



Kāpiti Coast District Council

Pre-Election Report 2016

As required under the Local Government Act 2002

What we do in the Kāpiti community

As an organisation, we carry out a wide range of activities to support the community and contribute to our vision of a vibrant, diverse and thriving Kāpiti. We provide and facilitate many services and attractions within the district which benefit both residents and visitors. Following is a snapshot of core council activities and services which indicates the scale and scope of our responsibilities.

- ❖ We have more than 400,000 people visiting our four libraries, and issue more than 500,000 items each year
- ❖ we involve around 2,000 young people in our Youth Fest each year
- ❖ we maintain almost 500 hectares of parks and sport grounds
- ❖ we manage 82km of cycleways, walkways, and bridleways
- ❖ we look after more than 2,300 different buildings and structures.



- ❖ We spend around \$4 million a year on maintaining roads and streetlights
- ❖ we issue more than 1,000 building consents and 120 resource consents each year
- ❖ we supported more than 188 council, committee and subcommittee meetings during the current triennium
- ❖ we had 302.8 full time equivalent staff for the 2015/16 year
- ❖ we co-host Waitangi day celebrations with tāngata whenua

- ❖ We engage with our partners Te Whakaminenga o Kapiti on a regular basis and value their knowledge
- ❖ we register around 99.9% of our district's approximately 7,000 dogs each year
- ❖ we carried out more than 60,000 front counter transactions, and our customer services team answered more than 85,000 phone calls and responded to more than 17,500 emails in the last year.



- ❖ We have almost 300,000 people through our three pools each year
- ❖ we regularly empty around 500 waste bins in public spaces
- ❖ we have a fleet of 99 motor vehicles, enabling the council to carry out its diverse range of services
- ❖ we deliver 15-20 million litres of water per day through 460km of pipes.

Introduction

The pre-election report is designed to provide information for the community and individuals considering standing for election to council.

The report is required by law (the Local Government Act 2002) and is the responsibility of the local authority to provide an overview of the council's position prior to the local body elections in October 2016.

It is intended to encourage community discussion about the issues facing the council and support an informed election debate.

The report connects back to the council's recent *FutureKāpiti Long term plan 2015-35* as well as the annual plans and annual reports from the triennium.

The financial information included shows whether the council has met the targets and stayed within the limits contained within the Long term plan. It also provides projected financial information for the next three years.

Much of the financial information in this report is drawn from sources that have been audited – such as annual reports; however information relating to the 2015/16 financial year has yet to be audited and is based on estimated data. (There is no legislative requirement for this to be audited for this pre-election report.)

Supporting information

As outlined, the pre-election report includes information from other plans and reports. Details of the content referred to can be found in the specific documents. These are on the council website – see links, or can be read at our service centres or libraries.

Website

www.kapiticoast.govt.nz

www.facebook.com/kapiticoastdistrictcouncil

Plans and strategies

Annual Plan 2016/17

www.kapiticoast.govt.nz/annual-plan-2016-17

Long Term Plan 2015-35

www.futurekapiti.kapiticoast.govt.nz/long-term-plan-2015-35

Previous annual plans

<http://www.kapiticoast.govt.nz/Your-Council/Planning/Previous-Annual-Plan/>

Previous long term plans

<http://www.kapiticoast.govt.nz/Your-Council/Planning/LTCCP/>

District Plan

www.kapiticoast.govt.nz/Your-Council/Planning/District-Plan1

Economic Development Strategy

www.kapiticoast.govt.nz/Your-Council/Forms-Documents/Policy-and-Strategy/Council-Strategies

Kāpiti Events Plan

www.kapiticoast.govt.nz/Our-District/Economic-Development/Strategy-for-Supporting-Economic-Development

Visitor Attraction Plan

www.kapiticoast.govt.nz/Our-District/Economic-Development/Strategy-for-Supporting-Economic-Development

Reports

Annual Report 2014/15 and previous annual reports

www.kapiticoast.govt.nz/Your-Council/Forms-Documents/Reports-reviews-surveys/annual-reports

Pre-Election Report 2013

www.kapiticoast.govt.nz/Your-Council/Forms-Documents/Reports-reviews-surveys

Legislation

Local Government Act 2002

www.legislation.govt.nz/act/public/2002/0084/latest/DLM170873.html

Local Government New Zealand

www.lgnz.co.nz

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Foreword from the chief executive

Welcome to our pre-election report.

The report provides a comprehensive picture of the current position and direction of the Kāpiti coast district to help achieve a well-informed election process later this year.

As Chief Executive of Kāpiti Coast District Council, it is my responsibility to prepare this report and provide it for individuals considering standing as candidates for election and for the wider community who will participate in the election process.

This report is management's overview of the council's current position and future outlook, based on information currently available. It highlights significant issues the council is expected to face over the coming term and the planning already in place for addressing those.

It outlines what the council has been doing to develop the district in the past three years (the triennium leading up to the election in October) and our progress and achievements in key areas.

The pre-election report draws heavily on already-published council planning and reporting documents including the long term plan and annual plan recently consulted on. In this way it reflects the community's concerns and aspirations for the development of the district, including the range of work underway on the initiatives and projects endorsed by the community as priorities for council.

The report provides detailed information about the council's financial strategy, current financial position and planned spending.

I trust the information in this report will help all those taking part in the upcoming local body elections.



Pat Dougherty
Chief Executive



Mā muri kōrero ka anga whakamua ai

Utilising our past to inform our future

As kaitiaki and tāngata whenua of the district, our traditional practice of kaitiakitanga has developed from centuries of observation and experience from which our knowledge and cultural practice is based. This knowledge handed down from our ancestors is based on ensuring that our footsteps on the environment have a positive influence for our future generations. Since 1994, we have committed to a partnership with council that recognises our dual roles in the management of the district and our responsibility to plan wisely for the future. Together, we have worked alongside each other to embed our respective knowledge base to achieve the best outcome for our community.

In this triennium, we have achieved a tremendous amount including:

- reviewing and revising the Memorandum of Partnership and Terms of Reference for the partnership
 - appointing Māori representatives on council standing committees
 - having the chair of the partnership committee or their alternate attending all council meetings
 - creating activity management plans that looks at the way that council can embed tāngata whenua values and aspirations across all of councils work programmes
 - having working parties that capture the values and aspirations of tāngata whenua within significant programmes of work
 - having a focus on establishing and delivering on the Māori Economic Development Strategy
- delivering an annual work plan that builds capacity of Māori.

We are pleased that through this current triennium we have seen a genuine intention of council to embrace the partnership approach to the management of the district. We have also recognised the genuine desire within council to continuously improve opportunities for tāngata whenua across all areas of council's operations.

In the coming years we will be working to foster Māori economic opportunities within our district, and to continuously embed matāuranga Māori. We will also look for opportunities to nationally showcase our partnership with council.

We look forward to achieving 25 years in partnership with the council in 2019 and working with council as we move towards a post Treaty settlement era.



Rupene Waaka

Chair, Te Whakaminenga o Kāpiti



→ Our direction

We are following the strategic direction that was developed through the *FutureKāpiti Long Term Plan 2015-2035* with the vision of achieving a vibrant, diverse and thriving Kāpiti.



Our context

This section discusses our overall operating environment. It provides an outline of the role of council, the environment in which we work and the key issues we are addressing.

Our role

The council has multiple responsibilities set out in legislation.

Our purpose is to enable democratic local decision making to promote the social, economic, environmental and cultural wellbeing of the Kāpiti coast.

Our role encompasses:

- 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
- planning for the future needs of the district.

New requirements required by legislation

In recent years, our governing legislation has been revised and central government expectations of the role of local authorities within their communities have changed this includes some significant changes to the Local Government Act 2002 under which we operate.

The updated legislation requires councils to present long term plan proposals using a specific consultation document. We carried out comprehensive consultation for the development of our current long term plan and this was positively received by the community.

In response to the legislation we developed a new significance and engagement policy including non-financial criteria for establishing significance. This policy ensures there is a clear process for determining when communities should be consulted about different types of matters.

Legislation also required us to develop an infrastructure strategy that identifies significant infrastructure issues for 30 years. The key issues we have identified are major determinants of our work programme and financial planning.

Councils are now required to review their current arrangements for delivering services, managing assets and performing regulatory functions with a view to achieving cost-effectiveness. These reviews need to consider governance, funding and delivery options. We have activity management plans for all activity areas and we are underway on reviews of our service delivery.

Kāpiti within the region

Kāpiti has multiple linkages within the wider region which are sometimes complex to align but offer rich potential for future development.

Geographic and historic linkages

We are positively linked to the Wellington region via the transport system, the urban system, the labour market and employment, an increasing focus for migrant settlement, and the wider regional economy.

At the same time, the northern part of our district has economic, social and historic ties to parts of Horowhenua. Our rural areas have many commonalities with the Horowhenua rural communities and economy.

Our tāngata whenua, particularly Ngāti Raukawa and Ngāti Toa Rangatira have rohe that stretch to the north and the south of Kāpiti coast.

This complexity is compounded by the district falling completely within the Greater Wellington Regional Council jurisdiction but having divisions across a number of central government agencies. Central government electorates also split the district and overlap with local authorities to the north and south.

In making decisions about services and programmes, the council and community must consider the regional context and must look north and south. The southern connections exert the most influence, but the northern connections are also important, especially to our economic, cultural and social wellbeing.

Collaboration within the region

Regional initiatives such as the regional land transport strategy, the Wellington Regional Strategy and shared services initiatives are central to leveraging resources into the district and demonstrating that the local government sector can work together in a productive way at the regional level.

Recent examples of significant regional developments and shared services activities include the following.

- The physical, employment and economic impacts of the MacKays to PekaPeka expressway project.
- Wellington Regional Emergency Management Office taking over management, training and coordination of emergency management in Kāpiti. The new structure was tested during the 2015 flooding events and came through strongly.
- Formation of the Wellington Regional Economic Development Agency to be responsible for regional economic development activities.
- A shared purchasing contract - initiated by our district libraries - with the libraries of other local authorities which is resulting in savings.
- A shared services security contract with Wellington and Porirua City Councils which we are currently finalising. This approach is expected to result in operational efficiencies.

Future arrangements for local government

As one of the nine councils in the Wellington region, we have been involved for some years in discussions about the shape and future form of the governance structure for the region. In 2014/15, the Local Government Commission released a draft proposal to amalgamate the local bodies of the region into a single Greater Wellington Council which would have had major implications for the operation of local government in our district.

Following hearings and the widely published results of surveys conducted on the issue, the Commission concluded that it did not have sufficient support for its draft amalgamation proposal and decided not to proceed.

Some changes expected

The Local Government Commission determined there was little support for the major structural option proposed for Wellington but there was a widespread mood for some form of change.

The Commission stated there needed to be more emphasis on the role of communities identifying the challenges they face, the options that can address those challenges, and the development of more consensus on their preferred approach to change. The Commission's goal would be to assist communities to reach sufficient consensus on the changes required and the best form of local government.

Consequently, we can expect there will be some further consideration of the relationship between the different councils in the region in the future and the work outlined on increasing collaboration and shared services is important to this.

Wider influences and issues

The Kāpiti district is not immune to the effects of external economic and political shifts – the global financial crisis had immediate and significant impacts in Kāpiti – nor is the range of impacts anticipated from climate change confined to changes in weather patterns. There are already impacts in other parts of the world such as food and water shortages, large scale displacement of populations and political conflicts.

While the local economy has been growing again after the 2008 global financial crisis, the narrow economic base means it remains vulnerable to future downturns.

Key risks

During our development process for the current long term plan we considered and took into account the following risks.

- A narrow economic base that limits local career opportunities, increases pressure to maintain high levels of development and urban growth as a way of maintaining businesses and employment; and difficulty in maintaining and enhancing the district's centres
- Rising groundwater and sea levels as a result of climate change. These are causing increased risk of coastal erosion and stormwater risks and resulting requirements to adapt; wider development management issues and increased infrastructure costs.
- Rising costs from emissions charging and community adaptation to increased greenhouse gas emissions.
- Peak oil prices and the cost of energy increasing which affects the cost of transport, food and many other day-to-day items. These impact on council activities and create uncertainty in our financial planning.

- Global conflict and disruption causing growing competition for resources such as oil and water, and increasing political and export market instability, increasing competition for skilled labour.
- Seismic risks increasing infrastructure and insurance costs.
- Risk of economic downturn impacting on low income households, impacting the construction industry and resulting in reduced employment opportunities.
- Amendments to central government policies, structures or systems which may result in significant resource and financial implications.

Our economy

The wellbeing of our community is strongly affected by the performance of our local economy which in turn is affected by the wider economic situation as outlined.

Strategically, we take a broad view that many of council's activities contribute to economic development by supporting the growth of our district. With this in mind, economic development has been embedded across all our activities. In addition, we have produced an Economic Development Strategy in partnership with iwi and the business community which we are implementing as part of the long term plan

Measuring economic activity is a key way of understanding how the Kāpiti district is performing; from this information we can see whether there are key factors that have an impact on stimulating our local economy and if there are areas that we are not performing well in and can improve. Having a thriving district that is poised for growth and economic success will bring about benefits for everyone in Kāpiti.

The information provided in this section is a snapshot of key economic data for Kāpiti in comparison with the rest of New Zealand

Economic growth

Latest profile data of Gross Domestic Product shows that the Kāpiti Coast District economy grew by 1.7% in the year ended March 2016; this follows strong growth of 3.2% in the previous year. Population growth and higher levels of tourism activity were behind an increase in retail spend with data collated from the accommodation sector showing that guest nights in the area climbed 8.3% during the same period

With Wellington's housing market becoming increasingly expensive, demand is spilling out into neighbouring area within the region, including Kāpiti. House sales in the

Kāpiti District (year ending March 2016) increased by 11%, totalling 1310 houses sold. This is an increase on the ten year average 1,164 (for Kāpiti District). Kāpiti House values were up 7.2% in March 2016 over the year before. It is anticipated that residential building activity in Kāpiti will increase in 2016 in response to housing pressures.

Our non-residential consents over the year to March 2016 increased by 28% with \$1 billion worth of major projects already underway in the district. Significant roading projects are set to continue over the next three years, providing an ongoing stimulus during this period. The effects of economic activity will go beyond this period with improved connectivity after the roads are built.

The information is sourced from Infometrics, Economic Monitoring, Kāpiti Coast District, March 2016 and the Annual 2015 Profile. For further information see <http://www.kapiticoast.govt.nz/Our-District/Economic-Development/Strategy-for-Supporting-Economic-Development/Economic-Profile/>

Businesses

The number of businesses in an area is an indicator of the health of the economy, this reflects increased entrepreneurial activity and economic activity as entrepreneurs are prepared to take risks and start new ventures. In 2015 there were 4,887 businesses (slightly down from the year before 4,923). The majority of businesses are small to medium enterprises with less than 5 employees (this represents 90% of all business units in Kāpiti).

The labour market

Jobs created provide new opportunities for the population in Kapiti, in the year 2014-2015 there were 15,920 filled jobs in Kāpiti (an increase of 1.8% from last year). Aged care service and supermarket

stores followed by cafes and restaurants were the district's largest employing industries.

The construction industry followed by administrative and support services had the most jobs created in Kāpiti in the 2014- 2015 year, while allied health services, higher education and house construction lost the most jobs in the same period

Unemployment

In March 2016, the average unemployment rate was 6.4%. Although the average number of Jobseeker support recipients in Kāpiti rose marginally over the past year, numbers are still down on their 2014 level. The recent increase is expected to be a result of job growth not keeping pace with net migration.



Our strategic direction

We recently developed the *FutureKāpiti Long term plan 2015-35* in consultation with the community. We began our development of the plan by determining a strategic direction for the future of our Kāpiti Coast district that would guide all our decisions and help us set our priorities.

The strategic direction reflects the context we are operating in (as described in the previous pages) and provides a framework for developing our district.

The diagram 'Our plan on a page' presents a visual summary of our points of focus and the actions we are taking to progress through the challenges we have identified to our vision of a vibrant, diverse and thriving Kāpiti.

Addressing challenges

The long term plan identified four broad challenges that the district faces - resilience, connectedness, growth and affordability. Key issues people wanted to see council focusing on were: stimulating the local economy and helping create different types of employment, supporting families and catering for all ages and abilities within the district.

Engaging with the community

Understanding our community and the on-going issues which are front of mind is another focus for the council and is key to ensuring we are making the right decisions for our district.

Therefore we have strengthened our democracy through facilitating community input to decision-making processes and structures and are ensuring engagement processes are fair, timely, accessible, informative, and responsive, in line with legislative provisions and council's policy.

We are also focused on continuing to develop strong partnerships through working with iwi, businesses, residents, government agencies and a range of community groups to help shape the district, and influence central government and other agencies.

These actions are a reflection of our focus on improving our 'open for business' culture with our aim to be caring, dynamic and effective in all the services we deliver.

Contributing to outcomes

Meeting the challenges we have identified is directly reflected in the outcomes we defined: creating a thriving economy, vibrant culture and diverse community along with specific outcomes to build a resilient community, wisely manage public money, encourage community participation and nurture our partnerships.

In consultation with the community, we identified four initiatives and six major projects which are our key focus points for helping us to meet the challenges the district is facing, and to enable us to achieve our vision of a resilient, connected *FutureKāpiti* with affordable services and a base supporting consistent economic growth.

Further details about these initiatives and projects, and all our major activities are provided in the following section, including an update on our progress with this work in relation to the timeframes proposed in the long term plan.

A description of our outcomes and what we are seeking to achieve under each one are outlined on the following page.

Delivering on our vision and outcomes

We are working towards our vision of a vibrant, diverse and thriving Kāpiti. The plan on a page sets out the five outcomes we are seeking. Each of these has a detailed definition which reflects the intent and scope of the outcome. The outcomes and their supporting definitions are:

Thriving economy, vibrant culture, diverse community

Support the urban and rural business communities to grow and provide better employment opportunities for all

Ensure it is easy to deal with us by delivering advice and decisions in a respectful, timely and reliable way

Embed the partnership with tāngata whenua across our activities, including their cultural and spiritual values and aspirations

Support the unique character of the various geographic communities and communities of interest while encouraging greater district integration.

Resilient community

Ensure our services, infrastructure and regulations:

- protect and enhance public health and safety
- maintain and improve community connections – physical, environmental, cultural and social
- protect and improve the natural and built environments.

Wise management of public funds

Ensure rates and costs of services and activities are reasonable and fair and affordability is taken into consideration

Keep costs as low as is compatible with achieving good quality in assets and services

Distribute costs and benefits equitably:

- across the community
- over the life of the service or asset.

Democracy through community participation

Create easy opportunities throughout the council decision making process for the community to contribute

Make sure our engagement processes are fair and accessible, reflect diversity and are responsive.

Strong partnerships

Work with iwi, business, residents, government agencies and a range of community groups to:

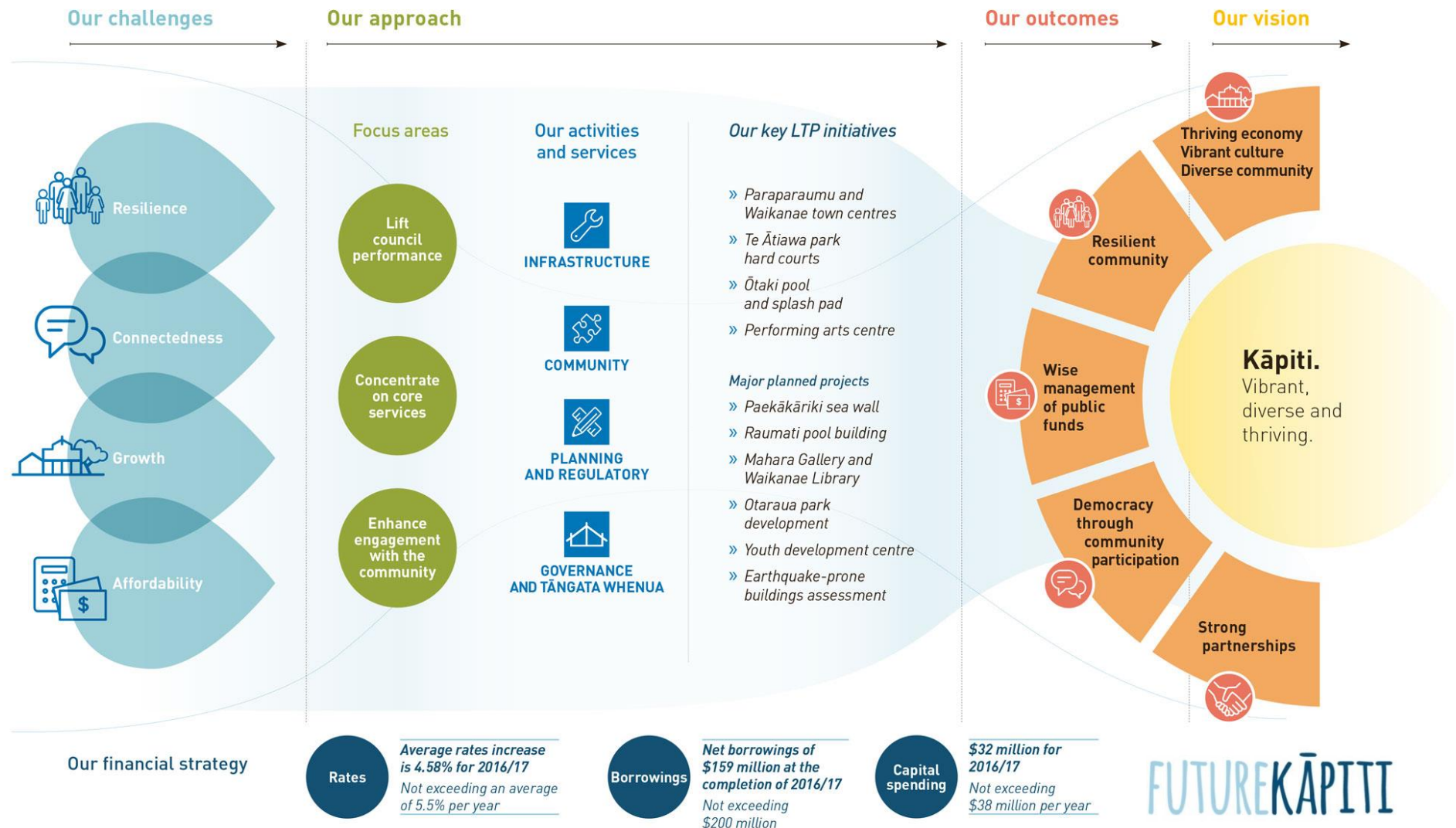
- identify and support opportunities for improving the quality of life of Kāpiti residents
- enhance the Kapiti coast as a great place to live, work and play for all
- influence central government, the regional council and other agencies on behalf of the Kāpiti coast
- enhance understanding and opportunities to connect between the various communities.

Plan on a page online

On our website you will find an interactive version of the plan on a page (as shown on the following page). This will enable you to see the full definitions of the challenges and outcomes we have identified and summaries of the initiatives and projects we are currently focusing on.

Our plan on a page

Our plan on a page illustrates the key elements of the strategic direction developed as part of the *FutureKāpiti* Long term plan 2015-35. More information is available on the interactive version of this plan, available online at futurekapiti.kapiticoast.govt.nz



Key initiatives and major projects

The council, in consultation with the community, has identified four key initiatives and six major projects which are our main focus points for helping achieve our shared vision of a vibrant, diverse and thriving Kāpiti.

Key initiatives

Paraparaumu and Waikanae town centres – we will transform these two town centres to take advantage of the building of the expressways. The different projects that make up this work will be undertaken in stages to minimise disruption, with full completion by 2028. Further consultation with key stakeholders will be undertaken during the detailed design phase. Cost – \$40.9 million.



Te Ātiawa Park courts – we have rebuilt the existing courts to meet the needs of both netball and tennis users. A synthetic surface is due to be completed in 2016/17. Cost – \$1.2 million.



Ōtaki pool – we will future proof the pool – re-roofing, recladding, strengthening and improving the interior including disability access and separating the filtration system for the toddlers and main pool. We will build a SplashPad next to the pool, for free public use. Cost – \$5.4 million.

Performing arts facility – we will invest in the Kāpiti College performing arts centre, subject to an appropriate agreement about the community use of the centre. Our investment is being deferred by a year to align with the revised construction timetable. We will revisit the development of a community events facility as part of the next long term plan. Cost – \$1.66 million.

Major projects

Paekākāriki sea wall – we will replace the Paekākāriki sea wall with a concrete, timber and rock wall – to a design agreed with the Paekākāriki community. This work will begin in 2017 and be completed in 2018/19. Cost – \$10.9 million.



Raumati Pool – we will consider options for the Raumati pool building as a multi-purpose community facility to be up and running by 2020. Cost – \$1.3 million.

Waikanae Library and Mahara Gallery – we will upgrade the Waikanae Library and partially fund the upgrade of the Mahara Gallery (subject to the Gallery Trust's own fundraising contributing to the project). The library and gallery upgrade is phased over three years to be complete in 2018/19. Cost – \$9.3 million.

Otaraua Park – we adopted a management plan for this 60 hectare reserve in 2014 and have carried out minor works to prepare for future development. We will progress our development plan over the next two years. Cost – \$69,000.

Youth development centre – we have partnered with national youth development provider Zeal Education Trust to provide a youth development centre and associated mobile services in Kāpiti. A building in Paraparaumu town centre has been secured for the centre with work on fitting out and adapting the building set to begin in late 2016 or early 2017. Cost – \$946,000.



Earthquake prone buildings – we began our five year project of assessing earthquake-prone buildings in 2015/16. (We are required to do this by law). Cost – \$2.5 million.

Financial overview

A strong financial strategy means we can implement our programme of activities and plan for the future.

Our strategy aims for balance

A strong financial strategy enables us to plan and implement the activities we decide on confidently, knowing that we are doing so in a way that is careful and responsible.

In developing the financial strategy during the development of the Long term plan, we considered the four major challenges identified by the council and community representatives (shown in the plan on a page, see page 13). Of those challenges: resilience, connectedness, growth and affordability, we looked particularly closely at economic and population growth and affordability and these are discussed in more detail in our *FutureKāpiti* Long term plan 2015-35, page 19.

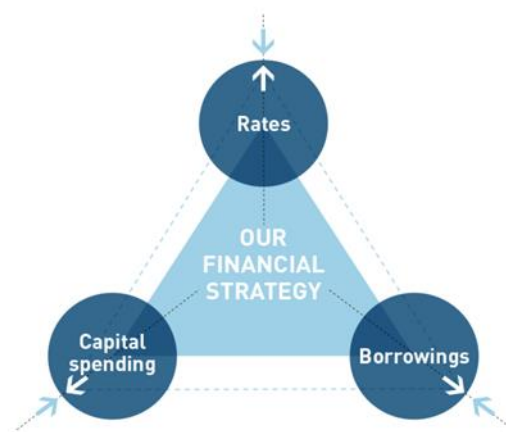
Our financial strategy is about achieving a balance. What this means is that we want to:

- deliver affordable rates to the community
- keep our borrowings down, and
- get the most out of our capital spending.

Our rates, our borrowings and our capital spending are the three financial 'levers' that influence what services we can provide. The strategy is represented by a triangle showing the three levers. A bigger triangle means increased or new services; a smaller triangle means reduced or fewer services.

We have to find the right mix of settings for these levers. Generally, this means keeping rates and borrowings as low as we can. One 'lever' can be changed without impacting service levels, by adjusting the other two

'levers'. However, changing more than one 'lever' means the third 'lever' has to change.



Strategy limits

Our task is to achieve a balance by setting and sticking to agreed limits for rates, borrowings and capital spending.

We have set limits for each of the 'levers' to ensure we can deliver on all the initiatives in the plan, keep our rates increases modest and our borrowings reasonable..

Rates

Rates increases cannot exceed 5.5% per annum (averaged across the district) and we are increasing rates by an average of 4.58% in 2016/17. Over the next three years the forecast average is 4.8%.

Capital spending

Total capital spend cannot exceed \$38 million per annum. We are planning to spend an average of \$32 million over the next three years with \$32 million in 2016/17.

Borrowings

Total borrowing (excluding pre-funding) cannot exceed \$200 million. Our total net borrowing will be \$159 million in 2016/17 and will rise to \$185 million by the end of 2018/19. Gross borrowing is forecast to be \$199 million at the end of 2016/17, of which \$40 million is part of the Council's prefunding strategy to repay borrowings in 2017/18.

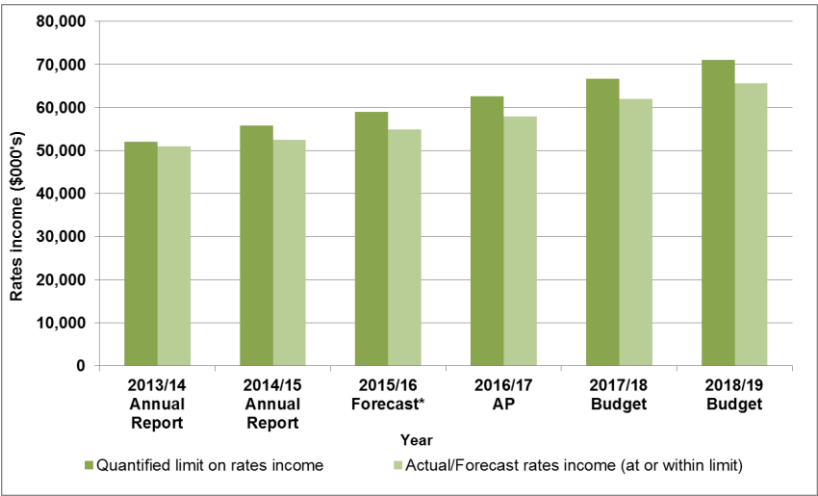
Prefunding is when we borrow funds early to manage our maturity risk profile. We then invest these funds in interest earning term deposits until they are required.

Reducing rates impacts

Cost increases are largely based on the inflation adjusted Local Government Cost Index (1.8% to 2.6%). Beyond inflation, the key driver is increasing funding for depreciation to ensure we are fully funding all depreciation by the end of year eight. This is to enable us to pay for the replacement of our assets over time.

How are we going against our strategy limits?

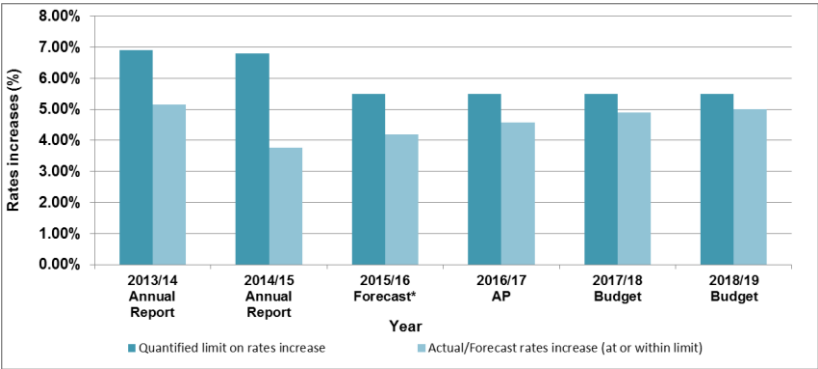
Rates affordability



*The figures for Forecast 2015/16 are the council's estimated figures for the 2015/16 financial year.

This graph shows that our rates have consistently stayed within the limits in the financial strategy.

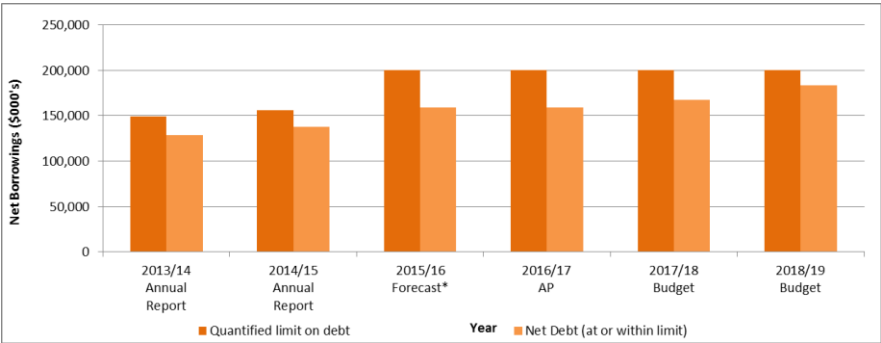
Rates (increases) affordability



*The figures for Forecast 2015/16 are the council's estimated figures for the 2015/16 financial year

This graph shows that our rates increases have consistently been set below the limits in the financial strategy.

Debt affordability



*The figures for Forecast 2015/16 are the council's estimated figures for the 2015/16 financial year.

This graph shows that we have consistently stayed below the borrowings limits set in the financial strategy. Our net borrowings are planned to increase to a peak of \$199 million in 2022/23. However, after that date debt levels begin to reduce, reaching a low of \$125 million by 2034/35.

Affordability

We are aware of affordability constraints in the district. The national benchmark is for rates to be 3% of household income and, while our rates will sit just over 4% of household income on average, in 2016/17, we balance this by keeping fees at popular facilities like our pools and libraries affordable for people on limited incomes.

We provide some discounts for community services and gold card holders. We also have a rates remission policy. This means homeowners facing extreme hardship may not have to pay the full rates assessment, or can arrange to postpone payments.

More than 75% of our costs are funded by rates. Our economic development strategy is part of a longer term solution – creating more jobs and wealth to increase the number of ratepayers. We are expecting almost 3% growth in the district over the next three years.

Careful financial management

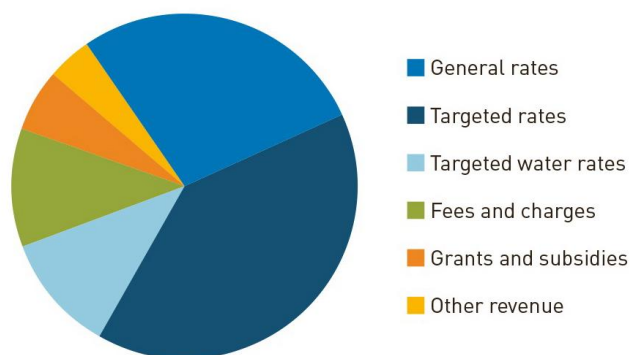
In 2014 a survey found we have the fourth lowest operating spending per ratepayer out of 67 councils. However, our careful budgeting means that expenditure pressures can be difficult for the council to manage. For 2015/16 we are forecasting an increase of \$200,000 in our net operating expenditure over the amount budgeted.

During our recent residents survey 75 percent of residents (an adjusted score) stated they consider they receive good value for what they pay in rates and fees. For more information see our Resident Opinion Survey results on page 33.

The graphs below show where the council gets its revenue and how we propose to spend it.

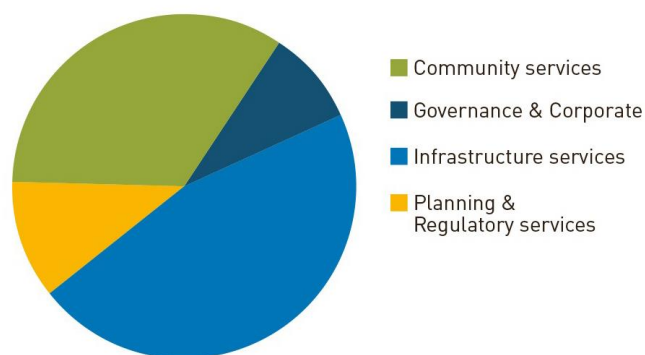
Our sources of income

Total income proposed for 2016/17 is \$71.9 million.



Our planned operational spending

Total spending proposed for 2016/17 is \$75.0 million



Planning for our infrastructure needs

We have a 30 year infrastructure strategy (2015-45) which is a key driver of our financial planning.

Infrastructure is the single biggest item of council spending accounting for approximately 65% of capital spending. Infrastructure includes many of the essential services residents use – in homes, schools, workplaces, businesses and community facilities.

Maintaining and renewing our existing infrastructure to keep providing services and extending and developing new infrastructure to meet growing demand is a core service council provides. Our infrastructure strategy projects the key needs and associated costs for managing our water supply and dealing with wastewater, stormwater and local roading.

Maintaining the district's assets

Overall the council has \$1.4 billion in assets, the bulk of which are core infrastructure – roads, water, wastewater and stormwater.

To maintain this asset base our annual spending includes a significant budget for renewals. We need to continue to renew these assets to ensure we have a resilient, functioning community. The renewal programme is driven by our asset management plans, which take into account the age and condition of these assets and identify the timing for renewal spending. In the current long term plan we have budgeted to spend an average of \$9.4 million on

renewals each year – 49% of our planned capital spending.

Most of our assets have long lives – water reticulation pipes for example, have an average life of 70 years. The majority of our pipes – 85% - were installed after 1970 so they are expected to last for another 30 years or more. However, we do need to prepare to replace them.

As our community grows, we also have to upgrade our infrastructure to cater for the increased population. Some of the cost of asset upgrades is funded by development contributions. You can read our Development Contributions Policy in the Long term plan 2015-35, Supporting Information document (see <http://futurekapiti.kapiticoast.govt.nz/supporting-information/>)

In our financial strategy we have planned to fund renewals and replacements. Costs for infrastructure are expected to rise by anything from 105% for roading to 253% for energy; so long term financial planning is vital. We will use a portion of rates to repay what we have already borrowed so we will be in a position to lift borrowings for future investment when required.

You can see more detail on our financial strategy in our *FutureKāpiti Long term plan 2015-35*, pages 21-27.

You can read our infrastructure strategy in the Long term plan 2015-35, Supporting Information document (see <http://futurekapiti.kapiticoast.govt.nz/supporting-information/>)

Cost of services

The tables below outline the costs of our services for the 2016/17 year and reflects what this equates to for residents. These costs include services described in our *FutureKāpiti* Long term plan and the changes identified in the Annual plan 2016/17.

	Activity	Capital Spending (\$m)	Operating Spending (\$m)	How operating costs are funded Rates Other (incl. Fees & charges)	Cost per resident per day*
INFRASTRUCTURE	Coastal Management	\$1.6m	\$1m	100%	\$0.05
	Access & Transport	\$8.4m	\$11.7m	75% 25%	\$0.63
	Water	\$1.0m	\$8.5m	99.5% 0.5%	\$0.45
	Stormwater	\$2.9m	\$3.5m	98% 2%	\$0.19
	Wastewater	\$4.3m	\$8.4m	100%	\$0.45
	Solid Waste	\$0.5m	\$1.3m	58% 42%	\$0.07
	Recreation and Leisure	\$6.0m	\$9.7m	84% 16%	\$0.52
COMMUNITY	Community Facilities & Community Support	\$1.0m	\$4.8m	76% 24%	\$0.26
	Parks & Open Space	\$1.7m	\$5.4m	97% 3%	\$0.29
	Economic Development	\$2.9m	\$2.4m	98% 2%	\$0.13
	Regulatory Services	-	\$8.0m	58% 42%	\$0.43
	Districtwide Planning	-	\$3.1m	100%	\$0.17
PLANNING AND REGULATORY					
GOVERNANCE AND TĀNGATA WHENUA	Governance, Tāngata Whenua and Corporate	\$1.7m	\$7.2m	72% 28%	\$0.39
	Total	\$32m	\$75m		\$4.03

This represents the operating spending required per resident per day, based on a forecast population of 51,000. Please note that operating spending includes depreciation and finance costs.

→ Our activities and services

We organise our work in the community into four clusters – Infrastructure, Community Services, Planning and regulatory services and Governance and tāngata whenua.

In each cluster, there are a number of specific services and activities which each have key pieces of work that are contributing to our vision for the Kāpiti community.



Infrastructure



Community Services



Planning and regulatory services



Governance and tāngata whenua





Infrastructure

Infrastructure is the single biggest item of council 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.



Water

Wai

The council is responsible for providing safe drinking water for the community and a water supply for commercial and industrial enterprises and fire-fighting.

Key activities

- Gather more information on the condition and performance of the pipe network and particularly our critical assets
- Start the renewal of the clarifier to improve water treatment – 2018/19. This will mean we can defer filter upgrades to 2023/24
- Continue water conservation initiatives including leak detection and repair
- Improve our understanding of the condition and performance of our pipelines and use that knowledge to prioritise our renewal of assets.

Contribution to outcomes

- We provide a continuous potable water supply that meets New Zealand drinking water standards
- We encourage the sustainable use of potable water and aim to reduce water loss from our water network.

BUDGETED COSTS

We plan to spend an average per year of \$8.5 million on operations and \$1.8 million on capital work for water over the next three years.

Access and transport

Putanga me te waka

Council aims to enhance community connectedness through a well-planned transport system that allows for the reliable, efficient and safe movement of people and goods. This is critical to residents' quality of life and a thriving economy.

Key activities

- Resurfacing roads
- Work on local area connector roads including revocation works to the current SH1
- Upgrading major community connector roads including a new link road between Ngarara Road and Nga Manu to better connect with the expressway
- Carrying out minor improvement projects on local roading over and above renewals
- Progress cycleway, walkway and bridleway projects as per the Kāpiti strategic cycle network plan, which stems from the town centres and connectors and SH1 revocation projects.

Contribution to outcomes

- Our transport network allows for the safe and efficient movement of people and goods
- Our transport network is affordable and reliable and users can easily get around the district by their preferred means.

BUDGETED COSTS

We plan to spend an average per year of \$12.7 million on operations and \$7.5 million on capital work for access and transport over the next three years. NZTA will fund an average of \$4.4m of this total expenditure over each of the next three years.



Coastal management

Whakahaere takutai

A major ongoing focus for the council is determining how to respond to the effects of increased sea levels and storm intensity on Kāpiti's coastline.

Key activities

- Commence Paekākāriki seawall replacement with completion due in 2018/19
- Commence and complete resource consent renewal for Paraparaumu Marine Parade revetment and physical works associated with renewal in 2016/17
- Complete inventory and condition assessment of coastal structures which includes public and private structures and secondary seawalls. This is a joint project with the Greater Wellington Regional Council.

Contribution to outcomes

- We respond promptly to seawall or rock revetment failure and repair where applicable
- We keep our stormwater beach outlets clear to avoid flooding.

BUDGETED COSTS

We plan to spend an average per year of \$1.4 million on operations and \$3.8 million on capital work for coastal management over the next three years.

Wastewater

Wai para

Council provides wastewater (sewerage) infrastructure that protects public health and the natural environment and provides service for Waikanae, Paraparaumu, Raumati and Ōtaki

Key activities

- Continue Paraparaumu wastewater treatment plant works
- Commence investigation into inlet work screens renewals
- Complete Waikanae duplicate rising main staged works in 2016/17
- Participate in the Wellington Water regional review in 2016/17
- Improve condition information held for pipes and pumping stations
- Reconfigure the Paraparaumu wastewater network to improve network performance in 2016/17
- Commence Ōtaki wastewater treatment plant upgrade as a result of consent renewal in 2016/17.

Contribution to outcomes

- Our wastewater system management practices ensure that we respond efficiently and effectively to wastewater system blockages, faults and overflow issues
- We comply with our resource consent conditions and our receiving natural environments are not damaged by effluent discharge and are enhanced where possible.

BUDGETED COSTS

We plan to spend an average per year of \$8.8 million on operations and \$3.4 million on capital work for wastewater over the next three years

Stormwater

Wai āwhā

Council provides a stormwater system to manage surface water run-off from the district's urban catchments while protecting the receiving environment, ensuring water quality and reducing risks from flooding

Key activities

- Complete the upgrade to the Ōtaki beach pump station with the construction of a replacement pump station and upgraded gravity system in 2016/17
- Complete discharge consent renewal and carry out water quality work as required in 2016/17
- Commence and complete gravel extraction project at Waikākāriki stream in 2016/17
- Complete further investigation in 2016/17 into the stormwater upgrade programme to reassess the priority areas for work and introduced new upgrade works.

Contribution to outcomes

- We minimise risks to human life and health from flooding by responding efficiently and effectively to flooding issues and we maintain, repair and renew major flood protection and control works
- We comply with our resource consent conditions and our stormwater systems do not harm the downstream receiving environment.

BUDGETED COSTS

We plan to spend an average per year of \$3.7 million on operations and \$1.8 million on capital work for stormwater over the next three years.



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.



Key activities

- Continue with the Otaihanga landfill cap construction and the upgrade of the southern wetland area to bring overall leachate management in line with resource consent conditions and current landfill guidelines. This project is budgeted for 10 years
- Continue to deliver and advocate for waste minimisation through a number of actions such as education in schools and funding of waste minimisation projects (levy grants)
- Review the regional waste management and minimisation plan in 2016/17.

Contribution to outcomes

- Otaihanga, Ōtaki and Waikanae facilities are open seven days a week and we licence kerbside collection services for our urban areas
- We remove illegally dumped waste
- We encourage waste minimisation and provide education, information and advice.

BUDGETED COSTS

We plan to spend an average per year of \$1.3 million on operations and \$0.5 million on capital work for solid waste over the next three years.

Community services

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

The council has a role in encouraging economic growth, and with stakeholders and our iwi partners we have developed a focused economic development strategy.

We maintain community facilities such as halls and meeting spaces throughout the district and fund a range of local organisations from surf lifesaving to the Citizens Advice Bureau.

We look after almost 500 hectares of parks and sportsgrounds which provide opportunities for diverse recreation activities. Kāpiti also has an extensive network of cycleways, walkways and bridleways.



Parks and open space

Ngā rēhia me ngā waahi māhorahora

We manage a wide range of parks, reserves and open space on behalf of the community and a network of cycleways, walkways and bridleways.

Key activities

- Complete the synthetic surface at Te Ātiawa courts in 2016/17
- Continue with districtwide playground renewals
- Begin development works in Otaraua Park
- Continue to improve recreational cycleway, walkway and bridleway routes.

Contribution to outcomes

- Our residents in urban areas live reasonably close to a recreation facility and a range of active recreation facilities is available throughout the district
- We provide well maintained cemeteries and we want to ensure that most family members can access the interment site and records are available online
- We measure burial capacity across the district and anticipate future needs
- A range of cycleway, walkway and bridleway networks are available throughout our district and the quality and range increase over time
- Our beach accessways are maintained and are in a usable condition
- Undertake a development plan for Maclean Park, Paraparaumu

BUDGETED COSTS

We plan to spend an average per year of \$5.6 million on operations and \$2 million on capital work for parks and open space over the next three years.

Community facilities and community support

Whakaurunga hapori me ngā hāpai hapori

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

Key activities

- Progress the youth development centre including developing a funding strategy
- Develop a community facilities strategy
- Continue community financial support
- Continue place-led community development projects
- Continue with earthquake-prone council-owned buildings project.

Contribution to outcomes

- We provide a good standard of comfort, convenience, quality and usability of the library buildings
- Council hall hirers are satisfied that the halls meet their needs
- Rents for our older persons' housing are fair and reasonable, the services and facilities are of a good standard and our high occupancy rates are maintained
- We ensure that council-owned buildings are fit for purpose
- Our toilets are clean, feel safe, and are well maintained
- 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
- We provide support for community measures that promote diversity and connectedness
- We provide opportunities for the community to participate in activities and events that encourage community resilience.

BUDGETED COSTS

We plan to spend an average per year of \$4.9 million on operations and \$0.8 million on capital work for community facilities and community support over the next three years.





Recreation and leisure

Hākinakina

We provide affordable and safe aquatic facilities, services and programmes for the health and wellbeing of our community. We provide a districtwide library service and support arts activities.

Key activities

- Contribute to the Kāpiti College performing arts centre
- Provide an e-Book publishing service
- Commence Waikanae Library and Mahara Gallery upgrades subject to the Gallery Trust securing funding
- Review and revise council's strategy for supporting the arts
- Develop a council strategy for supporting heritage and museums
- Develop, and support development, of cultural festivals and events in the Kāpiti district
- Future proof the Ōtaki Pool with re-roofing, recladding, strengthening and improving the interior including disability access, separating filtration for the toddlers and main pool. Construction will commence in 2016/17
- Build a splash pad next to Ōtaki Pool. Construction will commence in 2016/17
- Acquire art piece for Paraparaumu.

Contribution to outcomes

- Our residents in urban areas live reasonably close to a recreation facility and a range of active recreation facilities is available throughout the district

- Increasing numbers of residents and visitors are using facilities and the pools swim clubs are satisfying the needs of the community
- We are progressing our public art programme
- Our libraries offer a range of materials and spaces.

BUDGETED COSTS

We plan to spend an average per year of \$10.5 million on operations and \$6.1 million on capital work for recreation and leisure over the next three years.



Economic development

Whakawhanake umanga

A new economic development strategy aimed at sparking greater growth and prosperity in Kāpiti has been collaboratively developed by representatives of the business community, iwi and council.

Key activities

- Develop Positioning Kāpiti including 'Telling the Kāpiti story', driving business attraction and a digital presence, supporting events such as the Ōtaki Kite Festival and Māoriland Film Festival.
- Build capacity including the Māori economic development fund, youth skills workforce development projects, sector support for ICT and drawing tenants to the Innovation Hub
- Develop leadership and responsiveness including a leadership forum, responding to emerging opportunities, advocacy and representation, policy development and liaising at a regional level (Wellington Regional Economic Development Agency) to ensure Kāpiti activities are complementary to regional activities
- Support iwi-led economic development
- Manage the town centres redevelopment project.

Contribution to outcomes

- We will deliver the economic development strategy (implementation plan) and we will involve partners and the business community at appropriate points in the decision-making process.

BUDGETED COSTS

We plan to spend an average per year of \$2.6 million on operations and \$2.9 million on capital work for economic development over the next three years.





Planning and regulatory services

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

This cluster of services covers districtwide planning including the preparation of the comprehensive district plan which governs the development of the Kāpiti Coast, as well as developing council strategies, policies and bylaws.

Through our regulatory services, the council issues resource consents to ensure building and development work is in line with legislation and the provisions of our district plan.

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



Regulatory services

Ratonga whakaritenga

Council provides regulatory services to ensure Kāpiti is a thriving, safe and healthy environment. Regulatory services covers a range of public health, safety and building requirements, environmental health, food safety, animal control, noise management, alcohol licencing, resource consents, designations and compliance.

Key activities

- Continue to explore opportunities to enhance customer experience though an open for business approach
- Efficiently process applications for consents, licenses and other approvals and monitor compliance
- Explore, investigate and implement technology options for our services including mobile technology, online applications and camera technology to improve the service to our customers. This may include working with other councils exploring opportunities for shared services
- Prepare and implement a local alcohol policy
- Review the framework to prioritise sectors for compliance
- Commence and progress the earthquake-prone buildings assessments
- Develop and implement environmental monitoring strategy
- Review LIMs, fees, hazardous substances and new organisms, public information and bylaws and associated policy.

Regulatory services (contd)

Contribution to outcomes

- We provide efficient and effective regulatory services
- We will retain Building Consent Authority accreditation and substantively comply with statutory timeframes.

BUDGETED COSTS

We plan to spend an average per year of \$8.3 million on operations for regulatory services over the next three years.

Districtwide planning

Ngā kaupapa takiwa

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

Key activities

- Review the district plan through to 2016
- Establish a three year strategy and policy framework.

Contribution to outcomes

- We efficiently and effectively develop policies and plans to encourage economic development and preserve the unique character and natural environment of our district.

BUDGETED COSTS

We plan to spend an average per year of \$3 million on operations for districtwide planning over the next three years.





Governance and tāngata whenua

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

We have a strong, active partnership with our three iwi and aim to embed tāngata whenua values into our operations and to guide the overall development of Kāpiti. As well as the information in this section, our iwi partners share their vision in the *FutureKāpiti* Long term plan 2015-35 (page 8). Support for iwi-led growth is included in our economic development strategy.

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



Governance and tāngata whenua

Kāwanatanga me te tāngata whenua

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

Key activities

- Administer the Māori economic development fund
- Process annual marae grants
- Focus on capacity building
- Continue iwi consultation

Contribution to outcomes

- We encourage households to be ready for emergencies
- Residents will be informed of opportunities to engage and participate in decision-making processes within statutory timeframes
- Official information requests will be responded to within statutory timeframes
- We value the partnership with tāngata whenua and it is strong
- We provide for the active participation of tāngata whenua and Māori in decision-making processes.

BUDGETED COSTS

We plan to spend an average per year of \$5 million on operations and \$0.5 million on capital work for governance and tāngata whenua over the next three years.

→ Our progress

We are committed to achieving our shared vision of creating a vibrant, diverse and thriving Kāpiti.

Maintaining our relationship with the community is key to ensuring we are aware of the issues that are front of mind for Kāpiti residents. It also allows people to stay engaged with the work we are undertaking and be involved with providing feedback on council proposals.

We are pleased with the heightened level of engagement we have had with the community and the improvements this has shown in how the community views our performance. Our ongoing focus on improving our 'open for business' culture reinforces this progress, and supports our aim to be caring, dynamic and effective in all the services we deliver.



Resident Opinion Survey

One method we use to measure our progress is our annual Resident Opinion Survey. The 2016 survey shows that the community is positive about the council's performance.

Council-wide measure	Resident satisfaction score*		
	2014	2015	2016
Overall performance	64%	74%	79%
Overall responsiveness to issues raised	58%	66%	72%
Received good value for money spent in rates and other fees	-	-	75%
Service attribute			
Libraries	97%	97%	98%
Access points to beaches	99%	98%	94%
Pathways for cycling, walking and bridleways	80%	85%	93%
Kerbside collection services	82%	92%	92%
Street lighting	-	85%	89%
Council's community support services	-	94%	88%
Swimming pools	-	93%	87%
Condition of council roads	-	79%	84%
Waste minimisation	-	80%	81%
Public toilets	74%	87%	78%
Water supply	56%	51%	68%
Development management	-	75%	68%
Condition of footpaths	-	68%	66%
Council roads allow for easy movement	-	67%	61%
Safety and availability of cycle lanes	-	-	54%

* Adjusted satisfaction scores. These exclude 'Don't know' and 'Neither satisfied nor dissatisfied' responses. Note: Several measures were introduced in the 2015 survey and one further measure in the 2016 survey, and therefore no results for these measures are provided for prior years.

Summary of key highlights delivered by year

We also look at how effective we have been in improving Kāpiti for our community. An easy way to gauge this is by recognising the milestones we have reached each year, such as some of the major projects we have completed and successful initiatives we have implemented.

2013/14

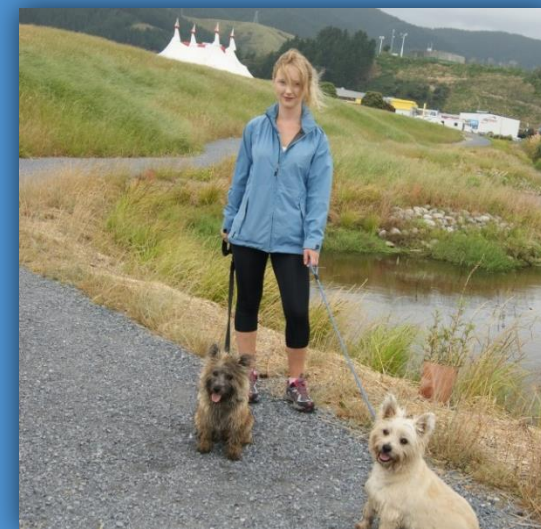
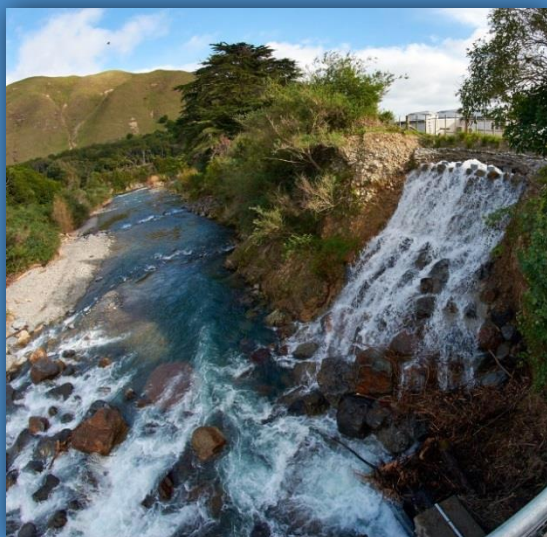
- Completed the Coastlands Aquatic centre and installed a disability access ramp for the main pool
- Established sports fields on the Howarth Block Reserve land in Otaihanga (Otaraua Park)
- Undertook management and refurbished the Ōtaki Pool which has contributed to the increased popularity of the facility
- Launched the Cleaner Emissions Bus project which is a collaboration between UZAbus Coachlines, Blended Fuel Solutions and Ōtaki College
- Upgraded the Terminal Pumping Station in Waikanae, and the Waione Pumping Station
- Completed stream protection works on Kākāriki Stream
- Upgraded the Paraparaumu Beach local catchment to alleviate regular flooding problems

2014/15

- Helped secure the Capital Connection commuter train service for three years
- Completed a comprehensive engagement process with the community for the councils Long Term Plan 2015-2035, which resulted in a clear strategic direction for the council
- Launched the eBook initiative in April 2015 with 5,000 eBooks and eAudiobooks now available free of charge to the community
- Introduced volumetric charging for water across Kāpiti on 1 July 2014 resulting in a reduction in peak water use of 26% across the district
- Completed the upgrade and renewal of the Waikanae Water Treatment Plant
- Completed the Waikanae River Recharge with Groundwater Project
- Activated the Kāpiti Emergency Operations Centre (EOC) twice in response to flooding in May and June 2015, and handled over 1,000 phone calls on 14 May alone.
- Completed construction of the Otaihanga retaining wall
- Upgraded the Milne Drive and Te Roto Drive rising main and pump station
- Desludged the Ōtaki wastewater treatment plant
- Improved road safety at five schools.
- Upgraded the playground at Maclean Park with the addition of new equipment
- Repaired the kiosk in Maclean Park
- Embarked on our “open for business” culture change within the council
- Began live streaming of council meetings to enable the public to engage with the meetings remotely
- Improved the Kāpiti Road/Milne Drive/Te Roto Drive intersection
- Installed a solar array at the Paraparaumu wastewater treatment plant to provide cheaper electricity for some of the plant’s needs
- Completed seven major painting contracts on council-owned halls and leased buildings
- Sponsored the local technology expo with almost 900 people participating
- Organised the annual YouthFest with over 2,000 young people attending
- Held a one day Transport Forum on 22 June 2015, promoting and discussing alternative modes of travel with over 90 people attending
- Completed the Youth Pathways to Employment pilot project in Ōtaki, in collaboration with Kāpiti Youth Support.

2015/16

- Received a green four-star rating from the Greater Wellington Regional Council for the 'river recharge with groundwater' scheme, which is the highest rate for compliance and means that the management of this scheme has been excellent
- Commenced the "Stepping Up" programme in our libraries, which is a series of free digital workshops for the community
- Continued to produce good results from the "Moving Forward" programme which is delivered through our library team and in conjunction with the Department of Corrections
- Re-launched the 'On To It' newsletter, which celebrates environmentally sustainable community initiatives, as a fully digital online magazine, along with a supporting 'Sustainable Communities' Facebook page
- The Charging Regime Advisory Group undertook a review of the water charging system, which recommended we maintain the current system
- Supported three successful major events – the Māoriland Film Festival, the Ōtaki Kite Festival and the international music event 'Coastella'
- Participated in the National 'Parks Week' with events such as the Mayoral Walk at Huruatai Park and the guided cycle ride alongside Waikanae River
- Launched "Mau Mahara", a digital database for more than 2,000 historical images of local people and places
- Introduced the 'Dog Safety' programme, which educates school children on safe behaviour around dogs
- Completed flood mitigation works in key locations
- Produced a video showcasing successful businesses in Kāpiti as part of attracting business to the district
- Undertook a pilot project at Ōtaki Library with a summer reading programme in Te Kura Kaupapa Maori o Te Rito School (full immersion Te Reo school)
- Promoted a range of council environmental sustainability services at community events and festivals
- Undertook a Waahi Tapu/Sites of significance tour with 45 people from the community attending the tour which promoted sites that are significant to Te Āti Awa.



→ Our finances

We are committed to new financial limits discussed in the FutureKāpiti Long Term Plan 2015-2035.

This section outlines the Council's financial situation. We have provided information which shows whether we have met the targets and stayed within the limits contained within the Long Term Plan; and outlined projected financial information.

Much of the financial information in this Pre-Election Report is drawn from sources that have been audited, however information relating to the 2015/16 financial year is based on estimated information. There is no legislative requirement for this information to be audited for the purpose of the Pre-Election Report.



Summary statement of financial position

	2013/14 Actual \$000	2014/15 Actual \$000	2015/16 Forecast \$000	2016/17 AP Budget \$000	2017/18 LTP Budget \$000	2018/19 LTP Budget \$000
Assets						
Current						
Financial assets	13,394	9,791	17,054	47,799	7,780	8,200
Non-financial assets	2,785	206	142	100	149	152
Total current assets	16,179	9,997	17,196	47,899	7,929	8,352
Non-current						
Financial assets	2,978	3,112	8,233	2,829	3,696	4,013
Non-financial assets	1,432,656	1,443,548	1,491,352	1,539,912	1,544,343	1,625,490
Total non-current assets	1,435,634	1,446,660	1,499,585	1,542,741	1,548,039	1,629,503
Total assets	1,451,813	1,456,657	1,516,781	1,590,640	1,555,968	1,637,855
Liabilities						
Current						
Borrowings	5,030	43	10,018	70,004	20,000	5,000
Other liabilities	20,474	18,083	21,629	26,184	20,881	21,050
Total current liabilities	25,504	18,126	31,647	96,188	40,881	26,050
Non-current						
Borrowings	125,117	140,022	150,004	129,062	147,570	178,267
Other liabilities	7,901	13,292	17,931	18,907	9,946	10,152
Total non-current liabilities	133,018	153,314	167,935	147,969	157,516	188,419
Total liabilities	158,522	171,440	199,582	244,157	198,397	214,469
Total equity/net assets	1,293,291	1,285,217	1,317,199	1,346,483	1,357,571	1,423,386

Notes:

- a) The figures for Actual 2013/14 and 2014/15 are the actual figures from council's 2014/15 Annual Report.
- b) The figures for Forecast 2015/16 are the council's estimated figures for the 2015/16 financial year.
- c) The figures for Annual Plan budget 2016/17 are the budgeted figures from council's 2016/17 Annual Plan.
- d) The figures for LTP budget 2017/18 to LTP 2018/19 are the budgeted figures from council's 2015-35 Long Term Plan.

Statement of comprehensive revenue and expense

	2013/14 Actual \$000	2014/15 Actual \$000	2015/16 Forecast \$000	2016/17 AP Budget \$000	2017/18 LTP Budget \$000	2018/19 LTP Budget \$000
Revenue						
Rates	50,149	51,300	53,819	56,867	60,310	63,923
Fees and charges	7,443	7,888	8,224	7,899	7,905	8,119
Grants and subsidies	3,669	3,453	3,342	4,567	6,094	6,237
Development and financial contributions revenue	3,272	1,435	1,488	1,075	1,109	1,139
Other operating revenue	3,419	3,996	2,385	333	8,088	277
Total revenue excluding gains	67,952	68,072	69,258	70,741	83,506	79,695
Expenses						
Operating expenses	45,393	45,763	48,665	48,057	49,623	50,502
Depreciation and amortisation	15,746	16,160	16,689	17,569	18,257	19,481
Total expenses	61,139	61,923	65,354	65,626	67,880	69,983
Interest						
Interest income	197	142	455	1,140	210	212
Interest expense	7,595	7,741	8,344	9,408	8,657	9,072
Total interest expense	7,398	7,599	7,889	8,268	8,447	8,860
OPERATING SURPLUS/(DEFICIT)	(585)	(1,450)	(3,985)	(3,153)	7,179	852
Unrealised gains/(losses)						
Unrealised gain/(loss) on revaluation of financial derivatives	3,992	(6,541)	(7,361)	-	(278)	(681)
Total unrealised gains/(losses)	3,992	(6,541)	(7,361)	-	(278)	(681)
NET OPERATING SURPLUS/(DEFICIT)	3,407	(7,991)	(11,346)	(3,153)	6,901	171
Other comprehensive revenue and expense						
Unrealised gain/(loss) from revaluation of property, plant and equipment	563,754	(83)	43,328	32,633	16,208	65,645
Total other comprehensive revenue and expense	563,754	(83)	43,328	32,633	16,208	65,645
TOTAL COMPREHENSIVE REVENUE AND EXPENSE	567,161	(8,074)	31,982	29,480	23,109	65,816

Note: The total comprehensive revenue and expense varies significantly from year to year due to the impacts of the revaluation of assets and financial derivatives.

Summary of cash flows

	2013/14 Actual \$000	2014/15 Actual \$000	2015/16 Forecast \$000	2016/17 AP Budget \$000	2017/18 LTP Budget \$000	2018/19 LTP Budget \$000
Net cash inflows from operating activities	27,936	17,520	18,572	23,264	23,628	25,784
Net cash (outflows) from investing activities	(23,918)	(25,479)	(31,223)	(54,244)	(21,322)	(32,358)
Net cash inflows from financing activities	(2,812)	2,247	11,611	30,780	(2,306)	6,574
Net increase/(decrease) in cash and cash equivalents	1,206	(5,705)	(1,040)	(200)	-	-
Total cash and cash equivalents at 1 July	5,939	7,145	1,440	400	200	200
Total cash and cash equivalents at 30 June	7,145	1,440	400	200	200	200

Notes:

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- d) The figures for LTP budget 2017/18 to LTP 2018/19 are the budgeted figures from council's 2015-35 Long Term Plan.

Funding impact statement

	2013/14 Actual \$000	2014/15 Actual \$000	2015/16 Forecast \$000	2016/17 AP Budget \$000	2017/18 LTP Budget \$000	2018/19 LTP Budget \$000
Sources of operating funding						
General rate, uniform annual general charge, rates penalties	10,913	10,930	20,235	12,540	14,381	14,157
Targeted rates	39,657	40,763	34,108	44,837	46,428	50,265
Grants and subsidies for operating purposes	1,441	1,702	1,661	1,594	1,655	1,729
Fees and charges	8,839	7,280	7,512	7,196	7,219	7,432
Interest and dividends from investments	197	142	455	1,140	210	212
Local authorities fuel tax, fines, infringement fees, and other	1,364	4,070	2,572	526	8,274	464
Total operating funding	62,411	64,887	66,543	67,833	78,167	74,259
Applications of operating funding						
Payment to staff and suppliers	45,586	45,735	48,653	48,057	49,623	50,502
Finance costs	7,554	7,741	8,344	9,408	8,657	9,072
Internal charges and overheads applied	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding	53,140	53,476	56,997	57,465	58,280	59,574
SURPLUS/DEFICIT OF OPERATING FUNDING	9,271	11,411	9,546	10,368	19,887	14,685
Sources of capital funding						
Grants and subsidies for capital expenditure	2,227	1,750	1,681	2,972	4,439	4,508
Development and financial contributions	1,095	1,435	1,488	1,075	1,109	1,139
Increase (decrease) in debt	9,196	8,335	11,030	17,708	14,600	21,144
Gross proceeds from sale of assets	5,574	2,492	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding	18,092	14,012	14,199	21,755	20,148	26,791
Applications of capital funding						
Capital expenditure						
> to meet additional demand	5,215	5,360	4,697	2,881	1,422	3,076
> to improve the level of service	9,555	5,467	8,416	14,827	13,178	18,068
> to replace existing assets	9,950	13,770	7,775	14,406	9,691	14,853
Increase (decrease) in reserves	2,643	826	2,857	9	15,744	5,479
Increase (decrease) in investments	-	-	-	-	-	-
Total applications of capital funding	27,363	25,423	23,745	32,123	40,035	41,476
SURPLUS/DEFICIT OF CAPITAL FUNDING	(9,271)	(11,411)	(9,546)	(10,368)	(19,887)	(14,685)
FUNDING BALANCE	-	-	-	-	-	-

