

A scenic view of a beach with a large tree in the foreground and mountains in the background. The tree has vibrant red flowers and green leaves. Two people are walking on the sandy beach. The sky is blue with some clouds.

Building a  
*stronger Kāpiti*  
together



Toitū Kāpiti

Kāpiti Coast District Council

**Annual Report 2019/20**







# Purpose

This annual report highlights for our community the progress we have made toward our outcomes and our overall delivery and performance for the year.

It is a legislative requirement and we also see it as an opportunity to inform residents and stakeholders about how we're using rates funding, and our stewardship of the district's assets. It's also a record of the year's achievements, which reflect the contribution of many in our community as the Council increasingly supports community-led initiatives and seeks to work collaboratively and in partnership with our many stakeholders.

This annual report for 2019/20 is the second against our Toitū Kāpiti Long-term Plan 2018–38, so the key activities we discuss follow the priorities we agreed with the community when we formed that plan, and which we restated in our annual plan for 2019/20. This past year is also marked by the immediate impacts of the COVID-19 pandemic and our response.

**Front cover:** Kāpiti Island from Paraparaumu Beach.

**Left:** Young people enjoying Coastlands Aquatic Centre – one of Council's three pools.

## Profile

The Kāpiti Coast District Council was established in the local government reorganisation of 1989. At that time, Kāpiti Coast district was expanded to include Waikanae and Ōtaki, which had been part of the former Horowhenua County. We are part of the Wellington Region.

We are a coastal community of approximately 56,000 people. The district is located on the south-western coast of the lower North Island, about 50 kilometres north of Wellington. We are bounded by Horowhenua in the north, Carterton and South Wairarapa in the east, Upper Hutt and Porirua in the south, and the Tasman Sea in the west.

As shown on the map on page 5, housing is clustered in towns and villages along the coast, in inland settlements which are expanding and becoming interlinked, and there are some rural areas. Our district's place names originate from early Māori, who arrived on the waka Kurahaupō.

## Impacts of growth

As our population increases, we will see greater demand for all Council infrastructure and services, and growing pressure on our environment.

**Right:** The massive Government investment in roading in the region is opening Kāpiti to the north and south. Photo: Mark Coote for Waka Kotahi NZ Transport Agency.



Kāpiti has benefitted from regional development, with around \$2 billion of investment in regional roading. This has also brought challenges for communities and existing business districts however, and the Council has sought to help mitigate this. We would like to see the Government complement these roading developments by investing more in rail services, and recognising our airport as a strategic asset for the region.



## Increasing population

Our population has grown steadily over the past 30 years. In 1981 it was just over 26,000, and at the latest census in 2018 it had grown to 53,673, with an estimated population in 2019 of 56,000.

Population growth is accelerating across the Wellington Region, and our district is projected to reach 68,548 by 2043 – a higher level of growth than we anticipated in the Long-term Plan 2018–38.

This expanded population is expected to continue the trend of an older demographic, with the proportion of people 60 and above in the district forecast to climb from 33 per cent in 2018 to approximately 38 per cent by 2043.

Pictured are people gathered at the Council's inaugural family Movies in the Park event at Waikanae Park as part of Parks Week in March 2020.

## Our people

The mana whenua on the Kāpiti Coast are the three iwi of Āti Awa ki Whakarongotai, Ngāti Raukawa ki te Tonga and Ngāti Toa Rangatira, including whānau and hapū. In the 1820s–30s, this mana whenua was firmly established in the district and were signatories to Te Tiriti o Waitangi in several locations between April and June 1840, including Waikanae, Ōtaki and Kāpiti Island. For the past 25 years, Āti Awa ki Whakarongotai, Ngāti Raukawa ki te Tonga and Ngāti Toa Rangatira have worked in partnership with the Council on issues of mutual significance.

Of our population, 14.7 per cent identify as Māori and 4.3 per cent speak Te Reo Māori (against the national average of 4.0 per cent). Most of our population – 87.7 per cent – are European, with 4.6 per cent Asian, 3 per cent Pasifika and 0.6 per cent Middle Eastern/Latin American/African. Each year we welcome new residents from many different countries, with 14.2 per cent arriving in New Zealand in the five years prior to 2018.

*In the Census a person can belong to more than one ethnic group, so the total ethnicity numbers add up to more than one hundred per cent.*

## Social needs

Across our communities we have a relatively low number of working-age people and a high number on fixed incomes. We have several areas of high deprivation, and mixed statistics around key social indicators such as housing, with very high home ownership (fifth highest in the country) offset by very low rental affordability – the fifth lowest in the country.



Education and employment

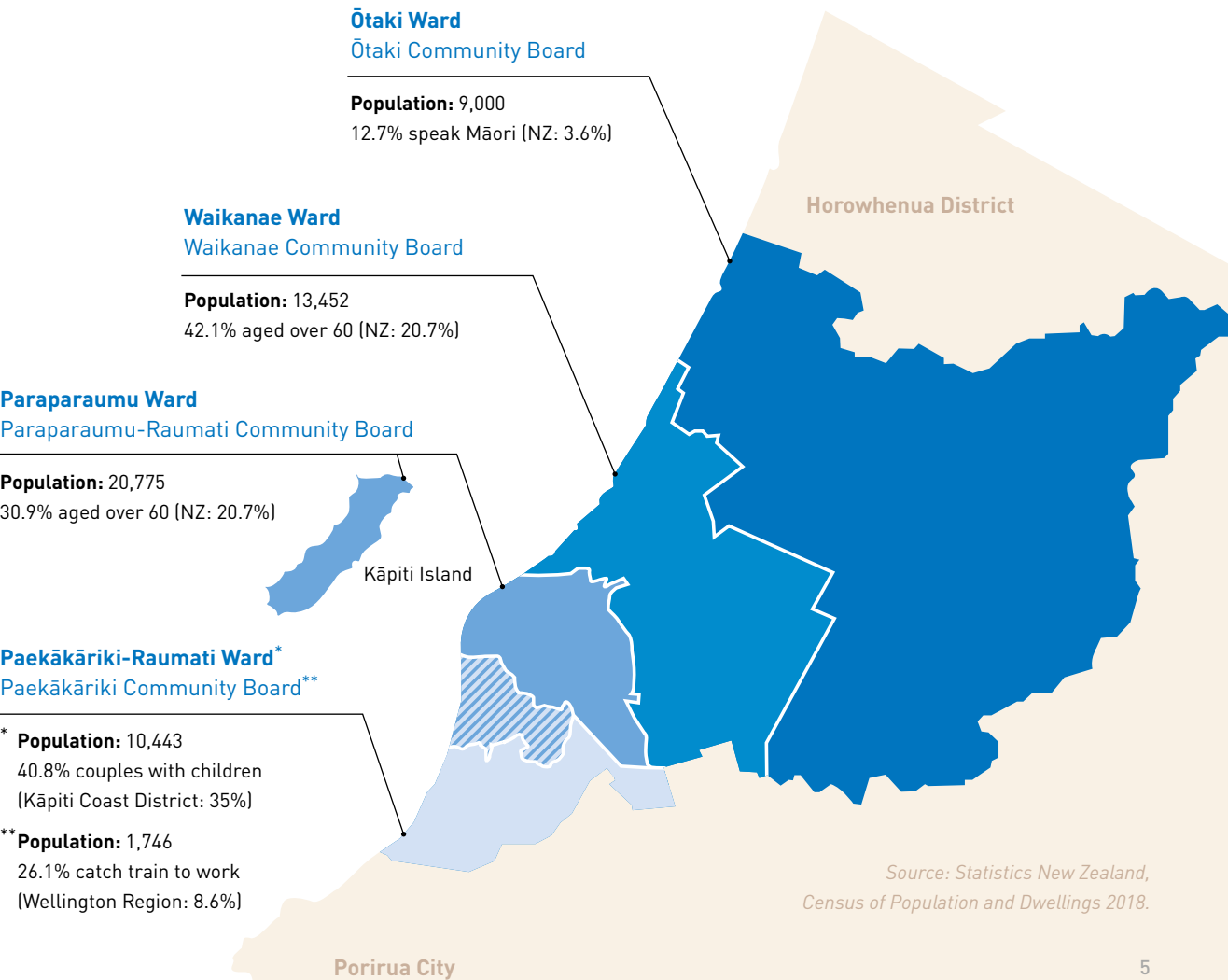
Our communities are well served by primary and secondary schools, but we have very limited tertiary education, with the exception of the country’s first wānanga in Ōtaki, Te Wānanga o Raukawa. Most of our young people train or study outside the district. Economically, we have a high number of small businesses and service industries, and a high reliance on retail and the aged care sector as major employers. We have a large number of people commuting to Wellington for work, but recently the number of new large employers has grown. For example, in 2018 New Zealand Police established a communications centre in Paraparaumu.

Our communities

The map shows how the Kāpiti Coast District is made up of four local body electorate wards (represented by ward councillors), and four community boards (represented by community board members). The populations of each area are given as per the 2018 Census, along with examples of other statistics to illustrate some of the particular characteristics of each of our communities.

The Waikanae and Ōtaki Wards both align to the same geographical area as their respective community boards, whilst the other two wards and community boards overlap each other. The suburbs of Raumati South and Raumati Beach are part of the Paekākāriki-Raumati Ward. However, at a community board level, they form part of the Paraparaumu-Raumati Community Board.

Our Kāpiti Coast district







Surfers on Ōtaki Beach. Kāpiti's diverse opportunities for recreation are attracting more new residents each year. Photo: Mark Coote.



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Our governance and  
supporting information





“We saw the community  
come together in an  
extraordinary way...”

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## Foreword from the Mayor

Tēnā koutou, tēnā koutou, tēnā koutou katoa. On behalf of your elected members, I’m proud to be sharing this Annual Report with everyone in our community. This report for our 2019/20 year is significant, because the last four months of the year were dominated by the impacts of the COVID-19 pandemic and our collective response.

As it has everywhere, the pandemic has brought major challenges to our district, and has been particularly hard for the most vulnerable in our community. It is also clear that the impacts are not easily resolved and we will need to continue to navigate a changed world.

### **Our caring community**

However, I am very proud of the way our community responded to this challenge. We saw the community come together in an extraordinary way and incredible examples of collaboration and kindness as part of our team of 56,000 here in Kāpiti.

This sense of people being there for each and every member of our community is something that should not be overlooked and that we should ensure is fostered as we move out of the pandemic.

There were connections made across generations and a deep sense of community. One example was Self Isolation Support Kāpiti created to facilitate the process of people keen to support and those needing help. Over 500 people of all ages signed up to volunteer.

In the report we have also highlighted some of the responses that we in the Council initiated and supported as we grappled with how best to keep going, help each other and care for the most vulnerable.

This collaboration and kotahitanga is something we can celebrate and take forward into the year ahead.

### Efforts of elected members and staff

I would also like to acknowledge your elected members' efforts – across our year and particularly in responding to the pandemic. With the elections in October 2019 our Council had been working hard to move forward with our work programme, and then we needed to respond very quickly when the seriousness of the situation became clear. The pandemic required us to operate in a different way and I was proud of our constructive and unified approach.

I also want to express my gratitude to all the staff of the Council. They reflected our community values of care and connectedness. The leadership and staff moved swiftly to keep our community safe and set up services

to support those most vulnerable. It is also a great tribute to them that many services continued remotely and we managed to achieve most of our work plan, so we remain well on track with our Long-term Plan work programme.

### Annual Plan and rates adjusted

Setting our Annual Plan for 2020/21 and our rates increase was also disrupted. Prior to the pandemic, elected members had been planning to consult with the community on a higher rates increase that would allow us to step up action on climate change and housing priorities. However, as information about the likely impacts of the pandemic became available, it was clear this would not be reasonable. Elected members looked hard at what our rates needed to be for 2020/21 to enable us to continue to deliver services and play a role in our district's recovery. This included immediate relief for those most severely financially affected and struggling to pay rates, and support for businesses.

### Major projects progressed

Although the pandemic response dominated the latter part of the year, overall we made strong progress on our major projects and priorities, including improving our drinking water across the district, upgrading stormwater to protect homes from flooding, and planning for how we deal with the impacts of climate change on our coast. This included our summit in March 2020 Takutai Kāpiti: Climate Change and Our Coast, to launch the coastal adaptation project. We are determined that our approach

for this will be community-led, so it was exciting to see so many groups and people coming together around this massive issue for our coastal district.

Throughout the year we saw increasing examples of Council and iwi and community groups working together, and this Annual Report shares examples of those collaborative initiatives.

### Thank you, Kāpiti

On behalf of the Council, I want to thank you for your contributions to your community during the year and your response to the pandemic – especially your care for the most vulnerable. Your actions demonstrate the strengths of our community.

Toitū te whenua, toitū te wai, toitū te tangata, toitū Kāpiti.

Ngā mihi



**K Gurunathan JP, MA**  
Mayor, Kāpiti Coast District



“...we saw our district’s resilience and kotahitanga demonstrated”.

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Waiata at the blessing of the art installation at Te Uruhi/Maclean Park.

# Message from tangata whenua

**Me huri whakamuri, ka titiro whakamua**  
– Drawing from our past to inform our future.

As kaitiaki and tangata whenua of the district, our focus is on ensuring that our footsteps in the environment leave a positive imprint for our future generations. Our traditional practice of kaitiakitanga has developed from centuries of observation and experience and knowledge handed down from our ancestors.

The Toitū Kāpiti Long-term Plan 2018–38 reflects the vision of kaitiakitanga and sustainability that we embrace for our district and there have been more positive steps made on that journey in 2019/20.

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

For tangata whenua and iwi – Āti Awa ki Whakarongotai, Ngāti Raukawa ki te Tonga and Ngāti Toa Rangatira – there have been some key achievements and opportunities for contribution during the past year.

We are a coastal community and our iwi have long treasured our coastline and been concerned for its future. Our iwi are central to the efforts to deal with the impacts of climate change on our coastline through our ĀRT iwi relationships (Āti Awa ki Whakarongotai, Ngāti Raukawa ki te Tonga and Ngāti Toa Rangatira), and created the ĀRT Coastal Advisory Group (ĀRTCAG) – the three-iwi coastal advisory group established to work with Council. We are looking forward to co-designing our community's response to the massive challenges climate change is bringing to our coast and the surrounding whenua.

Through the year we contributed to the comprehensive refresh of the Economic Development Strategy, and each iwi will be represented on the new independent governance group – the Economic Development Kotahitanga Board. It was encouraging to see the principles of working in partnership/ kotahitanga embedded in the strategy.

The latter part of the year was dominated by the COVID-19 pandemic and iwi played a key part in our district's response, working with the Council and supporting our most vulnerable whānau during the lockdown period.

2019/20 was a challenging year for all in our community but it was also one where we saw our district's resilience and kotahitanga demonstrated.



*Rupene Waaka*

**Rupene Waaka**  
*Tumuaki, Te Whakaminenga o Kāpiti*



Te Runanga o Toa Rangatira





“...I was extremely proud of our staff..”

## Overview from the Chief Executive

Our 2019/20 Annual Report reflects the challenging year our community has experienced. As the Mayor and Rupene Waaka have noted, the latter months of the year were dominated by the pandemic and that affected everyone, with some parts of our community particularly struggling.

I echo the Mayor and Rupene Waaka's comments about the wonderful response from so many in our community to support each other. As Chief Executive I was extremely proud of our staff and heartened to see the relationships that we have worked to nurture with iwi and community and business stakeholders translating into so many creative responses. It was also very encouraging to see that as an organisation our systems and processes enabled us to move quickly to put in health and safety measures, and then have

virtually all staff working remotely – and continuing to deliver services – or redeployed for our community support activities.

### On track with Long-term Plan

Despite the pandemic, we delivered most of our planned projects and only a few things were deferred. We had already reprioritised some activities where we could reschedule them to future years without adverse impacts. Overall, we are on track to complete the main work we have planned for the first three years of the Long-term Plan 2018–38.

### Making headway with financial strategy

We are also on track with our financial strategy to balance capital spending, rates income and borrowing. Over the past five years we have been working to transition to fully funding depreciation of our assets through our income from rates, so that we are in a strong position to borrow in the future when we need to invest in new infrastructure. We followed this approach again in 2019/20, though we will now slow that down so that we can support our community to recover.

### Improved credit rating maintained

It is gratifying that our credit rating has been confirmed again as AA. The rating process conducted by international credit rating agency Standard & Poor's (S&P) is extremely stringent and our continued strong rating means the community can be absolutely confident that

we're managing the district's finances prudently and planning well for required future borrowing. S&P's assessment also endorses the Council's decisions to continue to invest in infrastructure and services to help Kāpiti respond to the impacts of the pandemic.

### Satisfaction with services improved

It was encouraging to see that our residents' satisfaction with Council services remains high at 80 per cent. There are still areas where we didn't meet our targets, but it's good to achieve this overall level of satisfaction, and improve slightly on last year. We are already looking at the areas that were below target and also where we can lift satisfaction further.

### Partnering with the community

Council's contribution of \$1.6 million towards the Kāpiti College Te Raukura ki Kāpiti Performing Arts Centre project helped see the centre open in February of this year. This is a massive gain towards supporting the cultural wellbeing of Kāpiti.

### Opportunities for improvement identified in organisational review

At the end of the 2018/19 year, the Mayor and Councillors commissioned an independent organisational review to help improve the management and governance of the Council. The review conducted by management consultants Martin Jenkins during 2019/20 found that the Council does many things well, but that the

achievements are not always widely understood. The review also identified areas where we can strengthen our efforts, and made 29 recommendations to lift the collective performance of the Council. We have prepared an action plan and will be working through this during the 2020/21 year, reporting on it as we go and in next year's Annual Report.

### Looking ahead to our next Long-term Plan

As this report details, we are well on track with our work programme and making good progress towards the outcomes agreed in the current Long-term Plan. Although we undoubtedly have some significant challenges, we are in a good space to look ahead to Kāpiti's future needs as we gear up to begin preparing our next Long-term Plan.

Nāku noa, nā



**Wayne Maxwell**  
Chief Executive





The revamp of Mahara Place in Waikanae, completed during the year, has been one of our town centre projects to help stimulate economic development and activity. Photo: Mark Coote.





# Highlights of 2019/20

As year two of Kāpiti Coast District Council's Toitū Kāpiti Long-term Plan 2018–38, the work programme for 2019/20 was largely as projected in the Long-term Plan and most activities were progressed as planned. The main differences in the year's outcomes were the result of COVID-19 impacts and our refocusing of activities to support the district in the last quarter of the year. This section provides highlights of the major activities of the year and our response to the pandemic.

For the first time, we also include a separate section on sustainability and resilience, where we report our progress on reducing emissions. Details of all our work during the year – what we delivered, how we did against our performance measures and how much we spent, are in the following sections: Our activities and services (pages 47 to 105) and Our finances (pages 107 to 162).

## In this section you'll find:

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## Our progress on major projects

In our Annual Plan 2019/20 – and based on the Long-term Plan – we outlined the major projects intended to be completed during the year. This section summarises our progress on those projects.



Managing and upgrading our **WATER INFRASTRUCTURE** to make sure our water supply remains safe and clean

- We completed our design of the Ōtaki water supply pipe on Tasman Road for construction to begin next year.
- We progressed the water safety and resilience programme by:
  - continuing the detailed design of the Waikanae water treatment plant renewal
  - reviewing the Ōtaki and Hautere drinking water safety upgrades, which confirmed that upgrading the Tasman Road, Rangiuru Road and Hautere treatment plant sites is the best approach for the medium to long term.



**ADDRESSING FLOOD RISKS** by improving our stormwater networks

- We continued investigating, designing, and carrying out major stormwater improvements and more minor upgrades and renewals (most of our stormwater network upgrade is focused on protecting homes).
- We progressed the update of our stormwater management strategy.



Maintaining and improving our **LOCAL ROADING** connections with the new Expressway routes

- We began revocation of the old State Highway 1 to become a local road, working with Waka Kotahi NZ Transport Agency. Work included a new footpath between Poplar Avenue and Raumati Road.
- We finished the Speed Limit Review, including consulting with the community.
- We refreshed the sustainable transport strategy, first developed in 2008, and put it out for consultation in June 2020. The draft strategy identifies 11 key challenges, from a transport network under pressure, to demographic change, to environmental impacts; and a series of desired outcomes including improved access, connectivity, and integration, and a system that supports a vibrant and thriving district.



Progressing **MARINE PARADE SEAWALL**

- We continued preparations for rebuilding the Marine Parade seawall in Paekākāriki. In 2019/20 we finalised the designs and received the resource and building consents. Construction is due to start in 2021/22 and be complete by 2022/23.



### HELPING KĀPITI PROSPER through encouraging economic development and activity

- We progressed town centre projects in Paraparaumu, notably the widening of Kāpiti Road completed in February 2020.
- With our iwi partners and business stakeholders we refreshed our economic development strategy, and in the last quarter we updated it to reflect the potential impacts of the COVID-19 pandemic and the need for a recovery plan. The strategy has been completed for a three-year period and includes establishing an independent governance group – the Economic Development Kotahitanga Board.
- We contributed to business development and major events including new events: TooT Suite Boutique Festival (a live music event) and Xterra (an off-road triathlon, duathlon and trail-running event), both held in February 2020.



### WASTE MANAGEMENT

We developed local outcomes for regional waste management and minimisation.



### Improving COMMUNITY FACILITIES across the district

- We reviewed the Open Spaces Strategy and its impacts on the development contributions policy.
- We renewed four playgrounds with community input: Waimeha Domain, Pharazyn Avenue, Campbell Park and Mazengarb Park.
- We carried out planned renewals and refurbishments of Coastlands Aquatic Centre, Waikanae Pool and Ōtaki Pool.
- We set up the interim replacement library and service centre for Waikanae in the new location in Mahara Place, while working towards a long-term solution for the library, including gathering community input.
- We continued planning for the Mahara Gallery upgrade.
- We carried out property renewals, including housing for older persons, halls, and other facilities. (Of our 118 units for older persons, in the past three years we have completed full interior renewals for 39, and partial renewals for 3.)



### PLANNING AND REGULATORY responsibilities

- We progressed several District Plan variations.
- We rescheduled the Beach Bylaw review to 2020/21, as we were not able to undertake full community engagement due to COVID-19; however, we did complete an initial survey with the community on how our beaches are managed and protected.
- We progressed work on coastal challenges, seeking community input. This included holding a summit in March 2020, Takutai Kāpiti: Climate Change and Our Coast, to launch the coastal adaptation project. At the summit national and local leaders and climate experts presented research and ideas about climate change, coastal adaptation and building resilient communities, which provided an opportunity for people to find out more about climate change impacts.
- We issued the last two remaining seismic upgrade notices – for Ōtaki Theatre and Ōtaki Museum.



## Initiatives across our work programme

As well as our major projects, during the year we progressed a range of other work. Specific initiatives and progress in priority areas are highlighted here, with updates on all our work in the detailed activity reports in Our activities and services, on page 47.

Two priority areas identified in the development of the Toitū Kāpiti Long-term Plan 2018–38 were taking action on climate change and improving housing accessibility and affordability.

### Planning for climate change impacts on our coast

We are a coastal area, and of the approximately 24,000 houses in our district, some 8,000 are in the tsunami zone. The impacts of climate change on our coastline are of high importance and significance to iwi, residents and the wider community, and the Kāpiti Coast District Council is taking a community-led approach to developing responses to coastal change.

Council has determined it is essential that iwi and the community have ample opportunity to provide input to the development of the coastal adaptation process, and establishing this approach has been our focus during 2019/20.

We have formed a partnership with tangata whenua through our ĀRT iwi relationships (Āti Awa ki Whakarongotai, Ngāti Raukawa ki te Tonga and Ngāti Toa Rangatira), and created the ĀRT Coastal Advisory Group (ĀRTCAG).

Our co-design working group includes representation from ĀRTCAG, Greater Wellington Regional Council, Coastal Ratepayers United, North Ōtaki Beach Resident Group, Waikanae Estuary Care Group, Friends of Ōtaki River, Friends of Queen Elizabeth Park, and Community Board representatives.

In March 2020 we held the Takutai Kāpiti: Climate Change and Our Coast summit. Climate experts presented in the morning, while the community event afternoon allowed for informal opportunities to learn more about climate change in Kāpiti.

### Addressing housing challenges

Increasing housing pressures are affecting the most vulnerable in our community, and those people whose income has been affected as a result of the COVID-19 pandemic.

As with the rest of the country, we have seen a sharp rise in the number of people on the Government's Housing Register, which records people assessed with a serious housing need and found eligible for social housing.

We are aware that this increase may not be a true reflection of a much higher need in Kāpiti, as our conversations with organisations providing a range of housing options continually highlight their struggle to meet the increasing demand for services.

Council has started conversations internally and with our partners to consider what we can do directly and in collaboration with iwi and community organisations, and through advocacy to central government.

During the year we finalised the Housing Programme Assessment Report, which gave the Council a broad understanding of its role in supporting affordable and public housing and provided a benchmark of current housing supply in Kāpiti, as well as identifying current and future potential gaps to be addressed.



## First steps for moving on housing needs

We have begun to develop a detailed housing work programme, focusing on seven priority actions:

- Undertake an audit of Council's existing residential land holdings to determine redevelopment potential and improvements needed.
- Investigate the suitability of other Council-owned land to support housing developments, giving greater weight to the use of Council land for housing.
- Engage with local iwi to determine how Council can support and enhance the capacity of Māori housing providers through opportunities for development partnerships on Māori-owned and other land.
- Identify partnership opportunities with the public housing sector.
- Establish a working group with the local housing sector, including community housing providers, to support this industry to provide quality housing.
- Identify suitable Council or other land through Council or its partnerships that may be available for temporary relocatable housing.
- Map Council's consenting and approval process for housing proposals, to identify opportunities for more efficient Council processing of these applications and easier navigation of the system for applicants.

We also submitted an application for funding to the Crown Infrastructure Fund for a community housing project, and are waiting to see if this application was successful.

**Photo:** Phil Cook for Greater Wellington Regional Council.

## Progressing wastewater treatment

For some years we have been working with iwi to explore alternatives to treating our wastewater. This is a complex matter, with sensitive environmental and cultural considerations.

During the year, we had been seeking engagement with mana whenua in the re-consenting process. We have invited all our iwi to participate and identify how this could be best achieved. However, our progress has slowed and the delays in engagement and consultation on options have meant a full process cannot be completed before the discharge consents expire. Alongside pursuing renewed engagement, we have begun putting together an application for interim extension to the existing consents.





Our summit in March 2020, Takutai Kāpiti: Climate Change and Our Coast brought national and local leaders and climate experts together to present research and ideas about climate change, coastal adaptation and building resilient communities.

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### **Focus on new drinking water safety requirements**

The release by the Ministry of Health in May 2019 of a new drinking water safety planning framework, and guidance material, has meant a significant shift in the national drinking water safety risk approach. In response, we completed a risk assessment in 2019/20 that identifies a schedule of improvements to our water safety systems and processes. We will begin implementing the improvements in 2020/21.

We trialled new infrared camera drone technology to locate hard-to-find leaks in one of the water zones. This proved successful, and we will make more use of this new technology in 2020/21.

### **Kāpiti Gateway project receives Government funding**

During the year, we worked on plans for a Kāpiti Island gateway, and applied to the Provincial Growth Fund (PGF) for funding support. Just after year end we learned that the Government had approved \$2.23 million from its COVID-19 Response and Recovery Fund towards the project; this is half the estimated cost. In 2020/21 our focus will be to finalise a business case for Council's consideration.

Earlier in the year, we received funding for our PGF programme manager who works with organisations to prepare applications. Three local initiatives also received funding: Omeo Technologies in Ōtaki, Kāpiti Island's Waiorua Lodge, and Māoriland Trust in Ōtaki.

## Waikanae Library replacement planning

At the very beginning of 2019/20 we opened a temporary solution for the Waikanae library and service centre in Mahara Place. During the year we formed a project advisory group (including library users), and began investigating options for the library's long-term location within the town centre. The advisory group is focusing on three areas: library services, customer services, and building options (whether to renovate the original library site or build on a new site).

## Libraries review

The future arrangements for Waikanae will be designed in the context of a wider review of the strategic direction for all our library services. Our project Te Ara Hāpai – a pathway that uplifts and supports people – aims to develop responsive and inclusive library services that work in partnership with the community. The review was scoped out during 2019/20, and will get under way in 2020/21.

## Animal management shelter upgrade

We finished a comprehensive upgrade to bring our animal management shelter in line with Ministry for Primary Industries' guidelines, including the Code of Welfare for the Temporary Housing of Companion Animals. The scope included a new veterinary area, secure drive-in kennel space, new safe holding cages for assessment and treatment, non-scalable perimeter fencing, and covered exercise areas. We started work in January 2020 and finished in June, slightly delayed by the COVID-19 lockdown. The upgrade will ensure we can maintain the highest standard of care for animals, and provides a safer and healthier working environment.

## Building portfolio assessment complete

Over the past few years we have been surveying the condition of our community facilities, and this was completed during the year. We now have a detailed assessment of our entire portfolio (around 200 buildings and facilities). The surveys have confirmed that in our portfolio we have several key issues, including poorly performing plumbing, dated building elements, and evidence of historic leaks and moisture. Staff are reviewing the survey data and will develop proposals as part of the next Long-term Plan.

## Local body elections conducted

Council managed the local body elections that took place in September–October 2019. More options were provided for voters, including a mobile voting service. The Chief Executive released a pre-election report to provide residents and candidates with information about the Council's position and issues facing the district.

Just over 45 per cent of eligible Kāpiti voters returned a vote, down on turnout in 2016 of 48.2 per cent, and lower than the average of 46.7 per cent for provincial councils. The average turnout for all New Zealand was 41.7 per cent.

## Strategic land purchased at Paraparaumu Beach

In October 2019 we acquired two sections opposite the car park at Maclean Park, Paraparaumu Beach, from our strategic land purchase fund. This cost \$1.43 million. Securing this land gives us options to support future development in the area.



## Our COVID-19 response

This section summarises the actions we took in response to the pandemic and the impacts it had on our service delivery and performance in 2019/20. It highlights initiatives we put in place with others in the community, changes we made to services that we will continue, and specific projects delayed because of the pandemic. It also notes applications we submitted for central government COVID-19 recovery funding for major infrastructure projects in the district.

### Immediate response

When it became clear we were facing a pandemic, Kāpiti Coast District Council moved quickly to comply with the Government's directives and support the community to keep safe and manage through the lockdown.

We continued services deemed essential for public health and safety, and non-essential services ceased or were delivered in accordance with the health order and appropriate alert level.

Council also immediately initiated our Emergency Operations Centre and welfare desk to support those most vulnerable. This operated remotely to a large extent.

During Alert Level 4 lockdown, we closed Council offices, libraries, pools, halls, reserves, playgrounds and sports grounds, public toilets and transfer and recycling stations. A range of services such as maintenance to water, stormwater, wastewater and roading works were limited to emergencies. Where we could, we put together alternative ways for residents to access services. Many of our staff were able to work remotely, so services such as processing resource and building consents continued.

### Support package for community

In addition to helping people access support available from the Government, the Council provided a range of support directly to the community and began developing a strategy for longer term recovery. The Council determined an overall three-pronged approach: sustain, restore, and rebuild. In early April, Council announced a support package of specific assistance, including rates relief and payment plans, and help for suppliers and businesses. Full details of the support package are included in the Financial overview section, on page 33.

### Financial impact for Council

The pandemic affected Council's financial result for the year, with reduced expenditure where work was not able to be progressed or facilities were not operating, and less revenue with services such as pools closed. The main financial impacts of COVID-19 in 2019/20 are covered in the notes to the financial statements.

### Keeping services going

Wherever possible we set staff up to work at home. This included using technology for remote communication and meetings. We brought forward \$115,000 of 2020/21 budget to invest in critical information technology to ensure we could support staff adequately. For many services, the impact on customers was limited to changing meetings from in-person to virtual, and from walk-ins to phone calls or emails. The improvements we have made to our systems mean our staff will be able to easily shift to providing services remotely whenever this is needed.



When Council offices and facilities such as libraries and pools were able to reopen at Alert Level 2, we were fully set up with contact tracing and safety measures in place.

Half our office-based staff continued to work remotely from home to enable us to maintain physical distancing requirements. For Alert Level 1, staff began the transition back into the office from 9 June 2020.



### Staff re-deployed to support community

Around 60 staff who were not able to continue their core roles were deployed to the Emergency Operations Centre. They responded to community needs through a welfare support helpline, liaised with iwi, sourced equipment and supplies, and provided information. Our planning team worked with our Capital and Coast District Health Board colleagues and developed contingency plans and preparation for longer term recovery.

Pictured are Council staff who worked out of the Emergency Operations Centre at a ceremony recognising their contribution to the community during Level 4.

The signage at the Coastlands Aquatic Centre was part of Council's focus on keeping people safe when the pool reopened.



## Council and community initiatives

A positive outcome of the changes required by the pandemic was the creativity and responsiveness that were demonstrated by Council teams and many different groups in our community. The following are some examples.

**Iwi** and our staff on the Emergency Operations Centre welfare desk worked closely together. For example, Paraparaumu-based health provider Hora Te Pai and Council teamed up to provide wrap-around support for individuals who had contacted the welfare desk with multiple needs.

Council provided financial assistance to support iwi with their response to COVID-19. The sum of \$90,000 (\$30,000 to each of the three iwi) was funded from the existing Iwi Partnership budget for 2019/20.

**Support for businesses** was an immediate focus, and our Economic Development team set up a local business services group to ensure there was good coordination between local groups. Support offered included regular communications, webinars, and three online workshops on how to take a business digital. We are keeping the workshops available online.

We adapted the programme for our **PopUp Business School** to use a mixture of interactive online and venue-based sessions, with great response from over 50 participants.

Our **Environmental Standards team** worked with other agencies to provide essential services during Alert Levels 4 and 3. For example, staff assisted Ministry of Health with contact tracing and monitored freedom camping sites, providing information to police.

Online **library services** boomed during lockdown. Particularly popular were the online Tamariki Time sessions, which contributed to over 20,000 video views in the fourth quarter, up from 590 views in the previous quarter. A total of 8289 ebooks were issued in the fourth quarter, compared with 4800 in the previous quarter, and 762 new ebook users were registered in the third and fourth quarters – with 1840 active users at the end of June.

Our **Youth Council** ran a 'chalk walk' competition, encouraging young people to illustrate designs on pavements during lockdown. The online competition reached over 7000 people.

Our **youth development centre provider Zeal** had begun two new courses, in photography and design. They continued offering both during lockdown through online digital platforms.

Council offered additional support to **social investment contract holders** due to the demand for their services post COVID-19. We are also revisiting their reporting and year 3 deliverables, to ensure their service delivery can focus on supporting social recovery.

**District planning** checks moved from a paper-based system to electronic and this has continued, which has helped the Building team deal with a backlog and complete consents more efficiently.

At our **pools**, on reopening we supported our regular lane hirers to transition back into full capacity, with a strong focus on contact tracing and increasing the use of membership cards.

The district would benefit hugely from central government infrastructure funding if the Council's applications are supported.

## Projects delayed by COVID-19

As well as needing to close facilities such as pools and libraries and limit other work because of COVID-19, some specific planned projects were not able to proceed or be completed.

This includes:

- The review of the Beach Bylaw 2009. This is now targeted to be completed by March 2021, with consultation planned for October to November 2020.
- The Wharemauku block wall long-term solution. We had planned to present options to affected residents in March 2020. Consultation, preliminary designs of the preferred option and lodgement of a Resource Consent Application are now planned for 2020/21.
- Planned maintenance to our swimming pools that depended on overseas contractors and suppliers. These projects have been carried forward to 2020/21.
- Neighbours Day. Significant planning had gone into 2020 events, but unfortunately they couldn't proceed.
- Road works in the Waikanae and Paraparaumu town centres were deferred to 2021 due to the effect the COVID-19 downturn is having on local businesses.



## Applications for central government infrastructure funding for major projects

In April 2020 the Council applied for funding support from Crown Infrastructure Partners for nine "shovel ready" infrastructure projects, and five were accepted for consideration. At the time of adopting the Annual Report we were awaiting further information on how those five projects were progressing.

The projects submitted and being considered are:

- Paraparaumu link road – to deal with congestion on Kāpiti Road and connect key transport routes
- Paekākāriki seawall – to replace the almost 1 kilometre of deteriorating wall

- districtwide stormwater upgrades – to carry out work to protect homes and commercial buildings from flooding
- water safety and resilience – to upgrade our drinking water supply
- Maclean Park development stage two – to continue redevelopment of the park as a regional destination.

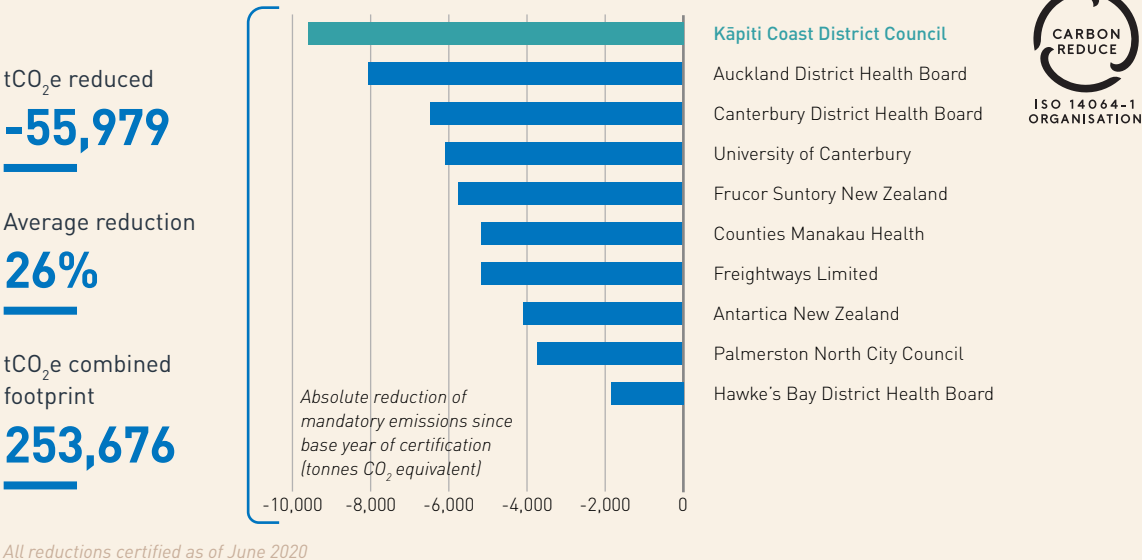
The total value of the projects being considered is \$102 million. They are part of our existing work programme and if we are successful in obtaining funding this would provide significant employment and economic opportunities to support the district's recovery from COVID-19.



# Our sustainability initiatives

Improving sustainability and resilience is an important issue for our community and its wellbeing. This section outlines our main areas of work to lift sustainability in the district, including waste management and minimisation, carbon and energy management and the wider overview of climate change adaptation and mitigation across Council activities.

## Council named Toitū's top carbon reducer for 2020



## Climate change emergency declaration

On 27 May 2019, Kāpiti Coast District Council declared a climate change emergency, signalling a strong desire to lift sustainability and resilience in the district.

In response to Council's declaration, a new Sustainability and Resilience team was established, combining carbon and energy management, overview of climate change adaptation and mitigation across Council, and waste management and minimisation.

## Emissions reduction goals

On 27 May 2019, Council passed a resolution to pursue a goal of carbon neutrality by 2025.

This resolution built on the existing Carbon and Energy Management Plan adopted by Council in 2012, which set

a target of an 80 per cent reduction in greenhouse gas emissions from the organisation by 2021/22, compared to its 2009/10 baseline year.

This was to be achieved through a range of actions including energy conservation, installation of renewable energy, switching from use of fossil fuels to renewable energy and changing how we dispose of waste.

To underpin our plan and provide an independent assessment of our progress, Council signed up to Toitū Envirocare's *Carbon Reduce* scheme. Under this scheme Council has its annual emissions inventory (carbon footprint) independently audited to gain accreditation to the ISO-14064 standard.

The actions taken over the past eight years in pursuit of that target have seen our Council consistently leading the local government sector in emissions reduction. We have received a number of awards, including from EECA and the Ministry for the Environment.

### Carbon audit results for 2018/19

Our verified emissions result for the 2018/19 year was confirmed by Toitū Envirocare, our auditors, in mid-March 2020. That result reported total greenhouse gas (GHG) emissions of 2,867 tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e), down 150 tCO<sub>2</sub>e from the previous year, and contributing to a reduction of 77 per cent since 2009/10.

The two main positive contributors to the 2018/19 result were a reduction in the national grid emissions factor and further emissions reductions from our LED streetlight upgrade project. These factors combined resulted in a reduction impact of 293 tCO<sub>2</sub>e.

However, that was significantly offset by increased emissions from a number of other Council activities, in particular from Aquatics (119 tCO<sub>2</sub>e) and Water and Wastewater operations (24 tCO<sub>2</sub>e), resulting in the net emissions reduction of 150 tCO<sub>2</sub>e reported above. The Aquatics result was due to our Ōtaki Pool returning to its first full year of use following its rebuild in 2017.



### Waste minimisation

Many people in our community are keen gardeners and composters and Council encourages composting as a contribution to minimising waste.

Council's Waste Minimisation Taskforce presented its final report in December 2019. In responding to the report, Council has been planning to undertake

projects that will support achieving its target to reduce waste to landfill by 30 per cent by 2026.

For more detail on our waste management and waste minimisation activities see the Solid Waste activity report, on page 69.





One of the district's public EV charging stations. Through a trans-regional partnership with Horowhenua District Council, and some match-funding from EECA, Council installed five public fast chargers in Kāpiti in early 2019. In early 2020, we started exploring options for more to be installed in coming years.

## Emissions reduction initiatives in 2019/20

### Electric vehicles (EVs)

We purchased a second Nissan Leaf in early December 2019, giving us two EVs in the Council fleet. In March 2020 we also purchased a Nissan Leaf as the new mayoral vehicle – with the Mayor's previous vehicle, a Corolla hybrid, now being used in the fleet.

### EV charging stations

Following the decisions to purchase these new EVs, installation of additional EV charging stations at the Civic building was planned. Installation was delayed due to the COVID-19 lockdown. It will be completed in the first half of 2020/21.

### Decarbonising our fleet

We've started reviewing our vehicle fleet to ensure it is optimised and identify options for reducing its carbon footprint. The review will produce a decarbonisation plan which will provide us with a roadmap for transitioning our fleet to lower emission alternatives (including EVs, plug-in hybrid EVs and standard hybrid vehicles), ensuring that we replace vehicles at the end of their useful life with cost-effective, low-emission and fit-for-purpose alternatives.

## Community solar power at the Ōtaki wastewater treatment plant (WWTP)

Energise Ōtaki, a community organisation focused on clean energy production, made progress over the year on its proposal to install a solar photovoltaic (PV) array at the Ōtaki WWTP. The array will supply renewable electricity directly to the treatment plant, reducing its carbon footprint.

Agreements for land use and power supply with the Council were developed and signed and site preparation work got underway.

Installation was scheduled for July-August 2020 and the array is envisaged to be commissioned and generating power in September 2020.

## Exploring decarbonising the Ōtaki Pool

Council undertook a study into the feasibility of improving the energy efficiency of the water and space heating at the Ōtaki Pool and upgrading the plant to reduce carbon emissions. There are significant costs associated with an upgrade, and we will consider options as we develop the Long-term Plan 2021-41.

## Embedding climate change into Council's planning

To enable consistency in climate change responses across Council, we are working to ensure that all asset and activity managers have the tools needed to develop evidence-based responses to existing natural hazards that are exacerbated by climate change, particularly in the areas of mitigation and adaptation.

### Climate change mitigation

The emissions reduction achieved to date has been due to our across-Council commitment to achieve the targets set out in the Carbon and Energy Management Plan.

While reducing emissions directly from our activities remains a key focus, work is underway to develop the guidance and tools needed to enable more sustainable procurement. Sustainable procurement practices will help to reduce indirect emissions, while also promoting sustainable practices in our suppliers.

### Climate change adaptation

To deliver a wide range of sustainable and resilient services, we need to consider the potential impact of the effects of climate change on Council assets and activities, as well as the wider Kāpiti Coast community, and incorporate climate change adaptation into our planning when required.

We determined that updated climate change assumptions for the Kāpiti Coast were required to do this well,

particularly prior to the development of the Long-term Plan 2021–41 (LTP 2021).

To access the most current science while working alongside our regional partners, we turned to NIWA and Greater Wellington Regional Council (GWRC) to develop a robust set of climate change assumptions for the Kāpiti Coast. During the development of the LTP 2021 over the next year, the Sustainability and Resilience team will work alongside asset and activity managers from across Council to use these assumptions in their planning processes.

### Regional alignment

While each council in the Greater Wellington Region may experience different impacts from climate change, there is still considerable value in working together as a region.

The Wellington Region Climate Change Working Group was established in 2017 to provide a forum through which elected members and mana whenua from across the Wellington Region could network, discuss issues, share information, and (where appropriate) achieve a consistent approach across all jurisdictions on climate change mitigation and adaptation.

Council has been a keen participant in the working group since it was established.

## Development of a sustainability and resilience (climate change) strategy

A sustainability and resilience (climate change) strategy is a key deliverable, particularly in light of Council's climate change emergency declaration, and Council seeks to work with mana whenua and engage with the wider community on its development.

It is anticipated that the current focus on incorporating climate change mitigation and adaptation into the development of the LTP 2021 will provide a strong base for the development of this strategy.

### Government reporting requirements

With the recent assent of the Climate Change Response (Zero Carbon) Amendment Bill, Council is preparing itself for when the Minister for Climate Change or the Climate Change Commissioner establishes reporting requirements for local authorities. In addition, as a provider of large infrastructure services, Council is also preparing for any climate-related financial disclosures that may be required in the near future as well.



## Financial overview

This is a summary of the major aspects of our financial management and results for the 2019/20 year.

It includes how we are progressing with our financial strategy and summarises our key financial actions to support our community in response to the COVID-19 pandemic.

We have produced this overview to give Kāpiti residents a snapshot of our finances. Full details are provided later in the report. There is a summary of the cost of providing services for each activity, comparing what was spent with what was budgeted, in Our activities and services, on pages 47 to 105. The full financial statements can be seen in Our finances, on pages 107 to 162.

### Financial performance

#### Operating profitability

Council ended the year with a much higher operating surplus than forecast – \$19.6 million.

Total revenue was \$21.8 million higher than we had budgeted, largely due to \$20.5 million of assets being vested to the Council. These vested assets (mainly local roads) transferred to Council following the completion of the Mackays to Peka Peka (M2PP) Expressway project. Due to the complexity of the project, its timing and requirements, these assets were not included in our original budget numbers.

Total operating expenditure was \$2.1 million higher than budgeted, due to the impairment of the Otaihangā landfill after-care asset, of \$2.2 million.

#### Capital spending

In setting the 2019/20 annual plan we had budgeted to spend \$35.8 million on capital work.

We ended the year completing \$23.5 million, 66 per cent of planned, with \$11.5 million of projects being moved out to future years.

Kāpiti Coast District Council is an entity of

**\$1.5 billion**

This carry-forward of capital work was partly due to COVID-19 limitations, but more due to the reprioritisation and rescheduling of work programmes, especially in our water management activity.

### Financial position

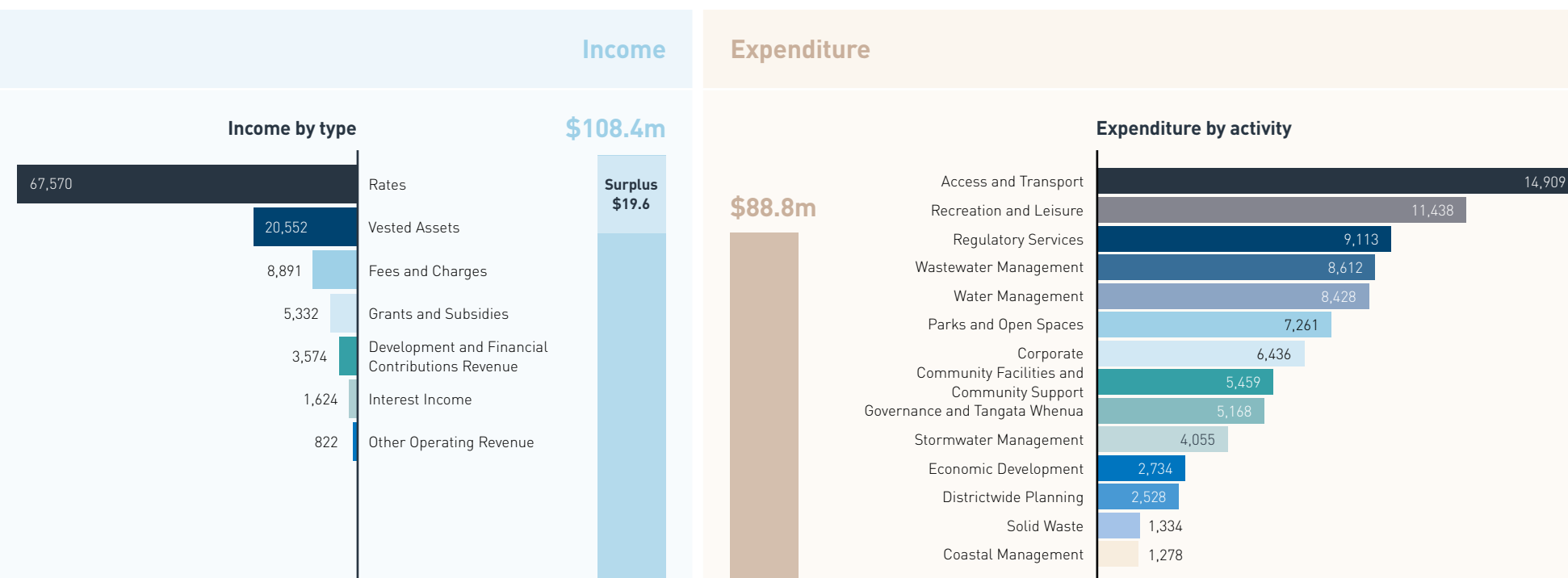
At the end of each year, we determine our financial position. This reflects the overall value of the Council as an entity.

As at 30 June 2020, total assets were \$1,740 million. Of this, infrastructure (water, stormwater, wastewater, roads, bridges, cycleways, walkways and bridleways) accounted for \$1,480 million, and the remainder included community facilities, parks and open spaces and financial assets.

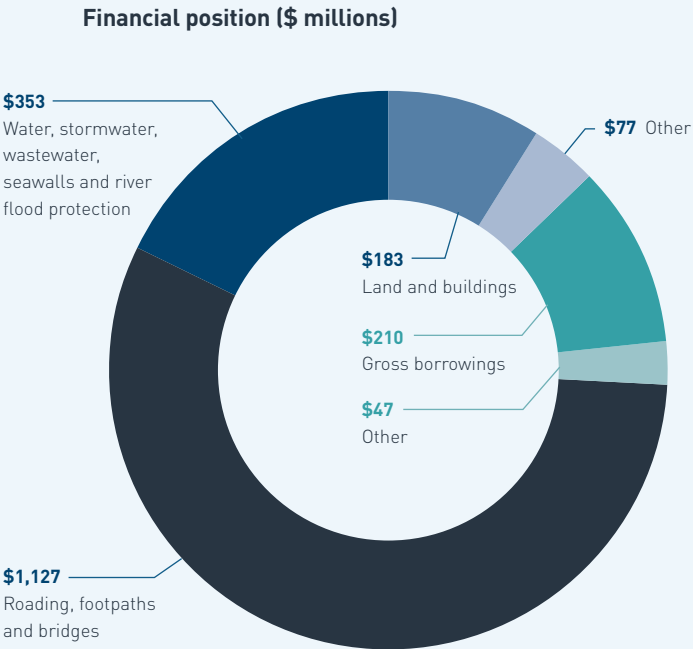
Our liabilities are \$257 million, with 82 per cent of this being medium-to long-term borrowings from the Local Government Funding Agency. Other liabilities include money owed, for example, to suppliers.

The difference between total assets and liabilities means that ratepayers' equity in the Council is \$1,483 million.

## Financial performance (\$ millions)







## Cash and debt management

We ended the year with net debt (total borrowings less cash, term deposits and borrow notes) of \$155.7 million, which represents 185 per cent of our operating income. This reflects our commitment to our 'green-line' strategy to keep borrowings below 200 per cent of our operating income.

A positive result for the year is that we kept our credit rating of AA in a generally difficult financial environment. This is beneficial because it helps reduce our borrowing cost, supporting our financial strategy.

We kept our Standard and Poor's credit rating of

**AA**

We achieved an average cost of borrowings of

**4.15%**

## Progress in 2019/20 towards our financial strategy

Our financial strategy is based on balancing rates, borrowings and capital spending.

We've been working hard to improve Council's financial position – spending less, so we can pay back more in preparation for future infrastructure replacements. We maintained this approach of close financial management in 2019/20 and, despite the impacts of the pandemic, we have stayed on track with our strategic approach.

During the year, we reduced unfunded depreciation by \$3.1 million. We are forecasting to fully fund depreciation by 2025/26. Our previous target was to do this by 2022/23 however, after slowing down these payments in the 2020/21 Annual Plan to reduce the rates increase, that timeframe has shifted.

Council's pandemic support package recognised that some local businesses faced major financial impacts from the restrictions imposed on workplaces and trading. Photo: Jo Piatek.

## COVID-19 financial impacts and support provided

### Support package

In early April the Council announced a support package available up until 31 August 2020 to help the district withstand the economic and social challenges expected.

The *Phase 1 – Sustain Community Support Package* included the following support for residents, ratepayers and businesses who had been financially impacted by the pandemic. Take-up of the package elements is shown in brackets.

#### 1) Support available on application:

- removal or reversal of rates late payment penalties for rates falling due between 1 March 2020 and 30 June 2020 (\$34,307)
- deferral of payments for water and property rates falling due between 1 March 2020 and 31 August 2020 (as at 31 August 2020, 136 payment plans were set up, to a value of \$256,840)
- 90-day credit terms for non-rates invoices
- refund of consent deposits and fees if applicants request to withdraw their application (two applications totalling \$6,000).

#### 2) Support applied automatically to those eligible:

- rent payments waived for three months for Council's major commercial tenants (\$38,332)

- rapid payments of supplier invoices
  - refund of 25 per cent of licence or registration fees relating to food, alcohol, outdoor dining, hairdressing, trade waste, and campground (548 applications processed, to a value of \$47,155)
  - increased weighting for local businesses in procurement processes.
- 3) Additional support:
- repurposed existing budget to support iwi with their response to COVID-19
  - allowed Community Boards to repurpose unallocated discretionary grants to COVID-19 response initiatives
  - gave flexibility to repurpose remaining social investment grants in 2019/20 as appropriate
  - extended existing library book loans by six weeks.

### Financial impacts

The specific impacts of COVID-19 on our financial results are noted in the relevant notes to the financial statements in Our finances, on page 107 to 162. Note 29 Major variances from budget provides more information on our Actual results compared to budget.





## Working with others

We are committed to working with the community, responding to community concerns, and supporting community-led initiatives. This section illustrates some of the activities during 2019/20 that demonstrate collaboration and partnership, and reflect how community input has influenced our priorities. It also highlights the huge contribution of volunteers in the district.

### Partnership with iwi

Kāpiti Coast District Council has a special relationship with its iwi partners, Āti Awa ki Whakarongotai, Ngāti Raukawa ki te Tonga and Ngāti Toa Rangatira. As set out in the message from Te Whakaminenga o Kāpiti on page 11, March 2019 marked 25 years of formal partnership between iwi and the Council. In June 2020, Āti Awa ki Whakarongotai announced their withdrawal from the partnership. They will remain one of the Council's iwi partners, but will deal with the Council directly while we review the partnership.

### Community groups

Council supports and works with a number of community groups: the Kāpiti Older Persons' Council, Kāpiti Youth Council, Kāpiti Accessibility Advisory Group, Kāpiti Multicultural Council, Kāpiti Health Advocacy Group, the Kāpiti Social Services Network and the Kāpiti Settlement Support Network.

Examples of activities generated through these relationships during the year include:

- The Older Persons' Council promoted the annual International Day of the Older Person, which the Council supported with an awards event recognising local seniors for their outstanding contribution to the Kāpiti community.
- The Youth Council ran a stand at the Takutai Kāpiti: Climate Change and Our Coast summit to engage young people about climate change and our local environment.



Council works with iwi to produce the annual Maramataka – traditional Māori calendar. Pictured at the launch of the 2020/21 Maramataka are Kirsten Hapeta, Ngā Hapū o Ōtaki Te Whakaminenga o Kāpiti, representative of Ngāti Maiotaki hapū, and Council Chief Executive Wayne Maxwell.

### Social service providers

Council contracts some services and has nurtured close relationships with these organisations.

#### Youth services provider Zeal

Since 2015, Council has partnered with Zeal Education Trust, a nationwide youth development organisation, to deliver a youth development centre and satellite activities across the district.

A feature of Zeal's approach is involving young people in community gatherings. In 2019/20, this included supporting the Waikanae Lions Garden Trail with coffee and live music, three Council Acoustic in the Park events, and sound for Council's inaugural family Movie in The Park.

### Social investment programme providers

Major Council funding for social services and community-led initiatives is managed through the Social Investment Programme, with priorities agreed by Council from a sector panel's recommendations. Council is currently funding nine organisations delivering specific initiatives, and 2019/20 was the second year of the three-year programme contracts.

Our nine programme providers are:

- Kāpiti Youth Support
- Kāpiti Impact Trust
- Volunteer Kāpiti
- Māoriland Hub
- Ngā Hapū o Ōtaki
- Age Concern
- Kāpiti Living without Violence
- Kāpiti Women's Centre
- Energise Ōtaki.

### Roading maintenance provider Higgins

Council has partnered with civil construction business Higgins to provide urban and rural road maintenance services to the district. Higgins has expertise in key services for our infrastructure needs including drainage, pavement construction, surfacing and traffic management, and is also an alliance partner in the Mackays to Peka Peka (M2PP) and Peka Peka to Ōtaki (PP2Ō) projects with Waka Kotahi NZ Transport Agency.

Higgins was appointed by Council following an open tender procurement process in 2018.

### Waka Kotahi NZ Transport Agency

We work in partnership with Waka Kotahi on the district's major roading projects, including the Expressway projects and associated revocation work (M2PP, PP2Ō and the Ōtaki to North Levin (Ō2NL) extension). We also depend on financial subsidies from Waka Kotahi to deliver the Council's annual roading programme.

### Collaborative initiatives

#### Community-led approach for coastal adaptation

There is exceptionally high stakeholder interest in the impacts of climate change on our coast, and we are pursuing a community-led approach to develop our response.

Important set-up work in 2019/20 included forging a partnership with tangata whenua through the ĀRT confederation of iwi, Āti Awa ki Whakarongotai, Ngāti Raukawa ki te Tonga and Ngāti Toa Rangatira, to form the ĀRT Coastal Advisory Group (ĀRTCAG).

Our summit in March 2020, Takutai Kāpiti: Climate Change and Our Coast provided opportunities for the community to learn more about the impacts our district is facing.

By the end of the financial year we had finalised our co-design working group with representatives from our iwi partners ĀRTCAG; local groups North Ōtaki Beach Resident Group, Waikanae Estuary Care Group, Friends of Ōtaki River, and Friends of Queen Elizabeth Park; and regional partners Greater Wellington Regional Council, and the Coastal Ratepayers United.

#### Optimising the benefits of the expressway for the north of the district

During the year community group Elevate Ōtaki surveyed Ōtaki businesses to better understand their issues and plans as the PP2Ō Expressway nears completion.

Elevate Ōtaki was set up in 2017 to lead and advise on the best use of a \$300,000 funding package from the Council and Waka Kotahi NZ Transport Agency to help the Ōtaki community prosper from the expressway.





### **Growing support for helping young people into work**

Support is expanding for the Kāpiti Youth Employment Foundation programme, Work Ready Kāpiti, which Council sponsors.

The programme enables 15 to 24 years old to gain skills and experience to show that they are work ready, and encourages local businesses to employ youth. Kāpiti, Paraparaumu and Ōtaki colleges and now Ōtaki's Te Rito College and Te Kura (the Correspondence School) run the Work Ready Passport programme with students. The Foundation also hosts #EmployerMeets events, and helps advertise work experience placements.

Kāpiti Rotary and Lions Waikanae have recently offered their support to the programme, and the Foundation is in discussions with the Ministry of Social Development about ways they could partner.

Council's support for the initiative reflects a strategic pillar of our economic development strategy to grow skills and capability and provide pathways for young people/rangatahi as our future workforce.

### **Volunteers team up with Council on coastal planting**

During the year community volunteers and beachfront residents worked alongside Council staff to add around 7000 native sand-binding plants to the fore-dunes between Paraparaumu and Ōtaki. This group effort makes a substantial contribution to our coastal dune restoration programme, where we are progressively restoring degraded dune ecosystems by controlling weeds and planting local native plants. The planting has the dual benefit of enhancing biodiversity while providing the best protection against erosion.

### **Working together on an age-friendly strategy**

Grey Power Kāpiti was successful in securing Government funding for initial engagement to develop an age-friendly strategy for the district, and Council and Grey Power agreed a Memorandum of Collaboration to undertake the work needed. The collaboration got under way with Council supporting four workshops to gather information to help form the approach. Some work was delayed due to COVID-19 restrictions, but is being progressed in 2020/21.

### **Helping facilitate a community-led approach to suicide prevention**

We began work with a collective of local community organisations, Regional Public Health and the Capital and Coast District Health Board on an initiative to reduce the incidence of suicide among men in the community. Council's role is to facilitate the project, including developing a business case, investigating funding

opportunities and providing general advice on shaping community governance.

### Community markets supported to flourish

The popular Saturday Paraparaumu Beach Market got a new home in Maclean Street. We worked with the market owners and the Paraparaumu Beach Business Association to support the relocation of the market to Maclean Street, with capacity to expand to Maclean Park. This gives the operators certainty about future operation and complements the development of the park.

In Waikanae, the Community Board has been active in promoting the revitalisation of the Waikanae Community Market during the year. The market, based in Waikanae Park, reopened in July 2020 and almost 70 stallholders are registered.

### Advocacy through submissions

As part of its advocacy for the district, Council regularly makes submissions on Government bills and policy statements. In 2019/20, the Council made 19 submissions across a range of topics, including significant matters such as climate change and environmental management, housing and development, and infrastructure funding. On urban development and infrastructure funding, Council presented its perspective to the Select Committee. The Council also encouraged people in the community with an interest to make submissions. For example, Mayor K Gurunathan urged environmental groups and conservationists to have their say on protections for indigenous biodiversity, along with the Council's own submission on this.



### Iwi and community input key to art installation

Community input and iwi consultation were integral to the creation of a multimedia work commissioned to complement Council's redevelopment at Te Uruhi/Maclean Park in Paraparaumu.

Tohorā, designed by internationally renowned New Zealand artist Kereama Taepa (Te Arawa, Te Āti Awa), is a nearly 10-metre long sculpture symbolising the journey of whales and other travellers through the Te Rau o te Rangi waters – the strait between Kāpiti Island and the mainland.

Pictured are iwi representatives and elected members at the blessing of the new artwork in June 2020.

The artwork was commissioned by the Council's Public Art Panel, following community consultation in 2017. Detailed design concepts were developed in consultation with the site's mana whenua Te Āti Awa and accepted by the panel in October 2019.

## Recognition for our efforts

Each year specific functions of the Council are audited and assessed. Some of these are mandatory and others we enter voluntarily to determine our progress on key initiatives, and the quality of operations and services we are providing. This section highlights the reviews and audits conducted and recognition we received in 2019/20.

### **Emissions reduction achievements recognised**

Our innovative strategies to reduce emissions by 77 per cent over the last 10 years were recognised, with the Kāpiti Coast District Council winning the Excellence in Climate Action (medium organisation) category at the 2019 Enviro-Mark Solutions Awards.

This follows our 2018 confirmation as the leading certified CO<sub>2</sub> equivalent emission reducer in the CEMARS programme and a 2017 Overall Award for Outstanding Performance in Carbon Management.

The Council has its annual inventory independently audited to gain greenhouse gas (GHG) emissions reduction accreditation to the ISO-14064 standard. Each year's results are provided in the following year, so we will know our 2019/20 achievement in 2021.

### **Waka Kotahi NZ Transport Agency audits yield top ratings**

#### **Road network audit**

The Council scored the best possible overall rating for management of the district's paths, roads and cycleways in a Waka Kotahi audit.

The Audit Investment Report from February 2020 shows our road network is well managed and in a stable condition. The auditors noted that the Council's efforts to improve safety, such as our intersection upgrades, revised speed limits and safety campaigns, have been well designed and implemented.

The report also commended the Council for its strong emphasis on improving the quality of transport data – providing information on traffic volumes, safety and other aspects of how our roads are functioning – and which we use for planning future infrastructure.

#### **Roading audit**

Waka Kotahi also gave Council the top rating for our roading contract management, financial processes and procurement procedures.

The Procedural Investment Audit completed in February 2020 followed the 2019 Investment Audit.

Waka Kotahi audits local authorities' roading programmes every three to six years to ensure that government investment is well managed and delivering value for money. In 2019/20, the Council was managing a contribution of \$7 million from Waka Kotahi to local projects – approximately 50 per cent of our budget.

### **Four-star rating maintained for water supply**

Council's water supply schemes have been given the highest compliance rating by the Greater Wellington Regional Council (GWRC) in its annual assessment. The green four-star rating means the scheme complies and has been managed with excellence. This maintains the top compliance rating achieved by the Waikanae River recharge with groundwater scheme since it was implemented in 2013/14 and became operational in 2015 to ensure we provide a high-quality and reliable water supply for Waikanae, Raumati and Paraparaumu.





## Our building functions endorsed

### Building consent authority accreditation confirmed

Council staff and processes have been praised by experts reviewing our building consent authority functions. Every two years councils are audited by International Accreditation New Zealand. Our most recent audit was completed in October 2019 and confirmed Council's ongoing accreditation.

Councils are required under legislation to hold Building Consent Authority status before they can issue building consents, inspect building work, and issue code of compliance certificates. Accreditation assessments are carried out on behalf of central government, assessing each council against a suite of government regulations and standards.

### Kāpiti selected for pilot of Building Act functions

We were one of two local authorities invited by the Ministry for Business, Innovation and Employment (MBIE) to take part in a desktop audit of our territorial authority Building Act functions.

Feedback from MBIE was very positive, with small recommendations for our building warrants of fitness and compliance schedules.





With an increasing number of families and a high number of retired people in the district Council is mindful that rates income needs to be prudently managed. The AA rating from credit rating agency Standard & Poor's endorses the Council's financial stewardship. Photo: Mark Coote.

## Strong credit rating retained

As they do annually, international credit rating agency Standard & Poor's (S&P) reviewed our financial performance during 2019/20 and our financial management approach and plans. In the previous year, S&P raised Council's credit rating two grades from A+ to AA, and just after year-end this year they advised that the AA rating was maintained.

Receiving a higher rating, and maintaining it in this past year, endorses Council's efforts to improve our financial position, which has been an ongoing focus for us. The AA rating puts Kāpiti among the top tier of councils in New Zealand.

## Bronze award for Annual Report 2018/19

In our first entry to the Australasian Reporting Awards (ARA), the Council achieved a Bronze Award for our Annual Report 2018/19. The ARA Awards are open to organisations in Australia, New Zealand, and the Asia-Pacific Region. By participating, organisations:

- benchmark their annual report against best practice criteria and their peers
- receive recognition for excellence in reporting with a gold, silver, or bronze award
- obtain constructive feedback and expert advice to help improve their next annual report.

## Increase in community satisfaction

Each year a sample of residents is independently surveyed about their satisfaction with Council services. For 2019/20, overall satisfaction was 80 per cent. This is the same as achieved in 2017/18, and up from 76 per cent in 2018/19.

Of 14 aspects of satisfaction with Council services measured against a target, only two did not meet the target; these were street lighting and waste minimisation education. The remaining 12 all exceeded targets, with eight the same as or better than the 2018/19 year.

Many of the survey results are provided in the key performance measure tables in the activity sections of this annual report. You can see a full report on the residents' opinion survey on the Council's website at [kapiticoast.govt.nz/resident-opinion-survey](https://kapiticoast.govt.nz/resident-opinion-survey)

## Organisational review finds opportunities for improvement

At the end of the 2018/19 year the Mayor and councillors commissioned an independent organisational review to help improve the management and governance of the Council.

The review, conducted by management consultants Martin Jenkins during 2019/20, found that the Council does many things well, but that the achievements are not always widely understood. The review also identified a range of issues and made 29 recommendations to lift the collective performance of the Council.

Broadly, the recommendations involve:

- improving community understanding of Council planning and operations
- strengthening the partnership relationship with mana whenua
- making the most of our Community Boards

- clarifying the respective roles of councillors, management, and staff, and fostering constructive relationships
- supporting Council managers and staff in decision-making and prioritising
- continuing to emphasise service quality and customer focus
- increasing workforce planning, training and development, including leaders' and managers' staff management skills.

You can read the full report and recommendations at [kapiticoast.govt.nz/2019-independent-organisational-review](https://kapiticoast.govt.nz/2019-independent-organisational-review)



## Progress towards our outcomes

This section highlights how our activities and initiatives during 2019/20 have contributed to the outcomes we have agreed with the community for our district. It also provides examples of the way we have delivered on the four wellbeings – social, cultural, environmental, and economic – reintroduced into our governing legislation.



Many residents gathered for our 2020 Waitangi Day event in Paekākāriki. The event was developed in partnership between Ngāti Haumia ki Paekākāriki, Te Whakamimenga o Kāpiti and the Council. Photo: Mark Coote.



# Our plan on a page

Our plan on a page illustrates the key elements of the strategic direction developed as part of the long term plan 2018-38. More information on our long term plan is available at [kapiticoast.govt.nz/long-term-plan-2018-38](http://kapiticoast.govt.nz/long-term-plan-2018-38)

## Key challenges

## Approaches

## Financial strategy

## 10-year outcomes

## Long term goals

R E S I L I E N C E



### 3-year focus:

- » Improved financial position against financial constraints
- » Infrastructure investment that supports resilience and agreed growth projections
- » Improved accessibility of Council services
- » A positive response to our distinct district identity
- » An effective response to climate change in Kāpiti
- » Community satisfaction with Council services is maintained or improved
- » A more diverse range of businesses 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 levels of service consistently met or exceeded in response to emergency preparedness

**WISE MANAGEMENT** of public resources and sustainable funding of Council services



Council is a **TRUSTED PARTNER** with tāngata whenua and strongly engaged with the community

A high **QUALITY NATURAL ENVIRONMENT** enjoyed by all



A **RESILIENT COMMUNITY** that has support for basic needs and feels safe and connected



An attractive and distinctive **KĀPITI IDENTITY** and sense of place that make people proud to live, work and play here



A **STRONG ECONOMY** with more jobs and higher average incomes

Our vision

thriving environment :: vibrant economy :: strong communities

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

**toitū Kāpiti – the lifestyle choice**



Vendors at the popular Waikanae Community Market. The Waikanae Community Board helped revitalise the market which reopened in July 2020.

## Our direction

The direction we've set in our Long-term Plan is illustrated in the graphic on the previous page. Our outcomes were shaped through discussions with the community about the most important things the Kāpiti Coast District Council needed to do. They support our vision of a thriving environment, vibrant economy and strong communities, and reflect our challenges, particularly affordability, the need to grow our economy, the value of kotahitanga – community and being connected, and the importance of sustainability. The impacts of the COVID-19 pandemic on the district have reinforced the relevance of our outcomes.

## Contribution to focus outcomes

During 2019/20 we continued our emphasis on the three-year focus outcomes. Our projects and initiatives all contribute to one or more outcomes in some way. Below are examples from the past year of how our work and achievements link to our focus outcomes.

- **Improved financial position against financial constraints** – our higher credit rating of AA (gained in 2019) has been maintained by international credit rating agency Standard & Poor's (S&P).
- **Infrastructure investment that supports resilience and agreed growth projections** – we have largely completed all our planned major infrastructure work for 2019/20, with the exception of work impacted by COVID-19.

- **Improved accessibility of Council services** – we installed fibre internet at Ōtaki Library/Service Centre, Waikanae Service Centre, Waikanae Water Treatment Plant and Coastlands Aquatic Centre, improving speed and stability at those locations.
- **A positive response to our distinct district identity** – as part of our pandemic support we created a #LoveLocal section on KapitiCoastNZ.com and associated Facebook group, campaign and video series, all promoting Kāpiti businesses and attractions.
- **An effective response to climate change in Kāpiti** – our Council continues to be recognised as a top-performing organisation in reducing carbon emissions.

## Contribution to wellbeing

Our focus on wellbeing has been reinforced with the Government's re-introduction of the four 'wellbeings' into the Local Government Act 2002 – our governing legislation. This ensures that the social, cultural, economic and environmental wellbeing of the district is held up as a core purpose of Council.

Our Council had retained a focus on these wellbeings and they are encapsulated in our outcomes and long-term goals. Examples of our contribution in each area in 2019/20 are shown on the following page.



## Social wellbeing

- We completed a comprehensive assessment of housing needs in the district, involving a range of community organisations active in improving housing options for Kāpiti.
- With Neighbourhood Support (national office) we began collaboration on an initiative to enhance community safety. We are working with existing Neighbourhood Support groups, and a service coordinator will be based in our Te Newhanga Kāpiti Community Centre.

## Cultural wellbeing

- Te Raukura ki Kāpiti Performing Arts Centre opened in February 2020. Located at Kāpiti College, the centre is a partnership between the college and Kāpiti community. Through the Long-term Plan process, Council committed \$1.6 million to ensure the centre would be available for community events.
- Our No. 8 Wire week this year included the first community workshops delivered in Te Reo Māori. During the week, Council promotes a series of events that encourage resourcefulness and showcase environmental sustainability practices.

## Economic wellbeing

- Council supports Elevate Ōtaki, a community-led initiative to help Ōtaki businesses and community benefit from the expressway development.
- WellingtonNZ (formerly WREDA) awarded over 30 business capability-building grants to Kāpiti businesses in 2020 – the third highest number of recipients in the Wellington region. Council works closely with WellingtonNZ and promoted the grants on the Council's website as part of our COVID-19 support.

## Environmental wellbeing

- We support the Enviroschools programme in Kāpiti. Highlights this year included students and teachers connecting with the natural environment at the Kaitawa Reserve outdoor 'classroom'; an area of replanted bush in Paraparaumu with detailed interpretive signage about the plants, insects and birdlife. It has been developed by Friends of Kaitawa Reserve, with support from Kapi-Mana Forest and Bird and the Council.
- We have been trialling a forestry-style method of restoration planting on the Matai Huka (Raumati Escarpment) Reserve. It has proved very successful and could reduce future planting costs.







# Our activities and services

This part of our Annual Report details the achievements and performance of the Kāpiti Coast District Council across all its activities and services.

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

Infrastructure .....	48
Community services .....	72
Planning and regulatory services .....	94
Governance and tangata whenua .....	101

In each cluster there are a number of specific services and activities. For each one we've outlined what has been achieved in 2019/20, and set out the results for our key performance indicators against the targets that were set in the Long-term Plan 2018–38.





The new Rahui Road bridge in Ōtaki takes shape. A key ongoing project for Council is improving our local roading connections with the new Expressway routes. Photo: Mark Coote for Waka Kotahi NZ Transport Agency.

## Infrastructure

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

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

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

Our 30-year infrastructure strategy was revised in 2018 as part of the Long-term Plan 2018–38, and can be found on the Your Council>Planning pages of our website [kapiticoast.govt.nz](http://kapiticoast.govt.nz)

### In this section you'll find:

Stormwater .....	49
Access and transport .....	53
Coastal management .....	57
Water .....	60
Wastewater .....	65
Solid waste .....	69

# Stormwater – wai āwhā

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

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

Under this activity, expected climate change impacts are incorporated into the design, construction and maintenance of stormwater infrastructure assets.

In addition to the piped assets, culverts, bridges wetlands, and sumps, Kāpiti Coast District Council has more than 110 kilometres of open waterways forming part of the urban drainage network.

Council owns and manage approximately 40 kilometres of the open waterways, and Greater Wellington Regional Council (GWRC) is responsible for flood protection associated with the remaining length of open waterways, which includes Waikanae and Ōtaki rivers.

## Stormwater capital work programme

The district has experienced significant flooding in recent years, resulting in Council approving a comprehensive stormwater work programme [240 projects, with a cost of \$489 million], as part of the Long-term Plan 2018.

## Major stormwater capital projects

The major stormwater projects cover the design and construction of major drainage systems to accommodate run-off from less frequent storms (1-in-50-year or 1-in-100-year events). These projects include upgrading under-capacity networks, stream works, pumping systems, and so on.

The main purpose of major stormwater projects is to eliminate the risk of loss of life and property damage due to flooding.

In 2019/20, physical works were completed in four major projects, including:

- asset upgrades in William Street
- asset upgrades in Margaret Road Stage1
- asset renewals in Paraparaumu catchment 7
- asset renewals in Paraparaumu catchment 8.

Apart from the physical works, stormwater upgrade/renewal designs were completed in 12 projects, and designs were carried forward to 2020/21 in another 14 projects.

## Minor stormwater capital projects

The minor stormwater projects include the design and construction of minor drainage systems to accommodate run-off from more frequent storms (1-in-five-year or 1-in-10-year events).

These projects include repair works to existing assets, construction of overland flow paths, minor stormwater upgrades and extensions including upgrading inlet control devices such as stormwater sumps [cost of each project is in the order of \$10,000 to \$300,000].



### Operating spending

**\$4,054,628**

**\$4,218,465 budget**

\$1.40 weekly per resident

### Capital spending

**\$4,213,629**

**\$3,655,499 budget**

In 2019/20, physical works were completed in three minor projects:

- o Margaret Road Stage 2 stormwater upgrades
- o upgrading street sumps to “super sumps” in critical locations
- o 2019/20 minor capital works project.

Apart from the physical works, designs were completed in two projects, and designs of one project have been carried forward to 2020/21.

The Stormwater management strategy and bylaw, Hydraulic Neutrality effectiveness and global drain maintenance consent projects are progressing well.

In 2019/20 we awarded the districtwide water quality monitoring tender (for four years) and districtwide flood hazard modelling tender (for two years)

The following districtwide stormwater asset investigations were carried out:

- o Stormwater survey – 90 per cent completed.
- o CCTV and Manhole condition assessments completed in 17 catchments; there are 34 stormwater catchments in the district and 17 more to be investigated.

In 2019/20 financial year there were 344 complaints related to stormwater activity, compared to 332 in the previous financial year.

## **Drain cleaning**

We completed 14.1 kilometres of open drain/stream maintenance (gravel extraction, machine cleaning and hand cleaning) to increase capacity.

## **Other key developments**

In April 2020 Council applied to Government for funds to deliver stormwater projects that are ready for construction under the “shovel ready” project category. One stormwater project has been shortlisted, and we are awaiting the decision on funding.



## Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
We minimise risks to human life and health from flooding by responding efficiently and effectively to flooding issues. We maintain, repair and renew major flood protection and control works.	Median response time to attend a flooding event from notification to attendance on site <i>(Department of Internal Affairs (DIA) mandatory measure)</i>	Urgent (less than or equal to 24 hours)	Achieved	There were 80 urgent flooding complaints and the median response time was less than 24 hours.  [2018/19 result was 'Achieved']
		Non-urgent (less than or equal to five days)	Achieved	The median response time was three days for 233 non-urgent flooding related complaints.  [2018/19 result was three days]
	Percentage of all buildings that have been inundated due to minor flooding that are visited within four weeks	90%	Achieved (100%)	Year-to-date there were five building-related flooding requests (two dwellings and three garages). Visited within one day.  [2018/19 result was three days]
	Number of complaints received about the performance of the district's stormwater system <i>(DIA mandatory measure)</i>	Fewer than 30 per 1,000 properties connected to the Council's stormwater system	Achieved (13.9 per 1000)	The 313 flooding-related complaints in the year to date translate to 13.9 per 1000 connections (estimated 22,464 connections).  [2018/19 result was 14.8]
	Major flood protection and control works are maintained, repaired and renewed to the key standards as defined in the Council's activity management plan <i>(DIA mandatory measure)</i>	Achieve	Achieved	Major asset renewals were completed in Paraparaumu catchments 7 and 8, William Street, and Margaret Road (Stage 1).  All projects were completed following the key standards, as defined in the Council's Activity Management plan.  [2018/19 result was 'Achieved']
	Number of buildings (habitable floors) reported to be flooded as a result of a less than 1-in-50 year rain event <i>(DIA mandatory measure)</i>	Fewer than 3 per 1,000 properties connected to the Council's stormwater system	Achieved (0.089 per 1000)	There were two habitable floors affected by flooding events.  This translate to 0.089 per 1000 connections.  [2018/19 result was 0.00, as habitable floors were not affected by flooding in 2018/19]

Contribution to outcomes	Performance measures	Target	Result	Comment
We comply with our resource consent conditions, and our stormwater systems do not harm the downstream receiving environment	<p>Measure compliance with the Council's resource consents for discharge from its stormwater system, by the number of:</p> <ul style="list-style-type: none"> <li>a) abatement notices</li> <li>b) infringement notices</li> <li>c) enforcement orders</li> <li>d) successful prosecutions, received by the Council in relation to those resource consents</li> </ul> <p><i>(DIA mandatory measure)</i></p>	None	Achieved (None)	<p>There has been no non-compliance with Council's resource consents for discharge from its stormwater system in 2019/20.</p> <p>[2018/19 result was 'achieved']</p>

# Access and transport – putanga me te waka

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

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

## State Highway 1 (SH1) revocation

Revocation of the old SH1 is under way on the Raumati Straights. The installation of new stormwater infrastructure comprises the initial works, with little to see above ground at this time apart from traffic control. However, work is progressing well. Following the stormwater works will come new footpaths, kerbs and channels and a roundabout at Raumati Road intersection.

The Peka Peka to Ōtaki (PP20) revocation process is continuing, with work on the management plan and scheme design and further consultation throughout 2020.

Works in the Waikanae and Paraparaumu town centres have been postponed to 2021 due to the effect of the COVID-19 downturn on local businesses.

## Roading improvements

The Mazengarb/Ratanui roads roundabout was completed in October 2019, helping reduce delays and improving road safety in this area.

Road widening and a new shared, off-road path were installed on Kāpiti Road, between Brett Ambler Way and west of Arawhata Road. These works improved safety and will reduce delays.

## Minor improvements

We have undertaken a range of relatively minor road and intersection improvements across the district, which have included traffic calming, more safe-crossing points, lighting improvements, and installation of new road signs and road markings. Safety improvements undertaken include:

- Waimea Road/Ono Street intersection safety upgrades – completed.
- Safety audit and road marking upgrades the Rangiuru Rd/Marine Parade area – completed.
- Safety improvements design processes for the Raumati Town Centre and Te Moana Road corridor – continuing.

## District footpath renewal

Footpath work (renewals and new footpaths) has been completed. A total of 3475 metres of renewals has been completed. This is an area of 6781 m².

## Road design and planning

The development of the Waka Kotahi NZ Transport Agency programme business case for the East-West

Connectors (linking Arawhata Road to Ihakara Street) continues. This project aims to reduce congestion issues and future-proof Kāpiti Road. If this programme business case is endorsed, we can move to developing the detailed business case we need to secure Waka Kotahi funding for this project.

Advice was provided at a number of pre-application business start-up meetings, and in response to 23 temporary events.

The Draft Sustainable Transport Strategy was released for consultation in June 2020, and is on track to be finalised in October 2020.



### Operating spending

**\$14,908,842**

\$14,461,890 budget

\$5.17 per week per resident

### Capital spending

**\$5,907,327**

\$7,997,597 budget



## Emergency works

No severe weather events of significance occurred; however, a number of small slips and wind-blown trees were dealt with as part of emergency maintenance.

## Road safety

Council, jointly with the New Zealand Police and other agencies and groups, undertook a number of road safety initiatives:

- The annual Shiny Side Up Bike Fest regional motorcycle event at Southward Car Museum, organised by Waka Kotahi, ACC and Greater Wellington Regional Council (GWRC), was attended by over 2000 motorcyclists. This event aims to educate motorcyclists on how to ride safely and improve their skills.
- Our first Mobility Scooter Safety Course.
- The annual Orange Day School Patrols Parade was held, with school patrollers taking part.
- Presentations to groups and organisations around road safety.

- Fitting and checking approved child restraint seats.
- Installing electronic speed feedback and school speed limits signs.

## Supporting sustainable transport

As part of the Council's commitment to support the use of sustainable transport modes, we provide footpaths, shared paths, on-road cycle lanes and off-road cycleways. We also encourage walking, cycling and the use of public transport.

Council has begun the process of reviewing its Sustainable Transport Strategy, with public consultation on the new strategy undertaken in the 2020/21 year.

## Expressway projects

Council continued its design review, monitoring, consenting and liaison role in the expressway projects that are under way in the district. The construction work is the responsibility of Waka Kotahi and, in the case of the Transmission Gully project, the Wellington Gateway Partnership.

## Peka Peka to Ōtaki (PP2Ō)

Council has been involved in the PP2Ō Expressway, both as consenting authority in the development of the required construction management plans, and as road controlling authority in the detailed design.

Physical works continued on PP2Ō and Fletcher Construction liaised with Council and residents to enable the works.

## Transmission Gully

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

## Ōtaki to North of Levin (Ō2NL)

Council provided high-level input into the preliminary design and consenting processes for the relatively small section of this project in our district.

## Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
Our transport network allows for the safe and efficient movement of people and goods	Residents [%] who agree that the existing transport system allows easy movement around the district	80%	Achieved [81%]	The Residents' Opinion Survey reported 81% satisfaction, an increase on the previous year.  [2018/19 result was 75%]
	Number of serious and fatal crashes on district roads is falling (excludes SH1) <i>(Department of Internal Affairs (DIA) mandatory measure)</i>	Five-year rolling average reduces each year	Achieved	There were eight serious injury or fatal crashes in 2019/20, giving a five-year rolling average of 10. (previously 10.2 for the 2014–19 period).
	Residents [%] are satisfied with street lighting	85%	Not achieved [83.5%]	The Residents' Opinion Survey reported 83.5% satisfaction, falling slightly short of the target (though within the survey's margin of error of +/- 3.5%).  [2018/19 result was 85%]
Our transport network is affordable and reliable, and users can easily get around the district by their preferred means	Percentage of the sealed local road network that is resurfaced <i>(DIA mandatory measure)</i>	5%	Not achieved [4.5%]	Council resurfaced 18 km of the local road network, which is 4.5% of the total 403 km network.  [2018/19 result was 5.1%]
	Residents [%] who are satisfied with the condition of the road and footpath network	Roads 70%	Achieved [77%]	The Residents' Opinion Survey reported 77% satisfied.  [2018/19 result was 72%]
		Footpaths 65%	Achieved [66%]	The Residents' Opinion Survey reported 66% satisfied.  [2018/19 result was 66%]
	Roads that meet smooth roads standards <i>(DIA mandatory measure)</i>	Overall smooth travel exposure is above 85%	Achieved [90%]	The smooth travel exposure for 2019/20 is 90%.  [2018/19 result was 87%]

Contribution to outcomes	Performance measures	Target	Result	Comment
	Average cost of the local roading per kilometre is comparable with similar-sized districts in New Zealand	Achieve	Not able to be reported	Waka Kotahi One Network Road Classification (ONRC) data is no longer available in a format that robustly compares Council's costs with similar-sized districts, so we are unable to report on this measure.  [2018/19 result was 'Achieved']
	Percentage of service requests relating to roads and footpaths responded to within 3–5 hrs (urgent), 15 days (non-urgent). <i>(DIA mandatory measure)</i>	Roads 85% Footpaths 85%	Not able to be reported	We cannot report on this measure due to external data issues preventing the accurate calculation of urgent versus non-urgent requests.  However, for all service requests throughout the year, 75% were responded to within the timeframes contracted with Council's road maintenance contractor. During the year we made improvements to how requests are managed, and taking the six months from January 2020 to June 2020, compliance with contracted timeframes improved to 82%.
	Percentage of footpaths that fall within the level of service or service standard for the condition of footpaths, as set out in the activity management plan. <i>(DIA mandatory measure)</i>	40% <i>(target increases over the next three years)</i>	Achieved [94%]	The recently completed footpath survey for 20% of the network reported that 96% of the network is in good or better condition. 40% of the network has been surveyed in the past two years, with the remaining 60% of the network to be surveyed over the next three years.  [2018/19 result was 94%]



# Coastal management – whakahaere takutai

A major ongoing focus for the Council and community is determining how to respond to the effects of increased sea levels as a result of future climate change impacts and storm intensity on Kāpiti's coast.

The Kāpiti Coast District Council's priority in this activity is the sustainable management of the coastal environment. This includes protecting publicly owned roads and public health infrastructure by maintaining Council-owned sea walls as long as is practical, and facilitating beach protection projects.

We are committed to providing beach and coastal areas that support a wide range of activities. Improving accessibility, enhancing the ecological and amenity values of our coastal environment and ensuring safety are functions the Council participates in through beach patrols, monitoring and signage. We also ensure that beach accessways are maintained to a usable level.

## Coastal maintenance

The Council carried out the following coastal maintenance activities during 2019/20:

- regular cleaning of beach outlets
- minor repairs to seawalls
- monitoring of coastal assets.

## Paekākāriki seawall

The Paekākāriki seawall upgrade project had detailed designs completed on schedule in 2018/19. Resource

consent was granted in 2015/16 and building consents were granted in 2019/20.

The seawall is ready for construction, but the construction budget is available in 2021/22. In April 2020, Council submitted an application to the Government's 'shovel ready' projects fund, to bring forward the construction of the seawall. In May 2020, the application was shortlisted, and we are awaiting a decision.

## Wharemauku block wall and Marine Parade rock revetment project

Long-term options for the Wharemauku block wall have been identified in 2019/20, and Council had planned to present the options to affected residents in March 2020. However, due to COVID-19, it was not possible to have the discussions with the community and this is now programmed to take place by December 2020, after Council has submitted a structure removal and replacement plan to Greater Wellington Regional Council (GWRC) to meet its resource consent conditions.

## Old Coach Route issue

There is a long-standing unresolved ownership issue regarding the Old Coach Route, which created delays

in gaining a resource consent for the Wharemauku block wall strengthening work. In 2018/19 Council engaged a number of specialists to advise us on the best way to pursue a resolution of the ownership issue. This work continued in 2019/20.



### Operating spending

**\$1,278,094**

**\$1,304,672 budget**

\$0.44 weekly per resident

### Capital spending

**\$500,964**

**\$670,638 budget**

### **Raumati seawall**

This 3.1-kilometre long seawall was built by central government and beach property owners in the 1970s when the area was subject to heavy coastal erosion. Certain parts of the seawall are in poor condition and need replacing.

Specialists engaged by Council have advised that Council is responsible for replacement/renewal of this seawall, and options will be discussed as part of the Long-term Plan 2021–41.

### **Renewal of other coastal assets**

Based on the districtwide asset condition assessments completed in 2016/17, Council is systematically carrying out assets renewals/replacements on the coast.

In 2019/20, asset replacements were completed at Rosetta Road and Willow Grove locations. Construction of the Raumati Beach launching ramp was delayed due to COVID-19, and was completed in August 2020.

### **Coastal restoration**

We have an ongoing programme of coastal restoration work. Degraded dune ecosystems are being restored by controlling weeds and planting local native plants, which serve the dual purpose of enhancing biodiversity while providing the best protection against erosion. Fore-dune restoration with native sand-binding plants is continuing wherever dunes are accreting. Where the current trend is erosion of dunes, the effort focuses on the

back-dunes to reduce weed dominance, restore native species and build resilience.

We work closely with community volunteers who help plant and maintain dunes in their areas. As part of the coastal dune restoration programme, around 1500 native sand-binding plants are planted each year on the fore-dunes between Paraparaumu and Ōtaki, focusing on blow-outs and areas where native plants were not established and marram grass predominated.

An additional 4000 native trees, shrubs and sedges were planted in back-dune areas between Ames Street Reserve in Paekākāriki and the Waitohu Estuary in Ōtaki to improve biodiversity and replace controlled weeds such as boxthorn, pampas and lupin.

## Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
We respond promptly to sea wall or rock revetment failure and repair where applicable	Respond within 48 hours to urgent requests to repair sea walls or rock revetments	90%	Achieved (100%)	There were 27 requests this year. Three of them were urgent and all were responded to within 24 hours.  (2018/19 result was 100%)
We keep our stormwater beach outlets clear to avoid flooding	Stormwater beach outlets are kept clear	80%	Achieved (100%)	All beach outlets were regularly cleaned and kept clear.  (2018/19 result was 100%)



# Water – wai

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

## He taonga te wai – water is precious

All of Kāpiti Coast District Council's water supply schemes have been given the highest compliance rating by the Greater Wellington Regional Council (GWRC). The green four-star rating means:

- the scheme is fully compliant and has been managed with excellence
- Council has been proactive in meeting consent requirements
- Council responded promptly and effectively if issues arose concerning consent conditions
- no further action was required.

The river recharge scheme remained available and ready for use, however it was not used this year as the river level/flow rate did not fall low enough to require river recharge. Our environmental monitoring continued, and we reported to the adaptive management group for review. As part of this monitoring, a condition assessment of wetlands is required every three years. This was deferred to next year due to COVID-19 restrictions being in place during the monitoring period.

The districtwide water conservation peak day water use target of less than 490 litres per person per day (l/p/d) was achieved again this year, with the peak day being 411 l/p/d.

The annual leakage index remained low this year, at 2.25. Scores around 2 indicate a good balance between leakage management efforts and opportunity for leak reduction.

This year we trialled new infrared camera drone technology to locate hard-to-find leaks. This proved successful and further use of this technology is planned for next year.

Protection of the Waikanae water supply catchment continues, with a further two hectares of native planting being completed at the site of the future dam. A contract for the reforestation of the remaining dam land in pasture was tendered, and the access track to allow further pest management operations to start in 2020/21 has been cut.

Following an assessment of the security of the district's drinking water supply bores in 2019, designs for improvements are now well advanced. These improvements will further protect our precious groundwater resource from the risk of contamination.

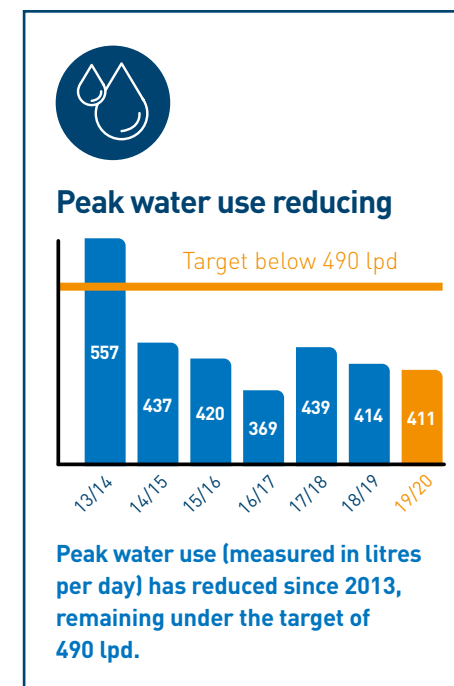
## A safe, clean water supply now and for the future

### Water safety planning

The release of a new drinking water safety planning framework and guidance material by the Ministry of Health in May 2019 has required a significant change in the national drinking water safety risk approach.

A series of 12 risk workshops on drinking water safety planning were completed in this year. This follows the completion of the water safety gap analysis and roadmap at the end of 2019.

The resulting risk assessment identified an extensive schedule of improvements to the existing system and processes.



An improvement plan will be initiated next year and incorporated into the Long-term Plan 2021–41 (LTP 2021). We undertook a detailed assessment of Council's water reservoirs to assess their general condition, security and any risks to drinking water safety.

We completed a number of minor maintenance items as a result, and will recommend an ongoing schedule of work as part of the LTP 2021.

We completed a study of water contamination risk from private properties back-flowing into the water supply network. It found that Kāpiti is generally well protected, because all the district's small water meter connections have in-built prevention against backflows and significant improvements were made to larger connections during the water metering project.

A draft backflow policy is also being prepared and will be informed by the remaining risks to allow us to address improvements in a consistent manner.

### Water safety and resilience programme

An inspection of the clarifier at the Waikanae Water Treatment Plant (WTP) in August 2019 further supported the need for its renewal.

It also provided an opportunity to complete interim mechanical repairs to reinforce aging equipment and maintain reliable service while the new clarifier is constructed.

A value engineering study of the preliminary design of the Waikanae WTP was completed. This, along with the learnings from the Safety in Design and hazard and operability (HAZOP) studies, has been incorporated into the scope for the detailed design of the works.

The detailed design for the Waikanae WTP renewals is now approximately 40 per cent complete. The tendering and commencement of construction is planned for 2020/21.



In December 2019 we completed a strategic review of the Ōtaki and Hautere drinking water supplies. This confirmed the investment in upgrades at the existing Tasman Road, Rangiuru Road and Hautere WTP sites as the best approach for the medium to long term.

Concept designs have been commenced for Tasman, Rangiuru and Hautere WTPs.

### Network renewals and upgrade

The design tender for the Tasman Road water supply main (to the Ōtaki central business district (CBD)) was awarded following the completion of the Ōtaki and Hautere water supply strategic review. The design of the Tasman Road water supply main has been completed and construction is planned in 2020/21.

### Balancing investment, risk and resilience

We completed a detailed assessment of the condition of the Paekākāriki WTP and developed a planned renewals programme to maintain the operational performance of this critical lifeline asset. This work will be used to refresh the LTP 2021 WTP renewals budgets.

We assessed the condition of the 8.7-kilometre long bulk water supply main from the Waikanae WTP to the Riwai reservoir serving all of Paraparaumu and Raumati. An inspection and testing plan has been developed to further improve the understanding of this critical pipe's condition, assist planning for its future renewal, and protect it from failures.

Master planning for the growth projected in the Ōtaki water supply scheme has been completed. This work identifies the upgrades needed to meet the future growth in Ōtaki and address existing service level issues. These upgrades will be incorporated into the LTP 2021.

A study of the condition of water mains in the Paekākāriki water supply network was completed, and this will further inform renewals planning across the district. Combined with the water loss management review completed this year, this work will inform our future water pipe renewals planning for the 2021 LTP.

## Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
We provide a continuous potable water supply that meets New Zealand drinking water standards	Median response times to a fault or unplanned interruption to our water network measured by attendance time (from the time the Council receives notification to the time that staff are on site) <i>(Department of Internal Affairs (DIA) mandatory measure)</i>	Urgent = less than or equal to 1 hour	Achieved	Median attendance time was 13.5 minutes for 78 urgent water interruptions.  [2018/19 result was 15 minutes]
		Non-urgent = less than or equal to three days	Achieved	Median attendance time was 3 hours for 577 non-urgent water faults.  [2018/19 result was 3 hours and 27 minutes]
	Median response times to a fault or unplanned interruption to our water network measured by resolution time (from the time that the Council receives notification to the time that staff confirm resolution) <i>(DIA mandatory measure)</i>	Urgent = less than or equal to 5 hours	Achieved	Median resolution time was 1 hour 5 minutes for 78 urgent water interruptions.  [2018/19 result was 1 hour and 38 minutes]
		Non-urgent = less than or equal to four days	Achieved	Median resolution time was 22 hours and 21 minutes for 577 non-urgent water faults.  [2018/19 result was 25 hours, 2 minutes]



Contribution to outcomes	Performance measures	Target	Result	Comment
	Measure the extent to which the district's drinking water supply complies with:  a) Part 4 of the drinking water standards (bacteria compliance criteria) b) Part 5 of the drinking water standards (protozoal compliance criteria) <i>(DIA mandatory measure)</i>	Achieve 100%          Achieve 100%	Not achieved          Not achieved	Four of the five treatment plants achieved full compliance with part 4 of the standards for the whole year. The Tasman Road, Ōtaki water treatment plant exceeded the daily low chlorine duration by 2.17% (31 minutes) in quarter one and failed the standards.  (2018/19 result was 'Not achieved')  Four of the five treatment plants achieved full compliance with part 5 of the standards for the whole year. The Tasman Road, Ōtaki water treatment plant had exceedances of greater than 3 minutes in quarter one and two that failed the standards.  Note that the Ōtaki and Hautere supplies will not be 100% compliant until upgrade work is undertaken, which is programmed to be completed by 2022.  (2018/19 result was 'Not achieved')
	Residents [%] who are satisfied with the quality of the Council's water supply (taste, odour, clarity)	80%	Achieved [85%]	The Residents' Opinion Survey reported 85% satisfaction.  (2018/19 result was 85%)

Contribution to outcomes	Performance measures	Target	Result	Comment
	<p>Measure the total number of complaints received by the Council, per 1000 connections to the Council's networked reticulation system, about any of the following:</p> <ul style="list-style-type: none"> <li>a) drinking water clarity</li> <li>b) drinking water taste</li> <li>c) drinking water odour</li> <li>d) drinking water pressure or flow</li> <li>e) continuity of supply</li> <li>f) Council's response to any of these issues.</li> </ul> <p><i>(DIA mandatory measure)</i></p>	At or below 6.2 complaints per 1000 connections	Not achieved 6.28 complaints per 1000 connections	<p>A total of 155 complaints was logged this year (31 water quality [taste/odour], 93 service requests for no water supply, and 31 low pressure enquiries).</p> <p>However, of the above 93 service requests for no water supply, only 84 were related to Council activity (as counted above).</p> <p>Thus, with a total of 23,253 connections, and a corrected total of 146 complaints, this translates to 6.28 complaints per 1000 connections.</p> <p>[2018/19 result was 5.56 per 1000]</p>
We encourage the sustainable use of potable water and aim to reduce water loss from our water network	Peak water consumption in litres per person per day (l/p/d)	At or below 490 l/p/d	Achieved	<p>Peak day water use for the year was 411 l/p/d.</p> <p>[2018/19 result was 414 l/p/d]</p>
	<p>Average water consumption in litres per person per day (l/p/d)</p> <p><i>(DIA mandatory measure)</i></p>	At or below 325 l/p/d	Achieved	<p>Average water use for the year was 312 l/p/d.</p> <p>[2018/19 result was 301 l/p/d]</p>
	<p>Percentage of real water loss<sup>1</sup> from the Council's networked reticulation system</p> <p><i>(DIA mandatory measure)</i></p>	At or below 23.6%	Achieved [21.3%]	<p>The percentage real water loss from the Council's network in 2019/20 was calculated at 21.3%</p> <p>[2018/19 result was 18%]</p>

<sup>1</sup> 'Real water loss' is reported here as defined by the Department of Internal Affairs: real losses through leaks in the network and apparent losses through metering inaccuracies and [assumed] water theft'. The industry standard definition does not include apparent losses.

# Wastewater – wai para

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

## Protecting public health and the environment

Kāpiti Coast District Council is committed to ensuring that natural environments are not damaged by effluent discharge and are enhanced where possible, and that the impact on the environment from discharged contaminants is minimised.

## Resource consent renewals

### Paraparaumu wastewater treatment plant (WWTP)

The draft project governance arrangements, vision and objectives, and engagement and communications strategy are in place. A long list of potential discharge options has been prepared following an initial fatal flaw assessment. These will be used to further shortlist options for investigation.

While we work to renew the resource consent, we are developing an application to continue discharging under the existing consent conditions. This will allow us to engage effectively with iwi and the community about options for the long term.

Iwi have been invited to participate in the re-consenting of the Paraparaumu WWTP, and to identify the most effective way to engage with the project.

## Ōtaki WWTP discharge consent renewal

The improvements to the land treatment discharge area at the Ōtaki WWTP during the renewal process include treated wastewater pumping and pipe distribution systems upgrades, and supporting grounds maintenance work.

## An effective and efficient wastewater service now and in the future

### Paraparaumu WWTP

We continued our programme of planned and reactive renewals following the 2016 condition and capacity study of the treatment plant.

This year, the pumps that feed sludge (a by-product of treating wastewater) into the centrifuges were replaced. The centrifuges remove water from the sludge produced by the plant, making it easier to transport. The “bowl” inside one of the two sludge dewatering centrifuges was also replaced so that it will continue to perform until its planned full renewal.

The conveyors that bring the sludge to the centrifuges need urgent work too, and this is included in the work programme for 2020/21.

A drone with remote scanning technology was used to develop detailed drawings for the renewal of mechanical equipment in one of the three clarifiers. This activity is included in the 2020/21 renewal works.

## Balancing investment, risk and resilience

### Wastewater management strategy

We made significant progress developing models and flow scenarios to examine the performance of our wastewater networks in the future. These will be used to plan out any future upgrades and incorporate climate change, asset deterioration and population growth information.



### Operating spending

**\$8,611,850**

**\$8,512,012 budget**

\$2.98 weekly per resident

### Capital spending

**\$1,615,935**

**\$10,092,413 budget**



Using this modelling, the costs and benefits of upgrades and renewals can be analysed against a standard for the containment of wastewater in the network. This will inform investment decisions in the 2021 LTP.

### **Ōtaki WWTP**

We completed a condition and capacity study of the Ōtaki WWTP. This will be used to inform the required growth and renewal programme for the plant in the development of the Long-term Plan 2021–41 (LTP 2021). This includes the results of a sludge ponds study carried out during the year, which identified that further removal of sludge from the ponds is

required to maintain the performance of this treatment process.

We completed design and procurement documents for the land discharge treatment area, and the improvement to the treatment process is planned in 2020/21.

### **Wastewater pumping stations**

The condition study of the wastewater pumping stations has been completed. This has provided best-practice inspection protocols, an improved understanding of the condition of critical pumping stations, and a risk-based inspections and renewal

profile for our 147 pumping stations that will inform the LTP 2021 budgeting.

### **Trade Waste bylaw**

Following the adoption of the Trade Waste bylaw in 2019, we identified trade waste discharges across the district and developed a strategy to manage their risk to the safe operation of the wastewater treatment plants and compliance with discharge consents. This information will be used to review trade waste consents and improve trade waste management and reporting practices.

## Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
Our wastewater system management practices ensure that we respond efficiently and effectively to wastewater system blockages, faults and overflow issues	Median response times to sewage overflows resulting from a blockage or other fault measured by attendance time (from the time the Council receives notification to the time that staff are on site) <i>(Department of Internal Affairs (DIA) mandatory measure)</i>	Less than or equal to 1 hour	Achieved (20 minutes)	Median attendance time was 25 minutes, for 88 blockages or faults attended in this year.  (2018/19 result was 20 minutes)
	Median response times to sewage overflows resulting from a blockage or other fault measured by resolution time (from the time that the Council receives notification to the time that staff confirm resolution) <i>(DIA mandatory measure)</i>	Less than or equal to 5 hours	Achieved	Median resolution time was 3 hours and 48 minutes, for 88 blockages or faults resolved in this year.  (2018/19 result was 2 hours and 29 minutes)
	Number of complaints received by the Council about any of the following: a) sewage odour b) sewerage system faults c) sewerage system blockages d) the Council's response to issues with the sewerage system <i>(DIA mandatory measure)</i>	Fewer than 7.2 complaints per 1000 connections to the Council's sewerage system	Achieved (4.8 complaints per 1000)	98 complaints were received at the close of the year (from a total of 20,410 connections).  (2018/19 result was 4.8 per 1000)

Contribution to outcomes	Performance measures	Target	Result	Comment
We comply with our resource consent conditions and our receiving natural environments are not damaged by effluent discharge, and are enhanced where possible	Number of dry weather sewage overflows  <i>(DIA mandatory measure)</i>	At or below 2 overflows per 1000 connections to the Council's sewerage system	Not achieved  (2.01 overflows per 1000 connections)	There were 41 dry weather overflows this year, including two Greater Wellington Regional Council (GWRC)-notifiable events (out of a total of 20,410 connections).  (2018/19 result was 52 overflows, or 2.56 per 1000 connections)
	Compliance with the Council's resource consents for discharge from its sewerage system measured by the number of:  a) abatement notices b) infringement notices c) enforcement orders d) convictions, received by the Council in relation to those resource consents  <i>(DIA mandatory measure)</i>	None	Achieved	There were no non-compliance actions during the year.



# Solid waste – para ūtonga

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

## Kerbside collection services

Kāpiti Coast District Council continued to monitor the delivery of kerbside collections of rubbish and recycling by private companies. Overall satisfaction ratings with kerbside services remained high for another year. In July, a change was implemented reducing the types of plastics that can be put out for recycling collections; a direct result of international markets for some plastics no longer being available.

To communicate the change, we rolled out a comprehensive education campaign through social media, radio and local newspapers. We also updated the signage on our three recycling drop-off stations to reflect the changes.

## Council's waste facilities

Council continued to lease the Otaihangā resource facility and the Ōtaki resource recovery centre to MidWest Operations, and work with MidWest to achieve effective and efficient waste management and minimisation.

We continued to contract the management of the Waikanae green waste and recycling centre. Composting New Zealand manages the green waste drop-off and sets the green waste fees.

## Wellington Regional Waste Management and Minimisation Plan 2017 (RWMMP)

Council continued to work on the actions set out in the RWMMP for Kāpiti, which form part of the annual and longer term work programme. As part of the regional group, Council collaborated with the other councils of the Wellington region that are party to the RWMMP to develop a regionally consistent Waste Management and Minimisation Bylaw.

The draft bylaw was adopted for public consultation by the Council on 30 July 2020, and has a focus on effective waste management as well as waste minimisation. Adoption and implementation will take place in the 2020/21 year, which will include, among other actions, the development of a regional licensing system for collectors and operators, and mandatory waste planning for event organisers.

## Waste Minimisation Taskforce

The Taskforce was established by the Mayor in March 2019, and was tasked to review and report to Council on how actions from the Waste Minimisation and Management Plan may be implemented to achieve a substantial reduction of waste to landfill from the district. The Taskforce met regularly, visited three landfill sites, and liaised with Council staff and other waste experts. It presented its findings and recommendations to Council in December 2019. The recommendations have been incorporated into the

waste work programme and will be brought back to Council as part of proposed waste projects and actions.



### Operating spending

**\$1,333,510**

**\$1,441,460 budget**

\$0.46 weekly per resident

### Capital spending

**nil**

**\$180,967 budget**

## Otaihanga landfill

The Otaihanga landfill has been closed since 2007 to general material, but continued to accept clean fill on a restricted basis, which is used to contour the landfill surface and for final capping. The contouring assists stormwater run-off over the capped surface.

We continued work on the final cap construction, which is planned to be completed in the summer of 2020/21.

The development of expanded wetlands at the Otaihanga landfill, to assist with treating landfill leachate and stormwater, was completed in June 2020 including planting of the wetlands and surrounds. The outcomes are being monitored, and further improvements are planned for 2020/21.

Now that the final capping works are nearing completion, we are considering options for the future use of the landfill site.

## Waste minimisation

We continued to implement our waste minimisation and education action plan with a number of Council-facilitated waste minimisation activities.

This included zero waste education in schools, recycling education visits and advice, zero waste in the Council's offices, support of zero waste events, and regional education actions such as waste-free parenting workshops and zero waste event guides.

Some of our waste minimisation activities include:

- regular visits to transfer stations to inform customers on waste diversion options (for example recycling, home composting)
- supporting the Kāpiti foodbank to switch to plastic-bag-free food donation drives
- installing a set of public place recycling bins at Maclean Park for a 12-month trial period
- event waste minimisation at three Council-run events (Waitangi Day, Movies in the Park and Takutai Kāpiti Summit) for a successful average waste to landfill diversion of 73 per cent across all three events
- the zero waste education programme was delivered to around 230 students at Te Horo School
- we further engaged with schools by delivering a talk to Ōtaki College year 13 social studies students who are planning a waste minimisation project at the college

- a composting workshop was delivered at Ōtaki Library as part of the Community Garden Party Programme
- we ran two waste-free parenting workshops – one in-person, and one as an online workshop
- throughout June we ran an education campaign to inform residents of the changes to plastics recycling and to raise awareness of other non-recyclable items.

## Waste levy funding

The Council allocated a total of \$20,909 of waste levy funding to 14 community projects in 2019/20.

These community projects included a sewing repair café, composting/worm farming and recycling projects, supporting the use of reusable cloth nappies and zero waste event support. These projects were carried out by schools, early childhood centres and community groups.

The Council allocated a total of \$49,880 of waste levy funding to three projects under the New Technology and Seed funding category of the Waste Levy Policy. Two projects address foodwaste and one project addresses e-waste.

## Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
Otaihanga, Ōtaki and Waikanae facilities are open seven days a week, and we license kerbside collection services for our urban areas	Disposal facilities are open 357 days per year	357 days per year	Achieved	Our disposal facilities remained open to commercial collectors during the COVID-19 lockdown, to provide essential services.  [2018/19 result was 'achieved']
	Licensed collectors comply with licence requirements	Achieve	Achieved	We carried out regular collection monitoring and found overall good compliance.  [2018/19 result was 'achieved']
	Residents [%] who are satisfied with the standard of kerbside collections	85%	Achieved 88.5%	Our Residents' Opinion Survey reported 88.5% satisfaction for 2019/20.  [2018/19 result was 85%]
We remove illegally dumped waste	Illegally dumped waste is removed within two working days	85%	Achieved 93%	In 2019/20 there were 258 instances of dumped waste, of which 241 were removed within two days.  [2018/19 result was 85%]
We encourage waste minimisation and provide education, information and advice	Residents [%] who are satisfied with the waste minimisation education, information and advice available	75%	Not achieved 65.8%	Our Residents' Opinion Survey reported 65.8% satisfaction for 2019/20.  Analysis of survey results indicates that respondents are providing feedback on waste services in general, and often do not focus on waste minimisation education/information that has been delivered. Through the next long-term plan development, we will investigate how we can improve the reporting of this measure.  [2018/19 result was 64%]





At the beginning of July 2019 we opened a temporary space for the Waikanae library and service centre in Mahara Place.

## Community services

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

The Kāpiti Coast District Council looks after more than 500 hectares of parks and sports grounds which provide opportunities for diverse recreation activities, and maintains 47 playgrounds. Kāpiti also has an extensive network of cycleways, walkways and bridleways.

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

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

Council also has a role in enabling sustainable economic growth, and over recent years we have implemented a visitor-attraction plan and a major events fund, as well as supported the PopUp Business School and Startup weekend.

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

### In this section you'll find:

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

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

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

## Districtwide parks and playgrounds

During the year we completed the following projects:

- Waimeha Domain Playground renewal
- Pharazyn Avenue Playground renewal
- Campbell Park Playground renewal
- Mazengarb Park Playground renewal
- coastal restoration
- Tohorā Artwork at Maclean Park – delivered on behalf of Arts and Heritage.

## Maclean Park redevelopment

We completed stage 1 of the Maclean Park redevelopment. The official opening event was held in November 2019, with over 1000 people attending throughout the day.

## Restoration planting

A total of 27,000 eco-sourced native plants were planted to restore bush, riparian margins, wetlands

and dunes across the district. Specific areas of interest included:

- 23,500 native plants planted at Pharazyn Reserve by Council staff and volunteers
- 2 hectares of the Matai Huka (Raumati Escarpment) Reserve planted, using a new method of restoration planting designed to reduce planting costs by up to 80 per cent per hectare
- 7000 native sand-binding plants (spinifex and pingao) planted on dunes between Paraparaumu and Ōtaki
- 3500 native riparian plants planted to continue the restoration of riparian margins throughout the district.

## Waikanae ki Uta ki Tai

Council staff continued working with the Department of Conservation, Greater Wellington Regional Council (GWRC), iwi and community representatives on the Waikanae River Mountains to the Sea catchment restoration programme, named 'Waikanae ki Uta ki Tai'. This programme aims to foster a collaborative, coordinated approach to protecting and restoring the Waikanae River catchment from the headwaters to the sea.



### Operating spending

**\$7,260,911**

**\$7,019,695 budget**

\$2.52 weekly per resident

### Capital spending

**\$804,620**

**\$1,427,009 budget**

## Other developments

The 'Stay and Play' video series was released through social media channels to showcase different activities to do in our open spaces over summer.

We replaced the Waimeha Domain boardwalk.

Approximately 15 kilometres of the Waikanae River track on the northern bank have been renewed.

A total of 2,443 people attended the summer series events and Parks Week.

The very successful inaugural Movies in the Park at Waikanae Park had 1,400 people attend.

The inaugural SuperSchools event was held at Waikanae Park as part of the Primary School Sports annual calendar of events. The event was play-based, targeting children who wouldn't normally participate in a sporting event. A total of 800 Year 7 and 8 pupils took part.



## Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
<b>Parks and open space</b>				
Our residents in urban areas live reasonably close to a recreation facility and a range of active recreation facilities is available throughout the district	Residential dwellings in urban areas are within 400m of a publicly-owned open space	85%	Achieved (99.4%)	103ha out of 18,452ha (0.6%) of the total District Plan residential area are not within 400m of a publicly owned open space.  (2018/19 result was 99.4%)
	Sports grounds are open (scheduled hours and weather dependent)	85%	Achieved (98%)	Sports grounds were open 98% of the year.  (2018/19 result was 97%)
	Residents (%) who are satisfied with the current availability of facilities	85%	Achieved (91%)	The annual Park Users' survey in February/March 2020 reported 91% satisfaction.  (2018/19 result was 100%)
	Residents (%) who are satisfied with the quality of the Council parks and open space	85%	Achieved (94%)	The annual Park Users' survey in February/March 2020 reported 94% satisfaction.  (2018/19 result was 100%)
	Residents (%) who are satisfied with the quality and range of recreation and sporting facilities in the district	85%	Achieved (85%)	The annual Park Users' survey in February/March 2020 reported 85% satisfaction.  (2018/19 result was 100%)
	Residents (%) who are satisfied with Council playgrounds	85%	Achieved (95%)	The annual Park Users' survey in February/March 2020 reported 95% satisfaction.  2018/19 result was 100%)

Contribution to outcomes	Performance measures	Target	Result	Comment
<b>Cemeteries</b>				
We provide well-maintained cemeteries and we want to ensure that most family members can access the interment site and records are available online	Users [%] who are satisfied with the cemeteries' appearance and accessibility	85%	Achieved (100%)	The annual Park Users' survey in February/March 2020 reported 100% satisfaction.  [2018/19 result was 100%]
	All available records will be on the Council's website within four weeks of interment	100%	Achieved (100%)	All records have been available within four weeks of interment.  [2018/19 result was 100%]
We measure burial capacity across the district and anticipate future needs	At least a 10-year burial capacity is maintained across the district	Achieve	Achieved	There is an estimated total of 54 years' capacity across the three cemeteries (based on 2013 Census data and allowing for projected population growth and age profile).  [2018/19 result was 'Achieved']
<b>Cycleways, walkways and bridleways</b>				
A range of cycleway, walkway and bridleway networks, including low-carbon alternatives, are available throughout our district and the quality and range increase over time	Users [%] who are satisfied with the Council's cycleways, walkways, and bridleways	85%	Achieved (92%)	The Residents' Opinion Survey reported 92% satisfaction, continuing a trend of consistently high scores for cycleways walkways and bridleways.  [2018/19 result was 94%]
Our beach accessways are maintained and are in a usable condition	Residents (%) who are satisfied with access points to beaches	85%	Achieved (89%)	The Residents' Opinion Survey for 2019/20 reported 89% satisfaction.  [2018/19 result was 92%]

Children enjoying a board walk. Photo: Ngā Manu Nature Reserve.







# Recreation and leisure – hākinakina

We provide facilities, services and programmes for recreation and leisure activities in the district.

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

## Garden Talks programme

The Garden Talks programme was launched at Ōtaki Library as a tie-in with the newly planted community garden. Over 45 people attended the first session, with a focus on garden design and growing your own microgreens. This project was developed in partnership with the Parks and Recreation Team to develop a “productive garden” outside Ōtaki Library.

## Te Wiki o Te Reo Māori 2019

We celebrated Te Wiki o Te Reo Māori with a series of exciting musical and theatre performances that attracted over 130 participants.

## Te Ara Hāpai

Planning has commenced for a review of the library’s strategic direction. The project is called Te Ara Hāpai, meaning a pathway that uplifts and supports people. This conveys our commitment to a new strategic pathway, one that leads to a more responsive and inclusive library service that works with the

community to create positive and empowering opportunities for all.

## Reading challenge

The library ran another successful reading challenge for our adult customers. This year we had just over 100 people participating, who collectively submitted 387 entries to the challenge.

## Te Reo Māori classes

We re-established our popular Introductory Te Reo Māori classes at Paraparaumu. Given the level of interest we will be expanding our offering in 2020.

## Online services

Online services continued during the lockdown period, including story times, book groups and web-based reservations. This saw both online content and engagement increase, with over 30 videos shared on Facebook.

## Tamariki Time

Particularly popular were our online Tamariki Time events, which contributed to over 20,000 video views in the fourth quarter compared to 590 views in the previous quarter – an increase of over 3400%

## Ebooks

Library users borrowed ebooks at unprecedented rates during the COVID-19 lockdown. A total of 8289

ebooks were issued in the fourth quarter. This compares to 4800 in the previous quarter – and reflects the increased popularity of online offerings in the absence of physical services.

## Kāpiti culture

The first round of 2019/20 Creative Communities Scheme funding grants was completed. These support arts activities that celebrate Kāpiti culture, community involvement and our diversity, particularly youth and Toi Māori. The amount of \$22,904.40 was awarded to nine recipients.



### Operating spending

**\$11,437,740**

**\$11,304,454 budget**

\$3.96 weekly per resident

### Capital spending

**\$777,576**

**\$1,244,828 budget**



## Tohorā

The artwork Tohorā was commissioned by the Public Arts Panel and completed by internationally renowned artist, Kereama Taepa. The multimedia work is integrated into the recently refreshed Te Uruhi/Maclean Park.

A temporary mural was completed on the exterior of the old Waikanae Library building by artists Kate Hartmann and Ruth Robertson-Taylor, reflecting the connection the area has with the artist Frances Hodgkins.

## Swimming pools

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

Before Alert Level 3 and 4 COVID-19 restrictions the pools were on target to reach the annual key performance indicator (KPI) of 290,000 admissions, but finished the year with a total of 268,817 admissions.

The Kāpiti Coast Aquatics team, winners of the Wellington Regional Championships hosted at Coastlands Aquatic Centre in June 2019, attended the annual WAVES Conference in Queenstown in September 2019, where they won the National Lifeguard Championships against five other regional teams. Our team excelled in swimming fitness, rescue skills, communication skills, first aid knowledge, pool operations knowledge, team work and leadership.

## SwimKāpiti

Across the district, a total of 1973 children took part in term-time lessons and 298 children took part in the SwimBegin reduced-price holiday lessons. During

the term 2/3 holidays a new SwimBegin Holiday Programme was launched, including a water safety and snorkelling module. This was met with great enthusiasm and will be further promoted in the future holidays.

Private lessons continue to grow in popularity, with 687 lessons offered.

There were 1243 school children who participated in schools' swimming lessons delivered by Council instructors in 2019/20.

More than 523 people took part in the AquaEase or AquaYoga programmes. These programmes have been very successful for those with medical conditions or limited mobility, but attendance was strongly affected by COVID-19 given the target demographic.

## Waikanae Pool

Visitor numbers were again relatively high at the open-air Waikanae Pool, with 47,880 visits in 2019/20. Visitor numbers can drop to as low as 38,500 in a poor summer, as they last did in 2016/17.

There were many successful events throughout the season. These included:

- Sunday Sounds – a hugely popular event, and set to become a regular summer feature. Musicians included members of staff and 1195 admissions were recorded.
- Back to school water fight – a day where the lifeguards and customers can have a bit of extra fun and interaction.
- Regular events – Family Fun Day, Christmas Party, Yoga by the Pool.

Dogs in Togs was cancelled this season due to COVID-19 restrictions.

## Ōtaki Pool

The Ōtaki Pool has been popular since the 2017 rebuild. There were a total of 53,533 visitors in the 2019/20 year, with many enjoying the free splash pad and barbecues.

The introduction of Te Mania Auheke – The Slippery Slope, an 28-metre outdoor waterslide on the bank of Haruatai Park, was a popular addition to the pool during the summer season.

## Coastlands Aquatic Centre

The Coastlands Aquatic Centre had 167,404 visitors in the 2019/20 year, its seventh year of operation.

The annual summer Swim and Win campaign was a great success, with customers receiving a stamp with each visit, and one lucky customer winning a sea kayak.

The introduction of AquaMove has allowed a transitional class between AquaEase and AquaFit. Many customers have transitioned into this class and it has become an important part of their weekly schedule, both physically and socially.

Six externally run swimming events were held during 2019/20, slightly fewer than previous years, due to COVID-19 restrictions and closure.

## Online classes

During the COVID-19 Alert Level 4 lockdown, when the facilities were closed, two of our instructors created online YouTube content for our customers to watch and exercise along with. Customers have expressed their gratitude for this service, as it added a level of normality to their days.

## Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
<b>Aquatics</b>				
We provide clean and safe aquatic facilities that are well used by residents and visitors, and are satisfying the needs of the community	Maintain PoolSafe accreditation	Achieve	Achieved	PoolSafe accreditation was achieved in 2019/20.  (2018/19 result was 'Achieved')
	Users [%] who are satisfied with the pools' services and facilities	85%	Achieved	94% of customers surveyed rated the staff and facilities good or excellent  (2018/19 result was 96%)
	Visits to swimming pools in the district	At or above 290,000 annual admissions	Not achieved	There were 268,817 combined swims in the year, approximately 22,000 below the target.  Up until the end of March 2020 there were 244,259 swims recorded, which had us on track to reach our target, until COVID-19 restrictions required us to close our pools.  (2018/19 result was 293,638)
	Learn-to-swim registrations	At or above 3200 annual registrations	Not achieved	There were 1973 registrations for the year. Target not achieved due to COVID-19 closure (there were just 151 registrations received between April and June 2020).  (2018/19 result was 3344)
<b>Arts and museums</b>				
We provide the community with funding to support their artistic and cultural initiatives	Total value of applications received relative to the total amount of funding in each grant allocation round.	Ratio is >1	Achieved	Ratio: 1.2. The total value of grants requested was \$55,079, from a total available fund of \$45,971.  (2018/19 result was 1.58)

Contribution to outcomes	Performance measures	Target	Result	Comment
<b>Libraries</b>				
We provide the community with a range of library services, materials and spaces to meet their needs and preferences	Users [%] who are satisfied with the library services	85%	Achieved (93%)	The Residents' Opinion Survey for 2019/20 reported 93% satisfaction. (2018/19 result was 96%)
	Users [%] who are satisfied with library spaces and physical environments	85%	Not able to be measured	This question was not specifically asked in our library survey. It relates to the first KPI in the Community Facilities section, regarding the standard of library building facilities. (2018/19 result was 90%)
We provide the community with a range of library services, materials and spaces to meet their needs and preferences	Total visits to libraries	At or above 300,000 annually	Not achieved	226,342 combined visits in 2019/20. The COVID-19 library closures and ongoing reduction of services at Waikanae are the main contributing factors to this not being achieved. (2018/19 result was 253,978)
	Collections are refreshed in accordance with New Zealand public library standards	Maintain 350 new items (including renewals) per 1000 population	Not achieved	Target for 2019/20 is 18,445 Actual – 13,585 items added. This reflects the 50% reduction in collections budget for 2019/20. (2018/19 result was 331)
	Number of items borrowed per annum (including renewals)	650,000	Not achieved	Total 462,615 items borrowed at the end of Q4. COVID-19 library closures had significant impact (2018/19 result was 613,190 items)



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

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

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

## Housing for older persons

Council owns and manages 118 pensioner units across the district. Renewal work is generally undertaken as and when units become vacant. This means there is no certainty with forecasting, but we expect an average tenant churn of 15 tenants per year.

To 30 June 2020, 39 units have had interior renewals completed, along with three partial unit renewals. The applicant register is currently 57, with majority of applicants wishing to reside south of Ōtaki. As at 30 June there were eight units vacant, six of which are being held for decanting and renewal purposes. New tenants have been identified for the remaining two units.

## Mahara Gallery

The Mahara Gallery Trust submitted funding applications to the Lotteries Environment and Heritage Fund and also to the Lottery Community Facilities Fund. Both applications were declined, but the Trust has been successful in securing \$450,000 from the Lotteries Environment and Heritage Fund. A decision is pending on their application to the Regional Cultural and Heritage Funds.

## Waikanae Library replacement

A project advisory group has been established, and two workshops held to review the optimum location of the library for the benefit of Waikanae town centre. The project has been established with three main focus areas: library services, customer services and building options.

## Animal management shelter renewal

The renewal of the animal management shelter was completed in June 2020. The renewal project brought the former shelter up to a modern-day standard, in line with Ministry for Primary Industries guidelines. The scope included renewal of the existing asset, new containment cages, non-scalable perimeter fencing

and covered exercise areas. It also includes a new veterinary area and a secure drive-in kennel space.

## Asset management maturity improvement programme

During the year, condition surveys for the entire Community Facilities portfolio were completed. The surveys describe Council's portfolio as aging, with several key themes including high-risk plumbing systems, dated building elements, historic leak and moisture evidence. Staff are quality assuring the survey data, and will develop plans for implementation as part of the Long-term Plan 2021–41.

## Funders forum

In July 2019, Council hosted a funders forum. This provided a 'speed dating' opportunity for community not-for-profit organisations to sit down and talk with funders. Over 80 people attended two forums. Funders included Generosity New Zealand, New Zealand Community Trust, Nikau Foundation, One Foundation, Pelorus Trust, the Department of Internal Affairs, Wellington Community Trust, and Kāpiti Coast District Council.

## Social investment programme

Contract holders for Council's social investment programme presented their year one achievements to elected members in September. The reports gave organisations an opportunity to highlight key achievements. Elected members heard from Kāpiti Impact Trust and Volunteer Kāpiti, Kāpiti Living without Violence, Kāpiti Womens' Centre, Energise Ōtaki, Kāpiti Youth Support, Challenge for Change, Ngā Hapū o Ōtaki and Māoriland Hub. Age Concern presented their report earlier in the year.

## Suicide prevention initiative

Council has been working with the Capital and Coast District Health Board as part of a new suicide prevention initiative, to reduce incidences of suicide across the region. Current statistics for Kāpiti (excluding Ōtaki) show that 85 per cent of suicides are men, and 34 per cent are over the age of 65. A terms of reference for a men's group has been drafted.

## No. 8 Wire week

Just over 300 participants attended No. 8 Wire week. The programme of events and activities aims to build community resilience, resourcefulness and environmental responsibility. Events included a range of community-led workshops. For the first time some workshops were in te Reo Māori. The most popular workshops were Rongoā (traditional Māori healing plants), Food for Thought (run by Transition Towns Ōtaki) and a tamariki wild play space.

## Kāpiti Settlement Support Network

Council continues to support the Kāpiti Settlement Support Network, Kāpiti Health Advocacy Group, Kāpiti Accessibility Advisory Group, Kāpiti Youth Council, Kāpiti Older Persons' Council and the Kāpiti

social services network to encourage community participation and support advocacy for unmet needs. Support was extended to a senior's business network.

## Kāpiti Coast Older Persons' Council

The Kāpiti Coast Older Persons' Council, Accessibility Advisory Group and Council partnered to host an 'Age on the Go' expo. The event attracted more than 500 participants to the Waikanae Memorial hall, and showcased more than 50 information stalls. A range of activities were held throughout the day.

The Council awarded over \$34,000 to 23 community groups through its annual Community Grants Scheme. The scheme provides up to \$2000 to not-for-profit projects, programmes and events that contribute to positive social outcomes for Kāpiti residents.



### Operating spending

**\$3,941,792**

**\$4,356,822 budget**

\$1.89 weekly per resident

### Capital spending

**\$2,884,294**

**\$3,889,788 budget**

## Grey Power Kāpiti

Recently Grey Power Kāpiti were successful in securing Government funding for the initial engagement to get Kāpiti on its way to becoming Age Friendly. Council will work with Grey Power to complement this approach, and collaborate on a range of activities to help inform ongoing Age Friendly activities that will lead to a districtwide strategy. A Memorandum of Collaboration with Council has been established. Council staff attended and supported the four workshops held across the district, in Ōtaki, Waikanae, Raumati and Paraparaumu. Information from these workshops will help inform the overall approach to Kāpiti becoming Age Friendly. The next phase of engagement is due to commence in the new year.

## International Day of the Older Person

Council supported the annual International Day of the Older Person with an awards event. The event is an initiative of the Kāpiti Coast Older Persons' Council, supported by Age Concern Kāpiti and the Council. Louella Jensen, Olive Mihailov, Beverly Chappell, and Rakauoteora Te Maipi were all recognised for their outstanding contribution to the Kāpiti community.

## Connected Communities

The Connected Communities team have supported and attended events throughout the district. This includes the opening of Mahara Place in Waikanae; the site blessing for the Housing New Zealand new development in Paraparaumu, Makarini Street; the opening of the new Ministry of Social Development office in Ōtaki; and the blessing of Kainga and Oakley council pensioner flats.

## Tuia programme

The Tuia programme is a Mayors Taskforce for Jobs (MTFJ) initiative that provides development and support for rangatahi leaders through a mentoring programme with participating mayors around New Zealand. Mayor Gurunathan selected a rangatahi participant for 2020, with the programme commencing in January.

## Wellington City Mission

The Council has been working with Wellington City Mission to collaborate on two new initiatives. The first of these is a community sports bank, supplying repurposed sports equipment to local children and young people, giving them the opportunity to participate in sports.

The initiative is region-wide and has support from the police, national and regional sports clubs and local organisations. The Kāpiti community sports bank is coordinated by a local community organisation and was launched in February/March 2020. More info at [kapiticoast.govt.nz/our-district/our-community/kapiti-community-sports-bank](https://kapiticoast.govt.nz/our-district/our-community/kapiti-community-sports-bank)

The second project with Wellington City Mission supports families and individuals with housing needs. The initiative will look at a solution-based approach to providing essential services through the Orange Sky bus, a mobile multi-facility service for individuals and families with complex needs. This initiative will be piloted around the Kāpiti district, and is aimed at the homeless community.

## Facilitating funding clinics

Council continues to support the local not-for-profit sector by facilitating funding clinics in Ōtaki and Paraparaumu. The clinics give local services the opportunity to meet with Department of Internal Affairs funding advisor and access information about lotteries funding.

## Neighbourhood Support

Neighbourhood Support (national office) and Council are working collaboratively to deliver a programme for Kāpiti. An interim approach is under way, focusing on supporting existing Neighbourhood Support groups using a digital platform, rolling out new national branding and promoting the initiative to Kāpiti households.

The service coordinator will be located at Te Newhanga Kāpiti Community Centre on a weekly basis.

## The Kāpiti Youth Council

The Kāpiti Youth Council and Zeal Kāpiti collaborated to host a Youthweek event in 2019, with 100 young people attending. The event provides an opportunity for young people to come together in a safe environment and learn about Zeal services while celebrating differences.

Over 60 people representing the local not-for-profit sector joined the Council to celebrate the festive season. Guest speakers were Mayor Gurunathan and Ray Tuffin from Wellington City Mission. The event was a networking opportunity and gave Council the opportunity to acknowledge the sector's contribution to community wellbeing.

## Te Newhanga Kāpiti Community Centre

The Council continues to support the Te Newhanga Kāpiti Community Centre service to the wider community. This quarter, 431 bookings were held at the Centre.

## Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
<b>Council-owned property</b>				
We provide a good standard of comfort, convenience, quality and usability of the library buildings	Users (%) who are satisfied with the standard of the library building facilities	85%	Achieved 87%	We conducted our annual library survey in August 2020.  (2018/19 result was 90%)
Council hall hirers are satisfied that halls meet their needs	Users (%) who are satisfied with halls	80%	Achieved (92%)	Result from the annual hall hirer's survey was 92% satisfied.  (2018/19 result was 92%)
Our housing for older persons' rents are fair and reasonable, the service and facilities are of a good standard, and our high occupancy rates are maintained	Occupancy rate of available <sup>2</sup> housing for older persons units	97%	Achieved (98.8%)	The occupancy rate for 2019/20 was 98.8%.  (2018/19 result was 99.3%)
	Housing for older person tenants (%) who rate services and facilities as good value for money	85%	Achieved (96%)	The result from our annual survey of tenants was 96% rated services and facilities as good value for money.  (2018/19 result was 100%)
	Housing for older persons tenants (%) who are satisfied with services and facilities	85%	Achieved (96.8%)	The result from our annual survey of tenants was 96% satisfaction with services and facilities.  (2018/19 result was 97.4%)
We ensure that Council-owned buildings are fit for purpose	Percentage of Council-owned buildings that have a current building 'warrant of fitness' (where required)	100%	Achieved (100%)	All Council-owned buildings have a current building warrant of fitness.  (2018/19 result was 100%)

<sup>2</sup> Where 'Available' units exclude those flats that are unavailable due to renewals or maintenance work being carried out.



Contribution to outcomes	Performance measures	Target	Result	Comment
Our toilets are clean, feel safe, and are well maintained	Residents (%) who are satisfied that public toilets are clean, well-maintained and safe	75%	Achieved (88%)	The Residents' Opinion Survey for 2019/20 reported 88% satisfaction.  (2018/19 result was 82%)
	Urgent requests in regard to public toilet facilities that are responded to within four hours	98%	Achieved (100%)	All requests were responded to within four hours.  (2018/19 result was 97.8% of 139 service requests)
<b>Community support</b>				
We provide resources to the community for capacity building and service provision focused on community priorities; we provide the Youth Council, Older Persons' Council and the Accessibility Advisory Group with opportunities to influence the content of Council strategies, policies and project planning	Youth Development Centre is open and youth development programme deliverables are achieved	Achieve	Achieved	Zeal Kāpiti commenced two new courses, in photography and design. Both of these courses continued during the Alert Level 4 lockdown using online digital platforms.  Zeal partnered with Age Concern and the Youth Council to bring together the 'human library' initiative.  (2018/19 result was 'Achieved')
	Council's social investment programme enables services to deliver on community priorities	Achieve	Achieved	The social sector collaboration project with Kāpiti Impact Trust and Volunteer Kāpiti presented their first sector snapshot to the community. Additional support has been offered to social investment contract holders due to the demand in services post COVID-19. Reporting and Year 3 deliverables are being re-visited to ensure that service delivery supports social recovery.  (2018/19 result was 'Achieved')

Contribution to outcomes	Performance measures	Target	Result	Comment
	Participants from the social and community sector are satisfied with the learning opportunities and workshops provided by the Council.	85%	Achieved	<p>Council hosted a Tiriti Workshop for the community sector in February 2020. Feedback from the workshop showed that all participants were satisfied or extremely satisfied with the learning experience and opportunity provided.</p> <p>A Funders Workshop was held in Ōtaki in March 2020 – the funders and community groups were satisfied with the experience and opportunity to talk directly with funders.</p> <p>Due to COVID-19 Alert Levels several learning opportunities were cancelled.</p>
	The Youth Council, Older Persons' Council and Accessibility Advisory Group are satisfied or very satisfied with opportunities provided to influence the content of the Council's strategies, policies and project planning	Satisfied	Achieved	<p>The Older Persons' Council presented to elected members in February. A brief history of the group and past events were showcased.</p> <p>The Youth Council presented the revised 2020 Youth Action plan to elected members, followed by another presentation in June to highlight their findings during a recent youth engagement project for Youth Week 2020. (2018/19 result was 'achieved')</p>
	Residents (%) who are satisfied with the Council's community support services	85%	Achieved (89%)	<p>Residents' Opinion Survey results for 2019/20 reported 89% satisfaction.</p> <p>(2018/19 result was 90%)</p>

Contribution to outcomes	Performance measures	Target	Result	Comment
We provide support for community measures that promote diversity and connectedness	Community connectedness and diversity projects and initiatives planned for the year are progressed or completed	Achieve	Achieved	<p>The annual Community Gardens activity had 10 events lined up for March to April. Unfortunately, only one event was held due to lockdown restrictions.</p> <p>Council is working with Regional Public Health and a collective of local community organisations to facilitate a community peer support project to support the prevention of suicide in men living in Kāpiti.</p> <p>Council worked with City Mission and FunZone After School Care to launch the Kāpiti Sports Bank project. This is a project aimed at eliminating sport poverty and enabling young people to get involved with local sports.</p> <p>Council continues to support the Multicultural Council through administration and partnering on community events. Due to COVID-19, scheduled events were cancelled.</p> <p>Council continues to support the New Comers network, which is a collective of social services that work with ethnic communities.</p> <p>Age Friendly workshops and engagement events in partnership with Grey Power were only partially achieved due to COVID-19. Kāpiti Grey Power have commenced a community survey to support the engagement phase of the Age Friendly project.</p> <p>Neighbours Day events were not held this year due to COVID-19, but early registrations had indicated that numbers would exceed those of last year.</p>

Contribution to outcomes	Performance measures	Target	Result	Comment
We provide opportunities for the community to participate in activities and events that encourage community resilience	Estimated attendance at community and environmentally focussed activities and events	There is no target as we will use this for monitoring	Monitor only	<p>In July 2019, over 300 participants attended No.8 Wire week activities, with some sessions in Te Reo Māori for the first time. This project is a series of community events that build community resilience through resourcefulness and showcases environmental sustainability practices. In June 2020, over 400 people attended the first event of the No.8 Wire week.</p> <p>Over 500 people attended the Kāpiti Age on the Go expo held in Waikanae in September 2019.</p> <p>Eighty people representing the not-for-profit sector attended two funders' forums.</p> <p>Sixty people attended the end-of-year social sector activity acknowledging the not-for-profit sector, held in December 2019.</p> <p>One hundred young people attended a youth event hosted by the Youth Council and Zeal.</p> <p>During Youth Week in May 2020, the Council supported the Youth Council to work with Zeal and Kāpiti Youth Support to hold a digital campaign asking young people of Kāpiti about Kāpiti. They reached over 100 young people who shared their views. The findings were later presented to elected members.</p> <p>The Youth Council with the support of Council created an activity called 'Chalk Walk', a competition to get young people illustrating designs on pavements during Alert Level 4 Lockdown. The online competition reached over 7000 people.</p>



# Economic development – whakawhanake umanga

Our economic development strategy, aimed at supporting the growth of a vibrant and diverse economy, has been collaboratively developed by iwi, representatives of the business community and Council.

## Economic development strategy refresh

The refresh of the Economic Development Strategy was completed during the year, with Kāpiti Coast District Council approving the draft strategy for public feedback on 25 June 2020 and the final strategy adopted on 30 July 2020.

The refresh of the strategy involved extensive engagement with iwi, partners, stakeholders and industry groups, with a drafting group established to support the process. This comprised:

- Councillor Angela Buswell, representing Council
- Heather Hutchings, representing the Kāpiti Chamber of Commerce
- Jenna-Lea Philpott, independent representative
- Liz Koh, representing the Kāpiti Economic Development Agency (KEDA).

The strategy is for a three-year period and will include the establishment of the Economic Development Kotahitanga Board. Neil MacKay was appointed the Independent Chair of the Governance Board for a 12-month term.

## Progress on development of town centres

In 2019/20 several town centre projects were progressed or completed. These are:

- Mahara Place upgrade
- the final section of the shared path on Kāpiti Road between Arawhata Road and Brett Ambler Way, with the addition of road widening
- continuation of coordinated State Highway 1 (SH1) Revocation works, which are aligned with the Town Centres Master Plan priority projects, with a focus on Paraparaumu and Waikanae.

## Strategic land purchase

One strategic land purchase was undertaken this year, 26–29 Marine Parade, Paraparaumu Beach.

There is no timeline set for strategic land purchases, which are dependent on when suitable land comes up for sale.

## Elevate Ōtaki

Representatives of Elevate Ōtaki have been preparing a draft strategy, with the Ōtaki identity being a major focus for the group. The identity has been created from Ōtaki's rich history, and stories from and of the community. The official launch of the Ōtaki identity is planned for August 2020.

In the last quarter of 2019, the group sought to understand how prepared Te Horo and Ōtaki SH1 businesses were. A survey was commissioned and

the key messages and resulting actions were reported back to a business networking event in December. As a result of the survey, the group instigated and supported a social media campaign to promote community and local businesses in the Ōtaki district, in the lead up to Christmas and the two major events in early 2020 – Ōtaki Kite Festival and the Māoriland Film Festival. The social media platform has continued to play an information provision role for the past seven months and during the challenges of COVID-19.



### Operating spending

**\$2,734,229**

**\$2,655,673 budget**

\$0.95 weekly per resident

### Capital spending

**\$4,147,457**

**\$2,562,401 budget**

Elevate Ōtaki was a proactive member of the Kāpiti Business Response Group created to coordinate responses and support during COVID-19 lockdown. In addition, the group made pastoral calls to local businesses and worked at connecting local resources to support businesses who needed to respond quickly to create and update websites.

Elevate Ōtaki supported Ōtaki Yard to commission Theo Arraj to paint an 18 metre x 5 metre mural on the Ōtaki Yard site. The mural incorporated an element of the Ōtaki Identity work, received national television coverage, and was completed in early June 2020. Elevate Ōtaki also ran a competition at the opening of Ōtaki Yard to encourage shoppers to “buy local”.

## Filming

Filming of the feature film “Poppy” commenced in Kāpiti during quarter three and tells the story of a young girl with Down Syndrome and how she overcomes barriers to realise her dreams to become a mechanic.

The film is written and directed by Kāpiti resident Linda Niccol, and was supported by the New Zealand Film Commission’s 125 Fund set up to celebrate 125 years of women’s suffrage, with support from TVNZ and NZ on Air. Coastlands and other local businesses were very supportive of the production, providing extras, filming locations and office space while production occurred.

Production commenced prior to the COVID-19 pandemic, with filming in its final week when lockdown began in March 2020. As a result, production was on hold during Alert Levels 3 and 4. The film was the first feature film in New Zealand to recommence filming after restrictions were reduced

under Alert Level 2, with new protocols established with ScreenSafe and WorkSafe. Filming is now complete, with post production under way. It is anticipated that the film will be released in late 2020.

## Major Events Fund

Funding of \$190,000 was made available during the year to support the delivery of major events in the district, and assist with feasibility assessments.

A total of seven events was supported and comprised a mixture of new and existing events. One event, FFFlair did not proceed and funding for this event was reallocated during the year.

**TooT Suite Music Festival (1 Feb)** – New ‘boutique’ music event delivered on the grounds of Southward Car Museum. The event involved a mixture of local and national artists.

**Xterra Race (1 Feb)** – Delivered under the internationally recognised Xterra event brand, the Wellington Festival event was the first Xterra off road triathlon, duathlon and trail-running event held in the Wellington Region, and attracted international competitors as well as entrants from across New Zealand. Over 80 per cent of entrants were from outside the district, and the winner qualified for the Xterra World Championship.

**Takutai Kāpiti (8 Feb)** – The event was held at Ngā Purapura in Ōtaki. Climate experts presented at the summit in the morning, while the community event afternoon allowed for informal opportunities to learn more about climate change in Kāpiti.

**Ōtaki Kite Festival (15 and 16 Feb)** – Ōtaki Promotions Group delivered a well-attended event. COVID-19 concerns meant that some international kite fliers could not attend and a blustery, cold

Saturday reduced attendee numbers on that day. Sunday was spectacular weather with strong attendance.

The 7th annual **Māoriland Film Festival** was due to be held in Ōtaki on 18–22 March. Prior to the event starting, restrictions on travel meant that international participants were stopped from entering New Zealand. On 16 March, Government announced that indoor and outdoor gatherings of 500 people or more should be cancelled.

A number of changes were made to enable the festival to continue, however a decision was made to stop the event as COVID-19 restrictions increased. A follow up “Remount” event is to be delivered in September 2020. Organisers were also able to arrange various online events/activities during the lockdown period.

## Paraparaumu Beach Market relocation

Council staff worked with the owners of the Paraparaumu Beach Market and the Paraparaumu Beach Business Association to support the relocation of the weekly Saturday market to Maclean Street, Paraparaumu Beach, with additional capacity for growth of the market provided in Maclean Park.

This move has involved the closure of Maclean Street during the operation of the market and has helped provide operators with increased certainty about the future operation of the market.

## Work Ready Kāpiti

Funding for Work Ready Kāpiti (WRK) has been extended for a further 12-month period.

Their work programmes were significantly impacted by COVID-19, with schools closing and moving to a

virtual environment during lockdown. WRK were unable to deliver the Work Ready Passports during this period (which were delayed at the printers due to COVID-19) and were unable to set up the Employer Meets or work experience activities.

Following the lifting of lockdown restrictions, Ōtaki College, Paraparaumu College and Kāpiti College students were able to re-engage in their Work Ready Passports.

Students were also able to register for the Employer Meets that will be occurring in September/October 2020.

Te Rito College is now also a participant in all three programmes. They are also translating the Work Ready Passport to te Reo Māori.

### **PopUp Business School**

The PopUp Business School Kāpiti programme was delivered from 22 June to 3 July 2020. This is the third time that the programme has been delivered in Kāpiti.

Because of the COVID-19 pandemic, the programme was structured to run as a mixture of interactive online and venue-based sessions. This included a trade show hosted by Coastlands Shopping Centre.

Over 50 participants registered for the programme, which comprised a mixture of new and existing businesses and included a wide range of product and service ideas.

### **Economic development website and Facebook – KapitiCoastNZ**

During the 2019/20 period a full rebuild of the KapiticoastNZ.com website was undertaken. This included implementation of a new platform in partnership with WellingtonNZ, and creation of new and refreshed destination content. Business and events sections have also been included on the updated website.

Content and postings on the website and Facebook page continue to be updated on a regular basis.

### **Economic development marketing and business communications – COVID-19**

In response to the COVID-19 pandemic, a number of specific marketing and business communication activities were undertaken. This included:

**Establishment of a Kāpiti business response group** – to ensure there was good coordination between the various local business support groups and the provision of information to the local business community.

**Creation of a COVID-19 support for business section on both the Council and KapitiCoastNZ websites.**

**Creation of a dedicated #LoveLocal website section on KapitiCoastNZ.com.** This included information on businesses operating on the Kāpiti Coast during the various lockdown levels and the creation of an online searchable map of local businesses who were open. The map had over 2000 unique views and showcased over 215 local businesses.

**Creation of #LoveLocal Facebook group** to profile and promote local businesses; this currently has 2277 members. This included a #LoveLocal campaign, involving competitions to attract members and grow community involvement within the #LoveLocal group and a #LoveLocal video series, to promote and profile local businesses. This video series has been hugely popular in profiling businesses within the community, and has helped share stories about the COVID-19 impacts on businesses in the community and how they have adapted.

### **Our regional relationship**

We have continued to strengthen our relationship with WellingtonNZ during the period. This was particularly important during the COVID-19 pandemic, with changes to the national business support programme making it more accessible to local businesses. Kāpiti was the third highest recipient of support in the region during the period.

WellingtonNZ were also able to deliver a targeted webinar programme during the lockdown period, which was promoted extensively to local businesses.

WellingtonNZ have also supported the PopUp Business School, Start Up Weekend and Filming permit activities during the period. Input was received from WellingtonNZ during the refresh of the Economic Development Strategy, and we are now working through the delivery of actions with them, such as the development of a Destination Plan for the district.

## Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
We deliver the Economic Development Strategy 2015 (implementation plan) and involve partners and the business community at appropriate points in the decision-making process	The economic development strategy implementation plan deliverables are achieved	Achieve	Achieved	In addition to continuing to deliver economic development activities, Council has facilitated the refresh of the Economic Development Strategy.  [2018/19 result was 'Not fully achieved']
	Representatives [%] of the business leadership forum that are satisfied that the 2015 economic development strategy implementation plan deliverables are being achieved	85%	Not able to be measured	The business leadership forum was dissolved in the previous triennium. A new governance structure is proposed as part of the refreshed Economic Development Strategy.  [2018/19 result was 'Not on target']
Māori economic development priorities will be articulated in a strategy for the Council and iwi to implement	The Māori Economic Development Strategy implementation plan deliverables are achieved	Achieve	Achieved	As part of the refresh of the Economic Development Strategy, discussions have been held with iwi representatives about the development of the strategy in partnership. This has been supported by representatives and will be reviewed on completion of the refresh.  Deliverables under the existing plan were adjusted to take COVID-19 impacts into consideration.  [2018/19 result was 'Achieved']





Development in the district is continuing with the Council processing 55 certifications for subdivisions in 2019/20, compared to 44 the previous year.

## Planning and regulatory services

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

This cluster of services covers districtwide planning, including the preparation of the comprehensive District Plan, which governs development on the Kāpiti Coast. This cluster also covers our regulatory services, which include the issuing of building and resource consents to ensure building, subdivision and land development activities are in line with legislation and the District Plan.

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

### In this section you'll find:

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# Districtwide planning – ngā kaupapa takiwa

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

## Appeals on the Proposed District Plan (PDP)

The number of live appeals on the PDP has dropped from 10 (out of the original 18) at the start of 2019/20, to three live appeals (one partially resolved) by the end of this period.

Three appeals were withdrawn by the appellants during this period while four were fully resolved by consent order from the Environment Court ("the Court").

On 31 August 2020, following formal and informal mediation discussions, the Environment Court issued a consent order resolving all remaining appeals. This means all rules in the PDP must now be treated as operative. The District Plan will remain as a "proposed" plan until Council formally resolves to make the plan operative. The timing for this decision to be sought has yet to be determined.

## Variations to the PDP

Council has progressed three variations to the PDP in 2019/20. Variation 2 is still in progress, while Variation 3 and Variations 4 (A–H) are now completed.

### Variation 2 (Waikanae Beach and Beach Character Set Back Margin)

This variation recognised the special character of the Waikanae Beach area and simplified front yard setback provisions in the Beach Character Zone.

Variation 2 was publicly notified on 14 August 2019. The Environment Court determined the setback provisions would have legal effect from that date.

Nineteen submissions were received on Variation 2, all relating to the proposed Waikanae Beach changes. A summary of submissions was notified on 25 September 2019 resulting in four further submissions.

Following appointment of hearings commissioners, a public hearing was held at the Coastlands Kāpiti Sports Turf Pavilion on 3 August 2020. Council expects to receive and consider the panel's recommendations around October/November 2020.

### Variation 3 (County Road, Ōtaki Low Density Precinct)

This variation sought to rezone 46–66 County Road from Rural Plains to Residential zoning in a new County Road Ōtaki Low Density Precinct.

Variation 3 was publicly notified for submissions on 3 July 2019. Five submissions were received. The summary of submissions was notified on 28 August 2019, and two further submissions were received. Following appointments of hearings commissioners, the hearing was held at the Rotary Hall in Ōtaki on 3 December 2019.

The hearings commissioners' recommendations were received by Council on 14 May 2020. Council resolved to adopt those recommendations as their own decision. No appeals were received on

Variation 3, meaning the amendments are now to be treated as operative.

### Variations 4 (A–H) (Miscellaneous Changes and Corrections)

This suite of variations addressed a range of lessons learnt from implementing the PDP.

Variations 4 (A–H) were publicly notified on 23 October 2019. The Environment Court determined Variation 4 (H), which clarified the status of retailing in rural zones, should have legal effect from that date.

Variation 4 (F), which amended temporary event-related provisions, received one submission. That submitter subsequently withdrew their wish to be heard, and as there were no other submitters, no hearing was required. Council made its decision on these variations on 14 May 2020. No appeals were received, meaning that all of Variations 4 (A–H) are now to be treated as operative.



Operating spending

**\$2,527,889**

\$2,871,202 budget

\$0.88 weekly per resident

### **The following projects have been completed during 2019/20:**

- the Film Friendly Policy and Screen Friendly Wellington Memorandum of Understanding in September 2019
- the Annual Report 2018/19 in September 2019
- the Housing & Business Development Capacity Assessment (HBA) in November 2019
- the Regional Waste Management and Minimisation Plan (RWMMP) local outcomes in December 2019
- the ongoing quarterly activity reports in September and December 2019
- the ongoing quarterly National Policy Statement on Urban Development Capacity (NPS-UDC) reports in August 2019, November 2019, February 2020, and June 2020
- the CEMARS Audit in February 2020
- the 2020/21 Annual Plan in June 2020
- the Proposed District Plan Variation 3 – Hedger Enterprises in July 2020
- the Proposed District Plan Variation 4 – Omnibus in July 2020.

Work is under way on another 33 projects.

### **Submissions made on public consultations**

Council has made a large number of submissions and provided feedback on a range of significant

central and local government legislative, policy and planning proposals. In general, submissions advocated for clarification and improvements to changes affecting local authority functions and responsibilities and the provision for tools and mechanisms to help local authorities deliver shared outcomes for our local communities.

Submissions were made on the following consultations and can be viewed on Council's website [kapiticoast.govt.nz/your-council/planning/submissions/](https://kapiticoast.govt.nz/your-council/planning/submissions/)

#### **Ministry of Transport:**

- New Zealand Draft Rail Plan
- Government Policy Statement on Land Transport 2021
- Road to Zero: Draft Road Safety Strategy 2020–30.

#### **Ministry for the Environment:**

- National Policy Statement on Indigenous Biodiversity
- Transforming the Resource Management System: Opportunities for Change
- Reducing Waste: A more effective landfill levy
- National Policy Statement on Urban Development
- National Policy Statement for Highly Productive Land
- Proposed priority products and priority product stewardship scheme guidelines

- Essential Freshwater: Action for Healthy Waterways.

#### **Department of Internal Affairs:**

- Fire and Emergency New Zealand Funding Review
- Infrastructure Funding and Financing: Development contributions and targeted rates.

#### **New Zealand Productivity Commission**

- Draft Report on Local Government Funding and Financing Review.

#### **Submission on Bills to Parliamentary Select Committees**

- Transport and Infrastructure Committee on the Infrastructure Funding and Financing Bill
- Governance and Administration Committee on the Public Service Legislation Bill
- Social Services and Community Committee on the Rates Rebate (Statutory Declarations) Amendment Bill.

#### **Environment Committee on:**

- The Urban Development Bill
- Kāinga Ora – Homes and Communities Bill
- Climate Change Response (Zero Carbon) Amendment Bill.

## Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
We efficiently and effectively develop policies and plans to encourage economic development and preserve the unique character and natural environment of our district	Residents (%) who agree that the district is developing in a way that takes into account its unique character and natural environment	75%	77%	The Residents' Opinion Survey results for 2019/20 reported 77% satisfaction, the same as last year.  (2018/19 result 77%)
We efficiently and effectively develop policies and plans to encourage economic development and preserve the unique character and natural environment of our district	Develop and monitor a strategic policy framework and research programme to underpin the District Plan and Long-term Plan	Achieve	Achieved	The 2018–21 policy work programme was reviewed by the Strategy and Operations Committee with amendments confirmed on September 2019, December 2019, and July 2020.  This includes the addition of six new policies to the programme, alongside a number of updates to project timeframes: <ul style="list-style-type: none"> <li>• Market (Support) Policy rescheduled from March 2020 to February 2021</li> <li>• Gifting (Assets) Policy – rescheduled from November 2019 to June 2020</li> <li>• review of the Regional Land Transport Strategy</li> <li>• Reimagining Libraries Oct 2019 – Sept 2020</li> <li>• Kāpiti Recovery Plan March 2020 – Dec 2020</li> <li>• Destination Plan Sept 2020 – March 2021.</li> </ul> (2018/19 result was 'Achieved')



# Regulatory services – ratonga whakaritenga

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

The Kāpiti Coast District Council manages a range of public health, safety and design needs associated with building control, environmental health, food safety, alcohol harm reduction, animal management, noise management, trade waste licensing, resource consents, designations and compliance.

It also manages a number of other compliance activities related to the Local Government Act 2002, including parking, bylaws and the inspection of private swimming pool fencing.

While we are required to ensure rules and regulations are adhered to, our customer focused approach means we assist our customers to navigate the law, while balancing the competing priorities of our community.

## Regulatory services

Regulatory Services received a total of 10,411 service requests in 2019/20. Of those requests 9,855 (94.68 per cent) were responded to within required times, against a target of 95 per cent. Of those service request types, the 1.5 per cent not responded to in time related to noise control complaints and rely on an external contractor. The performance of this external contractor is currently being addressed.

In 2019/20, Regulatory Services received 65 compliments and 14 complaints about service received. The complaints were investigated; nine were not upheld, four were upheld and one is still under investigation.

In 2019/20, 666 Land Information Memoranda (LIMs) were issued, with an average of six days to issue. All LIMs were issued within the statutory timeframes.

## Services during COVID-19 restrictions

Throughout the COVID-19 alert levels, public enquiries have been responded to by telephone and email. It was however necessary to 'park' those enquiries that required inspection during Alert Level 4, resulting in a backlog.



The offices were closed to the public until Alert Level 2, and it was not possible to provide face-to-face public interactions until distancing requirements were lifted under Alert Level 1. Face-to-face meetings are again possible by appointment. Response via telephone and email remains the primary method for answering enquiries.

The Environmental Standards team provided a number of essential services during Alert Levels 4 and 3. The Environmental Health officers assisted the Ministry of Health with contact tracing. Public Spaces Animal Management staff responded to dog attacks and threatening dog complaints, wandering and found dogs, and wandering stock.

Staff monitored responsible (freedom) camping sites, provided information to police, and also responded to general responsible (freedom) camping complaints. They assisted the Environmental Health team in monitoring noise control complaints. This team had a very collaborative working relationship with police throughout Alert Levels 4 and 3.

## Building, design and development

### Resource consents and compliance

The Resource Consents team issued 243 consents in 2019/20 (compared to 232 resource consents in 2018/19).

They processed 45 permitted boundary activities, three certificates of compliance, two notices of requirements and four outline plan/outline plan

waivers in 2019/20. The average processing time for permitted boundary activities was 7.5 days against a statutory timeframe of 10 working days.

The Resource Consents team has received and processed 55 certifications for subdivisions in 2019/20, compared to 44 last year. These certifications related to a total of 345 new allotments (103 last year).

### **Building consents and other Building Act functions**

In 2019/20, 1022 building consents were processed compared with 1040 for 2018/29 (a 2 per cent decrease). All except one of these consents were issued within 20 days, with an average processing time of 12 days. The one issued late was due to a staff error.

There were 4561 building consent inspections undertaken this year. This compares with 5460 building inspections last year, continuing the trend of a lighter inspection workload. The reasons given for needing extensions of time to start work seem to indicate that there is a shortage of available builders, which may explain some of the drop-off in inspection demand.

There were 671 code compliance certificates issued this year (892 last year).

### **Public health in our community**

#### **Sale and supply of alcohol**

In 2019/20, 178 of the 199 registered food businesses operating under a template food control plan were verified by the team. In addition, 46 support, follow-up or investigative visits were undertaken during the year.

A total of 68 of the 72 health licensed premises were inspected in 2019/20.

In 2019/20 inspections were carried out of all 43 premises for which an alcohol licence was granted or renewed. There were 114 special licences issued, and 217 managers' certificates issued or renewed, compared with 116 special licences and 199 managers' certificates last year.

Compliance Officers carried out 54 inspections of swimming pool barriers in the third quarter and 20 inspections in the fourth quarter, including taking follow-up action where the barrier was found to be non-compliant. This brings the annual total to 255.

### **Animal management**

#### **Animal management shelter renewal**

The renewal of the animal management shelter commenced in January 2020 and was completed in June 2020. The renewal project brought the former shelter up to a modern-day standard, in line with Ministry for Primary Industries' guidelines. The scope included renewal of the existing asset, new containment cage, non-scalable perimeter fencing and covered exercise areas. It also includes a new veterinary area and a secure drive-in kennel space.

The outcomes of this upgrade are to deliver the highest standard of care for animals in our Council facility, while ensuring our staff are working in a safer and healthier environment.

#### **Public spaces and animal management**

For the 2019/20 year the Public Spaces and Animal Management team responded to all urgent dog attacks and threatening complaints within one hour of notification. Six of the nine urgent dog attacks were people related. One of the three urgent threatening complaints was person related.

## Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
We provide efficient and effective regulatory services	Percentage of service requests responded to within corporate standards and closed off	95%	Not achieved 94.68%	9855 of 10,411 service requests received were responded to within time.  (2018/19 result was 95%)
	Average working days to process building consents will not exceed 17 days	Achieve	Achieved (10 days)	In the full year, 1022 building consents were issued with an average processing time of 10 days.  (2018/19 result was 10 days)
	Average working days to process non-notified resource consents will not exceed 17 days	Achieve	Achieved (17 days)	For the year the average processing time was 17 days.  (2018/19 result was 15 days)
	Percentage of survey respondents that agree that the regulatory events are good or very good	85%	Achieved 100%	Only one stakeholder event was undertaken this year (in the third quarter), and all four attendees rated the event as very good. Events scheduled in the fourth quarter were not progressed due to COVID-19 restrictions.  (2018/19 result was 97.7%)
	All dog attack and threatening behaviour requests for service (classified as urgent) are responded to within 1 hour of notification	100%	Achieved (100%)	There were 12 service requests for urgent or threatening dog attacks. All were responded to within time.  (2018/19 result was 100%)
We are responsive to customer feedback	Ratio of compliments to complaints greater than 3:1	Achieve	Achieved 4.64:1	For the year, 65 compliments and 14 complaints were received.  (2018/19 result was 4.3:1)
We will consistently and effectively carry out our building consent authority functions	Building Consents Authority (BCA) accreditation is retained	Achieve	Achieved	The two-year International Accreditation New Zealand (IANZ) accreditation was confirmed in October 2019.  (2018/19 result was 'Achieved')



Koro Don our Council kaumatua blesses the art installation created for Te Uruhi/Maclean Park.

## Governance and tangata whenua

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

This cluster reports on our current arrangements in terms of the structure and make-up of our governance arrangements.

We have a strong, active partnership with iwi and aim to embed tangata whenua values into our operations and to guide the overall development of Kāpiti.

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

Governance and tangata whenua ..... 102



# Governance and tangata whenua – kāwanatanga me te tangata whenua

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

## Governance

This activity is an important contributor to the Kāpiti Coast District Council’s wider strategy of working with the community and being good partners, as well as meeting our statutory requirements relating to governance, consultation and decision-making responsibilities.

Local body elections were held on 12 October 2019. The Council’s Electoral Officer managed elections for Council, the four community boards, and the elections for the two district health boards spanning the district on behalf of other bodies, and for Greater Wellington Regional Council (GWRC).

Newly elected members were sworn in at an Inauguration Ceremony (and first formal Council meeting) on 31 October 2019, and at the first round of Community Board meetings.

At the second meeting of the Council for the 2019–22 Triennium, a range of statutory governance mechanisms was put in place:

- The Mayor exercised his powers under Section 41A of the Local Government Act 2002 and appointed the Deputy Mayor.

- He also established committees and their terms of reference, and appointed chairs to them.
- Council appointed deputy chairs to the committees, and approved committee delegations.
- Elected members were appointed to a range of external organisations.

Elected members went through an induction programme during the period. This included briefings by senior staff on current topics for the district, two days of team-building for councillors, information technology (IT) training, a workshop by Local Government New Zealand, media training, a legal seminar, civil defence emergency management training, a one-day seminar on standing orders and meetings, and bus tours of Council facilities and areas of interest throughout the district. In total, excluding meetings, the induction programme comprised around 80 hours per elected member.

There were four citizenship ceremonies, 28 August 2019, 2 October 2019, 20 November 2019 and 29 January 2020, which conferred citizenship upon 166 applicants. Their countries of origin included Britain, South Africa, Philippines, Australia, Russia, Ireland, Kiribati, Singapore and Poland, Fiji, America, France,

Cambodia, Sri Lanka, Poland, Moldova, Solomon Islands, Samoa, Uruguay, Denmark, Germany, Estonia, Iran, Ireland, Thailand, India, Iran, China, Guinea and Holland.



### Operating spending

**\$5,167,865**

**\$4,935,397 budget**

\$1.79 weekly per resident

### Capital spending

**\$447,501**

**\$444,905 budget**

In total for the year there were 14 Council meetings, 11 committee meetings and five subcommittee meetings. There were 56 briefings and two public workshops.

Council adopted the Governance Statement for the 2019–22 Triennium.

Council approved the Triennial Agreement for the Wellington Region (2019–22 Triennium).

Following Parliament's passing of an Urgent COVID-19 Response Act, Council noted the temporary removal of the requirement that councillors meet "in person" to satisfy a quorum, and agreed arrangements to enable members to attend Council meetings remotely.

The Strategy and Operations Committee, with a reduced quorum of two members, was given all the delegated powers, duties and functions of the Council, except those specified in the Local Government Act 2002, in order for the Strategy and Operations Committee to meet in the event that Council was unable to meet quorum requirements.

Meetings of Council's other committees and decision-making bodies (including community boards) were suspended, and decisions that otherwise would have been considered by those bodies would be referred to the Council or Strategy and Operations Committee for decision.

Council approved the draft Kāpiti Coast Economic Development Strategy and Implementation Plan 2020–23 for public feedback.

## Annual Plan 2020/21

Development of the Annual Plan 2020/21 began in late 2019. By March 2020 Council had completed most of its workshops to develop a draft plan and consultation document. As soon as Council became aware of how significant the pandemic was and the

likely long-term effects, we decided to review the draft plan. This meant a review of proposed additions, our overall budget, and fees and charges. Council considered the impact of rates on the community at this time, and the assistance we could provide for rates relief and other ways in which we could help ease the burden for people who had been significantly impacted financially. As a result, Council more than halved the average rates increase that had been planned for 2020/21.

During May 2020, we invited feedback on the revised draft plan, and five organisations and six individuals responded. Several of these were proposals that will be considered as part of the long-term planning process during 2020/21. Other feedback focused on the financial impacts of the pandemic and concerns about the level of rates increase and Council costs.

The Annual Plan 2020/21 includes specific funding for COVID-19 response and recovery initiatives, and outlines our initial package of support. Further initiatives will be explored as we get more information about how our community has been affected.

The Annual Plan for 2020/21 was adopted on 25 June 2020.

## Official information requests

Over the course of 2019/20, the Council received and responded to 256 requests under the Local Government Official Information and Meetings Act 1987 through its official information request process; up from 232 in the previous year.

## Residents' opinion survey

This quarterly survey was carried out in September and December 2019, and March and June 2020.

The survey asks residents a number of questions about their satisfaction with a range of Council

services and facilities, about perceptions of the Council and satisfaction with their interactions with the Council.

Overall satisfaction with the Council in 2019/20 was at 80 per cent, a slight increase from 76 per cent in 2018/19.

Many of the survey results are provided in the key performance measure tables in the activity sections of this annual report. A full report on the residents' opinion survey 2019/20 can be found on the Council's website, at [kapiticoast.govt.nz/resident-opinion-survey](https://kapiticoast.govt.nz/resident-opinion-survey)

## Tangata whenua

Throughout the year the Council has continued to focus on its partnership with the mana whenua of Kāpiti. Maramataka, the traditional Māori lunar calendar, was led by Āti Awa ki Whakarongotai for 2019/20. Over 120 people attended the launch at Whakarongotai Marae on 2 August 2019, which showcased the ĀRT (Āti Awa ki Whakarongotai, Ngāti Raukawa ki te Tonga and Ngāti Toa Rangatira) confederation, and celebrated the 10th anniversary of the Maramataka. Each year the Maramataka is available to be purchased through Council service centres.

On February 6 2020, a Waitangi Day event was held at Campbell Park, Paekākāriki. This event was developed in partnership between Ngāti Haumia ki Paekākāriki, Te Whakamimenga o Kāpiti and the Council. The theme for the commemoration, developed by Ngāti Haumia ki Paekākāriki and the Paekākāriki Community Board was Te Taiao (the environment) and Kotahitanga (unity). The all-day event began with a pōwhiri followed by kids' activities, stalls, food and live music, and was a huge success, with people from across the district and region coming along to enjoy the event and the sunshine.

The impact of COVID-19 was felt strongly across our district, and our iwi partners had a major role in the response to the pandemic. Council provided financial assistance to support iwi with their response, and our Emergency Operations Centre welfare desk worked closely with iwi and iwi service providers to enhance the support systems available to those in need.

Iwi Representatives for Te Whakaminenga o Kāpiti were confirmed for two of the mana whenua of Kāpiti, Ngāti Toa Rangatira and Ngā Hapu o Ōtaki. However, Āti Awa ki Whakarongotai confirmed their withdrawal to focus on building a stronger 1:1 partnership with Council.

Our iwi partners were provided with ongoing support throughout the year for their engagement with the wide breadth of Council activities. Internal support was also provided to Council activities to facilitate iwi participation and engagement. This work continues to inform Council on the critical values and aspirations significant to iwi, and works towards meeting the legislative requirements on Council for iwi participation.

## Performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
Civil defence emergency management				
We encourage households to be ready for emergencies	Number of households that have an emergency plan and kit sufficient for three days following an emergency event	70%	Achieved [80%]	The Residents' Opinion Survey result for 2019/20 was 80%.  (2018/19 result was 70.5%)
Governance				
Residents will be informed of opportunities to engage and participate in decision-making processes within statutory timeframes	Council meeting agendas are available in hard copy in Council service centres and/or district libraries within two working days prior to the meeting	100%	Not achieved [99.4%]	The March Grants Allocation Sub Committee Waste Levy Agenda missed this deadline by 1 hour.  (2018/19 result was 99.4%)
Official information requests will be responded to within statutory timeframes	Percentage of official information requests responded to within 20 working days <sup>1</sup>	100%	Not achieved [99%]	A single request breached the 20 working day target by one day due to a technical issue.  (2018/19 result was 99%)
Tāngata whenua				
We value the partnership with tāngata whenua and it is strong	The memorandum of partnership is renewed each triennium	Achieve	Not yet due	Members of Te Whakaminenga o Kāpiti discussed agreed to review the Memorandum of Partnership and the Terms of Reference and Meeting Protocol Document.  (2018/19 result was 'Achieved')
	Te Whakaminenga o Kāpiti is satisfied or very satisfied with the partnership	Achieve	Achieved	Te Whakaminenga o Kāpiti has reported that they are satisfied with the outcomes achieved under the partnership.
We provide for the active participation of tāngata whenua and Māori in decision-making processes	Māori have representation on standing committees of Council and tāngata whenua working parties contribute to significant Council work programmes	Achieve	Achieved	Te Whakaminenga o Kāpiti gave in-principle approval to the appointment of a Māori representative to the Council's Strategy and Operations Committee, and agreed to convene a recruitment panel to manage the initial phase of the recruitment process. Te Whakaminenga o Kāpiti noted the opportunities for iwi nominations for decision-making bodies in this Triennium.  (2018/19 result was 'Achieved')







Careful financial management ensures we can continue to provide our community with facilities such as the children's splash pads at Raumati and Ōtaki.

# Our finances

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

It includes the full financial statements which show our actual expenditure and income, changes in our equity, total assets and liabilities and our cash flows for the 2019/20 financial year against budget.

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

At the end of the 'Governance and supporting information' section of this annual report, you'll find the report from the Council's external auditor, David Borrie of Ernst & Young, on behalf of the Auditor-General. This report explains the work they have carried out and the opinions they have formed.

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Statement of comprehensive revenue and expense for the year ended 30 June 2020				
2018/19 Actual \$000		Note	2019/20 Actual \$000	2019/20 Budget \$000
<b>Revenue</b>				
64,225	Rates	2	67,570	67,498
8,907	Fees and charges	3	8,891	9,771
5,878	Grants and subsidies	4	5,332	4,606
1,536	Development and financial contributions		3,574	2,124
1,789	Other operating revenue	5	21,374	905
<b>82,335</b>	<b>Total revenue excluding gains</b>		<b>106,741</b>	<b>84,904</b>
<b>Expenses</b>				
51,240	Operating expenses	6	58,505	56,418
20,569	Depreciation and amortisation	11/12	21,389	21,183
<b>71,809</b>	<b>Total expenses</b>		<b>79,894</b>	<b>77,601</b>
<b>Interest</b>				
2,164	Interest income		1,624	1,848
9,592	Interest expense		8,857	9,493
<b>7,428</b>	<b>Total interest expense</b>		<b>7,233</b>	<b>7,645</b>
<b>3,098</b>	<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>19,614</b>	<b>[342]</b>
<b>Unrealised gains/(losses)</b>				
(8,021)	Unrealised gain/(loss) on revaluation of financial derivatives		(6,984)	-
<b>(8,021)</b>	<b>Total unrealised gains/(losses)</b>		<b>(6,984)</b>	<b>-</b>
<b>(4,923)</b>	<b>NET OPERATING SURPLUS/(DEFICIT)</b>		<b>12,630</b>	<b>[342]</b>
<b>Other comprehensive revenue and expense</b>				
25,238	Unrealised gain/(loss) from revaluation of property, plant and equipment	11	(18,293)	72,935
<b>25,238</b>	<b>Total other comprehensive revenue and expense</b>		<b>(18,293)</b>	<b>72,935</b>
<b>20,315</b>	<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE</b>		<b>(5,663)</b>	<b>72,593</b>

The accounting policies and accompanying notes on pages 111 to 150 form part of these financial statements. Explanation of the major variances against budget are provided in note 29.

Statement of changes in net assets/equity for the year ended 30 June 2020					
	Accumulated funds	Reserves and special funds	Revaluation reserve	Total equity	Total equity
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budget \$000
<b>Opening balance at 1 July 2018</b>	<b>570,296</b>	<b>4,157</b>	<b>894,181</b>	<b>1,468,634</b>	<b>1,462,482</b>
Net operating surplus/(deficit)	(4,923)	-	-	(4,923)	(871) <sup>1</sup>
Unrealised gain/(loss) from revaluation of property, plant and equipment	-	-	25,238	25,238	43,367 <sup>1</sup>
Transfer from revaluation reserve	273	-	(273)	-	-
<b>Total comprehensive revenue and expense for the year</b>	<b>(4,650)</b>	<b>-</b>	<b>24,965</b>	<b>20,315</b>	<b>42,496</b>
Transfers from reserves and special funds	620	(620)	-	-	-
Transfers to reserves and special funds	(1,377)	1,377	-	-	-
<b>Closing balance at 30 June 2019</b>	<b>564,889</b>	<b>4,914</b>	<b>919,146</b>	<b>1,488,949</b>	<b>1,504,978</b>
<b>Opening balance at 1 July 2019</b>	<b>564,889</b>	<b>4,914</b>	<b>919,146</b>	<b>1,488,949</b>	<b>1,497,610</b>
Net operating surplus/(deficit)	12,630	-	-	12,630	(342) <sup>2</sup>
Unrealised gain/(loss) from revaluation of property, plant and equipment	-	-	(18,293)	(18,293)	72,935 <sup>2</sup>
<b>Total comprehensive revenue and expense for the year</b>	<b>12,630</b>	<b>-</b>	<b>(18,293)</b>	<b>(5,663)</b>	<b>72,593</b>
Transfers from reserves and special funds	962	(962)	-	-	-
Transfers to reserves and special funds	(1,986)	1,986	-	-	-
<b>CLOSING BALANCE AT 30 JUNE 2020</b>	<b>576,495</b>	<b>5,938</b>	<b>900,853</b>	<b>1,483,286</b>	<b>1,570,203</b>

<sup>1</sup> As per 2018-38 Long Term Plan.

<sup>2</sup> As per 2019/20 Annual Plan.

Statement of financial position for the year ended 30 June 2020				
2018/19 Actual \$000		Note	2019/20 Actual \$000	2019/20 Budget \$000
<b>Current Assets</b>				
4,086	Cash and cash equivalents	7	5,944	200
9,558	Trade and other receivables	8	9,797	8,569
161	Inventories		152	127
761	Non-current assets held for sale		55	-
45,720	Other financial assets	10	35,640	40,640
55	Loans	9	53	57
<b>60,341</b>	<b>Total Current Assets</b>		<b>51,641</b>	<b>49,593</b>
<b>Non-Current Assets</b>				
1,672,284	Property plant and equipment	11	1,672,641	1,760,240
79	Forestry assets		57	114
980	Intangible assets	12	2,388	2,625
12,776	Other financial assets	10	12,855	7,856
426	Loans	9	366	396
<b>1,686,545</b>	<b>Total Non-Current Assets</b>		<b>1,688,307</b>	<b>1,771,231</b>
<b>1,746,886</b>	<b>TOTAL ASSETS</b>		<b>1,739,948</b>	<b>1,820,824</b>
<b>Current Liabilities</b>				
20,097	Trade and other payables	16	11,335	20,092
1,926	Employee benefits	17	2,599	2,460
1,119	Deposits	18	1,181	1,237
45,000	Borrowings	19	40,000	40,000
557	Provisions	20	391	136
417	Derivative financial instruments	24	548	2,455
<b>69,116</b>	<b>Total Current Liabilities</b>		<b>56,054</b>	<b>66,380</b>
<b>Non-Current Liabilities</b>				
112	Employee benefits	17	101	221
165,000	Borrowings	19	170,000	170,000
2,877	Provisions	20	2,586	3,588
20,832	Derivative financial instruments	24	27,921	10,432
<b>188,821</b>	<b>Total Non-Current Liabilities</b>		<b>200,608</b>	<b>184,241</b>
<b>257,937</b>	<b>TOTAL LIABILITIES</b>		<b>256,662</b>	<b>250,621</b>
<b>Public Equity</b>				
564,889	Accumulated funds		576,495	580,408
4,914	Reserves and special funds	22	5,938	6,404
919,146	Revaluation reserve	21	900,853	983,391
<b>1,488,949</b>	<b>TOTAL PUBLIC EQUITY</b>		<b>1,483,286</b>	<b>1,570,203</b>
<b>1,746,886</b>	<b>TOTAL LIABILITIES AND PUBLIC EQUITY</b>		<b>1,739,948</b>	<b>1,820,824</b>

The accounting policies and accompanying notes on pages 111 to 150 form part of these financial statements. Explanation of the major variances against budget are provided in note 29.

Statement of cash flows for the year ended 30 June 2020				
2018/19 Actual \$000		Note	2019/20 Actual \$000	2019/20 Budget \$000
<b>Cash flows from operating activities</b>				
<i>Cash was provided from:</i>				
65,138	Kāpiti Coast District Council rates		66,909	67,498
12,202	Greater Wellington Regional Council rates collected		13,017	-
1,947	Grants and subsidies		2,203	1,942
1,538	Interest received		2,015	1,811
10,975	Fees and charges		12,132	12,800
(59)	GST (net)		(173)	(70)
<b>91,741</b>			<b>96,103</b>	<b>83,981</b>
<i>Cash was applied to:</i>				
51,154	Payments to employees and suppliers		63,120	52,616
12,202	Rates paid to Greater Wellington Regional Council		13,017	-
<b>63,356</b>			<b>76,137</b>	<b>52,616</b>
<b>28,385</b>	<b>Net cash flow from operating activities</b>	<b>23</b>	<b>19,966</b>	<b>31,365</b>
<b>Cash flows from investing activities</b>				
<i>Cash was provided from:</i>				
51,026	Proceeds from loan repayments/term deposit maturities		50,782	45,720
747	Proceeds from sale of assets held for sale, property, plant and equipment and intangibles		334	-
3,931	Proceeds from capital grants		3,129	2,664
<b>55,704</b>			<b>54,245</b>	<b>48,384</b>
<i>Cash was applied to:</i>				
22,986	Construction and purchase of property, plant and equipment and intangibles		22,562	30,446
56,560	Purchase of investments		40,719	39,280
<b>79,546</b>			<b>63,281</b>	<b>69,726</b>
<b>(23,842)</b>	<b>Net cash flow from investing activities</b>		<b>(9,036)</b>	<b>(21,342)</b>
<b>Cash flows from financing activities</b>				
<i>Cash was provided from:</i>				
34,772	Proceeds from short-term borrowings		30,900	-
35,000	Proceeds from long-term borrowing		45,000	44,280
<b>69,772</b>			<b>75,900</b>	<b>44,280</b>
<i>Cash was applied to:</i>				
9,509	Interest paid		9,072	9,303
34,772	Repayment of short-term borrowings		30,900	-
30,000	Repayment of long-term borrowing		45,000	45,000
<b>74,281</b>			<b>84,972</b>	<b>54,303</b>
<b>(4,509)</b>	<b>Net cash flow from financing activities</b>		<b>(9,072)</b>	<b>(10,023)</b>
34	Net increase/(decrease) in cash and cash equivalents		1,858	-
4,052	Total cash and cash equivalents at 1 July		4,086	200
<b>4,086</b>	<b>TOTAL CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	<b>7</b>	<b>5,944</b>	<b>200</b>



Funding impact statement for the year ended 30 June 2020				
	2018/19 Budget \$000	2018/19 Actual \$000	2019/20 Budget \$000	2019/20 Actual \$000
<b>Source of operating funding</b>				
General rate, uniform annual general charge, rates penalties	15,898	22,908	23,479	23,503
Targeted rates	48,697	41,936	44,633	44,686
Grants and subsidies for operating purposes	1,701	1,947	1,942	2,323
Fees and charges	8,559	8,097	8,977	8,045
Interest and dividends from investments	2,856	2,164	1,848	1,624
Local authorities fuel tax, fines, infringement fees, and other	674	1,796	1,086	21,289
<b>Total operating funding</b>	<b>78,385</b>	<b>78,848</b>	<b>81,965</b>	<b>101,470</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	53,474	51,116	56,418	56,305
Finance costs	10,263	9,592	9,493	8,857
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding</b>	<b>63,737</b>	<b>60,708</b>	<b>65,911</b>	<b>65,162</b>
<b>SURPLUS/DEFICIT OF OPERATING FUNDING</b>	<b>14,648</b>	<b>18,140</b>	<b>16,054</b>	<b>36,308</b>
<b>Source of capital funding</b>				
Grants and subsidies for capital expenditure	3,990	3,931	2,664	3,129
Development and financial contributions	1,076	1,536	2,124	3,574
Increase (decrease) in debt	15,510	8,963	20,917	11,731
Gross proceeds from sale of assets	-	742	-	277
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total source of capital funding</b>	<b>20,576</b>	<b>15,172</b>	<b>25,705</b>	<b>18,711</b>
<b>Applications of capital funding</b>				
Capital expenditure				
> to meet additional demand	603	437	2,186	934
> to improve the level of service	18,041	12,029	21,783	13,568
> to replace existing assets	10,796	9,765	11,392	8,978
Increase (decrease) in reserves	5,784	11,081	6,398	31,539
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding</b>	<b>35,224</b>	<b>33,312</b>	<b>41,759</b>	<b>55,019</b>
<b>SURPLUS/DEFICIT OF CAPITAL FUNDING</b>	<b>(14,648)</b>	<b>(18,140)</b>	<b>(16,054)</b>	<b>(36,308)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Notes to the financial statements

## 1. Statement of accounting policies

### Reporting entity

Kāpiti Coast District Council (Council) is a territorial local authority established under the Local Government Act 2002 (LGA) and is based and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The primary objective of Council is to cover the costs of providing services and managing the district's assets sustainably rather than aiming to make a profit. Accordingly, the Council has designated itself as a public benefit entity (PBE) for the purposes of the accounting standards framework applicable to public sector entities.

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

To ensure it is easy to see our performance across the Council, we have included separate funding impact statements for each activity as well as the whole of Council.

The financial statements of the Council are for the year ended 30 June 2020. The financial statements were adopted and authorised for issue by the Council on 1 October 2020.

### Statement of compliance

The financial statements have been prepared in accordance with the requirements of the LGA and

comply with generally accepted accounting practice in New Zealand (NZ GAAP).

Council is a Tier 1 entity and the financial statements have been prepared in accordance with, and comply with the PBE Standards.

### Basis of preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the year.

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

The financial statements have been prepared on a historical cost basis, modified by the revaluation of certain assets and liabilities as identified in the accounting policies.

### Accounting Standards issued and not yet effective, and not early adopted

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the financial statements are as follow:

#### *Financial Instruments*

In January 2017, the XRB issued PBE IPSAS 41 Financial instruments. This replaces PBE IPSAS 29 Recognition and Measurement, and introduces into PBE Standards the reforms introduced by NZ IFRS 9 in the for-profit sector. PBE IPSAS 41 is effective for annual periods beginning on or after 1 January 2022, with earlier application permitted.

The main changes under this standard relevant to Council are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost
- A new impairment model for financial assets based on expected losses, which might result in earlier recognition of impairment losses

*The Council plans to apply this standard in preparing the 30 June 2023 financial statements and has not yet assessed in detail the impact of the new standard but anticipates that the standard will not have a material effect on Council's financial statements.*

#### *Service Performance Reporting*

Council is required under the Local Government Act 2002 to produce a Statement of Service Performance as part of its annual report.

In November 2017, the XRB issued a new standard, Service Performance Reporting (PBE FRS 48).

This Standard establishes new requirements for public benefit entities (PBEs) to select and present services performance information. PBEs will need to provide users with: i) sufficient contextual information to understand why the entity exists, what it intends to achieve in board terms over the medium to long term, and how it goes about this; and ii) information about what the entity has done during the reporting period in working towards its broader aims and objectives. The new standard is mandatory for annual periods beginning on or after 1 January 2022, with early application permitted.

*The Council plans to apply this standard in preparing the 30 June 2023 financial statements and has not yet assessed in detail the impact of the new standard but anticipates that the standard will not have a material effect on Council's financial statements.*

### Other changes in accounting policies

There have been no changes in the accounting policies in the year ended 30 June 2020, other than the adoption of new PBE Standards and amendments to PBE Standards as disclosed below. Other than the changes disclosed below, all accounting policies and disclosures are consistent with those applied in the previous year.

#### *Impairment of Revalued Assets*

The amendments change the scope of PBE IPSAS 21 Impairment of Non-Cash-Generating Assets and PBE IPSAS 26 Impairment of Cash-Generating Assets to include assets measured at revalued amounts under the revaluation model in PBE IPSAS 17 Property, Plant and Equipment and PBE IPSAS 31 Intangible Assets ("revalued assets"). As a result of the amendments, revalued assets are subject to the same impairment assessment requirements as assets that are measured using the cost model. A revalued asset can be impaired without having to revalue the entire class-of asset to which the asset belongs.

The amendments did not have any impact on the financial statements.

### Summary of significant accounting policies

Significant accounting policies are included in the specific notes to which they relate.

Those policies that do not relate to a specific note are outlined below.

## Revenue

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

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

#### *Development and financial contributions*

Development and financial contributions, are non-exchange transactions and are recognised as revenue when the Council provides the service for which the contribution was charged.

#### *Interest income*

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

## Expenses

#### *Interest expense*

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

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

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

#### *Other gains and losses*

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

## Assets

#### *Inventories*

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

#### *Forestry assets*

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

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

## Other

### Foreign currency translation

Foreign currency transactions are translated into the New Zealand Dollar (NZD) using the spot exchange rate at the date of the transaction.

Council has minimal foreign currency transactions. Purchases from overseas vendors are mainly library resources and computer software.

### Allocation of overheads to significant activities

For the purposes of reporting performance by activity, all overhead costs from support service functions are allocated to Council's significant activities. The costs of internal services not already charged to activities are allocated as overheads (using appropriate cost drivers) such as actual usage, staff numbers and floor area.

## Allocation of overheads to significant activities (continued)

Individually significant activity operating revenue and expenditure is stated inclusive of any internal revenue and internal charges.

The governance and tāngata whenua (i.e. elected members' costs) is reported as a separate activity as it represents a direct public service.

## Budget figures

The budget figures presented in these financial statements are from the Council's 2019/20 Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council in preparing the financial statements.

Explanation of major variances between actual results and budgeted figures is provided in note 29.

## Accounting judgements and estimations

Preparing the financial statements using PBE Standards requires management to make judgements, estimates and assumptions concerning the future that affect the application of policies and reported amounts of assets, liabilities, revenue and expenses.

Management bases its assessments on historical experience and other factors which are reviewed on an ongoing basis. The subsequent actual results may be different.

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

- the valuation of infrastructural assets – see note 11,
- the determination of estimated useful lives and residual values for property, plant and equipment – see note 11,
- the valuation of long-term employee entitlements – see note 17, and
- the valuation of financial derivatives – see note 24.
- the cost of our environmental obligations in respect to the closure of the Otaihanga landfill – see note 20,



2. Revenue from rates		
2018/19 Actual \$000		2019/20 Actual \$000
	<b>Revenue from exchange transactions:</b>	
	<b>Targeted rates</b>	
4,114	Districtwide water supply volumetric rate	4,163
<b>4,114</b>	<b>Total rates from exchange transactions</b>	<b>4,163</b>
	<b>Revenue from non-exchange transactions:</b>	
	<b>General rates</b>	
22,289	Districtwide	23,255
	<b>Targeted rates</b>	
15,305	Community facilities rate	15,925
231	Hautere/Te Horo water supply rate	178
218	Ōtaki community rate	263
43	Paekākāriki community rate	44
82	Paraparaumu/Raumati community rate	83
8,042	Districtwide roading rate	8,900
2,576	Districtwide stormwater rate	2,486
86	Waikanae community rate	88
7,661	Districtwide wastewater disposal rate	8,481
4,564	Districtwide water supply fixed rate	4,794
435	Commercial rate	368
(1,051)	Less internal rates	(1,089)
(370)	Less rates remitted	(369)
<b>60,111</b>	<b>Total rates from non-exchange transactions</b>	<b>63,407</b>
<b>64,225</b>	<b>Total rates from exchange and non-exchange transactions</b>	<b>67,570</b>
77,889	Total rates levied	82,335
(1,051)	Less internal rates	(1,089)
(370)	Less rates remitted	(369)
(12,243)	Less Greater Wellington Regional Council rates	(13,307)
<b>64,225</b>	<b>Total revenue from rates</b>	<b>67,570</b>

### Accounting policy

Revenue from rates is measured at fair value. General and targeted rates are set annually by way of a rates resolution by the Council. Rates revenue is measured at the amount assessed, which is the fair value of the cash received or receivable. The Council recognises revenue from rates when the rates are set and the rates assessments have been provided. Rates are invoiced in quarterly instalments during the financial year. Rates are a tax as they are payable under the Local Government (Rating) Act 2002 and therefore meet the definition of non-exchange.

Water rates are based on a fixed portion plus a volumetric charge for usage determined by meter readings once the service has been delivered. As the rates charged are based on consumption, water rates are considered to be an exchange transaction. Revenue from water rates is recognised on an accrual basis. Unbilled usage as a result of unread meters at year end is accrued on an average usage basis.

Rates remissions are recognised when Council has received an application that satisfies its Rates Remission Policy. Rates income is shown net of any rate remissions and rates levied on council-owned properties. Rates levied on council-owned properties and rates remissions are excluded from expenditure.

Rates collected on behalf of Greater Wellington Regional Council (GWRC) are not recognised in the Statement of comprehensive revenue and expenses as Council acts as an agent for GWRC.

As part of Council's Covid-19 Phase 1 - Sustain Community support package, assistance was provided to rate payers through an agreed payment plan, allowing property and water rates levied between 1 March 2020 and 30 June to be deferred for up to six months. Applications for the support package closed on 31 August 2020. The total property and water rates payments deferred are \$284,172 over 136 agreed payment plans.

Rates remissions		
2018/19 Actual \$000		2019/20 Actual \$000
96	Council community properties, sporting, recreational and other community organisations	82
79	Residential rating units containing two separately habitable units	82
195	Financial hardship	205
<b>370</b>	<b>Total rates remissions</b>	<b>369</b>

Rate remissions granted during the year in accordance with the Council's rates remission and postponement policies total \$0.37 million (2019: \$0.37 million). Total rates levied on council-owned properties were \$1.09 million (2019: \$1.05 million).

Summary of rates funding surplus	
	2019/20 Actual \$000
<b>Operating surplus</b>	<b>19,614</b>
<b>Adjustments for non-rates funded revenue and expenditure</b>	
Add: revaluation of Council's forestry assets	22
Add: unfunded depreciation	3,145
Add: expenditure funded by reserves and special funds	215
Less: capital subsidies	(1,540)
Less: development and financial contributions	(3,574)
Less: capital funding and vesting of assets	(20,552)
Less: net gain/loss on sale of assets	(191)
Less: other operating income not funded by rates	(22)
<b>Underlying rates deficit</b>	<b>(2,883)</b>
<b>Represented by:</b>	
Water account surplus	638
Net overspend across the organisation	(3,521)
<b>Underlying rates deficit</b>	<b>(2,883)</b>

The underlying rates funding deficit of \$2.883 million is different to the operating surplus of \$19.614 million as per the statement of comprehensive revenue and expense due to the following:

- Operating surplus/(deficit) covers all of the Council's operating revenue and expenditure from all funding sources.

- Rates funding surplus/(deficit) only covers the Council's revenue and expenditure that is rates funded.

The underlying rates funding deficit of \$2.9 million is mainly due to \$2.2 million unbudgeted impairment loss of the Otaihangā landfill after-care asset (note 20) and fees and charges that were \$880,000 unfavourable due to COVID-19 (note 3).

Rating base information			
Year	Rating units	Total capital value of rating units \$000	Total land value of rating units \$000
<b>2015/16</b>			
Rateable units	24,555	10,798,419	5,150,537
Non-rateable units	832	378,393	138,669
<b>Total</b>	<b>25,387</b>	<b>11,176,812</b>	<b>5,289,206</b>
<b>2016/17</b>			
Rateable units	24,697	10,916,193	5,173,253
Non-rateable units	668	382,366	142,618
<b>Total</b>	<b>25,365</b>	<b>11,298,559</b>	<b>5,315,871</b>
<b>2017/18</b>			
Rateable units	24,781	11,027,223	5,178,137
Non-rateable units	773	509,010	210,376
<b>Total</b>	<b>25,554</b>	<b>11,536,233</b>	<b>5,388,513</b>
<b>2018/19</b>			
Rateable units	25,053	14,816,185	7,122,954
Non-rateable units	722	555,506	242,781
<b>Total</b>	<b>25,775</b>	<b>15,371,691</b>	<b>7,365,735</b>
<b>2019/20</b>			
Rateable units	25,150	14,977,699	7,139,624
Non-rateable units	789	565,346	244,805
<b>Total</b>	<b>25,939</b>	<b>15,543,045</b>	<b>7,384,429</b>

The Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements its annual rates income. The Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received by Council from other local authorities for services provided (and for which the other local authorities rate). The annual rates revenue of the Council for the purpose of the LGFA Guarantee and Indemnity Deed disclosure are as per note 2.

3. Revenue from fees and charges		
2018/19 Actual \$000		2019/20 Actual \$000
	<b>Revenue from exchange transactions:</b>	
958	Sale of goods and services	1,230
1,808	Rent from lease of council-owned properties	1,778
<b>2,766</b>	<b>Total fees and charges from exchange transactions</b>	<b>3,008</b>
	<b>Revenue from non-exchange transactions:</b>	
5,331	Sale of goods and services	5,115
810	Fines and penalties	768
<b>6,141</b>	<b>Total fees and charges from non-exchange transactions</b>	<b>5,883</b>
<b>8,907</b>	<b>Total fees and charges</b>	<b>8,891</b>

Revenue from sale of goods and services includes building and resource consent fees, licence fees, library charges, and LIM reports.

Fines and penalties include penalties for late payment of rates of \$0.62 million (2019: \$0.62 million) and traffic infringements of \$0.08 million (2019: \$0.09 million). It also includes library fines and prosecutions for animal management and noise infringements.

### Accounting policy

Revenue from operating activities is generally measured at the fair value of the consideration received or receivable.

#### *Exchange transactions*

##### i). Sale of goods

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

##### ii). Rental revenue

Rental revenue is accounted for on a straight-line basis over the lease or rental term. Council receives rentals from properties used for operating activities e.g. community housing, and from properties that are held for future strategic purposes e.g. infrastructural developments. Council does not hold any properties for investment purposes.

### Accounting policy (continued)

#### *Non Exchange transactions*

The Council undertakes various activities as part of its normal operations which generate revenue, but generally at below market prices or at fees and user charges subsidised by rates. Revenue from the sale of goods or services at a price that is not approximately equal to the value of the goods provided by the Council is considered a non-exchange transaction. Generally, there are no conditions attached to such revenue.

##### i). Rendering of services

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

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

##### ii). *Sale of goods –subsidised*

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

##### iii). *Fines and penalties*

Revenue from fines and penalties (e.g. traffic and parking infringements, overdue library items, animal management and noise control prosecutions) is recognised when infringement notices are issued or when the fines/penalties are otherwise imposed. Revenue is recognised at the amount of cash received or receivable for the infringement.

Penalties for late payment of rates are recognised as revenue when rates become overdue.

The impact of COVID-19 on fees and charges was as follow:

#### *Sale of goods and services*

- approximately \$367,000 of "lost revenue" due to Council facility closures (service centres, libraries, aquatic centres, community centre, halls and venues) from 23 March to 13 May 2020

As part of Council's Covid-19 Phase 1 - Sustain Community support package, the following assistance was provided:

#### *Sale of goods and services*

- a refund of 25% of licence or registration fees relating to food, alcohol, outdoor dining, hairdressing, trade waste and campgrounds (\$47,155)
- a refund of consent deposits and fees if applicants request to withdraw their application (\$6,000).

#### *Rent from lease of council-owned properties*

- rent payments waived for three months for major commercial tenants (\$38,332)

#### *Penalties*

- the reversal of property and water rates penalties incurred between 1 March 2020 and 30 June (\$34,307), on entering into agreed payment plan

4. Revenue from grants and subsidies		
2018/19 Actual \$000		2019/20 Actual \$000
	<b>Grants and subsidies from non-exchange transactions</b>	
3,931	Capital grants	3,129
1,947	Operating grants	2,203
<b>5,878</b>	<b>Total grants and subsidies from non-exchange transactions</b>	<b>5,332</b>

The Council receives both capital and operating grants from NZTA. Capital grants of \$3.12 million (2019: \$3.85 million) from NZTA were used to subsidise the construction or renewal of new and existing local roading and operating grants of \$2.13 million (2019: \$1.89 million) from NZTA were used for the cost of maintaining existing local roading.

### Accounting policy

Grants, subsidies and funding subsidies received are recognised as revenue when control is obtained of the transferred asset (cash, goods, other assets or services) and the transfer is free from conditions that require the Council to refund or return the asset if the conditions relating to the assets are not fulfilled. When grants and subsidies include a condition, a liability is recognised until the Council has satisfied the conditions when the revenue is recognised.

The Council receives the majority of grants and subsidies revenue from NZTA which subsidises part of the cost of maintenance and capital expenditure on the local roading infrastructure. The right to receive the funding from NZTA arises once the work is performed therefore revenue is recognised when receivable as there are no further conditions attached to the funding.

### 5. Other operating revenue

2018/19 Actual \$000		Note	2019/20 Actual \$000
	<b>Other operating revenue from exchange transactions</b>		
184	Realised gain on disposal of property, plant and equipment		191
<b>184</b>	<b>Total other operating revenue from exchange transactions</b>		<b>191</b>
	<b>Other operating revenue from non-exchange transactions</b>		
1,112	Vested assets	11	20,552
24	Donations and sponsorships		28
256	Local government petrol tax		274
213	Other revenue		329
<b>1,605</b>	<b>Total other operating revenue from non-exchange transactions</b>		<b>21,183</b>
<b>1,789</b>	<b>Total grants and subsidies</b>		<b>21,374</b>

Vested assets are mainly infrastructural assets such as roading, drainage, water and wastewater assets that have been constructed by NZTA or subdivision developers.



Ownership of these assets transfers to the Council as part of the consent process at the end of the subdivision development or when a state highway is revoked and become a local road.

### Accounting policy

#### *Vested assets*

Where a physical asset is acquired for nil or nominal consideration, with no conditions attached, the fair value of the asset received, as determined by active market prices, is recognised as non-exchange revenue. Assets vested to the Council are recognised as revenue when control over the asset is transferred to the Council.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the assets. For assets received from property developments, the fair value is based on construction price information provided by the property developer.

#### *Realised and unrealised gains*

Gains include realised gains on the disposal of property, plant and equipment or an unrealised fair value increase on the revaluation of forestry assets.

6. Operating expenses			
2018/19 Actual \$000		Note	2019/20 Actual \$000
	<b>Ernst &amp; Young</b>		
181	Audit of financial statements		185
3	Audit of debenture trust deeds		3
	<b>Impairments and unrealised losses</b>		
123	Loss on disposal of property, plant and equipment		-
30	Unrealised loss on fair value of forestry assets		22
-	Impairment of property, plant and equipment		2,200
(281)	Net increase/(decrease) of impairment of receivables		170
	<b>Governance</b>		
695	Councillor fees and costs		764
	<b>Personnel costs</b>		
25,390	Staff remuneration		27,361
595	Other personnel costs		1,328
1,305	Fixed term resourcing		1,552
816	Employer superannuation (including KiwiSaver)		881
366	Staff training		398
	<b>Other</b>		
138	Transport costs		127
513	Grants and sponsorships		570
629	Legal costs		680
1,551	Insurance		1,045
1,521	Operating projects		1,598
351	Operating lease rentals		469
2,136	Heat, light, power (energy)		2,053
233	Communications		201
740	Professional services		1,654
258	Printing and stationery		216
59	Bank charges		68
13,888	Other		14,960
<b>51,240</b>	<b>Total other operating expense</b>		<b>58,505</b>

## Accounting policy

### *Realised and unrealised losses*

Losses include realised losses on the disposal of property, plant and equipment or an unrealised fair value decreases on the revaluation of forestry assets.

### *Governance and Personnel costs*

Governance costs relate to the remuneration made to all elected members, comprising the Mayor, Councillors and Community Board members.

Personnel costs relate to the remuneration paid directly to staff (permanent and fixed term), other employee benefits such as KiwiSaver and other associated costs such as recruitment and training.

### *Grants and sponsorships*

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

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

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

The impact of COVID-19 on Operating expenses was as follow:

#### *Personnel Cost*

- A higher than normal annual leave liability as at 30 June 2020 caused by travel restrictions during March to May 2020 deterring staff from taking annual leave (\$483,000)

#### *Grants and sponsorships*

- Community boards were allowed to repurpose unallocated discretionary grants for 2019/20 to COVID-19 response initiatives (\$19,299)
- Iwi Work plan budget was re-purposed (\$90,000)

#### *Other*

- Lower cost associated with Council ceremonies/functions and other governance related costs. (\$153,000)
- An underspend in District Plan review appeal costs (\$267,000) with hearing costs deferred to 2020/21.

**7. Cash and cash equivalents**

2018/19 Actual \$000		2019/20 Actual \$000
5	Cash on hand	5
4,081	Cash at bank	5,939
<b>4,086</b>	<b>Total cash and cash equivalents</b>	<b>5,944</b>

**8. Trade and other receivables**

2018/19 Actual \$000		2019/20 Actual \$000
	<b>Trade and other receivables from exchange transactions</b>	
2,475	Trade receivables	3,482
814	Rates receivable	646
906	Prepayments	1,233
(33)	Less provision for impairment	(75)
<b>4,162</b>	<b>Total trade and other receivables from exchange transactions</b>	<b>5,286</b>
	<b>Trade and other receivables from non-exchange transactions</b>	
940	GST receivable	388
2,455	Trade receivables	2,085
2,462	Rates receivable	2,627
(461)	Less provision for impairment	(589)
<b>5,396</b>	<b>Total trade and other receivables from non-exchange transactions</b>	<b>4,511</b>
<b>9,558</b>	<b>Total trade and other receivables</b>	<b>9,797</b>

**Accounting policy***Cash and cash equivalents*

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. It includes cash on hand, deposits held on call with banks, other short-term highly liquid investments with maturities of three months or less.

Bank balances are interest bearing and earn interest based on current floating bank deposit rates. Short-term deposits are made with a registered bank, with a credit rating of at least A+, for varying periods depending on the immediate cash requirements and short-term borrowings of the Council, and earn interest at the applicable term deposit rates.

*Trade and other receivables*

Trade and other receivables are initially measured at their face value, less any provision for impairment. Receivables are generally short-term and non-interest bearing. The carrying value approximates the fair value.

A receivable is considered to be uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollected is the difference between the amount due and the present value of the amount expected to be collected.

All receivables greater than 30 days in age are considered to be past due.

The impairment provision has been calculated based on a review of specific, larger, overdue receivables and a collective assessment of the remainder of receivables. The collective impairment provision is based on an analysis of past collection history and debt write-offs. Individually impaired receivables are determined to be impaired if the debtor has significant financial difficulties.

Provision for impairment of trade and other receivables		
2018/19 Actual \$000		2019/20 Actual \$000
775	Opening balance	494
-	Increase in provision	203
(281)	Released unused provisions	(33)
<b>494</b>	<b>Provision for impairment of trade and other receivables</b>	<b>664</b>

Movements in the provision for impairment of receivables are as follows:

Provision for impairment of trade and other receivables		
2018/19 Actual \$000		2019/20 Actual \$000
434	Individual impairment	630
60	Collective impairment	34
<b>494</b>	<b>Provision for impairment of trade receivables at 30 June</b>	<b>664</b>

The aging profile of receivables excluding property rates, for the year ended 30 June:

Trade and other receivables (excluding property rates)						
	2019/20 Gross \$000	2019/20 Provision \$000	2019/20 Net \$000	2018/19 Gross \$000	2018/19 Provision \$000	2018/19 Net \$000
Not past due	5,322	-	5,322	5,552	-	5,552
1 - 30 days	1,318	-	1,318	549	-	549
31 - 60 days	127	-	127	208	-	208
> 90 days	1,810	(148)	1,662	2,183	(88)	2,095
	<b>8,577</b>	<b>(148)</b>	<b>8,429</b>	<b>8,492</b>	<b>(88)</b>	<b>8,404</b>

The aging profile of property rates for the year ended 30 June:

Rates receivables						
	2019/20 Gross \$000	2019/20 Provision \$000	2019/20 Net \$000	2018/19 Gross \$000	2018/19 Provision \$000	2018/19 Net \$000
Not past due	1,401	(33)	1,368	1,145	-	1,145
Up to 2 years	171	(171)	-	151	(142)	9
2 to 5 years	124	(124)	-	103	(103)	-
Over 5 years	188	(188)	-	161	(161)	-
<b>Total Rate Debtors</b>	<b>1,884</b>	<b>(516)</b>	<b>1,368</b>	<b>1,560</b>	<b>(406)</b>	<b>1,154</b>

The impact of Covid-19 on Trade and Other receivables:

- The total property rates outstanding as at 30 June 2020 was \$2.26 million, compared to \$1.87 million as at 30 June 2019. This can be attributed to pausing active collection and mortgagee notifications between 25 March and June 2020. In light of COVID-19, the usual collection process will be considered very carefully going forward.
- Council did not alter its methodology for providing for doubtful debts from prior year, as there was no strong indication at year end of significant financial difficulty within the district that would lead to an increase in expected uncollectability.

9. Loans		
2018/19 Actual \$000		2019/20 Actual \$000
	<b>Current</b>	
48	Water conservation loans	46
7	Loans to community groups	7
<b>55</b>	<b>Total current loans</b>	<b>53</b>
	<b>Non-current</b>	
236	Water conservation loans	183
190	Loans to community groups	183
<b>426</b>	<b>Total non-current loans</b>	<b>366</b>
<b>481</b>	<b>Total loans</b>	<b>419</b>



## Loans to community groups

Loans to community groups include a loan to the Kāpiti Hockey Turf Trust for laying artificial turf and construction of a new pavilion to meet standards for hosting national and international tournaments.

## Water conservation loans

Council provides interest-free loans (up to \$5,000) to property owners who wish to install approved water conservation devices to reduce water use. The Council recovers the loans by way of a targeted rate on the property. The period of repayment is up to 10 years.

### Accounting policy

#### Loans

Loans are initially measured at their fair value, and subsequently at amortised cost using the effective interest method, less any impairment.

A loan is considered to be impaired when there is evidence that the amount due will not be fully collected. The amount that is uncollected is the difference between the amount due and the present value of the amount expected to be collected.

Gains or losses when the asset is impaired or settled are recognised in surplus or deficit in the statement of comprehensive revenue and expense.

10. Other financial assets		
2018/19 Actual \$000		2019/20 Actual \$000
	<b>Current</b>	
	<b>Deposits</b>	
45,000	Term deposits	35,000
	<b>Notes</b>	
720	NZ Local Government Funding Agency	640
<b>45,720</b>	<b>Total current other financial assets</b>	<b>35,640</b>
	<b>Non-current</b>	
	<b>Shares</b>	
100	NZ Local Government Funding Agency	100
15	Civic Financial Services	14
	<b>Notes</b>	
2,640	NZ Local Government Funding Agency	2,720
21	Fonterra perpetual	21
	<b>Deposits</b>	
10,000	Term deposits	10,000
<b>12,776</b>	<b>Total non-current other financial assets</b>	<b>12,855</b>
<b>58,496</b>	<b>Total other financial assets</b>	<b>48,495</b>

## Bank deposits

Term deposits are made with a registered bank, with a credit rating of at least A+. Council holds term deposits as part of its overall liquidity risk management programme, whereby it pre-funds upcoming debt maturities. The carry amount of term deposits approximates their fair value.

## Shares

The Council holds the following:

- The New Zealand Local Government Funding Agency (LGFA), 100,000 ordinary shares and 100,000 ordinary unpaid shares.
- Civic Financial Services Limited (formerly Civic Assurance), 15,060 shares.

## Notes

The LGFA Borrower Notes are subordinated convertible debt instruments which each council that borrows from LGFA must subscribe for. LGFA will redeem Borrower Notes when the councils' related borrowings are repaid or no longer owed to LGFA.

11. Property, plant and equipment																
2019/20	Cost/Revaluation								Accumulated depreciation						Carrying amount	
	Opening balance	Additions	Vested assets	Disposals	Revaluation	Impairment	Transfers (to/from)	Closing balance	Opening balance	Depreciation	Disposals	Revaluation	Transfers (to/from)	Closing balance	Opening balance	Closing balance
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<i>Operational assets</i>																
Buildings and improvements	54,152	-	-	(982)	314	-	1,096	54,580	(3,665)	(1,863)	982	4,546	-	-	50,487	54,580
Computers and office equipment	2,861	835	-	(538)	-	-	(351)	2,807	(1,695)	(412)	538	-	-	(1,569)	1,166	1,238
Furniture and chattels	2,304	127	-	(60)	-	-	190	2,561	(949)	(310)	60	-	-	(1,199)	1,355	1,362
Land	33,571	-	-	-	1,676	-	2,040	37,287	-	-	-	-	-	-	33,571	37,287
Landfill post-closure	5,346	-	-	(311)	-	(2,200)	-	2,835	(2,409)	(426)	-	-	-	(2,835)	2,937	-
Library collections	5,444	345	-	(2,791)	-	-	9	3,007	(3,652)	(318)	2,791	-	-	(1,179)	1,792	1,828
Motor vehicles	3,310	430	-	(271)	-	-	(17)	3,452	(2,206)	(256)	256	-	-	(2,206)	1,104	1,246
Plant and machinery	3,423	-	-	(32)	-	-	17	3,408	(2,065)	(217)	32	-	-	(2,250)	1,358	1,158
Items under construction	2,515	3,804	-	-	-	-	(3,471)	2,848	-	-	-	-	-	-	2,515	2,848
<b>Total operational assets</b>	<b>112,926</b>	<b>5,541</b>	<b>-</b>	<b>(4,985)</b>	<b>1,990</b>	<b>(2,200)</b>	<b>(487)</b>	<b>112,785</b>	<b>(16,641)</b>	<b>(3,802)</b>	<b>4,659</b>	<b>4,546</b>	<b>-</b>	<b>(11,238)</b>	<b>96,285</b>	<b>101,547</b>
<i>Infrastructural assets</i>																
Bridges	14,136	-	-	-	(114)	-	-	14,022	(86)	(314)	-	129	-	(271)	14,050	13,751
River flood protection and control works	1,110	-	-	-	35	-	-	1,145	(17)	(18)	-	35	-	-	1,093	1,145
Roading – land under road	795,759	-	6,810	-	(34,830)	-	-	767,739	-	-	-	-	-	-	795,759	767,739
Roading and footpaths	331,817	-	9,219	(170)	-	-	10,622	351,488	(24)	(6,480)	170	-	-	(6,334)	331,793	345,154
Seawalls	6,182	-	-	-	527	-	34	6,743	(439)	(504)	-	943	-	-	5,743	6,743
Stormwater drainage	68,722	-	1,906	-	(3,478)	-	(331)	66,819	(1,911)	(1,095)	-	3,006	-	-	66,811	66,819
Wastewater – other assets	116,561	-	820	-	(5,164)	-	986	113,203	(2,344)	(2,352)	-	4,818	(134)	(12)	114,217	113,191
Wastewater treatment plants and facilities	24,772	-	-	-	(1,385)	-	(547)	22,840	(1,166)	(1,190)	-	2,222	134	-	23,606	22,840
Water – other assets	96,941	-	1,509	-	(416)	-	1,062	99,096	(2,126)	(2,088)	-	4,230	(53)	(37)	94,815	99,059
Water treatment plants and facilities	23,220	-	-	-	(104)	-	(682)	22,434	(1,234)	(943)	-	1,833	53	(291)	21,986	22,143
Items under construction	16,976	15,361	-	-	-	-	(11,202)	21,135	-	-	-	-	-	-	16,976	21,135
<b>Total infrastructural assets</b>	<b>1,496,196</b>	<b>15,361</b>	<b>20,264</b>	<b>(170)</b>	<b>(44,929)</b>	<b>-</b>	<b>(58)</b>	<b>1,486,664</b>	<b>(9,347)</b>	<b>(14,984)</b>	<b>170</b>	<b>17,216</b>	<b>-</b>	<b>(6,945)</b>	<b>1,486,849</b>	<b>1,479,719</b>
<i>Restricted assets</i>																
Buildings and improvements	35,195	-	288	(4)	(4,122)	-	1,798	33,155	(4,179)	(2,218)	4	6,359	(468)	(502)	31,016	32,653
Land	57,777	-	-	(128)	647	-	39	58,335	(56)	-	-	-	-	(56)	57,721	58,279
Items under construction	413	1,047	-	-	-	-	(1,485)	(25)	-	-	-	-	468	468	413	443
<b>Total restricted assets</b>	<b>93,385</b>	<b>1,047</b>	<b>288</b>	<b>(132)</b>	<b>(3,475)</b>	<b>-</b>	<b>352</b>	<b>91,465</b>	<b>(4,235)</b>	<b>(2,218)</b>	<b>4</b>	<b>6,359</b>	<b>-</b>	<b>(90)</b>	<b>89,150</b>	<b>91,375</b>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>1,702,507</b>	<b>21,949</b>	<b>20,552</b>	<b>(5,287)</b>	<b>(46,414)</b>	<b>(2,200)</b>	<b>(193)</b>	<b>1,690,914</b>	<b>(30,223)</b>	<b>(21,004)</b>	<b>4,833</b>	<b>28,121</b>	<b>-</b>	<b>(18,273)</b>	<b>1,672,284</b>	<b>1,672,641</b>

## 11. Property, plant and equipment

2018/19	Cost/Revaluation								Accumulated depreciation						Carrying amount	
	Opening balance	Additions	Vested assets	Disposals	Revaluation	Impairment	Transfers ((to)/from))	Closing balance	Opening balance	Depreciation	Disposals	Revaluation	Transfers ((to)/from))	Closing balance	Opening balance	Closing balance
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<i>Operational assets</i>																
Buildings and improvements	55,887	15	-	(332)	(2,073)	-	655	54,152	(1,848)	(1,866)	49	-	-	(3,665)	54,039	50,487
Computers and office equipment	2,561	825	-	-	-	-	(525)	2,861	(1,181)	(514)	-	-	-	(1,695)	1,380	1,166
Furniture and chattels	1,703	249	-	(4)	-	-	356	2,304	(701)	(248)	-	-	-	(949)	1,002	1,355
Land	33,646	-	10	(140)	-	-	55	33,571	-	-	-	-	-	-	33,646	33,571
Landfill post-closure	5,442	-	-	(96)	-	-	-	5,346	(1,976)	(433)	-	-	-	(2,409)	3,466	2,937
Library collections	5,020	424	-	-	-	-	-	5,444	(3,166)	(486)	-	-	-	(3,652)	1,854	1,792
Motor vehicles	3,298	55	-	(26)	-	-	(17)	3,310	(2,003)	(229)	26	-	-	(2,206)	1,295	1,104
Plant and machinery	3,473	-	-	(67)	-	-	17	3,423	(1,889)	(243)	67	-	-	(2,065)	1,584	1,358
Items under construction	815	2,495	-	-	-	-	(795)	2,515	-	-	-	-	-	-	815	2,515
<b>Total operational assets</b>	<b>111,845</b>	<b>4,063</b>	<b>10</b>	<b>(665)</b>	<b>(2,073)</b>	<b>-</b>	<b>(254)</b>	<b>112,926</b>	<b>(12,764)</b>	<b>(4,019)</b>	<b>142</b>	<b>-</b>	<b>-</b>	<b>(16,641)</b>	<b>99,081</b>	<b>96,285</b>
<i>Infrastructural assets</i>																
Bridges	13,872	-	-	-	250	-	14	14,136	(310)	(316)	-	540	-	(86)	13,562	14,050
River flood protection and control works	1,110	-	-	-	-	-	-	1,110	1	(18)	-	-	-	(17)	1,111	1,093
Roading – land under road	795,759	-	-	-	-	-	-	795,759	-	-	-	-	-	-	795,759	795,759
Roading and footpaths	306,408	-	499	-	15,911	-	8,999	331,817	(5,363)	(5,585)	-	10,610	314	(24)	301,045	331,793
Seawalls	5,145	-	-	-	-	-	1,037	6,182	1	(440)	-	-	-	(439)	5,146	5,743
Stormwater drainage	67,777	-	144	(532)	-	-	1,333	68,722	(1,312)	(1,131)	532	-	-	(1,911)	66,465	66,811
Wastewater – other assets	115,167	-	284	-	-	-	1,110	116,561	47	(2,343)	-	-	(48)	(2,344)	115,214	114,217
Wastewater treatment plants and facilities	24,225	-	-	-	-	-	547	24,772	(20)	(1,166)	-	-	20	(1,166)	24,205	23,606
Water – other assets	96,458	-	161	-	-	-	322	96,941	(14)	(2,075)	-	-	(37)	(2,126)	96,444	94,815
Water treatment plants and facilities	22,649	-	-	-	-	-	571	23,220	(49)	(936)	-	-	(249)	(1,234)	22,600	21,986
Items under construction	14,505	16,468	-	-	-	-	(13,997)	16,976	-	-	-	-	-	-	14,505	16,976
<b>Total infrastructural assets</b>	<b>1,463,075</b>	<b>16,468</b>	<b>1,088</b>	<b>(532)</b>	<b>16,161</b>	<b>-</b>	<b>(64)</b>	<b>1,496,196</b>	<b>(7,019)</b>	<b>(14,010)</b>	<b>532</b>	<b>11,150</b>	<b>-</b>	<b>(9,347)</b>	<b>1,456,056</b>	<b>1,486,849</b>
<i>Restricted assets</i>																
Buildings and improvements	33,633	522	14	(14)	-	-	1,040	35,195	(2,046)	(2,147)	14	-	-	(4,179)	31,587	31,016
Land	58,035	-	-	(258)	-	-	-	57,777	-	-	-	-	(56)	(56)	58,035	57,721
Items under construction	248	1,178	-	-	-	-	(1,013)	413	-	-	-	-	-	-	248	413
<b>Total restricted assets</b>	<b>91,916</b>	<b>1,700</b>	<b>14</b>	<b>(272)</b>	<b>-</b>	<b>-</b>	<b>27</b>	<b>93,385</b>	<b>(2,046)</b>	<b>(2,147)</b>	<b>14</b>	<b>-</b>	<b>(56)</b>	<b>(4,235)</b>	<b>89,870</b>	<b>89,150</b>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>1,666,836</b>	<b>22,231</b>	<b>1,112</b>	<b>(1,469)</b>	<b>14,088</b>	<b>-</b>	<b>(291)</b>	<b>1,702,507</b>	<b>(21,829)</b>	<b>(20,176)</b>	<b>688</b>	<b>11,150</b>	<b>(56)</b>	<b>(30,223)</b>	<b>1,645,007</b>	<b>1,672,284</b>

## Accounting policy

### Property, plant and equipment

Property, plant and equipment is categorised into:

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

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

#### *Initial recognition*

Expenditure is capitalised as property, plant and equipment when it creates a new asset or extends or expands the service potential of an existing asset.

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

#### *Measurement*

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

#### *Carrying value*

Property, plant and equipment is carried at historical cost less accumulated depreciation and impairment,

except for land, buildings, infrastructural assets and park assets which are carried at fair value less depreciation and impairment.

#### *Revaluation*

Valuations for Council's land, buildings, park assets and infrastructural assets are performed with sufficient regularity to ensure their carrying amounts are maintained at fair value. The valuations are performed by independent qualified valuers.

Fair value is determined by reference to the depreciated replacement cost or market value on an asset class basis. Optimised depreciated replacement cost is a valuation methodology where the value of an asset is based on the cost of replacement with an efficient modern equivalent making allowance for obsolescence or surplus capacity. The remaining life of the asset is estimated and straight line depreciation applied to bring the replacement cost to a fair value.

In addition, the carrying values are assessed annually to ensure that they do not differ materially from the asset's fair values. If there is a material difference, then off-cycle revaluations are performed on the relevant asset class.

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

#### *Work in progress*

Work in progress represents the cost of capital expenditure projects that are not financially and operationally complete. Capital work in progress is recognised at cost less impairment and is not depreciated.

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

#### *Depreciation*

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

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

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



*Disposal*

Gains and losses on disposal of property, plant and equipment are recognised in surplus or deficit in the statement of comprehensive revenue and expense in the financial year in which they are sold.

Asset category	Useful life for new assets (years)
<b>Operational assets</b>	
Buildings	3–75
Computer equipment	4–5
Furniture and chattels	3–25
Heritage assets	100
Library collection	5–7
Motor vehicles, trucks, motorcycles	10
Office equipment	3–10
Other improvements	4–100
Public art	10–75
<b>Plant and machinery</b>	
Tractors, trailers, heavy mowers	5–10
Other plant	3–20
Otaihanga Landfill post closure	8
<b>Infrastructural assets</b>	
Bridges	50–100
<b>Seawalls</b>	
Concrete, posts, rails, panels, rocks	5–60
<b>River control</b>	
Bank protection	50

When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Asset category	Useful life for new assets (years)
<b>Roading</b>	
Footpaths	50–60
Surfacing	14–20
Transport models	10
Signs, railings, street lights, traffic signals	10–50
Drainage, surface water channels, sumps, sump leads, traffic islands	20–80
<b>Stormwater</b>	
Stormwater flood maps	10
Pump stations, manholes, Pipes	10–100
<b>Wastewater</b>	
Pumps and pump stations	15–80
Manholes, cleaning eyes	90
Pipes	70–90
Treatment plant	5–50
<b>Water</b>	
Storage	60–80
Booster stations	10–80
Hydrants, valves, tobies	50–70
Meters	25
Pipes	30–90
Treatment plant	3–80

*Impairment*

The Council's assets are defined as cash generating if the primary purpose of the asset is to provide a commercial return. Non – cash generating assets are assets other than cash generating assets.

The carrying value of cash generating property, plant and equipment assets are reviewed at least annually to determine if there is an indication of impairment. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported in surplus or deficit, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within the statement of comprehensive revenue and expense.

The carrying value of non-cash-generating property, plant and equipment assets are reviewed at least annually to determine if there is an indication of impairment. Where an asset's recoverable service amount is less than its carrying amount, it will be reported at its recoverable service amount and an impairment loss will be recognised. The recoverable service amount is the higher of an item's fair value less costs to sell and value in use. A non-cash generating asset's value in use is the present value of the asset's remaining service potential. Losses resulting from impairment are reported in surplus or deficit, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within the statement of comprehensive revenue and expense.

## Revaluation methodology

Description	Date of last asset valuation	Valuation method used to assess fair value	Next asset revaluation date
<b>Operational assets</b>			
<b>Land and buildings</b>	30 June 2020	Where comparable sales evidence is available, the fair value of land and buildings was based on the capitalised income and/or direct comparison approach. The capitalised income approach is whereby a yield is applied to the property's rental income to assess its value. The direct comparison approach is where recent sales of similar properties is used to establish its value and compared based on quality age, condition and size of improvements, location, land area and shape. Where it is identified that the land is designated reserve the appropriate adjustments to reflect the restricted nature of any future development potential has been made. Where comparable sales evidence is minimal or non-existent the summation approach has been utilised whereby the value of a property is assessed by separately obtaining the value of the land and buildings components. The land component has been derived from values of comparably zoned land in surrounding areas making due allowance for the size, character of location and other constraints. The building and site improvements has been determined by establishing their estimate costs to replace with an equivalent new asset less depreciation for their physical, functional and economic obsolescence. The most recent independent valuation was performed by AON Valuation Services.	31 March 2023
<b>Infrastructural assets</b>			
<b>Roading, footpaths, bridges and culverts</b>	30 June 2019	The fair value is measured using the optimised depreciated replacement cost method.  The valuation is based on the inventory within the Road Assessment and Maintenance Management (RAMM) database and unit prices updated by Stantec NZ Limited as part of the valuation. The rates for replacement costs of assets are based on current construction costs of similar works. Rates for major items are equivalent rates for similar roading work in other parts of the Wellington region. Unit rates have been adjusted using the appropriate roading construction index.  The most recent independent valuation was performed by Stantec NZ Limited.	31 March 2021
<b>Land under roads</b>	30 June 2020	This represents the corridor of land directly under and adjacent to the Council's roading network.  The fair value is based on the average market value of land by location and land use. The average market value is obtained from per hectare value of "across the fence" adjoining land discounted by 50% to reflect its restricted nature.  The most recent independent valuation was performed by AON Valuation Services.	31 March 2023
<b>Water, wastewater, stormwater, seawall, river control</b>	30 June 2020	The fair value is measured using the optimised depreciated replacement cost method.  Valuations are based on the physical attributes of the assets, their condition and their remaining lives based on Council's best information reflected in its assets management plans. The costs are based on current quotes from suppliers and as such they include ancillary cost such as breaking through seal, traffic control and rehabilitation. Unit rates are adjusted using the appropriate water and environmental management index.  The most recent independent valuation was performed by WSP New Zealand Limited.	31 March 2023
<b>Restricted assets</b>			
<b>Parks and reserves structures</b>	30 June 2020	The fair value is measured using summation approach.  The value has been determined by first establishing their estimated average costs to replace each asset type with an equivalent new asset less depreciation for their physical, functional and economic obsolescence. The most recent independent valuation was performed by AON Valuation Services.	31 March 2023

Council has elected to revalue property, plant and equipment as follows:

Asset classification	Next revaluation	Subsequent revaluation
Water, wastewater and stormwater (including seawalls and river control)	31 March 2023	Every three years thereafter
Roading and bridges (excluding land under roads)	31 March 2021	Every two years thereafter
Land and buildings (including land under roads revaluations)	31 March 2023	Every three years thereafter
Parks and reserves structures	31 March 2023	Every three years thereafter

#### *Revaluation of property, plant and equipment*

The Council's land and buildings, Land under roads, three waters and parks and reserves structures were revalued as at 30 June 2020.

A revaluation decrease of \$18.29 million was recognised. The decrease was mainly due to the following:

#### *Land, building and structures*

- The revaluation of the land, structures and building assets has resulted in an overall decrease in fair value of \$25.41 million mainly due to Land Under Roads.
- The valuation has remained consistent with its previous valuation, however a correction was required to the number of hectares, therefore resulting in a decrease in value of \$34.83 million.
- Operational Land and buildings are recognised at fair value. In terms of property valuations two main categories of property are considered.
  - Non- specialised assets are valued at their "current market price" based on comparative market evidence.
  - Specialised property assets are valued on the basis of Depreciated Replacement Cost.
- In determining commercial and industrial "current market price" for the Council's buildings and land, market evidence of recent sales and leases were used. If Council's land is restrictive in use, such as a reserve status, a discount would also apply due to the little development potential or changing the reserve status.

#### *Three waters assets*

- The revaluation of the three water assets has resulted in an overall increase in optimised depreciated replacement cost of \$7.1 million.
- The major changes that contributed to the increase since the previous valuation in 2017/18 were:
  - An increase in construction cost of 6.8%, increasing the unit costs of future pipe replacements, and
  - A decrease in the pipes residual value from 15% to 5%, due to valuers changing their valuation methodology regarding pipe relining.

#### *The impact of Covid-19 on Property, plant and equipment*

The effect of COVID-19 was also fully considered. If there were any impacts from it, it would most likely be on:

- the market prices driving the cost of construction up, thereby increasing the unit costs of replacement and,
- network demand, which determines the optimised quantum of infrastructure to be valued.

It is too early to be definitive about the impacts of COVID-19 on the costs of construction, however they are more likely to be subject short-term increases. For valuation purposes the replacement costs used should reflect typical and sustainable market conditions not short term fluctuations.

Also COVID-19 is unlikely to lead to any reduction in the demand for the council assets.

Therefore, no adjustment was made for demand and market price risk.

Property, plant and equipment (continued)			
Summary of gains/(losses) on disposal of property, plant and equipment			
2019/20	Net sale proceeds \$000	Carrying amount \$000	2019/20 gain/(loss) \$000
Land	255	129	126
Motor vehicles	79	14	65
<b>Closing balance</b>	<b>334</b>	<b>143</b>	<b>191</b>

Motor vehicle fleet summary					
2019/20	1 July 2019 number	Additions number	Disposals during the year number	Held for sale as at 30 June 2020 number	30 June 2020 number
Heavy commercial vehicles (trucks)	11	2	(2)	-	11
Light commercial vehicles (utilities, 4WD, vans, minibuses)	54	3	(1)	(3)	53
Passenger vehicles (hatch, sedan, station wagons, 4WD)	24	2	(1)	-	25
Motorcycles, ATV, quad bikes	2	-	-	-	2
<b>TOTAL FLEET</b>	<b>91</b>	<b>7</b>	<b>(4)</b>	<b>(3)</b>	<b>91</b>

The replacement criteria for light commercial and passenger vehicles is the earlier of the vehicles travelling 100,000 km or reaching five years of age.

## Impairment

### Otaihanga Landfill after care asset

In June 2020, the Council reviewed the current useful life and future service potential of the Otaihanga landfill after-care asset. Given the capping of the landfill has progressed faster than expected, the final closure date of the landfill has been brought forward by four years from the resource consent closure date of June 2026 to June 2022. While the landfill will be in-use for another 2 years, it has been determined that the future income generated from accepting clean-fill is negligible. As a result, the assets was impaired to its recoverable amount of zero.

The impairment loss of \$2.2 million was recognised in surplus and deficit.

Otaihanga Landfill	
2019/20	Actual \$000
Carrying value at 30 June 2020	2,200
Recoverable service amount	-
<b>Impairment loss</b>	<b>2,200</b>



12. Intangible assets		
2018/19 Actual \$000		2019/20 Actual \$000
	<b>Computer Software</b>	
	<b>Cost</b>	
1,978	Opening balance	2,325
347	Additions/Transfers during the year	193
-	Disposals during the year	(414)
<b>2,325</b>	<b>Closing balance</b>	<b>2,104</b>
	<b>Amortisation</b>	
(952)	Opening balance	(1,345)
(393)	Amortisation during the year	(368)
-	Disposals during the year	414
<b>(1,345)</b>	<b>Closing balance</b>	<b>(1,299)</b>
<b>980</b>	<b>Carrying Value</b>	<b>805</b>
	<b>Right of Use – Kāpiti Performing Arts Centre</b>	
	<b>Cost</b>	
-	Opening Balance	-
-	Additions/Transfers	1,600
-	Disposals during the year	-
-	<b>Closing balance</b>	<b>1,600</b>
	<b>Amortisation</b>	
-	Opening Balance	-
-	Amortisation during the year	(17)
-	Disposals during the year	-
-	<b>Closing balance</b>	<b>(17)</b>
-	<b>Carrying Value</b>	<b>1,583</b>
<b>980</b>	<b>Total carrying value</b>	<b>2,388</b>

## Accounting policy

### Carrying value

An intangible asset is an identifiable non-monetary asset without physical substance. An asset is a resource that is controlled by the entity as a result of past events and from which future economic benefits are expected.

Intangible Assets are carried at cost, less any accumulated amortisation and impairment losses.

It is initially capitalised on the basis of the costs incurred to either develop or acquire it and bring it to the location and condition required for its intended use.

### Amortisation

The carry amount of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised.

The amortisation charge for each financial year is recognised in the surplus or deficit.

The useful lives of intangible assets have been established as follows:

- Computer software 3–5 years
- Right of use Kāpiti Performing Arts Centre 48 years

### Impairment

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

### 13. Summary of capital projects over \$250,000

	2019/20 Actual \$000	2019/20 Revised Budget \$000	2019/20 Variance \$000	2019/20 Carry over to 2020/21 \$000	Carry over to future years \$000
<b>Asset Renewal</b>					
Animal management shelter	496	238	(258)	-	-
Coastal projects	342	494	152	100	-
Districtwide housing	772	587	(185)	-	-
NZTA drainage	143	297	154	154	-
NZTA footpaths	759	820	61	-	-
NZTA major bridge repairs	34	327	293	293	-
NZTA sealed road resurfacing	1,283	1,271	(12)	-	-
NZTA traffic services	465	423	(42)	-	-
Paraparaumu – Memorial hall	16	327	311	-	-
Paraparaumu – Sports hall	-	255	255	255	-
Paraparaumu – Wastewater Treatment consent	60	695	635	635	-
Paraparaumu – Wastewater Treatment plant	294	284	(10)	-	-
Paraparaumu / Raumati playgrounds	159	327	168	85	-
Stormwater minor works	474	420	(54)	-	-
Vehicle Plant and Equipment	415	393	(22)	-	-
Waterfront building	101	505	404	-	-
Projects individually under \$250,000	3,166	3,770	604	515	120
<b>Subtotal</b>	<b>8,979</b>	<b>11,433</b>	<b>2,454</b>	<b>2,037</b>	<b>120</b>
<b>New assets/upgrades</b>					
Computer hardware	294	229	(65)	-	-
Kāpiti College Performing Arts Centre	1,600	1,600	-	-	-
Kāpiti Gateway	282	-	(282)	-	-
Mahara gallery	25	270	245	-	245
NZTA East West connectors	242	650	408	-	-
NZTA minor safety improvements	1,513	1,409	(104)	-	-
Ōtaki beach development	-	333	333	-	-
Ōtaki Water treatment plant	61	735	674	-	664
Self insurance contingency fund	-	510	510	510	-
SH1 revocation	330	1,848	1,518	-	421
Stormwater Category A – habitable floor flooding	3,228	2,821	(407)	-	-
Stormwater Category E – down stream constraints	324	312	(12)	-	-
Strategic land purchase	1,634	1,428	(206)	-	-
Town Centres	2,102	1,135	(967)	-	-
Waikanae Water Treatment Plant Stage 2	951	7,354	6,403	-	5,870
Water network	177	1,576	1,399	-	1,399
Projects individually under \$250,000	1,738	1,717	(21)	250	-
<b>Subtotal</b>	<b>14,501</b>	<b>23,927</b>	<b>9,426</b>	<b>760</b>	<b>8,599</b>
<b>Total</b>	<b>23,480</b>	<b>35,360</b>	<b>11,880</b>	<b>2,797</b>	<b>8,719</b>

<sup>1</sup> As per 2019/20 Annual Plan the approved budget for capital projects was \$35,816 million. This was revised by the Operations and Finance Committee on 15 August 2019 to allow additional spending in the 2018/19, with less carry over into 2019/20.

### 13. Summary of capital projects (Continued)

For the twelve months to 30 June 2020, the Council has completed \$23.5 million of capital works to either renew or upgrade the Council's assets. This is \$11.9 million less than originally planned. The proposed carry-forwards from 2019/20 into 2020/21 and future years is \$11.5 million. \$360,342 of the carry forward requests relate to delays caused by the COVID-19 restriction.

14. Capital expenditure by activity		
2018/19 Actual \$000		2019/20 Actual \$000
7,316	Access and transport	5,907
1,994	Coastal management	501
1,382	Community facilities and community support	2,884
804	Corporate	775
2,891	Economic development	4,147
91	Governance an tāngata whenua	448
1,630	Parks and open spaces	806
1,217	Recreation and leisure	778
24	Regulatory services	496
2,562	Stormwater management	4,214
823	Wastewater management	909
1,497	Water	1,615
<b>22,231</b>	<b>Total capital expenditure</b>	<b>23,480</b>

### 15. Insurance

To reduce the cost of insurance, the Council uses a combination of:

- 1) Transferring the risk by purchasing external insurance cover.
- 2) Sharing the risk between councils. The Council participates in an outer Wellington shared services insurance programme with Porirua, Hutt and Upper Hutt city councils for the risk of material damage and business interruption arising from damage to property, plant and equipment and infrastructure assets, both above and below ground. This policy includes cover in the event of a natural catastrophe.
- 3) Council's maximum limits of liability for the Kāpiti district's infrastructure assets have been determined independently through earthquake and liquefaction loss estimate analysis completed by Tonkin Taylor Limited.
- 4) The total value of Council's assets that are covered by insurance contracts and/or financial risk-sharing arrangements and the maximum insurance amount available to the Council are included in the table below.
- 5) Council does not insure land, roading, bridges or its forestry and does not administer or hold a restricted self-insurance fund.
- 6) Council holds sufficient professional liability and indemnity insurance cover.

Asset	Type of insurance	Total value of Council assets covered by financial risk-sharing arrangements as at 30 June 2020	Maximum limit of insurance cover available to the Council under those arrangements as at 30 June 2020
Property, plant and equipment and above- ground infrastructural assets	Material damage and business interruption	\$174 million	\$600 million for any one loss or series of losses arising out of any one event and applying to material damage and business interruption combined.
Residential property	Earthquake Commission (EQC) and material damage	\$27 million	<b>Natural catastrophe:</b> First \$0.1 million for each loss event per property to be recovered from the EQC. Any remaining top-up required per loss event per property to a maximum of \$27 million for 130 properties. <b>All other losses:</b> Replacement value per loss event per property to a maximum of \$27 million for 130 properties.
Motor vehicles	Comprehensive motor vehicle cover	\$3.98 million	<b>Fleet vehicles:</b> Market or lease value of insured vehicle at the time and place of loss, additional vehicles limited to \$0.4 million for any one insured vehicle, unless notified to insurer. <b>Third party liability:</b> limit indemnity of \$20 million for any one claim or series of claims arising from any one accident.
Underground infrastructural assets	Material damage and business interruption in the event of natural catastrophe	\$648 million	\$600 million combined material damage and business interruption limit for an event involving more than one council for any loss or series of losses arising out of any one event and is subject to one automatic reinstatement at nil charge. Limited to a \$130 million sub-limit for Kāpiti Coast District Council.



**16. Trade and other payables**

2018/19 Actual \$000		2019/20 Actual \$000
	<b>Trade and other payables</b>	
13,380	Trade creditors	5,537
1,184	Contract retentions	1,132
1,559	Greater Wellington Regional Council rates payable	1,780
804	Interest payable	353
2,388	Rates received in advance	1,624
782	Sundry payables	909
<b>20,097</b>	<b>Total trade and other payables</b>	<b>11,335</b>

**Accounting policy**

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

**17. Employee benefit liabilities**

2018/19 Actual \$000		2019/20 Actual \$000
	<b>Current</b>	
31	Long service leave	52
70	Salaries	250
112	Sick leave	66
1,713	Annual leave	2,231
<b>1,926</b>	<b>Total current employee benefit liabilities</b>	<b>2,599</b>
	<b>Non-current</b>	
62	Long service leave	49
50	Retirement gratuities	52
<b>112</b>	<b>Total non-current employee benefit liabilities</b>	<b>101</b>
<b>2,038</b>	<b>Total employee benefit liabilities</b>	<b>2,700</b>

**Accounting policy***Short-term employee entitlements*

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

A liability for sick leave is recognised only to the extent that absences in the following financial year are expected to exceed the full sick leave entitlements to be earned in that year.

*Long-term employee entitlements*

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

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

*Employer contribution to pension schemes*

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

**Covid-19 impacted Trade and Other Payables and Employee benefit liabilities as follow:**

- As part of Council's Covid-19 Phase 1 - Sustain Community support package, we provided suppliers with rapid invoice payments. Suppliers were paid within seven to ten working days, compared to Council's previous payment terms of the 20th of the month following the date on the invoice.
- A higher than normal annual leave liability as at 30 June 2020 caused by travel restrictions during March to May 2020 deterring staff from taking annual leave (\$483,000)

18. Deposits		
2018/19 Actual \$000		2019/20 Actual \$000
	<b>Deposits</b>	
10	Hall deposits	10
15	Miscellaneous deposits	14
381	Resource consent planning bonds	365
713	Road damage deposits	792
<b>1,119</b>	<b>Total deposits</b>	<b>1,181</b>

### Accounting policy

Deposits are non-interest bearing and normally settle within 12 months, therefore the carrying values approximate fair value.

19. Borrowings		
2018/19 Actual \$000		2019/20 Actual \$000
45,000	Short-term borrowings	40,000
165,000	Long-term borrowings	170,000
<b>210,000</b>	<b>Total borrowings</b>	<b>210,000</b>
	<b>Maturity</b>	
45,000	2019/20	-
40,000	2020/21	40,000
45,000	2021/22	45,000
30,000	2022/23	40,000
5,000	2023/24	25,000
20,000	2024/25	35,000
10,000	2025/26	10,000
15,000	2026/27	15,000
<b>210,000</b>	<b>Total borrowings</b>	<b>210,000</b>

### Accounting policy

Borrowings are initially recognised at face value plus transaction cost. After initial recognition, all borrowings are measured at amortised cost using the effective interest rate.

Due to interest rates on debt resetting to the market rate every three months, the carrying amounts of the secured loans approximate their fair value.

Borrowings are primarily used to fund the purchase of new assets or upgrades to existing assets that are approved through the Annual Plan and Long Term Plan processes.

The Council joined the NZ Local Government Funding Agency (LGFA) as a shareholder in October 2012 and has borrowed longer term funding through the LGFA to make savings on interest rate margins. As at balance date, \$210 million (2019: \$210 million) of Council's total borrowings were funded through LGFA.

The Council's borrowings from the LGFA are secured by a Debenture Trust Deed over Council rates revenue.

As at balance date, the effective weighted average interest rate on Council's borrowings was 4.15% (2019: 4.46%).

Net borrowings at 30 June		
2018/19 Actual \$000		2019/20 Actual \$000
210,000	Total gross borrowings	210,000
	Less	
(4,086)	Cash and cash equivalents (note 7)	(5,944)
(55,000)	Term deposits > 3 months (note 10)	(45,000)
(3,360)	Borrow notes – NZ Local Government Funding Agency (note 10)	(3,360)
<b>147,554</b>	<b>Net borrowings</b>	<b>155,696</b>

20. Provisions		
2018/19 Actual \$000		2019/20 Actual \$000
<b>Weathertight buildings</b>		
314	Opening balance	-
(300)	Increase/(decrease) in provision	-
(14)	Expenditure	-
-	<b>Closing balance 30 June</b>	-
<b>Landfill aftercare</b>		
3,472	Opening balance	3,076
(50)	Increase/(decrease) in provision	(280)
(346)	Expenditure	(44)
<b>3,076</b>	<b>Closing balance 30 June</b>	<b>2,752</b>
<b>Other provisions</b>		
211	Opening balance	358
204	Increase/(decrease) in provision	50
(57)	Expenditure	(183)
<b>358</b>	<b>Closing balance 30 June</b>	<b>225</b>
<b>3,434</b>	<b>Total provisions</b>	<b>2,977</b>

### Accounting policy

The Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the level of expenditure expected to be required to settle the obligation. Material liabilities and provisions to be settled beyond 12 months are recorded at their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Provisions		
2018/19 Actual \$000		2019/20 Actual \$000
<b>Current</b>		
280	Provision for landfill aftercare	204
277	Other provisions	187
<b>557</b>	<b>Total current provisions</b>	<b>391</b>
<b>Non-current</b>		
2,796	Provision for landfill aftercare	2,548
81	Other provisions	38
<b>2,877</b>	<b>Total non-current provisions</b>	<b>2,586</b>
<b>3,434</b>	<b>Total provisions</b>	<b>2,977</b>

### Provision for weathertight buildings

This provision represents the Council's estimated liability relating to the settlement of claims arising in relation to the Weathertight Homes Resolution Services (WHRS) Act 2006 and civil proceedings for weather tightness.

At balance date, the Council has no claims outstanding, including claims lodged with WHRS. This method of calculation is consistent with prior years.

### Landfill aftercare provision

Council currently operates the Otaihanga landfill and also manages the Ōtaki and Waikanae sites which are now closed.

Council obtained a resource consent for 35 years in 1994 to operate the Otaihanga landfill. Council has responsibility under the Resource Management Act 1991 to provide ongoing maintenance and monitoring of landfills after closure.

These closure responsibilities include:

- final cover application and vegetation
- provision and maintenance of stormwater control features
- completing wetlands for leachate treatment and monitoring, and
- monitoring and management of any landfill gas.

## 20. Provisions (continued)

### Landfill aftercare provision (continued)

Post-closure responsibilities include:

- monitoring of leachate
- ground water monitoring and surface water monitoring, and
- ongoing site maintenance for stormwater control, final cover and vegetation.

The Otaihangā landfill has been closed for general waste since 2007 and stopped accepting biosolids during 2015/16. Cleanfill (capping material) will however continue to be accepted until final closure. During June 2020, the Council reviewed the current useful life of the landfill due to the capping works progressing faster than initially projected. This has resulted in the final closure date being brought forward from the 2026 resource consent closure date to June 2022.

The annual cost for monitoring and maintenance of the Otaihangā landfill site is estimated to be \$85,746 per year for the first three years after closure, \$69,335 per year for the next five years and then an annual monitoring cost of \$61,130 for the remaining 22 years.

The annual cost for monitoring the closed landfill in Waikanae is \$5,479 and will be required until 2030.

The annual cost for monitoring the closed landfill in Ōtaki is \$5,554 and will be required until 2026.

The long-term nature of the liability means that there are inherent uncertainties in estimated costs that will be incurred.

The provision is calculated as the present value of the expected cost to settle the obligation, using estimated cash flows and a discount rate that reflects the risks specific to the liability.

Council has changed its discount rate this year from 50% of the government risk free rate to a 100% of the government's risk-free rate.

This was done as a result of the final closure date of the landfill being brought forward by four years as well as more certainty around the estimated future cost.

The average government risk free rate at 30 June 2020 was 1.03% (1.05% in 2018/19).

The provision is based on best estimated information available when preparing the calculation and is reviewed at reporting date.

### Accounting policy

#### *Landfill aftercare costs*

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

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

The provision is calculated as the present value of the expected cost to settle the obligation, using estimated cash flows and a discount rate that reflects the risks specific to the liability.

At year end, the Council reviewed the useful life and future service potential of the landfill after care asset. Refer to note 11 *Property, plant and equipment* for more information.



## Equity

Equity is the community's interest in council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of components to enable clearer identification of the specified uses of equity.

The components of public equity are accumulated funds, revaluation reserves and reserves and special funds. Refer to the statement of changes in net asset/equity for the year-on-year movements of the various components.

21. Revaluation reserve				
	Opening balance	Increase	Decrease	Closing balance
	Actual	Actual	Actual	2019/20 Actual
	\$000	\$000	\$000	\$000
Land and buildings	55,538	9,420	-	64,958
Roading and bridges	738,609	-	(34,817)	703,792
Water	32,152	5,543	-	37,695
Wastewater	74,204	491	-	74,695
Stormwater and river control	18,643	1,070	-	19,713
<b>Total revaluation reserve</b>	<b>919,146</b>	<b>16,524</b>	<b>(34,817)</b>	<b>900,853</b>

The revaluation reserves are used to record accumulated increases and decreases in the fair value of certain asset classes. Revaluation movements are non-cash in nature and represent the restating of the Council's assets, subject to revaluation, into current dollar values after taking into account the condition and remaining lives of the assets.

22. Reserves and special funds				
	Opening balance	Transfers into reserve	Transfers out of reserve	Closing balance
	Actual	Actual	Actual	2019/20 Actual
	\$000	\$000	\$000	\$000
<b>Restricted reserves</b>				
Plant purchase and renewal fund	1,242	390	(416)	1,216
Waikanae property fund	96	4	-	100
Waikanae capital improvements fund	1,065	25	(23)	1,067
<b>Total restricted reserves</b>	<b>2,403</b>	<b>419</b>	<b>(439)</b>	<b>2,383</b>
<b>Council-created reserves</b>				
Contingency fund	156	-	-	156
Paekākāriki Campe Estate	130	2	(22)	110
Roading reserve	785	-	-	785
Election reserve	32	249	(223)	58
LTP Reserve	41	48	-	89
Financial contribution reserve	1,367	1,268	(278)	2,357
<b>Total council-created reserves</b>	<b>2,511</b>	<b>1,567</b>	<b>(523)</b>	<b>3,555</b>
<b>Total reserves and special funds</b>	<b>4,914</b>	<b>1,986</b>	<b>(962)</b>	<b>5,938</b>

### Accounting policy

Restricted reserves are those subject to specific conditions accepted as binding by Council which may not be revised by Council without reference to the courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Council-created reserves are reserves created by a council decision. Council may alter them without reference to any third party or the courts. Transfers to and from these reserves are at the Council's discretion.

### Plant purchase and renewal fund

The purpose of the reserve is to fund ongoing replacement of plant and vehicles when this falls due. The reserve is funded from depreciation charges on our current plant and vehicles.

## 22. Reserves and Special Funds (continued)

### Waikanae property fund

The purpose of the reserve is to fund improvements to council-owned properties in Waikanae. The source of funds is the proceeds from sale of other council property in the Waikanae ward (excluding districtwide funded properties).

### Waikanae capital improvements fund

The purpose of the reserve is to fund capital improvements in the Waikanae ward and also to provide capital grants to Waikanae organisations in accordance with approved criteria. The source of funds is Waikanae ward's share of the property assets of the Horowhenua County Council and interest earned on the capital sum.

### Contingency fund

This is a discretionary fund for the purpose of funding unexpected legal expenditure across the district, e.g. leaky home claims, flood events and insurance excess.

### Paekākāriki Campe Estate

The purpose of the reserve is to fund administration of the Paekākāriki Campe Estate for the benefit of the youth of Kāpiti. The source of the funds is the proceeds from sale of the property owned by Mr Campe plus interest on the capital sum.

### Roading reserve upgrading contributions

The purpose of the reserve is to fund road upgrading works. The source of funds was road upgrading development contributions from developers.

### Election reserve

The purpose of the reserve is to fund the three yearly election cycle.

### LTP reserve

The purpose of the reserve is to fund the three yearly long term plan.

### Financial contribution reserve

Financial contributions are a contribution of money, land, or a combination of both. The purpose of a financial contribution (consisting mainly of reserves contributions) is to address the specific adverse effects generated by a land use activity or subdivision. This includes effects on open spaces and reserves; upgrading off-site infrastructure, before programmed works that will address any environmental effects created by the proposed development; significant heritage and ecological features; and riparian margins.

## 23. Reconciliation of operating surplus/(deficit) to cash flow from operating activities

2018/19 Actual \$000		2019/20 Actual \$000
(4,923)	<b>Net operating surplus/(deficit) for the year</b>	<b>12,630</b>
	<b>Add/(less) non-cash items</b>	
20,569	Depreciation and amortisation expense	21,389
(1,112)	Vested assets	(20,552)
8,021	Unrealised loss/(gain) on revaluation of financial derivatives	6,984
-	Impairment of property, plant and equipment	2,200
30	(Gains)/losses in fair value of forestry assets	22
-	Present value adjustments	-
<b>27,508</b>	<b>Total non-cash items</b>	<b>10,043</b>
	<b>Add/(less) items classified as investing or financing activities</b>	
(61)	Loss/(gain) on disposal of property, plant and equipment and intangibles	(191)
(3,931)	Proceeds from capital grants	(3,129)
9,509	Interest on borrowings	9,307
<b>5,517</b>	<b>Total investing or financing activities</b>	<b>5,987</b>
	<b>Add/(less) movements in working capital items</b>	
(938)	(Increase)/decrease in receivables	(239)
(39)	(Increase)/decrease in inventory	9
1,934	Increase/(decrease) in payables	(8,762)
(123)	Increase/(decrease) in employee entitlements	662
(118)	Increase/(decrease) in deposits	62
(433)	Increase/(decrease) in provisions	(426)
<b>283</b>	<b>Total movement in working capital</b>	<b>(8,694)</b>
<b>28,385</b>	<b>Net cash inflow/(outflow) from operating activities</b>	<b>19,966</b>

## 24. Financial instruments

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

Financial instruments categories		
2018/19 Actual \$000		2019/20 Actual \$000
	<b>Financial assets</b>	
	<b>Loans and receivables</b>	
4,086	Cash and cash equivalents	5,944
7,712	Trade and other receivables	8,176
481	Loans	419
3,360	NZ Local Government Funding Agency borrower notes	3,360
55,000	Term deposits	45,000
<b>70,639</b>	<b>Total loans and receivables</b>	<b>62,899</b>
	<b>Available-for-sale</b>	
21	Fonterra perpetual notes	21
100	Shares in NZ Local Government Funding Agency	100
15	Shares in Civic Financial Services	14
<b>136</b>	<b>Total available-for-sale</b>	<b>135</b>
	<b>Financial liabilities</b>	
	<b>Fair value through surplus or deficit</b>	
	Derivative financial instruments	
417	Current	548
20,832	Non-current	27,921
<b>21,249</b>	<b>Total fair value through surplus or deficit</b>	<b>28,469</b>
	<b>Financial liabilities at amortised cost</b>	
17,709	Trade and other payables	9,711
210,000	Borrowings	210,000
<b>227,709</b>	<b>Total financial liabilities at amortised cost</b>	<b>219,711</b>

## Accounting policy

### Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### Financial assets

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

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

#### *Financial assets at amortised cost*

##### *Loans and receivables*

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

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

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

##### *Derivatives*

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

#### *Financial assets at fair value through other comprehensive revenue and expense*

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

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

## Accounting Policy (continued)

### Financial assets (continued)

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

If the asset is an equity instrument that does not have a quoted price in an active market and fair value cannot be reliably measured, the asset is measured at cost.

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

### Impairment of financial assets

Financial assets are assessed at each reporting period for impairment.

For loans and receivables and held-to-maturity investments, impairment is established when there is evidence that the credit risk on a financial asset has increased significantly since initial recognition. When making the assessment, the Council uses the change in the risk of default occurring over the expected life of the financial asset. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation, and default in payments are indicators that the asset is impaired.

For available for sale financial assets impairment is first recognised as a reversal of previously recorded revaluation reserve for that class of asset. Where no reserve is available, the impairment is recognised in the surplus/deficit in the prospective statement of comprehensive revenue and expense.

The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account.

### Financial liabilities

#### *Financial liabilities at amortised cost*

##### (i) Trade and other payables

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

##### (ii) Borrowings

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

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

##### (i) Derivative financial instruments

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

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into, and subsequently re-measured to fair value at the end of each reporting period.

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. The fair value is determined using a valuation technique based on cash flows discounted to present value using current market interest rates. Fair value gains or losses on revaluation are recognised in surplus or deficit in the statement of comprehensive revenue and expense.

The Council has not adopted hedge accounting.

## Fair value

Fair value is the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The fair values of all financial instruments equate to the carrying amount recognised in the statement of financial position.

### *Fair value hierarchy disclosures*

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy.

Level 1 – the fair value is calculated using quoted prices in an active market.

Level 2 – the fair value is estimated using inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

There were no transfers between the different levels of the fair value hierarchy.

The table below analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position.

Fair value hierarchy disclosures								
\$000	2019/20				2018/19			
	Quoted market price	Valuation technique – market observable inputs	Valuation technique – non-market observable inputs	Total	Quoted market price	Valuation technique – market observable inputs	Valuation technique – non-market observable inputs	Total
	(level 1)	(level 2)	(level 3)		(level 1)	(level 2)	(level 3)	
<b>Financial assets</b>								
Derivative financial instruments	-	-	-	-	-	-	-	-
Perpetual notes	-	21	-	21	-	21	-	21
Shares in Civic Financial Services	-	14	-	14	-	15	-	15
Shares in LGFA	-	100	-	100	-	100	-	100
<b>Total</b>	<b>-</b>	<b>135</b>	<b>-</b>	<b>135</b>	<b>-</b>	<b>136</b>	<b>-</b>	<b>136</b>
<b>Financial liabilities</b>								
Derivative financial instruments	-	28,469	-	28,469	-	21,249	-	21,249
<b>Total</b>	<b>-</b>	<b>28,469</b>	<b>-</b>	<b>28,469</b>	<b>-</b>	<b>21,249</b>	<b>-</b>	<b>21,249</b>



## Financial risk management

As part of its normal operations, council is exposed to a variety of risks. The most significant are credit risk, liquidity risk and interest rate risk. Council's exposure to these risks and the action that Council has taken to minimise the impact of these risks is outlined below.

### Credit risk

Credit risk is the risk that a third party will default on its obligations to council, thereby causing a loss. Council is not exposed to any material concentration of credit risk other than its exposure within the Wellington region. Receivables balances are monitored on an ongoing basis with the result that Council's exposure to bad debts is not significant.

The table below analyses Council's financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date.

The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

Contractual maturity analysis of financial assets						
2019/20	Carrying amount	Total contractual cashflow	0-12 months	1-2 years	2-5 years	More than 5 years
	\$000	\$000	\$000	\$000	\$000	\$000
Cash and cash equivalents	5,944	5,944	5,944	-	-	-
Trade and other receivables	8,176	8,176	8,176	-	-	-
Loan receivables	419	511	62	62	158	229
Term deposits	45,000	46,574	36,279	10,295	-	-
LGFA borrow notes	3,360	3,657	719	765	1,731	442
<b>Total</b>	<b>62,899</b>	<b>64,862</b>	<b>51,180</b>	<b>11,122</b>	<b>1,889</b>	<b>671</b>

Contractual maturity analysis of financial assets						
2018/19	Carrying amount	Total contractual cashflow	0-12 months	1-2 years	2-5 years	More than 5 years
	\$000	\$000	\$000	\$000	\$000	\$000
Cash and cash equivalents	4,086	4,086	4,086	-	-	-
Trade and other receivables	7,712	7,712	7,712	-	-	-
Loan receivables	481	583	65	65	183	270
Term deposits	55,000	57,293	46,829	10,464	-	-
LGFA borrow notes	3,360	3,810	777	728	1,435	870
<b>Total</b>	<b>70,639</b>	<b>73,484</b>	<b>59,469</b>	<b>11,257</b>	<b>1,618</b>	<b>1,140</b>

The council is exposed to credit risk as a guarantor of all of the LGFA's borrowings. Information about this exposure is explained in note 28.

### Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available).

Counterparties with credit ratings		
	2019/20	2018/19
	\$000	\$000
<b>Cash and cash equivalents and term deposits - registered banks</b>		
AA-	50,944	59,086
<b>LGFA borrow notes</b>		
AA+	3,360	3,360
	<b>54,304</b>	<b>62,446</b>

## Liquidity risk

Liquidity risk is the risk that Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions.

Council manages its borrowings in accordance with its treasury management policy. Council has a \$20 million credit line facility with Westpac Banking Corporation. The Council is exposed to liquidity risk as a guarantor of all of the LGFA's borrowings. Information about this exposure is explained in note 28.

The table below sets out the contractual cash flows from all financial liabilities that are settled on a gross cash flow basis. Contractual cash flows for financial liabilities comprise the nominal amount and interest payments.

Contractual maturity analysis of financial liabilities						
2019/20	Carrying amount	Total contractual cashflows	0-12 months	1-2 years	2-5 years	More than 5 years
	\$000	\$000	\$000	\$000	\$000	\$000
Trade and other payables	9,711	9,711	9,711	-	-	-
Deposits	1,181	1,181	1,181	-	-	-
Derivative financial instruments	28,469	28,470	6,414	5,842	12,665	3,549
Borrowings	210,000	216,270	41,883	46,520	102,441	25,426
<b>Total</b>	<b>249,361</b>	<b>255,632</b>	<b>59,189</b>	<b>52,362</b>	<b>115,106</b>	<b>28,975</b>

Contractual maturity analysis of financial liabilities						
2018/19	Carrying amount	Total contractual cashflows	0-12 months	1-2 years	2-5 years	More than 5 years
	\$000	\$000	\$000	\$000	\$000	\$000
Trade and other payables	17,709	17,709	17,709	-	-	-
Deposits	1,119	1,119	1,119	-	-	-
Derivative financial instruments	21,249	21,249	4,660	4,192	9,657	2,740
Borrowings	210,000	225,808	49,488	43,605	85,712	47,003
<b>Total</b>	<b>250,077</b>	<b>265,885</b>	<b>72,976</b>	<b>47,797</b>	<b>95,369</b>	<b>49,743</b>

## Interest rate risk

The main objective of interest rate risk management is to reduce uncertainty around net interest expense as interest rates change.

### Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates expose the council to fair value interest rate risk. The Council's treasury management policy outlines the level of borrowing that is to be secured using fixed rate instruments.

### Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose council to cash flow interest rate risk.

Generally, Council raises long-term borrowings at floating rates and swap them into fixed rates using interest rate swaps in order to manage the cash flow interest rate risk. Such Interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if council borrowed at fixed rates directly. Under the interest rate swaps, the Council agrees with other parties to exchange, at specified intervals, the difference between contracted fixed rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

As at 30 June 2020, Council has interest rate swap agreements in place in relation to its borrowing programme. Including forward start swaps, the notional contract value of these agreements was \$209 million (2019: \$225.5 million).

The fixed interest rate range for Council's interest rate swaps are 1.50% to 5.17%. The net fair value of the interest rate swaps as at 30 June 2020 was \$28.5 million net liability (2019: \$21.3 million net liability).

The movement in the fair value of interest rate swaps at balance date is taken directly to surplus or deficit of the statement of comprehensive revenue and expense.

## Sensitivity analysis

In managing interest rate risk, the Council aims to reduce the impact of short-term interest fluctuations on Council. Over the longer term, however, permanent changes in interest rates will have an impact on financial performance.

The tables on the following page illustrate the potential effect on the net operating surplus or deficit for reasonably possible market movements, with all other variables held constant, based on council's financial instrument exposures at balance date.

Fair value sensitivity				
\$000	2019/20		2018/19	
	+100 BPS	-100 BPS	+100 BPS	-100 BPS
<b>Interest rate risk</b>				
<b>Financial assets</b>				
Cash and cash equivalents	-	-	-	-
Other financial assets – term deposits	450	(450)	550	(550)
<b>Financial liabilities</b>				
Derivative financial instruments – current	122	(125)	75	(76)
Derivative financial instruments – non current	9,620	(10,337)	9,402	(10,078)
Borrowings	-	-	-	-
<b>Gain/(loss)</b>	<b>10,192</b>	<b>(10,912)</b>	<b>10,027</b>	<b>(10,704)</b>

Cash flow sensitivity				
\$000	2019/20		2018/19	
	+100 BPS	-100 BPS	+100 BPS	-100 BPS
<b>Interest rate risk</b>				
<b>Financial assets</b>				
Cash and cash equivalents	59	(59)	41	(41)
Other financial assets – LGFA notes	34	(34)	34	(34)
<b>Financial liabilities</b>				
Derivative financial instruments – current	240	(240)	260	(260)
Derivative financial instruments – non current	1,850	(1,850)	1,995	(1,995)
Borrowings	(2,100)	2,100	(2,100)	2,100
<b>Gain/(loss)</b>	<b>83</b>	<b>(83)</b>	<b>230</b>	<b>(230)</b>

## 25. Related party disclosures

### Related party transactions – key management personnel

For the purposes of related party disclosures, key management personnel include the mayor, councillors, the chief executive and the senior leadership team.

During the year, key management personnel have been involved in transactions with council that are of a minor and routine nature and were conducted at arm's length, such as payment of rates. These transactions have been conducted on normal commercial terms.

As at balance date, there were no commitments from council to key management personnel. The mayor and councillors disclose their personal interest in a register available on the council website.

The Local Government Act 2002 requires the council to disclose the total remuneration of key management personnel for the reporting period.

Key management personnel		
Members	Current Triennium 2019/20	Full Year 2018/19
Councillors and elected members	27	27
Senior Management Team, including Chief Executive Officer	6	6
<b>Total Members</b>	<b>33</b>	<b>33</b>

Remuneration	2019/20 \$000	2018/19 \$000
Councillors and elected members	764	695
Senior Management Team, including Chief Executive Officer	1,470	1,356
<b>Total remuneration key management personnel</b>	<b>2,234</b>	<b>2,051</b>

## 26. Remuneration and Staffing levels

### Councillors and elected members' remuneration

Council members are paid an annual salary and phone and broadband costs are subsidised. Total remuneration paid for the year ended 30 June 2020 is summarised on the following page.

Remuneration of councillors and elected members July 2019 to October 2019 (previous triennium)	
2019/20	Total remuneration Actual
Name	\$000
<b>Councillors</b>	
K Gurunathan – Mayor	43
Angela Buswell	13
Fiona Vining	12
Jackie Elliott	14
James Cootes	16
Janet Holborow	17
John Howson	12
Mark Benton	14
Michael Scott	15
Mike Cardiff	15
<b>Paekākāriki community board members</b>	
Philip Edwards (Chair)	4
Holly Ewens (Deputy Chair)	2
Paul Hughes	3
Judith Aitken	2
<b>Paraparaumu - Raumati community board members</b>	
Jonny Best (Chair)	7
Guy Burns (Deputy Chair)	4
Bernie Randall	5
Kathy Spiers	4
<b>Ōtaki community board members</b>	
Christine Papps (Chair)	6
Marilyn Stevens (Deputy Chair)	4
Kerry Bevan	4
Shelly Warwick	4
<b>Waikanae community board members</b>	
Jocelyn Prvanov (Chair)	7
James Westbury (Deputy Chair)	4
Jeremy Seamark	4
Tonchi Begovich	4
<b>Total</b>	<b>239</b>

Remuneration of councillors and elected members October 2019 to June 2020 (current triennium)	
2019/20	Total remuneration Actual
Name	\$000
<b>Councillors</b>	
K Gurunathan – Mayor	91
Angela Buswell	33
Bernie Randall	30
Gwynn Compton	34
Jackie Elliott	33
James Cootes	36
Janet Holborow	41
Jocelyn Prvanov	30
Martin Halliday	31
Rob McCann	34
Sophie Handford	31
<b>Paekākāriki community board members</b>	
Holly Ewens (Chair)	5
Tina Pope (Deputy Chair)	3
Dan O'Connell	3
Jess Hortop	3
<b>Paraparaumu - Raumati community board members</b>	
Kathy Spiers (Chair)	12
Guy Burns (Deputy Chair)	7
Grace Lindsay	7
Jonny Best	7
<b>Ōtaki community board members</b>	
Christine Papps (Chair)	10
Marilyn Stevens (Deputy Chair)	5
Shelly Warwick	5
Stephen Carkeek	5
<b>Waikanae community board members</b>	
James Westbury (Chair)	10
Jill Griggs (Deputy Chair)	7
Geoffrey Churchman	6
Margaret Stevenson-Wright	6
<b>Total</b>	<b>525</b>

## Chief Executive Officer's Remuneration

For the year ended 30 June 2020, Council's Chief Executive, Wayne Maxwell, who was appointed under Section 42(1) of the Local Government Act 2002, received a fixed remuneration package of \$320,000 per annum (2019: \$310,000 p.a.).

### Employee staffing levels and remuneration

Number of employees		
2018/19		2019/20
239	Permanent full time employees	249
45	Full time equivalents (FTEs) of all permanent non-full time employees	39
39	Full time equivalents of non-permanent staff (Temporary staff)	49
<b>323</b>	<b>Total full time equivalent employees</b>	<b>337</b>

Employees who work more than 37.5 hours per week are deemed a full time equivalent even if they work on a casual basis

Salary bands				
Number of permanent employees (headcount)	Number of non-permanent staff (Temporary staff) (headcount)		Number of permanent employees (headcount)	Number of non-permanent staff (Temporary staff) (headcount)
2018/19	2018/19		2019/20	2019/20
162	57	Less than \$60,000	146	62
70	9	\$60,000 – \$79,999	67	10
47	8	\$80,000 – \$99,999	53	6
18	2	\$100,000 – \$119,999	27	10
16	3	\$120,000 – \$139,999	12	4
8	-	\$140,000 – \$159,999	13	-
7	-	More than \$160,000	8	1
<b>328</b>	<b>79</b>	<b>Total remuneration</b>	<b>326</b>	<b>93</b>

Employee remuneration includes salary and motor vehicles as part of the salary package paid to the employee. These figures represent headcount and so do not agree to the total full time equivalent employees reported at the left.

Included in Staff remuneration is severance payment made to one employee (2019: four) totalling \$7,838 (2019: \$80,681).

## 27. Commitments and operating leases

Capital commitments		
2018/19 Actual \$000		2019/20 Actual \$000
7,691	Contracted capital commitments at 30 June but not yet completed	7,410
<b>7,691</b>	<b>Total capital commitments</b>	<b>7,410</b>

Non-cancellable operating leases (as lessee)		
2018/19 Actual \$000		2019/20 Actual \$000
	<i>Remaining payables under leases</i>	
479	Not later than one year	326
392	Later than one year and not later than five years	619
39	Later than five years	63
<b>910</b>	<b>Non-cancellable operating leases (council as lessee)</b>	<b>1,008</b>

Council leases commercial premises in Ōtaki and Paraparaumu.

Non-cancellable operating leases (as lessor)		
2018/19 Actual \$000		2019/20 Actual \$000
	<i>Remaining receivables under leases</i>	
575	Not later than one year	561
1,473	Later than one year and not later than five years	1,304
476	Later than five years	314
<b>2,524</b>	<b>Total operating lease commitments (council as lessor)</b>	<b>2,179</b>

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



## 28. Council-controlled organisations (CCOs)

### Local Government Funding Agency

#### *Background information*

On 30 November 2012, council became a principal shareholder local authority in the Local Government Funding Agency (LGFA). Council holds 200,000 shares (total number of shares available 45,000,000) reflecting a 0.44% interest.

The primary objective of the LGFA is to optimise the debt funding terms and conditions for participating local authorities. This includes providing savings in annual interest costs, making longer-term borrowings available and enhancing the certainty of access to debt markets.

#### *Local Government Act (2002) considerations*

The LGFA meets the definition of a council-controlled organisation under section 6(10(a)) as an entity in respect of which one or more local authorities have, whether or not jointly with other local authorities or persons, control, directly or indirectly, of 50% or more of the votes at any meeting of the members or controlling body of the entity.

Council therefore has an interest over the LGFA which is subject to the reporting requirements of a council-controlled organisation.

#### *Financial reporting considerations*

PBE IPSAS 20 Related party disclosure – Council does not have the ability to control the entity (0.44% shareholding is less than the control threshold). Council does not exercise significant influence over the entity in making financial and operating decisions. The relationship with the LGFA therefore does not meet the definitions of a related party as outlined in the accounting standard.

PBE IPSAS 36 Investments in associates – Council does not exercise significant influence over the entity in making financial and operating decisions. The relationship with the LGFA therefore does not meet the definitions of an associate as outlined in the accounting standard.

PBE IPSAS 35 Consolidated financial statements – Council does have exposure to variable benefits from its involvement with the LGFA under the terms and conditions of participating local authorities. However, the Council has no existing

rights that give it the current ability to direct relevant activities, nor does the Council have the power to affect the nature or amount of the benefits from its involvement with the LGFA. The Council therefore does not meet the definition of a controlling entity over the LGFA.

Based on the assessment outline above, the LGFA does not meet the requirements for consolidation into the Council's financial statements.

#### *Implications*

LGA 2002 – LGFA is subject to the reporting requirements imposed on council-controlled organisations as outlined in Part A of the Act.

Financial reporting – There are no financial reporting obligations arising from council's relationship with LGFA.

During the year council borrowed \$45 million from the LGFA and repaid \$45 million to the LGFA.

## 29. Major variances from budget

Major variances from council's budget figures are explained below.

### Statement of comprehensive revenue and expense

#### *Fees and Charges*

Fees and charges were \$0.88 million unfavourable to budget. This was mainly due to less applications received and less inspections undertaken than planned due to COVID-19. In addition, we estimate that approximately \$367,000 of fees and charges was "lost" due to Council facilities closures from 23 March to 13 May 2020 under COVID-19 lock down restrictions.

#### *Grants and Subsidies*

Grants and Subsidies were \$0.73 million favourable to budget. This was mainly due to additional NZTA funding received for the completion of the Mazengarb and Tasman road shared path projects (stride N Ride) and for advancing Ratanui roundabout. Additional subsidies were also received from NZTA for Kāpiti Road/scheme assessments.

#### *Development and Financial Contributions*

Development and Financial Contributions were \$1.5 million favourable to budget due to higher subdivision and building activity than planned. The majority of this development has occurred in Waikanae and Ōtaki.

*Other Operating Revenue*

Other operating revenue was \$20.5 million favourable to budget mainly due to unbudgeted vested assets of \$14 million pertaining to local link roads as a result of the new M2PP Expressway project, and a further \$6.5 million from subdivisions.

*Other Operating Expenses*

Other operating expenses were \$2.1 million unfavourable to budget mainly due to a \$2.2 million impairment loss of the Otaihanga Landfill after-care asset. Given the capping of the landfill has progressed faster than expected, the final closure date of the landfill has been brought forward by four years from the resource consent closure date of June 2026 to June 2022.

Personnel cost were \$994,000 unfavourable to budget due to unbudgeted resources required for the Asset Management improvement programme and a higher than normal annual leave liability at year-end due to Covid-19 travel restrictions deterring staff from taking leave.

Maintenance and operational cost was favourable to budget due to:

- A refund of \$555,000 of insurance premiums
- An underspend in District Plan review appeal costs (\$267,000) with hearing costs deferred to 2020/21.
- Lower cost associated with Council ceremonies/functions and other governance related costs. (\$153,000)

*Depreciation and amortisation*

Depreciation and amortisation was \$0.2 million unfavourable to budget mainly due to:

- Unbudgeted link roads required by the M2PP Expressway were vested to the Council. Due to the complexity of the timing and the requirements of the Expressway projects, the local link roads were not included in the original assets schedules;
- The final revaluation of roading assets as at 30 June 2019 was higher than planned, resulting in higher depreciation.

*Interest income*

Interest income was \$0.22 million unfavourable to budget due to market interest rates being lower than planned.

*Interest expense*

Interest expense was \$0.64 million favourable to budget due to the Council's weighted average cost of borrowing being lower than planned.

*Unrealised loss on financial derivatives*

The Council's unrealised loss on revaluation of financial derivatives of \$7 million is mainly due to softening of market interest rates since 1 July 2019 compared to the Council's committed financial derivatives.

*Unrealised loss from revaluation of property, plant and equipment*

The Council's land and buildings, Land under roads, three waters and parks and reserves structures were revalued as at 30 June 2020. A revaluation decrease of \$18.3 million was recognised.

**Statement of financial position***Cash and cash equivalents*

Cash and cash equivalents is \$5.7 million favourable to budget due to:

- Receipt of NZTA grant of \$0.65 million during the last week of June;
- \$3.3 million was kept on call for year-end supplier payments falling due in early July.

*Property, plant and equipment*

Property, Plant and Equipment is \$88.3 million unfavourable to budget due to:

- Lower capital spending of \$11.9 million for the 2019/20 year;
- Council's actual revaluation movement for the year was a \$18.3 million reduction in asset value, compared to a budget revaluation uplift of \$72.89 million;

*Trade and other payables*

Trade and other payables was \$8.6 million favourable to budget as a result of Council's COVID-19 support package that was announced during April 2020. The support package included the rapid payment of supplier invoices within seven to ten working days, compared to Council's normal payment terms of the 20th of the month following the date on the invoice.

*Derivative Financial instruments*

Derivative financial instruments are \$15.6 million unfavourable to budget. This is mainly due to the significant softening of interest rates since 1 July 2019.

### 30. Contingent liabilities

#### Guarantees and uncalled capital

Council is one of 31 local authority shareholders of the LGFA and has an obligation in respect of uncalled capital of \$100,000.

At 30 June 2020, the LGFA had borrowings totalling \$12.038 billion (2019: \$9.612 billion).

Council considers the risk of the LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- 1) The only circumstance where LGFA would default on its debt is the event where a council defaulted on a loan obligation that exceeded LGFA's available liquidity assets. As at 30 June 2020, this would need to be a single council default event that exceeded the sum of:
  - cash and deposits of \$665.6 million,
  - LGFA borrower notes of \$182.2 million,
  - LGFA credit facility of \$700 million, and
  - uncalled share capital of \$20 million from LGFA shareholders.
- 2) In the event of an LGFA default, the call on the guarantee is made on the Council's proportion of their share of the underlying rate base.
- 3) In the event of a default exceeding the LGFA's available liquid assets, the council would be called for 1.12% of the overall call (less than the council's 1.9% of LGFA's loan assets).

#### Legal claims

On 9 July 2020, KiwiRail served on the Council an application in the Environment Court for enforcement orders relating to a resource consent for work carried out by the Council on the Paraparaumu escarpment. KiwiRail are claiming that Council failed to comply with terms of the resource consent which lead to slips closing the main trunk line following a weather event in May 2015. KiwiRail are seeking the Council to complete remedial work on the escarpment in addition to costs KiwiRail have already incurred in remedying the issue.

### 31. Events after the end of the reporting period

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

# Disclosure statement

for the year ending 30 June 2020

## What is the purpose of this statement?

The purpose of this statement is to disclose council's financial performance in relation to various benchmarks to enable the assessment of whether council is prudently managing its revenue, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014, (the regulations). Please refer to the regulations for more information, including definitions of some of the terms used in this statement.

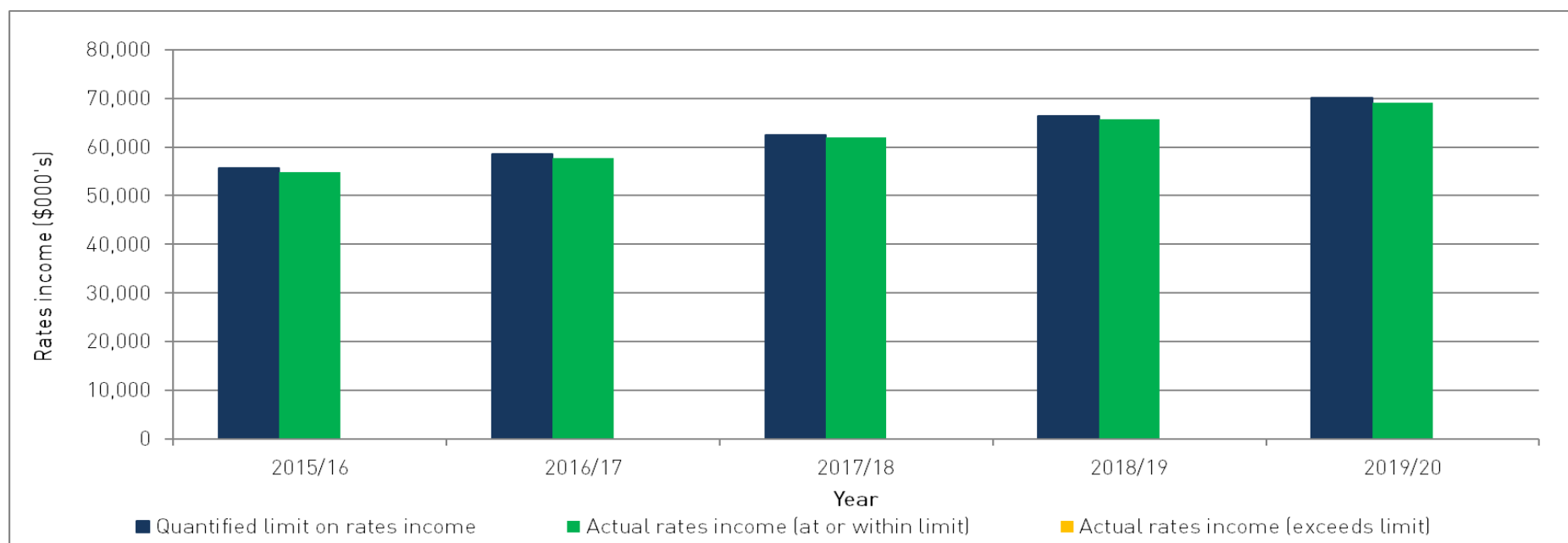
## Rates affordability

Council meets its affordability benchmark if:

- its actual rates income equals or is less than each quantified limit on rates, and
- its actual rates increases equal or are less than each quantified limit on rates increases.

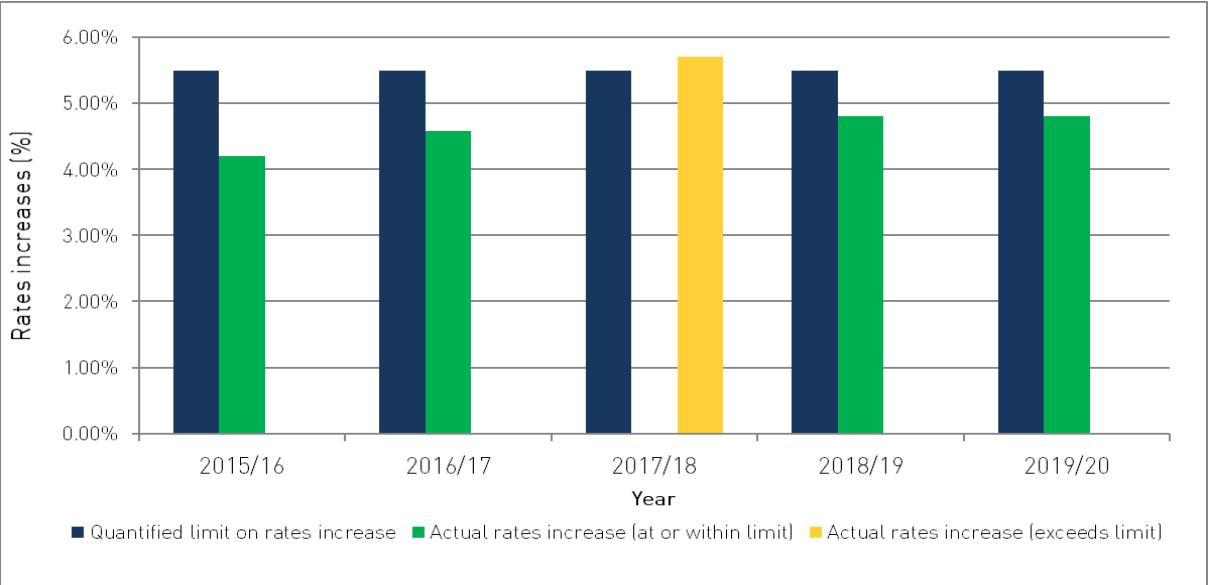
## Rates (income) affordability

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



Rates (increases) affordability

The graph at right compares the Council’s actual rates increases with a quantified limit on rates increases included in the financial strategy included in Council’s long term plans.

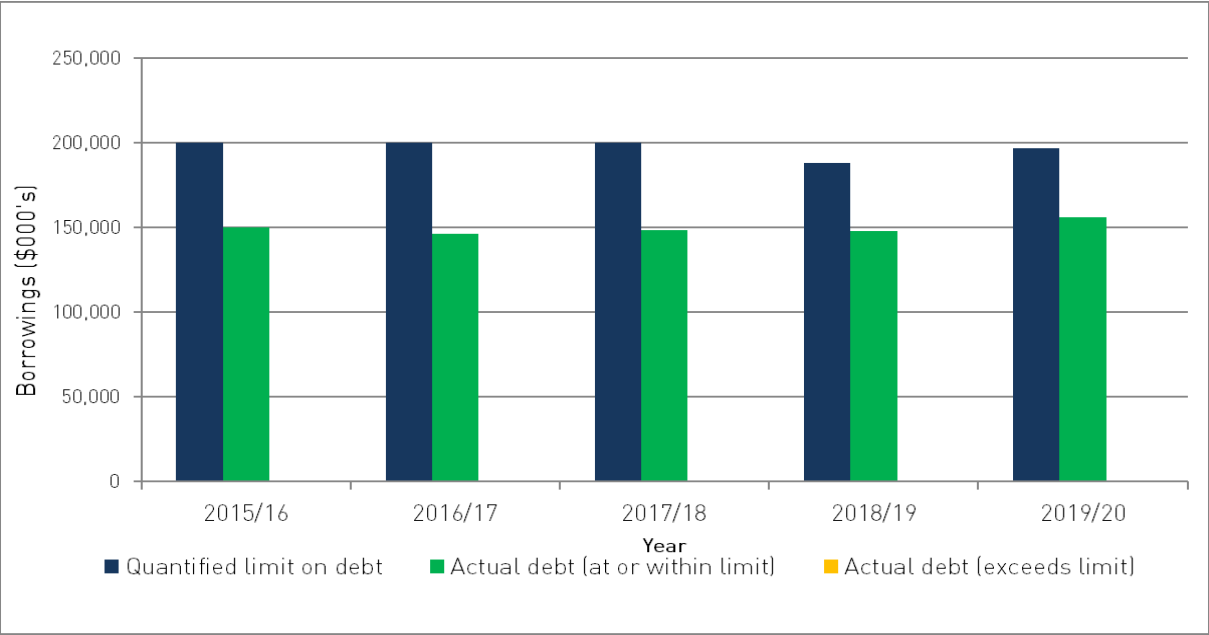


Debt affordability

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

The graph at right compares the Council’s actual borrowing with a quantified limit on borrowing stated in the financial strategy included in Council’s long term plans. Council’s quantified limit on borrowings, as set out in the financial strategy excludes debt prefunding.

Council’s gross borrowings are \$210 million at 30 June 2020 which includes total prefunding of \$45 million. Excluding prefunding, borrow notes and cash investments Council’s borrowings at year end are \$155.7 million, which is within the borrowings limit.



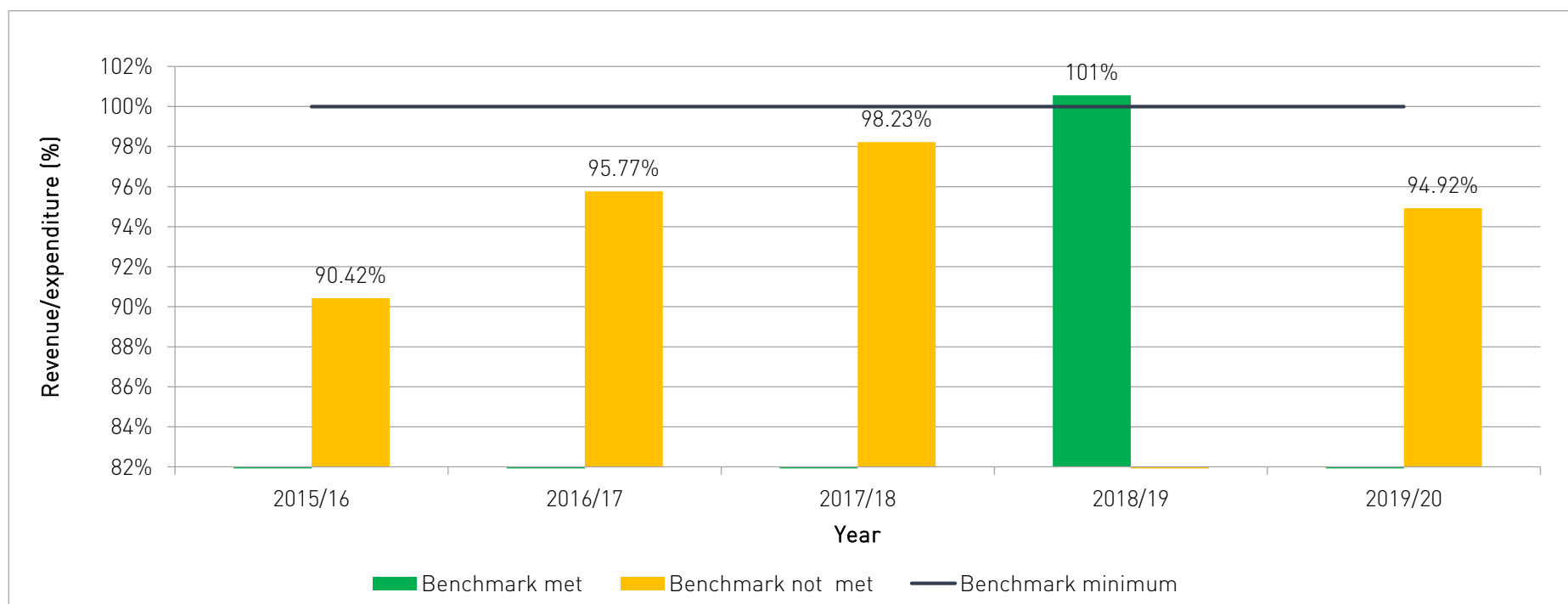


## Balanced budget

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

Council meets this benchmark if its revenue equals or is greater than its operating expenses.

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.

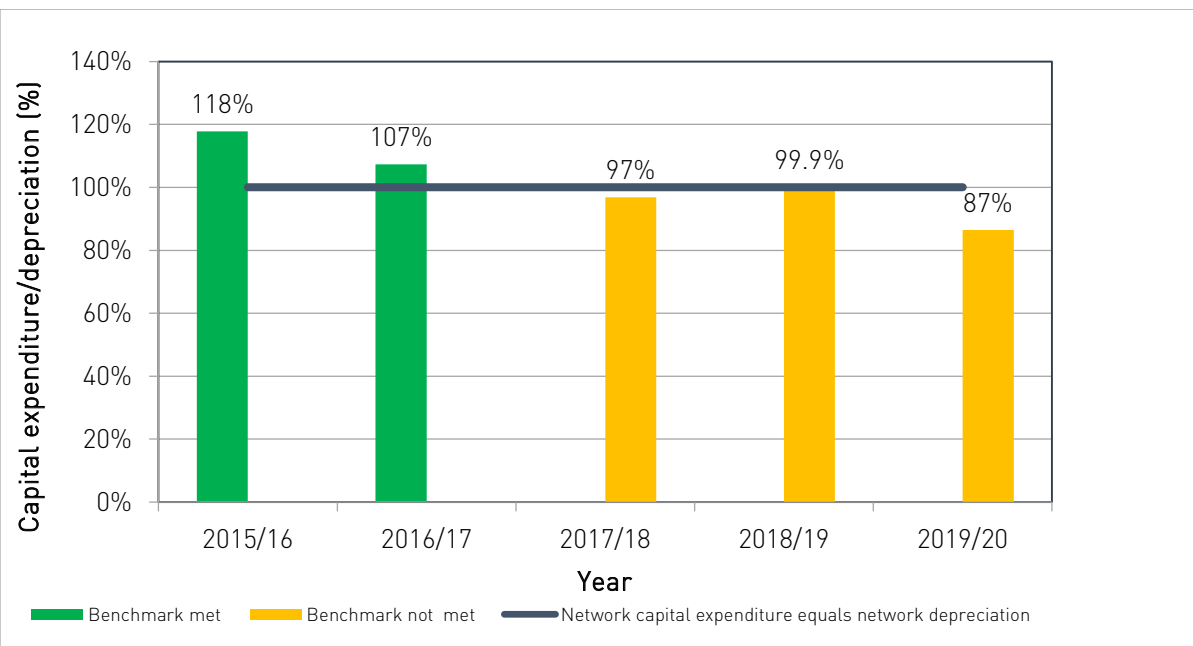


## Essential services

The graph at right shows the Council's capital expenditure on network services as a proportion of depreciation on network services. Network services means infrastructure related to water supply, sewerage, treatment and disposal of sewage, stormwater drainage, flood protection and control works and the provision of roads and footpaths.

Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.

Due to the timing of the renewals cycle for the three waters assets, it is expected that the Council's capital expenditure would be below the level of depreciation as the significant renewals are not expected until around 2045 onwards.

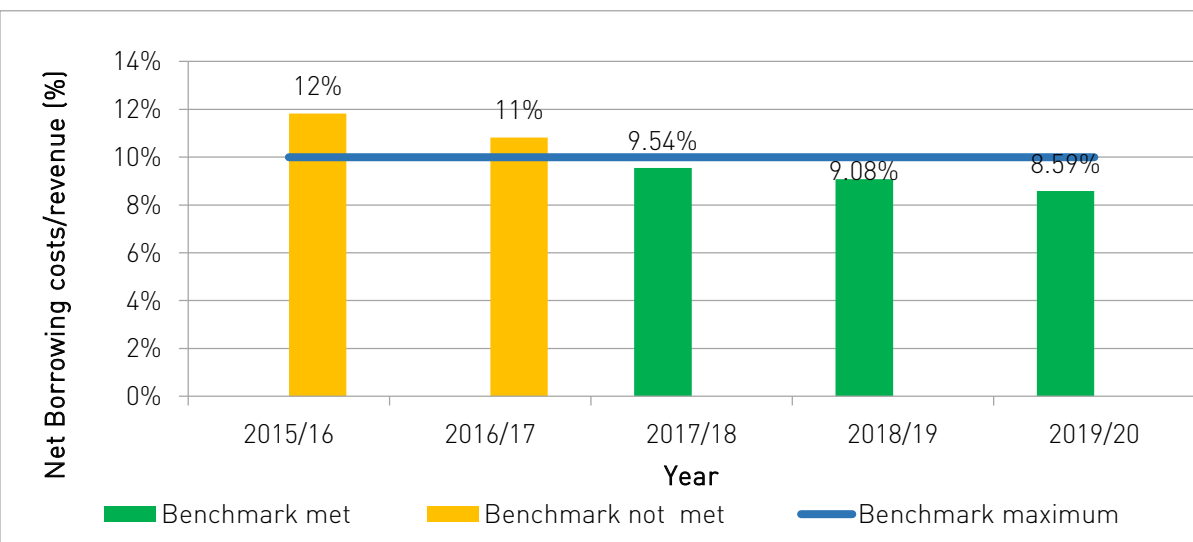


## Debt servicing

The graph at right shows the Council's net borrowing costs as a proportion of revenue (excluding development contributions, financial contributions vested assets, gains on derivative financial instruments, and revaluations of property, plant and equipment).

Because Statistics New Zealand projects Council's population will grow more slowly than the national population is projected to grow, Council meets the debt servicing benchmark if its net borrowing costs equal or are less than 10% of its revenue.

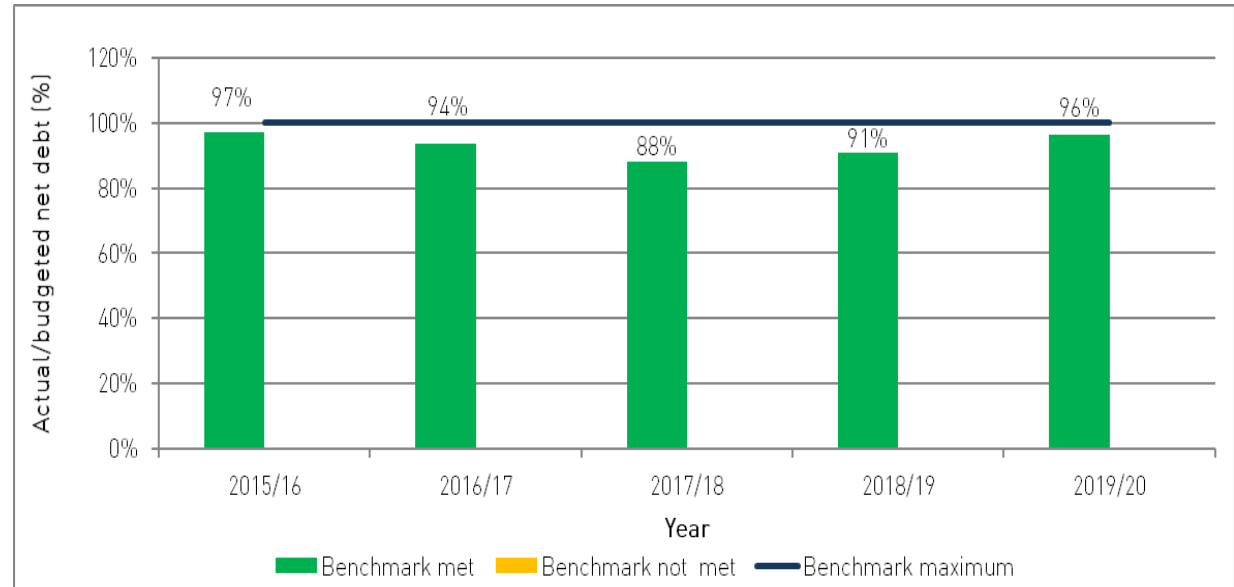
Council has started meeting this benchmark through our green-line strategy (reducing borrowings) and our careful treasury management. This was recognised by Standard and Poor's maintaining Council's credit rating at AA.



## Debt control

The graph at right shows Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

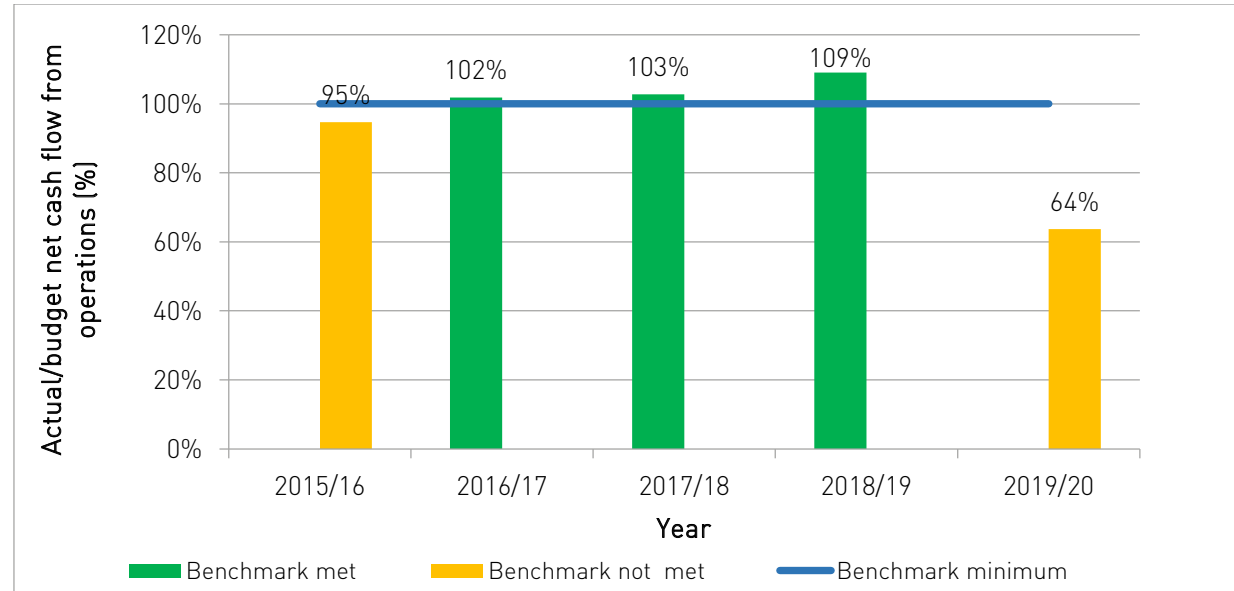


## Operations control

This graph at right shows Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.

As part of Council's Covid-19 Phase 1 - Sustain Community support package, we provided suppliers with rapid invoice payments. Suppliers were paid within seven to ten working days, compared to Council's previous payment terms of the 20th of the month following the date on the invoice. This increased Council's actual Payments to employees and suppliers with \$10.5 million compared to budget.



# Funding impact statements per activity

Water Management funding impact statement for the year ended 30 June 2020			
	2018/19 Budget \$000	2019/20 Budget \$000	2019/20 Actual \$000
<b>Sources of operating funding</b>			
General rate, uniform annual general charge, rates penalties	-	-	-
Targeted rates	8,267	8,566	8,317
Grants and subsidies for operating purposes	-	-	-
Fees and charges	40	41	34
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other	-	-	-
<b>Total operating funding</b>	<b>8,307</b>	<b>8,607</b>	<b>8,351</b>
<b>Applications of operating funding</b>			
Payment to staff and suppliers	3,342	3,397	3,436
Finance costs	1,114	1,178	897
Internal charges and overheads applied	1,016	1,049	1,087
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>5,472</b>	<b>5,624</b>	<b>5,420</b>
<b>SURPLUS/DEFICIT OF OPERATING FUNDING</b>	<b>2,835</b>	<b>2,983</b>	<b>2,931</b>
<b>Sources of capital funding</b>			
Grants and subsidies for capital expenditure	-	-	3
Development and financial contributions	103	204	1,099
Increase (decrease) in debt	1,225	8,051	977
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>1,328</b>	<b>8,255</b>	<b>2,079</b>
<b>Applications of capital funding</b>			
Capital expenditure			
> to meet additional demand	275	1,615	209
> to improve the level of service	1,225	8,051	980
> to replace existing assets	396	427	427
Increase (decrease) in reserves	2,267	1,145	3,394
Increase (decrease) in investments	-	-	-
<b>Total applications of capital Funding</b>	<b>4,163</b>	<b>11,238</b>	<b>5,010</b>
<b>SURPLUS/DEFICIT OF CAPITAL FUNDING</b>	<b>(2,835)</b>	<b>(2,983)</b>	<b>(2,931)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>

Access and Transport funding impact statement for the year ended 30 June 2020			
	2018/19 Budget \$000	2019/20 Budget \$000	2019/20 Actual \$000
<b>Sources of operating funding</b>			
General rate, uniform annual general charge, rates penalties	-	-	-
Targeted rates	7,960	8,829	9,135
Grants and subsidies for operating purposes	1,660	1,869	2,127
Fees and charges	70	71	128
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	272	247	281
<b>Total operating funding</b>	<b>9,962</b>	<b>11,016</b>	<b>11,671</b>
<b>Applications of operating funding</b>			
Payment to staff and suppliers	4,742	4,890	5,210
Finance costs	2,126	2,092	1,740
Internal charges and overheads applied	1,068	1,087	1,137
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>7,936</b>	<b>8,069</b>	<b>8,087</b>
<b>SURPLUS/DEFICIT OF OPERATING FUNDING</b>	<b>2,026</b>	<b>2,947</b>	<b>3,584</b>
<b>Sources of capital funding</b>			
Grants and subsidies for capital expenditure	3,990	2,664	3,124
Development and financial contributions	201	397	431
Increase (decrease) in debt	3,554	3,309	972
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>7,745</b>	<b>6,370</b>	<b>4,527</b>
<b>Applications of capital funding</b>			
Capital expenditure			
> to meet additional demand	73	206	351
> to improve the level of service	6,085	4,175	2,507
> to replace existing assets	2,997	3,617	3,050
Increase (decrease) in reserves	615	1,319	2,203
Increase (decrease) in investments	-	-	-
<b>Total applications of capital Funding</b>	<b>9,771</b>	<b>9,317</b>	<b>8,111</b>
<b>SURPLUS/DEFICIT OF CAPITAL FUNDING</b>	<b>(2,026)</b>	<b>(2,947)</b>	<b>(3,584)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>

Coastal Management funding impact statement for the year ended 30 June 2020			
	2018/19 Budget \$000	2019/20 Budget \$000	2019/20 Actual \$000
<b>Sources of operating funding</b>			
General rate, uniform annual general charge, rates penalties	1,014	1,203	1,177
Targeted rates	-	-	-
Grants and subsidies for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	-	-	-
<b>Total operating funding</b>	<b>1,014</b>	<b>1,203</b>	<b>1,177</b>
<b>Applications of operating funding</b>			
Payment to staff and suppliers	395	412	404
Finance costs	206	249	223
Internal charges and overheads applied	129	132	138
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>730</b>	<b>793</b>	<b>765</b>
<b>SURPLUS/DEFICIT OF OPERATING FUNDING</b>	<b>284</b>	<b>410</b>	<b>412</b>
<b>Sources of capital funding</b>			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	902	77	62
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>902</b>	<b>77</b>	<b>62</b>
<b>Applications of capital funding</b>			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	902	77	62
> to replace existing assets	992	593	439
Increase (decrease) in reserves	(708)	(183)	(27)
Increase (decrease) in investments	-	-	-
<b>Total applications of capital Funding</b>	<b>1,186</b>	<b>487</b>	<b>474</b>
<b>SURPLUS/DEFICIT OF CAPITAL FUNDING</b>	<b>(284)</b>	<b>(410)</b>	<b>(412)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>

Wastewater Management funding impact statement for the year ended 30 June 2020			
	2018/19 Budget \$000	2019/20 Budget \$000	2019/20 Actual \$000
<b>Sources of operating funding</b>			
General rate, uniform annual general charge, rates penalties	-	-	-
Targeted rates	7,489	8,110	8,208
Grants and subsidies for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	1,441	1,500	1,335
Local authorities fuel tax, fines, infringement fees, and other	-	-	-
<b>Total operating funding</b>	<b>7,489</b>	<b>9,610</b>	<b>9,543</b>
<b>Applications of operating funding</b>			
Payment to staff and suppliers	2,327	3,956	3,967
Finance costs	329	305	187
Internal charges and overheads applied	1,948	2,041	2,044
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>4,604</b>	<b>6,302</b>	<b>6,198</b>
<b>SURPLUS/DEFICIT OF OPERATING FUNDING</b>	<b>2,885</b>	<b>3,308</b>	<b>3,345</b>
<b>Sources of capital funding</b>			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	150	295	217
Increase (decrease) in debt	1,283	358	93
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>1,433</b>	<b>653</b>	<b>310</b>
<b>Applications of capital funding</b>			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	1,283	358	93
> to replace existing assets	1,199	1,339	816
Increase (decrease) in reserves	1,836	2,264	2,746
Increase (decrease) in investments	-	-	-
<b>Total applications of capital Funding</b>	<b>4,318</b>	<b>3,961</b>	<b>3,655</b>
<b>SURPLUS/DEFICIT OF CAPITAL FUNDING</b>	<b>(2,885)</b>	<b>(3,308)</b>	<b>(3,345)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>



Stormwater Management funding impact statement for the year ended 30 June 2020			
	2018/19 Budget \$000	2019/20 Budget \$000	2019/20 Actual \$000
<b>Sources of operating funding</b>			
General rate, uniform annual general charge, rates penalties	1,494	1,675	1,674
Targeted rates	2,476	2,471	2,257
Grants and subsidies for operating purposes	-	-	120
Fees and charges	68	72	23
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	-	-	-
<b>Total operating funding</b>	<b>4,038</b>	<b>4,218</b>	<b>4,074</b>
<b>Applications of operating funding</b>			
Payment to staff and suppliers	1,616	1,760	1,763
Finance costs	837	933	786
Internal charges and overheads applied	374	385	400
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>2,827</b>	<b>3,078</b>	<b>2,949</b>
<b>SURPLUS/DEFICIT OF OPERATING FUNDING</b>	<b>1,211</b>	<b>1,140</b>	<b>1,125</b>
<b>Sources of capital funding</b>			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	52	102	178
Increase (decrease) in debt	1,841	2,912	3,346
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>1,893</b>	<b>3,014</b>	<b>3,524</b>
<b>Applications of capital funding</b>			
Capital expenditure			
> to meet additional demand	255	365	374
> to improve the level of service	1,841	2,912	3,366
> to replace existing assets	461	378	474
Increase (decrease) in reserves	547	499	435
Increase (decrease) in investments	-	-	-
<b>Total applications of capital Funding</b>	<b>3,104</b>	<b>4,154</b>	<b>4,649</b>
<b>SURPLUS/DEFICIT OF CAPITAL FUNDING</b>	<b>(1,211)</b>	<b>(1,140)</b>	<b>(1,125)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>

Solid Waste funding impact statement for the year ended 30 June 2020			
	2018/19 Budget \$000	2019/20 Budget \$000	2019/20 Actual \$000
<b>Sources of operating funding</b>			
General rate, uniform annual general charge, rates penalties	1,031	861	776
Targeted rates	-	-	-
Grants and subsidies for operating purposes	-	-	-
Fees and charges	558	579	540
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	-	-	-
<b>Total operating funding</b>	<b>1,589</b>	<b>1,440</b>	<b>1,316</b>
<b>Applications of operating funding</b>			
Payment to staff and suppliers	489	525	450
Finance costs	196	163	130
Internal charges and overheads applied	230	234	244
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>915</b>	<b>922</b>	<b>824</b>
<b>SURPLUS/DEFICIT OF OPERATING FUNDING</b>	<b>674</b>	<b>518</b>	<b>492</b>
<b>Sources of capital funding</b>			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	-	-	-
> to replace existing assets	586	181	-
Increase (decrease) in reserves	88	337	492
Increase (decrease) in investments	-	-	-
<b>Total applications of capital Funding</b>	<b>674</b>	<b>518</b>	<b>492</b>
<b>SURPLUS/DEFICIT OF CAPITAL FUNDING</b>	<b>(674)</b>	<b>(518)</b>	<b>(492)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>

Economic Development funding impact statement for the year ended 30 June 2020			
	2018/19 Budget \$000	2019/20 Budget \$000	2019/20 Actual \$000
<b>Sources of operating funding</b>			
General rate, uniform annual general charge, rates penalties	2,215	2,197	2,077
Targeted rates	435	370	370
Grants and subsidies for operating purposes	-	-	-
Fees and charges	168	-	142
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	-	31	65
<b>Total operating funding</b>	<b>2,818</b>	<b>2,598</b>	<b>2,654</b>
<b>Applications of operating funding</b>			
Payment to staff and suppliers	1,450	1,135	1,277
Finance costs	673	763	674
Internal charges and overheads applied	554	641	782
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>2,677</b>	<b>2,539</b>	<b>2,733</b>
<b>SURPLUS/DEFICIT OF OPERATING FUNDING</b>	<b>141</b>	<b>59</b>	<b>(79)</b>
<b>Sources of capital funding</b>			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	2,553	2,562	4,147
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>2,553</b>	<b>2,562</b>	<b>4,147</b>
<b>Applications of capital funding</b>			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	2,553	2,562	4,147
> to replace existing assets	-	-	-
Increase (decrease) in reserves	141	59	(79)
Increase (decrease) in investments	-	-	-
<b>Total applications of capital Funding</b>	<b>2,694</b>	<b>2,621</b>	<b>4,068</b>
<b>SURPLUS/DEFICIT OF CAPITAL FUNDING</b>	<b>(141)</b>	<b>(59)</b>	<b>79</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>

Community Facilities and Community Support funding impact statement for the year ended 30 June 2020			
	2018/19 Budget \$000	2019/20 Budget \$000	2019/20 Actual \$000
<b>Sources of operating funding</b>			
General rate, uniform annual general charge, rates penalties	2,631	3,024	2,994
Targeted rates	234	462	495
Grants and subsidies for operating purposes	-	-	-
Fees and charges	1,345	1,472	1,333
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	43	-	20
<b>Total operating funding</b>	<b>4,253</b>	<b>4,958</b>	<b>4,842</b>
<b>Applications of operating funding</b>			
Payment to staff and suppliers	2,854	2,950	2,741
Finance costs	46	212	14
Internal charges and overheads applied	1,178	1,316	1,517
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>4,078</b>	<b>4,478</b>	<b>4,272</b>
<b>SURPLUS/DEFICIT OF OPERATING FUNDING</b>	<b>175</b>	<b>480</b>	<b>570</b>
<b>Sources of capital funding</b>			
Grants and subsidies for capital expenditure	-	-	2
Development and financial contributions	48	95	377
Increase (decrease) in debt	33	1,660	1,711
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>81</b>	<b>1,755</b>	<b>2,090</b>
<b>Applications of capital funding</b>			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	33	1,660	1,714
> to replace existing assets	1,471	2,229	1,170
Increase (decrease) in reserves	(1,248)	(1,654)	(224)
Increase (decrease) in investments	-	-	-
<b>Total applications of capital Funding</b>	<b>256</b>	<b>2,235</b>	<b>2,660</b>
<b>SURPLUS/DEFICIT OF CAPITAL FUNDING</b>	<b>(175)</b>	<b>(480)</b>	<b>(570)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Parks and Open Spaces funding impact statement  
for the year ended 30 June 2020**

	2018/19 Budget \$000	2019/20 Budget \$000	2019/20 Actual \$000
<b>Sources of operating funding</b>			
General rate, uniform annual general charge, rates penalties	-	-	-
Targeted rates	6,125	6,341	6,644
Grants and subsidies for operating purposes	-	-	-
Fees and charges	162	258	194
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	-	-	3
<b>Total operating funding</b>	<b>6,287</b>	<b>6,599</b>	<b>6,841</b>
<b>Applications of operating funding</b>			
Payment to staff and suppliers	2,401	2,436	2,404
Finance costs	485	379	388
Internal charges and overheads applied	2,434	2,580	2,822
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>5,320</b>	<b>5,395</b>	<b>5,614</b>
<b>SURPLUS/DEFICIT OF OPERATING FUNDING</b>	<b>967</b>	<b>1,204</b>	<b>1,227</b>
<b>Sources of capital funding</b>			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	522	1,030	1,272
Increase (decrease) in debt	984	640	82
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>1,506</b>	<b>1,670</b>	<b>1,354</b>
<b>Applications of capital funding</b>			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	984	640	82
> to replace existing assets	1,168	787	723
Increase (decrease) in reserves	321	1,447	1,776
Increase (decrease) in investments	-	-	-
<b>Total applications of capital Funding</b>	<b>2,473</b>	<b>2,874</b>	<b>2,581</b>
<b>SURPLUS/DEFICIT OF CAPITAL FUNDING</b>	<b>(967)</b>	<b>(1,204)</b>	<b>(1,227)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Recreation and Leisure funding impact statement  
for the year ended 30 June 2020**

	2018/19 Budget \$000	2019/20 Budget \$000	2019/20 Actual \$000
<b>Sources of operating funding</b>			
General rate, uniform annual general charge, rates penalties	266	311	277
Targeted rates	8,855	9,139	9,638
Grants and subsidies for operating purposes	41	42	47
Fees and charges	1,624	1,748	1,418
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	63	64	50
<b>Total operating funding</b>	<b>10,849</b>	<b>11,304</b>	<b>11,430</b>
<b>Applications of operating funding</b>			
Payment to staff and suppliers	5,741	6,070	5,857
Finance costs	1,024	995	818
Internal charges and overheads applied	2,563	2,820	3,291
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>9,328</b>	<b>9,885</b>	<b>9,966</b>
<b>SURPLUS/DEFICIT OF OPERATING FUNDING</b>	<b>1,521</b>	<b>1,419</b>	<b>1,464</b>
<b>Sources of capital funding</b>			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	2,907	433	239
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>2,907</b>	<b>433</b>	<b>239</b>
<b>Applications of capital funding</b>			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	2,907	433	239
> to replace existing assets	777	812	539
Increase (decrease) in reserves	744	607	925
Increase (decrease) in investments	-	-	-
<b>Total applications of capital Funding</b>	<b>4,428</b>	<b>1,852</b>	<b>1,703</b>
<b>SURPLUS/DEFICIT OF CAPITAL FUNDING</b>	<b>(1,521)</b>	<b>(1,419)</b>	<b>(1,464)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>

Districtwide Planning funding impact statement for the year ended 30 June 2020			
	2018/19 Budget \$000	2019/20 Budget \$000	2019/20 Actual \$000
<b>Sources of operating funding</b>			
General rate, uniform annual general charge, rates penalties	2,563	2,871	2,510
Targeted rates	5	-	-
Grants and subsidies for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	-	-	18
<b>Total operating funding</b>	<b>2,568</b>	<b>2,871</b>	<b>2,528</b>
<b>Applications of operating funding</b>			
Payment to staff and suppliers	1,916	2,103	1,606
Finance costs	-	-	-
Internal charges and overheads applied	652	768	922
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>2,568</b>	<b>2,871</b>	<b>2,528</b>
<b>SURPLUS/DEFICIT OF OPERATING FUNDING</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Sources of capital funding</b>			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	-	-	-
> to replace existing assets	-	-	-
Increase (decrease) in reserves	-	-	-
Increase (decrease) in investments	-	-	-
<b>Total applications of capital Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>SURPLUS/DEFICIT OF CAPITAL FUNDING</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>

Regulatory Services funding impact statement for the year ended 30 June 2020			
	2018/19 Budget \$000	2019/20 Budget \$000	2019/20 Actual \$000
<b>Sources of operating funding</b>			
General rate, uniform annual general charge, rates penalties	4,638	5,018	5,123
Targeted rates	-	-	-
Grants and subsidies for operating purposes	-	-	-
Fees and charges	4,228	4,325	3,797
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	189	129	190
<b>Total operating funding</b>	<b>9,055</b>	<b>9,472</b>	<b>9,110</b>
<b>Applications of operating funding</b>			
Payment to staff and suppliers	5,523	5,618	5,053
Finance costs	3	7	5
Internal charges and overheads applied	3,453	3,760	3,968
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>8,979</b>	<b>9,385</b>	<b>9,026</b>
<b>SURPLUS/DEFICIT OF OPERATING FUNDING</b>	<b>76</b>	<b>87</b>	<b>84</b>
<b>Sources of capital funding</b>			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	-	-	-
> to replace existing assets	20	238	496
Increase (decrease) in reserves	56	(151)	(412)
Increase (decrease) in investments	-	-	-
<b>Total applications of capital Funding</b>	<b>76</b>	<b>87</b>	<b>84</b>
<b>SURPLUS/DEFICIT OF CAPITAL FUNDING</b>	<b>(76)</b>	<b>(87)</b>	<b>(84)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>

Governance and Tāngata Whenua funding impact statement for the year ended 30 June 2020			
	2018/19 Budget \$000	2019/20 Budget \$000	2019/20 Actual \$000
<b>Sources of operating funding</b>			
General rate, uniform annual general charge, rates penalties	4,370	4,316	4,576
Targeted rates	306	327	319
Grants and subsidies for operating purposes	-	-	-
Fees and charges	12	99	103
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	62	-	16
<b>Total operating funding</b>	<b>4,750</b>	<b>4,742</b>	<b>5,014</b>
<b>Applications of operating funding</b>			
Payment to staff and suppliers	2,359	2,625	2,609
Finance costs	(11)	(10)	(12)
Internal charges and overheads applied	2,330	2,264	2,516
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>4,678</b>	<b>4,879</b>	<b>5,113</b>
<b>SURPLUS/DEFICIT OF OPERATING FUNDING</b>	<b>72</b>	<b>(137)</b>	<b>(99)</b>
<b>Sources of capital funding</b>			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	31	-	(277)
Gross proceeds from sale of assets	-	-	277
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>31</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	31	-	-
> to replace existing assets	85	445	448
Increase (decrease) in reserves	(13)	(582)	(547)
Increase (decrease) in investments	-	-	-
<b>Total applications of capital Funding</b>	<b>103</b>	<b>(137)</b>	<b>(99)</b>
<b>SURPLUS/DEFICIT OF CAPITAL FUNDING</b>	<b>(72)</b>	<b>137</b>	<b>99</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>





Planting by Council staff along Kāpiti Road. Widening the road and installing a shared off-road path have improved safety on this major road in Paraparaumu.







Our 2020 Waitangi Day event for the community was developed in partnership between Ngāti Haumia ki Paekākāriki, Te Whakamimenga o Kāpiti and the Council. Photo: Mark Coote.

# Our governance and supporting information

## In this section you'll find:

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## Council

Kāpiti Coast District Council comprises a mayor and 10 elected councillors. For the period 31 October 2019 to 30 June 2020 they were:

<b>Mayor</b>	K Gurunathan
<b>Councillors</b>	
Districtwide	Janet Holborow (Deputy Mayor), Angela Buswell, Gwynn Compton, Jackie Elliott, Rob McCann
Ōtaki	James Cootes
Waikanae	Jocelyn Prvanov
Paraparaumu	Martin Halliday, Bernie Randall
Paekākāriki-Raumati	Sophie Handford

## Council meetings

Council meetings were scheduled every six weeks, with additional meetings held as required. These meetings were advertised in the local news media.

To assist Council in discharging its duties, it had standing committees that generally met every six weeks. Each committee had its own terms of reference, and powers delegated by Council.

During the 1 July 2019 to 30 June 2020 period the Council held 15 Council meetings and 7 standing committee meetings.

## Committees (2016–19 triennium)

The committees for this triennium were:

- Strategy and policy committee, chaired by Cr James Cootes
- Operations and finance committee, chaired by Cr Michael Scott

- Audit and risk committee, chaired by Cr Mike Cardiff
- Appeals hearing committee, chaired by Cr Jackie Elliott
- District licensing committee, chaired by Cr Fiona Vining
- Chief executive performance and employment committee, chaired by Mayor K Gurunathan
- Grants allocation committee, chaired by Cr Mark Benton.

## Committees (2019–22 triennium)

### *Strategy and operations committee*

The strategy and operations committee was chaired by Councillor James Cootes. The committee deals with all strategy and policy decision-making that is not the sole responsibility of the Council.

Key responsibilities include:

- setting and approving the policy and strategy work programme
- overseeing strategic programmes
- liaison and planning with other territorial authorities
- development and/or review of strategies, plans, policies and bylaws
- preparation of District Plan and Plan Changes
- oversight of any shared services initiatives
- economic development strategy
- reviewing and approving community contracts
- receiving annual reports from any community or advisory group
- financial management, including risk mitigation

- approval of non-budgeted expenditure
- approval of contracts and contract variations outside the Chief Executive's delegations
- write-offs and remissions
- financial policies
- all regulatory and planning matters from an operational perspective
- property purchases or sales
- operational aspects of bylaws
- civil defence and emergency management matters
- procedural matters relating to electoral processes not otherwise delegated to the Chief Executive
- signing off any submission to an external agency or body.

### *Audit and risk subcommittee*

The audit and risk sub-committee (ARC) was independently chaired Mr Bryan Jackson. The committee monitors the Council's financial management and reporting mechanisms and framework and ensures that there are appropriate internal systems and controls for these.

Key responsibilities include:

- reviewing and maintaining the internal control framework
- reviewing processes for ensuring the completeness and quality of financial information
- considering Council's accounting policies and principles
- obtaining information from external auditors relevant to Council's financial statements and

assessing whether appropriate action has been taken by management in response

- considering reports on the status of investigations by the Office of the Ombudsman into decisions by Council
- ensuring that Council has in place a current and comprehensive risk management framework
- making recommendations to Council on risk mitigation.

#### *Appeals hearing committee*

The appeals hearing committee was chaired by the Mayor. The committee was responsible for hearing appeals or objections on Council's regulatory and compliance areas.

#### *District licensing committee*

The district licensing committee was chaired by Commissioner Fiona Vining. The committee was

responsible for carrying out the duties and functions as prescribed in the Sale and Supply of Alcohol Act 2012.

#### *Chief Executive performance and employment committee*

The Chief Executive performance and employment committee was chaired by the Mayor. The committee undertook the formal management of the contract of employment between the Council and Chief Executive.

#### *Grants allocation committee*

The chair of the grants allocation committee was Councillor Jackie Elliott. The committee had the authority to assess all applications and allocate funds for the following grant programmes:

- community grants
- creative community scheme

- districtwide hall hire remissions
- heritage fund allocations
- waste levy grants.

#### *Māori representation members*

Māori representatives in 2019/20 in the 2016-19 triennium structure were Ann-Maree Ellison (Operations and Finance Committee) and Mr Bill Carter (Strategy and Policy Committee). Māori representation in the 2019-22 triennium structure has not yet been decided.

## Kāpiti Mayor and Councillors elected in 2019



**From left to right:** Councillor Jackie Elliott, Councillor Rob McCann, Councillor Bernie Randall, Councillor Jocelyn Prvanov, Councillor Janet Holborow (Deputy Mayor), Mayor K (Guru) Gurunathan, Councillor James Cootes, Councillor Gwynn Compton, Councillor Sophie Handford, Councillor Martin Halliday, Councillor Angela Buswell.



## Community boards

The role of the community boards is to advise the Council on local issues and help determine priorities. They also have delegated power to deal with some local matters. The community boards generally met every six weeks except during April and May 2020 when COVID-19 restrictions were in place. The chair of each community board was also invited to sit at the Council table for meetings of the Council and committees, and contribute to the discussion.

The boards and their members were as follows:

Ōtaki	Christine Papps (Chair) Marilyn Stevens (Deputy Chair) Stephen Carkeek Shelly Warwick Cr James Cootes
Waikanae	James Westbury (Chair) Jill Griggs (Deputy Chair) Geoffrey Churchman Margaret Stevenson-Wright Cr Jocelyn Prvanov
Paraparaumu–Raumati	Kathy Spiers (Chair) Guy Burns (Deputy Chair) Jonny Best Grace Lindsay Cr Martin Halliday Cr Bernie Randall
Paekākāriki	Holly Ewens (Chair) Jessica Hortop (Deputy Chair) Daniel O’Connell Tina Pope Cr Sophie Handford

Supporting Council are four district community boards: Ōtaki, Waikanae, Paraparaumu–Raumati, and Paekākāriki. Community boards are the grassroots of local democracy, where people in each of our towns and villages can take their concerns or seek assistance.

The Council has a strong partnership base with community boards on local matters. The corresponding ward councillors sit on each board. As far as practicable, local issues are referred to community boards for consideration, comment or recommendations before decisions are made. Board chairs can sit at Council

meetings and contribute to the debate, helping ensure that the interests of the whole district are taken into account. They do not have voting rights at Council meetings.

A board’s role is mainly advocacy, but it also has powers to make some decisions about issues within its boundaries. Boards make submissions to Council and other statutory agencies. They control local funds for making grants to individuals and groups for community purposes.

## Community board members

### Ōtaki Community Board

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

Christine Papps | Chair  
[christine.papps@kapiticoast.govt.nz](mailto:christine.papps@kapiticoast.govt.nz)

Marilyn Stevens | Deputy Chair  
[marilyn.stevens@kapiticoast.govt.nz](mailto:marilyn.stevens@kapiticoast.govt.nz)

Stephen Carkeek  
[stephen.carkeek@kapiticoast.govt.nz](mailto:stephen.carkeek@kapiticoast.govt.nz)

Shelly Warwick  
[shelly.warwick@kapiticoast.govt.nz](mailto:shelly.warwick@kapiticoast.govt.nz)

### Waikanae Community Board

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

James Westbury | Chair  
[james.westbury@kapiticoast.govt.nz](mailto:james.westbury@kapiticoast.govt.nz)

Jill Griggs | Deputy Chair  
[jill.griggs@kapiticoast.govt.nz](mailto:jill.griggs@kapiticoast.govt.nz)

Geoffrey Churchman  
[geoffrey.churchman@kapiticoast.govt.nz](mailto:geoffrey.churchman@kapiticoast.govt.nz)

Margaret Stevenson-Wright  
[margaret.stevenson-wright@kapiticoast.govt.nz](mailto:margaret.stevenson-wright@kapiticoast.govt.nz)

## Paraparaumu–Raumati Community Board

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

Kathy Spiers | Chair

[kathy.spiers@kapiticoast.govt.nz](mailto:kathy.spiers@kapiticoast.govt.nz)

Guy Burns | Deputy Chair

[guy.burns@kapiticoast.govt.nz](mailto:guy.burns@kapiticoast.govt.nz)

Jonny Best

[jonny.best@kapiticoast.govt.nz](mailto:jonny.best@kapiticoast.govt.nz)

Grace Lindsay

[grace.lindsay@kapiticoast.govt.nz](mailto:grace.lindsay@kapiticoast.govt.nz)

## Paekākāriki Community Board

The area covered by the community board includes the Emerald Glen area and Whareroa Road in the north, down to Fisherman's Table in the south.

Holly Ewens | Chair

[holly.ewens@kapiticoast.govt.nz](mailto:holly.ewens@kapiticoast.govt.nz)

Tina Pope | Deputy Chair

[tina.pope@kapiticoast.govt.nz](mailto:tina.pope@kapiticoast.govt.nz)

Jessica Hortop

[jessica.hortop@kapiticoast.govt.nz](mailto:jessica.hortop@kapiticoast.govt.nz)

Dan O'Connell

[dan.o'connell@kapiticoast.govt.nz](mailto:dan.o'connell@kapiticoast.govt.nz)

## Te Whakaminenga o Kāpiti

Te Whakaminenga o Kāpiti is one of the longest partnerships between tangata whenua and local government in New Zealand. The partners are the Kāpiti Coast District Council and the mana whenua (people with authority over the land) on the Kāpiti Coast: Āti Awa ki Whakarongotai, Ngāti Raukawa ki te Tonga, and Ngāti Toa Rangatira.

### Representatives

#### Rupene Waaka, JP (Chair)

Representing – Ngā Hapū o Ōtaki

Iwi affiliation – Ngāti Raukawa ki te Tonga

Hapū affiliations – Ngāti Kapumanawawhiti | Ngāti Maiotaki

#### Kirsten Hapeta

Representing – Ngā Hapū o Ōtaki

Iwi affiliations – Ngāti Raukawa ki te Tonga | Ngāti Toa Rangatira | Āti Awa

Hapū affiliations – Ngāti Maiotaki | Ngāti Huia | Kaitangata

#### Andre Baker

Representing – Āti Awa Ki Whakarongotai Charitable Trust

Iwi affiliation – Āti Awa ki Whakarongotai

#### Chris Gerretzen

Representing – Āti Awa ki Whakarongotai Charitable Trust

Iwi affiliation – Āti Awa ki Whakarongotai

#### Carol Reihana

Representing – Te Rūnanga o Toa Rangatira

Iwi affiliations – Ngāti Toa Rangatira | Ngāi Tahu

Hapū affiliation – Ngāti Haumia

#### Natalia Repia

Representing – Te Rūnanga o Toa Rangatira

Iwi affiliation – Ngāti Toa Rangatira

**K Gurunathan** – Mayor

**James Cootes** – Ōtaki Ward Councillor

**Meeting attendance record of elected members**

Council: 2016–19 triennium – 1 July 2019 to 30 October 2019

Council (4 meetings)				Council committee (4 meetings)			
<i>Elected member</i>	<i>Attended</i>	<i>Absent (leave)</i>	<i>Absent (apology)</i>	<i>Possible attendance</i>	<i>Attended</i>	<i>Absent (leave)</i>	<i>Absent (apology)</i>
K Gurunathan (Mayor)	4	-	-	4	4	-	-
Janet Holborow (Deputy Mayor)	4	-	-	3	3	-	-
Mark Benton	3	1	-	3	1	2	-
Angela Buswell	4	-	-	3	3	-	-
Mike Cardiff	4	-	-	4	2	2	-
James Cootes	4	-	-	4	4	-	-
Jackie Elliott	3	-	1	3	3	-	-
John Howson	4	-	-	3	2	-	1
Michael Scott	4	-	-	4	3	1	-
Fiona Vining	2	-	2	4	4	-	-

Council: 2019–22 triennium – 31 October 2019 to 30 June 2020

Council (11 meetings)				Council committee (3 meetings)			
<i>Elected member</i>	<i>Attended</i>	<i>Absent (leave)</i>	<i>Absent (apology)</i>	<i>Possible attendance</i>	<i>Attended</i>	<i>Absent (leave)</i>	<i>Absent (apology)</i>
K Gurunathan (Mayor)	11	-	-		2	1	-
Janet Holborow (Deputy Mayor)	10	1	-		3	-	-
Sophie Handford	10	-	1		2	-	1
Angela Buswell	11	-	-		3	-	-
Gwynn Compton	11	-	-		3	-	-
James Cootes	11	-	-		3	-	-
Jackie Elliott	11	-	-		3	-	-
Martin Halliday	11	-	-		3	-	-
Jocelyn Prvanov	11	-	-		3	-	-
Bernie Randall	11	-	-		3	-	-
Rob McCann	11	-	-		3	-	-

## Community boards

The following tables detail attendance of community board members at board meetings between 1 July 2019 and 30 October 2019.

Ōtaki (2 meetings)			
<i>Elected member</i>	<i>Attended</i>	<i>Absent (leave)</i>	<i>Absent (apology)</i>
Christine Papps (Chair)	2	-	-
Marilyn Stevens (Deputy Chair)	2	-	-
Kerry Bevan	2	-	-
Shelly Warwick	2	-	-
Cr James Cootes	2	-	-

Paraparaumu–Raumati (2 meetings)			
<i>Elected member</i>	<i>Attended</i>	<i>Absent (leave)</i>	<i>Absent (apology)</i>
Jonny Best (Chair)	2	-	-
Guy Burns (Deputy Chair)	2	-	-
Bernie Randall	2	-	-
Kathy Spiers	2	-	-
Cr Mark Benton	1	1	-
Cr Fiona Vining	2	-	-

Waikanae (1 meeting)			
<i>Elected member</i>	<i>Attended</i>	<i>Absent (leave)</i>	<i>Absent (apology)</i>
Jocelyn Prvanov (Chair)	1	-	-
James Westbury (Deputy Chair)	1	-	-
Tonchi Begovich	-	-	1
Jeremy Seamark	-	-	1
Cr Michael Scott	1	-	-

Paekākāriki (2 meetings)			
<i>Elected member</i>	<i>Attended</i>	<i>Absent (leave)</i>	<i>Absent (apology)</i>
Philip Edwards (Chair)	2	-	-
Holly Ewens (Deputy Chair)	2	-	-
Paul Hughes	2	-	-
Judith Aitken	2	-	-
Cr Janet Holborow	2	-	-

The following tables detail attendance of community board members at board meetings between 31 October 2019 and 30 June 2020.

Ōtaki (4 meetings)			
<i>Elected member</i>	<i>Attended</i>	<i>Absent (leave)</i>	<i>Absent (apology)</i>
Christine Papps (Chair)	4	-	-
Marilyn Stevens (Deputy Chair)	3	-	1
Stephen Carkeek	3	1	-
Shelly Warwick	4	-	-
Cr James Cootes	3	-	1

Paraparaumu–Raumati (3 meetings)			
<i>Elected member</i>	<i>Attended</i>	<i>Absent (leave)</i>	<i>Absent (apology)</i>
Kathy Spiers (Chair)	3	-	-
Guy Burns (Deputy Chair)	2	1	-
Jonny Best	3	-	-
Grace Lindsay	3	-	-
Cr Martin Halliday	3	-	-
Cr Bernie Randall	3	-	-

Waikanae (4 meetings)			
<i>Elected member</i>	<i>Attended</i>	<i>Absent (leave)</i>	<i>Absent (apology)</i>
James Westbury (Chair)	4	-	-
Jill Griggs (Deputy Chair)	4	-	-
Geoffrey Churchman	4	-	-
Margaret Stevenson-Wright	4	-	-
Cr Jocelyn Prvanov	3	-	1

Paekākāriki (3 meetings)			
<i>Elected member</i>	<i>Attended</i>	<i>Absent (leave)</i>	<i>Absent (apology)</i>
Holly Ewens (Chair)	3	-	-
Jessica Hortop (Deputy Chair)	2	1	-
Daniel O'Connell	3	-	-
Tina Pope	3	-	-
Cr Sophie Handford	2	-	1



## Contact details of elected members

The Kāpiti Coast District Council consists of a mayor and 10 councillors. Five councillors are elected on a districtwide basis and five are elected from four wards.



**K (Guru) Gurunathan**  
Mayor

[k.gurunathan@kapiticoast.govt.nz](mailto:k.gurunathan@kapiticoast.govt.nz)



**Janet Holborow**  
Deputy Mayor and  
Districtwide Councillor  
Portfolio: Cultural  
wellbeing

[janet.holborow@kapiticoast.govt.nz](mailto:janet.holborow@kapiticoast.govt.nz)



**Angela Buswell**  
Districtwide Councillor  
Portfolio: Business  
and jobs

[angela.buswell@kapiticoast.govt.nz](mailto:angela.buswell@kapiticoast.govt.nz)



**Gwynn Compton**  
Districtwide Councillor  
Portfolios: Rural, Greater  
Wellington Regional Council,  
and economic wellbeing

[gwynn.compton@kapiticoast.govt.nz](mailto:gwynn.compton@kapiticoast.govt.nz)



**James Cootes**  
Ōtaki Ward Councillor  
Portfolio: Transport

[james.cootes@kapiticoast.govt.nz](mailto:james.cootes@kapiticoast.govt.nz)



**Jackie Elliott**  
Districtwide Councillor  
Portfolio: Waste

[jackie.elliott@kapiticoast.govt.nz](mailto:jackie.elliott@kapiticoast.govt.nz)



**Martin Halliday**  
Paraparaumu Ward  
Councillor  
Portfolios: Health and  
seniors

[martin.halliday@kapiticoast.govt.nz](mailto:martin.halliday@kapiticoast.govt.nz)



**Sophie Handford**  
Paekākāriki/Raumati Ward  
Councillor  
Portfolios: Climate and youth

[sophie.handford@kapiticoast.govt.nz](mailto:sophie.handford@kapiticoast.govt.nz)



**Rob McCann**  
Districtwide Councillor  
Portfolios: Housing and  
social wellbeing

[rob.mccann@kapiticoast.govt.nz](mailto:rob.mccann@kapiticoast.govt.nz)



**Jocelyn Prvanov**  
Waikanae Ward  
Councillor  
Portfolio: Environmental  
wellbeing

[jocelyn.prvanov@kapiticoast.govt.nz](mailto:jocelyn.prvanov@kapiticoast.govt.nz)



**Bernie Randall**  
Paraparaumu Ward  
Councillor

[bernie.randall@kapiticoast.govt.nz](mailto:bernie.randall@kapiticoast.govt.nz)

Council operational arrangements

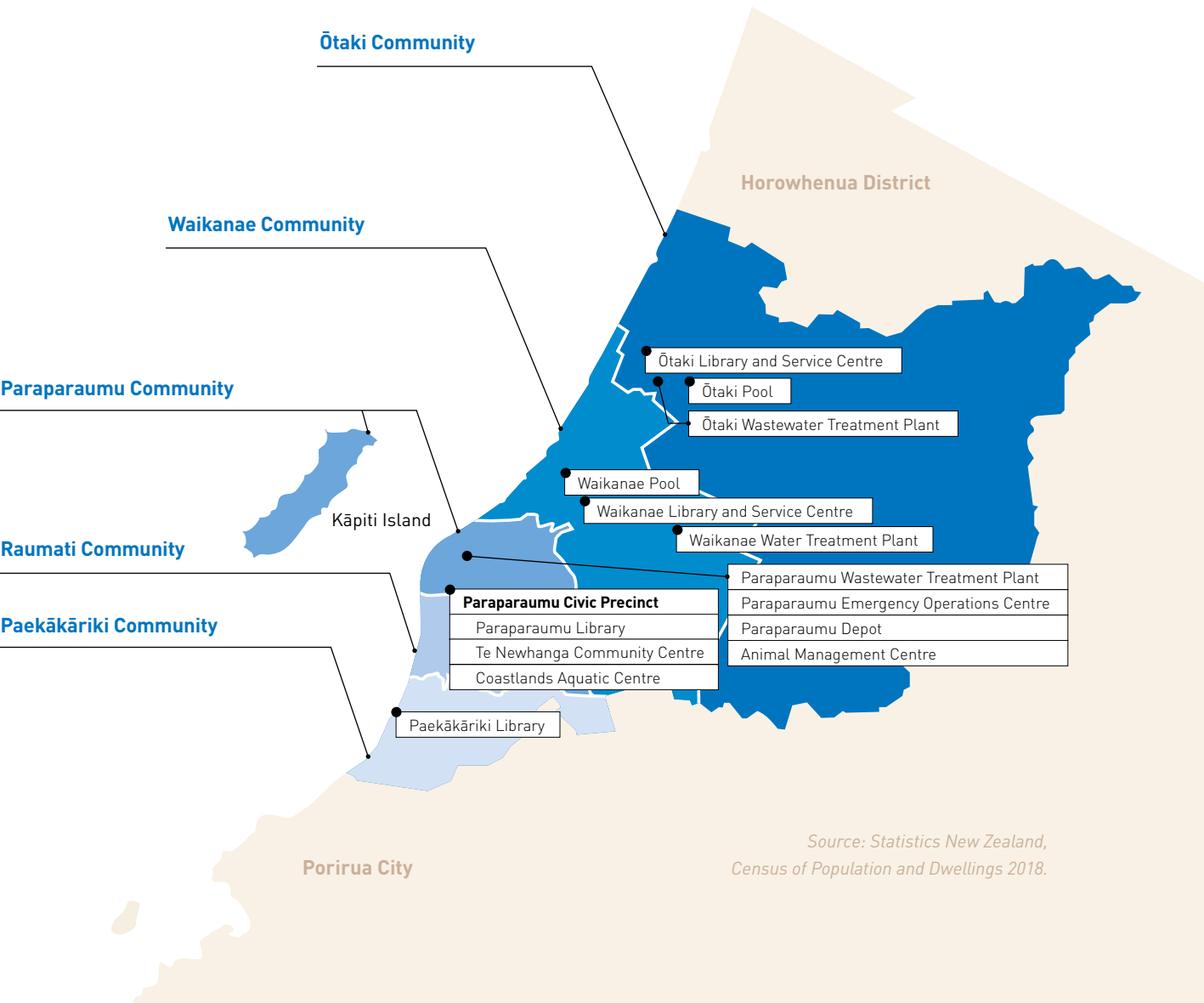
The Kāpiti Coast District Council enables democratic local decision making to promote the social, economic, environmental and cultural wellbeing of the Kāpiti Coast. In meeting its purpose, the Kāpiti Coast District Council has a variety of roles:

- facilitating solutions to local needs
- advocacy on behalf of the local community with central government, other local authorities and other agencies
- development of local resources
- management of local infrastructure including network infrastructure (e.g. roads, sewage disposal, water, stormwater) and community infrastructure (libraries, parks and recreational facilities)
- environmental management, and
- planning for the future needs of the district.

Our locations

We provide services to our community from locations across the district. The map shows our main service delivery sites. All sites apply health and safety management practices and incident reporting, however we do not currently report on all-of-organisation health and safety statistics. All staff work to a code of conduct.

Main Council locations



Source: Statistics New Zealand, Census of Population and Dwellings 2018.

## Our people

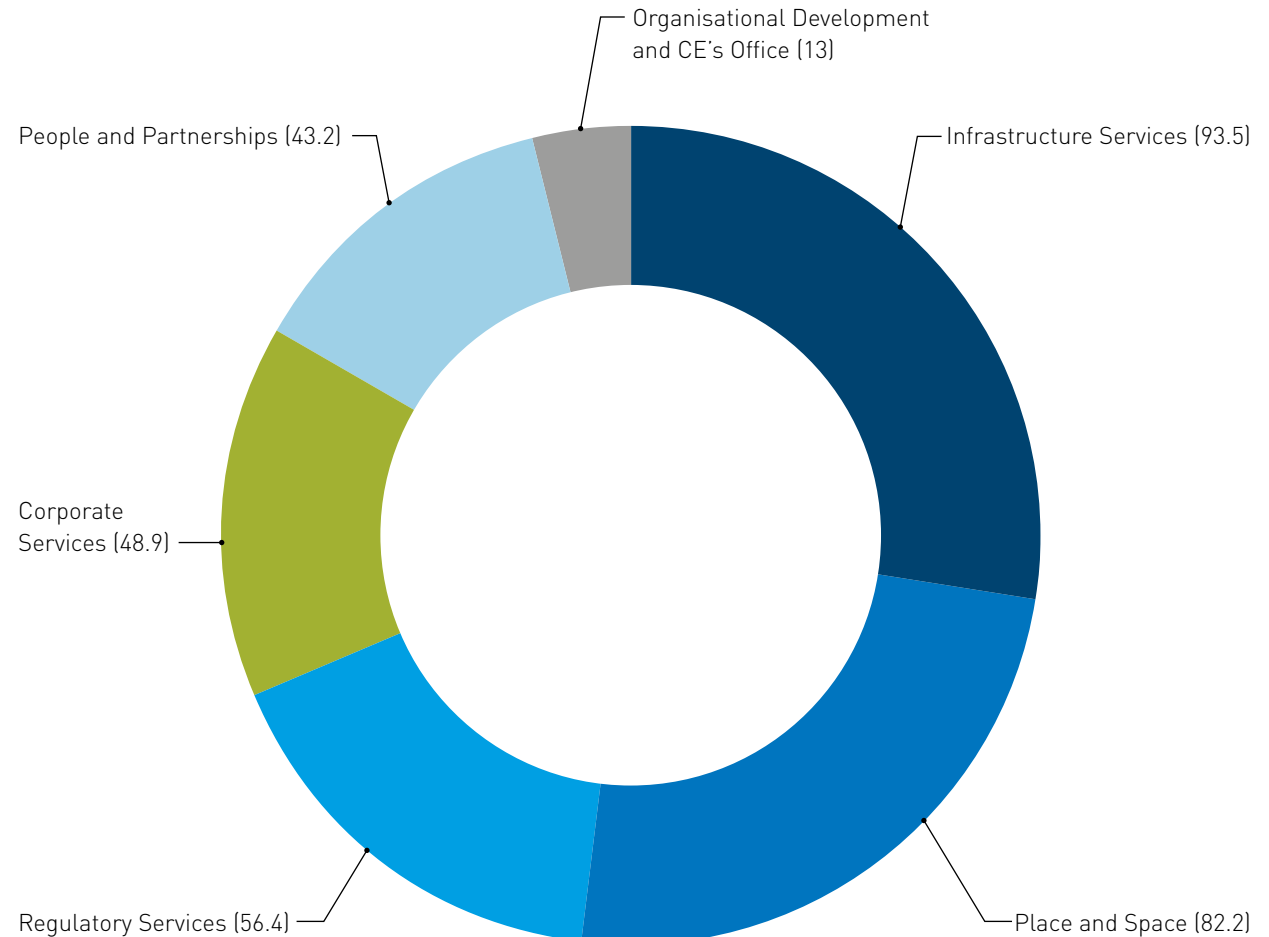
At the end of 2019/20, our workforce comprised 337 full time employees (FTEs). This includes people working part-time and people employed on casual contracts. Our staff are spread across the following business groups:

- Infrastructure Services (93.5 FTE)
- Place and Space (82.2 FTE)
- Regulatory Services (56.4 FTE)
- Corporate Services (48.9 FTE)
- People and Partnerships (43.2 FTE)
- Organisational Development and Chief Executive's Office (13 FTE)

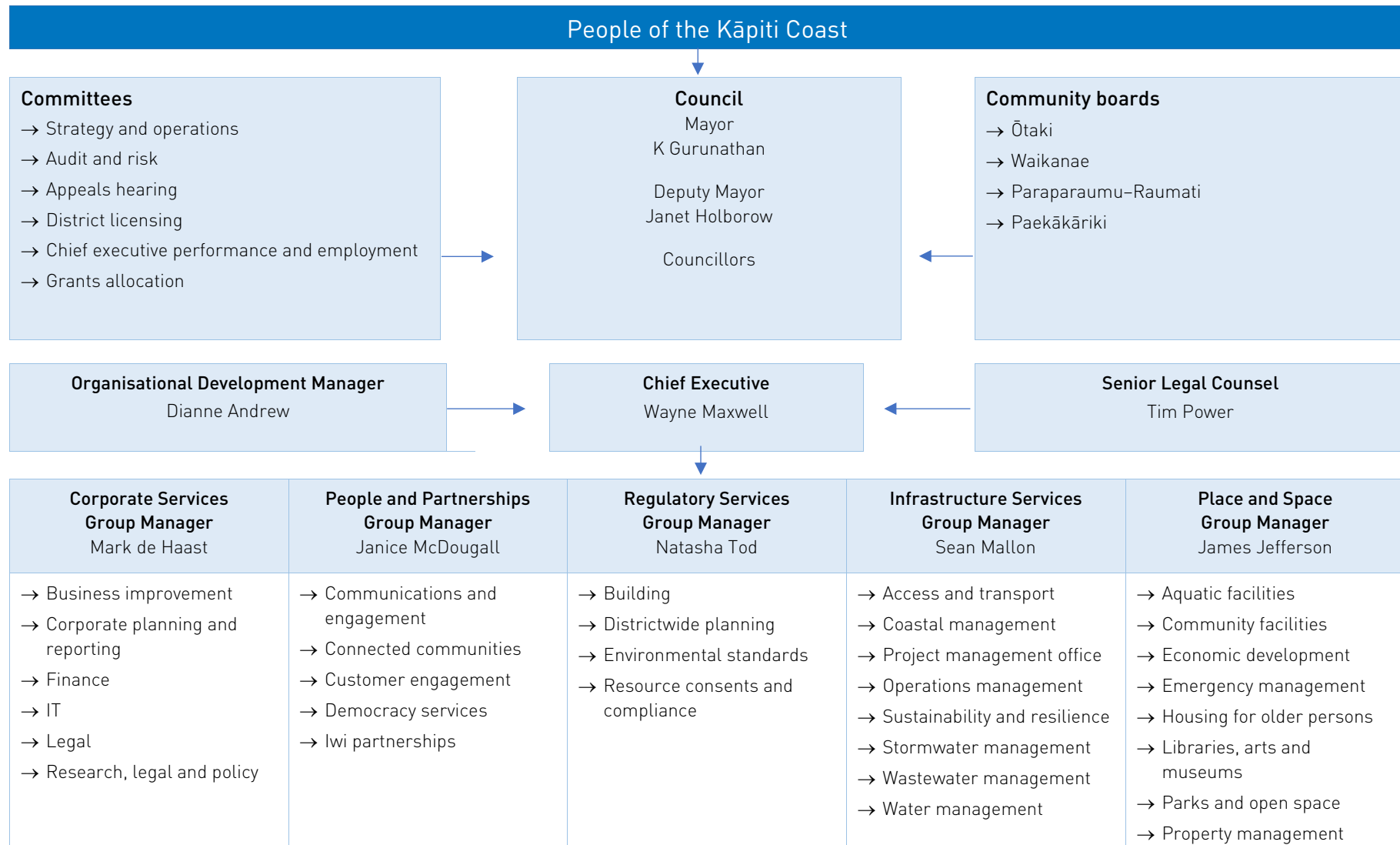
All our projects and day-to-day services as described in the Our activities and services section page 47 are delivered or managed by teams in these groups. Of our 337 FTEs, 59% were female and 41% were male. In our Senior Leadership Team we have three women and four men. Kāpiti Coast District Council is an Equal Employment Opportunity (EEO) employer.

Our average annual training spend per employee is approximately \$1,000. More detail on staffing levels and remuneration by salary bands is found in Our finances section on page 147. At the end of 2019/20, our turnover rate was 17.1%, down from 21% in 2018/19. [These figures exclude employees on fixed term contracts whose contract term had ended].

## At the end of 2019/20, our workforce comprised of 337 full time employees (FTEs)



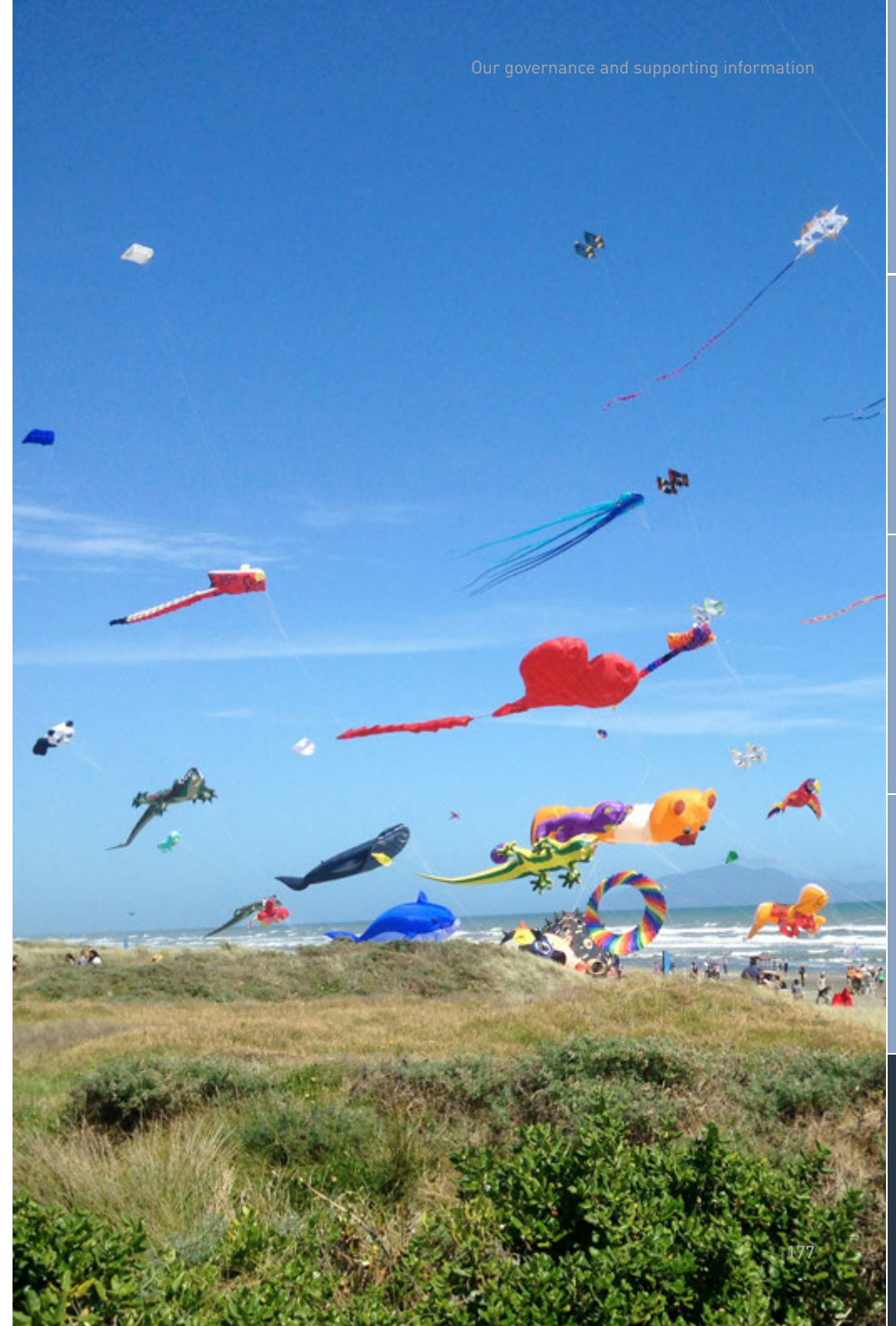
## Organisation structure



## Contact information for Kāpiti Coast District Council

Main office	
Street address	175 Rimu Road Paraparaumu 5032
Postal address	Private Bag 60601 Paraparaumu 5254
Phone	04 296 4700
After hours emergency	0800 486 486 (toll free)
Fax	04 296 4830
Email	<a href="mailto:kapiti.council@kapiticoast.govt.nz">kapiti.council@kapiticoast.govt.nz</a>
Website	<a href="http://www.kapiticoast.govt.nz">www.kapiticoast.govt.nz</a>
Facebook	<a href="https://facebook.com/kapiticoastdistrictcouncil">facebook.com/kapiticoastdistrictcouncil</a>

As part of its support for major events, Council funds the popular annual Ōtaki Kite Festival.





# Glossary and references

Some of the words and terms in the Annual Report are technical or have a specific meaning where they are used. This glossary provides a definition of the main technical terms. It is organised into clusters of terms relating to: Planning and governance, Council activities and services and Financial.

The meanings of the Te Reo Māori words and phrases woven through the Report are also given (page 182).

Specific documents referred to in the Annual Report are listed with links for where you can read them online (page 181).

To find specific topics in the Report you can use the search function on our website.

## Planning and governance

### Annual Plan

Our annual plans set out what we plan to do for the 12 months ahead. Each plan shows the expected cost of providing services for the financial year and how the costs will be funded. We prepare an annual plan in each of the two years in between long-term plans.

### Annual Report

Our annual report compares activities performed with those set out in the annual plan for that year and shares with the community the highlights and challenges of the year and our overall progress towards our outcomes.

### Asset

An asset is a resource that is controlled by an entity as a result of past events and from which future economic benefits are expected to flow to the entity. Our assets include local roads, the water supply network, sewerage network and buildings. Managing asset performance, risks and expenditure over an asset's life cycle is a core part of our work.

### District Plan

Our district plan details the specific objectives, policies and rules that have been adopted to promote the sustainable management of natural and physical resources in our district.

### Governance

This refers to the way our district is controlled by the people who run it. Elected councils – such as ours – have policies and continuous monitoring to ensure proper implementation of plans and budgets.

### Infrastructure Strategy

This strategy covers significant infrastructure issues across the five mandatory groups of activity and contains 30 years' forecasted capital and operational expenditure figures. Included in this document will be assets' useful lives, growth/demand assumptions and assumed levels of service.

### Key performance indicators

These are the main measures by which we assess our performance across our activities and services. Our independent auditors undertake assessment of our service performance against our key performance indicators. The indicators are a mix of qualitative and quantitative measures, and are set out in our long-term plan. Some of the indicators for our core infrastructure services are compulsory for all councils to measure.

### Local Government Act 2002 (LGA 2002)

The Act is the primary legislation for local authorities. It provides the general framework and powers under which our Council and the other 77 local authorities throughout New Zealand operate.

### Local Government Funding Agency Limited (LGFA)

The LGFA is a council-controlled organisation (CCO) operating under legislation (the Local Government Act 2002, Companies Act 1993, and Local Government Borrowing Act 2011). The Agency raises finance for member local authorities. We are a shareholder in the LGFA and borrow exclusively from the Agency to make savings on interest rate margins.

## Long-term Plan (LTP)

This is the 20-year plan that sets out Council's priorities in the medium to long-term. We prepare and consult on an LTP every three years in accordance with requirements in the LGA. Our LTP outlines the services we will provide, the projects we will undertake, the cost of doing this work, how it will be funded paid for and how we will measure quality and effectiveness. We are beginning to prepare our next LTP for 2021-2041.

## Residents Opinion Survey (ROS)

This survey is undertaken four times a year by Council to measure residents' satisfaction across a range of services, as well as their interactions with Council and general perceptions of Council. The survey is conducted over the phone with a total of 800 respondents each year (200 per quarter).

## Council activities and services

### Accreting, accretion

Describes a process of gradual seaward advance of the coastline through sand deposition and dune formation.

### Blowouts

Blowouts are areas of wind erosion in sand dune areas. Blowouts are generally preceded by the loss of vegetation cover through damage or erosion. Blowouts can cause large volumes of sand to be lost or relocated causing issues for fixed coastal structures and accessways.

### Capping

Capping means installing an impermeable layer (compacted clay) over the landfill area to stop rain from entering the landfill. This will stop the production of leachate from rain.

### Code Compliance Certificate

A Code Compliance Certificate is issued when a building job is finished and the Council is satisfied building and plumbing work under the consent complies with the New Zealand Building Code.

### Deprivation

The Council monitors the district against established social indices for deprivation such as overcrowding in housing.

### Hydraulic neutrality

Hydraulic neutrality means a nil increase in the peak stormwater runoff discharged from new subdivision, new buildings or new land use activities undertaken on the property

## Leachate

Leachate is the result of precipitation (rain) entering the landfill and moisture that exists in the waste. While passing through the waste it extracts soluble contaminants of the waste with it.

## Land Information Memorandum (LIM)

Land Information Memorandum (LIM) is prepared for the purpose of section 44A of the Local Government Official Information and Meetings Act 1987 (LGOIMA). It is a summary of the information that we hold on the property.

## River recharge

Our river recharge with groundwater scheme allows more fresh water to be taken from Waikanae River while maintaining the river's ecological balance and required minimum flow.

## Revocation

The process by which the status of a road is 'revoked' or changed. We use this term to describe the process that Waka Kotahi (NZTA) is undertaking to transform the former State Highway 1 into a fit-for-purpose local road.

## Solar photovoltaic (PV) array

A system of solar panels linked together.

## Three waters

This term collectively refers to drinking water supply, stormwater and wastewater assets and services.

## Financial

### Depreciation and amortisation

This is an expense charged each year to reflect the estimated cost of using our assets over their lives. Amortisation relates to intangible assets such as software while depreciation relates to physical assets such as buildings.

### Capital expenditure

Capital expenditure, also referred to as CAPEX, is the money that we invest in purchasing or upgrading our assets, such as buildings, vehicles, equipment or software/hardware.

### Credit rating

This is an independent, expert opinion of the capability and willingness of Council to repay its debts in full and on time – in other words, its financial strength or creditworthiness. Our credit rating is issued by Standard & Poor's, an internationally recognized leading provider of independent credit ratings and analysis. Ratings are expressed alphabetically with the higher rating e.g. 'AAA' being the highest rating (having a lower chance of default) to a lower rating e.g. 'C' (a higher risk of default). Our current credit rating is AA.

### Current asset

This is an asset that can be readily converted to cash or readily available to repay a liability within 12 months of balance date.

### Current liability

This is a financial obligation that is required to be settled within 12 months of balance date.

### Fair value

Fair value reflects the estimated market value of our assets or liabilities.

### Impairment

Impairment describes a reduction in the value of an asset to reflect its recoverable amount or fair value.

### Net borrowings

These are total borrowings, less any cash on hand or funds held on deposit.

### Operational expenditure

Operating expenditure, also referred to as OPEX, is the costs for providing day-to-day services that are not related to building or renewing assets. OPEX includes asset maintenance and depreciation, insurance, utilities like power and internet, and salaries and training.

### Prudential limits

These are limits to enable the assessment of whether the Council is prudently managing its revenue, expenses, assets, liabilities and general financial dealings.

### Unfunded depreciation

This is the amount of depreciation not funded by rates.

## References

LTP 2018-38 (note there are two parts)  
[kapiticoast.govt.nz/your-council/planning/annual-and-long-term-plans/annual-and-long-term-plans](https://kapiticoast.govt.nz/your-council/planning/annual-and-long-term-plans/annual-and-long-term-plans)

Annual Plan for 2019/20  
[kapiticoast.govt.nz/media/37760/kcdc-annual-plan-2019-20.pdf](https://kapiticoast.govt.nz/media/37760/kcdc-annual-plan-2019-20.pdf)

Annual Report for 2018/19  
[kapiticoast.govt.nz/media/36565/annual-report-2018-2019-final.pdf](https://kapiticoast.govt.nz/media/36565/annual-report-2018-2019-final.pdf)

Pre-Election Report and Supplement (both docs)  
[kapiticoast.govt.nz/your-council/forms-documents/reports/pre-election-reports](https://kapiticoast.govt.nz/your-council/forms-documents/reports/pre-election-reports)

District Plan (e-Plan) [eplan.kapiticoast.govt.nz/eplan](https://eplan.kapiticoast.govt.nz/eplan)

Residents Opinion Survey annual reports (for 2019/20 and previous years)  
[kapiticoast.govt.nz/your-council/forms-documents/reports-reviews-surveys/resident-opinion-survey](https://kapiticoast.govt.nz/your-council/forms-documents/reports-reviews-surveys/resident-opinion-survey)

Independent Organisational Review  
[kapiticoast.govt.nz/your-council/forms-documents/reports/2019-independent-organisational-review](https://kapiticoast.govt.nz/your-council/forms-documents/reports/2019-independent-organisational-review)

Housing Programme Assessment Report  
[kapiticoast.govt.nz/your-council/forms-documents/reports/housing-programme-reports](https://kapiticoast.govt.nz/your-council/forms-documents/reports/housing-programme-reports)

Takutai Kapiti website [takutaikapiti.nz](https://takutaikapiti.nz)

Draft Sustainable Transport Strategy  
[kapiticoast.govt.nz/media/37567/sustainable-transport-strategy-2020.pdf](https://kapiticoast.govt.nz/media/37567/sustainable-transport-strategy-2020.pdf)

[kapiticoast.govt.nz/your-council/forms-documents/policy-and-strategy/council-strategies](https://kapiticoast.govt.nz/your-council/forms-documents/policy-and-strategy/council-strategies)

Economic Development Strategy 2020-2023  
[kapiticoast.govt.nz/our-district/economic-development/strategy-for-supporting-economic-development](https://kapiticoast.govt.nz/our-district/economic-development/strategy-for-supporting-economic-development)

KapiticoastNZ website [kapiticoastnz.com](https://kapiticoastnz.com)

Carbon and Energy Management Plan 2012  
[kapiticoast.govt.nz/media/30508/cemars-carbon-and-energy-management-plan.pdf](https://kapiticoast.govt.nz/media/30508/cemars-carbon-and-energy-management-plan.pdf)

Submissions we have made  
[kapiticoast.govt.nz/your-council/planning/submissions](https://kapiticoast.govt.nz/your-council/planning/submissions)

Recipients of Creative Communities funding scheme and their projects  
[kapiticoast.govt.nz/services/a-z-council-services-and-facilities/grants-funding-and-awards/creative-communities-scheme](https://kapiticoast.govt.nz/services/a-z-council-services-and-facilities/grants-funding-and-awards/creative-communities-scheme)

Recipients of community grants  
[kapiticoast.govt.nz/services/a-z-council-services-and-facilities/grants-funding-and-awards/community-grants](https://kapiticoast.govt.nz/services/a-z-council-services-and-facilities/grants-funding-and-awards/community-grants)

Information about social investment programme current contracts/currently funded initiatives  
[kapiticoast.govt.nz/our-district/our-community/social-investment](https://kapiticoast.govt.nz/our-district/our-community/social-investment)



# Te Reo Māori in our Annual Report

Kāpiti is rich in Māori heritage and we are proud that we have a high number of speakers of Te Reo Māori in our district. The Council shares our iwi partners' aspirations to promote Te Reo Māori to everyone in the community, so we are using more Te Reo Māori words and names and phrases in our activities and documents.

The list below provides meanings and information about the terms we've incorporated in this Annual Report – some of which are familiar to many of us, and some less so.

A great source of further information is Te Papa Kupu Māori Dictionary, or Māori Dictionary online. [maoridictionary.co.nz](http://maoridictionary.co.nz)

Paraparaumu Library offers introductory classes in Te Reo Māori which have been very popular. If you are interested in being part of a class, please contact the library to find out more.

The three iwi who comprise our district's mana whenua have been firmly established on the Kāpiti coast since the 1820s–1830s.



## Hapū

Sub tribe, kinship group, clan, and primary political unit in traditional Māori society.

## Iwi

Extended kinship group, tribe, nation, large group of Māori descended from a common ancestor and associated with a distinct territory.

*We have three iwi in our district considered as mana whenua: Te Āti Awa ki Whakarongotai, Ngāti Raukawa ki te Tonga and Ngāti Toa Rangatira.*

## Mana whenua

The local tribes which have authority over the land. Territorial rights associated with possession and occupation of tribal lands.

## Kaitiaki

Guardian, caregiver, custodian, keeper.

## Kaitiakitanga

Guardianship, stewardship.

## Kotahitanga

Unity, togetherness, solidarity, collective action.

*Council has set up an Economic Development Kotahitanga Board to oversee the delivery of the Economic Development Strategy.*

## Kurahaupō

Ancestral waka of a number of iwi.

*Many of our district's place names originate from early Māori who arrived on the waka Kurahaupō.*

## Maramataka

Māori lunar calendar, a traditional Māori planting and fishing almanac.

*The Council has supported the production of a Maramataka for the past 10 years*

## Me huri whakamuri, ka titiro whakamua

Let us look to the past, in order to see the future.

A Māori proverbial saying encouraging us to learn from our mistakes of the past or how understanding the past can often set the vision for the future.

## Pōwhiri

A traditional Māori welcome; to welcome, invite, beckon.

## Rangatahi

To be young, youthful, younger generation.

## Rongoā

Traditional Māori medicinal practices, remedy, medicine, treatment, solution.

## Takutai Kāpiti

Sea coast, shore, Kāpiti sea coast.

*We have given this name to our coastal adaptation programme.*

## Tamariki

Children.

*Tamariki Time is our libraries' online story programme for pre-schoolers.*

## Tangata whenua

People of the land, a general term given to the indigenous people of Aotearoa New Zealand.

## Taonga

Anything prized and valued including socially or culturally valuable objects, resources, phenomena.

*For our water management activity, we use the phrase: He taonga te wai - water is precious.*

## Te Ara Hāpai

The chosen pathway.

*This is the name we are using for our libraries strategic review project.*

## Te Rau o Te Rangi

Ancestress of the Ngāti Toa Rangatira who swam the channel between Kāpiti Island and Paraparaumu. This is the name for the strait between Kāpiti Island and the mainland.

## Te taiao

The natural world, nature, environment.

## Te Waewae Kāpiti o Tara rāua ko Rangitāne

Traditional name for Kāpiti Island.

## Te Whakaminenga o Kāpiti

The confederation of Kāpiti.

*The Te Whakaminenga o Kāpiti partnership reflects Council's long-standing relationship with iwi/mana whenua.*

## Te Wiki o te Reo Māori

Māori language week.

## Te Tiriti o Waitangi

Māori version of the Treaty of Waitangi signed by Māori.

*Local iwi were early signatories of Te Tiriti o Waitangi (the Māori version) as opposed to the translated English version.*

## Tohorā

Whale.

*Tohorā is the name given by the artist Kereama Taepa to the sculpture commissioned for Te Uruhi/Maclean Park.*

## Toi Māori

Māori arts.

## Toitū te whenua, toitū te wai, toitū te tangata, toitū Kāpiti

Permanence of the land, water, people, Kāpiti district.

*The Council has chosen this phrase to describe the vision of our Long-term Plan.*

## Tuia

To sew, to thread.

*Each year the Mayor selects a rangatahi from Kāpiti to participate in the Tuia Programme (Mayors Taskforce on Jobs).*

## Waikanae ki Uta ki Tai

Waikanae inland to the sea.

*This is the name given to the Waikanae River Mountains to the Sea catchment restoration programme the Council contributes to.*

## Wānanga

To meet and discuss, deliberate, consider; seminar, conference, forum, educational seminar, tribal lore, learning, genealogical and philosophical knowledge.

*Our district has the country's first wananga – Te Wānanga o Raukawa in Ōtaki.*

## Whānau

Extended family, family group, a familiar term of address to a number of people.

## Whenua

Land, territory, domain, placenta, afterbirth, ground, nation, start, country.

*In Our activities and services section of the Annual Report pages 47 to 105, we give the Te Reo Māori for each of our activity areas alongside the English.*

# Statement of compliance and responsibility

1 July 2019 to 30 June 2020

## Compliance

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

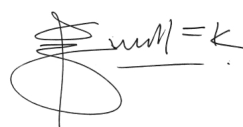
## Responsibility

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

In our opinion, the annual financial statements for the year ended 30 June 2020 fairly reflect the financial position and operations of the Council.

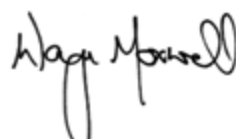
**K. Gurunathan**  
Mayor  
Kāpiti Coast District

1 October 2020



**Wayne Maxwell**  
Chief Executive

1 October 2020



**Sean Mallon**  
Deputy Chief Executive  
Group Manager, Infrastructure  
Services  
1 October 2020





# Independent auditor's report

## TO THE READERS OF KĀPITI COAST DISTRICT COUNCIL'S ANNUAL REPORT, FOR THE YEAR ENDED 30 JUNE 2020

The Auditor-General is the auditor of Kāpiti Coast District Council (the District Council). The Auditor-General has appointed me, David Borrie, using the staff and resources of Ernst & Young, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council's has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 1 October 2020. This is the date on which we give our report.

### Opinion on the audited information

In our opinion:

- the financial statements on pages 107 to 150:
  - present fairly, in all material respects:

- the District Council's financial position as at 30 June 2020;
- the results of its operations and cash flows for the year ended on that date; and

- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards;
- the funding impact statement on page 110, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Annual plan and Long term plan;
- the statement of service provision referred to as "Our activities and services" on pages 47 to 105:
  - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2020, including:
    - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
    - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and

- complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 156 to 162, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's Annual plan and Long term plan; and
- the funding impact statement for each group of activities on pages 156 to 162, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Annual plan and Long term plan.

### Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 151 to 155, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information and, where applicable, the District Council's Annual plan or Long term plan.

### Basis for our opinion on the audited information

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "*Responsibilities of the auditor for the audited information*" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

### Emphasis of Matter

#### Impact of Covid-19

Without modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 on the District Council as set out in the annual report.

### Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014. The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern.

The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council or there is no realistic alternative but to do so.

### Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists.

Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.



For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's Annual plan or Long term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the District Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service provision referred to as "Our activities and services", as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained,

whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 45 and 163 to 185, but does not include the audited information and the disclosure requirements.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Independence

We are independent of the District Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have carried out an assurance engagement in relation to the District Council's debenture trust deed, which is compatible with independence requirements. Other than the audit, our report on the disclosure requirements and the debenture trust deed reporting, we have no relationship with or interests in the District Council.



David Borrie  
Ernst & Young  
Chartered Accountants  
On behalf of the Auditor-General  
Wellington, New Zealand

**Back cover:** Flags were erected for the 2020 Waitangi Day commemorations in Paekākāriki. Photo: Mark Coote.

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**Kāpiti Coast District Council**

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