shall be depreciated on the same basis as existing assets.</p>	<p>That assets need to be replaced earlier or later than budgeted.</p> <p>That Council activities change, resulting in decisions not to replace existing assets.</p> <p>That more detailed analysis of planned capital projects may alter the useful life and therefore the depreciation expense.</p>	<p>Low – Asset lives are based upon the National Asset Management Manual guidelines and have been assessed by independent qualified valuers and engineers.</p> <p>Low.</p> <p>Low.</p>	<p>The financial effect of the uncertainty is relatively low. If capital expenditure was required earlier than anticipated, then depreciation and debt servicing costs could increase.</p> <p>If assets need replacing earlier, this could lead to Council reprioritising capital projects to mitigate the financial impact.</p> <p>Council has a comprehensive asset management planning process. Where a decision is made not to replace an asset, this will be factored into capital projections.</p> <p>Asset capacity and condition is monitored, with replacement works being planned accordingly. Depreciation is calculated in accordance with accounting and asset management requirements.</p>



FORECASTING ASSUMPTIONS	RISK	LEVEL OF UNCERTAINTY	REASONS AND FINANCIAL EFFECT OF UNCERTAINTY
<p>Insurance of underground assets through the Local Authority Protection Programme (LAPP)</p> <p>There is no financial provision for a major claim on the LAPP Scheme.</p> <p>Calls on this Council's share of a major claim would need to be funded from debt and other Council budgets would need to be adjusted at the time to cover borrowing costs.</p>	<p>That this Council will have a call on funds up to \$940,000 (in the 2012/13 year) for a major claim on the LAPP scheme by any of its members for damage to underground assets from a natural disaster.</p> <p>Two major claims in one year could result in calls on this Council totalling \$2.2 million in a year.</p>	<p>Low – Medium.</p>	<p>Even though the risk of major natural disasters is low to medium, council could face a call on funds up to \$940,000 for major claim on the LAPP scheme by any of its members for damage to underground infrastructural assets from a natural disaster.</p> <p>As the LAPP fund reserves build up over a ten year period, the liability exposure for this Council would decrease.</p>
<p>Revaluation of property, plant and equipment</p> <p>These forecasts include a three yearly estimate to reflect the change in asset valuations for property, plant and equipment in accordance with the Council's accounting policies.</p> <p>The following assumptions have been applied to all projected asset revaluations:</p> <ul style="list-style-type: none"> • Revaluation movements shall equal the inflation rates applied for all depreciable property, plant and equipment. More detail on inflation can be found on page 57; • The depreciation impact of inflation shall take effect in the year following revaluation; and • For non-depreciable assets the land under roads is forecast to remain constant. For other Council land the value is projected to increase by projected inflation rate. 	<p>That actual revaluation movements will be significantly different from those forecast.</p>	<p>Low (short term).</p> <p>Low (short term).</p> <p>Medium to high (long term).</p>	<p>The majority of Council's depreciable property, plant and equipment assets is valued on an optimised depreciated replacement cost basis. Therefore, using the projected Local Government inflation rate as a proxy for revaluation movements is appropriate and consistent with the treatment of price changes generally within this Long Term Plan.</p>

FORECASTING ASSUMPTIONS	RISK	LEVEL OF UNCERTAINTY	REASONS AND FINANCIAL EFFECT OF UNCERTAINTY
Revaluation of other assets It is assumed that the value of all other assets (for example, investment properties) accounted for at fair/market value will remain constant across the Long Term Plan.	The actual revaluation movements will be significantly different from those forecasts.	Medium.	For assets valued at market value (based on sales evidence), values have been assumed to remain constant. This reflects the wide disparity in views on the sustainability of current residential market prices. This assumption has no impact on depreciation as these assets are not depreciated.
Resource Consent Standards Resource Consent standards for water sources and for stormwater and wastewater discharges from Council infrastructure will be monitored at the present high levels set. The drinking water standards are being met and will continue to be achievable.	Resource Consent conditions will alter significantly. The increased standards will lead to higher costs. Consents are delayed through Appeals to Environment Court. All Councils are able to renew existing resource consent upon expiry.	Low.	The Council is fully compliant with its existing Resource Consents and does not contemplate major variances on the current requirements in the first 10 years. Over the longer term there is a greater risk of conditions changing.
Sundry Income Sundry Income has been budgeted at minimum levels.	That Sundry Income will be less than budgeted levels.	Low.	Minimal impact on Council's revenue budgets.
Currency Movements and Related Asset Values Some components of works in this Long Term Plan may be sourced from overseas. It is assumed that all input components (whether sourced in New Zealand or abroad) will be assessed in New Zealand dollars. Currency exchange rates will obviously fluctuate significantly over the 20 year period and this may have an impact on the costs of assets in the future. It is not possible to determine until a project tender stage that certain inputs will need to be sourced from outside New Zealand, and will be subject to currency fluctuations.	That currency movements have a major impact on future capital budgets.	Low (short term). Medium (up to 10 years). High (10 years to 20 years).	The likelihood is that most of the components will be able to be sourced locally. Where components need to be sourced overseas, Council will assess the currency exchange at the time of detailed design and planning. Provision will be made to mitigate risks as required.



FORECASTING ASSUMPTIONS	RISK	LEVEL OF UNCERTAINTY	REASONS AND FINANCIAL EFFECT OF UNCERTAINTY
Development Contributions Significant assumptions in relation to Development Contributions are included within the Development Contributions Policy. For further information see Part Two of this Long Term Plan.	If growth is higher or lower than forecast, the level of development contributions collected could be insufficient to cover the costs of additional infrastructure required to meet the needs of Kāpiti's future population.	Low.	The growth assumptions within the Development Contributions Policy are considered robust as they are based on MERA modelling of population and these assumptions have been used across this Long Term Plan.
Leaky Homes Liability The Council's exposure to leaky home claims is projected to end after 2015; 10 years after the changes to the Building Control Act 2004 took place.	That the level of the claims and settlements is higher than provided for within this Long Term Plan.	Low.	The Council's exposure to leaky home claims is a lot lower than some other Councils. Provision for Council's projected exposure has been made in the Contingency Fund.
The Regional Amenities Fund It is assumed that this initiative will be supported across the Wellington region and that Council will allocate funding towards the Regional Amenities Fund. The proposed Fund provides an opportunity for the region to support regional amenities that are important for the region's liveability, identity and economic success. This Fund, which uses a differential to consider distance between amenities and each local Council area, is proposed to be implemented through a binding agreement of all Councils, agreed and adopted through each Council's 2012-22 Long Term Plan. Each Council would collect local rates for this regional fund. All funding decisions would be ratified by the Mayoral Forum.	The risk is that if any Council chose not to join, the Fund would be reduced by the amount which that Council would have contributed. At a certain funding level, the Fund would become less viable as there would be insufficient funding to justify the continuation of the Fund.	Low to Medium.	Current budgets for Kāpiti's share of the Regional Amenities Fund are \$48,000 for 2012/13 and \$96,000 for 2013/14 with CPI changes from 2014/15 onwards.

RATES IMPACTS

IMPACTS BY AREA

In 2009 the Council adopted a policy of districtwide (excluding rural) funding of water, wastewater and stormwater with the full impacts of the change taking effect from 2013/14. Even after the change there will be different rating impacts on each community dependant on the following factors:

- Three yearly revaluation of the District (August 2011 - Rating impact 2012/13 year); and
- Level of historic debt servicing relating to each community.

The rating impacts are outlined below:

AREA		2011/12	2012/13	INCREASE	NET AVERAGE RATING IMPACT			
					LESS RATES RELATING TO ESTIMATED INCREASE IN RATING BASE	NET RATING INCREASE	NET AVERAGE RATE INCREASE	NET AVERAGE RATES INCREASE PER PROPERTY PER ANNUM INCL GST
		\$000	\$000	\$000	\$000	\$000	%	\$
Paekākāriki	Urban	1,397	1,507	110	-2	108	7.78%	153
	Rural	61	62	1	0	1	1.17%	14
Paraparaumu/ Raumati	Urban	24,284	25,668	1,384	-58	1326	5.46%	114
	Rural	281	310	29	-3	26	9.08%	108
Waikanae	Urban	10,950	11,694	744	-25	719	6.57%	136
	Rural	935	1,028	93	-12	81	8.69%	107
Ōtaki	Urban	5,749	6,054	305	-16	289	5.03%	94
	Rural	1,789	1,944	155	-19	136	7.57%	99
Totals		45,446	48,267	2,821	-135	2686	5.91%	-

* Rural areas cover properties from rural residential to large farms. As a consequence the rural rate increase for individual properties will vary (in a wide range) compared to the average.

RATES IMPACT FOR 2012/13

The proposed rates increase for each community for the 2012/13 year is shown above.

The Paekākāriki average rate increase (7.8%) is higher than the average for the District (5.9%). This is due to the higher than average increase in the districtwide general rate and community facilities charges and regulatory services rate.

The average rate increase for Paekākāriki is also affected by the three yearly revaluation of the District (August 2011) where Paekākāriki's land values decreased less than the average decrease for the District. This will result in Paekākāriki being levied a marginally greater share of the districtwide rates.



The Waikanae average urban rate increase (6.57%) is higher than the average for the District of 5.9%. This is due to Waikanae's land values decreasing less than the average for the District. This means that Waikanae will be levied a marginally higher share of the districtwide rates than previously.

Ōtaki's average urban rates increase (5.03%) is less than the average rates increase for the District. This is because of the much higher decrease in land values for Ōtaki urban area compared to the average (decrease in land value) for the District. Ōtaki Beach properties, on average, decreased by over 14% in land value compared to the average of 3.9% for the urban residential areas of the District.

The rural rates for Paraparaumu, Waikanae and Ōtaki are higher than the average for the District due to the higher increase in districtwide general rates, community facilities charges, regulatory services and roading rates. Also included in the rural rates is the proposed increase in the rural village differential rate from 60% to 65% (of the urban rate) for the districtwide general rate, regulatory services rate and local community rate.

More detail on the Rural Village Differential Rate is in Part Three of this Long Term Plan.

AREA		2012/13	2013/14	2013/14	2014/15	2014/15*
				NET AVERAGE RATE INCREASE**		NET AVERAGE RATE INCREASE**
		\$000	\$000	%	\$000	%
Paekākāriki	Urban	1,507	1,630	8.00	1,764	8.07
	Rural	62	66	5.75	72	7.38
Paraparaumu/Raumati	Urban	25,668	27,413	6.47	29,465	7.04
	Rural	310	330	6.02	357	7.76
Waikanae	Urban	11,694	12,656	7.82	13,561	6.67
	Rural	1,028	1,097	5.98	1,186	7.19
Ōtaki	Urban	6,054	6,945	7.65	6,936	5.48
	Rural	1,944	2,046	4.14	2,216	7.26
Totals		48,267	51,783	6.88	55,557	6.80

* The 2014/15 years rates includes the rates requirement for water supply. From the 2014/15 year it is proposed that fixed rates for water per water connection be replaced by water meter charges.

For the purposes of measuring overall rating impacts (including water meter charges) it is assumed that water meter charges for each community will match the proposed water rates requirements for each community.

** This is the net average rate increase after taking into account growth in the rating base.

RATES IMPACTS 2013/14 AND 2014/15

From the 2013/14 year water, wastewater and stormwater costs are funded on the same basis across the District for each of the respective service rating areas.

The rate increases for each community are influenced by the level of capital works that is being carried out across the District in terms of increased debt servicing costs. The amount of debt that is being repaid in each of the communities also impacts on the different rates increases in each community/area.

IMPACTS ON LOW INCOME HOUSEHOLDS

The Kāpiti Coast District Council is the only Council to report on rates impacts on vulnerable households. It has done so since 2006. A copy of the Affordability Report is available from Council Service Centres and can also be viewed on the Documents page of the Council website www.kapiticoast.govt.nz under the heading of Reports and Surveys.

The report selects a number of sample streets to test rates impacts, takes the average rate for that street and tests it for impacts on households. This is done for median income and for households whose income is totally dependent on a benefit.

Approximately 12% of the population within the District sits onto or below the (relative) poverty line. This percentage does not take into account those households eligible for and receiving a rates rebate. Generally for these households rates absorbs about 5-7% of disposable household income with some experiencing greater effects. Anything more than 5% would place considerable stress on already constrained incomes.

Council continues to respond to these concerns by managing down rates. In addition it has a number of policies, to try and relieve impacts on the most vulnerable households. These include:

- provision of Housing for Older Persons, which provides housing rents lower than the private market. Note: these are unsubsidised by rates;
- provision of community funding to insulate houses and install solar water heating;
- interest free loans for water sourcing devices; and
- provision of a rates remission fund for vulnerable households, over and above the central government rates rebate.

In addition; Council continues to advocate for improved public transport and to ensure access to basic services and facilities close to residential areas. This can contribute indirectly to reducing transport costs.

Finally, the introduction of water meters may allow many households to reduce their expenditure on water. More detail can be found on page 174.

Rates Rebate Scheme

Council actively supports people applying for the central government rates rebate scheme and welcomes enquiries for more details about individual eligibility.

The scheme is designed to provide a subsidy to low income home owners and the Department of Internal Affairs adjust the criteria and rebate value annually.

Applicants could be entitled to a rebate against their rating account of up to \$590 for the 2012/13 rating year. Should you meet the following criteria you have until 30 June 2013 to apply for this year's Rates Rebate:

- You are legally responsible for paying the rates.
- You were in your property on 1 July 2012.
- Your gross income from all sources (including your partner if applicable) is \$23,650 or less in the Financial Year 1 April 2011 to 31 March 2012. If your gross income is more than \$23,650 you may still qualify for a partial Rebate.
- Each dependant under 18 years of age; or relative that is living with you who receives a benefit may increase the value of a partial rebate granted up to a maximum of \$590.



- If the property you live in is owned by family or a Trust; but you are responsible for the payment of rates, you can still apply. Please contact Customer Services for further information on this.

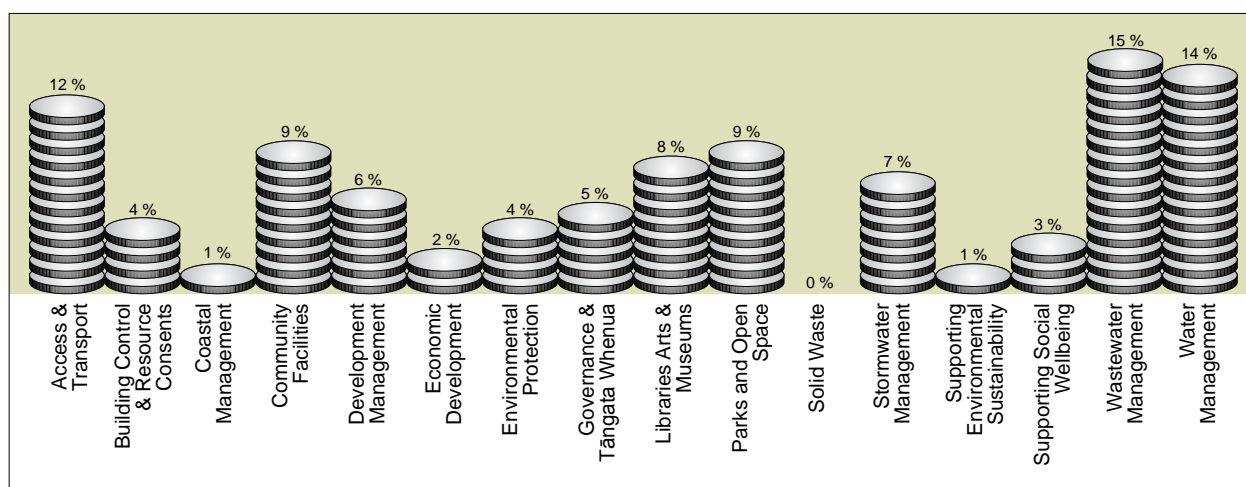
The scheme is further explained on the website: www.ratesrebates.govt.nz

If you do not qualify this rating year you may qualify in a later year and should re-apply then.

Council provides a home visit service for applicants that are housebound.
Call 0800 486 486 for an appointment.

URBAN RATEPAYERS

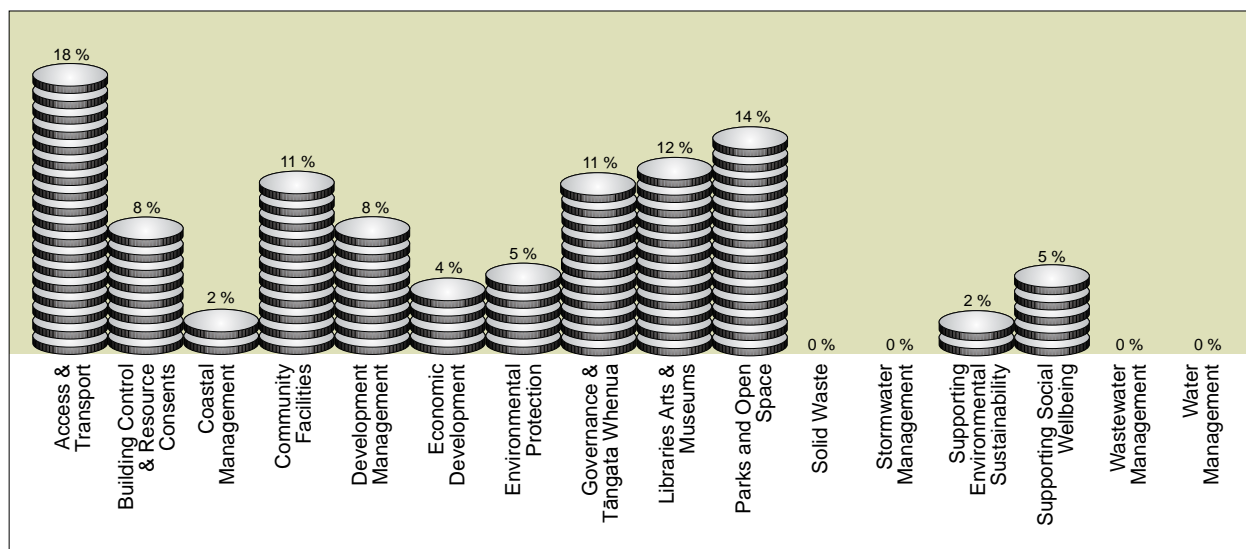
THE PROPORTION OF YOUR RATES SPENT ON EACH ACTIVITY – URBAN AREA



RURAL RATEPAYERS

The rural ratepayers do not fund water, wastewater or stormwater unless the properties are within those service areas so their rates are spent as follows:

THE PROPORTION OF YOUR RATES SPENT ON EACH ACTIVITY – RURAL AREA



FINANCIAL SUMMARY OF MAIN FEATURES (INCLUDES INFLATION INDEXING) THE FIRST TEN YEARS

YEAR	0	1	2	3	4	5	6	7	8	9	10
\$000	2011/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
Operating Costs	38,269	41,091	43,038	45,149	47,135	49,155	50,850	52,776	55,730	57,644	60,024
Debt Servicing	7,722	8,474	9,782	10,597	11,275	11,990	12,666	13,289	13,555	13,565	13,490
Depreciation	12,808	13,383	14,657	15,273	16,082	16,860	17,219	17,898	18,838	19,399	19,962
Total Operating Expenditure	58,799	62,948	67,477	71,019	74,492	78,005	80,735	83,963	88,123	90,608	93,476

Solid Waste Charges	2,988	2,888	3,166	3,293	3,362	3,472	3,617	3,699	3,821	3,986	4,099
Other Revenue	6,455	7,671	7,601	7,965	8,618	8,991	9,240	9,617	10,163	10,486	10,916
Other Revenue - Capital Subsidy NZTA	1,685	1,493	1,526	1,706	1,544	1,732	1,578	1,697	1,828	1,902	1,976
Development Contributions	3,880	2,040	1,222	1,250	1,310	1,383	1,957	2,548	3,472	3,574	3,594
Trust Fund Revenue (Mahara)	-	-	-	-	3,261	-	-	-	-	-	-
Trust Fund Revenue (Aquatic)	2,448	900	525	275	125	75	75	75	75	75	-
Vested Assets	1,000	1,040	1,082	1,125	1,170	1,217	1,266	1,317	59,852	3,844	3,998
Total Operating Revenue	18,456	16,032	15,122	15,614	19,390	16,870	17,733	18,953	79,211	23,867	24,583

Net Operating Expenditure	40,343	46,916	52,355	55,405	55,102	61,135	63,002	65,010	8,912	66,741	68,893
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Rates Increase % before Indexing		3.9%	3.8%	3.8%	3.3%	3.2%	3.3%	1.3%	1.7%	0.5%	0.7%
% Indexing		2.0%	3.1%	3.0%	2.8%	2.9%	2.9%	2.9%	3.1%	3.4%	3.4%
Net Rates Increase incl Indexing		5.9%	6.9%	6.8%	6.1%	6.1%	6.2%	4.2%	4.8%	3.9%	4.1%

Capital Expenditure (\$ million)

New Assets	36	41	17	12	15	12	13	14	12	15	13
Asset Renewals	10	14	12	8	14	13	16	13	12	12	13
Total Capital Expenditure	46	55	29	20	29	25	29	27	24	27	26

Public Debt (\$ million)	99	135	149	156	166	175	184	190	190	190	188
Debt/Equity % *	12.8%	17.7%	19.8%	18.1%	19.1%	19.9%	18.3%	18.8%	17.5%	15.2%	15.0%

* This ratio should not exceed 20% as per Treasury Management Policy. For further information see Part Two of this Long Term Plan.



FINANCIAL SUMMARY OF MAIN FEATURES (INCLUDES INFLATION INDEXING) THE SECOND TEN YEARS

YEAR	11	12	13	14	15	16	17	18	19	20
\$000	2022/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32
Operating Costs	62,466	64,741	67,336	70,612	73,113	76,143	79,548	82,606	86,005	90,047
Debt Servicing	13,579	14,053	14,356	14,104	13,616	13,145	12,464	11,265	9,544	7,221
Depreciation	20,966	21,737	22,411	23,042	23,805	24,161	24,921	25,665	26,254	26,815
Total Operating Expenditure	97,011	100,531	104,103	107,758	110,534	113,449	116,933	119,536	121,803	124,083

Solid Waste Charges	4,256	4,449	4,597	4,790	5,027	5,219	5,453	5,743	5,990	6,291
Other Revenue	11,783	12,229	12,756	13,351	13,805	14,388	15,028	15,520	16,161	16,834
Other Revenue - Capital Subsidy NZTA	2,014	2,094	2,176	2,261	2,350	2,442	2,538	2,638	2,741	2,843
Development Contributions	3,599	3,600	3,600	3,601	3,600	3,600	3,600	3,600	3,600	3,600
Trust Fund Revenue (Mahara)	-	-	-	-	-	-	-	-	-	-
Trust Fund Revenue (Aquatic)	-	-	-	-	-	-	-	-	-	-
Vested Assets	68,935	41,127	8,560	8,902	9,258	9,628	10,013	10,414	10,831	11,264
Total Operating Revenue	90,587	63,499	31,689	32,905	34,040	35,277	36,632	37,915	39,323	40,832

Net Operating Expenditure	6,424	37,032	72,414	74,853	76,494	78,172	80,301	81,621	82,480	83,251
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Rates Increase % before Indexing	1.0%	0.3%	0.9%	1.1%	1.1%	1.2%	0.8%	0.2%	0.1%	0.2%
% Indexing	3.5%	3.5%	3.5%	3.5%	3.6%	3.6%	3.6%	3.6%	3.6%	3.7%
Net Rates Increase incl Indexing	4.5%	3.8%	4.4%	4.6%	4.7%	4.8%	4.4%	3.8%	3.7%	3.9%

Capital Expenditure (\$ million)

New Assets	22	24	22	23	27	25	19	22	21	23
Asset Renewals	14	18	13	12	15	18	19	20	15	17
Total Capital Expenditure	36	42	35	35	42	43	38	42	36	40

Public Debt (\$ million)	190	196	192	186	178	171	155	138	108	77
Debt/Equity % *	14.4%	12.6%	12.1%	11.6%	10.0%	9.4%	8.4%	6.5%	5.0%	3.5%

* This ratio should not exceed 20% as per Treasury Management Policy. For further information see Part Two of this Long Term Plan.

SECTION SIX

ACTIVITIES

ACCESS AND TRANSPORT

Putanga me te Ikiiki

THIS ACTIVITY LINKS TO COMMUNITY OUTCOMES:	1	2	3	4	5	6	7
	✓	✓	✓	✓	✓	✓	✓

INTRODUCTION

A good quality access and transport network is essential to community wellbeing. If well designed and connected it reduces energy and household costs, promotes health, delivers goods and services and can support the amenity of neighbourhoods.

KEY PRIORITY AREA – EXPRESSWAY

The strategic leadership direction that Council has decided to take for the District includes five priority projects/areas to progress during this triennium. Ensuring that the NZTA Expressway project reflects the needs of the community is one of those five priorities.

The central government Expressway projects planned to go through the District continue to absorb considerable time and Council effort.

The Transmission Gully decision process is almost completed and the MacKays to Peka Peka section of the New Zealand Transport Agency (NZTA) proposed Expressway project has been lodged with the Environmental Protection Agency and will be a major focus during 2012/13. If approved construction will occur over the next three to four years. The Peka Peka to Ōtaki Expressway project will, it is hoped, proceed to the point that people will have certainty about the designation.

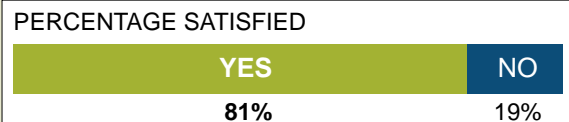
Council will continue to act as an advocate for the community in these processes.

YOUR FEEDBACK

During the consultation on this Plan we told you about:

- our five priorities/projects (page 34), and
- the rates required, in accordance with the Financial Strategy (pages 46 to 68), to provide the services and programmes in this Activity.

We asked if you are satisfied with the quality of service you receive in this Activity? The result was:



Current Access and Transport forward projections, with regard to capital upgrades and renewals, are based on an assumption that the proposed Expressway will proceed along its current design alignment. Forward budgets have been structured to allow for local roading network upgrades with regard to total estimated costs. However, until final design and alignment of the proposed Expressway has been approved, details on actual upgrade projects and their priority can not be confirmed. Timing for proposed forward expenditure is also linked to assumptions associated with completion of the proposed Expressway. Should the Expressway not proceed projects will be re-prioritised.

More detail can be found on page 73.

WHAT DOES THIS ACTIVITY PROVIDE?

The Access and Transport Activity area includes:

- operation and maintenance of the transport network;
- replacement of assets to ensure long-term sustainability;
- improvement of existing assets to sustain serviceability;
- creation of new assets to cater for demand and growth;
- planning and investigation in relation to transport activities;
- promotion of different travel modes;
- ensuring safety of road users;
- liaising with stakeholders;
- enforcement of traffic and transport by regulations, standards and bylaws; and
- providing safe Cycleways, Walkways and Bridleways (CWB) networks to improve walking, cycling and horse riding access and linkages throughout Kāpiti.

ASSUMPTIONS, RISKS AND KEY POINTS TO NOTE

Assumptions include:

- current levels of service will be maintained;
- current levels of funding, as indicated in this Long Term Plan (including assistance rate %) from NZTA will be maintained;
- road network length will increase with population increases and this will increase maintenance costs;
- the existing alignment of State Highway One (SH1) will be revoked in 2018/19 and become a territorial authority road. This is a working assumption to enable budgeting but is subject to Board of Inquiry decisions;
- national and regional priorities remain unchanged, including NZTA funding assistance rates;
- Council land purchase provides opportunities for permanent Cycleways, Walkways and

Bridleways (CWB) connections via the strategic land purchase programme; and

- oil prices will increase as peak oil issues take effect and will affect asset maintenance costs.

Uncertainties include:

- capital forecasting cannot achieve desirable levels of reliability due to changes in strategy and policy – existing projects need to be reviewed to achieve alignment;
- ownership and delivery options are unclear due to a lack of policy in certain areas - in particular street trees;
- Roads of National Significance have created uncertainty over future roading projects districtwide; and
- changes in the Government Policy Statement affect the eligibility of walking and cycling projects receiving NZTA funding support.

Points to note include:

- the level of central government assistance in this area has reduced. Council has not increased budgets to match this reduced external funding and funding levels will not increase, as previously signalled in the 2009 LTCCP over the next ten years. Funding will increase after that time;
- work will continue to assess network risks associated with natural hazards and climate change;
- there will be a continued focus on stormwater run off treatment over the period. There is likely to be an increasing requirement for treatment at point of discharges;
- a significant number of encroachments onto legal roads exist across the District. This has reached a point where the Council will need to address the issue in the foreseeable future;
- the ability to provide safe roads and road sides requires application of good practice in the design and positioning of vehicle accesses to properties. Significant changes to existing practices will be required to achieve safer routes for pedestrians and cyclists;



- the integration of land use and transport is a key driver of all governments and Kāpiti Coast is well placed to support this high level approach. The diversity of implementation approaches impinges on transport investment from central government which may require reprioritisation of capital works, maintenance and renewals due to changes in government funding through the Government Policy Statement. The three year National Land Transport Programme provides short term stability. Funding volatility is a potential issue every three years; and
- the Government Policy Statement 2012/13-2021/22 states that investment in walking and cycling is expected to make a contribution to economic growth and productivity. To achieve this, funding should be directed to projects that reduce congestion and/or improve pedestrian and cyclist safety.

WHAT ARE THE ISSUES?

Regional Land Transport Programme

Consultation on the Draft Regional Land Transport Programme (RLTP) was carried out by Greater Wellington Regional Council alongside the consultation on this Plan. The RLTP must be adopted by the end of June 2012 and is then forwarded to the NZTA as the region's "bid" for funding from the National Land Transport Fund.

The Regional Land Transport Programme sets out all of the transport projects or activities proposed for the Wellington region over the next three years, what they will cost and how they will be funded. This includes RLTP funding for projects planned by Council. Council must also provide funding for these projects and provision has been made in this Long Term Plan.

More information on the RLTP can be found on www.gw.govt.nz

Asset Management Improvements

Some management systems and databases need to be improved. Improvements in data collection and management will be a priority over the next five years.

Incomplete Networks for Cycling, Walking and Horse Riding

The network of pathways and facilities between and within the District's communities are incomplete and disconnected. Community feedback has indicated that these networks do not yet provide adequately for the needs of different users although considerable progress has been made.

CWB networks often cross boundaries between road reserve, public land, recreation land and may include private landowners or land owned by other agencies such as the Department of Conservation, Kiwi Rail, Greater Wellington Regional Council, the NZTA or the Crown.

Land suitable for CWB networks and the ownership of that land has implications for what can be funded by Council and the NZTA. NZTA funding is only provided for commuter cycleways which are typically located in land reserved for roading purpose.

Subdivision and development of private land can provide opportunities for CWB network connections that may require Council funding commitments.

The proposed Expressway may offer opportunities to acquire new reserve land to enhance the CWB network connectivity. It may also provide re-design opportunities for the wider local road network to deliver multi-modal corridors. Other opportunities for improving cycling through the District will include a new purpose built north-south walking and cycling route within the expressway designation and an opportunity to upgrade the existing State Highway One route.

Expressway

The exact nature of the impacts of a Road of National Significance (RONS) through the District (the proposed Expressway) with regard to effects on the local road network is unclear.

Wider area impacts as a result of changes to travel patterns through the local road network will be examined as the information becomes available. Any asset impacts identified through this analysis stage will have the potential to alter future maintenance, renewal and capital works schedules.

The Council is working through the Alliance and other NZTA structures and processes to ensure negative effects are mitigated as much as possible and the best possible outcome for the District is achieved. The Council has worked with the community to establish a clear set of objectives to guide Councils involvement in the Alliance process. It has also made submissions to the NZTA MacKays Crossing to Peka Peka Expressway process and the Peka Peka to Ōtaki project.

A considerable number of the relevant decisions will be made at the regional and national level under the Regional Land Transport Programme and Land Transport Management Act 2003. Council will continue to be a strong regional advocate for the community's vision.

HOW DOES THIS ACTIVITY BENEFIT THE KĀPITI COAST?

The Access and Transport activity:

- provides access to work, schools and essential services, for example, health centres;
- ensures that transport corridors provide adequate, safe and efficient linkages to the main places of work within the District;
- ensures strong links between the transport network (especially rail, bus, walkways and cycleways) and town centres;
- focuses on growing local jobs to reduce pressure for long distance commuting;

- ensuring cycleways, walkways and bridleways make a significant contribution to the community's health and physical well-being, by offering space for physical exercise and recreation, access to facilities and linkages between and across communities; and
- provides an attractive and functional network of tracks and trails which are a source of pride and pleasure for the community and this contributes to the Kāpiti District's desirability as a place to live, work and visit.

The Activity Rationale and Strategic Objectives of Access and Transport include:

- The way in which movement networks are laid out is one of the most influential 'drivers' of urban form and how successful a place will be. This is because roads and networks can not be easily moved, changed, or removed; and
- Carriageways, berms, cycleways, footpaths, car-parks, and sometimes stormwater infrastructure all need to share the road space. While roads need to be designed to cater for vehicles, people and infrastructure services, they also have a large role in determining the character of the area as a whole.

There are three interrelated reasons for the Council's involvement in the provision of access and transport assets and activities:

- providing access to work, schools and essential services, for example, health centres to ensure the community has reasonable access to core services to support essential everyday needs of individuals;
- reducing the negative impact of travel on the quality of life of others in the community through providing safe connections within and between local centres and workplaces, schools and residences for all network users; and
- increasing access opportunities by all modes to local employment sites to enable individuals with appropriate skills to live and work within the Kāpiti district travelling by powered and non-powered transport vehicles.



The Customer Values being addressed in this Activity include: **Accessibility** – a physical network which gives access to essential civic and economic centres, social infrastructure and enjoyment of the local environment; **Safety** - low accident and injury levels; **Mobility** - enabling reasonable journey times; **Quality** - design quality is high and maintenance levels are good; **Sustainability** - low environmental impact is low and optimum lifecycles are achieved; **Affordability/value for money** - designed to make best use of rates funding; **Responsiveness** - prompt and respectful response to queries, requests for service, and complaints; and **Whole of community benefits** - non-users also benefit. **Accessibility** - networks are accessible for people of all ages and abilities; **Availability** - available to users and provides links across the District; **Biodiversity** - supporting and enhancing biodiversity throughout the District; and **Community Engagement** - the public have opportunities to comment on decisions and activities.

SIGNIFICANT EFFECTS OF UNDERTAKING THIS ACTIVITY

Positive effects include:

- a physical transport system that is attractive, affordable, connected, responsive, safe and offers effective mode choice so that it enables people to act in a sustainable way.

Negative effects include:

- noise impacts on adjacent properties from higher traffic volumes and/or speeds of vehicles;
- vandalism, particularly graffiti on structures;
- environmental impacts of the runoff from road traffic;
- deaths and serious injuries from crashes, where it is attributable to design and maintenance of the network;
- providing cycle lanes on roads may remove space for on road parking in arterial roads;
- perception of security and privacy can be compromised for CWB neighbours; and
- crime and anti-social behaviour in some open space areas as a result of design and location.



LEVELS OF SERVICE

The following Levels of Service have been extracted from the Access and Transport and Cycleway, Walkway and Bridleway Asset Management Plans. The performance measures and performance targets included are representative of the major aspects of the activities provided in the Access and Transport Activity.

LEVEL OF SERVICE	HOW WE WILL MEASURE SUCCESS	WHEN WE MEASURE	BASELINE	2012/13	2013/14	2014/15	2015/16
The allocation of space on the network matches the needs of users of all modes to get to work, home, school, shops, recreation areas etc.	85% of people agree that the design and layout of the transport network gives the necessary access to civic, economic and social centres.	Annually	85%	85%	85%	85%	85%
Users are safe on the transport network.	Parents, cyclists and pedestrians perceive an improving safety environment for their own or their children's travel.	Annually	New	Yes	Yes	Yes	Yes
All users can reliably predict journey times.	85% of users agree that travel times are usually predictable (during normal driving conditions and excluding SH1).	Annually	New	85%	85%	85%	85%
The use of rates funding is optimised through efficient and effective design and management.	The average cost of the local roading and cycleway, walkway and bridleway network per kilometre is about the same as for similar sized districts in New Zealand.	Annually	New	Yes	Yes	Yes	Yes
The transport network is reliable and users can easily get around the District by their preferred means.	75% compliance with maintenance contract response times.	Annually	New	75%	75%	75%	75%
The transport network is reliable and users can easily get around the District by their preferred means.	Roading (RAMM) survey data for Kāpiti roads compares favourably with other councils similar to Kāpiti District.	Annually	New	Yes	Yes	Yes	Yes
Low energy streetlighting systems will be used.	Energy (kilowatts/hour) consumed by streetlighting per pole decreases over time.	Annually	427kwhrs per pole per year	Less than 2011/12	Less than 2012/13	Less than 2013/14	Less than 2014/15

Cycleways, Walkways and Bridleways

The CWB network is available at all times throughout the District.	85% of residents are satisfied with the availability of the CWB network.	Annually	81%	85%	85%	85%	85%
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FORECAST STATEMENT OF FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE

ACCESS AND TRANSPORT THE FIRST TEN YEARS

YEAR	0	1	2	3	4	5	6	7	8	9	10
\$000	2011/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22

EXPENDITURE

Operating Costs	4,642	5,574	4,883	5,121	5,672	5,685	5,916	6,258	6,639	6,915	7,196
Interest	2,026	2,155	2,341	2,528	2,716	2,914	3,127	3,321	3,462	3,526	3,544
Depreciation	4,322	4,279	4,592	4,826	5,079	5,205	5,141	5,438	6,071	6,411	6,756
Operating Expenditure	10,990	12,008	11,816	12,475	13,467	13,804	14,184	15,017	16,172	16,852	17,496

REVENUE

External Income	3,409	3,686	3,147	3,336	3,589	3,867	3,801	4,037	4,326	4,509	4,697
Development Contributions	476	867	304	203	195	205	290	390	505	528	533
Gross Operating Revenue	3,885	4,553	3,451	3,539	3,784	4,072	4,091	4,427	4,831	5,037	5,230
Less Revenue for Capital Purposes	476	867	304	203	195	205	290	390	505	528	533
Net Operating Revenue	3,409	3,686	3,147	3,336	3,589	3,867	3,801	4,037	4,326	4,509	4,697
NET OPERATING COSTS	7,581	8,322	8,669	9,139	9,878	9,937	10,383	10,980	11,846	12,343	12,799

CAPITAL ITEMS

Loan Repayments	2,050	2,142	2,346	2,500	2,671	2,985	3,058	3,227	3,478	4,291	5,235
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CAPITAL EXPENDITURE

New Assets	2,800	4,142	2,149	2,480	2,178	3,210	2,984	3,091	3,338	3,446	3,599
Asset Renewal	2,769	2,858	2,756	2,867	2,963	3,072	3,145	3,384	3,646	3,793	3,942
Total Capital Expenditure	5,569	7,000	4,905	5,347	5,141	6,282	6,129	6,475	6,984	7,239	7,541
Net Capital Items	7,619	9,142	7,251	7,847	7,812	9,267	9,187	9,702	10,462	11,530	12,776
NET COST OF ACTIVITY	15,200	17,464	15,920	16,986	17,690	19,204	19,570	20,682	22,308	23,873	25,575

FUNDING SOURCES

Prior Years Rates Deficit	-173	-135	-135	-	-	-	-	-	-	-	-
Utilisation of Balances	14	15	15	16	16	17	17	18	18	19	19
Depreciation Reserve	2,108	1,851	2,056	2,209	2,380	2,545	2,748	3,332	4,798	5,721	6,030
Development Contributions	476	867	304	203	195	205	290	390	505	528	533
Loans	4,889	6,133	4,601	5,144	4,946	6,077	5,839	5,695	4,814	4,283	4,414
Total Funding before Rates	7,314	8,731	6,841	7,572	7,537	8,844	8,894	9,435	10,135	10,551	10,996
Rates	5,616	5,876	6,030	6,669	7,632	7,470	8,903	9,642	10,900	12,633	13,853
TOTAL SOURCES OF FUNDS	12,930	14,607	12,871	14,241	15,169	16,314	17,797	19,077	21,035	23,184	24,849
Unfunded Depreciation	2,270	2,857	3,049	2,745	2,521	2,890	1,773	1,605	1,273	689	726
TOTAL	15,200	17,464	15,920	16,986	17,690	19,204	19,570	20,682	22,308	23,873	25,575

ACCESS AND TRANSPORT THE SECOND TEN YEARS

YEAR	11	12	13	14	15	16	17	18	19	20
\$000	2022/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32

EXPENDITURE

Operating Costs	7,543	7,884	8,193	8,536	8,891	9,259	9,646	10,051	10,467	10,887
Interest	3,534	3,512	3,460	3,366	3,220	3,040	2,830	2,544	2,202	1,778
Depreciation	7,461	7,924	8,132	8,334	8,731	8,876	9,308	9,760	10,228	10,713
Operating Expenditure	18,538	19,320	19,785	20,236	20,842	21,175	21,784	22,355	22,897	23,378

REVENUE

External Income	4,872	5,100	5,298	5,519	5,750	5,991	6,241	6,504	6,777	7,053
Development Contributions	534	534	534	534	534	534	534	534	534	534
Gross Operating Revenue	5,406	5,634	5,832	6,053	6,284	6,525	6,775	7,038	7,311	7,587
Less Revenue for Capital Purposes	534	534	534	534	534	534	534	534	534	534
Net Operating Revenue	4,872	5,100	5,298	5,519	5,750	5,991	6,241	6,504	6,777	7,053
NET OPERATING COSTS	13,666	14,220	14,487	14,717	15,092	15,184	15,543	15,851	16,120	16,325

CAPITAL ITEMS

Loan Repayments	6,483	7,402	8,459	7,830	8,269	9,102	9,478	9,988	9,966	10,745
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CAPITAL EXPENDITURE

New Assets	3,801	3,881	3,996	4,179	4,312	4,604	4,645	4,851	5,007	5,229
Asset Renewal	4,001	4,158	4,330	4,491	4,667	4,850	5,040	5,237	5,442	5,644
Total Capital Expenditure	7,802	8,039	8,326	8,670	8,979	9,454	9,685	10,088	10,449	10,873
Net Capital Items	14,285	15,441	16,785	16,500	17,248	18,556	19,163	20,076	20,415	21,618
NET COST OF ACTIVITY	27,951	29,661	31,272	31,217	32,340	33,740	34,706	35,927	36,535	37,943

FUNDING SOURCES

Prior Years Rates Deficit	-	-	-	-	-	-	-	-	-	-
Utilisation of Balances	20	20	20	21	21	22	22	22	22	22
Depreciation Reserve	6,659	7,072	7,258	7,438	7,792	7,922	8,307	8,710	9,129	9,561
Development Contributions	534	534	534	534	534	534	534	534	534	534
Loans	4,193	4,156	4,395	3,405	3,212	3,665	3,633	3,753	3,821	3,940
Total Funding before Rates	11,406	11,782	12,207	11,398	11,559	12,143	12,496	13,019	13,506	14,057
Rates	15,743	17,027	18,191	18,923	19,842	20,643	21,209	21,859	21,929	22,734
TOTAL SOURCES OF FUNDS	27,149	28,809	30,398	30,321	31,401	32,786	33,705	34,878	35,435	36,791
Unfunded Depreciation	802	852	874	896	939	954	1,001	1,049	1,100	1,152
TOTAL	27,951	29,661	31,272	31,217	32,340	33,740	34,706	35,927	36,535	37,943



BUILDING CONTROL AND RESOURCE CONSENT

Te Mana Whakatū Whare me te Whakaaetanga Rawa

THIS ACTIVITY LINKS TO COMMUNITY OUTCOMES:	1	2	3	4	5	6	7
	✓	✓	✓	✓	✓		✓

INTRODUCTION

The Building Control and Resource Consent Activity has two areas. The primary focus of the building control area is maintenance of a high quality, efficient and healthy building stock to help households and businesses prevent unnecessary maintenance, renewal and health costs.

The primary focus of the resource consent area is managing the effects of activities on the environment according to rules set out in the District Plan.

WHAT DOES THE ACTIVITY PROVIDE

This activity area provides the following services:

Building Control

- The building control team carries out two sets of statutory functions as required under the Building Act 2004.

As a Building Consent Authority:

- accept and process building consent applications and issue building consents; and
- inspect building projects during construction and issue Code Compliance Certificates at completion.

As a Territorial Authority:

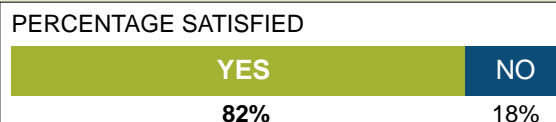
- undertake building Warrant of Fitness audits;
- answer public enquiries;
- investigate complaints;
- investigate reported illegal building work and dangerous and insanitary buildings;

YOUR FEEDBACK

During the consultation on this Plan we told you about:

- our five priorities/projects (page 34), and
- the rates required, in accordance with the Financial Strategy (pages 46 to 68), to provide the services and programmes in this Activity.

We asked if you are satisfied with the quality of service you receive in this Activity? The result was:



- identify earthquake prone buildings;
- process applications for alterations to compliance schedules, Certificates of Public Use; and Certificate of Acceptance; and
- process Land Information and Project Information Memoranda.

Resource Consent

- receive and process applications for resource consents, land use and subdivision;
- process various statutory certificates as defined within the Resource Management Act 1991;
- provide professional advice and information to customers; and

- process Land Information and Project Information Memoranda.

ASSUMPTIONS, RISKS AND KEY POINTS TO NOTE

Assumptions are that the current level of service is of a high standard and that this can be maintained in both the Building Control and Resource Consent work areas.

The pending review of the Building Act 2004 will have an impact but the extent is unknown. From past experience these changes are likely to have a significant impact in the following areas:

- increase in administration due to restricted building work and the licensed building practitioners regime; and
- the probable need to educate the consumer and industry (historically this has been left to Local Authorities to carry out).

Points to note:

- activity in both Building and Resource Consent work areas has still not recovered from the economic downturn with applications in both areas significantly below the pre-2008 years;
- while some Districts outside the Wellington region have shown some signs of improvement it is unlikely that the Kāpiti Coast will see any improvement in the immediate future;
- central government has signalled that further changes to the Resource Management Act 1991 are proposed. However, until Council is aware of what, if any, changes are proposed Council is unable to determine what effect they will have;
- while resource consents are continuing at a low level Council runs the risk of being unable to respond to any increase in a timely manner;
- the introduction of the Licensed Building Practitioners regime (March 2012) will have an impact although the extent is unknown at the time this Plan was written, however, it is expected to generate a greater volume of documentation; and

- the Council's earthquake prone buildings policy is due for review. This will be completed after the Canterbury Earthquakes Royal Commission has reported on the causes of building failure as a result of the earthquakes as well as the legal and best-practice requirements for buildings in New Zealand Central Business Districts. The inquiry began in May 2011. The Commission's final report is expected to be delivered to the Governor-General by 12 November 2012.

WHAT ARE THE ISSUES?

Funding Splits

A review of the funding split proposes a change from private 90% - public 10% to private 55% - public 45% for Building Control. Enquiries have revealed other Local Authorities in our region average a private 70% - public 30% split. The alternative, to balance the books, would be to increase fees by approximately 20% in the Building Control area.

While the funding split in the Resource Consent area is in line with other Local Authorities in the Wellington region it appears our fee structure is significantly on the low side and this will be considered in the Fees and Charges Review.

Building Consent Authority Requirements

The criteria and standards in Regulation 18 of the Building (Accreditation of Building Consent Authorities) Regulations 2006 must be met by Council before 1 December 2013.

Regulation 18 (2) requires that a Building Consent Authority must have a system for ensuring that every employee and contractor:

- a) has an appropriate NZ qualification; or
- b) is working towards having an appropriate NZ qualification within a reasonable time; or
- c) has an appropriate foreign qualification recognised in NZ.



An “appropriate qualification” has not yet been confirmed and there will be a significant cost in supporting staff through the qualification period. As there is considerable uncertainty around this, some financial provision has been made, but it is unknown if this will be sufficient.

Building Act Review

The Building Act Amendment Bill (No 3) has now been reported back from the Local Government and Environment Select Committee and is waiting its second reading. Changes signalled in the review will have an impact on the volume of work for Local Authorities and a potential reduction in revenue.

HOW DOES THIS ACTIVITY BENEFIT THE KĀPITI COAST?

Building Control Building stock is a resource for the community; if it is of poor quality then this will impose increased and unnecessary maintenance and renewal costs, as well as health costs, on households and businesses;

Resource Consent Managing the effects of activities on the environment according to rules set out in the District Plan. Through this regulatory role, the resource consent area minimises the harmful effects of actions on the environment.

The Activity Rationale and Strategic Objectives of Building Control and Resource Consent are:

- the entire District benefits from promptly and efficiently delivered regulatory functions that promote the health, safety and wellbeing of the community; and
- all of the activities in the Building Control and Resource Consent Activity are statutory driven; they are functions that Council is required to carry out within the Resource Management Act and the Building Act 2004.

The Customer Values being addressed in this Activity include: **Timeliness and quality** - statutory building control functions are carried out in a timely manner to an assured level of quality; **Safety** - premises are fit for purpose; **Assurance** - trust that the integrity of the District Plan is maintained; and **Assurance** - trust that enquiries will be dealt with promptly.

SIGNIFICANT EFFECTS OF UNDERTAKING THIS ACTIVITY

Positive effects include:

- building stock is of high quality, efficient and healthy; and
- the integrity of the District Plan is upheld.

Negative effects include:

- unhealthy building stock will impose increased and unnecessary maintenance and renewal costs on households and businesses; and
- non-compliance with the District Plan can have a detrimental effect on the environment.

LEVELS OF SERVICE

The following Levels of Service have been extracted from the Activity Management Plan. The performance measures and performance targets included are representative of the major aspects of the activities provided in the Building Control and Resource Consent Activity.

LEVEL OF SERVICE	HOW WE WILL MEASURE SUCCESS	WHEN WE MEASURE	BASELINE	2012/13	2013/14	2014/15	2015/16
Building Control							
All building consents are processed promptly in compliance with the building code.	95% of all building consent applications are processed within statutory timeframes. Note: The proposed changes to the Building Act 2004 will include differing time frames for the four new building consent categories.	Annually	80%	95%	95%	95%	95%
All required inspections are carried out to enable Code Compliance Certificates to be issued in a timely manner.	All site inspections are completed within one working day of request, or at requested scheduled times, to enable code compliance certificates to be issued within statutory timeframes.	Annually	100%	100%	100%	100%	100%
LIM's are issued without delay ensuring there are no potential delays of property sales.	All applications for Land Information Memorandum are processed within 10 working days.	Annually	100%	100%	100%	100%	100%
Commercial buildings are safe for users to occupy or visit.	33% of all buildings that are subject to a Building Warrant of Fitness are inspected annually.	Annually	40%	33%	33%	33%	33%
Illegal or unauthorised work is identified and prompt action is taken.	95% of all notified complaints regarding illegal or unauthorised building work are investigated within three working days.	Annually	94%	95%	95%	95%	95%
Resource Consent							
Resource consents are issued without undue delay.	All resource consent applications are processed within statutory timeframes.	Annually	93%	100%	100%	100%	100%



LEVEL OF SERVICE	HOW WE WILL MEASURE SUCCESS	WHEN WE MEASURE	BASELINE	2012/13	2013/14	2014/15	2015/32
Avoid unnecessary delays with notified consents, which due to their complexity can span a lengthy period.	All decisions on notified applications (including requests extended under section 37 Resource Management Act 1991) are processed and issued within statutory timeframes.	Annually	100%	100%	100%	100%	100%
Process completion certificates promptly to avoid costly delays.	95% of all subdivision completion certificates are issued within 15 working days of completion of subdivision.	Annually	90%	95%	95%	95%	95%
Requests for service are dealt with promptly.	All service requests for resource consent issues are responded to within one working day of receipt.	Annually	95%	100%	100%	100%	100%
Co-management opportunities are endorsed through Te Whakaminenga o Kāpiti.	Tāngata whenua have the opportunity to review all notified resource consent applications.	Annually	Yes	Yes	Yes	Yes	Yes

FORECAST STATEMENT OF FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE
BUILDING CONTROL AND RESOURCE CONSENT THE FIRST TEN YEARS

YEAR	0	1	2	3	4	5	6	7	8	9	10
\$000	2011/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22

EXPENDITURE

Building Control	1,982	2,054	2,152	2,270	2,324	2,444	2,495	2,585	2,615	2,723	2,750
Resource Consents	1,104	1,102	1,164	1,209	1,252	1,308	1,353	1,381	1,418	1,454	1,488
Operating Expenditure	3,086	3,156	3,316	3,479	3,576	3,752	3,848	3,966	4,033	4,177	4,238

REVENUE

Building Control	1,351	1,137	1,174	1,211	1,252	1,296	1,340	1,384	1,430	1,482	1,533
Resource Consents	290	283	292	301	311	322	333	344	355	368	381
Operating Revenue	1,641	1,420	1,466	1,512	1,563	1,618	1,673	1,728	1,785	1,850	1,914
NET OPERATING COSTS	1,445	1,736	1,850	1,967	2,013	2,134	2,175	2,238	2,248	2,327	2,324
NET COST OF ACTIVITY	1,445	1,736	1,850	1,967	2,013	2,134	2,175	2,238	2,248	2,327	2,324

FUNDING SOURCES

Rates	1,445	1,736	1,850	1,967	2,013	2,134	2,175	2,238	2,248	2,327	2,324
TOTAL SOURCES OF FUNDS	1,445	1,736	1,850	1,967	2,013	2,134	2,175	2,238	2,248	2,327	2,324



BUILDING CONTROL AND RESOURCE CONSENT THE SECOND TEN YEARS

YEAR	11	12	13	14	15	16	17	18	19	20
\$000	2022/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32

EXPENDITURE

Building Control	2,876	2,897	3,021	3,063	3,199	3,224	3,372	3,411	3,550	3,578
Resource Consents	1,534	1,567	1,609	1,655	1,700	1,740	1,790	1,839	1,883	1,927
Operating Expenditure	4,410	4,464	4,630	4,718	4,899	4,964	5,162	5,250	5,433	5,505

REVENUE

Building Control	1,587	1,643	1,700	1,760	1,821	1,885	1,951	2,019	2,090	2,163
Resource Consents	394	408	423	437	453	468	485	502	519	538
Operating Revenue	1,981	2,051	2,123	2,197	2,274	2,353	2,436	2,521	2,609	2,701
NET OPERATING COSTS	2,429	2,413	2,507	2,521	2,625	2,611	2,726	2,729	2,824	2,804
NET COST OF ACTIVITY	2,429	2,413	2,507	2,521	2,625	2,611	2,726	2,729	2,824	2,804

FUNDING SOURCES

Rates	2,429	2,413	2,507	2,521	2,625	2,611	2,726	2,729	2,824	2,804
TOTAL SOURCES OF FUNDS	2,429	2,413	2,507	2,521	2,625	2,611	2,726	2,729	2,824	2,804

COASTAL MANAGEMENT

Whakahaere Takutai

THIS ACTIVITY LINKS TO COMMUNITY OUTCOMES:	1	2	3	4	5	6	7
	✓	✓		✓		✓	✓

INTRODUCTION

Coastal Management aims to restore the quality of our natural systems while protecting our roads and public assets on the coast from erosion.

WHAT DOES THIS ACTIVITY PROVIDE?

The Coastal Management Activity area includes:

- maintenance of community owned seawalls;
- beach protection projects such as dune reshaping and planting;
- beach patrols; and
- signage.

ASSUMPTIONS, RISKS AND KEY POINTS TO NOTE

Assumptions in this Activity area include:

- that the Council will plan for climate change and sea level rise projections as per the Ministry for Environment guidelines; and
- the greatest uncertainty (and therefore risk) for Coastal activities is the scale and frequency of sustained severe weather events causing significant erosion and failure of existing protection structures.

Points to note include:

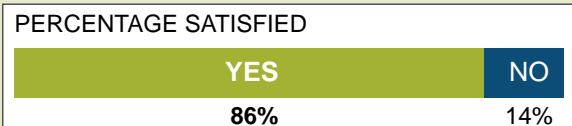
- the Council has confirmed it will only carry out works on the coast to protect Council owned assets.

YOUR FEEDBACK

During the consultation on this Plan we told you about:

- our five priorities/projects (page 34), and
- the rates required, in accordance with the Financial Strategy (pages 46 to 68), to provide the services and programmes in this Activity.

We asked if you are satisfied with the quality of service you receive in this Activity? The result was:



WHAT ARE THE ISSUES?

Encroachment

The Council's reserves have been encroached upon by adjacent landowners in a number of places along the coast. Council will need to address this and is proposing to begin this work in three to four years.

Raumati Community Seawall

In the late 1970s, the Council coordinated the construction of the seawall at Raumati which was funded by the property owners with the aid of a subsidy from the National Water and Soil Conservation Authority. A condition of the subsidy was that the Council maintained the seawall. Since then, the Council has maintained the seawall as



well as undertaking significant capital works in the form of rock toe protection funded initially by the property owners but latterly by the Council. The northern section of wall that does not have rock toe protection is in imminent danger of falling down although it is not yet at the end of its design life. The Council has made an in principle decision *not* to protect private property along the coast.

Climate Change

The impacts of climate change on coastal areas, due to sea level rise and an increase in intensity of storms will continue to be an important topic.

Council has signalled that it will continue to encourage community discussion about impacts and responses to climate changes on coastal areas. The community will see an increased focus on this over the next few years.

Coastal Hazard Lines

Over the last four years the Kāpiti Coast District Council has reviewed the extent of coastal erosion hazard within the District. This hazard assessment will form the substantive basis for the review of the coastal building setback lines to be completed through the District Plan Review during 2012/13.

The Council is using the National Coastal Policy Statement, (Gazetted November 2010), as input into its completion of Coastal Hazard and Edge Effects Assessment for incorporation into the District Plan review during 2012/13.

HOW DOES THIS ACTIVITY BENEFIT THE KĀPITI COAST?

Coastal Management benefits Kāpiti Coast because:

- The coast in its entirety is recognised: as a complex system that is affected by actions along its length; as being central to the local culture and lifestyle; as a place that is valued for its natural and wild feel; and as being the marine edge, the front dunes and dune wetlands; and
- the coast is supported by: retaining the wild natural character and the health of the coastal ecosystems as a first priority in any decision; retaining dune lands and wetlands in subdivision design and development; achieving improved design of coastal walls with a focus on 'natural design'; and avoiding any further new greenfields subdivision on the front dunes and associated wetlands.

The Coastal Management Strategy focuses on dealing with hazard management in a way that also provides access, recreation, a healthy natural environment, a managed built environment and enduring local community values. The Strategy includes a focus on good communication and community participation in design and protection processes.

The Customer Values being addressed in this Activity include: **Accessibility** - the coast is accessible to all and accommodates a number of uses; **Quality** – the wild natural character and the health of the coastal ecosystem is retained; **Safety** – risks from hazards are well managed; **Amenity value** – the coastal area makes an aesthetic and recreational contribution to residents lives; **Kaitiakitanga/Community Stewardship** – decisions about the coast are made by the community with the needs of present and future generations in mind; and **Whole of Community Benefits** – non-users also benefit including from the coasts contribution to the economy of the District.

SIGNIFICANT EFFECTS OF UNDERTAKING THIS ACTIVITY

Positive effects include:

- protection of roads and public assets on the coast from erosion;
- healthy, natural coastal systems; and
- enjoyment of the coastal environment.

Negative effects include:

- end effects from hard coastal protection; and
- erosion of dune systems affecting private property.



LEVELS OF SERVICE

The following Levels of Service have been extracted from the Asset Management Plan. The performance measures and performance targets included are representative of the major aspects of the activities provided in the Coastal Management Activity.

LEVEL OF SERVICE	HOW WE WILL MEASURE SUCCESS	WHEN WE MEASURE	BASELINE	2012/13	2013/14	2014/15	2015/32
Access points to the beach are maintained in usable condition.	85% of residents agree that access to the beach meets their needs.	Annually	92%	85%	85%	85%	85%
Damaged ecosystems are restored to a more natural state.	Survey and monitoring show improvement in ecosystem health over time.	Annually	New	Yes	Yes	Yes	Yes
People are made aware of serious hazards on beaches.	Hazards are clearly signposted within 24 hours of notification to the Council.	Annually	100%	100%	100%	100%	100%
The coastal/beach area is available for a wide range of activities.	85% of residents agree that multiple uses don't spoil enjoyment of the beach.	Annually	New	85%	85%	85%	85%

FORECAST STATEMENT OF FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE

COASTAL MANAGEMENT THE FIRST TEN YEARS

YEAR	0	1	2	3	4	5	6	7	8	9	10
\$000	2011/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22

EXPENDITURE

Operating Costs	309	273	284	294	338	350	363	411	424	440	497
Interest	204	196	204	206	213	274	376	449	482	489	489
Depreciation	315	255	292	305	327	360	488	617	704	762	790
Operating Expenditure	828	724	780	805	878	984	1,227	1,477	1,610	1,691	1,776

REVENUE

Internal Revenue	-	16	5	-	-	-	-	-	-	-	-
Operating Revenue	-	16	5	-	-	-	-	-	-	-	-
NET OPERATING COSTS	828	708	775	805	878	984	1,227	1,477	1,610	1,691	1,776

CAPITAL ITEMS

Loan Repayments	233	135	147	137	142	153	207	260	291	309	318
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CAPITAL EXPENDITURE

New Assets	233	189	74	76	130	58	-	-	-	-	-
Asset Renewal	315	256	105	87	372	1,844	1,858	1,296	953	720	814
Total Capital Expenditure	548	445	179	163	502	1,902	1,858	1,296	953	720	814
Total Capital Items	781	580	326	300	644	2,055	2,065	1,556	1,244	1,029	1,132
NET COST OF ACTIVITY	1,609	1,288	1,101	1,105	1,522	3,039	3,292	3,033	2,854	2,720	2,908

FUNDING SOURCES

Depreciation Reserve	234	161	158	140	327	360	488	617	704	762	790
Loans	546	401	162	158	315	1,693	1,577	938	539	267	342
Total Funding before Rates	780	562	320	298	642	2,053	2,065	1,555	1,243	1,029	1,132
Rates	829	726	636	642	880	986	1,227	1,478	1,611	1,691	1,776
TOTAL SOURCES OF FUNDS	1,609	1,288	956	940	1,522	3,039	3,292	3,033	2,854	2,720	2,908
Unfunded Depreciation	-	-	145	165	-	-	-	-	-	-	-
TOTAL	1,609	1,288	1,101	1,105	1,522	3,039	3,292	3,033	2,854	2,720	2,908



COASTAL MANAGEMENT THE SECOND TEN YEARS

YEAR	11	12	13	14	15	16	17	18	19	20
\$000	2022/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32

EXPENDITURE

Operating Costs	514	531	597	616	637	711	735	760	844	872
Interest	486	482	486	490	480	457	434	412	389	366
Depreciation	839	857	917	986	1,054	1,054	1,027	1,019	1,011	968
Operating Expenditure	1,839	1,870	2,000	2,092	2,171	2,222	2,196	2,191	2,244	2,206
REVENUE										
Internal Revenue	18	36	54	71	89	103	116	129	143	156
Operating Revenue	18	36	54	71	89	103	116	129	143	156
NET OPERATING COSTS	1,821	1,834	1,946	2,021	2,082	2,119	2,080	2,062	2,101	2,050

CAPITAL ITEMS

Loan Repayments	329	335	345	314	324	324	324	324	324	324
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CAPITAL EXPENDITURE

New Assets	236	392	383	396	410	-	-	-	-	-
Asset Renewal	438	439	561	573	101	20	21	21	22	23
Total Capital Expenditure	674	831	944	969	511	20	21	21	22	23
Total Capital Items	1,003	1,166	1,289	1,283	835	344	345	345	346	347
NET COST OF ACTIVITY	2,824	3,000	3,235	3,304	2,917	2,463	2,425	2,407	2,447	2,397

FUNDING SOURCES

Depreciation Reserve	821	821	864	914	746	242	229	216	204	191
Loans	165	309	372	298	-	-	-	-	-	-
Total Funding before Rates	986	1,130	1,236	1,212	746	242	229	216	204	191
Rates	1,838	1,870	1,999	2,092	2,171	2,221	2,196	2,191	2,243	2,206
TOTAL SOURCES OF FUNDS	2,824	3,000	3,235	3,304	2,917	2,463	2,425	2,407	2,447	2,397
Unfunded Depreciation	-	-	-	-	-	-	-	-	-	-
TOTAL	2,824	3,000	3,235	3,304	2,917	2,463	2,425	2,407	2,447	2,397

COMMUNITY FACILITIES

Whakaurunga Hapori

THIS ACTIVITY LINKS TO COMMUNITY OUTCOMES:	1	2	3	4	5	6	7
		✓		✓		✓	✓

INTRODUCTION

The Community Facilities Activity looks after the buildings and properties that Council owns. These are facilities such as housing to assist the most vulnerable older population; halls for the community in which they can meet, celebrate, play, compete and discuss issues; pools to play, exercise, learn to swim and be educated on water safety; civic buildings to provide customer service, hold Council meetings and provide an emergency operations centre to manage any disaster in the District. This Activity also manages public toilets, library buildings and cemeteries.

KEY PRIORITY AREA

- COASTLANDS AQUATIC CENTRE
- CIVIC ADMINISTRATION BUILDING

The strategic leadership direction that Council has decided to take for the District includes five priority projects/areas to progress during this triennium. Delivering the Coastlands Aquatic Centre and the Civic Administration Building are two of those five priorities.

YOUR FEEDBACK

During the consultation on this Plan we told you about:

- our five priorities/projects (page 34), and
- the rates required, in accordance with the Financial Strategy (pages 46 to 68), to provide the services and programmes in this Activity.

We asked if you are satisfied with the quality of service you receive in this Activity? The result was:

PERCENTAGE SATISFIED

YES	NO
76%	24%

WHAT DOES THIS ACTIVITY PROVIDE?

The **Community Facilities** Activity manages major structures and buildings that support the social and cultural wellbeing of the community.

The facilities managed under this Activity include:

- **Community Halls:** In the District, there are eight community halls, one community centre,

and one hall dedicated to sports only. Kāpiti Coast District Council owns this sports hall in a half share arrangement with Paraparaumu College.

- **Libraries:** There are four library buildings in the District; the main library in Paraparaumu, and one each in Waikanae, Ōtaki and Paekākāriki. The building in Paekākāriki is shared with the Paekākāriki Tennis Club.



- **Public Toilets:** There are 33 public toilets the majority of which are sited on parks or reserves.
- **Administration Buildings:** There are two administration buildings, the Civic Administration Building at 175 Rimu Road Paraparaumu and the Emergency Operations Centre which is sited at the Paraparaumu Depot.
- **Depots:** There are three main depots. They are based in Paraparaumu, Waikanae and Ōtaki.
- **Housing for Older Persons:** There are 118 flats held in Council ownership for housing for older persons in the community. These are in the various complexes within the District including: four in Paekākāriki (one complex); 45 in Paraparaumu (four complexes); three in Waikanae (one complex); and 66 in Ōtaki (four complexes).
- **Rental Housing:** There are eight rental houses in the District, the vast majority of which are held for larger strategic purposes.
- **Leased Buildings:** There are five council owned buildings which are currently leased out.
- **Cemeteries:** Council manages five cemeteries they are: Paraparaumu Beach Cemetery; Awa Tapu Cemetery, Paraparaumu; Waikanae Cemetery; Ōtaki Cemetery (which includes natural burials); and MacKays Cemetery (closed).
- **Swimming Pools:** Council manages the following public swimming pools: Ōtaki Swimming Pool, Raumati Swimming Pool (due to be decommissioned once the Coastlands Aquatic Centre opens), Waikanae Swimming Pool and the Coastlands Aquatic Centre (currently under construction and due to open in 2013). Council will be progressively moving to inhouse management for swimming pools.

ASSUMPTIONS, RISKS AND KEY POINTS TO NOTE

Assumptions include:

- current levels of service will be maintained.

Uncertainties include:

- The proposed Expressway could, over time, alter the usage patterns for some Council property facilities such as community halls.

Points to note include:

- trends in leisure activity. Changes in how the community spends its recreation time mean that the way that property assets (for example, community and sports halls, public toilets) are used will need to be monitored and may need to be adapted over time;
- disability access and provision increasing needs for accessibility for those with mobility issues will have impacts across much of the property portfolio;
- the age profile of any population growth will be monitored to ensure cemetery provision is adequate;
- community expectations of property assets can vary depending on the actual purpose the buildings are being used for, and the direct or indirect relationship the community has to the functions being provided from those buildings. For example, hirers of community halls may view affordability in the context of direct hall user fees. Whereas a ratepayer who, although content that the Council provides these buildings for community use, can be conscious that this is delivered in an affordable manner so as to minimise the impact on overall rates; and
- there is an expectation that the buildings used to deliver quite specific services to the public, for example, libraries, community halls and public toilets, are fit for purpose, managed in a cost effective manner over the long term, and are readily available and sited in convenient locations. The community expectation on administration buildings is that they are of sufficient quality for Council to meet its

obligations as a good employer, and that all legal and compliance obligations are fulfilled in a manner which provides value for the ratepayer.

Coastlands Aquatic Centre

The Council has chosen the Coastlands Aquatic Centre as an important project which will significantly advance the quality of community facilities on the Kāpiti Coast. The Raumati Pool is past its useful life and a new facility is needed. The facility will be a major enhancement of the cluster of civic facilities on the Kāpiti Coast. Construction is underway and the Coastlands Aquatic Centre is expected to open in 2013.

Civic Administration Building

The Council has committed to completion of a refurbished civic administration building. The existing building did not meet earthquake or disability access standards, needed strengthening, was crowded and of poor quality. Irrespective of any changes in regional governance that might happen, a safe useable building that indicates civic and community pride in its democratic institutions will still be needed. Refurbishment is underway and is expected to be completed in 2013.

WHAT ARE THE ISSUES?

- **Policy Improvements.** Some areas affecting the Property Asset Management Plan need further development in terms of policy (for example, housing, leases). Options for housing will be considered during 2012/13.
- **Charging/Funding Policy.** This is a specific area of policy which requires review particularly in regard to fair charging for community hall use and leases. This will be completed in 2012/13.
- **Encroachments.** Any review of encroachments onto Council property and development of policy to address the issue will have implications for the management of the property portfolio. Other asset groups such as Access and Transport, Stormwater and Parks and Open Spaces, will also be affected by this issue and a cross-disciplinary approach will be required.

- **Disability Access and Provision.** Increasing needs for accessibility for those with mobility issues will also have impacts across much of the property portfolio.
- **Community Facilities Study.** Council is carrying out a community facilities study which will result in a plan and related policies for the future development of community facilities in the District and how they are utilised by the community and community groups. The study will examine the community profile and create an inventory of Council and non Council facilities. Through analysis and assessment the study will identify gaps in existing supply and assess future needs.

This may also result in a further review of fees and charges for the Council's community halls and facilities.

The swimming pool charges will be reviewed before the Coastlands Aquatic Centre opens in March 2013.

HOW DOES THIS ACTIVITY BENEFIT THE KĀPITI COAST?

Community Facilities supporting a healthy, active and involved community.

Community halls and the community centre provide suitable venues for the community to meet for leisure, recreation, sport, cultural, social and educational activities. Council's involvement with providing halls for public use creates significant benefits in terms of community activity, health and engagement.

Council provides toilet facilities in various locations around the District. Not providing these facilities would have the potential to increase public health risk. There are significant benefits to our community providing quality toilet facilities for visitors and tourists. Well-maintained toilet facilities make a good impression on visitors sending a powerful message of welcome.

Administration buildings supporting Council's service delivery to the community. The Emergency Operations Centre was purpose built to be the base for management of any emergency in the District. It has been built to withstand a



7.2 magnitude earthquake, and has also been positioned far enough back from the sea so as not to be affected by a tsunami.

Community ownership of a number of well-managed swimming pools is a source of pride and pleasure for many in our community.

Swimming pools make a significant contribution to the community's health and physical well-being, through offering space for physical exercise and recreation, and a safe environment for learn to swim and water safety programmes.

Cemeteries provide the community with space where they can bury family members within the District.

The Activity Rationale and Strategic Objectives of Community Facilities are to:

- enable community participation and to enhance the health, enjoyment and quality of life of the District's residents and visitors;
- provide recreational facilities for the wellbeing of the community; and
- meet community expectations and the legislative requirement for Councils to operate cemeteries for public health reasons.

Following are some key strategic objectives:

- there is affordable housing available for older people who might otherwise be in need;
- depot building assets support the delivery of activity areas such as Parks and Recreation; and
- public toilets and leased facilities are maintained to enable community participation.

The Customer Values being addressed in this Activity include: **Quality** – facilities function and are fit for purpose; **Safety** – hazards are well managed and accidents resulting in injury are rare; **Accessibility** – facilities are distributed throughout the District, and are accessible to a wide range

of physical ability levels; **Affordability** – charges are affordable for users without placing too great a burden on rates; **Amenity** – services are provided in a timely way and to a consistently high standard; **Responsiveness** – Council responds in a respectful and friendly way; **Availability** – facilities are available for use by the public; **Availability/Accessibility** – sufficient burial plots are available and accessible to people who have a wide range of ability levels; **Quality** – the look and feel of the cemetery implies and inspires respect for all of the deceased and enhances the network of natural green areas in the District; and **Sustainability** – there will be enough space for future generations without adverse impacts on the environment.

SIGNIFICANT EFFECTS OF UNDERTAKING THIS ACTIVITY

Positive effects include:

- homes for vulnerable older persons;
- venues for community gatherings; and
- contributes to community health and wellbeing.

Negative effects include:

- anti-social behaviour and vandalism in and around the property;
- noise from events in venues can create a nuisance for neighbours;
- security and privacy can be compromised for venue neighbours;
- demand for parking spaces can create problems for venue neighbours;
- high water and energy use to run the swimming pools;
- accidental spillage or unintentional release of chemicals; and
- injuries or drowning from the use of the swimming pools.

LEVELS OF SERVICE

The following Levels of Service have been extracted from the Swimming Pools and Property Asset Management Plan. The performance measures and performance targets included are representative of the major aspects of the activities provided in the Community Facilities Activity.

LEVEL OF SERVICE	HOW WE WILL MEASURE SUCCESS	WHEN WE MEASURE	BASELINE	2012/13	2013/14	2014/15	2015/16
Library Buildings							
Provide a good standard of comfort, convenience, quality and usability of the library buildings from the users' perspective.	85% of users are satisfied with the standard of comfort, convenience, quality and usability of the library buildings.	Annually	New	85%	85%	85%	85%
Halls							
Council hall hirers are satisfied that the halls meet their needs.	80% of customers are satisfied that halls meet the needs of different customers.	Annually	63%	80%	80%	80%	80%
Housing for Older Persons							
Occupation of the Housing for Older Persons units is maximised.	97% of Housing for Older Persons units are occupied.	Annually	99%	97%	97%	97%	97%
Rents are fair and reasonable.	85% of tenants are satisfied that rents are fair and reasonable.	Annually	97%	85%	85%	85%	85%
Public Toilets							
Toilets are clean, feel safe and well lit, and are well located.	60% of people are satisfied that public toilets are well lit and well located.	Annually	67%	60%	60%	60%	60%
Toilets are well maintained and functional.	80% of people are satisfied that the toilets are well maintained and functional.	Annually	67%	80%	80%	80%	80%
Buildings							
Council owned buildings will be fit for purpose.	100% of Council owned buildings will have a current building warrant of fitness (where required) and be fit for purpose.	Annually	100%	100%	100%	100%	100%



LEVEL OF SERVICE	HOW WE WILL MEASURE SUCCESS	WHEN WE MEASURE	BASELINE	2012/13	2013/14	2014/15	2015/32
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Swimming Pools

Kāpiti Coast District Council provides safe swimming pools to the community.	Council will maintain its PoolSafe accreditation.	Annually	Yes	Yes	Yes	Yes	Yes
Pool facilities are available for use by the public.	Across all facilities the number of shutdowns due to unplanned maintenance remains at three or less each year.	Annually	3	Three or less	Three or less	Three or less	Three or less
Kāpiti Coast District Council provides clean and inviting facilities.	85% of people surveyed are satisfied with the facilities' cleanliness.	Annually	43%	85%	85%	85%	85%
Kāpiti Coast District Council provides clean and inviting facilities.	During operating hours, across all facilities, there are no more than six incidents where pool temperature was not maintained within a range of 27 to 29 degrees Celsius.	Annually	5	<6	<6	<6	<6

Cemeteries

Kāpiti Coast District Council provides well maintained cemeteries.	85% of people surveyed are satisfied with the cemeteries condition.	Annually	49%	85%	85%	85%	85%
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FORECAST STATEMENT OF FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE

COMMUNITY FACILITIES THE FIRST TEN YEARS

YEAR	0	1	2	3	4	5	6	7	8	9	10
\$000	2011/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22

EXPENDITURE

Operating Costs	3,031	3,550	4,252	4,439	4,687	4,818	5,109	5,080	5,309	5,383	5,680
Interest	450	947	885	883	889	888	870	845	818	791	765
Depreciation	892	1,183	1,448	1,486	1,535	1,566	1,603	1,613	1,635	1,655	1,687
Operating Expenditure	4,373	5,680	6,585	6,808	7,111	7,272	7,582	7,538	7,762	7,829	8,132

REVENUE

External Income	1,152	2,110	2,127	2,104	1,998	2,008	2,052	2,115	2,154	2,220	2,194
Internal Revenue	-	49	15	-	-	-	-	-	-	-	-
Development Contributions	1,334	253	-	54	-	-	5	3	43	3	10
Gross Operating Revenue	2,486	2,412	2,142	2,158	1,998	2,008	2,057	2,118	2,197	2,223	2,204
Less Revenue for Capital Purposes	1,334	253	-	54	-	-	5	3	43	3	10
Net Operating Revenue	1,152	2,159	2,142	2,104	1,998	2,008	2,052	2,115	2,154	2,220	2,194
NET OPERATING COSTS	3,221	3,521	4,443	4,704	5,113	5,264	5,530	5,423	5,608	5,609	5,938

CAPITAL ITEMS

Loan Repayments	209	1,157	818	596	473	450	405	416	427	431	369
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CAPITAL EXPENDITURE

New Assets	11,293	9,366	16	180	106	109	197	22	24	21	23
Asset Renewal	204	823	843	843	966	625	692	591	686	755	612
Total Capital Expenditure	11,497	10,189	859	1,023	1,072	734	889	613	710	776	635
Total Capital Items	11,706	11,346	1,677	1,619	1,545	1,184	1,294	1,029	1,137	1,207	1,004
NET COST OF ACTIVITY	14,927	14,867	6,120	6,323	6,658	6,448	6,824	6,452	6,745	6,816	6,942

FUNDING SOURCES

Prior Years Rates Surplus	6	58	33	-	-	-	-	-	-	-	-
Depreciation Reserve	3,051	5,553	462	695	756	767	1,052	825	894	1,003	867
Development Contributions	1,166	253	-	-	-	-	5	3	43	3	10
Loans	7,336	4,506	609	588	600	278	96	57	56	54	53
Loans Carried Over	-	20	-	-	-	-	-	-	-	-	-
Total Funding before Rates	11,559	10,390	1,104	1,283	1,356	1,045	1,153	885	993	1,060	930
Rates	3,368	4,408	4,242	4,457	4,461	5,334	5,611	5,521	5,716	5,729	5,995
TOTAL SOURCES OF FUNDS	14,927	14,798	5,346	5,740	5,817	6,379	6,764	6,406	6,709	6,789	6,925
Unfunded Depreciation	-	69	774	583	841	69	60	46	36	27	17
TOTAL	14,927	14,867	6,120	6,323	6,658	6,448	6,824	6,452	6,745	6,816	6,942



COMMUNITY FACILITIES THE SECOND TEN YEARS

YEAR	11	12	13	14	15	16	17	18	19	20
\$000	2022/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32

EXPENDITURE

Operating Costs	5,872	6,052	6,236	6,427	6,607	6,830	7,073	7,257	7,474	7,680
Interest	740	714	688	660	632	602	584	565	533	500
Depreciation	1,708	1,721	1,721	1,687	1,696	1,709	1,715	1,696	1,698	1,701
Operating Expenditure	8,320	8,487	8,645	8,774	8,935	9,141	9,372	9,518	9,705	9,881

REVENUE

External Income	2,268	2,348	2,424	2,506	2,591	2,679	2,770	2,864	2,962	3,064
Internal Revenue	29	58	86	115	144	166	187	209	230	252
Development Contributions	5	-	13	23	4	6	-	3	3	20
Gross Operating Revenue	2,302	2,406	2,523	2,644	2,739	2,851	2,957	3,076	3,195	3,336
Less Revenue for Capital Purposes	5	-	13	23	4	6	-	3	3	20
Net Operating Revenue	2,297	2,406	2,510	2,621	2,735	2,845	2,957	3,073	3,192	3,316
NET OPERATING COSTS	6,023	6,081	6,135	6,153	6,200	6,296	6,415	6,445	6,513	6,565

CAPITAL ITEMS

Loan Repayments	382	396	411	425	442	460	479	477	491	514
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CAPITAL EXPENDITURE

New Assets	18	21	245	131	154	268	26	31	26	30
Asset Renewal	592	528	561	1,558	839	819	1,301	724	717	1,023
Total Capital Expenditure	610	549	806	1,689	993	1,087	1,327	755	743	1,053
Net Capital Items	992	945	1,217	2,114	1,435	1,547	1,806	1,232	1,234	1,567
NET COST OF ACTIVITY	7,015	7,026	7,352	8,267	7,635	7,843	8,221	7,677	7,747	8,132

FUNDING SOURCES

Prior Years Rates Surplus	-	-	-	-	-	-	-	-	-	-
Depreciation Reserve	825	748	972	1,826	1,129	1,211	1,126	854	828	1,115
Development Contributions	5	-	13	23	4	6	-	3	3	20
Loans	56	60	64	68	72	76	401	71	75	80
Loans Carried Over	-	-	-	-	-	-	-	-	-	-
Total Funding before Rates	886	808	1,049	1,917	1,205	1,293	1,527	928	906	1,215
Rates	6,122	6,221	6,318	6,378	6,472	6,608	6,767	6,839	6,949	7,054
TOTAL SOURCES OF FUNDS	7,008	7,029	7,367	8,295	7,677	7,901	8,294	7,767	7,855	8,269
Unfunded Depreciation	7	-3	-15	-28	-42	-58	-73	-90	-108	-137
TOTAL	7,015	7,026	7,352	8,267	7,635	7,843	8,221	7,677	7,747	8,132

DEVELOPMENT MANAGEMENT

Whakahaere Whanaketangai

THIS ACTIVITY LINKS TO COMMUNITY OUTCOMES:	1	2	3	4	5	6	7
	✓	✓	✓	✓	✓	✓	✓

INTRODUCTION

The Development Management Activity is the engine room for addressing how our communities grow. It looks at how to actively encourage development in a way that benefits the community as well as the rules and regulations to manage that growth. It includes district development projects such as Town Centres upgrades, developing local outcomes statements and reviewing and updating the District Plan.

DISTRICT PLAN REVIEW

The 10 year District Plan Review is underway and the new District Plan content is expected to be notified for submissions in October 2012.

Notification is expected to be followed by hearings and Council decisions prior to any appeals. The appeals period could take a few years from the time of Council decision, so that the new District Plan is not fully operative until 2015/16 or later. Therefore the District Plan Review is likely to dominate this activity for several years.

More detail can be found on page 101.

WHAT DOES THIS ACTIVITY PROVIDE?

The Development Management area includes:

- urban management strategies, such as the districtwide Development Management Strategy (completed 2006), and Local Community Outcomes Statements resulting from front-end visioning and analysis in

YOUR FEEDBACK

During the consultation on this Plan we told you about:

- our five priorities/projects (page 34), and
- the rates required, in accordance with the Financial Strategy (pages 46 to 68), to provide the services and programmes in this Activity.

We asked if you are satisfied with the quality of service you receive in this Activity? The result was:

PERCENTAGE SATISFIED	
YES	NO
71%	29%

different communities (most communities completed 2005-2011). These strategies inform formal District Plan processes such as the District Plan Review;

- maintenance and review of the District Plan, including plan changes (private or public);
- sustainable design guidance for engineering and infrastructure development, such as Subdivision and Development Principles and Requirements, various design guides, and engineering input into subdivision consents;
- analysis and recommendation of policy approaches relating to climate change and other natural hazards;
- Council has approximately 190 land parcels spread throughout the District which are managed through this Activity;



- design and planning advice to external stakeholders (for example, developers and landowners) and to other Activity Areas (for example, for Town Centre upgrades and significant infrastructure projects);
- design and construction of Town Centre upgrades;
- participation in development-related workstreams of the Wellington Regional Strategy;
- advocacy on urban planning and growth management issues (for example, submissions on central government Resource Management Act 1991 legislation and on regional plans and policies); and
- strategic land purchase.

ASSUMPTIONS, RISKS AND KEY POINTS TO NOTE

Assumptions include:

- population and employment growth continues, though at a slower rate than in the 1990's and early 2000's (population growth 2012-2032 expected to be approximately 1% per annum);
- private plan changes will decrease but not cease during the District Plan Review;
- if the Kāpiti Expressway is approved there will be impact on the road network and development patterns;
- the general planning framework of the Resource Management Act 1991 will continue, albeit with some amendments;
- the pace of change with respect to fuel costs and natural hazards such as coastal erosion and sea level rise will allow for a managed approach to relevant development controls, rather than solely an abrupt post-crisis response;
- the community including tāngata whenua will be involved in the District Plan Review and other policy processes for development management, and this collaboration will bring better outcomes; and
- the community continues to desire Council provided Town Centre upgrades.

Uncertainties include:

- exact rate of future population and employment growth, particularly by sector (for example, residents' age, business types);
- number of private plan changes;
- timing, design details and consenting of the proposed Expressway;
- timing, content and significance of changes to the Resource Management Act 1991, Local Government Act 2002 and any other central government legislation affecting development management;
- exact pace of climate change and consequent hazards such as coastal erosion, sea level rise and flooding;
- future fuel costs;
- timing and magnitude of any future seismic events; and
- impact of future treaty settlements on tāngata whenua involvement in the development process.

Points to note:

- tāngata whenua will be involved in decision-making, for example, via Te Whakaminenga o Kāpiti's District Plan Review working party;
- private plan changes are likely to decrease while the community's and Council's efforts are focused on the District Plan Review;
- the current global and national economic situation has slowed development pressures, but in the medium- and long-term growth rates are expected to rise again;
- developers are expected to continue to take advantage of the design review processes that improve the quality of development applications;
- like much of New Zealand, Kāpiti is susceptible to natural hazards such as coastal erosion, stormwater flooding and other risks that will be exacerbated by climate change. Natural hazards also include earthquake risks brought into the spotlight by recent events in Christchurch, including fault rupture, landslips,

and ground liquefaction. Development needs to be managed in a way that takes account of these hazards and does not put people and property at undue risk;

- development should be managed in a way that promotes resilience against global oil consumption cost increases to energy, transport and food, including options for non-motorised travel and the economies of scale provided by vibrant Town Centres;
- the increasing older population, the youth population and the general public will need Town Centres and associated public spaces that meet community needs in terms of safety, services, amenity and the opportunity for social interaction; and
- tāngata whenua are expected to continue to support a partnership approach to development management, and upcoming treaty settlements may make iwi authorities and other Māori organisations a more significant development force in the District.

WHAT ARE THE ISSUES?

- **Local Outcomes Statements** may be requested by the few remaining communities without them (for example, Te Horo and Waikanae Beach), while some completed Local Outcomes Statements may need to be refreshed if the proposed Expressway proceeds; and
- **Coordination of complex Town Centre processes** in Paraparaumu and Waikanae, including managing partnerships and communication with the private sector and other public agencies will be necessary to inform District Plan changes, and provide a clear blueprint for upcoming Town Centre upgrades on public land.
- **District Plan Review.** Every local authority is required to produce and periodically review a District Plan. This is to perform functions required by The Resource Management Act 1991 specifically “*the establishment, implementation, and review of objectives, policies, and methods to achieve integrated*

management of the effects of the use, development, or protection of land and associated natural and physical resources of the district”.

One example of considerations is the waahi tapu project to ensure that adequate protection is provided in the District Plan for sites of cultural significance to tāngata whenua.

The proposed Expressway will, if approved, have a significant impact on the physical form of the District and in particular on growth pressures and the vitality of certain Town Centres such as Paraparaumu and Waikanae. This is being considered in the current District Plan Review but will require further consideration and analysis for some time, if approval is given.

The current global and national economic situation has slowed development pressures. However, in the medium- and long-term growth rates are expected to rise again, and development management tools such as the District Plan and design guidelines will need to be prepared for this.

The next District Plan Review will need to commence 10 years after the current review is complete, unless a rolling review is undertaken. Either review approach will require ongoing monitoring of growth and environmental trends, and additional planning and analysis in the years leading up to this will ensure the review can proceed from a firm evidence base.

HOW DOES THIS ACTIVITY BENEFIT THE KĀPITI COAST?

- growth pressures are managed in a way that reflects community vision and concerns;
- development occurs in a way that benefits the community;
- there is community involvement in design and development decisions; and
- environmental effects and impacts on local character are managed.

The Activity Rationale and Strategic Objective of Development Management is to sustainably



manage growth pressures and promote quality development in a way that reflects community vision and concerns. Specifically:

- to manage growth pressures sustainably from a regulatory perspective (for example, in keeping with Resource Management Act 1991 responsibilities) including managing environmental effects and projects on local character;
- to actively encourage public and private development to occur in a way that benefits the community and makes efficient use of infrastructure; and
- to have inclusive processes allowing for community involvement in design and development decisions.

The Customer Values being addressed in this Activity include; **Assurance** – the Council’s advice is trustworthy, timely and suited to needs; **Resourcefulness** – connecting and collaborating; **Resilience** – the Council supports the community to build capacity and meet needs; **Leadership**; **Responsiveness**; **Participation** – the Council supports participation in decision making; and **Economic Vitality**.

SIGNIFICANT EFFECTS OF UNDERTAKING THIS ACTIVITY

Positive effects include:

- protection of the natural and physical environment;
- provision for sustainable growth that meets community needs;
- improved design outcomes in the built environment;
- improved functionality and amenity of Town Centres;
- collaborative partnerships with tāngata whenua and the wider community;
- increased awareness of climate change and other natural hazards; and
- improved decision making.

Negative effects include:

- there are no significant negative effects. However, regulation might be perceived to stifle economic growth, whether residential, commercial or industrial. On the other hand the process is designed to benefit the community as a whole by protecting the environment and promoting sustainable growth through a robust planning process.

LEVELS OF SERVICE

The following Levels of Service have been extracted from the Activity Management Plan. The performance measures and performance targets included are representative of the major aspects of the activities provided in the Development Management Activity.

LEVEL OF SERVICE	HOW WE WILL MEASURE SUCCESS	WHEN WE MEASURE	BASELINE	2012/13	2013/14	2014/15	2015/32
Districtwide and Local Community Outcomes relating to character, growth management, intensification, affordability, and the natural environment are reflected in the District Plan.	The District Plan is notified with text that builds on districtwide and local community outcomes relating to character, growth management, intensification, affordability, and the natural environment.	2013	New	Yes	-	-	Yes
Significant waahi tapu sites are researched and lodged in a systematic approach and are protected in the District Plan.	Waahi tapu sites are protected in the District Plan as per tāngata whenua guidance.	Annually	New	Yes	Yes	Yes	Yes
Town Centres have a high-quality, public space that meets the community's needs for safety, amenity and functionality.	85% of residents are satisfied that Town Centres have a high-quality, public space that meets the community's needs for safety, amenity and functionality.	Annually	New	85%	85%	85%	85%
High quality, coordinated design advice is provided to developers, consultants, and landowners prior to formal application for regulatory approval (via resource consent or plan change), and to Council project managers prior to internal project approval.	85% of resource consent applicants, plan change applicants and Council project managers who have participated in the design review process are satisfied with the robustness, clarity and timeliness of pre-application design advice provided by Council.	Annually	New	85%	85%	85%	85%



LEVEL OF SERVICE	HOW WE WILL MEASURE SUCCESS	WHEN WE MEASURE	BASELINE	2012/13	2013/14	2014/15	2015/32
Local Outcomes Statements are completed for all communities that request them.	Local Outcomes Statements are completed for all communities that request them via their Community Board.	Annually	New	100%	100%	100%	100%
The Council provides clear processes and timely, professional services with regard to private plan change requests.	85% of private plan change applicants are satisfied with the timeliness and professionalism of the Council's private plan change services.	Annually	New	85%	85%	85%	85%



FORECAST STATEMENT OF FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE

DEVELOPMENT MANAGEMENT THE FIRST TEN YEARS

YEAR	0	1	2	3	4	5	6	7	8	9	10
\$000	2011/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22

EXPENDITURE

Operating Costs	1,647	1,953	2,150	2,036	2,126	1,985	2,050	2,087	2,145	2,205	2,279
Interest	355	664	762	860	962	1,049	1,128	1,222	1,299	1,352	1,375
Depreciation	75	85	108	113	156	161	204	200	233	238	288
Operating Expenditure	2,077	2,702	3,020	3,009	3,244	3,195	3,382	3,509	3,677	3,795	3,942

REVENUE

External Income	200	205	211	218	225	233	241	249	257	267	276
Development Contributions	-	66	204	235	42	312	377	626	664	843	731
Internal Recoveries	-	-	-	-	-	-	-	-	-	-	-
Gross Operating Revenue	200	271	415	453	267	545	618	875	921	1,110	1,007
Less Revenue for Capital Purposes	-	66	204	235	42	312	377	626	664	843	731
Net Operating Revenue	200	205	211	218	225	233	241	249	257	267	276
NET OPERATING COSTS	1,877	2,497	2,809	2,791	3,019	2,962	3,141	3,260	3,420	3,528	3,666

CAPITAL ITEMS

Loan Repayments	306	274	392	422	509	776	1,118	1,126	1,330	1,455	1,876
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CAPITAL EXPENDITURE

New Assets	5,636	3,623	1,088	2,868	1,161	3,070	1,846	3,902	1,970	4,176	2,209
Total Capital Expenditure	5,636	3,623	1,088	2,868	1,161	3,070	1,846	3,902	1,970	4,176	2,209
Total Capital Items	5,942	3,897	1,480	3,290	1,670	3,846	2,964	5,028	3,300	5,631	4,085
NET COST OF ACTIVITY	7,819	6,394	4,289	6,081	4,689	6,808	6,105	8,288	6,720	9,159	7,751

FUNDING SOURCES

Depreciation Reserve	118	85	108	113	156	161	204	200	233	238	288
Loans	2,787	3,033	884	2,633	1,119	2,758	1,469	3,276	1,306	3,333	1,478
Development Contributions	2,848	66	204	235	42	312	377	626	664	843	731
Total Funding before Rates	5,753	3,708	1,196	2,981	1,317	3,231	2,050	4,102	2,203	4,414	2,497
Rates	2,066	2,686	3,093	3,100	3,372	3,577	4,055	4,186	4,517	4,745	5,254
TOTAL SOURCES OF FUNDS	7,819	6,394	4,289	6,081	4,689	6,808	6,105	8,288	6,720	9,159	7,751



DEVELOPMENT MANAGEMENT THE SECOND TEN YEARS

YEAR	11	12	13	14	15	16	17	18	19	20
\$000	2022/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32

EXPENDITURE

Operating Costs	2,350	2,410	2,463	2,709	2,791	2,867	2,840	3,013	3,097	3,182
Interest	1,380	1,457	1,501	1,544	1,561	1,495	1,346	1,052	662	180
Depreciation	295	340	378	427	498	561	615	672	700	736
Operating Expenditure	4,025	4,207	4,342	4,680	4,850	4,923	4,801	4,737	4,459	4,098

REVENUE

External Income	286	296	306	317	328	339	351	363	376	389
Development Contributions	866	865	864	855	462	435	878	823	856	796
Internal Recoveries	-	-	-	-	-	-	-	-	-	-
Gross Operating Revenue	1,152	1,161	1,170	1,172	790	774	1,229	1,186	1,232	1,185
Less Revenue for Capital Purposes	866	865	864	855	462	435	878	823	856	796
Net Operating Revenue	286	296	306	317	328	339	351	363	376	389
NET OPERATING COSTS	3,739	3,911	4,036	4,363	4,522	4,584	4,450	4,374	4,083	3,709

CAPITAL ITEMS

Loan Repayments	2,236	2,488	2,949	3,913	5,014	6,297	7,430	8,647	10,338	12,036
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CAPITAL EXPENDITURE

New Assets	4,773	4,573	5,192	6,306	6,084	5,768	5,991	5,141	5,885	5,878
Total Capital Expenditure	4,773	4,573	5,192	6,306	6,084	5,768	5,991	5,141	5,885	5,878
Total Capital Items	7,009	7,061	8,141	10,219	11,098	12,065	13,421	13,788	16,223	17,914
NET COST OF ACTIVITY	10,748	10,972	12,177	14,582	15,620	16,649	17,871	18,162	20,306	21,623

FUNDING SOURCES

Depreciation Reserve	295	340	378	427	498	561	615	672	700	736
Loans	3,907	3,707	4,327	5,451	5,623	5,333	5,113	4,318	5,029	5,083
Development Contributions	866	865	864	855	462	435	878	823	856	796
Total Funding before Rates	5,068	4,912	5,569	6,733	6,583	6,329	6,606	5,813	6,585	6,615
Rates	5,680	6,060	6,608	7,849	9,037	10,320	11,265	12,349	13,721	15,008
TOTAL SOURCES OF FUNDS	10,748	10,972	12,177	14,582	15,620	16,649	17,871	18,162	20,306	21,623

ECONOMIC DEVELOPMENT

Whakawhanake Umanga

THIS ACTIVITY LINKS TO COMMUNITY OUTCOMES:	1	2	3	4	5	6	7
					✓	✓	✓

INTRODUCTION

The Economic Development Activity funds direct services to support business development and retention, wider economic analysis and opportunities for development of a new economic focus.

KEY PRIORITY AREA – ECONOMIC DEVELOPMENT STRATEGY

The strategic leadership direction that Council has decided to take for the District includes five priority projects/areas to progress during this triennium. Economic Development is one of those five priorities.

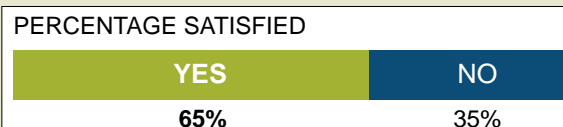
The Council has developed a new strategy for supporting economic development. It has increased funding in this Long Term Plan by \$198,295 to support initiatives to position the District around innovation (such as Clean Technology). In particular it is providing seed funding of \$1.5 million for the further development of the Clean Technology Park around the Clean Technology Centre run by Grow Wellington at Ōtaki. This will be repaid over ten years by the

YOUR FEEDBACK

During the consultation on this Plan we told you about:

- our five priorities/projects (page 34), and
- the rates required, in accordance with the Financial Strategy (pages 46 to 68), to provide the services and programmes in this Activity.

We asked if you are satisfied with the quality of service you receive in this Activity? The result was:



Trust from revenue for commercialisation of services.

More detail can be found on page 108. A copy of the Strategy can be obtained from Council's website www.kapiticoast.govt.nz/economic-development

WHAT DOES THIS ACTIVITY PROVIDE?

In this activity Council:

- carries out projects which contribute to the implementation of Council's Strategy for Supporting Economic Development on the Kāpiti Coast;
- provides economic development advice and support and policy development;
- provides business support, retention and attraction services;
- delivers visitor information centres in Paraparaumu and Ōtaki;



- supports tourism product development and marketing;
- supports events development and facilitation; and
- funds an annual forum for the business community to discuss progress with economic development and identify changes or improvements.

ASSUMPTIONS, RISKS AND KEY POINTS TO NOTE

Assumptions include:

- activity area is about securing long term change. It focuses on encouraging the development of new sectors while supporting existing sectors and businesses;
- support for the development of the clean technology sector continues to be a priority for Council;
- Council commitment to the Strategy for Supporting Economic Development on the Kāpiti Coast continues; and
- Council continues to support the Regional Strategy and Grow Wellington continues to provide regional economic development services.

Risks include:

- peak oil and other resource shortages worsen and increase demand for clean technologies generating new business opportunities and more jobs;
- the international and national economy can decline or improve in a relatively unpredictable way and this has local impacts; and
- the global economy is in recession and is only slowly recovering. This can undermine local efforts to increase the number of jobs and grow the local economy.

Points to note include:

- economic development is a major focus for the Council;

- Council has consulted on a new economic development strategy.

The Economic Development Activity area was reviewed in 2010/11. This resulted in a new strategic direction and a new structure for delivering economic development activities designed around implementing the new Strategy.

The new structure comprises a mix of increased internal provision of services and contracting out some specific services. To summarise:

- tourism support services, including iSITE management and business support services, will be contracted out;
- two full time equivalents will be employed to work on the innovation and position and capturing value strategic focus areas; and
- other projects will be delivered using existing resources within Council; and
- if the proposed Expressway is built it will influence the development of the local economy.

WHAT ARE THE ISSUES?

The Strategy for Supporting Economic Development on the Kāpiti Coast is framed around two key strategic purposes:

- to make Kāpiti the place to live, work and play; and
- to lay the foundations and set the direction for the likely transformation of the economy over the first half of the 21st Century.

The key projects identified in the Strategy for Supporting Economic Development on the Kāpiti Coast fall into three focus areas: innovation and positioning; creation and capture of added value; and growing the base.

This aligns well with the Wellington Regional Strategy for sustainable economic development.

Innovation and positioning projects include: clean (sustainable) technologies; responsive Council;

and marketing the District as a place for economic development innovation.

Creation and capture of added value projects include: Māori economic wellbeing and business development; food and beverage – growing the local food economy; and health/retirement sector – working with the retirement sector around growing skills, innovation and education value add; construction sector – growing technology, skills, adaptability and the range of products; and broadband.

Growing the Base projects include: tourism; business support, attraction and retention services; Town Centre development; and workforce skills and development.

The key priorities for implementation for 2012/13 are:

- growing the Clean Technology Park at Ōtaki. Council is providing seed funding of \$1.5 million to the establishment of an expanded Clean Technology Park and associated Trust. This will be repaid over ten years by the Trust from revenue for commercialisation of services. The overall long term impact is rates neutral by year three (2014/15);
- developing Council's capacity to be responsive to business;
- preparing a Māori economic wellbeing plan in conjunction with tāngata whenua;
- establishing the tourism and business support, attraction and retention services; and
- identifying specific future projects in the food and beverage, health/retirement and construction sectors.

These strategic purposes represent a future focused long-term vision which may take much of the first half of the 21st Century to fully develop.

HOW DOES THIS ACTIVITY BENEFIT THE KĀPITI COAST?

Economic development is one of the Council's key strategic focus areas. It makes an important contribution to delivering a thriving and resilient future for the Kāpiti Coast.

The community has identified a desire to create more employment in the District and to broaden the range of jobs available. Job creation (particularly 'smart' job creation), wealth attraction and some lessening of dependence on other parts of the region, country and world will better secure the futures of the Kāpiti Coast's residents. 'Smart' jobs are generally taken to be those jobs which are part of the new, low-carbon economy and which add considerable value to basic commodities and materials produced in the area. Their return per hour of labour to the employee and to the wider economy is significantly higher than that of the traditional jobs in the 'old' economy.

There are opportunities to position the District economy to take advantage of what is coming to be called the 'low-carbon economy'. This includes energy and water technologies and taking advantage of rising transport costs to build local value add food production. It can also mean building capability in the traditional local economic activities.

Building on existing strengths and identifying sound new opportunities will equip the Kāpiti Coast to play its part in the economy which develops over the first half of the 21st Century. The transition to a low-carbon world, which must take place over the coming decades as fossil fuels become increasingly scarce and expensive, will be made easier if existing strengths are built on and adapted, and new areas of focus use the Kāpiti Coast's natural advantages as a platform. The Council has already taken some steps in this direction with its support for the Clean Technology Centre of NZ at Ōtaki. This momentum continues with close collaboration with Grow Wellington and the developer of the Clean Technology Business Park to leverage this initiative.

Keeping abreast of developing trends will equip the Kāpiti Coast to take advantage of opportunities as they arise particularly in the area of smart, low-carbon, sustainable technologies. Such technologies could be applied in traditional areas of strength as well as in whole new areas which will no doubt open up over the next few decades.



The Activity Rationale and Strategic Objective of Economic Development is to support the development of the Kāpiti Coast's economy by providing leadership, developing partnerships, brokering opportunities, providing some funding and acting as a guardian of the Vision.

The Customer Values being addressed in this Activity include: **Leadership** – the Council plays a lead role in supporting economic development opportunities; **Partnerships** – the Council develops and maintains partnerships with key agencies, tāngata whenua, and local business and organisations; and **Professional expertise** – Council's advice is trustworthy and suitably tailored to the customer's circumstances.

SIGNIFICANT EFFECTS OF UNDERTAKING THIS ACTIVITY

Positive effects include:

- increasing the number and value of the jobs available in the District;
- strengthening and diversifying the local economy; and
- increasing the wealth generated in the District.

Negative effects include:

- balancing the needs and wants of many community members. There are conflicting public perspectives about the roles that Councils should take in supporting economic development.

LEVELS OF SERVICE

The following Levels of Service have been extracted from the Activity Management Plan. The performance measures and performance targets included are representative of the major aspects of the activities provided in the Economic Development Activity.

LEVEL OF SERVICE	HOW WE WILL MEASURE SUCCESS	WHEN WE MEASURE	BASELINE	2012/13	2013/14	2014/15	2015/16
The Clean Technology Sector grows on the Kāpiti Coast.	The number of businesses at the Clean Technology Park, Ōtaki increases year to year.	Annually	1	2	More than 2012/13	More than 2013/14	More than 2014/15
Partnerships between Council and other organisations deliver projects which grow businesses and provide new jobs for the District.	85% of organisations involved in economic development partnerships with the Council are satisfied with the services received.	Annually	New	85%	85%	85%	85%
The tourism support services provide high quality advice and assistance to tourism operators and visitors to the Kāpiti Coast.	85% of individuals and organisations using tourism support services funded by the Council are satisfied with the services received.	Annually	New	85%	85%	85%	85%
The business support, retention and attraction services provide high quality advice and assistance to businesses on the Kāpiti Coast.	85% of individuals and organisations using business support, retention and attraction services funded by the Council are satisfied with the services received.	Annually	New	85%	85%	85%	85%



FORECAST STATEMENT OF FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE
ECONOMIC DEVELOPMENT THE FIRST TEN YEARS

YEAR	0	1	2	3	4	5	6	7	8	9	10
\$000	2011/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22

EXPENDITURE

Operating Costs	813	974	1,065	1,348	1,435	1,564	1,605	1,724	1,792	1,920	1,964
Interest	7	90	86	80	72	65	57	48	39	29	19
Depreciation	20	15	65	65	65	65	65	64	57	50	50
Operating Expenditure	840	1,079	1,216	1,493	1,572	1,694	1,727	1,836	1,888	1,999	2,033

REVENUE

External Revenue	-	143	190	218	248	280	314	349	386	427	469
Operating Revenue	-	143	190	218	248	280	314	349	386	427	469
NET OPERATING COSTS	840	936	1,026	1,275	1,324	1,414	1,413	1,487	1,502	1,572	1,564

CAPITAL ITEMS

Loan Repayments	5	6	119	126	134	141	150	159	168	178	189
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CAPITAL EXPENDITURE

New Assets	-	1,500	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	-	1,500	-	-	-	-	-	-	-	-	-
Total Capital Items	5	1,506	119	126	134	141	150	159	168	178	189
NET COST OF ACTIVITY	845	2,442	1,145	1,401	1,458	1,555	1,563	1,646	1,670	1,750	1,753

FUNDING SOURCES

Loans	-	1,500	-	-	-	-	-	-	-	-	-
Total Funding before Rates	-	1,500	-	-	-	-	-	-	-	-	-
Rates	845	942	1,145	1,401	1,458	1,555	1,563	1,646	1,670	1,750	1,753
TOTAL SOURCES OF FUNDS	845	2,442	1,145	1,401	1,458	1,555	1,563	1,646	1,670	1,750	1,753

ECONOMIC DEVELOPMENT THE SECOND TEN YEARS

YEAR	11	12	13	14	15	16	17	18	19	20
\$000	2022/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32

EXPENDITURE

Operating Costs	2,037	2,100	2,186	2,244	2,329	2,415	2,489	2,565	2,661	2,741
Interest	129	118	109	98	87	76	64	51	37	23
Depreciation	50	100	100	100	100	100	100	100	100	100
Operating Expenditure	2,216	2,318	2,395	2,442	2,516	2,591	2,653	2,716	2,798	2,864

REVENUE

External Revenue	804	838	868	899	931	965	999	1,035	1,073	1,112
Operating Revenue	804	838	868	899	931	965	999	1,035	1,073	1,112
NET OPERATING COSTS	1,412	1,480	1,527	1,543	1,585	1,626	1,654	1,681	1,725	1,752

CAPITAL ITEMS

Loan Repayments	200	119	126	134	141	150	159	168	173	183
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CAPITAL EXPENDITURE

New Assets	1,500	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	1,500	-	-	-	-	-	-	-	-	-
Total Capital Items	1,700	119	126	134	141	150	159	168	173	183
NET COST OF ACTIVITY	3,112	1,599	1,653	1,677	1,726	1,776	1,813	1,849	1,898	1,935

FUNDING SOURCES

Loans	1,500	-	-	-	-	-	-	-	-	-
Total Funding before Rates	1,500	-	-	-	-	-	-	-	-	-
Rates	1,612	1,599	1,653	1,677	1,726	1,776	1,813	1,849	1,898	1,936
TOTAL SOURCES OF FUNDS	3,112	1,599	1,653	1,677	1,726	1,776	1,813	1,849	1,898	1,936



ENVIRONMENTAL PROTECTION

Whakaāhuru Taiao

THIS ACTIVITY LINKS TO COMMUNITY OUTCOMES:	1	2	3	4	5	6	7
	✓						✓

INTRODUCTION

Environmental Protection has two areas: compliance / monitoring and emergency management. Compliance / monitoring looks after the community by ensuring that regulations, policies and bylaws are upheld. For example, these include the rules we have for health inspections, dog owners, the amount of noise you can make or where you can freedom camp. Emergency management ensures the District is prepared for a region wide emergency and can coordinate an effective response to local civil defence emergencies.

WHAT DOES THE ACTIVITY PROVIDE

The following issues and services are managed in this Activity:

- environmental health and liquor licensing;
- noise control (Resource Management Act 1991);
- licensing and inspection of food premises (Food Act 1981, Food Safety Bylaw 2006);
- infectious diseases (Health Act 1956);
- insanitary buildings (Building Act 2004);
- abatement of nuisance and cleansing notices (Health Act 1956);
- hazardous substances investigation and enforcement in residences and on public land (Hazardous Substances and New Organisms Act 1996);
- liquor licensing and inspection (Sale of Liquor Act 1989);

YOUR FEEDBACK

During the consultation on this Plan we told you about:

- our five priorities/projects (page 34), and
- the rates required, in accordance with the Financial Strategy (pages 46 to 68), to provide the services and programmes in this Activity.

We asked if you are satisfied with the quality of service you receive in this Activity? The result was:

PERCENTAGE SATISFIED

YES	NO
72%	28%

- monitoring of gambling venues and machines (Gambling Act 2003);
- compliance monitoring;
- inspection of swimming pools (Fencing of Swimming Pools Act 1987);
- trade waste licensing and inspection (Trade Waste Bylaw 2007);
- freedom camping (Freedom Camping Act 2011);
- fire permits (Fire Prevention Bylaw);
- District Plan and Resource Management Act monitoring (Resource Management Act 1991);

- parking infringements and stationary vehicle offences (Transport Act 1962);
- emergency management and incident response (Hazardous Substances and New Organisms Act 1996);
- general bylaws investigation and enforcement (Kāpiti Coast District Bylaws including General Bylaw, Public Places, Liquor Control Bylaw, Beach Bylaw, Public Places Bylaw, Keeping of Animals Bylaw, Traffic Bylaw, Water Supply Bylaw, Animal Control (Dog Control Act 1989); and
- Emergency management. Council works with other agencies and the community to develop a hazard-scape for the District. Council has a comprehensive all-of-council approach to the reduction of these hazards, which are considered within the District Plan and all Asset Management Plans.

Where these hazards cannot be eliminated, the Emergency Management Activity provides public education to ensure the Community is aware of those hazards, their possible impact and the actions they should take to prepare their families, neighbourhoods and/or businesses.

Council coordinates the responses to declared Civil Defence Emergencies. Council operates an Emergency Operations Centre.

Council trains and equips volunteers to provide welfare support and has established Welfare Centres.

ASSUMPTIONS, RISKS AND KEY POINTS TO NOTE

Assumptions include:

- the current level of service is of a high standard and it can reasonably be assumed that it can be maintained in all areas of Environmental Protection; and
- there will be no major changes to the Civil Defence and Emergency Management Act 2002.

Uncertainties include:

- it is expected that the implementation of the Food Bill will affect residents and businesses if the present user pays system is maintained. Council has no choice and will be required to respond to this legislative change once enacted and it is anticipated that businesses will find it difficult to learn and comply with the new system;
- if the Ministry of Agriculture and Forestry (previously MAF) does not adequately fund the transition process in terms of providing education and advice to businesses then it is likely to result in significant fee increases for those who require extra visits and advice; and
- outcomes from the Wellington Region Civil Defence review.

Points to note for this Activity include:

Compliance/Monitoring

- the question of whether Council adequately monitors activities around the District Plan and Resource Management Act 1991 will become clearer once the results of an independent review are known;
- the Sale of Liquor Act 1989 review. Once enacted this will impact on the way the current District Licencing Agency operates requiring a complete review and overhaul of the current in house system including the make up of the District Licencing Agency membership and the processing of applications. The Act will put more responsibility on the District Licencing Agency to convene hearings for opposed applications and require an increased level of information gathering prior to review of Local Alcohol Plans; and
- Council is part of a regional group who are working together to ensure consistency in relation to the Voluntary Implementation Programme for the food review of the Food Bill.



Emergency Management / Rural Fire

Kāpiti Coast District Council has joined with the City and District Councils in the Wellington region to form a semi-autonomous civil defence and emergency management group. All the Councils' emergency management staff and resources will be pooled together. This is expected to improve effectiveness from increased scale and co-ordination, as well as efficiencies from the centralised provision of services such as training and public education. Local emergency management offices will be retained to enable effective local responses to emergencies. The new team will start on 1 July 2012.

The Wellington region is exposed to a wide range of natural and man-made hazards (earthquake, flooding, landslide, tsunami, storm, biological, chemical, terrorism, etc.). However, there is a great deal that Councils can do to reduce the impact of these hazards on their communities.

From the 2012/13 year, Council will contribute to this regional structure its share of regional emergency management costs, while retaining financial responsibility for maintaining the Emergency Operations Centre (EOC) and welfare centres as well as other emergency reduction and recovery work. It may be that the funding mechanisms will change in the future. Any change to emergency management funding will occur as part of the relevant Annual Plan or Long Term Plan budget process.

As information is made available from research from the Christchurch Earthquakes and other disasters into the Civil Defence Emergency Management (CDEM) it will be integrated into response plans and other relevant Council activities.

Council will continue to provide a Rural Fire Service that meets the National Rural Fire Authority Standards.

WHAT ARE THE ISSUES?

Compliance/Monitoring

- proactive monitoring of the District Plan and Resource Management Act 1991. Currently little proactive monitoring of the District Plan or the Resource Management Act 1991 occurs. Section 35 of the Resource Management Act 1991 requires every local authority to gather sufficient information to fulfil its functions under the Act. The collection of such information allows local authority performance to be monitored and provides local ratepayers with a transparent record of their Council's performance;
- areas identified for improvement include monitoring of identified sites with protected native vegetation and monitoring of signage throughout the District; and
- an increase in beach monitoring and freedom camping (particularly in Te Horo Beach) has seen an increase in contractor charges.

Emergency Management / Rural Fire

- the review of the Wellington regional CDEM Plan could result in different priorities being set to ensure the best preparedness and response outcome for the Wellington region;
- alignment with Porirua CDEM and enhanced alignment within the Wellington region;
- arrangements for insurance covering earthquake damage for businesses and the community as a whole can affect reduction and recovery planning; and
- maintaining the high-profile expected of CDEM following the Christchurch earthquakes.

HOW DOES THIS ACTIVITY BENEFIT THE KĀPITI COAST?

This Activity provides services concerned with enforcement of, and education about, standards designed to increase resilience and protect individual and community health and safety.

A District that is resilient will be able to reduce the impact of a disaster, reducing loss of life or injuries as well as damage to structures and infrastructure. Reducing the impact enables a quicker recovery.

The entire District benefits from regulatory requirements that promote the health, safety and wellbeing of the community.

The Activity Rationale and Strategic Objectives for Environmental Protection are:

- establishing an effective level of preparedness for natural disasters;
- ensuring emergency response has up to date information on at-risk members of the community;
- ensuring CDEM Plans are current and tested and operating procedures are reviewed after each activation;
- ensuring welfare centres are able to cope during an emergency and welfare volunteers are trained and motivated; and
- ensuring the Rural Fire Plan is current and tested and establishes an effective level of preparedness for rural fire response.

The Customer Values being addressed in this Activity are: **Assurance** – food premises deliver food that is fit for purpose; **Safety** - premises are fit for purpose; the risk of fire hazards is

minimised; **Assurance** - trust that the integrity of the District Plan is maintained; **Assurance** – trust that dog nuisance is minimised; **Safety** – risks from dangerous dogs are minimised; **Knowledge** – accurate documentation; and **Safety** – risks from wandering stock are minimised; **Availability** – providing a place to go during an emergency; **Readiness** – providing versatile welfare volunteers who can cope with a range of situations; **Contribution** – contributing welfare volunteers from the District to assist with emergencies in other areas of New Zealand; **Readiness** – rural fire volunteers are trained and resourced; **Resilience** – a fire plan that provides effective response to emergencies and reduces the exposure of Council to costs and litigation following an event.

SIGNIFICANT EFFECTS

Positive effects include:

- the community will respond well to, and recover from, Civil Defence emergencies.

Negative effects include:

- individual's freedom can be reduced through the enforcement of regulations and bylaws which are in place for the wider benefit of the community; and
- ineffective or tardy response could result in increased loss of life or injuries, avoidable property damage as well as the loss of confidence in Council.



LEVELS OF SERVICE

The following Levels of Service have been extracted from the Activity Management Plan. The performance measures and performance targets included are representative of the major aspects of the activities provided in the Environmental Protection Activity.

LEVEL OF SERVICE	HOW WE WILL MEASURE SUCCESS	WHEN WE MEASURE	BASELINE	2012/13	2013/14	2014/15	2015/32
Environmental Health and Liquor Licencing							
All food premises display certification that accurately reflects the quality of the outlet and their food storage and preparation.	All food premises inspected using a risk based approach in accordance with government regulations. Note: The legislation has not yet been enacted, therefore timeframes are not known at this stage.	Annually	100%	100%	100%	100%	100%
Notifiable communicable diseases are managed in a way that minimises their spread.	All notifiable communicable disease investigations are commenced, and the investigation outcome reported to the Medical Officer of Health in accordance with Regional Service Level Agreements.	Annually	98%	100%	100%	100%	100%
Swimming Pools are operated and managed in a safe and healthy way.	All functioning public, school and commercial swimming pools are inspected to ensure compliance with public health standards and management advised on remedial action where necessary.	Annually	100%	100%	100%	100%	100%
Liquor outlets operate within an environment that is safe and healthy.	50% of Liquor outlets are inspected for compliance with appropriate regulations annually.	Annually	50%	50%	50%	50%	50%
All other licensed premises, e.g. hairdressers, operate within an environment that is safe and healthy.	All 'other licensed premises' are inspected for compliance with appropriate regulations.	Annually	100%	100%	100%	100%	100%

LEVEL OF SERVICE	HOW WE WILL MEASURE SUCCESS	WHEN WE MEASURE	BASELINE	2012/13	2013/14	2014/15	2015/16
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Compliance

All developments in the community are monitored to ensure they are consistent with the District Plan.	All resource consents are monitored in accordance with the Landuse Resource Consents Monitoring Programme.	Annually	100%	100%	100%	100%	100%
Access to private swimming pools is limited to prevent entry to children under 6 years of age.	33% of all known private swimming pools inspected to ensure compliance with the Fencing of Swimming Pools Act 1987.	Annually	33%	33%	33%	33%	33%
All outdoor fires are permitted to ensure they are managed in a way that limits the risk of spread.	All outdoor fire permits are issued within two working days providing Council staff are satisfied that the site surroundings are safe and that fire safety equipment is available.	Annually	99%	100%	100%	100%	100%

Animal Control

Action is taken to manage dangerous dog incidents.	95% of all urgent calls/complaints about dogs responded to within one hour of receipt.	Annually	96%	95%	95%	95%	95%
Dogs are managed effectively to minimise nuisance.	95% of all routine calls/complaints about dogs are responded to within 24 hours of receipt.	Annually	90%	95%	95%	95%	95%
All dogs in the District are registered.	95% of all known dogs are registered.	Annually	99%	95%	95%	95%	95%

Emergency Management and Rural Fire

The number of households that are ready for any emergency with stored water, food, survival items and a household emergency plan.	The number of prepared households increases by 20% every three years until 80% of households' state they are prepared for an emergency.	Three Yearly	New	50%	-	-	60% - 80%
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LEVEL OF SERVICE	HOW WE WILL MEASURE SUCCESS	WHEN WE MEASURE	BASELINE	2012/13	2013/14	2014/15	2015/32
The Rural Fire service meets the National Rural Fire Authority audit standards.	The Rural Fire service meets the National Rural Fire Authority audit standards.	Annually	Yes	Yes	Yes	Yes	Yes
Civil Defence Emergency Management and Fire Plans provide an effective response to emergencies and reduce the exposure of Council to costs and litigation following an event.	The Civil Defence Emergency Management and Fire Plans are updated annually.	Annually	Yes	Yes	Yes	Yes	Yes

FORECAST STATEMENT OF FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE

ENVIRONMENTAL PROTECTION THE FIRST TEN YEARS

YEAR	0	1	2	3	4	5	6	7	8	9	10
\$000	2011/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22

EXPENDITURE

Operating Costs	2,215	2,492	2,638	2,754	2,876	3,047	3,128	3,210	3,372	3,418	3,548
Interest	112	99	93	89	84	78	72	66	61	54	47
Depreciation	61	62	59	53	55	55	52	54	56	54	54
Operating Expenditure	2,388	2,653	2,790	2,896	3,015	3,180	3,252	3,330	3,489	3,526	3,649

REVENUE

External Income	842	846	878	911	948	986	1,026	1,066	1,108	1,154	1,202
Internal Recoveries	40	40	41	42	44	45	46	48	49	51	52
Operating Revenue	882	886	919	953	992	1,031	1,072	1,114	1,157	1,205	1,254
NET OPERATING COSTS	1,506	1,767	1,871	1,943	2,023	2,149	2,180	2,216	2,332	2,321	2,395

CAPITAL ITEMS

Loan Repayments	36	103	103	105	107	108	108	109	111	111	111
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CAPITAL EXPENDITURE

New Assets	10	-	-	49	-	14	18	-	-	-	-
Asset Renewal	49	31	32	33	34	-	12	37	13	-	14
Total Capital Expenditure	59	31	32	82	34	14	30	37	13	-	14
Total Capital Items	95	134	135	187	141	122	138	146	124	111	125
NET COST OF ACTIVITY	1,601	1,901	2,006	2,130	2,164	2,271	2,318	2,362	2,456	2,432	2,520

FUNDING SOURCES

Utilisation of Balances	30	-	-	-	-	-	-	-	-	-	-
Depreciation Reserve	55	107	74	68	70	70	67	69	71	69	69
Loans	-	-	32	33	34	-	12	37	13	-	14
Total Funding before Rates	85	107	106	101	104	70	79	106	84	69	83
Rates	1,516	1,794	1,900	2,029	2,060	2,201	2,239	2,256	2,372	2,363	2,437
TOTAL SOURCES OF FUNDS	1,601	1,901	2,006	2,130	2,164	2,271	2,318	2,362	2,456	2,432	2,520



ENVIRONMENTAL PROTECTION THE SECOND TEN YEARS

YEAR	11	12	13	14	15	16	17	18	19	20
\$000	2022/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32

EXPENDITURE

Operating Costs	3,717	3,779	3,906	4,109	4,171	4,335	4,541	4,633	4,779	5,019
Interest	42	37	30	23	18	16	15	14	16	18
Depreciation	53	54	52	49	46	55	57	54	58	62
Operating Expenditure	3,812	3,870	3,988	4,181	4,235	4,406	4,613	4,701	4,853	5,099

REVENUE

External Income	1,251	1,303	1,356	1,412	1,470	1,531	1,594	1,660	1,729	1,800
Internal Recoveries	54	55	57	59	61	62	64	66	68	70
Operating Revenue	1,305	1,358	1,413	1,471	1,531	1,593	1,658	1,726	1,797	1,870
NET OPERATING COSTS	2,507	2,512	2,575	2,710	2,704	2,813	2,955	2,975	3,056	3,229

CAPITAL ITEMS

Loan Repayments	112	114	115	115	116	30	31	16	17	19
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CAPITAL EXPENDITURE

New Assets	53	-	-	-	113	42	44	82	-	-
Asset Renewal	43	15	-	16	49	17	-	18	56	19
Total Capital Expenditure	96	15	-	16	162	59	44	100	56	19
Total Capital Items	208	129	115	131	278	89	75	116	73	38
NET COST OF ACTIVITY	2,715	2,641	2,690	2,841	2,982	2,902	3,030	3,091	3,129	3,267

FUNDING SOURCES

Utilisation of Balances	-	-	-	-	-	-	-	-	-	-
Depreciation Reserve	68	69	67	64	61	30	31	16	17	19
Loans	43	15	-	16	49	17	-	18	56	19
Total Funding before Rates	111	84	67	80	110	47	31	34	73	38
Rates	2,604	2,557	2,623	2,761	2,872	2,855	2,999	3,057	3,056	3,229
TOTAL SOURCES OF FUNDS	2,715	2,641	2,690	2,841	2,982	2,902	3,030	3,091	3,129	3,267

GOVERNANCE AND TĀNGATA WHENUA

Kāwanatanga me te Tāngata Whenua

THIS ACTIVITY LINKS TO COMMUNITY OUTCOMES:	1	2	3	4	5	6	7
	✓	✓	✓	✓	✓	✓	✓

INTRODUCTION

Participation, communication and consultation are key to this Activity. Encouraging community involvement and providing opportunities to contribute to both on-the-ground initiatives and decision making is a major focus.

LOCAL DEMOCRATIC STRUCTURES AND SYSTEMS

Change to the governance structure is being investigated. Discussion is needed on whether this is required and, if so, what the best model might be.

In the wake of the Auckland amalgamations further local government reforms are on the horizon. The government has introduced the Local Government 2002 Act Amendment Bill signalling a review of aspects of local government structure and responsibilities. It is scheduled to be passed by November 2012.

The Bill aims to tighten fiscal responsibility and create efficiencies in Local Government, to encourage economic growth and development. It outlines new procedures for reorganisation of local authorities, financial prudence requirements, an assistance and intervention framework for strengthening governance, and additional mayoral powers. A second phase is planned focusing on the work of a local government efficiency taskforce, development of a framework for allocating central and local government roles, the efficiency of local government infrastructure provision and its use of development contributions. This work may result in a further Bill in 2013.

YOUR FEEDBACK

During the consultation on this Plan we told you about:

- our five priorities/projects (page 34), and
- the rates required, in accordance with the Financial Strategy (pages 46 to 68), to provide the services and programmes in this Activity.

We asked if you are satisfied with the quality of service you receive in this Activity? The result was:

PERCENTAGE SATISFIED



The Government believes the Auckland amalgamation has been successful but has said it would coax, not coerce, other regions to consider alternative models of operation. The Wellington region's Councils are already well advanced on a programme of shared services.

A group of regional Councillors led by the Greater Wellington Regional Council Chair Fran Wilde has expressed support for change and for that to occur sooner rather than later. Other Mayors and Councillors around the region are keen to test what the nature of the problem is, if any and what models are the best and protect local democracy.

This Council believes it must hear the views of its own community first and foremost on this matter and to that end it is conducting its own survey of residents. Every household received a survey



document containing various options to comment on and an invitation to add other options not covered. This survey was also available online on the Council's website, www.kapiticoast.govt.nz. In addition, a region-wide phone survey was undertaken which included a survey of Kāpiti residents with questions on specific Kāpiti issues. Council will consider the results of the survey at a meeting in August 2012. More detail can be found on page 125.

WHAT DOES THIS ACTIVITY PROVIDE?

Governance

This area of the Activity comprises management of the democratic framework through 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 for example, Local Government Act 2002, Local Government Official Information and Meetings Act 1987, Local Electoral Act 2001;
- management of electoral processes including (as required under legislation): representation reviews, local body elections, referenda;
- development and delivery of an elected member induction and professional development programme;
- elected member remuneration and expenses in accordance with Remuneration Authority determinations;
- continuous improvement in managing the democratic framework processes, including the uptake of new technology and opportunities such as e-voting;
- encouraging community awareness of and participation in decision-making processes through a civics education programme;

- administering community grants programmes and a range of civic events; and
- related expenses for example, legal and insurance.

Tāngata Whenua

This area of the Activity provides for active projects around Council's commitment to its partnership with Te Āti Awa ki Whakarongotai, Ngāti Raukawa and Ngāti Toa Rangatira and the Memorandum of Partnership it holds with them. This involves a commitment to working via Te Whakaminenga o Kāpiti, the partnership mechanism for advancing matters of mutual interest. Council is committed to working directly with each iwi and relevant hapū on matters relevant to their role as kaitiaki and of specific interest within their rohe. Council will continue to work to advance the agreed strategic work programme and to work with iwi to respond to the interests and concerns of Māori residents. Council will seek creative ways to advance wider understanding of tāngata whenua history, interests and vision for the wider community.

This Activity area focuses on managing the partnership and activity with tāngata whenua at the following levels:

- Governance – through the partnership group Te Whakaminenga o Kāpiti;
- Management – day to day activity with whānau, hapū and iwi; and
- supporting Council to recognise opportunities and meet their obligations to tāngata whenua within their projects, as appropriate.

ASSUMPTIONS, RISKS AND KEY POINTS TO NOTE

Assumptions include:

- Council will continue to operate under a partnership model with delegation to Community Boards;
- increased use of technology to improve service delivery;
- Council will continue to commit to the partnership with local iwi through Te Whakaminenga o Kāpiti;

- confidence in the partnership will strengthen resulting in an increase of tāngata whenua participation at all levels of councils activity;
- increased regional collaboration through shared services; and
- outcomes of the next representation review, not due to be undertaken until 2016;.

Uncertainties include:

- technological advances in electoral systems management for example, the roll-out of e-voting; and
- major changes in Government policy, including the Local Government Act 2002.

Points to note include:

- working parties with tāngata whenua representation have been set up for the priority areas of the District Plan, Water Supply and Water Meters, Economic Development. Working parties for other priority areas will be set up when appropriate;
- the management of the democratic framework is undertaken within a continuous improvement approach. For example, working with the Youth Council to encourage young people's participation in decision-making processes; investigating new and emerging opportunities to improve service delivery to both the community and elected members; and streamlining the training needs of elected members with a professional development programme;
- Council's civics education programme aims to educate the community about Council's work, and to encourage participation in decision-making processes and structures. The programme's continuing focus is on encouraging young people's greater involvement in and awareness of local democratic decision-making activities. It will do this through supporting initiatives of the Youth Council with a civics focus, and through participation in the national 'Kids Voting' programme which will be in every local government election; and

- growing participation of tāngata whenua at all levels of Council activity shows a growing level of confidence in the partnership. Tāngata whenua are increasingly engaging in the strategic direction of Council by contributing to the discussion around key policy, strategies and projects.

WHAT ARE THE ISSUES?

2016 Local Body Elections

For the 2016 local body elections Council will review and consider adopting e-voting; and undertake a review of the representation arrangements and membership.

Wellington Region

Councils in the Wellington region are working in an increasingly collaborative way, via such things as shared services and the Mayoral Forum. This Council is one of nine Councils in the Wellington region committed to working together to promote regional economic development through the Wellington Regional Strategy. Debate about whether structural change is needed, or desired, by the community will be a focus of the next three years.

Māori representatives to each of Council's Standing Committees

A Council has the power under the Local Government Act 2002 to co-opt non elected members to committees. Council is required under legislation to increase Māori representation in decision making. Council has confirmed it will co-opt a representative of local iwi onto its standing committees.

In 2012 Council resolved to allow the Chair of Te Whakaminenga o Kāpiti to attend Council and/or Committee meetings with the opportunity to contribute to debate and discussion but not to vote.

In the longer term discussion is also planned to continue with iwi and the wider community on the concept of a Māori Ward for the District with statutory timeframes for this decision not being until November 2015.



HOW DOES THIS ACTIVITY BENEFIT THE KĀPITI COAST?

The democratic process encourages community participation and creates a strong and involved community.

The Activity Rationale and Strategic Objectives for Governance and Tāngata Whenua are:

- building social capital through working with community and interest groups to increase resilience in the face of major changes. Effective management of the democratic framework encourages and increases community participation in both formal and informal decision-making processes;
- maintaining a strong and effective relationship with tāngata whenua through the iwi partnership group Te Whakaminenga o Kāpiti and the wider whānau, hapū and iwi structures; and
- actively promoting the sustainable management of the District's natural resources, physical resources and the taonga of significance to tāngata whenua, in a way that recognises the cultural and spiritual relationship of the tāngata whenua with the natural world.

The Customer Values being addressed in this Activity include: **Accessibility** - readily available information; **Participation** - in governance processes; **Civic involvement** - is valued and recognised through awards and

grants; **Resilience** - providing opportunities that strengthen communities; **Kaitiakitanga – rangatiratanga – stewardship** - tāngata whenua, as kaitiaki of the District, exercise their role of kaitiakitanga within the management of the District *and* that tāngata whenua's intangible and spiritual connection to the land, waahi tapu and natural and physical resources is represented; **Manaakitanga/whanaungatanga – participation** - the partnership with tāngata whenua is effective and enhanced *and* that tāngata whenua guide council in the expression of values significant to tāngata whenua; and **Kotahitanga – Te Reo** - through working together our District's heritage, cultural development, health and education flourish.

SIGNIFICANT EFFECTS OF UNDERTAKING THIS ACTIVITY

Positive effects include:

- the community is aware of, and participates in, democratic decision-making processes.

Negative effects include:

- over the period Council will need to achieve a balance between implementing its programme of activity and maintaining a meaningful dialogue with the community; and
- low level of community understanding pertaining to tāngata whenua involvement in local government.

LEVELS OF SERVICE

The following Levels of Service have been extracted from the Activity Management Plan. The performance measures and performance targets included are representative of the major aspects of the activities provided in the Governance and Tāngata Whenua Activity.

LEVEL OF SERVICE	HOW WE WILL MEASURE SUCCESS	WHEN WE MEASURE	BASELINE	2012/13	2013/14	2014/15	2015/32
Council agendas and minutes are available two working days ahead of the meeting date in Council Service Centres, District Libraries and the Council website.	All meeting agendas and reports are available in hard copy in Service Centres and/or District Libraries at least two working days ahead of the meeting date.	Annually	100%	100%	100%	100%	100%
Council agendas and minutes are available two working days ahead of the meeting date in Council Service Centres, District Libraries and the Council website.	All Council meeting agendas and minutes are available 99% of the time on the Council website.	Annually	100%	99%	99%	99%	99%
The strong partnership that has evolved is reflected in Council's commitment to work through Te Whakaminenga o Kāpiti and that Te Whakaminenga o Kāpiti continues to implement work focused on development of knowledge and understanding of tāngata whenua values through the intended activity.	Te Whakaminenga o Kāpiti receives all proposed Council strategies for review and provides comment, when desired, to the Council.	Annually	New	Yes	Yes	Yes	Yes
Council and tāngata whenua participate in civic activity that reflects our community's history.	Council and tāngata whenua co-host a Waitangi Day commemoration.	Annually	Yes	Yes	Yes	Yes	Yes



FORECAST STATEMENT OF FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE
GOVERNANCE AND TĀNGATA WHENUA THE FIRST TEN YEARS

YEAR	0	1	2	3	4	5	6	7	8	9	10
\$000	2011/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22

EXPENDITURE

Operating Costs	3,315	3,125	3,151	3,052	2,683	2,979	2,801	2,939	3,281	3,218	3,416
Interest	471	426	558	567	622	717	747	725	705	675	663
Depreciation	906	928	1,073	1,125	1,221	1,355	1,449	1,451	1,509	1,509	1,492
Operating Expenditure	4,692	4,479	4,782	4,744	4,526	5,051	4,997	5,115	5,495	5,402	5,571

REVENUE

External Income	309	689	719	750	773	797	820	845	871	897	923
Internal Income	-	73	123	73	57	110	56	56	112	56	56
Operating Revenue	309	762	842	823	830	907	876	901	983	953	979
NET OPERATING COSTS	4,383	3,717	3,940	3,921	3,696	4,144	4,121	4,214	4,512	4,449	4,592

CAPITAL ITEMS

Loan Repayments	238	402	632	794	831	918	894	754	664	686	731
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CAPITAL EXPENDITURE

New Assets	3,893	4,801	208	151	88	125	179	36	180	120	565
Asset Renewal	604	1,444	1,297	1,553	2,918	2,912	1,232	1,622	1,250	1,267	1,456
Total Capital Expenditure	4,497	6,245	1,505	1,704	3,006	3,037	1,411	1,658	1,430	1,387	2,021
Total Capital Items	4,735	6,647	2,137	2,498	3,837	3,955	2,305	2,412	2,094	2,073	2,752
NET COST OF ACTIVITY	9,118	10,364	6,077	6,419	7,533	8,099	6,426	6,626	6,606	6,522	7,344

FUNDING SOURCES

Utilisation of Reserves	1,370	1,736	1,399	694	620	694	554	564	739	586	596
Depreciation Reserve	699	718	866	1,016	1,035	1,173	1,244	1,194	1,172	1,199	1,205
Loans	3,956	5,173	623	821	2,129	2,096	361	506	195	140	798
Loans Carried Over	71	121	-	-	-	-	-	-	-	-	-
Total Funding before Rates	6,096	7,748	2,888	2,531	3,784	3,963	2,159	2,264	2,106	1,925	2,599
Rates	3,022	2,616	3,189	3,888	3,749	4,136	4,267	4,362	4,500	4,597	4,745
TOTAL SOURCES OF FUNDS	9,118	10,364	6,077	6,419	7,533	8,099	6,426	6,626	6,606	6,522	7,344

GOVERNANCE AND TĀNGATA WHENUA THE SECOND TEN YEARS

YEAR	11	12	13	14	15	16	17	18	19	20
\$000	2022/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32

EXPENDITURE

Operating Costs	3,743	3,787	3,950	4,365	4,262	4,484	4,905	4,848	5,148	5,790
Interest	616	552	494	441	396	358	306	240	178	157
Depreciation	1,573	1,481	1,494	1,572	1,585	1,576	1,653	1,694	1,612	1,488
Operating Expenditure	5,932	5,820	5,938	6,378	6,243	6,418	6,864	6,782	6,938	7,435

REVENUE

External Income	951	980	1,010	1,041	1,072	1,105	1,140	1,174	1,210	1,220
Internal Income	115	57	58	122	59	60	126	61	61	131
Operating Revenue	1,066	1,037	1,068	1,163	1,131	1,165	1,266	1,235	1,271	1,351
NET OPERATING COSTS	4,866	4,783	4,870	5,215	5,112	5,253	5,598	5,547	5,667	6,084

CAPITAL ITEMS

Loan Repayments	2,160	2,129	2,175	2,288	2,261	2,393	2,498	2,552	2,535	2,412
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CAPITAL EXPENDITURE

New Assets	44	46	124	334	249	139	144	149	322	725
Asset Renewal	1,501	1,582	1,634	1,455	1,839	1,926	1,861	1,652	1,822	2,070
Total Capital Expenditure	1,545	1,628	1,758	1,789	2,088	2,065	2,005	1,801	2,144	2,795
Total Capital Items	3,705	3,757	3,933	4,077	4,349	4,458	4,503	4,353	4,679	5,207
NET COST OF ACTIVITY	8,571	8,540	8,803	9,292	9,461	9,711	10,101	9,900	10,346	11,291

FUNDING SOURCES

Utilisation of Reserves	788	625	642	864	681	701	936	743	766	1,023
Depreciation Reserve	2,579	2,635	2,595	2,619	2,668	2,884	2,917	2,929	2,892	2,832
Loans	363	342	539	635	832	701	687	497	832	1,392
Loans Carried Over	-	-	-	-	-	-	-	-	-	-
Total Funding before Rates	3,730	3,602	3,776	4,118	4,181	4,286	4,540	4,169	4,490	5,247
Rates	4,841	4,938	5,027	5,174	5,280	5,425	5,561	5,731	5,856	6,044
TOTAL SOURCES OF FUNDS	8,571	8,540	8,803	9,292	9,461	9,711	10,101	9,900	10,346	11,291



LIBRARIES, ARTS AND MUSEUMS

Ngā Wharepukapuka, Ngā Toi mengā Whare Tāonga

THIS ACTIVITY LINKS TO COMMUNITY OUTCOMES:	1	2	3	4	5	6	7
	✓	✓	✓	✓	✓	✓	

INTRODUCTION

The **Libraries, Arts and Museums Activity** provides our community with access to information, services and opportunities to celebrate identity and culture. Libraries provide community gathering points where ideas can be aired and exhibitions held. Arts and Museums assist with Council's leadership commitment to Creativity and the Arts promoting individual and community identity, pride and wellbeing.

WHAT DOES THE ACTIVITY PROVIDE?

This Activity provides:

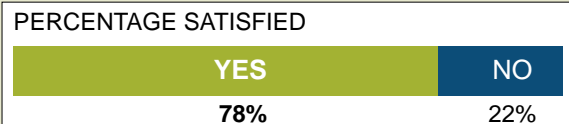
- access to information for leisure, entertainment research, education, career development across the District;
- support for history and heritage through local history communications (collections, photographs, destinations), and through relationships with genealogy groups and museums;
- arts activities include delivering an annual Arts Trail;
- facilitating funding for local art projects through Creative Communities;
- promoting a local Festival of the Arts and Royal NZ Ballet performances;
- the major operational funding for the Mahara Gallery;
- District Heritage Trail; and
- Museums – Council contributes to funding the Ōtaki Museum and Kāpiti Museum, and considers requests from other museums.

YOUR FEEDBACK

During the consultation on this Plan we told you about:

- our five priorities/projects (page 34), and
- the rates required, in accordance with the Financial Strategy (pages 46 to 68), to provide the services and programmes in this Activity.

We asked if you are satisfied with the quality of service you receive in this Activity? The result was:



ASSUMPTIONS, RISKS AND KEY POINTS TO NOTE

Assumptions include:

- libraries will remain key centres/hubs in communities;
- shared services will become more of the norm across councils;
- proposed creation of a district public art gallery (with capital provided by the Mahara Gallery Trust) and home for the Field Art Collection will provide a focal point for the arts and attract an increasing number of visitors; and
- heritage will continue to be valued by the community.

Uncertainties include:

- the nature of service provided by libraries is changing from owning the assets which are lent

to the public to providing access to materials and information as technology impacts;

- external fundraising by the Mahara Gallery Trust for the full amount required for expansion will be a challenge in the current economic climate, and the project may be delayed as a consequence; and
- materials and information as technology impacts. This includes how we store and access our heritage items.

Points to note include:

- the current target rate of refreshing library collections is 350 new items added to the collections per annum per 1000 population. This level will continue while the population remains under 50,000. In line with industry standards, once the population grows to over 50,000 this level will drop to 300 new items added to the collections per annum per 1000 population;
- the baseline figure of 395 has been taken from the annual report for year 2010/11. This over achievement was due to particular purchasing opportunities available in that year. These opportunities are not expected to be presented in the future;
- there is a continued and growing demand for internet facilities;
- Kāpiti Coast District Libraries are a member of SMART(Shared and Managed a Region Together), this will provide access to over 600,000 materials available in the library systems of Hutt City, Porirua, Kāpiti Coast, Masterton District, WelTec and Whitireia Community Polytechnic;
- E-books have been launched as a library service (November 2011), with growing impact over the next several years on how library services are accessed and managed; and
- a strategy for Council's support of the Arts on the Kāpiti Coast was adopted by Council in May 2012.

WHAT ARE THE ISSUES?

Specific issues, including improvements to what Council is currently doing are detailed below:

- develop a Public Art Policy;
- development of broader services to youth;
- growing the Kāpiti Arts Trail; and
- developing community facilities, focusing initially on the Mahara Gallery upgrade (Field Art Collection) and Waikanae Library, then considering a performing arts facility in future years.

Waikanae Library and Mahara Gallery

The Mahara Gallery is housed in a Council-owned building in Mahara Place, Waikanae. The Mahara Gallery Trust is seeking to provide a permanent home for the Field Art Collection in Waikanae. To achieve this, the Mahara Gallery needs additional space for exhibition, storage, workshops, administration etc and needs to upgrade those spaces to museum standard to house the collection and to be able to attract and show significant touring exhibitions and collections from other galleries.

Separately, the Council had planned for the refurbishment and upgrade of the Waikanae Library. With the Gallery adjoining the Waikanae Library, the opportunity arose for a joint project and the Council has previously agreed to support the project by advancing funding for the upgrade of the Waikanae Library.

Alongside this, the Council and the Mahara Gallery Trustees have signed a Memorandum of Understanding to work together with the objective of the Mahara Gallery becoming the District Gallery for Kāpiti.

The project has progressed on the basis that the Council would contribute by funding the upgrade to the Waikanae Library and paying for the design work, but that the funding for the Gallery upgrade would be directly raised by the Gallery itself. The Gallery Trustees launched a fundraising campaign in September 2011 to raise the money for the upgrade.



Gallery Trustees have since reported that major funding sources such as the Lotteries Commission and community grants schemes; as well as individual philanthropic donors, have indicated there will be no funding forthcoming unless the Council commits to providing a third of the cost of the Gallery upgrade.

The project estimated costs are \$4,338,000 for the Gallery and \$2,892,000 for the Library. The total cost of \$7,230,000 includes a contingency of 25%.

Council has committed to the scope of the joint project and intends to contribute the one third sought by the Trustees. In addition to the cost of the library upgrade, Council will contribute \$1,196,000 (plus CPI) and \$250,000 will come from the Waikanae Community Board. Work on the joint gallery/library project will be deferred until 2015/16 (year 4 of the Long Term Plan) to give the Trust time to raise the remaining two thirds of the funds estimated for the Gallery upgrade.

If the Trust raises the required two thirds before 2015/16 the Council will consider bringing the project forward. If that happens design work will recommence and will be completed before 2015/16.

HOW DOES THIS ACTIVITY BENEFIT THE KĀPITI COAST?

The Activity Rationale and Strategic Objectives for Libraries, Arts and Museums are:

- providing spaces for sharing community information in meetings and one to one conversations. For example, career information is growing in accessibility with relationships with Work and Income New Zealand (WINZ) and a careers kiosk;
- placing more focus on youth collections and space;
- ensuring that Kāpiti Coast Heritage is preserved and presented in user friendly ways through approved storage standards and through digitisation; and
- achieving the five focus areas as set out in the 2012 Arts Strategy. The focus areas are: Access; Fostering Māori arts and culture;

Arts as part of our local identity; Community leadership in the arts; and Arts contributing to economic development.

The Customer Values being addressed in this Activity include; **Accessibility** – location of libraries; **Reliability** – information is current; **Assurance** – (trustworthiness) staff offer comprehensive expert advice; **Responsiveness** – to user requests; **Assurance** – achieving Council's priorities as set out in the Arts Strategy; **Growth** – opportunities to recognise and promote; and **Accessibility** – to local art and artists.

SIGNIFICANT EFFECTS OF UNDERTAKING THIS ACTIVITY

Positive effects include:

- access to books and information services;
- community hubs to provide gathering points where the community can share ideas and celebrate creativity, and provide safe, quiet places for people to read, reflect without hassle;
- a thriving arts community, together with the preservation and celebration of the District's history and heritage, assist in the creation of a sense of place and community identity;
- increased economic benefit through arts events, arts and heritage attractions, and fostering the creative business sector; and
- engagement of tāngata whenua and other members of the community in arts activities that celebrate the natural environment.

Negative effects include:

- content of materials, artwork or collections may offend some people;
- illegal internet downloading;
- perception of unfair competition for low rental charges on DVDs and CDs by local businesses;

- resistance to any charges on materials in libraries (New Zealand is only one of two OECD countries that have charges on public library materials); and
- competition for scarce public arts funding can cause friction between people and organisations involved in the arts.



LEVELS OF SERVICE

The following Levels of Service have been extracted from the Activity Management Plan. The performance measures and performance targets included are representative of the major aspects of the activities provided in the Libraries, Arts and Museums Activity.

LEVEL OF SERVICE	HOW WE WILL MEASURE SUCCESS	WHEN WE MEASURE	BASELINE	2012/13	2013/14	2014/15	2015/32
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Libraries

Collections provide current information and a constant choice of new materials.	Collections are refreshed with 350 new items added to the collections per annum per 1000 population.	Annually	395 new items per 1000 population	350 new items per 1000 population	300 new items per 1000 population	300 new items per 1000 population	300 new items per 1000 population
Libraries offer a range of materials and spaces to meet demand.	At least 50% of the Kāpiti Coast District population has utilised the libraries in the past two years.	Annually	84%	50%	50%	50%	50%
Heritage Collection is available electronically, and originals held within the region.	At least 250 Heritage Collection items are digitised per year.	Annually	321	250	250	250	250

Arts and Museums

Art is installed at appropriate community spaces to meet community expectations.	At least one item of public art is commissioned every two years.	Two Yearly	New	Yes	Yes	Yes	Yes
Opportunities to recognise art and promote artists are supported.	The numbers of artists participating in the annual Arts Trail increases annually.	Annually	200	More than 200	More than 2012/13	More than 2013/14	More than 2014/15

FORECAST STATEMENT OF FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE

LIBRARIES, ARTS AND MUSEUMS THE FIRST TEN YEARS

YEAR	0	1	2	3	4	5	6	7	8	9	10
\$000	2011/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22

EXPENDITURE

Operating Costs	3,073	3,189	3,326	3,430	3,662	3,846	4,020	4,077	4,231	4,392	4,551
Interest	319	179	174	160	301	435	405	375	345	315	285
Depreciation	567	575	621	656	691	1,022	1,055	1,132	1,162	1,196	1,229
Operating Expenditure	3,959	3,943	4,121	4,246	4,654	5,303	5,480	5,584	5,738	5,903	6,065

REVENUE

External Income	283	257	255	263	3,533	281	291	301	311	322	333
Development Contributions	-	16	117	53	327	86	183	131	277	184	297
Internal Recoveries	58	59	60	61	62	64	65	66	68	69	71
Gross Operating Revenue	341	332	432	377	3,922	431	539	498	656	575	701
Less Revenue for Capital Purposes	-	16	117	53	77	86	183	131	277	184	297
Net Operating Revenue	341	316	315	324	3,845	345	356	367	379	391	404
NET OPERATING COSTS	3,618	3,627	3,806	3,922	809	4,958	5,124	5,217	5,359	5,512	5,661

CAPITAL ITEMS

Loan Repayments	276	267	285	285	285	507	507	507	507	507	507
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CAPITAL EXPENDITURE

New Assets	475	732	482	513	5,529	560	584	609	686	663	692
Asset Renewal	779	131	139	134	3,448	287	310	210	135	246	206
Total Capital Expenditure	1,254	863	621	647	8,977	847	894	819	821	909	898
Total Capital Items	1,530	1,130	906	932	9,262	1,354	1,401	1,326	1,328	1,416	1,405
NET COST OF ACTIVITY	5,148	4,757	4,712	4,854	10,071	6,312	6,525	6,543	6,687	6,928	7,066

FUNDING SOURCES

Utilisation of Balances	47	48	-	-	-	1	1	1	1	1	1
Depreciation Reserve	703	526	579	649	740	1,018	958	923	769	938	800
Development Contributions	79	16	117	53	327	86	183	131	277	184	297
Loans	542	348	-	-	4,444	-	-	-	-	-	-
Total Funding before Rates	1,371	938	696	702	5,511	1,105	1,142	1,055	1,047	1,123	1,098
Rates	3,777	3,819	4,016	4,152	4,560	5,207	5,383	5,488	5,640	5,805	5,968
TOTAL SOURCES OF FUNDS	5,148	4,757	4,712	4,854	10,071	6,312	6,525	6,543	6,687	6,928	7,066



LIBRARIES, ARTS AND MUSEUMS THE SECOND TEN YEARS

YEAR	11	12	13	14	15	16	17	18	19	20
\$000	2022/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32

EXPENDITURE

Operating Costs	4,662	4,832	4,938	5,135	5,257	5,555	5,775	6,097	6,221	6,448
Interest	255	225	195	172	258	565	753	704	654	604
Depreciation	1,262	1,298	1,332	1,368	1,412	1,669	1,940	1,980	2,028	2,073
Operating Expenditure	6,179	6,355	6,465	6,675	6,927	7,789	8,468	8,781	8,903	9,125

REVENUE

External Income	345	357	369	382	396	409	424	439	454	470
Development Contributions	169	175	164	163	575	600	163	214	181	225
Internal Recoveries	73	74	76	78	80	82	84	86	88	90
Gross Operating Revenue	587	606	609	623	1,051	1,091	671	739	723	785
Less Revenue for Capital Purposes	169	175	164	163	575	600	163	214	181	225
Net Operating Revenue	418	431	445	460	476	491	508	525	542	560
NET OPERATING COSTS	5,761	5,924	6,020	6,215	6,451	7,298	7,960	8,256	8,361	8,565

CAPITAL ITEMS

Loan Repayments	507	507	507	243	243	371	654	654	654	654
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CAPITAL EXPENDITURE

New Assets	723	755	827	1,061	7,420	7,687	937	979	1,022	1,067
Asset Renewal	210	170	156	138	159	265	176	359	222	594
Total Capital Expenditure	933	925	983	1,199	7,579	7,952	1,113	1,338	1,244	1,661
Total Capital Items	1,440	1,432	1,490	1,442	7,822	8,323	1,767	1,992	1,898	2,315
NET COST OF ACTIVITY	7,201	7,356	7,510	7,657	14,273	15,621	9,727	10,248	10,259	10,880

FUNDING SOURCES

Utilisation of Balances	1	1	2	2	2	2	2	2	2	2
Depreciation Reserve	950	922	977	915	4,298	1,669	1,191	1,347	1,267	1,622
Development Contributions	169	175	164	163	575	600	163	214	181	225
Loans	-	-	-	-	2,569	5,659	-	-	-	-
Total Funding before Rates	1,120	1,098	1,143	1,080	7,444	7,930	1,356	1,563	1,450	1,849
Rates	6,081	6,258	6,367	6,577	6,829	7,691	8,371	8,685	8,809	9,031
TOTAL SOURCES OF FUNDS	7,201	7,356	7,510	7,657	14,273	15,621	9,727	10,248	10,259	10,880

PARKS AND OPEN SPACE

Ngā Papa Rēhia me ngā Wāhi Maho Māhorahora

THIS ACTIVITY LINKS TO COMMUNITY OUTCOMES:	1	2	3	4	5	6	7
	✓	✓		✓		✓	✓

INTRODUCTION

This Activity recognises the importance of Place, Open Space, Centres and Design. Parks and open space contribute to the health and wellbeing of individuals and communities giving opportunities to play, keep fit and participate in sporting activities. Key parks and reserves also play a major part in supporting biodiversity and the overall natural area of the District.

WHAT DOES THIS ACTIVITY PROVIDE?

The Parks and Open Space Activity is responsible for: Parks – including destination parks and neighbourhood parks; Reserves and monitored ecological sites – including bush reserves and coastal esplanades; Sports grounds; Playgrounds; Trees and Amenity plantings; and Built Assets such as pavilions, toilets, furniture, etc.

ASSUMPTIONS, RISKS AND KEY POINTS TO NOTE

Assumptions include:

- Current levels of service will be maintained as a minimum.

Uncertainties include:

- ownership and delivery options are unclear due to a lack of policy in certain areas, such as provision of changing facilities and maintenance and provision of trees;
- capital forecasting cannot achieve desirable levels of reliability due to current problems with accuracy in the asset register; and

YOUR FEEDBACK

During the consultation on this Plan we told you about:

- our five priorities/projects (page 34), and
- the rates required, in accordance with the Financial Strategy (pages 46 to 68), to provide the services and programmes in this Activity.

We asked if you are satisfied with the quality of service you receive in this Activity? The result was:

PERCENTAGE SATISFIED



- affordability of providing and maintaining parks and open spaces may exceed what the community can spend.

Points to note include:

- climate change effects will mean an increase in some services and activities – biodiversity support, dune management, and provision of secondary flow paths for flood waters. This last implication will require close collaboration between the Leisure and Open Spaces and Stormwater Teams. The provision of secondary flow paths for flood waters and coastal erosion may also mean a loss of significant Council reserves. This is also addressed in the Coastal Structures Asset Management Plan. The Leisure and Open Space Team will seek opportunities to reduce the greenhouse gas footprint of its activities;



- growth management - ways of continuing to provide enough parks to meet the industry standard of making a park or open space available within 400 meters of every urban house will be investigated; and
- broadband - it is likely that central government will introduce a National Environment Standard (NES) or other legislative changes that provide more rights for telecommunications companies for deployment and maintenance of fibre networks. Some of this infrastructure may well be sited on reserve land.

WHAT ARE THE ISSUES?

Districtwide Sports Grounds - Availability of some fields during the transition periods between winter and summer seasons can vary because of maintenance and refurbishment schedules. The overlapping of pre- and post-season games of certain codes can also be problematic. There is also an absolute shortage of sports grounds in some areas such as Waikanae.

Trends in Leisure Activity - Changes in how the community spends its recreation time mean that the way parks and other open space areas are used will need to be monitored and may need to adapt.

Asset Management Improvements - Some management systems and databases are not fit for purpose. Options for improvement will need to be considered.

Private Encroachment on Reserves and Coastal Dune Area - Significant encroachment onto Council-owned reserves and coastal areas has occurred over a period of time. This has reached a point where the Council will need to address the issue in the foreseeable future which is addressed in the Coastal Management Strategy in regard to encroachment onto dunes.

Lack of Integrated Districtwide Viewpoint - The various communities and user groups within them, such as sports clubs, tend to have a very localised perspective. This presents challenges for the Council when attempting to manage provision of facilities on a districtwide basis.

Affordability - Levels of service for parks and open spaces will need to be reviewed as costs and area of reserves increase.

Campbell Park, the only area available for formal sport in Paekākāriki, is in high demand and its frequent use makes maintaining the sportsfield challenging. The Council is actively working with Greater Wellington Regional Council to try and secure the use of land on Tilley Road to take the pressure off Campbell Park.

Development of 35 Hectare Site

The immediate priority in 2012/13 is the development of a Management Plan for the recently acquired 35 hectare site between Otaihangā Road and the Waikanae River. While the plan (to be formulated with community input) will set out the long term vision for the site, there will be early work carried out to make some land available for active recreation, potentially junior sport, in the early years of the Long Term Plan.

Council started collecting details of those who are interested and want to participate in the formulation of the management plan during the consultation on this Long Term Plan.

HOW DOES THIS ACTIVITY BENEFIT THE KĀPITI COAST?

There are a number of reasons for councils in general and Kāpiti Coast District Council in particular to be involved in providing parks and open spaces. They are that:

- the community expects that there will be parks and open spaces available for recreational purposes. Beyond this active use of the spaces and services provided, the community also values green spaces - parks and reserves - for their own sake. They have an amenity value for the community, making our urban areas, especially, more attractive places to live. If the need for sports grounds were to disappear, it is clear that the community would continue to expect the council to provide parks and open spaces. They contribute a sense

of having “room to breathe” in our fast-paced world and give urban dwellers a feeling of being in touch with the natural environment, despite the fact that these spaces are carefully managed; and

- community ownership of a variety of well-managed parks and open spaces is a source of pleasure for many in our community providing health benefit opportunities and contributing to a sense of pride in Kāpiti’s natural environment which is part of its identity.

The Activity Rationale and Strategic Objectives for Parks and Open Space are:

- developing a coherent open space framework that helps to maintain a rich and diverse network of open spaces that protect the region’s ecology; and
- supporting the identity, health, cohesion and resilience of the District’s communities.

The Customer Values being addressed in this Activity include: **Accessibility** – facilities are accessible to all users; **Availability** - a range of types of facilities are available to users during the day and evening as appropriate; **Biodiversity** – supporting and enhancing biodiversity throughout the district; **Quality** – network enhances people’s experience of the outdoor environment; **Responsiveness** – the Council responds promptly in a respectful and friendly way; **Safety** - users are as safe as practicable given the nature of the activities; **Quality** - built facilities are fit for purpose; **Whole of community benefits** – contribution to improved health outcomes in the District, a network of natural green areas enhances the character and quality of centres and neighbourhoods; and **Community engagement** – communities have appropriate levels of input to decisions and activities.

SIGNIFICANT EFFECTS OF UNDERTAKING THIS ACTIVITY

Positive effects include:

- parks and open spaces make a significant contribution to the community’s health and physical well-being, both through offering space for physical exercise and recreation and also through contributing to water quality management;
- The network of parks and open spaces supports the maintenance and improvement of urban biodiversity; and
- Open spaces assist with hazard management through providing stormwater overflow paths during flood events.

Negative effects include:

- noise from events in parks can create a nuisance for neighbours;
- security and privacy can be compromised for park and open space neighbours;
- increased traffic congestion as a consequence of events held in parks and open space can have quite wide-spread effects and demand for parking spaces can create problems for venue neighbours;
- vandalism can be a problem in unsupervised open spaces; and
- crime and anti-social behaviour are an unfortunate fact of life in some parks and open space areas as a result of design (poor sight lines from the exterior) and location.



LEVELS OF SERVICE

The following Levels of Service have been extracted from the Asset Management Plan. The performance measures and performance targets included are representative of the major aspects of the activities provided in the Parks and Open Space Activity.

LEVEL OF SERVICE	HOW WE WILL MEASURE SUCCESS	WHEN WE MEASURE	BASELINE	2012/13	2013/14	2014/15	2015/32
Residents in urban areas live reasonably close to a recreation facility (including other publicly owned space).	85% of residential dwellings in urban areas are within 400 metres of a publicly owned open space.	Annually	92%	85%	85%	85%	85%
Each ward in the District has open spaces suitable for a range of physical and mental abilities.	Each ward has open spaces that provide an equivalent experience for all visitors regardless of any limit to their abilities.	Annually	New	Yes	Yes	Yes	Yes
A range of active recreation facilities is available throughout the District both during and after business hours.	85% of residents are satisfied with the current time availability of facilities.	Annually	78%	85%	85%	85%	85%
Open spaces offer a range of environments of different characters.	75% of residents are satisfied with the range, variety and character of Council-owned parks and open spaces.	Annually	New	75%	75%	75%	75%

FORECAST STATEMENT OF FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE

PARKS AND OPEN SPACE THE FIRST TEN YEARS

YEAR	0	1	2	3	4	5	6	7	8	9	10
\$000	2011/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22

EXPENDITURE

Operating Costs	3,167	3,415	3,509	3,636	3,776	3,917	4,054	4,169	4,303	4,452	4,601
Interest	145	111	150	196	251	294	308	309	307	294	282
Depreciation	616	823	927	944	991	1,023	1,011	1,001	977	965	926
Operating Expenditure	3,928	4,349	4,586	4,776	5,018	5,234	5,373	5,479	5,587	5,711	5,809

REVENUE

External Income	64	81	84	87	90	93	96	99	102	106	110
Internal Revenue	-	49	15	-	-	-	-	-	-	-	-
Development Contributions	1,324	397	301	301	322	346	491	661	856	895	903
Gross Operating Revenue	1,388	527	400	388	412	439	587	760	958	1,001	1,013
Less Revenue for Capital Purposes	1,324	397	301	301	322	346	491	661	856	895	903
Net Operating Revenue	64	130	99	87	90	93	96	99	102	106	110
NET OPERATING COSTS	3,864	4,219	4,487	4,689	4,928	5,141	5,277	5,380	5,485	5,605	5,699

CAPITAL ITEMS

Loan Repayments	311	44	72	91	121	149	170	174	182	182	182
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CAPITAL EXPENDITURE

New Assets	3,241	1,860	1,501	998	1,336	957	845	1,371	1,352	907	1,043
Asset Renewal	339	150	217	445	302	441	186	378	129	677	317
Total Capital Expenditure	3,580	2,010	1,718	1,443	1,638	1,398	1,031	1,749	1,481	1,584	1,360
Total Capital Items	3,891	2,054	1,790	1,534	1,759	1,547	1,201	1,923	1,663	1,766	1,542
NET COST OF ACTIVITY	7,755	6,273	6,277	6,223	6,687	6,688	6,478	7,303	7,148	7,371	7,241

FUNDING SOURCES

Depreciation Reserve	661	823	927	324	591	573	611	1,001	807	871	639
Development Contributions	1,326	348	286	301	322	346	491	661	856	895	903
Loans	1,018	588	562	908	847	628	98	261	-	-	-
Loans Carried Over	910	245	-	-	-	-	-	-	-	-	-
Total Funding before Rates	3,915	2,004	1,775	1,533	1,760	1,547	1,200	1,923	1,663	1,766	1,542
Rates	3,840	4,269	4,502	4,070	4,527	4,691	4,878	5,380	5,485	5,605	5,699
TOTAL SOURCES OF FUNDS	7,755	6,273	6,277	5,603	6,287	6,238	6,078	7,303	7,148	7,371	7,241
Unfunded Depreciation	-	-	-	620	400	450	400	-	-	-	-
TOTAL	7,755	6,273	6,277	6,223	6,687	6,688	6,478	7,303	7,148	7,371	7,241



PARKS AND OPEN SPACE THE SECOND TEN YEARS

YEAR	11	12	13	14	15	16	17	18	19	20
\$000	2022/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32

EXPENDITURE

Operating Costs	4,758	4,915	5,081	5,256	5,435	5,622	5,815	6,013	6,212	6,420
Interest	280	303	373	435	436	416	396	459	544	558
Depreciation	903	945	989	1,058	1,054	1,034	1,072	1,074	1,151	1,208
Operating Expenditure	5,941	6,163	6,443	6,749	6,925	7,072	7,283	7,546	7,907	8,186

REVENUE

External Income	113	117	122	126	130	135	139	144	149	155
Internal Revenue	-	-	-	-	-	-	-	-	-	-
Development Contributions	904	905	905	905	905	905	905	905	905	905
Gross Operating Revenue	1,017	1,022	1,027	1,031	1,035	1,040	1,044	1,049	1,054	1,060
Less Revenue for Capital Purposes	904	905	905	905	905	905	905	905	905	905
Net Operating Revenue	113	117	122	126	130	135	139	144	149	155
NET OPERATING COSTS	5,828	6,046	6,321	6,623	6,795	6,937	7,144	7,402	7,758	8,031

CAPITAL ITEMS

Loan Repayments	182	191	212	260	277	277	277	277	346	367
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CAPITAL EXPENDITURE

New Assets	1,683	1,353	2,511	1,791	1,132	1,341	1,651	3,346	1,807	1,743
Asset Renewal	746	932	635	420	295	203	412	436	508	409
Total Capital Expenditure	2,429	2,285	3,146	2,211	1,427	1,544	2,063	3,782	2,315	2,152
Total Capital Items	2,611	2,476	3,358	2,471	1,704	1,821	2,340	4,059	2,661	2,519
NET COST OF ACTIVITY	8,439	8,522	9,679	9,094	8,499	8,758	9,484	11,461	10,419	10,550

FUNDING SOURCES

Depreciation Reserve	1,453	945	989	1,058	799	917	1,436	1,082	1,151	1,208
Development Contributions	904	905	905	905	905	905	905	905	905	905
Loans	254	626	1,463	508	-	-	-	2,072	605	405
Loans Carried Over	-	-	-	-	-	-	-	-	-	-
Total Funding before Rates	2,611	2,476	3,357	2,471	1,704	1,822	2,341	4,059	2,661	2,518
Rates	5,828	6,046	6,322	6,623	6,795	6,936	7,143	7,402	7,758	8,032
TOTAL SOURCES OF FUNDS	8,439	8,522	9,679	9,094	8,499	8,758	9,484	11,461	10,419	10,550
Unfunded Depreciation	-	-	-	-	-	-	-	-	-	-
TOTAL	8,439	8,522	9,679	9,094	8,499	8,758	9,484	11,461	10,419	10,550

SOLID WASTE

Para Ūtonga

THIS ACTIVITY LINKS TO COMMUNITY OUTCOMES:	1	2	3	4	5	6	7
				✓	✓		

INTRODUCTION

Kāpiti Coast District Council is a registered Zero Waste Council which strongly supports reducing waste to landfill. Managing solid waste services effectively is a core Council activity. This covers contract management for Council's collection services, recycling drop off, transfer stations and Otaihanga landfill operation. It also covers resource consent management, strategic development and waste minimisation education.

WHAT DOES THE ACTIVITY PROVIDE?

This Activity area:

- provides effective and efficient waste management, as required by the Waste Minimisation Act 2008, including waste minimisation;
- provides rubbish bag collection for Council bag users in the urban area;
- provides in partnership with three Kāpiti waste collectors – kerbside recycling collection in the urban area for Council bag users and wheelie bin users;
- provides transfer stations in Otaihanga and Ōtaki, including recycling;
- provides a greenwaste and recycling centre in Waikanae;
- provides three recycling drop off stations in Otaihanga, Waikanae and Ōtaki;
- participates in regional and national knowledge sharing;

YOUR FEEDBACK

During the consultation on this Plan we told you about:

- our five priorities/projects (page 34), and
- the rates required, in accordance with the Financial Strategy (pages 46 to 68), to provide the services and programmes in this Activity.

We asked if you are satisfied with the quality of service you receive in this Activity? The result was:

PERCENTAGE SATISFIED	
YES	NO
82%	18%

- initiates, develops and stimulates waste minimisation activities by Councils contractors;
- works with Greater Wellington Regional Council to ensure the landfill aftercare meets current and future environmental requirements; and
- provides hands on action with regard to waste minimisation and education via Greenest Street Competition, Sustainable Home and Garden Show and other waste minimisation projects initiated by schools and households.



ASSUMPTIONS, RISKS AND KEY POINTS TO NOTE

Assumptions include:

- use of price as waste minimisation tool: it is Council's long term position that solid waste services should be funded by its users;
- return on bags sales will be sufficient to fund the kerbside recycling and rubbish collection services for Council bag users;
- bag charges are reviewed annually to ensure that the costs of rubbish and recycling collection, disposal and inflation generally are reflected in the price; and
- other charges (Ōtaki Transfer Station) are reviewed annually to ensure that costs are being covered.

Uncertainties include:

- the financial effects on waste disposal costs when the Waste Sector enters the New Zealand Emissions Trading Scheme (ETS) per January 2013. Landfill operators will be charged for every tonne of CO₂ produced by the waste going into landfill. These costs will be passed on to the disposer. Council has taken an estimated cost into account in the budgets. Real costs will not be known until later in 2012.

Points to note:

- opportunities are being explored over the next 12 months to establish a clean technology waste minimisation and reuse park at Ōtaki Transfer Station;
- future development planning for Otaihangā landfill will incorporate a permanent solution for leachate management (including final capping of the landfill and other required works) as well as permanent solution for the District's biosolids; processing of greenwaste; and researching and potentially developing options for reuse of other organic waste streams;
- review of the biosolids beneficial reuse and disposal which may have an impact on solid waste revenue in five to ten years;

- tender process for rubbish and recycling collection, will focus on enhancing the service and maximising waste minimisation while remaining self funding (disposer pays principle); and
- implementation of the regional and local actions stated in the 2011 Wellington Region Waste Management and Minimisation Plan will continue.

The timeframes of the current contracts, landfill future development and the Wellington Regional Waste Management and Minimisation Plan provide for a number of waste minimisation opportunities and the opportunity to minimise the harmful effect of waste.

WHAT ARE THE ISSUES?

Specific issues, including improvements to what Council is currently doing are detailed below:

- As a result of increasing disposal costs (Waste Levy and Emissions Trading Scheme) there might be an increased requirement to fund the public good services provided via the existing transfer stations from rates with more than 1%. If that eventuates, Council will have to review the levels of service and the associated funding.

Changes to Services

For 2012/13 Council has made some significant decisions for solid waste services in an effort to reduce costs while maintaining the current levels of service.

After 1 July 2012 paper rubbish bags will no longer be sold, however they will still be collected. Production costs of paper bags are more than twice the cost of the yellow biodegradable plastic bags. The savings will allow Council to keep bag prices within the price range that can be expected on a user pays funding basis. Unlike other Councils in the Wellington region, Kāpiti Coast District Council does not fund kerbside collections (bags and recycling) with rates but covers the cost solely by bag sales.

The current greenwaste and composting services at the Otaihangā Landfill Site is the

largest contributor to minimising the total waste to landfill from the Kāpiti District. It is therefore very important to maintain those services and encourage Kāpiti's residents to dispose of green waste separately and enable them to contribute to waste minimisation.

The Council has reassessed its role in this process and the financial consequences of the need to cover costs through fees charged at the gate. Council has concluded that its involvement between the commercial operator and the residents dropping off greenwaste provides no additional benefit and creates additional costs. Therefore Council will no longer be involved in this service and will no longer set the greenwaste fees in the District. There is a good quality local service provider who wishes to undertake the full service. From July 2012 the operator will be leasing land to provide the service and will set the fees.

Solid waste services are aimed at providing residents with the ability to act in a sustainable way. The Waikanae Recycling Centre, where greenwaste, Council rubbish bags and recycling are accepted is an example of providing an important level of service close to home for Waikanae residents. Such close proximity would not normally be provided by a Solid Waste Activity and is more about local convenience than waste minimisation. The costs associated with providing this higher level of service can no longer be met within the full user pays funded solid waste budget. Because it is important to Council to maintain this level of service it is proposed to fund it out of rates.

HOW DOES THIS ACTIVITY BENEFIT THE KĀPITI COAST?

This activity fulfils the requirement of the Waste Minimisation Act 2008 that Council must promote effective and efficient waste management and minimisation within its District.

It also enables residents to act in a sustainable manner on a day to day basis.

As the District no longer has a landfill that is open for general waste, waste reduction and minimisation need to be, and are, at the forefront of this activity.

The Activity Rationale and Strategic Objectives for Solid Waste are:

- minimising harmful effects on the environment; and
- effective waste management.

The Customer Values being addressed in this Activity include **Environmental sustainability** – waste minimisation; **Reliability** – regular collection; **Responsiveness** – calls are followed by action.

SIGNIFICANT EFFECTS

Positive effects include:

- reduction of waste to landfill, lessening impact on the environment;
- re-use and recycling of waste resulting in less use of valuable resources needed to produce new products/materials;
- supporting the start up of local waste minimisation businesses and initiatives; and
- reduction, re-use and recycling within the District will make the community more resilient.

Negative effects include:

- Steadily increasing costs of disposal (waste levy per tonne, ETS costs per (CO₂ tonne);
- negative effect of the disposer pays principle could be potential for more illegal dumping of waste;
- leachate from the part closed landfill;
- poor rubbish collection services would lead to environmental pollution and possible health risks; and
- poor recycling services would lead to increased volumes of litter within neighbourhoods.



LEVELS OF SERVICE

The following Levels of Service have been extracted from the Activity Management Plan. The performance measures and performance targets included are representative of the major aspects of the activities provided in the Solid Waste Activity.

LEVEL OF SERVICE	HOW WE WILL MEASURE SUCCESS	WHEN WE MEASURE	BASELINE	2012/13	2013/14	2014/15	2015/32
Waste and recycling collected weekly on the same day in the urban area.	No more than 10 reports of uncollected bags per week.	Annually	7	<10	<10	<10	<10
Waste and recycling collected weekly on the same day in the urban area.	No more than 10 reports of uncollected recycling bins per week.	Annually	3	<10	<10	<10	<10
Reduce waste to landfill.	Waste analysis every three years, (base year 2010), shows a reduction of waste (tonnes) to landfill.	Three yearly	20,092 tonnes	<20,092 tonnes	-	-	Less than 2012/13
Reduce waste to landfill.	Annual report on waste streams (tonnes) shows a reduction.	Annually	New	Yes	Yes	Yes	Yes

FORECAST STATEMENT OF FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE

SOLID WASTE THE FIRST TEN YEARS

YEAR	0	1	2	3	4	5	6	7	8	9	10
\$000	2011/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22

EXPENDITURE

Operating Costs	2,692	2,613	2,880	3,011	3,085	3,202	3,353	3,440	3,569	3,736	3,849
Interest	198	178	179	177	172	166	160	155	154	157	161
Depreciation	66	56	59	62	64	65	66	67	67	71	75
Operating Expenditure	2,956	2,847	3,118	3,250	3,321	3,433	3,579	3,662	3,790	3,964	4,085

REVENUE

External Income	2,988	2,888	3,166	3,293	3,362	3,472	3,617	3,699	3,821	3,986	4,099
Operating Revenue	2,988	2,888	3,166	3,293	3,362	3,472	3,617	3,699	3,821	3,986	4,099
NET OPERATING COSTS	-32	-41	-48	-43	-41	-39	-38	-37	-31	-22	-14

CAPITAL ITEMS

Loan Repayments	100	116	121	125	127	128	129	130	131	137	143
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CAPITAL EXPENDITURE

New Assets	130	137	143	34	35	36	38	39	171	178	185
Total Capital Expenditure	130	137	143	34	35	36	38	39	171	178	185
Total Capital Items	230	253	264	159	162	164	167	169	302	315	328
NET COST OF ACTIVITY	198	212	216	116	121	125	129	132	271	293	314

FUNDING SOURCES

Solid Waste Surplus	-	-22	-37	-39	-41	-42	-45	-47	-50	-52	-55
Depreciation Reserve	142	58	61	64	66	67	68	68	69	73	76
Loans	54	137	143	34	35	36	38	39	171	178	185
Total Funding before Rates	196	173	167	59	60	61	61	60	190	199	206
Rates	2	39	49	57	61	64	68	72	81	94	108
TOTAL SOURCES OF FUNDS	198	212	216	116	121	125	129	132	271	293	314



SOLID WASTE THE SECOND TEN YEARS

YEAR	11	12	13	14	15	16	17	18	19	20
\$000	2022/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32

EXPENDITURE

Operating Costs	4,009	4,203	4,352	4,546	4,783	4,975	5,215	5,504	5,749	6,049
Interest	166	171	177	184	190	197	204	211	219	228
Depreciation	78	82	86	91	95	100	105	110	115	119
Operating Expenditure	4,253	4,456	4,615	4,821	5,068	5,272	5,524	5,825	6,083	6,396

REVENUE

External Income	4,256	4,449	4,597	4,790	5,027	5,219	5,453	5,743	5,990	6,291
Operating Revenue	4,256	4,449	4,597	4,790	5,027	5,219	5,453	5,743	5,990	6,291
NET OPERATING COSTS	-3	7	18	31	41	53	71	82	93	105

CAPITAL ITEMS

Loan Repayments	149	156	162	169	177	184	186	194	203	212
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CAPITAL EXPENDITURE

New Assets	193	201	210	219	230	241	253	266	280	295
Total Capital Expenditure	193	201	210	219	230	241	253	266	280	295
Total Capital Items	342	357	372	388	407	425	439	460	483	507
NET COST OF ACTIVITY	339	364	390	419	448	478	510	542	576	612

FUNDING SOURCES

Solid Waste Surplus	-57	-60	-63	-65	-68	-72	-75	-79	-83	-86
Depreciation Reserve	80	84	88	93	97	102	107	112	117	121
Loans	193	201	210	219	230	241	253	266	280	295
Total Funding before Rates	216	225	235	247	259	271	285	299	314	330
Rates	123	139	155	172	189	207	225	243	262	282
TOTAL SOURCES OF FUNDS	339	364	390	419	448	478	510	542	576	612

STORMWATER MANAGEMENT

Whakahaere Wai Āwahā

THIS ACTIVITY LINKS TO COMMUNITY OUTCOMES:	1	2	3	4	5	6	7
	✓	✓	✓	✓			✓

INTRODUCTION

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

WHAT DOES THIS ACTIVITY PROVIDE?

On average, the Kāpiti Coast is subject to a total of over 1,000mm of rainfall a year which in turn produces a significant volume of stormwater runoff. In this Activity Council aims to protect property, public health and the environment by safely and efficiently collecting, transporting, treatment and disposal of stormwater runoff in urban areas. This includes managing streams, watercourses and a physical stormwater pipe network. The Council also requires all developments to be hydraulically neutral to ensure that peak flows do not increase downstream and that ponding levels are not increased upstream. The Greater Wellington Regional Council is responsible for flood protection associated with the major rivers.

ASSUMPTIONS, RISKS AND KEY POINTS TO NOTE

Assumptions include:

- that climate change will be as per Ministry of the Environment guidelines; and
- that future developments will be able to achieve the Council's policy of hydraulic neutrality and not increase the peak flow leaving the development area.

YOUR FEEDBACK

During the consultation on this Plan we told you about:

- our five priorities/projects (page 34), and
- the rates required, in accordance with the Financial Strategy (pages 46 to 68), to provide the services and programmes in this Activity.

We asked if you are satisfied with the quality of service you receive in this Activity? The result was:

PERCENTAGE SATISFIED



Points to note include:

Prioritisation system. The Council had used a prioritisation system which allows for objective ranking of identified stormwater works to establish which works will be done first. The ranking was at first concerned with extent and severity of flooding. However, more recently, the issue of groundwater ponding has been given more emphasis. Groundwater ponding under a house and prolonged groundwater ponding around a house are now used as factors in assessing priority. (Note: this does not mean that works will be undertaken to prevent all ponding on properties).



Large proportion of flood-prone properties

Water quality. Both urban and rural stormwater runoff contains contaminants that can in turn be passed into our streams and waterways and discharged to coastal waters. The Council now undertakes a significant water quality monitoring programme and has measures in place to improve water quality. One potential strategy to focus more attention on pollutants from the roads is to transfer the responsibility of sump cleaning from Access and Transport to Stormwater.

Split responsibilities. Part of our community is protected by stop banks which are owned and maintained by Greater Wellington Regional Council which this Council has little, or no, control over. This raises the question as to whether the Council should be allowing new development which is protected by these structures which have some risk of failure.

Over the last two years the Council has remapped the flood hazards incorporating the latest Ministry for the Environment Guidelines for all of the District's urban areas that are serviced by the Council's network. This information (the Floodplain Management Plans) is being consulted on and the results will feed into the District Plan review and this 2012 – 2032 Long Term Plan.

WHAT ARE THE ISSUES?

Of the approximately 18,000 urban properties that currently exist in Kāpiti, 6,500 have a flood designation registered on the property in our District Plan for a 1:100 event. This means there is a 1% chance of the property becoming inundated in any one year. This could range from a puddle on the lawn to the dwelling being flooded. Given this large proportion of affected properties there will always be pressure on the Council to address stormwater issues. Continued development puts increasing strain on existing infrastructure. Often the existing infrastructure was built to a much lower standard than today and is not designed to cope with the increased run off generated by new developments.

Groundwater. Elevated groundwater levels have been linked to an increased incidence of flooding and water ponding in some areas.

The stormwater network is currently being upgraded to meet existing levels of service in the following areas:

- there are some Raumati and Paraparaumu stormwater capital projects that have been highlighted by the community where the increased groundwater table levels have created a long term nuisance at a number of properties. Investigations have been carried out in these areas and the projects costed and prioritised. A number of these projects have ranked highly and construction has either begun or been completed. A Strategic Prioritisation list has been established and is regularly reviewed; and
- the Ōtaki stormwater network has been fully analysed and large portion of the infrastructure is well under capacity. An estimated \$20 - \$50 million is required to bring Ōtaki's stormwater network up to the current levels of service.

HOW DOES THIS ACTIVITY BENEFIT THE KĀPITI COAST?

This Activity provides an effective stormwater system for residential, commercial and industrial properties within our urban limits.

The Customer Values being addressed in this Activity include: **Safety** – the system is designed to minimise threats to human life and protect property from the impacts of flooding; **Environmental quality** – stormwater systems are designed to have minimal negative environmental effects and to enhance the environment where possible; **Responsiveness** – the Council responds to contacts promptly in a respectful and friendly way, issues are resolved promptly; **Value for money** – the community gets good value from rates spending on stormwater; and **Community engagement** – communities have direct input into planning decisions where appropriate.

SIGNIFICANT EFFECTS OF UNDERTAKING THIS ACTIVITY

Positive effects include:

- protecting receiving environments and enhancing the ecological and amenity values of our streams and open drains;
- providing an effective stormwater system for residential, commercial and industrial properties within our urban limits; and
- minimising the nuisance of flooding and protects flood prone habitable buildings.

Negative effects include:

- environmental damage caused by pollution;
- parks closed by flooding from secondary overflow requirements;
- scouring at discharge points; and
- piping of natural systems.



LEVELS OF SERVICE

The following Levels of Service have been extracted from the Asset Management Plan. The performance measures and performance targets included are representative of the major aspects of the activities provided in the Stormwater Management Activity.

LEVEL OF SERVICE	HOW WE WILL MEASURE SUCCESS	WHEN WE MEASURE	BASELINE	2012/13	2013/14	2014/15	2015/32
Risks to human life and health from flooding are minimised.	Residents perceive that their physical safety is safeguarded by the stormwater system during design standard events. ⁽¹⁾	Annually	New	Yes	Yes	Yes	Yes
Stormwater systems do not harm the downstream receiving environment.	Environmental audits show an improving trend in stormwater quality year on year.	Annually	New	Yes	Yes	Yes	Yes
Detention and distribution systems minimise negative effects on natural systems.	Water quality improvement measures – for example, riparian planting, treatment devices – are considered in all new stormwater designs and upgrades.	Annually	New	100%	100%	100%	100%
The Council responds to requests for help in a timely and professional manner.	90% of all buildings that have been inundated due to minor flooding are visited within four weeks.	Annually	100%	90%	90%	90%	90%
The Council responds to requests for help in a timely and professional manner.	98% of all urgent requests about flooding are responded to within 24 hours.	Annually	92%	98%	98%	98%	98%

(1) Notes

Design standard results are:

- minor flooding means flooding with a return period of five years or less;
- one in 10 year flood means there is a 10% chance a flood will occur in any one year; and
- one in 100 year flood means that there is a 1% chance of a flood occurring in any one year – but it will be more severe than a one in 10 year flood.

Although a 10-year event will occur, on average, once every 10 years and a 100-year event is so large it is expected to occur only every 100 years, this is only a statistical statement to describe the level of risk arising from these storm or flooding events. It does not mean 100-year floods will happen regularly, every 100 years. In any given 100-year period, a 100-year storm may occur once, twice, more, or not at all.

FORECAST STATEMENT OF FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE

STORMWATER MANAGEMENT THE FIRST TEN YEARS

YEAR	0	1	2	3	4	5	6	7	8	9	10
\$000	2011/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22

EXPENDITURE

Operating Costs	1,324	1,382	1,331	1,381	1,418	1,469	1,557	1,614	1,701	1,770	1,843
Interest	949	919	1,034	1,164	1,298	1,419	1,509	1,594	1,673	1,726	1,771
Depreciation	821	893	934	970	1,038	1,081	1,124	1,138	1,154	1,203	1,254
Operating Expenditure	3,094	3,194	3,299	3,515	3,754	3,969	4,190	4,346	4,528	4,699	4,868

REVENUE

External Revenue	-	50	52	54	55	57	59	61	63	66	69
Development Contributions	133	109	16	116	115	100	136	98	302	259	250
Gross Operating Revenue	133	159	68	170	170	157	195	159	365	325	319
Less Revenue for Capital Purposes	133	109	16	116	115	100	136	98	302	259	250
Net Operating Revenue	-	50	52	54	55	57	59	61	63	66	69
NET OPERATING COSTS	3,094	3,144	3,247	3,461	3,699	3,912	4,131	4,285	4,465	4,633	4,799

CAPITAL ITEMS

Loan Repayments	1,008	760	850	939	1,029	1,387	1,771	1,820	2,028	2,206	2,654
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CAPITAL EXPENDITURE

New Assets	4,733	2,197	2,756	2,835	2,521	2,604	2,665	2,830	2,847	2,969	3,243
Asset Renewal	1,569	746	-	50	588	605	403	363	593	619	1,220
Total Capital Expenditure	6,302	2,943	2,756	2,885	3,109	3,209	3,068	3,193	3,440	3,588	4,463
Total Capital Items	7,310	3,703	3,606	3,824	4,138	4,596	4,839	5,013	5,468	5,794	7,117
NET COST OF ACTIVITY	10,404	6,847	6,853	7,285	7,837	8,508	8,970	9,298	9,933	10,427	11,916

FUNDING SOURCES

Prior Years Rates Surplus	180	208	216	20	-	-	-	-	-	-	-
Depreciation Reserve	662	662	704	777	874	938	1,218	1,244	1,274	1,324	1,382
Development Contributions	133	109	16	116	115	100	136	98	302	259	250
Loans	3,348	2,387	2,641	2,701	2,935	3,064	2,855	3,033	3,089	3,286	4,176
Loans Carried Over	2,720	325	-	-	-	-	-	-	-	-	-
Total Funding before Rates	7,043	3,691	3,577	3,614	3,924	4,102	4,209	4,375	4,665	4,869	5,808
Rates	3,361	3,156	3,276	3,671	3,913	4,406	4,761	4,923	5,268	5,558	6,108
TOTAL SOURCES OF FUNDS	10,404	6,847	6,853	7,285	7,837	8,508	8,970	9,298	9,933	10,427	11,916



STORMWATER MANAGEMENT THE SECOND TEN YEARS

YEAR	11	12	13	14	15	16	17	18	19	20
\$000	2022/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32

EXPENDITURE

Operating Costs	1,959	2,039	2,125	2,258	2,352	2,495	2,600	2,713	2,877	2,996
Interest	1,862	2,016	2,096	2,085	2,007	1,856	1,643	1,311	884	318
Depreciation	1,307	1,383	1,462	1,545	1,632	1,722	1,817	1,915	2,018	2,126
Operating Expenditure	5,128	5,438	5,683	5,888	5,991	6,073	6,060	5,939	5,779	5,440

REVENUE

External Revenue	72	75	78	82	85	89	93	97	101	106
Development Contributions	249	248	248	248	248	248	248	248	248	248
Gross Operating Revenue	321	323	326	330	333	337	341	345	349	354
Less Revenue for Capital Purposes	249	248	248	248	248	248	248	248	248	248
Net Operating Revenue	72	75	78	82	85	89	93	97	101	106
NET OPERATING COSTS	5,056	5,363	5,605	5,806	5,906	5,984	5,967	5,842	5,678	5,334

CAPITAL ITEMS

Loan Repayments	3,144	3,477	4,063	4,750	5,953	7,353	8,831	10,223	12,179	14,115
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CAPITAL EXPENDITURE

New Assets	4,255	4,442	3,903	3,989	4,165	4,348	4,540	4,739	4,948	5,166
Asset Renewal	1,903	1,987	2,074	2,165	2,260	2,360	2,464	2,572	2,685	2,804
Total Capital Expenditure	6,158	6,429	5,977	6,154	6,425	6,708	7,004	7,311	7,633	7,970
Total Capital Items	9,302	9,906	10,040	10,904	12,378	14,061	15,835	17,534	19,812	22,085
NET COST OF ACTIVITY	14,358	15,269	15,645	16,710	18,284	20,045	21,802	23,376	25,490	27,419

FUNDING SOURCES

Prior Years Rates Surplus	-	-	-	-	-	-	-	-	-	-
Depreciation Reserve	1,456	1,561	1,670	1,697	1,876	2,002	2,115	2,260	2,402	2,550
Development Contributions	249	248	248	248	248	248	248	248	248	248
Loans	5,880	6,163	5,724	5,907	6,177	6,460	6,754	7,063	7,385	7,721
Loans Carried Over	-	-	-	-	-	-	-	-	-	-
Total Funding before Rates	7,585	7,972	7,642	7,852	8,301	8,710	9,117	9,571	10,035	10,519
Rates	6,773	7,297	8,003	8,858	9,983	11,335	12,685	13,805	15,455	16,900
TOTAL SOURCES OF FUNDS	14,358	15,269	15,645	16,710	18,284	20,045	21,802	23,376	25,490	27,419

SUPPORTING ENVIRONMENTAL SUSTAINABILITY

Te Tautoko turuki Taiao

THIS ACTIVITY LINKS TO COMMUNITY OUTCOMES:	1	2	3	4	5	6	7
	✓	✓	✓	✓	✓	✓	✓

INTRODUCTION

The Supporting Environmental Sustainability Activity provides direct support for the community in the environmental wellbeing area. Environmental sustainability is increasingly critical as the community's wellbeing potentially places increasing stress on the natural environment – water, air, climate, soil, wildlife and ecosystems.

WHAT DOES THIS ACTIVITY PROVIDE?

In this activity Council:

- provides biodiversity advice and support and policy development;
- provides water use and conservation advice and policy development;
- runs the Annual Sustainable Home and Garden Show;
- implements energy efficiency projects and provide policy development;
- implements waste minimisation initiatives;
- provides sustainable building advice through the Eco-Design Advisor;
- supports environmental education through Enviroschools; and
- funds community sustainability support programmes such as waste minimisation, the Green Gardener, the Green Plumber, Sustainable Neighbourhoods Co-ordinator, Energise Ōtaki and the Greenest Streets Competition.

YOUR FEEDBACK

During the consultation on this Plan we told you about:

- our five priorities/projects (page 34), and
- the rates required, in accordance with the Financial Strategy (pages 46 to 68), to provide the services and programmes in this Activity.

We asked if you are satisfied with the quality of service you receive in this Activity? The result was:

PERCENTAGE SATISFIED



ASSUMPTIONS, RISKS AND KEY POINTS TO NOTE

Assumptions include:

- the activity area is about securing long-term change. It focuses on encouraging community action and behaviour change;
- the current energy policy framework continues;
- water use and conservation work is based on the 2010 water conservation plan and the 2011 water education plan. The introduction of water meters will affect how the water conservation work is carried out. Initially this may require more work to support the community to get used to water meters and then it should taper off as the use of water meters delivers the required water savings;



- Council's commitment to funding community sustainability programmes continues;
- Enviroschools is funded to a level which allows 50% of Kāpiti Coast schools to be supported in the Enviroschools network by 2025; and
- the Sustainable Home and Garden Show continues to be a flag ship event for Council.

Uncertainties include:

- central government is scaling back investment in community sustainability funding programmes. This may result in greater demand for Council funding; and
- the Sustainable Home and Garden Show – sponsorship is increasingly hard to obtain in the current economic environment meaning that Council will need to be prepared to invest more or underwrite more. The show continues to attract around 5,000 people.

Points to note:

- improving community resilience - the development of closer community ties through shared activities, improved community health, environmental sustainability and greater energy independence is a continuing focus;
- peak oil and other resource shortages will require efficiencies in use of both materials and energy which may result in a need to scale back service provision. Alternative sources of both resources and energy will be sought. Council has joined the CarbonNZero programme and aims to be accredited in 2012;
- climate change effects will mean an increased pressure on some services and activities – biodiversity support, and other activities which support the community with practical advice on environmental sustainability. This includes the discussion about impacts and responses to climate change on coastal areas; and
- affordability - the energy savings programme offers opportunities to reduce Council's energy costs and reduce the requirements for funding from rates.

WHAT ARE THE ISSUES?

Energy savings programme. The identification of the projects which will be most effective in reducing Council's purchased energy needs and carbon footprint is critical.

Improve the quality of the Sustainable Home and Garden Show. In order to remain fresh and relevant the quality of this show will need to keep improving and step up to another level.

Water conservation programmes. Aligning the programmes to support the introduction of water meters will be important.

Biodiversity support. Demand for these services continues to increase both internally and from landowners and community groups (for example, 1-2 new community restoration groups established per year). Council will need to fully fund that position to ensure there is capacity to support Council and community environmental restoration projects in order to maintain current service levels.

Community sustainability support programmes. There is opportunity to expand these programmes to encompass a wider range of outcomes particularly in the social wellbeing area, such as building civil defence capacity or neighbourhood watch capacity. No extra resources are required.

HOW DOES THIS ACTIVITY BENEFIT THE KĀPITI COAST?

This Activity is one of the primary ways the Council directly supports the community in the environmental wellbeing area – the other being the regulatory activities of Environmental Protection and District Development Management. Council is providing advice, education and practical assistance to support community action on environmental sustainability.

The latest environmental indicators (globally, nationally and regionally) suggest that the quality and viability of the natural environment is declining in a number of ways. The community depends on the natural environment for its wellbeing, so an increasingly degraded environment threatens the very foundations of wellbeing. For example, poor water, soil and air lead to human health problems and decreased potential for food production. Degraded ecosystems and decreasing amounts of native flora and fauna reduce the quality of life for the community and ultimately reduce the attractiveness of the District. Climate change, brought about by human activity, threatens the community in a number of ways. These natural limits to community wellbeing can, at least partly, be forestalled if the community adopts more environmentally sustainable practices that place less burden on the natural environment.

This activity depends upon and contributes to a partnership and collaboration approach with the community including tāngata whenua and other government agencies. The activity focuses on energy and water conservation, and the encouragement of businesses that work in this area.

In 2010 Council replaced the diesel boiler at the Paraparaumu Wastewater Treatment Plant with a wood-fired boiler. From 2013/14 the energy cost savings from the wood-fired boiler start to become available for further energy efficiency projects. Council has previously agreed to reinvest the savings from the wood-fired boiler in further energy

efficiency projects, both for its own operations and for the community.

The Activity Rationale and Strategic Objective for Supporting Environmental Sustainability is to:

- provide advice, education and practical assistance to support community action on environmental sustainability so the community adopts more environmentally sustainable practices that place less burden on the natural environment.

The Customer Values being addressed in this Activity include; **Professional expertise** - Council's advice is trustworthy and suitably tailored to the customer's circumstances; **Kaitiakitanga/Stewardship** - Council creates opportunities for active community involvement in effective environmental sustainability and biodiversity projects; **Leadership** – the Council plays a lead role in protection and enhancement of the environment and in building community resilience; and **Affordability** – Council initiatives and projects will minimise the impact on rates.

SIGNIFICANT EFFECTS

Positive effects include:

- reduce the pressure for community investment in infrastructure or environmental management to offset the effects of actions; and
- increase community resilience by encouraging community action and behaviour change. The Greenest Street competition is a key example of this.

Negative effects include:

- balancing the needs and wants of many community members to help achieve wellbeing for the District overall. There are conflicting public perspectives about the roles that Councils should take in supporting environmental wellbeing.



LEVELS OF SERVICE

The following Levels of Service have been extracted from the Activity Management Plan. The performance measures and performance targets included are representative of the major aspects of the activities provided in the Supporting Environmental Sustainability Activity.

LEVEL OF SERVICE	HOW WE WILL MEASURE SUCCESS	WHEN WE MEASURE	BASELINE	2012/13	2013/14	2014/15	2015/32
High quality advice is provided in the areas of water, sustainable buildings, energy conservation, and biodiversity.	85% of customers are satisfied with the services of the green gardener, green plumber, Eco-Design advisor and sustainable communities coordinator.	Quarterly	New	85%	85%	85%	85%
New energy savings projects pay for themselves out of savings.	85% of the initial investment is returned over the planned time frame for the project.	Annually	New	85%	85%	85%	85%
Policies and initiatives are effective in reducing the Council's carbon footprint.	Carbon emissions from Council activities show a decreasing average trend over the previous 3 years.	Three yearly	New	Yes	Yes	Yes	Yes
Community groups engaged in environmental sustainability and biodiversity projects using Council resources are supported with advice and practical assistance.	85% of community groups engaged in environmental sustainability and biodiversity projects using Council resources are satisfied with the services received.	Annually	New	85%	85%	85%	85%
The parks and open space network and community biodiversity projects make a significant contribution to the effort to increase numbers of specimens of native, and especially endemic, plants and animals in the District.	Biodiversity projects receiving Council support result in a net increase in biodiversity and eco-sourced plants.	Annually	New	Yes	Yes	Yes	Yes

FORECAST STATEMENT OF FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE
SUPPORTING ENVIRONMENTAL SUSTAINABILITY THE FIRST TEN YEARS

YEAR	0	1	2	3	4	5	6	7	8	9	10
\$000	2011/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22

EXPENDITURE

Operating Costs	766	968	1,040	1,164	1,216	1,240	1,280	1,279	1,403	1,449	1,494
Operating Expenditure	766	968	1,040	1,164	1,216	1,240	1,280	1,279	1,403	1,449	1,494

REVENUE

External Income	151	268	265	247	249	260	272	284	298	313	329
Internal Recoveries	-	17	55	163	176	164	177	145	232	241	249
Operating Revenue	151	285	320	410	425	424	449	429	530	554	578
NET OPERATING COSTS	615	683	720	754	791	816	831	850	873	895	916

CAPITAL EXPENDITURE

New Assets	-	-	708	327	338	350	362	374	386	400	414
Asset Renewal	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	-	-	708	327	338	350	362	374	386	400	414
Total Capital Items	-	-	708	327	338	350	362	374	386	400	414
NET COST OF ACTIVITY	615	683	1,428	1,081	1,129	1,166	1,193	1,224	1,259	1,295	1,330

FUNDING SOURCES

EECA Loans	-	-	655	273	282	292	302	312	322	334	345
Total Funding Before Rates	-	-	655	273	282	292	302	312	322	334	345
Rates	615	683	773	808	847	874	891	912	937	961	985
TOTAL SOURCES OF FUNDS	615	683	1,428	1,081	1,129	1,166	1,193	1,224	1,259	1,295	1,330



SUPPORTING ENVIRONMENTAL SUSTAINABILITY THE SECOND TEN YEARS

YEAR	11	12	13	14	15	16	17	18	19	20
\$000	2022/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32

EXPENDITURE

Operating Costs	1,545	1,595	1,646	1,702	1,757	1,818	1,878	1,941	1,999	2,065
Operating Expenditure	1,545	1,595	1,646	1,702	1,757	1,818	1,878	1,941	1,999	2,065

REVENUE

External Income	341	353	365	378	391	405	419	434	449	464
Internal Recoveries	258	267	276	286	296	306	317	328	339	351
Operating Revenue	599	620	641	664	687	711	736	762	788	815
NET OPERATING COSTS	946	975	1,005	1,038	1,070	1,107	1,142	1,179	1,211	1,250

CAPITAL EXPENDITURE

New Assets	429	444	459	475	492	509	527	545	565	584
Asset Renewal	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	429	444	459	475	492	509	527	545	565	584
Total Capital Items	429	444	459	475	492	509	527	545	565	584
NET COST OF ACTIVITY	1,375	1,419	1,464	1,513	1,562	1,616	1,669	1,724	1,776	1,834

FUNDING SOURCES

EECA Loans	357	370	383	396	410	424	439	455	470	487
Total Funding Before Rates	357	370	383	396	410	424	439	455	470	487
Rates	1,018	1,049	1,081	1,117	1,152	1,192	1,230	1,269	1,306	1,347
TOTAL SOURCES OF FUNDS	1,375	1,419	1,464	1,513	1,562	1,616	1,669	1,724	1,776	1,834

SUPPORTING SOCIAL WELLBEING

Te Tautoko Oranga-ā-lwi

THIS ACTIVITY LINKS TO COMMUNITY OUTCOMES:	1	2	3	4	5	6	7
	✓	✓	✓	✓	✓	✓	✓

INTRODUCTION

At the heart of Supporting Social Wellbeing is the need to look after the vulnerable in the community. The Activity is about long-term change and supporting groups and agencies promoting improvement of quality of life in the community.

WHAT DOES THIS ACTIVITY PROVIDE?

The programmes are generally concerned with social wellbeing, but the activity also includes resources to assist other parts of the Council as they work with the community.

In this Activity Council provides:

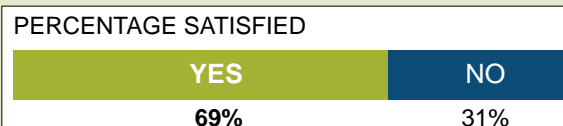
- advocacy on community issues;
- policy development and advice to Council on social issues and social wellbeing;
- support to the community to have the capacity to meet needs and facilitate social change and community action;
- information and advice, assistance with planning and project management; and facilitation and connections and collaboration;
- limited funding to assist social service groups;
- resources to work with government agencies and community organisations to make sure that the District has the resources and services it needs to support social wellbeing; and
- facilitation of community input into Council decision making by supporting partner groups – the Kāpiti Coast Youth Council, Kapiti Coast Older Persons' Council and the Disability Reference Group.

YOUR FEEDBACK

During the consultation on this Plan we told you about:

- our five priorities/projects (page 34), and
- the rates required, in accordance with the Financial Strategy (pages 46 to 68), to provide the services and programmes in this Activity.

We asked if you are satisfied with the quality of service you receive in this Activity? The result was:



ASSUMPTIONS, RISKS AND KEY POINTS TO NOTE

Assumptions include that:

- Council continues to be concerned with the wellbeing of the community;
- the community expects support including funding to meet needs and build resilience;
- the community knows what it needs; and
- collaboration and working together brings better outcomes.

Uncertainties include:

- Government funding and policy – housing, employment and economic development, benefits, social service programme funding;
- labour market changes and unemployment; and



- housing market and impacts on affordability.

Points to note:

- impact of increases in global oil consumption means the cost of energy, transport, food and many other day to day items will increase. For those on low or fixed incomes their choices will be limited. Rising costs will also affect the services that support social wellbeing;
- the global economic downturn continues to have an impact on the community and community groups – with government and other funding cuts to services at the same time as increases in demand, high unemployment particularly for young people, an increasing reliance on volunteers for services and pressure to do more with less;
- there are increasing pressures on individuals and families particularly those who are more vulnerable;
- the older population of the District will continue to grow with key concerns being access to health and other services, feeling safe and secure and connecting with others;
- increasing youth participation will continue to be important to make sure that the District is a place where young people want to stay as they get older, where they can feel safe, have fun and make the best of their education and other opportunities;
- there are continuing disparities in wellbeing outcomes for Māori and difficulties accessing appropriate services;
- access to services can be difficult because of transport issues; and
- central government cross-boundary issues and the resulting lack of ownership of Kāpiti Coast issues by outside service providers means services are not targeted well and makes coordination more difficult. This tends to mask real pockets of need across the District. National funding models do not recognise this.

WHAT ARE THE ISSUES?

The Long Term Plan focuses on maintaining the capacity to respond to:

- include discretionary project funding so that the Council can focus support to community projects that address priority and emerging community needs;
- inflation adjust financial support via community services contract funding related to population growth and an increase in community grants funding;
- recognise the importance of advisory groups - Kāpiti Coast Youth Council, Kapiti Coast Older Persons' Council and Disability Reference Group;
- respond to population increases and demographic changes and additional demand for services;
- identify policy changes at the regional and national level and how they will impact on the Kāpiti Coast;
- provide for implementation of the Youth Action Plan, Older Person Strategy and Alcohol Action Plan; and
- work with the community to address priority issues – youth employment, access to health services, access to community information, capacity building, support for volunteers, access to affordable sustainable housing.

Youth Centre

In 2010, the Kāpiti Coast Youth Survey captured the views of over 10 percent of our youth population. The findings showed that, while young people generally feel connected with their community, they are frustrated by lack of activities and spaces for youth in the District. In response to this the Kāpiti Coast Youth Council has investigated the need for a youth centre.

Young people and communities need safe and successful places for youth to gather and be themselves. Most urban communities in New Zealand have a community youth centre. On the Kāpiti Coast young people do not have many

options for places they can call their own outside of organised clubs.

The focus of a youth centre would be recreation, youth participation, informal training and skill development opportunities and youth development. Young people also need help to make a satisfactory transition to adult life. Youth workers are the key to a successful youth centre. They provide a different way for young people to get support and services which can help them.

The Kāpiti Coast Youth Council has identified Paraparaumu as a good location for a youth centre – somewhere near the railway station for good access. It could provide:

- events where young people can express themselves through music and performance;
- informal social recreation;
- café to socialise and train (for example, barista, management);
- workshops to develop their skills and talents in a range of areas;
- music space where young musicians can rehearse and access equipment at low cost;
- computer area for internet access and homework clubs;
- youth leadership and involvement in the management and operation of the centre; and
- referrals to youth health and social services where needed.

A youth centre in Paraparaumu could serve the communities to the south and north to Waikanae, however there is a need to consider a youth centre service in Ōtaki. This would be investigated separately to ensure it met the unique needs of youth in Ōtaki.

The development of a central youth centre in Paraparaumu requires funding for the initial establishment and ongoing operational funding. Councils commonly fund initial set-ups and provide operational funding to ensure sustainability.

Discussions have begun in the community about the establishment of a charitable trust to drive this initiative. This model allows funding to be accessed from areas which Council cannot access. This includes government and philanthropic funding, sponsorships and partnerships with agencies and private sector industries, government and in-kind donations from local businesses. In the Long Term Plan the Youth Centre has been brought forward from 2022/23 to 2014/15 (year 3). Provision has been made for a capital cost of \$650,000 with six months of debt servicing costs of \$19,000 and \$193,000 for annual operating costs.

HOW DOES THIS ACTIVITY BENEFIT THE KĀPITI COAST?

This Activity is the primary way that the Council directly supports the community to improve their wellbeing and quality of life. This is essential to build community cohesion, inclusion and resilience and an important component of sustainable communities.

The wide range of activities that Council undertakes has an impact on people's way of life including access and transport, community facilities, parks and open space, and environmental protection. The Supporting Social Wellbeing Activity makes sure that the positive social wellbeing impacts of these and other council activities are maximised.

The Activity Rationale and Strategic Objectives for Supporting Social Wellbeing are:

- providing support to facilitate social change; advocate on behalf of community – particularly for those more vulnerable; build capacity for community action; and
- supporting partnerships for strong communities.



The Customer Values being addressed in this Activity are **Assurance** – the Council's advice is trustworthy, timely and suited to needs; **Resourcefulness** - connecting and collaborating; **Leadership** - the Council plays a lead role in advocating for community issues; **Resilience** – the Council supports the community to build capacity and meet needs; and **Participation** – the Council supports participation in decision making.

SIGNIFICANT EFFECTS OF UNDERTAKING THIS ACTIVITY

Positive effects include:

- increased participation and sense of inclusion;
- increased social and community wellbeing – sense of belonging, safety identity;
- support more effective social service delivery;
- capacity building of community groups; and
- improved decision making.

Negative effects include:

- there are no significant negative effects.

LEVELS OF SERVICE

The following Levels of Service have been extracted from the Activity Management Plan. The performance measures and performance targets included are representative of the major aspects of the activities provided in the Supporting Social Wellbeing Activity.

LEVEL OF SERVICE	HOW WE WILL MEASURE SUCCESS	WHEN WE MEASURE	BASELINE	2012/13	2013/14	2014/15	2015/32
The Council facilitates the community to work together and to work smarter, better meeting needs.	85% of community groups report stronger community networks and better collaboration as a result of Council involvement.	Annually	New	80%	85%	85%	85%
The Council provides resources to the community for capacity building and service provision focused on community priorities.	85% of community groups rate the support provided as relevant to their circumstances and needs.	Annually	New	80%	85%	85%	85%
The Council provides the Youth Council, Kapiti Coast Older Persons' Council and the Disability Reference Group with opportunities to influence the content of Council strategies, policies and project planning.	All proposed major Council strategies and projects are provided to the Youth Council, Kapiti Coast Older Persons' Council and Disability Reference Group for their review and provide comment when desired to the relevant staff.	Annually	New	100%	100%	100%	100%



FORECAST STATEMENT OF FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE
SUPPORTING SOCIAL WELLBEING THE FIRST TEN YEARS

YEAR	0	1	2	3	4	5	6	7	8	9	10
\$000	2011/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22

EXPENDITURE

Operating Costs	1,221	1,245	1,297	1,547	1,560	1,697	1,748	1,818	1,871	1,930	2,013
Interest	-	-	-	21	41	40	38	37	36	34	33
Depreciation	-	-	-	-	22	22	22	22	22	22	22
Operating Expenditure	1,221	1,245	1,297	1,568	1,623	1,759	1,808	1,877	1,929	1,986	2,068

REVENUE

External Income	-	-	-	-	-	-	-	-	-	-	-
Internal Recoveries	-	-	-	-	-	-	-	-	-	-	-
Agency Grants Revenue	-	-	-	-	-	-	-	-	-	-	-
Operating Revenue	-	-	-	-	-	-	-	-	-	-	-
NET OPERATING COSTS	1,221	1,245	1,297	1,568	1,623	1,759	1,808	1,877	1,929	1,986	2,068

CAPITAL ITEMS

Loan Repayments	-	-	-	-	20	20	20	20	20	20	20
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CAPITAL EXPENDITURE

New Assets	-	-	-	650	-	-	-	-	-	-	-
Total Capital Expenditure	-	-	-	650	-	-	-	-	-	-	-
Total Capital Items	-	-	-	650	20	20	20	20	20	20	20
NET COST OF ACTIVITY	1,221	1,245	1,297	2,218	1,643	1,779	1,828	1,897	1,949	2,006	2,088

FUNDING SOURCES

Development Contributions	-	-	-	53	-	-	-	-	-	-	-
Depreciation Reserve	-	-	-	-	-	-	-	-	-	-	-
Loans	-	-	-	597	-	-	-	-	-	-	-
Total Funding before Rates	-	-	-	650	-	-	-	-	-	-	-
Rates	1,221	1,245	1,297	1,568	1,643	1,779	1,828	1,897	1,949	2,006	2,088
TOTAL SOURCES OF FUNDS	1,221	1,245	1,297	2,218	1,643	1,779	1,828	1,897	1,949	2,006	2,088

SUPPORTING SOCIAL WELLBEING THE SECOND TEN YEARS

YEAR	11	12	13	14	15	16	17	18	19	20
\$000	2022/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32

EXPENDITURE

Operating Costs	2,079	2,140	2,235	2,307	2,379	2,477	2,556	2,637	2,745	2,828
Interest	31	30	29	27	26	24	23	22	20	19
Depreciation	22	22	22	22	22	22	22	22	22	22
Operating Expenditure	2,132	2,192	2,286	2,356	2,427	2,523	2,601	2,681	2,787	2,869

REVENUE

External Income	-	-	-	-	-	-	-	-	-	-
Internal Recoveries	-	-	-	-	-	-	-	-	-	-
Agency Grants Revenue	-	-	-	-	-	-	-	-	-	-
Operating Revenue	-	-	-	-	-	-	-	-	-	-
NET OPERATING COSTS	2,132	2,192	2,286	2,356	2,427	2,523	2,601	2,681	2,787	2,869

CAPITAL ITEMS

Loan Repayments	20	20	20	20	20	20	20	20	20	20
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CAPITAL EXPENDITURE

New Assets	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	-	-	-	-	-	-	-	-	-	-
Total Capital Items	20	20	20	20	20	20	20	20	20	20
NET COST OF ACTIVITY	2,152	2,212	2,306	2,376	2,447	2,543	2,621	2,701	2,807	2,889

FUNDING SOURCES

Development Contributions	-	-	-	-	-	-	-	-	-	-
Depreciation Reserve	-	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-
Total Funding before Rates	-	-	-	-	-	-	-	-	-	-
Rates	2,152	2,212	2,306	2,376	2,447	2,543	2,621	2,701	2,807	2,889
TOTAL SOURCES OF FUNDS	2,152	2,212	2,306	2,376	2,447	2,543	2,621	2,701	2,807	2,889



WASTEWATER MANAGEMENT

Whakahaere Wai Para

THIS ACTIVITY LINKS TO COMMUNITY OUTCOMES:	1	2	3	4	5	6	7
	✓		✓	✓			✓

INTRODUCTION

The provision of wastewater services is an important public health function that Council provides the residents of the Kāpiti Coast. By providing reliable wastewater collection systems at Ōtaki, Waikanae and Paraparaumu/ Raumati the Council both promotes and protects public health within the District.

WHAT DOES THIS ACTIVITY PROVIDE?

Council is responsible for the provision and management of three wastewater schemes at Waikanae, Paraparaumu/ Raumati, and Ōtaki. These schemes contain a mix of assets.

Ōtaki

The discharge to the Ōtaki Wastewater Treatment Plant (WWTP) is controlled by a major pumping station located at the inlet to the plant. The wastewater from this system is treated by a combination of oxidation pond, clarifier and aerated lagoon at the Ōtaki WWTP before discharging to a wetland disposal system. In Ōtaki we have one wastewater treatment plant, 50 kilometres of pipes, 920 manholes and 31 pump stations.

Waikanae

Wastewater flows from Waikanae are transferred to the Paraparaumu Wastewater Treatment Plant via the Rauparaha Transfer Pump Station. Waikanae has 80 kilometres of pipes, 1,421 manholes and 13 pump stations.

YOUR FEEDBACK

During the consultation on this Plan we told you about:

- our five priorities/projects (page 34), and
- the rates required, in accordance with the Financial Strategy (pages 46 to 68), to provide the services and programmes in this Activity.

We asked if you are satisfied with the quality of service you receive in this Activity? The result was:

PERCENTAGE SATISFIED

YES	NO
86%	14%

Paraparaumu/Raumati

The discharge to the Paraparaumu Wastewater Treatment Plant is controlled by four major pump stations located at the downstream end of the catchment. The treatment plant discharges treated effluent via a wetland into the Mazengarb Stream. Paraparaumu/Raumati has one wastewater treatment plant, 150 kilometres of pipe, 3,329 manholes and 98 pump stations.

The sewage sludge produced by the Paraparaumu and Ōtaki Treatment Plants is stabilised via thermal heat drying. The Council produces an average of 2,555 tonnes of dried biosolids on an annual basis which is disposed at the Otaihanga Landfill.

ASSUMPTIONS, RISKS AND KEY POINTS TO NOTE

Assumptions include:

- current levels of service will be maintained as a minimum;
- future water demand is based on medium population growths for each scheme as summarised in Part A of the Wastewater Asset Management Plan;
- capital expenditure is programmed where:
 - growth is projected to create a demand for wastewater services that cannot be met by existing infrastructure;
 - infrastructure is required to allow demand to be managed efficiently (for example, implementation of water loss strategy);
 - there are current deficiencies in levels of service in known areas or to existing customers;
- operations and maintenance costs are based largely on historical expenditure and current levels of service and assume there are no significant changes in contract rates above the rate of inflation;
- scheduled maintenance expenditure includes maintenance renewal of asset components which are under the capitalisation threshold of \$1,000 and defined as maintenance activities; and
- wastewater assets will normally remain in Council ownership throughout the planning period.

Uncertainties include:

- a lack of accurate condition data requires the current renewals programme to be based on asset life and engineering judgement.

Points to note include:

Earthquake and Tsunami Preparedness

- Significant work has already been done in the area of seismic risk mitigation and Civil Defence Emergency Planning. There are likely to be lessons to be learned from the

earthquakes in Canterbury in 2010 and 2011 that will be able to be applied to mitigate failure risk from ground shaking and liquefaction. In particular, the risks associated with asbestos cement (AC) pipes will need to be reassessed in light of how poorly they performed during the Canterbury events.

WHAT ARE THE ISSUES?

Inflow and Infiltration and Condition Assessment

Infiltration of stormwater and groundwater into the wastewater pipe network is a known issue within the existing wastewater networks. There will be continued programmes of CCTV assessment of wastewater pipes to identify priority areas for maintenance or renewal.

Consent Renewals

Treated effluent discharge consents need to be renewed for example, Paraparaumu Wastewater Treatment Plant Mazengarb Drain consent expires in 2022. Increased environmental awareness and concerns with freshwater quality across the Country are likely to have a significant impact on the consent renewal process. Discharges of treated wastewater effluent into urban waterways are becoming increasingly difficult to consent.

Pump Stations Renewals

Ongoing wastewater service provision is highly vulnerable to pump station failure. This is due to a large number of wastewater pump stations within the wastewater catchments.

Use of Predictive Modelling for System Optimisation

Future growth may create pressures on existing wastewater system capacity. The ongoing use of network models (InfoWorks) combined with catchment flow measurement will allow pumping systems to be optimised to ensure maximum use is made of existing capacity, to assess storage requirements, and to identify areas of overflow risk.



Impact of Water Metering on Wastewater Flows

A lower expected water supply demand with water metering will reduce dry weather wastewater flows. The impact of reduced wastewater flows are:

- higher risk of wastewater pipe blockages due to decreased fresh water flow; and
- overall reduction in average wastewater flows leading to reduction in wastewater treatment and pumping costs.

Biosolids (Dried Sludge)

Dried biosolids are currently trucked to the Otaihangā Landfill at an average rate of seven tonnes per day. The current resource consent for the landfill allows for this activity to continue until 2029 and there is sufficient capacity at the landfill to continue this practice until the consent expires. There are however a number of issues with the continuation of this practice that pose significant risks for the Council.

Asbestos Cement (AC) Pipes

A high proportion of the Council's AC pipelines were installed over a short period in the late 1970s in Paraparaumu and Waikanae and will need replacement over a similarly short timescale starting in the late 2030s. A large scale renewal programme across the District would be disruptive and difficult to manage in a short timescale.

HOW DOES THIS ACTIVITY BENEFIT THE KĀPITI COAST?

The Wastewater Management Activity area manages the nature and impact of any discharges into the environment protecting public health and the environment.

The Activity Rationale and Strategic Objectives for Wastewater Management are to:

- design, operate, use and maintain the wastewater network whilst avoiding adverse effects on the environment;

- provide appropriate infrastructure to allow continuous treatment and discharge of wastewater, and maintain or renew assets within the concept of sustainability; and
- protect public health and the environment.

The Customer Values being addressed in this Activity include: **Safety** – public health and safety is safeguarded at all times; **Reliability**- reliable, efficient, affordable and environmentally responsible wastewater system; **Responsiveness** The Council responds to service requests; and **Community Engagement** - communities have direct input into planning decisions where appropriate.

SIGNIFICANT EFFECTS OF UNDERTAKING THIS ACTIVITY

Positive effects include:

- protection of public health; and
- protection of ecosystems health.

Negative effects include:

- the economic cost of desired infrastructure improvements may exceed the community's ability to fund (for example, Treatment Plants);
- effects of wastewater overflows;
- septic tanks in non-reticulated (rural) areas (i.e. poorly maintained); and
- adequate land for treatment of wastewater treatment for example, the disposal of biosolids to landfill.

LEVELS OF SERVICE

The following Levels of Service have been extracted from the Asset Management Plan. The performance measures and performance targets included are representative of the major aspects of the activities provided in the Wastewater Management Activity.

LEVEL OF SERVICE	HOW WE WILL MEASURE SUCCESS	WHEN WE MEASURE	BASELINE	2012/13	2013/14	2014/15	2015/32
Requests for service are addressed promptly.	95% of reported blockages, spills and breaks resolved within four hours of being reported.	Annually	100%	95%	95%	95%	95%
Quantity and range of contaminants discharged has minimal negative impact on the environment.	All effluent leaving the treatment plant meets resource consent requirements.	Annually	Yes	Yes	Yes	Yes	Yes
Receiving natural environments are not damaged by effluent discharge and are enhanced where possible.	No more than two notifications of wastewater spills to Greater Wellington Regional Council during any 12 month period.	Annually	0	<2	<2	<2	<2
Service outages are less than 24 hours in duration.	Unplanned interruptions to service are addressed within four hours.	Annually	100%	100%	100%	100%	100%



FORECAST STATEMENT OF FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE

WASTEWATER MANAGEMENT THE FIRST TEN YEARS

YEAR	0	1	2	3	4	5	6	7	8	9	10
\$000	2011/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22

EXPENDITURE

Operating Costs	4,585	4,772	4,991	5,294	5,511	5,827	6,034	6,459	7,093	7,408	7,630
Interest	1,111	895	967	1,037	1,091	1,145	1,305	1,495	1,564	1,594	1,598
Depreciation	2,166	2,212	2,251	2,301	2,392	2,417	2,451	2,540	2,595	2,638	2,683
Operating Expenditure	7,862	7,879	8,209	8,632	8,994	9,389	9,790	10,494	11,252	11,640	11,911

REVENUE

External Income	11	16	5	-	-	-	-	-	-	-	-
Development Contributions	460	199	132	127	134	144	205	275	356	373	376
Gross Operating Revenue	471	215	137	127	134	144	205	275	356	373	376
Less Revenue for Capital Purposes	460	199	132	127	134	144	205	275	356	373	376
Net Operating Revenue	11	16	5	-	-	-	-	-	-	-	-
NET OPERATING COSTS	7,851	7,863	8,204	8,632	8,994	9,389	9,790	10,494	11,252	11,640	11,911

CAPITAL ITEMS

Loan Repayments	1,376	1,099	1,169	1,243	1,300	1,362	1,423	1,591	1,688	1,749	1,637
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CAPITAL EXPENDITURE

New Assets	712	368	1,428	372	1,224	616	2,446	1,725	868	1,663	968
Asset Renewal	2,376	2,589	2,316	1,794	1,402	1,906	3,372	2,317	2,330	1,706	1,199
Total Capital Expenditure	3,088	2,957	3,744	2,166	2,626	2,522	5,818	4,042	3,198	3,369	2,167
Total Capital Items	4,464	4,056	4,913	3,409	3,926	3,884	7,241	5,633	4,886	5,118	3,804
NET COST OF ACTIVITY	12,315	11,919	13,117	12,041	12,920	13,273	17,031	16,127	16,138	16,758	15,715

FUNDING SOURCES

Prior Years Rates Surplus	306	474	613	30	-	-	-	-	-	-	-
Depreciation Reserve	2,341	1,752	2,558	1,562	1,908	1,882	1,960	2,382	2,587	2,638	2,258
Development Contributions	460	199	132	127	134	144	205	275	356	373	376
Loans	1,662	2,089	2,208	1,707	1,868	1,834	5,045	2,901	1,837	1,982	1,035
Total Funding before Rates	4,769	4,514	5,511	3,426	3,910	3,860	7,210	5,558	4,780	4,993	3,669
Rates	7,546	7,405	7,606	7,960	8,610	8,963	9,421	10,419	11,358	11,765	12,046
TOTAL SOURCES OF FUNDS	12,315	11,919	13,117	11,386	12,520	12,823	16,631	15,977	16,138	16,758	15,715
Unfunded Depreciation	-	-	-	655	400	450	400	150	-	-	-
TOTAL	12,315	11,919	13,117	12,041	12,920	13,273	17,031	16,127	16,138	16,758	15,715

WASTEWATER MANAGEMENT THE SECOND TEN YEARS

YEAR	11	12	13	14	15	16	17	18	19	20
\$000	2022/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32

EXPENDITURE

Operating Costs	7,806	8,254	8,671	9,212	9,733	10,230	10,849	11,494	12,082	12,855
Interest	1,592	1,621	1,605	1,550	1,508	1,474	1,438	1,398	1,385	1,386
Depreciation	2,712	2,759	2,806	2,824	2,846	2,897	2,926	2,916	2,777	2,769
Operating Expenditure	12,110	12,634	13,082	13,586	14,087	14,601	15,213	15,808	16,244	17,010

REVENUE

External Income	19	38	56	75	94	108	122	136	150	164
Development Contributions	377	377	377	377	377	377	377	377	377	377
Gross Operating Revenue	396	415	433	452	471	485	499	513	527	541
Less Revenue for Capital Purposes	377	377	377	377	377	377	377	377	377	377
Net Operating Revenue	19	38	56	75	94	108	122	136	150	164
NET OPERATING COSTS	12,091	12,596	13,026	13,511	13,993	14,493	15,091	15,672	16,094	16,846

CAPITAL ITEMS

Loan Repayments	1,671	1,718	1,781	1,296	1,137	1,147	1,173	1,182	1,025	1,054
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CAPITAL EXPENDITURE

New Assets	765	89	187	594	2,409	111	117	371	1,046	691
Asset Renewal	2,617	3,363	1,140	1,034	1,312	1,728	1,368	1,737	1,874	1,514
Total Capital Expenditure	3,382	3,452	1,327	1,628	3,721	1,839	1,485	2,108	2,920	2,205
Total Capital Items	5,053	5,170	3,108	2,924	4,858	2,986	2,658	3,290	3,945	3,259
NET COST OF ACTIVITY	17,144	17,766	16,134	16,435	18,851	17,479	17,749	18,962	20,039	20,105

FUNDING SOURCES

Prior Years Rates Surplus	-	-	-	-	-	-	-	-	-	-
Depreciation Reserve	3,118	2,721	2,148	1,718	4,060	1,688	1,850	2,026	2,550	1,699
Development Contributions	377	377	377	377	377	377	377	377	377	377
Loans	1,404	1,892	377	666	294	781	268	710	868	1,019
Total Funding before Rates	4,899	4,990	2,902	2,761	4,731	2,846	2,495	3,113	3,795	3,095
Rates	12,245	12,776	13,232	13,674	14,120	14,633	15,254	15,849	16,244	17,010
TOTAL SOURCES OF FUNDS	17,144	17,766	16,134	16,435	18,851	17,479	17,749	18,962	20,039	20,105
Unfunded Depreciation	-	-	-	-	-	-	-	-	-	-
TOTAL	17,144	17,766	16,134	16,435	18,851	17,479	17,749	18,962	20,039	20,105



WATER MANAGEMENT

Whakahaere Wai

THIS ACTIVITY LINKS TO COMMUNITY OUTCOMES:	1	2	3	4	5	6	7
	✓		✓	✓			✓

INTRODUCTION

The Water Management Activity provides drinking water as a basic requirement of public and individual health. The activity focus on water conservation is intended to reduce pressure on river systems and aquifers.

KEY PRIORITY AREA – WATER SUPPLY AND WATER METERS

The strategic leadership direction that Council has decided to take for the District includes five priority projects/areas to progress during this triennium. Delivering water supply/water meters is one of those five priorities.

Based on the experience of other communities, water meters will result in an estimated 25% reduction in peak demand. This plus a 5% saving from the better detection of leaks, will allow Council to defer around \$36 million of capital works within the Water Management Activity over the next 20 years.

The Council considers that it is essential to complete the water supply project for Waikanae, Paraparaumu and Raumati to ensuring there is sufficient water supply capacity. Council's preferred solution is Stage 1 River Recharge and

YOUR FEEDBACK

During the consultation on this Plan we told you about:

- our five priorities/projects (page 34), and
- the rates required, in accordance with the Financial Strategy (pages 46 to 68), to provide the services and programmes in this Activity.

We asked if you are satisfied with the quality of service you receive in this Activity? The result was:

PERCENTAGE SATISFIED	
YES	NO
64%	36%

the introduction of water meters. It is also securing land for a future dam (post 50 year programme). This approach is critical to reducing overall costs to the community and achieving a fairer distribution of costs between households. Council consulted on the preferred charging regime alongside this Long Term Plan.

More detail can be found on page 177.

WHAT DOES THIS ACTIVITY PROVIDE?

The Council is responsible for the provision and management of four water supply schemes at Waikanae/ Paraparaumu/ Raumati, Paekākāriki, Te Horo/ Hautere and Ōtaki. These schemes contain a mix of assets including:

- water intake structures (3);
- ground water bores (8);
- water treatment plants (5);
- pump stations (8);
- bulk water supply mains (17kms);
- water distribution mains (451 kms);
- water service lines (103 kms); and
- water network nodes (2,500).

ASSUMPTIONS, RISKS AND KEY POINTS TO NOTE

Assumptions include:

- current levels of service will be maintained as a minimum;
- future water demand is based on medium population growths for each supply zone. It is estimated the impact of universal metering will be to reduce peak day demand by an estimated 25% and water losses will be reduced by an additional 5%;
- capital expenditure is programmed where growth is projected to create a demand for water that cannot be met by existing infrastructure. This is required to allow demand to be managed efficiently (for example, implementation of water loss strategy), and there are current deficiencies in levels of service in known areas or to existing customers;
- Council will continue to work to a peak water consumption target for supply and design system purposed of 400 litres per person per day; and
- universal water metering will have a significant impact on water demand and the basis for setting financial forecasts of revenue and costs. Consumption charges need to factor in the reduction in consumption that should be expected.

Uncertainties include:

- a lack of accurate condition data means the current programme has to be based on asset life.

Points to note:

- a key objective is to optimise data management. Data management includes the collection, recording, analysis, reporting and use of asset data for purposes of operations and asset management. Better financial data to asset level will:
 - provide guidance as to where maintenance programmes and maintenance standards need attention;
 - help with decision making to know when replacement of assets are a more efficient option than ongoing repair; and
 - help to know when delivery and treatment costs could be offset through provision of increased capacity;
- water supply is a critical service supporting the functioning of our communities and the day-to-day life of individuals. Resilience is built into the water supply systems through: robust design of treatment plants and emergency power supplies; multiple sources of supply and looped networks; emergency storage; and implementation of emergency response plans;
- fluoride – concerns about fluoride were raised in both the 2010/11 and 2011/12 Annual Plan processes. In response Council:
 - reduced the level of fluoride within the Waikanae, Paraparaumu and Raumati supply network from 1.0 milligram/litre to 0.7 milligram/litre;
 - ensured non-fluoridated water was available at public supply points in Ōtaki and Paekākāriki;



- referred the matter to the Health Select Committee with the request that they enquire into the positive or negative effects of putting fluoride in to the public water supply; and
- requested the National Ethics Advisory Committee (NEAC) investigate whether fluoride is a medicine under the Health Act 1956 and whether the adding of fluoride to the public water supply is an ethical act.

Concerns about fluoride were again raised during the consultation on this Plan. At the time of adopting this Plan the Council position is that it is still awaiting an investigation from the NEAC. In February 2012 the NEAC responded that: “The committee are currently progressing a number of projects and does not have plans at this stage to undertake work in this area.”

Until this matter has been investigated by the NEAC, Council will continue to add fluoride to the Waikanae, Paraparaumu and Raumati supply, and make non-fluoridated water available at the following public supply points located within Ōtaki and Paekākāriki:

- Ōtaki Visitor Centre Main Highway, Ōtaki
- Ōtaki Library Mill Road, Ōtaki and
- Paekākāriki Town Centre, Beach Road, Paekākāriki.

WHAT ARE THE ISSUES?

- **Asbestos Cement (AC) Pipe** - A high proportion of Council's AC pipelines will need replacement over a short timescale starting in the late 2030's, shortly after the end of the present planning period. A large scale renewal programme would be disruptive and difficult to manage in a short timescale;
- **Hautere / Te Horo** - This rural water supply scheme is fully allocated. Individual users have historic allocations that, with future development in the area, may introduce customer concerns over equity of water availability;

- **Ōtaki Water Supply Reservoir** - construction of the Reservoir has been deferred to 2022-24 of this Long Term Plan;
- **Water Loss Reduction** - A Water Loss Reduction Strategy was adopted by Council starting in 2010/11 with planned strategic outcomes over three years. The strategy will be reviewed and updated in 2013/14. The focus for the period of this Plan is implementation of this strategy to achieve targeted water loss reduction;
- **Water Supply** – addressing the issues around projected growth and insufficient water supply capacity/storage for the Waikanae/ Paraparaumu/Raumati area;
- **Water Supply Project** - The Waikanae/ Paraparaumu/Raumati Network has insufficient supply capacity/storage considering projected growth in the area. The Water Supply Project is currently investigating the preferred solution (River Recharge with Groundwater) for providing water to meet the communities' needs for the next 50 years;

The Water Supply Project will have a staged approach with Groundwater River Recharge being implemented as Stage 1 in 2015 as there is a risk that, within the next five years, population growth and high water consumption could result in demand that exceeds the Council's currently consented limit for water abstraction from the Waikanae River; and
- **Waikanae Water Treatment Plant Upgrade** - The plant requires upgrading to ensure there is capacity and suitable treatment processes for the Water Supply Project.

Water Supply and Water Meters

The Council's overall strategy is to reduce demand for treated water from its currently high levels. The target is to reduce peak consumption to 400 litres per person per day with an allowance of 90 litres per person a day for unaccounted water (losses). From 1 July 2014 water charging will be introduced based on a volumetric charge and all properties within the District will be metered.

The principle purposes of universal metering are:

- to enable better analysis of levels of consumption to allow more focussed infrastructure planning and loss reduction programmes;
- to allow deferral of unnecessary investment in infrastructure capacity; and
- to introduce a mechanism for customers to track and lower water consumption.

Development of a recommended charging formula for water meters was addressed through the Charging Regime Advisory Group (CRAG). CRAG, led by Don Hunn, represented all sectors of the Kāpiti community including social and business sectors and seniors.

Council consulted on the recommendations received from CRAG concurrently with this Plan. This consultation and associated information programme was extensive. It included publishing a special newspaper summary and additional supporting features in the three local newspapers; publishing information, including a list of Frequently Asked Questions, on the Council website www.kapiticoast.govt.nz; a random telephone survey on water meters conducted by UMR Research involving 1,200 Kāpiti households; a special mail out to all ratepayers; and four information sessions hosted by each of the four local Community Boards.

Water Management

Council Standing Orders is the formal document that sets out the rules for debate and decisionmaking. Council has taken all possible steps to ensure the ownership and management of Kāpiti Coast water assets remain in Council hands.

In 2011 Council had updated its Standing Orders to require a 75% majority of Council to change Standing Orders; and in relation to questions of ownership and contracting out of water management, require a 75% voting majority and consideration of the results of a formal referendum.

Following consultation on this Plan the Council has further changed its Standing Orders so that it will require a 75% majority and a binding referendum before any changes can be made to the management of our water assets. This includes any changes relating to ownership; transfer of assets; contracting out management and operation of the water service (other than specific works contracts); establishment of joint arrangements, transfer of control of pricing or departure from a not-for-profit pricing policy.

HOW DOES THIS ACTIVITY BENEFIT THE KĀPITI COAST?

The Council is responsible for the delivery of water services to the community in perpetuity. This includes providing adequate water sources and treatment facilities to meet the Drinking Water Standards for New Zealand, and managing the distribution system.

The Activity Rationale and Strategic Objective for Water Management is to:

- provide clean water to communities through the development and use of water supply infrastructure.



The Customer Values being addressed in this Activity include: **Ownership** – direct ownership, control, management and operation of water assets and service; **Cost** – direct control of pricing; **Safety** – public health and safety is safeguarded at all times; **Sustainability** - water production and supply is managed in order to ensure long term sustainability and minimal environmental impact; **Quality** - taste and visual appearance of water is of an acceptable quality; **Reliability**- potable water of a consistent standard is available to users at all times; **Responsiveness** – service requests are responded to promptly in a respectful and friendly way; and **Community Engagement** communities have direct input into planning decisions where appropriate.

SIGNIFICANT EFFECTS OF UNDERTAKING THIS ACTIVITY

Positive effects:

- adequate supplies of potable water;
- adequate water supply and pressure for fire fighting;
- continuity of supply in the event of natural disaster;
- repair or replacement of assets within the concept of sustainability;
- the community is educated about the benefits and role of water collection, treatment and distribution as well as water conservation;
- participation in decision making processes; and
- the District's water resources are used in an efficient and sustainable manner.

Negative effects:

- depletion of aquifer resources;
- effects on river ecology caused by river water extraction during low flows;
- potential impacts on customer satisfaction due to service failure /delays /responsiveness;
- water supply practices may contradict Māori cultural beliefs or practices; and
- cost of desired infrastructure improvements may exceed community's ability to pay.

LEVELS OF SERVICE

The following Levels of Service have been extracted from the Asset Management Plan. The performance measures and performance targets included are representative of the major aspects of the activities provided in the Water Management Activity.

LEVEL OF SERVICE	HOW WE WILL MEASURE SUCCESS	WHEN WE MEASURE	BASELINE	2012/13	2013/14	2014/15	2015/16
Council has direct ownership, control, management and operation (other than works contracts) of water assets and services, and governs these in accordance with Council standing orders.	No changes are made to this level of service without (a) a special consultative procedure and (b) following Council standing orders which require a referendum and a 75% majority of members present and voting.	Annually	New	Yes	Yes	Yes	Yes
Council maintains direct control of pricing of water.	Council sets water charges each year.	Annually	New	Yes	Yes	Yes	Yes
No health problems arise from the operation of the drinking water network in non-emergency circumstances.	Compliance with New Zealand Drinking Water Standards.	Annually	Yes	Yes	Yes	Yes	Yes
No health problems arise from the operation of the drinking water network in non-emergency circumstances.	No positive results for bacteria (for example E-coli) as measured by laboratory.	Annually	Yes	Yes	Yes	Yes	Yes
System management practices ensure continuity of supply to all users.	The number (frequency) of unplanned water service outages reduces each year.	Annually	242	Less than 242	Less than 2012/13	Less than 2013/14	Less than 2014/15
System management practices ensure continuity of supply to all users.	95% of planned interruptions last no longer than 4 hours.	Annually	96%	95%	95%	95%	95%
The needs of present and future generations are met by use of water resources.	100% compliance with resource consents relating to water take from natural systems.	Annually	100%	100%	100%	100%	100%



LEVEL OF SERVICE	HOW WE WILL MEASURE SUCCESS	WHEN WE MEASURE	BASELINE	2012/13	2013/14	2014/15	2015/32
Peak water consumption is managed to ensure long term sustainability.	Peak water consumption per person declines to 400 litres per person per day plus 90 litres per person for water loss by 2016/17.	Annually	712 litres per person per day	-	-	-	Achieved
The water provided is of an acceptable standard to residents and businesses.	80% of residents and businesses agree that the water delivered by the Council supply is of an acceptable quality.	Annually	63%	80%	80%	80%	80%
Water loss in the District minimised.	5% reduction of water loss by 2014/15. Baseline to be determined once the estimated water loss for 2012/13 is available.	Annually	New	-	-	5% reduction	5% reduction



FORECAST STATEMENT OF FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE

WATER MANAGEMENT THE FIRST TEN YEARS

YEAR	0	1	2	3	4	5	6	7	8	9	10
\$000	2011/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22

EXPENDITURE

Operating Costs	3,824	3,850	4,385	4,619	4,897	5,122	5,330	5,531	5,780	6,055	6,400
Interest	1,374	1,615	2,349	2,629	2,563	2,506	2,564	2,648	2,610	2,529	2,458
Depreciation	1,974	2,017	2,228	2,367	2,446	2,463	2,488	2,561	2,596	2,625	2,656
Operating Expenditure	7,172	7,482	8,962	9,615	9,906	10,091	10,382	10,740	10,986	11,209	11,514

REVENUE

External Income	324	342	357	371	384	398	413	427	442	459	478
Development Contributions	161	134	148	162	176	189	269	362	469	491	495
Gross Operating Revenue	485	476	505	533	560	587	682	789	911	950	973
Less Revenue for Capital Purposes	161	134	148	162	176	189	269	362	469	491	495
Net Operating Revenue	324	342	357	371	384	398	413	427	442	459	478
NET OPERATING COSTS	6,848	7,140	8,605	9,244	9,522	9,693	9,969	10,313	10,544	10,750	11,036

CAPITAL ITEMS

Loan Repayments	1,508	1,177	1,729	2,081	2,109	2,356	2,641	2,766	2,936	3,072	3,367
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CAPITAL EXPENDITURE

New Assets	3,323	11,832	6,124	257	708	174	879	121	495	131	147
Asset Renewal	1,220	5,389	4,474	736	664	1,743	4,647	2,601	1,723	2,199	3,318
Total Capital Expenditure	4,543	17,221	10,598	993	1,372	1,917	5,526	2,722	2,218	2,330	3,465
Total Capital Items	6,051	18,398	12,327	3,074	3,481	4,273	8,167	5,488	5,154	5,402	6,832
NET COST OF ACTIVITY	12,899	25,538	20,932	12,318	13,003	13,966	18,136	15,801	15,698	16,152	17,868

FUNDING SOURCES

Prior Years Rates Surplus	478	244	-8	20	-	-	-	-	-	-	-
Depreciation Reserve	2,139	1,909	1,822	2,267	2,507	2,478	2,806	2,481	2,599	2,610	2,733
Development Contributions	161	134	148	162	176	189	269	362	469	491	495
Loans	3,724	16,167	10,343	624	807	1,368	4,625	2,212	1,564	1,702	2,777
Loans Carried Over	19	185	-	-	-	-	-	-	-	-	-
Total Funding before Rates	6,521	18,639	12,305	3,073	3,490	4,035	7,700	5,055	4,632	4,803	6,005
Rates	6,378	6,867	8,180	9,119	9,513	9,931	10,436	10,746	11,066	11,349	11,863
TOTAL SOURCES OF FUNDS	12,899	25,506	20,485	12,192	13,003	13,966	18,136	15,801	15,698	16,152	17,868
Unfunded Depreciation	-	32	447	126	-	-	-	-	-	-	-
TOTAL	12,899	25,538	20,932	12,318	13,003	13,966	18,136	15,801	15,698	16,152	17,868



WATER MANAGEMENT THE SECOND TEN YEARS

YEAR	11	12	13	14	15	16	17	18	19	20
\$000	2022/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32

EXPENDITURE

Operating Costs	6,624	6,932	7,262	7,618	8,040	8,326	8,729	9,169	9,581	10,117
Interest	2,466	2,815	3,113	3,029	2,797	2,569	2,428	2,282	1,821	1,086
Depreciation	2,703	2,771	2,920	2,979	3,034	2,786	2,564	2,653	2,736	2,730
Operating Expenditure	11,793	12,518	13,295	13,626	13,871	13,681	13,721	14,104	14,138	13,933

REVENUE

External Income	498	518	539	561	584	608	633	659	686	714
Development Contributions	496	496	496	496	496	496	496	496	496	496
Gross Operating Revenue	994	1,014	1,035	1,057	1,080	1,104	1,129	1,155	1,182	1,210
Less Revenue for Capital Purposes	496	496	496	496	496	496	496	496	496	496
Net Operating Revenue	498	518	539	561	584	608	633	659	686	714
NET OPERATING COSTS	11,295	12,000	12,756	13,065	13,287	13,073	13,088	13,445	13,452	13,219

CAPITAL ITEMS

Loan Repayments	3,757	4,039	4,749	4,802	5,733	6,865	8,115	9,274	10,976	12,419
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CAPITAL EXPENDITURE

New Assets	3,277	7,377	3,983	3,302	329	167	232	1,355	253	2,034
Asset Renewal	2,591	4,893	1,759	839	3,137	5,845	6,695	7,220	1,280	2,730
Total Capital Expenditure	5,868	12,270	5,742	4,141	3,466	6,012	6,927	8,575	1,533	4,764
Total Capital Items	9,625	16,309	10,491	8,943	9,199	12,877	15,042	17,849	12,509	17,183
NET COST OF ACTIVITY	20,920	28,309	23,247	22,008	22,486	25,950	28,130	31,294	25,961	30,402

FUNDING SOURCES

Prior Years Rates Surplus	-	-	-	-	-	-	-	-	-	-
Depreciation Reserve	3,181	2,954	3,375	2,700	3,089	2,907	2,967	3,214	3,471	3,538
Development Contributions	496	496	496	496	496	496	496	496	496	496
Loans	4,804	11,603	5,052	3,429	2,493	5,279	6,321	7,919	896	4,145
Loans Carried Over	-	-	-	-	-	-	-	-	-	-
Total Funding before Rates	8,481	15,053	8,923	6,625	6,078	8,682	9,784	11,629	4,863	8,179
Rates	12,439	13,256	14,324	15,383	16,408	17,268	18,346	19,665	21,098	22,223
TOTAL SOURCES OF FUNDS	20,920	28,309	23,247	22,008	22,486	25,950	28,130	31,294	25,961	30,402
Unfunded Depreciation	-	-	-	-	-	-	-	-	-	-
TOTAL	20,920	28,309	23,247	22,008	22,486	25,950	28,130	31,294	25,961	30,402

AUDIT OPINION



Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF
KAPITI COAST DISTRICT COUNCIL'S
LONG-TERM PLAN
FOR THE TWENTY YEARS COMMENCING 1 JULY 2012**

The Auditor-General is the auditor for Kapiti Coast District Council (the "District Council"). The Auditor-General has appointed me, Grant Taylor, using the staff and resources of Ernst & Young, to report on the Long Term Plan (LTP), on her behalf. We have audited the District Council's LTP dated 28 June 2012 for the twenty years commencing 1 July 2012.

The Auditor-General is required by section 94(1) of the Local Government Act 2002 (the Act) to report on:

- the extent to which the LTP complies with the requirements of the Act; and
- the quality of information and assumptions underlying the forecast information provided in the LTP.

Opinion

Overall Opinion

In our opinion the District Council's LTP dated 28 June 2012 provides a reasonable basis for long term integrated decision-making by the District Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the District Council.

In forming our overall opinion, we considered the specific matters outlined in section 94(1) of the Act which we report on as follows.

Opinion on Specific Matters Required by the Act

In our view:

- **the District Council has complied with the requirements of the Act in all material respects demonstrating good practice for a council of its size and scale within the context of its environment; and**
- **the underlying information and assumptions used to prepare the LTP provide a reasonable and supportable basis for the preparation of the forecast information.**

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Accordingly, we express no opinion as to whether the forecasts will be achieved.

Our report was completed on 28 June 2012. This is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

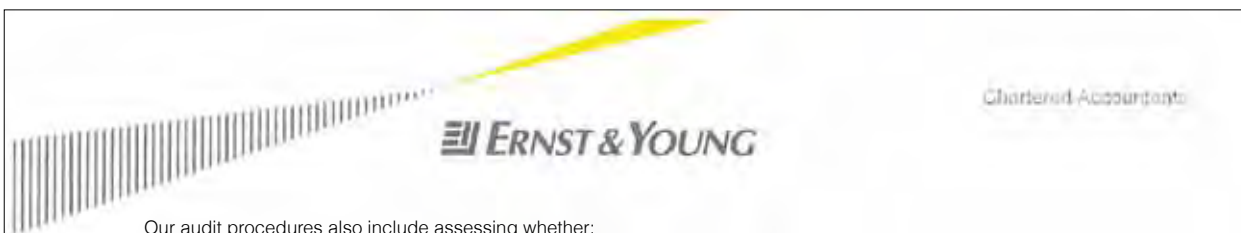
Basis of Opinion

We carried out the audit in accordance with the International Standard on Assurance Engagements (New Zealand) 3000: *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information*.

Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the LTP does not contain material misstatements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves performing procedures to obtain audit evidence about the forecast information and disclosures in the LTP. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the information in the LTP. In making those risk assessments we consider internal control relevant to the preparation of the District Council's LTP. We consider internal control 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.





Our audit procedures also include assessing whether:

- the LTP provides the community with sufficient and balanced information about the strategic and other key issues, and implications it faces and provides for participation by the public in decision making processes;
- the District Council's financial strategy, supported by financial policies is financially prudent, and has been clearly communicated to the community in the LTP;
- the presentation of the LTP complies with the legislative requirements of the Act;
- the decision-making and consultation processes underlying the development of the LTP are compliant with the decision-making and consultation requirements of the Act;
- the information in the LTP is based on materially complete and reliable asset or activity information;
- the agreed levels of service are fairly reflected throughout the LTP;
- the District Council's key plans and policies have been consistently applied in the development of the forecast information;
- the assumptions set out within the LTP are based on best information currently available to the District Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast information has been properly prepared on the basis of the underlying information and the assumptions adopted and the financial information complies with generally accepted accounting practice in New Zealand;
- the rationale for the activities is clearly presented;
- the levels of service and performance measures are reasonable estimates and reflect the key aspects of the District Council's service delivery and performance; and
- the relationship of the levels of service, performance measures and forecast financial information has been adequately explained within the LTP.

We do not guarantee complete accuracy of the information in the LTP. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTP and determining compliance with the requirements of the Act. We evaluated the overall adequacy of the presentation of information. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council

The Council is responsible for preparing a LTP under the Act, by applying the Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The Council is also responsible for such internal control as it determines is necessary to enable the preparation of a LTP that is free from material misstatement

The Council's responsibilities arise from Section 93 of the Act.

Responsibilities of the Auditor


We are responsible for expressing an independent opinion on the LTP and reporting that opinion to you based on our audit. This responsibility arises from section 15 of the Public Audit Act 2001 and section 94(1) of the Act.

It is not our responsibility to express an opinion on the merits of any policy content within the LTP.

Independence

When reporting on the LTP we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than this report and in conducting the audit of the LTP Statement of Proposal and the annual audit, we have no relationship with or interests in the District Council.



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

Matters relating to the electronic presentation of the Long-Term Plan

This audit report relates to the Long-term Plan (LTP) of Kapiti Coast District Council, incorporating parts one to three for the twenty years commencing 1 July 2012 included on Kapiti Coast District Council's website. The Council is responsible for the maintenance and integrity of Kapiti Coast District Council's website. We have not been engaged to report on the integrity of Kapiti Coast District Council's website. We accept no responsibility for any changes that may have occurred to the LTP since it was initially presented on the website.


The audit report refers only to the information named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the LTP. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the LTP as well as the related audit report dated 28 June 2012 to confirm the information included in the LTP presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

CONTACT THE COUNCIL
FOR MORE INFORMATION:

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A decorative graphic consisting of several overlapping, wavy, horizontal bands in various shades of blue, ranging from a deep navy blue to a lighter sky blue. The waves flow from left to right, creating a sense of movement and depth. This graphic occupies the lower half of the page, behind the contact information.