

Annual report summary 2014/15

This is a snapshot of activities and finances for year three of the 2012 – 32 Long term plan.



Foreword from the mayor

It is my pleasure to submit the 2014/15 annual report for the Kāpiti Coast District Council. This was my second year as mayor and great progress was achieved in many areas.

My style of leadership is to empower people, placing them in positions where they can make a difference. I also encourage engagement and the development of partnerships. The progress we've achieved reflects the benefits of such empowerment and willingness to engage.

Iwi partnership continued strongly

Our strong partnership with iwi was underlined by the huge turnout for the Waitangi Day commemorations at Queen Elizabeth Park.

The district's 21-year old Memorandum of Partnership, which sets out how the iwi partnership group Te Whakaminenga o Kāpiti and council will work together over the next three years, was then re-signed.

Community helped shape long term plan

Your elected members worked hard this year to determine the major projects and pieces of work we would present in the 2015-35 FutureKāpiti Long term plan for your feedback.

It was heartening to see the strong level of engagement from residents in this process with nearly 500 submissions received and 78 submitters who presented at hearings. It was also encouraging to see the general level of agreement with council's proposed direction.

People wanted us to promote initiatives that will enable us to improve our district, such as the "big four" – transforming Paraparaumu and Waikanae town centres, rebuilding the Te Ātiawa Park netball and tennis courts, upgrading the Ōtaki pool and building a splash pad, and investing in the Kāpiti College performing arts centre - for community use. We got the sense that people were comfortable with the balance of development and maintenance of services without unduly pushing up debt levels.

Economic development strategy finalised

A new economic development strategy was developed aimed at sparking greater growth and prosperity across the district. The strategy was prepared by a working

party, comprising representatives of the business community, iwi, councillors, community board members and council officers.



A key part of the strategy involves developing a visitor attraction strategy. Although that is still under development, we scored a small coup in this area this year in getting coverage for our summer tourism programme in Air New Zealand's *Kia Ora* magazine. Creating opportunities like this helps build awareness of Kāpiti as a tourism destination.

Work continued on Proposed District Plan

The journey of the proposed district plan (PDP) also reflects our commitment to improved engagement.

After adopting the reports of two independent review panels, council agreed to proceed with the PDP, but with changes.

Council's planners then spent months reviewing tens of thousands of submission points and engaging with submitters to refine the next draft of the PDP. That milestone was reached with the release of the submitter engagement version (SEV) of the PDP in June 2015.

In the SEV, every chapter has been redrafted and will form the basis for discussion and workshops with submitters through to the end of March 2016. The aim is to encourage consensus and agreement wherever possible, prior to the next formal stage of the process – the hearings.

Hard work on water solution paying off

Our hard work on finding a sustainable solution for the water supply problems that have long beset Kāpiti began to pay off during the year.

This first full year of water meters has shown they are working well to reduce consumption. People have seen

how much water they are using and are more prudent as a result.

Importantly, the system is fair and effective – those who save water are rewarded by paying less, and due to the reduction in consumption the community overall is saving significantly in infrastructure costs for the next 30 years.

The methodology of working out our water supply budget is also fair. Although, reduced consumption means we are minimising future infrastructure spending, we still have to raise enough to cover the costs of running and maintaining our treatment plant, our pumps and our pipe network.

From 1 July 2015, we will pay a little bit more, amounting to a few cents a week, which I think is not too much to pay for a treated water supply at our taps.

We also saw the commissioning of our river recharge scheme, which will top up Waikanae River levels in times of drought, and significantly reduce the likelihood that we will ever have to drink bore water in the future.

Water is an important matter for our community, and I am confident we are developing a long-term solution to our water supply problems with a sensible plan that keeps the inevitable costs to a minimum.

Major progress on expressways

The year saw great progress on the M2PP (MacKays to Peka Peka) Expressway and the start of work on Transmission Gully, both of which will eventually present us with opportunities to build a more vibrant Kāpiti.

M2PP is an example of the strong partnerships I mentioned earlier. Before the project began, work went into setting sustainability goals. Benchmarks were set with council becoming the first local authority to join with the NZ Transport Agency in an alliance.

We set down conditions that the expressway had to be designed, constructed, operated and maintained so as to minimise the loss of the dune and wetland landscape through which it passes.

The work will actually improve the local biodiversity and ecological connections with forest and wetland remnants on our coast, helping flora and fauna to thrive. This is an example of the strong partnerships we are encouraging with business, iwi, government agencies and others.

Proposed amalgamation not to proceed

Local body amalgamation in the Wellington region was debated during the year following a draft report from the Local Government Commission. At the commission hearing in Paraparaumu, Council Chief Executive Pat Dougherty and I gave the clear message that Kāpiti does not need “rescuing” by a Wellington super city and there is no “basket case” of local government rivalries in this

region, compared to those which existed in pre-amalgamation Auckland.

The commission decided not to proceed with its recommended super-city proposal and we now await with interest any follow-up suggestions from them.

Community views informing representation

On a local level, we have been reviewing how residents are represented. The Representation Review has debated the number of councillors we should have, how they should be elected (by ward, districtwide, or both), and whether community boards are still needed.

The community boards have been invaluable in encouraging local engagement on this, reflecting their hard work on many issues during the year.

At the time of writing, an important change was being suggested to the Waikanae Ward boundary, to include all residents in Huia Street and Reikorangi, which were previously in the Ōtaki Ward. Strong resident feedback suggested that is what those people want.

The aim is to have an agreed structure in place for the 2016 local body elections.

Great response in significant floods

Council became closely involved with residents during the May floods which showed our strength as a community where people care about one another.

The professional response from the emergency management and civil defence officers was matched by local businesses and community volunteers. Individuals and groups rallied to help one another, ensuring people were well supported, with the offer of meals and beds for the night.

Council is using the knowledge gained from the floods to pinpoint how the community can work together; identify strengths and weaknesses and assets and skills that could be useful in an emergency.

A positive year

The 2014/15 year presented some significant challenges and opportunities – both of which I consider we responded to positively. I feel very pleased about the many areas in which people across the community have worked together and our increasing focus on engagement. We go into 2015/16 with a strong agenda of progress.



Ross Church BCA, JP

Mayor

Introduction from the chief executive

The 2014/15 year has been busy and productive. We completed some major projects, progressed others and continued to deliver a range of services to the community.

Financial performance on track

We finished the year with an operating deficit (that is, our revenue minus our operating spending) of \$1.45 million. This was significantly better than our forecast deficit of \$2.84 million. The reasons for the smaller deficit are outlined in the *Financial overview* on page 8.

During the year, we invested \$24.6 million on capital works across the district. Major items included \$10.5 million on water projects, \$5.2 million on roads, footpaths, cycleways and bridleways and \$3 million on improvements to our wastewater infrastructure.

Our efficiency was confirmed in the 2014 national Ratepayers' Report. The report compares New Zealand's 67 local territorial authorities. It found we had the fourth lowest operational spending per ratepayer in the country.

The total rates funding requirement for 2014/15 was \$52.81 million. We ended the year with a surplus of \$0.33 million for the year which has reduced the total rates revenue we require for 2015/16. The surplus was mainly a result of the settlement we negotiated on Coastlands Aquatic Centre work (discussed in the *Financial overview*).

Council repaid \$5 million worth of long-term debt during the year and our total borrowings were in line with the 2014/15 budget.

Important water supply projects delivered

One of the big highlights of the year, was the progress we've made towards providing a secure, sustainable and affordable water supply for Kāpiti residents for the next 35 years.

Our award-winning river recharge scheme is the first in the country to add groundwater below a treatment plant to top up river water during dry times. This means that except in extreme circumstances, such as a toxic algal bloom in the Waikanae River, which prevent us using river water altogether for a time, we will no longer need to add bore water to the water supply.

At the same time as work on this scheme was being carried out, the treatment plant itself was being upgraded. It is now hugely improved with new equipment, pumps and control systems.

Both projects were completed on time and came in under budget at a total of \$9.04 million.

Water meters, another part of our water solution, have seen a reduction in peak day water use of 26% across the district. As the mayor has commented, now that water has a value, people are

generally using it more wisely. They are also able to identify and deal with leaks more quickly. This is a trend seen in other parts of the country and the world that have introduced meters. Through the year we continued to support people with advice on conserving water and detecting leaks.

Positive outcomes from long term plan

The mayor has highlighted another big project for council, the consultation we undertook for the long term plan. This was required by law but was very much in line with the direction the council is taking on engaging with the community.

A key part of the early development of this long term plan was the involvement of a reference group made up of a wide range of representatives from the community. This group provided input into setting outcomes and determining what we needed to focus on to achieve those. In addition, we worked with the three iwi in Kāpiti to get their input.

Feedback on our more user-friendly consultation document was very positive with people telling us it was easier to read and submit on.

Key council role in expressways work

Staff have also been busy on expressway work - processing resource consents, certifying site-specific management plans and strategies to retain vegetation, and approving design variations. The final design will mean these roads will be more environmentally sustainable and visually appealing, as well as reduce traffic congestion between different parts of the district.

Consultative approach on town centres

Our town centre projects have been gathering force too, with information sessions to engage the community and consultation leading into the long term plan. Feedback from these has helped define the vision for Waikanae and Paraparamu town centres, refine their conceptual



designs and decide when the different parts of each project should take place.

The next phases, procurement of technical services and engagement with stakeholders and long term plan submitters on detailed designs, are being planned. We will re-engage with the community as we develop the designs.

Advocating for ultra-fast broadband

We registered our interest in the second stage of the government's ultra-fast broadband rollout in July 2014. The focus this time was on Ōtaki which missed out on the first rollout. We expect to find out if we're successful or not in December 2015. Hopefully, it will be good news, as the benefits of improved internet connectivity will help grow our businesses, strengthen the local economy and drive innovation in the district – all aspects of our new economic development strategy which the mayor outlined.

Coordinated emergency response

To unplanned work now - our response to the two flooding events earlier this year. Staff from across council came together to work alongside emergency services, Red Cross and public health colleagues to put in a superb effort in the emergency operations centre which was activated for both events.

Our operations staff worked tirelessly out in the elements clearing slips, repairing roads and assessing damage or helping people in one way or another. Call centre staff also came under pressure, fielding hundreds of calls from residents. And we can't forget those who stayed in our offices, facilities and service centres to ensure business as usual for our customers while significant numbers of staff were busy with the emergency.

The dedication shown to helping the community made me immensely proud. As the mayor commented, we are also ensuring we review these events to help our future preparation.

Keeping our diverse services running

In addition to these more obvious achievements, we've continued to deliver our everyday services throughout the year. Sometimes, when we're dealing with the bigger issues, we can overlook staff diligently working away maintaining our parks and reserves, issuing library books, running our treatment plants, keeping swimmers safe in the district pools, ensuring dog owners are responsible, drafting policies, developing programmes to help our young people, processing building consents, maintaining pipes in the water supply network....the list goes on. However, this is the bread and butter of our responsibilities and often the area where we interact most with residents.

Developing an 'open for business' culture

An important initiative we got underway during the year was our 'open for business' programme. We are looking at all our services from the point of view of our 'customers' the residents of Kāpiti and aim to be caring, dynamic and effective in all the services we deliver.

The results in our Residents' Opinion survey for the year were an improvement on the previous year which indicates we are on the right track and we will continue our efforts to consistently deliver excellent service.



Pat Dougherty

Chief Executive

Key achievements

The following is a selection of the projects completed and the day to day services delivered in 2014/15. For full details see pages 17 -113 of the Annual report.

Infrastructure

Access and transport

An upgrade of the intersection between Kāpiti Road/ Te Roto Drive/ Milne Drive was completed in December 2014.



Intersection upgrade complete

The Otaihangā retaining wall construction was completed in June 2015, providing improved sightlines for the intersection with Greendale Drive.

The annual reseal programme saw 19.0 lane kilometres of new road seal laid at a cost of \$1.45 million.

Road safety improvements were completed at five schools.

Additional cycleways, walkways and bridleways funding of \$1.57 million was secured through the Government's urban cycleways fund.

Coastal management

After extensive consultation the preferred option for the Paekākāriki seawall rebuild was selected and the project has proceeded to final design and consent phase.

Option analysis and concept designs were completed for the modifications to the rock revetment on Marine Parade, Paraparaumu.

The annual dune restoration planting and the reserve weed control programmes were completed.

Solid Waste

The final cap construction has started on the Otaihangā landfill with significant savings achieved through use of local capping materials at low or no cost.

The grants allocation committee approved \$96,026 waste levy funding for waste minimisation projects under council's waste levy allocation policy.

The resident opinion survey conducted in June 2015 reported that 92% of residents were satisfied with kerbside collection services.

Stormwater management

Council staff and contractors responded well to the major flooding events in May and June 2015 eliciting widespread expressions of appreciation from the community.



Pumping out floodwaters

The Ōtaki beach stormwater upgrade detailed designs were completed and physical works commenced in July 2015.

The Tilley Road stormwater upgrade concept and detailed designs were completed and physical works have commenced.

Wastewater management

The wastewater treatment plant replacement drier was installed and commissioning completed in early September 2014.

The Milne Drive and Te Roto Drive rising main and pump station upgrade project was completed in September 2014, significantly under budget.

The desludging of the Ōtaki wastewater treatment plant was completed in November 2014. Further desludging was undertaken from April-June 2015 to increase long term performance.



Solar array at wastewater plant

A pilot solar array was installed at the Paraparaumu wastewater treatment plant to provide cheaper electricity for some of the plant's needs.

Water management

The introduction on 1 July 2014 of a charge for the volume of water used has contributed to a 26% reduction in peak day water use compared to earlier years.

We completed the river recharge with groundwater project in May 2015, significantly reducing the likelihood we'll need to drink bore water in future.



The mayor at the opening of the river recharge with groundwater project

The Waikanae water treatment plant upgrade works were completed in 2015, renewing aging electrical control equipment, chemical dosing systems, pumps and staff facilities. It has also upgraded the seismic strength of this key water treatment plant.

Around 1,000 metres of water main renewals and other reticulation repairs were completed this year.

Community services

Community facilities

The property team responded to 2,827 service requests.

Seven major painting contracts were completed on council-owned halls and leased buildings.

Over 200,000 people visited the Coastlands Aquatic Centre.

Continued upgrades and improved service at Ōtaki pool has increased popularity with a total of 50,699 visits.



Ōtaki pool is increasingly popular

Staff at the Coastlands Aquatic Centre and Ōtaki pool were rated 'good' or 'excellent' by 95% and 99%, respectively, of respondents to customer surveys

Economic development

A new economic development strategy was developed in consultation with business stakeholders and local iwi.

Council scored a publicity coup with Kāpiti's summer tourism campaign featuring in Air New Zealand's in-flight *Kia Ora* magazine.

The māori economic development strategy provided funding for three initiatives this year, including the Maoriland Film Festival.

Over 890 people took part in a council-sponsored local technology expo in June 2015.

Libraries, arts and museums

A nationwide contract for shared purchasing of library materials and services, initiated by our district libraries, will save \$38,000 a year.

Over 700,000 items were borrowed from the district's libraries.

The eBook initiative was launched in April 2015, with 5,000 eBooks and eAudiobooks now available free of charge to the community.

More than 2,721 poppies made by members of the community were displayed to commemorate the 2,721 New Zealand soldiers who died at Gallipoli in 1915.

An exhibition of over 41 Kāpiti artists and over 90 artworks was held in the parliament gallery, Bowen House, in late 2014.

Parks and open space

The draft reserve management plan for Otaraua Park was released for consultation in July 2014. The plan was adopted in December 2014 after consideration of submissions by the two community boards and the council.

The first stage of irrigation has been installed on the sports fields at Otaraua Park. Investigations have commenced on establishing permanent changing and toilet facilities.



New play equipment at Maclean Park

We upgraded the playground at Maclean Park with the addition of new equipment.

A consultants report on options to deal with the cracking on the ten public netball/tennis courts at Te

Ātiawa Park was completed in October 2014. The community view on these options was sought through the 2015-35 Long term plan consultation in March/April 2015. Council has decided to rebuild the courts.

The kiosk in Maclean Park was repaired and has been leased to a community collective.

Supporting social wellbeing

Thirty-four groups and organisations received a total of \$29,095 in the annual community grants round in September 2014.



YouthFest (pic needs updating to 2015)

Over 2,000 young people attended the annual YouthFest in March 2015 organised by council.

With council support, the Kāpiti Coast older person's council hosted an 'age-friendly community' forum in April 2015.

More than 30 local streets and neighbourhoods took part in the Over the Fence Cuppa initiative for Neighbours Day Weekend in March 2015.

Planning and regulatory

Building control and resource consents

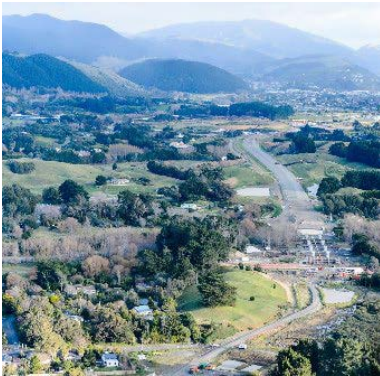
Building consents were at similar levels to last year, with 971 of 1,006 consents (96%) issued within statutory timeframes. The target was 95%.

The building team completed all 5,551 site inspections within statutory timeframes.

We have started the process of identifying buildings that will require earthquake strengthening.

The resource consents team received 2,007 service requests. Te

All 241 resource consents (involving 298 inspections) were monitored over the year. This was in addition to work on the McKays to PekaPeka expressway consent which involved 120 inspections and 168 other actions such as site specific plan reviews, responding to complaints, and attendance at neighbourhood impact fora.



MacKays to PekaPeka making progress

Development management

Council endorsed the independent review of the proposed district plan (PDP) presented to the council on 24 July 2014.

Work has progressed since then on implementing the recommended option. This has involved reviewing tens of thousands of submission points, engaging with submitters to resolve issues, redrafting of every chapter of the proposed district plan, and release of a submitter engagement version of the PDP.

Significant progress has been made on the proposed upgrades to Waikanae and Paraparaumu town centres, Kāpiti Road and SH1. Cost estimates and programme for the implementation of individual projects have been accepted by council through the long term plan process.

Environmental protection

The requirements of the new Sale and Supply of Alcohol Act 2012 were successfully implemented this year, with all new alcohol licenses issued and 112 premises inspected.

All 303 food premises were inspected as required, although this involved 342 inspections as some premises required more than one inspection.

All 54 other licensed premises were inspected for compliance with the appropriate regulations.

The animal control team responded to 2,805 routine and 184 urgent complaints about dogs.

The Kāpiti Emergency Operations Centre (EOC) was activated on 14 and 15 May 2015 in response to heavy rain and substantial flooding in the district. Council's customer service team handled 1,100 calls on 14 May.

Governance and tāngata whenua

Waikanae community board member Michael Scott was elected to council on 26 February 2015 in a Waikanae ward by-election.

Seventy-three council, committee and subcommittee meetings were held, along with 108 briefings and 18 workshops.

We began live-streaming of council meetings on the internet and all council meetings can be watched remotely by the public.

Council and Ngāti Toarangatira co-hosted another successful Waitangi Day celebration at Whareroa, Queen Elizabeth Park.



Signing of the Memorandum of Partnership on Waitangi Day

The Memorandum of Partnership between council and the district's three iwi was re-signed at the Waitangi Day celebrations, marking 21 years of working together.

Six citizenship ceremonies were held for a total of 210 people, including one ceremony which was hosted by Ngā Hapū o Ōtaki and Ngāti Raukawa at Raukawa marae.

Other

Supporting environmental sustainability

Provisional results for 2014/15 show an increase in carbon emissions over the year as a result of having to use a wood waste mixing agent to treat wet sewage sludge when the sewage drier was being upgraded. Consequently emissions were 44% below the 2009/10 base year level, marginally short of the 45% reduction target.

The Sustainable Home and Garden Show, held in March 2015, continued to draw a very positive response from the Kāpiti community and further afield and gave the opportunity for council to present exhibits focussing on the greener neighbourhood project, sustainable transport, energy and water conservation.



The Lego town centre display at the Sustainable Home and Garden Show

The Lego town centre display of "Paraparaumu 2035" set up at the sustainable home and garden show and at Coastlands Mall for the following four weeks was a key drawcard for consultation with the community on the 2015-35 Long term plan.

The installation of water meters has reduced demand for water and therefore treatment and pumping energy. Over the year an estimated \$88,000 of energy costs for water supply and sewage pumping, and 159 tonnes of CO₂ emissions, were avoided.

Financial overview

This overview gives a summary of the major aspects of our financial management and results for the 2014/15 year.

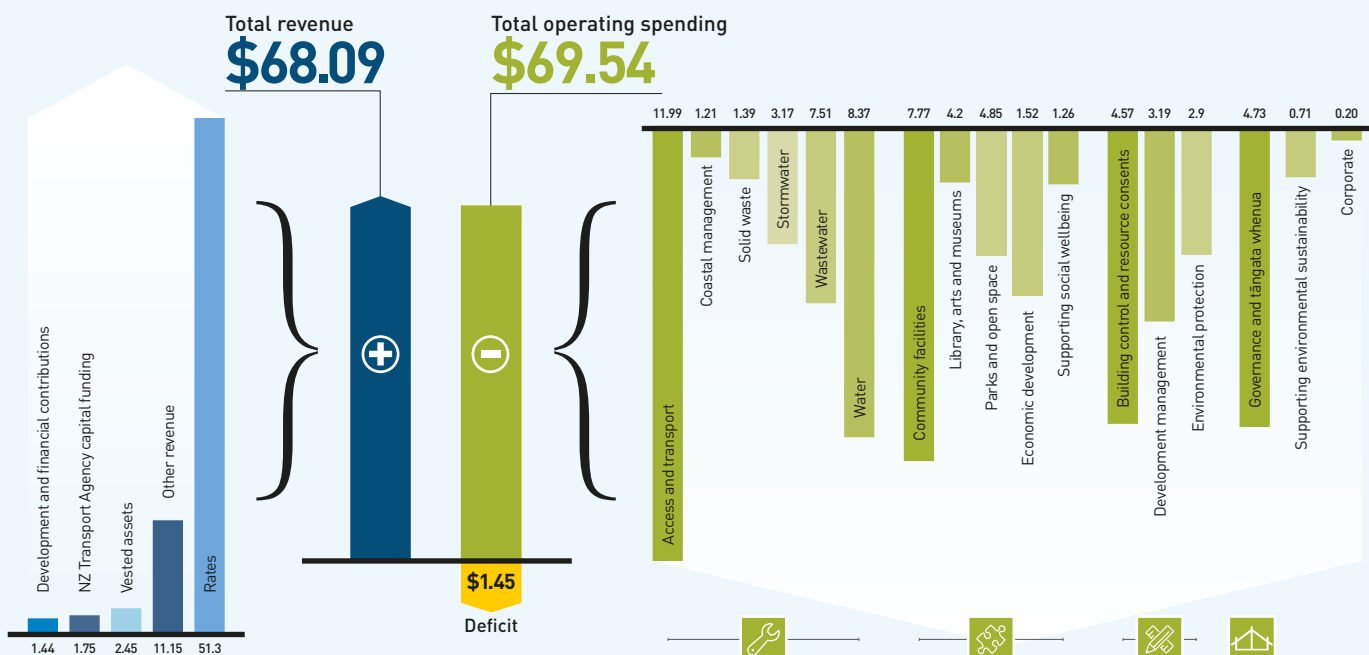
Accounting to ratepayers for our management of council's budget and assets is a key responsibility for council and required by law. We have produced this overview to help Kāpiti residents see the big picture of our finances. Details are provided in the full annual report where there is a statement of the cost of each activity comparing what was actually spent with what was budgeted in the *Activities and services* section (pages 117–114) and full financial statements in the *Finance and revenue* section (pages 115–192).

Financial context



We have a significant number of assets and a complex mix of financial requirements to manage. As noted in the *Context* section (page 14), new legislation for local authorities sharpened the focus on financial management and we responded with improved practices and the development of our new financial strategy as part of the *FutureKāpiti Long term plan 2015–35*.

Financial performance (\$millions)



Financial performance

Operating profitability

We ended the year with better operating profitability (the difference between our income and our expenditure) than projected. Currently, council is not fully funding depreciation, so we had budgeted to make a deficit of \$2.8 million. We had an actual deficit of \$1.4 million.

The smaller loss was mainly due to negotiating a settlement from Mainzeal's receivers for additional work required to complete the Coastlands Aquatic Centre. We also received higher than expected subsidies from NZ Transport Agency for the road repairs we carried out in response to flood damage in May and June.

Note: in our new financial strategy, council will progressively move to fully funding annual depreciation of assets.

Capital spending

We had budgeted to spend \$30 million on capital work but some projects were delayed and have been carried forward to 2015/16.

We spent



Financial position

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

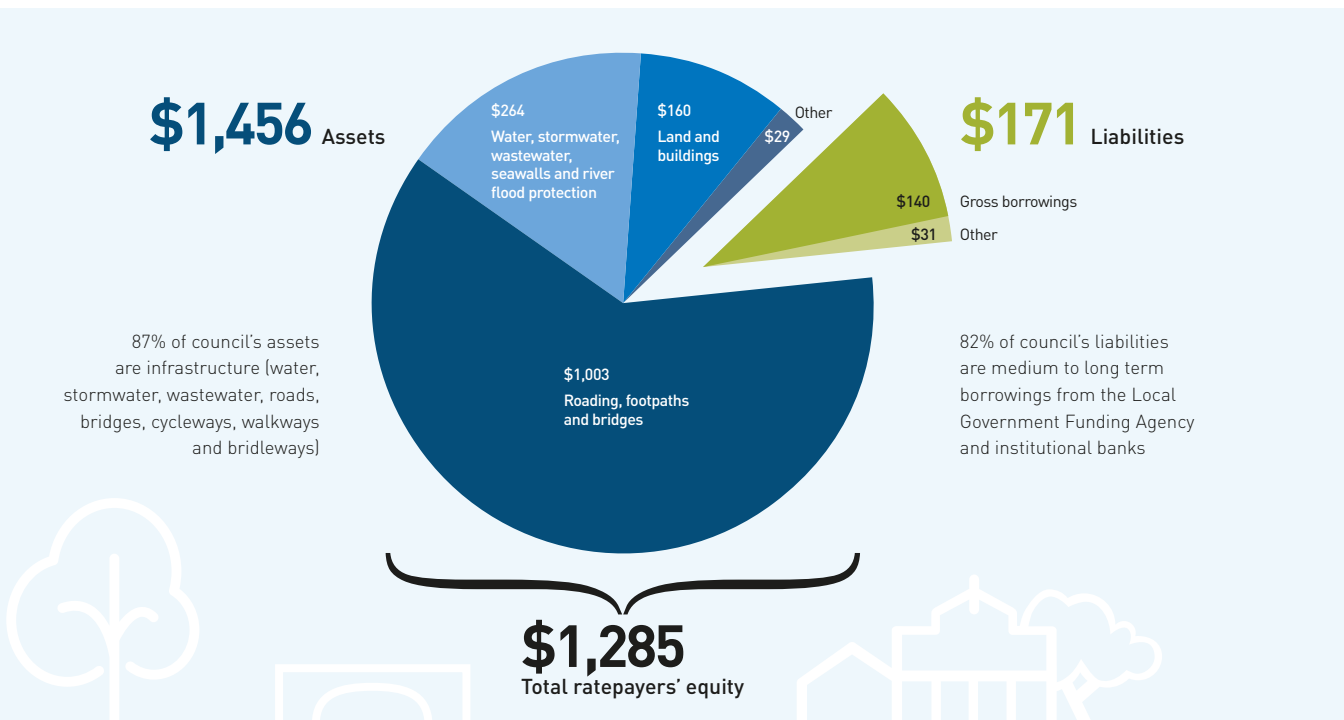
As at 30 June 2015, we had total assets of \$1,456 million. Of this, infrastructure (water, stormwater, wastewater, roads, bridges, cycleways, walkways and bridleways)

accounts for \$1,271 million and the remainder mainly includes facilities such as libraries and pools.

Our liabilities are \$171 million – with 82% 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 \$1,285 million.

Financial position (\$millions)



Cash and debt management

The key result for our debt management is that we ended the year with our borrowings at \$138 million which is consistent with what we had projected. This reflected our careful management and the more streamlined approach we took to managing cash flows and new borrowings.

We repaid

\$5 MILLION of long-term borrowings in the year

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).

Financial prudence

One of the aspects of legislation that has changed recently is the introduction of regulations requiring all local authorities 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 *Finance and revenue* section, pages 168–173 of the full annual report.

Summary financials

Summary of the statement of comprehensive revenue and expense

for the year ended 30 June 2015

2013/14 Actual \$000		2014/15 Actual \$000	2014/15 Budget \$000
	Revenue		
50,149	Rates	51,300	51,800
18,000	Other operating revenue	16,934	14,140
68,149	Total revenue	68,234	65,940
	Expenses		
7,595	Interest expense	7,795	7,899
61,139	Other operating expense	61,889	60,878
68,734	Expenses	69,684	68,777
(585)	Operating surplus/(deficit)	(1,450)	(2,837)
3,992	Unrealised Gain/(Loss) on revaluation of derivatives	(6,451)	
3,407	Net operating surplus/(deficit)	(7,991)	(2,837)
	Other comprehensive revenue and expense		
563,754	Revaluation of property, plant and equipment	(83)	-
563,754	Other comprehensive revenue and expense	(83)	-
567,161	Total comprehensive revenue and expense	(8,074)	(2,837)

Summary of financial position

as at 30 June 2015

2013/14 Actual \$000		2014/15 Actual \$000	2014/15 Budget \$000
16,179	Current Assets	9,997	10,156
1,435,634	Non-current assets	1,446,660	937,504
1,451,813	Total assets	1,456,657	947,660
25,504	Current liabilities	18,126	36,267
133,018	Non-current liabilities	153,314	127,883
158,522	Total liabilities	171,440	164,150
1,293,291	Total equity	1,285,217	783,510
1,451,813	Total liabilities and equity	1,456,657	947,660

Summary of changes in equity

for the year ended 30 June 2015

2013/14 Actual \$000		2014/15 Actual \$000	2014/15 Budget \$000
726,130	Equity as at 1 July	1,293,291	786,347
3,407	Net surplus/(deficit)	(7,991)	(2,837)
563,754	Revaluation of property, plant and equipment	(83)	-
567,161	Total comprehensive revenue/expense	(8,074)	(2,837)
1,293,291	Closing equity at 30 June	1,285,217	783,510
	Equity is represented by:		
581,355	Accumulated funds	573,649	574,892
3,246	Reserves and special funds	2,961	2,074
708,690	Revaluation reserve	708,607	206,544
1,293,291	Closing equity at 30 June	1,285,217	783,510

Summary of cashflows

for the year ended 30 June 2015

2013/14 Actual \$000		2014/15 Actual \$000	2014/15 Budget \$000
20,200	Net cash inflows from operating activities	9,797	13,122
(23,918)	Net cash (outflows) from investing activities	(25,472)	(29,078)
4,924	Net cash inflows from financing activities	9,970	15,847
1,206	Net increase/(decrease) in cash and cash equivalents	(5,705)	(109)
5,939	Total cash and cash equivalents at 1 July	7,145	3,843
7,145	Total cash and cash equivalents at 30 June	1,440	3,734

Notes

Background

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

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

The summary financial statements do not provide as complete an understanding as the full financial statements in the 2014/15 Annual report.

First time adoption of PBE standards

The council is a public benefit entity and this is the first set of financial statements of council that is presented in accordance with PBE standards for tier 1 entities. Council have previously reported in accordance with NZ IFRS (PBE)

The accounting policies adopted in these financial statements are consistent with those of the previous financial year, except for instances when the accounting or reporting requirements of a PBE standard are different to requirements under NZ IFRS (PBE).

Key changes due to first time adoption of PBE standards

Development and financial contributions are recognised as revenue when council provides, or is able to provide, the service for which the contribution was levied. Previously, until such time as the service was delivered, the contribution was recognised as a liability. Development and financial contributions are now recognised as revenue when council has the right to receive the funds for which the contribution was levied.

Compliance

A statement of compliance to generally accepted accounting practice in New Zealand can be found in the full annual report.

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

Events after the end of the reporting period

There were no events subsequent to the reporting period that would affect the amounts or disclosures in these financial statements.

More information

This summary has been extracted from the full 2014/15 Annual report, which was adopted by council on 15 October 2015. It contains detailed information about council's service and financial performance for the year ending 30 June 2015.

The full annual report can be viewed on the council website (see below) on the Documents/Reports page.

Printed copies of the annual report are available at the district's libraries and service centres.

kapiticoast.govt.nz

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Independent auditor's report



To the readers of the Kāpiti Coast District Council's summary annual report for the year ended 30 June 2015

The summary annual report was derived from the annual report of the Kapiti Coast District Council (the District Council) for the year ended 30 June 2015. We have considered whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report.

The annual report included full audited statements, and the summary annual report includes summary statements. We have audited the following summary statements reported in the summary annual report on pages 10 to 12:

- the summary statement of financial position as at 30 June 2015;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2015;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service provision of the District Council.

We expressed an unmodified audit opinion on the District Council's full audited statements in our report dated 15 October 2015.

Opinion

In our opinion:

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

Basis of opinion

Our audit was carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand), and in particular with the International Standard on Auditing (New Zealand) 810: *Engagements to Report on Summary Financial Statements*. These standards require us to carry out procedures to confirm whether the summary annual report contains the information necessary, and at an appropriate level of aggregation, so as not to be misleading.

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

Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary annual report so that it represents, fairly and consistently, the information regarding the major matters dealt with in the annual report. This includes preparing summary statements, in accordance with FRS-43 (PBE): *Summary Financial Statements*. The Council is also responsible for the publication of the summary annual report, whether in printed or electronic form.

We are responsible for expressing an opinion on whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report and whether the summary statements comply with FRS 43 (PBE): *Summary Financial Statements*.

Other than in our capacity as auditor we have no relationship with, or interest in, the District Council.

Grant Taylor
Ernst & young
On behalf of the Auditor-General
Wellington, New Zealand
15 October 2015