

**Mayor and Councillors**  
COUNCIL

28 SEPTEMBER 2017

Meeting Status: **Public**

Purpose of Report: For Decision

## **ANNUAL REPORT TO 30 JUNE 2017**

### **PURPOSE OF REPORT**

- 1 This report presents the Annual Report for the year ended 30 June 2016, which needs to be adopted by the Council on or before the 31 October 2016 pursuant to Section 98 of the Local Government Act 2002.

### **DELEGATION**

- 2 Council has the authority to consider this matter.

### **BACKGROUND**

- 3 The Audit and Risk Committee reviewed the draft Annual Report on 21 September 2017 and recommended that subject to any final changes required from audit, the Annual Report be adopted by Council on 28 September 2017.
- 4 Ernst and Young have completed their final review of the Annual Report. They have provided a draft audit report that contains an unqualified audit opinion ("clear" audit opinion) for inclusion in the Annual Report. Once Council has adopted the Annual Report, Ernst and Young will sign the audit opinion.

### **OVERVIEW**

- 5 The draft Annual Report highlights the significant achievements for the year in the mayor's foreword and the chief executive's introduction. As noted above, it also gives an update on the specific key initiatives and major projects as well as a broader snapshot of achievements in the sub-sections on pages 12-13 and 14-15 of the draft Annual Report.
- 6 Significant projects progressed or achieved during the year included completion of the rebuild and resurfacing of the Te Ātiawa Park, the commencement of the modernisation and upgrading of the Ōtaki Pool and the construction of an adjoining Splash pad, which is due for completion by the end of 2017. There was progress on the development of a youth development centre, which is now expected to be open in March 2018 and work continued on a five year programme of work to assess approximately 1,200 earthquake prone buildings across Kāpiti.
- 7 Work continued on the 14 year programme of activity centred on the Paraparaumu and Waikanae town centres that aim to take advantage of the new Expressway, which opened in February 2017. Progress in 2016/17 covered the upgrade of Kāpiti Road and redevelopment of Kapiti Lights which is currently underway and will be completed in early 2018.

- 8 We continued our focus on economic development during the year, which included research to inform the redevelopment of the Kāpiti Economic Development Strategy, including understanding how the new Expressway has begun to impact the districts retail centres.
- 9 The Proposed District Plan Hearings Panel completed 44 days of hearings during the year and are now preparing their recommendations for presentation to Council in the 2017/18 financial year.
- 10 There was again a need to respond to some major weather-related events as well as November's earthquake which tested the Council's response plans.
- 11 The following table summarises achievement against the 87 key performance indicators. Overall the Council achieved 79% of its 2016/17 KPI's. The result was 86% and 82% in the previous two years.

Key Performance Indicators	Year End Result to 30 June 2016	Percentage
Achieved	69	79%
Not due <sup>1</sup>	1	1%
Not achieved	17	20%
<b>Total KPIs</b>	<b>87</b>	<b>100%</b>

## Financial results

### *Changes to audited financial statements*

- 12 Council's financial statements, annual report disclosure statement (prudence benchmarks) and cost of activity statements are presented in the Our finances section of the draft Annual Report 2016/17.
- 13 The audited financial statements include minor changes made to the Financial Report to 30 June 2017 (Corp 17-262) presented to the Operations & Finance Committee on 17 August 2017. These changes are summarised below.

	2016/17 Audited Annual Report	2016/17 Financial Report	Movement Fav/(Unfav)
	\$000	\$000	\$000
Operating deficit for the year	1,120	949	(171)
Net Assets	1,423,371	1,422,054	1,317

<sup>1</sup> The 2016/17 community projects awarded waste minimisation grants are not due back until November 2017 and will be reported in in the 2017/18 Annual Report

- 14 The Operating deficit for the year increased by \$171,000 to \$1.12 million mainly due to identifying additional insurance and legal costs pertaining to the 2017 financial year.
- 15 The change in Net assets is mainly due to an error in the roading asset revaluation report provided by the external valuers. The report excluded the value of carpark formations from the total value. This has since been corrected.

#### Disclosure statement

- 16 The Annual Report Disclosure Statement for the year ending 30 June 2017 presents Council's financial performance in relation to seven prudence benchmarks to enable assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings.
- 17 Council met five of these benchmarks for the year ended 30 June 2017. The following benchmarks were not met:
  - Balanced Budget benchmark - due to Council currently not fully funding its annual depreciation of assets; and
  - Debt Servicing Benchmark – The Council's net finance expense exceeded 10% of total revenue mainly due to significant capital investment in the Kāpiti District over the past four years.

## CONSIDERATIONS

### Policy considerations

- 18 There are no policies for the Council to consider in regard to this matter.

### Legal considerations

- 19 The draft Annual Report has been prepared to meet the requirements of the Local Government Act 2002. The final Annual Report must contain an auditor's opinion on whether it meets the requirements of the Local Government Act 2002 (the Act).
- 19 As required by the Act, a summary of the Annual Report must also be prepared and audited to ensure that it represents, fairly and consistently, the information regarding the major matters dealt with in the full Annual Report. Ernst and Young have also provided a positive opinion on the Annual Report Summary.
- 20 The Act requires that the Council, within one month after the adoption of its Annual Report, must make publicly available both its Annual Report and a summary of the information contained in its Annual Report.
- 21 The Annual Report and the Annual Report Summary will be made available to the public on the Council's website and through service centres and libraries as soon as possible after the Council meeting on 28 September 2017.

## Financial considerations

22 There are no financial or funding implications for the Council to consider.

## Tāngata whenua considerations

23 A message from Tāngata Whenua has been included in this draft Annual Report.

## **SIGNIFICANCE AND ENGAGEMENT**

### Significance policy

24 This matter has a low level of significance under Council policy.

### Publicity

25 A communications plan is being developed to support the public release of the Annual Report 2016/17.

## **RECOMMENDATIONS**

26 That the Council adopts pursuant to Section 98 of the Local Government Act 2002, the Kāpiti Coast District Council Annual Report for the year ended 30 June 2017 attached as Appendix 1 to this report (SP-17-320).

27 That the Council delegates to the Mayor, Chair of the Operations and Finance Committee and Chief Executive the authority to approve minor editorial changes to the material contained in the Annual Report 2016/17(Appendix 1 to Report SP-17-320) prior to publication.

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## **ATTACHMENT**

**Appendix 1:** Annual Report 2016/17



Vibrant, diverse and thriving

# FUTUREKĀPITI

Kāpiti Coast District Council  
Annual report 2016/17



# FUTUREKĀPITI

Kāpiti Coast District Council  
Annual report 2016/17

# Introduction

The council reports each year on performance against the plans made for that year.

The annual report is a legislative requirement and a key part of our accountability to the community.

We also see it as an important opportunity to inform residents about our achievements during the year, the progress we've made in each of our activity and service areas, and where we've got to with the wide range of projects underway.

## Planning sets the direction

To direct our activities and ensure we manage our budget and ratepayers' money responsibly, we work to detailed plans. Our overarching plan is the long term plan which covers 20 years. The council develops a long term plan every three years and an annual plan in the intervening two years.

The content of the long term plan stems from the outcomes of a comprehensive process of engagement, planning, community consultation and decision-making. In the two subsequent years the plan is reviewed, and consulted on and amended where necessary to produce an annual plan.

## Reporting our achievements

Our long term and annual plans become the basis for monitoring and evaluation, and reporting our achievements to the community through our annual report. The annual reports complete the accountability cycle that starts with consultation on our long term and annual plans.

This annual report details council's financial and service performance for 2016/17 against the plans that were set out in both year two of the *FutureKāpiti* Long term plan 2015-3 and the Annual plan 2016/17..



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# Statement of compliance and responsibility

1 July 2016 to 30 June 2017

## Compliance

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

## Responsibility

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

In our opinion, the annual financial statements for the year ended 30 June 2017 fairly reflect the financial position and operations of the council.

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K. Gurunathan

**Mayor**  
**Kāpiti Coast District**

28 September 2017

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Pat Dougherty

**Chief Executive**

28 September 2017

# Foreword from the mayor

I'm pleased to introduce the Kāpiti Coast District Council annual report for 2016/17 – my first as mayor. Over the course of the year the council continued to deliver on its plan while adapting to changes and planning for the future.

A new triennium began during the 2016/17 year, with a number of fresh faces around the Council table. Our new committee structure and appointments to key roles reflect the strengths of our councillors and a focus on a collaborative approach.

Having our community work alongside councillors and staff to shape the work of the Council is a critical element of the democratic process. To this end we introduced a new way for you to share your thoughts and feedback with councillors, with a 30-minute public forum before formal Council and Committee meetings.

This same drive for transparent, collaborative working has meant we've sought the views of our communities frequently during the year.

The 2016/17 financial year is the second year of our *FutureKapiti* Long term plan 2015-35. The long term plan was shaped in 2015 around the vision of creating a vibrant, diverse and thriving Kāpiti. Projects and strategies set out in this long term plan have continued to be progressed this year, with the completion of the Te Ātiawa Park courts resurfacing, the beginning of the Ōtaki pool upgrade and progress on other key projects.

The Mackays to Peka Peka Expressway opening in February was a significant milestone for Kāpiti, with the long term plan aiming to ensure the district capitalises on the opportunities provided by the Expressway.

Once again we found the need to respond to some major weather-related events this year, and November's earthquake and severe weather events tested the council's response plans as well as being a reminder to everyone that you can never be too prepared in an emergency.

Since then, we have teamed up with the Wellington Region Emergency Management Office (WREMO), the Red Cross and other community groups to help Kāpiti get tsunami ready. Our programme will see us knocking on doors and delivering information about tsunami warning signs and preparation to the 8000 properties in tsunami evacuation zones.

As the financial year progressed plans for the next year were reviewed and refined, and shared with the community for their input. We heard from people that supported the Council's direction along with the strong views of a number of people concerned about the affordability of rates. With a heavy reliance on rates as our main source of income, our rates are not as low as we would like despite an operating efficiency that compares very well with other councils.

We're keenly aware that affordability is an issue for many in our district and we've heard this, along with aspirations for the district, as we've begun to talk with our communities about the shape of our next long term plan. That long term plan is due to be in place by mid-2018, and we're looking forward to continuing to work closely with the community to set

out a plan that directs where we focus our attention for the years ahead. In the meantime, we're already putting a strong focus on a financially sustainable approach and spending less in order to pay back more debt.

## Building on our strong iwi partnership

We continue to build on our successful partnership with Te Whakaminenga o Kāpiti. This past year iwi have been engaged in several working groups that look to embed iwi knowledge, including the district plan, water and Māori economic development.

Waitangi Day 2017 commemorations were co-hosted with Ngā Hapū o Ōtaki at the Ōtaki Māori Racing Club, and a series of activities have been undertaken to broaden understanding of Matariki and te reo Māori across Kāpiti.

## Working with our communities

We're committed to fostering an inclusive and diverse community and value input from our communities as we do this together.

Over the course of the year we've invited our communities to share their thoughts with us on numerous topics, from preferences for the type of water features at the Ōtaki splash pad to the community facilities we should be planning for over the next two decades.

We're grateful to have communities so willing to get involved in helping shape our district, and we've

enjoyed hearing from a wide range of people and receiving a large number of high quality responses.

### *Supporting Kāpiti youth*

Support and facilities for young people are pivotal to growing a vibrant community and we have contracted Zeal Education Trust to establish and run a youth development centre and youth services. Their successful funding application to the Lotteries Community Facilities Fund means the fit-out of the youth development centre is now expected to be completed in mid-2018.

Other initiatives to support youth include the Youth Council Youth2U Dollars grants, with grants awarded to 32 young people and six groups in 2016/17. In addition, a new phase of the Youth Pathways to Employment project was launched in late 2016, in conjunction with three local education providers.

### *An all-age-friendly district*

This year we partnered with the Kāpiti Older Persons' Council to hold an 'Age on the Go' Expo. Around 600 people attended the event, visiting the over 40 informational displays.

Our Stride 'N Ride shared pathway programme, which makes it safer and easier for pedestrians, cyclists and people on mobility scooters to get around, is now more than half completed.

### **Fostering sustainability**

A number of activities during 2016/17 have promoted and encouraged sustainability in Kāpiti.

The first light electric vehicle joined our fleet. The performance of the Nissan Leaf will be reviewed once it's been on the road a year and before any decisions are made on purchasing additional electric vehicles.

In July 2016, we held the first 'No.8 Wire Week' with dozens of popular workshops on topics including

composting, bee and chicken keeping, and bike maintenance.

### **Welcoming new New Zealanders**

It's a special privilege to host our citizenship ceremonies, and this year we held five ceremonies which conferred New Zealand citizenship on 192 people from a wide range of countries. Welcome to our very special corner of New Zealand!

### **A great destination**

Kāpiti locals are almost unanimous when it comes to thinking that the Kāpiti Coast is a fantastic place to live and visit.

This year saw our i-SITE launch in new premises. Since then they've been helping people make the most of our beautiful district, with nearly 9,000 people through its doors since the opening.

A new visitor attraction guide was published and ten thousand copies distributed locally and nationally in late 2016.

Major events are a real drawcard to visitors and a great opportunity for locals to share and celebrate our district.

For the 2016/17 year funds were allocated to four major events – the Māoriland film festival, the Ōtaki Kite Festival, the Coastella Music Festival, and the Kāpiti Food Fair. To enable these events to get well-established, funding was allocated for a period of three years.

### **Creating an environment for economic development**

We want to ensure we have attractive and accessible town centres, where people want to spend time and enjoy the vibrant atmosphere.

We're using the opportunities created by the Expressway to transform and improve Paraparaumu

and Waikanae town centres and improve the access and amenity of key commuter corridors in the district. These are long-term projects and this year has seen the Kapiti Road upgrade completed (in collaboration with Electra) and detailed design completed and construction underway at Kāpiti Lights

Good connectivity is vital for fostering growth, and we were delighted that Council's bid for ultra-fast broadband (UFB) to be installed early in Ōtaki was successful, with MBIE announcing that Ōtaki would be one of 151 towns around the country that will be given access to UFB in the near future.

### **Delivering on our commitments**

The 2016/17 year is the second year of our *FutureKāpiti* Long term plan 2015-35 and over the year the Council has continued to work closely with our communities as we deliver on our commitments for a vibrant, diverse and thriving Kāpiti.



**K Gurunathan JP, MA**  
Mayor

# Message from tāngata whenua

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

As kaitiaki and tāngata whenua of the district, our traditional practice of kaitiakitanga has developed from centuries of observation and experience from which our knowledge and cultural practice is based.

This knowledge handed down from our ancestors is based on ensuring that our footsteps on the environment have a positive influence for our future generations.

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

Over 2016/17, our partnership with council has achieved the following:

- working groups that capture and incorporate iwi knowledge into new policy and strategy and council's work programmes including:
  - proposed District Plan
  - water
  - Māori economic development
- supported Waahi Tapu tours for the community
- produced the annual maramataka (calendar) commemorating 100 years since World War I
- co-hosted Waitangi Day at the Ōtaki Māori Racing Club

- built a series of activities focused on broadening the understanding of Matariki and te reo Māori across the community
- ensured Māori representatives were on council standing committees, and the chair of the partnership committee or their alternate attended all council meetings
- continued working to ensure that tāngata whenua values and aspiration are embedded across all of council's work programmes
- maintained a focus on establishing and delivering on the Māori Economic Development Strategy
- delivered an annual work plan that builds the capacity of Māori
- continued to publish the Te Whakaminenga o Kāpiti newsletter every quarter due to the quantity of work implemented and the outcomes of the partnership between the council and each of the three iwi.

We are pleased that through the transition to this new triennium we have seen a genuine intention of council to embrace the partnership approach to the management of the district. We have also recognised the genuine desire within council to continuously improve opportunities for tāngata whenua across all areas of council's operations.

In the coming years, we will be working to foster Māori economic opportunities within our district, and to continuously embed matāuranga Māori. We will

also look for opportunities to nationally showcase our partnership with council.

We look forward to achieving 25 years in partnership with the council in 2019 and continuing to work closely with council as we move towards a post-Treaty settlement era.

Further comments about each initiative or project are provided in the table on the following page.

Rupene Waaka

**Tumuaki, Te Whakaminenga o Kāpiti**

*Whatungarongo te tangata toi tu te whenua  
As man disappears from sight, the land remains*

Te Whakaminenga o Kāpiti initiatives and projects		Actions
Iwi–council capacity building	Council liaison – Māori	<p>Council kaumātua – guides the council in the expression of tikanga Māori for formal and informal occasions.</p> <p>Te Whakaminenga o Kāpiti – continues to provide strategic overview of priorities for ongoing engagement between tāngata whenua and council.</p> <p>Iwi liaison –liaison between council and iwi on issues of significance, including the development plans for Mclean Park and Otaraua Park, town centres, the treatment and disposal of bio-solids and Māori economic development.</p> <p>Incorporate approach underpinning cultural understanding within council activities.</p>
	Increasing efficiency of iwi response to joint work	Clear communication between iwi and the council.
	Resource management	Ongoing participation in relevant training opportunities on resource management.
	Democratic process	Māori representatives appointed to each of the council’s standing committees.
State of the environment	Kaitiakitanga	<p>Develop understanding of Te Tiriti o Waitangi.</p> <p>Treaty settlements – keeping abreast of settlement process.</p> <p>Exploring traditional kaupapa Māori practices that contribute to the management of the environment.</p>
Economic development	Building Māori economic development potential	Implementation of the Māori Economic Development strategy.
He taonga te reo	Upholding te reo as a deeply treasured tāonga	<p>Nurturing the written and spoken use of te reo Māori throughout the district.</p> <p>Increased awareness of significant cultural events such as Matariki.</p> <p>Council and iwi co-hosting Waitangi Day and citizenship ceremonies.</p> <p>Promoting bi-lingual signage.</p> <p>Heritage trail – all signage is now in te reo Māori and English.</p>
He taonga tuku iho	Marae – the standing place of the people	Supporting the wellbeing of marae as principal homes of tāngata whenua.



Te Runanga o Toa Rangatira

# Introduction from the chief executive

The 2016/17 year saw work continuing towards the achievement of a number of the key initiatives that council agreed to focus on as part of the *FutureKāpiti* Long term plan 2015-35, with progress made on a number of fronts while continuing to deliver a full range of services to the community.

## Our financial performance

We finished the year with an operating deficit (that is, our revenue minus our operating spending) of \$1.12 million. This was better than our planned deficit of \$3.15 million. Further information is provided in our *Financial overview* on page 16.

During the year, we invested \$21.74 million on capital works across the district. Major items included \$7.40 million on roads, footpaths, cycleways and bridleways, \$4.88 million on improvements to our stormwater and wastewater infrastructure and \$3.92 million on the provision of community facilities, such as libraries, swimming pools and parks and open spaces.

NZ Transport Agency funding accounts for nearly half of what we spend on maintaining our local roading and shared path network and it's pleasing that their recent audit found council procurement and financial practices to be in good shape and delivering value for money.

We realised a rates funding surplus of \$0.27 million mainly due to unplanned regulatory income from increased subdivision and building activity in the district and net interest cost being lower than planned. This surplus is available for offsetting future rates increases during the setting of the Long term plan 2018-38.

## Progress on key long term plan projects

Council has made further progress on the key initiatives that were agreed with the community as part of the development of the *FutureKāpiti* Long term plan 2015-35.

This included completion of work to redevelop the Te Ātiawa Park hard courts which now have a new specialised synthetic surface and improved court lighting. Work commenced on the redevelopment of the Ōtaki pool and splash pad and we expect this to be completed by the end of 2017. The Council remains committed to investing in the Kāpiti College performing arts centre, subject to reaching agreement on how the community will be able to access the facility.

The redevelopment of the Paekākāriki sea wall has not progressed as quickly as originally planned. Following a review, the preliminary design was updated to reflect a change to the materials to be used as part of the overall construction. We are now working to complete the detailed design to reflect the change in building approach.

Recently the Zeal Education Trust was successful in their funding bid from the Lotteries Community Development Fund. That contribution, along with additional Council support, will allow the fitting out of the Paraparaumu-based youth development centre to go ahead, with work expected to begin later in 2017.

The Council was considering the possibility of a purpose-built integrated public gallery and library in Waikanae but this has proven unaffordable. However, Council remains committed to funding its share of the Mahara Gallery upgrade, as signalled in our current long term plan, alongside the Friends of the Mahara Gallery who have now resumed fundraising for their contribution to the cost of upgrading the existing building.

Work also continued on our five year project to assess around 1,500 earthquake-prone buildings across the district. There have been 479 assessments during the 2016/17 year.

You can see more information on our key initiatives and major projects on pages 12 to 13 of this annual report or by going to our website [kapiticoast.govt.nz](http://kapiticoast.govt.nz)

## Economic development

We have continued our focus on economic development during the year. Research to inform the review of the Kāpiti Economic Development Strategy was progressed. This included developing further understanding on the impact of the new expressway on the district's retail centres.

We've also made further progress with the Youth Pathways to Employment project which aims to better prepare young people for employment. The focus has been on the development and piloting of the Work Ready Passport, which is a tool to enable

young people to connect with local employers and gain qualifications and experience that make them work-ready.

### Districtwide planning

Work continued on the development of the proposed district plan (PDP) during the year. The Hearings Panel completed its hearings, having heard from 218 submitters over a period of 44 days. The panel are now preparing their recommendation reports on the PDP and we expect these to be presented to the Council in November this year. We anticipate that the decisions version of the PDP will be publically notified before the end of 2017.

### Legislation impacts

The Building (Pools) Amendment Act 2016 came into effect on 1 January 2017. It repealed the Fencing of Swimming Pools Act 1987 and brought the management of pools under the Building Act 2004. This new Act broadens the definition of pools to include indoor as well as outdoor pools and puts in place a requirement for the periodic inspection of all pools.

The National Policy Statement on Urban Development Capacity (NPS-UDC), which sits under the Resource Management Act 1991, was introduced in December 2016 in response to housing challenges experienced through New Zealand. The NPS-UDC requires local authorities to provide sufficient development capacity in their resource management plans for housing and business growth to meet demand to ensure the district is able to grow and respond to changing community needs.

### Developing our 'open for business' culture

Our open for business programme continued to roll out through 2016/17. This programme includes a range of business improvement initiatives that aim to make it easier for our customers to interact with

council. This year's focus has been on improvements in the regulatory area.

During the year we made some changes to our residents' opinion survey, increasing the frequency of surveys. Council will in future undertake the survey on a quarterly basis and is looking to improve benchmarking with similar local authorities.

The combined surveys for the 2016/17 year continue to show an improvement in overall resident satisfaction, with 82% of residents who expressed an opinion either satisfied or very satisfied compared with 79% in 2015/16 and 74% in 2014/15. Also, 69% of people were satisfied or very satisfied that they received good value for the money they spend on rates and other fees.

### Recognising our achievements

During the year the Council was acknowledged for its work in a number of areas. These included being recognised at the recent Local Government Managers Excellence Awards for our work with the M2PP Alliance to build and open the Mackays to Peka Peka Expressway. This project, which won the gold award in the Collaborative Government Action category, was held up as an excellent example of central and local government working together.

The Coastlands Aquatic Centre has received a Platinum Award from Be.Accessible. Our Aquatic Centre is the first recreation facility in the country to achieve this platinum-level award. Be. Accessible is a New Zealand social change initiative with a mission to make New Zealand accessible for all.

Additionally, the Council's carbon and energy saving work was recognised at the Enviro-Mark Solutions Outstanding Performance Awards in June 2017. The Council took out the overall award for Outstanding Performance in Carbon Management (large organisation).

### Annual plan 2017/18

During the year, the Council invited feedback from the community as plans for the 2017/18 year were finalised. Feedback was provided by 134 residents and groups on the draft annual plan, which helped to shape the final plan adopted by the Council at the end of June.

### Delivering our services every day

We continue to deliver a broad range of services to our community every day of the week. These include the work we do to make sure that our parks and reserves are well maintained, our libraries and pools are available for the community to use, our water supply is reliable and of good quality and our local roads are maintained. I was pleased to see that a recent Ratepayers' Report from the Taxpayers' Union shows that the Council is performing well in terms of efficiency in providing our services across the district.

I am proud of the hard work that our staff put in each day to ensure that we provide good value services to the people of the Kāpiti district and I'm proud of what we have accomplished in 2016/17.



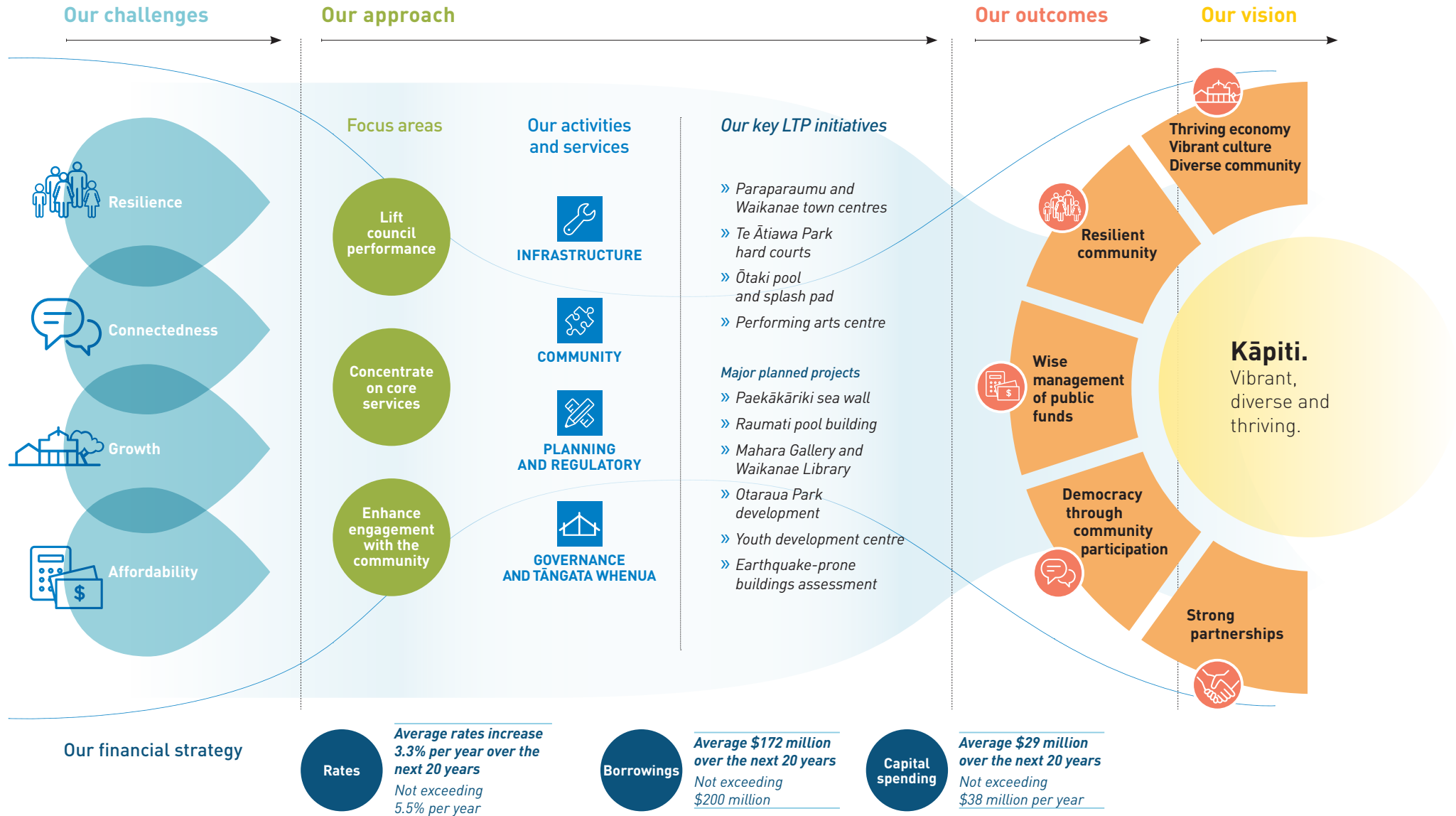
**Pat Dougherty**  
Chief Executive



# FUTUREKĀPITI

## Our plan on a page

Our plan on a page illustrates the key elements of the strategic direction developed as part of the *FutureKāpiti* Long term plan (LTP) 2015-35. More information is available on the interactive version of this plan, available online at [futurekapiti.kapiticoast.govt.nz](http://futurekapiti.kapiticoast.govt.nz)



# Progress on key initiatives and major projects

Four key initiatives were selected by the council and community for investment and development as part of the *FutureKāpiti* Long term plan 2015–35. Here's an update on how those projects are going.



## Paraparaumu and Waikanae town centres

We are rolling out a 14 year programme of activity that aims to take full advantage of the opportunities provided by the Expressway and ensure the Paraparaumu and Waikanae town centres remain attractive places for people to do business, invest and spend time. The Kāpiti Road upgrade was completed in early 2017 and the second town centre project to reach the construction phase, the Kāpiti Lights upgrade, started in late 2016/17 and is expected to be complete in early 2018.



## Te Ātiawa Park hard courts

The rebuild and resurfacing of the Te Ātiawa Park courts is complete. This popular sports facility, used for both tennis and netball, has undergone a major upgrade over the last two years. The old cracked courts have been rebuilt to provide fit-for-purpose playing surfaces with a high-performance synthetic surface. Lighting at the courts has also been upgraded. The venue is now set to meet the needs of local sportspeople for years to come.



## Ōtaki pool and splash pad

The Ōtaki pool complex closed in late February 2017 for modernising and upgrading. The old pool building has been demolished and the rebuild is on track to be completed by the end of 2017. The redevelopment includes a new pool hall building (the pool tanks remain the same); ramp entry into the main pool; separation of the filtration systems between the toddlers and lane pools, and the creation of a splash pad. This upgrade will ensure that Ōtaki pool meets the needs of the community for many years.



## Performing arts centre

We will invest in the Kāpiti Performing Arts Centre at Kāpiti College, subject to an agreement about the community use of the centre. Details of the agreement are being finalised. It is planned that the contribution will be made when construction is nearing completion. Investment in the Kāpiti Performing Arts Centre will provide our community with access to facilities years before our previous plans would have allowed.



## Six major projects were also given priority

### Paekākāriki sea wall

Council has progressed plans for a replacement sea wall, in consultation with the community. A peer review of the most cost-effective design option has resulted in changes to the proposed construction materials which has resulted in delays to the project. Construction is now not likely to start until the 2018/19 financial year.



### Raumati pool building

The now-closed Raumati pool building will be redeveloped as a multi-purpose community facility to be up and running by 2020.



### Mahara Gallery and Waikanae Library

Plans for a purpose-built integrated gallery and public library are currently on hold after recent estimates exceeded money set aside in the long term plan. The Council remains committed to funding its (one-third) share of upgraded gallery facilities and is looking at how the existing library building can be maintained and enhanced to continue to provide a quality library service for Waikanae until the building is replaced or redeveloped at some time in the future.



### Otaraua Park

We've been working with the community to draft a development plan for our newest park. The development plan, which will shape the way the park looks for future years, is due to be finalised by December 2017. The 60 hectare park between eastern Otaihangā and the southern bank of the Waikanae River was purchased by the council in 2012 for the enjoyment of the community.



### Youth development centre

The council has partnered with national youth development provider Zeal Education Trust to provide a youth development centre and associated mobile services in Kāpiti. Zeal runs youth events and activities and has a mobile service to reach across the district.

A building in Paraparaumu town centre has been secured for the centre. Fundraising from a number of sources has progressed well and Zeal

was successful in its major funding application to the Lotteries Community Facilities Fund in late 2016/17. Work on fitting out the multi-functional facility is due to start in early 2017/18 and is expected to finish around March 2018.



### Assessing earthquake-prone buildings

In 2015/16, the council began a five year project to assess around 1,500 earthquake-prone buildings in Kāpiti. Our district is in a zone of high seismic activity and it is important that we have buildings that are safe to be in and around. To date over 600 buildings have had initial assessments by structural engineers.

You can get more information on our key initiatives and the six major projects in our *FutureKāpiti* Long term plan 2015-35 which can be viewed at service centres and libraries or online at [kapiticoast.govt.nz](http://kapiticoast.govt.nz)

# A snapshot of the year

The following is a selection of the projects completed and the day to day services delivered in 2016/17. For full details see our activities and services section (pages 19–89).



The Ōtaki Beach stormwater pump station upgrade was completed and will help reduce the flood risk for around 300 properties in the Moana Road catchment.

The 2016/17 resident opinion survey reported, on an adjusted satisfaction basis, that 82% of people were satisfied with the overall performance of the council.

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More than **202,000**  
people visited the Coastlands Aquatic Centre

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The last of 20 recommendation reports to the PDP Hearings Panel were completed and 13 PDP hearings were held. The PDP will be presented to council for decision before the end of the 2017 calendar year.

Waste minimisation education was delivered to over 770 pupils at local schools this year.

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We responded to **19,527**  
service requests this year

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We removed vegetation and sediment from 16.1 km of the open drain and stream network to improve its ability to cope with heavy rainfall.

The Council added its first light electric vehicle, a Nissan Leaf, to its fleet at the end of November 2016.

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We answered more than **84,000**  
customer service calls

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After two years of operation of the river recharge scheme resident satisfaction with the quality of the water supply has risen to 81% in 2016/17 (from 51% in 2014/15).

The median resolution time for 854 non-urgent service requests for water faults was five hours and 52 minutes, against a target of four days.

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We resealed **20.4** kilometres of local roads

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The Kāpiti Arts Trail continues to be successful with an estimated 39,500 visits to 97 artists and hubs, and with estimated sales and commissions of \$470,000.

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We processed **27%** more  
resource consents than last year

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Youth2U Dollars grant recipients included a young woman going to the World Karate Champs, local students undertaking a conservation project in Mexico and a young person delivering a local volunteer programme with vulnerable children.

Council engaged widely with the community on the development plans for both Mclean Park and Otaraua Park, including with Te Āti Awa ki Whakarongotai.

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Nearly **3,000** square metres of footpaths were upgraded

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A four-week te reo Māori programme was held at Paraparaumu, Ōtaki and Waikanae Libraries.

Since its opening on 6 September 2016 the new i-SITE has seen a total of 8,925 people come through its doors.

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More than **9,800** people came to free library events and activities

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The 2017 transport forum for older drivers was held in March 2017, with 50 people attending.

The council's eco design advisory service provided 190 free two-hour home consultations giving residents advice on cost-effective ways to make their homes warmer, drier and more energy-efficient.

The animal management team now operate seven days a week, meaning dogs that wander during the weekend can be dealt with and returned to their owners.

A new Destination Kāpiti Facebook page was launched with targeted promotion to visitors from outside the district.

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More than **1,100** building consents were issued

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Nearly 440 people took part in the AquaEase or AquaYoga programmes at the Coastlands Aquatic Centre which have been very successful for those with medical conditions or limited mobility.

Council commissioned a districtwide assessment of the condition of buildings in its community facilities portfolio to help prioritise maintenance needs over the next 20 years.

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Around **1,000** people attended the 'Mclean Park Experience and gave their views on the development of the park

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A further 174 LED streetlights were installed this year, bringing the total installed to date to 479, just under 10% of the network.

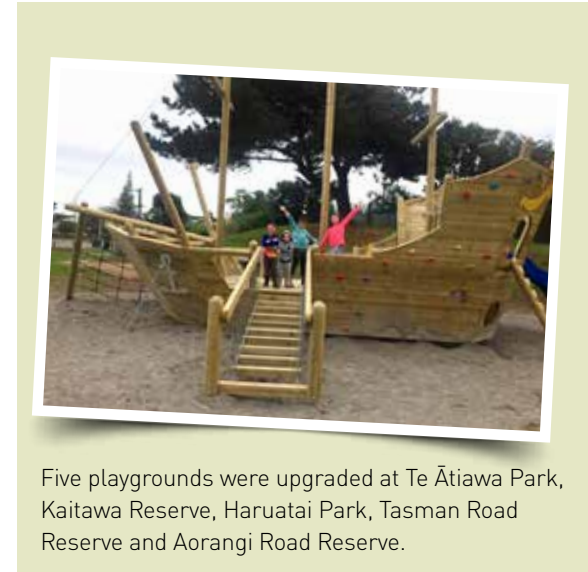
The annual park users' survey found that 95% of respondents were satisfied with the quality of council parks and reserves.

A range of Matariki activities were organised including kapa haka, a street festival, a library series of activities and an appeal for food bank donations.

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We completed **479** initial earthquake-prone building assessments

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Five playgrounds were upgraded at Te Ātiawa Park, Kaitawa Reserve, Haruatai Park, Tasman Road Reserve and Aorangi Road Reserve.

Leak detection surveys were conducted across 110km (23%) of the water supply network and an estimated 2,260 cubic metres per day of water loss was identified and repaired.

Waitangi Day celebrations were co-hosted with Ngā Hapū o Ōtaki at the Ōtaki Māori Racing Club.

A new phase of the Youth Pathways to Employment project was launched in conjunction with three local education providers — Ōtaki College, YouthQuest and Whitireia Polytechnic.

# Financial overview

This overview gives a summary of the major aspects of our financial management and results for the 2016/17 year.

Accounting to ratepayers for our management of council's budget and assets is a key responsibility for council and required by law. We have produced this overview to help Kāpiti residents see the big picture of our finances. Full details are provided later in the report. There is a statement of the cost of each activity comparing what was actually spent with what was budgeted in the *Our activities and services* section (pages 19–89) and the full financial statements can be seen in the *Our finances* section (pages 91–144).

## Financial context

Kāpiti Coast District Council is an entity of **\$1.4 BILLION**

We have a significant number of assets and a complex mix of financial requirements to manage. Council records its significant assets at fair value, and to do this we regularly revalue our assets. This year, we revalued our above-ground assets (including roading assets and land under roads). This resulted in a \$114.5 million increase in value to these assets, mainly due to an increase in land values across the district. Land is not depreciated, so \$75.3 million of the increase in value will have no impact on future rate increases.

## Financial performance

### Operating profitability

Currently, council does not fully fund its asset depreciation, so we had budgeted to make a deficit of \$3.15 million. Through stronger regulatory

income streams and lower net interest costs, we achieved an actual deficit of \$1.12 million, being \$2.03 million better than planned.

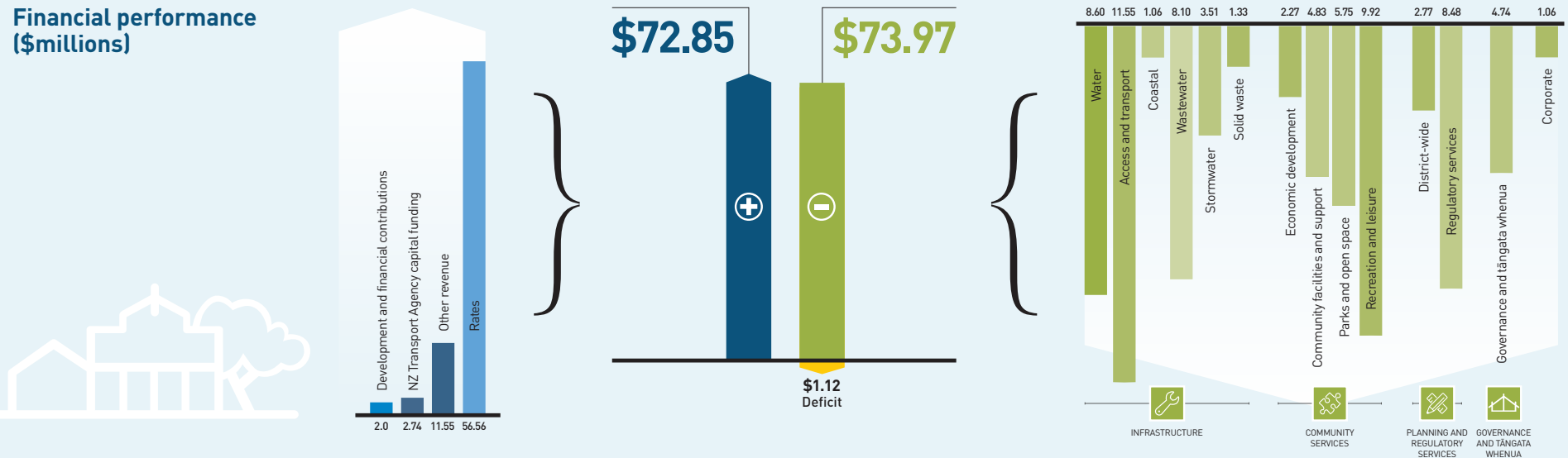
*Note that our financial strategy progressively moves to fully funding annual depreciation of assets.*

## Capital spending

We had budgeted to spend \$32.4 million on capital work in the 2016/17 year. To ensure that council's borrowings are in line with its ability to deliver on a challenging programme of work we have reviewed

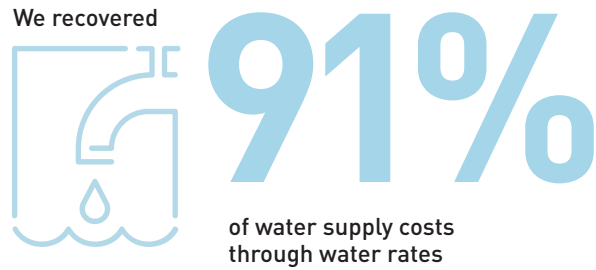
We spent **\$21.7 MILLION** during the year on capital work

## Financial performance (\$millions)



our future capital works programme. This has seen \$9.2 million worth of projects moved from 2016/17 to future years.

### Water account



The cumulative water account deficit as at 30 June 2017 is \$1.6 million. Council intends to recover the water account deficit by gradually increasing water rates over the next few years.

### Financial position

At the end of each year, we determine our financial position. This reflects the overall value of the council as an entity.

As at 30 June 2017, we had total assets of \$1,673 million. Of this, infrastructure (water, stormwater, wastewater, roads, bridges, cycleways, walkways and bridleways) accounts for \$1,408 million and the remainder includes community facilities, parks and open spaces and financial assets.

Our liabilities are \$249.8 million, with 84% of this being medium to long term borrowings from the Local Government Funding Agency. Other liabilities include money owed, for example, to suppliers.

The difference between total assets and liabilities means that ratepayers' equity in the council is \$1,423 million.

### Cash and debt management

We ended the year with net debt (total borrowings less cash and cash investments) of \$146.2 million, which was lower than planned. This reflects our careful management and the more streamlined approach we took to managing cash and new borrowings.



A positive result for the year is that we kept our credit rating in a generally difficult financial environment. It is beneficial too because it helps to reduce our borrowing cost, which supports our financial strategy.

We kept our Standard and Poor's credit rating of

**A+**

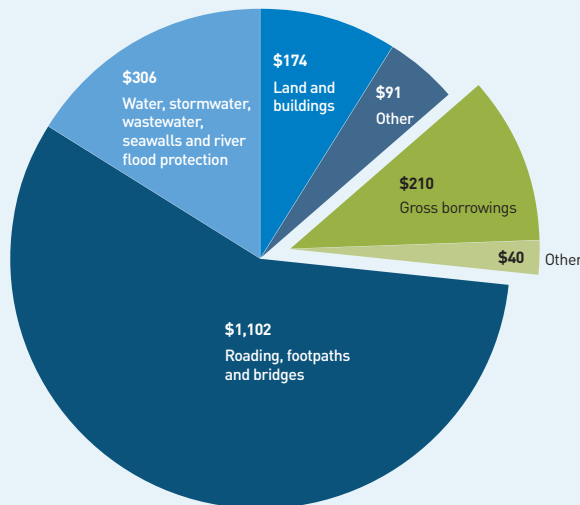
### Financial prudence

All local authorities are required to report against a set of benchmarks around three key elements of financial prudence – affordability, sustainability and predictability. The benchmarks and our performance against them are set out in the *Our finances* section, Disclosure statement, on pages 131 –135.

### Financial position (\$millions)

**\$1,673**  
Assets

84% of council's assets are infrastructure (water, stormwater, wastewater, roads, bridges, cycleways, walkways and bridleways)



**\$250**  
Liabilities

84% of council's liabilities are medium to long term borrowings from the Local Government Funding Agency

**\$1,423**  
Total ratepayers' equity







# Our activities and services

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

## We organise our work in the community into four clusters:



Infrastructure



Community services



Planning and regulatory services



Governance and tāngata whenua

In each cluster there are a number of specific services and activities. For each one we've outlined what has been achieved in 2016/17 and set out our performance against key measures. We have also provided a table of the costs of each activity against the budget.



# Infrastructure

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

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

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

All councils are now required by law to have a 30-year infrastructure strategy and we developed our first strategy as part of the *FutureKāpiti* Long term plan 2015-35. The strategy can be seen in the Supporting Information document to the long term plan on our website [futurekapiti.kapiticoast.govt.nz/long-term-plan-2015-35/](http://futurekapiti.kapiticoast.govt.nz/long-term-plan-2015-35/)

## In this section you'll find:

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

# Water – wai

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

Council maintains 571 kilometres of water pipes, five water treatment plants, seven pump stations and eight groundwater bores throughout the district.

The council has been taking significant steps over recent years to secure the long-term water supply for Kāpiti.

## River recharge with groundwater scheme

### Scheme achieves a second green four star rating

During the 2016/17 year the river recharge with groundwater scheme was given a green four-star rating by Greater Wellington Regional Council (GWRC) for the previous year. This is the second year the scheme has received this rating. It is the highest resource consent compliance rating and means the scheme not only complies but its management has been excellent.

### Full capacity of bores now available

Approval was received from GWRC in December 2016 to use the three new bores and a redeveloped bore for river recharge after the required year of baseline monitoring. This allows all eight bores to be used for river recharge once discharge restrictions are removed at the end of scheme baseline monitoring.

This will provide security for the Waikanae water supply scheme up to 23,600m<sup>3</sup> per day. With the current peak day use having now fallen to 15,773m<sup>3</sup>

per day there is capacity for growth before stage two will be needed.

### River recharge not used in 2016/17

The river recharge scheme was not used this year due to the wet summer we have experienced. In previous years low flows in the river would have required river recharge, as per last year, or the need to supplement supply with bore water prior to the availability of the recharge scheme.

### Baseline monitoring complete

Under the terms of the resource consent for the river recharge scheme, council is required to undertake three years of summer baseline monitoring. The third and final year of monitoring started in December 2016 and was completed in April 2017.

Detailed analysis of the baseline monitoring data is underway since its completion. It will be used to prepare for the review by GWRC for the ongoing mitigation plans for the 2017/18 summer season.

Once the ongoing mitigation plans have been approved and the 20% river recharge discharge limit removed, council will be able to use our bores to the full extent needed to replace the water we extract from the river. Our bores will remain available for emergency supply if that is ever needed.

**Water management** includes the following services and programmes:

- supply of potable (treated) water to urban areas
- management of water reticulation and treatment assets
- delivering and managing the river recharge with groundwater scheme
- managing the installation, maintenance and reading of water meters
- detection and repair of leaks on council supply network
- establishing benchmark water loss estimates and tracking improvements against these
- education and promotion of responsible water use to meet water consumption targets
- monitoring the quality of on-site supply systems, and
- promotion of, and funding assistance for, non-potable supply systems.

## Maintaining and strengthening our water network

### Water mains renewals

Over the life of the current long term plan, \$500,000 per year (inflation adjusted) has been committed to water network renewals. A number of water main renewal projects were completed in 2016/17 comprising a total of 301 metres of pipe renewals.

A 161 metre section of the water main along Kāpiti Road, between the Mackays to Peka Peka (M2PP) Expressway and Arawhata Road, was renewed ahead of new road and footpath construction in this location.

A further package of work renewed service pipes in areas of poor performance in Paraparaumu and Peka Peka. The service pipes connect the water main pipes in the street to each property's meter..

Secondary water pipes (rider mains) were installed in Ōtaki and Waikanae to shorten service pipe renewals that would have otherwise crossed the road at each house.

### Reservoir upgrades and renewals

An auto shut-off valve was installed at the Kākāriki reservoir serving Waikanae. This valve will stop water flowing out of the reservoir if there is a major pipe burst such as during an earthquake. This completes the programme of shut-off valve installations at Council's primary service reservoirs.

Works to improve the Riwai reservoir roof started in 2016/17. The reservoir stores water for Raumati and Paraparaumu and the ongoing integrity of the roof is an important part of maintaining water quality.



**Auto shut-off valve installed at Kākāriki reservoir**

### Waikanae water treatment plant upgrade

The first stage of the Waikanae Water Treatment Plant upgrade and renewal was completed in May 2015 in conjunction with the river recharge with ground water scheme. Stage two is programmed to start in 2018/19.

The stage two planning and risk study to review and investigate the scope of the proposed stage two renewals was completed this year. The study considers current condition, potential risks to performance and consequences of failure. It provides detailed evidence to inform the scope and timing of the required renewals.

One of the main items included in the stage two works is the clarifier. The clarifier is a five metre high circular concrete tank 24.5 metres in diameter with internal mechanical equipment that was constructed in 1974. It is the first process unit in the treatment plant and there is no back-up if it fails, therefore its renewal is being prioritised.

### Paekākāriki water treatment plant filter replacement

Replacement filters for the Paekākāriki water treatment plant were installed and commissioned early in the year. These filters replaced the previous filters that needed to be demolished to make way for the transmission gully expressway road construction.

### Water conservation progress

The target for peak day water use was set in the 2010 water conservation plan at 490 litres per person per day (l/p/d) by 2016/17. In the three years since the introduction of water metering that target has been consistently met and surpassed. The results were 437 l/p/d in 2014/15, 420 l/p/d in 2015/16 and 369 l/p/d in the 2016/17 year.

In addition, water use management improvements are yielding results. The 2016/17 leak detection programme surveyed over 110 kilometres of water pipes, finding and repairing 58 leaks and saving an estimated 2.26 million litres per day water loss.

Of particular note was a newly emergent leak of 1.9 million litres per day, which was identified through council's water supply monitoring. Council worked with a specialist leak detection contractor to find the leak in an area of 70 kilometres of water pipes. It was found and repaired in May 2017.

In 2016/17, to ensure that peak water use remained on target, the water conservation effort focused on:

- monitoring network performance and targeted leak location and repair activities, and.
- continuing assistance to residents to reduce water use and repair leak,s which was delivered through services such as the water conservation advisor, green gardener, eco design advisor and water education support.

The other key results for 2016/17 include:

- fifty-four service pipes were replaced over 2016/17, as part of the targeted renewal project, with replacement decisions based on material type, and whether repeated repairs had been required,
- undertook 541 leak related repairs across the water networks in 2016/17,
- the 207 new homes built in 2016/17 all included water saving measures as required under the district plan,
- over 220 properties applied for a credit for water lost due to a leak, with the cost of an estimated 144,540m<sup>3</sup> of water lost through leakage credited back to the consumer, and
- eleven properties took up the interest-free rates payback scheme to install a rainwater tank or greywater system for outdoor irrigation.

### The water account explained

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

The water account is a closed account. This means that any surpluses will be held within the account to fund the future costs of providing water. Conversely any deficits will need to be recovered from future water charges.

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

### The water account deficit

The water account is currently in deficit. Council plans to gradually increase the annual water supply rates, to a level that fully recovers the cost of providing this service, within the next ten years. This approach is expected to be confirmed during the 2018-38 Long term plan

The 2016/17 budget projected a water account deficit of \$169,000 however the actual deficit increased to \$788,000 at 30 June 2017. This \$619,000 difference from the budget forecast was due to

- lower water consumption, which resulted in water revenue being \$471,000 below budget, and
- additional operating expenditure of \$148,000, mainly due to unplanned network maintenance, leak detection and repair works

The table below outlines the current water account position. From 2018/19 onwards, the anticipated surpluses will help to ensure that the full cost of water is recovered from water rates.

Water account	2014/15 Actual \$m	2015/16 Actual \$m	2016/17 Actual \$m	2017/18 Budget \$m	2018/19 Budget \$m	2019/20 Budget \$m	2020/21 Budget \$m	2021/22 Budget \$m	2022/23 Budget \$m	2023/24 Budget \$m	2024/25 Budget \$m	2025/26 Budget \$m	2026/27 Budget \$m
Cost of providing water	8.1	8.0	8.6	8.4	8.8	9.0	9.2	9.4	9.5	9.6	9.7	9.9	10.2
Water rates revenue	7.6	7.7	7.8	8.4	8.8	9.2	9.3	9.5	9.7	9.8	9.9	10.0	10.3
Annual surplus/(deficit)	(0.5)	(0.3)	(0.8)	(0.0)	0.1	0.2	0.2	0.1	0.2	0.2	0.3	0.2	0.2
Balance of water account	(0.5)	(0.8)	(1.6)	(1.6)	(1.5)	(1.3)	(1.1)	(1.0)	(0.9)	(0.7)	(0.5)	(0.3)	(0.1)

## Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
We provide a continuous potable water supply that meets New Zealand drinking water standards	Median response times to a fault or unplanned interruption to our water network measured by attendance time (from the time council receives notification to the time that staff are on site) <i>(New mandatory measure)</i>	Urgent = less than or equal to 1 hour	Achieved	Median attendance time for 40 urgent water interruptions was 17 minutes.
		Non-urgent = less than or equal to 3 days	Achieved	Median attendance time for 847 non-urgent water faults was 1 hour 23 minutes.
	Median response times to a fault or unplanned interruption to our water network measured by resolution time (from the time that council receives notification to the time that staff confirm resolution) <i>(New mandatory measure)</i>	Urgent = less than or equal to 5 hours	Achieved	Median resolution time for 40 urgent water interruptions was 1 hour 26 minutes.
		Non-urgent = less than or equal to 4 days	Achieved	Median resolution time for 847 non-urgent water faults was 6 hours 41 minutes.
	Measure the extent to which the district's drinking water supply complies with: a) Part 4 of the drinking water standards (bacteria compliance criteria), and b) Part 5 of the drinking water standards (protozoal compliance criteria) <i>(New mandatory measure)</i>	Achieve	a) Achieved Part 4 of the standards met 100% for all water supplies in the district	a) The water supplies for Paekākāriki, Paraparaumu/Raumati, Waikanae, Ōtaki, and the small supply at Hautere all met Part 4 of the standards 100%.
			b) Not achieved Part 5 of the standards not met 100% for all supplies in the district	b) The water supply for Waikanae, Paraparaumu, and Raumati met Part 5 of the standards 100%. The supplies for Ōtaki <sup>1</sup> , Paekākāriki <sup>2</sup> and Hautere <sup>3</sup> did not meet part 5 of the standards 100%.  For the supplies where the part 5 standards are not met, we have met the requirements of the Health (Drinking Water) Amendment Act 2007 which are: i) to take all practicable steps to comply with the standards, and ii) to introduce and implement approved water safety plans for the relevant supplies.

1. The Ōtaki supply is compliant an estimated 97-99% of the time. It is not compliant at those times when turbidity issues inhibit the effectiveness of the ultra violet (UV) treatment process. To resolve this requires construction of a reservoir.
2. The installation of replacement micro filters at Paekākāriki is planned for early 2017/18. All other barriers are in place and this should ensure the supply is 100% compliant.
3. The installation of micro filters at Hautere Supply is programmed for early 2017/18. This is in addition to the UV and chlorine disinfection that had already been installed. This will further improve the surety of water quality from this originally rural scheme and should ensure it is assessed as 100% compliant.

Contribution to outcomes	Performance measures	Target	Result	Comment
We provide a continuous potable water supply that meets New Zealand drinking water standards	Residents who are satisfied with the quality of council's water supply (taste, odour, clarity)	80%	Achieved (81%)	The Resident Opinion Survey result for the 2016/17 year reported a further substantial improvement in satisfaction with the quality of council's water supply. Satisfaction was 81% this year compared with 68% in 2015/16 and 51% in 2014/15.  This improvement was expected as a result of the river recharge scheme as this meant bore water has not been added to the water supply in the last two years.
	Measure the total number of complaints received by council, per 1,000 connections, to council's networked reticulation system, about any of the following: a) drinking water clarity b) drinking water taste c) drinking water odour d) drinking water pressure or flow e) continuity of supply, and f) council's response to any of these issues. <i>(DIA mandatory measure)</i>	Maintain or reduce 2014/15 baseline (4.7 per 1,000 connections)	Not achieved (4.9 per 1,000)	A total of 113 'complaints' were logged for the year (73 water quality complaints and 40 service requests for no water supply). With a total of 22,973 connections this equates to 4.9 complaints per 1,000 connections.  We have no data for water pressure complaints in the 2014/15 baseline year but started recording that in 2015/16 so it can be included in the next long term plan target. In 2015/16 there were 27 water pressure complaints and there have been 17 this year.
We encourage the sustainable use of potable water and aim to reduce water loss from our water network	Peak water consumption per person declines to 400 litres per person per day (plus 90 litres per person for water loss) by 2016/17	490 litres per person per day by 2016/17 and maintained thereafter	Achieved (369 l/p/d)	Peak day water use was 369 l/p/d, compared to 420 l/p/d in 2015/16 and 437 l/p/d in 2014/15. It was well below the 490 l/p/d target for 2016/17. Average water use was 315 l/p/d.
	Percentage of real water loss <sup>1</sup> from the council's networked reticulation system  <i>(DIA mandatory measure)</i>	Establish a baseline in 2015/16 that is no greater than 2014/15 and monitor	Monitor only	The percentage real water loss <sup>1</sup> from the council's network in 2016/17 was calculated at 23.5% (or 2016/17 (3,489 m <sup>3</sup> /day) slightly down from 23.6% in 2015/16 (3,584 m <sup>3</sup> /day).  This modest fall is despite the two significant leaks that developed late in 2016/17. Although they were found and repaired relatively quickly they resulted in a significant cumulative loss of water.

1. 'Real water loss' is reported here as defined by the DIA 'real losses through leaks in the network and apparent losses through metering inaccuracies and water theft'. The industry standard definition does not include apparent losses.



## Financial results for the year ended 30 June 2017

Water management – cost of activity			
2015/16 Actual \$000		2016/17 Actual \$000	2016/17 Budget \$000
	<b>Expenditure</b>		
3,280	Other operating expense	4,102	3,922
2,865	Depreciation and amortisation	2,696	2,738
1,915	Finance expense	1,798	1,798
<b>8,060</b>	<b>Operating expenditure</b>	<b>8,596</b>	<b>8,458</b>
	<b>Revenue</b>		
36	Fees and charges	37	39
299	Development and financial contributions revenue	422	103
<b>335</b>	<b>Operating revenue</b>	<b>459</b>	<b>142</b>
<b>7,725</b>	<b>NET OPERATING COSTS</b>	<b>8,137</b>	<b>8,316</b>
	<b>Capital items</b>		
731	Asset renewal	870	847
474	New assets upgrade	68	158
<b>1,205</b>	<b>Total capital items</b>	<b>938</b>	<b>1,005</b>
<b>8,930</b>	<b>NET COST OF ACTIVITY</b>	<b>9,075</b>	<b>9,321</b>
7,878	Rates	8,429	8,289
474	Borrowings	68	158
731	Depreciation reserve	870	847
(299)	Reserves and special funds	(422)	(103)
147	Unfunded depreciation	130	130
<b>8,930</b>	<b>TOTAL SOURCES OF FUNDS</b>	<b>9,075</b>	<b>9,321</b>

# Access and transport – putanga me te waka

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

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

## Roading improvements

### Kāpiti Road upgraded

In preparation for the completion of the M2PP Expressway, improvements were made to the Kāpiti Road/Arawhata Road intersection and on Kāpiti Road east of Arawhata Road up to Ngahina Street.

Preparatory work on the intersection improvement started in 2015 and traffic lights were installed and operational prior to the opening of the M2PP Expressway in February 2017.

The upgrade work on Kāpiti Road east of Arawhata Road included the undergrounding of power lines and widening of the footpath creating a shared walkway/cycleway on the south side of Kāpiti Road. Electra contributed to the cost of undergrounding the power lines. Work was completed in December 2016.

This improvement work links in with earlier upgrading of the Rimu Road/Kāpiti Road intersection and provides safer access for cyclists to the town centre and the new cycleway alongside the expressway.

### Nga Manu Reserve Road completed

A new access road from Ngarara Road to the east of Smithfield Road has been built by the M2PP Alliance to provide an access link for future development between Waikanae North and Waikanae Beach. Construction was completed in May 2017.

### Raumati Road corridor improvements

There are a number of elements to the improvement works in the Raumati Road corridor that were undertaken in 2016/17: Goldsborough Avenue was realigned to allow for the construction of a roundabout at the Goldsborough Avenue/Hillcrest Road intersection with Raumati Road; safety improvements were made at the Weka Road triangle; and the construction of a shared path for pedestrians and cyclists on the northern side of Raumati Road was started which will, when completed, extend from the expressway to Raumati Beach village.

These improvement works, along with works to upgrade the Matai Road T-junction with Raumati Road, are expected to be completed later in 2017.

### Upgrading Waitohu Valley Road

As a result of the Annual plan 2016/17 submission process, budget was approved to widen Waitohu Valley Road to increase safety for road users including large vehicles. The project started at the end of May 2017 and will be completed in the first half of 2017/18.

**Access and transport** includes the following services and programmes:

- management of assets: roads, footpaths, street lighting, road signs, street furniture, walkways and cycleways
- replacement of assets to ensure long-term sustainability
- delivery of road safety improvement projects, in conjunction with New Zealand Police, NZ Transport Agency (NZTA) and other road safety partners
- promotion of active travel modes and public transport
- design and construction of road corridors to accommodate a range of transport options
- providing safe cycleways, walkways and bridleways to promote active transport in Kāpiti
- upgrades to footpaths
- advocacy for public transport services
- planning and design, linked to wider district development projects, and
- traffic and transport enforcement by regulations, standards and bylaws.

## Road reconstruction and sealed road resurfacing

The annual reseal programme was completed in accordance with NZTA requirements. A total of 20.4 kilometres of chip seal and asphalt was resurfaced.

The quality of some local roads was impacted by heavy vehicles during construction of the M2PP Expressway. To remedy these impacts M2PP and Council agreed on a contribution to the council and the remediation work was carried out as part of the annual reseal programme.

## District footpath renewal

Footpaths were replaced across the district in conjunction with other roading project upgrades. A number of sites were completed with approximately 2,976m<sup>2</sup> of footpaths upgraded.

## Road design and planning

During the 2016/17 year expert roading advice was provided for 141 resource consents and the proposed district plan hearings process.

A strategic business case was developed as the first step to secure NZTA funding for the East West Connectors Project, which aims to resolve congestion issues and future-proof Kāpiti Road.

## Emergency works

Severe weather events again impacted Kāpiti's roading network this year and led to emergency works on various roads.

Additional budgets and funding from NZTA were required to deal with a large wash-out on Rangiora Road and construct two retaining walls on Ōtaki Gorge Road and one on Wairongomai Road.

## Cycleways, walkways, bridleways (CWB)

Overall, the Stride 'N Ride programme is approximately 60% of the way through. Shared paths have been completed as part of the Kāpiti Road upgrade project as noted above and are underway as part of the Raumati Road corridor upgrade. In addition, the following work has been completed:

- construction of the Realm Drive crossing near Mazengarb Road,
- the shared path on Otaihanga Road and the crossing at the Otaihanga Road/Ratanui Road intersection,
- construction of the shared path on Kāpiti Road between the Airport Control Tower and Magrath Avenue including a retaining wall adjacent to the control tower,
- Waikanae CWB facilities have been extended either side of the new expressway interchange at Te Moana Road, and
- widening of the existing footpaths between Mitre 10 Mega and Friendship Place on Kāpiti Road with associated landscaping.

Work is underway on the following:

- Poplar Avenue slow zones and shared path construction started in April 2017 and are expected to be completed later in 2017.
- the upgrade of the intersection of Park Avenue and Te Moana Road to improve pedestrian and cyclist safety began in May 2017 and will be completed in the first half of 2017/18, and
- preliminary work to gain approval from NZTA for a right turn bay at Leinster Avenue has been successful. This will enable the shared path to be extended from the expressway cycleway to the Queen Elizabeth Park cycleway.



**Poplar Avenue shared path under construction**

## School traffic safety

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

- the pedestrian crossing at Raumati Beach School has been relocated to mid-block on the Weka Road Triangle as part of the Raumati Road improvements,
- nine more schools had upgrades to web-based advance warning safety school zone signs so they can be controlled and monitored remotely, and
- the two Police School Education Officers for Kāpiti-Mana have progressively updated the training of all ten primary schools and one intermediate school operating patrol crossings.

## Road safety

Council, jointly with the NZ Police and GWRC, supported a road safety campaign targeting key risk areas for Kāpiti: alcohol and drugged drivers, motorcycle safety and older drivers. Together with

the NZ Police there has been radio advertising about cell phone use and general driver distractions, bicycle safety, driver fatigue, pedestrian crossings, seat belts and sunstrike to coincide with the school holiday breaks.

Work continued with the Kapiti Mobility Scooter Club to promote the use of the free safety flags provided.

The now annual Shiny Side Up, Bike Fest Regional Motorcycle event, organised by NZTA, ACC and the GWRC, was attended by 2,200 motorcyclists at the Southward Car Museum in January 2017.

The Safe Kids Driveway Run Over kit was made available for community events, including school fairs, in conjunction with the NZ Police. This included school education officers or local community police raising awareness of the blind spots for motor vehicles.

The RYDA Road Safety Education course was held at Southward car Museum in August 2016, with 185 senior college students attending an education programme based around a teenager's individual responsibility when driving a motor vehicle.

The fourth Transport Forum for Older Drivers was run in March 2017 in the council chambers with fifty people attending. They were presented with information on a wide range of local services and transport options available to older persons as a viable alternative to using private transport.

### **Low-energy streetlights**

A further 174 LED luminaires were added to the local road lighting network in 2016/17, bringing the total installed to date to 479. The combined energy saving of these lights is 58% compared with conventional technology. This equates to 107,200kWh in avoided energy use per year. LEDs were installed as part of the works linked to the expressway project on Kāpiti

Road, alongside new local roads, the MacKay's to Peka Peka cycleway and in new subdivisions such as Waikanae North.

### **Expressway projects**

Council continued its significant monitoring, consenting and liaison role in the four expressway projects that were underway or in development in the district in 2016/17. The construction work is the responsibility of NZTA and, in the case of the Transmission Gully project, the Wellington Gateway Partnership.

#### **Mackays to Peka Peka**

The Mackays to Peka Peka Expressway opened to traffic on 24 February 2017, leaving only a few connector roads and roundabouts at each end of the expressway to be completed post-opening. The council has been closely involved in this project, certifying site-specific management and vegetation retention plans for all its stages, and overseeing construction.

Council was also responsible for checking to ensure construction of the expressway complied with the approved and certified plans and consents.

The Revocation of SH1 project – where the current highway designation on the 'old SH1' will be revoked and this will become a local road – is underway and currently going through the detailed design phase.

#### **Peka Peka to Ōtaki**

The tender for the design and build contract was awarded by NZTA in November 2016 and since then council has been highly involved as consenting authority in the development of the required construction management plans and as road controlling authority in the detailed design of the Expressway. Both processes are ongoing. Enabling works have started along the corridor with

construction due to start later in 2017. It has an estimated three-to-four-year construction timeframe.

### **Transmission Gully**

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

Council has provided input on the MacKay's intersection to ensure a smooth and safe connection into the Kāpiti local roading network. Further involvement is planned with regard to the revocation of the state highway designation later in the project. Transmission Gully is expected to be operational by 2020.

### **Ōtaki to Levin**

NZTA restarted the Ōtaki to Levin Expressway project and the council took part in a stakeholder's forum meeting in May 2017. Council will be kept informed by NZTA and monitor progress for further involvement in the design phase of the project.

## Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
Our transport network allows for the safe and efficient movement of people and goods	Residents that agree that the existing transport system allows easy movement around the district	85%	Not achieved (74%)	Although not achieved there is significant improvement on the previous year's result (61%) following completion of the M2PP Expressway.
	Number of serious and fatal crashes on district roads is falling (excludes SH1) <i>(DIA mandatory measure)</i>	Reduce from 2015/16 result of 6 serious and fatal crashes	Not achieved	Provisional data reports 11 serious injury or fatal crashed (9 serious injury and 2 fatal crashes) in 2016/17.
	Residents that are satisfied with street lighting	85%	Not achieved (79%)	Resident Opinion Survey result for 2016/17.
Our transport network is affordable and reliable and users can easily get around the district by their preferred means	Percentage of the sealed local road network that is resurfaced <i>(DIA mandatory measure)</i>	5%	Achieved (5%)	20.4km of road sealed of a network length of 408km. This equates to 5% of the network length.
	Residents that are satisfied with the condition of the road and footpath network	Roads 70%	Achieved (83%)	Resident Opinion Survey result for 2016/17.
		Footpaths 70%	Not achieved (67%)	Resident Opinion Survey result for 2016/17.
	Roads that meet smooth roads standards <i>(DIA mandatory measure)</i>	Overall smooth travel exposure is above 85%	Achieved (88.4%)	
	Average cost of the local roading per kilometre is comparable with similar sized districts in New Zealand	Achieve	Achieved	In the first One Network Operating Framework peer group report (May 2017) Council's overall network maintenance cost per kilometre is comparable with other councils in its assigned NZTA peer group.
	Percentage of service requests relating to roads and footpaths responded to within 24 hours of notification <i>(DIA mandatory measure)</i>	Roads 85% Footpaths 85%	Achieved (100%)	All service requests were received and acknowledged within 24 hours.
	Percentage of footpaths that fall within the level of service or service standard for the condition of footpaths as set out in the activity management plan. <i>(DIA mandatory measure)</i>	Target footpath condition rating (percentage compliant with standards)	Not achieved	All footpaths in the district were inspected and rated on 'asset life' during 2016/17. A forward works programme is now in place for the renewal of footpaths that are near the end of their asset life. There is not enough budget available to meet the programme requirements as set out in the activity management plan.

## Financial results for the year ended 30 June 2017

Access and transport – cost of activity statement			
2015/16 Actual \$000		2016/17 Actual \$000	2016/17 Budget \$000
	<b>Expenditure</b>		
5,054	Other operating expense	4,761	4,896
4,918	Depreciation and amortisation	5,165	5,121
1,408	Finance expense	1,627	1,627
<b>11,380</b>	<b>Operating expenditure</b>	<b>11,553</b>	<b>11,644</b>
	<b>Revenue</b>		
24	Fees and charges	69	62
3,246	Grants and subsidies	4,618	4,532
397	Development and financial contributions revenue	491	201
251	Other operating revenue	248	266
<b>3,918</b>	<b>Operating revenue</b>	<b>5,426</b>	<b>5,061</b>
<b>7,462</b>	<b>NET OPERATING COSTS</b>	<b>6,127</b>	<b>6,583</b>
	<b>Capital items</b>		
2,033	Asset renewal	2,525	2,068
3,897	New assets upgrade	4,875	6,194
<b>5,930</b>	<b>Total capital items</b>	<b>7,400</b>	<b>8,262</b>
<b>13,392</b>	<b>NET COST OF ACTIVITY</b>	<b>13,528</b>	<b>14,845</b>
5,195	Rates	5,906	5,940
3,406	Borrowings	2,804	4,255
2,033	Depreciation reserve	2,525	2,068
(382)	Reserves and special funds	(491)	(201)
3,140	Unfunded depreciation	2,782	2,783
<b>13,392</b>	<b>TOTAL SOURCES OF FUNDS</b>	<b>13,528</b>	<b>14,845</b>

# Coastal management – whakahaere takutai

A major ongoing focus for the council and the community is determining how to respond to the effects of increased sea levels and storm intensity on Kāpiti's coast.

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

## Coastal maintenance

The council carried out the following coastal maintenance activities during 2016/17:

- repairs to Raumati sea wall,
- re-stacking rocks along the coast line from Raumati South to Paekākāriki, and
- regularly cleaning beach outlets.

We also commenced beach profile mapping based on the 2015/16 beach survey from Paekākāriki to Ōtaki. This will enable council to assess beach accretion and erosion over time.

## Paekākāriki sea wall

It was decided as part of the *FutureKāpiti* Long term plan 2015-35 consultation to proceed with replacing the Paekākāriki sea wall with a concrete, timber and rock wall – using a design agreed with the Paekākāriki community.

In May 2016, as the culmination of a long process of comprehensive community consultation over the preferred design, GWRC granted a 35-year consent for the Paekākāriki sea wall covering both the new

sea wall and the existing rock revetments at either end.

As part of the Annual plan 2016/17 deliberations, council decided to condense the timeframe of the sea wall construction from that envisaged in the long term plan.

Preliminary designs and costings were completed in November 2016. The costings of the full design option came in over budget. As a result, the project scope was revised to allow for some parts of the sea wall to be rebuilt using a lower cost option to bring the overall project back within budget.

The scope revision delayed the finalisation of the detailed design. The project was then further delayed as the peer review of one of the most cost-effective options, the PVC sheet piling, concluded that there were potential risks with this option at this site.

Consequently, that option has been removed from the list of options and further consideration now needs to be given to final design options. Construction is now not likely to get underway until August 2018. It is expected that the project will be completed by June 2021, 12 months later than initially planned in the Long term plan 2015-35.

## Storm damage

A one-in-30-year storm event on 23/24 July 2016 caused significant damage in several locations along the district's coastline. The damage was repaired as quickly as possible with long-term solutions at four

**Coastal management** includes the following services and programmes:

- upgrading and maintenance of existing community-owned sea walls
- protection of publicly-owned coastal assets
- beach protection projects such as dune reshaping and planting
- coastal surveys
- maintenance of beach accessways, and
- routine inspections to identify upgrade/renewal and maintenance requirements of coastal assets.

locations. However, at two other locations (Wharemauku Road and Arawa Street) only short-term solutions were possible given the urgency to repair the storm damage and the time needed to develop long-term solutions.

Development of long-term solutions and work related to gaining associated resource consents was progressing well when further damage was caused by storm events in January and February 2017. Most of that damage was repaired quickly although the repair requirements for the damage to the

stormwater outlets on Manly Street required further investigation.

The physical works contract for the sea wall in Arawa Street commenced in June 2017. Construction will be completed in September/October 2017. The repair to the Manly Street stormwater outlets is programmed for early 2017/18 and the long-term solution for the Wharemauku Road sea wall is covered below.

### **Marine Parade, Paraparaumu – modifications to the rock revetment**

Council has undertaken a thorough consultation process on options to modify the rock revetment at Marine Parade, Paraparaumu (north of 71 Wharemauku Road). The process started with meetings with local residents in early 2015 and ran through to wider stakeholder meetings, including GWRC, throughout the 2015/16 year.

Council considered ten options (including the residents' preferred option) and completed concept design plans and cost estimates, a multi-criteria assessment and a coastal process assessment.

The information compiled as a result of that work was due to be presented to the community in early 2016/17, with the aim of finding the option preferred by all parties.

However, that process was disrupted by the July 2016 storm event. The coastal stretch south of the rock revetment at Marine Parade was one of the locations severely damaged in that storm event. Within three days from the storm event, a 170 metre long temporary protection wall was built with concrete blocks to protect the council sewer from further damage.

Further work was done to develop concept design options for a permanent solution at this site. These options together with cost estimates were presented

to the Council in March 2017. The Council decided on the temporary option of strengthening the existing block wall.

The resource consent application was lodged with GWRC and gained written approval from the residents considered to be 'affected' by GWRC to support the application. Tenders were invited from five contractors to complete the physical works and council is now awaiting the GWRC decision on the resource consent application.



**Wharemauku temporary block wall – built in three days following storm damage**

### **Assessment of coastal structures**

An inventory of coastal structures was completed in December 2015, compiling information on 766 assets (including sea walls, accessways and stormwater outlets).

In July 2016, an assessment of these assets was started, looking at both the asset condition and assessing any 'end-effects'. The findings of this assessment are being used to formulate a 20-30 year district-wide capital works programme for coastal assets, which is due to be completed by September 2017.

### **Coastal restoration**

As part of the coastal restoration programme, approximately 1,500 native sand-binding plants were planted on fore-dunes between Paraparaumu and Ōtaki, focusing on blow-outs and areas where native plants were not established and marram grass predominated. An additional 4,000 native trees, shrubs and sedges were planted in back-dune areas between Ames Street Reserve in Paekākāriki and the Waitohu Estuary in Ōtaki to improve biodiversity and replace controlled weeds such as boxthorn, pampas and lupin.



## Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
We respond promptly to sea wall or rock revetment failure and repair where applicable	Respond within 48 hours to urgent requests to repair sea walls or rock revetments	90%	Achieved (91%)	There were 95 requests this year of which 34 were urgent. Of those urgent requests, 31 (91%) were responded to within 48 hours.
We keep our stormwater beach outlets clear to avoid flooding	Stormwater beach outlets are kept clear	80%	Achieved (100%)	All beach outlets cleaned and kept clear.

## Financial results for the year ended 30 June 2017

Coastal management – cost of activity statement			
2015/16 Actual \$000		2016/17 Actual \$000	2016/17 Budget \$000
	<b>Expenditure</b>		
341	Other operating expense	455	340
490	Depreciation and amortisation	373	430
187	Finance expense	231	231
<b>1,018</b>	<b>Operating expenditure</b>	<b>1,059</b>	<b>1,001</b>
	<b>Revenue</b>		
-		-	-
-	<b>Operating revenue</b>	-	-
<b>1,018</b>	<b>NET OPERATING COSTS</b>	<b>1,059</b>	<b>1,001</b>
	<b>Capital items</b>		
371	Asset renewal	941	1,609
127	New assets upgrade	19	26
<b>498</b>	<b>Total capital items</b>	<b>960</b>	<b>1,635</b>
<b>1,516</b>	<b>NET COST OF ACTIVITY</b>	<b>2,019</b>	<b>2,636</b>
825	Rates	888	830
127	Borrowings	19	26
371	Depreciation reserve	941	1,609
193	Unfunded depreciation	171	171
<b>1,516</b>	<b>TOTAL SOURCES OF FUNDS</b>	<b>2,019</b>	<b>2,636</b>

# Wastewater – wai para

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

## Maintaining and strengthening the wastewater networks

### Waikanae duplicate rising main

The existing pumped sewer (rising) main from Waikanae to the Paraparaumu wastewater treatment plant is nearing its rated design capacity and further capacity is needed to meet future growth and provide back up to that single sewer main servicing all of Waikanae. Council set out plans in the long term plan to build the second (duplicate) sewer main to provide the necessary additional capacity over the first four years of the plan.

In late 2015, the Council decided to bring forward the installation of a number of sections of the duplicate sewer main to take advantage of the M2PP Expressway construction. Bringing forward this work provided opportunities for cost saving and minimised the risk of future disruption and duplication of effort.

To achieve this within existing wastewater budgets, the Council approved the re-prioritisation of wastewater capital projects, deferring a number to later years, to free up funding for the advancement of the sewer main in 2015/16 and 2016/17.

The installation of the rising main along the expressway corridor from the Paraparaumu wastewater treatment plant (WWTP) to the Te Moana interchange was substantially completed prior to the opening of the expressway in February 2017. Provision was also made for the last short section to

be ducted under the expressway to avoid digging up the new expressway when it is completed. The completion of the rising main outside the expressway designation, along Te Moana Road to the pumping station and from the expressway to the Paraparaumu WWTP is planned to be completed in 2017/18.

### Wastewater pumping stations

#### *Paraparaumu wastewater pumping station upgrade*

The upgrade of the control building and electrical equipment at the wastewater pumping station located at Rata Road was completed and commissioned in 2016/17. The upgrade provides a control building for safer all-weather maintenance access, protection of the electrical controls from flooding and improved control for this important pumping station

#### *Wastewater pumping station reconfiguration*

The redirection of the discharge pipes from the wastewater pumping stations at Campbell Avenue and Langdale Road was completed in June 2017. This work shortens the distance flows must travel to reach the wastewater treatment plant in Paraparaumu, improves the efficiency of the system and reduces the risk of overflows.

This work had been deferred from 2015/16 to 2016/17 to provide funding for the work on the Waikanae duplicate rising main.

**Wastewater management** includes the following services and programmes:

- managing the operation and maintenance of the existing wastewater system – collection, reticulation and treatment facilities
- managing the nature and impact of any discharges into the environment – air, water and land
- investigations and planning of renewals and upgrades to meet the wastewater service requirements, and
- delivery of capital works projects – to maintain the performance of the existing system and upgrade system to improve performance and service growth.

### Pipe renewals

#### *Pipe renewals deferred*

The annual pipeline renewal works budget for 2015/16 and 2016/17 was deferred to 2017/18 and 2018/19 to provide funding in 2015/16 to bring forward work on the Waikanae duplicate rising main.

This planned work was less critical than some of the other projects in this activity and deferral was seen as relatively low risk.

## The future of our treatment plants

### Ōtaki wastewater treatment plant

The application for the renewal of air and land discharge consents for the Ōtaki WWTP was submitted in June 2015.

Following review by GWRC, a number of potentially affected parties were identified and their approval sought for the application. All potentially affected party approvals were secured early in 2016/17 and provided to GWRC.

The new 20-year resource consent for operating the Ōtaki WWTP was issued by GWRC on 20 October 2016. In accordance with the consent, a study to optimise the treatment and disposal area (discharge wetland) was then started to identify possible improvements. The study will continue into 2017/18 with the results of the investigations then being put forward to GWRC.

### Paraparaumu wastewater treatment plant

#### *Dissolved air flotation process renewal*

The dissolved air flotation (DAF) process is a key process in the efficient management and disposal of waste-activated sludge and the production of biosolids at the Paraparaumu WWTP. The existing DAF unit is at capacity and the end of its useful life and needs to be upgraded to provide for future growth.

The replacement DAF unit was due to be manufactured and installed in 2016/17. However, tender negotiations delayed the award of the contract to December 2016. Certification of pressure vessels, and then availability of specialist freighting

containers, has meant the shipping of the completed DAF unit was delayed.

The new DAF package plant arrived at the Paraparaumu WWTP in June 2017 ready to be installed and commissioned. The ancillary works contract was awarded and preparations were underway to construct the site works for installing the DAF unit.



**The new dissolved air flotation package plant on site at the Paraparaumu wastewater treatment plant ready for installation**

#### *Consent application*

The resource consent for the Paraparaumu WWTP is due to expire in March 2022. While still some years away, the application process for such a significant plant can take a long time to complete. Considering the level of technical and regulatory complexity, and the extent of potential stakeholders interested in the process, two studies to inform the consent renewal

process were started in 2015/16 and completed in early 2016/17.

The first study established the scope, timing and resourcing of the tasks required to complete the consent application. The study considered the optimal approach to re-consenting the plant and identified risks to achieving consent.

The second was the condition and capacity study, which examined the current status of the main process units in the plant and considered the scope and timing of future renewals or upgrades to maintain its high standard of performance. The study also reconfirmed the scope and timing of key treatment process renewals/upgrades required at the plant up to the time of the consent expiry and for the following 35 years.

### Biosolids management

The sewage sludge produced by the Paraparaumu WWTP is stabilised via thermal drying. The plant produces an average of four cubic metres of dried biosolids per day. The Otaihanga landfill stopped receiving biosolids at the beginning of 2015/16 and an alternative disposal option was required.

Biosolids are currently being disposed of at the Silverstream landfill in Upper Hutt. We are working with other councils in the lower North Island to investigate opportunities for beneficial reuse alternatives and divert biosolids from landfill.

## Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
Our wastewater system management practices ensure that we respond efficiently and effectively to wastewater system blockages, faults and overflow issues	Median response times to sewage overflows resulting from a blockage or other fault measured by attendance time (from the time council receives notification to the time that staff are on site) <i>(DIA mandatory measure)</i>	Less than or equal to 1 hour	Achieved (22 minutes)	Median attendance time 22 minutes for 122 blockages or faults attended.
	Median response times to sewage overflows resulting from a blockage or other fault measured by resolution time (from the time that council receives notification to the time that staff confirm resolution) <i>(DIA mandatory measure)</i>	Less than or equal to 5 hours	Achieved (2 hours and 7 minutes)	Median resolution time was 2 hours and 7 minutes for 122 blockages or faults resolved.
	Number of complaints received by council about any of the following: a) sewage odour b) sewerage system faults c) sewerage system blockages, and d) council's response to issues with the sewerage system <i>(DIA mandatory measure)</i>	Monitor 2015/16 results as baseline of complaints per 1,000 connections	Monitor only (6.5 complaints per 1,000 connections)	129 complaints were received in the year from a total of 19,856 connections. This equates to 6.5 complaints per 1,000 connection compared to 7.2 per 1,000 in 2015/16.
We comply with our resource consent conditions and our receiving natural environments are not damaged by effluent discharge and are enhanced where possible	Number of dry weather sewerage overflows <i>(DIA mandatory measure)</i>	Less than 5 per 1,000 connections to council's sewerage system	Achieved (0.30 overflows per 1,000 connections)	Six overflows from manholes and no overflows from pumping stations were recorded this year (total of 19,856 connections).
	Compliance with council's resource consents for discharge from its sewerage system measured by the number of: a) abatement notices b) infringement notices c) enforcement orders, and d) convictions, received by council in relation to those resource consents <i>(DIA mandatory measure)</i>	None	Achieved (none)	No non-compliance with council's resource consents for discharge from its sewerage system in respect of abatement notices, infringement notices, enforcement orders or convictions.

## Financial results for the year ended 30 June 2017

Wastewater management – cost of activity			
2015/16 Actual \$000		2016/17 Actual \$000	2016/17 Budget \$000
	<b>Expenditure</b>		
4,194	Other operating expense	3,693	4,348
2,547	Depreciation and amortisation	3,472	3,116
700	Finance expense	938	938
<b>7,441</b>	<b>Operating expenditure</b>	<b>8,103</b>	<b>8,402</b>
	<b>Revenue</b>		
79	Development and financial contributions revenue	99	150
<b>79</b>	<b>Operating revenue</b>	<b>99</b>	<b>150</b>
<b>7,362</b>	<b>NET OPERATING COSTS</b>	<b>8,004</b>	<b>8,252</b>
	<b>Capital items</b>		
657	Asset renewal	791	1,481
2,119	New assets upgrade	1,216	2,799
<b>2,776</b>	<b>Total capital items</b>	<b>2,007</b>	<b>4,280</b>
<b>10,138</b>	<b>NET COST OF ACTIVITY</b>	<b>10,011</b>	<b>12,532</b>
6,676	Rates	7,424	7,724
195	Borrowings	396	705
527	Depreciation reserve	336	776
1,973	Development and financial contributions	1,210	2,790
80	Movement in other reserves	64	9
(79)	Reserves and special funds	(99)	(150)
766	Unfunded depreciation	678	678
<b>10,138</b>	<b>TOTAL SOURCES OF FUNDS</b>	<b>10,011</b>	<b>12,532</b>

# Stormwater – wai āwhā

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

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

Expected climate change impacts are incorporated into the council's management and design of stormwater infrastructure assets and all new flood plain management work. Climate change brings key risks around increases in rainfall intensity during heavy rainfall and challenges from projected rising groundwater levels.

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

## Flood mitigation works

Minor works were completed in a number of locations in Waikanae and Paraparaumu which had been subject to frequent flooding. These works included asset renewals, sump upgrades, overland flow paths and network extensions.

The works in Waikanae were at Fenside Street, Ngapaki Street, Kotare Street, Winara Avenue and Richmond Avenue,

The works in Paraparaumu were at Wairere Grove, Tutanekai Street, Arawhata Road, Makora Road, Margaret Road, Magrath Avenue and Riwai Street.

## Stormwater upgrade at Ōtaki Beach

The previous stormwater network serving the Moana Road catchment area in Ōtaki Beach had insufficient capacity and, as a result, properties were flooding during heavy rain events. Council commenced the Ōtaki Beach stormwater upgrade project in 2013/14 to resolve this issue.

This has been a complex multi-year project, much of which was completed in 2014/15 and 2015/16. The final stages of the project were completed in 2016/17, including:

- upgrading pipes and manholes,
- construction of the pump station,
- installed and tested pumps,
- improvements to the dune disposal area, and
- post-completion inspections of properties adjacent to the pump station.

The project was operational by April 2017. Planting in the dune area and concluding the subdivision of the property where the pump is installed are all that remains to be done.

This project will help reduce the flood risk on Moana Road and for around 300 properties in the Moana Road catchment.

**Stormwater management** includes the following services and programmes:

- identifying flood-prone areas and/or reviewing known trouble spots
- designing possible solutions and setting priorities for works (based on greatest benefit for least cost) to protect property, public health and the environment
- maintenance of the existing stormwater system – pipes, streams and storage facilities
- undertaking capital works projects – upgrading or renewing the existing system or building new systems
- managing stormwater effects on water quality, by treating and disposing of stormwater run-off in urban areas
- undertaking flood hazard modelling, incorporating the effects of climate change impacts and the increased risk of heavy rainfall events, and
- reviewing stormwater management solutions and providing advice for greenfield developments, including major roading projects in the district.

## Waikākāriki stream project completed

This project suffered years of delays due to difficulties in gaining the land-owner approvals required to undertake the physical works. The project was significantly advanced in March 2016 when council gained the necessary affected party approvals to support the resource consent application.

GWRC issued the resource consent for this work in mid-2016 and physical works started in August 2016. The project involved gravel extraction from the Waikākāriki Stream, construction of a retaining wall for flood protection and a lightweight bridge to aid access to the site. The construction work was completed in May 2017. All that remains to be done is the site planting and restoration work.

This project will significantly enhance the stream capacity and create easy access for regular maintenance of the stream.

## Charnwood Grove upgrade

This project provides a major upgrade to the stormwater system at Charnwood Grove and Nimmo Avenue in Waikanae. The original project included building a pump station, upgrading the pipe network to provide sufficient capacity, upgrading the five existing stormwater outfalls and installing a new stormwater outfall.

Due to financial constraints, it was decided to separate the project into two stages and complete only the first stage in 2016/17. That first stage consisted of the outfall upgrades to Waikanae River and was implemented with GWRC.

GWRC has responsibility for flood control in regard to the Waikanae River and was planning a rebuild of the stopbank near Jim Cooke Park in 2016/17. The stormwater outfalls we wanted to upgrade traverse the stopbank at that location to discharge stormwater

into the Waikanae River. We took advantage of the GWRC project to get the outfall upgrades completed as part of their project. This meant we only had to cover the cost of the outfall upgrades rather than any disruption to the stopbank that work would have caused if done as a stand-alone project. This work was completed in June 2017.

Stage 2 of the Charnwood Grove upgrade includes the pipe network upgrades and construction of a pump station. This work will be re-scheduled in the 2018-38 Long term plan.



**Ōtaki Beach pump station**

## Water quality

The following work related to water quality in local streams was completed:

- gained compliance from GWRC for the global stormwater discharge for the year 2015/16, and
- continued with district-wide water quality monitoring as part of the GWRC consent conditions.

In addition, we continued to work closely with GWRC to gain a decision on the stormwater discharge consent which had been submitted in June 2016. Although the council's discharge consent for the previous ten years expired in July 2016, GWRC granted permission for council to continue to operate within the conditions of the expired resource consent until a decision is made on the new consent application. A decision is expected before the end of 2018.

## Open drain maintenance and gravel extraction

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

The following tasks were undertaken in 2016/17:

- completed gravel extraction, weed clearance (2km) and stream bank repairs at Wharemauku Stream,
- gained resource consent to carry out vegetation cleaning and sediment extraction from Mazengarb Stream and cleaned 2.1 km,
- completed 5.3km of hand cleaning and 6.7 km of machine cleaning of other open drains in the district, and
- maintained 16.1km of open drains (40% of the drains maintained by council), including the works detailed above.

## Review of stormwater work programme

As a result of the significant flooding experienced during the May 2015 heavy rainfall event, council decided to undertake a review of the stormwater work programme. The aim of the review was to ensure that projects on the work programme were



appropriately prioritised in light of the experience in May 2015 in terms of which areas were most heavily affected by flooding to dwellings.

### **Steps 1 and 2 – Preliminary investigations, data gathering and analysis**

As detailed in the 2015/16 Annual report the first two steps in this process included: i) preliminary investigations of the properties flooded, as well as condition and capacity assessments of stormwater assets in those areas; and ii) data analysis to determine the reasons for flooding in each location and to identify new flood-prone areas in need of improvement works where projects were not planned.

### **Step 3 – Reprioritisation**

Following this preparatory work, a review of the prioritisation criteria was undertaken to ensure sufficient priority was being assigned to flooding of dwellings. Some revisions to the criteria were made as a result of that review.

The newly proposed project locations from the data analysis work were then added to the existing work programme and all projects assessed using the revised prioritisation criteria.

### **Step 4 – Detailed investigations, designing high priority projects and preparation of a revised work programme**

The final step in the process has involved detailed investigations and the development of project designs for the high priority projects in the new project list.

This work commenced in March 2016 and carried on through the 2016/17 financial year, with detailed investigations completed of the 34 initially identified catchments (incorporating 182 projects) by February 2017. This fed into the final version of the reprioritised work programme that was presented to the Council in March 2017 for finalising through the annual plan process.

Following the detailed investigations the cost of these 182 projects is estimated at \$256 million. This is a substantial programme of work and decisions around the planning for and funding of this work will be made through the 2018-38 Long term plan process.

Flooding complaints received from January to March 2017 have resulted in a further 39 projects that require detailed investigation. These will be added to the stormwater work programme once the investigations have been concluded.

## Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
We minimise risks to human life and health from flooding by responding efficiently and effectively to flooding issues and we maintain, repair and renew major flood protection and control works	Median response time to attend a flooding event from notification to attendance on site  <i>(DIA mandatory measure)</i>	Urgent (less than or equal to 24 hours)	Achieved (less than 24 hours)	Median response time was less than 24 hours for 268 urgent requests.
		Non-urgent (less than or equal to 5 days)	Achieved (2 days)	Median response time was 3 days for 447 non-urgent requests.
	Percentage of all buildings that have been inundated due to minor flooding that are visited within four weeks	90%	Achieved (100%)	All 14 building-related flooding requests were visited within four weeks.
	Number of complaints received about the performance of the district's stormwater system  <i>(DIA mandatory measure)</i>	Less than 10 per 1,000 properties connected to the council's stormwater system	Not achieved (28.5 complaints per 1,000 connections)	Out of the 715 flooding requests this year there were 626 which can be regarded as complaints (= 28.5 per 1,000 connections).
	Major flood protection and control works are maintained, repaired and renewed to the key standards as defined in the council's activity management plan  <i>(DIA mandatory measure)</i>	Achieve	Achieved	Four projects carried out in this category during the year. All were completed to the accepted standards (Ōtaki Pump Station upgrade, Wharemauku Stream works, Waikākāriki Stream works and Charnwood Grove outlet upgrades).
	Number of buildings (habitable floors) reported to be flooded as a result of a less than 1-in-50 year rain event  <i>(DIA mandatory measure)</i>	Less than 3 per 1,000 properties connected to the council's stormwater system	Achieved (0.05 per 1,000 properties)	There was only one flooding event this year that affected habitable floors and only one dwelling impacted in that event. There are an estimated 21,901 connections so that one instance is equivalent to 0.05 per 1,000 properties connected.
We comply with our resource consent conditions and our stormwater systems do not harm the downstream receiving environment	Measure compliance with council's resource consents for discharge from its stormwater system, by the number of: <ul style="list-style-type: none"> <li>a) abatement notices</li> <li>b) infringement notices</li> <li>c) enforcement orders</li> <li>d) successful prosecutions, received by the council in relation to those resource consents</li> </ul> <i>(DIA mandatory measure)</i>	None	Achieved (none)	No non-compliance with council's resource consents for discharge from its stormwater system in respect of abatement notices, infringement notices, enforcement orders or prosecutions.

## Financial results for the year ended 30 June 2017

Stormwater management – cost of activity statement			
2015/16 Actual \$000		2016/17 Actual \$000	2016/17 Budget \$000
	<b>Expenditure</b>		
1,169	Other operating expense	1,405	1,362
1,095	Depreciation and amortisation	1,084	1,163
841	Finance expense	1,024	1,024
<b>3,105</b>	<b>Operating expenditure</b>	<b>3,513</b>	<b>3,549</b>
	<b>Revenue</b>		
48	Fees and charges	45	66
129	Development and financial contributions revenue	152	52
<b>177</b>	<b>Operating revenue</b>	<b>197</b>	<b>118</b>
<b>2,928</b>	<b>NET OPERATING COSTS</b>	<b>3,316</b>	<b>3,431</b>
	<b>Capital items</b>		
189	Asset renewal	844	758
3,840	New assets upgrade	2,025	2,104
<b>4,029</b>	<b>Total capital items</b>	<b>2,869</b>	<b>2,862</b>
<b>6,957</b>	<b>NET COST OF ACTIVITY</b>	<b>6,185</b>	<b>6,293</b>
3,057	Rates	3,467	3,482
3,840	Borrowings	1,039	1,372
189	Depreciation reserve	404	299
(129)	Reserves and special funds	(152)	(52)
-	Development and Financial Contributions	1,426	1190
<b>6,957</b>	<b>TOTAL SOURCES OF FUNDS</b>	<b>6,185</b>	<b>6,293</b>

# Solid waste – para ūtonga

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

## Kerbside collection services

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

Two of the private collection companies operating in the district implemented a new two stream recycling service for their customers. This two stream service involves residents putting out a 240L wheelie bin with all non-glass recycling one week, and then the current green 55L crate with glass only, the following week. This new system will cut down on wind-blown material from the open crates, while the larger 240L recycling bin will increase the volume available for recycling.

While problems were experienced during the roll-out of this service, with many residents experiencing delays in gaining their new bin and crate, it is now functioning well.

The residents' opinion surveys conducted for 2016/17 confirmed that residents remain very satisfied with the operation of the kerbside rubbish and recycling service. The survey reported that 89% of residents were satisfied with kerbside collection services.

## Ōtaki resource recovery centre

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

## Waikanae recycling centre

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

## Paraparaumu greenwaste

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

## Wellington regional waste management and minimisation plan

The formulation of the 2017-23 Wellington regional waste management and minimisation plan (RWMMP) continued. This plan, once adopted by participating councils, will replace the existing 2011-17 RWMMP. In June 2017, the Council approved the local actions for Kāpiti under this plan.

**Solid waste** includes the following services and programmes:

- promoting effective and efficient waste management, as required by the Waste Minimisation Act 2008
- licensing of waste collectors and operators in Kāpiti
- monitoring of compliance with licence and bylaw requirements
- enabling and monitoring the provision of resource recovery services facilities in Otaihanga and Ōtaki, including asset management
- providing a greenwaste and recycling drop-off centre in Waikanae
- managing the (partially-closed) Otaihanga landfill
- working with GWRC to ensure the landfill operation and aftercare development (capping) meets environmental requirements
- initiating, developing and encouraging waste minimisation activities and education, and
- implementation of the Wellington region waste management and minimisation plan.

## Waste minimisation

Council continued to implement its waste minimisation and education action plan with waste levy income provided by the Ministry for the Environment.

Council facilitated a number of waste minimisation activities throughout the past year including: zero waste education in schools, recycling education visits and advice, zero waste in council's offices, support of zero waste events and regional education actions such as the 'Love Food, Hate Waste' campaign and green parenting workshops.

The zero waste education programme was delivered to 60 year four to six students at Te Horo School, 80 year one to four students at Paekākāriki School to 194 year one to six students at Paraparaumu School and 440 year one to eight students at Raumati South School.

The 'Love Food, Hate Waste' campaign was promoted via four market stalls, a movie screening, two workshops, an in-house theme week, and via council newsletters and social media.

## Waste levy funding

Council allocated a total of \$70,000 of waste levy grant funding in 2016/17. The first tranche of \$20,000 in grant funding was allocated in November 2016 to 18 community projects.

Most of the community projects were focussed on organic waste management and recycling. These projects are carried out by schools, early childhood education centres, greener neighbourhood groups, a tertiary education provider, a medical facility, and a community group.

The second tranche of \$50,000 of grant funding was allocated in March 2017 to Innovation and Business projects. This included funding to set up a small-scale biodiesel cooperative, to conduct trials converting plastic bags to fuel, and to provide waste reduction consultancy services to businesses.

Council continued to part-subsidise the recycling costs of TVs and CRT monitors that are dropped off at the Otaihanga and Ōtaki resource recovery facilities. Council has been subsidising this fee since December 2011 and over 7,900 units have now been recycled.

## Otaihanga landfill

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

The final clay capping programme continued with compacted clay applied onto the areas that are at the final contours.

The planned 24,000 cubic metres of clay for 2016/17 was delivered and applied. Peat has been spread over the clay-capped areas with a further three hectares of grass sown. This brings the total capped and grassed to date to around nine hectares, with a further six hectares remaining.

Ongoing work will be required on these grassed areas, with peat or soil applied to any sunken areas, to assist with stormwater run-off over the capped surface.

## Trial vermicomposting of biosolids

The vermicomposting (composting using worms) of biosolids trial commenced in Ōtaki early in 2016. This trial, funded by the waste levy, involves pre-composting biosolids with various mixes of cardboard/greenwaste/plasterboard spread over trial bins. Worms are then added to start the vermicomposting process.

Sampling and testing was carried out throughout the trial. After 12 weeks the vermicomposting process was complete. Results were largely positive, with a key finding that the addition of plasterboard to the mix appeared to positively impact the process. Co-vermicomposting biosolids with a plasterboard bulking agent has the potential to create a viable product and allow the diversion of biosolids and some plasterboard waste from the landfill.

## Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
Otaihanga, Ōtaki and Waikanae facilities are open seven days a week and we license kerbside collection services for our urban areas	Disposal facilities are open 357 days per year	357 days per year	Achieved	The Otaihanga facility was closed for 30 minutes one day in the second quarter due to an accident on-site involving a contractor's employee.
	Licensed collectors are compliant with licence requirements	Achieve	Achieved	No official warnings issued.
	Residents who are satisfied with the standard of kerbside collections	85%	Achieved (89%)	The Resident Opinion Survey for 2016/17 reported an adjusted satisfaction score of 89% (92% in the previous year).
We remove illegally dumped waste	Illegally dumped waste is removed within two working days	85%	Achieved (87%)	251 of 280 service requests (87%) were responded to within two working days.
We encourage waste minimisation and provide education information and advice	Residents who are satisfied with the waste minimisation education, information and advice available	75%	Achieved (82%)	The Resident Opinion Survey for 2016/17 reported an adjusted satisfaction score of 82% (similar to the previous year).
	Waste minimisation community projects are successfully implemented	80%	N/A	The 2016/17 community projects awarded waste minimisation grants are not due to report back until November 2017.

## Financial results for the year ended 30 June 2017

Solid waste – cost of activity statement			
2015/16 Actual \$000		2016/17 Actual \$000	2016/17 Budget \$000
	<b>Expenditure</b>		
601	Other operating expense	722	755
404	Depreciation and amortisation	420	331
173	Finance expense	186	186
<b>1,178</b>	<b>Operating expenditure</b>	<b>1,328</b>	<b>1,272</b>
	<b>Revenue</b>		
509	Fees and charges	528	538
<b>509</b>	<b>Operating revenue</b>	<b>528</b>	<b>538</b>
<b>669</b>	<b>NET OPERATING COSTS</b>	<b>800</b>	<b>734</b>
	<b>Capital items</b>		
588	Landfill aftercare provision	500	522
<b>588</b>	<b>Total capital items</b>	<b>500</b>	<b>522</b>
<b>1,257</b>	<b>NET COST OF ACTIVITY</b>	<b>1,300</b>	<b>1,256</b>
647	Rates	800	753
588	Depreciation reserve	500	503
22	Movement in other reserves	-	-
<b>1,257</b>	<b>TOTAL SOURCES OF FUNDS</b>	<b>1,300</b>	<b>1,256</b>





# Community services

The community services cluster covers a range of council activities that enhance life for Kāpiti residents and visitors.

The council has a role in encouraging economic growth and, with stakeholders and our iwi partners, we have developed a focused economic development strategy.

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

We look after more than 500 hectares of parks and sportsgrounds which provide opportunities for diverse recreation activities, and maintain 47 playgrounds. Kāpiti also has an extensive network of cycleways, walkways and bridleways.

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

## **In this section you'll find:**

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

# Economic development – whakawhanake umanga

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

The economic development strategy for 2015-2018 was adopted by the Council in December 2014. It was also endorsed by the Kapiti Chamber of Commerce.

In 2015, a leadership group was formed to oversee the implementation of the strategy. The leadership group is made up of the mayor, councillors, an iwi representative and four members of the business community.

A new governance structure was adopted in December 2016 and new members appointed to the leadership group. Appointments were made based on the skills and attributes required to build on work streams in support of the economic development strategy.

A Wellington Regional Economic Development Agency (WREDA) representative was appointed to the leadership group to help develop and strengthen the relationship between council and WREDA.

## **Economic development strategy**

A priority for action under the economic development strategy is to underpin tourism and destination marketing through a visitor attraction plan.

## **A visitor attraction plan**

This plan was developed in the first half of 2015/16 and was adopted by the Council in February 2016. It guides activities within the visitor sector that target both the international and domestic markets.

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

- A new Destination Kāpiti Facebook page was launched with targeted promotion to visitors from outside the district, including an Air New Zealand domestic sale promotion and an inaugural Tourism Newsletter. The Facebook page received 2,879 'likes' throughout the year,
- We continued to support work to promote destination planning. Visitor maps for Paekākāriki, Raumati and Paraparaumu have been developed and include accessibility friendly tracks in consultation with the Kāpiti Accessibility Advisory Group. The maps will be printed on aluminium and placed in key locations throughout the district,
- Marketing and promotional material was provided for Go Travel (NZ's biggest tourism magazine/website), and photos and information were supplied to Guardian UK for an article on Paekākāriki, and
- We ran a 'Design your perfect Kāpiti weekend' promotion building on the success of the first promotion run in early 2016/17.

**Economic development** includes the following services and programmes:

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

## Telling the Kāpiti story

Telling the Kāpiti story is a priority project identified in the economic development strategy. A new visitor attraction guide was published in late 2016 with 10,000 copies published and distributed locally and nationally. The guide has also been translated into simplified Chinese, Korean, Malay and Japanese.

A number of articles promoting the district have featured in a range of publications including: *AA Directions* magazine (for the Your Perfect Weekend campaign), *NZ Golf* magazine, *Go Travel* magazine, the *Guardian UK* newspaper and the *Wellington Biking Guide*. Articles have also been published on the Air New Zealand website.

## Events plan implemented

Major events are a significant part of promoting a vibrant and thriving economy and district. An events plan was developed in 2015/16 to complement the visitor plan as both plans underpin visitor attraction and tourism development.

As part of that plan a major events fund was established and first implemented in early 2016. In 2016/17, the events fund was used to support four major events, the Māoriland Film Festival, the Ōtaki Kite Festival, the Coastella Music Festival and the Kāpiti Food Fair. Funding was allocated for these events over a three-year period to enable them to get well established.

The expected return on investment for funding was a 5:1 return ratio, which means that for every dollar invested, five dollars needed to enter the local economy. All four events achieved better than that with returns on investment ranging from 6:1 to 15:1.

## Kāpiti i-Site review

After a review of the visitor information network in 2015/16 it was decided to bring the i-SITE visitor centre in Paraparaumu in-house to be delivered as a

council-managed service. This was done to provide a visitor centre more aligned with the economic development strategy.

The decision was also made to relocate the visitor centre to a location that enabled council to maintain a service that provides a vibrant visitor space that reflects the community and showcases key Kāpiti tourism attributes with better proximity to public transport.

In September 2016 the Kāpiti i-SITE visitor centre relocated to its new premises, co-located with the Mediterranean Food warehouse. The new location has increased visibility and accessibility to public transport and State Highway 1. The new location was opened with an event showcasing local food and beverage. Since its opening on 6 September 2016, a total of 8,925 people have visited the new Kāpiti i-SITE.

## Business attraction

Research work continued this year to help develop a plan for business attraction and retention. The research will indicate the types of businesses which are likely to be attracted to locate in Kāpiti. Data collation and analysis will extend to expressway impacts, and include capturing the economic impacts of the expressway on retail centres in the Kāpiti district.

A pilot business attraction brochure for Kāpiti was created with the support of WREDA. It was used in an international campaign. An updated version will be produced in 2017/18.

## Ultra-fast broadband for Ōtaki

Council's bid for ultra-fast broadband (UFB) to be installed early in Ōtaki was successful. The Ministry of Business Innovation and Employment announced in early 2017 that Ōtaki is one of 151 towns around the country that will be given access to UFB in the

near future. The Ōtaki installation is reportedly due to be completed in the latter half of 2018.

## Youth pathways to employment

A new phase of the Youth Pathways to Employment project was launched in late 2016. This phase is being run in conjunction with three local education providers. Ōtaki College, YouthQuest and Whitireia Polytechnic are testing the Youth Passport resource.

The Work Ready Passport is in its pilot phase and its marketing is underway with a promotional campaign supported by the Kāpiti Chamber of Commerce and the creation of a website specific to the passport. The resource is a tool to enable young people to connect with local employers and gain qualifications and experiences that make them work ready.

## Progress on development of town centres

We want our town centres to be vibrant, diverse and thriving – places where people want to spend time and where they can access the services they need safely.

The town centres project is using the opportunities created by the Expressway to transform and improve Paraparaumu and Waikanae town centres.

There have been several opportunities, through 2015/16 and 2016/17, for key stakeholders and the public to provide feedback on the designs for the building block projects. Town Centre open days were held in May and June 2016 and again in March 2017.

The Te Āti Awa Town Centres Working Group continues to provide guidance to the council on this project and has helped develop a set of design principles and values that will inform the detailed designs.

The Kāpiti Road upgrade was the first town centres project to reach the construction stage and was completed in December 2016. It was a collaborative project between council and Electra.

The next cab off the rank was the Kāpiti Lights upgrade project. A workshop was held with the Kāpiti Lights working party in September 2016 to determine objectives and priorities. Detailed design work was completed in May 2017 and construction started in June 2017. This upgrade is expected to be completed in late 2017.

### **Revocation of State Highway 1**

The Kāpiti Expressway opened on 24 February 2017. Council worked closely with the NZ Transport Agency and Beca in ensuring a design that is a fit-for-purpose local road that improves our district's resilience, and enhances connectivity through and across the district.

Throughout the process traffic modelling has been developed to ensure SH1 revocation projects are aligned with town centre objectives.

### **SH1 renaming**

In March and April 2017 we invited the Kāpiti Coast community to have their say on possible names for SH1 between Mackays Crossing and Peka Peka so we are ready to go once the SH1 revocation process is complete.

More than 580 people engaged in our SH1 renaming conversation and we are now working through a process to assess all suggestions received against the criteria for SH1 renaming

### **Strategic land purchases**

This year there has been only one purchase of a small parcel of land on the corner of Matai Road and Poplar Avenue for future road purposes and to legalise the ownership of the current footpath in this location.

A further eight properties have been identified as having a potential public work requirement. These properties are being investigated for reserve, cycleway and road purposes. These are currently in the process of fairly lengthy negotiations with the land-owners.

## Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
We deliver the 2015 economic development strategy (implementation plan) and we involve partners and the business community at appropriate points in the decision-making process	The 2015 economic development strategy implementation plan deliverables are achieved	Achieve	Achieved	<p>Major events funding has been allocated for 2016/17.</p> <p>A new governance structure has been endorsed and an independent Chair selected.</p> <p>The Youth Pathways Passport has been launched.</p> <p>Visitor attraction work has been carried out according to the Visitor Plan, including the relocation of the Kāpiti i-SITE service.</p>
	Representatives of the business leadership forum that are satisfied that the 2015 economic development strategy implementation plan deliverables are being achieved	85%	Not achieved (40%)	<p>A survey of business representatives returned a result of 40% satisfaction with the progress made on the economic development strategy. The remaining 60% were neither satisfied nor dissatisfied.</p> <p>A new leadership group was established in February 2017. The group has re-visited some aspects of the economic development work programme which has impacted on achieving economic development deliverables.</p>

## Financial results for the year ended 30 June 2017

Economic development – cost of activity statement			
2015/16 Actual \$000		2016/17 Actual \$000	2016/17 Budget \$000
	<b>Expenditure</b>		
1,506	Other operating expense	1,695	1,770
62	Depreciation and amortisation	62	110
429	Finance expense	510	510
<b>1,997</b>	<b>Operating expenditure</b>	<b>2,267</b>	<b>2,390</b>
	Revenue		
-	Fees and charges	158	50
-	<b>Operating revenue</b>	<b>158</b>	<b>50</b>
<b>1,997</b>	<b>NET OPERATING COSTS</b>	<b>2,109</b>	<b>2,340</b>
	<b>Capital items</b>		
789	New assets upgrade	2,177	3,316
<b>789</b>	<b>Total capital items</b>	<b>2,177</b>	<b>3,316</b>
<b>2,786</b>	<b>NET COST OF ACTIVITY</b>	<b>4,286</b>	<b>5,656</b>
1,997	Rates	2,110	2,341
789	Borrowings	2,176	3,315
<b>2,786</b>	<b>TOTAL SOURCES OF FUNDS</b>	<b>4,286</b>	<b>5,656</b>

# Community facilities and community support – whakaurunga hapori me ngā hāpai hapori

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

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

The 2016/17 work programme has included the following activities and developments.

## Community facilities

### Earthquake-prone building assessments

As well as initiating an earthquake-prone buildings assessment project for all relevant privately-owned buildings in the district, council is also required to undertake assessments of its own buildings.

Initial Evaluation Procedures (IEPs) were undertaken on seven council-owned buildings in 2015/16, as part of the earthquake-prone buildings project. As a result of those initial assessments, two buildings were subject to detailed seismic assessments. Those detailed assessments confirmed the Ōtaki Museum as earthquake prone, but cleared the Ōtaki Theatre, showing it is above the earthquake-prone threshold.

IEPs were undertaken on the balance of the community facilities portfolio in 2016/17. This

identified a further six properties to be potentially earthquake-prone including the Ōtaki Memorial Hall and Supper Room.

Council engaged an engineering consultant to provide indicative costs of remediation where buildings were identified as potentially earthquake-prone so that informed decisions on subsequent remediation initiatives could be considered and prioritised.

Decisions on remediation and timeframes for each earthquake-prone building won't be made until risk profiles and costs of remediation are fully determined.

### Property portfolio condition assessment

In a separate exercise to the earthquake evaluations, council engaged a building surveying company to undertake a districtwide assessment of the condition of buildings in the council's community facilities portfolio. This information will assist council to review and prioritise maintenance needs across its property assets over the next 20 years.

### Performing Arts Centre

The Funding Contribution and Access Agreement supporting the Council's \$1.6 million contribution and ongoing access arrangements for the Kapiti Performing Arts Centre at Kāpiti College is under

**Community facilities and community support** includes the following services and programmes:

- maintaining community halls and civic buildings
- managing housing for older persons and other rental housing
- maintaining public toilets
- providing general community group support and development
- development of formal partnerships with central and regional government agencies which have a significant role in the district
- working with the Kāpiti Coast Youth Council and Kāpiti Coast Older Persons' Council on projects and initiatives
- administration of community and youth development grants
- management of contracts with organisations contributing to or delivering community services
- working with the Kāpiti Accessibility Advisory Group and other disability responsiveness projects, and
- developing community action plans based on research and consultation, and working with the community to advocate for services.

negotiation with the Kapiti College Board of Trustees and the Ministry of Education. It will be taken to the Council for acceptance once agreement is reached.

### Housing for older persons

Housing for older persons achieved an occupancy rate of 97.4% for the year, despite reasonably high turnover, with 12 flats becoming available during the year. Demand for these units continues to be strong. The waiting list at 30 June 2017 remains high at 100 persons, with a further 14 applications pending assessment. This is an increase from 78 persons at 30 June 2016.

### Renewals programme completed

The community facilities renewal programme for 2016/17 has been completed and included a range of improvements at community halls and public toilets and a full upgrade of seven Housing for Older Persons flats over the district.

### Community support

#### Progress on youth development centre

Zeal Education Trust, a national youth services provider, was contracted by council in 2015/16 to establish and run a youth development centre and youth services. The centre will provide social, developmental and recreation opportunities for young people and will be run from leased premises in Paraparaumu and have a mobile arm to service the district.

Zeal had been relatively successful with its early capital fundraising efforts to fund the fit-out of the facility. However, they struck problems with their application for \$695,000 to the Lotteries Community Facilities Fund in August 2016.

Zeal lodged a revised application to the Lotteries Community Facilities Fund in March 2017 for

\$367,000 based on a reduced project scope. This application was strengthened by the Council deciding to increase their capital funding contribution from \$250,000 to \$325,000 by re-purposing \$75,000 from their current contract toward the fit-out.

The revised application was successful and the fit-out is expected to be completed and the centre to be open in mid-2018.

Over the year, Zeal has coordinated and collaborated on 20 youth community events, supported 23 other community events and continued its social enterprise venture (a mobile coffee cart). Zeal has worked with local secondary schools to implement three skills-based courses including, live sound and audio engineering, event management and a barista programme.



**Zeal's 'Music Box' is a portable performance and rehearsal space**

Zeal also launched their second satellite service, The Music Box, which is a small performance venue built into a re-purposed shipping container. It was launched at the Waitangi day event in Ōtaki and has been used at a number of events around the district

although has primarily been based at Ōtaki College since its inception.

### Supporting young people

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

- The Youth Council held Youth2U Dollars grants ceremonies in August 2016 and May 2017. Just over \$8,000 was granted to 32 young people and six groups of young people aged between 13-24. Grant recipients included; a young woman going to the World Karate Champs, a group of local secondary school students undertaking a conservation project in Mexico and a young person delivering a local volunteer programme with vulnerable children.
- Te Puāwaitanga o Ngā Kākano (a young Māori rangatahi group) held a planning day with national rangatahi Māori engagement group, Tukaha.
- Six youth-led community projects were supported with a grant and mentoring through the joint Youth Council and Council's Think Big initiative. These projects range from a yacht renovation project to a project focused on young women's mental health wellbeing.
- The Youth Council partnered with Zeal to complete a photography exhibition of 13 young people aged between 12 and 20 years of age from across the district which was displayed in Coastlands in March 2017. The project aimed to show the public the diversity of young people living in Kāpiti.



## Supporting older people

The Kāpiti Older Persons' Council partnered with council to hold the biennial 'Age on the Go' Expo, in late April 2017. Around 600 people attended the event, visiting the over 40 informational displays. The event is designed to promote opportunities for older residents and their families to engage with key service providers and access important health and wellbeing information.

## Supporting people with disabilities

Council continues to work with the Kāpiti Accessibility Advisory Group and the Disability Information and Equipment Centre to deliver disability responsiveness training to all council staff, and to improve the access outcomes of council projects. In December 2016, the Council made a decision to provide extra funding to the centre to enable the service to continue operating at its then existing levels.

## Supporting community groups

Council continues to fund a range of organisations through community contracts and grants. This includes:

- A Safe Kapiti (ASK) – formerly Kapiti Safer Community Trust
- Kāpiti and Ōtaki Citizens Advice Bureau
- Kapiti Disability Information and Equipment Centre
- Kapiti Health Shuttle (through New Zealand Red Cross)
- Kapiti Youth Support
- Otaki Health Shuttle (through St John)
- Paekakariki and Otaki Beach Lifeguards (through Surf Life Saving New Zealand)

- Red Cross and Emergency Medical Services Trust (to support the community health shuttle)
- Te Newhanga Kāpiti Community Centre
- Volunteer Kāpiti
- Wellington Free Ambulance and Lifelight Trust.

In September 2016, as part of its community financial support, the council awarded a total of \$40,000 in community grants across 29 community groups and organisations that provide a social service in the district. Recipients included: Age Concern Kāpiti, YouthQuest, Arthritis New Zealand, Kāpiti Living without violence, Foster Hope and other organisations that improve social outcomes for communities in the district.

### *Supporting the community sector*

In September 2016, two workshops were held with an international leader in community building to reinvigorate the community sector with community-led development examples and best practice. They were attended by 39 people representing over 20 different community organisations.

In November 2016, a workshop was held for local not-for-profit community organisations on sustainable funding. Representatives from 40 different organisations attended. The workshop was part of a series held in partnership with Volunteer Kāpiti, which aims to strengthen capacity in our community and voluntary sector by providing expert training and advice.

Council staff have been investigating the impacts of central government funding changes for affected local organisations who provide social services for the community's most vulnerable. Recent changes in funding will negatively impact social and community service provision. Council's role has been to advocate for and support the organisations where it can.

## Neighbours Day Aotearoa

The 'Over the Fence Cuppa' project was again supported by council as part of the Neighbours Day Aotearoa initiative in late March and early April 2017.

Overall, more than 1,000 people took part in 48 events organised by residents from Ōtaki to Paekākāriki. The focus of the initiative is to provide some support for residents in Kāpiti to meet and get to know their neighbours as part of this initiative to build community awareness and resilience. The initiative is in its third year and the numbers of households delivering events has more than doubled over the previous year.



**Celebrating Neighbours Day 2017 in Ōtaki**

## Celebrating Matariki

A free event to celebrate Matariki was held in July 2016 at Nga Purapura in Ōtaki. Over 800 people attended this very popular event which featured 12 different Matariki and māori cultural activities.

## Enviroschools

Five local schools and four early childhood education centres are part of the Enviroschools programme, which is supported by council. A further ten schools are part of the wider network.

## Supporting sustainability

The council supports and undertakes a range of initiatives to promote and encourage sustainability in the district. This year those efforts included:

- The Council added its first light electric vehicle, a Nissan Leaf, to its fleet at the end of November 2016. It is entirely battery powered and has the lowest whole-of-life cost of vehicles in its class. Its performance will be assessed at the end of its first full year of use before any decisions are made about purchasing additional electric vehicles for the council's fleet.
- The Council held the first 'No. 8 Wire Week' in July 2016. There were 34 workshops or events on topics including composting, bee and chicken keeping, DIY, cooking, bike maintenance, and paper-making with harakeke (flax). The events attracted 250 individuals, many of whom attended several different sessions.
- We worked with WREMO to hold civil defence workshops in Ōtaki, Waikanae Beach, Raumati, Te Horo and Paaekākāriki. Emergency plans and the importance of building relationships with neighbours prior to disasters happening were emphasised.
- The Greener Neighbourhoods competition for 2016/17 ended with a judge's tour in April 2017 followed by an award ceremony in May. After tallying the eco-footprint results and considering the groups' achievements the judges decided to split the award between the *Greenown Plus* and *Pounamu Ōtaki* groups.
- The council's eco design advisory service provides free advice and information on sustainable residential building design and practice. In 2016/17, 190 two-hour home consultations were provided, and 220 short appointments, presentations or events. The latter included stalls

at the Go Green Expo in Wellington and the Waitangi Day event in Ōtaki.

- The *On To It* newsletter, celebrating environmentally sustainable community initiatives, continued through the year as an online magazine hosted on the council website. In support of this the 'Sustainable Communities' Facebook page was also continued.



**The bee-keeping workshop was well attended during No. 8 Wire Week**

### *Carbon management*

Council has a target of reducing greenhouse gas (GHG) emissions by 80% by 2021/22 compared to 2009/10. One of the top emissions sources in 2009/10 was diesel used for sewage sludge drying, which was dramatically reduced through the conversion to wood pellet fuel. Council's carbon footprint result for 2015/16 was verified by audit as 7,117 tonnes of CO<sub>2</sub> equivalent, 57% below its 2009/10 baseline year.

In January 2016, sludge was sent to the Silverstream landfill which has a 90% gas capture and destruction rate. Consequently, it is expected that the full-year effect of the change to sewage sludge disposal will be reflected in further emission reductions. This will be

verified as part of the 2016/17 audit which is scheduled to be undertaken in November 2017.

The council's carbon and energy saving work was recognised at Enviro-Mark Solutions' Outstanding Performance Awards in June 2017. The award organisers manage the Certified Emissions Measurement and Reduction Scheme (CEMARS) that council has been part of since 2009. Council took out the overall award for Outstanding Performance in Carbon Management (large organisation). Council was recognised for not only drastically reducing emissions, but also reaping the financial benefit of managing its carbon footprint. The energy savings through one project implemented as part of its CEMARS certification have led to reduced costs of \$300,000 per year.

Further reductions in council's carbon footprint are expected in 2017/18 due to the roll-out of a major streetlight conversion to LED technology.

### Other community initiatives

#### *Supporting expressway-affected neighbourhoods*

The council supports neighbourhoods directly affected by expressways impacts. Council and the M2PP Alliance worked together to upgrade the Makarini Street Reserve, with a \$24,000 contribution from the M2PP Alliance.

## Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
<b>Council-owned property</b>				
We provide a good standard of comfort, convenience, quality and usability of the library buildings	Users that are satisfied with the standard of the library building facilities	85%	Achieved {97%}	Result from the annual library users survey undertaken from 5-29 May 2017 with a total of 385 survey responses received.
Council hall hirers are satisfied that the halls meet their needs	Users that are satisfied with halls	80%	Achieved {96.6%}	Result from the annual hall hirers survey undertaken from 12-29 May 2017, with a total of 31 survey responses received.
Our housing for older persons' rents are fair and reasonable, the service and facilities are of a good standard and our high occupancy rates are maintained	Occupancy rate of housing for older persons units	97%	Achieved {97.8%}	
	Housing for older persons tenants that rate services and facilities as good value for money	85%	Achieved {98.6%}	Result from housing for older persons survey undertaken from 4-29 May 2017 with a total of 70 responses received.
	Housing for older persons tenants that are satisfied with services and facilities	85%	Achieved {97.3%}	Result from housing for older persons survey undertaken from 4-29 May 2017 with a total of 70 responses received.
We ensure that council-owned buildings are fit for purpose	Percentage of council-owned buildings that have a current building 'warrant of fitness' (where required)	100%	Achieved {100%}	All council-owned buildings have a current building warrant of fitness.
Our toilets are clean, feel safe, and are well maintained	Residents that are satisfied that public toilets are clean, well-maintained and safe	60%	Achieved {88%}	2016/17 residents' opinion survey result.
	Urgent requests in regard to public toilet facilities that are responded to within four hours	98%	Not achieved {96.3%}	We've moved to using the service request system this year to measure this KPI. Some issues have emerged that will be addressed during 2017/18.

Contribution to outcomes	Performance measures	Target	Result	Comment
<b>Community support</b>				
We provide resources to the community for capacity building and service provision focused on community priorities and we provide the youth council, older persons' council and the accessibility advisory group with opportunities to influence the content of council strategies, policies and project planning	Community groups that are satisfied with the advice and support provided by council	85%	Achieved (94%)	Survey of community groups undertaken in June 2016.
	The youth council, older persons' council and accessibility advisory group are satisfied or very satisfied with opportunities provided to influence the content of council strategies, policies and project planning	Satisfied	Achieved	A survey of these groups in June 2016 returned an overall result of 89% satisfied or very satisfied.
	Residents who are satisfied with the council's community support services	85%	Achieved (92%)	2016/17 residents' opinion survey result.
We provide support for community measures that promote diversity and connectedness	Community connectedness and diversity projects and initiatives planned for the year are progressed or completed	85%	Achieved	Support for an event at Nga Purapura in Ōtaki for the community to celebrate Matariki. Support for Tu Rangatira initiative held at Kāpiti College. Facilitated community funding workshops for not-for-profit community groups. Promoted community resilience and emergency preparedness through Green Neighbourhood initiative. Supported annual Neighbours Day event 'Over the fence cuppa' attended by over 1,000 people.
We provide opportunities for the community to participate in activities and events that encourage community resilience	Estimated attendance at council-supported events	There is no target as we will use this for monitoring in 2015/16	Monitor only	250 people attended and participated in the first No. 8 Wire Week series of events aimed at promoting resilience and community connectedness. Over 600 people attended the Age on the Go Expo aimed at supporting and promoting wellbeing for older people in the district.

## Financial results for the year ended 30 June 2017

### Community facilities and community support – cost of activity statement

2015/16 Actual \$000		2016/17 Actual \$000	2016/17 Budget \$000
	<b>Expenditure</b>		
3,829	Other operating expense	3,789	3,692
891	Depreciation and amortisation	881	913
84	Finance expense	163	163
<b>4,804</b>	<b>Operating expenditure</b>	<b>4,833</b>	<b>4,768</b>
	<b>Revenue</b>		
1,096	Fees and charges	1,153	1,155
94	Development and financial contributions revenue	83	48
113	Other operating revenue	63	-
<b>1,303</b>	<b>Operating revenue</b>	<b>1,299</b>	<b>1,203</b>
<b>3,501</b>	<b>NET OPERATING COSTS</b>	<b>3,534</b>	<b>3,565</b>
	<b>Capital items</b>		
207	Asset renewal	283	536
134	New assets upgrade	1	426
<b>341</b>	<b>Total capital items</b>	<b>284</b>	<b>962</b>
<b>3,842</b>	<b>NET COST OF ACTIVITY</b>	<b>3,818</b>	<b>4,527</b>
2,304	Rates	2,476	2,470
134	Borrowings	1	426
207	Depreciation reserve	283	536
(93)	Reserves and special funds	(85)	(48)
1,290	Unfunded depreciation	1,143	1,143
<b>3,842</b>	<b>TOTAL SOURCES OF FUNDS</b>	<b>3,818</b>	<b>4,527</b>

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

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

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

To this end, the following major projects were progressed or completed in the 2016/17 year.

## **Te Ātiawa Park resurfacing complete**

Work to resolve the underlying groundwater issues and surface cracking of the Te Ātiawa courts began in November 2015. Stage One of the courts' rebuild involved digging up the courts, adding sub-soil drainage and a chip seal layer before resealing with asphalt. This work was completed in February 2016, with line markings and equipment reinstated in March 2016.

Stage two involved the addition of a further synthetic surface layer. This work was held back to allow the stage one surface to cure properly and, because it could only be successfully laid during the summer months, the next most suitable start date was November 2016. The final resurfacing stage was completed in January 2017. Feedback on the new courts has been very positive from both local and out-of-district players.

## **Ōtaki splash pad**

Work on the Ōtaki splash pad is continuing alongside the Ōtaki pool rebuild to ensure an integrated and complementary design. The community was consulted to help decide on the features that would be part of the final design. The splash pad is on track for completion by the end of 2017.

## **Community facilities strategy completed**

Council has developed a community facilities strategy that will provide a framework to guide its decision-making over the next twenty years for investment in community facilities, which includes both indoor and outdoor facilities.

The process involved developing a stocktake of facilities, collecting information on existing facilities by surveying owners, managers and users, and then surveying the wider community to get feedback both on existing facilities and areas of unmet demand.

This information together with other research was used to underpin the draft strategy which was then put out for public consultation in May 2017. The strategy was adopted by the Council in June 2017.

**Parks and open space** includes the following services and activities:

- provision and management of park assets, including sports fields, playgrounds, reserves and cycleways, walkways and bridleways
- providing facilities for community benefit such as events, socialisation and other community interaction
- supporting and promoting environmental initiatives for the protection of indigenous biodiversity and significant natural landscapes
- promoting economic benefits through support of the recreation industry and boosting the tourism industry
- providing health benefits to the wider community
- recognising and promoting cultural benefits
- delivering educational opportunities in respect of heritage and cultural diversity, and
- delivering facilities for both active and passive recreation.

## Otaraua Park development plan

The Otara development plan process commenced with 'The Otara Park Experience' event in March 2017. Over 1,000 people came to the event to enjoy the entertainment and provide feedback about how they would like to see the park used.

The development plan was originally intended to be completed by the end of 2016/17. The timeline was extended to allow information gathered through the community facilities strategy process to contribute.

The plan will now be completed during 2017/18. The community and key stakeholders will be able to provide feedback on the draft plan.

## Maclean Park

The planned review of the management and development plans for Maclean Park got underway early in 2016/17. A variety of engagement methods were used to get feedback from stakeholders and the wider community.

One of the key engagement events was the Maclean Park Experience on 28 January 2017, which was attended by around 1,000 people. People's views were also sought through workshops and an online survey.

A second round of engagement included three development plan concepts that were designed based on what we had heard people wanted at the park. Following feedback on the concepts, one draft development plan was designed based on the community's preferences.

The draft management plan and development plan will be out for final consultation from early August to early October 2017. The Council is expected to adopt the final plans in December 2017.

## Playgrounds

Following the community consultation in 2015/16 about proposed playground upgrades the focus in 2016/17 was on delivering these.

Playgrounds that have been upgraded this year include those at Te Ātiawa Park, Kaitawa Reserve, Haruatai Park, Tasman Road Reserve and Aorangi Road Reserve.

In addition, a 'keyhole' basketball court has been built at Matthews Park in Raumati, with line markings completed in early June 2017. The court is a result of a submission through the council's Annual plan 2014/15 from the Youth Council, which included a petition signed by over 400 young people asking for a basketball court at Matthews Park.



**New 'keyhole' basketball court at Matthews Park**

## Cycleways, walkways and bridleways

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

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

- council worked with Greater Wellington Regional Council to ensure continued access to the Waikanae River cycleway, walkway and bridleway during their works on the stopbank realignment at Jim Cooke Park,
- completed the first of two stages of the Paekākāriki connection track, providing visitors to the Te Araroa Paekākāriki Escarpment Track a safe and attractive walking route to the beginning of the escarpment track from Paekākāriki,
- a new link path from Makarini Street to Te Roto Drive provides a safe option to access the expressway walkway and cycleway path without having to negotiate the Kāpiti Road intersection,
- an alternative track was built through the Wi Parata reserve to avoid the risk of falling epiphytes, and it was completed in late June 2017,
- the link track traversing Kāpiti Airport land between Alexander and Tahiroa Roads has been widened, and gravel laid and rolled, improving the surface for the trip to Paraparaumu Beach, and
- we worked with the Kapiti Lions group to install four seats they donated to commemorate their centenary celebrations. These were placed in Eatwell Reserve, Makarini Reserve and two alongside Wharemauku Stream.

## Cemeteries

The following projects have been completed in the district's cemeteries.

- two new ashes gardens have been constructed in Awa Tapu cemetery, and
- 38 metres of new beams have been constructed at Waikanae Cemetery.

## Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
<b>Parks and open space</b>				
Our residents in urban areas live reasonably close to a recreation facility and a range of active recreation facilities is available throughout the district	Residential dwellings in urban areas are within 400 metres of a publicly-owned open space	85%	Achieved (99%)	103ha out of 18,452ha of the total district plan residential area is not within 400m of a publicly-owned open space. This is a provisional finding only and work is planned to source information based on residential dwellings.
	Sports grounds are open (scheduled hours and weather dependent)	85%	Achieved (90%)	
	Residents that are satisfied with the current availability of facilities	85%	Not achieved (84%)	Result from annual park users' survey 2016/17.
	Residents that are satisfied with the quality of council parks and open space	85%	Achieved (95%)	Result from annual park users' survey 2016/17.
	Residents that are satisfied with the quality and range of recreation and sporting facilities in the district	85%	Achieved (89%)	Result from annual park users' survey 2016/17.
	Residents that are satisfied with council playgrounds	85%	Not achieved (84%)	Result from annual park users' survey 2016/17.
<b>Cemeteries</b>				
We provide well maintained cemeteries and we want to ensure that most family members can access the interment site and records are available online	Users who are satisfied with the cemeteries' appearance and accessibility	85%	Achieved (87%)	Result from annual park users' survey.
	All available records will be on council's website within four weeks of interment	100%	Achieved (100%)	
We measure burial capacity across the district and anticipate future needs	At least a 10-year burial capacity is maintained across the district	Achieve	Achieved	Approximately 34 years' capacity.



Contribution to outcomes	Performance measures	Target	Result	Comment
<b>Cycleways, walkways and bridleways</b>				
A range of cycleway, walkway and bridleway networks including low carbon alternatives are available throughout our district and the quality and range increase over time	Users who are satisfied with council cycleways, walkways, and bridleways	85%	Achieved (93%)	Residents' opinion survey result for 2016/17.
	Users who are satisfied with the safety and availability of the on-road cycleway network	85%	Not achieved (55%)	Resident's opinion survey result for 2016/17. The SH1 revocation will significantly improve availability by adding a further 10–20km of on-road cycleways.
Our beach accessways are maintained and are in a usable condition	Residents who are satisfied with access points to beaches	85%	Achieved (92%)	Residents' opinion survey result 2016/17.

## Financial results for the year ended 30 June 2017

### Parks and open space – cost of activity statement

2015/16 Actual \$000		2016/17 Actual \$000	2016/17 Budget \$000
	<b>Expenditure</b>		
4,018	Other operating expense	4,338	4,068
1,187	Depreciation and amortisation	1,131	1,079
209	Finance expense	281	281
<b>5,414</b>	<b>Operating expenditure</b>	<b>5,750</b>	<b>5,428</b>
	<b>Revenue</b>		
147	Fees and charges	165	158
384	Development and financial contributions revenue	753	521
-	Other operating revenue	91	-
<b>531</b>	<b>Operating revenue</b>	<b>1,009</b>	<b>679</b>
<b>4,833</b>	<b>NET OPERATING COSTS</b>	<b>4,741</b>	<b>4,749</b>
	<b>Capital items</b>		
1,071	Asset renewal	761	756
647	New assets upgrade	613	1,120
<b>1,718</b>	<b>Total capital items</b>	<b>1,374</b>	<b>1,876</b>
<b>6,601</b>	<b>NET COST OF ACTIVITY</b>	<b>6,115</b>	<b>6,625</b>
4,466	Rates	4,805	4,559
348	Borrowings	581	834
1,003	Depreciation reserve	761	746
(18)	Reserves and special funds	(743)	(225)
802	Unfunded depreciation	711	711
<b>6,601</b>	<b>TOTAL SOURCES OF FUNDS</b>	<b>6,115</b>	<b>6,625</b>

# Recreation and leisure – hākinakina

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

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

## Libraries

There was a significant systems upgrade this year with the implementation of the Electronic Data Interchange system to streamline ordering and accounting processes for library acquisitions.

The annual library customer satisfaction survey undertaken in May 2017 received 385 responses, and again reported very high levels of satisfaction with library services (98% of respondents were 'satisfied' or 'very satisfied').

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

Our standard services remained in high demand:

- More than 660,000 items were borrowed from the four district libraries over the course of the year.
- More than 84,000 items were reserved free of charge across the district.
- 25,345 items from 21 other SMART (sharing and managing a region together) libraries were lent to Kāpiti library customers.

- 17,589 eBooks were downloaded from the libraries website, [kapiticoastlibraries.govt.nz](http://kapiticoastlibraries.govt.nz)
- More than 76,000 sessions were logged on the libraries' free internet computers and more than 50,000 free wifi sessions were logged.
- Community hub services including Local Links @ my Library continued.
- 17,886 new items were added to the collection, including 1,457 eBooks which are leased by the library and lent for a specific number of issues.

A number of new programmes started this year, including:

- A self-publishing workshop delivered in November 2016 by library staff. All classes were well attended and feedback about the quality of teaching, information learnt, and relevance to the industry was consistently scored at 100%
- The "Stepping Up" programme of free digital workshops for the community, to teach practical digital literacy skills at an introductory level. Topics covered included: Word for beginners, Google and the Internet, and email basics. Previously these classes were offered only at the Paraparaumu Library Learning Centre; this year, they were offered at Ōtaki Library, and will soon be offered at Waikanae Library.
- The afterschool Minecraft club, offered to school children aged nine years and over, during term time on Monday and Tuesday afternoons at the

**Recreation and leisure** includes the following services and programmes:

- operation and management of the district's three swimming pools
- providing access to information for leisure, entertainment, research, education and career development across the district
- supporting local heritage through relationships with historical groups, museums, and initiatives such as the Kāpiti Heritage Trail
- promoting and supporting arts activities through initiatives such as the annual Kāpiti Arts Trail and creative communities funding schemes
- supporting the arts as detailed in the strategy for supporting the arts
- delivering events and programmes for children, young people and adults
- supporting museums to promote their collections and increase visitor numbers, and
- working collaboratively with other SMART libraries in Masterton, Lower Hutt, Porirua, and WelTec and Whitireia polytechnics, to provide a regional library service for our community.

Paraparaumu Library Learning Centre were very popular, with all sessions fully booked.

More than 9,800 people came to free library events and activities, including:

- Time for a Yarn, a monthly event providing an opportunity for people to meet and share handcraft projects, ideas and skills, offered at the Paraparaumu, Ōtaki and Waikanae Libraries.
- Tea and Tales, a monthly event comprising book readings and public talks, offered at the Paraparaumu, Ōtaki and Waikanae Libraries.
- A variety of events held to celebrate Matariki 2017, including a late-night celebration hosted in June at the Waikanae Library and Mahara Gallery. More than 200 people attended.
- The annual "If You're a Poet We Want to Know It" poetry competition, which had a Matariki theme and attracted 81 entries. Forty poets attended the Open Mic night hosted on National Poetry Day.
- Adult/teen Reading Challenge offered for the first time in September/October 2016, featuring a reading challenge list and weekly games and prizes. Over 120 entries (book reviews) were received, and posted in the libraries.
- Murder in the Library (celebrating the Ngaio Marsh Book Awards), another first-time event co-sponsored by the Friends of the Library, featured a panel of local crime authors and attracted over 50 audience members.
- Friday Family Fun Nights at Paraparaumu Library: art workshops, Lego clubs, movie nights, the pre-teen book group Book Buzz and teens WRAPPERS (writers, readers and poets) group.
- More than 200 children and families took part in the September 2016 and April 2017 school holiday events – Lego Club, movie afternoons, storytelling and weather-themed crafts.
- Bookbusters summer reading club which attracted over 170 children during the 2016-17 summer holidays.
- Bilingual Storytimes for pre-schoolers were run at the Ōtaki Library.
- Over 500 newborn Kāpiti babies were gifted a Penguin Babyworld Book along with an information pack supporting parents and welcoming them to the library.
- 36 library-led book discussion groups held across the libraries, and a monthly poetry workshop held at Paraparaumu Library.
- A four-week te reo Māori programme at Paraparaumu, Ōtaki and Waikanae Libraries, with more than 60 people attending across all locations and providing extremely positive feedback.
- Reading to Dogs pilot at Waikanae and Paraparaumu Library – selected students from a local primary school read to a librarian and their specially trained pet without pressure or judgement, helping to foster a love of reading and improve literacy skills.

### Arts and museums

The 2016 Kāpiti Arts Trail was again held over two weekends, on 29/30 October and 5/6 November 2016. The event continues to be successful and a highlight in the Kāpiti Arts Calendar. It is estimated there were 39,500 visits to 97 artists and hubs, with estimated sales and commissions of \$470,000.

Other activities over the year were:

- A replacement heritage trail sign was installed at the former pa site in Kenakena.
- The Public Art Panel's Terms of Reference were reviewed and revised.
- Exhibition art spaces at Paraparaumu, Waikanae and Ōtaki Libraries were fully booked, with 44 exhibitions held in total over the year.
- A video and research essay competition commemorating World War One (WW1) was offered to local school children during April – May 2017. The winning entrants were of extremely high quality, and were awarded technology prizes by the mayor at a prize-giving ceremony in June 2017.
- Two rounds of the Creative Communities Scheme were administered, with over \$40,000 of funding distributed to more than 20 arts projects for the local community.



**Artist Shona Moller with Mayor K Gurunathan on the 2016 Kāpiti Arts Trail**

## Swimming pools

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

Over the district, a total of 413 children took part in the SwimBegin reduced price, summer holiday learn-to-swim lessons.

In addition, swimming lessons were delivered to over 1,694 children through the funded KiwiSport learn-to-swim lessons. This was a significant increase on the 1,207 children who received lessons in the previous year.

Just under 440 people took part in the AquaEase or AquaYoga programmes. Sit and be Fit was introduced in the third quarter with 44 regular attendees. These programmes have been very successful for those with medical conditions or limited mobility.

A customer survey in February 2017 resulted in staff across the three pools being given a 98% positive rating for being friendly and helpful. Learn-to-swim and Aquafit instructors also received a 99% rating for their knowledge and friendliness, while the attentiveness and helpfulness of the lifeguards was rated 98%.

## Coastlands Aquatic Centre

In its fourth year of operation, the Coastlands Aquatic Centre has continued to be popular, with 202,136 visitors in the 2016/17 year up from 196,231 in the previous year.

Two free 'Health and Wellness' ten-week programmes were held during the year at the centre. These programmes are free as they are funded by Compass Health and Sport Wellington. Very positive feedback was received from the 40 participants with many saying their overall wellness improved.



**The annual Paraparaumu College Splash event at the popular Coastlands Aquatic Centre**

The centre received a 'Platinum' award from Be.Accessible, a social change organisation providing accessibility information and assessments. The centre is the first recreation facility and the third business in the country to receive platinum status. Their assessor commented:

*"What is perhaps the most significant point of difference for me was that every pool is either ramped or accessed by a hoist. In fact, the main pool has both a ramp and a hoist. The spa pool also has a hoist which is pretty unique! The staff were responsive to the whole range of access needs and the fact that the centre is used by people across both the age and ability spectrum on a regular basis is testament to the amazing facilities that are provided to ensure everyone is catered for and feels welcome."*

## Waikanae pool

Visitor numbers were down slightly at the open air Waikanae pool, with 38,449 visits in 2016/17, due to the very wet summer season.

Both the term and the summer block learn-to-swim courses reflected the lower total attendance while the regular Aquafit classes remained popular.

## Ōtaki pool

Ōtaki pool closed in February 2017 for its rebuild. In the period from 1 July until closure there were a total of 35,755 visitors. The pool was on track to out-perform the previous year's very good attendance figures prior to its closure.

The initial tender process to find a suitable contractor for the Ōtaki pool redevelopment did not attract any acceptable bids. A second tender process was undertaken in September 2016, which was successful with the appointment of a contractor in November. However, that meant that the start of the pool rebuild was delayed.

The rebuild commenced in February 2017 starting with the demolition of the old pool building. The redevelopment is expected to be completed by the end of 2017 and includes a new pool hall building (the pool tanks remain the same); ramp entry into the main pool; separation of the filtration systems between the toddlers and lane pools, and the creation of a splash pad. This upgrade will ensure that Ōtaki pool meets the needs of the community for years to come.

## Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
<b>Aquatics</b>				
We provide safe, clean and inviting swimming pools and our residents and visitors are satisfied with the services and facilities	Council will maintain PoolSafe accreditation	Achieve	Achieved	Annual PoolSafe accreditation was retained for Coastlands Aquatic Centre and Waikanae. Ōtaki pool was closed at the time of the audit.
	Users that are satisfied with the pools' services and facilities	85%	Achieved (94%)	Resident Opinion Survey report in June 2017 showed 94% satisfaction with the services and facilities at swimming pools in the district.
Increasing numbers of residents and visitors are using facilities and the pools swim clubs are satisfying the needs of the community	Visits to swimming pools in the district	Maintain or increase <i>(cf 2014/15 baseline)</i>	Not achieved	276,340 combined swims in the year (compared to 292,180 in 2015/16 and 300,532 in 2014/15). This result was strongly impacted by the Ōtaki pool closure. It was also affected by the poor summer weather, which saw low attendance at Waikanae's open-air pool.
	Learn-to-swim registrations	Maintain or increase <i>(cf 2014/15 baseline)</i>	Not achieved	2,982 registrations for the year (compared to 3,309 and 3,168 for 2015/16 and 2014/15, respectively). The Ōtaki pool closure strongly affected this result
<b>Arts and museums</b>				
We are progressing our public art programme and installing art in appropriate community spaces	The public art panel makes recommendations to council for approval on all public art commissions	Achieve	Not achieved	The revised Public Art Panel terms of reference were approved by the Council in May 2017. A new Public Art Panel is currently being formed, with appointments due for confirmation by the Council in early 2017/18.
<b>Libraries</b>				
Our libraries offer a range of materials and spaces	Users that are satisfied with the library services	85%	Achieved (99%)	The residents' opinion survey for 2016/17 reported 99% satisfied (the Library Users' Survey reported 98% satisfied for this same measure).
	Collections are refreshed in accordance with New Zealand public library standards	17,186 (annually)	Achieved (17,886)	17,886 new items were added to the library collections this year.
	Total visits to libraries	550,000 (annually)	Not achieved (343,139)	Total visits for the year were 343,139, well down on the target. The target was not expected to be achieved this year. It was determined last year that faulty door counter information had been used to set the long term plan target.

## Financial results for the year ended 30 June 2017

Recreation and leisure – cost of activity statement			
2015/16 Actual \$000		2016/17 Actual \$000	2016/17 Budget \$000
	<b>Expenditure</b>		
7,201	Other operating expense	7,019	6,895
1,455	Depreciation and amortisation	1,557	1,509
1,276	Finance expense	1,352	1,352
<b>9,932</b>	<b>Operating expenditure</b>	<b>9,928</b>	<b>9,756</b>
	<b>Revenue</b>		
1,586	Fees and charges	1,517	1,543
42	Grants and subsidies	40	35
7	Other operating revenue	9	-
<b>1,635</b>	<b>Operating revenue</b>	<b>1,566</b>	<b>1,578</b>
<b>8,297</b>	<b>NET OPERATING COSTS</b>	<b>8,362</b>	<b>8,178</b>
	<b>Capital items</b>		
951	Asset renewal	2,118	4,770
133	New assets upgrade	143	1,238
<b>1,084</b>	<b>Total capital items</b>	<b>2,261</b>	<b>6,008</b>
<b>9,381</b>	<b>NET COST OF ACTIVITY</b>	<b>10,623</b>	<b>14,186</b>
8,299	Rates	8,362	8,178
582	Borrowings	550	1,645
502	Depreciation reserve	1,711	4,363
(2)	Reserves and special funds	-	-
<b>9,381</b>	<b>TOTAL SOURCES OF FUNDS</b>	<b>10,623</b>	<b>14,186</b>





# Planning and regulatory services

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

This cluster of services covers districtwide planning, including the preparation of the comprehensive district plan which governs the development of the Kāpiti coast.

Through our regulatory services, the council issues resource consents to ensure building and development work is in line with legislation and the provisions of our district plan. In addition, we are carrying out the assessment of earthquake-prone buildings that is required by new legislation.

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

## **In this section you'll find:**

Districtwide planning

Regulatory services

# Districtwide planning – ngā kaupapa takiwa

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

## Proposed district plan review

In 2016/17, work continued on analysing submissions on the proposed district plan (PDP) and writing the recommendation reports (section 42A reports) to the hearings panel in respect of individual chapters of the PDP.

The last six recommendation reports were completed by February 2017 and the last of the remaining 13 PDP hearings was completed on 5 April 2017. Hearings this year took place over a total of 30 hearing days.

Overall, 218 submitters have been heard through the whole process. The hearings panel have issued 21 'Minutes' - which can be found on the council website, along with other communication to and from submitters.

The hearings panel are now preparing their recommendation reports on the PDP which will be presented to council in October for a decision. It is anticipated that the decisions version of the PDP will be publicly notified before the end of November 2017.

## Requested change to operative district plan

A private plan change request to the current operative district plan, Plan Change 84, was made in early 2016 by Kapiti Coast Airport Holdings Ltd (KCAHL) and was notified on 22 February 2016. Seven submissions were received on the private plan

change application, with six from Coastlands Shoppingtown Ltd or affiliated companies.

The Environment Court decision was received on KCAHL's Application for Declarations in late July 2016. A section 42A report was then prepared and a hearing held over four days in February and March 2017.

The hearings panel are finalising the recommendation report on Plan Change 84 and once this is received it will be presented to the Council for a decision.

## Community futures/local outcomes

A Waikanae Beach Working Group was formed last year to help develop the community's vision for Waikanae Beach and possible ways of achieving it. Following on from a series of community meetings in 2015/16, further consultation was undertaken with iwi, schools and business groups as well as the wider community.

The draft vision document was then prepared for more formal consultation during February 2017. Community feedback was incorporated and the revised vision document was endorsed by the Waikanae community board on 14 March 2017. Work has since commenced on a Waikanae Beach character assessment study.

**Districtwide planning** includes the following services and programmes:

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

## Programme of strategy/policy work

Progress was made in 2016/17 on a number of key projects. The facilities stocktake for the community facilities strategy was completed and further engagement work was undertaken. The sustainable transport strategy project got underway as did work on the review of the 2008 Stormwater Strategy. Work on the Public Places Bylaw was completed and it was adopted by the Council in June 2017.

The council plans to review the strategy and policy work programme later in 2017 as part of the long term plan development process.

## Submissions

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

- a submission to the Local Government Commission on the draft Wellington Region Transport Indicative Business Case
- feedback on the Department of Conservation's survey on the implementation of the New Zealand Coastal Policy Statement
- feedback on the Draft Local Government Position on Climate Change
- a submission on the Draft Wellington Region Natural Hazards Management Strategy
- feedback on the Variation to Wellington Regional Public Transport Plan and Public Transport Fares Review
- a submission to the Local Government and Environment Committee on the Rates Rebate (Retirement Village Residents) Amendment Bill
- feedback to Local Government NZ for its submission on the Health (Fluoridation of Drinking Water) Amendment Bill
- a submission to Standards New Zealand on the standards on testing and decontamination of methamphetamine-affected properties
- feedback to the Wellington Regional Transport Committee for their submission to the draft Government Policy Statement on Land Transport 2018/19 – 2027/28
- a submission to DOC on the draft Wellington Conservation Management Strategy
- a submission to GWRC on their 2017/18 Annual Plan
- feedback to Statistics NZ on the Review of Statistical Geographies, and
- a submission to the Ministry of Business, Innovation and Employment on the Urban Development Authority.

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

## Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
We efficiently and effectively develop policies and plans to encourage economic development and preserve the unique character and natural environment of our district	Residents that agree that the district is developing in a way that takes into account its unique character and natural environment	75%	Achieved (75%)	Resident Opinion Survey result reported in June 2017. (2015/16 result was 68%)
	Percentage of submissions to the proposed district plan that are settled prior to plan hearings or Environment Court proceedings	More than 40%	Achieved (approx. 60%)	All of the PDP hearings have been completed and approximately 60% of submissions have been proposed to be accepted or accepted in part in the S42A reports. The recommendations of the hearings panel will be presented to the Council for a decision in October 2017.
	A strategic policy framework and research programme are developed	Achieve	Achieved	The strategic policy work programme was agreed in April 2016 and will be reviewed in 2017 as part of the long term plan development process. Work continues on the research programme and the updating of Council's demographic data is nearly complete.

## Financial results for the year ended 30 June 2017

### Districtwide planning – cost of activity statement

2015/16 Actual \$000		2016/17 Actual \$000	2016/17 Budget \$000
	<b>Expenditure</b>		
3,925	Other operating expense	2,767	3,157
<b>3,925</b>	<b>Operating expenditure</b>	<b>2,767</b>	<b>3,157</b>
	<b>Revenue</b>		
52	Fees and charges	157	-
<b>52</b>	<b>Operating revenue</b>	<b>157</b>	<b>-</b>
<b>3,873</b>	<b>NET OPERATING COSTS</b>	<b>2,610</b>	<b>3,157</b>
	<b>Capital items</b>		
-	Total capital items	-	-
<b>3,873</b>	<b>NET COST OF ACTIVITY</b>	<b>2,610</b>	<b>3,157</b>
3,873	Rates	2,610	3,157
-		-	-
<b>3,873</b>	<b>TOTAL SOURCES OF FUNDS</b>	<b>2,610</b>	<b>3,157</b>

# Regulatory services – ratonga whakaritenga

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

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

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

To support that approach we published a booklet *Our Business: Your Success* in July 2016 to help people navigate their way through the relevant rules and regulations that apply when starting or making changes to an existing business on the Kāpiti Coast. This is available from council service centres and can be downloaded from the council's website. It has also been distributed to key organisations in the business community.

## Building, design and development

### Legislative change

The Building (Pools) Amendment Act 2016 commenced on 1 January 2017. It repealed the Fencing of Swimming Pools Act 1987 and brought the

management of pools under the Building Act 2004 with a new Building Code clause F9. The definition of pools changed to include indoor pools, and a regime for periodic inspection of pools.

The Building (Accreditation of Building Consent Authorities) Amendment Regulations 2017 was due to commence on 1 July 2017, introducing a changed regime for the assessment of building consent authorities (BCAs). In advance of that the Ministry of Business Innovation and Employment published a series of checklists in March 2017 that would form the basis of future assessments.

The Council must be accredited as a BCA in order to be able to grant building consents. As a consequence of that prospective legislative change we have reviewed our quality assurance system, our supporting documents and our performance with respect to those checklists. The next BCA audit is scheduled for early October 2017.

Further amendments have been proposed to the Resource Management Act 1991; these are currently before the Select Committee.

### Resource consents

The resource consents and compliance team had another busy year. In total, 303 resource consents were processed. This is a 27% increase on the 239 consents processed in 2015/16 and a 43% increase on the 212 processed in 2014/15. Staff responded well to the continued high workload and additional staff resource have helped maintain levels of service.

**Regulatory services** includes the following services and programmes:

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

For those non-notified consents that did not have their statutory timeframes extended, the average processing time was 15 days against a target of 17 days.

Workload relating to the Mackays to Peka Peka and Transmission Gully Expressway projects was relatively high over the first half of the year as construction work progressed. It continued, but at a reduced pace after the February 2017 opening of the M2PP Expressway.

This work has included compliance inspections, certifications of (and amendments to) management plans, and determinations of works being 'in general accordance' with Board of Inquiry decisions, as well as resource consents and designation alterations related to the projects.

Work relating to the Peka Peka to Ōtaki Expressway project has increased significantly over the year with contractors appointed, design work well underway and management plans being developed for certification.

## Building control

Council issued 1,147 building consents during 2016/17, up slightly on 1,063 in the previous year and a continuation of the higher level of consent activity than previous years. The average processing time over the year was 14 days against a target of 17 days.

The building team have continued to work with other councils in the Wellington region to develop a consistent approach across the region. GoGet, an electronic approach to processing building consent applications and inspections, has now been embedded in the business. GoShift, a cross-council initiative to provide an electronic portal for the receipt of building consent applications and payment of fees, was piloted during the fourth quarter. It is expected that GoShift will go live later in 2017.



### **Regular building progress inspections are a key part of council's regulatory supervision**

## Assessing earthquake-prone buildings

The earthquake-prone building project is to undertake initial seismic assessments of buildings in the district. Buildings that require assessment are those that are used for commercial or industrial purposes, schools and residential buildings which are two or more storeys and have three or more household units. Council is required to undertake this work under the Building Act 2004.

Council started the process in 2015/16, completing initial assessments of 151 buildings. A further 479 buildings had initial assessments this year. Initial assessments have now been completed for approximately 40 % of the buildings identified for assessment.

Recent legislative changes mean that the Council has additional work to identify priority buildings in the 2017/18 year. Responses to the initial assessments now being received from owners need to be evaluated as we move into a new phase of the project.

Council agrees that keeping people safe and building a resilient community is important. However, we are

aware that this process could mean substantial costs for both the council as a building owner and other building owners within the district.

## Public health in our community

### Sale and Supply of Alcohol Act 2012

This year the team processed:

- 77 applications for new licences and renewal of licences
- 111 applications for special licences
- 22 applications for temporary authorities
- 87 applications for a new manager's certificate
- 157 applications for renewal of managers' certificates.

Inspection targets were achieved this year, with 77 inspections undertaken related to applications for a new licence or to renew a licence. In addition, there were a further 86 visits related to monitoring of alcohol-licensed premises.

## Environmental health

The Food Act 2014 came into force on 1 March 2016. From that date, all new food businesses or those that change hands must operate under a food control plan (FCP), custom food control plan or national programme (NP).

During this year all on-licensed premises in the district were required to transition onto an FCP and this was achieved. There are now approximately 148 food businesses in the district operating under an FCP or NP, around half of the district's food businesses.

Inspection and audit targets were achieved this year, with 281 inspections/audits of food businesses undertaken through the year.

This year, in addition to achieving the inspection targets, we also conducted a total of 71 support visits which included implementation visits and pre-audit visits to help support food businesses understand the new system. We also conducted two stakeholder events introducing businesses to the requirements of the Food Act 2014.

The inspection targets for health-licensed premises were achieved, with 61 inspections of hairdressers, campgrounds and funeral directors.

### Swimming pool inspections

Council has currently identified 1,030 known swimming pools as classified by legislation. Staff conducted 206 inspections, meeting the target for 2016/17.

In 2016, the Fencing of Swimming Pools Act 1987 was repealed and replaced with the Building (Pools) Amendment Act 2016. Information was sent out to all known pool owners in relation to the new pool safety provisions. Under the new legislation council must ensure pools are compliant, with inspections on a mandatory three-yearly cycle, rather than the five-yearly cycle that has been the requirement to date.

The amendment allows for Independently Qualified Pool Inspectors (IQPIs) to inspect and certify pools. Council has introduced a fee structure this year for an increase in costs associated with pool inspections. Council expects that the district will soon have qualified IQPIs registered through the Ministry of Business Innovation and Employment. Council staff will continue to work with stakeholders to assist pool owners understand the new requirements and guide them through the process.

### Animal management

The animal management team has continued to focus on education and providing a visible presence in the community, especially in the early mornings and

late afternoons. To improve visibility the animal management vehicles have had new signage added which makes them more distinguishable. These efforts are targeted at enabling regular engagement with dog owners and the general public, with a focus on preventing incidents occurring.



#### **The animal management team have been focusing on engaging with and educating dog owners**

The animal management team secured funding as part of the Government's de-sexing initiative for menacing dogs. Council staff continue to work with owners of menacing dogs to ensure the dogs are de-sexed. To date 16 dogs have been de-sexed under this initiative.

This year the animal management team contributed to two events in the district, the 'Dogs in Togs' event at Waikanae pool and the 'Paws in the Park' event. The team also gave educational talks to outside organisations including NZ Post and the Corrections Department.

The animal management team continue to work with a range of stakeholders, including the Society for the Prevention of Cruelty to Animals, Helping You Help Animals, Housing NZ and the NZ Police, to provide a

more robust service to encourage and support responsible dog ownership and prevent repeat incidents.

On 30 January 2017 the team introduced a seven-day roster, providing a service that is more accessible to customers outside of normal business hours. There is an animal management officer on call after hours and they are available for any urgent call-outs. Staff have laptops enabling them to access, enter and process information while they are in the field and a mobile Eftpos machine allowing them to process payments in the field.

These changes mean a wandering dog can be dealt with over the weekend and released to the owner rather than being taken to the animal shelter for processing or holding over the weekend. This has improved both our efficiency, and our customer service. Main Security continue to assist with any additional call-outs after hours including securing any wandering dog being held by a member of the public.

The team continue to be busy with ongoing service request demands. There were 12,036 animal management service requests received this year.



## Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
We provide efficient and effective regulatory services	Percentage of service requests that are responded to within corporate standards and closed off	95%	Achieved (95%)	11,475 of the 12,036 service requests received during the year (95.3%) were responded to within time.
	Average working days to process building consents will not exceed 17 days	Achieve	Achieved	Building consents were processed in 14 working days on average over the year.
	Average working days to process non-notified resource consents will not exceed 17 days	Achieve	Achieved	Non-notified resource consents were processed in 15 working days on average over the year (excluding consents deferred under section 37 of the Building Act 2004).
	Percentage of survey respondents that agree that the regulatory events are good or very good	85%	Achieved (89%)	There have been six seminar presentations on regulatory matters this year, with a total of 273 survey respondents. Of these, 89.4% rated the seminars good or excellent.
	All dog attacks (classified as urgent) are responded to within 1 hour of notification	100%	Achieved (100%)	There were 41 reports of 'dog attack or threatening behaviour' classified as urgent this year. They were all responded to within 1 hour of notification.
We will retain Building Consent Authority (BCA) accreditation and substantively comply with statutory timeframes	BCA accreditation is retained	Achieve	Achieved	The two-yearly IANZ audit took place in October 2015. Accreditation as a BCA was confirmed following resolution of the one corrective action identified.

## Financial results for the year ended 30 June 2017

Regulatory services – cost of activity statement			
2015/16 Actual \$000		2016/17 Actual \$000	2016/17 Budget \$000
	<b>Expenditure</b>		
8,174	Other operating expense	8,396	8,047
63	Depreciation and amortisation	64	7
17	Finance expense	15	15
<b>8,254</b>	<b>Operating expenditure</b>	<b>8,475</b>	<b>8,069</b>
	<b>Revenue</b>		
3,839	Fees and charges	4,111	3,400
<b>3,839</b>	<b>Operating revenue</b>	<b>4,111</b>	<b>3,400</b>
<b>4,415</b>	<b>NET OPERATING COSTS</b>	<b>4,364</b>	<b>4,669</b>
	<b>Capital items</b>		
5	Asset renewal	-	-
49	New assets upgrade	-	-
<b>54</b>	<b>Total capital items</b>	<b>-</b>	<b>-</b>
<b>4,469</b>	<b>NET COST OF ACTIVITY</b>	<b>4,364</b>	<b>4,669</b>
4,415	Rates	4,364	4,669
49	Borrowings	-	-
5	Depreciation reserve	-	-
<b>4,469</b>	<b>TOTAL SOURCES OF FUNDS</b>	<b>4,364</b>	<b>4,669</b>

# Governance and tāngata whenua

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

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

We have a strong, active partnership with our three iwi and aim to embed tāngata whenua values into our operations and to guide the overall development of Kāpiti. Progress over 2016/17 in achieving iwi aims is outlined in the *Message from tāngata whenua* on page 7 of this report and expanded in this section.

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

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

Governance and tāngata whenua

# Governance and tāngata whenua – kāwanatanga me te tāngata whenua

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

## Governance

This activity is an important contributor to council's wider strategy for working with the community and meeting our statutory requirements relating to governance, consultation and decision-making responsibilities.

## Elected members

In addition to the meeting statistics provided in the meeting attendance section (pages 150-152), elected members also attended several public workshops in February 2017 considering proposed changes to year three of the Long term plan 2015-35 for inclusion in the consultation process on the Annual plan 2017/18.

Several councillors subsequently attended public consultation events during April 2017 in Paekākāriki, Paraparaumu, Ōtaki and Waikanae in support of the consultation around the annual plan. This was followed on 15 and 16 May 2017 by hearings of oral submissions to the plan.

## Annual plan for 2017/18

The council prepared a consultation document in March 2017 focused only on the significant changes to plans for the 2017/18 year from those that were in the *FutureKāpiti* Long term plan 2015-35.

The document was released for public consultation on 31 March 2017 and the community were able to make submissions up to 1 May 2017. All the relevant draft financial information was available on the council's website for those who wanted to see the detail of its spending plans and strategies

In total, 134 submissions were received. The Council's overall direction was supported by many submitters, however, concern was expressed about the proposed rates increase. The size of the proposed increase was objected to by 69 of the 134 submitters. Particular concern was raised that it was higher than the inflation rate for the past year and, for a number of submitters, that it was higher than the annual superannuation increase.

The focus on depreciation as part of the reason for the proposed increase was raised as a concern by a number of submitters. Affordability was also highlighted by some submitters as an issue for the district.

Hearings were held in May 2017 and were attended by people speaking in support of 37 of the written submissions. After consideration of all submissions, final decisions on the content of the annual plan were made at a council meeting on 15 June 2017.

## Governance and tāngata whenua

includes the following services and programmes:

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

After those decisions were incorporated, the Annual plan 2017/18 was adopted by the Council on 29 June 2017.

### Residents' opinion survey 2017

We made some changes to our approach to the residents' opinion survey this year. The survey had previously been a one-off annual survey, but as the first step in a move to a quarterly survey we arranged for surveys in February and May 2017 (each for half the usual number of survey respondents).

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

Many of the survey results are provided in the key performance measure tables in the activity sections of this annual report.

A full report on the residents' opinion survey 2017 can be found on the council's website [kapiticoast.govt.nz](http://kapiticoast.govt.nz)

### Civic events

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

- an Inauguration Ceremony for newly-elected members following the local body elections on 25 October 2016, which included a pōwhiri led by Te Ātiawa ki Whakarongotai,
- community and civic awards,
- Waitangi Day event, co-hosted with Ngā Hapū o Ōtaki at the Ōtaki Māori Racing Club,
- Electra business awards,
- five citizenship ceremonies, one of which was hosted at Whakarongotai marae on 29 March 2017. Citizenship was conferred on 192 people from a range of countries, and

- World War I commemorative activities continued with a Kapiti Remembers Research Competition involving local school children.

### Tāngata whenua

Council has a long-standing relationship with tāngata whenua and a commitment to its partnership with Te Ātiawa ki Whakarongotai, Ngāti Raukawa ki te Tonga and Ngāti Toa Rangatira and the memorandum of partnership it holds with them. This relationship provides for active projects and includes a commitment to working via Te Whakaminenga o Kāpiti, the partnership mechanism for advancing matters of mutual interest.

Many of the activities for the 2016/17 year are reported in the *Message from tāngata whenua* (see page 7). Further achievements included:

- iwi were engaged in several working parties including town centres, water management, the treatment of bio-solids and the development of cultural impact assessments,
- engagement was undertaken with Te Ātiawa ki Whakarongotai for the Mclean Park and Otaraua Park development plans,
- Maori economic development grants totalling \$55,000 were allocated to three recipients in 2016/17,
- a range of Matariki activities were organised for June and July 2017 including kapa haka, a street festival, a library series of activities and an appeal for food bank donations,
- eight Ākina te Reo videos were produced by staff and community groups this year of people speaking te reo in everyday ways. These are available on council's website and Facebook page,.

- te reo Māori classes were offered for the community at the district's libraries, and.
- completed the annual contestable marae grants process.

## Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
<b>Civil defence emergency management</b>				
We encourage households to be ready for emergencies	Number of households that have an emergency plan and kit sufficient for three days following an emergency event	Maintain or increase 2014/15 baseline (69%)	Achieved (76%)	Residents' opinion survey result for 2016/17.
<b>Governance</b>				
Residents will be informed of opportunities to engage and participate in decision-making processes within statutory timeframes	Council meeting agendas are available in hard copy in council service centres and/or district libraries within two working days prior to the meeting	100%	Achieved (100%)	
Official information requests will be responded to within statutory timeframes	Percentage of official information requests responded to within 20 working days <sup>1</sup>	100%	Achieved (100%)	All 246 official information requests were responded to within 20 working days.
<b>Tāngata whenua</b>				
We value the partnership with tāngata whenua and it is strong	The memorandum of partnership is renewed each triennium	Achieve	Achieved	The memorandum has been reviewed by Te Whakaminenga o Kāpiti and adopted by Council for the current triennium.
	Te Whakaminenga o Kāpiti is satisfied or very satisfied with the partnership	Achieve	Achieved	On behalf of Te Whakaminenga o Kāpiti the Chair has reported that they are very satisfied with outcomes achieved under the partnership.
We provide for the active participation of tāngata whenua and Māori in decision-making processes	Māori have representation on standing committees of council and tāngata whenua working parties contribute to significant council work programmes	Achieve	Achieved	Representation is established and working parties are actively involved in significant programmes.

1. Unless a time extension is notified under LGOIMA (1987) Section 14 (1).

## Financial results for the year ended 30 June 2017

Governance and tāngata whenua – cost of activity statement			
2015/16 Actual \$000		2016/17 Actual \$000	2016/17 Budget \$000
	<b>Expenditure</b>		
4,533	Other operating expense	4,689	4,797
61	Depreciation and amortisation	57	48
65	Finance expense	69	69
<b>4,659</b>	<b>Operating expenditure</b>	<b>4,815</b>	<b>4,914</b>
	<b>Revenue</b>		
593	Fees and charges	616	611
37	Interest income	56	64
<b>630</b>	<b>Operating revenue</b>	<b>672</b>	<b>675</b>
<b>4,029</b>	<b>NET OPERATING COSTS</b>	<b>4,143</b>	<b>4,239</b>
	<b>Capital items</b>		
395	Asset renewal	505	523
6	New assets upgrade	7	31
<b>401</b>	<b>Total capital items</b>	<b>512</b>	<b>554</b>
<b>4,430</b>	<b>NET COST OF ACTIVITY</b>	<b>4,655</b>	<b>4,793</b>
3,620	Rates	4,075	4,268
6	Borrowings	7	31
25	Depreciation reserve	77	65
(8)	Movement in other reserves	(1)	-
787	Reserves and special funds	497	429
<b>4,430</b>	<b>TOTAL SOURCES OF FUNDS</b>	<b>4,655</b>	<b>4,793</b>







# Our finances

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

It includes the full financial statements which show our actual expenditure and income, changes in our equity, total assets and liabilities and our cash flows for the 2016/17 financial year against budget.

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

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

## In this section you'll find:

Statement of comprehensive revenue and expense

Statement of changes in net assets/equity

Statement of financial position

Statement of cash flows

Funding impact statement

Notes to the financial statements

Disclosure statement

Funding impact statements per activity

Independent auditor's report





**Statement of comprehensive revenue and expense  
for the year ended 30 June 2017**

2015/16 Actual \$000		Note	2016/17 Actual \$000	2016/17 Budget \$000
<b>Revenue</b>				
53,774	Rates	3	56,555	56,867
8,298	Fees and charges	4	8,932	7,899
3,305	Grants and subsidies	5	4,684	4,567
1,382	Development and financial contributions		2,000	1,075
3,252	Other operating revenue	6	679	359
<b>70,011</b>	<b>Total revenue excluding gains</b>		<b>72,850</b>	<b>70,767</b>
<b>Expenses</b>				
47,945	Operating expenses	7	48,011	47,468
17,248	Depreciation and amortisation	14/15	18,137	18,184
<b>65,193</b>	<b>Total expenses</b>		<b>66,148</b>	<b>65,652</b>
<b>Interest</b>				
472	Interest income		1,563	1,140
8,332	Interest expense		9,385	9,408
<b>7,860</b>	<b>Total interest expense</b>		<b>7,822</b>	<b>8,268</b>
<b>(3,042)</b>	<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>(1,120)</b>	<b>(3,153)</b>
<b>Unrealised gains/(losses)</b>				
(9,693)	Unrealised gain/(loss) on revaluation of financial derivatives		7,598	-
<b>(9,693)</b>	<b>Total unrealised gains/(losses)</b>		<b>7,598</b>	<b>-</b>
<b>(12,735)</b>	<b>NET OPERATING SURPLUS/(DEFICIT)</b>		<b>6,478</b>	<b>(3,153)</b>
<b>Other comprehensive revenue and expense</b>				
29,894	Unrealised gain from revaluation of property, plant and equipment		114,517	32,633
<b>29,894</b>	<b>Total other comprehensive revenue and expense</b>		<b>114,517</b>	<b>32,633</b>
<b>17,159</b>	<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE</b>		<b>120,995</b>	<b>29,480</b>

The accounting policies and accompanying notes on pages 96 to 130 form part of these financial statements.

**Statement of changes in net assets/equity  
for the year ended 30 June 2017**

	Accumulated funds Actual \$000	Reserves and special funds Actual \$000	Revaluation reserve Actual \$000	Total equity Actual \$000	Total equity Budget \$000
<b>Opening balance at 1 July 2015</b>	<b>573,649</b>	<b>2,961</b>	<b>708,607</b>	<b>1,285,217</b>	<b>1,286,972</b>
Net operating surplus/(deficit)	(12,735)	-	-	(12,735)	(4,009) <sup>1</sup>
Unrealised gain/(loss) from revaluation of property, plant and equipment	-	-	29,894	29,894	20,328 <sup>1</sup>
<b>Total comprehensive revenue and expense for the year</b>	<b>(12,735)</b>	<b>-</b>	<b>29,894</b>	<b>17,159</b>	<b>16,319</b>
Transfers from reserves and special funds	832	(832)	-	-	-
Transfers to reserves and special funds	(588)	588	-	-	-
<b>Closing balance at 30 June 2016</b>	<b>561,158</b>	<b>2,717</b>	<b>738,501</b>	<b>1,302,376</b>	<b>1,303,291</b>
<b>Opening balance at 1 July 2016</b>	<b>561,158</b>	<b>2,717</b>	<b>738,501</b>	<b>1,302,376</b>	<b>1,317,003</b>
Net operating surplus/(deficit)	6,478	-	-	6,478	(3,153) <sup>2</sup>
Unrealised gain/(loss) from revaluation of property, plant and equipment	-	-	114,517	114,517	32,633 <sup>2</sup>
<b>Total comprehensive revenue and expense for the year</b>	<b>6,478</b>	<b>-</b>	<b>114,517</b>	<b>120,995</b>	<b>29,480</b>
Transfers from reserves and special funds	584	(584)	-	-	-
Transfers to reserves and special funds	(771)	771	-	-	-
<b>CLOSING BALANCE AT 30 JUNE 2017</b>	<b>567,449</b>	<b>2,904</b>	<b>853,018</b>	<b>1,423,371</b>	<b>1,346,483</b>

<sup>1</sup> As per *FutureKāpiti* Long term plan 2015-35.

<sup>2</sup> As per 2016/17 Annual Plan.

### Statement of financial position for the year ended 30 June 2017

2015/16 Actual \$000		Note	2016/17 Actual \$000	2016/17 Budget \$000
<b>Current Assets</b>				
442	Cash and cash equivalents	8	455	200
7,832	Trade and other receivables	9	9,376	7,064
99	Inventories		116	100
6	Non-current assets held for sale	10	2	-
10,000	Other financial assets	12	61,280	40,480
59	Loans	11	62	55
<b>18,438</b>	<b>Total Current Assets</b>		<b>71,291</b>	<b>47,899</b>
<b>Non-Current Assets</b>				
1,477,621	Property plant and equipment	14	1,597,452	1,538,602
378	Forestry assets	13	422	435
664	Intangible assets	15	967	875
7,536	Other financial assets	12	2,216	2,216
561	Loans	11	452	613
-	Derivative financial instruments	24	360	-
<b>1,486,760</b>	<b>Total Non-Current Assets</b>		<b>1,601,869</b>	<b>1,542,741</b>
<b>1,505,198</b>	<b>TOTAL ASSETS</b>		<b>1,673,160</b>	<b>1,590,640</b>
<b>Current Liabilities</b>				
16,789	Trade and other payables	16	19,534	22,222
1,921	Employee benefit	17	2,019	2,279
747	Deposits	18	820	770
10,018	Borrowings	19	80,000	70,004
652	Provisions	20	1,263	561
276	Derivative financial instruments	24	238	352
<b>30,403</b>	<b>Total Current Liabilities</b>		<b>103,874</b>	<b>96,188</b>
<b>Non-Current Liabilities</b>				
204	Employee benefit	17	202	253
150,004	Borrowings	19	130,000	129,062
3,535	Provisions	20	4,154	2,373
18,676	Derivative financial instruments	24	11,559	16,281
<b>172,419</b>	<b>Total Non-Current Liabilities</b>		<b>145,915</b>	<b>147,969</b>
<b>202,822</b>	<b>TOTAL LIABILITIES</b>		<b>249,789</b>	<b>244,157</b>
<b>Public Equity</b>				
561,158	Accumulated funds		567,449	559,695
2,717	Reserves and special funds	22	2,904	2,220
738,501	Revaluation reserve	21	853,018	784,568
<b>1,302,376</b>	<b>TOTAL PUBLIC EQUITY</b>		<b>1,423,371</b>	<b>1,346,483</b>
<b>1,505,198</b>	<b>TOTAL LIABILITIES AND PUBLIC EQUITY</b>		<b>1,673,160</b>	<b>1,590,640</b>

The accounting policies and accompanying notes on pages 96 to 130 form part of these financial statements.

### Statement of cash flows for the year ended 30 June 2017

2015/16 Actual \$000		Note	2016/17 Actual \$000	2016/17 Budget \$000
<b>Cash flows from operating activities</b>				
<i>Cash was provided from:</i>				
52,908	Kāpiti Coast District Council rates		56,569	56,866
9,752	Greater Wellington Regional Council rates collected		10,346	-
1,700	Grants and subsidies		1,580	1,595
136	Interest received		574	940
11,040	Fees and charges		10,986	9,099
1,456	GST (net)		(225)	284
<b>76,992</b>			<b>79,830</b>	<b>68,784</b>
<i>Cash was applied to:</i>				
47,920	Payments to employees and suppliers		45,787	45,520
9,752	Rates paid to Greater Wellington Regional Council		10,346	-
57,672			56,133	45,520
<b>19,320</b>	<b>Net cash inflow from operating activities</b>	<b>23</b>	<b>23,697</b>	<b>23,264</b>
<b>Cash flows from investing activities</b>				
<i>Cash was provided from:</i>				
-	Proceeds from loan repayments/term deposit maturities		15,032	10,088
271	Proceeds from sale of assets held for sale, property, plant and equipment and intangibles		165	-
1,605	Proceeds from capital grants		5,104	4,972
<b>1,876</b>			<b>20,301</b>	<b>15,060</b>
<i>Cash was applied to:</i>				
18,415	Construction and purchase of property, plant and equipment and intangibles		23,841	34,184
15,059	Purchase of investments		60,000	35,120
<b>33,474</b>			<b>83,841</b>	<b>69,304</b>
<b>(31,598)</b>	<b>Net cash outflow from investing activities</b>		<b>(63,540)</b>	<b>(54,244)</b>
<b>Cash flows from financing activities</b>				
<i>Cash was provided from:</i>				
36,365	Short-term borrowings		32,515	-
19,680	Long-term borrowing		59,040	50,000
<b>56,045</b>			<b>91,555</b>	<b>50,000</b>
<i>Cash was applied to:</i>				
8,357	Interest paid		9,162	9,220
36,365	Short-term borrowings		32,515	-
43	Long-term borrowing		10,022	10,000
<b>44,765</b>			<b>51,699</b>	<b>19,220</b>
<b>11,280</b>	<b>Net cash inflow from financing activities</b>		<b>39,856</b>	<b>30,780</b>
(998)	Net increase/(decrease) in cash and cash equivalents		13	(200)
1,440	Total cash and cash equivalents at 1 July		442	400
<b>442</b>	<b>TOTAL CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	<b>8</b>	<b>455</b>	<b>200</b>

## Funding impact statement for the year ended 30 June 2017

	2015/16 Budget \$000	2016/17 Budget \$000	2016/17 Actual \$000
<b>Source of operating funding</b>			
General Rate, Uniform Annual General Charge, Rates Penalties	20,153	20,300	20,413
Targeted Rates	34,336	37,077	36,729
Grants and Subsidies for Operating Purposes	1,520	1,594	1,580
Fees and Charges	6,875	7,196	8,195
Interest and Dividends from Investments	216	1,140	1,563
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other	443	553	785
<b>Total operating funding</b>	<b>63,543</b>	<b>67,860</b>	<b>69,265</b>
<b>Applications of operating funding</b>			
Payment to Staff and Suppliers	46,481	48,085	47,998
Finance Costs	8,116	9,408	9,385
Internal Charges and Overheads Applied	-	-	-
Other Operating Funding Applications	-	-	-
<b>Total applications of operating funding</b>	<b>54,597</b>	<b>57,493</b>	<b>57,383</b>
<b>SURPLUS/DEFICIT OF OPERATING FUNDING</b>	<b>8,946</b>	<b>10,367</b>	<b>11,882</b>
<b>Source of capital funding</b>			
Grants and subsidies for Capital Expenditure	2,756	2,972	3,104
Development and Financial Contributions	1,055	1,075	2,000
Increase (Decrease) in Debt	8,536	13,185	7,543
Gross Proceeds from sales of Assets	-	-	165
Lump Sum Contributions	-	-	-
<b>Other Dedicated Capital Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total source of capital funding</b>	<b>12,347</b>	<b>17,232</b>	<b>12,812</b>
<b>Applications of capital funding</b>			
Capital Expenditure			
> to meet additional demand	6,196	4,031	2,693
>to improve the level of service	10,299	15,123	9,800
>to replace existing assets	9,223	13,268	9,248
Increase/(Decrease) in Reserves	(4,425)	(4,823)	2,953
Increase (Decrease) in investments	-	-	-
<b>Total applications of capital funding</b>	<b>21,293</b>	<b>27,599</b>	<b>24,694</b>
<b>Increase (decrease) in Investments</b>	<b>(8,946)</b>	<b>(10,367)</b>	<b>(11,882)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Notes to the financial statements

## 1. Statement of accounting policies

### Reporting entity

Kāpiti Coast District Council (council) is a territorial local authority domiciled in New Zealand and is governed by the Local Government Act 2002.

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

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

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

The financial statements of council are for the year ended 30 June 2017. The financial statements were adopted and authorised for issue by council on 28 September 2017.

### Statement of compliance

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

The financial statements comply with the standards for public sector public benefit entities reporting under tier 1 of the framework.

## 2. Basis of preparation

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

The financial statements have been prepared on a historical cost basis, except for land and buildings, park assets, infrastructural assets, forestry assets, derivative financial instruments, provisions and employee entitlements which have been measured at fair value.

### Accounting judgements and estimations

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

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

- the cost of our environmental obligations in respect to the closure of the Otaihangā landfill,
- the valuation of infrastructural assets, forestry assets and park assets,
- the determination of estimated useful lives and residual values for property, plant and equipment, and
- the valuation of long term employee entitlements.

### Comparative information

To ensure consistency with the current year, certain comparative information has been reclassified where appropriate. This has occurred where:

- classifications have changed between periods.
- council has made additional disclosure in the current year, and where a greater degree of disaggregation of prior year amounts and balances is therefore required, and
- there has been a change in accounting policy.

### Revenue

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

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

## Revenue from non-exchange transactions

### *Rates*

- (i) General and targeted rates (excluding water meter volumetric charges)

General and targeted rates are set annually by way of a rates resolution by council. Council recognises revenue from rates when the rates are set and the rates assessments have been provided. Rates revenue is measured at the amount assessed, which is the fair value of the cash received or receivable. Rates are invoiced in quarterly instalments within the financial year.

- (ii) Rates collected on behalf of Greater Wellington Regional Council (GWRC)

Rates collected on behalf of GWRC are not recognised in the statement of comprehensive revenue and expenses as council acts as an agent for GWRC.

### *Fees and charges*

- (i) Rendering of services

Rendering of services at a price that is not approximately equal to the value of the service provided by council is considered a non-exchange transaction. This includes rendering of services where the price does not allow council to fully recover the cost of providing the service (such as resource consents, building consents, water connections, dog licensing, etc.), and where the shortfall is subsidised by income from other activities, such as rates. Generally, there are no conditions attached to such revenue.

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

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

- (ii) Sale of goods

Sale of goods or services at a price that is not approximately equal to the value of the goods provided by council is considered a non-exchange transaction. This includes sales of goods where the price does not allow council to fully recover the cost of producing the goods, and where the shortfall is subsidised by income from other activities such as rates.

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

### *Government grants*

Revenues from non-exchange transactions with the government and government agencies are recognised when council obtains control of the transferred asset (cash, goods, services, or property), and:

- it is probable that the economic benefits or service potential related to the asset will flow to council and can be measured reliably, and
- the transfer is free from conditions that require the asset to be refunded or returned to the government if the conditions are not fulfilled.

Revenue from government grants and funding is measured at the fair value of the assets (cash, goods, services, or property) transferred over to council at the time of transfer.

To the extent that there is a condition attached that would give rise to a liability to repay the grant amount or to return the granted asset, a deferred revenue liability is recognised instead of revenue. Revenue is then recognised only once council has satisfied these conditions.

### *Fines and penalties*

Council recognises revenue from fines and penalties (such as traffic and parking infringements) when the notice of infringement or breach is served by council.

### *Donated or vested assets*

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested to council are recognised as revenue when control over the asset is transferred to council.

## Revenue from exchange transactions

### *Rates*

- (i) Targeted water rates by meter (volumetric charge)

Water rates are based on a fixed portion plus a volumetric charge for usage once the service has been delivered.

### *Fees and charges*

- (i) Sale of goods

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

### *Development and financial contributions*

Development and financial contributions are recognised as revenue when council provides, or is

able to provide, the service for which the contribution was charged.

#### *Interest revenue*

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

#### *Rental revenue*

Rental revenue arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in surplus or deficit in the statement of comprehensive revenue and expense due to its operating nature.

### **Expenses**

#### **Other operating expenses**

##### *Grants and sponsorships*

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

Non-discretionary grants (which are awarded if the criteria for the grant are met) are recognised as expenditure when the grant is approved.

##### *Borrowing costs*

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

##### *Operating leases (council as lessee)*

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

#### *Goods and Services Tax (GST)*

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

#### *Other gains and losses*

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

### **Assets**

#### **Property, plant and equipment**

Property, plant and equipment is categorised into:

- (i) Operational assets – these are used to provide core council services (e.g. buildings, plant and equipment, library books).
- (ii) Infrastructural assets – these are the fixed utility systems owned by council that are required for the infrastructure network to function. They include roading, water, wastewater and storm water networks.
- (iii) Restricted assets – the use or transfer of these assets is legally restricted. They include parks and reserves.

The council does not pledge any property, plant and equipment as collateral for borrowings and none are subject to finance leases.

#### *Initial recognition*

Property, plant and equipment is initially recognised at cost, or in the case of vested assets that are acquired for nil or nominal cost, at fair value. The initial cost includes all costs (other than borrowing costs) that are directly attributable to constructing or acquiring the asset and bringing it into the location and condition necessary for its intended use.

#### *Subsequent costs*

Subsequent expenditure that extends or expands an asset's service potential is capitalised.

The costs of day-to-day servicing of property, plant and equipment are expensed as they are incurred.

#### *Carrying value*

Property, plant and equipment is carried at historical cost less accumulated depreciation and impairment, except for land, buildings, infrastructural assets and park assets which are carried at fair value less depreciation and impairment.

#### *Revaluation*

Valuations for council's land, buildings, park assets and infrastructural assets are performed with sufficient regularity to ensure their carrying amounts are maintained at fair value. The valuations are performed by independent qualified valuers. In addition, the carrying values are assessed annually to ensure that they do not differ materially from the asset's fair values. If there is a material difference, then off-cycle revaluations are performed on the relevant asset class.

Gains or losses arising on revaluation are recognised in other comprehensive revenue and expense and are accumulated in an asset revaluation reserve for the class of assets. Where this results in a debit balance in the reserve for a class of assets, the balance is expensed in surplus or deficit in the statement of comprehensive revenue and expense. Any subsequent increase in value that offsets a previous decrease in value will be recognised firstly in surplus or deficit in the statement of comprehensive revenue and expense up to the amount previously expensed, with any remaining increase recognised in the revaluation reserve.



### Work in progress

Capital work in progress is recognised at cost less impairment and is not depreciated.

The cost of assets within work in progress is transferred to the relevant asset class when the asset is in the location and condition necessary for its intended use.

Asset category	Estimated remaining useful life (years)
<i>Operational assets</i>	
Buildings	5–59
Computer equipment	4–5
Furniture and chattels	3–25
Heritage assets	100
Library collection	5–7
Motor vehicles, trucks, motorcycles	10
Office equipment	4–10
Other improvements	2–45
Public art	10–75
<i>Plant and machinery</i>	
Tractors, trailers, heavy mowers	5–10
Other plant	1–20
Otaihanga Landfill (post closure)	9
<i>Infrastructural assets</i>	
Bridges	1–94
<i>Seawalls</i>	
Concrete, posts, rails, panels, rocks	10–23
<i>River control</i>	
Bank protection	40–70

### Depreciation

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant or equipment less any residual value, over its remaining useful life. The residual value and useful life of an asset is reviewed and adjusted if applicable, at each financial year end

Asset category	Estimated remaining useful life (years)
<i>Roading</i>	
Footpaths	38–52
Surfacing	7–12
Traffic Modelling	10
Signs, railings, street lights, traffic signals	4–27
Drainage, surface water channels, sump leads, traffic islands	45–53
<i>Stormwater</i>	
Stormwater flood maps	10
Pump stations, manholes, sumps	19–75
Pipes	75–105
<i>Wastewater</i>	
Pumps and pump stations	19–35
Manholes, cleaning eyes	55–59
Pipes	50–58
Treatment plant	5–37
<i>Water</i>	
Storage	19–35
Booster stations	11–19
Hydrants, valves, tobies	56–68
Meters	19–22
Pipes	21–58
Treatment plant	10–28

Depreciation is charged on all assets other than land, certain parts of roading, river control and seawalls, that are composed of at least 80% base course and/or rocks, as these assets are considered to have unlimited useful lives. Regular inspections of these assets are undertaken to check for impairment.

Depreciation is not charged on work in progress until such time as the asset under construction is in its intended location and in use.

### Disposal

Gains and losses on disposal of property, plant and equipment are recognised in surplus or deficit in the statement of comprehensive revenue and expense in the financial year in which they are sold. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

### Forestry assets

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

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

### Intangible assets

#### Computer software

Computer software is carried at cost, less any accumulated amortisation and impairment losses.

Computer software is initially capitalised on the basis of the costs incurred to either develop or acquire it and bring it to the location and condition required for its intended use. Amortisation on a straight-line basis over the period of useful life begins from the time the

asset is available for use. The estimated useful life of our computer software is 3–5 years.

Realised gains/losses on disposal of intangible assets are recognised in surplus or deficit in the statement of comprehensive revenue and expense.

#### *Carbon credits*

New Zealand Carbon Units (NZCUs) were received at nil cost from the New Zealand Emission Trading Scheme (the scheme) in respect of our forestry assets, when the scheme was first established. They are recognised at fair value on acquisition.

Subsequent to initial recognition, they are not amortised but are instead carried at acquisition value less any impairment which is considered annually.

#### **Inventories**

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

#### **Non-current assets held for sale**

Non-current assets held for sale are measured at the lower of the carrying amount and fair value, less selling costs. Non-current assets are assessed to be 'held for sale' if it is highly probable that the asset is available for immediate sale in its present condition, the sale is expected to be completed within one year from balance date, and the carrying amount will be recovered through a sale transaction rather than through continuing use.

Any impairment losses for write-downs of non-current assets held for sale are recognised in surplus or deficit in the statement of comprehensive revenue and expense.

Non-current assets held for sale are not depreciated or amortised.

#### **Impairment**

The carrying value of assets held at historical cost less accumulated depreciation is reviewed at least annually to determine if there is an indication of impairment. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported in surplus or deficit within the statement of comprehensive revenue and expense.

#### *Non-cash-generating assets*

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return. For non-cash-generating assets, value-in-use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value-in-use depends on the nature of the impairment and availability of information.

#### **Liabilities**

##### **Employee benefit liabilities**

#### *Short term employee entitlements*

Employee entitlements for salaries and wages, annual leave, long service leave, sick leave, and other such benefits are recognised in surplus or deficit in the statement of comprehensive revenue and expense when they accrue to employees. Employee entitlements to be settled within 12 months are reported at the amount expected to be paid.

A liability for sick leave is recognised only to the extent that absences in the following financial year

are expected to exceed the full sick leave entitlements to be earned in that year. The liability represents the unused sick leave entitlement that can be carried forward at balance date, to cover those absences expected to exceed the annual entitlement.

#### *Long term employee entitlements*

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, contractual entitlement information, and
- present value of the estimated future cash flows.

#### *Employer contribution to pension schemes*

Contributions to defined contribution retirement schemes such as KiwiSaver, are recognised in surplus or deficit in the statement of comprehensive revenue and expense when they accrue to employees.

#### **Provisions**

A provision is recognised in the statement of financial position when council has a present obligation as a result of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are measured at the level of expenditure expected to be required to settle the obligation. Material liabilities and provisions to be settled beyond 12 months are recorded at their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

## Landfill aftercare costs

Council, as operator of the Otaihanga landfill, has a legal obligation under the resource consent to provide ongoing maintenance and monitoring services at the landfill site post-closure.

The provision is based on the nominal value of future cash flows expected to be incurred, taking into account future events including known change to legal requirements and technology. The provision includes all costs associated with landfill post-closure including final cover application and vegetation, incremental drainage control features, completing facilities for leachate collection and monitoring, completing facilities for water quality monitoring, and completing facilities for monitoring and recovery of gas.

Amounts provided for landfill post-closure are capitalised to the landfill asset. The capitalised landfill asset is depreciated over its remaining useful life.

## Financial assets and liabilities

Financial assets and liabilities include cash and cash equivalents, receivables (net of doubtful debt provisions), community loans, and other interest-bearing assets, investments in unlisted shares, trade and other payables and borrowings.

### Financial assets

Council's financial assets are classified into the following categories for the purpose of measurement:

#### *Loans and receivables*

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

They are initially recognised at fair value. Loans and receivables with maturities beyond 12 months are subsequently measured at amortised cost using the effective interest method, less any impairment.

#### *Financial assets at fair value through surplus or deficit*

Financial assets in this category include derivatives and financial assets that are held for trading. They are initially recognised at fair value and subsequent measurement is on the same basis, i.e. fair value. Gains or losses on revaluation or impairment are recognised in surplus or deficit in the statement of comprehensive revenue and expense.

#### *Held-to-maturity investments*

These are non-derivative financial assets with fixed or determinable payments and fixed maturities that council has the intention and ability to hold to maturity. They are initially recorded at fair value, and subsequently measured at amortised cost using the effective interest method, less any impairment. Gains or losses when the asset is impaired or settled are recognised in surplus or deficit in the statement of comprehensive revenue and expense.

#### *Available-for-sale financial assets*

These are non-derivative financial assets that are designated as available for sale or do not fall within any of the above classifications of (a) loans and receivables, (b) held-to-maturity investments, or (c) financial assets at fair value through operating surplus or deficit.

They are initially recorded at fair value plus transaction costs directly attributable to the acquisition or issue, and are subsequently measured at fair value less any impairment.

If the asset is an equity instrument that does not have a quoted price in an active market and fair

value cannot be reliably measured, the asset is measured at cost.

Any gains or losses are recognised in other comprehensive revenue and expense, except for impairment losses which are recognised in surplus or deficit in the statement of comprehensive revenue and expense.

## Financial liabilities

#### *Trade and other payables*

Trade and other payables are initially recognised at fair value. Those with maturities beyond 12 months are subsequently measured at amortised cost using the effective interest rate method.

#### *Borrowings*

Borrowings are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest rate method.

## Derivative financial instruments

Council uses derivative financial instruments in the form of interest rate swaps to manage interest rate risks arising from borrowing activities. In accordance with its treasury management policy, council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value based on quoted market prices, and subsequently re-measured to fair value at the end of each reporting period. Fair value is determined by reference to quoted prices for similar instruments in an active market. Fair value gains or losses on revaluation are recognised in surplus or deficit in the statement of comprehensive revenue and expense.

Council has not adopted hedge accounting.

## Impairment of financial assets

Financial assets are assessed at each reporting period for impairment. For available-for-sale financial assets impairment is first recognised as a reversal of previously recorded revaluation reserve for that class of asset. Where no reserve is available, the impairment is recognised in the surplus or deficit in the statement of comprehensive revenue and expense.

For loans and receivables, and held-to-maturity investments, impairment is established when there is evidence that the council will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are indicators that the asset is impaired.

The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account.

## Equity

Equity is the community's interest in council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of components to enable clearer identification of the specified uses of equity.

The components of public equity are accumulated funds, reserves and special funds and revaluation reserves.

## *Reserves and special funds*

Restricted reserves are those subject to specific conditions accepted as binding by council which may not be revised by council without reference to the courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Council-created reserves are reserves created by a council decision. Council may alter them without reference to any third party or the courts. Transfers to and from these reserves are at council's discretion.

## Other

### Foreign currency translation

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

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

### Allocation of overheads to significant activities

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

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

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

## Budget figures

The budget figures presented in these financial statements are in line with council's *FutureKāpiti* Annual plan 2016/17. During the year, council has made additional disclosures to provide a greater degree of disaggregation for both current and prior year amounts and balances. Budget figures do not include any additional expenditure subsequently approved by council outside of the long term plan process.

Explanation of major variances between actual results and budgeted figures is provided in note 32.

3. Revenue from rates		
2015/16 Actual \$000		2016/17 Actual \$000
	<b>Revenue from exchange transactions:</b>	
	<b>Targeted rates</b>	
3,340	Districtwide water supply volumetric rate	3,198
<b>3,340</b>	<b>Total rates from exchange transactions</b>	<b>3,198</b>
	<b>Revenue from non-exchange transactions:</b>	
	<b>General rates</b>	
19,707	Districtwide	19,826
	<b>Targeted rates</b>	
11,810	Community facilities rate	12,647
235	Hautere/Te Horo water supply rate	249
263	Ōtaki community rate	257
68	Paekākāriki community rate	71
93	Paraparaumu/Raumati community rate	99
5,232	Districtwide roading rate	6,025
2,780	Districtwide stormwater rate	3,021
117	Waikanae community rate	122
7,146	Districtwide wastewater disposal rate	7,858
4,075	Districtwide water supply fixed rate	4,309
(797)	Less internal rates	(814)
(295)	Less rates remitted	(313)
<b>50,434</b>	<b>Total rates from non-exchange transactions</b>	<b>53,357</b>
<b>53,774</b>	<b>Total rates from exchange and non-exchange transactions</b>	<b>56,555</b>
64,686	Total rates levied	68,043
(797)	Less internal rates	(814)
(295)	Less rates remitted	(313)
(9,820)	Less Greater Wellington Regional Council rates	(10,361)
<b>53,774</b>	<b>Total revenue from rates</b>	<b>56,555</b>

Rates are shown net of rate remissions. Rate remissions granted during the year in accordance with council's rates remission and postponement policies total \$0.31 million (2016: \$0.30 million). Total rates levied on council-owned properties were

\$0.81 million (2016: \$0.80 million). Rates levied on council-owned properties have been excluded from rates revenue and from expenditure.

Rates remissions		
2015/16 Actual \$000		2016/17 Actual \$000
39	Council community properties, sporting, recreational and other community organisations	25
92	Residential rating units containing two separately habitable units	122
136	Financial hardship	134
28	Māori freehold land	32
<b>295</b>	<b>Total rates remissions</b>	<b>313</b>

Summary of rates funding surplus		
		2016/17 Actual \$000
	<b>Operating surplus/(deficit) for the year ended 30 June 2017</b>	<b>(1,120)</b>
	<b>Adjustments for non-rates funded revenue and expenditure</b>	
	Add: net expenditure funded by reserves and special funds	67
	Add: unfunded depreciation	5,615
	Less: capital funding and vesting of assets	(4,248)
	Less: revaluation of Council's forestry assets	(44)
	<b>Underlying rates surplus</b>	<b>270</b>
	<b>Represented by:</b>	
	Water account deficit	(788)
	Net underspend across the organisation	1,058
	<b>Underlying rates surplus</b>	<b>270</b>

The rates funding surplus of \$0.27 million is different to the operating deficit of \$1.12 million as per the statement of comprehensive revenue and expense due to the following:

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

The rates funding surplus of \$0.27 million is mainly due to unplanned regulatory income from increased subdivision and building activity in the District and net interest costs being lower than planned. This surplus is available for offsetting future rate increases during the setting of the 2018-38 Long Term Plan.

During 2016, Council received legal advice that confirmed the Local Government (Rating) Act 2002 (Act) requires Council's rates assessment to include the districtwide water supply fixed rate and the districtwide water supply volumetric rate. The advice noted that a Council with volumetric water rates could not fully comply with the Act as it could not include the total liability for the rate on the rates assessment.

Council has taken measures during this year to include both the districtwide water supply fixed and volumetric rate (except for the total liability of the volumetric rate) on its rates assessments from 1 July 2017.

4. Revenue from fees and charges		
2015/16 Actual \$000		2016/17 Actual \$000
	<b>Revenue from exchange transactions:</b>	
6,218	Sale of goods and services	6,797
1,335	Rent from lease of council-owned properties	1,364
<b>7,553</b>	<b>Total fees and charges from exchange transactions</b>	<b>8,161</b>
	<b>Revenue from non-exchange transactions:</b>	
-	Sale of goods and services	34
745	Fines and penalties	737
<b>745</b>	<b>Total fees and charges from non-exchange transactions</b>	<b>771</b>
<b>8,298</b>	<b>Total fees and charges</b>	<b>8,932</b>

Council receives rentals from properties used for operating activities e.g. community housing, and from properties that are held for future strategic purposes e.g. future infrastructural developments. Council does not hold any properties for investment purposes.

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

Fines and penalties include penalties for late payment of rates of \$0.59 million (2016: \$0.54 million) and traffic infringements of \$0.09 million (2016: \$0.11 million). It also includes library fines and fines for dog prosecution and noise control.

5. Revenue from grants and subsidies			
2015/16 Actual \$000			2016/17 Actual \$000
	<b>Grants and subsidies from non-exchange transactions</b>		
1,605	Capital grants		3,104
1,700	Operating grants		1,580
<b>3,305</b>	<b>Total grants and subsidies from non-exchange transactions</b>		<b>4,684</b>

During the year, council received both capital and operating grants from NZTA. Capital grants of \$2.74 million (2016: \$1.60 million) were used to subsidise the construction/renewal of new/existing local roading and operating grants of \$1.64 million (2016: \$1.60 million) were used for the cost of maintaining existing local roading.

6. Other operating revenue			
2015/16 Actual \$000		Note	2016/17 Actual \$000
	<b>Other operating revenue from non-exchange transactions</b>		
2,620	Vested assets (non-Crown)	14	87
130	Donations and sponsorships		66
160	Unrealised gain on revaluation of forestry assets	13	44
232	Local government petrol tax		248
110	Other revenue		234
<b>3,252</b>	<b>Total other operating revenue</b>		<b>679</b>

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

7. Operating expenses			
2015/16 Actual \$000		Note	2016/17 Actual \$000
	<b>Auditor's remuneration</b>		
	<i>Ernst &amp; Young</i>		
172	Audit of financial statements		175
3	Other assurance related services		3
	<i>Other Auditors</i>		
1	Audit of debenture Trust deeds		1
	<b>Impairments and unrealised losses</b>		
15	Loss on disposal of property, plant and equipment	14	13
(137)	Net increase/(decrease) of impairment of trade receivables	9	139
	<b>Governance</b>		
619	Councillor fees and costs	25	640
	<b>Personnel costs</b>		
21,677	Staff remuneration		21,431
756	Other personnel costs		803
1,711	Contractors		3,081
704	Employer superannuation (including KiwiSaver)		746
373	Staff training		380
	<b>Other</b>		
747	Grants		831
341	Legal costs		694
875	Insurance		944
3,003	Operating projects		2,196
273	Operating lease rentals		132
2,021	Heat, light, power (energy)		1,865
317	Communications		291
118	Professional services		474
362	Printing & stationery		283
83	Bank charges		60
13,911	Other		12,829
<b>47,945</b>	<b>Other</b>		<b>48,011</b>

8. Cash and cash equivalents		
2015/16 Actual \$000		2016/17 Actual \$000
6	Cash on hand	6
11	Cash at bank	447
425	Short term deposits	2
<b>442</b>	<b>Total cash and cash equivalents</b>	<b>455</b>

*Cash and cash equivalents comprise cash balances and cash deposits with maturity dates of less than three months.*

9. Trade and other receivables		
2015/16 Actual \$000		2016/17 Actual \$000
	<b>Trade and other receivables from exchange transactions</b>	
2,620	Trade receivables	2,897
751	Rates receivable	740
342	Prepayments	480
(122)	Less provision for impairment	(126)
<b>3,591</b>	<b>Total trade and other receivables from exchange transactions</b>	<b>3,991</b>
	<b>Trade and other receivables from non-exchange transactions</b>	
721	GST Receivable	685
1,567	Trade receivables	2,527
2,373	Rates receivable	2,728
(420)	Less provision for impairment	(555)
<b>4,241</b>	<b>Total trade and other receivables</b>	<b>5,385</b>
<b>7,832</b>	<b>Total trade and other receivables</b>	<b>9,376</b>

*Receivables are generally short term and non-interest bearing. The carrying value approximates the fair value.*

Provision for impairment of trade and other receivables		
2015/16 Actual \$000		2016/17 Actual \$000
679	Opening balance	542
226	Increase in provision	210
(363)	Released unused provisions	(71)
<b>542</b>	<b>Provision for impairment of trade and other receivables</b>	<b>681</b>

Provision for impairment of trade and other receivables		
2015/16 Actual \$000		2016/17 Actual \$000
474	Individual impairment	579
68	Collective impairment	102
<b>542</b>	<b>Provision for impairment of trade receivables at 30 June</b>	<b>681</b>

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

10. Non-current assets held for sale			
2015/16 Actual \$000		Notes	2016/17 Actual \$000
6	Motor vehicles	14	2
<b>6</b>	<b>Total non-current assets held for sale</b>		<b>2</b>

Valuation details					
Asset	Future net sale proceeds \$000	Pre- impairment carrying amount \$000	Impairment \$000	Closing carrying amount \$000	Final settlement date
<b>Valuation details</b>					
Passenger vehicle	5	-	-	-	Jul-17
Light commercial vehicle	16	2	-	2	Aug-17
	<b>21</b>	<b>2</b>	<b>-</b>	<b>2</b>	

11. Loans		
2015/16 Actual \$000		2016/17 Actual \$000
	<b>Current</b>	
48	Water conservation loans	51
11	Loans to community groups	11
<b>59</b>	<b>Total current loans</b>	<b>62</b>
	<b>Non-current</b>	
351	Water conservation loans	278
210	Loans to community groups	174
<b>561</b>	<b>Total non-current loans</b>	<b>452</b>
<b>620</b>	<b>Total loans</b>	<b>514</b>

### Loans to community groups

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

### Water conservation loans

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

The period of repayment is up to 10 years. These loans are carried at fair value using Council's weighted average interest rate of 4.89%.



12. Other financial assets		
2015/16 Actual \$000		2016/17 Actual \$000
	<b>Current</b>	
	<b>Deposits</b>	
10,000	Term deposits	60,000
	<b>Notes</b>	
-	NZ Local Government Funding Agency	1,280
<b>10,000</b>	<b>Total current other financial assets</b>	<b>61,280</b>
	<b>Non-current</b>	
	<b>Shares</b>	
100	NZ Local Government Funding Agency	100
15	Civic Financial Services	15
	<b>Notes</b>	
2,400	NZ Local Government Funding Agency	2,080
21	Fonterra perpetual	21
	<b>Deposits</b>	
5,000	Term deposits	-
<b>7,536</b>	<b>Total non-current other financial assets</b>	<b>2,216</b>
<b>17,536</b>	<b>Deposits</b>	<b>63,496</b>

*Current deposits comprise term deposits with maturity dates of more than three months but less than twelve months.*

13. Forestry assets					
2016/17 \$000	Opening balance	Additions	Unrealised gain/(loss)	Disposals	Closing balance
<b>Lot 1</b>					
Waikanae water treatment area, Reikorangi, Waikanae (5.3 hectares pinus radiata, established 1985)	143	-	13	-	156
<b>Lot 2</b>					
Paraparaumu sewage treatment area, Otaihanga landfill (approximately 8.0 hectares pinus radiata, established 1984-86)	235	-	31	-	266
	<b>378</b>	<b>-</b>	<b>44</b>	<b>-</b>	<b>422</b>

Independent valuer, Tim Hunt, re-assessed the forest valuations of the pinetree wood lots located on Kāpiti Coast District Council land at Waikanae and Otaihanga. Harvesting age was set at 30 years. As the stands have attained economic maturity, the liquidation approach was applied. As at balance date, there was no imminent harvesting planned.

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

## 14. Property, plant and equipment

2016/17	Cost/Revaluation								Accumulated depreciation						Carrying amount	
	Opening balance	Additions	Vested assets	Disposals	Revaluation	Impairment	Transfers (to/from)	Closing balance	Opening balance	Depreciation	Disposals	Revaluation	Transfers (to/from)	Closing balance	Opening balance	Closing balance
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<i>Operational assets</i>																
Buildings and improvements	60,020	388	-	(4)	(3,475)	-	(1,589)	55,340	(3,599)	(1,716)	4	5,009	302	-	56,421	55,340
Computers and office equipment	3,554	380	-	(554)	-	-	5	3,385	(2,037)	(516)	554	-	57	(1,942)	1,517	1,443
Furniture and chattels	1,313	166	-	(101)	-	-	-	1,378	(558)	(143)	101	-	-	(600)	755	778
Land	29,303	-	-	-	4,235	-	(38)	33,500	-	(2)	-	-	2	-	29,303	33,500
Landfill post-closure	4,713	1,984	-	-	-	-	-	6,697	(1,023)	(363)	-	-	-	(1,386)	3,690	5,311
Library collections	4,572	407	-	(365)	-	-	-	4,614	(2,349)	(567)	365	-	-	(2,551)	2,223	2,063
Motor vehicles	3,288	228	-	(263)	-	-	-	3,253	(1,719)	(340)	214	-	4	(1,841)	1,569	1,412
Plant and machinery	3,565	200	-	(651)	-	-	-	3,114	(2,059)	(368)	637	-	-	(1,790)	1,506	1,324
Items under construction	616	131	-	-	-	-	(31)	716	-	-	-	-	-	-	616	716
<b>Total operational assets</b>	<b>110,944</b>	<b>3,884</b>	<b>-</b>	<b>(1,938)</b>	<b>760</b>	<b>-</b>	<b>(1,653)</b>	<b>111,997</b>	<b>(13,344)</b>	<b>(4,015)</b>	<b>1,875</b>	<b>5,009</b>	<b>365</b>	<b>(10,110)</b>	<b>97,600</b>	<b>101,887</b>
<i>Infrastructural assets</i>																
Bridges	15,304	17	-	-	(1,626)	-	-	13,695	(604)	(310)	-	915	(1)	-	14,700	13,695
River flood protection and control works	1,057	-	-	-	-	-	-	1,057	-	(25)	-	-	-	(25)	1,057	1,032
Roading – land under road	733,693	-	-	-	62,066	-	-	795,759	-	-	-	(272)	272	-	733,693	795,759
Roading and footpaths	261,587	7,606	-	-	24,251	-	(313)	293,131	(9,000)	(4,819)	-	13,847	(252)	(224)	252,587	292,907
Seawalls	4,890	17	-	-	-	-	6	4,913	-	(373)	-	-	-	(373)	4,890	4,540
Stormwater drainage	62,573	6,213	-	-	-	-	209	68,995	(860)	(1,061)	-	-	(12)	(1,933)	61,713	67,062
Wastewater – other assets	92,182	243	43	(29)	-	-	3	92,442	(34)	(1,832)	29	-	(3)	(1,840)	92,148	90,602
Wastewater treatment plants and facilities	23,459	234	-	-	-	-	-	23,693	-	(1,071)	-	-	-	(1,071)	23,459	22,622
Water – other assets	84,573	365	12	(1)	-	-	17	84,966	-	(1,763)	1	-	3	(1,759)	84,573	83,207
Water treatment plants and facilities	22,587	508	-	-	-	-	(1)	23,094	-	(890)	-	-	-	(890)	22,587	22,204
Items under construction	13,837	1,045	-	-	-	-	(8)	14,874	-	-	-	-	-	-	13,837	14,874
<b>Total infrastructural assets</b>	<b>1,315,742</b>	<b>16,248</b>	<b>55</b>	<b>(30)</b>	<b>84,691</b>	<b>-</b>	<b>(87)</b>	<b>1,416,619</b>	<b>(10,498)</b>	<b>(12,144)</b>	<b>30</b>	<b>14,490</b>	<b>7</b>	<b>(8,115)</b>	<b>1,305,244</b>	<b>1,408,504</b>
<i>Restricted assets</i>																
Buildings and improvements	29,350	1,212	-	(30)	(4,693)	-	1,618	27,457	(3,047)	(1,679)	6	5,025	(322)	(17)	26,303	27,440
Land	48,081	-	61	-	9,229	-	73	57,444	(20)	-	-	6	14	-	48,061	57,444
Items under construction	413	1,779	-	-	-	-	(15)	2,177	-	-	-	-	-	-	413	2,177
<b>Total restricted assets</b>	<b>77,844</b>	<b>2,991</b>	<b>61</b>	<b>(30)</b>	<b>4,536</b>	<b>-</b>	<b>1,676</b>	<b>87,078</b>	<b>(3,067)</b>	<b>(1,679)</b>	<b>6</b>	<b>5,031</b>	<b>(308)</b>	<b>(17)</b>	<b>74,777</b>	<b>87,061</b>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>1,504,530</b>	<b>23,123</b>	<b>116</b>	<b>(1,998)</b>	<b>89,987</b>	<b>-</b>	<b>(64)</b>	<b>1,615,694</b>	<b>(26,909)</b>	<b>(17,838)</b>	<b>1,911</b>	<b>24,530</b>	<b>64</b>	<b>(18,242)</b>	<b>1,477,621</b>	<b>1,597,452</b>

## 14. Property, plant and equipment

2015/16	Cost/Revaluation								Accumulated depreciation					Carrying amount		
	Opening balance	Additions	Vested assets	Disposals	Revaluation	Impairment	Transfers (to/from)	Closing balance	Opening balance	Depreciation	Disposals	Revaluation	Transfers (to/from)	Closing balance	Opening balance	Closing balance
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<i>Operational assets</i>																
Buildings and improvements	59,904	314	-	(45)	-	-	(153)	60,020	(1,951)	(1,696)	33	-	15	(3,599)	57,953	56,421
Computers and office equipment	8,333	706	-	(5,440)	-	-	(45)	3,554	(6,887)	(562)	5,412	-	-	(2,037)	1,446	1,517
Furniture and chattels	2,298	137	-	(1,122)	-	-	-	1,313	(1,549)	(131)	1,122	-	-	(558)	749	755
Land	29,238	-	-	-	(36)	-	101	29,303	-	-	-	-	-	-	29,238	29,303
Landfill post-closure	4,617	96	-	-	-	-	-	4,713	(673)	(350)	-	-	-	(1,023)	3,944	3,690
Library collections	8,025	459	-	(3,912)	-	-	-	4,572	(5,750)	(511)	3,912	-	-	(2,349)	2,275	2,223
Motor vehicles	3,756	293	-	(764)	-	-	3	3,288	(2,100)	(264)	649	-	(4)	(1,719)	1,656	1,569
Plant and machinery	3,658	92	-	(185)	-	-	-	3,565	(2,039)	(195)	175	-	-	(2,059)	1,619	1,506
Items under construction	597	19	-	-	-	-	-	616	-	-	-	-	-	-	597	616
<b>Total operational assets</b>	<b>120,426</b>	<b>2,116</b>	<b>-</b>	<b>(11,468)</b>	<b>(36)</b>	<b>-</b>	<b>(94)</b>	<b>110,944</b>	<b>(20,949)</b>	<b>(3,709)</b>	<b>11,303</b>	<b>-</b>	<b>11</b>	<b>(13,344)</b>	<b>99,477</b>	<b>97,600</b>
<i>Infrastructural assets</i>																
Bridges	15,304	-	-	-	-	-	-	15,304	(294)	(310)	-	-	-	(604)	15,010	14,700
River flood protection and control works	1,092	-	-	-	(35)	-	-	1,057	(16)	(16)	-	32	-	-	1,076	1,057
Roading – land under road	733,693	-	-	-	-	-	-	733,693	-	-	-	-	-	-	733,693	733,693
Roading and footpaths	258,308	2,787	492	-	-	-	-	261,587	(4,441)	(4,553)	-	-	(6)	(9,000)	253,867	252,587
Seawalls	5,116	241	-	-	(467)	-	-	4,890	(467)	(475)	-	942	-	-	4,649	4,890
Stormwater drainage	60,341	861	221	-	1,150	-	-	62,573	(1,607)	(1,051)	-	1,798	-	(860)	58,734	61,713
Wastewater – other assets	68,003	622	154	(12)	23,415	-	-	92,182	(1,522)	(1,535)	12	3,014	(3)	(34)	66,481	92,148
Wastewater treatment plants and facilities	24,068	54	-	-	(663)	-	-	23,459	(854)	(926)	-	1,780	-	-	23,214	23,459
Water – other assets	88,277	1,289	153	(4)	(5,236)	-	94	84,573	(1,729)	(1,980)	4	3,707	(2)	-	86,548	84,573
Water treatment plants and facilities	23,519	48	-	-	(980)	-	-	22,587	(682)	(791)	-	1,473	-	-	22,837	22,587
Items under construction	4,402	9,435	-	-	-	-	-	13,837	-	-	-	-	-	-	4,402	13,837
<b>Total infrastructural assets</b>	<b>1,282,123</b>	<b>15,337</b>	<b>1,020</b>	<b>(16)</b>	<b>17,184</b>	<b>-</b>	<b>94</b>	<b>1,315,742</b>	<b>(11,612)</b>	<b>(11,637)</b>	<b>16</b>	<b>12,746</b>	<b>(11)</b>	<b>(10,498)</b>	<b>1,270,511</b>	<b>1,305,244</b>
<i>Restricted assets</i>																
Buildings and improvements	27,583	1,762	50	(45)	-	-	-	29,350	(1,538)	(1,574)	45	-	20	(3,047)	26,045	26,303
Land	46,423	75	1,583	-	-	-	-	48,081	-	-	-	-	(20)	(20)	46,423	48,061
Items under construction	14	399	-	-	-	-	-	413	-	-	-	-	-	-	14	413
<b>Total restricted assets</b>	<b>74,020</b>	<b>2,236</b>	<b>1,633</b>	<b>(45)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>77,844</b>	<b>(1,538)</b>	<b>(1,574)</b>	<b>45</b>	<b>-</b>	<b>-</b>	<b>(3,067)</b>	<b>72,482</b>	<b>74,777</b>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>1,476,569</b>	<b>19,689</b>	<b>2,653</b>	<b>(11,529)</b>	<b>17,148</b>	<b>-</b>	<b>-</b>	<b>1,504,530</b>	<b>(34,099)</b>	<b>(16,920)</b>	<b>11,364</b>	<b>12,746</b>	<b>-</b>	<b>(26,909)</b>	<b>1,442,470</b>	<b>1,477,621</b>

## Revaluation methodology

Description	Date of last asset valuation	Valuation method used to assess fair value	Next asset revaluation date
<b>Operational assets</b>			
<b>Land and buildings</b>	30 June 2017	<p>Valuations were performed by external registered valuers AON Valuation Services. The methodology used to assess the fair value of land and most of the buildings were the market value based on recent equivalent sales. Valuations were undertaken in accordance with standards issued by the New Zealand Property Institute. Where no market exists due to the specialised nature of the buildings, the valuation has been performed using the optimised depreciated replacement cost method.</p> <p>Land has been valued as vacant with assessments to comparable market evidence taking into consideration adjustments for size, contour, quality, location, zoning and designation, current and potential uses. Where it is identified that the land is designated reserve the appropriate adjustments to reflect the retrieved nature of any future development potential has been made.</p>	30 June 2020
<b>Infrastructural assets</b>			
<b>Roading, footpaths, bridges and culverts</b>	30 June 2017	<p>Valuations were performed by external registered valuers Stantec New Zealand Limited (formerly MWH New Zealand Limited). The optimised depreciated replacement cost method was used to assess the fair value. The roading valuation was completed using the Roothing Asset Management and Maintenance (RAMM) database valuation module. The valuation is based on the inventory within the RAMM database and unit prices updated by Stantec NZ Limited as part of the valuation. Unit values have been adjusted using the appropriate roading construction index. The rates for replacement costs of assets were based on current construction costs of similar works. Rates for major items have been made with equivalent rates for similar roading work with other parts of the Wellington region.</p>	30 June 2019
<b>Land under roads</b>	30 June 2017	<p>Valuations were performed by registered valuers AON Valuation Services. The land was valued on the basis of the average market value of land by location and land use and based on the per hectare value of "across the fence" adjoining land. Valuations were carried out in accordance with the Property Institute New Zealand Standards, the Local Government Act 2002, New Zealand infrastructure asset valuation and depreciation guidelines.</p>	30 June 2019
<b>Water</b>	30 June 2016	<p>Valuations were performed by external registered valuers Opus International Consultants Limited. Council assets have been valued using the optimised depreciated replacement cost method. The New Zealand infrastructure asset valuation and depreciation guidelines issued by the New Zealand Assets Management (NZAM) group of the Institute of Public Works Engineering Australasia (IPEWA) give direction as to the overall methodology applicable to the optimised depreciated replacement cost valuation technique for water utilities.</p>	30 June 2018
<b>Wastewater</b>	30 June 2016	<p>Valuations were performed by external registered valuers Opus International Consultants Limited. All assets have been valued using the optimised depreciated replacement cost method. The New Zealand infrastructure asset valuation and depreciation guidelines issued by the NZAM group of IPEWA give direction as to the overall methodology applicable to optimised depreciated replacement cost valuations for wastewater utilities.</p>	30 June 2018

Description	Date of last asset valuation	Valuation method used to assess fair value	Next asset revaluation date
<b>Stormwater</b>	30 June 2016	Valuations were performed by external registered valuers Opus International Consultants Limited. All assets have been valued using the optimised depreciated replacements cost method. The New Zealand infrastructure asset valuation and depreciation guidelines issued by the NZAM group of IPEWA give direction as to the overall methodology applicable to optimised depreciated replacement cost valuations for stormwater utilities.	30 June 2018
<b>Seawalls</b>	30 June 2016	Valuations were performed by external registered valuers Opus International Consultants Limited. All assets have been valued using the optimised depreciated replacements cost method. Unit rates were checked against recent contracts for appropriateness and consistency and following review, the replacement costs were prepared using the capital goods price index for reclamation and river control.	30 June 2018
<b>River control</b>	30 June 2016	Valuations were performed by external registered valuers Opus International Consultants Limited. All assets have been valued using the optimised depreciated replacement cost method. Unit rates were checked against recent contracts for appropriateness and consistency and following review, the replacement costs were prepared using the capital goods price index for reclamation and river control.	30 June 2018
<b>Restricted assets</b>			
<b>Parks and reserves structures</b>	30 June 2017	Valuations were performed by external registered valuers AON Valuation Services. All assets have been valued using the optimised depreciated replacement cost method. Unit rates were checked against recent contracts for appropriateness and consistency and following review the replacement costs were assessed using the capital goods price index for reclamation and river control.	30 June 2020

Council has elected to revalue property, plant and equipment as follows:

Asset classification	Next revaluation	Subsequent revaluation
Water, wastewater and stormwater (including seawalls and river control)	30 June 2018	Every two years thereafter
Roading, including land under roads	30 June 2019	Every two years thereafter
Land and buildings (excluding land under roads revaluations)	30 June 2020	Every three years thereafter
Parks and reserves structures	30 June 2020	Every three years thereafter

Property, plant and equipment (continued)			
Summary of gains/(losses) on disposal of property, plant and equipment			
	Net sale proceeds \$000	Carry amount \$000	2016/17 gain/(loss) \$000
Buildings	-	24	(24)
Plant and machinery	18	14	4
Motor vehicles	56	49	7
<b>Closing balance</b>	<b>74</b>	<b>87</b>	<b>(13)</b>

*In addition to above, proceeds of \$91k were received from the sale of non-current assets held for sale at 30 June 2016.*

Motor vehicle fleet summary						
2016/17	1 July 2016	Additions	Disposals during the year	Held for sale as at 30 June 2017	30 June 2017	Held for sale carrying amount
	number	number	number	number	number	\$000
Heavy commercial vehicles (trucks)	11	-	-	-	11	-
Light commercial vehicles (utilities, 4WD, vans, minibuses)	56	2	(3)	(1)	54	2
Passenger vehicles (hatch, sedan, station wagons, 4WD)	23	6	(4)	(1)	24	-
Motorcycles, ATV, quad bikes	2	-	-	-	2	-
<b>TOTAL FLEET</b>	<b>92</b>	<b>8</b>	<b>(7)</b>	<b>(2)</b>	<b>91</b>	<b>2</b>

*The replacement criteria for light commercial and passenger vehicles is the earlier of the vehicles travelling 100,000 km or reaching five years of age.*

15. Intangible assets		
		Total Actual \$000
<b>Computer software</b>		
Cost	Opening balance 1 July 2016	1,466
	Additions during the year	602
	Disposals during the year	(287)
	<b>Closing balance 30 June 2017</b>	<b>1,781</b>
Amortisation	Opening balance 1 July 2016	(802)
	Amortisation during the year	(299)
	Disposals during the year	287
	<b>Closing balance 30 June 2017</b>	<b>(814)</b>
<b>Carrying value</b>	<b>As at 30 June 2016</b>	<b>664</b>
<b>Carrying value</b>	<b>As at 30 June 2017</b>	<b>967</b>

16. Trade and other payables		
2015/16 Actual \$000		2016/17 Actual \$000
<b>Trade and other payables</b>		
11,127	Trade creditors	13,417
723	Contract retentions	868
1,378	Greater Wellington Regional Council rates payable	1,447
483	Interest payable	623
2,077	Rates received in advance	2,069
1,001	Sundry payables	1,110
<b>16,789</b>	<b>Total trade and other payables</b>	<b>19,534</b>

Trade payables are non-interest bearing and normally settled on 30-day terms, therefore the carrying values approximate fair value.

17. Employee benefit liabilities		
2015/16 Actual \$000		2016/17 Actual \$000
<b>Current</b>		
77	Long service leave	37
(15)	Salaries	55
64	Sick leave	108
1,795	Annual leave	1,819
<b>1,921</b>	<b>Total current employee benefit liabilities</b>	<b>2,019</b>
<b>Non-current</b>		
74	Long service leave	70
130	Retirement gratuities	132
<b>204</b>	<b>Total non-current employee benefit liabilities</b>	<b>202</b>
<b>2,125</b>		<b>2,221</b>

18. Deposits		
2015/16 Actual \$000		2016/17 Actual \$000
<b>Deposits</b>		
7	Hall deposits	8
6	Miscellaneous deposits	7
441	Resource consent planning bonds	425
293	Road damage deposits	380
<b>747</b>	<b>Total deposits</b>	<b>820</b>

19. Borrowings		
2015/16 Actual \$000		2016/17 Actual \$000
10,018	Short term borrowings	80,000
150,004	Long term borrowings	130,000
<b>160,022</b>	<b>Total borrowings</b>	<b>210,000</b>
	Maturity	
10,018	2016/17	-
70,004	2017/18	80,000
20,000	2018/19	25,000
25,000	2019/20	25,000
20,000	2020/21	20,000
-	2021/22	15,000
15,000	2022/23	15,000
-	2023/24	5,000
-	2024/25	20,000
-	2026/27	5,000
<b>160,022</b>	<b>Total borrowings</b>	<b>210,000</b>

The council joined the Local Government Funding Agency (LGFA) as a shareholder in October 2012 and has borrowed longer term funding through the LGFA to make savings on interest rate margins. As at balance date, \$210 million (2016: \$150 million) of council's total borrowings were funded through LGFA. The council's borrowings from the LGFA are secured by a Debenture Trust Deed over council rates. All council borrowings are secured as a charge over rates and no defaults or breaches occurred during the year.

As at balance date, the effective weighted average interest rate on council's borrowings was 4.89% (2016: 5.42%).

20. Provisions		
2015/16 Actual \$000		2016/17 Actual \$000
	<b>Weather tight buildings</b>	
391	Opening balance	189
552	Increase/(decrease) in provision	(57)
(754)	Expenditure	(86)
<b>189</b>	<b>Closing balance 30 June</b>	<b>46</b>
	<b>Landfill aftercare</b>	
4,112	Opening balance	3,580
96	Increase/(decrease) in provision	1,985
(628)	Expenditure	(500)
<b>3,580</b>	<b>Closing balance 30 June</b>	<b>5,065</b>
	<b>Other provisions</b>	
449	Opening balance	418
70	Increase/(decrease) in provision	(33)
(101)	Expenditure	(79)
<b>418</b>	<b>Closing balance 30 June</b>	<b>306</b>
<b>4,187</b>	<b>Total provisions</b>	<b>5,417</b>

### Provision for weathertight buildings

This provision represents council's estimated liability relating to the settlement of claims arising in relation to the Weathertight Homes Resolution Services (WHRS) Act 2006 and civil proceedings for weather tightness.

At balance date, council has provided the estimated costs of known claims currently outstanding, including those claims lodged with WHRS but not yet being actively managed. This method of calculation is consistent with prior years.



Provisions (continued)		
2015/16 Actual \$000		2016/17 Actual \$000
	<b>Current</b>	
-	Provision for weathertight buildings	46
550	Provision for landfill aftercare	1,045
102	Other provisions	172
<b>652</b>	<b>Total current provisions</b>	<b>1,263</b>
	<b>Non-current</b>	
189	Provision for weathertight buildings	-
3,030	Provision for landfill aftercare	4,020
316	Other provisions	134
<b>3,535</b>	<b>Total non-current provisions</b>	<b>4,154</b>
<b>4,187</b>	<b>Total provisions</b>	<b>5,417</b>

### Landfill aftercare provision

Council currently operates the Otaihanga landfill and also manages the Ōtaki and Waikanae sites which are now closed.

Council obtained a resource consent for 35 years in 1994 to operate the Otaihanga landfill. Council has responsibility under the Resource Management Act 1991 to provide ongoing maintenance and monitoring of landfills after closure.

These closure responsibilities include:

- final cover application and vegetation
- stormwater control features
- completing wetlands for leachate treatment and monitoring, and
- completing facilities for monitoring and management of any landfill gas.

Post-closure responsibilities include:

- monitoring of leachate
- ground water monitoring and surface water monitoring, and
- ongoing site maintenance for stormwater control, final cover and vegetation.

The Otaihanga landfill has been closed for general waste since 2007 and stopped accepting biosolids during 2015/16. Cleanfill (capping material) will however continue to be accepted until final closure in 2026 (2016:2023).

The annual cost for monitoring and maintenance of the Otaihanga landfill site after closure is estimated to be \$84,000 per year for the first three years after closure, \$68,000 for the next five years and then an annual monitoring cost of \$60,000 for the remaining 22 years.

The annual cost for monitoring the closed landfills in Waikanae and Ōtaki is \$5,500 per landfill and will be required until 2030 for Waikanae and 2026 for Ōtaki.

The provision increased by \$1.99m in the current year to accommodate the full post closure maintenance and monitoring costs for the landfill.

The provision is based on best estimate information available when preparing the calculation and is reviewed at reporting date.

21. Revaluation reserve				
	Opening balance	Increase	Decrease	Closing balance 2016/17
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Land and buildings	42,748	23,504	(8,168)	58,084
Roading and bridges	612,113	101,079	(1,898)	711,294
Water	17,232	-	-	17,232
Wastewater	46,832	-	-	46,832
Stormwater and river control	19,576	-	-	19,576
<b>Total revaluation reserve</b>	<b>738,501</b>	<b>124,583</b>	<b>(10,066)</b>	<b>853,018</b>

22. Reserves and special funds				
	Opening balance	Transfers into reserve	Transfers out of reserve	Closing balance 2016/17
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
<b>Restricted reserves</b>				
Plant purchase and renewal fund	426	714	(430)	710
Waikanae property fund	83	4	-	87
Waikanae capital improvements fund	1,208	51	(56)	1,203
<b>Total restricted reserves</b>	<b>1,717</b>	<b>769</b>	<b>(486)</b>	<b>2,000</b>
<b>Council-created reserves</b>				
Contingency fund	6	-	-	6
Paekākāriki Campe Estate	113	2	(2)	113
Roading reserve	785	-	-	785
Election reserve	96	-	(96)	-
<b>Total council-created reserves</b>	<b>1,000</b>	<b>2</b>	<b>(98)</b>	<b>904</b>
<b>Total reserves and special funds</b>	<b>2,717</b>	<b>771</b>	<b>(584)</b>	<b>2,904</b>

### Plant purchase and renewal fund

The purpose of the reserve is to fund ongoing replacement of plant and vehicles when this falls due. The reserve is funded from depreciation charges on our current plant and vehicles.

### Waikanae property fund

The purpose of the reserve is to fund improvements to council-owned properties in Waikanae. The source of funds is the proceeds from sale of other council property in the Waikanae ward (excluding districtwide funded properties).

### Waikanae capital improvements fund

The purpose of the reserve is to fund capital improvements in the Waikanae ward and also to provide capital grants to Waikanae organisations in accordance with approved criteria. The source of funds is Waikanae ward's share of the property assets of the Horowhenua County Council and interest earned on the capital sum.

### Contingency fund

This is a discretionary fund for the purpose of funding unexpected legal expenditure across the district, e.g. leaky home claims, flood events and insurance excess.

### Paekākāriki Campe Estate

The purpose of the reserve is to fund administration of the Paekākāriki Campe Estate for the benefit of the youth of Kāpiti. The source of the funds is the proceeds from sale of the property owned by Mr Campe plus interest on the capital sum.

### Roading reserve upgrading contributions

The purpose of the reserve is to fund road upgrading works. The source of funds was road upgrading development contributions from developers.

### Election reserve

The purpose of the reserve is to fund the three yearly election cycle.

23. Reconciliation of operating surplus/(deficit) to cash flow from operating activities		
2015/16 Actual \$000		2016/17 Actual \$000
(12,735)	<b>Net operating surplus/(deficit) for the year</b>	<b>6,478</b>
	<b>Add/(less) non-cash items</b>	
17,248	Depreciation and amortisation expense	18,137
(2,620)	Vested assets	(87)
9,693	Unrealised loss/(gain) on revaluation of financial derivatives	(7,515)
(160)	(Gains)/losses in fair value of forestry assets	(44)
-	Present value adjustments	74
<b>24,161</b>	<b>Total non-cash items</b>	<b>10,565</b>
	<b>Add/(less) items classified as investing or financing activities</b>	
15	Loss/(gain) on disposal of property, plant and equipment and intangibles	13
(1,605)	Proceeds from capital grants	(5,104)
8,332	Interest on borrowings	9,162
<b>6,742</b>	<b>Total investing or financing activities</b>	<b>4,071</b>
	<b>Add/(less) movements in working capital items</b>	
465	(Increase)/decrease in receivables	(1,544)
(4)	(Increase)/decrease in inventory	(17)
2,120	Increase/(decrease) in payables	2,745
(467)	Increase/(decrease) in employee entitlements	96
(100)	Increase/(decrease) in deposits	73
(862)	Increase/(decrease) in provisions	1,230
<b>1,152</b>	<b>Total movement in working capital</b>	<b>2,583</b>
<b>19,320</b>	<b>Net cash inflow/(outflow) from operating activities</b>	<b>23,697</b>

## 24. Financial instruments

The accounting policies for financial instruments have been applied to the line items below.

Financial instruments categories		
2015/16 Actual \$000		2016/17 Actual \$000
	<b>Financial assets</b>	
	<b>Loans and receivables</b>	
442	Cash and cash equivalents	455
7,832	Trade and other receivables	9,376
620	Loans	514
15,000	Term deposits	60,000
<b>23,894</b>	<b>Total loans and receivables</b>	<b>70,345</b>
	<b>Held-to-maturity</b>	
2,400	LGFA borrower notes	3,360
<b>2,400</b>	<b>Total held-to-maturity</b>	<b>3,360</b>
	<b>Available-for-sale</b>	
21	Perpetual notes	21
100	Shares in LGFA	100
15	Shares in Civic Financial Services	15
<b>136</b>	<b>Total available-for-sale</b>	<b>136</b>
	<b>Fair value through other comprehensive revenue and expense</b>	
	Derivative financial instruments	
-	Current	-
-	Non-current	360
<b>-</b>	<b>Total fair value through other comprehensive revenue and expense</b>	<b>360</b>
	<b>Financial liabilities</b>	
	<b>Fair value through other comprehensive revenue and expense</b>	
	Derivative financial instruments	
276	Current	238
18,676	Non-current	11,559
<b>18,952</b>	<b>Total fair value through other comprehensive revenue and expense</b>	<b>11,797</b>
	<b>Financial liabilities at amortised cost</b>	
16,789	Trade and other payables	19,534
160,022	Borrowings	210,000
<b>176,811</b>	<b>Total financial liabilities at amortised cost</b>	<b>229,534</b>

## Financial risk management

As part of its normal operations, council is exposed to interest rate risk, credit risk and liquidity risk. Council's exposure to these risks and the action that council has taken to minimise the impact of these risks is outlined below.

### Interest rate risk

#### *Fair value interest rate risk*

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings issued at fixed rates expose the council to fair value interest rate risk. The council's treasury management policy outlines the level of borrowing that is to be secured using fixed rate instruments.

#### *Cash flow interest rate risk*

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose council to cash flow interest rate risk.

Council manages its cash flow interest rate risk on borrowings by using interest rate swaps. Interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if council borrowed at fixed rates directly. Under the interest rate swaps, council agrees with other parties to exchange, at specified intervals, the difference between contracted fixed rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

Council has interest rate swap agreements in place at 30 June 2017 in relation to its borrowing programme. Including forward start swaps, the notional contract value of these agreements was \$258.63 million (2016: \$220.18 million).

The fixed interest rate range for council's interest rate swaps are 2.08% to 5.75%. The net fair value of the interest rate swaps as at 30 June 2017 was \$11.44 million net liability (2016: \$18.95 million net liability).

The movement in the fair value of interest rate swaps at balance date is taken directly to the statement of comprehensive revenue and expense.

## Sensitivity analysis

In managing interest rate risk, council aims to reduce the impact of short-term fluctuations on council. Over the longer term, however, permanent changes in interest rates will have an impact on financial performance.

As at 30 June 2017, it is estimated that a general increase of one percent in interest rates would result in a net operating surplus of \$8.52 million. This is driven by an unrealised gain on the revaluation of derivatives of an estimated \$9.15 million plus a net \$0.49 million increase in net interest income.

Conversely, it is estimated that a general decrease of one percent in interest rates would result in a net operating loss of \$11.51 million. This is driven by an unrealised loss on the revaluation of derivatives of an estimated \$9.90 million plus a net \$0.49 million increase in net interest expense.

The tables on the following page illustrate the potential effect on the net operating surplus or deficit for reasonably possible market movements, with all other variables held constant, based on council's financial instrument exposures at balance date.

Fair value sensitivity				
\$000	2016/17		2015/16	
	+100 BPS	-100 BPS	+100 BPS	-100 BPS
<b>Interest rate risk</b>				
<b>Financial assets</b>				
Cash and cash equivalents – current	-	-	-	-
Derivative financial instruments -current	-	-	-	-
Derivative financial instruments - non-current	1,277	(1,426)	-	-
<b>Financial liabilities</b>				
Derivative financial instruments - current	98	(102)	102	(103)
Derivative financial instruments - non current	7,776	(8,371)	9,284	(10,104)
Borrowings	-	-	-	-
<b>Gain/(loss)</b>	<b>9,151</b>	<b>(9,899)</b>	<b>9,386</b>	<b>(10,207)</b>

Cash flow sensitivity				
\$000	2016/17		2015/16	
	+100 BPS	-100 BPS	+100 BPS	-100 BPS
<b>Interest rate risk</b>				
<b>Financial assets</b>				
Cash and cash equivalents – current	5	(5)	4	(4)
Derivative financial instruments -current	-	-	-	-
Derivative financial instruments - non-current	250	(250)	-	-
<b>Financial liabilities</b>				
Derivative financial instruments - current	420	(420)	310	(310)
Derivative financial instruments - non current	1,916	(1,916)	1,262	(1,262)
Borrowings	(2,100)	2,100	(1,600)	1,600
<b>Gain/(loss)</b>	<b>491</b>	<b>(491)</b>	<b>(24)</b>	<b>24</b>

## Credit risk

Credit risk is the risk that a third party will default on its obligations to council, thereby causing a loss. Council is not exposed to any material concentration of credit risk other than its exposure within the Wellington region. Receivables balances are monitored on an ongoing basis with the result that council's exposure to bad debts is not significant. The table on the following page shows the maximum exposure to credit risk.

## Credit risk exposure of financial assets

The table below analyses council's financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date.

The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

Contractual maturity analysis of financial assets						
2016/17	Carrying amount	Total contractual cashflow	0-12 months	1-2 years	2-5 years	More than 5 years
	\$000	\$000	\$000	\$000	\$000	\$000
Cash and cash equivalents	455	455	455	-	-	-
Derivative financial instruments	360	(2,931)	(332)	(332)	(996)	(1,271)
Trade and other receivables	9,376	9,376	9,376	-	-	-
Loan receivables	514	661	86	86	254	235
Other financial assets - term deposits	60,000	61,154	61,154	-	-	-
<b>Total</b>	<b>70,705</b>	<b>68,715</b>	<b>70,739</b>	<b>(246)</b>	<b>(742)</b>	<b>(1,036)</b>

Contractual maturity analysis of financial assets						
2015/16	Carrying amount	Total contractual cashflow	0-12 months	1-2 years	2-5 years	More than 5 years
	\$000	\$000	\$000	\$000	\$000	\$000
Cash and cash equivalents	442	442	442	-	-	-
Derivative financial instruments	-	-	-	-	-	-
Trade and other receivables	7,832	7,832	7,832	-	-	-
Loan receivables	620	690	63	83	250	294
Other financial assets - term deposits	15,000	15,435	10,179	5,256	-	-
<b>Total</b>	<b>23,894</b>	<b>24,399</b>	<b>18,516</b>	<b>5,339</b>	<b>250</b>	<b>294</b>

### Liquidity risk

Liquidity risk is the risk that council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions.

Council manages its borrowings in accordance with its treasury management policy. Council has a \$20 million credit line facility with Westpac Banking Corporation.

The table below sets out the contractual cash flows from all financial liabilities that are settled on a gross cash flow basis. Contractual cash flows for financial liabilities comprise the nominal amount and interest payments.

Contractual maturity analysis of financial liabilities						
2016/17	Carrying amount	Total contractual cash flows	0-12 months	1-2 years	2-5 years	More than 5 years
	\$000	\$000	\$000	\$000	\$000	\$000
Trade and other payables	19,534	19,534	19,534	-	-	-
Derivative financial instruments	11,797	23,087	4,607	4,340	9,536	4,604
Borrowings	210,000	227,092	84,720	28,291	66,341	47,740
Borrowings – EECA loan	-	-	-	-	-	-
<b>Total</b>	<b>241,331</b>	<b>269,713</b>	<b>108,861</b>	<b>32,631</b>	<b>75,877</b>	<b>52,344</b>

Contractual maturity analysis of financial liabilities						
2015/16	Carrying amount	Total contractual cash flows	0-12 months	1-2 years	2-5 years	More than 5 years
	\$000	\$000	\$000	\$000	\$000	\$000
Trade and other payables	16,789	16,789	16,789	-	-	-
Derivative financial instruments	18,952	24,798	4,469	4,050	9,505	6,774
Borrowings	160,000	174,140	14,816	73,608	69,894	15,822
Borrowings – EECA loan	22	22	18	4	-	-
<b>Total</b>	<b>195,763</b>	<b>215,749</b>	<b>36,092</b>	<b>77,662</b>	<b>79,399</b>	<b>22,596</b>

## Fair value

Fair value is the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The fair values of all financial instruments equate to the carrying amount recognised in the statement of financial position.

### *Fair value hierarchy disclosures*

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy.

Level 1 – the fair value is calculated using quoted prices in an active market.

Level 2 – the fair value is estimated using inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

There were no transfers between the different levels of the fair value hierarchy.

The table below analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position.

Fair value hierarchy disclosures								
\$000	2016/17				2015/16			
	Quoted market price (level 1)	Valuation technique – market observable inputs (level 2)	Valuation technique – non-market observable inputs (level 3)	Total	Quoted market price (level 1)	Valuation technique – market observable inputs (level 2)	Valuation technique – non-market observable inputs (level 3)	Total
<b>Financial assets</b>								
Derivative financial instruments	-	360	-	360	-	-	-	-
Perpetual notes	-	21	-	21	-	21	-	21
Shares in LGIC	-	15	-	15	-	15	-	15
LGFA borrower notes	-	3,360	-	3,360	-	2,400	-	2,400
Shares in LGFA	-	100	-	100	-	100	-	100
<b>Total</b>	<b>-</b>	<b>3,856</b>	<b>-</b>	<b>3,856</b>	<b>-</b>	<b>2,536</b>	<b>-</b>	<b>2,536</b>
<b>Financial liabilities</b>								
Derivative financial instruments	-	11,797	-	11,797	-	18,952	-	18,952
<b>Total</b>	<b>-</b>	<b>11,797</b>	<b>-</b>	<b>11,797</b>	<b>-</b>	<b>18,952</b>	<b>-</b>	<b>18,952</b>



## 25. Remuneration and employees

### Executive remuneration

The Local Government Act 2002 requires the council to disclose the total remuneration of key management personnel for the reporting period. Key management personnel include the senior leadership team, councillors and elected committee members.

The total salary and other short term employee benefits paid to the key management personnel for the year ended 30 June 2017 was \$1.99 million (2016: \$1.93 million). There were no termination payments made to key management personnel in the year (2016: nil).

### Senior leadership team

#### Chief executive

For the year ended 30 June 2017, council's chief executive, Pat Dougherty, who was appointed under Section 42(1) of the Local Government Act 2002, received a fixed remuneration package of \$305,500 until January 2017 when the package was increased to \$310,500 per annum. The fixed remuneration package comprises a salary component and a salary sacrifice component, covering professional fees.

Number of employees		
2015/16		2016/17
240	Permanent full time employees	242
39	Full time equivalents (FTEs) of all permanent non-full time employees	37
22	Full time equivalents of non-permanent staff (Contractors)	44
<b>301</b>	<b>Total full time equivalent employees</b>	<b>323</b>

Employees who work more than 37.5 hours per week are deemed a full time equivalent even if they work on a casual basis.

### Severance payments

For the year ended 30 June 2017 there were severance payments made to one employee (2016: two) totalling \$7,500 (2016 \$16,593).

Salary bands				
Number of permanent employees (headcount) 2015/16	Number of non-permanent staff (Contractors) (headcount) 2015/16		Number of permanent employees (headcount) 2016/17	Number of non-permanent staff (Contractors) (headcount) 2016/17
167	60	Less than \$59,999	158	71
69	2	\$60,000 to \$79,999	74	12
37	4	\$80,000 to \$99,999	36	5
16	1	\$100,000 to 119,999	19	1
11	-	\$120,000 - \$139,999	14	1
11	-	\$140,000 - \$219,999	10	-
1	-	More than \$220,000	1	-
<b>312</b>	<b>67</b>	<b>Total remuneration</b>	<b>312</b>	<b>90</b>

Employee remuneration includes salary and motor vehicles as part of the salary package paid to the employee. These figures represent headcount and so do not agree to the total full time equivalent employees reported at the left.

### Councillors and elected members remuneration

Council members are paid an annual salary and also have mileage reimbursed for journeys of 30 kilometres or more and some IT costs are subsidised. Total remuneration paid for the year ended 30 June 2017 is summarised in the tables on the following page.

Remuneration of councillors and elected members July 2016 to October 2016 (previous triennium)			
2016/17 Name	Remuneration	Reimbursement	Total remuneration
	Actual \$000	Actual \$000	Actual \$000
<b>Councillors</b>			
Ross Church – Mayor	31	-	31
David Scott	11	-	11
Diane Ammundsen	18	-	18
Gavin Welsh	11	-	11
Jackie Elliott	10	1	11
Janet Holborow	12	-	12
K Gurunathan	10	-	10
Michael Scott	11	-	11
Mike Cardiff	17	-	17
Murray Bell	10	-	10
Penny Gaylor	11	1	12
<b>Paekākāriki community board members</b>			
Philip Edwards (Chair)	2	-	2
Emily Boonen	1	-	1
Sam Buchanan	1	-	1
Stephen Eckett	1	-	1
<b>Paraparaumu - Raumati community board members</b>			
Fiona Vining (Chair)	5	-	5
Deborah Morris-Travers – resigned during 2015/16	-	-	-
Jonny Best	3	-	3
Kathy Spiers	3	-	3
<b>Ōtaki community board members</b>			
James Cootes (Chair)	4	1	5
Christine Papps	2	-	2
Colin Pearce - resigned during 2015/16	-	-	-
Rob Kofoed	2	-	2
<b>Waikanae community board members</b>			
Eric Gregory (Chair)	5	-	5
James Westbury	2	-	2
Jill Lloyd	2	-	2
Jocelyn Prvanov	2	-	2
<b>Total</b>	<b>187</b>	<b>3</b>	<b>190</b>

Remuneration of councillors and elected members October 2016 to June 2017 (current triennium)			
2016/17 Name	Remuneration	Reimbursement	Total remuneration
	Actual \$000	Actual \$000	Actual \$000
<b>Councillors</b>			
K Gurunathan – Mayor	80	-	80
Angela Buswell	23	1	24
David Scott	23	-	23
Fiona Vining	30	-	30
Jackie Elliott	24	1	25
James Cootes	28	1	29
Janet Holborow	28	1	29
John Howson	23	1	24
Mark Benton	23	1	24
Michael Scott	27	-	27
Mike Cardiff	34	-	34
<b>Paekākāriki community board members</b>			
Philip Edwards (Chair)	5	-	5
Holly Ewens	3	-	3
Paul Hughes	3	-	3
Stephen Eckett	3	-	3
<b>Paraparaumu - Raumati community board members</b>			
Jonny Best (Chair)	12	-	12
Bernie Randall	7	-	7
Guy Burns	7	-	7
Kathy Spiers	7	-	7
<b>Ōtaki community board members</b>			
Christine Papps (Chair)	9	1	10
Kerry Bevan	5	-	5
Marilyn Stevens	5	-	5
Shelly Warwick	5	-	5
<b>Waikanae community board members</b>			
Jocelyn Prvanov (Chair)	11	-	11
James Westbury	6	-	6
Jeremy Seamark	6	-	6
Tonchi Begovich	6	-	6
<b>Total</b>	<b>443</b>	<b>7</b>	<b>450</b>

## 26. Commitments and operating leases

Capital commitments		
2015/16 Actual \$000		2016/17 Actual \$000
8,295	Contracted capital commitments at 30 June but not yet completed	9,241
<b>8,295</b>	<b>Total capital commitments</b>	<b>9,241</b>

Non-cancellable operating leases (as lessee)		
2015/16 Actual \$000		2016/17 Actual \$000
	<i>Remaining payables under leases</i>	
289	Not later than one year	491
855	Later than one year and not later than five years	920
-	Later than five years	65
<b>1,144</b>	<b>Non-cancellable operating leases (council as lessee)</b>	<b>1,476</b>

*Council leases commercial premises in Ōtaki and Paraparumu.*

Non-cancellable operating leases (as lessor)		
2015/16 Actual \$000		2016/17 Actual \$000
	<i>Remaining receivables under leases</i>	
519	Not later than one year	519
1,846	Later than one year and not later than five years	1,699
741	Later than five years	454
<b>3,106</b>	<b>Total operating lease commitments (council as lessor)</b>	<b>2,672</b>

*Council leases various council-owned land and buildings to the community and to commercial organisations.*

## 27. Internal borrowings by activity

2015/16 Actual \$000		2016/17 Actual \$000
40	Community facilities	40
57	Stormwater management	57
5,763	Wastewater management	5,763
180	Water management	180
<b>6,040</b>	<b>Total internal borrowings</b>	<b>6,040</b>

## 28. Capital expenditure by activity

2015/16 Actual \$000		2016/17 Actual \$000
1,204	Water	937
6,004	Access and transport	7,400
498	Coastal management	960
2,776	Wastewater management	2,007
4,028	Stormwater management	2,869
789	Economic development	2,177
341	Community facilities and community support	285
1,644	Parks and open space	1,374
1,085	Recreation and leisure	2,261
54	Regulatory services	-
402	Governance and tāngata whenua	512
786	Corporate	960
<b>19,611</b>	<b>Total capital expenditure</b>	<b>21,742</b>

## 29. Summary of Capital projects over \$250,000

Project	Full year Actual 2016/17 \$000	Full year Budget 2016/17 \$000	Variance 2016/17 \$000	Carry over 2016/17 \$000
<b>Asset Renewal</b>				
Charnwood grove	440	459	19	-
Coastal protection Paekakariki	493	1,250	757	757
Emergency Stormwater	303	-	(303)	-
Marine Parade Revetment	47	255	208	-
NZTA Sealed road resurfacing	1,368	1,018	(350)	-
Otaihanga landfill capping	-	510	510	-
Otaki pool rebuild	1,510	3,913	2,403	3,039
Pipe renewals	375	510	135	-
Te Atiawa Park netball/tennis courts rebuild	287	387	100	-
Waikakariki Stream gravel extraction	404	299	(105)	-
Wastewater treatment plant dissolved air flotation	391	700	309	-
Projects individually under \$250,000	4,271	4,757	486	645
<b>Subtotal</b>	<b>9,889</b>	<b>14,058</b>	<b>4,169</b>	<b>4,441</b>
<b>New Assets/Upgrades</b>				
Kapiti Road Upgrade	1,201	1,309	108	-
Kapiti youth development centre	-	255	255	250
Local area connector - Raumati Corridor (excl. Stride & Ride Programme)	687	887	200	200
Major community connector upgrades - Nga Manu Road	577	636	59	-
Minor works	452	434	(18)	-
Otaki Beach pump station upgrade	842	527	(315)	-
Otaki pool rebuild (Filtration Upgrade & Splash Pad)	81	458	377	433
Otaki WWTP consent upgrades	63	306	243	100
Paraparaumu north wastewater network reconfiguration	205	304	99	-
Reactive solutions	1,108	1,479	371	-
Strategic land purchase	109	1,480	1,371	1,372
Stride & Ride Program	1,930	1,924	(6)	-
Town Centres Program (excl. Kapiti Road Upgrade)	1,276	1,836	560	560
Waikanae duplicate rising main	819	2,090	1,271	1,143
Waikanae Library and Mahara upgrade	-	268	268	492
Waithou Valley Road	164	306	142	150
Projects individually under \$250,000	2,339	3,865	1,526	87
<b>Subtotal</b>	<b>11,853</b>	<b>18,364</b>	<b>6,511</b>	<b>4,787</b>
<b>Total</b>	<b>21,742</b>	<b>32,422</b>	<b>10,680</b>	<b>9,228</b>

### 30. Related party disclosures

#### Related party transactions – key management personnel

For the purposes of related parties disclosures, key management personnel include the mayor, councillors, the chief executive and the senior leadership team.

During the year, key management personnel have been involved in transactions with council that are of a minor and routine nature and were conducted at arm's length, such as payment of rates. These transactions have been conducted on normal commercial terms.

As at balance date, there were no commitments from council to key management personnel. The mayor and councillors disclose their personal interest in a register available on the council website.

#### Material related party transactions – other organisations

During the year council borrowed \$60 million from the LGFA.

### 31. Council-controlled organisations (CCOs)

#### Local Government Funding Agency

##### *Background information*

On 30 November 2012, council became a principal shareholder local authority in the Local Government Funding Agency (LGFA). Council holds 200,000 shares (total number of shares available 45,000,000) reflecting a 0.44% interest.

The primary objective of the LGFA is to optimise the debt funding terms and conditions for participating local authorities. This includes providing savings in annual interest costs, making longer-term borrowings available and enhancing the certainty of access to debt markets.

##### *Local Government Act (2002) considerations*

The LGFA meets the definition of a council-controlled organisation under section 6(10(a)) as an entity in respect of which one or more local authorities have, whether or not jointly with other local authorities or persons, control, directly or indirectly, of 50% or more of the votes at any meeting of the members or controlling body of the entity.

Council therefore has an interest over the LGFA which is subject to the reporting requirements of a council-controlled organisation.

##### *Financial reporting considerations*

IPSAS 20 Related party disclosure – Council does not have the ability to control the entity (0.44% shareholding is less than the control threshold). Council does not exercise significant influence over the entity in making financial and operating decisions. The relationship with the LGFA therefore does not meet the definitions of a related party as outlined in the accounting standard.

IPSAS 7 Investments in associates – Council does not exercise significant influence over the entity in making financial and operating decisions. The relationship with the LGFA therefore does not meet the definitions of an associate as outlined in the accounting standard.

IPSAS 6 Consolidated and separate financial statements – Council does benefit from the activities of the LGFA under the terms and conditions of participating local authorities. However, council does not have the power to govern the financial and operating policies of the LGFA and therefore the relationship with the LGFA does not meet the definition of a controlled entity.

Based on the assessments outlined above, the LGFA does not meet the definition of a related party, is not an associate and does not meet the requirements of consolidation into council's financial statements.

##### *Implications*

LGA 2002 – LGFA is subject to the reporting requirements imposed on council-controlled organisations as outlined in Part A of the Act.

Financial reporting – There are no financial reporting obligations arising from council's relationship with LGFA.

### 32. Major variances from budget

Major variances from council's budget figures are explained below.

#### Statement of comprehensive revenue and expense

##### *Fees and Charges*

Fees and charges were \$1.03 million favourable to budget. This was mainly due to the following:

- building and resource consents fees were \$0.68 million higher than planned due to increased building activity in the District;
- an unplanned contribution of \$0.14 million from NZTA towards the total costs of renaming SH1; and
- additional Private Plan Change cost recovery revenue of \$0.16 million

### *Development and Financial Contributions*

Development and Financial Contributions were \$0.93 million favourable to budget due to higher subdivision and building activity than planned. The majority of this development has occurred in Paraparaumu/Raumati.

### *Revaluation of property, plant and equipment*

Council's roading (including land under roads), land and buildings, and parks and reserves structures were revalued as at 30 June 2017. These assets were revalued \$81.88 million favourable to budget mainly due to a significant increase in the value of land assets.

### *Unrealised gain on financial derivatives*

Unrealised gains on financial derivatives were \$7.60 million favourable to budget because swap rates are higher compared to opening rates at 1 July 2016.

## **Statement of financial position**

### *Property, plant and equipment*

Property, Plant and Equipment is \$58.85 million favourable to budget, mainly due to the year-end revaluation of above ground assets.

### *Other financial assets*

Other financial assets are \$20.80 million favourable to budget, mainly due to an additional \$20 million of debt that was issued during the year and placed on term deposit to prefund debt maturing in December 2017 and May 2018.

### *Borrowings*

Borrowings are \$10.93 million unfavourable to budget mainly due to the following:

- an additional \$20 million of unplanned debt was issued to prefund debt maturing in 2017/18
- \$9.23 million of planned debt was not issued as the capital work was not completed in 2016/17 and has been carried over to 2017/18

### *Derivative Financial instruments*

Derivatives are \$5.20 million favourable to budget due to the long term swap rates that have increased since the start of the financial year. Consequently, the value of council's derivatives to maturity decreased from 30 June 2016.

### *Total Public Equity*

Council's equity is \$76.88 million favourable to budget, This is mainly due to the unplanned increase in the revaluation of Council's above ground assets.

## **33. Contingent liabilities**

### **Guarantees and uncalled capital**

Council is one of 31 local authority shareholders of the LGFA and has an obligation in respect of uncalled capital of \$100,000.

At 30 June 2017, the LGFA had borrowings totalling \$7.945 billion (2016: \$6.445 billion).

Council considers the risk of the LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- 1) The only circumstance where LGFA would default on its debt is the event where a council defaulted on a loan obligation that exceeded LGFA's available liquidity assets. As at 30 June 2017, this would need to be a single council default event that exceeded the sum of:
  - cash and deposits of \$199.8 million,
  - LGFA borrower notes of \$131.6 million,
  - LGFA credit facility of \$500 million, and
  - uncalled share capital of \$20 million from LGFA shareholders.
- 2) In the event of an LGFA default, the call on the guarantee is made on council's proportion of their share of the underlying rate base.
- 3) In the event of a default exceeding the LGFA's available liquid assets, the council would be called for 1.2% of the overall call (less than the council's 2.7% of LGFA's loan assets).

## **Legal claims**

In April 2013, the Ministry of Education (MOE) initiated High Court proceedings against Carter Holt Harvey (CHH) and others alleging inherent defects in the cladding sheets and cladding systems manufactured and prepared by CHH. Subsequently, in December 2016, CHH commenced third party proceedings against 48 Councils, including Kāpiti Coast District Council alleging a breach of duty in the processing of building consents, undertaking building inspections and issuing Code Compliance Certificates. The Councils have applied for orders setting aside and

striking out CHH's claims against them. The MOE's claim against CHH is for 833 school buildings, 21 of which are located within Kāpiti Coast District. At present there is insufficient information to conclude on potential liability and claim quantum, if any.

In May 2017, High Court proceedings were initiated against Carter Holt Harvey (CHH) alleging that two of their cladding products installed at a house located in Waikanae are defective and have caused damage to that property. In August 2017, CHH commenced proceedings against six third parties, including the Kāpiti Coast District Council, alleging that any property damage would rather be caused by design and building defects. At present, there is insufficient information to conclude on potential liability and claim quantum, if any.

### 34. Insurance

To reduce the cost of insurance, council uses a combination of:

- 1) Transferring the risk by purchasing external insurance cover.
- 2) Sharing the risk between councils. The council participates in an outer Wellington shared services insurance programme with Porirua, Hutt and Upper

Hutt City Councils for the risk of material damage and business interruption arising from damage to property, plant and equipment and infrastructure assets, both above and below ground. This policy includes cover in the event of a natural catastrophe.

Council's maximum limits of liability for the Kāpiti district's infrastructure assets have been determined independently through earthquake and liquefaction loss estimate analysis completed by Tonkin Taylor Limited.

The total value of council's assets that are covered by insurance contracts and/or financial risk sharing arrangements and the maximum insurance amount available to council are included in the table below.

Council does not insure land, roading, bridges and its forestry and does not administer or hold a restricted self-insurance fund.

Council holds sufficient professional liability and indemnity insurance cover.

Asset	Type of insurance	Total value of council assets covered by financial risk sharing arrangements as at 30 June 2017	Maximum limit of insurance cover available to council under those arrangements as at 30 June 2017
Property, plant and equipment and above- ground infrastructural assets	Material damage and business interruption	\$231.97 million	\$600 million for any one loss or series of losses arising out of any one event and applying to material damage and business interruption combined. Limited to a \$232 million sub-limit.
Residential property	Earthquake Commission (EQC) and material damage	\$17.27 million	<b>Natural catastrophe:</b> First \$0.1 million for each loss event per property to be recovered from the EQC. Any remaining top-up required per loss event per property to a maximum of \$17.27 million for 129 properties. <b>All other losses:</b> Replacement value per loss event per property to a maximum of \$17.27 million for 129 properties.
Motor vehicles	Comprehensive motor vehicle cover	\$1.50 million	<b>Fleet vehicles:</b> Market or lease value of insured vehicle at the time and place of loss, limited to \$0.4 million for any one insured vehicle, unless notified to insurer. <b>Third party liability:</b> limit indemnity of \$20 million for any one claim or series of claims arising from any one accident.
Underground infrastructural assets	Material damage and business interruption in the event of natural catastrophe	\$423.12 million	\$600 million combined material damage and business interruption limit for an event involving more than one council for any loss or series of losses arising out of any one event and is subject to one automatic reinstatement at nil charge. Limited to a \$130 million sub-limit.

<b>35. Rating base information</b>			
<b>Year</b>	<b>Rating units</b>	<b>Total capital value of rating units</b>	<b>Total land value of rating units</b>
		<b>\$000</b>	<b>\$000</b>
<b>2012/13</b>			
Rateable units	24,444	10,303,888	5,025,736
Non-rateable units	657	359,437	138,781
<b>Total</b>	<b>25,101</b>	<b>10,663,325</b>	<b>5,164,517</b>
<b>2013/14</b>			
Rateable units	24,452	10,287,650	5,017,185
Non-rateable units	739	362,390	140,252
<b>Total</b>	<b>25,191</b>	<b>10,650,040</b>	<b>5,157,437</b>
<b>2014/15</b>			
Rateable units	24,527	10,431,956	5,030,918
Non-rateable units	818	363,157	134,917
<b>Total</b>	<b>25,345</b>	<b>10,795,113</b>	<b>5,165,835</b>
<b>2015/16</b>			
Rateable units	24,555	10,798,419	5,150,537
Non-rateable units	832	378,393	138,669
<b>Total</b>	<b>25,387</b>	<b>11,176,812</b>	<b>5,289,206</b>
<b>2016/17</b>			
Rateable units	24,697	10,916,193	5,173,253
Non-rateable units	668	382,366	142,618
<b>Total</b>	<b>25,365</b>	<b>11,298,559</b>	<b>5,315,871</b>

### 36. Events after the end of the reporting period

There are no material non-adjusting events after the reporting date.



# Disclosure statement

for the year ending 30 June 2017

## What is the purpose of this statement?

The purpose of this statement is to disclose council's financial performance in relation to various benchmarks to enable the assessment of whether council is prudently managing its revenue, expenses, assets, liabilities, and general financial dealings.

Council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014, (the regulations). Please refer to the regulations for more information, including definitions of some of the terms used in this statement.

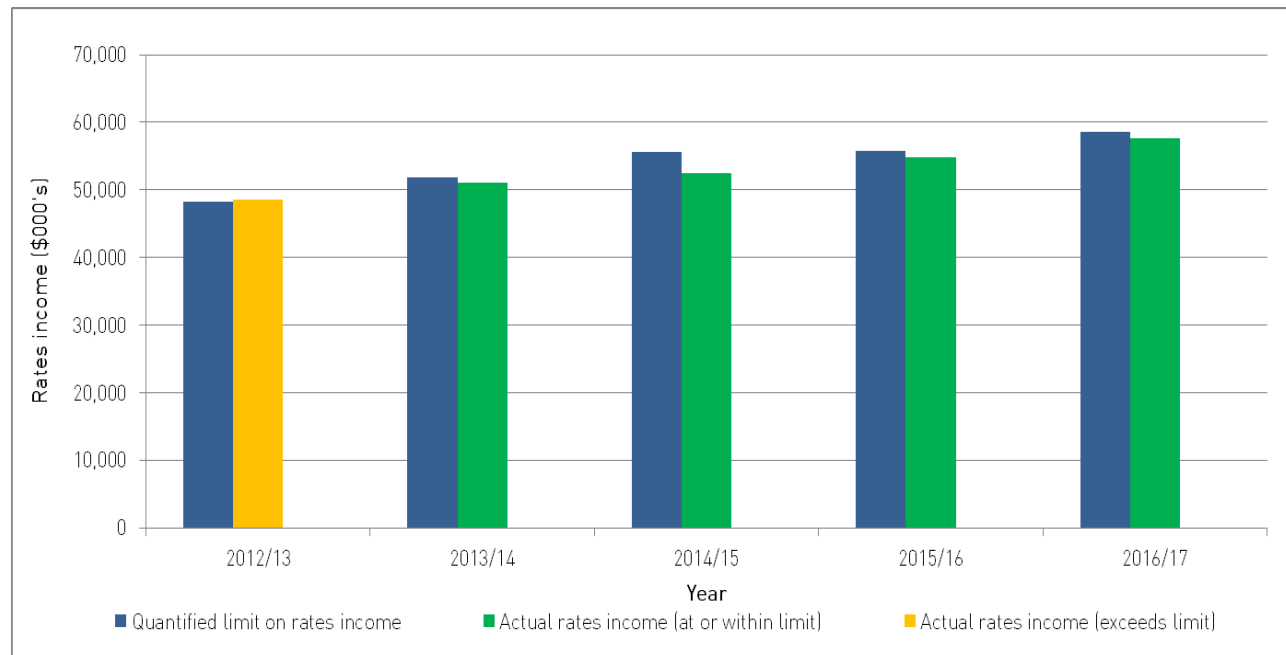
## Rates affordability

Council meets its affordability benchmark if:

- its actual rates income equals or is less than each quantified limit on rates, and
- its actual rates increases equal or are less than each quantified limit on rates increases.

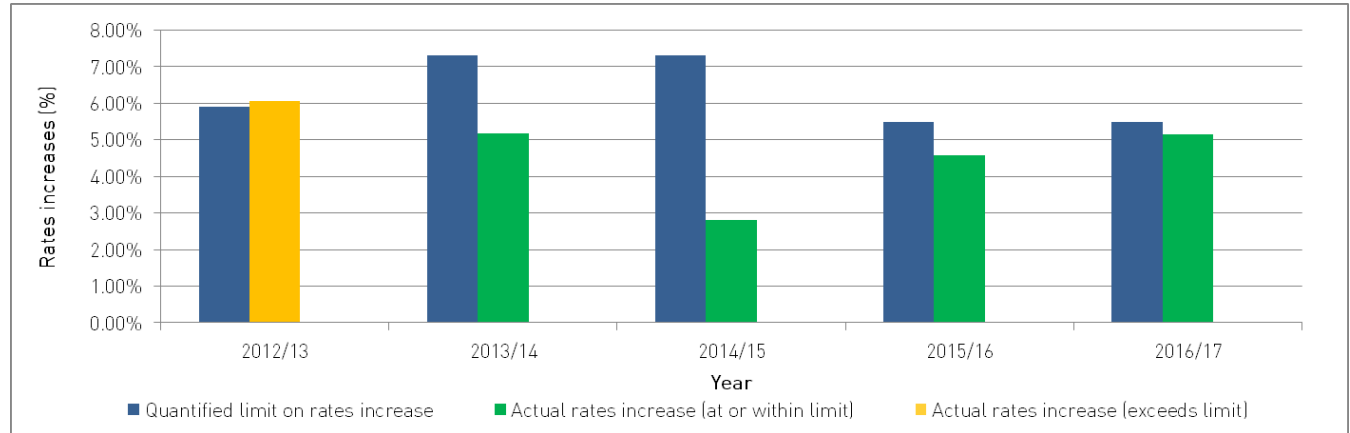
## Rates (income) affordability

The following graph compares council's actual rates income with a quantified limit on rates contained in the financial strategy included in council's long term plans.



## Rates (increases) affordability

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

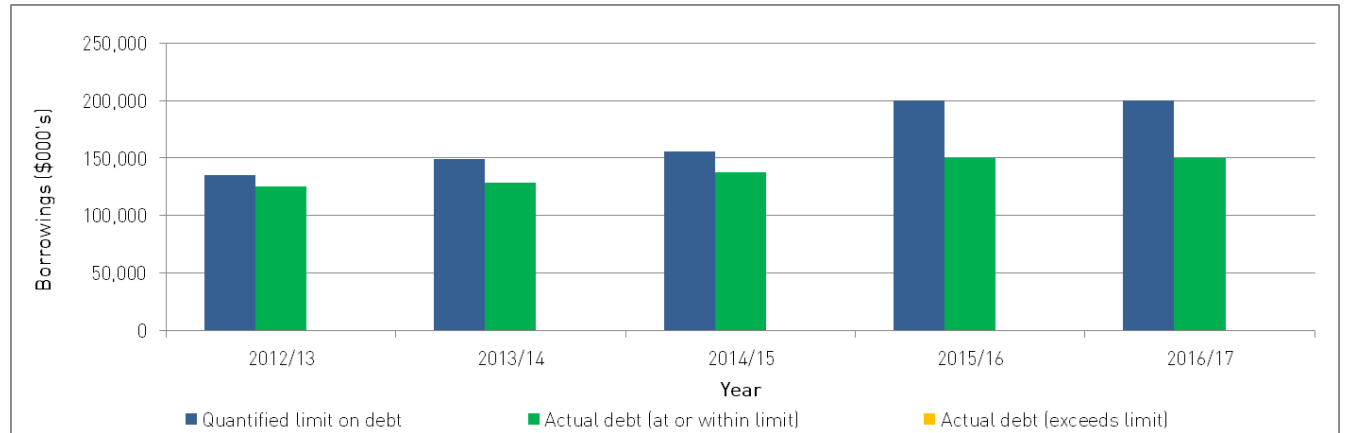


## Debt affordability

Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

The graph at right compares council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in council's long term plans. Council's quantified limit on borrowings, as set out in the financial strategy excludes debt prefunding.

Council's gross borrowings are \$210 million at 30 June 2017 which includes total debt prefunding of \$60 million. Excluding prefunding, Council's borrowings at year end are \$150 million, which is within the borrowings limit.



## Balanced budget

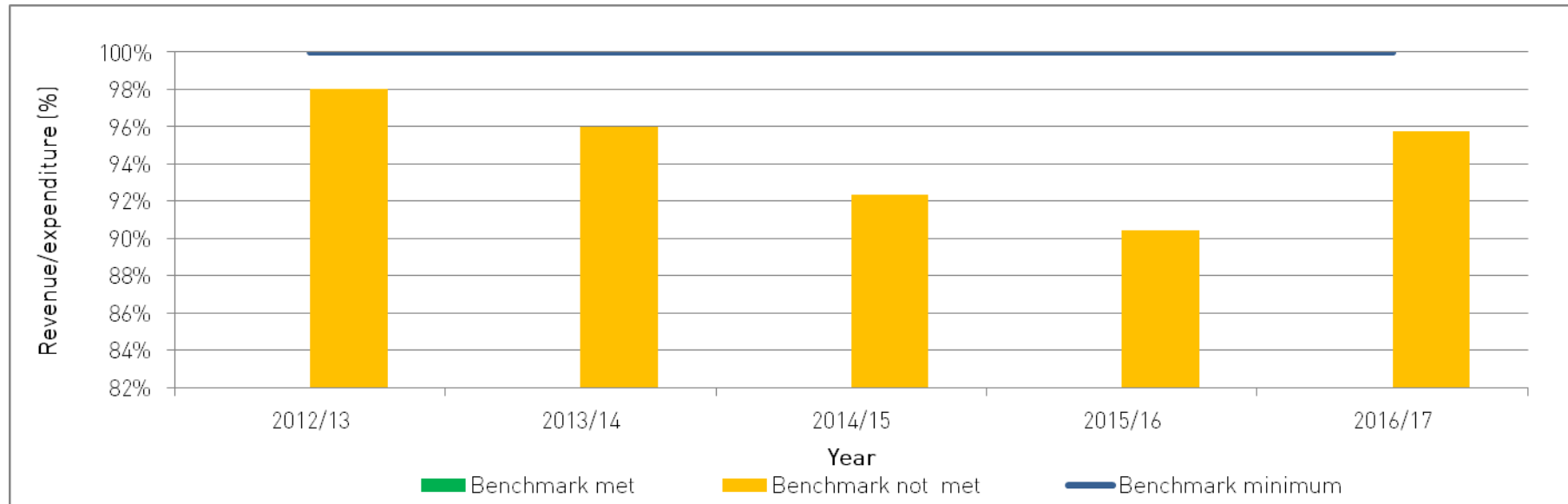
The graph below shows council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant and equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant and equipment).

Council meets this benchmark if its revenue equals or is greater than its operating expenses. Kāpiti Coast District Council has not met this benchmark in the reported years due to its policy of non-funded depreciation of infrastructure assets.

This council manages its non-funded depreciation prudently via the following limits:

- 1) The total amount of depreciation funded over the period (or partial non-funding of depreciation), must be sufficient to fund the asset renewal programme over that period.
- 2) Non-funding of depreciation can only be applied to longer term assets where the asset lives are at least 30 years.

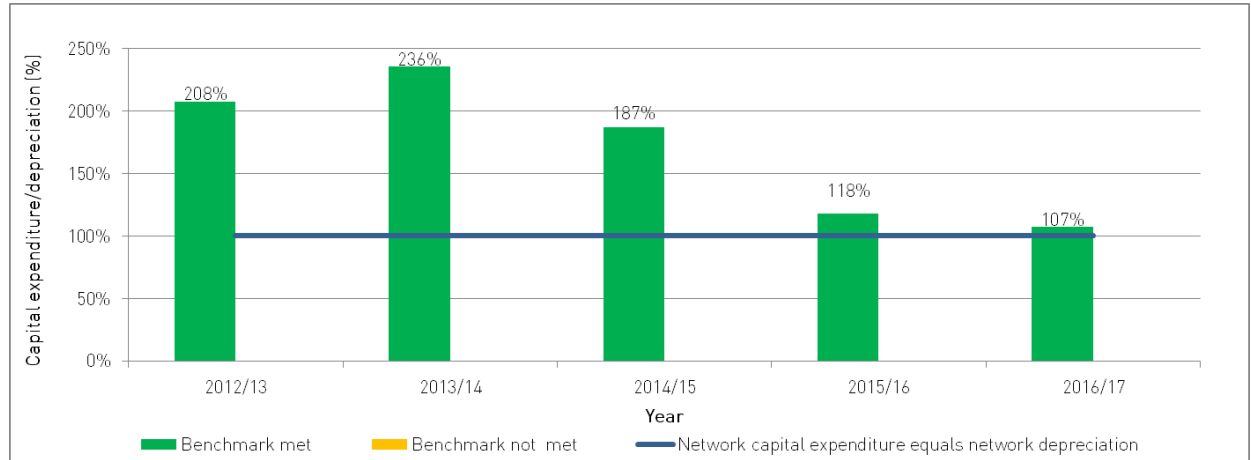
It should be noted that Council's financial strategy includes fully funding depreciation by 2022.



## Essential services

The graph at right shows council's capital expenditure on network services as a proportion of depreciation on network services. Network services means infrastructure related to water supply, sewerage, treatment and disposal of sewage, stormwater drainage, flood protection and control works and the provision of roads and footpaths.

Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



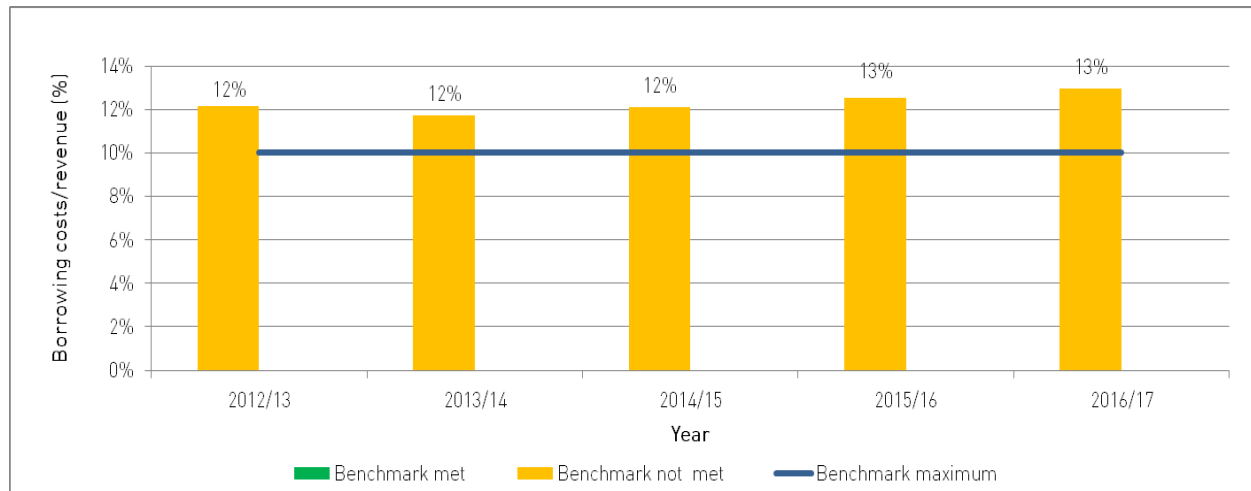
## Debt servicing

The graph at right shows council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions vested assets, gains on derivative financial instruments, and revaluations of property, plant and equipment).

Because Statistics New Zealand projects council's population will grow more slowly than the national population is projected to grow, council meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.

The expected population growth for the Kāpiti district for the 2016/17 financial year was 1.36% compared to the national population growth rate of 2.11%.

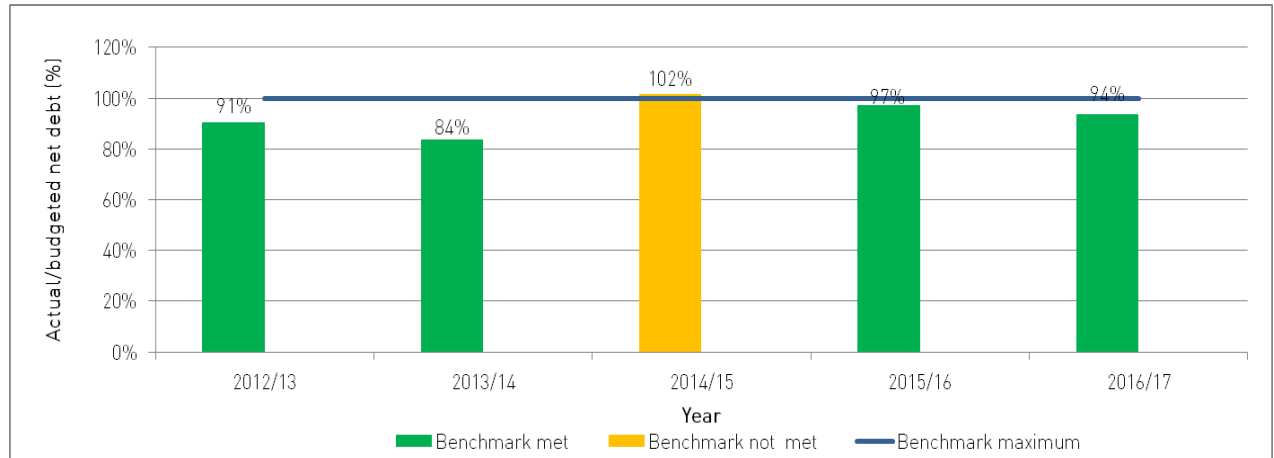
There has been significant capital investment in the Kāpiti district over recent years, in response to the community's needs.



## Debt control

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

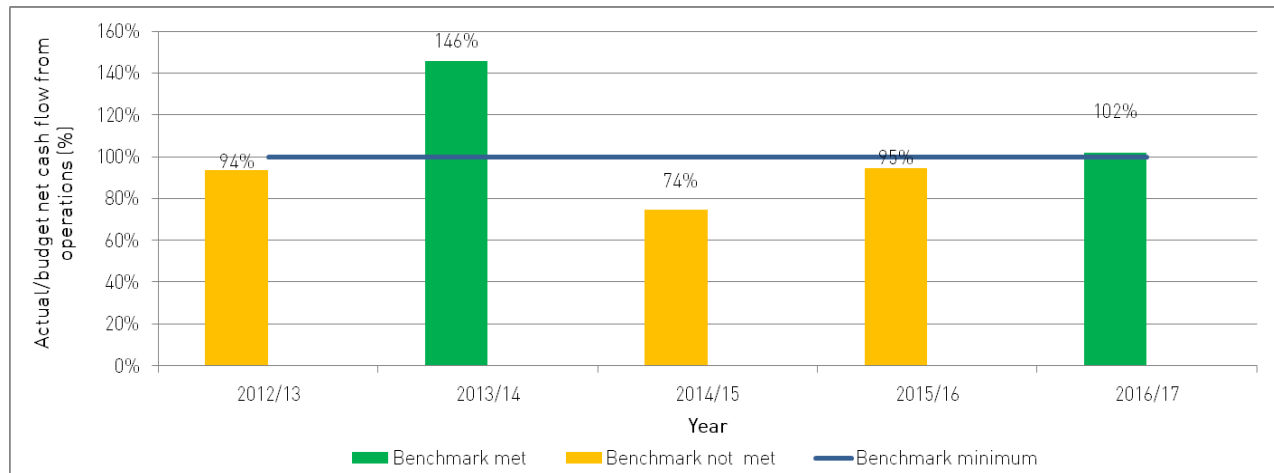
Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



## Operations control

This graph at right shows council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



# Funding impact statements per activity

Water Management funding impact statement for the year ended 30 June 2017			
	2015/16 Budget \$000	2016/17 Budget \$000	2016/17 Actual \$000
<b>Sources of operating funding</b>			
General rate, uniform annual general charge, rates penalties	-	-	-
Targeted rates	8,136	8,289	8,429
Grants and subsidies for operating purposes	-	-	-
Fees and charges	39	39	37
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	-	-	-
<b>Total operating funding</b>	<b>8,175</b>	<b>8,328</b>	<b>8,466</b>
<b>Applications of operating funding</b>			
Payment to staff and suppliers	3,024	3,222	3,370
Finance costs	2,071	1,798	1,798
Internal charges and overheads applied	588	700	732
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>5,683</b>	<b>5,720</b>	<b>5,900</b>
<b>SURPLUS/DEFICIT OF OPERATING FUNDING</b>	<b>2,492</b>	<b>2,608</b>	<b>2,566</b>
<b>Sources of capital funding</b>			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	101	103	422
Increase (decrease) in debt	201	158	68
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>302</b>	<b>261</b>	<b>490</b>
<b>Applications of capital funding</b>			
Capital expenditure			
> to meet additional demand	250	51	56
> to improve the level of service	201	158	68
> to replace existing assets	879	796	813
Increase (decrease) in reserves	1,464	1,864	2,119
Increase (decrease) in investments	-	-	-
<b>Total applications of capital Funding</b>	<b>2,794</b>	<b>2,869</b>	<b>3,056</b>
<b>SURPLUS/DEFICIT OF CAPITAL FUNDING</b>	<b>(2,492)</b>	<b>(2,608)</b>	<b>(2,566)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>

Access and Transport funding impact statement for the year ended 30 June 2017			
	2015/16 Budget \$000	2016/17 Budget \$000	2016/17 Actual \$000
<b>Sources of operating funding</b>			
General rate, uniform annual general charge, rates penalties	-	-	-
Targeted rates	4,962	5,940	5,893
Grants and subsidies for operating purposes	1,486	1,560	1,515
Fees and charges	61	62	69
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	261	266	248
<b>Total operating funding</b>	<b>6,770</b>	<b>7,828</b>	<b>7,725</b>
<b>Applications of operating funding</b>			
Payment to staff and suppliers	4,038	4,037	4,042
Finance costs	1,482	1,627	1,627
Internal charges and overheads applied	659	859	707
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>6,179</b>	<b>6,523</b>	<b>6,376</b>
<b>SURPLUS/DEFICIT OF OPERATING FUNDING</b>	<b>591</b>	<b>1,305</b>	<b>1,349</b>
<b>Sources of capital funding</b>			
Grants and subsidies for capital expenditure	2,756	2,972	3,103
Development and financial contributions	197	201	491
Increase (decrease) in debt	1,990	4,255	2,804
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>4,943</b>	<b>7,428</b>	<b>6,398</b>
<b>Applications of capital funding</b>			
Capital expenditure			
> to meet additional demand	725	-	-
> to improve the level of service	3,753	6,194	4,875
> to replace existing assets	2,029	2,068	2,525
Increase (decrease) in reserves	(973)	471	347
Increase (decrease) in investments	-	-	-
<b>Total applications of capital Funding</b>	<b>5,534</b>	<b>8,733</b>	<b>7,747</b>
<b>SURPLUS/DEFICIT OF CAPITAL FUNDING</b>	<b>(591)</b>	<b>(1,305)</b>	<b>(1,349)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Coastal Management funding impact statement  
for the year ended 30 June 2017**

	2015/16 Budget \$000	2016/17 Budget \$000	2016/17 Actual \$000
<b>Sources of operating funding</b>			
General rate, uniform annual general charge, rates penalties	826	830	888
Targeted rates	-	-	-
Grants and subsidies for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	-	-	-
<b>Total operating funding</b>	<b>826</b>	<b>830</b>	<b>888</b>
<b>Applications of operating funding</b>			
Payment to staff and suppliers	290	290	425
Finance costs	167	231	231
Internal charges and overheads applied	36	50	30
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>493</b>	<b>571</b>	<b>686</b>
<b>SURPLUS/DEFICIT OF OPERATING FUNDING</b>	<b>333</b>	<b>259</b>	<b>202</b>
<b>Sources of capital funding</b>			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	140	26	19
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>140</b>	<b>26</b>	<b>19</b>
<b>Applications of capital funding</b>			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	140	26	19
> to replace existing assets	384	1,609	941
Increase (decrease) in reserves	(51)	(1,350)	(739)
Increase (decrease) in investments	-	-	-
<b>Total applications of capital Funding</b>	<b>473</b>	<b>285</b>	<b>221</b>
<b>SURPLUS/DEFICIT OF CAPITAL FUNDING</b>	<b>(333)</b>	<b>(259)</b>	<b>(202)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Wastewater Management funding impact statement  
for the year ended 30 June 2017**

	2015/16 Budget \$000	2016/17 Budget \$000	2016/17 Actual \$000
<b>Sources of operating funding</b>			
General rate, uniform annual general charge, rates penalties	-	-	-
Targeted rates	6,985	7,723	7,424
Grants and subsidies for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	1,060	1,160	1,121
Local authorities fuel tax, fines, infringement fees, and other	-	-	-
<b>Total operating funding</b>	<b>8,045</b>	<b>8,883</b>	<b>8,545</b>
<b>Applications of operating funding</b>			
Payment to staff and suppliers	3,838	3,677	3,190
Finance costs	876	938	938
Internal charges and overheads applied	1,558	1,831	1,624
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>6,272</b>	<b>6,446</b>	<b>5,752</b>
<b>SURPLUS/DEFICIT OF OPERATING FUNDING</b>	<b>1,773</b>	<b>2,437</b>	<b>2,793</b>
<b>Sources of capital funding</b>			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	147	150	99
Increase (decrease) in debt	957	710	396
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>1,104</b>	<b>860</b>	<b>495</b>
<b>Applications of capital funding</b>			
Capital expenditure			
> to meet additional demand	950	2,790	1,211
> to improve the level of service	957	710	396
> to replace existing assets	1,314	781	400
Increase (decrease) in reserves	(344)	(984)	1,281
Increase (decrease) in investments	-	-	-
<b>Total applications of capital Funding</b>	<b>2,877</b>	<b>3,297</b>	<b>3,288</b>
<b>SURPLUS/DEFICIT OF CAPITAL FUNDING</b>	<b>(1,773)</b>	<b>(2,437)</b>	<b>(2,793)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Stormwater Management funding impact statement  
for the year ended 30 June 2017**

	2015/16 Budget \$000	2016/17 Budget \$000	2016/17 Actual \$000
<b>Sources of operating funding</b>			
General rate, uniform annual general charge, rates penalties	485	532	563
Targeted rates	2,711	2,951	2,904
Grants and subsidies for operating purposes	-	-	-
Fees and charges	57	66	45
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	-	-	-
<b>Total operating funding</b>	<b>3,253</b>	<b>3,549</b>	<b>3,512</b>
<b>Applications of operating funding</b>			
Payment to staff and suppliers	1,008	1,116	1,211
Finance costs	983	1,024	1,024
Internal charges and overheads applied	192	246	194
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>2,183</b>	<b>2,386</b>	<b>2,429</b>
<b>SURPLUS/DEFICIT OF OPERATING FUNDING</b>	<b>1,070</b>	<b>1,163</b>	<b>1,083</b>
<b>Sources of capital funding</b>			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	51	52	152
Increase (decrease) in debt	142	1,373	1,038
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>193</b>	<b>1,425</b>	<b>1,190</b>
<b>Applications of capital funding</b>			
Capital expenditure			
> to meet additional demand	4,271	1,190	1,427
> to improve the level of service	142	1,373	1,038
> to replace existing assets	400	299	404
Increase (decrease) in reserves	(3,550)	(274)	(596)
Increase (decrease) in investments	-	-	-
<b>Total applications of capital Funding</b>	<b>1,263</b>	<b>2,588</b>	<b>2,273</b>
<b>SURPLUS/DEFICIT OF CAPITAL FUNDING</b>	<b>(1,070)</b>	<b>(1,163)</b>	<b>(1,083)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Solid Waste funding impact statement  
for the year ended 30 June 2017**

	2015/16 Budget \$000	2016/17 Budget \$000	2016/17 Actual \$000
<b>Sources of operating funding</b>			
General rate, uniform annual general charge, rates penalties	724	734	800
Targeted rates	-	-	-
Grants and subsidies for operating purposes	-	-	-
Fees and charges	527	538	528
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	-	-	-
<b>Total operating funding</b>	<b>1,251</b>	<b>1,272</b>	<b>1,328</b>
<b>Applications of operating funding</b>			
Payment to staff and suppliers	388	392	336
Finance costs	161	186	186
Internal charges and overheads applied	293	364	386
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>842</b>	<b>942</b>	<b>908</b>
<b>SURPLUS/DEFICIT OF OPERATING FUNDING</b>	<b>409</b>	<b>330</b>	<b>420</b>
<b>Sources of capital funding</b>			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	-	-	-
> to replace existing assets	511	522	-
Increase (decrease) in reserves	(102)	(192)	420
Increase (decrease) in investments	-	-	-
<b>Total applications of capital Funding</b>	<b>409</b>	<b>330</b>	<b>420</b>
<b>SURPLUS/DEFICIT OF CAPITAL FUNDING</b>	<b>(409)</b>	<b>(330)</b>	<b>(420)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>



**Economic Development funding impact statement  
for the year ended 30 June 2017**

	2015/16 Budget \$000	2016/17 Budget \$000	2016/17 Actual \$000
<b>Sources of operating funding</b>			
General rate, uniform annual general charge, rates penalties	2,172	2,330	1,942
Targeted rates	11	11	168
Grants and subsidies for operating purposes	-	-	-
Fees and charges	49	50	158
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	-	-	-
<b>Total operating funding</b>	<b>2,232</b>	<b>2,391</b>	<b>2,268</b>
<b>Applications of operating funding</b>			
Payment to staff and suppliers	1,212	1,237	1,206
Finance costs	476	510	510
Internal charges and overheads applied	458	533	489
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>2,146</b>	<b>2,280</b>	<b>2,205</b>
<b>SURPLUS/DEFICIT OF OPERATING FUNDING</b>	<b>86</b>	<b>111</b>	<b>63</b>
<b>Sources of capital funding</b>			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	3,169	3,316	2,177
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>3,169</b>	<b>3,316</b>	<b>2,177</b>
<b>Applications of capital funding</b>			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	3,169	3,316	2,177
> to replace existing assets	-	-	-
Increase (decrease) in reserves	86	111	63
Increase (decrease) in investments	-	-	-
<b>Total applications of capital Funding</b>	<b>3,255</b>	<b>3,427</b>	<b>2,240</b>
<b>SURPLUS/DEFICIT OF CAPITAL FUNDING</b>	<b>(86)</b>	<b>(111)</b>	<b>(63)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Community Facilities and Community Support funding impact statement  
for the year ended 30 June 2017**

	2015/16 Budget \$000	2016/17 Budget \$000	2016/17 Actual \$000
<b>Sources of operating funding</b>			
General rate, uniform annual general charge, rates penalties	2,117	2,450	2,493
Targeted rates	(176)	20	(17)
Grants and subsidies for operating purposes	-	-	-
Fees and charges	1,114	1,155	1,153
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	-	-	63
<b>Total operating funding</b>	<b>3,055</b>	<b>3,625</b>	<b>3,692</b>
<b>Applications of operating funding</b>			
Payment to staff and suppliers	2,006	2,206	2,225
Finance costs	34	163	163
Internal charges and overheads applied	1,382	1,486	1,564
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>3,422</b>	<b>3,855</b>	<b>3,952</b>
<b>SURPLUS/DEFICIT OF OPERATING FUNDING</b>	<b>(367)</b>	<b>(230)</b>	<b>(260)</b>
<b>Sources of capital funding</b>			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	47	48	83
Increase (decrease) in debt	393	431	1
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>440</b>	<b>479</b>	<b>84</b>
<b>Applications of capital funding</b>			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	393	431	1
> to replace existing assets	340	536	283
Increase (decrease) in reserves	(660)	(718)	(460)
Increase (decrease) in investments	-	-	-
<b>Total applications of capital Funding</b>	<b>73</b>	<b>249</b>	<b>(176)</b>
<b>SURPLUS/DEFICIT OF CAPITAL FUNDING</b>	<b>367</b>	<b>230</b>	<b>260</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Parks and Open Spaces funding impact statement  
for the year ended 30 June 2017**

	2015/16 Budget \$000	2016/17 Budget \$000	2016/17 Actual \$000
<b>Sources of operating funding</b>			
General rate, uniform annual general charge, rates penalties	-	-	-
Targeted rates	4,104	4,559	4,693
Grants and subsidies for operating purposes	-	-	-
Fees and charges	155	158	165
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	-	-	91
<b>Total operating funding</b>	<b>4,259</b>	<b>4,717</b>	<b>4,949</b>
<b>Applications of operating funding</b>			
Payment to staff and suppliers	2,330	2,389	2,657
Finance costs	140	281	281
Internal charges and overheads applied	1,473	1,679	1,681
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>3,943</b>	<b>4,349</b>	<b>4,619</b>
<b>SURPLUS/DEFICIT OF OPERATING FUNDING</b>	<b>316</b>	<b>368</b>	<b>330</b>
<b>Sources of capital funding</b>			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	512	521	753
Increase (decrease) in debt	684	1,120	591
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>1,196</b>	<b>1,641</b>	<b>1,344</b>
<b>Applications of capital funding</b>			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	684	1,120	613
> to replace existing assets	1,314	756	761
Increase (decrease) in reserves	(486)	133	300
Increase (decrease) in investments	-	-	-
<b>Total applications of capital Funding</b>	<b>1,512</b>	<b>2,009</b>	<b>1,674</b>
<b>SURPLUS/DEFICIT OF CAPITAL FUNDING</b>	<b>(316)</b>	<b>(368)</b>	<b>(330)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Recreation and Leisure funding impact statement  
for the year ended 30 June 2017**

	2015/16 Budget \$000	2016/17 Budget \$000	2016/17 Actual \$000
<b>Sources of operating funding</b>			
General rate, uniform annual general charge, rates penalties	355	239	224
Targeted rates	7,753	7,939	8,138
Grants and subsidies for operating purposes	34	35	40
Fees and charges	1,516	1,482	1,472
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	60	61	54
<b>Total operating funding</b>	<b>9,718</b>	<b>9,756</b>	<b>9,928</b>
<b>Applications of operating funding</b>			
Payment to staff and suppliers	5,325	5,067	5,162
Finance costs	1,263	1,352	1,352
Internal charges and overheads applied	1,790	1,828	1,857
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>8,378</b>	<b>8,247</b>	<b>8,371</b>
<b>SURPLUS/DEFICIT OF OPERATING FUNDING</b>	<b>1,340</b>	<b>1,509</b>	<b>1,557</b>
<b>Sources of capital funding</b>			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	251	1,238	143
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>251</b>	<b>1,238</b>	<b>143</b>
<b>Applications of capital funding</b>			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	251	1,238	143
> to replace existing assets	1,034	4,770	2,118
Increase (decrease) in reserves	306	(3,261)	(154)
Increase (decrease) in investments	-	-	-
<b>Total applications of capital Funding</b>	<b>1,591</b>	<b>2,747</b>	<b>1,700</b>
<b>SURPLUS/DEFICIT OF CAPITAL FUNDING</b>	<b>(1,340)</b>	<b>(1,509)</b>	<b>(1,557)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Districtwide planning funding impact statement  
for the year ended 30 June 2017**

	2015/16 Budget \$000	2016/17 Budget \$000	2016/17 Actual \$000
<b>Sources of operating funding</b>			
General rate, uniform annual general charge, rates penalties	3,264	3,157	2,610
Targeted rates	-	-	-
Grants and subsidies for operating purposes	-	-	-
Fees and charges	-	-	157
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	-	-	-
<b>Total operating funding</b>	<b>3,264</b>	<b>3,157</b>	<b>2,767</b>
<b>Applications of operating funding</b>			
Payment to staff and suppliers	2,450	2,356	2,073
Finance costs	-	-	-
Internal charges and overheads applied	814	801	694
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>3,264</b>	<b>3,157</b>	<b>2,767</b>
<b>SURPLUS/DEFICIT OF OPERATING FUNDING</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Sources of capital funding</b>			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	-	-	-
> to replace existing assets	-	-	-
Increase (decrease) in reserves	-	-	-
Increase (decrease) in investments	-	-	-
<b>Total applications of capital Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>SURPLUS/DEFICIT OF CAPITAL FUNDING</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Regulatory services funding impact statement  
for the year ended 30 June 2017**

	2015/16 Budget \$000	2016/17 Budget \$000	2016/17 Actual \$000
<b>Sources of operating funding</b>			
General rate, uniform annual general charge, rates penalties	4,737	4,669	4,364
Targeted rates	-	-	-
Grants and subsidies for operating purposes	-	-	-
Fees and charges	3,048	3,268	4,006
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	123	132	105
<b>Total operating funding</b>	<b>7,908</b>	<b>8,069</b>	<b>8,475</b>
<b>Applications of operating funding</b>			
Payment to staff and suppliers	4,504	4,843	5,005
Finance costs	16	15	15
Internal charges and overheads applied	3,381	3,204	3,391
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>7,901</b>	<b>8,062</b>	<b>8,411</b>
<b>SURPLUS/DEFICIT OF OPERATING FUNDING</b>	<b>7</b>	<b>7</b>	<b>64</b>
<b>Sources of capital funding</b>			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	50	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>50</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	50	-	-
> to replace existing assets	-	-	-
Increase (decrease) in reserves	7	7	64
Increase (decrease) in investments	-	-	-
<b>Total applications of capital Funding</b>	<b>57</b>	<b>7</b>	<b>64</b>
<b>SURPLUS/DEFICIT OF CAPITAL FUNDING</b>	<b>(7)</b>	<b>(7)</b>	<b>(64)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Governance and Tangata Whenua funding impact statement  
for the year ended 30 June 2017**

	2015/16 Budget \$000	2016/17 Budget \$000	2016/17 Actual \$000
<b>Sources of operating funding</b>			
General rate, uniform annual general charge, rates penalties	3,645	4,348	4,128
Targeted rates	426	430	436
Grants and subsidies for operating purposes	-	-	-
Fees and charges	29	101	127
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	66	64	56
<b>Total operating funding</b>	<b>4,166</b>	<b>4,943</b>	<b>4,747</b>
<b>Applications of operating funding</b>			
Payment to staff and suppliers	2,301	2,468	2,465
Finance costs	70	69	69
Internal charges and overheads applied	1,721	2,329	2,224
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>4,092</b>	<b>4,866</b>	<b>4,758</b>
<b>SURPLUS/DEFICIT OF OPERATING FUNDING</b>	<b>74</b>	<b>77</b>	<b>(11)</b>
<b>Sources of capital funding</b>			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	15	31	(91)
Gross proceeds from sale of assets	-	-	98
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>15</b>	<b>31</b>	<b>7</b>
<b>Applications of capital funding</b>			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	15	31	7
> to replace existing assets	531	523	505
Increase (decrease) in reserves	(457)	(446)	(516)
Increase (decrease) in investments	-	-	-
<b>Total applications of capital Funding</b>	<b>89</b>	<b>108</b>	<b>(4)</b>
<b>SURPLUS/DEFICIT OF CAPITAL FUNDING</b>	<b>(74)</b>	<b>(77)</b>	<b>11</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Independent auditor's report

To the readers of Kāpiti Coast District Council's annual report for the year ended 30 June 2017

The Auditor-General is the auditor of Kapiti Coast District Council (the Council). The Auditor-General has appointed me, David Borrie, using the staff and resources of Ernst & Young, to report on the information in the Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 28 September 2017. This is the date on which we give our report.

## Opinion on the audited information

In our opinion:

- the financial statements on pages 93 to 130:
  - present fairly, in all material respects:
    - the Council's financial position as at 30 June 2017;
    - the results of its operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Standards;
- the funding impact statement on page 95, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Council's annual plan;

- the statement of service provision of the Council (referred to as "Our activities and services") on pages 21 to 89:
  - presents fairly, in all material respects, the Council's levels of service for each group of activities for the year ended 30 June 2017, including:
    - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
    - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
  - complies with generally accepted accounting practice in New Zealand;
- the statement about capital expenditure for each group of activities on pages 21 to 89, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the Council's annual plan;
- the funding impact statement for each group of activities on pages 136 to 142, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Council's annual plan.

## Report on the disclosure requirements

We report that the Council has:

- complied with the requirements of schedule 10 of the Act that apply to the annual report. These disclosures accurately reflect information drawn from the Council's audited information, long-term plan or annual plan; and.
- made the disclosures required by the Local Government (Financial Reporting and Prudence Regulations 2014) about its performance against benchmarks on pages 131 to 135. These disclosures are complete and accurately reflect the information drawn from the Council's audited information.

## **Basis of opinion on the audited information**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

## **Responsibilities of the Council for the audited information**

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the Council or there is no realistic alternative but to do so.

## **Responsibilities of the auditor for the audited information**

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error.

Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the Council's annual plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the description used for the statement of service provision, as a reasonable basis for assessing the levels of service achieved and reported by the Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Other Information**

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 5 to 18 and 148 to 158, but does not include the audited information and the disclosure requirements.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Independence**

We are independent of the Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have carried out engagements in the areas of debenture trust reporting, which are compatible with those independence requirements. Other than this engagement we have no relationship with or interests in the Council.

David Borrie  
Ernst & Young  
On behalf of the Auditor-General  
Wellington, New Zealand





# Other information

## **In this section you'll find:**

Governance structure

- Council
- Community boards
- Te Whakaminenga o Kāpiti
- Meeting attendance record of elected members
- Contact details of elected members

Organisation structure

Contact information for Kāpiti Coast District Council

# Governance structure

**Your mayor and councillors for the 2016-19 triennium**



**Front row, left to right: Angela Buswell, Janet Holborow (Deputy Mayor), K Gurunathan (Mayor), Pat Dougherty (Chief Executive), Jackie Elliott**

**Back row, left to right: Fiona Vining, Mark Benton, John Howson, Dr David Scott, Mike Cardiff, James Cootes, Michael Scott**

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## Council

Following both the October 2013 and 2016 local body elections the Council comprised a mayor and ten elected councillors. Half of the councillors were elected from ward constituencies and half were elected on a districtwide basis.

For the period 1 July 2016 to 14 October 2016 this year they were:

<b>Mayor</b>	Ross Church
<b>Councillors</b>	
Districtwide	Mike Cardiff (Deputy Mayor), Diane Ammundsen, Jackie Elliott, David Scott, Gavin Welsh
Ōtaki	Penny Gaylor
Waikanae	Michael Scott
Paraparaumu	Murray Bell, K Gurunathan
Paekākāriki-Raumati	Janet Holborow

For the period 25 October 2016 to 30 June 2017 (following the October 2016 elections) they were:

<b>Mayor</b>	K Gurunathan
<b>Councillors</b>	
Districtwide	Angela Buswell, Mike Cardiff, Jackie Elliott, John Howson, David Scott
Ōtaki	James Cootes
Waikanae	Michael Scott
Paraparaumu	Mark Benton, Fiona Vining
Paekākāriki-Raumati	Janet Holborow (Deputy Mayor)

## Council meetings

Council meetings were scheduled every six weeks, with additional meetings held as required. These meetings were advertised in the local news media.

To assist council to discharge its duties, it had standing committees which generally met every six weeks. Each committee had its own terms of reference and powers delegated to it by council.

During the 1 July 2016 to 14 October 2016 period, the council held 2 council meetings and 11 standing committee meetings

During the 25 October 2016 to 30 June 2017 period, the council held 12 council meetings and 20 standing committee meetings.

## Committees (2013-16 triennium)

The following standing committees were part of the council's governance structure during the 2013-16 triennium, and hence during the period 1 July 2016 to 14 October 2016 of the 2016/17 financial year.

### *Environment and community development committee*

The environment and community development committee (ECD) was chaired by Councillor Gaylor. The committee developed policies and strategies for the council on behalf of the community for the social, economic, environmental and cultural interests of the district, and policies and strategies associated with the development of the 2015-35 Long term plan.

### *Corporate business committee*

The corporate business committee (CBC) was chaired by Councillor Welsh. The committee managed the financial affairs of the council including risk management issues within the overall financial programme and financial management parameters set out in the long term plan. It also acted as the owner of all council assets.

### *Regulatory management committee*

The regulatory management committee (RMC) was chaired by Councillor Ammundsen. The committee controlled a range of regulatory activities such as animal control, building control, bylaws, environmental matters, parks and reserves, resource management, plan changes, subdivision and land use consents, public safety and traffic. Its provisions also cover the delegations for hearing commissioners (independent and elected).

### *Appeals hearing committee*

The appeals hearing committee was chaired by Councillor Bell. The committee was responsible for hearing appeals or objections on council's regulatory and compliance areas.

### *District licensing committee*

The district licensing committee was chaired by Councillor Ammundsen. The committee was responsible for carrying out the duties and functions as prescribed in the Sale and Supply of Alcohol Act 2012.

### *Chief executive performance and employment committee*

The chief executive performance and employment committee was chaired by the mayor. The committee undertook the formal management of the contract of employment between the council and the chief executive.

### *Grants allocation committee*

The grants allocation committee was chaired by Councillor Holborow. The committee had the authority to assess all applications and allocate funds for the following grant programmes: community grants, creative community scheme, districtwide hall hire remissions, heritage fund allocations and waste levy fund grants.

### *Māori representation members*

Māori representation member appointments in this first period were Russell Spratt (CBC), Reina Solomon (ECD) and Caleb Royal (RMC).

### **Committees (2016-19 triennium)**

Prior to the October 2016 election councillors had asked staff for suggestions as to how the Council's committee structure could be rationalized. Following the election the mayor used his executive powers to establish a new committee structure and appoint chairs to those committees. The new committee structure that applied from 25 October 2016 to 30 June 2017 is outlined below.

#### *Strategy and policy committee*

The strategy and policy committee (SPC) was chaired by Councillor James Cootes. The committee deals with all strategy and policy decision making that is not the sole responsibility of the Council.

Key responsibilities include: setting and approving the policy work programme; overseeing strategic programmes; liaison and planning with other territorial authorities; development and/or review of strategies, plans, policies and bylaws; preparation of District Plan and plan changes; economic development strategy; reviewing and approving community contracts; receiving annual reports from any community or advisory group.

#### *Operations and finance committee*

The operations and finance committee (OFC) was chaired by Councillor Michael Scott. The committee deals with monitoring and decision-making on all broader financial management matters.

Key responsibilities include: financial management, including risk mitigation; approval of non-budgeted expenditure; approval of contracts and contract variations outside of the Chief Executive's

delegations; financial policies; all regulatory and planning matters from an operational perspective; property purchases or sales; operational aspects of bylaws; civil defence and emergency matters; procedural matters relating to electoral processes; signing off any submission to an external agency or body.

#### *Audit and risk committee*

The audit and risk committee (ARC) was chaired by Councillor Mike Cardiff. The committee monitors the Council's financial management and reporting mechanisms and framework and ensures that there are appropriate internal systems and controls for these.

Key responsibilities include: reviewing and maintaining the internal control framework; reviewing processes for ensuring the completeness and quality of financial information; considering Council's accounting policies and principles; obtaining information from external auditors relevant to Council's financial statements and assessing whether appropriate action has been taken by management in response to that; considering regular reports on the status of investigations by the Office of the Ombudsman into decisions by the Council; ensuring that Council has in place a current and comprehensive risk management framework and making recommendations to Council on risk mitigation.

#### *Appeals hearing committee*

The appeals hearing committee was chaired by Councillor Jackie Elliott. Committee responsibilities were unchanged from the previous triennium.

#### *District licensing committee*

The district licensing committee was chaired by Councillor Fiona Vining. Committee responsibilities were unchanged from the previous triennium.

#### *Chief executive performance and employment committee*

The chief executive performance and employment committee was chaired by the mayor. Committee responsibilities were unchanged from the previous triennium.

#### *Grants allocation committee*

The acting chair of the grants allocation committee was Councillor Mark Benton. Committee responsibilities were unchanged from the previous triennium.

### *Māori representation members*

Māori representation member appointments under the new committee structure were Ann-Maree Ellison (OFC) and Russell Spratt (SPC).

## Community boards

The role of the community boards is to advise the council on local issues and help determine priorities. They also have delegated power to deal with some local matters. The community boards generally met every six weeks and during the year 28 meetings were held. The chair of each community board was also invited to sit at the council table for meetings of the council and committees and contribute to the discussion.

The boards and their members were as follows:

	1 July -14 October 2016	25 October 2016 – 30 June 2017
Ōtaki	James Cootes (Chair) Rob Kofoed (Deputy Chair) Christine Papps Colin Pearce* Cr Penny Gaylor	Christine Papps (Chair) Marilyn Stevens (Deputy Chair) Kerry Bevan Shelly Warwick Cr James Cootes
Waikanae	Eric Gregory (Chair) Jocelyn Prvanov (Deputy Chair) James Westbury Jill Lloyd Cr Michael Scott	Jocelyn Prvanov (Chair) James Westbury (Deputy Chair) Tonchi Begovich Jeremy Seamark Cr Michael Scott
Paraparaumu–Raumati	Fiona Vining (Chair) Jonny Best (Deputy Chair) Deborah Morris-Travers** Kathy Spiers Cr K Gurunathan Cr Murray Bell	Jonny Best (Chair) Guy Burns (Deputy Chair) Bernie Randall Kathy Spiers Cr Mark Benton Cr Fiona Vining
Paekākāriki	Philip Edwards (Chair) Steve Eckett (Deputy Chair) Sam Buchanan Jack McDonald*** Emily Boonen*** Cr Janet Holborow	Philip Edwards (Chair) Steve Eckett (Deputy Chair) Holly Ewens Paul Hughes Cr Janet Holborow

## Te Whakaminenga o Kāpiti

Te Whakaminenga o Kāpiti is one of the longest partnerships between tāngata whenua and local government in New Zealand. The partners are the Kāpiti Coast District Council and the mana whenua (people with authority over the land) on the Kāpiti Coast: Te Āti Awa ki Whakarongotai, Ngāti Raukawa ki te Tonga and Ngāti Toa Rangatira.

### Representatives

#### Rupene Waaka, JP (Chair)

Representing - Ngā hapū o Ōtaki  
Iwi affiliation – Ngāti Raukawa ki te Tonga  
Hapū affiliations – Ngāti Kapumanawawhiti | Ngāti Maiotaki

#### Mahinarangi Hakaraia

Representing - Ngā Hapū o Ōtaki  
Iwi affiliation - Ngāti Raukawa ki te Tonga  
Hapū affiliation - Ngāti Kapumanawawhiti

#### Andre Baker

Representing - Te Āti Awa Ki Whakarongotai Charitable Trust  
Iwi affiliation - Te Āti Awa ki Whakarongotai

#### Chris Geritzen

Representing - Te Āti Awa Ki Whakarongotai Charitable Trust  
Iwi affiliation - Te Āti Awa ki Whakarongotai

#### Kara Kearney - Alternate

Representing - Te Āti Awa Ki Whakarongotai Charitable Trust  
Iwi affiliation - Te Āti Awa ki Whakarongotai

#### Carol Reihana

Representing - Te Rūnanga o Toa Rangatira  
Iwi affiliations - Ngāti Toa Rangatira | Ngāi Tahu  
Hapū affiliation - Ngāti Haumia

#### Hohepa Potini

Representing - Te Rūnanga o Toa Rangatira  
Iwi affiliation - Ngāti Toa Rangatira

#### Leana Barribal - Alternate

Representing - Te Rūnanga o Toa Rangatira

#### K Gurunathan – Mayor

**James Cootes** – Ōtaki Ward Councillor

## Meeting attendance record of elected members

Council: 2013-16 triennium – 1 July 2016 to 14 October 2016

Council meetings (2)				Council committee meetings (11)			
<i>Elected member</i>	<i>Attended</i>	<i>Absent (leave)</i>	<i>Absent (apology)</i>	<i>Possible attendance</i>	<i>Attended</i>	<i>Absent (leave)</i>	<i>Absent (apology)</i>
Ross Church (Mayor)	2	-	-	6	6	-	-
Mike Cardiff (Deputy Mayor)	2	-	-	6	5	-	1
Diane Ammundsen	2	-	-	8 <sup>1</sup>	6	-	1
Murray Bell	2	-	-	11 <sup>1</sup>	10	-	-
Jackie Elliott	2	-	-	6	4	-	-
Penny Gaylor	2	-	-	9	7	-	2
K. Gurunathan	2	-	-	6	6	-	-
Janet Holborow	2	-	-	9	8	-	1
David Scott	2	-	-	6	6	-	-
Michael Scott	2	-	-	9	5	2	2
Gavin Welsh	2	-	-	6	6	-	-

1. This includes two District licensing committee hearing. Councillor Bell attended one as the alternate to Councillor Ammundsen.

Council: 2016-19 triennium – 25 October 2016 to 30 June 2017

Council meetings (12)				Council committee meetings (20)			
<i>Elected member</i>	<i>Attended</i>	<i>Absent (leave)</i>	<i>Absent (apology)</i>	<i>Possible attendance</i>	<i>Attended</i>	<i>Absent (leave)</i>	<i>Absent (apology)</i>
K Gurunathan (Mayor)	11	1	-	17	13	2	2
Janet Holborow (Deputy Mayor)	11	-	1	17 <sup>1</sup>	12	-	3
Mark Benton	8	2	2	15	10	3	2
Angela Buswell	11	-	1	10	10	-	-
Mike Cardiff	11	-	1	12	9	1	2
James Cootes	12	-	-	12	12	-	-
Jackie Elliott	11	-	1	10	8	-	2
John Howson	11	1	-	10	9	1	-
David Scott	8	-	4	15	11	2	2
Michael Scott	10	2	-	12	9	2	1
Fiona Vining	10	1	1	14	12	-	2

2. This includes two District licensing committee hearings which Councillor Holborow did not attend as she only attends as an alternate when Councillor Vining is not attending.

### Community boards: 2013-16 triennium – 1 July 2016 to 14 October 2016

The following tables detail attendance of community board members at board meetings between 1 July 2016 and 14 October 2016.

Ōtaki			
<i>Elected member</i>	<i>Attended</i>	<i>Absent (leave)</i>	<i>Absent (apology)</i>
James Cootes (Chair)	2	-	-
Rob Kofoed (Deputy Chair)	2	-	-
Christine Papps	2	-	-
Vacant	-	-	-
Cr Penny Gaylor	2	-	-

Waikanae			
<i>Elected member</i>	<i>Attended</i>	<i>Absent (leave)</i>	<i>Absent (apology)</i>
Eric Gregory (Chair)	2	-	-
Jocelyn Prvanov (Deputy Chair)	2	-	-
James Westbury	1	-	-
Jill Lloyd	2	-	-
Cr Michael Scott	2	-	-

Paraparaumu–Raumati			
<i>Elected member</i>	<i>Attended</i>	<i>Absent (leave)</i>	<i>Absent (apology)</i>
Fiona Vining (Chair)	2	-	-
Jonny Best (Deputy Chair)	2	-	-
Kathy Spiers	2	-	-
Vacant	-	-	-
Cr K. Gurunathan	2	-	-
Cr Murray Bell	2	-	-

Paekākāriki			
<i>Elected member</i>	<i>Attended</i>	<i>Absent (leave)</i>	<i>Absent (apology)</i>
Philip Edwards (Chair)	2	-	-
Steve Eckett (Deputy Chair)	2	-	-
Sam Buchanan	2	-	-
Emily Boonen	2	-	-
Cr Janet Holborow	2	-	-

### Community boards: 2016-19 triennium – 25 October 2016 to 30 June 2017

The following tables detail attendance of community board members at board meetings between 25 October 2016 and 30 June 2017.

Ōtaki			
<i>Elected member</i>	<i>Attended</i>	<i>Absent (leave)</i>	<i>Absent (apology)</i>
Christine Papps (Chair)	4	-	-
Marilyn Stevens (Deputy Chair)	4	-	-
Kerry Bevan	4	-	-
Shelley Warwick	4	-	-
Cr James Cootes	4	-	-

Waikanae			
<i>Elected member</i>	<i>Attended</i>	<i>Absent (leave)</i>	<i>Absent (apology)</i>
Jocelyn Prvanov (Chair)	5	-	-
James Westbury (Deputy Chair)	5	-	-
Tonchi Begovich	5	-	-
Jeremy Seamark	4	1	-
Cr Michael Scott	4	1	-

Paraparaumu–Raumati			
<i>Elected member</i>	<i>Attended</i>	<i>Absent (leave)</i>	<i>Absent (apology)</i>
Johnny Best (Chair)	5	-	-
Guy Burns (Deputy Chair)	5	-	-
Bernie Randall	5	-	-
Kathy Spiers	5	-	-
Cr Mark Benton	5	-	-
Cr Fiona Vining	4	1	-

Paekākāriki			
<i>Elected member</i>	<i>Attended</i>	<i>Absent (leave)</i>	<i>Absent (apology)</i>
Philip Edwards (Chair)	5	-	-
Steve Eckett (Deputy Chair)	5	-	-
Holly Ewens	5	-	-
Paul Hughes	4	-	1
Cr Janet Holborow	4	-	1



## Contact details of elected members

### Council



Mayor  
K (Guru) Gurunathan  
[k.gurunathan@kapiticoast.govt.nz](mailto:k.gurunathan@kapiticoast.govt.nz)



Districtwide Councillor  
Mike Cardiff  
[mike.cardiff@kapiticoast.govt.nz](mailto:mike.cardiff@kapiticoast.govt.nz)



Districtwide Councillor  
Dr David Scott  
[david.scott@kapiticoast.govt.nz](mailto:david.scott@kapiticoast.govt.nz)



Ōtaki Ward Councillor  
James Cootes  
[james.cootes@kapiticoast.govt.nz](mailto:james.cootes@kapiticoast.govt.nz)



Deputy Mayor and  
Paekākāriki/Raumati Ward Councillor  
Janet Holborow  
[janet.holborow@kapiticoast.govt.nz](mailto:janet.holborow@kapiticoast.govt.nz)



Districtwide Councillor  
Jackie Elliott  
[jackie.elliott@kapiticoast.govt.nz](mailto:jackie.elliott@kapiticoast.govt.nz)



Paraparaumu Ward Councillor  
Mark Benton  
[mark.benton@kapiticoast.govt.nz](mailto:mark.benton@kapiticoast.govt.nz)



Waikanae Ward Councillor  
Michael Scott  
[michael.scott@kapiticoast.govt.nz](mailto:michael.scott@kapiticoast.govt.nz)



Districtwide Councillor  
Angela Buswell  
[angela.buswell@kapiticoast.govt.nz](mailto:angela.buswell@kapiticoast.govt.nz)



Districtwide Councillor  
John Howson  
[john.howson@kapiticoast.govt.nz](mailto:john.howson@kapiticoast.govt.nz)



Paraparaumu Ward Councillor  
Fiona Vining  
[fiona.vining@kapiticoast.govt.nz](mailto:fiona.vining@kapiticoast.govt.nz)

## Community boards

### *Ōtaki*

The area covered by the community board includes north of Marycrest, Te Horo, Ōtaki north to Forest Lakes.



Christine Papps | Chair  
[christine.papps@kapiticoast.govt.nz](mailto:christine.papps@kapiticoast.govt.nz)

Marilyn Stevens | Deputy Chair  
[marilyn.stevens@kapiticoast.govt.nz](mailto:marilyn.stevens@kapiticoast.govt.nz)

Kerry Bevan  
[kerry.bevan@kapiticoast.govt.nz](mailto:kerry.bevan@kapiticoast.govt.nz)

Shelley Warwick  
[shelley.warwick@kapiticoast.govt.nz](mailto:shelley.warwick@kapiticoast.govt.nz)

### *Waikanae*

The area covered by the community board stretches from the Waikanae River in the south through to Peka Peka in the north.



Jocelyn Prvanov | Chair  
[jocelyn.prvanov@kapiticoast.govt.nz](mailto:jocelyn.prvanov@kapiticoast.govt.nz)

James Westbury | Deputy Chair  
[james.westbury@kapiticoast.govt.nz](mailto:james.westbury@kapiticoast.govt.nz)

Tonchi Begovich  
[tonchi.begovich@kapiticoast.govt.nz](mailto:tonchi.begovich@kapiticoast.govt.nz)

Jeremy Seamark  
[jeremy.seamark@kapiticoast.govt.nz](mailto:jeremy.seamark@kapiticoast.govt.nz)

### *Paraparaumu–Raumati*

The area covered by the community board includes from Raumati South through to Otaihanga.



Jonny Best | Chair  
[jonny.best@kapiticoast.govt.nz](mailto:jonny.best@kapiticoast.govt.nz)

Guy Burns | Deputy Chair  
[guy.burns@kapiticoast.govt.nz](mailto:guy.burns@kapiticoast.govt.nz)

Bernie Randall  
[bernie.randall@kapiticoast.govt.nz](mailto:bernie.randall@kapiticoast.govt.nz)

Kathy Spiers  
[kathy.spiers@kapiticoast.govt.nz](mailto:kathy.spiers@kapiticoast.govt.nz)

### *Paekākāriki*

The area covered by the community board includes the Emerald Glen area and Whareroa Road in the north, down to Fisherman's Table in the south.



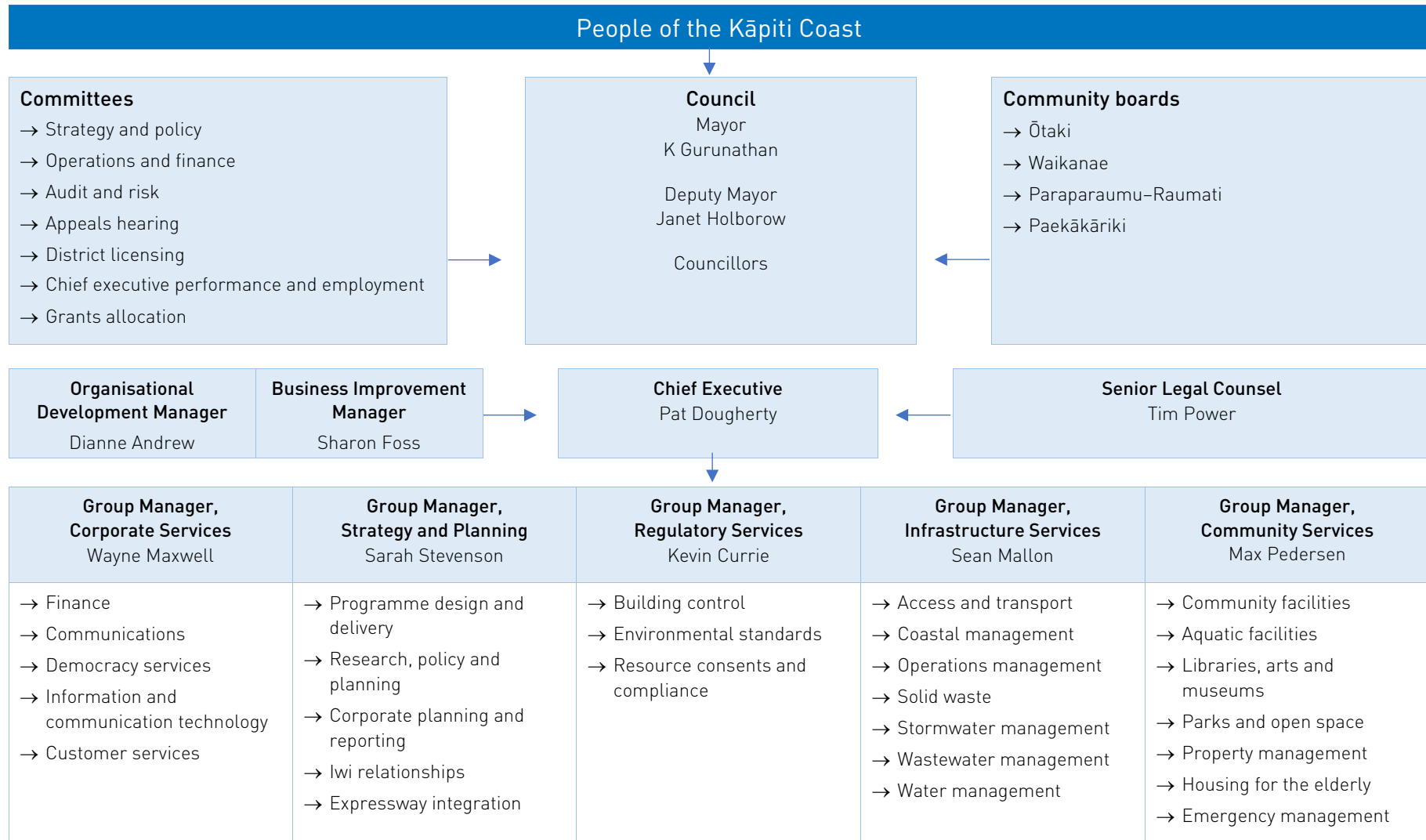
Philip Edwards | Chair  
[philip.edwards@kapiti.govt.nz](mailto:philip.edwards@kapiti.govt.nz)

Steve Eckett | Deputy Chair  
[steve.eckett@kapiti.govt.nz](mailto:steve.eckett@kapiti.govt.nz)

Holly Ewens  
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# Organisation structure



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