



Vibrant, diverse and thriving

FUTUREKĀPITI

Kāpiti Coast District Council
Annual report 2015/16

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Annual report 2015/16

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, consulted on and amended where necessary to produce an annual plan.

Reporting is accountability

These 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 2015/16 against the plans that were set out in year one of the *FutureKāpiti* Long term plan 2015-35.

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Statement of compliance and responsibility

1 July 2015 to 30 June 2016

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 2016 fairly reflect the financial position and operations of the council.



Ross Church

Mayor
Kāpiti Coast District

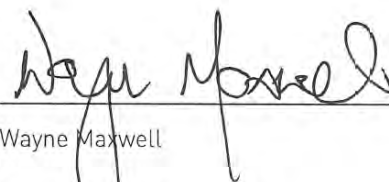
29 September 2016



Pat Dougherty

Chief Executive

29 September 2016



Wayne Maxwell

Group Manager
Corporate Services

29 September 2016

Foreword from the mayor

I'm pleased to present the Kāpiti Coast District Council annual report for 2015/16. In my third year as mayor, council has continued to make progress in many key areas, while also responding to opportunities and challenges that arose.

It's been a big year and a year of many beginnings. The 2015/16 financial year was the first of our *FutureKapiti* Long term plan 2015-35, a plan that was developed with significant input from across the community. Fundamental to the plan is our vision for Kāpiti. We agreed that we want to create a district that is vibrant, diverse and thriving. Council has been working to set in motion the projects and strategies that will bring this vision to life, such as the Te Ātiawa Park courts.

In addition, we have needed to respond to some major weather-related events. A significant stormwater programme review was initiated after floods in mid-2015, and extensive earthworks were required to clear a major slip at the Blue Bluff site on Ōtaki Gorge Road.

With the year's work well underway, it was time to once again refine our programme of work for the coming 12 months. It was heartening to get feedback during public consultation on the 2016/17 annual plan that reaffirmed the direction of our *FutureKapiti* Long term plan 2015-35. It's early days yet, but we're making strides and we're confident we're headed in the right direction. It's a powerful combination.

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 parties including town centres, water, the district plan, Māori economic development, treatment of bio-solids and the development of cultural impact assessments.

Waitangi Day 2016 commemorations, hosted by local iwi Te Āti Awa ki Whakarongotai in partnership with council, provided an opportunity to reflect on what it means to be a New Zealander while the Waitangi Day exhibition at Mahara gallery promoted the history of Te Āti Awa.

Fostering an inclusive community

We're committed to creating an inclusive and diverse community where everyone feels welcome and valued.

Progress on youth development centre

Council has put in place an important agreement with Zeal Education Trust to establish and run a youth development centre to provide social, developmental and recreation opportunities for young people in our district.

Premises for the centre have been secured in Paraparaumu and Zeal are raising funds for the fit-out. In addition to council funds and funds raised by Zeal, we were delighted by the commitment of

\$100,000 over the next five years by the Waikanae Lions Club. Over the year, Zeal has coordinated and collaborated on a raft of community events and launched its social enterprise venture; a coffee cart pop-up at Kāpiti College.

Developing an age-friendly district

Council is committed to an age-friendly approach to its projects. An age-friendly steering group was established at the start of the year to drive key community activities as part of the Age-Friendly Kāpiti initiative. The group is developing its values and objectives and will work with the Kāpiti Coast Older Persons' Council on key activities.

Supporting community groups

Through community contracts and grants council continues to fund a range of organisations that improve social outcomes for communities in the district. Contributing to these organisations is a function of council that is much valued by the community.

Welcoming new New Zealanders

Hosting citizenship ceremonies is always a special honour. This year we held five, one of which was hosted by Te Āti Awa at Whakarongotai marae. At our ceremonies, citizenship was conferred on 196 people from a range of countries, and we're delighted that they've chosen to make their homes on the Kāpiti coast.

A dynamic, growing district

We're creating an atmosphere that makes Kāpiti a district that is attractive to visitors, residents and businesses.

Events in our district are a great opportunity for locals to enjoy festivities in their own back yard, while also acting as a real draw-card to visitors from outside the district.

The team behind the Māoriland Film Festival were recognised with top honours at the recent Community and Civic Awards. The annual film festival, which has been running since 2014, brings the community together for a week of watching and sharing the experiences of indigenous films, inspiring and educating all parts of the community.

Supporting economic development

Council has been busy implementing the Economic Development Strategy. Progress has included the development of a visitor attraction plan, which was adopted by council in February 2016. The plan will guide activities in the visitor sector that target both the international and domestic market.

Work was also undertaken on the development of an events plan which will complement our visitor plan and both will underpin visitor attraction and tourism development across the district.

New water scheme begins operation

With our new river recharge with groundwater scheme coming on-stream and a reduction of water usage, we're in a strong position, with capacity available for growth before stage two of the scheme will be needed.

The river recharge with groundwater scheme was used on a total of 14 days through the summer, meaning no bore water was required for the water

supply to Waikanae, Paraparaumu and Raumati residents in times of low river flow.

As a result, it wasn't surprising to see a significant improvement in the number of residents satisfied with the taste of their tap water with the satisfaction score with council's water supply rising 17 percentage points this year to 68 percent.

An integrated approach to major projects

The expressway and the opportunities it creates are exciting for our district. Our response to these will shape our communities for future generations. We're taking an integrated approach and nurturing strong collaborative relationships with partners such as the New Zealand Transport Agency and Electra to ensure that we maximise the potential they present.

A number of initial 'building block' projects have been identified for Paraparaumu and Waikanae town centres that maximise the benefits of development opportunities. The community were invited to give feedback during May and June 2016. Design principles and values have been developed which, along with community feedback, will inform the final designs of these first building block projects.

Funding support has been confirmed from the New Zealand Transport Agency for the three year Stride 'N Ride works. With over 900m of pathways completed, the Stride 'N Ride programme is around a fifth of the way through. These new pathways will connect local communities to the expressway cycleway and, when completed, will give our district an integrated commuter cycling network

A direction-setting year

The 2015/16 year has seen council settle into implementation of our *FutureKāpiti* Long term plan 2015-35 as well as responding to unplanned events.

We've continued with our commitment to engage with our district, to ensure our direction and priorities reflect the needs of our diverse community. This work means we're in a strong position to continue on our journey to creating a vibrant, diverse and thriving Kāpiti.



A stylized, handwritten signature of Ross Church in black ink.

Ross Church BCA, JP
Mayor

Acknowledgement – Colin Pearce

Along with other councillors and members of the Ōtaki Community Board I was saddened by the death of board member Colin Pearce earlier this year.

Colin was elected to the Ōtaki Community Board in February 2011. He was dedicated to making Ōtaki a better place and advocating for his community. His contribution and service are remembered.

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 2015/16, 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
- Two iwi members were re-certified as environment commissioners
- Supported Waahi Tapu tours for the community
- Produced the annual maramataka (calendar) commemorating 100 years since World War I

- co-hosted Waitangi Day at Whakarongotai marae
- 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
- established rongoā mara (medicinal garden) in one council reserve
- delivered an annual work plan that builds the capacity of Māori
- published the Te Whakaminenga o Kāpiti newsletter quarterly 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 this current 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

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

Te Whakaminenga o Kāpiti initiatives and projects		Progress comment
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 – increased liaison between council and iwi on issues of significance, including the District Plan Water Working Group, Māori economic development.</p> <p>Corporate approach underpinning cultural understanding within council activities.</p>
	Increasing efficiency of iwi response to joint work	Improved communications between iwi and the council.
	Resource management	Ongoing participation in relevant training opportunities on resource management. Two commissioners were re-certified.
	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 2015/16 year saw the beginning of the work that council agreed it would deliver under the current long term plan. We made significant progress on a number of our key initiatives and major projects while continuing to deliver a full range of services to the community.

Our financial performance

We finished a challenging year with an operating deficit (that is, our revenue minus our operating spending) of \$3.04 million. This was better than our planned deficit of \$3.52 million. Further information is provided in our Financial overview on page 16.

During the year, we invested \$19.6 million on capital works across the district. Major items included \$6 million on roads, footpaths, cycleways and bridleways, \$4 million on stormwater projects, and \$2.8 million on improvements to our wastewater infrastructure.

Progress on key long term plan projects

Council has been busy working on delivering the key initiatives that were agreed with the community as part of the development of the *FutureKāpiti* Long term plan 2015-35.

These include ongoing work to use opportunities created by the expressway to transform and improve the Paraparaumu and Waikanae town centres and the redevelopment of the Te Ātiawa Park hard courts, which is substantially complete with a synthetic surface to be laid during the 2016/17 year.

We are working on the redevelopment of the Ōtaki pool to ensure it meets the needs of the community in future years and the council will be investing in the Kāpiti College performing arts centre, upon its

completion. Details of the agreement regarding community use of the centre are still being finalised.

Additionally, we are progressing our other major projects, which include the Paekākāriki sea wall, which we are proposing to complete earlier than originally planned and we have continued work towards our development plan for Otarua Park.

As the mayor described, the council has partnered with Zeal Education Trust to provide a youth development centre and associated mobile services in Kāpiti.

We are working with Friends of the Mahara Gallery who are fundraising for their contribution to the upgrade of the gallery.

Work is also well underway on our five-year project to assess around 1,500 earthquake-prone buildings in the district.

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

Annual plan 2016/17

During the year, council invited feedback from the community as plans for the 2016/17 year were finalised. Feedback was provided by 85 residents and groups on the draft annual plan, which helped to shape the final plan adopted by council at the end of June.

Dealing with weather events

Several major weather events meant that the council had to undertake significant unplanned work.

This included restoring access along Ōtaki Gorge Road to private property and popular recreational facilities within the Tararua Forest Park. More than 70,000m³ of debris and slip material has been removed, which is enough material to fill Paraparaumu's Coastland Aquatic Centre 25-metre pool 47 times.

Following last year's May 2015 flood event the council commenced a review of its stormwater work programme. This work will culminate in a revised programme of high priority projects which will be presented to council in February 2017 as part of the 2017/18 Annual Plan development process

Economic development

As the mayor has indicated, we have been busy implementing our economic development strategy. This has included a review of the visitor information services across the district. Following the review council decided to bring the management of the Paraparaumu i-Site visitor centre in house from July 2016. Early in the 2016/17 year the i-Site will move to a new location nearer to key transport hubs.

Districtwide planning

Significant work continued on the proposed district plan during the year. This included the release of a redrafted submitter engagement version of the plan and the establishment of a hearings panel. The panel includes three independent commissioners, an independent chair, and two councillor commissioners. Its establishment allowed the process to move from the engagement phase to the formal hearings.

By the end of June, the panel had completed seven hearings over 14 hearings days with 118 submitters having been heard. The hearings will continue until late 2016.

Preparing for local body elections

As part of preparations for the upcoming local body elections, the council heard and considered submissions to the Representation Review. Amongst other things, that review looked at the number of councillors we should have, how they should be elected and whether current ward and community board boundaries were appropriate. The outcome of that process recommended a boundary change between the Ōtaki and Waikanae Wards with some additions into the Waikanae Ward to align with the larger Waikanae Community Board boundary. The Local Government Commission confirmed the council's proposal. The boundary changes will apply to the 2016 local body elections.

Legislation impacts

Councils are now required to review their current arrangements for delivering services, managing assets and performing regulatory functions with a view to achieving cost effectiveness. The reviews, known as Service Delivery Reviews, need to consider governance, funding and delivery options. The council

has begun reviewing each of its thirteen activity areas.

Legislation changes in public health required councils to implement the requirements of the Food Act 2014 which came into force on 1 March 2016. This has involved considerable work by our environmental health team ensuring food businesses are up to speed with the new requirements.

Changes to the Building Act 2004 regarding the management of earthquake-prone buildings have similarly given our building team additional work organising initial seismic assessments with 151 buildings assessed to date.

Developing our 'open for business' culture

We are into the second year of implementing our 'open for business programme'. That programme includes a number of business improvement initiatives that are focussed on improving how we interact with customers. It is pleasing to see, for example, that our performance in terms of the timely processing of consents in the regulatory team significantly improved during the year.

It was also great to see a continuing improvement in overall resident satisfaction in the 2015/16 year. Of those residents with a view on council performance and its services and facilities, 79 percent were either satisfied or very satisfied compared with 74 percent in 2015 and 64 percent in 2014. Survey respondents were also asked whether or not they are happy with the value they get for the money they spend on council rates and fees, and 75 percent were satisfied.

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, making sure that our water supply is reliable and of good quality and our local roads are maintained.

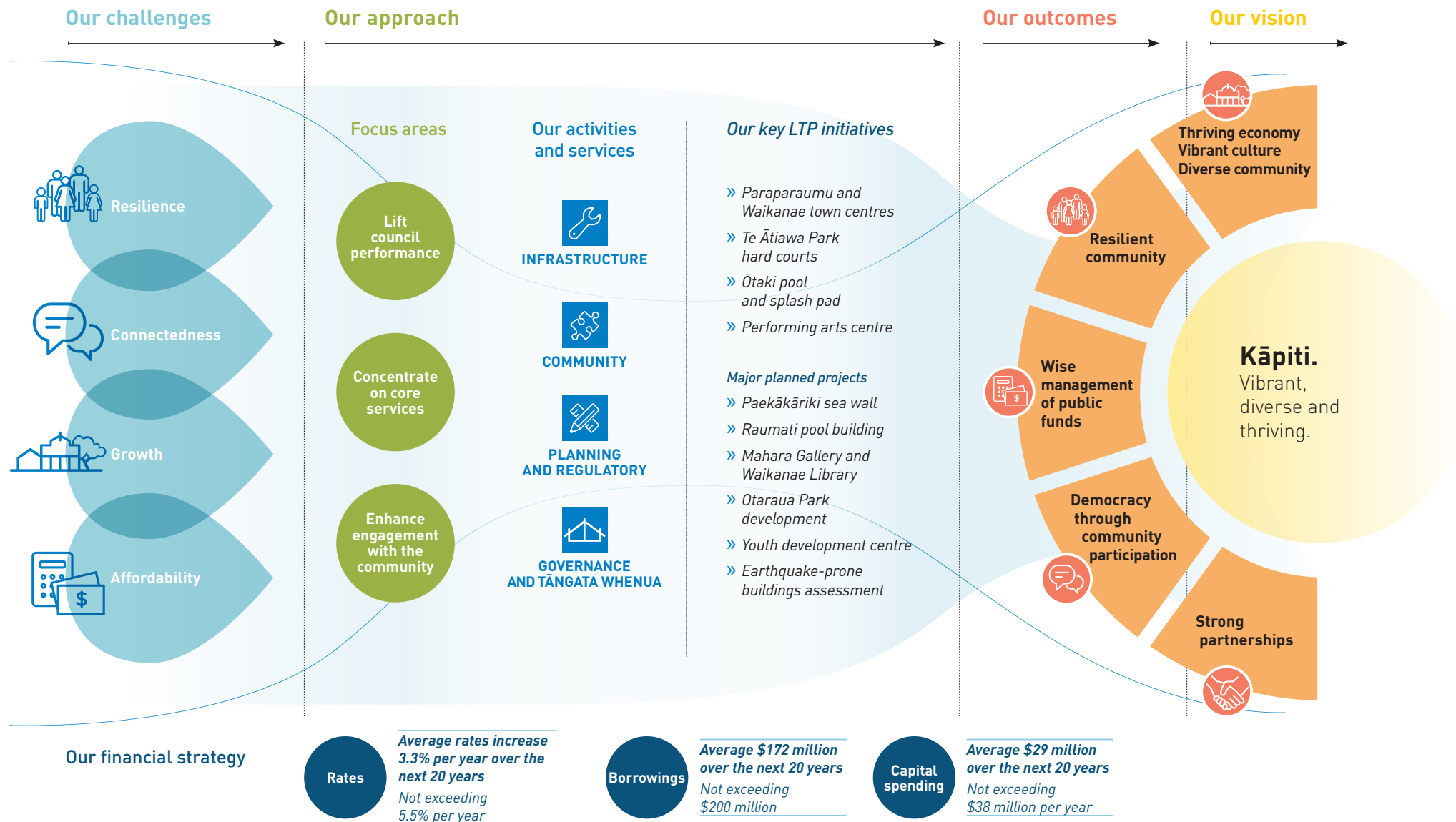
Our staff work very hard each day to ensure that we provide good value services to the people of the Kāpiti district and I'm proud of what we have accomplished in 2015/16.



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



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're using the opportunities created by the expressway to transform and improve Paraparaumu and Waikanae town centres. Concept designs have been developed for all priority projects and residents have provided feedback through open day events and submissions. The Kapiti Road upgrade will be the first town centre project to reach the construction phase in 2016/17.



Te Ātiawa Park hard courts

The hard surface courts at Te Ātiawa Park are used by thousands of netball and tennis players every year. Stage one of the project is now complete, with new asphalt courts and markings for both netball and tennis. The final stage of work will see an acrylic surface applied to the courts during 2016/17.



Ōtaki pool and splash pad

The Ōtaki pool requires a rebuild to ensure it meets the needs of the community into the future. Detailed design of the upgraded building is complete and a splash pad is planned next to the pool. The pool is due to close later in the year for an estimated eight months, while work is carried out.



Performing arts centre

We will invest in the Kāpiti College performing arts centre on completion. Details of the agreement with the college, including community use, are being finalised. Changes to the construction timetable for the centre mean our contribution is deferred until 2017/18. This investment will provide our community with access to facilities years before our previous plans would have allowed.



Six major projects were also given priority in the long term plan.

Paekākāriki sea wall

We plan to replace the Paekākāriki sea wall with a concrete, timber and rock wall to a design agreed to by the Paekākāriki community. Greater Wellington Regional Council has issued a resource consent for the work to proceed and construction is due to begin in the first half of 2017.



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

Mahara Gallery and the Waikanae Library form a gateway to Mahara Place. Neither the gallery nor the library were designed for the purposes for which they are now used and substantial upgrading of both facilities is needed. Preliminary work is underway while the Mahara Gallery Trust is fundraising for its share (two thirds) of the cost.



Otaraua Park

The 60-hectare destination park for sport and recreation between eastern



Otaihanga and the southern bank of the Waikanae River was purchased by the council in 2012 for the enjoyment of the community. Work on the development plan for the park is being aligned with the Community Facilities Strategy, and is due to be completed by the end of 2017.

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. A highly-visible site in Paraparaumu town centre has been secured for the centre. Work on fitting out the multi-functional facility is due to start in early 2017.



Assessing earthquake-prone buildings

The council has begun a five year project to assess around 1,500 earthquake-prone buildings in the

district. Over 150 buildings were assessed by structural engineers during 2015/16, with priority being given to buildings with a post-disaster function.



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

A snapshot of the year

The following is a selection of the projects completed and the day-to-day services delivered by council in 2015/16. For full details see our activities and services section (pages 19–87).



The operation of the river recharge scheme has meant we were able to continue to provide Waikanae river water to residents through a relatively dry summer with no disruption to supply.

We received a total of 18,832 service requests this year and dealt with more than 60,000 transactions across our three service centres.

We answered more than 85,000 customer service phone calls

79% of people surveyed in our 2016 resident opinion survey were satisfied with the overall performance of the council, up from 74% the previous year.

We regularly emptied around 500 waste bins in public spaces.

We maintained over 400 kilometres of local roads and more than 5,000 streetlights

More than 70,000 cubic metres of debris and slip material was removed from the Blue Bluff slip on Ōtaki Gorge Road – enough to fill the Coastlands Aquatic Centre 25 metre pool 47 times.

Flood mitigation works were completed in key locations.

We maintained nearly 200 kilometres of stormwater pipes and 11 stormwater pump stations

Waste minimisation education was delivered to 16 classes at three schools this year.

The town centres project has developed concept designs on all priority projects and we consulted with the public about these in June 2016.

The 2016 transport forum for older drivers was held in April with forty people attending.

We delivered up to 20,000,000 litres of water through 571 kilometres of pipes



A shared path was completed on Mazengarb Road to better connect with the new cycling and walking path alongside the expressway when it is completed in the near future.

“Mau Mahara” was launched – a digital database for more than 2,000 historical images of local people and places.

More than 1,000 young people took part in the council-supported annual Kāpiti Youth Festival in April 2016

We hosted journalists from a range of magazines over two days visiting local artists and sampling the best Kāpiti has to offer. Their articles will feature in national publications early in 2016/17.

A pilot project was undertaken by Ōtaki Library with a summer reading programme at Te Kura Kaupapa Māori o Te Rito School (full immersion te reo school).

We managed more than **80** kilometres of cycleways, walkways and bridleways



We led a successful community engagement on playground upgrade needs with over 150 people submitting their views.

Greater focus was given to economic development initiatives, including bringing the management of the Paraparaumu i-Site in house to boost promotion of the district.

We maintained nearly **500** hectares of parks and sports grounds

Following consultation with the Ōtaki community, a basketball half-court has been built at Haruatai Park.

As a result of working with Mackays to Peka Peka (M2PP) Alliance and the local community, an upgrade of Makarini Reserve is underway, fully funded by M2PP.

The Kāpiti Arts Trail, run over two weekends for the first time in late October/November 2015, was a great success with locals and visitors having more time to get around the different sites and talk to artists.

Bright's Ridge Skyline Track was developed over private farmland continuing the walkway from Barry Hadfield Nikau reserve.

Waitangi day celebrations were co-hosted with Te Āti Awa at Whakarongotai marae in Waikanae.

Over **690,000** items were borrowed from the districts libraries

Matariki 2016 was celebrated with a range of events around the district over eight weeks, raising awareness of Matariki and fostering community spirit.

A four week te reo Māori programme was held at Ōtaki Library and received extremely positive feedback.

Council environmental sustainability services were promoted at community events and festivals.

We hosted around **300,000** visitors at our three pools

We issued more than 1,000 building consents and 230 resource consents over the year.

There were five citizenship ceremonies which conferred New Zealand citizenship on 196 people from a wide range of countries.

We registered around **99.9%** of the district's approximately 7,000 dogs



We supported three successful major events – the Māoriland Film Festival, the Ōtaki Kite Festival and the international music event 'Coastella'.

The Dog Safety programme was introduced to educate school children on safe behaviour around dogs.

We looked after more than 2,300 different buildings and structures.

Development of the Proposed District Plan continued with over 14 days of hearings and 118 submitters being heard.

Financial overview

This overview gives a summary of the major aspects of our financial management and results for the 2015/16 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 19–87 and the full financial statements in the *Our finances* section, pages 89–144.

Financial context

Kāpiti Coast
District Council
is an entity of **\$1.3 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. In order to do this, we regularly revalue our assets. This year, we revalued our water, wastewater, stormwater and flood protection assets. This resulted in a \$29.89 million increase in value to these assets, mainly due to increased pipe replacement costs.

Financial performance

Operating profitability

Currently, council does not fully fund its asset depreciation, so we had planned to make a deficit of \$3.52 million. 2015/16 brought several unexpected costs for the council. Through some additional revenue, reprioritisation and careful financial

management, we achieved an actual deficit of \$3.04 million, being \$479,000 better than planned.

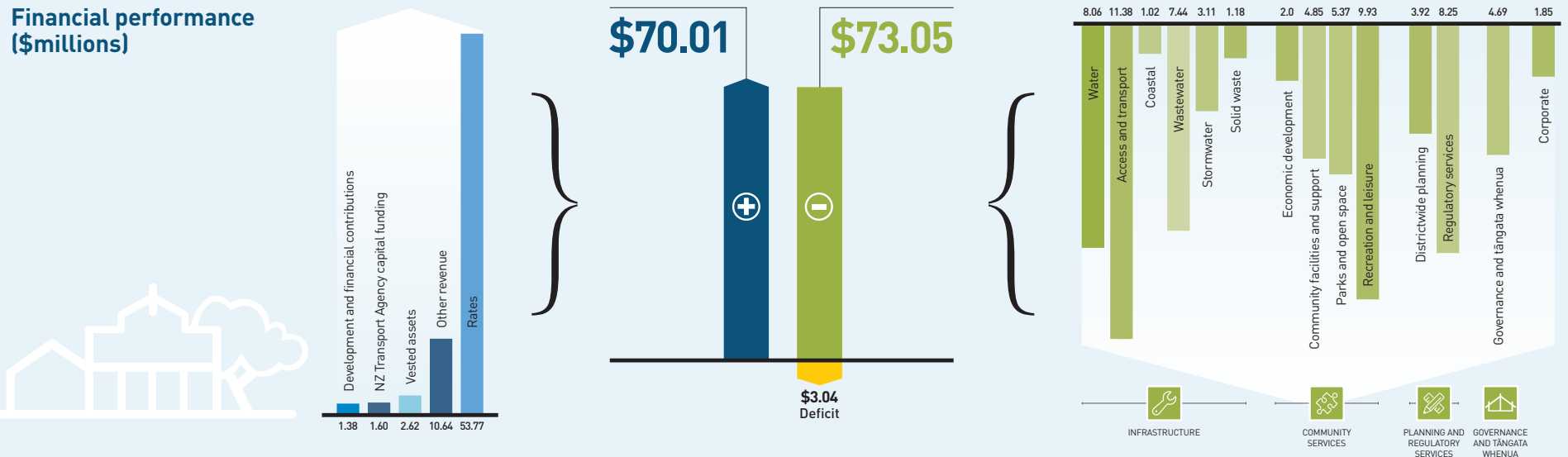
Note that our financial strategy progressively moves to fully funding annual depreciation of assets.

Capital spending

We had budgeted to spend \$26 million on capital work but some projects were delayed and have been carried forward to 2016/17.

We spent **\$19.6 MILLION** during the year on capital work

Financial performance (\$millions)



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 2016, we had total assets of \$1,505 million. Of this, infrastructure (water, stormwater, wastewater, roads, bridges, cycleways, walkways and bridleways) accounts for \$1,305 million and the remainder includes community facilities, parks and open space and financial assets.

Our liabilities are \$203 million – with 79% of this being medium to long term borrowings from the Local Government Funding Agency and banks. Other liabilities include money owed, for example, to suppliers.

The difference between total assets and liabilities means ratepayers' equity in the council is \$1,302 million.

Cash and debt management

We ended the year with net debt (total borrowings less cash and cash investments) of \$142 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 Standard and Poor's credit rating of

A+

Maintaining our credit rating was a good outcome in a generally difficult financial environment. It is beneficial too because it helps to reduce our borrowing cost (which supports our financial strategy).

We pre-funded

\$10 MILLION

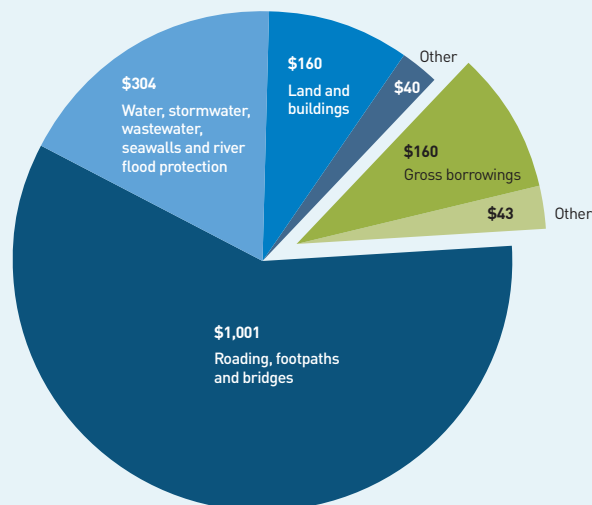
of debt maturing in December 2016 to manage our maturity risk profile

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 130 – 134.

Financial position (\$millions)

\$1,505
Assets



\$203
Liabilities

79% of council's liabilities are medium to long term borrowings from the Local Government Funding Agency and banks

\$1,302
Total ratepayers' equity

87% of council's assets are infrastructure (water, stormwater, wastewater, roads, bridges, cycleways, walkways and bridleways)

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, and



Governance and tāngata whenua.

In each cluster there are a number of specific services and activities. For each one of those we've outlined what has been achieved in 2015/16 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 storm water, 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 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 kapiticoast.govt.nz

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. Council's work to encourage water conservation together with the introduction of a volumetric charge for water on 1 July 2014, have resulted in a marked reduction in peak day water use. This has set the scene for the success of the river recharge with groundwater scheme.

River recharge with groundwater scheme

Scheme achieves green four star rating

During the 2015/16 year the river recharge with groundwater scheme was given a green four-star rating by Greater Wellington Regional Council (GWRC) for 2014/15. This is the highest rating for complying with a resource consent and means the scheme complies and its management has been excellent.

In its report, GWRC identified a number of key milestones that were achieved including completion and certification of conditions required to operate the scheme; completion of 2014/15 baseline monitoring; working with iwi, GWRC and key stakeholders; and the upgrade of the Waikanae Water Treatment Plant.

Scheme operational from October 2015

In mid-October 2015 GWRC confirmed that all consent conditions had been met to allow the use of the river recharge with groundwater scheme.

The scheme was first used on 16 October 2015 for 12 hours and on a total of 14 days throughout the summer this year. The use of river recharge has meant Waikanae, Paraparaumu and Raumati residents were able to be provided with water from the Waikanae river in times of low river flow and no bore water was required to enter into the water supply.

Scheme extension imminent

All works have been completed for the first stage of the river recharge scheme. Approval from GWRC for use of the three new bores and a redeveloped existing bore for river recharge is imminent..

This will provide security for the Waikanae water supply scheme up to 23,600m³ per day. With the current peak day use having now fallen to 15,773m³ per day there is capacity for growth before stage two will be 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 of leaks on both council supply network and on private property
- establishing benchmark water loss estimates and tracking improvements against those
- 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.

Thorough environmental monitoring

Under the terms of the resource consent for the river recharge scheme, council is required to undertake a period of baseline monitoring. 2015/16 marks the completion of the second year of environmental baseline monitoring for the scheme. The annual reporting process is underway and a further year of monitoring is required to complete the three-year environmental baseline period.

During the next year we will be able to use recharge up to a maximum of 20% of the river flows if required.

When fully operational, no bore water will be needed for water supply during normal operations. However, until baseline monitoring is completed next year and full recharge is permitted, there remains the potential to need to use bore water for supply.

Review of water charging regime

The Charging Regime Advisory Group (CRAG) completed the planned review of the council's water pricing in early 2016. CRAG concluded that in large part the current regime, reinforced by council's own conservation measures, has worked and indications are that it has achieved a considerable degree of public acceptance.

It concluded that while some minor adjustments may be necessary from time to time to ensure the regime's continuing viability, the current principles and structure (the 50/50 fixed/volumetric split) should remain in place.

CRAG offered seven recommendations to council for the future charging for water in Kāpiti. These focused on maintaining the original principles of the regime, while dealing with the practical issue of ensuring full cost recovery and continuation of the council's efforts to publicise the importance of water conservation.

The council adopted CRAG's recommendations and set the fixed charge for 2016/17 at \$199 per annum and the volumetric charge at \$1.04 per cubic metre (1,000 litres).

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 2015/16.

A section of the water main along Otaihanga Road was replaced and realigned, taking advantage of the Mackays to Peka Peka expressway works in early 2015/16.

The Riwai reservoir outlet pipe embankment in Paraparaumu suffered scouring damage from heavy rains in 2015. Reconstruction of the embankment to protect the pipe from future scouring was completed at the end of November 2015.

Reservoir upgrades

At the Riwai reservoir a new access staircase was installed in May 2016 to improve operational safety. The staircase replaces the existing ladder access providing an inherently safer method of access to the roof of the reservoir which houses communications equipment.

The roof replacements on the Hautere Water Scheme Reservoirs were completed in February 2016. During this work access ladders were also renewed and safety platforms added to the reservoirs along with other minor maintenance to improve operational safety.

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 contract was awarded in January 2016 to review and investigate the scope of the proposed stage two renewals. 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.



The clarifier at the water treatment plant

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. That target was surpassed in 2014/15 at 437 l/p/d and 2015/16 saw it reduce further to 420 l/p/d in peak day water use. While the target was met across the district as a whole, the Ōtaki scheme remains marginally above the target this year at 511 l/p/d following reductions from last year.

Over the last two years, improvements have been made to the water use management procedures and processes which are now becoming business as usual. The introduction of consumer water metering has provided valuable information about the district's water use which has been incorporated into water use management processes.

In 2015/16, to ensure that peak water use remained on target, the water conservation effort focused on:

- rolling out the suite of water use management system improvements
- continuing assistance to residents to reduce water use and repair leaks which was delivered through services such as the water conservation advisor, green gardener, eco design advisor and water education support
- supporting the first Charging Regime Advisory Group (CRAG) review on water pricing, and
- monitoring network performance and targeted leak location and repair activities.

The key results for 2015/16 include:

- Leak detection surveys were conducted across 53.5km (11%) of the water supply network. An estimated 316m³/day of water loss was identified during the surveys and has now been repaired.
- In addition to the now business as usual leak detection and repair programme, the cause of historical leaks was analysed to identify trends or issues in the performance of the water networks. The study focused on service pipes (laterals) and indicated that, over time, specific pipe materials had performed poorly. Targeted data was collected over 2015/16 to inform the pipe renewals planning for 2016/17. A trial lateral renewal project is also proposed for 2016/17.
- The water loss from the council's network in 2015/16 was an estimated 3,584 m³/day, which is 23.6% of the average daily supply.
- Council undertook 651 repairs across the water networks in 2015/16.
- The 172 new homes built in 2015/16 all included water saving measures as required under the District Plan.
- Over 333 properties applied for a credit for water lost due to a leak. In total, 140,715m³ of water was estimated to have been lost through leakage and the cost credited back to the consumer.
- Twenty properties took up the interest-free rates payback scheme to install a rainwater tank or greywater system for outdoor irrigation.

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 (10 minutes)	Median attendance time for 72 urgent water interruptions was 10 minutes.
		Non-urgent = less than or equal to 3 days	Achieved (less than 3 days)	Median attendance time for 791 non-urgent water faults was less than 3 days.
	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 (1 hour and 15 minutes)	Median resolution time for 72 urgent water interruptions was 1 hour and 15 minutes.
		Non-urgent = less than or equal to 4 days	Achieved (less than 4 days)	Median resolution time for 791 non-urgent water faults was less than 4 days.
	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	<p>a) Achieved Part 4 of the standards met 100% for all water supplies in the district</p> <p>b) Not achieved Part 5 of the standards not met 100% for all supplies in the district</p>	<p>a) The water supplies for Paekākāriki, Paraparaumu/Raumati, Waikanae, Ōtaki, and the small supply at Hautere all met part 4 of the standards 100%.</p> <p>b) The water supply for Waikanae and for Paraparaumu/Raumati met part 5 of the standards 100%. The supplies for Ōtaki¹, Paekākāriki², and Hautere³ did not meet part 5 of the standards 100%.</p> <p>In regard to 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:</p> <p>i) to take all practicable steps to comply with the standards, and</p> <p>ii) introduce and implement approved water safety plans for the relevant supplies.</p>

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 Paekākāriki supply has all appropriate barriers in place however due to the age of the existing filter housing, the micro filters are not certifiable. This is programmed for upgrade in 2016/17 following the relocation of the treatment plant filters for Transmission Gully.
3. The installation of micro filters at Hautere Supply is programmed for 2016/17. 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.

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%	Not achieved (68%)	The Resident Opinion Survey of May 2016 reported a substantial improvement in satisfaction with the quality of council's water supply. Satisfaction was 68% this year compared with 51% in the previous year. This improvement was expected as a result of the river recharge scheme as this meant bore water was not added to the water supply in 2015/16.
	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>(New mandatory measure)</i>	Maintain or reduce 2014/15 baseline (4.7 per 1,000 connections)	Not achieved (5 per 1,000)	115 'complaints' were logged for the year (43 water quality complaints, 72 service requests for no water supply). With a total 22,973 connections this equates to 5 complaints per 1,000 connections. We have no data for water pressure complaints in the 2014/15 baseline year but have started recording this year so it can be included in a 2015/16 baseline for the 2016/17 target. There have been 27 water pressure complaints 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 (420 litres per person per day)	The peak day water use was 420 l/p/d, slightly below last year's 437 l/p/d. It was well below the 490 l/p/d target for 2016/17. Average water use was 325 l/p/d.
	Percentage of real water loss ¹ from the council's networked reticulation system <i>(New mandatory measure)</i>	Establish a baseline in 2015/16 that is no greater than 2014/15 and monitor	Monitor only	The overall real water loss ¹ from the council's network in 2015/16 was an estimated 3,584 m ³ /day. This measure includes an allowance for meter under-registration but we have no estimate for water theft. It was calculated as 3,680 m ³ /day for 2014/15 (this measure did not include an estimate for meter under-registration) ² .

1. 'Real water loss' is defined by the DIA as *real losses through leaks in the network and apparent losses through metering inaccuracies and water theft*.

2. The 2014/15 measure was calculated using the industry standard BenchLossNZ methodology and is not directly comparable with the 2015/16 measure (which is based on the DIA real water loss definition).

Financial results for the year ended 30 June 2016

Water management – cost of activity			
2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Budget \$000
	Expenditure		
4,124	Other operating expense	3,280	3,612
2,468	Depreciation and amortisation	2,865	2,636
1,773	Finance expense	1,915	2,071
8,365	Operating expenditure	8,060	8,319
	Revenue		
185	Fees and charges	36	39
263	Development and financial contributions revenue	299	101
448	Operating revenue	335	140
7,917	NET OPERATING COSTS	7,725	8,179
	Capital items		
5,839	Asset renewal	731	1,129
4,654	New assets upgrade	474	201
10,493	Total capital items	1,205	1,330
18,410	NET COST OF ACTIVITY	8,930	9,509
8,055	Rates	7,854	8,136
4,654	Borrowings	474	201
5,839	Depreciation reserve	731	1,129
-	Movement in other reserves	23	[3]
(264)	Reserves and special funds	(299)	(101)
126	Unfunded depreciation	147	147
18,410	TOTAL SOURCES OF FUNDS	8,930	9,509

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 as detailed in our sustainable transport strategy 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.

Over the past four years, access and transport projects have been continually reviewed to assess the expected effects of the expressways, and the impacts on council's maintenance, renewal and capital works schedules.

Roading improvements

Further upgrades to Kāpiti Road

In conjunction with progress toward completion of the Mackays to Peka Peka (M2PP) Expressway, further work has started on improvements to the Kapiti Road/ Arawhata Road intersection and on upgrading Kapiti Road east of Arawhata Road up to Ngahina Street.

Preparatory work on the intersection improvement started in 2015 and is due for completion later in 2016. Traffic lights will be installed and operational prior to the opening of the expressway.

The upgrade work on Kapiti Road east of Arawhata Road includes the removal of power poles, undergrounding of power lines and widening of the footpath creating a shared walkway/cycleway on the

south side of Kapiti Road. Electra is contributing to the cost of undergrounding the powerlines. Work is due to be completed by September 2016 prior to the opening of the M2PP Expressway.

This improvement work will link in with earlier improvements to the Rimu Road intersection with Kapiti Road and provide safer access for cyclists to the new cycleway alongside the expressway when that work is completed.

Extension of Smithfield Road

A new access road from Ngarara Road to the east of Smithfield Road is under construction by the M2PP Alliance to provide an access link for future development between Waikanae North and Waikanae Beach. Construction, which is being undertaken by the M2PP Alliance, is expected to be completed in 2016. The stream diversion work and riparian planting has been completed.

Road reconstruction and sealed road resurfacing

The annual reseal programme was completed in accordance with NZ Transport Agency (NZTA) requirements. In particular: a total of 20.1 kilometres of chip seal and asphalt was resurfaced; a few roads with weak subgrade were overlaid with polymer asphalt to add a structural layer; and a number of smaller areas of road pavement were rebuilt to maintain pavement integrity.

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, NZTA and other road safety partners
- promotion of active travel modes and public transport
- design 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 and development of cycleways, walkways and bridleways
- advocacy for public transport services
- planning and design, linked to wider district development projects, and
- traffic and transport enforcement by regulations, standards and bylaws.

District footpath renewal

Footpaths were replaced across the district in conjunction with other roading project upgrades. A number of sites were completed with approximately 2,968m² of footpaths upgraded.

Emergency works

Ōtaki Gorge Road was closed at Blue Bluff (13km inland from State Highway 1) in December 2015 due to a number of slips occurring, ongoing stability, and public safety concerns.

Blue Bluff is an unstable area that has progressively slipped over a number of years. Council last undertook remedial work in 2002.

Work to undertake major remedial earthworks commenced in April 2016 and the works were substantially complete at the end of June 2016. The road re-opened to the public in mid-July 2016.

Approximately 70,000m³ of material (loose measure) has been removed from site, using Global Positioning System design technology.



Work on the slip at Blue Bluff above the Ōtaki River

Cycleways, walkways, bridleways (CWB)

Council has confirmed funding support from NZTA for the three-year Stride 'N Ride works after the acceptance of our Programme Business Case (PBC). The PBC is for a nine year funding period. The third funding gate, the Indicative Business Case for the three-year programme has been approved.

Overall, the Stride 'N Ride programme is approximately 20% of the way through, with the following work completed:

- The safer crossing point on Poplar Avenue and associated entrance treatment to the Queen Elizabeth Park (QEP) cycleway.
- Construction of the QEP cycleway, Te Ara o Whareroa, through the Tilley Road Reserve.
- The shared path on Mazengarb Road from Paraparaumu College to Makarini Street.
- The Waterstone Link project.

Work is underway on the following pathways:

- Site visits to Otaihanga Road, Kapiti Road and Guilford Drive with the CWB Advisory Groups have added refinements to final designs and further consultation and community board approval will be sought.
- Poplar Avenue slow zones design is under peer review prior to public consultation.
- Refining of the design for the Poplar Avenue extension to the Expressway cycleway is underway.
- Designs are being developed to confirm the suite of treatments for the Raumati Road corridor.
- Initial concept designs for Park Avenue/Ngaio Road will be presented to the Waikanae Community Board in August 2016.

School traffic safety

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

- Pedestrian crossings at three schools were upgraded to slow traffic down.
- Four more schools had upgrades to web-based advance warning safety school zone signs so they can be controlled and monitored remotely.
- The new Police School Education Officer for Kapiti-Mana has progressively updated the training of all ten primary schools and one intermediate school operating patrol crossings.

Road safety

Council, jointly with the New Zealand Police and the Greater Wellington Regional Council, supported a road safety campaign targeting key risk areas for Kāpiti: alcohol and drugged drivers, motorcycle safety and older drivers. There has been radio advertising about cell phone use and general driver distractions, bicycle safety, older drivers, driver fatigue, pedestrian crossings, seat belts, child restraints and drink driving.

As part of the transport safety education programme, Driving with Confidence courses were held regularly in Paraparaumu and Ōtaki with thirteen courses being run throughout the year. The course is designed to refresh driving skills and build the confidence of all motorists.

Skills training was carried out with the Kapiti Mobility Scooter club in February 2016 and safety flags continue to be provided free.

The Burt Munro Motorcycle event was held in late November 2015. Over five days all the Wellington Regional Road safety coordinators, ACC, NZTA and

Greater Wellington Regional Council (GWRC) spoke to 300 motorcyclists heading to the event including 25 from Kāpiti, promoting the ACC Ride Forever motorcycle training courses and wearing 'All the gear, All the time'.

The Shiny Side Up, Bike Fest Regional Motorcycle event, organised by NZTA, ACC and the GWRC was attended by 1,000 motorcyclists at the Southward Car Museum in February 2016. The event promoted the ACC Ride Forever motorcycle training courses and, due to its success, will be an annual event from 2017.

Our council, together with Porirua City Council, held two motorcycle education events at the Paekākāriki Hill Road Summit and completed 69 motorcycle surveys.

The third Transport Forum for Older Drivers was run in April 2016 in the council chambers with forty people attending. They were presented with information on a wide range of both local services and transport options available to older persons as a viable alternative to using private transport.

Low-energy streetlights

58 LED luminaires were added to the local road lighting network in 2015/16, bringing the total installed to date to 305. The combined energy saving of these lights is 58% compared with conventional technology. This equates to 68,300 kWh in avoided energy use per year. LEDs were installed in locations all around the district including new developments such as Waikanae North and the Mackays to Peka Peka cycleway.

Expressway projects

Council continued its significant monitoring, consenting and liaison role in the four expressway projects underway or in development in the district. 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

Construction of the Mackays to Peka Peka Expressway made further good progress and is on target to be opened in December 2016 and reach final completion in March 2017. Council has been closely involved in this project, overseeing construction and certifying site-specific management and vegetation retention plans for all stages of the project.

Council officers are also checking to ensure construction of the expressway complies with the approved and certified plans.

Peka Peka to Ōtaki

The high level design for the Peka Peka to Ōtaki Expressway project has been completed. The tender for the detailed design is due to be awarded in November 2016 and construction is planned to begin around July 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.

Preliminary construction started in September 2014 and major construction in the spring/summer of 2015. Transmission Gully is expected to be operational by 2020.

Ōtaki to Levin

The Ōtaki to Levin Expressway project is progressing. NZTA has completed safety improvements starting at Manakau and Ohau. Further work will be done for the future four-lane route with the lodgement of the resource management application to follow. Construction is programmed to begin in 2019.

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 (61%)	Resident Opinion Survey result reported in May 2016. Result chiefly due to dissatisfaction with impact of expressway works on local roads.
	Number of serious and fatal crashes on district roads is falling (excludes SH1) <i>(New mandatory measure)</i>	Reduce annually from 2014/15 baseline of 9 serious and fatal crashes	Achieved (6 serious injury or fatal crashes)	Five serious injury and one fatal crash in the 2015/16 year reported as at 25 August 2016 on the Crash Analysis System database. Data can have a 3-6 month reporting lag so result is provisional.
	Residents that are satisfied with street lighting	85%	Achieved (89%)	Resident Opinion Survey result reported in May 2016.
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>(New mandatory measure)</i>	5% (equivalent to 20.1 kilometres)	Achieved (20.1 km resurfaced)	Total sealed roads is 402km, so 5% target is 20.1km.
	Residents that are satisfied with the condition of the road network	70%	Achieved (84%)	Resident Opinion Survey result reported in May 2016.
	Residents that are satisfied with the condition of the footpath network	70%	Not achieved (66%)	Resident Opinion Survey result reported in May 2016.
	Roads that meet smooth roads standards <i>(New mandatory measure)</i>	Overall smooth travel exposure is above 85%	Achieved (88%)	
	Average cost of the local roading per kilometre is comparable with similar sized districts in New Zealand	Achieve	Data not available	Data not available from NZTA in time to be included.
	Percentage of service requests relating to roads and footpaths responded to within 24 hours of notification <i>(New 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>(New mandatory measure)</i>	Target footpath condition rating (percentage compliant with standards)	Monitor only	No condition rating information is available and no budget was available to carry out this work in the 2015/16 year. The footpath inventory has been audited in 2015/16 and a baseline forwards work programme will be established in 2016/17 developing the target condition rating.

Financial results for the year ended 30 June 2016

Access and transport – cost of activity statement			
2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Budget \$000
	Expenditure		
5,978	Other operating expense	5,054	4,697
4,560	Depreciation and amortisation	4,918	4,724
1,460	Finance expense	1,408	1,482
11,998	Operating expenditure	11,380	10,903
	Revenue		
413	Fees and charges	26	61
3,207	Grants and subsidies	3,246	4,242
120	Development and financial contributions revenue	397	197
226	Other operating revenue	249	261
3,966	Operating revenue	3,918	4,761
8,032	NET OPERATING COSTS	7,462	6,142
	Capital items		
2,572	Asset renewal	2,033	2,029
2,587	New assets upgrade	3,971	4,478
5,159	Total capital items	6,004	6,507
13,191	NET COST OF ACTIVITY	13,466	12,649
5,438	Rates	5,195	4,962
2,587	Borrowings	3,479	1,835
2,572	Depreciation reserve	2,033	2,029
-	Development and financial contributions	-	881
(93)	Reserves and special funds	(381)	(198)
2,687	Unfunded depreciation	3,140	3,140
13,191	TOTAL SOURCES OF FUNDS	13,466	12,649

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

Council carried out the following coastal maintenance activities:

- sand replenishment at Marine Parade, Paraparaumu
- re-piling timber posts at Rosetta Road, Raumati
- re-stacking rocks at Paekākāriki.

We also completed a Beach Surve" from Ōtaki to Paekākāriki (approximately 35km). This work will enable council to map the beach profile to assess beach accretion and erosion over time. The work began in mid-April 2016 and was completed in June 2016.

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.

Approval was gained from council and the Paekākāriki Community Board in July/August 2015 to

submit a resource consent application to the Greater Wellington Regional Council (GWRC) based on the agreed concept design.

The draft resource consent application was prepared and a pre-lodgement application meeting was held with GWRC in October 2015 to identify any additional information needed. Following that, a coastal impact assessment, required by GWRC was completed in December 2015.

The resource consent application was then submitted to GWRC in March 2016 together with associated documents and affected party approval forms. GWRC advised that the application would be treated as a non-notified consent reflecting the focus over the previous year on ensuring good consultation and engagement with the Paekākāriki community as well as the wider community through consultation on the Long term plan.

In May 2016, 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. The plan now is to complete the detailed designs by December 2016 and commence construction in March 2017. The new sea wall is expected to be completed earlier than forecast in the Long term plan.

Coastal management includes the following services and programmes:

- upgrading and maintenance of existing community-owned seawalls
- 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.

Marine Parade, Paraparaumu – modifications to the rock revetment

Council had two meetings in early 2015 with a group of local residents (one meeting was attended by GWRC as well) to discuss the options for carrying out modifications.

Residents living across from Marine Parade and residents living further south have different views on the current structure. Local residents who are not in

favour of the current structure also presented their preferred option.

Council considered ten options (including the residents' preferred option) and completed the following:

- Concept design plans and cost estimates
- Multi-criteria assessment
- Coastal process assessment.

Residents not in favour of the current structure requested council to consider another option which is currently being assessed.

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

Inventory of coastal structures

An inventory of coastal structures was undertaken over six months and completed in December 2015. Information was collected on 766 assets (walls, accessways, and stormwater outlets).

Planting

As part of the coastal restoration programme, approximately 1,500 native sand-binding plants were planted on fore-dunes between Paraparaumu and Ōtaki, focussing 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%	No urgent requests	No urgent requests or failures of sea walls or rock revetments in the year. Some non-urgent requests and sand replenishment dealt with.
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 2016

Coastal management – cost of activity statement

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Budget \$000
	Expenditure		
530	Other operating expense	341	326
482	Depreciation and amortisation	490	527
195	Finance expense	187	167
1,207	Operating expenditure	1,018	1,020
	Revenue		
-		-	-
-	Operating revenue	-	-
1,207	NET OPERATING COSTS	1,018	1,020
	Capital items		
57	Asset renewal	371	384
73	New assets upgrade	127	140
130	Total capital items	498	524
1,337	NET COST OF ACTIVITY	1,516	1,544
1,042	Rates	825	827
73	Borrowings	127	140
57	Depreciation reserve	371	384
165	Unfunded depreciation	193	193
1,337	TOTAL SOURCES OF FUNDS	1,516	1,544

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

The 2015/16 work programme has focused on the areas detailed below.

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 the 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 November 2015, council decided to bring forward the installation of a number of sections of the duplicate sewer main to take advantage of the Mackays to Peka Peka (M2PP) Expressway construction. Bringing forward this work, so it can be done in conjunction with M2PP works, provides opportunities for cost saving and minimises future disruption and duplication of effort.

To achieve this within existing wastewater budgets, 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. As a result of further discussions with M2PP and NZTA, the remaining sections of the

Waikanae duplicate rising main will now also be installed in the expressway corridor in 2016/17 before the road is opened.

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.

Network reconfiguration deferred

The Paraparaumu north wastewater network reconfiguration works budget (\$300,000) was also deferred to provide funding for the work on the Waikanae duplicate rising main. That work will now be done in 2016/17.

Wastewater pumping stations

Ōtaki wastewater pumping station renewal

The pumping station off Riverbank Road extension in Ōtaki services 30% of Ōtaki residents. Following inspection and scoping of works in 2014/15 the renewal of key parts of the pumping station was completed in 2015/16. The renewal included relining of the pumping chamber, replacement of pipes, valves and guiderails and an improved inlet

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

configuration to reduce future deterioration of the station.

Paraparaumu wastewater pumping station upgrade

The pumping station adjacent to Mazengarb Road services 36% of Paraparaumu and Raumati residents. The upgrade saw the construction of a new control room at the site and renewal of the aging electrical control equipment. The upgrade will provide improved all weather operational security for this key site.



Laying the duplicate rising main

The future of our treatment plants

Ōtaki wastewater treatment plant

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

Following review by GWRC a number of potentially affected parties were identified and their approval sought for the application. To inform this process, GWRC provided draft consent conditions for discussion and the majority of approvals have now been received. Council is actively working with the remaining parties to secure their approval and allow the consent to be issued.

During the consenting process, it was identified that the planted discharge treatment area (discharge wetland) required investigation to identify any future improvements. The study was scoped and a specialist

provider selected in January 2016. The study has been put on hold pending the completion of the consenting process for the treatment plant.

Paraparaumu wastewater treatment plant

Renewals and upgrades

The dissolved air floatation (DAF) process is a key process in the efficient management and disposal of waste activated sludge and production of biosolids at the Paraparaumu wastewater treatment plant. 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 project was deferred to 2016/17 to provide funding in 2015/16 to bring forward work on the Waikanae duplicate rising main. The contract for the supply of the new DAF unit was re-tendered at the end of 2015/16 in preparation for its installation in 2016/17.

Consent application

The resource consent for the Paraparaumu wastewater treatment plant is due to expire in March 2022. While still some years away, the application process for such a significant plant can take considerable time to complete. Considering the level of technical and regulatory complexity and extent of potential stakeholders interested in the process, two studies were undertaken in 2015/16 to inform the consent renewal process.

The first 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 the plant's high standard of performance. The study also reconfirms 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.

The second 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.

Biosolids management

The sewage sludge produced by the Paraparaumu wastewater treatment plant is stabilised via thermal drying. The plant produces an average of five cubic metres of dried biosolids per day. The Otaihangā landfill stopped receiving biosolids at the beginning of the year and an alternative disposal option was required.

The first of two biosolid composting trials commenced in October 2015 on the Otaihangā landfill. The trials were extended through to January 2016 to provide a short-term option to accept biosolids. The final composted product was retained on the landfill site in accordance with the consent.

Following the completion of the trial, biosolids are being disposed of at the Silverstream landfill while the longer term options are developed and considered. A second biosolid composting trial is underway using vermicomposting to collect further data on long term options for the biosolids.

Consultation with iwi on biosolids disposal

The views of iwi have been sought through Te Whakaminenga o Kāpiti on the reuse of biosolids and iwi representatives have visited the Paraparaumu wastewater treatment plant. The terms of reference for a cultural impact assessment to inform the consideration of medium to long term options for biosolids has been prepared and suitable providers to undertake the work are being sought.

A summary of work to date in considering biosolids reuse was presented to Te Whakaminenga o Kāpiti in March 2016.

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>(New mandatory measure)</i>	Less than or equal to 1 hour	Achieved (21 minutes)	Median attendance time 21 minutes for 128 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>(New mandatory measure)</i>	Less than or equal to 5 hours	Achieved (1 hour and 44 minutes)	Median resolution time 1 hour and 44 minutes. for 128 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>(New mandatory measure)</i>	Monitor 2015/16 results as baseline of complaints per 1,000 connections	Monitor only (7.2 complaints per 1,000 connections)	143 complaints received in the year from a total of 19,856 connections.
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>(New mandatory measure)</i>	Less than 5 per 1,000 connections to council's sewerage system	Achieved (0.86 overflows per 1,000 connections)	17 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>(New 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 2016

Wastewater management – cost of activity			
2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Budget \$000
	Expenditure		
4,268	Other operating expense	4,194	4,337
2,506	Depreciation and amortisation	2,547	2,479
735	Finance expense	700	876
7,509	Operating expenditure	7,441	7,692
	Revenue		
22	Fees and charges	-	-
81	Development and financial contributions revenue	79	147
103	Operating revenue	79	147
7,406	NET OPERATING COSTS	7,362	7,545
	Capital items		
2,492	Asset renewal	657	2,014
537	New assets upgrade	2,119	1,207
-	Additional loan repayment	-	-
3,029	Total capital items	2,776	3,221
10,435	NET COST OF ACTIVITY	10,138	10,766
6,831	Rates	6,680	6,985
537	Borrowings	195	898
2,032	Depreciation reserve	464	950
-	Internal balances	(5)	(59)
461	Movement in other reserves	2,117	1,373
(81)	Reserves and special funds	(79)	(147)
655	Unfunded depreciation	766	766
10,435	TOTAL SOURCES OF FUNDS	10,138	10,766

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 ground water levels.

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

Flood mitigation works

Stormwater infrastructure was damaged in a number of locations by the heavy rainfall event in May/June 2015. During 2015/16, construction work was completed in the following four locations:

- Rosetta Road, Raumati
- Te Kupe Road, Paraparaumu
- 119 State Highway 1, Waikanae
- 97 Amohia Street, Paraparaumu

Stormwater upgrade at Ōtaki Beach

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

In 2014/15, work focused on developing designs, consulting with stakeholders, resolving property issues and awarding the construction contract.

Work on site commenced in July 2015 and the following actions were completed in 2015/16:

- installed 99% of large diameter pipes and manholes
- substantially completed construction of the pump station
- pumps were delivered in March 2016 and will be installed once the pump station is completed
- installed the stormwater discharge structures in the dune disposal area.

The project is expected to be completed and operational by October 2016. Once completed, 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
- identifying and 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.

Tilley Road stormwater upgrade

The stormwater upgrade in Tilley Road, Paekākāriki, was planned to alleviate frequent flooding in the area.

In 2014/15, work had focused on developing an appropriate design solution and achieving consent approval.

Physical works started in June 2015 using a structural lining methodology to rehabilitate the existing stormwater pipes. This was proceeded with as it was more cost effective, less disruptive to the public and would provide relief to the properties getting flooded without impacting other properties.

Structural lining of all critical pipes (which were in poor condition) was completed in July 2015. This project will help reduce the flood risk on Tilley Road and for around 60 properties in the Tilley Road catchment.

Progress on Waikākāriki stream gravel extraction

The Waikākāriki stream work project, which started in 2005, has been subject to significant delays over the past 10 years due to difficulties in gaining land owner approvals required to carry out the physical works.

Council continued to work with the land owners in resolving the issues and progress was significantly advanced in March 2016 when council gained the necessary affected party approvals to support the resource consent application. That application was then able to be lodged with GWRC in April 2016.

A contractor was selected to undertake the physical works in June 2016. That work is expected to be completed in December 2016.

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

Water quality

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

- Continued with district-wide water quality monitoring as part of the GWRC consent conditions.
- Applied for a stormwater discharge consent for the next five years as the current consent expires in July 2016.
- Gained compliance from GWRC for the global stormwater discharge for the year 2014/15.

Open drain maintenance and gravel extraction

The following tasks were undertaken in 2015/16:

- Completed a district-wide open drain assessment to identify the needs of weed removal, gravel extraction and minor/major repair works and upgrades.
- Completed machine cleaning of 16.6km of open drains (42% of the drains maintained by council). This work will continue in 2016/17.
- Awarded a contract to carry out gravel extraction and stream bank repairs at Wharemauku Stream. This work started in 2015/16 and will continue in 2016/17.
- Applied for a resource consent to carry out gravel extraction work in Mazengarb stream and awaiting decision from GWRC.

Vegetation removal and gravel extraction in open drains will help open water courses regain their

original capacity which will assist in minimising properties getting flooded due to drain/stream overflowing.

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 of which areas were most heavily affected by flooding of dwellings.

The following tasks were completed by June 2016.

Step 1 – Preliminary investigations and data gathering

The first step in our response to the May 2015 floods was to gather all the information we could about that event and the state of the stormwater system as a foundation for further analysis. This involved:

- undertaking preliminary investigations on 700 properties flooded during the May and June 2015 events
- updating our Geographic Information System maps to incorporate all the flooding service requests from the May 2015 event so we had a record of the most heavily affected areas
- undertaking a condition and capacity assessment of stormwater assets (pipes, manholes, open drains, streams and outlets), and
- initiating a survey to identify the stormwater discharge methods and discharge point for each property (this work is ongoing).

Step 2 – Data analysis

The information gathered in Step 1 was then used to:

- identify the reasons for flooding in different locations, and
- ☐ identify new flood-prone areas in need of improvement works where projects are not currently planned.

Step 3 – Reprioritisation of stormwater projects

Some initial work was done to review the prioritisation criteria we had been using, to ensure we were giving sufficient priority 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. This produced a revised and re-prioritised list of projects.

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 development of project designs for the high priority projects in the new project list.

This work commenced in March 2016 with detailed investigations completed in 12 of the 35 catchments by end-June 2016. This work will continue through 2016/17. This phase is expected to be completed in January 2017 and will feed into a final version of the work programme to be presented to council in February 2017 for finalising through the annual plan process.

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>(New 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 114 urgent requests.
		Non-urgent = less than or equal to 5 days	Achieved (3 days)	Median response time was 3 days for 432 non-urgent requests.
	Percentage of all buildings that have been inundated due to minor flooding that are visited within four weeks	90%	Achieved (93%)	Fourteen of 15 building-related flooding requests (93%) this year were visited within four weeks.
	Number of complaints received about the performance of the district's stormwater system <i>(New mandatory measure)</i>	Less than 10 per 1,000 properties connected to the council's stormwater system	Not achieved (21.6 complaints per 1,000 connections)	Out of the 546 flooding requests this year there were 474 which can be regarded as complaints (= 21.6 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>(New mandatory measure)</i>	Achieve	Achieved	Three projects carried out in this category during the year. Two of them completed to the accepted standards, the other still ongoing (Ōtaki Pump Station upgrade).
	Number of buildings (habitable floors) reported to be flooded as a result of a less than 1-in-50 year rain event <i>(New mandatory measure)</i>	Less than 3 per 1,000 properties connected to the council's stormwater system	Achieved (0.27 per 1,000 properties)	Flooding reported for 6 buildings this year. There are an estimated 21,901 connections (= 0.27 per 1,000)
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: a) abatement notices b) infringement notices c) enforcement orders d) successful prosecutions, received by the council in relation to those resource consents <i>(New 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 2016

Stormwater management – cost of activity statement

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Budget \$000
	Expenditure		
1,124	Other operating expense	1,169	1,200
1,137	Depreciation and amortisation	1,095	1,069
913	Finance expense	841	983
3,174	Operating expenditure	3,105	3,252
	Revenue		
56	Fees and charges	48	57
194	Development and financial contributions revenue	129	51
250	Operating revenue	177	108
2,924	NET OPERATING COSTS	2,928	3,144
	Capital items		
61	Asset renewal	189	500
680	New assets upgrade	3,840	4,313
741	Total capital items	4,029	4,813
3,665	NET COST OF ACTIVITY	6,957	7,957
3,118	Rates	3,057	3,195
680	Borrowings	3,840	3,896
61	Depreciation reserve	189	500
-	Development and financial contributions	-	417
(194)	Reserves and special funds	(129)	(51)
3,665	TOTAL SOURCES OF FUNDS	6,957	7,957

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 by the local collectors to ensure the services are delivered in accordance with their collectors' licence requirements.

In late 2015, it was agreed with collectors to extend the urban collection area for kerbside recycling to include Nikau Valley and Waikanae Downs.

Two of the licenced private waste collection companies operating in the district have advised of changes to their kerbside recycling services, commencing 1 August 2016. This involves the provision of an additional 240 litre wheelie bin for mixed, non-glass recyclables. Glass will be collected in the current green 55 litre open-top crates. These changes will reduce the amount of wind-blown material experienced with the open top crates, with the 240 litre wheelie bin also offering additional recycling capacity.

The Resident Opinion Survey of May 2016 confirmed that residents remain very satisfied with the operation of the kerbside rubbish and recycling service. The survey reported that 92% 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.

Greenwaste

Composting New Zealand 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 steering group for 2011-17 Wellington Regional Waste Management and Minimisation Plan (RWMMP) continued work on implementing the regional actions, including development of the new draft 2017-23 RWMMP.

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 Greater Wellington Regional Council 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 all seven classes of Kapiti Primary School, to six classes at Raumati Beach School and to three classes at Ōtaki School. Feedback was very positive from all schools.

WasteMINZ, a representative body for the waste sector in New Zealand, lodged an application to the Ministry for the Environment's waste minimisation fund in May 2015 seeking funding for a national 'Love Food, Hate Waste' campaign. Funding was approved, with council co-funding this campaign, along with 59 other participating councils.

This campaign launched in June 2016 and is promoted nationally by WasteMINZ, and locally by council's Waste Minimisation Officer, in co-operation with the other councils of the Wellington region.

Waste levy funding

In November 2015, the grants allocation committee approved \$16,140 of levy funding for ten community projects.

Most community projects focused on organic waste reduction and recycling. These projects are being carried out by schools, early childhood education

centres, greener neighbourhood participants, a waste education provider, a community centre and a charitable trust.

The two business/innovation applications that were approved in March 2015 to conduct biosolids composting trials, one in bags and the other using worms, are progressing as discussed further below.

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 7,000 units have now been recycled.

Otaihanga landfill

The landfilling of biosolids was phased out during the year as the landfill neared its final capacity. Cleanfill, on a restricted basis, continued to be received and is used to contour the landfill surface prior to the application of the final capping. This contouring assists storm water runoff over the capped surface.

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

An additional large volume of peat from the Mackays to Peka Peka Expressway project was secured at a 'contribution to transport cost only' price. This peat was either placed on top of the clay capped areas, and used as topsoil for grass establishment, or stockpiled on site for use when further areas have been clay capped.

Council also received additional volumes of clay as a result of the Mackays to Peka Peka Expressway project.

The acceptance of these additional volumes of peat and clay meant that the landfill capping budget for

the 2015/16 year was overspent. However, receiving this clay and peat in 2015/16 has contributed substantially to a projected saving of \$1 million over the total 10 year capping project.

Approximately five hectares of the landfill has now been capped with clay and peat, with grass establishing on these areas. Ongoing work will be required on these grassed areas, with peat or soil applied to any sunken areas, to assist with stormwater runoff over the capped surface.

Trial composting of biosolids

☐ An extended biosolids composting trial was run at Otaihanga landfill this year which involved composting in bags. The last bag was filled in mid-January 2016. The bags were opened after the required composting time and four sample volumes have been stockpiled for open air composting and subsequent testing. The remaining material was buried in the landfill.

The four sample piles are still in the maturation stage of the composting process and when this material has matured testing will be undertaken. GWRC has been notified and a further report will be delivered once the test results are available in early 2016/17.

☐ 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/gib board spread over trial bins. Worms are then added to start the vermicomposting process. Sampling and testing has been carried out and will continue during the trial. GWRC has been notified the trial is underway.

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	No unexpected closures this year.
	Licensed collectors are compliant with licence requirements	Achieve	Achieved	
	Residents who are satisfied with the standard of kerbside collections	85%	Achieved (92%)	The Resident Opinion Survey reported in May 2016 an adjusted satisfaction score of 92%, the same as the previous year.
We remove illegally dumped waste	Illegally dumped waste is removed within two working days	85%	Achieved (88%)	206 of 234 service requests 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 (81%)	The Resident Opinion Survey reported in May 2016 an adjusted satisfaction score of 81%, similar to the previous year.
	Waste minimisation community projects are successfully implemented	80%	Achieved (80%)	Eight of the ten projects awarded a waste minimisation grant in November 2015 are implemented or substantially implemented. The two projects still in planning are on track for completion.

Financial results for the year ended 30 June 2016

Solid waste – cost of activity statement			
2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Budget \$000
	Expenditure		
820	Other operating expense	601	680
394	Depreciation and amortisation	404	410
179	Finance expense	173	161
1,393	Operating expenditure	1,178	1,251
	Revenue		
748	Fees and charges	509	527
4	Interest income	-	-
752	Operating revenue	509	527
641	NET OPERATING COSTS	669	724
	Capital items		
453	Landfill aftercare provision	588	511
453	Total capital items	588	511
1,094	NET COST OF ACTIVITY	1,257	1,235
678	Rates	647	724
453	Depreciation reserve	588	511
(33)	Movement in other reserves	22	-
(4)	Reserves and special funds	-	-
1,094	TOTAL SOURCES OF FUNDS	1,257	1,235

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 fund a range of local organisations from surf lifesaving to citizens advice bureau.

We look after more than 500 hectares of parks and sportsgrounds which provide opportunities for diverse recreation activities. 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 new 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.

Economic development strategy

A priority for action under the economic development strategy is to develop an approach to underpin tourism and destination marketing in the form of a visitor attraction plan.

A visitor attraction plan

This plan was developed in the first half of 2015/16 following consultation with a broad range of stakeholders from over 60 organisations. The plan was adopted by council in February 2016 and 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 joint initiative between the council and Positively Wellington Tourism in late 2015 providing free training to local tourism operators to help them improve their digital presence and utilise free

online listings as a promotional tool. Thirty-five people from local tourism operators participated in three training sessions.

- The council continued to support work to promote destination planning. This has included work on a visitor map with the Paekākāriki Community Board and support for the Paraparaumu Beach business association, including development of a business directory and a visitor map.
- Council hosted a media familiarity tour in June 2016 to promote the Kāpiti Arts Trail event in late October/November. Journalists from a range of magazines, including *AA Directions*, together with the Cathay Pacific Travel Writer of the Year, spent two days in Kāpiti visiting artists and sampling Kāpiti attractions. Their articles will feature in national publications in early 2016/17.

Events plan developed

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

Work to develop the Kāpiti Events Plan: 2015-18 was undertaken in the first half of 2015/16. The plan sets actions for supporting and leading major events that bring economic benefits for the district. It was adopted by council in December 2015.

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.

The first action under this plan was to establish and manage a major events fund that will shape a vibrant events portfolio for Kāpiti over the next three years.

Three unique local major events were supported – the Māoriland Film Festival (\$32,000), the Ōtaki Kite Festival (\$8,000) and \$10,000 for a new international music event at Southward Car Museum called Coastella.

Each event delivered an economic return on council investment and had a measurable economic impact on the wider community and the district.

Telling the Kāpiti story

Telling the Kāpiti story is a priority project identified in the economic development strategy. An initial step in this project has been the development and publication of a new visitor guide which builds on the theme of Kāpiti as a place where great ideas begin. Ten thousand copies were published and distributed nationally and locally in late 2015.

A number of articles promoting the district have featured in magazines: *Wellington Woman*, *AA Directions* and the *Wellington Biking Guide*.

Kāpiti i-Site review

After a review of the visitor information network and development of an implementation plan, the Ōtaki i-Site closed on 30 June 2015. Booking services and information are now provided from various outlets around Ōtaki including the council service centre.

The subsequent stage of this review focussed on the current i-Site visitor centre in Paraparaumu. Research and analysis on visitor service delivery was undertaken. This informed an approach to provide a local visitor centre more aligned with the economic development strategy.

In April 2016, council decided to bring the i-Site visitor centre in-house to be delivered as a council-managed service.

The decision was made to relocate the i-Site visitor centre to a location that enabled council to maintain a service that is i-Site accredited; provides a vibrant visitor space that reflects the community and showcases key Kāpiti tourism attributes with better proximity to public transport. The new location is adjacent to State Highway 1, close to the railway station and will be co-located with an iconic local food warehouse.

Food sector

This year council developed a food and beverage directory to promote local food and beverage businesses to visitors during the Kāpiti Arts Trail weekends in late October/November 2015. The directory is now a resource that will be available at other local events and is also available online.

Council continues to support the Visa Wellington on a Plate annual campaign through an annual grant.

Business support

Council continued to provide business support services in 2015/16 through QBS & Associates limited (who ran the Kāpiti Business Facilitation Service). These services were tailored to the needs of the business, and ranged from tax advice to finding sources of investment.

In June 2016, through the annual plan process, council made a decision to re-direct its investment from this business facilitation service to business attraction projects and major events funding.

Business attraction

A video showcasing successful businesses in Kāpiti was produced as part of promoting moving business to Kāpiti. It had its first showing at the Electra Business Awards in October 2015.

Background work for developing a business attraction plan got underway in late 2015 with a business survey sent to over 900 local businesses. Over 100 responded to the survey. The findings showed that a majority of businesses were based in Kāpiti because of lifestyle factors, forecast population growth and the new roading projects.

This information will inform a business attraction plan to promote the benefits of working in Kāpiti to attract talent and investment. Relationship building has begun with the Wellington Regional Economic Development Agency who will be a significant player in business attraction for the district.

Youth pathways to employment

Kāpiti Youth Support and the council continued to work together on the Youth Pathways to Employment pilot project in Ōtaki through the first three quarters of 2015/16. A number of activities were undertaken through this period including a work-ready 'passport' initiative. The passport is a tool to help young people prepare for employment and enables a panel of youth-friendly employers to advise students and school leavers on important attributes for finding meaningful employment.

This pilot project was council-funded and carried out by Kāpiti Youth Support. The pilot has finished and a report on its outcomes will be available in early 2016/17. The findings of the report will inform future steps to a districtwide approach to supporting young people into work.

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.

Initial concept plans and the 'Achievable' 14-year implementation programme for the two town centres were adopted in the 2015 Long term plan. Council then engaged a contractor late in 2015 to manage the design and construction phases of the project.

In early 2016, the work programme was refined to maximise the benefits of development opportunities like the SH1 Revocation, Coastlands and Greater Wellington Regional Council's commuter car parks in Paraparaumu and Waikanae. The updated work programme identifies a number of initial 'building block' projects for each town centre.

Key stakeholders and the public were invited to provide feedback on the designs for these building block projects during May and June 2016. 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 help inform detailed designs.

The Kapiti Road upgrade is a collaborative project between council and Electra. This will be the first town centres project to reach the construction phase in 2016/17.

Community feedback and input from key parties will continue to inform the final designs of these first building block projects.

Revocation of State Highway 1

The NZ Transport Agency (NZTA) tender for the design services relating to the State Highway 1 (SH1) revocation project has been awarded to Beca.

Council is working with NZTA and Beca to design and deliver a fit-for-purpose local road that improves our district's resilience, enhances connectivity through and across the district; and aligns with other expressway-related projects such as town centres, Stride 'N Ride and Community Futures (Waikanae Beach).

Within 24 months of the Kāpiti Expressway opening, the current SH1, between Poplar Avenue and Peka Peka, will no longer be required for state highway purposes. It will become a fit-for-purpose local road.

It is important that the new local road works well for Kāpiti and there will be opportunities for the community to have input into design decisions later in 2016.

Strategic land purchases

This year there has been only one purchase of a small parcel of land at 108 Kapiti Road for footpath widening.

In addition, a number of properties were identified as having a potential public work requirement. Further investigation was undertaken to assess these requirements and a decision was made to purchase four properties for reserve, cycleway and road purposes. These are currently being negotiated 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	Events Development Plan and Funding approved. Visitor Attraction Plan adopted. Youth Pathways to Employment pilot initiated and completed.
	Representatives of the business leadership forum that are satisfied that the 2015 economic development strategy implementation plan deliverables are being achieved	85%	Achieved (100%)	A survey of business representatives returned a result of 100% satisfied with the progress made on the economic development strategy.

Financial results for the year ended 30 June 2016

Economic development – cost of activity statement

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Budget \$000
	Expenditure		
1,154	Other operating expense	1,506	1,659
62	Depreciation and amortisation	62	86
405	Finance expense	429	476
1,621	Operating expenditure	1,997	2,221
	Revenue		
52	Fees and charges	-	49
52	Operating revenue	-	49
1,569	NET OPERATING COSTS	1,997	2,172
	Capital items		
888	New assets upgrade	789	3,169
888	Total capital items	789	3,169
2,457	NET COST OF ACTIVITY	2,786	5,341
1,569	Rates	1,997	2,172
888	Borrowings	789	3,169
2,457	TOTAL SOURCES OF FUNDS	2,786	5,341

Community facilities and community support – whakaurunga hāpori me ngā hāpai hāpori

We provide resources to the community for capacity building and service provision focussed 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 by means of which some of those services are delivered. It also includes the more direct forms of support for the community and community groups that we provide.

The 2015/16 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 (see page 79), council is also required to undertake assessments of its own buildings.

Initial Evaluation Procedures (IEPs) have been undertaken on seven council-owned buildings, as part of the earthquake prone buildings project. Out of those initial assessments, two buildings were identified as potentially earthquake prone (i.e under 34% of New Building Standard).

A detailed seismic assessment has since been completed on both of those buildings. The Ōtaki

Museum has been confirmed as earthquake prone, while the Ōtaki Theatre is above the earthquake-prone threshold. The other five buildings all exceeded 67% of code and are not considered earthquake prone.

In conjunction with council's building control team, further assessment work will be done on council's properties, and a comprehensive risk profile for the council's buildings portfolio will be developed. Decisions on any remediation work won't be made until the further assessment work has been completed and costs of remediation are determined.

Performing Arts Centre

Project details for the Kāpiti College Performing Arts Centre are being developed in conjunction with Kāpiti College. The agreement encapsulating project scope, funding treatment and community accessibility is being finalised to support the \$1.6 million contribution from council payable in 2017/18.

Housing for older persons

Housing for older persons achieved an occupancy rate of 99.1% for the year, despite reasonably high turnover, with eleven flats becoming available during the year. Demand for these units continues to be strong. The waiting list at 30 June 2016 was still relatively high, at 78 persons, although this is down from 89 persons at the start of the year.

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.

Renewals programme completed

The community facilities renewal programme for 2015/16 has been completed and included a range of improvements at community halls and public toilets and a full upgrade of eight Housing for Older Persons flats over the district.

New shared security contract

Council staff have been working through 2015/16 to negotiate arrangements for a new regional security contract to replace our existing contract for the Kāpiti district.

Wellington City Council and Porirua City Council are also parties to this agreement which is expected to deliver efficiency gains across the region. Delivery under this new contract is due to start in September 2016.

Community support

Progress on youth development centre

Zeal Education Trust, a national youth services provider, was contracted by council earlier this year to establish and run a youth development centre. 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 have completed the tender process for the fit-out of the facility with a scheduled building start date of February 2017. The capital fundraising campaign continues with Zeal raising \$75,000 towards the fit-out costs and the Waikanae Lions Club committing a total of \$100,000 over the next five years.

Over the year, Zeal has coordinated and collaborated on 19 community events and launched its social enterprise venture; a coffee cart at Kāpiti College.

Supporting young people

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

- The annual Youth ShoutOut awards were held in December. These awards recognised nine young people who had shown leadership on the Kāpiti coast. The awards are open to 12-24 year olds.
- Youthfest, an annual event to celebrate what it is to be a young person on the Kāpiti coast has been revitalised and renamed the Kāpiti Youth Festival. The festival is now organised in partnership between Te Puāwaitanga o Ngā Kākano (a rangatahi youth leadership initiative supported by council) and the Youth Council. Over 1,000 people attended the festival which included music and entertainment, skate competitions and an outdoor movie. A survey undertaken on the day indicated that 93% of the young people attending were satisfied or very satisfied with the event overall.
- The Youth Council undertook the second round of the Youth2U Dollars grants in late 2015. Forty four applications were made with 26 successful recipients receiving up to \$300 each, totalling \$6,800. Youth2U Dollars funding helps those aged 12-24 who live on the Kāpiti coast to reach their potential. In this round, grants were provided to support young people in waka ama, surf life saving and business ventures as well as many other creative pursuits.
- The Youth Council undertook its annual recruitment process and twelve new members were selected in June 2016. They have been on an orientation training weekend and are working on finalising the youth council contribution to the draft Youth Action Plan for 2016.

In addition to the above, the council also supported two projects as part of New Zealand's Youth week in

May 2016, the theme of which was 'Aroha Mai, Aroha Atu; Giving Back is Giving Forward'. The two projects were:

- The Youth Council celebrated youth volunteerism by showcasing five young volunteers through social media and local newspapers.
- Te Puāwaitanga o Ngā Kākano showcased five kaumātua whom they interviewed and photographed. This was launched as an exhibition through the Matariki Art Night at Mahara Gallery.



Drumming at the Kāpiti Youth Festival

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. This is particularly the case for the town centres and connectors work that is underway as well as other road safety projects.

Developing an age-friendly district

Council is committed to an age-friendly approach to its projects.

An age-friendly steering group was established at the start of the year to drive key community activities

as part of the Age-Friendly Kāpiti initiative. The group is developing its values and objectives and will work with the Kāpiti Coast Older Persons' Council on key activities. The group has started work on implementing an age-friendly business initiative which has resulted in a new category for the Electra business awards, Age-Friendly Businesses.

Background research on the World Health Organisation's Age-Friendly movement has been completed. The research has been presented and workshopped with representatives from the Older Persons' Council and the Kāpiti Age-Friendly Steering Group, with kaumatua meetings scheduled in February 2016. The research is designed to inform an evidenced-based approach and prompt discussion about age-friendly initiatives in a local context.

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
- Kapiti and Otaki 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 October 2015, as part of its community financial support, the council awarded a total of \$25,500 in community grants across 27 groups and organisations that provide a social service in the district. Recipients included Youth Quest Kāpiti, Foster Hope, Kāpiti Foodbank, Birthright Ōtaki, Age Concern Kāpiti and other organisations that improve social outcomes for communities in the district.

Neighbours Day Aotearoa

The 'Over the Fence Cuppa' project was again supported by council as part of the Neighbours Day Aotearoa initiative in March 2016.

Over 40 households took the opportunity to meet and get to know their neighbours as part of this initiative to build community awareness and resilience. Following this event, Neighbours Day Aotearoa national organisers chose Paraparaumu as their Town of the Year.



Celebrating Neighbours Day in Gavin Road, Raumati

Enviroschools

Four 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.

Raumati South Kindergarten received its Green-Gold certification in the Enviroschools Programme at a special celebration on 29 June attended by past and present students, parents, teachers and the mayor.

Supporting sustainability

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

- Council worked with Better New Zealand Trust and Te Wānanga o Raukawa to hold two 'Leading the Charge' electric vehicle showcase events in the district in April 2016, one in Ōtaki and one at Southward Car Museum. Over 100 people attended the events where there was an opportunity to learn about the benefits of electric vehicles and to test drive the Nissan Leaf and the Tesla Model S.
- The council's carbon and energy saving work was recognised at the 2016 Energy Efficiency and Conservation Awards. The council received a commendation in the 'Public Sector' category which recognised the 'Emissions Treble' staff engagement campaign, fuel efficient driver training and resultant savings, along with other projects.
- The Greener Neighbourhoods competition was launched (for 2016-2017) at a special event in Raumati. There are four groups competing, one each from Raumati South, Raumati Beach, Waikanae Beach and Ōtaki.

- The council has supported a new online tool to measure a person's total environmental impact. The Ecological footprint calculator will streamline the process of collecting, processing and reporting of the Greener Neighbourhoods competition and individuals will be able to use it to measure their households environmental impact. See www.ecofootprint.nz
- The council's eco design advisory service provides free advice and information on sustainable residential building design and practice. In 2015/16 187 full two-hour home consultations were provided, and 251 short appointments, presentations or events.
- The *On To It* newsletter, celebrating environmentally sustainable community initiatives was re-launched in February 2016 as an online magazine hosted within the council website, along with a supporting 'Sustainable Communities' Facebook page.

Carbon management

Council's carbon footprint result for 2014/15 was verified by audit as 7,117 tonnes of CO₂ equivalent, 43% below its 2009/10 baseline year. The provisional result for 2015/16 is 4,800 tonnes of CO₂ equivalent, 62% below the baseline year. If verified by the final result (due in December 2016), this would be a significant reduction in our carbon footprint over the past six years.

The reduction over 2015/16 was mainly related to sewage sludge disposal, as this switched from being disposed of in the Otaihanga landfill, to a composting process during late 2015 and then to Silverstream landfill from the beginning of 2016.

Emissions from grid electricity reduced, and consumption of all fuels except wood declined. Emissions from other waste disposal increased

due to the gas flare at Levin landfill being decommissioned.

The council updated its carbon and energy management plan earlier in the year and had its CEMARS (Certified Emissions Measurement And Reduction Scheme) status reconfirmed for another year.

Other community initiatives

Supporting expressway-affected neighbourhoods

The council supports neighbourhoods directly affected by expressways impacts. Council officers continue to support neighbourhood impact forums for Makarini Street community in Paraparaumu, Puriri Street community in Waikanae and Leinster Avenue residents in Raumati South.

The forums provided the opportunity for a range of community projects to be discussed and for residents to talk with council and the Paraparaumu–Raumati Community Board about ways to improve their neighbourhood.

Multiculturalism

In November 2015, council helped organise a cluster meeting of the New Zealand Federation of Multicultural Councils, held at Te Wānanga o Raukawa in Ōtaki. The Multicultural Council discussed key topics such as: collaboration, regional police engagement, strategic agenda for Treaty-based multiculturalism and a cultural diversity project.

Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
Council-owned property				
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 (92%)	Result from Library Users Survey undertaken from 18 April to 22 May 2016 with a total of 347 survey responses received.
Council hall hirers are satisfied that the halls meet their needs	Users that are satisfied with halls	80%	Achieved (89%)	Result from Hall Hirers Survey undertaken from 2 May 2016 to 25 May 2016, with a total of 41 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 (99%)	
	Housing for older persons tenants that rate services and facilities as good value for money	85%	Achieved (100%)	Result from Housing for Older Persons Survey undertaken from 2 May 2016 to 16 May 2016.
	Housing for older persons tenants that are satisfied with services and facilities	85%	Achieved (98%)	Result from Housing for Older Persons Survey undertaken from 2 May 2016 to 16 May 2016.
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 (78%)	Resident Opinion Survey result reported in May 2016.
	Urgent requests in regard to public toilet facilities that are responded to within four hours	98%	Achieved (100%)	

Contribution to outcomes	Performance measures	Target	Result	Comment
Community support				
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 (92%)	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 87% who agreed (27%) or strongly agreed (60%) with the statement " <i>Council support has enabled your group to influence projects and planning that are important to you and the wider community</i> ".
	Residents who are satisfied with the council's community support services	85%	Achieved (88%)	Resident Opinion Survey result reported in May 2016.
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 New Zealand Cultural Council to host its annual conference in Ōtaki. Council support for the International Cultural Day event at the Te Newhanga Kāpiti Community Centre (150 people attended) Support for Waitangi Day Commemorations at Whakarongotai Marae.
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	Over 1,100 people were involved in the annual Neighbours Day event. More than 1,000 people attended the Kāpiti Youth Festival in March.

Financial results for the year ended 30 June 2016

Community facilities and community support – cost of activity statement

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Budget \$000
	Expenditure		
3,067	Other operating expense	3,876	3,388
893	Depreciation and amortisation	891	922
51	Finance expense	84	34
4,011	Operating expenditure	4,851	4,344
	Revenue		
1,088	Fees and charges	1,096	1,114
376	Development and financial contributions revenue	94	47
264	Other operating revenue	113	-
1,728	Operating revenue	1,303	1,161
2,283	NET OPERATING COSTS	3,548	3,183
	Capital items		
367	Asset renewal	207	340
4	New assets upgrade	134	393
371	Total capital items	341	733
2,654	NET COST OF ACTIVITY	3,889	3,916
1,541	Rates	2,351	1,940
4	Borrowings	134	393
367	Depreciation reserve	207	340
15	Development and financial contributions	-	-
(376)	Reserves and special funds	(93)	(47)
1,103	Unfunded depreciation	1,290	1,290
2,654	TOTAL SOURCES OF FUNDS	3,889	3,916

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 2015/16 year.

Te Ātiawa Park stage one complete

Options for resolving the surface-cracking issues at the Te Ātiawa Park netball/tennis courts were presented for public feedback through the 2015-35 Long term plan consultation process. A substantial majority of submissions supported the council's recommended option of a rebuild of the netball/tennis courts.

Design work to resolve the underlying ground water issue began in early 2015/16. Once the design issues were resolved work got underway in November 2015 and involved removing the existing courts, incorporating sub-soil drainage, adding a chipseal layer and then resealing the courts with asphalt. This work was completed in February 2016, with line markings and equipment reinstated in March 2016.

The Te Ātiawa Trust has confirmed which synthetic playing surface is suitable for both tennis and netball. That surface will be applied in 2016/17.

Ōtaki splash pad

Work on the Ōtaki splash pad is continuing alongside the Ōtaki Pool and Haruatai Park playground redevelopment to ensure an integrated and complementary design of park elements. The splash pad provider has been decided on and consultation with the community will follow on the type of equipment to be used.

Community facilities strategy underway

Council is developing a community facilities strategy that will provide a framework to guide council's decision making over the next twenty years for investment in community facilities.

An experienced provider has been engaged to assist with the development of the facilities strategy which is expected to be completed by March 2017.

The strategy will link to council's vision for Kāpiti as a vibrant, diverse and thriving district. The framework will ensure existing facilities are fit for purpose and address gaps or duplication in provision. The strategy will be designed to meet future demand arising from population growth and changing user expectations. Key stakeholders and the wider community will have the opportunity to be involved in the process.

Parks and open space includes the following services and activities:

- provision and management of parks 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, increasing property values 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

Following adoption of the Otaraaua Park reserve management plan by council in December 2014, the next key step was to be the completion of the Otaraaua Park development plan by the end of 2016/17. That process has been extended to allow information gathered through the development of the community facilities strategy to feed back into the Otaraaua Park development plan. The development plan is now expected to be completed by December 2017.

In the meantime, a number of dilapidated and hazardous buildings have been removed from the park.

Maclean Park

Granting of the refurbished Kiosk building at Maclean Park was decided in early 2015/16, with ASK (A Safe Kapiti) being the umbrella tenant overseeing six community organisations who will use the building.

Maclean Park pond has remained empty through much of 2015/16 due to ongoing watertightness issues. The 2016/17 annual plan includes budget for a development plan for the park as requested by the Paraparaumu–Raumati Community Board. The long term future of the pond will be considered during this process.

Pharazyn Reserve

School children and the Friends of Pharazyn Reserve group, planted 1,800 plants at the reserve on Arbor Day (5 June) 2016.

Playgrounds

The focus this year has been on consulting with the community about proposed playground upgrades/replacements at Te Ātiawa Park, Kaitawa Reserve, Haruatai Park, Tasman Road Reserve and Aorangi Road Reserve.

Consultation got underway with flyer drops, targeted consultation, web surveys and on-site tours. Over 150 people provided useful feedback and ideas about what they would like to see in our playgrounds which will help us shape future plans.

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:

- Repairs to the Wharemauku and Waikanae riverside walkways and cycleways which had been damaged in the May and June 2015 floods.
- Repairs to the abutments of two footbridges also damaged in the above floods.
- Bright Ridge Skyline Walkway opened to the public creating a walkway link between Paraparaumu and Nikau Valley.
- Te Araroa Walkway between Paekākāriki and Pukerua Bay in coordination with the Te Araroa Trust.
- Te Ara o Whareroa trail at Queen Elizabeth Park in coordination with Greater Wellington Regional Council.
- Bridleway improvements including the construction of mounting blocks and horse stiles at entry points.

Cemeteries

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

- ☐ New RSA (Returned Services Association) section has been developed and a new public area established at Awa Tapu cemetery.
- Two new RSA ashes gardens were developed at Ōtaki cemetery.
- Construction of a new public ashes garden at Waikanae Cemetery has been completed.
- ☐ Public toilets have been installed at Waikanae and Awa Tapu cemeteries.
- The Ōtaki natural burial cemetery has been re-contoured to provide better accessibility and more useability.

Raumati escarpment upgrade

The major storms of May and June 2015 resulted in slips on the Raumati escarpment, eroding the hillside and depositing debris on the main trunk railway line.

☐ To mitigate the future risk of similar events impacting rail infrastructure, an upgrade of the Raumati escarpment was undertaken in 2015/16. This involved clearing the debris, construction of debris retention fences, and planting to minimise the erosion risk. Work is underway to investigate measures for diverting stormwater.

Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
Parks and open space				
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 are 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 (93%)	
	Residents that are satisfied with the current availability of facilities	85%	Achieved (90%)	Result from users' survey.
	Residents that are satisfied with the quality of council parks and open space	85%	Achieved (88%)	Result from users' survey.
	Residents that are satisfied with the quality and range of recreation and sporting facilities in the district	85%	Achieved (88%)	Result from users' survey.
	Residents that are satisfied with council playgrounds	85%	Achieved (90%)	Result from users' survey.
Cemeteries				
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 (92%)	Result from 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
Cycleways, walkways and bridleways				
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%)	Resident Opinion Survey result reported in May 2016 showed a significant increase in satisfaction for this measure compared with the previous year.
	Users who are satisfied with the safety and availability of the on-road cycleway network	85%	Not achieved (54%)	Resident Opinion Survey result reported in May 2016 showed low satisfaction for this measure on this first occasion of asking. The SH1 revocation will significantly improve availability by adding a further 10-20kms 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 (94%)	Resident Opinion Survey result reported in May 2016 showed a slight drop in satisfaction for this measure from the previous year's very high level.

Financial results for the year ended 30 June 2016

Parks and open space – cost of activity statement

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Budget \$000
	Expenditure		
4,030	Other operating expense	3,971	3,803
1,011	Depreciation and amortisation	1,187	1,052
157	Finance expense	209	140
5,198	Operating expenditure	5,367	4,995
	Revenue		
84	Fees and charges	147	155
199	Grants and subsidies	-	-
401	Development and financial contributions revenue	384	512
141	Other operating revenue	-	-
825	Operating revenue	531	667
4,373	NET OPERATING COSTS	4,836	4,328
	Capital items		
541	Asset renewal	1,071	1,314
562	New assets upgrade	573	684
1,103	Total capital items	1,644	1,998
5,476	NET COST OF ACTIVITY	6,480	6,326
3,879	Rates	4,359	4,105
484	Borrowings	275	507
541	Depreciation reserve	1,003	1,236
78	Development and financial contributions	366	255
-	Internal balances	59	(67)
(192)	Reserves and special funds	(384)	(512)
686	Unfunded depreciation	802	802
5,476	TOTAL SOURCES OF FUNDS	6,480	6,326

Recreation and leisure – hākinakina

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

These include 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

A nationwide contract for shared purchasing of library materials and services was introduced in 2014/15 and has bedded-in well through the past year. A streamlined ordering and accounting system has been established.

Also this year, there was a major upgrade of the library management system, Spydus, which has provided a more mobile-friendly presence and a more effective way of searching and retrieving information.

The library users survey this year received 347 responses and reported very high levels of satisfaction with library services (97% were satisfied or very satisfied).

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

Our standard services remained in high demand:

- More than 690,000 items were borrowed from the four district libraries, on a par with the previous year.
- More than 84,000 items were reserved free of charge across the district compared to just under 79,000 in 2014/15.
- 29,018 items from 23 other SMART (sharing and managing a region together) libraries were lent to Kāpiti library customers.
- 15,272 eBooks were downloaded from the libraries website, kapiticoastlibraries.govt.nz
- More than 94,000 sessions were logged on the libraries' free internet computers and more than 47,500 free wifi sessions were started.
- Community hub services including Local Links @ my Library continued.
- 17,908 new items were added to the collection. This includes 1,115 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 new series of self-publishing workshops delivered by library staff. All classes have been well attended and feedback regarding quality of teaching, information learnt, and relevance to the industry has consistently been scored at 100%.

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.

- 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.
- “Moving Forward,” a programme delivered in conjunction with the Department of Corrections. Librarians meet with participants and tell them about what the libraries offer and lead a tour of Paraparaumu Library. This has had great results, with participants who have never set foot in a library becoming library members and visiting with their families and children.

More than 7,700 people came to free library events and activities, including:

- Time for a Yarn, a monthly event which provides an opportunity for people to meet and share handcraft projects, ideas and skills, was expanded and is now run at all Kāpiti libraries.
- Tea and Tales, a monthly book reading group.
- Bookbusters summer reading club which attracted over 140 children during the summer holidays.
- Bilingual story-times for pre-schoolers at Ōtaki Library.
- Friday Family Fun Nights at Paraparaumu Library. art workshops, lego clubs, movie nights and the teens WRAPPERS (writers, readers and poets) group were all popular choices.
- 36 library-led book discussion groups were held.
- A pilot summer reading project in te reo Māori was held at Ōtaki Library in partnership with Te Kura Kaupapa Māori o Te Rito with 50 children taking part.

- A four-week te reo Māori programme was held at Ōtaki Library and 20 people attended these sessions with extremely positive feedback received.
- More than 200 children and families took part in the April 2016 School Holiday events – Lego Club, movie afternoons, bug craft and an ANZAC themed puppet show.
- A master carver demonstration was held at Paraparaumu Library as part of our Matariki celebrations. More than 65 people attended.

Arts and museums

The 2015 Kāpiti Arts Trail was held over two weekends for the first time, on 31 October/ 1 November and 7/8 November 2015. There were over 130 artists exhibiting. The event was successful with estimated sales and commissions of \$208,000 (double the previous year) and 96% of artists saying they would participate again. The annual Kāpiti Arts Guide, with 88 entries in 2015, now also contains the listings for the Arts Trail.



Lydia McAllister showing her work at one of the Kāpiti Arts Trail venues

Other activities

A video commemorating World War One (WW1) was produced. This formed part of an extensive WW1 programme of events and activities happening in the district libraries from April 2015.

A Matariki programme of events was delivered at all libraries from June 2015, in conjunction with Mahara Gallery.

Exhibition art spaces at Paraparaumu, Waikanae and Ōtaki Libraries were fully booked. More than 70 exhibitions were held at the libraries.

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 489 children took part in the SwimBegin reduced price, summer holiday learn-to-swim lessons.

In addition, swimming lessons were delivered to over 1,207 children through the funded KiwiSport learn-to-swim lessons. Of these, 161 were through an outreach programme where our instructors delivered lessons at the Waitohu School Pool.

Over 450 people took part in the AquaEase or AquaYoga programmes. These programmes have been very successful for those with medical conditions or limited mobility.

A customer survey in February 2016 resulted in staff across the three pools being given a 100% positive rating for being friendly and helpful. Learn-to-swim and Aquafit instructors also received a 100% rating for their knowledge and friendliness while the attentiveness and helpfulness of the lifeguards rated 98%.

The 'dunk tank' continues to be a popular attraction and has been hired out to schools and community groups a number of times over the past year.

Coastlands Aquatic Centre

In its third year of operation, the Coastlands Aquatic Centre has continued to be popular, with 196,231 visitors in the 2015/16 year only slightly down on the 202,237 visitors in the previous year. During the summer school holidays, over 23% of visitors were from outside the district.

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.



On the blocks at the Coastlands Aquatic Centre

The centre was a finalist in the vibrant category for the Wellington Business Gold Awards held at TSB arena on 9 July 2015, and won the 2016 'New Zealand Recreation Association Outstanding Pool of the Year' award. The news release from the Association stated:

"Coastlands Aquatic Centre is a state-of-the-art facility in Kapiti catering for all ages and aquatic abilities. Reflecting the goal of programmes for all, the Coastlands Aquatic Centre has gone out of its way to consult with and engage with the community to design innovative programmes that meet the needs of the elderly and the young. The centre reflects excellence in community engagement, programming, and innovative solutions to problems."

Waikanae pool

Visitor numbers were relatively strong at the open air Waikanae pool with 44,511 visits in 2015/16 compared with historical averages. Forty percent of visitors were from outside the Kāpiti district.

The season opening Family Fun day held in November 2015 was very successful catering for people of all ages. More than 400 attended this event.

On two Sunday afternoons over the season staff entertained swimmers with live music.

Both the term and the summer block learn-to-swim courses continued to be popular as did the regular Aquafit classes.

Ōtaki pool

Ōtaki pool continues to increase in popularity with a total of 51,438 visits for the year compared with 50,699 visits in the previous year.

The detailed design for the Ōtaki pool redevelopment has been completed and the tender process started to find a suitable contractor. The redevelopment is planned for 2016/17 and includes a new roof and cladding, ramp entry into the pool, separation of the filtration systems for the toddlers and lane pools as well as the creation of a Splash pad. This upgrade will ensure that Ōtaki pool meets the needs of the community for years to come. Council is currently in the process of tendering the project.

Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
Aquatics				
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 accreditation received in the third quarter.
	Users that are satisfied with the pools' services and facilities	85%	Achieved	Coastlands Aquatic Centre = 96% good or excellent Waikanae = 100% good or excellent Ōtaki = 99% good or excellent
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	292,180 combined swims compared with 300,532 for 2014/15 (including spectators). 262,978 combined swims compared with 271,465 for 2014/15 (no spectators).
	Learn-to-swim registrations	Maintain or increase <i>(cf 2014/15 baseline)</i>	Achieved	2,371 in 2015/16 compared with 2,255 in 2014/15.
Arts and museums				
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	There have been delays with this project and community engagement is now planned for July 2016 led by the Paraparaumu–Raumati Community Board.
Libraries				
Our libraries offer a range of materials and spaces	Users that are satisfied with the library services	85%	Achieved (98%)	Resident Opinion Survey report in May 2016 showed 98% satisfied (the Library Users' Survey reported 97% satisfied for this same measure).
	Collections are refreshed in accordance with New Zealand public library standards	17,186 (annually)	Achieved (17,980)	17,908 new items have been added to the library collections this year.
	Total visits to libraries	550,000 (annually)	Not achieved (416,446)	Total visits for the year were 416,446, well down on the target. The majority of this shortfall is attributable to the installation of new door counters at Paraparaumu Library – subsequent investigation has confirmed that the old door counters, on which the target was based, were faulty.

Financial results for the year ended 30 June 2016

Recreation and leisure – cost of activity statement				
2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Budget \$000	
	Expenditure			
6,751	Other operating expense	7,201	7,115	
1,409	Depreciation and amortisation	1,455	1,340	
1,285	Finance expense	1,276	1,263	
9,445	Operating expenditure	9,932	9,718	
	Revenue			
1,518	Fees and charges	1,586	1,576	
40	Grants and subsidies	42	34	
530	Other operating revenue	7	-	
2,088	Operating revenue	1,635	1,610	
7,357	NET OPERATING COSTS	8,297	8,108	
	Capital items			
682	Asset renewal	502	634	
675	New assets upgrade	582	651	
1,357	Total capital items	1,084	1,285	
8,714	NET COST OF ACTIVITY	9,381	9,393	
7,357	Rates	8,299	8,108	
675	Borrowings	582	651	
682	Depreciation reserve	502	634	
-	Reserves and special funds	(2)	-	
8,714	TOTAL SOURCES OF FUNDS	9,381	9,393	

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 way we live, work and play in Kāpiti is a vital role for council.

Proposed district plan review

On 24 July 2014, the council chose Option 4 recommended by the Independent Review of the Proposed District Plan (PDP), which was to continue with a modified PDP process using the 'basket of tools' available to the council. This option allowed council to build on all the previous work done, and make full use of important input from submitters.

Work has progressed since then on implementing that option and has included releasing a redrafted submitter engagement version of the proposed district plan, which formed the basis for ongoing engagement and resolution of issues with submitters. On 15 October 2015, council appointed the three independent district plan hearing commissioners (including one iwi commissioner). With two councillor commissioners, this brought the panel to a total of five members including the independent chair.

In the first half of 2015/16, ongoing meetings continued with some submitters, however this drew to a close in the third quarter as the district plan shifted from the engagement phase to hearings. Throughout the year, there was considerable ongoing work analysing submissions and writing the section 42A reports and recommendations to the hearings panel in respect of individual chapters of the PDP.

A newly constituted iwi working group, Te Ohu Taiao, provided iwi input into the PDP planner reports via a series of meetings with the main authors of the section 42A reports.

As a result of this work, fourteen out of a total 21 individual section 42A reports (recommendations to the hearings panel) have now been completed. Staff and consultants continue work on the remaining seven section 42A reports.

At 30 June 2016, seven PDP hearings had been completed, over a total of 14 hearing days. A total of 118 submitters had been heard. The hearings panel has issued eleven 'Minutes' – which can be found on the council website, along with other communication to and from submitters.

Urban tree variation

In response to changes to the Resource Management Act 1991, a proposed urban tree variation was notified in September 2015 and submissions on this were received in October 2015. A summary of the 35 submissions was publicly notified on 9 March 2016. Further submissions closed on 24 March 2016 with one further submission. Following receipt of submissions, a section 42A report was prepared with recommendations to the hearings panel on the proposed urban tree variation.

Requested change to operative district plan

A private plan change request to the current operative district plan, was made earlier this year by Kapiti Coast Airport Holdings Ltd (KCAHL) and was notified on 22 February 2016. Seven submissions

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.

were received on the private plan change application, with six from Coastlands Shoppingtown Ltd or affiliated companies.

This plan change request was then placed on hold in April 2016 at the request of the applicant (KCAHL).

Community futures/local outcomes

A Waikanae Beach Working Group has been formed to help develop the community's vision for Waikanae Beach and possible ways of achieving this vision. The group began meeting in March 2016 and eight meetings were held before the end of June 2016.

There was enthusiastic participation and very good feedback. Having captured the working group's vision for Waikanae Beach, the meetings went on to propose possible ways of achieving this vision.

Further consultation will be undertaken with iwi, and after mid-October 2016, with schools and business groups as well as the wider community. A final document will be prepared for more formal consultation during the period February to April 2017.

Programme of strategy/policy work

Progress is being made on a number of key projects in addition to the community futures work. The facilities stocktake for the community facilities strategy is under way, the sustainable transport strategy project is being set up, and background research is being undertaken for the local alcohol policy. The new council will review the strategy and policy work programme at the beginning of the new triennium which starts in October 2016.

Natural hazard management

Kāpiti is susceptible to a number of natural hazards including coastal erosion, seismic events, flooding, tsunami and slope instability.

Council is a repository for local natural hazard information, while the Greater Wellington Regional Council (GWRC) has a programme of considering regional natural hazards. Planning responses to natural hazards is a major consideration in the context of the ongoing proposed district planning process.

Work continues with a GWRC working group drafting its Natural Hazards Management Strategy. The draft vision and objectives have been confirmed in response to submissions (including this council's submission). Formal consultation under the Local Government Act 2002 is expected to take place by September 2016.

Submissions

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

- the Resource Legislation Amendment Bill
- Greater Wellington Regional Council's Annual Plan 2016/17
- the Proposed Natural Resources Regional Plan, and
- Local Government Commission papers on transport, spatial planning and economic development.

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%	Not achieved (68%)	The Resident Opinion Survey result reported in May 2016 showed a fall in satisfaction from the previous year. Verbatim comments cited a wide range of concerns but no dominant theme.
	Percentage of submissions to the proposed district plan that are settled prior to plan hearings or Environment Court proceedings	More than 40%	Achieved (66%)	As at 30 June 2016, 1,246 of 1,869 initial submission points (66%) had been accepted in whole or in part into Section 42A reports.
	A strategic policy framework and research programme are developed	Achieve	Achieved	The strategic policy work programme was agreed in April 2016. Initial work on the research programme has been finished and the programme is expected to be completed later in 2016.

Financial results for the year ended 30 June 2016

Districtwide planning – cost of activity statement

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Budget \$000
	Expenditure		
2,773	Other operating expense	3,925	3,264
2,773	Operating expenditure	3,925	3,264
	Revenue		
-	Fees and charges	52	-
-	Operating revenue	52	-
2,773	NET OPERATING COSTS	3,873	3,264
	Capital items		
-	Total capital items	-	-
2,773	NET COST OF ACTIVITY	3,873	3,264
2,773	Rates	3,873	3,264
-		-	-
2,773	TOTAL SOURCES OF FUNDS	3,873	3,264

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 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 whilst balancing the competing priorities of all our customers.

Building, design and development

Legislative change

The changes to the Building Act 2004 regarding the management of earthquake-prone building assessments by council were passed by Parliament and are likely to come into force in May 2017. The Kāpiti district is still considered a high-risk area, with five years for council to assess buildings in its district and 15 years for building owners to resolve the issues.

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 has had another busy year. In total, 239 resource consents were processed. This was a 12.7% increase on the 212 consents processed in 2014/15. Staff responded well to the continued high workload.

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 has been particularly high over the year as final design and construction work have progressed. This 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 over the year with council dealing with three alterations to the designation.

Building control

The two-yearly International Accreditation New Zealand audit of the building control authority was undertaken in early October 2015 resulting in just one corrective action being identified – this has now been resolved. The audit team commented on the high standard of work that had been undertaken in

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 landowners 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.

documenting our processes and managing change by the building and business improvement teams.

Council issued 1,063 building consents during 2015/16, up slightly on 1,006 in the previous year. There was a significant increase in applications in the fourth quarter. The average processing time over the year was 13 days against a target of 17 days.



Building progress being inspected

The building team have continued to work with other councils in the Wellington region to develop a consistent approach across the region. This has included implementing new technology. The first project involved implementing GoGet, an electronic approach to processing building consent applications and inspections. The next step has been to participate in GoShift, a cross-council initiative to align building control systems and processes. This is still in the development stages.

Assessing earthquake-prone buildings

Council has started the process of identifying buildings that will require assessment within the district and has assessed 151 buildings in 2015/16.

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.

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.

Public health in our community

Legislative change in public 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, custom food control plan or national programme. All existing food businesses must transition to the new requirements during year one, two or three, depending on the nature of the food business.

Sale and Supply of Alcohol Act 2012

This year the team processed:

- 22 applications for new licences
- 51 applications for renewal of licences
- 118 applications for special licences
- 21 applications for temporary authorities
- 79 applications for a new manager's certificate
- 133 applications for renewal of managers' certificates.

Inspection targets were achieved and improved this year with 81 inspections undertaken related to applications for a new licence or to renew a licence.

In addition, there were a further 81 visits related to monitoring of alcohol-licensed premises.

Environmental health

Inspection and audit targets were achieved this year with 326 inspections and audits of food businesses.

Eight education and training sessions were hosted related to the Food Act 2014 to assist businesses to understand the requirements of the new Act while encouraging them to use the food control plan.

This year, in addition to achieving the routine inspection targets, we also conducted a total of 196 support visits which included introductory visits, implementation visits and pre-audit visits to help support new food businesses and businesses which transitioned onto the food control plan prior to their audit being undertaken.

The inspection targets for health-licensed premises were achieved, with 59 inspections of hairdressers, campgrounds, and funeral directors.

Swimming pool inspections

Council has currently identified 1,033 known swimming pools as classified by legislation. Staff conducted 207 inspections and exceeded the target to inspect 20% of known pools.

During the inspections, staff focused on educating those pool owners/persons in control of pools who were not compliant in terms of pool fencing requirements. Staff provided educational advice and material to assist owners to meet their obligations under the Fencing of Swimming Pools Act 1987. Council also approved five special exemptions under Section 6 of this Act.

Council staff continue to undertake a proactive and educational focus to promote the safety of young children by requiring the fencing of certain swimming and spa pools.

Animal management

This year animal management has undergone a change in focus from enforcement to facilitation. The team is encouraging more community engagement with a focus on preventing incidents occurring.



Council staff member visits re-homed dog

The animal management team is involved in running education in schools through the DogSmart dog bite prevention programme. The team has visited five schools this year and has a number of schools either booked or interested in running the programme in the future. The programme targets the next generation of dog owners through education aimed at young children to improve their understanding of safety when dealing with dogs and responsible dog ownership. The programme has been well received with positive feedback from teachers and children.

Staff are committed to working with external stakeholders and the community, including the Society for the Prevention of Cruelty to Animals (SPCA), Helping You Help Animals (HUHA) and Police,

to provide a more robust service that encourages and supports responsible dog ownership but also focuses on controls to prevent repeat incidents.

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%}	11,163 of the 11,788 service requests received during the year (95%) were responded to within time.
	Average working days to process building consents will not exceed 17 days	Achieve	Achieved	Building consents were processed in 13 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 {97%}	There have been ten seminar presentations on regulatory matters this year, with a total of 107 survey respondents. Of these, 97% 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 14 reports of dog attacks classified as urgent this year. They were all responded to within one 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 2016

Regulatory services – cost of activity statement				
2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Budget \$000	
	Expenditure			
6,669	Other operating expense	8,174	7,885	
33	Depreciation and amortisation	63	6	
17	Finance expense	17	16	
6,719	Operating expenditure	8,254	7,907	
	Revenue			
3,301	Fees and charges	3,839	3,171	
3,301	Operating revenue	3,839	3,171	
3,418	NET OPERATING COSTS	4,415	4,736	
	Capital items			
-	Asset renewal	5	-	
12	New assets upgrade	49	50	
12	Total capital items	54	50	
3,430	NET COST OF ACTIVITY	4,469	4,786	
3,418	Rates	4,415	4,736	
12	Borrowings	49	50	
-	Depreciation reserve	5	-	
3,430	TOTAL SOURCES OF FUNDS	4,469	4,786	

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 2015/16 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.

In this year we have also had some special activities to mark the centenary of World War I.

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, elected members also attended several public workshops in February and March 2016 considering proposed changes to year two of the Long term plan 2015-35 for inclusion in the consultation process on the Annual plan 2016/17.

Several councillors subsequently attended public consultation events in Paraparaumu and Waikanae on 16 April in support of the consultation around the annual plan. This was followed in May 2015 by one day of hearings of oral submissions to the plan.

Representation review

The council heard and considered submissions to the representation review considering, amongst other things, council ward and community board boundaries. A final proposal was issued on 27 August 2015 with a one-month period for appeals and objections. That proposal saw additions to Waikanae

Ward and an alignment of Ōtaki and Waikanae Ward and community board boundaries.

There were no appeals or objections to the council's final proposal in the representation review. However, because that proposal involved a boundary change, the matter was then forwarded to the Local Government Commission for a final determination.

The Local Government Commission issued its final determination in February 2016, upholding the council's proposal. The decision will apply to the 2016 local body elections.

Council submissions

Council made a number of submissions during 2015/16. In addition to those prepared by the planning team (see page 75), these included a submission to the Remuneration Authority on payment for roles with additional responsibility, a submission to the Ministry of Business Innovation and Employment on the Building Act Emergency Management proposal, and the Building Consent Authority Accreditation.

There were also submissions on the Building (Earthquake Prone Buildings) Amendment Bill, and on the National Environmental Standard for Plantation Forestry.

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.

Annual plan

In line with recent legislative change, a new approach was adopted for the Annual Plan 2016/17. Instead of producing a draft annual plan for consultation that included all work programmes and projects for the 2016/17 year, council prepared a concise and reader-friendly consultation document. That document focused only on the significant changes to plans for the 2016/17 year from those that were in the *FutureKāpiti* Long term plan 2015-35.

The document was released for public consultation on 4 April 2016 and the community were able to make submissions up to 29 April 2016. All the relevant draft financial information was available on the council's website for those who wished to see the detail of council's spending plans and strategies.

In total 85 submissions were received. Overall, these gave strong support for the proposed grant to Wellington Free Ambulance, clear opposition to spending additional funds on the Waikanae Park changing rooms but were divided on whether to make any of the additional proposed cuts to services. On other matters raised in the consultation document, submitters were largely in agreement with the direction in which council is heading.

Hearings were held in May and were attended by people speaking in support of 29 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 9 June 2016.

After those decisions were incorporated, the Annual Plan 2016/17 was adopted by council on 23 June 2016.

Regional governance

In June 2015, the Local Government Commission announced it would not proceed with its draft proposal for amalgamation in the Wellington region

but would work with the communities to develop other options. These included collaboration between councils over shared services (transport, water and spatial planning). This council has been actively involved in responding to the commission's proposals advocating for Kāpiti's interests.

Resident opinion survey 2016

A resident opinion survey undertaken in March 2016 with results reported in May, asked residents a number of questions about their satisfaction with council services and facilities.

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 resident opinion survey 2016 can be found on the council's website kapiticoast.govt.nz

Civic events


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

- Community and civic awards
- Electra business awards
- ShoutOut awards for youth
- Waitangi Day event, co-hosted with Te Āti Awa at Whakarongotai marae in Waikanae
- Five citizenship ceremonies, one of which was hosted by Te Āti Awa at Whakarongotai marae in November 2015. Citizenship was conferred on 196 people from a range of countries
- World War I commemorative activities including the Battle of Chunuk Bair commemoration and the opening of the Field of Remembrance in Paraparaumu.

Tāngata whenua

Council has a long-standing relationship with tāngata whenua and a commitment to its partnership with Te Āti Awa ki Whakarongotai, Ngāti Raukawa ki te Tonga and Ngāti Toa Rangatira and the memorandum of partnership it holds with them. 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 2015/16 year are reported in the *Message from tāngata whenua* (see page 7). Further achievements included:

-  were engaged in several working parties including town centres, the treatment of bio-solids and the development of cultural impact assessments.
- Waitangi Day exhibition at Mahara gallery promoting the history of Te Āti Awa.
- Economic development grants were allocated to four recipients in 2015/16. The grants will enable research into the potential of Māori owned land in the district, developing strong business plans, environmental planning, and enhancing visitor experiences on Kāpiti Island.
- Lwi appointed a new committee, Te Ohu Taiao, to provide input into the proposed district plan planner reports.
- Completed the annual contestable marae grants process. This year, the full amount was awarded to Raukawa marae to address some significant maintenance works.
- A review of the marae grants process was conducted to determine the effectiveness of the current marae policy and grant process. The review has identified some recommendations to be implemented in the next financial year.

Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
Civil defence emergency management				
We encourage households to be ready for emergencies	Number of households that have an emergency plan and kit sufficient for three days following an emergency event	Maintain or increase 2014/15 baseline (69%)	Achieved (74%)	Resident Opinion Survey result reported in May 2016.
Governance				
Residents will be informed of opportunities to engage and participate in decision-making processes within statutory timeframes	Council meeting agendas are available in hard copy in council service centres and/or district libraries within two working days prior to the meeting	100%	Achieved (100%)	
Official information requests will be responded to within statutory timeframes	Percentage of official information requests responded to within 20 working days ¹	100%	Achieved (100%)	All official information requests were responded to within 20 working days.
Tāngata whenua				
We value the partnership with tāngata whenua and it is strong	The memorandum of partnership is renewed each triennium	Achieve	Achieved	The memorandum was renewed for this triennium in 2014/15.
	Te Whakaminenga o Kāpiti is satisfied or very satisfied with the partnership	Achieve	Achieved	Statement of satisfaction with the partnership from chair of the committee, Rupene Waaka, in the pre-election report.
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	

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

Financial results for the year ended 30 June 2016

Governance and tāngata whenua – cost of activity statement

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Budget \$000
	Expenditure		
3,870	Other operating expense	4,601	4,032
60	Depreciation and amortisation	61	44
68	Finance expense	65	70
3,998	Operating expenditure	4,727	4,146
	Revenue		
536	Fees and charges	593	529
6	Grants and subsidies	-	-
44	Interest income	37	66
586	Operating revenue	630	595
3,412	NET OPERATING COSTS	4,097	3,551
	Capital items		
637	Asset renewal	395	531
30	New assets upgrade	6	15
11	Additional loan repayment	-	9
678	Total capital items	401	555
4,090	NET COST OF ACTIVITY	4,498	4,106
3,156	Rates	3,620	3,591
30	Borrowings	6	15
8	Depreciation reserve	25	81
44	Movement in other reserves	(8)	-
852	Reserves and special funds	855	419
4,090	TOTAL SOURCES OF FUNDS	4,498	4,106



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 2015/16 financial year against budget.

The funding impact statements outline how we have funded our expenditure 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, 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 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 2016				
2014/15 Actual \$000		Note	2015/16 Actual \$000	2015/16 Budget \$000
Revenue				
51,300	Rates	3	53,774	53,989
8,271	Fees and charges	4	8,298	7,558
3,453	Grants and subsidies	5	3,305	4,277
1,435	Development and financial contributions		1,382	1,055
3,631	Other operating revenue	6	3,252	261
68,090	Total revenue		70,011	67,140
Expenses				
45,788	Operating expenses	7	47,945	46,124
16,154	Depreciation and amortisation	14/15	17,248	16,637
61,942	Total expenses		65,193	62,761
Interest				
143	Interest income		472	216
7,741	Interest expense		8,332	8,116
7,598	Total interest expense		7,860	7,900
(1,450)	OPERATING SURPLUS/(DEFICIT) BEFORE UNREALISED GAINS/(LOSSES)		(3,042)	(3,521)
Unrealised gains/(losses)				
(6,541)	Unrealised (loss)/gain on revaluation of financial derivatives		(9,693)	(488)
(6,541)	Total unrealised gains/(losses)		(9,693)	(488)
(7,991)	NET OPERATING SURPLUS/(DEFICIT)		(12,735)	(4,009)
Other comprehensive revenue and expense				
(83)	Unrealised gain/(loss) from revaluation of property, plant and equipment		29,894	20,328
(83)	Total other comprehensive revenue and expense		29,894	20,328
(8,074)	TOTAL COMPREHENSIVE REVENUE AND EXPENSE		17,159	16,319

The accounting policies and accompanying notes on pages 94 to 129 form part of these financial statements.

Statement of changes in equity for the year ended 30 June 2016					
	Accumulated funds Actual \$000	Reserves and special funds Actual \$000	Revaluation reserve Actual \$000	Total equity Actual \$000	Total equity Budget \$000
Opening balance at 1 July 2014	581,355	3,246	708,690	1,293,291	786,347
Net operating surplus/(deficit)	(7,991)	-	-	(7,991)	(2,837) ¹
Unrealised gain/(loss) from revaluation of property, plant and equipment	-	-	(83)	(83)	-
Total comprehensive revenue and expense for the year	(7,991)	-	(83)	(8,074)	(2,837) ¹
Transfers from reserves and special funds	871	(871)	-	-	-
Transfers to reserves and special funds	(586)	586	-	-	-
Closing balance at 30 June 2015	573,649	2,961	708,607	1,285,217	783,510
Opening balance at 1 July 2015	573,649	2,961	708,607	1,285,217	1,286,972
Net operating surplus/(deficit)	(12,735)	-	-	(12,735)	(4,009) ²
Unrealised gain/(loss) from revaluation of property, plant and equipment	-	-	29,894	29,894	20,328 ²
Total comprehensive revenue and expense for the year	(12,735)	-	29,894	17,159	16,319
Transfers from reserves and special funds	832	(832)	-	-	-
Transfers to reserves and special funds	(588)	588	-	-	-
CLOSING BALANCE AT 30 JUNE 2016	561,158	2,717	738,501	1,302,376	1,303,291

¹ As per 2014/15 Annual Plan.

² As per *FutureKāpiti* Long term plan 2015-35.

Statement of financial position as at 30 June 2016				
2014/15 Actual \$000		Note	2015/16 Actual \$000	2015/16 Budget \$000
	Current Assets			
1,440	Cash and cash equivalents	8	442	200
8,298	Trade and other receivables	9	7,832	6,618
95	Inventories		99	142
111	Non-current assets held for sale	10	6	-
-	Other financial assets	12	10,000	-
53	Loans	11	59	72
9,997	Total Current Assets		18,438	7,032
	Non-Current Assets			
1,442,470	Property plant and equipment	14	1,477,621	1,470,772
218	Forestry assets	13	378	77
860	Intangible assets	15	664	923
2,216	Other financial assets	12	7,536	2,278
507	Loans	11	561	684
389	Derivative financial instruments	24	-	-
1,446,660	Total Non-Current Assets		1,486,760	1,474,734
1,456,657	TOTAL ASSETS		1,505,198	1,481,766
	Current Liabilities			
13,830	Trade and other payables	16	16,789	15,661
2,379	Employee benefit	17	1,921	2,230
847	Deposits	18	747	900
43	Borrowings	19	10,018	10,018
765	Provisions	20	652	580
262	Derivative financial instruments	24	276	-
18,126	Total Current Liabilities		30,403	29,389
	Non-Current Liabilities			
212	Employee benefit	17	204	248
140,022	Borrowings	19	150,004	138,830
4,187	Provisions	20	3,535	3,553
8,893	Derivative financial instruments	24	18,676	6,455
153,314	Total Non-Current Liabilities		172,419	149,086
171,440	TOTAL LIABILITIES		202,822	178,475
	Public Equity			
573,649	Accumulated funds		561,158	570,884
2,961	Reserves and special funds	22	2,717	3,389
708,607	Revaluation reserve	21	738,501	729,018
1,285,217	TOTAL PUBLIC EQUITY		1,302,376	1,303,291
1,456,657	TOTAL LIABILITIES AND PUBLIC EQUITY		1,505,198	1,481,766

The accounting policies and accompanying notes on pages 94 to 129 form part of these financial statements

Statement of cash flows for the year ended 30 June 2016				
2014/15 Actual \$000		Note	2015/16 Actual \$000	2015/16 Budget \$000
	Cash flows from operating activities			
	<i>Cash was provided from:</i>			
50,755	Kāpiti Coast District Council rates		52,908	45,976
8,995	Greater Wellington Regional Council rates collected		9,752	-
1,702	Grants and subsidies		1,700	2,862
143	Interest received		136	216
10,671	Fees and charges		11,040	16,637
(1,007)	GST (net)		1,456	299
71,259			76,992	65,990
	<i>Cash was applied to:</i>			
46,230	Payments to employees and suppliers		47,920	45,377
8,995	Rates paid to Greater Wellington Regional Council		9,752	-
55,225			57,672	45,377
16,034	Net cash inflow from operating activities	23	19,320	20,613
	Cash flows from investing activities			
	<i>Cash was provided from:</i>			
2,493	Proceeds from sale of assets held for sale, property, plant and equipment and intangibles		271	-
1,750	Proceeds from capital grants		1,605	1,415
4,243			1,876	1,415
	<i>Cash was applied to:</i>			
27,853	Construction and purchase of property, plant and equipment and intangibles		18,415	22,427
376	Purchase of investments		15,059	287
28,229			33,474	22,714
(23,986)	Net cash outflow from investing activities		(31,598)	(21,299)
	Cash flows from financing activities			
	<i>Cash was provided from:</i>			
18,250	Short-term borrowings		36,365	-
15,000	Long-term borrowing		19,680	8,832
33,250			56,045	8,832
	<i>Cash was applied to:</i>			
7,723	Interest paid		8,357	8,164
18,250	Short-term borrowings		36,365	-
5,030	Long-term borrowing		43	-
31,003			44,765	8,164
2,247	Net cash inflow from financing activities		11,280	668
(5,705)	Net increase/(decrease) in cash and cash equivalents		(998)	(18)
7,145	Total cash and cash equivalents at 1 July		1,440	218
1,440	TOTAL CASH AND CASH EQUIVALENTS AT 30 JUNE	8	442	200

Funding impact statement for the year ended 30 June 2016			
	2014/15 Budget \$000	2015/16 Budget \$000	2015/16 Actual \$000
Source of operating funding			
General Rate, Uniform Annual General Charge, Rates Penalties	10,901	20,153	20,251
Targeted Rates	41,196	34,336	34,073
Grants and Subsidies for Operating Purposes	1,501	1,520	1,700
Fees and Charges	7,443	6,875	7,553
Interest and Dividends from Investments	609	216	472
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other	1,682	443	3,266
Total operating funding	63,332	63,543	67,315
Applications of operating funding			
Payment to Staff and Suppliers	44,970	46,481	47,908
Finance Costs	7,852	8,116	8,332
Internal Charges and Overheads Applied	-	-	-
Other Operating Funding Applications	-	-	-
Total applications of operating funding	52,822	54,597	56,240
SURPLUS/DEFICIT OF OPERATING FUNDING	10,510	8,946	11,075
Source of capital funding			
Grants and subsidies for Capital Expenditure	1,334	2,756	1,605
Development and Financial Contributions	1,188	1,055	1,449
Increase/(Decrease) in Debt	14,737	14,547	10,664
Gross Proceeds from Sale of Assets	-	-	271
Lump Sum Contributions	-	-	-
Other Dedicated Capital Funding	-	-	-
Total source of capital funding	17,259	18,358	13,989
Applications of capital funding			
Capital Expenditure			
>to meet additional demand	4,607	1,298	1,974
>to improve the level of service	10,130	14,547	10,936
>to replace existing assets	15,278	9,873	6,702
Increase/(Decrease) in Reserves	(2,246)	1,586	5,452
Increase/(decrease) in Investments	-	-	-
Total applications of capital funding	27,769	27,304	25,064
SURPLUS/DEFICIT OF CAPITAL FUNDING	(10,510)	(8,946)	(11,075)
FUNDING BALANCE	-	-	-

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 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 2016. The financial statements were adopted and authorised for issue by council on 29 September 2016.

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, 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 Otaihanga landfill,
- the valuation of infrastructural assets, forestry assets, parks and reserves,

- 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.

- (iii) 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 and infrastructural assets

which are carried at fair value less depreciation and impairment.

Revaluation

Valuations for council's land, buildings 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.

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.

Asset category	Estimated remaining useful life (years)
<i>Operational assets</i>	
Buildings	5–65
Computer equipment	4–5
Furniture and chattels	2–25
Heritage assets	100
Library collection	5–7
Motor vehicles, trucks, motorcycles	5–10
Office equipment	4–10
Other improvements	2–80
Public art	10–75
<i>Plant and machinery</i>	
Tractors, trailers, heavy mowers	5–10
Other plant	2–20
Otaihanga Landfill (post closure)	7
<i>Infrastructural assets</i>	
Bridges	3–100
<i>Seawalls</i>	
Concrete, posts, rails, panels, rocks	20–35
<i>River control</i>	
Bank protection	40–75

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

Asset category	Estimated remaining useful life (years)
<i>Roading</i>	
Basecourse (20% depreciable content)	6
Footpaths	38–39
Cycleways	6–15
Kerbs, culverts, lighting	14–45
Surfacing	7–12
Traffic Modelling	10
<i>Stormwater</i>	
Stormwater flood maps	10
Pump stations, manholes, sumps	10–90
Pipes	70–105
<i>Wastewater</i>	
Pumps and pump stations	5–35
Manholes, cleaning eyes	55–65
Pipes	50–60
Treatment plant	15–40
<i>Water</i>	
Storage	20–50
Booster stations	10–20
Hydrants, valves, tobies	45–70
Meters	20–22
Pipes	40–60
Treatment plant	10–30

value, over its remaining useful life. The residual value and useful life of an asset is reviewed and adjusted if applicable, at each financial year end.

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

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 Otaihangā 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

Landfill aftercare costs

Council, as operator of the Otaihangā 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.

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* Long term plan 2015-35. 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 31.

3. Revenue from rates		
2014/15 Actual \$000		2015/16 Actual \$000
Revenue from exchange transactions:		
Targeted rates		
3,372	Districtwide water supply volumetric rate	3,340
3,372	Total rates from exchange transactions	3,340
Revenue from non-exchange transactions:		
General rates		
10,536	Districtwide	19,707
Targeted rates		
11,065	Community facilities rate	11,810
228	Hautere/Te Horo water supply rate	235
257	Ōtaki community rate	263
47	Ōtaki community service	-
46	Paekākāriki community rate	68
15	Paekākāriki community service charges	-
242	Paraparaumu/Raumati community rate	93
5,811	Districtwide regulatory services rate	-
6,371	Districtwide roading rate	5,232
3,009	Districtwide stormwater rate	2,780
103	Waikanae community rate	117
7,340	Districtwide wastewater disposal rate	7,146
4,015	Districtwide water supply fixed rate	4,075
(756)	Less internal rates	(797)
(401)	Less rates remitted	(295)
47,928	Total rates from non-exchange transactions	50,434
51,300	Total rates from exchange and non-exchange transactions	53,774
61,439	Total rates levied	64,686
(756)	Less internal rates	(797)
(401)	Less rates remitted	(295)
(8,982)	Less Greater Wellington Regional Council rates	(9,820)
51,300	Total revenue from rates	53,774

Rates are shown net of rate remissions. Rate remissions granted during the year in accordance with council's rates remission and postponement policies total \$0.30 million (2015: \$0.40 million). Total rates levied on council-owned properties were

\$0.80 million (2015: \$0.76 million). Rates levied on council-owned properties have been excluded from rates revenue and from expenditure.

Rates remissions		
2014/15 Actual \$000		2015/16 Actual \$000
17	Council community properties, sporting, recreational and other community organisations	39
116	Residential rating units containing two separately habitable units	92
182	Financial hardship	136
86	Māori freehold land	28
401	Total rates remissions	295

Summary of rates funding surplus		2015/16 Actual \$000
Total comprehensive revenue and expense for the year ended 30 June 2016		17,159
Adjusted by income and expenditure variances not funded by rates		
Add: unrealised loss on revaluation of financial derivatives exceeding budget		9,205
Add: unbudgeted movement in net expenditure funded by reserves		462
Less: unbudgeted increased capital funding and vested assets		(1,678)
Less: revaluation of property, plant and equipment exceeding budget		(9,727)
Underlying net rates surplus		15,421
Less: budgeted net operating surplus for the year ended 30 June 2016		16,319
Rates deficit		(898)
Represented by:		
Water account deficit		(116)
Depreciation (excluding water)		(740)
Net unbudgeted expenditure		(42)
Total rates deficit		(898)

The rates funding deficit of \$0.90 million is different to the net operating deficit of \$12.74 million as per the statement of comprehensive revenue and expense due to the following:

- Net 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 deficit of \$0.90 million is mainly due to additional unbudgeted depreciation charges during the year.

On the 8 August 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 will take measures in 2016/17 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

2014/15 Actual \$000		2015/16 Actual \$000
Revenue from exchange transactions:		
6,008	Sale of goods and services	6,218
1,656	Rent from lease of council-owned properties	1,335
7,664	Total fees and charges from exchange transactions	7,553
Revenue from non-exchange transactions:		
607	Fines and penalties	745
607	Total fees and charges from non-exchange transactions	745
8,271	Total fees and charges	8,298

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 \$0.54 million (2015: \$0.44 million) and traffic infringements of \$0.11 million (2015: \$0.12 million). It also includes library fines and fines for dog prosecution and noise control.

5. Revenue from grants and subsidies

2014/15 Actual \$000		2015/16 Actual \$000
Grants and subsidies from non-exchange transactions		
1,750	Capital grants	1,605
1,703	Operating grants	1,700
3,453	Total grants and subsidies from non-exchange transactions	3,305

During the year, council received both capital and operating grants from NZTA. Capital grants of \$1.60 million (2015: \$1.60 million) were used to subsidise the construction/renewal of new/existing local roading and operating grants of \$1.60 million (2015: \$1.60 million) were used for the cost of maintaining existing local roading.

6. Other operating revenue

2014/15 Actual \$000		Note	2015/16 Actual \$000
Other operating revenue from non-exchange transactions			
2,453	Vested assets (non-Crown)	14	2,620
264	Donations and sponsorships		130
141	Unrealised gain on revaluation of forestry assets	13	160
226	Local government petrol tax		232
529	Other revenue		110
3,613	Total grants and subsidies from non-exchange transactions		3,252
Other operating revenue from exchange transactions			
18	Realised gain on disposal of property plant and equipment	14	-
18	Total other operating revenue from exchange transactions		-
3,631	Total other operating revenue		3,252

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			
2014/15 Actual \$000		Note	2015/16 Actual \$000
	Auditor's remuneration		
	<i>Ernst & Young</i>		
115	Audit of long term plan		-
166	Audit of financial statements		172
15	Other assurance related services		3
	Impairments and unrealised losses		
7	Impairment of intangible asset	15	-
28	Loss on disposal of property, plant and equipment	14	15
(99)	Net increase/(decrease) of impairment of trade receivables	9	(137)
	Governance		
566	Councillor fees and costs	25	619
	Personnel costs		
21,066	Staff remuneration		21,677
694	Other personnel costs		756
1,584	Contractors		1,711
660	Employer superannuation (including KiwiSaver)		704
409	Staff training		373
	Other		
132	Transport costs		191
826	Grants		747
611	Legal costs		341
960	Insurance		875
2,852	Operating projects		3,101
377	Operating lease rentals		273
2,000	Heat, light, power (energy)		2,021
293	Communications		317
58	Professional services		118
49	Bank charges		83
12,419	Other		13,985
45,788	Total other operating expense		47,945

8. Cash and cash equivalents		
2014/15 Actual \$000		2015/16 Actual \$000
5	Cash on hand	6
20	Cash at bank	11
1,415	Short term deposits	425
1,440	Total cash and cash equivalents	442

Cash and cash equivalents comprise cash balances and cash deposits with maturity dates of less than three months.

9. Trade and other receivables		
2014/15 Actual \$000		2015/16 Actual \$000
	Trade and other receivables from exchange transactions	
2,850	Trade receivables	2,620
698	Rates receivable	751
103	Prepayments	342
(317)	Less provision for impairment	(122)
3,334	Total trade and other receivables from exchange transactions	3,591
	Trade and other receivables from non-exchange transactions	
1,880	GST Receivable	721
1,103	Trade receivables	1,567
2,343	Rates receivable	2,373
(362)	Less provision for impairment	(420)
4,964	Total trade and other receivables	4,241
8,298	Total trade and other receivables	7,832

Receivables are generally short term and non-interest bearing. The carrying value approximates the fair value.

Provision for impairment of trade and other receivables		
2014/15 Actual \$000		2015/16 Actual \$000
778	Opening balance	679
370	Increase in provision	226
(469)	Released unused provisions	(363)
679	Provision for impairment of trade and other receivables	542

Provision for impairment of trade and other receivables		
2014/15 Actual \$000		2015/16 Actual \$000
637	Individual impairment	474
42	Collective impairment	68
679	Provision for impairment of trade receivables at 30 June	542

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			
2014/15 Actual \$000		Notes	2015/16 Actual \$000
90	Western Link Road reserve land		-
21	Motor vehicles	14	6
111	Total non-current assets held for sale		6

Valuation details					
Asset	Future net sale proceeds	Pre- impairment carrying amount	Impairment	Closing carrying amount	Final settlement date
	\$000	\$000	\$000	\$000	
Valuation details					
Light commercial vehicles	21	6	-	6	August 2016
	21	6	-	6	

11. Loans		
2014/15 Actual \$000		2015/16 Actual \$000
	Current	
53	Water conservation loans	48
-	Loans to community groups	11
53	Total current loans	59
	Non-current	
289	Water conservation loans	351
218	Loans to community groups	210
507	Total non-current loans	561
560	Total loans	620

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.

12. Other financial assets		
2014/15 Actual \$000		2015/16 Actual \$000
	Current	
	Term deposits	
-	Term deposits	10,000
-	Total current other financial assets	10,000
	Non-current	
	Shares	
100	NZ Local Government Funding Agency	100
15	NZ Local Government Insurance Corporation	15
	Notes	
2,080	NZ Local Government Funding Agency	2,400
21	Fonterra perpetual	21
	Term deposits	
-	Term deposits	5,000
2,216	Total non-current other financial assets	7,536
2,216	Total other financial assets	17,536

Short term deposits comprise cash deposits with maturity dates of more than three months.

13. Forestry assets					
2015/16 \$000	Opening balance	Additions	Unrealised gain/(loss)	Disposals	Closing balance
Lot 1					
Waikanae water treatment area, Reikorangi, Waikanae (5.3 hectares pinus radiata, established 1985)	87	-	56	-	143
Lot 2					
Paraparaumu sewage treatment area, Otaihanga landfill (approximately 8.0 hectares pinus radiata, established 1984-86)	131	-	104	-	235
	218	-	160	-	378

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

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
Total operational assets	120,426	2,116	-	(11,468)	(36)	-	(94)	110,944	(20,949)	(3,709)	11,303	-	11	(13,344)	99,477	97,600
<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
Total infrastructural assets	1,282,123	15,337	1,020	(16)	17,184	-	94	1,315,742	(11,612)	(11,637)	16	12,746	(11)	(10,498)	1,270,511	1,305,244
<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
Total restricted assets	74,020	2,236	1,633	(45)	-	-	-	77,844	(1,538)	(1,574)	45	-	-	(3,067)	72,482	74,777
TOTAL PROPERTY, PLANT AND EQUIPMENT	1,476,569	19,689	2,653	(11,529)	17,148	-	-	1,504,530	(34,099)	(16,920)	11,364	12,746	-	(26,909)	1,442,470	1,477,621

Property, plant and equipment (continued)																
2014/15	Cost/Revaluation								Accumulated depreciation						Carrying amount	
	Opening balance	Additions	Vested assets	Disposals	Revaluation	Impairment	Transfers (to/(from) assets	Closing balance	Opening balance	Depreciation	Disposals	Revaluation	Transfers (to/(from) assets	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	58,089	1,901	-	-	(87)	-	-	59,903	(293)	(1,662)	-	4	-	(1,951)	57,796	57,952
Computers and office equipment	7,917	416	-	-	-	-	-	8,333	(6,380)	(507)	-	-	-	(6,887)	1,537	1,446
Furniture and chattels	2,122	176	-	-	-	-	-	2,298	(1,437)	(112)	-	-	-	(1,549)	685	749
Land	29,238	-	-	-	-	-	-	29,238	-	-	-	-	-	-	29,238	29,238
Landfill post-closure	4,364	252	-	-	-	-	-	4,616	(337)	(336)	-	-	-	(673)	4,027	3,943
Library collections	7,536	534	-	(45)	-	-	-	8,025	(5,251)	(511)	12	-	-	(5,750)	2,285	2,275
Motor vehicles	3,664	414	-	(202)	-	-	(118)	3,758	(2,063)	(302)	168	-	97	(2,100)	1,601	1,658
Plant and machinery	2,816	1,019	-	(176)	-	-	-	3,659	(2,001)	(178)	140	-	-	(2,039)	815	1,620
Items under construction	1,844	(1,247)	-	-	-	-	-	597	-	-	-	-	-	-	1,844	597
Total operational assets	117,590	3,465	-	(423)	(87)	-	(118)	120,427	(17,762)	(3,608)	320	4	97	(20,949)	99,828	99,478
<i>Infrastructural assets</i>																
Bridges	14,537	440	327	-	-	-	-	15,304	-	(294)	-	-	-	(294)	14,537	15,010
River flood protection and control works	1,092	-	-	-	-	-	-	1,092	-	(16)	-	-	-	(16)	1,092	1,076
Roading – land under road	733,693	-	-	-	-	-	-	733,693	-	-	-	-	-	-	733,693	733,693
Roading and footpaths	249,190	7,971	966	-	-	-	182	258,309	(217)	(4,224)	-	-	-	(4,441)	248,973	253,868
Seawalls	5,116	-	-	-	-	-	-	5,116	-	(467)	-	-	-	(467)	5,116	4,649
Stormwater drainage	59,703	232	406	-	-	-	-	60,341	(571)	(1,036)	-	-	-	(1,607)	59,132	58,734
Wastewater – other assets	63,214	4,416	373	-	-	-	-	68,003	(34)	(1,488)	-	-	-	(1,522)	63,180	66,481
Wastewater treatment plants and facilities	21,694	2,374	-	-	-	-	-	24,068	-	(854)	-	-	-	(854)	21,694	23,214
Water – other assets	72,257	15,710	310	-	-	-	-	88,277	(2)	(1,727)	-	-	-	(1,729)	72,255	86,548
Water treatment plants and facilities	14,502	9,016	-	-	-	-	-	23,518	-	(682)	-	-	-	(682)	14,502	22,836
Items under construction	24,403	(20,002)	-	-	-	-	-	4,401	-	-	-	-	-	-	24,403	4,401
Total infrastructural assets	1,259,401	20,157	2,382	-	-	-	182	1,282,122	(824)	(10,788)	-	-	-	(11,612)	1,258,577	1,270,510
<i>Restricted assets</i>																
Buildings and improvements	24,625	2,887	71	-	-	-	-	27,583	(45)	(1,493)	-	-	-	(1,538)	24,580	26,045
Land	46,423	-	-	-	-	-	-	46,423	-	-	-	-	-	-	46,423	46,423
Items under construction	2,438	(2,424)	-	-	-	-	-	14	-	-	-	-	-	-	2,438	14
Total restricted assets	73,486	463	71	-	-	-	-	74,020	(45)	(1,493)	-	-	-	(1,538)	73,441	72,482
TOTAL PROPERTY, PLANT AND EQUIPMENT	1,450,477	24,085	2,453	(423)	(87)	-	64	1,476,569	(18,631)	(15,889)	320	4	97	(34,099)	1,431,846	1,442,470

Revaluation methodology

Description	Date of last asset valuation	Valuation method used to assess fair value	Next asset revaluation date
Operational assets			
Land and buildings	30 June 2014	Valuations were performed by external registered valuers Quotable Value (QV) New Zealand Limited. The methodology used to assess the fair value of land and most of the buildings was 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. Land valuations have been based on extensive local knowledge, the district rating records, the QV mapping system and records held by Quotable Value.	30 June 2017
Infrastructural assets			
Roading and footpaths	30 June 2014	Valuations were performed by external registered valuers Spiire 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 with the RAMM database and unit prices updated by Spiire 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.	30 June 2017
Land under roads	30 June 2014	Valuations was performed by registered valuers Tse Value Limited and reviewed by Spiire New Zealand Limited. The optimised depreciated replacement cost method was used to assess the fair value. 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. 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.	30 June 2017
Bridges	30 June 2014	Valuations were performed by registered valuers Spiire New Zealand Limited. The optimised depreciated replacement cost method was used to assess the fair value. A "brownfields" optimisation approach was used for roading and bridges, and was based on the assumption the entire roading system remains in its current configuration. No capacity for optimisation of the roading assets was identified. The rates for replacement costs of assets were based on current construction costs of similar works and adjusted using the appropriate consumer price index where there were no other current rates that were applicable.	30 June 2017
Water	30 June 2016	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.	30 June 2018

Description	Date of last asset valuation	Valuation method used to assess fair value	Next asset revaluation date
Wastewater	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. 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.	30 June 2018
Stormwater	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
Seawalls	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
River control	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
Restricted assets			
Parks and reserves structures	30 June 2014	Valuations were performed by external registered valuers Spiire New Zealand 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 assessed using the capital goods price index for reclamation and river control.	30 June 2017

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 2017	Every two years thereafter
Land and buildings (excluding land under roads revaluations)	30 June 2017	Every three years thereafter
Parks and reserves structures	30 June 2017	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	2015/16 gain/(loss) \$000
Plant and machinery	13	10	3
Motor vehicles	137	138	(1)
Motor vehicles transferred to Wellington Rural Fire Authority	-	17	(17)
Closing balance	150	165	(15)

In addition to above, proceeds of \$121k were received from the sale of non-current assets held for sale at 30 June 2015.

Motor vehicle fleet summary						
2015/16	1 July 2015	Additions	Disposals during the year	Held for sale as at 30 June 2016	30 June 2016	Held for sale carrying amount
	number	number	number	number	number	\$000
Heavy commercial vehicles (trucks)	14	-	(3)	-	11	-
Light commercial vehicles (utilities, 4WD, vans, minibuses)	59	6	(8)	(1)	56	6
Passenger vehicles (hatch, sedan, station wagons, 4WD)	29	6	(12)	-	23	-
Motorcycles, ATV, quad bikes	3	-	(1)	-	2	-
TOTAL FLEET	105	12	(24)	(1)	92	6

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
Computer software		
Cost	Opening balance 1 July 2015	1,922
	Additions during the year	114
	Disposals during the year	(570)
	Closing balance 30 June 2016	1,466
Amortisation	Opening balance 1 July 2015	(1,062)
	Amortisation during the year	(328)
	Disposals during the year	588
	Closing balance 30 June 2016	(802)
Carrying value	As at 30 June 2015	860
Carrying value	As at 30 June 2016	664

16. Trade and other payables		
2014/15 Actual \$000		2015/16 Actual \$000
	Trade and other payables	
8,021	Trade creditors	11,127
1,091	Contract retentions	723
1,261	Greater Wellington Regional Council rates payable	1,378
763	Interest payable	483
2,007	Rates received in advance	2,077
687	Sundry payables	1,001
13,830	Total trade and other payables	16,789

Trade payables are non-interest bearing and normally settled on 30-day terms, therefore the carrying values approximate fair value.

17. Employee benefit liabilities		
2014/15 Actual \$000		2015/16 Actual \$000
	Current	
71	Long service leave	77
519	Salaries	(15)
110	Sick leave	64
1,679	Annual leave	1,795
2,379	Total current employee benefit liabilities	1,921
	Non-current	
55	Long service leave	74
157	Retirement gratuities	130
212	Total non-current employee benefit liabilities	204
2,591	Total employee benefit liabilities	2,125

18. Deposits		
2014/15 Actual \$000		2015/16 Actual \$000
	Deposits	
6	Hall deposits	7
9	Miscellaneous deposits	6
403	Resource consent planning bonds	441
429	Road damage deposits	293
847	Total deposits	747

19. Borrowings		
2014/15 Actual \$000		2015/16 Actual \$000
43	Short term borrowings	10,018
140,022	Long term borrowings	150,004
140,065	Total borrowings	160,022
Maturity		
43	2015/16	-
10,018	2016/17	10,018
60,004	2017/18	70,004
20,000	2018/19	20,000
15,000	2019/20	25,000
20,000	2020/21	20,000
-	2021/22	-
15,000	2022/23	15,000
140,065	Total borrowings	160,022

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, \$150 million (2015: \$130 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 5.42% (2015: 5.51%).

20. Provisions		
2014/15 Actual \$000		2015/16 Actual \$000
Weathertight buildings		
366	Opening balance	391
136	Increase/(decrease) in provision	552
(99)	Expenditure	(754)
(12)	Adjustment to present value	-
391	Closing balance 30 June	189
Landfill aftercare		
4,431	Opening balance	4,112
(282)	Increase/(decrease) in provision	96
(453)	Expenditure	(628)
416	Adjustment to present value	-
4,112	Closing balance 30 June	3,580
Other provisions		
607	Opening balance	449
(101)	Increase/(decrease) in provision	70
(60)	Expenditure	(101)
3	Adjustment to present value	-
449	Closing balance 30 June	418
4,952	Total provisions	4,187

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		
2014/15 Actual \$000		2015/16 Actual \$000
Current		
168	Provision for weathertight buildings	-
509	Provision for landfill aftercare	550
88	Other provisions	102
765	Total current provisions	652
Non-current		
223	Provision for weathertight buildings	189
3,603	Provision for landfill aftercare	3,030
361	Other provisions	316
4,187	Total non-current provisions	3,535
4,952	Total provisions	4,187

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
- incremental drainage control features
- completing facilities for leachate collection and monitoring
- completing facilities for water quality monitoring, and
- completing facilities for monitoring and management of landfill gas.

Post-closure responsibilities include:

- treatment and monitoring of leachate
- ground monitoring and surface monitoring
- implementation of remedial measures needed for cover and control systems, and
- ongoing site maintenance for drainage systems, 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 2023 (2015:2026).

The annual cost for monitoring the Otaihanga landfill site after closure is estimated to be \$7,000 per year for the first five years after closure. An annual monitoring cost of \$3,500 is estimated for a further 30 years.

The annual cost for monitoring the closed landfills in Waikanae and Ōtaki is \$3,500 per landfill and will be required until 2039 for Waikanae and 2040 for Ōtaki.

The nominal value of the estimated total costs of capping the Otaihanga landfill was reduced by \$1 million in the current year due to clay and peat material now being sourced locally.

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 2015/16
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Land and buildings	42,784	-	(36)	42,748
Roading and bridges	612,113	-	-	612,113
Water	18,269	5,179	(6,216)	17,232
Wastewater	19,285	27,547		46,832
Stormwater and river control	16,156	3,420		19,576
Total revaluation reserve	708,607	36,146	(6,252)	738,501

22. Reserves and special funds				
	Opening balance	Transfers into reserve	Transfers out of reserve	Closing balance 2015/16
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Restricted reserves				
Plant purchase and renewal fund	261	535	(370)	426
Waikanae property fund	81	2	-	83
Waikanae capital improvements fund	1,197	32	(21)	1,208
Total restricted reserves	1,539	569	(391)	1,717
Council-created reserves				
Contingency fund	420	6	(420)	6
Paekākāriki Campe Estate	113	3	(3)	113
Roading reserve	785	-	-	785
Election reserve	104	10	(18)	96
Total council-created reserves	1,422	19	(441)	1,000
Total reserves and special funds	2,961	588	(832)	2,717

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 is the road upgrading development contributions from developers and interest on the capital sum.

Election reserve

The purpose of the reserve is to fund the three yearly election cycle. The reserve is funded from rates on an annual basis.

23. Reconciliation of operating surplus/(deficit) to cash flow from operating activities		
2014/15 Actual \$000		2015/16 Actual \$000
(7,991)	Net operating surplus/(deficit) for the year	(12,735)
	Add/(less) non-cash items	
16,154	Depreciation and amortisation expense	17,248
(2,453)	Vested assets	(2,620)
6,541	Unrealised loss/(gain) on revaluation of financial derivatives	9,693
(141)	(Gains)/losses in fair value of forestry assets	(160)
20,101	Total non-cash items	24,161
	Add/(less) items classified as investing or financing activities	
10	Loss/(gain) on disposal of property, plant and equipment and intangibles	15
(1,750)	Proceeds from capital grants	(1,605)
7,723	Interest on borrowings	8,332
5,983	Total investing or financing activities	6,742
	Add/(less) movements in working capital items	
(2,246)	(Increase)/decrease in receivables	465
18	(Increase)/decrease in inventory	(4)
405	Increase/(decrease) in payables	2,120
279	Increase/(decrease) in employee entitlements	(467)
(63)	Increase/(decrease) in deposits	(100)
(452)	Increase/(decrease) in provisions	(862)
(2,059)	Total movement in working capital	1,152
16,034	Net cash inflow/(outflow) from operating activities	19,320

24. Financial instruments

The accounting policies for financial instruments have been applied to the line items below.

Financial instruments categories		
2014/15 Actual \$000		2015/16 Actual \$000
	Financial assets	
	Loans and receivables	
1,440	Cash and cash equivalents	442
8,298	Trade and other receivables	7,832
560	Loans	620
-	Term deposits	15,000
10,298	Total loans and receivables	23,894
	Held-to-maturity	
2,080	LGFA borrower notes	2,400
2,080	Total held-to-maturity	2,400
	Available-for-sale	
21	Perpetual notes	21
100	Shares in LGFA	100
15	Shares in LGIC	15
136	Total available-for-sale	136
	Fair value through other comprehensive revenue and expense	
	Derivative financial instruments	
-	Current	-
389	Non-current	-
389	Total fair value through other comprehensive revenue and expense	-
	Financial liabilities	
	Fair value through other comprehensive revenue and expense	
	Derivative financial instruments	
262	Current	276
8,893	Non-current	18,676
9,155	Total fair value through other comprehensive revenue and expense	18,952
	Financial liabilities at amortised cost	
13,830	Trade and other payables	16,789
140,065	Borrowings	160,022
153,895	Total financial liabilities at amortised cost	176,811

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 2016 in relation to its borrowing programme. Including forward start swaps, the notional contract value of these agreements was \$220.18 million (2015: \$212.73 million).

The fixed interest rate range for council's interest rate swaps are 2.76% to 5.82%. The net fair value of the interest rate swaps as at 30 June 2016 was \$18.95 million net liability (2015: \$8.77 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 2016, it is estimated that a general increase of one percent in interest rates would result in a net operating surplus of \$6.32 million. This is driven by an unrealised gain on the revaluation of derivatives of an estimated \$9.39 million partially offset by a net \$0.02 million increase in net interest expense.

Conversely, it is estimated that a general decrease of one percent in interest rates would result in a net operating loss of \$13.25 million. This is driven by an unrealised loss on the revaluation of derivatives of an estimated \$10.21 million partially offset by a net \$0.02 million decrease 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	2015/16		2014/15	
	+100 BPS	-100 BPS	+100 BPS	-100 BPS
Interest rate risk				
Financial assets				
Cash and cash equivalents – current	-	-	-	-
Derivative financial instruments – current	-	-	-	-
Derivative financial instruments – non-current	-	-	1,693	(1,882)
Financial liabilities				
Derivative financial instruments – current	102	(103)	78	(83)
Derivative financial instruments – non current	9,284	(10,104)	6,280	(6,727)
Borrowings	-	-	-	-
Gain/(loss)	9,386	(10,207)	8,051	(8,692)

Cash flow sensitivity				
\$000	2015/16		2014/15	
	+100 BPS	-100 BPS	+100 BPS	-100 BPS
Interest rate risk				
Financial assets				
Cash and cash equivalents – current	4	(4)	14	(14)
Derivative financial instruments – current	-	-	-	-
Derivative financial instruments – non-current	-	-	-	-
Financial liabilities				
Derivative financial instruments – current	310	(310)	370	(370)
Derivative financial instruments – non current	1,262	(1,262)	937	(937)
Borrowings	(1,600)	1,600	(1,400)	1,400
Gain/(loss)	(24)	24	(79)	79

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						
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	-	-
Total	23,894	24,399	18,516	5,339	250	294

Contractual maturity analysis of financial assets						
2014/15	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	1,440	1,440	1,440	-	-	-
Derivative financial instruments	389	(1,369)	(26)	(116)	(438)	(789)
Trade and other receivables	8,298	8,298	8,298	-	-	-
Loan receivables	560	674	53	83	204	334
Total	10,687	9,043	9,765	(33)	(234)	(455)

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						
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	-	-
Total	195,763	215,749	36,092	77,662	79,399	22,596

Contractual maturity analysis of financial liabilities						
2014/15	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	13,830	13,830	13,830	-	-	-
Derivative financial instruments	9,155	11,749	1,962	1,993	5,010	2,784
Borrowings	140,000	163,104	5,923	15,710	103,892	37,579
Borrowings – EECA loan	65	65	43	18	4	-
Total	163,050	188,748	21,758	17,721	108,906	40,363

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	2015/16				2014/15			
	Quoted market price	Valuation technique – market observable inputs	Valuation technique – non-market observable inputs	Total	Quoted market price	Valuation technique – market observable inputs	Valuation technique – non-market observable inputs	Total
	(level 1)	(level 2)	(level 3)		(level 1)	(level 2)	(level 3)	
Financial assets								
Derivative financial instruments	-	-	-	-	-	389	-	389
Perpetual notes	-	21	-	21	-	21	-	21
Shares in LGIC	-	15	-	15	-	15	-	15
LGFA borrower notes	-	2,400	-	2,400	-	2,080	-	2,080
Shares in LGFA	-	100	-	100	-	100	-	100
Total	-	2,536	-	2,536	-	2,605	-	2,605
Financial liabilities								
Derivative financial instruments	-	18,952	-	18,952	-	9,155	-	9,155
Total	-	18,952	-	18,952	-	9,155	-	9,155

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 2016 was \$1.93 million (2015: \$1.73 million). There were no termination payments made to key management personnel in the year (2015: nil).

Senior leadership team

Chief executive

For the year ended 30 June 2016, 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 \$300,430 until January 2016 when the package was increased to \$305,500 per annum. The fixed remuneration package comprises a salary component and a salary sacrifice component, covering professional fees.

Number of employees		
2014/15		2015/16
262	Permanent full time employees	240
6	Full time equivalents (FTEs) of all permanent non-full time employees	39
33	Full time equivalents of non-permanent staff (contractors)	22
301	Total full time equivalent employees	301

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 2016 there were severance payments made to two employees (2015: three) totalling \$16,593 (2015 \$50,159). The value of each severance payment was \$16,192 and \$402 respectively.

Salary bands					
Number of permanent employees (headcount) 2014/15	Number of non-permanent staff (contractors) (headcount) 2014/15		Number of permanent employees (headcount) 2015/16	Number of non-permanent staff (contractors) (headcount) 2015/16	
180	58	Less than \$59,999	167	60	
64	2	\$60,000 to \$79,999	69	2	
36	-	\$80,000 to \$99,999	37	4	
12	-	\$100,000 to 119,999	16	1	
10	-	\$120,000 to 139,999	11	-	
7	1	\$140,000 to 219,999	11	-	
1	-	More than \$220,000	1	-	
310	61	Total remuneration	312	67	

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 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 2016 is summarised in the table on the following page.

Remuneration of councillors and elected members			
2015/16 Name	Remuneration	Reimbursement	Total remuneration
	Actual \$000	Actual \$000	Actual \$000
Councillors			
Ross Church – Mayor	105	-	105
Diane Ammundsen	48	-	48
Murray Bell	35	-	35
Mike Cardiff	45	-	45
Jackie Elliott	32	1	33
Penny Gaylor	39	1	40
K Gurunathan	32	-	32
Janet Holborow	37	1	38
David Scott	32	-	32
Michael Scott	32	1	33
Gavin Welsh	39	-	39
Paekākāriki community board members			
Philip Edwards (Chair)	7	-	7
Sam Buchanan	4	-	4
Stephen Eckett	4	-	4
Jack McDonald - Resigned during 2015/16	2	-	2
Emily Boonen	2	-	2
Paraparaumu - Raumati community board members			
Fiona Vining (Chair)	19	1	20
Deborah Morris-Travers	8	-	8
Kathy Spiers	9	-	9
Jonny Best	9	-	9
Ōtaki community board members			
James Cootes (Chair)	14	1	15
Rob Kofoed	7	-	7
Christine Papps	7	-	7
Colin Pearce	5	-	5
Waikanae community board members			
Eric Gregory (Chair)	15	1	16
Jill Lloyd	8	-	8
Jocelyn Prvanov	8	-	8
James Westbury	8	-	8
Total	612	7	619

26.Commitments and operating leases

Capital commitments		
2014/15 Actual \$000		2015/16 Actual \$000
818	Contracted capital commitments at 30 June but not yet completed	8,295
818	Total capital commitments	8,295

Non-cancellable operating leases (as lessee)		
2014/15 Actual \$000		2015/16 Actual \$000
	<i>Remaining payables under leases</i>	
316	Not later than one year	289
1,065	Later than one year and not later than five years	855
2	Later than five years	-
1,383	Non-cancellable operating leases (council as lessee)	1,144

Council leases commercial premises in Ōtaki and Paraparaumu.

Non-cancellable operating leases (as lessor)		
2014/15 Actual \$000		2015/16 Actual \$000
	<i>Remaining receivables under leases</i>	
522	Not later than one year	519
1,603	Later than one year and not later than five years	1,846
1,073	Later than five years	741
3,198	Total operating lease commitments (council as lessor)	3,106

Council leases various council-owned land and buildings to the community and to commercial organisations.

27. Internal borrowings by activity		
2014/15 Actual \$000		2015/16 Actual \$000
40	Community facilities	40
127	Stormwater management	57
6,297	Wastewater management	5,763
225	Water management	180
6,689	Total internal borrowings	6,040

28. Capital expenditure by activity		
2014/15 Actual \$000		2015/16 Actual \$000
10,493	Water	1,204
5,159	Access and transport	6,004
130	Coastal management	498
3,029	Wastewater management	2,776
741	Stormwater management	4,028
-	Solid waste	-
888	Economic development	789
371	Community facilities and community support	341
1,103	Parks and open space	1,644
1,357	Recreation and leisure	1,085
-	Districtwide planning	-
12	Regulatory services	54
667	Governance and tāngata whenua	402
645	Corporate	786
24,595	Total capital expenditure	19,611

29. 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 \$20 million from the LGFA.

30. 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.

31. Major variances from budget

The council has applied 2% of total operating expenditure to determine major variances to budget.

Statement of comprehensive revenue and expense

Grants and subsidies

Grants and subsidies were \$0.97 million unfavourable to budget. This was mainly due to incorrectly budgeting a subsidy of \$0.77 million from NZTA for the planned \$1.50 million road extension of 200 metres between Nga Manu Nature Reserve and the link road running over the expressway to Nga Manu.

Other operating revenue

Other operating revenue was \$3.0 million favourable to budget due to \$2.62 million of unbudgeted infrastructure and land assets vested to council as part of subdivision activity (mainly from the Waikanae North Development).

Other operating expense

Other operating expenses were \$1.82 million unfavourable to budget. This was mainly due to several planned project overspends, \$0.18 million of unbudgeted taxation and asset revaluation cost, \$0.30 million of unbudgeted personnel costs due to higher superannuation costs and lower capitalisation recoveries and \$0.50 million of unplanned year end accounting adjustments to best reflect council's best estimate of future liability provisions and doubtful debts.

Depreciation

Depreciation was \$0.61 million unfavourable to budget. This was due to more assets vested to Council in 2014/15 than planned, incorrect budget assumptions pertaining to the Waikanae Water Treatment Plant and River Re-Charge Scheme and earlier completion of assets in 2015/16 than expected.

Revaluation of property, plant and equipment

Council's water, wastewater, stormwater and flood protection assets were revalued as at 30 June 2016. These assets were revalued \$9.57 million favourable to budget mainly due to a significant increase to the cost of pipe construction and more detailed valuations of council's treatment plants.

Unrealised loss on financial derivatives

Unrealised losses on financial derivatives were \$9.21 million unfavourable to budget mainly due to significant short and long term interest rate reductions during the year. This does not represent a cash loss as the council has no intention to realise the changes (whether gains or losses).

Statement of financial position

Property, plant and equipment

Property, plant and equipment were \$6.85 million favourable to budget. This was mainly due to the higher revaluation of the Council's water, wastewater, stormwater and flood protection assets.

Other financial assets

Other financial assets were \$15.26 million favourable to budget due to council holding \$15 million of unbudgeted fixed term deposits at year end. New debt of \$20 million was issued during the year to secure lower borrowing costs. \$10 million was issued to pre-fund \$10 million of debt maturing in December 2016 and a further \$10 million was issued to prefund the 2015/16 capital works programme. All pre-funding was invested on fixed term deposits at the most favourable rate of return. \$5 million of the 2015/16 capital works programme was unspent at balance date and remained in fixed term deposit.

Borrowings

Borrowings were \$11.17 million unfavourable to budget. This was mainly due to \$10 million of unbudgeted debt issued to prefund debt maturing in December 2016 (to secure lower borrowing costs).

Derivative financial instruments

The fair valuation of council's derivative financial instruments was \$12.50 million unfavourable to budget. This was due to significant short and long term interest rate reductions during the year.

32. 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 2016, the LGFA had borrowings totalling \$6.445 billion (2015: \$4.955 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 2016, this would need to be a single council default event that exceeded the sum of:
 - cash and deposits of \$126 million, and
 - LGFA borrower notes of \$99 million, and
 - LGFA credit facility of \$400 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 2.5% of LGFA's loan assets).

Legal claims

On 29 April 2016, High Court proceedings were filed against council regarding a residential building consent issued. Council has denied all liability and the matter is with Council's insurers.

As at 30 June 2016, council remains on notice by KiwiRail Holdings Ltd of a potential claim for alleged disruption to both rail and road networks following the 14 May 2015 storm event. Council has denied all liability and the matter remains with Council's insurers.

33. Events after the end of the reporting period

There are no material non-adjusting events after the reporting date.

34. Financial results excluding revaluation of land under roads

During the previous triennium, council resolved to value land under roads as part of the three yearly asset revaluation cycle. This decision was made to ensure that council's valuation methodology was in line with other councils in the Wellington region such as Porirua City Council. This increase in the value of assets does not impact on council's overall credit rating or ability to raise external funding.

Council made a commitment that it would clearly outline the impact of the revaluation on the financial statements and so the tables on the following pages show the financial statements both including and excluding the revaluation of land under roads for comparative purposes.

Statement of comprehensive revenue and expense showing the impact of land under roads valuation				
2014/15 Actual \$000		Note	2015/16 Actual including valuation of land under roads Actual \$000	2015/16 Actual excluding valuation of land under roads Budget \$000
Revenue				
51,300	Rates		53,774	53,774
8,271	Fees and charges		8,298	8,298
3,453	Grants and subsidies		3,305	3,305
1,435	Development and financial contributions		1,382	1,382
3,631	Other operating revenue		3,252	3,252
68,090	Total revenue excluding gains		70,011	70,011
Expenses				
45,788	Operating expenses		47,945	47,945
16,154	Depreciation and amortisation		17,248	17,248
61,942	Total expenses		65,193	65,193
Interest				
143	Interest income		472	472
7,741	Finance expense		8,332	8,332
7,598	Total interest expense		7,860	7,860
(1,450)	OPERATING SURPLUS/(DEFICIT)		(3,042)	(3,042)
Unrealised gains/(losses)				
(6,541)	Unrealised (loss)/gain on revaluation of financial derivatives		(9,693)	(9,693)
(6,541)	Total unrealised gains/(losses)		(9,693)	(9,693)
(7,991)	NET OPERATING SURPLUS/(DEFICIT)		(12,735)	(12,735)
Other comprehensive revenue and expense				
(83)	Unrealised gain/(loss) from revaluation of property, plant and equipment		29,894	29,894
(83)	Total other comprehensive revenue and expense		29,894	29,894
(8,074)	TOTAL COMPREHENSIVE REVENUE AND EXPENSE		17,159	17,159

Statement of financial position showing the impact of land under roads valuation			
2014/15 Actual \$000		2015/16 Actual including valuation of land under roads \$000	2015/16 Actual excluding valuation of land under roads \$000
Current Assets			
1,440	Cash and cash equivalents	442	442
8,298	Trade and other receivables	7,832	7,832
95	Inventories	99	99
111	Non-current assets held for sale	6	6
-	Other financial assets	10,000	10,000
53	Loans	59	59
9,997	Total Current Assets	18,438	18,438
Non-Current Assets			
1,442,470	Property plant and equipment	1,477,621	944,889
218	Forestry assets	378	378
860	Intangible assets	664	664
2,216	Other financial assets	7,536	7,536
507	Loans	561	561
389	Derivative financial instruments	-	-
1,446,660	Total Non-Current Assets	1,486,760	954,028
1,456,657	TOTAL ASSETS	1,505,198	972,466
Current Liabilities			
13,830	Trade and other payables	16,789	16,789
2,379	Employee benefit	1,921	1,921
847	Deposits	747	747
43	Borrowings	10,018	10,018
765	Provisions	652	652
262	Derivative financial instruments	276	276
18,126	Total Current Liabilities	30,403	30,403
Non-Current Liabilities			
212	Employee benefit	204	204
140,022	Borrowings	150,004	150,004
4,187	Provisions	3,535	3,535
8,893	Derivative financial instruments	18,676	18,676
153,314	Total Non-Current Liabilities	172,419	172,419
171,440	TOTAL LIABILITIES	202,822	202,822
Public Equity			
573,649	Accumulated funds	561,158	561,158
2,961	Reserves and special funds	2,717	2,717
708,607	Revaluation reserve	738,501	205,769
1,285,217	TOTAL PUBLIC EQUITY	1,302,376	769,644
1,456,657	TOTAL LIABILITIES AND PUBLIC EQUITY	1,505,198	972,466

Statement of changes in equity showing the impact of land under roads valuation						
	Accumulated funds	Reserves and special funds	Revaluation reserve including valuation of land under roads	Revaluation reserve excluding valuation of land under roads	Total equity including valuation of land under roads	Total equity excluding valuation of land under roads
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Opening balance at 1 July 2014	581,355	3,246	708,690	175,958	1,293,291	760,559
Net operating surplus/(deficit)	(7,991)	-	-	-	(7,991)	(7,991)
Unrealised gain/(loss) from revaluation of property, plant and equipment	-	-	(83)	(83)	(83)	(83)
Total comprehensive revenue and expense for the year	(7,991)	-	(83)	(83)	(8,074)	(8,074)
Transfers from reserves and special funds	871	(871)	-	-	-	-
Transfers to reserves and special funds	(586)	586	-	-	-	-
Closing balance at 30 June 2015	573,649	2,961	708,607	175,875	1,285,217	752,485
Opening balance at 1 July 2015	573,649	2,961	708,607	175,875	1,285,217	752,485
Net operating surplus/(deficit)	(12,735)	-	-	-	(12,735)	(12,735)
Unrealised gain/(loss) from revaluation of property, plant and equipment	-	-	29,894	29,894	29,894	29,894
Total comprehensive revenue and expense for the year	(12,735)	-	29,894	29,894	17,159	17,159
Transfers from reserves and special funds	832	(832)	-	-	-	-
Transfers to reserves and special funds	(588)	588	-	-	-	-
Closing balance at 30 June 2016	561,158	2,717	738,501	205,769	1,302,376	769,644

35. 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 2016	Maximum limit of insurance cover available to council under those arrangements as at 30 June 2016
Property, plant and equipment and above- ground infrastructural assets	Material damage and business interruption	\$184.75 million	\$150 million for any one loss or series of losses arising out of any one event and applying to material damage and business interruption combined.
Residential property	Earthquake Commission (EQC) and material damage	\$17.99 million	<p>Natural catastrophe: First \$0.1 million for each loss event per property to be recovered from the EQC. Any remaining top-up required per loss event per property to a maximum of \$17.99 million for 131 properties.</p> <p>All other losses: Replacement value per loss event per property to a maximum of \$17.99 million for 131 properties.</p>
Motor vehicles	Comprehensive motor vehicle cover	\$1.49 million	<p>Fleet vehicles: Market or lease value of insured vehicle at the time and place of loss, limited to \$0.25 million for any one insured vehicle, unless notified to insurer.</p> <p>Third party liability : Limit indemnity of \$10 million for any one claim or series of claims arising from any one accident.</p>
Underground infrastructural assets	Material damage and business interruption in the event of natural catastrophe	\$303.29 million	\$500 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 an \$80 million sub-limit.

36. Rating base information			
Year	Rating units	Total capital value of rating units	Total land value of rating units
		\$000	\$000
2011/12			
Rateable units	24,380	10,475,319	5,324,350
Non-rateable units	702	340,285	146,843
Total	25,082	10,815,604	5,471,193
2012/13			
Rateable units	24,444	10,303,888	5,025,736
Non-rateable units	657	359,437	138,781
Total	25,101	10,663,325	5,164,517
2013/14			
Rateable units	24,452	10,287,650	5,017,185
Non-rateable units	739	362,390	140,252
Total	25,191	10,650,040	5,157,437
2014/15			
Rateable units	24,527	10,431,956	5,030,918
Non-rateable units	818	363,157	134,917
Total	25,345	10,795,113	5,165,835
2015/16			
Rateable units	24,555	10,798,419	5,150,537
Non-rateable units	832	378,393	138,669
Total	25,387	11,176,812	5,289,206

Disclosure statement

for the year ending 30 June 2016

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.

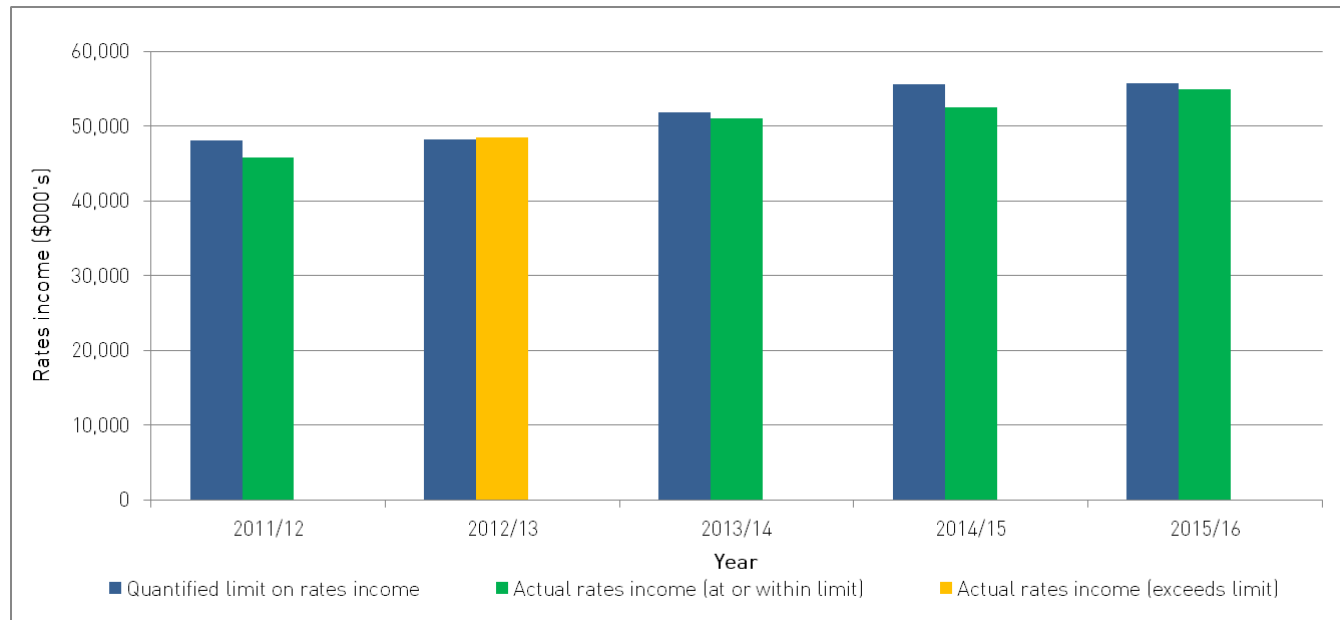
Rates affordability

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.

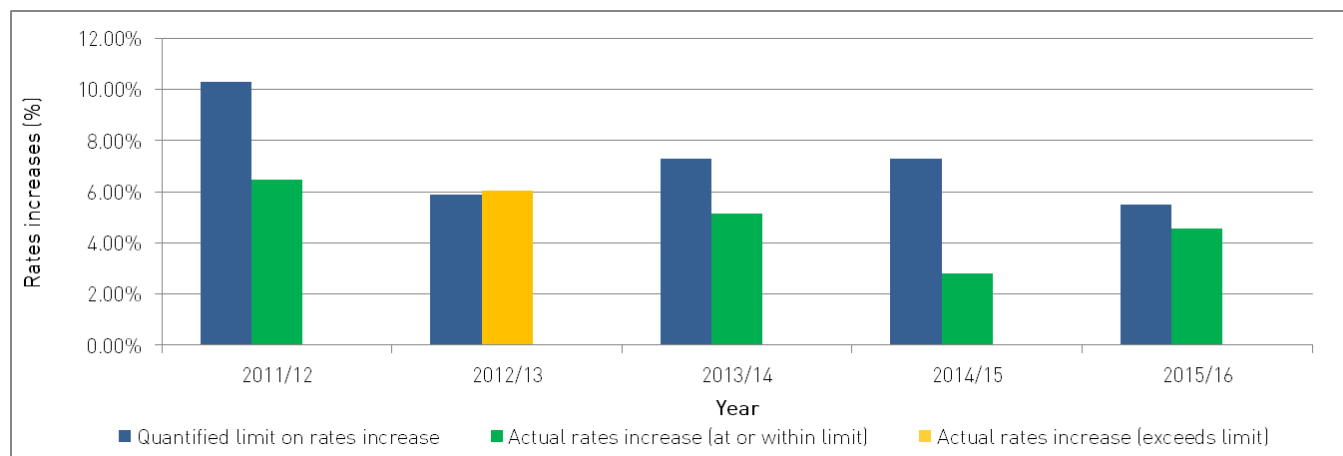
Rates (income) affordability

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

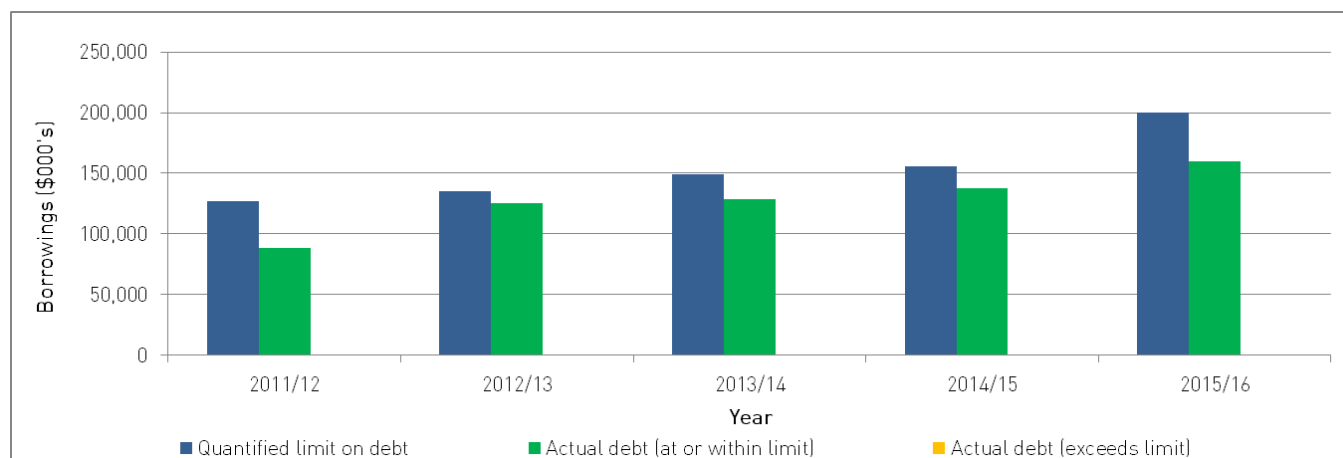
The following graph compares council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in council's long term plans.



Debt affordability

Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

The following graph compares council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in council's long term plans.



Balanced budget

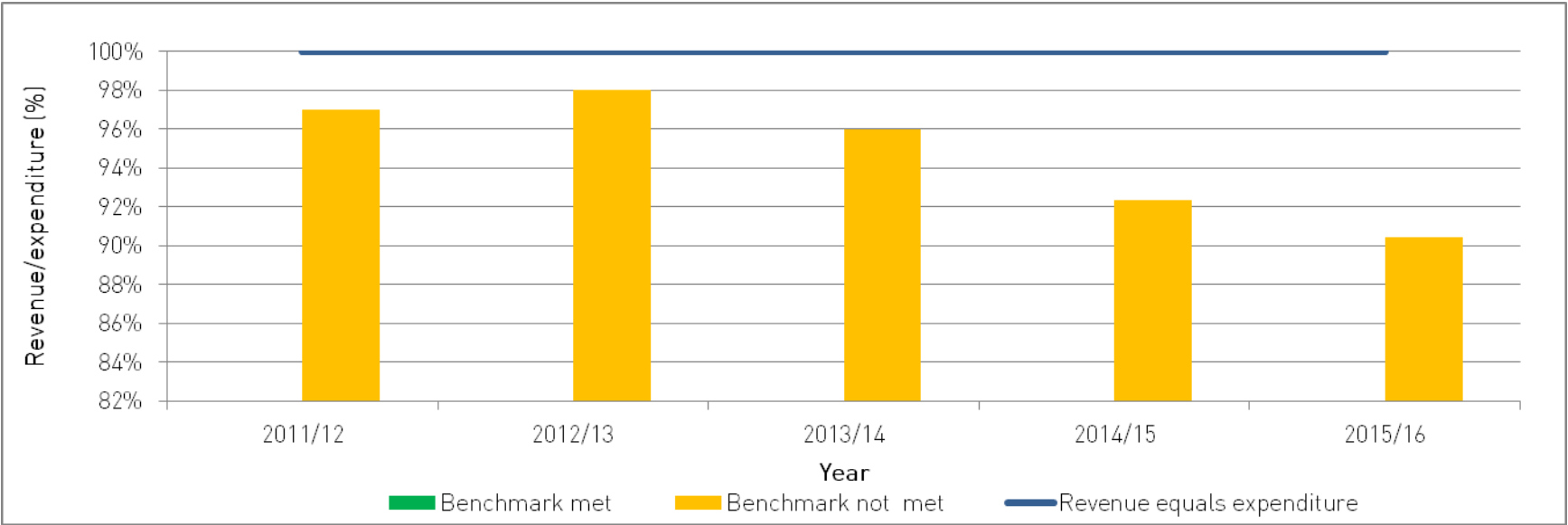
The graph below shows council’s revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant and equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments 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.

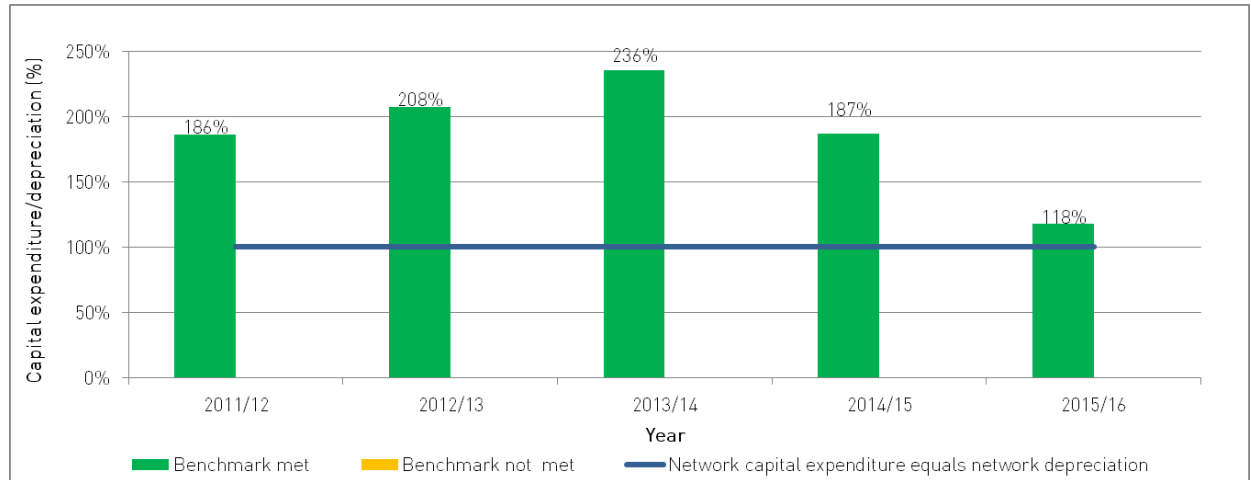
It should be noted that Council’s financial strategy includes fully funding depreciation by 2022.



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.



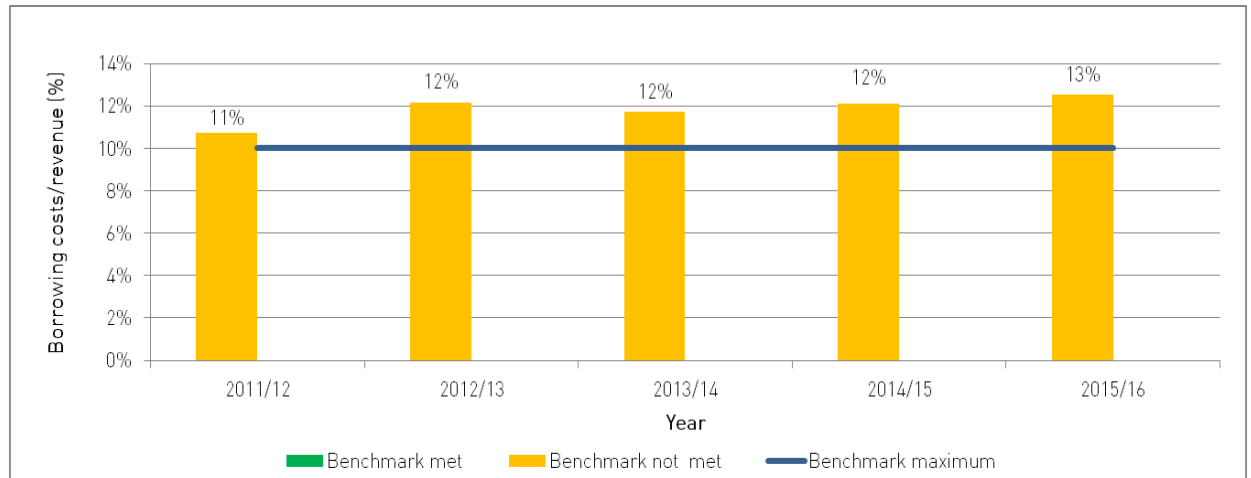
Debt servicing

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 2015/16 financial year was 0.6% compared to the national population growth rate of 1.9%.

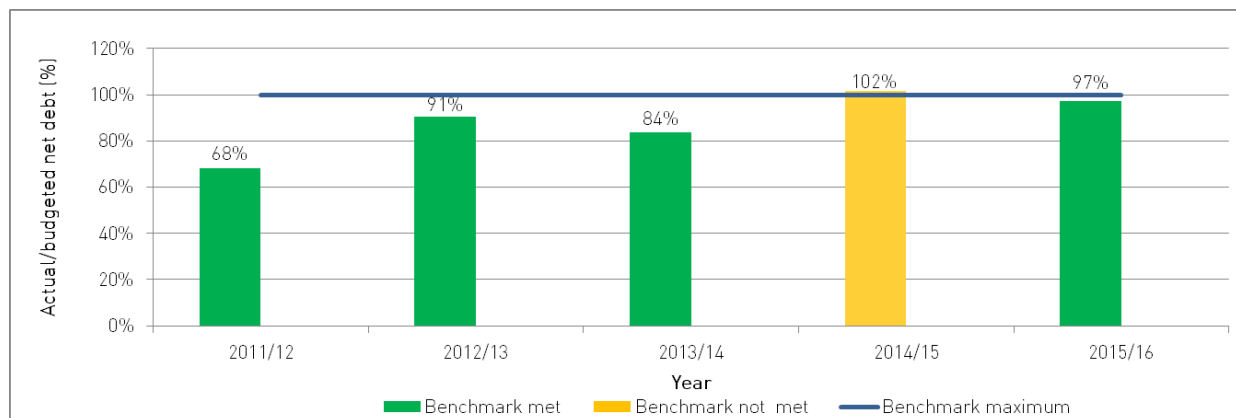
There has been significant capital investment in the Kāpiti district over recent years, in response to the community's needs.



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.



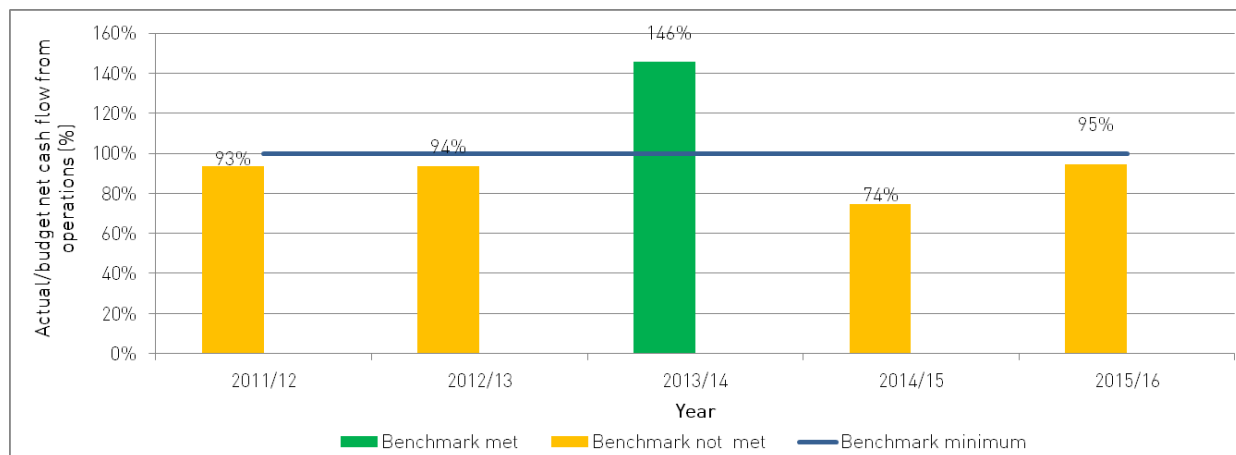
Operations control

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.

Cash received from fees and user charges was significantly below budget in 2011/12 and 2012/13. Reduced activity was a direct result of the extended market slowdown from the economic recession.

Less rates were received from volumetric water charges in 2015/16 due to lower consumption levels, and in addition, part of the district's fourth quarter volumetric water charges fell due for payment past 30 June 2016.



Funding impact statements per activity

Water management funding impact statement for the year ended 30 June 2016			
	2014/15 Budget \$000	2015/16 Budget \$000	2015/16 Actual \$000
Sources of operating funding			
General rate, uniform annual general charge, rates penalties	-	-	-
Targeted rates	8,286	8,136	7,854
Grants and subsidies for operating purposes	-	-	-
Fees and charges	38	39	36
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	-	-	-
Total operating funding	8,324	8,175	7,890
Applications of operating funding			
Payment to staff and suppliers	3,142	3,024	2,673
Finance costs	2,092	2,071	1,915
Internal charges and overheads applied	1,053	588	607
Other operating funding applications	-	-	-
Total applications of operating funding	6,287	5,683	5,195
SURPLUS/DEFICIT OF OPERATING FUNDING	2,037	2,492	2,695
Sources of capital funding			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	101	101	299
Increase (decrease) in debt	4,094	201	474
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	4,195	302	773
Applications of capital funding			
Capital expenditure			
> to meet additional demand	3,664	250	31
> to improve the level of service	587	201	474
> to replace existing assets	6,329	879	700
Increase (decrease) in reserves	(4,348)	1,464	2,263
Increase (decrease) in investments	-	-	-
Total applications of capital Funding	6,232	2,794	3,468
SURPLUS/DEFICIT OF CAPITAL FUNDING	(2,037)	(2,492)	(2,695)
FUNDING BALANCE	-	-	-

Access and transport funding impact statement for the year ended 30 June 2016			
	2014/15 Budget \$000	2015/16 Budget \$000	2015/16 Actual \$000
Sources of operating funding			
General rate, uniform annual general charge, rates penalties	-	-	-
Targeted rates	6,127	4,962	5,195
Grants and subsidies for operating purposes	1,466	1,486	1,643
Fees and charges	77	61	26
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	261	261	249
Total operating funding	7,931	6,770	7,113
Applications of operating funding			
Payment to staff and suppliers	3,864	4,038	4,338
Finance costs	1,605	1,482	1,408
Internal charges and overheads applied	905	659	700
Other operating funding applications	-	-	-
Total applications of operating funding	6,374	6,179	6,446
SURPLUS/DEFICIT OF OPERATING FUNDING	1,557	591	667
Sources of capital funding			
Grants and subsidies for capital expenditure	1,334	2,756	1,603
Development and financial contributions	356	197	397
Increase (decrease) in debt	3,085	3,598	1,997
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	4,775	6,551	3,997
Applications of capital funding			
Capital expenditure			
> to meet additional demand	521	719	106
> to improve the level of service	2,564	3,760	3,865
> to replace existing assets	2,640	2,029	2,033
Increase (decrease) in reserves	607	634	(1,340)
Increase (decrease) in investments	-	-	-
Total applications of capital Funding	6,332	7,142	4,664
SURPLUS/DEFICIT OF CAPITAL FUNDING	(1,557)	(591)	(667)
FUNDING BALANCE	-	-	-

Coastal management funding impact statement for the year ended 30 June 2016			
	2014/15 Budget \$000	2015/16 Budget \$000	2015/16 Actual \$000
Sources of operating funding			
General rate, uniform annual general charge, rates penalties	587	826	826
Targeted rates	2	-	-
Grants and subsidies for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	-	-	-
Total operating funding	589	826	826
Applications of operating funding			
Payment to staff and suppliers	252	290	303
Finance costs	162	167	187
Internal charges and overheads applied	31	36	38
Other operating funding applications	-	-	-
Total applications of operating funding	445	493	528
SURPLUS/DEFICIT OF OPERATING FUNDING	144	333	298
Sources of capital funding			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	76	140	127
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	76	140	127
Applications of capital funding			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	76	140	127
> to replace existing assets	140	384	371
Increase (decrease) in reserves	4	[51]	[73]
Increase (decrease) in investments	-	-	-
Total applications of capital Funding	220	473	425
SURPLUS/DEFICIT OF CAPITAL FUNDING	[144]	[333]	[298]
FUNDING BALANCE	-	-	-

Wastewater management funding impact statement for the year ended 30 June 2016			
	2014/15 Budget \$000	2015/16 Budget \$000	2015/16 Actual \$000
Sources of operating funding			
General rate, uniform annual general charge, rates penalties	-	-	-
Targeted rates	7,291	6,985	6,681
Grants and subsidies for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	1,313	1,060	870
Local authorities fuel tax, fines, infringement fees, and other	-	-	-
Total operating funding	8,604	8,045	7,551
Applications of operating funding			
Payment to staff and suppliers	3,703	3,838	3,549
Finance costs	705	876	700
Internal charges and overheads applied	2,264	1,558	1,515
Other operating funding applications	-	-	-
Total applications of operating funding	6,672	6,272	5,764
SURPLUS/DEFICIT OF OPERATING FUNDING	1,932	1,773	1,787
Sources of capital funding			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	127	147	79
Increase (decrease) in debt	568	1,207	2,119
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	695	1,354	2,198
Applications of capital funding			
Capital expenditure			
> to meet additional demand	201	376	1,934
> to improve the level of service	535	957	195
> to replace existing assets	1,919	1,888	647
Increase (decrease) in reserves	[28]	[94]	1,209
Increase (decrease) in investments	-	-	-
Total applications of capital Funding	2,627	3,127	3,985
SURPLUS/DEFICIT OF CAPITAL FUNDING	(1,932)	(1,773)	(1,787)
FUNDING BALANCE	-	-	-

Stormwater management funding impact statement for the year ended 30 June 2016			
	2014/15 Budget \$000	2015/16 Budget \$000	2015/16 Actual \$000
Sources of operating funding			
General rate, uniform annual general charge, rates penalties	481	485	453
Targeted rates	2,836	2,711	2,604
Grants and subsidies for operating purposes	-	-	-
Fees and charges	51	57	48
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	-	-	-
Total operating funding	3,368	3,253	3,105
Applications of operating funding			
Payment to staff and suppliers	1,095	1,008	958
Finance costs	879	983	841
Internal charges and overheads applied	198	192	211
Other operating funding applications	-	-	-
Total applications of operating funding	2,172	2,183	2,010
SURPLUS/DEFICIT OF OPERATING FUNDING	1,196	1,070	1,095
Sources of capital funding			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	60	51	129
Increase (decrease) in debt	2,335	3,896	3,840
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	2,395	3,947	3,969
Applications of capital funding			
Capital expenditure			
> to meet additional demand	221	624	553
> to improve the level of service	2,114	3,702	3,297
> to replace existing assets	500	488	179
Increase (decrease) in reserves	756	204	1,035
Increase (decrease) in investments	-	-	-
Total applications of capital Funding	3,591	5,017	5,064
SURPLUS/DEFICIT OF CAPITAL FUNDING	(1,196)	(1,070)	(1,095)
FUNDING BALANCE	-	-	-

Solid waste funding impact statement for the year ended 30 June 2016			
	2014/15 Budget \$000	2015/16 Budget \$000	2015/16 Actual \$000
Sources of operating funding			
General rate, uniform annual general charge, rates penalties	197	724	647
Targeted rates	(15)	-	-
Grants and subsidies for operating purposes	-	-	-
Fees and charges	488	527	509
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	-	-	-
Total operating funding	670	1,251	1,156
Applications of operating funding			
Payment to staff and suppliers	204	388	300
Finance costs	143	161	173
Internal charges and overheads applied	261	293	301
Other operating funding applications	-	-	-
Total applications of operating funding	608	842	774
SURPLUS/DEFICIT OF OPERATING FUNDING	62	409	382
Sources of capital funding			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	-	-	-
> to replace existing assets	200	511	-
Increase (decrease) in reserves	(138)	(102)	382
Increase (decrease) in investments	-	-	-
Total applications of capital Funding	62	409	382
SURPLUS/DEFICIT OF CAPITAL FUNDING	(62)	(409)	(382)
FUNDING BALANCE	-	-	-

Economic development funding impact statement for the year ended 30 June 2016			
	2014/15 Budget \$000	2015/16 Budget \$000	2015/16 Actual \$000
Sources of operating funding			
General rate, uniform annual general charge, rates penalties	1,759	2,172	1,997
Targeted rates	-	-	-
Grants and subsidies for operating purposes	-	-	-
Fees and charges	99	49	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	-	-	-
Total operating funding	1,858	2,221	1,997
Applications of operating funding			
Payment to staff and suppliers	1,109	1,201	958
Finance costs	426	476	429
Internal charges and overheads applied	122	458	548
Other operating funding applications	-	-	-
Total applications of operating funding	1,657	2,135	1,935
SURPLUS/DEFICIT OF OPERATING FUNDING	201	86	62
Sources of capital funding			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	2,001	3,169	789
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	2,001	3,169	789
Applications of capital funding			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	2,001	3,169	789
> to replace existing assets	-	-	-
Increase (decrease) in reserves	201	86	62
Increase (decrease) in investments	-	-	-
Total applications of capital Funding	2,202	3,255	851
SURPLUS/DEFICIT OF CAPITAL FUNDING	(201)	(86)	(62)
FUNDING BALANCE	-	-	-

Community facilities and community support funding impact statement for the year ended 30 June 2016			
	2014/15 Budget \$000	2015/16 Budget \$000	2015/16 Actual \$000
Sources of operating funding			
General rate, uniform annual general charge, rates penalties	2,051	2,117	2,561
Targeted rates	(25)	(176)	(95)
Grants and subsidies for operating purposes	-	-	-
Fees and charges	1,051	1,114	1,096
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	125	-	113
Total operating funding	3,202	3,055	3,675
Applications of operating funding			
Payment to staff and suppliers	2,205	2,006	2,229
Finance costs	29	34	84
Internal charges and overheads applied	1,055	1,382	1,647
Other operating funding applications	-	-	-
Total applications of operating funding	3,289	3,422	3,960
SURPLUS/DEFICIT OF OPERATING FUNDING	(87)	(367)	(285)
Sources of capital funding			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	1	47	94
Increase (decrease) in debt	266	393	134
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	267	440	228
Applications of capital funding			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	266	393	134
> to replace existing assets	529	340	207
Increase (decrease) in reserves	(615)	(660)	(398)
Increase (decrease) in investments	-	-	-
Total applications of capital Funding	180	73	(57)
SURPLUS/DEFICIT OF CAPITAL FUNDING	87	367	285
FUNDING BALANCE	-	-	-

Parks and open space funding impact statement for the year ended 30 June 2016			
	2014/15 Budget \$000	2015/16 Budget \$000	2015/16 Actual \$000
Sources of operating funding			
General rate, uniform annual general charge, rates penalties	-	-	-
Targeted rates	3,954	4,104	4,360
Grants and subsidies for operating purposes	-	-	-
Fees and charges	87	155	147
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	-	-	-
Total operating funding	4,041	4,259	4,507
Applications of operating funding			
Payment to staff and suppliers	2,245	2,330	2,254
Finance costs	91	140	209
Internal charges and overheads applied	1,430	1,473	1,717
Other operating funding applications	-	-	-
Total applications of operating funding	3,766	3,943	4,180
SURPLUS/DEFICIT OF OPERATING FUNDING	275	316	327
Sources of capital funding			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	465	512	384
Increase (decrease) in debt	846	684	573
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	1,311	1,196	957
Applications of capital funding			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	846	684	573
> to replace existing assets	520	1,314	1,071
Increase (decrease) in reserves	220	(486)	(360)
Increase (decrease) in investments	-	-	-
Total applications of capital Funding	1,586	1,512	1,284
SURPLUS/DEFICIT OF CAPITAL FUNDING	(275)	(316)	(327)
FUNDING BALANCE	-	-	-

Recreation and leisure funding impact statement for the year ended 30 June 2016			
	2014/15 Budget \$000	2015/16 Budget \$000	2015/16 Actual \$000
Sources of operating funding			
General rate, uniform annual general charge, rates penalties	227	355	257
Targeted rates	5,638	6,418	6,595
Grants and subsidies for operating purposes	34	34	40
Fees and charges	1,432	1,516	1,536
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	60	60	58
Total operating funding	7,391	8,383	8,486
Applications of operating funding			
Payment to staff and suppliers	5,005	5,325	5,478
Finance costs	911	1,263	1,276
Internal charges and overheads applied	1,476	1,790	1,723
Other operating funding applications	-	-	-
Total applications of operating funding	7,392	8,378	8,477
SURPLUS/DEFICIT OF OPERATING FUNDING	(1)	5	9
Sources of capital funding			
Grants and subsidies for capital expenditure	-	-	2
Development and financial contributions	-	-	-
Increase (decrease) in debt	1,208	651	582
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	1,208	651	584
Applications of capital funding			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	1,208	651	582
> to replace existing assets	724	634	502
Increase (decrease) in reserves	(725)	(629)	(491)
Increase (decrease) in investments	-	-	-
Total applications of capital Funding	1,207	656	593
SURPLUS/DEFICIT OF CAPITAL FUNDING	1	(5)	(9)
FUNDING BALANCE	-	-	-

Districtwide planning funding impact statement for the year ended 30 June 2016			
	2014/15 Budget \$000	2015/16 Budget \$000	2015/16 Actual \$000
Sources of operating funding			
General rate, uniform annual general charge, rates penalties	-	-	-
Targeted rates	2,418	3,264	3,873
Grants and subsidies for operating purposes	-	-	-
Fees and charges	215	-	52
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	-	-	-
Total operating funding	2,633	3,264	3,925
Applications of operating funding			
Payment to staff and suppliers	1,911	2,450	2,755
Finance costs	-	-	-
Internal charges and overheads applied	723	814	1,169
Other operating funding applications	-	-	-
Total applications of operating funding	2,634	3,264	3,924
SURPLUS/DEFICIT OF OPERATING FUNDING	(1)	-	1
Sources of capital funding			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	-	-	-
> to replace existing assets	-	-	-
Increase (decrease) in reserves	(1)	-	1
Increase (decrease) in investments	-	-	-
Total applications of capital Funding	(1)	-	1
SURPLUS/DEFICIT OF CAPITAL FUNDING	1	-	(1)
FUNDING BALANCE	-	-	-

Regulatory services funding impact statement for the year ended 30 June 2016			
	2014/15 Budget \$000	2015/16 Budget \$000	2015/16 Actual \$000
Sources of operating funding			
General rate, uniform annual general charge, rates penalties	-	-	-
Targeted rates	3,486	4,737	4,415
Grants and subsidies for operating purposes	-	-	-
Fees and charges	3,110	3,048	3,694
Internal charges and overheads recovered	40	-	-
Local authorities fuel tax, fines, infringement fees, and other	112	123	145
Total operating funding	6,748	7,908	8,254
Applications of operating funding			
Payment to staff and suppliers	4,434	4,504	4,608
Finance costs	12	16	17
Internal charges and overheads applied	2,292	3,381	3,566
Other operating funding applications	-	-	-
Total applications of operating funding	6,738	7,901	8,191
SURPLUS/DEFICIT OF OPERATING FUNDING	10	7	63
Sources of capital funding			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	12	50	49
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	12	50	49
Applications of capital funding			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	12	50	49
> to replace existing assets	-	-	5
Increase (decrease) in reserves	10	7	58
Increase (decrease) in investments	-	-	-
Total applications of capital Funding	22	57	112
SURPLUS/DEFICIT OF CAPITAL FUNDING	(10)	(7)	(63)
FUNDING BALANCE	-	-	-

Governance and tāngata whenua funding impact statement for the year ended 30 June 2016			
	2014/15 Budget \$000	2015/16 Budget \$000	2015/16 Actual \$000
Sources of operating funding			
General rate, uniform annual general charge, rates penalties	3,964	3,645	3,772
Targeted Rates	269	437	391
Grants and Subsidies for Operating Purposes	-	-	-
Fees and Charges	358	29	44
Internal Charges and Overheads Recovered	-	-	-
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other	55	66	37
Total operating funding	4,646	4,177	4,244
Applications of operating funding			
Payment to Staff and Suppliers	2,744	2,312	2,472
Finance Costs	73	70	65
Internal Charges and Overheads Applied	1,667	1,721	2,129
Other Operating Funding Applications	-	-	-
Total applications of operating funding	4,484	4,103	4,666
SURPLUS/DEFICIT OF OPERATING FUNDING	162	74	(422)
Sources of capital funding			
Grants and subsidies for Capital Expenditure	-	-	-
Development and Financial Contributions	-	-	-
Increase (Decrease) in Debt	-	15	(265)
Gross Proceeds from Sale of Assets	-	-	271
Lump Sum Contributions	-	-	-
Other Dedicated Capital Funding	-	-	-
Total sources of capital funding	-	15	6
Applications of capital funding			
Capital Expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	-	15	6
> to replace existing assets	717	531	395
Increase (Decrease) in Reserves	(555)	(457)	(817)
Increase (decrease) in Investments	-	-	-
Total applications of capital Funding	162	89	(416)
SURPLUS/DEFICIT OF CAPITAL FUNDING	(162)	(74)	422
FUNDING BALANCE	-	-	-

Independent auditor's report

To the readers of Kāpiti Coast District Council's annual report for the year ended 30 June 2016

The Auditor-General is the auditor of Kāpiti Coast District Council (the District Council). The Auditor-General has appointed me, Marcus Henry, using the staff and resources of Ernst & Young, on her behalf, to:

- audit the information included in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the audited information);
- report on whether the District Council has complied with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report and the Local Government (Financial Reporting and Prudence) Regulations 2014.

Opinion on the audited information

In our opinion:

- the financial statements on pages 91 to 129:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2016;
 - 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 93, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan;
- the statement of service provision of the District Council (referred to as "Our activities and services") on pages 21 to 87:
 - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2016, 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 87, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's Long-term plan;
- the funding impact statement for each group of activities on pages 135 to 141, presents fairly, in all

material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan;

Compliance with requirements

The District Council has:

- complied with the requirements of schedule 10 of the Local Government Act 2002 that apply to the annual report; and
- made the disclosures on pages 130 to 134 which are required by the Local Government (Financial Reporting and Prudence Regulations 2014) which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information.

Our audit was completed on 29 September 2016. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the audited information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council's preparation of the information we audited in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of the disclosures in the information we audited;
- determining the appropriateness of the reported statement of service provision of the District Council (referred to as "Our activities and services") within the District Council's framework for reporting performance; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.

When reporting on whether the District Council complied with the requirements of Schedule 10 of the

Local Government Act 2002 that apply to the annual report, we limited our procedures to making sure the annual report included the required information and identifying material inconsistencies, if any, with the information we audited. We carried out this work in accordance with International Standard on Auditing (New Zealand) 720; *The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements*.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Council

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.

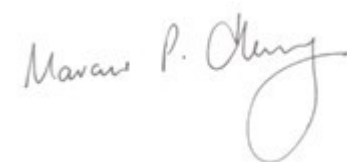
The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the annual report in accordance with the reporting requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014. Our responsibility arises from the Public Audit Act 2001.

Independence

When carrying out our audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. Other than this audit and other assurance services, which includes our report on *Other requirements*, we have no relationship with or interests in the District Council.



Marcus Henry
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



Front row, left to right: Diane Ammundsen, Pat Dougherty (Chief Executive), Ross Church (Mayor), Mike Cardiff (Deputy Mayor), Penny Gaylor

Back row, left to right: Dr David Scott, Jackie Elliott, K Gurunathan, Gavin Welsh, Michael Scott, Janet Holborow, Murray Bell

Council

Council comprised a mayor and ten elected councillors.

Mayor	Ross Church
Councillors	
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

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. The membership of three of those standing committees is a committee of the whole, that is, every councillor sits on those three committees.

During the 1 July 2015 to 30 June 2016 period, the council held 15 council meetings and 37 standing committee meetings.

Committees

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 is 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 is 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 undertakes 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 has 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 2015/16 were Russell Spratt (CBC), Reina Solomon (ECD) and Caleb Royal (RMC).

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 33 meetings were held. The chair of each community board was also invited to sit at the council table for meetings of the council and committees and contribute to the discussion.

The boards and their members were as follows:

Ōtaki	James Cootes (Chair) Rob Kofoed (Deputy Chair) Christine Papps Colin Pearce* Cr Penny Gaylor
Waikanae	Eric Gregory (Chair) Jocelyn Prvanov (Deputy Chair) James Westbury Jill Lloyd Cr Michael Scott
Paraparaumu–Raumati	Fiona Vining (Chair) Jonny Best (Deputy Chair) Deborah Morris-Travers** Kathy Spiers Cr K Gurunathan Cr Murray Bell
Paekākāriki	Philip Edwards (Chair) Steve Eckett (Deputy Chair) Sam Buchanan Jack McDonald*** Emily Boonen*** Cr Janet Holborow

Ōtaki *

Community board member Colin Pearce sadly passed away in March 2016. The board agreed the extraordinary vacancy should be left vacant for the remainder of the 2013-16 triennium.

Paraparaumu–Raumati **

Community board member Deborah Morris-Travers resigned in May 2016. The board agreed the extraordinary vacancy should be left vacant for the remainder of the 2013-16 triennium.

Paekākāriki ***

Jack McDonald resigned in October 2015. Emily Boonen was elected in December 2015 to the extraordinary vacancy on the board for the remainder of the 2013-16 triennium.

Further details of council's governance arrangements can be found in the governance structure document available at kapiticoast.govt.nz

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) – Ngāti Raukawa Ki Te Tonga

Iwi affiliations – Ngāti Raukawa ki te Tonga
Hapū affiliations – Ngāti Kapumanawawhiti | Ngāti Maiotaki

Ann-Maree Ellison – Te Āti Awa Ki Whakarongotai
Iwi affiliations – Te Āti Awa ki Whakarongotai

Cherie Seamark – Te Āti Awa Ki Whakarongotai
Iwi affiliations – Te Āti Awa ki Whakarongotai

Mahinarangi Hakaraia – Ngāti Raukawa Ki Te Tonga
Iwi affiliations – Ngāti Raukawa ki te Tonga
Hapū affiliations – Ngāti Kapumanawawhiti

Carol Reihana – Ngāti Toa Rangatira
Iwi affiliations – Ngāti Toa Rangatira | Ngāi Tahu
Hapū affiliations – Ngāti Haumia

Hohepa Potini – Ngāti Toa Rangatira
Iwi affiliations – Ngāti Toa Rangatira

Ross Church – Mayor

Janet Holborow – Ward Councillor Paekākāriki–Raumati

Council Kaumātua Rakauoteora Te Maipi (Koro Don), QSM

Iwi affiliations – Te Arawa | Tuhoe | Te Aitanga-a-Mahaki
Hapū affiliations – Rato Awe | Tama Kaimoana

Meeting attendance record of elected members

Council

The following table details the attendance record of the mayor and councillors at the 15 council meetings and 37 standing committee meetings during the 2015/16 year. Membership varies between committees*

Council meetings (23)				Council committee meetings (37)*			
<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)	15	-	-	24	19	-	5
Mike Cardiff (Deputy Mayor)	13	2	-	24	21	3	-
Diane Ammundsen	12	3	-	29	25	4	-
Murray Bell	14	-	1	37 ¹	25	4	4
Jackie Elliott	12	-	3	24	20	-	4
Penny Gaylor	15	-	-	32	30	1	1
K Gurunathan	15	-	-	24	23	-	1
Janet Holborow	15	-	-	32	28	4	-
David Scott	15	-	-	24	19	2	2
Michael Scott	12	1	2	32	24	2	6
Gavin Welsh	15	-	-	24	22	1	1

1. This includes four District licensing committee hearings which Councillor Bell did not attend as he only attends as an alternate when Councillor Ammundsen is not attending.

Community boards

The following tables detail attendance of community board members at board meetings.

Ōtaki			
<i>Elected member</i>	<i>Attended</i>	<i>Absent (leave)</i>	<i>Absent (apology)</i>
James Cootes (Chair)	7	-	1
Rob Kofoed (Deputy Chair)	7	1	-
Christine Papps	8	-	-
Colin Pearce*	4	-	1
Cr Penny Gaylor	7	1	-

Waikanae			
<i>Elected member</i>	<i>Attended</i>	<i>Absent (leave)</i>	<i>Absent (apology)</i>
Eric Gregory (Chair)	7	-	1
Jocelyn Prvanov (Deputy Chair)	8	-	-
Jill Lloyd	7	-	1
James Westbury	8	-	-
Cr Michael Scott	7	-	1

Paraparaumu–Raumati			
<i>Elected member</i>	<i>Attended</i>	<i>Absent (leave)</i>	<i>Absent (apology)</i>
Fiona Vining (Chair)	7	-	1
Johnny Best (Deputy Chair)	8	-	-
Deborah Morris-Travers**	7	1	-
Kathy Spiers	7	1	-
Cr Murray Bell	7	-	1
Cr K Gurunathan	7	-	1

Paekākāriki			
<i>Elected member</i>	<i>Attended</i>	<i>Absent (leave)</i>	<i>Absent (apology)</i>
Philip Edwards (Chair)	9	-	-
Steve Eckett (Deputy Chair)	8	-	1
Sam Buchanan	6	-	2
Jack McDonald***	2	-	1
Emily Boonen***	5	-	-
Cr Janet Holborow	8	1	-

* Colin Pearce passed away March 2016

** Deborah Morris-Travers resigned May 2016

*** Jack McDonald resigned October 2015. Emily Boonen was appointed to the extraordinary vacancy in December 2015.

Contact details of elected members

Council



Mayor
Ross Church
ross.church@kapiticoast.govt.nz



Deputy Mayor
Mike Cardiff
mike.cardiff@kapiti.govt.nz



Districtwide Councillor
Diane Ammundsen
diane.ammundsen@kapiti.govt.nz



Districtwide Councillor
Jackie Elliott
jackie.elliott@kapiti.govt.nz



Districtwide Councillor
Dr David Scott
david.scott@kapiti.govt.nz



Districtwide Councillor
Gavin Welsh
gavin.welsh@kapiti.govt.nz



Ōtaki Ward Councillor
Penny Gaylor
penny.gaylor@kapiti.govt.nz



Waikanae Ward Councillor
Michael Scott
michael.scott@kapiti.govt.nz



Paraparaumu Ward Councillor
Murray Bell
murray.bell@kapiti.govt.nz



Paraparaumu Ward Councillor
K Gurunathan
k.gurunathan@kapiti.govt.nz



Paekākāriki-Raumati Ward Councillor
Janet Holborow
janet.holborow@kapiti.govt.nz

Community boards

Ōtaki

The area covered by the community board includes north of Marycrest, Te Horo, Ōtaki north to Forest Lakes.



James Cootes | Chair
james.cootes@kapiti.govt.nz

Rob Kofoed | Deputy Chair
rob.kofoed@kapiti.govt.nz

Christine Papps
christine.papps@kapiti.govt.nz

Vacant

Waikanae

The area covered by the community board stretches from the Waikanae River in the south through to Peka Peka in the north.



Eric Gregory | Chair
eric.gregory@kapiti.govt.nz

Jocelyn Prvanov
jocelyn.prvanov@kapiti.govt.nz

James Westbury
james.westbury@kapiti.govt.nz

Jill Lloyd
Jill.Lloyd@kapiti.govt.nz

Paraparaumu–Raumati

The area covered by the community board includes from Raumati South through to Otaihanga.



Fiona Vining | Chair
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Kathy Spiers
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Vacant

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.



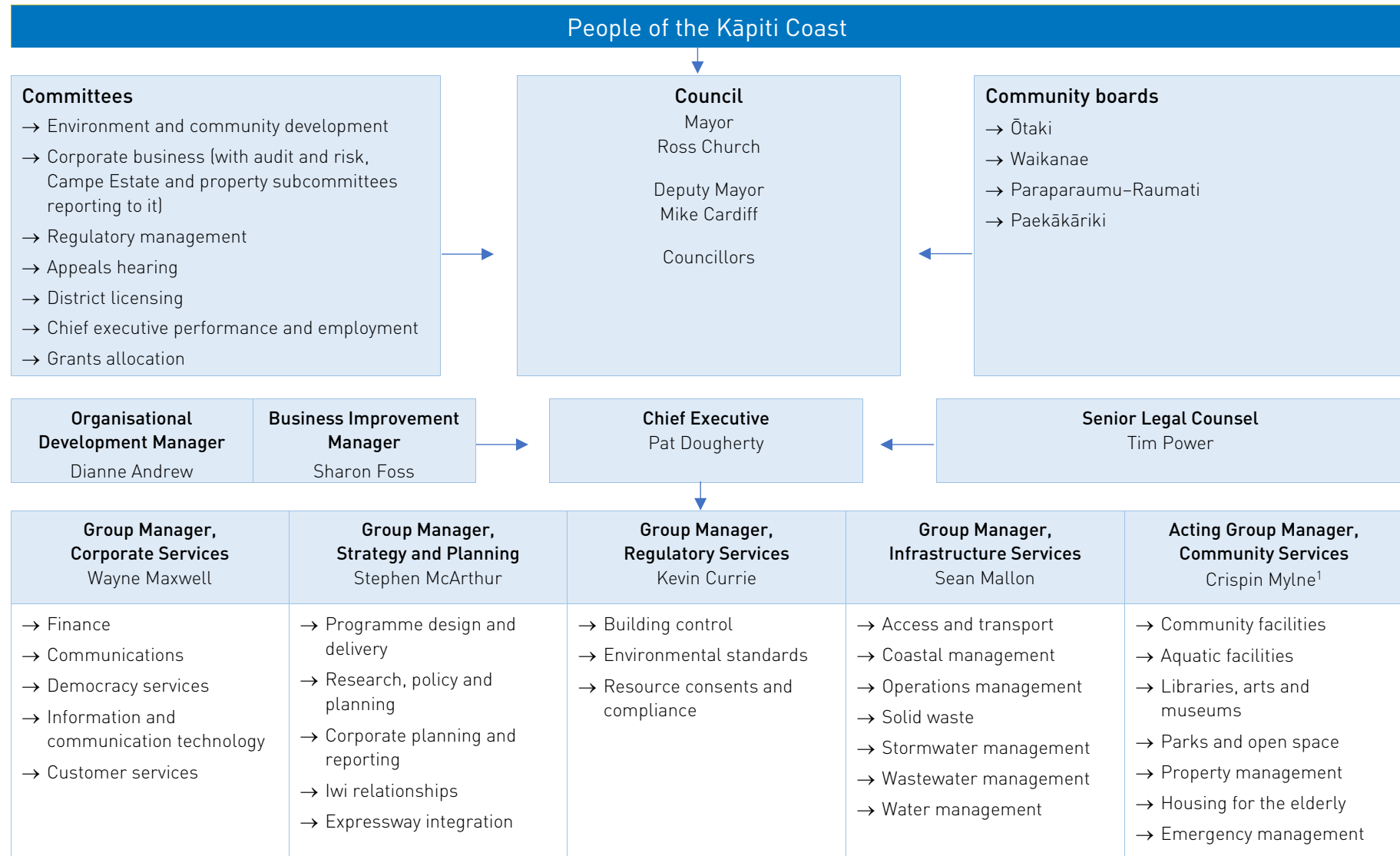
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Organisation structure



1. Acting Group Manager at 30 June 2016.

Contact information for Kāpiti Coast District Council

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