

**Mayor and Councillors**  
COUNCIL

15 MARCH 2018

Meeting Status: **Public**

Purpose of Report: For Decision

**BUILDING A STRONGER KĀPITI TOGETHER - LONG TERM PLAN 2018-38 CONSULTATION DOCUMENT**

**PURPOSE OF REPORT**

- 1 This report seeks to have Council adopt a consultation document for the purposes of consulting on the draft 2018-38 Long term plan.

**DELEGATION**

- 2 Only the Council may approve components of a long term plan and long term plan consultation document as stated under Section 2A(1) of the Governance Structure and Delegations:

*“... only Council may perform the following: To lead the development of the LTP and Annual Plan, together with policies and budgets.”*

**BACKGROUND**

- 3 The Local Government Act 2002 (LGA) as amended in 2014 requires councils to consult with their communities on their proposed long term plan (LTP) through the special consultative procedure (SCP). Requirements for the consultation are laid down in Sections 83 and 93 of the Act.
- 4 The legislation expressly prohibits councils from consulting on a draft version of the LTP. Instead, councils must decide which issues and projects will be sufficiently significant to their community to warrant their inclusion in the consultation document (CD). For each of the issues included the council must then describe the proposal, canvass options, indicate the council's preferred option and provide an indication of impacts of the preferred option on rates and borrowings.
- 5 Elected Members and a representative of Te Whakaminenga o Kāpiti attended a series of workshops in November / December 2017 to discuss the Council's 13 draft activity management plans over the 2018-38 period.
- 6 A second series of workshops were held in January and February 2018 to agree the Council's direction on each of the activities, their related operational and capital budgets, their levels of service and related performance indicators and the timing and nature of major projects. The workshops also addressed key strategies and policies underpinning the LTP. The workshops were open to the public and members of Grey Power and the Council of Older Persons, in particular, attended them and provided input at various points.
- 7 These workshops have driven the content of the attached consultation document, which is presented to Council for adoption.

## CONSIDERATIONS

- 8 As required by the Local Government Act 2002, the Council has produced a plain English consultation document setting out the key initiatives and major projects proposed in the draft LTP. Their description and analysis of options meet the requirements of the legislation. The two key decisions included in the CD are considered significant under the Council's significance and engagement policy. The CD invites the community to provide their views.
- 9 The CD presents the two key decisions for consideration by the community. They are: the way rates are shared across the district; and the refocusing of our stormwater capital works programme. The CD also provides updates on work already underway and work that the Council is intending to progress during the first three years of the 2018-38 LTP.
- 10 The CD also presents the key points of the financial strategy and the infrastructure strategy and refers readers to the full strategies on the Council's website.
- 11 The Council is also consulting on its revenue and financing policy and the development contributions policy at the same time as the draft 2018-38 LTP.
- 12 The CD is being produced as a printed publication which will be made widely available within the community particularly at the events planned to support consultation. The electronic format of the CD provided on the Council's website will be interactive, enabling viewers to easily travel between the CD and detailed underpinning information. It will also be formatted to assist readers who have visual impairments.
- 13 The community will be invited to provide feedback through a range of channels. They can make a submission online, use the form in the back of the CD or use a separate hard copy form that will be available in libraries and service centres. They can also email their feedback and this will be treated as a submission. Members of the community making a submission will be invited to advise if they wish to also speak to their submissions during the hearings process.
- 14 The community is also being offered opportunities to provide more informal feedback. Examples of this include the opportunity to speak with elected members at planned 'chat stops' or commenting on the Council's Facebook page. Staff will summarise comments related to the LTP consultation received on the Facebook page during consultation and will present these to elected members alongside summaries of the submissions received through the consultation process.

### Policy considerations

- 15 The policies specifically consulted on through the CD (alongside the LTP) are the:
  - draft revenue and financing policy
  - draft development contributions policy.

## Legal considerations

- 16 The production of the CD meets the legal requirements relating to LTP consultation in the LGA.
- 17 The Council's auditors have issued a verbal acceptance of the CD. Their written opinion will be inserted in the document prior to printing.

## Financial considerations

- 18 The CD contains significant financial information concerning rates and borrowings movements, the infrastructure strategy, the financial strategy, changes to fees and charges and proposed changes to the rating system.

## Tāngata whenua considerations

The ART Forum of the three local iwi – Te Ātiawa Ki Whakarongotai Ngāti Raukawa (Ngā Hapū o Ōtaki) and Ngāti Toa Rangatira – has provided a vision statement for inclusion at the beginning of the CD.

## **SIGNIFICANCE AND ENGAGEMENT**

### Significance policy

- 19 This matter has a high degree of significance, and it is significant under Council's Significance and Engagement policy.

### Consultation

- 20 This CD will form the basis of the LTP consultation from 23 March to 23 April 2018.

### Engagement planning

- 21 The engagement plan is focused on activities associated with the consultation process.
- 22 The LGA requires the use of a special consultative procedure for councils' long term plans. An extensive consultation programme using a variety of channels is planned for the draft LTP which gives effect to the requirements of the LGA. Council has been briefed in detail on the proposed consultation and engagement approach to be used during the upcoming consultation period.

### Publicity

- 23 A communications and engagement plan has been developed and councillors have been briefed on the content, including how the Council intends to provide information across the district to ensure that as many of the community as possible are informed about the proposed content of the draft LTP as set out in the CD and supporting documentation.

## RECOMMENDATIONS

- 24 It is recommended that the Council:
- 25 **Adopts** the consultation document attached to report SP-18-452 as the basis for its consultation with the community on the draft 2018-38 Long term plan.
- 26 **Delegates** to the Mayor, the Chair of the Operations and Finance Committee and the Chief Executive the authority to approve minor editorial changes to the material contained in the CD prior to publication.

| <b>Report prepared by</b>                       | <b>Approved for submission</b>             | <b>Approved for submission</b>                 |
|---|--|--|
| Kevin Black                                     | Sarah Stevenson                            | Janice McDougall                               |
| <b>Manager Corporate Planning and Reporting</b> | <b>Group Manager Strategy and Planning</b> | <b>Acting Group Manager Corporate Services</b> |

## ATTACHMENTS

- 1 Building a stronger Kāpiti together – consultation document

# Building a stronger Kāpiti together

## What do you think?

Long term plan 2018–2038  
consultation document

**Living within our means** 10

**Key decisions – Should we:**

Change how we share rates  
across the district? 14

Change how we address  
stormwater flood risks? 18

**Rates for next year** 24

**Tell us what you think** 32



## How to provide feedback and where to find more info

This consultation document gives an overview of the important information, key plans, and the two 'big decisions' the Council needs to make. Most importantly, it asks you to tell us what you think about the plans and the decisions we need to make. We're also keen to hear from you on anything else related to the Council's work.

It's easy to find out more, and to give us feedback:

- visit our website [kapiticoast.govt.nz/kapiti2038](http://kapiticoast.govt.nz/kapiti2038) for background information or a downloadable version of this booklet
- drop in to one of our service centres or libraries; or
- go to pages 31–32 of this document for other options, and times and places around the district where you can call in for a chat with a councillor, or community board member.



# How we got here

Hundreds of Kāpiti locals have been involved in developing this draft long term plan.

Around a year ago, as part of the groundwork for our draft plan, we hosted our first workshops with community groups. In July last year we held further workshops and asked for feedback from the wider community on the early thinking about our overall direction. This feedback was fundamental to the shaping of our strategic direction and the draft long term plan.



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# Introduction from the Mayor

## Why build a stronger Kāpiti?

It's a question you might have asked yourself when you saw the cover of this booklet. The answer? Because the themes of strength and resilience came up again and again in the early stages of our long term plan development, as part of our discussions with individuals and groups in our communities.

Given the challenges including those posed by climate change, councillors agree that we need to foster resilience in our environment, our economy and our communities so that we're in good shape to look after each other, now and in the future. This thinking is reflected not only in our draft plan, but also in our new vision for Kāpiti. Find out more on page 8.

We also heard through our community conversations that there is a real understanding of the need to live within our financial constraints. By making some hard calls now we can improve our financial position and be better able to deal with expenses we know are on the horizon.

We've worked hard to keep our proposed rates increase as low as possible for the coming year, to an average of 4.7%. As with last year's rates

increase, the vast majority is made up of depreciation (including making sure that we are putting aside enough to replace assets) and inflation.

The proposed 4.7% increase is an average across the district, so your change could be quite different depending on the impact of the recent revaluation and the proposed rating system change for your property. We'll be writing to all ratepayers this year to ensure that you're clear on what the changes could mean for you – or you can find out now at [kapiticoast.govt.nz/proposedrates](http://kapiticoast.govt.nz/proposedrates)

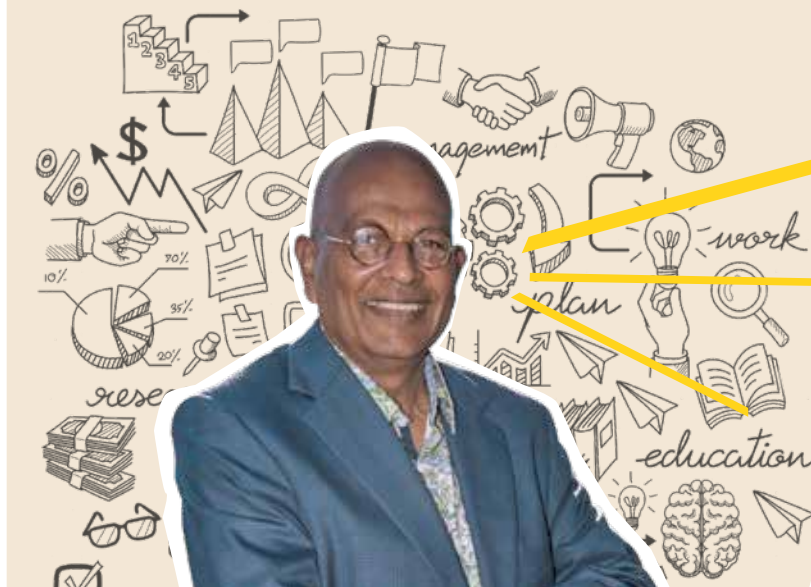
One of the things that will affect your proposed rates from July 2018 is a change to the way rates are shared across the district. We've heard a lot about affordability concerns and are proposing changes to two components in the rating system, which together will see a fairer distribution of rates. We'd like your feedback on whether to adopt these changes or continue with our existing way of allocating rates.

We'd also like your feedback on whether we should take a new approach to stormwater, given the impacts that flooding has had on families and businesses in our communities. As well as reducing our flood risk, we believe this would improve downstream water quality, creating a better environment for aquatic plants and marine life in streams and open drains.

We're keen to hear from you on these big questions, our other projects and our plans for managing our finances and our infrastructure. Come and talk to us at one of our pop-up chat sessions or send us your feedback (find out more on pages 31–32) so that together we can build a stronger Kāpiti.



**K Gurunathan**  
Mayor





# Introduction from tāngata whenua

Whatungarongaro te tāngata toitū te whenua  
*As man disappears from sight, the land remains*

This whakatauki provides an insight into how tāngata whenua see our role as kaitiaki: an inherent, intergenerational obligation that reminds us that by looking after and enhancing our whenua and wai, our current people and future generations will be able to thrive on the land vested to us by our ancestors.

As tāngata whenua, our relationship with the environment spans centuries. Knowledge and cultural practice that have been passed down through generations allow us to take lessons from the past and apply them to current issues. It's through the unique and valuable knowledge we have as kaitiaki that we are often able to provide solutions that work not only within our own cultural environmental frameworks, but also for the betterment of the wider community.

The ability to apply our own lens to the issues our rohe is facing, and have our expertise valued and considered as equally important to that of western science, is extremely important to us as tāngata whenua. It is a vision we have been working towards since 1994, when a commitment to build a partnership between each of the three iwi, Ngāti Toa Rangatira, Te Ātiawa ki Whakarongotai and Ngāti Raukawa ki te Tonga, and the Council was formally acknowledged by the signing of the Memorandum of Partnership and the establishment of Te Whakaminenga o Kāpiti.

**Ngā pou whakairo in front  
of the Kāpiti Coast District  
Council building.**

As tāngata whenua and as kaitiaki, we understand that we must honour our responsibilities to our past, present and future peoples by protecting and improving the wellbeing of our land and waters, so we can create an environment that is able to sustain, support and nourish its communities.

Toitū te whenua, toitū te wai, toitū te tāngata  
Toitū Kāpiti!



**Rupene Waaka**

Chair, Te Whakaminenga o Kāpiti



# Services we provide for you

## A snapshot of our services

We undertake a wide range of legally required functions as well as other activities our local community wants us to do. More than three-quarters of the funds to provide these services and facilities come from our local community as rates, with the remainder largely from fees, charges and grants.

Stormwater  
Sewage disposal  
Safe water supply



Street lighting  
Street cleaning  
Street plantings

Local roads and footpaths  
Road safety programmes  
Public toilets



Walking and cycling tracks  
Sports fields  
Parks and reserves  
Pools and splash pads



Libraries  
Community halls  
Community grants



Noise control  
i-SITE  
Housing for older people



Major events support  
Environmental protection  
Cemeteries



Economic development  
District planning  
Emergency management and preparedness

Building consents  
Food premises inspections  
Alcohol licences  
Animal control

We're out in the community every day. Here are a few highlights of the work we've done:



We maintained **571km of water pipes**, five water-treatment plants, seven pump stations and eight groundwater bores

We extended our network of family-friendly cycleways, walkways and bridleways to 100km

We issued **1,147 building consents** and reduced the average processing time by three days

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

We completed nearly **3,000m<sup>2</sup> of footpath upgrades**

We promoted **Kāpiti as a great holiday destination** to both domestic and international tourists, including launching the Destination Kāpiti Facebook page





**We planted native sand-binding plants** on the dunes between Paraparaumu and Ōtaki as part of our coastal restoration programme

More than **2,000 children took part in SwimBegin and Learn-to-swim lessons** at our pools

Our animal management team **dealt with more than 12,000 animal management requests**

**9,800 people attended free events** at our libraries, and more than 17,000 e-books were downloaded

**We supported** six youth-led community projects, partnered with the Kāpiti Older Persons' Council in an 'Age on the Go Expo', and supported Neighbours' Day, in which more than 1,000 people took part in 48 local events organised by residents

Figures noted are for the 2016/17 year.



## Projects recently completed

Some of the projects initiated in our last long term plan, in 2015, have recently been completed.

### Ōtaki pool and splash pad

The revamped Ōtaki pool, with a ramp into the pool added, and new splash pad opened in December 2017.

### Kāpiti Lights

The community celebrated the opening of the new-look Kāpiti Lights, developed in partnership with local businesses, in November 2017.

### Te Ātiawa Park courts

The rebuild and resurfacing of the Te Ātiawa Park courts was completed in early 2017.

Lighting was also upgraded at this popular tennis and netball facility.

# Our challenges

Early in our planning we worked with the community to identify the challenges we face here in Kāpiti.

Understanding these challenges helps us to build plans to address them or even turn them into opportunities.

## Keeping Council services affordable

Much of our focus, and a lot of the money we have, goes to providing 'core' services such as roading, footpaths, water, maintaining parks and administering building and resource consents, to name a few. Take a quick look at pages 4 and 5 of this document and you'll get a good idea of the many services we provide.

As we continue offering the same services and the same service standards, we also need to keep up with inflation and changing government regulations.

Over the coming decades a significant part of our infrastructure, such as our water and wastewater pipe network, will be reaching its capacity or end of life and need to be replaced. In some parts of the district we'll need to upgrade these assets to manage growth – and that can require some large (and very expensive) projects.



Speaking of growth, Kāpiti is expected to grow by almost 4,000 households in the next 20 years, so we need to plan and budget for the new infrastructure that will be needed.

All this makes balancing the budget one of the Council's biggest challenges. It's even more challenging to find ways to add new services or take on new projects to make our district an even better place to live.

## Contributing to a vibrant district economy

'Supporting a strong local economy' is part of our long-term vision for Kāpiti. However, a number of challenges affect our ability to do that.

For example, there are limited employment options in Kāpiti, and a much larger employment 'magnet' nearby in Wellington. In some areas of Kāpiti – in particular Ōtaki and Paraparaumu Central – people have lower incomes, which means they're missing out on the food, clothing, housing, education, employment and leisure opportunities that many of us take for granted.

There is strong development occurring in Kāpiti. However the houses being built don't always match the housing needs of our community.

On the other hand, the expressway has changed how people travel around and through Kāpiti, creating both challenges and opportunities for our economy and businesses.

## Caring for our community and staying connected

Being part of a community means being able to participate – to feel connected to others, join in and access services. In our district people aged over 60 outnumber those aged 20–49. This means that a high proportion of our population are retired, and may have reduced opportunities for, and greater barriers to, participation.

More generally, people have also told us that they're concerned about access to health services, and that transport options can create challenges. There are particular issues with the lack of public transport options for areas such as Ōtaki and Raumati.

## Looking after our environment

Here in Kāpiti we have a wide range of environmental challenges related to our closeness to the sea and the large number of homes and businesses located along the coast.

Severe storms, extreme tides and rising water tables may cause damage and disruption and have both financial and human costs. Other challenges relate directly to the environment itself, with biodiversity under threat because of invasive pests and weeds and a loss of habitats for our native plants and animals.

Find out more and tell us what you think

[kapiticoast.govt.nz/kapiti2038](http://kapiticoast.govt.nz/kapiti2038)



# Where we're heading

In 2015 we set ourselves some long-term goals and a vision to guide how we make our major decisions.

Three years later we've evolved those goals and vision for this long term plan, and created a set of '10-year outcomes'. These outcomes describe in detail the results we're aiming to achieve on the way to our long-term goals.

As with our challenges, these outcomes were developed through discussions with the community last year about the most important things the Council needs to do.

To give us the best chance of succeeding, we've given priority to the five outcomes where we think we can make the most difference in the next three years. We'll continue to work on achieving the other outcomes, but it may take us longer than three years to do that.

**In the next three years we'll be focusing on these outcomes**

## Improved financial position against financial constraints

### This means we will:

- reduce borrowing to bring down our debt;
- fully fund depreciation<sup>1</sup> within five years, so we can afford to replace facilities such as roads and pipes; and
- spend less by prioritising what is most important so we can keep rates sustainable for our communities

## Our new vision

We've refreshed our vision for Kāpiti. It continues to reflect the drive for a vibrant and thriving Kāpiti as set out in our last long term plan, while also incorporating our aspiration for strong, safe communities. Together, these qualities articulate the unique appeal of the Kāpiti lifestyle.

The use of te reo Māori captures our vision for a sustainable Kāpiti. You can read more about it in the introduction from tāngata whenua on page 3.

**We'll also continue working towards these outcomes**

**Community satisfaction with Council services is maintained or improved**

**What does 'toitū' mean?** Toitū means to be sustainable. In communicating our vision, it means that, to achieve what we want for our community, we must look after and enhance our land, our waters and our people to create a thriving future for Kāpiti.

**Our vision**

**thriving environment :: vibrant**

<sup>1</sup> Depreciation is how we spread the cost of replacing our assets over the years they're in use.

<sup>2</sup> Wellington Region Emergency Management Office.



### Infrastructure investment that supports resilience and agreed growth projections

**This means** we'll plan for growth and invest in the right things at the right time, and in the right place, to support the needs of our communities



### Improved accessibility of Council services

**This will make it easier for people to:**

- use the services and amenities the Council provides because barriers such as cost, transport, physical accessibility and connectivity have been considered;
- know what's happening and have their say; and
- get things done with the Council



### A positive response to our distinct district identity

**This means that:**

- we understand and promote what's special about Kāpiti; and
  - Kāpiti people are proud ambassadors for our district
- so that more people see Kāpiti as a great place to visit, live, work and start new businesses



### An effective response to climate change in Kāpiti

**This means** we'll use the information, policies and strategies coming from central and regional government, and work with the community to respond to climate change in Kāpiti



**A more diverse range of business in the district**



**A community that is more resilient through Council's advocacy**



**A community better supported to lead initiatives in response to agreed community priorities**



**Improved biodiversity and environment through sustainable practices**



**WREMO<sup>2</sup> levels of service consistently met or exceeded in response to emergency preparedness**

economy :: strong communities

toitū te whenua :: toitū te wai :: toitū te tāngata

**toitū Kāpiti – the lifestyle choice**

# Living within our means – our financial strategy

The Council's financial strategy sets out our overall financial goals for the next 20 years (2018–38).

It determines how we'll fund our operations and our proposed capital expenditure<sup>1</sup>. The financial strategy supports our proposed 10-year outcomes, particularly improving our financial position and funding infrastructure investment that supports resilience and agreed growth projections.

Overall the Kāpiti district is in good shape, with the expressway improving our connection to Wellington, steady population growth and strong growth in GDP. However, while we're well placed to capitalise on growth opportunities, it's important that we continue to focus on reducing our debt.

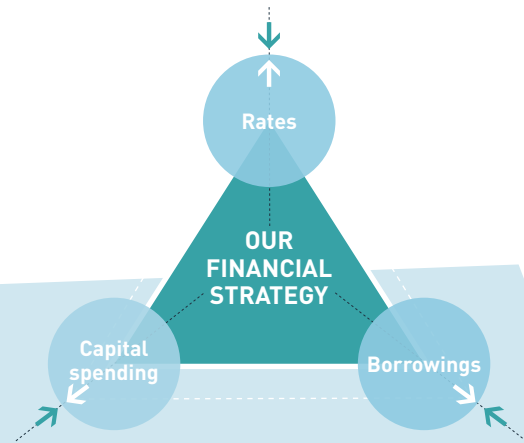
## Our proposed approach

The financial strategy focuses on reducing the Council's borrowings by limiting capital expenditure to no more than \$169 million in the first six years of the long term plan. This equates to an average of \$28m a year.

We believe it is prudent to stay within this proposed limit and move to fully fund depreciation over the next four years. In previous long term plans, the Council opted not to fully fund depreciation. These decisions increased borrowings significantly across those years and this is shown in the borrowings graph on page 11. In 2015 we agreed to reduce the level of non-funded depreciation over the short term and we have continued with this commitment.

For the first four years of this plan we will not have a balanced budgeted because we are still working towards fully funding depreciation. From 2022/23, however, we will be in a position to use some of the surplus to accelerate our debt repayment. This means we'll be well placed to fund a significant programme of asset renewals in around 2045, when a large proportion of our infrastructure assets will need to be replaced.

<sup>1</sup> Capital expenditure is the money spent on building, renewing or improving our assets such as roads, buildings and pipe networks.



## Achieving a balance

The financial strategy aims to achieve a balance of three elements: ensuring affordable rates for the community, minimising the Council's borrowings, and making the best use of capital spending. Changes in any one of these three elements will affect either one or both of the others.

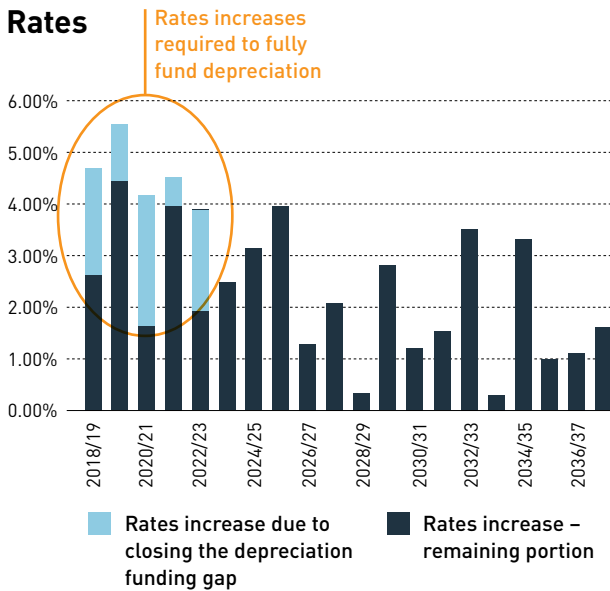
To achieve this balance, we propose the following key financial targets and limits:

- annual rates increases are to be kept at between 2.9% and 5.5% per year, with an average of 4.7% for the coming year and an average of 4.8% (after growth) for the first three years of the plan;
- our net borrowings limit is to be less than 240% of our operating income, however we're aiming to be less than 200% of our operating income within six years; and
- our capital expenditure is to be no more than \$169m in total for the first six years, and less than \$38m in any one year of the long term plan.

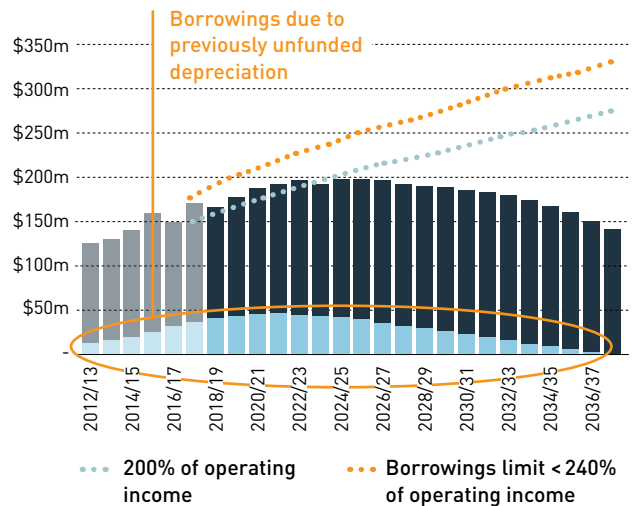
The Council's large asset base means we have significant capital expenditure costs, which in turn influence our rates and borrowings. The charts opposite show our proposed rates increases, borrowings and planned capital spending.



## Rates

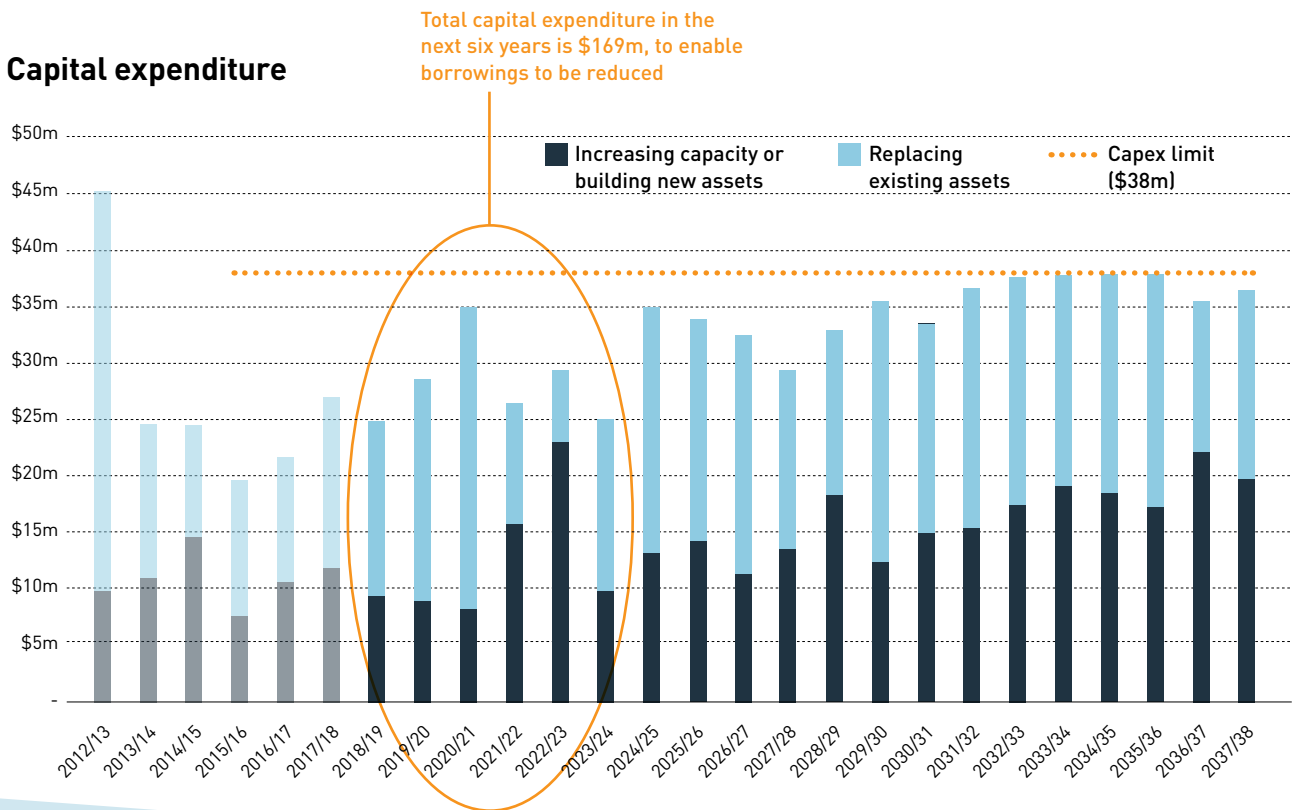


## Borrowings (net)<sup>2</sup>



Getting our borrowings to less than 200% of our operating income will put us in a good position to improve our credit rating

## Capital expenditure



## Considering our infrastructure strategy

Our financial strategy goes hand in hand with our infrastructure strategy: the infrastructure strategy plans the essential capital expenditure required to maintain our assets, while the financial strategy ensures that we can fund the expenditure within our agreed financial limits, and that ratepayers pay their fair share.

<sup>2</sup> Borrowings (net) refers to net borrowings which represents our gross borrowings less deposits.

You can read the full draft financial strategy and find out how we're balancing our budget at

[kapiticoast.govt.nz/kapiti2038](http://kapiticoast.govt.nz/kapiti2038)



# Building what we need – our infrastructure strategy

The Council spends more on infrastructure than anything else – supplying clean drinking water, ensuring there are systems for removing wastewater and stormwater, and managing local roading.

Our infrastructure strategy identifies the most critical issues for these areas in the next 30 years, and our options for managing them, while remaining closely linked to our financial strategy to ensure the Council has sufficient funding available to replace key assets in the future.

One of our key challenges is the affordability of infrastructure due to rising costs. Significant expenditure is required when infrastructure wears out and when we need to build more to cope with growth. Also, legislation changes can affect how we must manage our infrastructure.

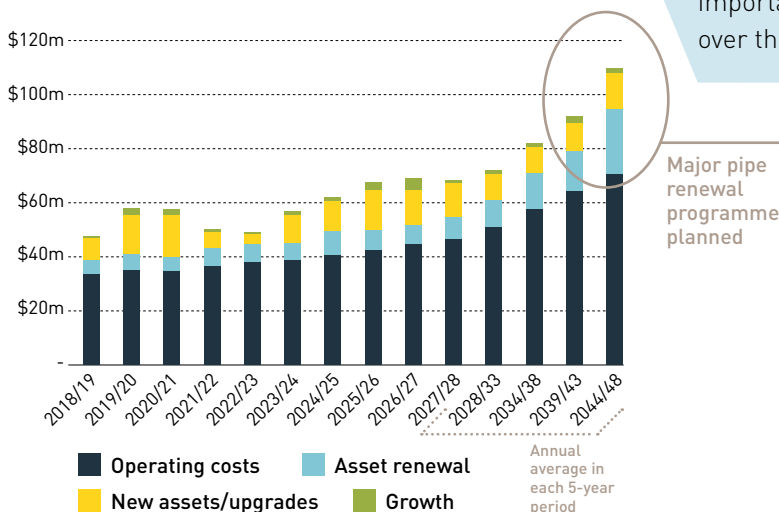
This infrastructure strategy takes into account the fact that we will take over ownership of the old SH1, and will need to address our ageing pipe infrastructure.

We will manage our infrastructure by:

- staging expenditure increases over several years to lessen the impacts on borrowings and rates;
- renewing assets based on their condition and importance;
- building more capacity in our water mains and stormwater network in growing areas such as Waikanae, and additional road capacity around Paraparaumu town centre to manage increasing traffic volumes; and
- making the best use of existing capacity where it is sufficient to cope with future demand, in particular across our wastewater network.

We're confident about the information that we hold on the type and location of assets that we have. Ongoing condition assessments and statistical modelling mean we have a good understanding of the condition of our roading, water and wastewater assets. The significant focus for stormwater is to improve the capacity of our network to better cope with flooding (see pages 18-20). Understanding the condition of our stormwater network is also important and we will be working on improving this over the coming years.

**Total infrastructure costs 2018–48**





You can read the full draft infrastructure strategy at

[kapiticoast.govt.nz/kapiti2038](http://kapiticoast.govt.nz/kapiti2038)

## Responding to the risk of natural disasters

Affordability is also an issue in responding to the potential effects of natural hazards on our infrastructure. For example, the effects of climate change may mean an increased risk of:

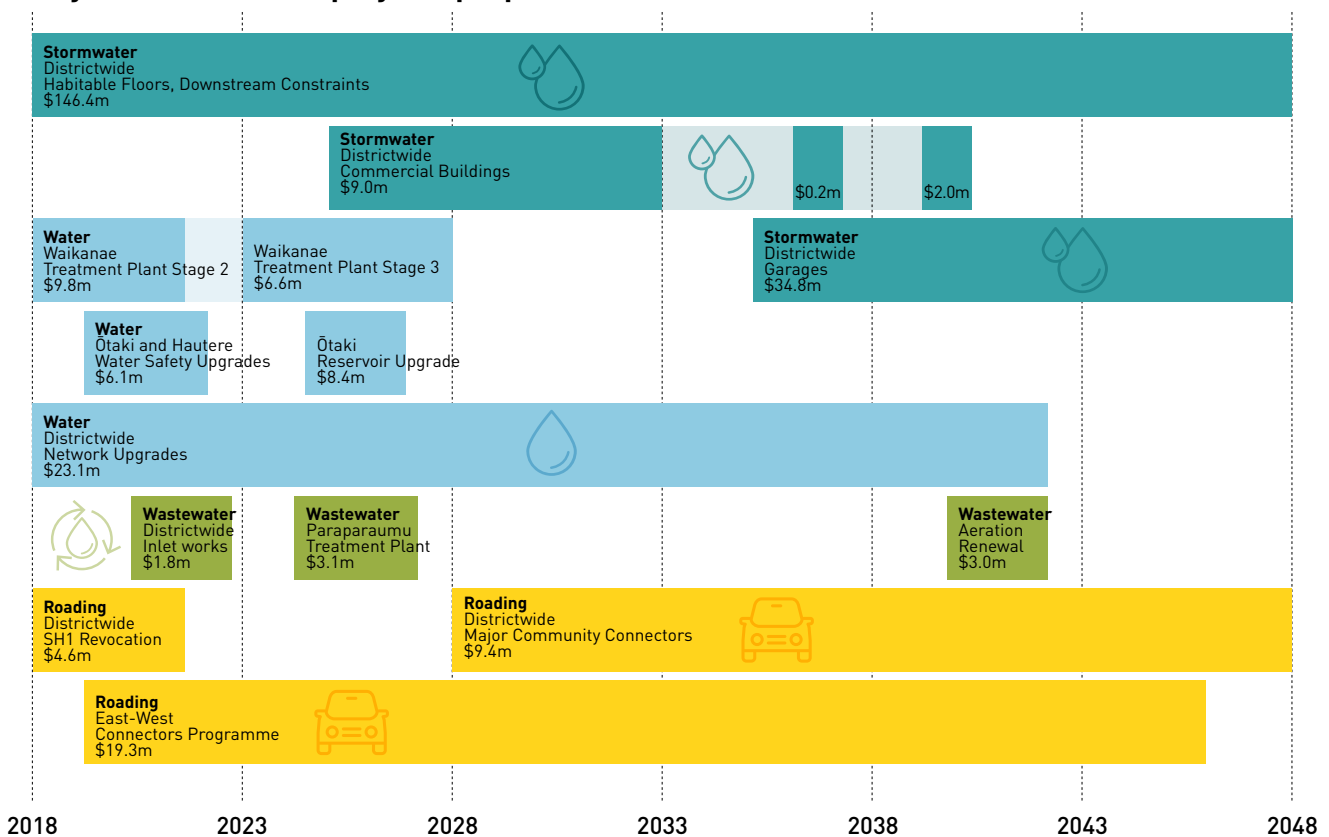
- sea level rise – therefore increasing the effects of coastal erosion and inundation; and
- more frequent and intense storm events – adding to the risk of floods, landslides, severe wind, storm surges, coastal erosion and inundation.

The Kāpiti district is also located across a complex network of faults, so we're exposed to earthquake hazards such as strong ground shaking and liquefaction.

Our approach to these risks is to:

- expand the scope of our stormwater management programme and prioritise improvements according to the types of property they benefit;
- review future repairs on existing roads that suffer the ongoing effects of climate change, such as slips; and
- ensure that the insurance for our infrastructure assets will help with the costs of recovery after a significant earthquake.

### Major infrastructure projects proposed



# Should we change the way we share rates across the district?

As part of the Council's long-term planning we've reviewed our rating system, which sets out the way that rates are allocated among the district's approximately 25,000 ratepayers. *Note this does not affect the total amount of rates we collect.*

We're asking for your feedback on whether we should leave the rating system as it currently is, or make changes to the way we share costs.

## Concerns about affordability

We've listened to people's concerns about the affordability of rates, and know that some on low and fixed incomes struggle to pay them.

According to the 2007 'Shand report', rates shouldn't be more than 5% of a household's income. We use this threshold as a guideline, and are aware that in some areas in the district, such as Waikanae West, Ōtaki and Paraparaumu Central, rates are more likely to be over 5% of a household's income. However, this is typically because of lower income levels in these areas rather than higher rates.

Both the government and the Council offer support for lower-income ratepayers on a case-by-case basis. When this assistance is taken into account, rates are generally much closer to, or even below, 5% of household income.

## Our approach

The aim of our rating system review is to ensure that our rating system is equitable and affordable for our ratepayers, and sustainable for Kāpiti.

Our rating system is currently made up of 14 individual charges; some are fixed while others differ according to property values. Added together these charges make up your rates bill from the Kāpiti Coast District Council (excluding rates which we collect on behalf of the Greater Wellington Regional Council).

Currently the fixed charges make up more than half of the rates we collect. This means that owners of lower-value homes can have rates bills that are similar to those of owners of much higher-value properties.

We believe that reducing the level of fixed charges in our rates will help to alleviate the affordability problem in our district.

## Our proposed change:

Our proposed change has two components.

### 1. We change the fixed-charge roading rate to an apportioned charge

We propose changing the district-wide roading rate from a fixed charge to a charge set according to a property's 'capital value' (which you can see on your rates notices).

Under this change rates collected through fixed charges would reduce from 51% of the total value to 42%. This would help to alleviate affordability issues and move closer to our target of 30% fixed charges.



Find out more about our rating system review at

[kapiticoast.govt.nz/kapiti2038](http://kapiticoast.govt.nz/kapiti2038)

## 2. We establish a commercial targeted rate

We work with communities, businesses and others alongside regional and central government to get our district operating at its full potential. The Council plans to spend \$2.7m in the next year on economic development activities. Currently these activities are funded from our districtwide general rate. Our focus is on:

- attracting a more diverse range of businesses;
- promoting local businesses and attracting people to our village retail areas;
- offering more skilled and sustainable employment opportunities; and
- growing the number of visitors who spend time and money in Kāpiti and add value to the local business community.

To reflect the benefit that businesses gain from having more people either moving to the district or visiting and spending on goods and services here, we propose introducing a commercial targeted rate totalling \$0.5m which businesses in Kāpiti would contribute to. The remaining \$2.2m of economic development funding would continue to be shared across all ratepayers.

**Improving Council support for lower income rate payers:** To make rates assistance easier to access, we're proposing changes to our rates remission policy as part of this long term plan. Find out more on page 28.

*continued next page*



## The effects of last year's property revaluations

All councils are required to keep up-to-date registers of property valuations in their areas.

Last year we engaged Quotable Value to undertake a three-yearly review of our valuations, and the results reflected the strong increase in residential property values throughout Kāpiti. Commercial and rural property values also rose, although not as much as the residential ones.

Rising property values in the district don't affect the total amount of rates we collect. Where the values of some property types or some areas increase more than others, as has happened in Kāpiti, they can change the way rates contributions are shared.

Under our current rating system, the sharp increase in residential property prices would see the approximately 21,000 residential properties in the district shouldering an additional \$1m of rates between them and non-residential properties \$1m less.

### How would the proposed changes affect your rates?

See pages 24–25 for examples of rates impacts or go to [kapiticoast.govt.nz/proposedrates](https://kapiticoast.govt.nz/proposedrates) to see how rates for your property would be affected by the proposed rating system change and your property revaluation.



### What about Greater Wellington Regional Council rates?

Kāpiti Coast District Council collects rates on behalf of Greater Wellington Regional Council (GWRC), and your rates bill includes both local and regional rates.

Our review is only of the Kāpiti Coast District Council's rating system. GWRC has also reviewed its rates and is asking for your feedback on its proposed changes. You can find out more at [whatmatters.co.nz](https://whatmatters.co.nz).

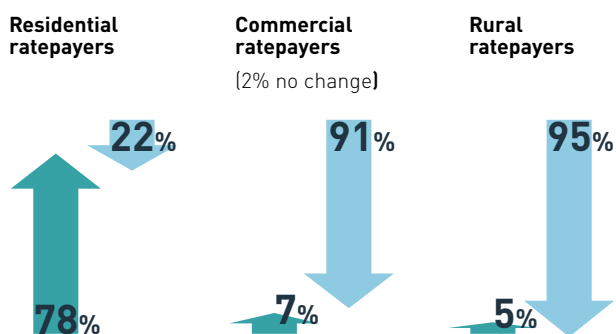
# What do you think? Should we...

## Option A

### Keep the status quo and leave the rating system as it currently is?

Keeping the current rating system would mean 51% of our rates' value would be collected via fixed-rate charges, and the affordability issue would continue, with owners of some lower-value properties paying similar rates to owners of some higher-value properties.

#### Number of properties with rates increases and decreases under status quo option



Note: these figures reflect the 2017 revaluation impact before annual rates increases are added

## Option B



### Improve affordability by reducing the proportion of fixed-rate charges and introducing a commercially targeted rate?

#### Our preferred option

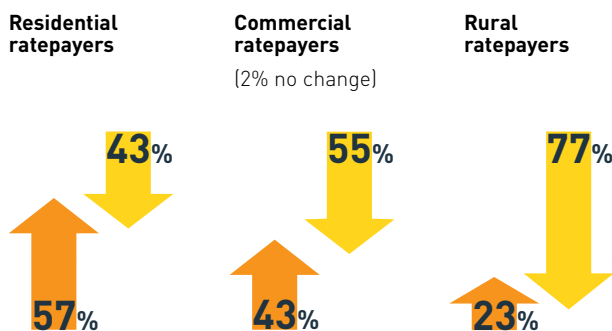
The proposal has two changes:

- \$7.6m of the district-wide roading contributions would change from being a fixed charge to a charge relative to a property's capital value; and
- \$0.5m of economic development funding would be transferred from the districtwide general rate to a new \$0.5m commercial targeted rate. Only commercial properties would contribute, in relation to their capital values.

Under the proposed change, for example, before annual rates increases are added:

- the rates for a house with a capital value of around \$550,000 would be similar to last year's;
- the rates for a house of lower value, say \$295,000, would be reduced by around \$100, and for a property valued at \$740,000 would be increased by approximately \$200; and
- a shop valued at \$530,000 would see their rates increase by about \$300, while a \$1m property housing more than one business would reduce by approximately \$200.

#### Number of properties with rates increases and decreases under this option



Note: these figures reflect the 2017 revaluation impact and proposed rating system change before annual rates increases are added



Find out more about our rating system review and have your say at

[kapiticoast.govt.nz/kapiti2038](http://kapiticoast.govt.nz/kapiti2038)

# What should we do next to address stormwater flood risks?

More than a quarter of Kāpiti properties are at risk of being flooded during a 1-in-100-year event. As a result of several severe weather events since 2015, more than 800 locations have been flooded – and these events are likely to happen more often and be more intense in future.

The Council's stormwater system manages surface water run-off from properties, roads, driveways and footpaths in urban areas. It helps us to manage the risks of flooding and its impacts on the safety and health of Kāpiti people, but it doesn't always cope with the heavy rains and storms we're experiencing now.

The functioning of our stormwater network is also linked to the quality of our waterways. Streams and tributaries make up a large part of our stormwater network, so in managing the flow of our stormwater we also look after the health of our waterways. Through our partnership with iwi, our stormwater monitoring programme focuses on the effects of stormwater discharges, not just on human health, but also on ecosystem health, mahinga kai, recreation and Māori customary use.

The programme doesn't involve works on privately owned properties or buildings themselves. Our work involves making improvements to publicly owned assets, to address the risks to public and private properties.





## Refocusing our *stormwater* management programme

Based on the funding allocated, the stormwater capital works programme in our 2015–35 long term plan would have taken 60 years to deliver.

After the two major floods in 2015 we undertook a district-wide investigation to better understand the degree of flood risks and the likely implications of floods happening around the district.

As a result we've developed a larger programme that we believe better addresses the risks of flooding and caters for our estimated population growth. It consists of projects in four priority categories (see the inset box on page 20) and also involves:

- creating large storage areas for water retention during peak flow periods, and slow, controlled releases;
- increasing the capacity of bridges, culverts and pipes that are restricting the flow of stormwater; and
- renewing existing assets as needed to maintain resilience across the entire network.

We'll be focusing first on areas where homes are at risk of flooding above floor level (these projects alone require a \$83m investment). The next priority is commercial buildings, followed by garages then flood-prone sections.

This new programme has a larger budget than previously, and therefore a greater impact on our borrowings. However, having considered whether we could deliver the programme in a shorter timeframe (25 or 30 years), we decided that 45 years was the most affordable option in view of our capital spending targets and borrowing limit (pages 10–11).

Given that this is a large-scale and expensive programme, we'd like your feedback on how we're proposing to deliver it.

*continued next page*

**GWRC administers approximately 70km of our rivers and streams, such as the Waikanae and Ōtaki Rivers. Find out more at [gw.govt.nz](http://gw.govt.nz)**



**Effective stormwater management contributes to healthy waterways.**

# What do you think? Should we...

## Option A

### Continue with the current programme?

The projects in the current stormwater upgrade and renewals programme are still valid and necessary. We'd continue to work our way through these projects as planned, addressing stormwater risks over 60 years.

- In the 20 years of this long term plan, we'd undertake 27 projects for approximately \$101m.
- The rates impact of continuing with the status quo stormwater programme would be a 0.06% reduction for 2018/19 and an average reduction of 0.08% over the next six years.
- Borrowings would be reduced by \$20m by the end of the 20-year period of the long term plan.
- We don't favour this option, because it doesn't adequately address the scale of the problem or reflect our latest view of priorities. It also doesn't include a systematic renewal of existing assets based on their age and condition.

## Option B

### Complete the expanded and prioritised programme over 45 years?



**Our preferred option** is to undertake the work required to protect flood-prone areas in Kāpiti within the borrowing limit of our financial strategy, which would mean spreading it over a significant period of time. We propose 45 years.

To ensure that we see improvement where it's most needed as soon as possible, we'd focus first on protecting properties where homes are at risk of flooding above floor level. This would be completed in the first 31 years of the 45-year programme, with section flooding projects from years 38 to 45.

- In the 20 years of this long term plan, we'd undertake 97 projects for approximately \$121m.
- In the 45 years we'd complete the full programme of approximately 240 prioritised projects, at a total cost of \$489m (\$239m in today's dollars).<sup>1</sup>
- The rates and borrowings impact of carrying out the new stormwater programme in 45 years are included in our 4.7% proposed rates increase for 2018/19 and in our projected rates and borrowings on page 11.

### Prioritisation order

The preferred option would see stormwater flood risks being addressed in the following order:

1. Habitable dwelling (home) flooding
2. Commercial building flooding
3. Garage flooding
4. Section flooding

<sup>1</sup> This difference is due to inflation.



Find out more about our stormwater programme and tell us what you think

[kapiticoast.govt.nz/kapiti2038](http://kapiticoast.govt.nz/kapiti2038)

# Work on the go

Here's an update on some key initiatives and projects underway or coming up.

## Coastal hazards and climate change

Climate change brings some significant challenges for Kāpiti, of which many are intensified because of our coastal location.

Starting in 2018, we will work with the community to identify the key issues and risks of climate change, with a particular focus on coastal hazard management.

This work will inform the Council's future policies and strategies by:

- developing provisions for adoption in the district plan; and
- identifying preferred management options for Council activities under different climate change scenarios.

Our work will be guided by relevant government requirements and our intention is to align the Council and the community through setting up a community stakeholder group.

We're interested in gaining a better understanding of the public interest in this issue. You will be hearing more about this in the near future, when we'll be asking the community some questions relating to coastal hazards.

## Housing

In August 2017 we received a report from the Kāpiti Coast Communities Housing Taskforce – an independent body advocating for the needs of the housing sector on the Kāpiti Coast.

The report made a number of recommendations in relation to our role in addressing housing issues. These ranged from helping to increase the housing supply and supporting community housing providers, to advocating for changes to central government policy.

We know that making housing affordable, appropriate and available is a complex task, and not one that we can solve alone. So in the next 12 months we'll do more work to investigate the options the Council has to influence housing issues. This will include talking with the community and our partners about how to best manage our existing stock of older persons' flats.



## Replacing the Paekākāriki seawall

The seawall on Paekākāriki Beach has been in place for 38 years and has deteriorated to the point where it's needed regular maintenance for a number of years. It requires a major upgrade to continue to protect The Parade and other public infrastructure effectively.

The Council has undertaken significant community consultation, including with a community design group, since the seawall replacement was included in our 2015–35 long term plan.

The project start was delayed, following a review of the proposed construction method, so we've taken the opportunity to review the overall engineering and design of the replacement wall. The agreed design for a concrete and timber wall was recommended by our engineers, the Paekākāriki Community Board and is the Paekākāriki community design group's preferred option.

Work is expected to be completed in 2023, at a total cost of \$17.7m.

## Paraparaumu and Waikanae town centres

In the 2015–35 long term plan we adopted the 'achievable' programme for the development of the Paraparaumu and Waikanae town centres. The programme was to see projects totalling \$41m undertaken in a 14-year period.

Early projects such as the Kāpiti Road shared pathway and Kāpiti Lights upgrade have been completed or are underway. We're now reviewing our plans in light of our new financial strategy, and with the benefit of having seen changes in travel patterns around the district since the expressway opened.

To keep within our financial limits, we have reduced the overall budget and we're spreading the programme over a longer timeframe. The total budget allocated to the programme, from 2015 to 2033, is now \$32m.

In the coming three years we'll make incremental improvements and undertake town centre projects as work happens around making SH1 into a local road. You'll see much of this work in Waikanae and in Rimu Road in Paraparaumu.

We're also committed to funding the Council's share of the Mahara Gallery upgrade, and will continue working with the Gallery Trust as they complete their fundraising.



## Maclean Park

We've recently completed a management plan for Maclean Park, a much-loved destination for locals and visitors to the district. The plan was prepared by the Council in partnership with Te Ātiawa ki Whakarongotai as mana whenua and Ngāti Raukawa ki te Tonga to whom the site is recognised as significant. In addition, more than 1,500 members of the community provided input.

The management plan gives us a framework and guiding principles as we work through the individual projects for the park. We want Maclean Park to be a welcoming place for people of all ages to play, relax, and enjoy, while also enhancing the natural environment of the park.

We've set aside approximately \$700,000 in the first six years of our draft long term plan to progress work at Maclean Park. We'll commence development by removing the pond, relocating the keyhole basketball court, and building a scooter track and barbeques. A new amenities building, water-play feature and older persons' playground are planned for later.

At the southern end we'd like to better connect the park to the shops and make it work better for events, markets and other uses. At the northern end the management plan paves the way for restoring the Tikotu Stream environment and better facilities for those who use the park to access the beach for boating. In addition, the management plan supports a 'gateway' for Kāpiti Island visitors.

## Kāpiti Island gateway

In the next three years we'll investigate the viability of a 'Kāpiti Island gateway', and identify concepts that could feature in our next long term plan.

A Kāpiti Island gateway could be an important attraction for visitors and our local community, and is a bold idea that's already attracted some public interest.

However, to be successful we need to carefully consider the benefits and costs – and, given that it's unlikely that we would be able to fully fund a large new project like this, we may need to partner with other organisations to attract outside investment. This work will happen alongside our visitor attraction programme and tourism industry development and training.



# The impact on rates for next year

While the average proposed rates increase for 2018/19 is 4.7%, the rates increase will vary for different properties in the district – and probably more than usual.

This is not only because of differences in property value, type and location – your rates may also be affected by changes in your property’s value after last year’s revaluation, the proposed change to our rating system, and GWRC rates.

To ensure that all ratepayers know about this, we’re sending letters to everyone as well as putting the information online.

The tables here illustrate the components that have driven your rates changes, including our preferred options (pages 14–17 and 18–20).

More information on how rates are worked out is available at [kapiticoast.govt.nz/rates](http://kapiticoast.govt.nz/rates).

See pages 14–17 to find out about a proposed change to how we share rates across the district.

GWRC has also reviewed its rates and is asking for feedback on its proposed changes. You can find out more at [whatmatters.co.nz](http://whatmatters.co.nz).



## What about rates for your property?

Visit [kapiticoast.govt.nz/proposedrates](http://kapiticoast.govt.nz/proposedrates) to see the proposed rates for your property, along with the difference that your property revaluation has made and the proposed changes for the coming year.

| Residential |                                    |
|-------------|------------------------------------|
|             | Capital value (2017)               |
|             | Land value (2017)                  |
|             | Current rates 2017/18              |
|             | Proposed rates 2018/19             |
|             | <b>Proposed rates change</b>       |
|             | <i>Proposed change made up of:</i> |
|             | Revaluation impact                 |
|             | Proposed rating system changes     |
|             | Proposed rates increase            |

| Rural |                                    |
|-------|------------------------------------|
|       | Capital value (2017)               |
|       | Land value (2017)                  |
|       | Current rates 2017/18              |
|       | Proposed rates 2018/19             |
|       | <b>Proposed rates change</b>       |
|       | <i>Proposed change made up of:</i> |
|       | Revaluation impact                 |
|       | Proposed rating system changes     |
|       | Proposed rates increase            |

| Commercial |                                    |
|------------|------------------------------------|
|            | Capital value (2017)               |
|            | Land value (2017)                  |
|            | Current rates 2017/18              |
|            | Proposed rates 2018/19             |
|            | <b>Proposed rates change</b>       |
|            | <i>Proposed change made up of:</i> |
|            | Revaluation impact                 |
|            | Proposed rating system changes     |
|            | Proposed rates increase            |

## Examples of rates impacts

Note that these rates include GST, estimated water rates based on 2016/17 usage and GWRC rates

| Ōtaki      |             |              | Waikanae   |             |                | Paraparaumu/Raumati |              |              | Paekākāriki |             |             |
|------------|-------------|--------------|------------|-------------|----------------|---------------------|--------------|--------------|-------------|-------------|-------------|
| Property 1 | Property 2  | Property 3   | Property 1 | Property 2  | Property 3     | Property 1          | Property 2   | Property 3   | Property 1  | Property 2  | Property 3  |
| \$295,000  | \$440,000   | \$740,000    | \$410,000  | \$560,000   | \$2,240,000    | \$350,000           | \$550,000    | \$1,530,000  | \$450,000   | \$630,000   | \$880,000   |
| \$100,000  | \$205,000   | \$600,000    | \$170,000  | \$285,000   | \$1,450,000    | \$128,000           | \$260,000    | \$1,180,000  | \$210,000   | \$330,000   | \$720,000   |
| \$2,062    | \$2,478     | \$4,259      | \$2,416    | \$2,988     | \$7,984        | \$2,087             | \$2,757      | \$7,177      | \$2,291     | \$2,925     | \$4,692     |
| \$2,065    | \$2,564     | \$4,569      | \$2,420    | \$3,015     | \$9,169        | \$2,134             | \$2,921      | \$7,503      | \$2,305     | \$2,959     | \$4,759     |
| <b>\$3</b> | <b>\$86</b> | <b>\$310</b> | <b>\$4</b> | <b>\$27</b> | <b>\$1,185</b> | <b>\$47</b>         | <b>\$164</b> | <b>\$326</b> | <b>\$14</b> | <b>\$33</b> | <b>\$67</b> |
| \$46       | \$42        | \$121        | \$0        | -\$98       | \$140          | \$80                | \$75         | -\$229       | -\$54       | -\$151      | -\$289      |
| -\$109     | -\$58       | \$43         | -\$68      | -\$11       | \$636          | -\$91               | -\$14        | \$345        | -\$54       | \$16        | \$96        |
| \$66       | \$101       | \$146        | \$72       | \$135       | \$408          | \$58                | \$102        | \$209        | \$122       | \$168       | \$260       |

| Ōtaki        |              |                | Waikanae    |              |              | Paraparaumu/Raumati |              |              | Paekākāriki  |               |              |
|--------------|--------------|----------------|-------------|--------------|--------------|---------------------|--------------|--------------|--------------|---------------|--------------|
| Property 1   | Property 2   | Property 3     | Property 1  | Property 2   | Property 3   | Property 1          | Property 2   | Property 3   | Property 1   | Property 2    | Property 3   |
| \$300,000    | \$615,000    | \$3,310,000    | \$465,000   | \$770,000    | \$3,320,000  | \$330,000           | \$840,000    | \$1,440,000  | \$265,000    | \$860,000     | \$1,540,000  |
| \$85,000     | \$325,000    | \$2,100,000    | \$124,000   | \$410,000    | \$2,280,000  | \$100,000           | \$340,000    | \$1,000,000  | \$265,000    | \$370,000     | \$960,000    |
| \$991        | \$1,455      | \$4,633        | \$1,055     | \$1,623      | \$6,164      | \$1,083             | \$2,077      | \$2,367      | \$1,404      | \$3,375       | \$3,910      |
| \$975        | \$1,594      | \$5,726        | \$1,108     | \$2,038      | \$7,080      | \$1,066             | \$2,322      | \$2,854      | \$1,383      | \$3,095       | \$4,129      |
| <b>-\$16</b> | <b>\$140</b> | <b>\$1,093</b> | <b>\$54</b> | <b>\$415</b> | <b>\$916</b> | <b>-\$17</b>        | <b>\$245</b> | <b>\$486</b> | <b>-\$21</b> | <b>-\$280</b> | <b>\$219</b> |
| \$28         | -\$10        | -\$604         | \$0         | -\$131       | -\$781       | \$9                 | -\$93        | -\$166       | -\$340       | -\$371        | -\$339       |
| -\$106       | \$26         | \$949          | -\$34       | \$91         | \$922        | -\$93               | \$116        | \$381        | -\$126       | -\$338        | \$179        |
| \$62         | \$124        | \$747          | \$88        | \$455        | \$775        | \$67                | \$223        | \$271        | \$445        | \$429         | \$379        |

| Ōtaki        |              |              | Waikanae    |               |              | Paraparaumu/Raumati |                |                | Paekākāriki |              |              |
|--------------|--------------|--------------|-------------|---------------|--------------|---------------------|----------------|----------------|-------------|--------------|--------------|
| Property 1   | Property 2   | Property 3   | Property 1  | Property 2    | Property 3   | Property 1          | Property 2     | Property 3     | Property 1  | Property 2   | Property 3   |
| \$260,000    | \$490,000    | \$960,000    | \$240,000   | \$950,000     | \$2,230,000  | \$530,000           | \$2,910,000    | \$5,500,000    | \$315,000   | \$630,000    | \$1,330,000  |
| \$81,000     | \$180,000    | \$450,000    | \$175,000   | \$440,000     | \$1,660,000  | \$250,000           | \$750,000      | \$2,210,000    | \$185,000   | \$275,000    | \$860,000    |
| \$2,135      | \$4,758      | \$4,115      | \$2,456     | \$11,295      | \$11,414     | \$2,686             | \$7,117        | \$17,297       | \$2,226     | \$4,194      | \$3,012      |
| \$2,050      | \$4,715      | \$4,421      | \$2,484     | \$11,177      | \$12,332     | \$2,896             | \$8,942        | \$20,576       | \$2,253     | \$4,110      | \$3,731      |
| <b>-\$85</b> | <b>-\$43</b> | <b>\$306</b> | <b>\$28</b> | <b>-\$119</b> | <b>\$917</b> | <b>\$209</b>        | <b>\$1,825</b> | <b>\$3,280</b> | <b>\$28</b> | <b>-\$84</b> | <b>\$719</b> |
| -\$291       | \$29         | -\$394       | -\$77       | -\$227        | -\$644       | -\$89               | -\$461         | -\$516         | -\$98       | -\$147       | -\$468       |
| \$34         | -\$200       | \$152        | \$5         | -\$674        | \$1,527      | \$307               | \$2,715        | \$5,183        | \$80        | -\$59        | \$324        |
| \$172        | \$128        | \$548        | \$99        | \$783         | \$35         | -\$8                | -\$428         | -\$1,387       | \$46        | \$122        | \$862        |

# Fees and charges

Every year we review all our fees and charges to ensure that they're in line with the costs of providing the services they help to fund. In this long term plan most fees and charges have increased by 2% to align with the Local Government Cost Index, and will apply from 1 July 2018. The main proposed changes are listed below and you can see a full list at [kapiticoast.govt.nz/kapiti2038](http://kapiticoast.govt.nz/kapiti2038).

## Community facilities

We've refined our hall rental charges so that over time they'll be at consistent levels across the district, depending on the hall type and size. In addition, all hall charges will be payable in advance, and a 30% cancellation fee withheld if a cancellation is made within 28 days of the hire date.

For our Housing for Older Persons, we're working to make our rental levels more equitable across the district. Therefore we're proposing to introduce two rental categories, in place of the current five, and reduce the significant rental variances that are currently in place. These changes will mean a larger than usual rent increase for some tenants, so we're proposing to introduce them gradually over the next three years, with annual increases at no more than \$12 per week.

## Recreation and leisure

We propose formalising a student swimming pool entry fee at the same rate as a child. Our proposed fee changes include increasing all swimming pool entry fees by 10 cents and swimming lessons by 50 cents each along with increases for lane and meeting room hire.

We also propose a new fee for replacing lost or damaged library items. The hire charges for the library meeting room have been increased by \$5-\$10 per session hired.

## Regulatory services

We've made several changes to our resource consent fees to help simplify the fee schedule. For example, some fixed fees have been changed to deposits and some new fees introduced, such as for an outline plan waiver.

For new builds we're proposing a damage deposit of \$600 (or \$1,600 if a new vehicle crossing is required) to ensure that our assets are protected.

In our animal management service we're proposing a \$70 'seizure and take custody fee' (after dog attack), as well as a small increase to distinguish between approved owner and standard registration costs (a graduated fee scale). We've reduced the costs of micro-chipping dogs to reflect the actual costs and to make this service more accessible.

Changes introduced through the Food Act 2014 have resulted in new fees. For example, new fees are proposed for small and low-risk market operators, and the outgoing grading system fee schedule has been simplified as it is phased out. The trade waste application fee (permitted) has increased to better reflect the officer time required to inspect, monitor and issue licences for trade waste. For residential swimming pools a new administration fee is proposed.

## Infrastructure

We've increased our clean-fill disposal fees to recover the costs of clean-fill management from the loads to which these fees apply. We're introducing a charge for modifications to existing water metering arrangements.





# Policies

As a council we're required to have specific policies for key aspects of our activities. We've reviewed three policies, which are particularly important to our long term plan, to make sure they're still suitable, and are proposing some changes.

Copies of the draft policies are available at [kapiticoast.govt.nz/kapiti2038](http://kapiticoast.govt.nz/kapiti2038). We're consulting on the revenue and financing policy and the development contributions policy at the same time as this long term plan.

## Development contributions policy

New developments in the district mean we must build new infrastructure to ensure that we can continue to provide services to our growing population. This policy covers how we assess the costs of, and collect contributions to, the roading, water, wastewater and stormwater networks needed to service the new properties.

We're proposing to:

- reduce the 'household unit equivalent' (HUE) calculation to 2.3 people per household (from 2.4);
- reduce the size for non-residential units to 450m<sup>2</sup> gross floor area;
- replace the use of small/one-bedroom dwellings with minor flats of 60m<sup>2</sup> gross floor area, to be consistent with the proposed district plan
- introduce new categories of residential type of development provided for in the proposed district plan to provide clarity and certainty for policy users. These are:
  - » retirement accommodation, taken at 0.7 HUE for new 'stand-alone' retirement units in couple-supported-living accommodation;
  - » visitor accommodation and shared and group accommodation, taken at 0.43 HUE per person facility designed to accommodate (maximum number of occupants on any given night: 2.3); and
- remove the remissions process, given that developers can already use the reconsiderations process for a similar purpose.

We are also proposing improvements to the policy wording to provide greater certainty and clarity.

## Revenue and financing policy

Our revenue and financing policy sets the principles for funding our operating and capital expenditure. In other words, it explains where the money comes from.

Under the policy, the 'public split' refers to how much a service is funded by rates, and the 'private split' refers to how much the costs are funded by user fees. The objective of the public/private split is to ensure that we provide services that people need, while at the same time ensuring that those who use those services contribute to the costs of providing them.

The revenue and financing policy sets the 'boundaries' for the splits. It doesn't determine those actual fees and charges – that is something the Council does separately (see page 26).

Overall there are no fundamental changes in the proportion of revenue we recover from fees versus rates, however we've made policy changes to some of the funding splits to ensure that the public/private split in our policy better reflects the current situation.

We're proposing to:

- increase the private portion of swimming pool funding to 30% to reflect the strong rate of admissions we have been experiencing, and the fact that we now operate the Plunge café;

*continued next page*

- reduce our 100% private funding target for the housing portfolio to 80% private in the next three years. This reflects the rental we're currently receiving and our planned investments, and aims to ensure that we maintain the portfolio adequately. We're also simplifying our rental structure (see page 26);
- reduce the private funding portion of our parks to 2%, as many of our open spaces don't generate fees and, to ensure it remains accessible, we'll continue not to charge for junior sport; and
- split Compliance and Health out of Regulatory, Environmental Health, and set new splits that reflect who benefits and who pays. Therefore we are proposing Compliance is 40% privately funded and Health is 25% privately funded. We are proposing that Building Consents is 55% private/45% public funded.

## Rates remission policy

The policy comprises a number of individual policies which allow for rates relief where it is considered fair and reasonable to do so.

We reviewed this policy as part of our review of the rating system, and propose a number of changes to both the 'rates postponement' and 'financial hardship' components.

The proposed changes include:

- having a single optional rates postponement policy for homeowners that are aged 65 years or older or for homeowners experiencing difficult financial circumstances;
- renaming the 'rates remission – financial hardship policy' to the 'rates assistance policy' to make it clear that we want to help people pay their rates when circumstances make it difficult;
- increasing the income threshold in the 'rates assistance policy' to ensure that people who don't currently qualify for a rates rebate, but have rates bills greater than 5% of their income, can still apply for a rates remission; and
- simplifying the policy's language so that it's easier to understand and follow.

## Rates penalties

When water meters and separate water rates invoicing were first introduced in July 2014, penalties for unpaid invoices were applied 20 days after the invoice due date, to allow the district to get used to water being charged separately.

We're now entering our fifth year of separate water charging and we're proposing from 2018/19 the water rates penalty date falls the day after an invoice due date, as property rates penalties do.

This proposed change is set out in our funding impact statement which you can find at

**[kapiticoast.govt.nz/kapiti2038](http://kapiticoast.govt.nz/kapiti2038)**



# Independent auditor's report



## To the reader:

## Independent auditor's report on Kapiti Coast District Council's consultation document for its proposed 2018/38 Long-Term Plan

I am the Auditor-General's appointed auditor for Kapiti Coast District Council (the Council). Section 93C of the Local Government Act 2002 (the Act) requires an audit report on the Council's consultation document. We have done the work for this report using the staff and resources of Ernst & Young. We completed our report on 15 March 2018.

### Opinion

In our opinion:

- the consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2018/38 long-term plan, because it:
  - » fairly represents the matters proposed for inclusion in the long-term plan, and
  - » identifies and explains the main issues and choices facing the Council and Kapiti, and the consequences of those choices; and
- the information and assumptions underlying the information in the consultation document are reasonable.

### Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information* that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the consultation document.

We did not evaluate the security and controls over the publication of the consultation document.

### Responsibilities of the council and auditor

The Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document and long-term plan whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document and long-term plan that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

We are responsible for reporting on the consultation document, as required by section 93C of the Act. We do not express an opinion on the merits of any policy content of the consultation document.

### Independence

In carrying out our work, we complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised); and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended).

Other than our work in carrying out all legally required external audits of financial statements, we have no relationship with or interests in the Council.

[Signature of Appointed Auditor]

### David Borrie

Ernst & Young

On behalf of the Auditor-General,  
Wellington, New Zealand



# How to find out more

Is there something in this document you'd like to know more about?

There are lots of ways to find out more:

Check out all the supporting information on our website: [kapiticoast.govt.nz/kapiti2038](https://kapiticoast.govt.nz/kapiti2038) or copies are available at our libraries and service centres.

## Q&A events on Facebook

We'll be holding two Q&A sessions on Facebook taking your questions on our two key decisions:

- *What should we do next to address stormwater flood risks?*  
Wednesday 28 March from 7pm to 9pm; and
- *Should we change the way we share rates across the district?*  
Wednesday 11 April from 7pm to 9pm.

## Stop by for a chat

You can also have a chat with councillors and community board members about the two key decisions or anything else about this plan that's on your mind:

**Paraparaumu:** Paraparaumu Beach Market  
*Saturday 24 March from 9am to midday*

**Paekākāriki:** Paekākāriki Library  
*Saturday 24 March from 11am to 1pm*

**Ōtaki:** Ōtaki Library  
*Saturday 7 April from 10am to midday*

**Waikanae:** Mahara Place pop-up park  
*Saturday 7 April from 11am to 1pm*

**Raumati:** Marine Gardens  
*Saturday 14 April from 10am to midday*

[kapiticoast.govt.nz/  
kapiti2038](https://kapiticoast.govt.nz/kapiti2038)

# Tell us what you think!

Now that you've read about the issues for this long term plan, we'd like to know what you think.

You can give us your views on all the topics in this consultation document or just the ones that interest you most.

## It's easy to share your thoughts with us – here's how

Simply choose one of the ways that you can provide us with feedback. Please ensure your feedback is with us by **5pm on Monday 23 April 2018**.



### Online

It's quick and easy to give your feedback online!

Just complete the feedback form at **[kapiticoast.govt.nz/kapiti2038](http://kapiticoast.govt.nz/kapiti2038)**



### On paper

Fill in the paper form at the back of this document and send it Freepost to

**Private Bag 60601  
Paraparaumu 5254**

email it to **[kapiti2038@kapiticoast.govt.nz](mailto:kapiti2038@kapiticoast.govt.nz)**

or drop it in to one of our libraries or service centres



### In person

**Come and talk with us at one of our chat stops.**

You can also speak to your feedback at a Council hearing if you want to. Just tick the box on the feedback form

Express  
yourself  
Kāpiti

Find out more and give us your feedback

**[kapiticoast.govt.nz/kapiti2038](http://kapiticoast.govt.nz/kapiti2038)**

# Tell us what you think about our long term plan

We need to receive your feedback by 5pm on Monday 23 April 2018

It's easy to give us your feedback online, at [kapiticoast.govt.nz/kapiti2038](http://kapiticoast.govt.nz/kapiti2038), or you can use this form. You can post this completed form to:

**Long term plan submissions**  
**Kāpiti Coast District Council**  
**Private Bag 60601**  
**Paraparaumu 5254**

Or drop it off to your local library, service centre or the Council building, 175 Rimu Road, Paraparaumu.

Or you can scan and email it to:

**[kapiti2038@kapiticoast.govt.nz](mailto:kapiti2038@kapiticoast.govt.nz)**

*Need more space? You can send us extra pages if there isn't enough space on this form to say everything you want to tell us. Please make sure you put your name and contact details on each sheet you send us.*

**First name**

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**Last name**

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**Title** *(tick one)*  Mr  Mrs  Ms  Miss  Dr

**Address**

---

---

**Phone**

---

**E-mail**

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**Are you providing feedback?** *(tick one)*

- as an individual  
 on behalf of an organisation | *Organisation name:*
- 

**Do you want to speak to the Council about your submission?** *(tick one)*

- Yes *If you do, we will contact you at the email address or phone number provided above to arrange a time. Hearings will take place during the week of 14 May 2018*  
 No

**Privacy Statement:** Please note that all submissions (including names and contact details) will be made available at Council offices and public libraries. A summary of submissions including the name of the submitter may also be made publicly available and posted on the Kāpiti Coast District Council website. Personal information will be used for administration relating to the subject matter of the submissions, including notifying submitters of subsequent steps and decisions. All information will be held by Kāpiti Coast District Council, with submitters having the right to access and correct personal information.

If you do not wish your personal information to be published please tick the box

## Where we're heading **Page 8**

Considering our challenges and constraints, do you think we're focusing on the right 10-year outcomes?

## Our financial and infrastructure strategies **Pages 10–13**

The Council plans to pay down debt, reduce borrowings and target infrastructure spending for resilience and growth. What are your views on this approach?

## Key decision: *Should we change the way we share rates across the district?* **Pages 14–17**

Do you agree with the Council's preferred option to change the rating system?

- No – keep the status quo – leave the rating system as it is
- Yes – reduce the proportion of fixed-rate charges and introduce a commercially targeted rate  
*(Council's preferred option)*

**Please tell us why:**

## Key decision: *What should we do next to address flood risks?* **Pages 18–20**

Do you agree with the Council's preferred option of a revised 45-year programme?

- No – keep the status quo programme
- Yes – do the revised 45-year programme  
*(Council's preferred option)*

**Please tell us why:**



## Work on the go Pages 21–23

Any comments on:

- » Coastal hazards and climate change
- » Housing
- » Replacing the Paekākāriki seawall
- » Paraparaumu and Waikanae town centres
- » Maclean Park
- » Kāpiti Island gateway

## Rates for 2018/19 Pages 24–25

If the draft long term plan is adopted with all our recommended proposals, a rates increase of 4.7% on average will apply across the district for 2018/19. Do you support this?

Yes     No

## Changes to fees and charges Page 26

We've **proposed changes to some fees and charges**, including new Food Act charges. If you have any views about these, please comment:



## Key policies **Pages 27–28**

If you have any views about the **proposed changes to our development contributions policy**, please tell us here:

If you have any views about the **proposed changes to our revenue and financing policy**, please tell us here:

If you have any views about the **proposed changes to our rates remission policy**, please tell us here:

## Anything else?

If you have any other feedback about this plan, or the work of the Council please comment here:





*All feedback* must be  
received by 5pm on  
**Monday 23 April 2018**





Go on  
*tell us*  
what you think...

See page 32 or go to

[kapiticoast.govt.nz/  
kapiti2038](http://kapiticoast.govt.nz/kapiti2038)

Stop by for a chat

See page 31 to find out when and where

Long term plan 2018–2038  
consultation document