

11 April 2022



**Request for Official Information responded to under the Local Government and Official Information and Meetings Act 1987 (LGOIMA) – reference: OIR 2122-220**

I refer to your information request we received on 23 March 2022 for the following, in relation to budget information:

1. **Provide the Total Comprehensive Revenue & Expenses as reported in your 2021 published financial statements and reconcile this figure to your balanced budget obligation under s100 of the Local Government Act, identifying each of the following adjustment items (if applicable) in your reconciliation:**
  - a) **Capital subsidies (e.g. NZTA/Waka Kotahi)**
  - b) **Asset revaluations**
  - c) **Asset write-offs**
  - d) **Depreciation**
  - e) **Development contributions**
  - f) **Changes in the mark-to-market value of financial instruments**
  - g) **Gains or losses on the disposal or sale of assets**
  - h) **Assets vested or gifted to the Council**
  - i) **Operating subsidies (e.g. from NZTA/Waka Kotahi)**
  - j) **Other (please specify)**

Name of Council: Kāpiti Coast District Council			
	Example only		
		2020-21	
	(thousands \$)	\$ '000	Commentary, if any
<b>Total Comprehensive Revenue &amp; Expenses</b>	\$ 20,000	\$ 42,579	As per 2020-21 Annual Report, page 112
<b>Adjustments:</b>			
a) Capital subsidies (eg NZTA/Waka Kotahi)	-\$1,200	\$0	Capital subsidies are included within the Council's balanced budget calculations
b) Asset revaluations	-\$21,000	-\$21,754	
c) Asset write-offs	-\$1,500	\$0	Asset write-offs are included within the Council's balanced budget calculations
d) Depreciation	\$0	\$0	Depreciation is included within the Council's balanced budget calculations
e) Development contributions	\$0	-\$3,520	Includes Development and Financial Contributions
f) Changes in the mark-to-market value of financial instruments	\$840	-\$13,963	
g) Gains or losses on the disposal or sale of assets	\$2,500	\$0	Gains/Losses of Assets are included within the Council's balanced budget calculations
h) Assets vested or gifted to the Council	-\$2,100	-\$3,101	
i) Operating subsidies (eg from NZTA/Waka Kotahi)	-\$4,800	\$0	Operating subsidies are included in the Council's balanced budget calculations
j) Other (please specify)			
<b>Total adjustments:</b>	<b>-\$27,260</b>	<b>-\$42,338</b>	
<b>Balanced budget target under s100 LGA</b>	<b>-\$ 7,260</b>	<b>\$ 241</b>	

Please also see the graph on page 156 of the Council's [Annual Report 2020/21](#).

2. ***If your Council's methodology for calculating the balanced budget requirement (having given regard to both subsections (1) and (2) of section 100 of the Local Government Act) excludes revenue from any of the following:***

- ***Capital subsidies***
- ***Vested assets***
- ***Asset revaluations***

Name of Council: Kāpiti Coast District Council		
	2020-21	
	\$000	Commentary, if any
<b>Total Comprehensive Revenue &amp; Expenses</b>	<b>\$ 42,579</b>	<b>As per 2020-21 Annual Report, page 112</b>
<b>Adjustments:</b>		
Asset revaluations	-(\$21,754)	Note 11, page 128 - 2020-21 Annual Report
Development contributions	-(\$3,520)	Includes Development and Financial Contributions
Changes in the mark-to-market value of financial instruments	-(\$13,963)	As per page 112 - 2020-21 Annual Report
Assets vested or gifted to the Council	-(\$3,101)	Note 5, page 122 - 2020-21 Annual Report
Total adjustments:	-(\$42,338)	
<b>Balanced budget target under s100 LGA</b>	<b>\$ 241</b>	

Please also see graph on page 156 of the Council's [Annual Report](#) 2020/21.

***Then please state whether the depreciation expense on the asset values generated by these revenue items is similarly excluded. If it is not similarly excluded, please explain how this anomaly is justified to ratepayers in setting the level of rates to be charged.***

- Capital subsidies are captured within the "Total Revenue excluding gains" amount and are not subsequently adjusted out.
- Following the vesting and/or revaluation of assets depreciation is rated for This enables the Council to fulfil its obligations to maintain, upgrade and replace these assets when required.

3. ***State the Council's current financial strategy target for the balanced budget requirement.***

Please see the Council's Long-term Plan 2021-41 Part One, Section 3: Our Finances Page 373-374 - [Long-term Plan - Kāpiti Coast District Council \(kapiticoast.govt.nz\)](#)

4. For each of the years in the Council's current Long-Term Plan state the budgeted performance against the s100 LGA balanced budget requirement.

Name of Council: Kāpiti Coast District Council	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Total Comprehensive Revenue &amp; Expenses</b>	\$ 45,595	\$ 131,335	\$ 34,119	\$ 37,954	\$ 124,797	\$ 41,887	\$ 9,932	\$ 182,222	\$ 9,038	\$ 47,034
<b>Adjustments:</b>										
Capital subsidies	-\$ (11,671)	-\$ (10,781)	-\$ (2,012)	-\$ (1,249)	-\$ (746)	-\$ (1,210)	-\$ (1,242)	-\$ (1,076)	-\$ (917)	-\$ (1,585)
Asset revaluations	\$ 0	-\$ (105,808)	\$ 0	-\$ (31,561)	-\$ (117,855)	-\$ (33,346)	\$ 0	-\$ (174,222)	\$ 0	-\$ (37,376)
Development contributions	-\$ (3,564)	-\$ (4,111)	-\$ (5,533)	-\$ (6,629)	-\$ (7,610)	-\$ (7,800)	-\$ (7,631)	-\$ (7,386)	-\$ (7,585)	-\$ (7,782)
Changes in the mark-to-market value of financial instruments	\$ 2,535	\$ 2,735	\$ 2,420	\$ 2,062	\$ 1,774	\$ 909	-\$ (483)	\$ 807	-\$ (1,109)	\$ 284
Assets vested or gifted to the Council	-\$ (35,370)	-\$ (14,989)	-\$ (29,538)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Total adjustments:</b>	<b>-\$ (48,070)</b>	<b>-\$ (132,954)</b>	<b>-\$ (34,663)</b>	<b>-\$ (37,377)</b>	<b>-\$ (124,437)</b>	<b>-\$ (41,447)</b>	<b>-\$ (9,356)</b>	<b>-\$ (181,877)</b>	<b>-\$ (8,611)</b>	<b>-\$ (46,459)</b>
<b>Balanced budget target under s100 LGA</b>	<b>-\$ 2,475</b>	<b>-\$ 1,619</b>	<b>-\$ 544</b>	<b>\$ 577</b>	<b>\$ 360</b>	<b>\$ 440</b>	<b>\$ 576</b>	<b>\$ 345</b>	<b>\$ 427</b>	<b>\$ 575</b>

Name of Council: Kāpiti Coast District Council	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40	2040-41
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Total Comprehensive Revenue &amp; Expenses</b>	\$ 162,941	\$ 49,352	\$ 10,847	\$ 218,322	\$ 9,177	\$ 57,129	\$ 197,048	\$ 59,772	\$ 13,172	\$ 267,896
<b>Adjustments:</b>										
Capital subsidies	-\$ (1,631)	-\$ (1,679)	-\$ (1,727)	-\$ (1,778)	-\$ (1,829)	-\$ (1,882)	-\$ (1,937)	-\$ (1,993)	-\$ (2,051)	-\$ (2,110)
Asset revaluations	-\$ (154,321)	-\$ (40,135)	\$ 0	-\$ (209,192)	\$ 0	-\$ (45,716)	-\$ (186,439)	-\$ (48,277)	\$ 0	-\$ (256,943)
Development contributions	-\$ (7,985)	-\$ (8,192)	-\$ (8,405)	-\$ (8,624)	-\$ (8,848)	-\$ (9,078)	-\$ (9,314)	-\$ (9,556)	-\$ (9,805)	-\$ (10,060)
Changes in the mark-to-market value of financial instruments	\$ 1,323	\$ 1,070	-\$ (140)	\$ 1,578	\$ 1,903	\$ 117	\$ 931	\$ 442	-\$ (748)	\$ 1,481
Assets vested or gifted to the Council	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Total adjustments:</b>	<b>-\$ (162,614)</b>	<b>-\$ (48,936)</b>	<b>-\$ (10,272)</b>	<b>-\$ (218,016)</b>	<b>-\$ (8,774)</b>	<b>-\$ (56,559)</b>	<b>-\$ (196,759)</b>	<b>-\$ (59,384)</b>	<b>-\$ (12,604)</b>	<b>-\$ (267,632)</b>
<b>Balanced budget target under s100 LGA</b>	<b>\$ 327</b>	<b>\$ 416</b>	<b>\$ 575</b>	<b>\$ 306</b>	<b>\$ 403</b>	<b>\$ 570</b>	<b>\$ 289</b>	<b>\$ 388</b>	<b>\$ 568</b>	<b>\$ 264</b>

Please also see the Council's Long-term Plan 2021-41 Part One, Section 3: Balanced budget benchmark - Page 367 - [Long-term Plan - Kāpiti Coast District Council \(kapiticoast.govt.nz\)](https://www.kapiticoast.govt.nz/long-term-plan)

5. For each of the last five years' annual reports state your Council's actual balanced budget result and the Total Comprehensive Revenue & Expenses.

Name of Council: Kāpiti Coast District Council	Yr -1	Yr -2	Yr -3	Yr -4	Yr -5
	2019-20	2018-19	2017-18	2016-17	2015-16
	\$000	\$000	\$000	\$000	\$000
<b>Total Comprehensive Revenue &amp; Expenses</b>	<b>-\$ 5,663</b>	<b>\$ 20,315</b>	<b>\$ 45,263</b>	<b>\$ 120,995</b>	<b>\$ 17,159</b>
<b>Adjustments:</b>					
Asset revaluations	\$ 18,293	-\$ (25,238)	-\$ (41,163)	-\$ (114,517)	-\$ (29,894)
Development contributions	-\$ (3,574)	-\$ (1,536)	-\$ (3,772)	-\$ (2,000)	-\$ (1,382)
Changes in the mark-to-market value of financial instruments	\$ 6,984	\$ 8,021	\$ 1,811	-\$ (7,598)	\$ 9,693
Assets vested or gifted to the Council	-\$ (20,552)	-\$ (1,112)	-\$ (3,562)	-\$ (87)	-\$ (2,620)
<b>Total adjustments:</b>	<b>\$ 1,151</b>	<b>-\$ (19,865)</b>	<b>-\$ (46,686)</b>	<b>-\$ (124,202)</b>	<b>-\$ (24,203)</b>
<b>Balanced budget target under s100 LGA</b>	<b>-\$ 4,512</b>	<b>\$ 450</b>	<b>-\$ 1,423</b>	<b>-\$ 3,207</b>	<b>-\$ 7,044</b>

Please also refer to the "Balanced budget" graphical disclosures in each corresponding [Annual Report](#)

6. For any of the last five years' actual results where the s100 LGA balanced budget requirement as calculated by Council has not been achieved, provide Council's explanation for that non-achievement.

Name of Council: Kāpiti Coast District Council	Yr -1	Yr -2	Yr -3	Yr -4	Yr -5
	2019-20	2018-19	2017-18	2016-17	2015-16
	\$000	\$000	\$000	\$000	\$000
	(thousands \$)	(thousands \$)	(thousands \$)	(thousands \$)	(thousands \$)
<b>Total Comprehensive Revenue &amp; Expenses</b>	-\$ 5,663	\$ 20,315	\$ 45,263	\$ 120,995	\$ 17,159
<b>Adjustments:</b>					
Asset revaluations	\$18,293	-\$25,238	-\$41,163	-\$114,517	-\$29,894
Development contributions	-\$3,574	-\$1,536	-\$3,772	-\$2,000	-\$1,382
Changes in the mark-to-market value of financial instruments	\$6,984	\$8,021	\$1,811	-\$7,598	\$9,693
Assets vested or gifted to the Council	-\$20,552	-\$1,112	-\$3,562	-\$87	-\$2,620
<b>Total adjustments:</b>	\$1,151	-\$19,865	-\$46,686	-\$124,202	-\$24,203
<b>Balanced budget target under s100 LGA</b>	-\$ 4,512	\$ 450	-\$ 1,423	-\$ 3,207	-\$ 7,044
<b>LGA s.100 Balanced budget achieved</b>	<b>Not Achieved</b>	<b>Achieved</b>	<b>Not Achieved</b>	<b>Not Achieved</b>	<b>Not Achieved</b>

**LGA s.100; balanced budgets have been consistently "Not Achieved" due to:**

- Kāpiti Coast District Council has not met the balanced budget benchmark in the reported years due to it not yet fully funding depreciation.
- The Council is working towards balancing our budget through committing to a financial strategy that progressively fund depreciation with a target of fully funding depreciation by 2025.

7. In the ten forecast years in the current Long-Term Plan, where the s100 LGA balanced budget requirement as calculated by Council is budgeted to not be achieved, provide Council's explanation for that budgeted non-achievement in terms of s100(2) of the LGA.

Question 7: In the ten forecast years in the current Long-term plan, where the s.100 LGA balanced budget requirement as calculated by Council is budgeted to not be achieved, provide Council's explanation for that budgeted non-achievement in terms of s.100(2) of the LGA.											
Name of Council: Kāpiti Coast District Council	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
<b>Total Comprehensive Revenue &amp; Expenses</b>	\$ 45,595	\$ 131,335	\$ 34,119	\$ 37,954	\$ 124,797	\$ 41,887	\$ 9,932	\$ 182,222	\$ 9,038	\$ 47,034	
<b>Adjustments:</b>											
Capital subsidies	-\$11,671	-\$10,781	-\$2,012	-\$1,249	-\$746	-\$1,210	-\$1,242	-\$1,076	-\$917	-\$1,585	
Asset revaluations	\$0	-\$105,808	\$0	-\$31,561	-\$117,855	-\$33,346	\$0	-\$174,222	\$0	-\$37,376	
Development contributions	-\$3,564	-\$4,111	-\$5,533	-\$6,629	-\$7,610	-\$7,800	-\$7,631	-\$7,386	-\$7,585	-\$7,782	
Changes in the mark-to-market value of financial instruments	\$2,535	\$2,735	\$2,420	\$2,062	\$1,774	\$909	-\$483	\$807	-\$109	\$284	
Assets vested or gifted to the Council	-\$35,370	-\$14,989	-\$29,538	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>Total adjustments</b>	-\$48,070	-\$132,954	-\$34,663	-\$37,377	-\$124,437	-\$41,447	-\$9,356	-\$181,877	-\$8,611	-\$46,459	
<b>Balanced budget target under s100 LGA</b>	-\$ 2,475	-\$ 1,619	-\$ 544	\$ 577	\$ 360	\$ 440	\$ 576	\$ 345	\$ 427	\$ 575	
<b>LGA s.100 Balanced budget achieved</b>	<b>Not Achieved</b>	<b>Not Achieved</b>	<b>Not Achieved</b>	<b>Achieved</b>	<b>Achieved</b>	<b>Achieved</b>	<b>Achieved</b>	<b>Achieved</b>	<b>Achieved</b>	<b>Achieved</b>	

Please also see the graph in the Council's Long-term Plan 2021-41 Part One, Section 3: Balanced budget benchmark - Page 367 - [Long-term Plan - Kāpiti Coast District Council \(kapiticoast.govt.nz\)](#)

Yours sincerely



**Mark de Haast**

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Te Kaihautū Ratonga Tōpū