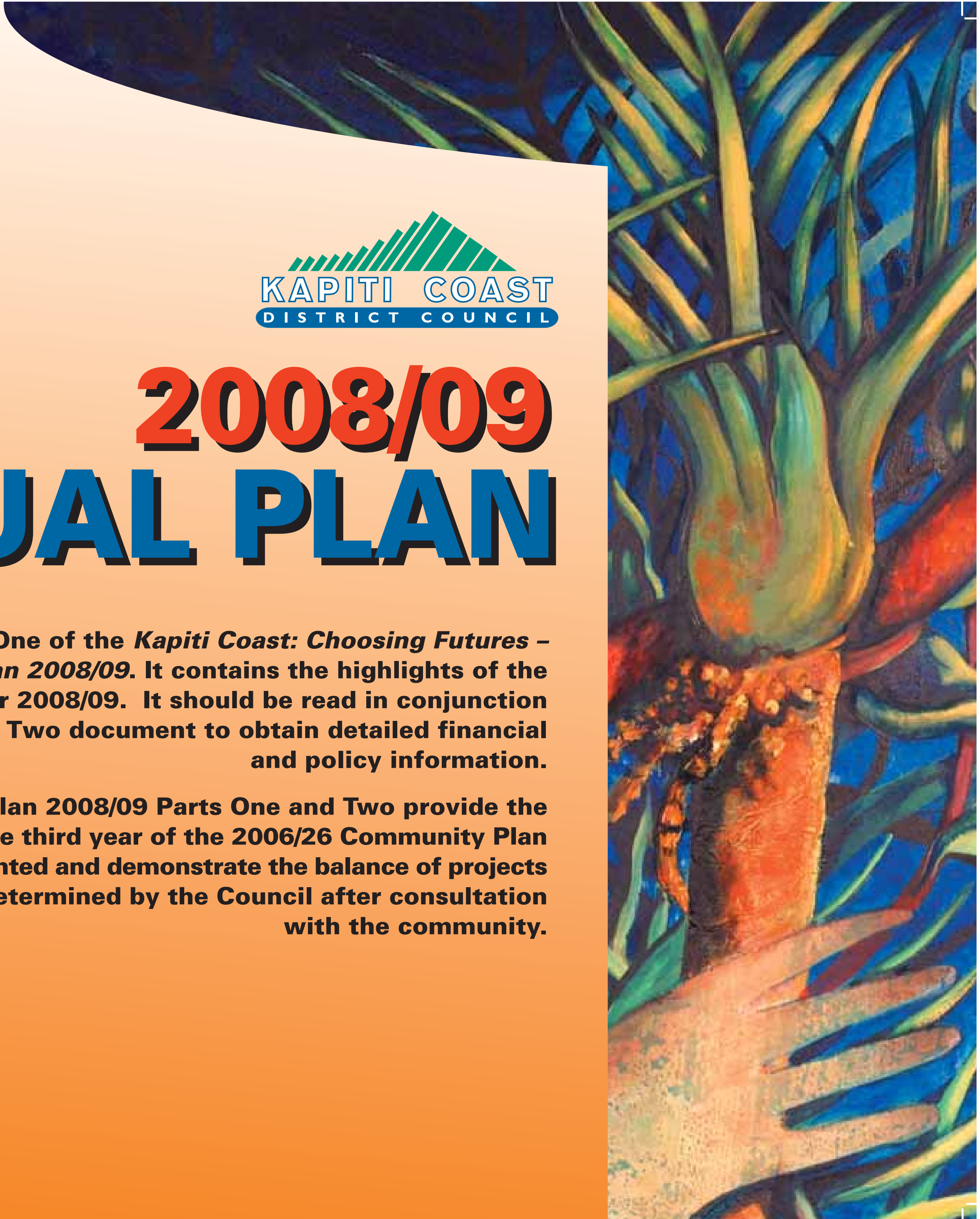
KAPITI COAST
DISTRICT COUNCIL

2008/09
ANNUAL PLAN

This is Part One of the *Kapiti Coast: Choosing Futures – Annual Plan 2008/09*. It contains the highlights of the programme for 2008/09. It should be read in conjunction with the Part Two document to obtain detailed financial and policy information.

The Annual Plan 2008/09 Parts One and Two provide the detail of how the third year of the 2006/26 Community Plan will be implemented and demonstrate the balance of projects and priorities determined by the Council after consultation with the community.



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The cover page has been designed to support the series of corporate planning documents that have been completed so far, incorporating Artwork by Bodhi Vincent. The Annual Plan 2008/09 cover is in orange, the 2006 Kapiti Coast: Choosing Futures - Community Plan is in green and the supporting documents to that Plan are the blue covered Kapiti Coast: Choosing Futures - Community Outcomes, and Local Outcomes.

Introduction by Jenny Rowan, Mayor, Kapiti Coast District

It is my pleasure to present the 2008/2009 Annual Plan for the Kapiti Coast district Council.

With a substantially new Council, and a significant change of views represented on it, most of our policies and programmes have come under scrutiny this year as we have worked towards a majority view on what needs to be modified, reduced or expanded to reflect the new political climate.

I am pleased to announce our average district-wide rate for 2008/2009 is 4.78%. This is a very good result that is substantially lower than the 8.7% proposed in the community plan. However, in light of the number of significant and essential projects coming on-stream, I need to flag that it is highly unlikely we will be able to keep the rates at this level next year.

The key issues and projects likely to engage the Council in the forthcoming year are: the introduction of a new kerbside recycling service and resource recovery facility at Otaihanga, the Western Link Road, the Waikanae Bridge, fund-raising for the Aquatic Centre, climate change and its likely effect on our stormwater system, and the implementation of energy saving programmes.

Stage 1 of the Western Link Road, from Te Moana Road to Raumati Road is moving ahead. Land Transport New Zealand has confirmed a 90% funding subsidy for the project and applications for resources consents, land purchase and roading design are underway. In moving ahead with the Western Link Road the Council is mindful of the need to manage the tension between population growth and, an energy-constrained future where fuel is increasingly expensive and scarce.

The combined Aquatic and Recreation Centre is currently being designed and the Council has maintained its commitment to a ceiling of $10.5million. $250,000 has been set aside for finalisation of concept plans, design and contract tender process, while $2.5 million has been included in this year's budget for construction in the latter part of the financial year. The balance of Council's commitment is budgeted to be available in the following year. The start date for the project will be dependent on money raised through public funding being driven by the Kapiti Coast Multi-Purpose Aquatic and Recreation Centre Trust.

Another important work programme that will continue through 2008/09 is the Council work towards reviewing water matters (including water supply). Council is committed to consulting on water conservation, funding, and collection and storage options. These consultation opportunities will be offered and advertised as part of the 2009 Community Plan development programme.

Community participation for both older and younger citizens is also on the Council agenda with a great deal more activity expected from both the Older Person's Forum and the Creation of a Youth Services support hub.

Volunteers are central to almost every aspect of our community life in Kapiti and I am pleased to announce a small pilot project where the Council is funding one person for a year – to work with community groups helping them gain access to funding from external agencies. Our overall goal here is capacity building in this very important sector.

I commend this Annual Plan to you and thank both Council and staff for their hard work and commitment in completing it.

Jenny Rowan, QSO, JP

Mayor

Kapiti Coast District

Message from Kevin Jefferies, Acting Chief Executive, Kapiti Coast District Council

As the Mayor has said, a great deal of time and work went into the preparation of the Annual Plan for 2008/09. Council staff, Councillors and Community Board members worked hard together to find ways to make the plan affordable while still seeking to maintain and develop essential infrastructure as well as introduce some new initiatives.

This Annual Plan is the first stage in a major work programme for the Council and staff over the next 12 to 18 months. It is the blueprint for the Council's activities during 2008/09 as well as being the plan for the third year of the Community Plan. In 2009 the Council must approve the next version of that Community Plan and, over the coming months, we will engage with individuals and groups in the community on the draft of that plan.

The Community Plan is what it says, the community's vision of where the Kapiti Coast should look to go over the next 10 and 20 years. This year we will be asking the community to reassess the Community Outcomes established back in 2003 and to review how we have performed against those outcomes. We must then look to see what has changed and what might change in the future to affect those outcomes and what we might expect them to produce.

Changes have occurred since the first Community Plan was developed such as the impacts of climate change and carbon trading, peak oil, competition for labour and potential for greater food production in the district which will all have an influence in the future.

Alongside that work we must also carry out a review of the District Plan, the document that sets out the parameters against which all development in the district must be measured and with which it must comply. Our planners use the District Plan to assess all proposals for resource and building consents which come before us.

Other issues we must consult on during the coming year are our electoral representation system, and whether or not we should stay with the STV (single transferable voting) system for our elections.

It will be a busy year for staff and for elected members. I hope the community will work with us and continue to engage with the processes so what we end up with is a true reflection of the views of the Kapiti Coast community.

Kevin Jefferies

Acting Chief Executive

Kapiti Coast District

SECTION 1
Context for Development of the Annual Plan

What is the Annual Plan?

The Annual Plan is the Council's plan for the 2008/09 financial year that starts on 1 July 2008. The Annual Plan was adopted on 26 June 2008. It is prepared in accordance with Section 95 of the Local Government Act 2002 and must-

- contain the annual budget and funding impact statement of the year to which the annual plan relates;
- identify any variation from the financial statements and funding impact statement included in the local authority's Long Term Council Community Plan in respect of the year;
- support the Long Term Council Community Plan in providing integrated decision-making and coordination of the resources of the local authority;
- contribute to the accountability of the local authority to the community;
- extend opportunities for participation by the public in decision-making processes relating to the costs and funding of activities to be undertaken by the local authority.

In addition Section 85 of the same Act requires that the Annual Plan contain the level of service and performance measures, expense and funding information and the rationale for the funding mechanisms applied for the year to which the Annual Plan applies.

The Annual Plan is a working document that links to the overall strategies and the year three (2008/09) intentions of the twenty year 2006/26 Kapiti Coast: Choosing Futures - Community Plan and the Kapiti Coast: Choosing Futures - Community Outcomes document. The development of the Annual Plan each year provides a real opportunity for the community to review the overall programme the Council has set for itself and to make submissions and proposals on priorities and emphasis for Year Three of the Council's twenty year strategic direction.

The Community Plan, adopted on 22 June 2006, describes the Council's responsibilities and contribution to both the district and the local community outcomes developed by the community. It sets out the Council's leadership vision, how it wishes to work with the community and the suggested investment priorities for the next 20 years and how it identifies partners in that work. It also provides a long term programme and budget and funding choices. This detail is presented in a way that illustrates the full commitment of the Council to the community vision, to taking a sustainable development approach and to the social, cultural, economic and environmental wellbeing of the Kapiti Coast.

What are the Community Outcomes?

The Kapiti Coast Community has very clearly set out its path for the future. The community's vision can be described as: "Reaffirming the Kapiti Coast lifestyle and culture – with a sustainable emphasis". It is that document which sets the broad direction for the Kapiti Coast. Seven broad outcome areas were developed from the community ideas in January 2003 and reaffirmed in 2006. Details on each outcome can be found in Kapiti Coast: Choosing Futures - Community Outcomes. In support of these District Outcomes extensive work is currently underway on completing Local Outcome statements for the individual communities that make up the Kapiti Coast District.

The seven broad areas are:

Outcome 1: there are healthy natural systems which people can enjoy;
Outcome 2: local character is retained within a cohesive District;
Outcome 3: the nature and rate of population growth is appropriate to community goals;
Outcome 4: the District's resources are used wisely;
Outcome 5: there is increased choice to work locally;
Outcome 6: the District is a place that works for young people;
Outcome 7: the District has a strong, healthy and involved community.

Do the Community Outcomes link with each other?

As well as the particular focus of each outcome area, there are a number of common themes interwoven with them. The Community Plan identifies these as Cross-Outcome Links. For example, improved access is a cross-outcome thread: walkways, local footpaths, beach access, road linkages, extended bus and train links contribute to enjoyment of the environment, health, local character, cohesiveness, the local economy, and choice for young people and so on. The common threads that the community focuses on are:

- district form;
- quality of public and civic space - including parks and landscapes;
- access;
- design - quality, flexibility and innovation;
- the quality and flexibility of infrastructure: public health and community and civic facilities;
- people: democracy and decision-making; and community and the individual.

This weaving together of outcomes and cross-outcome links reinforces the fact that people do not see things in separate categories or with equal significance, so the sustainable development approach must be holistic and connected.

How will progress be measured against achieving the Community Vision?

The Local Government Act 2002 requires regular reporting on whether the community outcomes are being achieved or that there is progress towards them.

It is important that any measures used to mark progress are focused on end results. The long term measures and milestones for each of the seven community outcomes are listed on pages 13, 14 and 15 of Part One of the 2006 Community Plan. This will be measured in two ways:

- measuring with a Genuine Progress Index – which will measure cumulative performance or "quality of life" across all areas of wellbeing;
- measuring achievement in each outcome area – this has two parts:
  - measuring whether key indicators have improved;
  - measuring whether key milestones have been achieved.

The link between Community Outcomes and Council Performance is explained in the next section.

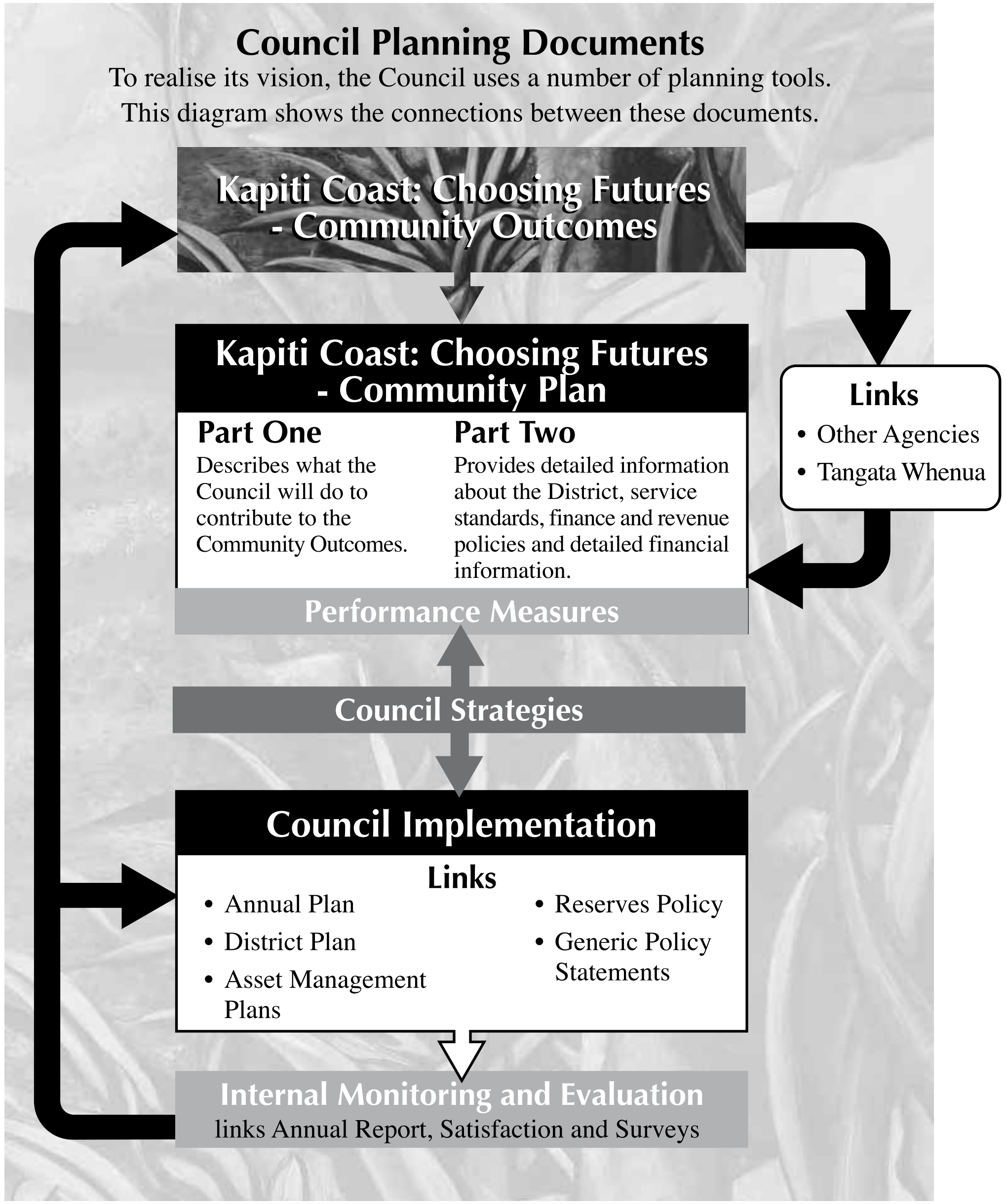
Do Council's Activities connect to Community Outcomes?

The Local Government Act 2002 requires Council to show how its actions contribute to the achievement of community outcomes. It also requires that the Council's actions be divided into a series of formal activities, or groups of activities. These activities must be capable of showing the detail of what the Council does, its service standards and expenditure while having a logic and rationale as they link to the Council's strategic direction and the community's outcomes or aspirations. It is this activity category that provides for the fundamental unit for measuring the relationship between the Council's action and expenditure and Community Outcomes.

The Council uses activity categories which are based on traditional delivery functions. However it has also identified a general strategy to guide those activities. This strategy places each activity within a framework of decision about overall priorities, risk management, the total affordability of services, timing, standards and the way the Council will work with the community. It combines these processes and links programmes and activities to the achievement of required outcomes.

Council must report every three years on progress towards the community's vision, the report will show who contributes to a particular outcome and how their contribution affects the whole. This level of detail is important as no one part of the vision can be achieved by the actions of just one person or one agency.
The inaugural three year report against Community Outcomes will be provided in this calendar year.

In the meantime, the effectiveness measures that link Community Outcomes and Council performance are listed under the Levels of Service for each Activity. They provide an indicator of how to mark progress on achieving the end result (Community Outcomes).



Council Planning Documents

To realise its vision, the Council uses a number of planning tools.
This diagram shows the connections between these documents.

SECTION 2: Strategies for Action – 2008/09

Delivery of the 2008/09 Annual Plan is driven by and consistent with the major strategic direction set in the 2006 Community Plan. The Community Plan also gives effect to Council's wider responsibility under the Local Government Act 2002 to facilitate the achievement of the Kapiti Coast: Choosing Futures - Community Outcomes.

The 2006 Community Plan identified on a year by year basis how Council's major activities would be delivered over a 20 year period from 2006 to 2026. The 2008/09 financial year which runs from 1 July 2008 to 30 June 2009 is "year three" of the Community Plan. Each year, via an annual plan process, that year is reviewed for further comment and adjustment within the framework set by the 20 year document. Any major changes must be signalled and consulted upon.

In delivering on the 2006 Community Plan and responding to the Community Outcomes, this Annual Plan is driven by three broad areas of action and change:

- **Leadership** – the Council taking a leadership role in key areas to facilitate Community Outcomes;
- **Style of Council** – the way that the Council will work with communities e.g. communication;
- **Investment** – what the Council will invest in over time and how that investment will be made.

Councillors and Community Board members attended a series of Corporate Business Committee Workshops to develop the Annual Plan. In the workshops, which were advertised and open to the public, the elected members considered the following aspects for each of the 15 activity groupings:

- a description of the activity area;
- the Community Outcomes to which the activity is linked;
- the Strategic Issues relating to the activity;
- the key Levels of Service for the activity;
- the Current Priorities and associated 2008/09 delivery programme;
- the measures Council will use to assess Council performance, i.e.:
    - an effectiveness measure (how well the activity is achieving the desired result - linked to Community Outcomes);
    - a delivery measure (key measure of what is delivered when);
    - detailed service standards (as listed in Part Two of the Community Plan, pages 202-243 inclusive).

It is important when reading this Annual Plan to recognise the influence set by the priorities and methods for the Council that are published on Pages 18 to 35 of Part One of the 2006 Community Plan. Essentially, in considering the 2008/09 financial year work programme the Council has applied the following general priorities (in order of ranking) as listed on Page 34 of Part One of the 2006 Community Plan to its consideration of any major investment decisions:

- resolution of key roading network issues (river crossings, internal road linkages and State Highway intersections);
- resolution of any remaining public health infrastructure issues (if any);
- upgrade of town and local centres as community design processes are completed;
- provision of significant civic and community facilities. This includes the combined Aquatic and Recreation Centre which is currently being designed. The Council has maintained its commitment to a ceiling of $10.5million. $250,000 has been set aside for finalisation of concept plans, design and contract tender process, while $2.5 million has been included in this year's budget for construction in the latter part of the financial year. The balance of Council's commitment is budgeted to be available in the following year. The start date for the project will be dependent on money raised through public funding being driven by the Kapiti Coast Multi-Purpose Aquatic and Recreation Centre Trust;

- provision of cycleways, walkways and bridleways (with first priority for pathways being the development of routes that will benefit the local community as well as contributing to local tourism).

These priorities, established by the Council to guide the more detailed development of its long term programme, take into account:

- feedback from the community on priorities for action (via the 2003/04 and 2006/07 community planning processes);
- a strategic decision to maintain existing levels of service;
- consideration of risk management issues relating to public health infrastructure;
- a view that resolution of the roading link issues is a major strategic constraint on the District, and a significant factor in road safety. Both the Council and community take the clear view that improved north/south linkages, safe intersections of local roads with State Highway One together with additional river crossings are essential to the future of the District;
- the strength of the community vision around community facilities - and the past long term commitment to that programme;
- affordability impacts on weekly disposable income for low / fixed income households;
- distribution of impacts across communities;
- a view that resolution of water issues in a sustainable way is important.

SECTION 3: Key Issues and Major Projects

Long Term Council Community Plan

A major project during 2008/09 will be the development of the 2009 Community Plan.

In 2003/04 there was a very successful community process called *Kapiti Coast: Choosing Futures* which resulted in a vision for the District. These were recorded as a series of detailed "Community Outcomes" which have status under the Local Government Act 2002. Since that time, local communities have developed more detailed local outcomes, often with a major focus on how they want their local communities to look and feel.

Under the Local Government Act 2002, Council is required to revisit these Outcomes – report on progress and identify any changes in direction sent by the community. This will then lead to a new 10-20 year plan for the Council and other agencies.

District Plan Review

The District Plan, which regulates development under the Resource Management Act is due for review by 2010. This review will commence in late 2008 and continue through to 2009 and into 2010.

Introduction of New Solid Waste Initiatives

The focus during 2008/09 will be on the operation of the new Resource Recovery Facility at Otaihanga. This facility includes a re-use centre and shop, drop-off facilities, a recyclables processing area and a main recovery and transfer floor. The facility will be operated by MidWest Disposals under contract to the Council. The goal is to remove at least 50% of waste recovered at the facility for other use within the next five years.

A new kerbside recycling service will be in place in August 2008. Not only will the service be new but Council has established a new model whereby private waste collectors who join the partnership pay for the cost of the service. This means that the ratepayer will not have to subsidise the service and also that the private sector will refocus on kerbside recycling.

Bag prices and 'wheelie bin' costs will rise but all households should be able to reduce their costs by recycling. For example, it is likely that a single or two-person household would be able to put out their refuse bags only once a fortnight or less, thus reducing costs.

Older Persons' Forum

There was a tremendous response to the first forum which was held in February 2008 with over 110 people representing a wide range of organisations and interests attending. A series of ongoing sessions will be held during 2008 to report back on progress and develop new initiatives based on people's ideas, such as the Council of Elders. This process will be a major input into the long-term vision for the District. There will be a major focus on developing and supporting practical projects and initiatives, to keep up the momentum of the forum and drive work forward.

Youth Initiatives

Considerable work has gone into a number of youth projects during 2007/08. These are now bearing fruit in terms of the Youth Council, Nga Wawata (as part of the Greater Otaki Project) and a new initiative to support agencies seeking funding (including those working with youth). The Youth Council has developed a “business plan” for 2008 and there will be a focus on working with them on their projects.

A number of submitters for the draft Annual Plan signalled the need for Council to establish a strategy round how it intends to support the provision of youth services throughout the District. Council has responded by allocating $10,000 to fund the establishment of a “Youth Services Support Hub” subject to a collaborative model being developed with all agencies. The intention of the “Youth Hub” is to link the programmes offered by the various providers and ensure they operate cooperatively as they each deliver their respective youth services.

Associated projects are the civics project in schools, funding of the Enviroschools project and an Otaki “freshwater” project with local schools.

Helping Groups Access Funding

This is a pilot project where the Council is funding a person for one year to help community groups, identify and make applications to, external agencies for funding. It is a direct response to the difficulties many groups face identifying and accessing what is a large resource of funds available from other agencies and organisations. Community groups often have difficulty keeping up with the reporting requirements once they have funds and then lose out in subsequent funding rounds. The project will also look to provide assistance in this area. The benefits of this pilot will be assessed and reported back as part of the long-term planning exercise.

Western Link Road

The Western Link Road designation was confirmed by the Environment Court in July 2006. Since then work to secure resource consents and authorities under the Historic Places Act for Stage 1 (Raumati Road to Te Moana Road) has been in progress. At the time of writing (February 2008) three of the four sets of resource consents have been issued, and archaeological investigations have been completed. The Council will ensure that future transport enhancements are not lost, and intends to retain land and develop the project so that dedicated public transport facilities or additional traffic lanes could be implemented with minimal environmental and community disruption in future.

Design of the road has been progressed in conjunction with the consents process, and within a number of key parameters (such as a 50-70km speed limit) which govern the extent of the works and the shape and form of the final road. The purchase of property for Stage 1 is proceeding.

Land Transport New Zealand has confirmed the funding subsidy for Stage 1 at 90%, with special Crown funds to be distributed through the Regional Land Transport Committee.

Aquatic Centre

The combined Aquatic and Recreation Centre is currently being designed and the Council has maintained its commitment to a ceiling of $10.5million. $250,000 has been set aside for finalisation of concept plans, design and contract tender process, while $2.5 million has been included in this year’s budget for construction in the latter part of the financial year. The balance of Council’s commitment is budgeted to be available in the following year. The start date for the project will be dependent on money raised through public funding being driven by the Kapiti Coast Multi-Purpose Aquatic and Recreation Centre Trust.

Climate Change and Stormwater

Council received an updated report on climate change impacts on the Kapiti Coast in November 2007 which is available on Council's website. That report signals some significant new impacts. Work is already underway to identify stormwater impacts under the 2007 NIWA report; this will have to be updated. Impacts on stormwater costs will be fed through into the 2009 Community Plan as it is developed. Work will continue on increasing energy efficiency – a major mechanism for reducing greenhouse gas emissions.

Energy

Considerable work has been undertaken over the last few months to review opportunities to reduce energy costs and associated emissions. The opportunities to reduce costs (particularly around wastewater) and options to re-invest savings into further energy saving initiatives (both Council and community) were introduced at the time of the Council's consideration of the draft Annual Plan submissions. Council has resolved to continue exploring these opportunities, subject to further formal consultation, completion of feasibility studies and review of capital and operating costs. This work should be completed in July / August 2008.

Should Council resolve to proceed once this analysis and consultation is completed, this will initiate a major new focus for the community. Not only will energy costs and emissions from Council activities be reduced but there will be opportunities to assist people to address energy issues around "energy poverty and affordability".

The main community projects which could be advanced would be increased grants for energy saving upgrade for low-income households, wider interest free loans, investment in energy saving lightbulbs. The net amount identified for this 2008/09 year is $46,000 in terms of rates funding.

The capital budget for energy saving programmes in the Annual Plan is $2.86million which has financial implications for future years. All capital expenditure in the energy saving projects will require formal Council approval to proceed. This will include reviewing independent feasibility studies, cost and benefit analysis and firm commitments from our funding providers.

Water Supply

The workshop planning for the development of this Annual Plan involved consideration of sustainable water use including water conservation, collection and storage options, and funding options such as a rolling fund for retro-fitting houses for water conservation and collection. Council agreed to defer installation of water meters to be consulted on as part of a complete sustainable water use package during the development of the 2009 Community Plan.

SECTION 4: The 2008/09 Programme - Impacts

2008/09 Programme and Impacts

This Annual Plan presents Year Three of the 2006-26 long term programme and budget for community consideration.

It describes the 2008/09 work programmes for each of the 15 activity categories that are used by Kapiti Coast District Council to report on detailed issues, programmes, expenditure, performance and funding frameworks. Each activity links to one or more Community Outcome, either directly in terms of contributing to an end vision, or indirectly in terms of the quality of action that the community is looking for. They are also driven by the Council's broad strategic direction (leadership areas, style and investment).

The 2008/09 work programme is structured to continue to deliver the following 2006 Community Plan strategic features, the strategic "shape" of which can be summarised as:

- a strategic programme that works to Community Outcomes (rather than being an amalgam of individual projects);
- a strategic focus is delivered as much by a shift in the quality and way the Council works with the community, the quality of advice and a focus on developing partnerships, as it is by new or refocused expenditure;
- recognising the value of investment in resources to assist in working with the community around key parts of the community vision - for example, planting projects;
- endeavouring to manage new expenditure to smooth impacts, retain levels of service, advance improvements on a number of fronts but give priority to the Council's leadership, style and investment decisions.

The 2008/09 work programme for each of these activities amounts to $36.4million of capital projects which includes the Western Link Road, the Matatua Road Culvert replacement, the continuing Town Centre upgrade programme across the District, Stormwater, Water and Wastewater improvements and asset renewal programmes throughout the District.

Achieving a river crossing at Waikanae with the Western Link Road together with moving towards the construction of a proposed Aquatic and Recreation Centre are the two main focuses of the Capital Works programme.

The rating impacts for the 2008/09 year have been reduced from what was proposed for the 2008/09 year in the 2006 Community Plan by identifying savings through the following actions:

- reviewing the loan servicing costs and the budgeted interest rates against projected market interest rates;
- reviewing the capital works programmes for the 2007/08 year and 2008/09 year and the consequential savings in loan interest and depreciation and operating costs;
- capital works that have been rescheduled from the 2008/09 Community Plan include:
    - the Kapiti Coast Multi-Purpose Aquatic and Recreation Centre. The Council has maintained its commitment to a ceiling of $10.5million. $250,000 has been set aside for finalisation of concept plans, design and contract tender process, while $2.5 million has been included in this year's budget for construction in the latter part of the financial year. The balance of Council's commitment is budgeted to be available in the following year. The start date for the project will be dependent on money raised through public funding being driven by the Kapiti Coast Multi-Purpose Aquatic and Recreation Centre Trust;
    - removing the installation of water meters from the 2008/09 capital programme to be further considered during the development of the 2009 Community Plan, along with water conservation, collection and storage options.
- reducing some overhead costs.

Other Notable Areas of Expenditure

For 2008/09 the total capital expenditure is $36.4million, with $9million of this being spent on asset renewals.

The main areas of focus in the 2008/09 year are:

- roading, in particular the Western Link Road.

The impacts of the capital programme have been spread as much as possible by:

- spreading renewals;
- deferring some roading projects;
- deferring some depreciation funding.

The main features of the capital expenditure programme for the 2008/09 year are:

Access, Roading and Transport

- Western Link Road – Property purchase and commence construction of Stage One - Raumati Road to Te Moana Road ($3.7million 2008/09 after the 90% subsidy from Land Transport NZ);
- road upgrading projects – including Paraparaumu Town Centre intersections (Rimu / Raumati Roads and Kapiti / Rimu Roads) and other local road upgrading projects ($1.6 million);
- Matatua Road twin cell culvert – potential property purchases to enable stormwater improvements to be made. Also includes relining of the culvert ($1.3million)
- road resealing – annual programmed work ($1.2million);
- footpath upgrades – further new and replacement concrete footpaths ($650,000);
- Walkways-Cycleways-Bridleways – continued work on the important connections under this strategy ($350,000).

Coastal Management

- coastal protection work at The Esplanade, Raumati South – Stage One ($250,000);
- beach accessways, signage and planting – improvements ($70,000).

Community Facilities

- Aquatic Centre – planning and design ($250,000), and capital contribution contingency towards construction cost ($2.5million);
- Civic Centre / Council Chambers – options investigated ($200,000);
- public toilets – new toilets at Otaki and Paekakariki ($150,000);
- swimming pools – energy efficiency initiative using wood burning technology for water heating ($900,000);
- housing for older persons – energy efficiency initiatives for solar water heating and insulation ($200,000).

District Strategic Development

Local town centre upgrades ($900,000)

- Paraparaumu Beach Town Centre.

Libraries

- books and materials – programmed increase to book and media stock ($330,000);
- replacement and upgrade of the lift at Waikanae Library ($120,000).

Parks and Reserves

- Strategic Land Acquisition Fund – to purchase land suitable for future reserves when opportunities arise (budget of $100,000 per year - accumulating fund has $500,000 available);
- Mazengarb Reserve artificial turf (for hockey and other sports) – contribution of the balance committed to the Trust in 2007 ($200,000 in 2008/09; total contribution $650,000);
- upgrade of Maclean Park pond area ($200,000);
- Haruatai Park, Otaki – tennis court resealing ($160,000);
- Paraparaumu escarpment revegetation – Stage Two ($125,000).

Solid Waste

- commissioning of the refuse recycling centre at Otaihanga ($1.5million).

Stormwater

- Otaki – hydraulic modelling; Dunstan Street Stage Two ($200,000);
- Waikanae – William Street pipeline ($250,000);
- Paraparaumu - pipeline repairs - Kapiti Road and Amohia Street ($500,000);
- Paraparaumu Beach – stormwater upgrade for town centre ($290,000);
- Raumati – Matatua Road bridge completion ($2million).

Wastewater

- substitution of diesel fueled sludge drying with wood burner technology at Paraparaumu/Waikanae Wastewater Treatment Plant ($1.43million) subject to Council approval following review of feasibility study.

Water

- Otaki Reservoir - site selection, land purchase, construction of reservoir and connection ($700,000 in 2008/09; total project $3.6 million over 3 years);
- Paraparaumu / Waikanae Joint Water – water supply augmentation – investigate options ($250,000);
- the installation of water meters (was $2.6 million in 2008/09) was removed from 2008/09 to enable further community discussion on sustainable water use including water conservation, collection and storage options.

Operating Revenue and Expenditure

Details of changes to operating revenue and expenditure (compared with the 2008/09 Community Plan) are included in Section 5 under each Activity.

Debt Management

The detailed Treasury Management Policy can be found on pages 44-61 of Part Two of the 2006 Community Plan. In summary with regards to managing debt, the Council adheres to the following limits (based on the Council's latest audited financial statements):

- net interest expense (after interest rate risk management costs/benefits) on net external debt will not exceed 25% of total operating income;
- net debt as a percentage of equity will not exceed 20%

  Note: Equity = Councils net worth (total assets less total liabilities);
- liquidity will not be less than 110%

  Note: Liquidity = the ability for Council to borrow by way of committed loan facilities (term debt + committed loan facilities to existing net debt).

Operating income is defined as earnings from rates, government grants and subsidies, user charges, interest and other revenue. Net debt is defined as total debt less liquid financial assets/ investments. Debt is repaid as it falls due in accordance with the applicable loan agreement. Subject to debt limits, a loan may be rolled over or re-negotiated as and when appropriate. A loan repayment provision will be made each year for the repayment of new loans so that loans will be fully repayable over a 20 year period.

Balanced Budget Options

The Local Government Act 2002 (section 100) provides a flexible approach to the balanced budget requirements. This provision allows a local authority to project operating deficits in its Community Plan as long as it is financially prudent to do so and the local authority is transparent in its rationale for doing so.

The Council is continuing with its programme as set out in the 2006 Community Plan of not fully funding depreciation in the first five years with provision for full repayment in years 7 to 10 of the 2006 Community Plan.

From a prudent management point of view it has no effect on the long term financial position of the Council. Although Council is not fully funding depreciation in the first five years, the level of underfunding is only a relatively small proportion of the total depreciation which is funded in each of those years.

Comparison of rates increases with the 2006 Community Plan

	Community Plan 2008/09	**Annual Plan 2008/09**
Gross Rates Increase	10.20%	6.82%
Less Estimated Growth in Rating Base	-1.50%	-2.04%
Net Average Rates Increase Districtwide	**8.70%**	**4.78%**

$000	**Community Plan 2007/08**	**Community Plan 2008/09**	**Annual Plan 2008/09**
Operating Revenue			
Rates Revenue	34,233	38,088	36,566
Other Revenue	10,101	10,977	9,703
Vested Assets	2,000	2,000	2,000
Development Contributions	1,500	1,500	1,500
Total Operating Revenue	**47,834**	**52,565**	**49,769**
Operating Expenditure			
Operating Costs	29,064	31,437	31,216
Depreciation	10,022	11,090	10,326
Debt Servicing	6,748	8,144	7,349
Total Operating Expenditure	**45,834**	**50,671**	**48,891**
Net Operating Surplus	**2,000**	**1,894**	**878**

Rates Impacts 2008/09

The impacts of the rates requirements from each community for 2008/09 are shown below. Note the costs are in $000's.

Rates Impacts 2008/09

Area		**2007/08**	**2008/09**	**Increase**	**Less Rates Relating to the Increase in Rating Base**	**Net Rating Increase**	**Net Average Rates Increase per annum**
		$000	**$000**	**$000**	**$000**	**$000**	**%**
Paekakariki	Urban	1,041	1,132	91	-21	70	**6.76**
	Rural	40	46	6	-3	3	**7.04**
Paraparaumu/	Urban	18,681	19,910	1,229	-411	818	**4.38**
Raumati	Rural	167	186	19	-12	7	**4.32**
Waikanae	Urban	8,434	8,976	542	-85	457	**5.42**
	Rural	599	654	55	-25	30	**4.97**
Otaki	Urban	4,040	4,332	292	-116	176	**4.35**
	Rural	1,231	1,329	98	-24	74	**6.05**
Total District		**34,233**	**36,566**	**2,333**	**-697**	**1,636**	**4.78**

Impacts of Rating Revenue Increase

The percentage increases in rating revenue cannot be translated directly to an impact on disposable income. The impacts will be dictated by the property values and the income of households. During the workshop process to develop this Annual Plan Elected Members applied a methodology for assessing the affordability impacts of rates on low income households. This methodology was first used in the 2006 Community Plan process and applies to Kapiti Coast District Council rates only and not the Greater Wellington Regional Council rates.

An analysis of the distribution of rateable property across "rates bands" was undertaken. This information was translated into potential impacts on people with low or fixed incomes (e.g. total reliance on superannuation). A copy of the issue paper is available on request.

The following tables show the number of properties that will be paying various levels of rates in the 2008/09 year based on the programme in this Annual Plan. The first table relates to the number of properties (in the urban and rural areas) and the second table to the number of commercial properties paying various levels of rates.

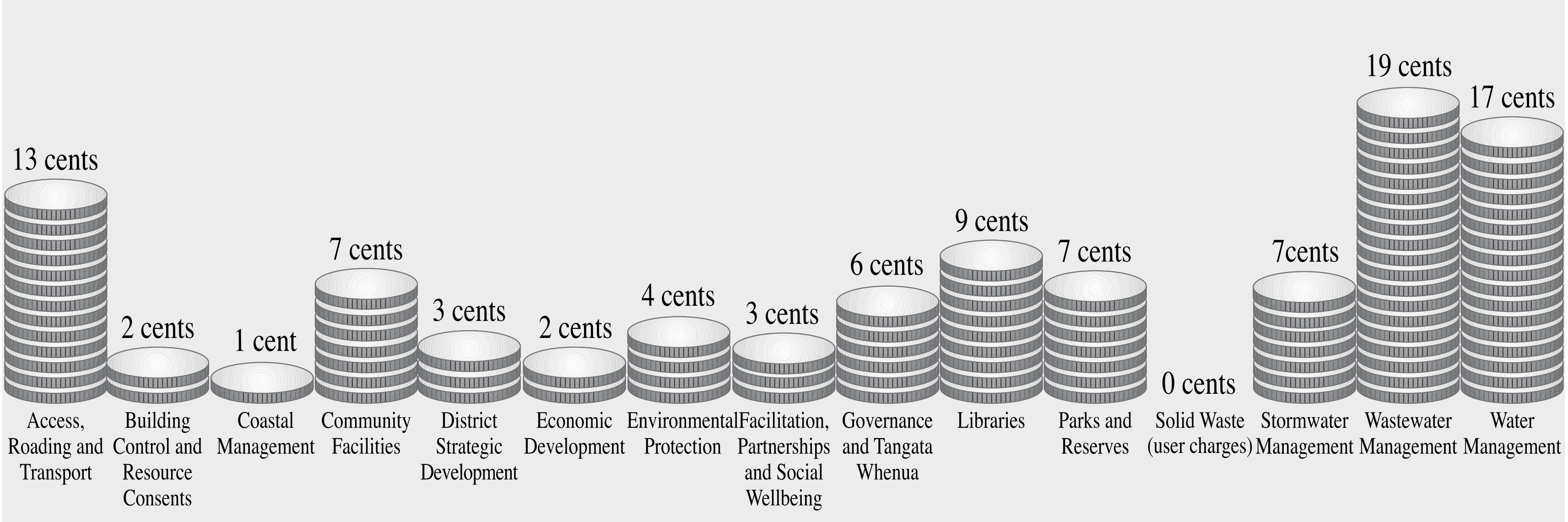
2008/09 Rates Distribution – Number of Properties (Urban and Rural)

Annual Rates	Weekly	Paekakariki		Paraparaumu/Raumati		Waikanae		Otaki		District Utilities	Total	
		Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural		Urban	Rural
$0-1,500	$0-29	349	46	2,432	231	1,228	687	2,392	1,360	7	6,408	2,324
$1,500-1,750	$30-34	147	0	5,013	17	2,926	17	433	43	-	8,519	77
$1,750-2,000	$35-38	74	2	1,990	1	905	6	99	32	1	3,069	41
$2,000-2,800	$39-48	132	3	1,247	1	403	15	102	41	5	1,988	60
$2,800+	More than $48	35	1	713	2	237	4	63	36	12	1,060	43
		737	**52**	**11,395**	**2521**	**5,699**	**729**	**3,188**	**1,512**	**25**	**21,044**	**2,545**

2008/09 Rates Distribution – Number of Properties (Commercial)

Annual Rates	Weekly	Paekakariki	Paraparaumu/Raumati	Waikanae	Otaki	District Utilities	Total
		Commercial	Commercial	Commercial	Commercial		Commercial
$0-1,500	$0-29	13	117	60	169	7	**366**
$1,500-1,750	$30-34	1	83	19	19	-	**122**
$1,750-2,000	$35-38	1	25	17	21	1	**65**
$2,000-2,800	$39-48	6	122	40	40	5	**213**
$2,800+	More than $48	7	259	46	46	12	**370**
		28	**606**	**182**	**295**	**25**	**1,136**

Where Your Rates Dollars will be Spent (typical urban example)



Rates Payment Options

Rates are paid every quarter and for the 2008/09 financial year will be due on:

- 10 September 2008
- 3 December 2008
- 4 March 2009
- 3 June 2009

The issue of affordability in respect of ‘ability to pay’ rates is considered important by the Council and in the process of preparing this Annual Plan various affordability scenarios were considered.

Direct Debit Payment Options

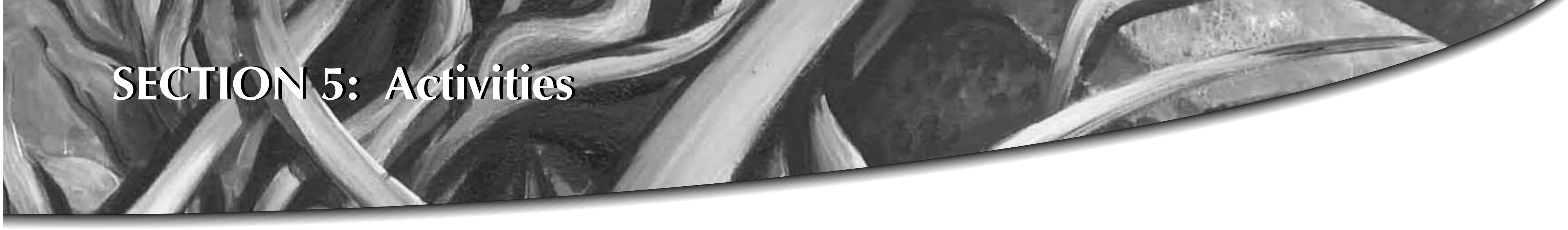
The Council offers a range of direct debit rate options from weekly to quarterly to assist ratepayers in spreading the cost of paying their rates over a period that suits them.

Rates Rebate Scheme

In addition the Council actively supports people applying for the central government rates rebate scheme and welcomes enquiries for more details about individual eligibility. The scheme is designed to reduce the impact of rates on individual low income households. It is important to note that it is a rebate off rates demands and not a grant that is paid direct to a ratepayer. The scheme is further explained on the website: www.ratesrebates.govt.nz

In summary, the Rates Rebate Scheme is only available to households in low incomes which for single people is considered to be $20,000 and for married couples to be $25,276. A single person with rates over $1,000 per year and living on $21,180 per year or less will receive a full $530 rebate. Married couples on superannuation as their sole source of income can receive a full rebate if their rates are at, or above, $1,900. For every $8 over the income levels, $1 will be removed from the rebate.

Note: In the 2007/08 year the use of this scheme was lower than anticipated with 2,300 residents having applied.



SECTION 5: Activities

This Annual Plan describes the 2008/09 work programmes for each of the 15 activity categories used by the Kapiti Coast District Council to report on detailed issues, programmes, expenditure, performance and funding frameworks.

Each activity links to one or more Community Outcomes, either directly in terms of contributing to an end vision, or indirectly in terms of the quality of action the community is seeking. They are also driven by the Council's broad strategic direction (leadership, style and investment).

The 2008/09 work programme for each of these activities is discussed on the following pages. Each activity involves:

- a description of the activity area;
- the Community Outcome or Outcomes to which the activity is linked;
- a comment on the Strategic Issues relating to the activity;
- a summary of the key Levels of Service and Risk to those levels for the activity;
- a comment on the Current Priorities and associated 2008/09 delivery programme;
- a listing of the measures the Council will use to assess the Council's performance, i.e.:
    - an effectiveness measure (how well the activity is achieving the desired result – linked to Community Outcomes);
    - a delivery measure (key measure of what is delivered when);
    - detailed service standards (as listed in Part Two of the Community Plan, pages 202 - 243 inclusive);
    - a summary of 2008/09 expenditure which includes a list of the relevant funding sources and, where appropriate, a list of major variations where they differ from the cost and/or works adopted in the Community Plan for the 2008/09 year. The information on variations is in accordance with Section 95(5)(b) of the Local Government Act 2002 which requires that the Council identify any variation from the financial statements and funding impact statement included in the Community Plan in respect of the year covered by an Annual Plan.

Note that the effectiveness measures shown for each Activity Area will be subject to review during the Long Term Council Community Plan consultation process later in this calendar year.

The Council also notes that many of the changes in activity costs and the complexity of local government's role have been driven by changes initiated by central Government that are outside the Council's control. This is a significant issue in Building Control and Resource Consents and Environmental Protection.

Access, Roading and Transport

Activity Area

This activity involves all transport modes and the wider issues of access, other than coastal access and includes the following services and programmes:

- management of assets: roads, footpaths, street lighting, road signs, street furniture, walkways and cycleways;
- delivery of road safety improvement projects, in conjunction with New Zealand Police, Land Transport New Zealand, and other road safety partners;
- upgrades to footpaths and development of cycleways, walkways and bridleways;
- advocacy for public transport services;
- planning and design, linked to wider District Development Projects.

This activity has a considerable investment programme, paralleled by the need for a very strong advocacy role in relation to public transport, regional transport systems, access issues and the relationship between roading, centres and communities. Access and transport decisions play a highly significant role in urban quality and equity issues in terms of access and economic development.

Annual reporting on the condition of the network, as required by Land Transport New Zealand for funding purposes, shows the roading network continues to be well managed. Improvements identified in the asset management plan will enable the Council to further monitor performance of the network and optimise future expenditure with the most efficient long term result for the Kapiti Coast community.

Strategic Issues

- Western Link Road funding and construction. Note: a 90% funding regime (for Stage 1) has been confirmed through the Regional Land Transport Strategy process. Construction is scheduled to start in this 2008/09 financial year;
- encouraging people to choose walking and cycling and passenger transport in preference to cars. The Council will continue to advocate for support from the Greater Wellington Regional Council for enhanced public transport options;
- continuing to take a strong advocacy role with regional and central government agencies to make sure the systems are in place that allow people to make the shift to more active modes e.g. walking, cycling. The major focus will continue to be transport to regional health services, advocacy around rail and an insistence that all communities, including Otaki, have access to rail and other passenger transport services;
- increased asset management coordination to ensure a more comprehensive approach is taken with any works undertaken on the transport network;
- development of the design standards for street design and works;
- continued asset data collection to assist in the refinement of predictive modelling and forecast expenditure requirements;
- further involvement of the cycleway/walkway/bridleway group in design considerations during the consultation phase of projects.

Levels of Service

The key Levels of Service associated with this activity – Access, Safety, Noise and Design Quality are detailed on pages 207 - 208 of the 2006 Community Plan.

Current levels of service are well defined in terms of traditional engineering standards but there is a need to review these as wider design objectives are pursued. Energy conservation goals will also be relevant. This will include street design, street lighting standards, street furniture etc. A review of street lighting standards and energy costs is underway. The review is looking at ways of reducing street light energy costs such as using renewable energy sources. The need to formally review road surface standards in different locations has also been noted.

The need to examine assumptions about renewals and maintenance standards and the retention of asset value was noted in the 2006/07 Community Plan review and will be further reviewed during the development of the 2009 Community Plan.

Existing cycleways, walkways, bridleways and footpaths are regularly monitored and maintained to minimise impediments and tripping hazards and footpaths including making them suitable for mobility scooters. The Council appreciates the support of the public in identifying the location of any such hazards and welcomes calls to the Council customer Call Centre (296-4700) or for Otaki residents (toll free on 364-9301). Alternatively the public can access 'E-fix' on the council website www.kapiticoast.govt.nz.

Levels of Service Risks

- ability to continue required level of advocacy at the regional and national level;
- the Western Link Road is critical to the transport network with regional and national implications as well as local benefits;
- no major risks in terms of basic road maintenance and engineering;
- uncertainty about the Western Corridor outcomes.

Current Priorities: 2008/09 Delivery Programme

- Western Link Road (Stage 1) construction is scheduled to start in 2008/09. The project is to be re-estimated once key design decisions are confirmed. Capital cost for construction in 2008/09 is to be managed within the 2008/09 Community Plan allocation. The community contribution will not exceed $10.6million for Stage 1;
- continuation of the school travel plan programme and the introduction of workplace travel planning for Council and other businesses;
- the roading budget for 2008/09 is based on a continuation of the current level of service as per the Asset Management Plan to ensure services are provided in the most cost effective manner and contribute to the achievement of the Community Plan. It is proposed to consult on the current levels of service for resurfacing of the District's roads during the development of the 2009 Community Plan. Issues to be considered include the benefits and costs of resurfacing all arterial roads in asphaltic concrete (hotmix) instead of chip seal and consideration of resurfacing of all urban/residential roads in asphaltic concrete (hotmix);
- better integration of roading asset decisions with wider strategic direction;
- review of asset management investment decisions.

Levels of Service - Access, Roading and Transport

*Effectiveness Measures**	Key Actions/ Outputs	Detailed Service Standards
* *These measures were set in 2006 and are reviewed three yearly.* • level of community involvement in the Council's supported road safety programmes: - measure: 100% enrolment rate for youth and older age road safety programmes; • reduction in accidents on local roads/ footpaths (accidents linked to their physical state): - measure: Quarterly Land Transport New Zealand Road Safety Report; • community knowledge of cycleways/ walkways system: - measure: undertake satisfaction survey in 2007 to establish base; • asset value retained as set out in Asset Plan; • improved connectivity between communities: - measure: based on spatial plans and applied in each area in accordance with Local Outcome Statements; • reduced reliance on State Highway One: - measure: traffic counts using 2006 as a base and expecting to have the reliance decreased by a third by 2016 – but dependent on the timing of the Western Link Road; • perceptions of adequacy of roading, footpaths, off-road pathways, streetlighting, and street furniture: - measure: satisfaction survey conducted in 2007 as a base year with constant improvement to 80% satisfaction by the end of 2011.	• construction of the Western Link Road and river crossings; • completion of footpath replacement programme; • other access network links completed.	• maintain road pavement surfaces in waterproof conditions (generally chip seal, with high stress areas slurry or asphaltic concrete, and some retail areas asphaltic concrete): - measure: complete yearly road pavement renewal programme; • footpath surface: existing footpaths are maintained to minimise tripping hazards; • streetlighting location and brightness: existing streetlighting maintained with reported failures responded to within seven days, and streetlights progressively upgraded to AS/NZS 1158:1997; • street furniture location: identification of locations for any new street furniture is considered in accordance with the Street Furniture Priority List (available on request) recommended by Community Boards and approved by the Council.

Forecast Statement of Financial Performance and Capital Expenditure - Access, Roading and Transport

$000's	Annual Plan 2007/08	Community Plan 2008/09	Annual Plan 2008/09
Operating Costs	3,601	3,942	3,784
Debt Servicing	1,591	2,188	2,149
Depreciation	3,006	3,486	3,200
Operating Expenditure	**8,199**	**9,616**	**9,133**
Income (subsidies)	(2,491)	(2,593)	(2,524)
Development Contributions	(262)	(263)	(200)
Net Operating Costs	**5,446**	**6,760**	**6,409**
Loan Repayments	1,098	1,469	1,433
Capital Expenditure	32,866	41,444	54,784
Contribution to capital projects (LTNZ subsidy)	(20,900)	(31,600)	(41,100)
Total Capital Items	**13,064**	**11,313**	**15,117**
Total	**18,509**	**18,073**	**21,526**
Funding Sources			
Rates	4,165	4,985	4,748
Depreciation	3,000	2,302	1,800
Loans	9,906	8,900	13,283
Equity	1,271	1,282	1,400
Other	167	604	295
Total Funding	**18,509**	**18,073**	**21,526**

Additional financial information

Operating Costs

- streetlighting has increased by $80,000 (total $400,000) reflecting the new energy contract this year. This item attracts a subsidy from Land Transport New Zealand.

Roading Fixed Charges	2007/08 $	2008/09 $
	135	150

Refer to the Annual Plan - Part Two for a full schedule of capital expenditure.

Capital Expenditure – significant items **2008/09**

- Western Link Road
  - 2008/09 budget (property purchase, design and construction) $45.7million
  - less subsidy (90% from Land Transport NZ) ($41.0million)
  - net capital cost $4.7million
- major bridge repairs (Matatua Road twin cell culvert, carryover from 2007/08) $1.3million (before any Land Transport NZ subsidy)
- road upgrading projects (commercial & residential) $1.6million
- reseals / reseal preparation $1.5million
- footpath upgrades $ 0.6million
- Walkways / Cycleways / Bridleways $0.35million

Building Control and Resource Consents

Activity Area

This activity includes processing building and resource consent applications and providing associated advice to applicants to support the Council's sustainable development approach, e.g. innovative design options and energy and water conservation techniques.

The activity area is an important contributor to the Council's wider strategy to assist an informed community to act in a sustainable manner. While the statutory requirements to provide a rigorous consents and building standards process will continue to be a primary driver of this activity, there is an increased emphasis on advice, facilitation and innovation.

Strategic Issues

There are no significant strategic issues in this area.

Levels of Service

Current service levels are set by statutory requirements.

Levels of Service Risks

Risks in this activity are:

- changes to legislation, e.g. any transfer of statutory responsibilities from central to local government, which might require increased resources;
- timely responses to requests for service require efficient access to relevant information. Performance in this area depends in part on continuing organisational improvements to information management systems.

Current Priorities: 2008/09 Delivery Programme

- there is an increased requirement for the processing of applications for temporary events. The time involved can be quite considerable and this Annual Plan introduces charges to cover that time in the 2008/09 year;
- some increases and adjustments to resource consent and building consent fees have been approved for the 2008/09 year. A significant proportion of the increase in fees and charges is attributable to new Building Act requirements;
- implementation of changes required in the process requirements to enable the Council to become and maintain its status as an Building Accreditation Authority will continue.

Levels of Service - Building Control and Resource Consents

*Effectiveness Measures**	Key Actions/ Outputs	Detailed Service Standards
* *These measures were set in 2006 and are reviewed three yearly.* • level of building compliance with standards set; • constant ongoing reduction in number of complaints / failures associated with final building quality; • level of resource consent compliance with standards set; • constant ongoing reduction in number of complaints/ failures associated with resource consents; • Tangata Whenua / Council satisfaction with agreed resource consent process.	• continual use of design review team.	**Processing Times / Complaint Levels:** • 95% of all building consents are processed within 15 working days; • all applications for Land Information Memoranda are processed within 10 working days; • 95% of all code compliance certificates are issued within 15 working days; • 95% of all subdivision completion certificates are issued within 15 working days; • 95% of all survey plans are issued within 10 working days; • all objections to non-notified resource consents are processed within 40 working days; • all decisions on notified applications (not involving requests for time extension or further information) are processed and issued within 70 working days. **Inspection Standards and Rates:** • 95% of all illegal activity / unauthorised building work complaints are investigated within three working days; • 33% of all buildings that are subject to a Building Warrant of Fitness are inspected annually; • all site inspections are completed within 24 hours of request or at scheduled time; • all resource consents are monitored in accordance with the Landuse Resource Consents Monitoring Programme.

Forecast Statement of Financial Performance and Capital Expenditure - Building Control and Resource Consents

$000's	Annual Plan 2007/08	Community Plan 2008/09	Annual Plan 2008/09
Operating Expenditure			
Building Control	1,622	1,490	1,855
Resource Consents	958	1,010	1,020
Operating Expenditure	**2,580**	**2,500**	**2,875**
Operating Revenue			
Building Control	(1,397)	(1,307)	(1,700)
Resource Consents	(460)	(492)	(481)
Operating Revenue	**(1,857)**	**(1,799)**	**(2,181)**
Total	**723**	**701**	**694**
Funding Sources			
Rates	723	701	694

Additional Financial information:

- **Building Control – operating costs** include two additional staff (approved by Council in December 2007) to achieve accreditation under the Building Act 2004.
- **Building Consents Revenue** – budget has increased to achieve the 90% funding policy. To achieve the required revenue the Building Consents fees have increased (effective March 2008).
- **Resource Consents – operating costs** includes an increased legal fees budget (by $18,000 to $60,000) for costs associated with Environment Court appeals. These are not recoverable from the applicant.

Risks

- Level of resource consents and building activity may decline due to economic factors.

Coastal Management

Activity Area

This activity includes:

- maintenance of existing community owned seawalls;
- beach protection projects such as dune reshaping and planting;
- beach accessways;
- signage and information;
- beach patrols;
- support of community re-planting projects.

The Kapiti Coast: Choosing Futures – Community Outcomes made it clear that the community wants a comprehensive, integrated approach to coastal management which treats the coast as an ecosystem to be managed as a whole. The Coastal Management Activity brings together all coastal works in one place, so the programme may be understand as a whole.

The Coastal Strategy was completed in December 2006 and the focus is now on implementation. Coastal hazard assessment work will be completed in 2008. Further consultation on associated issues, such as setback lines and long term issues such as coastal protection will occur during 2008/09.

Strategic Issues

Ongoing strategic issues are:

- erosion hazard management and implications for coastal protection and development in the coastal strip;
- the quality, nature and extent of publicly funded coastal protection or intervention measures along the coast, e.g. seawalls versus beach renourishment or ‘soft’ solutions;
- definition, protection and management of local character in the built and natural environments;
- management of access to the coast;
- management of vehicles on beaches. Note: This will be addressed by the introduction of a new coastal bylaw during 2008.

Levels of Service

The Council began to focus on improved levels of service through the development of the Coastal Strategy in 2005/06 and in the 2006 Community Plan recommended increased levels of service in the following areas:

- access – providing particular access at specific locations to enable access by the elderly, disabled, infant pushchairs / buggies, boats, recreation activities, etc.;
- signage and education – improve signage to indicate access points and activities permitted in the area, education about dune systems etc.;
- dune planting – including liaison and providing plants to community groups;
- compliance/enforcement – increased enforcement expenditure after revision of the beach bylaw;
- monitoring – ongoing shoreline monitoring and analysis to maintain knowledge of erosion rates and develop management strategies and establish an active role for community stewardship in coastal management and monitoring.

Levels of Service Risks

- severe weather events causing significant unanticipated erosion, failure of existing coastal protection or damage to planting;
- damage to access points and signs through vandalism or adverse weather.

Current Priorities: 2008/09 Delivery Programme

- community feedback has suggested higher priority be given to the town centre upgrading at the Paraparaumu Beach. As a result the Marine Parade sand dune restoration work has been rescheduled until the 2009/10 year to allow the town centre work to be undertaken first;
- review access and signage budgets during the 2009 Community Plan development process;
- installation of coastal access signage;
- completion of hazards review;
- work on preparing of Raumati South protection works;
- completion and implementation of the Beach Bylaw.

Levels of Service - Coastal Management

*Effectiveness Measures**	**Key Actions/ Outputs**	**Detailed Service Standards**
* *These measures were set in 2006 and are reviewed three yearly.* • community satisfaction with the Council's facilities at beaches (level of service defined): - measure: satisfaction survey using 2007 as a base, then looking to achieve 80% satisfaction by 2016; • survival rates of the Council's coastal plantings: - measure: normal survival rate no less than 75%; • level of community involvement in the Council's facilitated coastal restoration initiatives: - measure: one group identified in each beach community within three years and maintained subsequently.	• coastal protection maintenance levels agreed; • completion of coastal hazard regulatory framework; • education signage.	**Access, Eco-System Health, Education, and Erosion Protection** • beaches and recreational waterways are tested weekly from November 1 to March 31, and monthly for the remainder of the year; • possible causes of pollution of beaches and recreational waterways are investigated in conjunction with other agencies and, where possible, remedial works are initiated; • all beaches and rivers identified as hazardous to public health are publicised and signposted; • all dunes eroded to an unstable "cliff-like" condition are signposted as hazardous; • the coast and seawalls are inspected 11 times per year and repairs effected where necessary; • stormwater outlets are inspected weekly or monthly depending on vulnerability to blockage; • beaches are patrolled according to tides, seasonal conditions and beach usage.

Forecast Statement of Financial Performance and Capital Expenditure - Coastal Management

$000's	**Annual Plan 2007/08**	**Community Plan 2008/09**	**Annual Plan 2008/09**
Operating Costs	249	368	254
Loan Servicing	72	185	109
Depreciation	195	297	150
Operating Expenditure	**517**	**850**	**513**
Loan Repayments	72	120	95
Capital Expenditure	887	782	835
Total Capital Items	**959**	**902**	**930**
Total	**1,476**	**1,752**	**1,443**
Capital Projects include:			
Paraparaumu – Marine Parade	250	517	-
Raumati South – The Esplanade	250		240
Coastal Strategy - District Plan	135	100	100
Beach Accessways Upgrade			38
Coastal Planting & Signage			32
Funding Sources			
Rates	490	850	513
Loans	690	605	780
Depreciation	296	297	150
Total Funding	**1,476**	**1,752**	**1,443**

Additional financial information

Capital Expenditure

- work requested from the Coastal Strategy (improved beach accessways and signage, and continued coastal planting) is included;
- essential works to protect The Esplanade, Raumati South ($240,000) are included. A larger project to reshape the road (costing in excess of $1million) will be consulted on locally during the development of the 2009 Community Plan;
- the unspent budget for coastal works at Marine Parade, Paraparaumu (estimated $400,000) has been transferred to the Town Centres upgrade budget (District Strategic Development) to enable plans for the Paraparaumu Beach Town Centre, Maclean Park, and Marine Parade to be progressed as one project.

Community Facilities

Activity Area

This activity encompasses:

- swimming pools and other major recreational facilities (not including sportsfields);
- community halls;
- housing for older persons;
- public toilets;
- cemeteries.

The common theme is the provision of physical assets that support the social and cultural wellbeing of the community.

Strategic Issues

- the role of community facilities within a wider focus on unique centres and communities;
- partnerships with communities to provide/ maintain community facilities;
- leisure activity changes in society – the way halls are utilised in the future will need careful consideration. The growth in population in the district has meant that the use of property assets is subject to constant change. In recent years changes to central government policy, in particular the Building Act 2004, have impacted on major upgrades and renewals;
- aging population – in relation to Housing for Older Persons. There is likely to be increased (demand) pressure for use of Housing for Older Persons as the population ages;
- accessibility issues – potentially increasing the numbers of disability friendly toilets in each township;
- tourist/visitor numbers to the district. For example, tourist numbers are placing significant pressure on toilet facilities in Otaki;
- Kapiti Coast District Council Building (Rimu Road) – capacity and compliance issues;
- rising operating costs as a result of new safety standards, energy costs, and insurance costs;
- wilful damage to buildings and an increase in vandalism and graffiti, continues to place pressure on some budgets.

Levels of Service

Generally, the current levels of service are consistent with the community needs and Council's strategic objectives.

Levels of Service Risks

Changes to central government policy, along with rising energy costs, potentially pose the greatest risks to levels of service.

Expenditure

Increase in capital expenditure for one additional disabled persons toilet in Otaki and the replacement of one existing toilet in Paekakariki which will provide access for the disabled. The level of service increase was from one disabled access toilet in each main settlement to two. Council noted the need for further toilet facilities at the southern end of Otaki shops on the state highway. These would not be a permanent building. At this stage Council is pursuing this matter with Transit New Zealand but will be addressing the issue during 2008.

During the 2006 Community Plan workshops, Councillors considered the importance of having a Civic Administration building that meets building compliance standards for access to all and has sufficient capacity for Elected Members and staff to work/liaise with the community.

They subsequently requested that the provision of a new administration building be brought forward. As part of the Community Plan review it was proposed to bring forward the construction of the building to the 2009/10 year. The review also brought forward an initial capital expenditure budget of $100,000 in the 2007/08 year and $200,000 in the 2008/09 year to review the Civic Administration building and the options.

No increases in expenditure to deal with graffiti or vandalism have been brought forward at this stage.

Current Priorities: 2008/09 Delivery Programme

- increase capacity of existing Council buildings to accommodate staff, Council committee meetings;
- progress work on the options for a civic administration building;
- compliance with all legislative requirements;
- ensuring decisions on future management and expenditure associated with the properties portfolio can be supported by sound strategic information;
- the combined Aquatic and Recreation Centre is currently being designed and the Council has maintained its commitment to a ceiling of $10.5million. $250,000 has been set aside for finalisation of concept plans, design and contract tender process, while $2.5 million has been included in this year's budget for construction in the latter part of the financial year. The balance of Council's commitment is budgeted to be available in the following year. The start date for the project will be dependent on money raised through public funding being driven by the Kapiti Coast Multi-Purpose Aquatic and Recreation Centre Trust;
- energy efficiency initiatives: proposed to replace the gas water heating at swimming pools with wood burning technology, and install solar water heating and improved insulation in Council's Housing for Older Person's units. These schemes will be funded from government grants and loans. Any residual loan repayments will need to be funded in accordance with current funding policy.

Community Facilities Fixed Charges	**2007/08 $**	**2008/09 $**
	337	317

Levels of Service - Community Facilities

*Effectiveness Measures**	Key Actions / Outputs	Detailed Service Standards
* *These measures were set in 2006 and are reviewed three yearly.* • level of involvement in Council-provided recreation / arts activities: - measure: (a) survey to set base for level of involvement (i.e. visitor numbers); (b) 50% of local artists involved; • regional/ national recognition of the design of Council-built facilities: - measure: achieve one regional / national recognition per new building; • level of external funding for community facilities: - measure: $10.5million for Aquatic and Recreation Centre; • value of facilities retained under asset plans; • satisfaction rate with public halls and buildings: - measure: 80% user group satisfaction.	• Aquatic and Recreation Centre final concept plan and design completed; • civic building options investigated.	**Condition Rating of Building Assets** • all Council buildings have a condition rating (i.e. assessment of physical condition). **Community Health and Safety Operations:** • all township public toilets (Mill Road and SH1 in Otaki; Mahara Place in Waikanae; Kapiti Road in Paraparaumu and Beach Road in Paekakariki) are cleaned twice daily; • all other public toilets are cleaned twice daily in the summer season (October to March) and once daily for the remainder of the year; • the Otaki, Waikanae, Paraparaumu and Paekakariki Memorial Halls are cleaned daily; • the Waikanae Beach Community Hall and the Raumati South Memorial Hall are cleaned twice weekly, and the Reikorangi Community Hall is cleaned as and when required; • all public toilets and the Otaki, Waikanae, Paraparaumu and Paekakariki Memorial Halls receive a monthly maintenance inspection; • 90% of graffiti on Council properties removed within 48 hours of advice; • public swimming pool water quality is maintained to the NZS 5826 2000 standard; • all new cemetery monumental work is manufactured and installed in accordance with the Council requirements. **Level of Energy Use** • EECA EnergyWise Council status is maintained. **Level of Housing Occupancy** • an occupancy rate of 97% is achieved in the Council’s housing for older people stock (118 units).

Forecast Statement of Financial Performance and Capital Expenditure - Community Facilities

$000's	Annual Plan 2007/08	Community Plan 2008/09	Annual Plan 2008/09
Operating Costs	2,333	2,359	2,451
Debt Servicing	525	502	120
Depreciation	561	502	642
Operating Expenditure	**3,419**	**3,363**	**3,213**
Income (User charges)	(964)	(922)	(989)
Development Contributions	(200)	(200)	(200)
Net Operating Costs	**2,255**	**2,125**	**2,024**
Loan Repayments	437	314	70
Capital Expenditure	6,035	3,627	5,223
Total Capital Items	**6,472**	**3,941**	**5,293**
Total	**8,727**	**6,066**	**7,317**
Funding Sources			
Rates	2,765	2,175	2,382
Depreciation	497	352	540
Loans	5,465	3,389	2,840
Equity	-	150	50
Other	-	-	1,505
Total Funding	**8,727**	**6,066**	**7,317**
Swimming Pools			
Operating Costs	1,281	1265	1338
Depreciation	170	238	204
Loan Servicing (incl. Aquatic Centre)	468	440	64
Total Operating Expenditure	1,919	1,943	1,556
Income (User charges)	(335)	(302)	(335)
Net Operating Expenditure	**1,584**	**1,641**	**1,271**

- **Operating Costs** – increases arising from Energy costs and Pool management contracts (labour costs).
- **Aquatic and Recreation Centre** - capital contribution of $2.5million and $250,000 for planning and design work. The expected construction date is potentially 2008/09 but may extend to 2009/10. Regardless of the start date the remaining Council commitment will not be drawn down until 2009/10.

$000's	Annual Plan 2007/08	Community Plan 2008/09	Annual Plan 2008/09
Public Halls			
Operating Costs	310	345	315
Depreciation	150	155	170
Loan Servicing	4	-	8
Total Operating Expenditure	**464**	**500**	**493**
Income (User charges)	(96)	(89)	(100)
Net Operating Expenditure	**368**	**411**	**393**
Public Toilets			
Operating Costs	214	217	220
Depreciation	112	120	120
Loan Servicing	10	10	10
Net Operating Expenditure	**336**	**347**	**350**
Cemeteries			
Operating Costs	269	259	280
Depreciation	4	4	6
Loan Servicing	4	4	4
Total Operating Expenditure	**277**	**267**	**290**
Income (User charges)	(110)	(95)	(116)
Net Operating Expenditure	**167**	**172**	**174**

- **Operating Costs** – increased maintenance costs including concrete for new beams at all three cemeteries.
- **Fees** – small increase.

Housing for Older People			
Operating Costs	246	257	268
Depreciation	114	119	130
Loan Servicing	42	40	35
Total Operating Expenditure	**402**	**416**	**433**
Income (User charges)	(419)	(432)	(432)
Net Operating Expenditure	**(17)**	**(16)**	**1**

- **Operating Costs** - increase due to maintenance and rates (phased introduction of separate community facilities charge on all separately habitable units which includes housing for the elderly units).
- **Rental income** – an increase to rents of $3 - $6 per unit per week. The previous rental adjustment was in 2001.

Capital Expenditure – significant items

- **Civic Building** (including Council Chambers) – options investigated ($200,000);
- **Public Toilets** – one upgrade at Paekakariki and one new facility at Otaki ($150,000).

District Strategic Development

COMMUNITY OUTCOMES
1 2 3 4 5 6 7

Activity Area

This activity area includes the following broad areas:

- district strategic development (operating expenditure). This includes the community workshops and design processes and analysis in different communities and around key development issues. The work flows through into the more formal District Plan process as part of the rolling review and also provides the basis for centre upgrade decisions;
- sustainable development (operating expenditure) – this covers plan changes (including responding to private plan changes), the District Plan review, subdivision codes, subdivision engineering consents processing and associated policy development, associated education initiatives, climate change policy, natural heritage and biodiversity work, water conservation;
- town centre upgrades (capital expenditure). This is a five year fund, to be used in conjunction with roading and other upgrade budgets. Future investment will be reviewed via the Community Plan.

This activity is the ‘engine room’ for addressing growth management and development decisions within the District. This has two aspects: how to manage growth pressures from a regulatory perspective and how to actively encourage development to occur in a way that benefits the community. The latter includes Council’s own development decisions. Tying this all together is a commitment to sustainable development, inclusive processes and community involvement in design and development decisions.

Strategic Issues

- communication with the community on the sustainable development management framework;
- managing continued growth pressures on the Kapiti Coast;
- ensuring land-use management decisions within a sustainable development framework;
- continued refinement of links with stormwater management;
- the need for increased local employment;
- understanding and linking Kapiti Coast growth management decisions with the wider regional system;
- making the regulatory process more responsive to local character and design needs.

Levels of Service

The levels of service include:

- provision for community involvement in all strategic growth and development management decisions;
- a clear process which provides certainty to communities about level and timing of investment in their communities;
- integrated design decisions and processes.

Levels of Service Risks

The main risks are:

- as processes unfold, ability to respond to community expectations;
- impacts of unanticipated work from private plan changes and from changing external policy. For example, impacts of Transit NZ design decisions on community design processes, impacts of wider transport processes on centres.

Expenditure

- net operating expenditure shows an increase of $223,000 when revenue from subdivision consents is included as well as increased expenditure on unrecoverable legal costs associated with plan changes and community design processes;
- The budget for 2008/09 includes expenditure for community design processes in specific areas. This budget is $30,000 higher than 2007/08, however, it is $20,000 less than the 2008/09 Community Plan budget. The 2006 Community Plan budget identified some centres and areas which have already been through initial community

design processes. This was because pressures on these areas required an earlier response. In other areas, there is a need for further more detailed work. The changes are:

	Annual Plan 2007/08	Community Plan 2008/09	Annual Plan 2008/09
Raumati Beach		$10,570	$10,570
Greater Otaki Project	$10,600	$10,900	$10,900
Paraparaumu Town Centre	$10,290	$10,570	$10,570
Raumati South		$10,620	$5,000
Paekakariki		$10,620	-
Paraparaumu Beach		$10,620	$ 3,000
Waikanae Beach	$3,087	-	$ 5,000
Waikanae Town Centre		$10,570	$10,570
	$23,977	**$74,420**	**$55,610**

The aim for Raumati Beach is to complete the design around Marine Gardens and the village centre and to put together a wider design guide to protect the general character of the area. There is also a need to look at road design standards in relation to general character. A design guide needs to be completed for Raumati South as a 'feed' into the District Plan review.

With the development pressures on Paraparaumu Town Centre, there is a need to continue a more intensive design process with the wider community and stakeholders. The focus for Paraparaumu Beach is now on implementation but there will be a need for further work on the coastal edge and the surrounding area after the main street work is completed.

With emerging clarity around the timing of the rail upgrades and the State Highway 1 study, there is a need to re-focus on the Waikanae area. The Council needs to develop the work undertaken during 2007 with Transit and Land Transport New Zealand.

Current Priorities

- a major focus on implementation of town centre projects. The 2006 Community Plan shows the programme for the focus on design and development of the detailed vision;
- completion of the final community design processes;
- District Plan review;
- significant required response to Private Plan Changes;
- on-going work on climate change and water conservation.

New Initiative: Enviroschools

The Council has confirmed the continuation of the Enviroschools project which has been run as a pilot for the past year.

The focus of the Enviroschools programme is for children to identify their local issues and interests and then build an environmental action package around that. The level of achievement is structured around bronze, silver and then 'green gold' awards which reflects their level of understanding and sustainability practices becoming embedded in the school on a daily basis.

New Initiative: Te Hapua Wetland Monitoring.

Te Hapua wetland is identified as a highly significant wetland both from a regional and national perspective. It currently has the highest density of Queen Elizabeth II covenants in the country.

Plan Change 55A (Ecological Sites Update) redefined the boundaries of existing ecological sites to better represent the values and extent of areas on the ground.

In the plan change process it was agreed Kapiti Coast District Council would purchase a network of monitoring stations. The Greater Wellington Regional Council in turn would fund the installation, monitoring and maintenance. While the monitoring will provide clear data on a major eco-site the data will also be of use in terms of wider climate change monitoring. It will also provide data which will allow the Council and the Greater Wellington Regional Council to better understand the effects of land-use change and development in dune systems.

Cost: $25,500 (capital expenditure)

Levels of Service - District Strategic Development

*Effectiveness Measures**	Key Actions/ Outputs	Detailed Service Standards
* *These measures were set in 2006 and are reviewed three yearly.* • level of community approval for centres design: - measure: Community Board approval of Local Outcome Statements; • level of community involvement in the structure plan process[1]: - measure: minimum average of 10% community involvement; • level of community involvement in forward planning processes: - measure: minimum average of 10% community involvement; • percentage Tangata Whenua satisfaction with and involvement in District development process: - measure: reviewed annually via Te Whakaminenga o Kapiti.	• District Plan provides for Community Outcomes perspectives relating to: - character; - growth management; - intensification; • urban development concept plans for each town centre and neighbourhood centre are in place; • structure plans[1] for key urban development areas e.g. Waikanae North are completed; • investment programmes follow design stage.	**Quality of Community Processes** • level of community involvement and community feedback. **Community Design** • all urban development issues / projects will have a community design component. **Consultation** • all District development projects will have a clear feedback and final consultation process.

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[1] A structure plan is a comprehensive indicative development plan for a large area which identifies such things as bush to be protected, roads, sections, stormwater, etc. It allows a more integrated sustainable development approach which weaves together urban and environmental matters. A structure plan has a legal status in the District Plan and is used in the informal resource consent process to guide particular decisions.

Forecast Statement of Financial Performance and Capital Expenditure - District Strategic Development

$000's	Annual Plan 2007/08	Community Plan 2008/09	Annual Plan 2008/09
Operating Costs	1,201	993	1,488
Debt Servicing	71	121	159
Depreciation	42	68	25
Operating Expenditure	**1,314**	**1,180**	**1,672**
Income (user charges)	(342)	(101)	(365)
Net Operating Costs	**972**	**1,079**	**1,307**
Loan Repayments	46	69	78
Capital Expenditure	785	529	900
Total Capital Items	831	598	978
Total	**1,803**	**1,677**	**2,285**
Funding Sources			
Rates	972	1079	1,307
Depreciation	46	69	78
Loans	785	529	900
Total Funding	**1,803**	**1,677**	**2,285**

Additional financial information

Operating Costs – increases include:

- **Sustainable Development** - legal costs (on District Plan Changes and appeals) budget has been increased by $80,000 (total budget now $100,000). This reflects current levels of activity. Council can recover Private Plan Change costs (but not appeals) so the revenue budget for Plan Change has been increased to $50,000;
- **District Strategic Development** – the community design and consultation project budgets are $30,000 higher than in 2007/08 (totalling $77,000). Some of these costs were budgeted in the Community Plan (to support work required for the Community Plan). Included in this amount is funding for Bylaw Review ($21,000), and $50,000 allocated between the local Town Centre projects (Otaki, Waikanae Town Centre, Waikanae Beach, Paraparaumu Beach, Raumati, and Paraparaumu Town Centre);
- **Energy Saving Initiatives** – investment in energy management software and energy reduction audits to monitor and reduce Council's energy consumption and carbon emission ($46,000).

Capital Expenditure Projects

Town Centres projects – added $400,000 (not required in the Coastal budget) to the Town Centres Upgrade budget to enable the works requested (Local Outcomes plans) to progress. The Town Centre work for the 2008/09 year and the 2009/10 year is for Paraparaumu Beach – Maclean Street upgrading from Seaview Road to Marine Parade.

Economic Development

Activity Area

The Kapiti Coast District has a local economy that:

- operates across the major metropolitan region with a wide range of sectors, including government, the ports, the research and tertiary education sectors, with local labour and investment markets reliant on and focused south;
- a more northern focused economy built around tourism, apparel and textiles, the potential for iwi enterprise development and rural productive potential.

It is currently actively involved in two processes working to achieve sustainable economic growth for the District. These are:

- participation in the Wellington Regional Strategy process;
- implementation of the Kapiti Coast Horowhenua Economic Development Strategy via the Kapiti Horowhenua Joint Economic Development Forum.

Both strategic documents were finalised in the 2006/07 financial year.

Key Considerations

Kapiti Coast District Council is a signatory to the Wellington Regional Strategy Multilateral Agreement and committed to the Wellington Regional Strategy and its operational and financial arrangements until 2012. This includes the establishment of the Regional Economic Development Agency (REDA), now trading as Grow Wellington, and regional rating for economic development.

The Wellington Regional Strategy itself was approved by the region in June 2007 and identifies three main areas of action:

- effective leadership and partnerships (governance);
- investment in growing our economy, especially our exports (economic development);
- good regional form (land use and management);

Kapiti Coast District Council and Horowhenua District Council approved a revised joint economic development strategy in May 2007.

The strategy identifies four areas of strategic focus and details a range of interventions to help shape economic growth in the region.

The focus areas are:

- apparel and textiles;
- food production and processing;
- tourism and events;
- Māori enterprise.

Other sectors such as retail, business services and construction form the majority of the local service sector economy. Their strength and value to the local economy is recognised and in many cases they will benefit directly or indirectly from several of the interventions and activities identified, e.g. business mentoring and training, infrastructure development etc. However, it is considered these are unlikely to be a strategic strength for the region.

The strategy identified a range of interventions to help shape economic growth and noted these will be delivered by individuals, organisations and businesses and the Horowhenua and Kapiti Coast District Councils. Nature Coast is the economic development agency and regional tourism organisation for the Kapiti/Horowhenua Region and, as such, is one of the organisations positioned to deliver economic development services in the region.

The specific service standards and budget for this activity relate to internal economic analysis and project work and funding decisions related to the joint economic strategy with Horowhenua District.

Levels of Service

The two strategies will shape any levels of service decisions adopted by Council under this activity. It is important any levels of service standards are structured so that they can be translated easily through to any contractual agreements with delivery agencies.

With this activity, Council will want to not only specify levels of service standards but also to be clear about what outputs it wants from any delivery agency funding. Therefore the emphasis needs to shift from being bulk funding of the delivery agency to specified outputs with clearly associated budgets.

The service level categories identified for the 2006 Community Plan are as follows:

- marketing (of services, facilities and attractions);
- marketing, advocacy (attraction of investment – to region and locally);
- business support;
- creation and maintenance of networks;
- investigation, monitoring and analysis of opportunities;
- investment in quality centres.

Activity from 2008/09 will include working with Grow Wellington on the key sectors of primary industry and food and beverage; regional broadband; international connectivity through the region's gateways – the port and airports; and carbon neutrality.

A three year contract with Nature Coast will be focused on economic development outcomes around business retention, growth and collaboration; and tourism development activity including the operation of visitor information centres; product development marketing; and events facilitation.

In 2008/09 the Council will work with the Horowhenua District Council to develop strategies around rural productive potential, food production and processing and tourism development.

A strategy for local Māori economic development will be completed in 2008 and investment in implementing initiatives will continue from 2008/09.

Levels of Service Risks

Maintenance of accreditation for the visitor centres. The Paraparaumu Visitor Information Centre is unable to meet i-site accreditation standards; it is not recognised as a professional standard visitor centre (facilities, location and access) although the staff provide a very high quality of service. The Council confirmed a preferred location for a new i-site in late 2007 and a concept and plans are being developed for construction of a new building. Detailed project timeframes are not yet clear but the Council will continue to push for completion before the summer tourist season starts in late 2008.

Current Priorities

- replacement of the Paraparaumu Visitor Information Centre;
- scoping joint projects with Horowhenua District Council:
    - regional tourism development strategy;
    - rural productive potential / food production and processing;
- establishing working relationship with REDA/Grow Wellington;
- ongoing review of macro-regional opportunities for economic development and tourism.

Levels of Service - Economic Development

*Effectiveness Measures**	Key Actions/ Outputs	Detailed Service Standards
* *These measures were set in 2006 and are reviewed three yearly.* • perception of effectiveness of Council-funded advice/ support: - measure: Survey every two years using 2007 as the base year no less than 50% of businesses acknowledge effectiveness of Council funded facilitation and support; • benefits derived from sectors receiving Council-funded facilitation and support: - measure: Survey every two years using 2007 as the base year no less than 50% of businesses acknowledge benefits derived from Council funded facilitation and support.	• Wellington Regional Economic Development Strategy.	**Responsiveness to Enquiries** • clear point of contact for each business / economic development group with which the Council has a direct relationship; • key business/economic development groups that the Council works with have an agreed facilitation process and a clear information provision process; • clear points of contact for residents about key issues and clear indication of whom to contact within the Council. **Quality of Information** • annual update on business development (includes sector confidence and annual to five-yearly new business set-up). Note: some of the figures will be dependent upon the availability of census data.

Forecast Statement of Financial Performance and Capital Expenditure - Economic Development

$000's	Annual Plan 2007/08	Community Plan 2008/09	Annual Plan 2008/09
Operating Costs	665	779	785
Loan Servicing	19	46	11
Operating Expenditure	**684**	**825**	**796**
Loan Repayments	-	28	19
Capital Expenditure	400	319	140
Total Capital Items	**400**	**347**	**159**
Total	**1,084**	**1,172**	**955**
Funding Sources			
Rates	684	853	775
Loans	400	319	140
Other	-	-	40
Total Funding	**1,084**	**1,172**	**955**

Additional financial information

A major component of the Economic Development budget is the contract for services delivered by Nature Coast (the Kapiti/Horowhenua Economic Development Agency [EDA]). In 2007/08 Nature Coast benefited from some contract funding from Grow Wellington (the Wellington Regional EDA), this reduced the funding requirement from Kapiti. This arrangement was for one year, so for 2008/09 and future years all Nature Coast services will be funded from the Kapiti Coast and Horowhenua District Councils.

The 2008/09 year is the final year of contributing to two projects – a textile (cluster) initiative ($64,000) and the Wellington Airport Strategy ($32,000). At this stage this means an expenditure reduction of $96,000 in 2009/10. In total, Kapiti spends less than 2% of the Council's rates total on Economic Development.

Capital Projects – Investigation of a replacement site for the Paraparaumu Information Centre (to enable accreditation to the I-site scheme) is continuing. In the meantime work on the "Gateway" Information Centres project will be deferred.

Environmental Protection

Activity Areas

The primary roles of this activity are protection of health and safety, environmental monitoring and compliance and emergency management.

It includes the following services and programmes:

- noise control – enforcement of District Plan standards under the Resource Management Act 1991;
- inspection of food premises (Health Act);
- inspection of swimming pools (Fencing of Swimming Pools Act);
- liquor licensing including monitoring of gambling machines (Sale of Liquor Act and Gambling Act);
- location and advertising of brothels (Prostitution Act 2003);
- animal control (Dog Control Act 2003);
- bylaws;
- emergency management.

Strategic Issues

- continued review of bylaws to enable and align compliance and enforcement with strategic direction and operational activity.

Levels of Service

The nature of the activity means current compliance and monitoring service levels are focused on responsiveness, processing time and quality of information. A review was undertaken of compliance and monitoring resourcing levels; existing standards are considered appropriate to community needs and no changes have been made for 2008/09.

The review of the Trade Waste Bylaw undertaken during 2007 now provides a framework which will ensure a shift away from reactive monitoring.

Levels of Service Risks

- changes to legislation, e.g. any transfer of statutory responsibilities from central to local government, which might require increased resources.
- timely responses to requests for service require efficient access to relevant information. Performance in this area depends in part on continuing organisational improvements to information management systems.

Current Priorities: 2008/09 Delivery Programme

Policies on dogs will require review during 2008 and a draft Dog Control Bylaw is currently under consultation.

Levels of Service - Environmental Protection

<table>
<tr><th>Effectiveness Measures*</th><th>Key Actions/ Outputs</th><th>Detailed Service Standards</th></tr>
<tr>
<td>* These measures were set in 2006 and are reviewed three yearly.
• Constant ongoing reduction in number of complaints/ failures arising in compliance areas.</td>
<td>• By-law review completed 2007/08.</td>
<td>Responsiveness to Enquiries
• 95% of noise complaints responded to within 30 minutes of receipt;
• 95% of routine calls/complaints about dogs responded to within 24 hours of receipt;
• 95% of urgent calls/complaints about dogs responded to within one hour of receipt;
• all calls/complaints (routine or emergency) about wandering stock responded to within one hour of receipt;
• all emergency callouts to unauthorised trade waste discharges made within one hour of receipt.
Processing Times
• 95% of routine complaints of abandoned vehicles responded to within one working day;
• all beach signage is inspected to determine appropriateness and where necessary repairs are initiated within five working days;
• all food premises inspected under the Kapiti Coast District Council Food Safety Bylaw 2006 in accordance with their grade;
• all other premises inspected for compliance with appropriate regulations;
<table>
<tr><th>Type</th><th>Inspection</th></tr>
<tr><td>grade A</td><td>annually</td></tr>
<tr><td>grade B</td><td>two times per year</td></tr>
<tr><td>grade D</td><td>three times per year</td></tr>
<tr><td>new premises</td><td>two times per year</td></tr>
</table>
</td>
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continued overleaf

Levels of Service - Environmental Protection continued

*Effectiveness Measures**	Key Actions/ Outputs	Detailed Service Standards
		• all notifiable infectious diseases investigated within eight working hours and the outcome reported to the Medical Officer of Health within two working days for high-risk and within four working days for low risk cases. • all functioning school swimming pools inspected to ensure compliance with public health standards and school staff advised on remedial action where necessary; • 50% of all licensed liquor premises inspected annually; • 33% of known private swimming pools inspected to ensure compliance with the Fencing of Swimming Pools Act 1987; • rural fire service provider which meets the National Rural Fire Authority Audit standards; • districtwide civil defence emergency readiness in accordance with the Regional Civil Defence Emergency Group Plan (emergency management); • all rural and urban fire permits issued within one working day on satisfaction after site inspection that the site surroundings are safe and that fire safety equipment is available; • 95% of all known dogs are registered by 31 October 2007; • all owners of unregistered dogs after 1 November 2007 receive infringement notices by 31 January 2008. **Quality of Information** • clear publicly available information on standards required for environmental protection processes; • regular community feedback in public newspapers.

Forecast Statement of Financial Performance and Capital Expenditure - Environmental Protection

$000's	Annual Plan 2007/08	Community Plan 2008/09	Annual Plan 2008/09
Operating Costs	1,667	1,720	1,810
Debt Servicing	96	100	144
Depreciation	34	32	39
Operating Expenditure	**1,797**	**1,852**	**1,993**
Income (User charges)	(629)	(637)	(712)
Net Operating Expenditure	**1,168**	**1,215**	**1,281**
Capital Expenditure	645	25	250
Loan Repayments	43	61	88
Total Capital Items	**688**	**86**	**338**
Total	**1,856**	**1,301**	**1,619**
Funding Sources			
Rates	1,210	1,275	1,342
Loans	620	-	200
Depreciation	26	26	77
Total Funding	**1,856**	**1,301**	**1,619**

Additional financial information

Environmental Monitoring

Operating costs increase due to:

- parking enforcement – $45,000 – instead of netting parking enforcement costs against revenue, the expenditure is now shown under operating costs and parking enforcement revenue under operating revenue;
- increased budget for trade waste investigations - $23,000, and increased technology costs (communications) - $7,000;
- fees for Environmental Health licenses increase proportionately.

Emergency Management

- Emergency Operations Centre – completed during 2007. Increased scope of project has resulted in increase debt servicing costs;
- subsidy scheme from Ministry of Civil Defence & Emergency Management has been rearranged – in future the subsidy will target major projects. Council is seeking some funding towards Emergency Management projects.

Animal Control

- changes to the impounding fees.

Forecast Statement of Financial Performance and Capital Expenditure - Environmental Protection

Summary by sub-activity:

$000's	Annual Plan 2007/08	Community Plan 2008/09	Annual Plan 2008/09
Environmental **(Food & Liquor Licensing, Parking, Environmental Monitoring)**			
Operating Expenditure	766	859	896
Income (User charges)	(193)	(198)	(256)
Net Operating Expenditure	573	661	640
Animal Control			
Operating Costs	479	453	476
Loan Servicing	10	-	16
Depreciation			8
Total expenditure	**489**	**453**	**500**
Income (Dog registration fees and fines)	(419)	(379)	(425)
Net Operating Expenditure	70	74	75
Rural Fire			
Operating Expenditure	48	49	52
Emergency Management			
Operating Costs	374	372	385
Loan Servicing	88	100	128
Depreciation	34	32	32
Total Expenditure	**496**	**504**	**545**
Income	(18)	(48)	(30)
Net Operating Expenditure	**478**	**456**	**515**
Capital Expenditure includes			
New Emergency Operations Centre	380	-	-
Proposed New Dog Pound	240	-	200

Facilitation Partnerships and Social Wellbeing

Activity Areas

This activity includes the following services and programmes:

- support for development of community capacity – organisations;
- community contracts;
- agency partnerships support and development;
- youth support co-ordination;
- working with older residents;
- arts co-ordination;
- community grants;
- development of social wellbeing policies.

Strategic Issues

- continuing to develop formal partnerships linked to Choosing Futures to ensure agencies, especially central government agencies, are focused on what the communities wish to achieve;
- development of a social capital strategy which will better guide programmes such as older person support and youth services;
- development of a successful framework for working with older residents;
- facilitating access of community groups to external funding.

Levels of Service

- There are no statutory service standards in this area. The main focus of current service standards is on the ability of groups to access the Council and the responsiveness of the Council organisation.

Levels of Service Risks

- changing government policy and structures around funding many of the external agencies with which Council also works;
- difficulties for community groups in seeking external funding.

Current Priorities: 2008/09 Delivery Programme

- older persons' initiatives;
- youth initiatives;
- support for community groups;
- museums' support;
- funding systems support.

New Initiatives:

Helping Groups Access Funding

Council has approved $25,000 to establish a 'funding application assistance' pilot project for one year (2008/09). This will provide assistance to community groups to identify potential funding sources and prepare funding applications and work with groups to ensure that they fulfil their accountability reporting. This initiative recognises the problems community groups have with negotiating their way through the processes needed to gain central government and other funding.

The project will run for one year, with monthly monitoring of progress etc. in order that there can be clear assessment of benefits and issues in time for the Community Plan review. All community groups will be contacted to notify them of the available service. Depending on the assessment of success of the pilot, Council will then also apply for external funding to help support the initiative.

Support for Youth Initiatives

Central government funds a range of youth initiatives provided by community agencies and organisations. Often that funding is tied to support ‘in-kind’ and / or financial support from local authorities. The Council is often approached by groups asking it to support applications to central government programmes for funding. There is no allocated funding in Council’s budgets to allow it to support applications, if that is desirable.

Council has responded by allocating $15,000 as a fund which will allow it to provide some support to applications to central government funding and help unlock central government resources. Council will annually call for expressions of interest from youth groups in order to allow it to assess which proposal will receive financial or in kind statements of support from Council to go forward as applications to central government.

A number of submitters tp the draft Annual Plan signalled the need for Council to establish a strategy round how it intends to support the provision of youth services throughout the District. Council responded by allocating $10,000 to fund the establishment of a “Youth Services Support Hub”. The intention of the “Youth Hub” is to link the programmes offered by the various providers and ensure they operate cooperatively as they each deliver their respective youth services.

Older Persons’ Support

The current budget provision for (Older Persons’ Support) of $5,000 per annum has been increased to $15,000 for one year, leading into a full review as part of the 2009 Community Plan process. This will enable an early response to initiatives and ideas raised through the Older Persons Fora held in early 2008.

Levels of Service - Facilitation, Partnerships and Social Wellbeing

*Effectiveness Measures**	Key Actions/ Outputs	Detailed Service Standards
* *These measures were set in 2006 and are reviewed three yearly.* • level of involvement in Council supported youth and older persons activities: – measure: 75% take-up of opportunities for involvement; • level of involvement in Council facilitated networking processes; • level of involvement in Council-provided arts activities; • accountability of groups under grants system: – measure: six and 12 monthly reports to Council and/or any other contractual arrangements met.	• contracts management with: – Sport Wellington; – Safer Community Council; – Citizens Advice Bureaux; – Kapiti Community Centre; – Surf Lifesaving; – Kapiti Community Health Trust; – Mahara Gallery; – Kapiti Disability Information and Equipment Centre; • grants processes; • Triennial Agreement (Local Government Act 2002); • formal Central Government partnerships statements by selected Central Government agencies.	**Clear Points of Contact** • clear point of contact for each community group with which the Council has a direct relationship; • clear points of contact for residents about key issues and clear indication of whom to contact within Council. **Grants Processes** • all grants allocated in accordance with Council procedures and fund criteria. **Facilitation and Information Processes** • key community groups that Council works with have an agreed facilitation process and a clear information provision process; • regular community feedback in public newspapers.

Forecast Statement of Financial Performance and Capital Expenditure - Facilitation, Partnerships and Wellbeing

$000's	Annual Plan 2007/08	Community Plan 2008/09	Annual Plan 2008/09
Operating Costs	1,064	970	1,207
Operating Revenue (subsidies and recoveries)	(112)	(115)	(134)
Total	**952**	**855**	**1,073**
Funding Sources			
Rates	952	855	1,043
Other	-	-	30
Total Funding	**952**	**855**	**1,073**

Additional financial information

Included in this activity are community contracts with the Kapiti Safer Community Trust, Sport Wellington Region (Kapiti office), Surf Lifesaving Clubs, Citizens Advice Bureaux, Mahara Gallery, the Kapiti Community Centre, and some community health and disability organisations.

The increase in operating costs arises from

- new road safety projects – Work Travel Plan ($30,000); School Travel Plans ($12,000). There is Land Transport New Zealand subsidy on these – which is included as operating revenue
- provision for a pilot funding service / funding facilitation role ($25,000)
- new funding for Older Persons (a "Council of Elders" framework) and Youth Projects
- provision for new grants funding to Otaki Community Health Trust
- allocating $10,000 to fund the establishment of a "Youth Services Support Hub". This money will only be made available once a collaborative model which includes all agencies has been developed.

Governance and Tangata Whenua

COMMUNITY OUTCOMES ① ② ③ ④ ⑤ ⑥ ⑦

Activity Areas

This activity covers:

- elected members' salaries and expenses;
- management of electoral processes;
- community plan processes under the Local Government Act 2002;
- tangata whenua relationships and District general expenses such as insurance.

Strategic Issues

- Council has signalled a commitment to improving community involvement in democratic processes and there is a need to continue to develop the programme around that area.

Levels of Service

- Council is meeting statutory service levels standards for the democratic process (e.g. agenda deliveries). It is possible to increase this service level but this is less dependent on the direct funding of the democratic services area and more on the capacity of staff writing reports to deliver them at earlier times;
- Council is performing to the required statutory service levels for the Community Plan processes;
- there is gradual improvement to the quality and effectiveness of interactions with iwi. The joint work programme is effectively the new service standard for joint delivery.

Levels of Service Risks

- changes to legislation requiring new service standards.

Expenditure

- no adjustments to the Community Plan and governance budgets have been made for 2008/09;
- increased resources to better discharge Council obligations under the Local Government Act and the Resource Management Act to tangata whenua and Māori generally. The focus is on a full time liaison role.

Current Priorities: 2008/09 Delivery Programme

- continued improvement to democratic process;
- civic education (links to youth projects);
- working with iwi via Te Whakaminenga o Kapiti to advance the strategic programme.

Levels of Service - Governance and Tangata Whenua

*Effectiveness Measures**	**Key Actions/ Outputs**	**Detailed Service Standards**
* *These measures were set in 2006 and are reviewed three yearly.* • increase voter turnout for the Council’s elections: - measure: participate in national / regional publicity campaign encouraging elector participation; • perception of access to information about the Council’s decisions and activities: - measure: satisfaction survey using 2007 year as a base; • Tangata Whenua/ Council satisfaction with partnership process: - measure: reviewed annually by Te Whakaminenga o Kapiti.	• three yearly LTCCP review; • three yearly report on progress; • six yearly Community Outcomes review; • three yearly review of representation.	**Accessibility of the Council’s agendas, reports and minutes to the community** • 100% compliance with Local Government Act 2002 and Local Government Official Information and Meetings Act 1987 requirements for accessibility of Council information, agendas, reports and minutes to the community; • all of the Council’s formal decisions and associated reports are available on the website and in the libraries/service centres and Rimu Road Council offices; • 100% compliance with contractual arrangements with Tangata Whenua for resource consent processing; • staff have an understanding of Tikanga Māori as appropriate to their role in local government; • elected members are provided with the opportunity to gain further understanding of Tikanga Māori as appropriate to their role in local government.

Forecast Statement of Financial Performance and Capital Expenditure - Governance and Tangata Whenua

$000's	Annual Plan 2007/08	Community Plan 2008/09	Annual Plan 2008/09
Operating Costs	1,721	1,598	2,342
Contingencies	240	250	250
Loan Servicing	87	16	71
Depreciation	710	381	697
Operating Expenditure	**2,758**	**2,244**	**3,360**
Revenue	**(288)**	**(299)**	**(323)**
Net Operating Expenditure	**2,470**	**1,945**	**3,037**
Loan Repayments	71	66	73
Capital Expenditure	765	210	651
Total Capital Items	**836**	**276**	**724**
Total	**3,306**	**2,221**	**3,761**
Funding Sources			
Rates	2,035	1,771	2,381
Rates Penalties	240	250	250
Depreciation	599	200	581
Loans	235	-	100
Equity	-	-	25
Other	197	-	424
Total Funding	**3,306**	**2,221**	**3,761**

Additional financial information

Contingency – provision made for expenditure from the Rates Penalties account. This is typically used for recovery from major storm events. Specific Council approval is required for this expenditure against this budget.

Operating costs

- 2008/09 is a Community Plan year. Operating budgets include $150,000 to complete the Community Outcomes, Rating and Funding Review and Community Plan projects. It is acknowledged that other activities' budgets will also be needed to complete both projects to previous year's standards (such as delivery of a detailed Community Plan Part One document to all households).
- audit of the Community Plan - $80,000. This is a statutory requirement, incurred every 3 years as part of the Community Plan cycle.
- corporate staffing – additional resources for Iwi liaison and Executive support
- office accommodation – provision for temporary additional office space (alongside a review of Council's accommodation needs long term)

Capital expenditure projects – these are mainly Information Technology (including GIS, Website, Wireless network and office equipment) replacements and upgrades. The associated depreciation costs are allocated with Corporate Overheads across all activities, however these are shown under Governance to comply with financial reporting requirements.

Libraries

Activity Areas

This activity includes all projects, programmes and services relating to the Kapiti Coast District Libraries, Nga Matapuna a Kupu.

Strategic Issues

- ensure libraries continue to be highly valued by residents while responding to new technologies and demands;
- using libraries more to disseminate information – e.g. providing information about the programme the Council has adopted in response to the Community Outcomes;
- ensure the libraries continue to fulfil a role as a community gathering point, where ideas can be aired and exhibitions can be held;
- continue provisions for service improvement to enable library functions to keep pace with developments in industry practice.

Levels of Service

The current levels of services are consistent with community needs and the Council's strategic objectives.

The programme of gradual service level improvements outlined in the Community Plan over the next 10 years included:

- increasing the size of the book stock to meet the LIANZA standard of 350 new items per 1,000 population added to the collection each year;
- improvement to the Māori collections and services, including developing a kaitiakitanga policy outlining protocols relating to conservation, preservation and guardianship of taonga Māori;
- increased resourcing for the local archives collection – to increase access to and display of materials.

The intention has always been to meet the full LIANZA standard. As further work has been done on this over the last year, it is clear that the increased funding established four years ago is still insufficient to meet the standard. The level of funding will be reviewed as the 2009 Community Plan is developed.

Despite the earlier increases in fees, both usage and patronage have continued to grow.

Levels of Service Risks

Failure to implement appropriate new technologies and adequately resource and maintain facilities, collections, information and communication technologies and staffing will affect ability to provide a key source of information for the community.

Expenditure

The Community Plan does provide for a gradual increase in the book stock. There is a small increase in expenditure budgets relating to the gradual service level improvements which is partly offset by an increase in library revenue. Some activities will become free such as Internet Access, while others will increase to off-set the lost revenue.

Current Priorities: 2008/09 Delivery Programmes

- implementation of electronic databases
- improvement to the book stock
- continued programmes that promote visits to the Libraries
- continued growth of usage
- an increased focus on the arts (and associated economic development) and a new focus on museum support. The work during the year will be on developing a new arts strategy in conjunction with interested community groups and individuals.

Levels of Service - Libraries

*Effectiveness Measures**	Key Actions/ Outputs	Detailed Service Standards
* *These measures were set in 2006 and are reviewed three yearly.* • improve the level of use of the District's libraries: - measure: improve level of use from 2005 base year; • level of satisfaction with services; - measure: improve satisfaction levels through survey using 2007 as the base year.	• Lifelong Learning Policy.	• long term issue numbers to meet or exceed an average monthly target of: Paraparaumu 40,000 Waikanae 15,000 Otaki 9,000 • conduct an arts and museums audit for items in Council facilities, public and semi public areas within the district, creating an on-line searchable database of the information. **Ratio of New / Old Book Stock** • meet the LIANZA standard of 350 new items per 1,000 population added to the collection yearly; (Note: this service standard cannot be fully met until the libraries are funded to a level that allows achievement of the LIANZA standard of 20% of total operating budget to be spent on collections. This will be reviewed as part of the next Community Plan). **Processing Time for New Items** • an average of 25 working day processing time for new items to be catalogued. **Community Learning** • promote libraries as places of lifelong learning and provide services that support the goal of increased community involvement.

Forecast Statement of Financial Performance and Capital Expenditure - Libraries

$000’s	Annual Plan 2007/08	Community Plan 2008/09	Annual Plan 2008/09
Operating Costs	2,044	1,934	2,294
Loan Servicing	413	405	428
Depreciation	557	608	636
Operating Expenditure	3,013	2,947	3,358
Income (user charges)	(228)	(213)	(254)
Net Operating Expenditure	**2,786**	**2,734**	**3,104**
Capital Expenditure	423	382	539
Loan Repayments	271	272	272
Total Capital Items	**694**	**654**	**811**
Total	**3,480**	**3,388**	**3,915**
Capital Expenditure includes:			
Materials (new books and materials purchased)	320	330	330
Waikanae Library - lift upgrade			120
Funding Sources			
Rates	2,960	2,750	3,141
Depreciation	470	435	524
Loans			100
Equity	-	150	100
Development Contributions	50	53	50
Total Funding	**3,480**	**3,388**	**3,915**

Additional financial information

Operating Costs have increased due to staff costs, energy, information technology, telecommunications, and printing library cards.

Revenue (user charges) will increase to reflect the funding policy (10% recovery including 2% donations). Included in the fee schedule (refer to Annual Plan 2008/09 Part Two), are increased extended loan charges (previously termed late returns) to ensure that there is greater use made of the current book stock and also to reduce administration costs of the late returns.

Capital expenditure – includes upgrading the lift at Waikanae Library ($120,000). The existing lift has recently failed on several occasions. Materials Aquisitions Budget is $330,000.

Parks and Reserves

COMMUNITY OUTCOMES
1 2 3 4 5 6 7

Activity Areas

This activity area includes a range of activities and programmes:

- managing parks and reserves as part of the wider environmental picture;
- developing green corridors;
- supporting the community vision for streams, rivers and beaches;
- facilitating the development of sport by providing appropriate sporting surfaces across the district;
- developing urban parks to become major features of the District as places of beauty and enjoyment;
- providing play facilities for children.

Strategic Issues

- leisure activity changes in society – the way recreational facilities are used in the future will change and will need careful consideration;
- changes to organised sport and sports club funding issues particularly in relation to asset management of their properties;
- ageing population and therefore changing needs;
- potential increased maintenance costs associated with sustainable urban design, increased tree planting and greening of reserves and facilities;
- retention of specific funding for strategic land purchase.

Levels of Service

- the current levels of service are consistent with the community needs and Council's strategic objectives;
- further development of Asset Management Plans will provide for better integration of current asset performance, future asset needs, future funding requirements and levels of service. General understanding of how the Parks and Recreation Asset Management Plan links with other Asset Management Plans will improve.

Levels of Service Risks

- the asset portfolio is growing each year as new reserve and land assets come on board primarily from subdivision activity, therefore the need to maintain adequate funding to retain or improve current levels of service, applied across a wider base is especially important. It is expected that during the coming year a number of new reserve areas will come under Council management as developer's obligations to maintain them cease and they transfer to Council;
- rising energy (electricity, gas and petroleum) costs are also a factor, as energy is a significant cost in facility (swimming pools and reserve) operations.

Current Priorities: 2008/09 Delivery Programme

- further development of the Asset Management Plans;
- revaluation of the Parks and Recreation asset portfolio to accurately reflect its value – implications for wider assessment of asset value;
- ensuring decisions on future management and expenditure associated with the parks and recreation portfolio, with particular emphasis on built structures, can be supported by accurate and current strategic information;
- planning for Marine Gardens upgrade.

Levels of Service - Parks and Reserves

*Effectiveness Measures**	Key Actions/ Outputs	Detailed Service Standards
* *These measures were set in 2006 and are reviewed three yearly.* • increased range of habitat in District parks: - measure: every five years (2007 base year) using the biodiversity base to be finalised in conjunction with Wellington Regional Strategy; • increase level of use of sports facilities: - measure: (a) sports facilities fully utilized during the year; (b) survey regular users to establish number of people utilizing sporting facilities, using 2007 as a base year; • access to parks and playgrounds within walking distance.	• reserve management plans.	• 85% of all sports field users' are satisfied with the standard of sports field maintenance; • grass length is maintained appropriate to the activity function for each park (Note: Detailed mowing standards are available on request from the Council); • all playgrounds are maintained to the NZS 4422 and NZS 4486.1 standards; • refuse bins are emptied twice weekly from reserve areas; • tree maintenance based on regular assessment of need/risk etc., made during the weekly maintenance programme.

Forecast Statement of Financial Performance and Capital Expenditure - Parks and Reserves

$000's	**Annual Plan 2007/08**	**Community Plan 2008/09**	**Annual Plan 2008/09**
Operating Costs	2,120	2,166	2,252
Loan Servicing	114	145	61
Depreciation	339	550	420
Operating Costs	**2,573**	**2,861**	**2,733**
Income (user charges)	(53)	(38)	(53)
Development Contributions	(500)	(500)	(500)
Net Operating Expenditure	**2,020**	**2,323**	**2,180**
Capital Expenditure	1,515	1,438	2,017
Loan Repayments	75	107	107
Total Capital Items	**1,590**	**1,545**	**2,124**
Total	**3,610**	**3,868**	**4,304**
Funding Sources			
Rates	2,556	2,692	2,550
Depreciation	332	308	300
Reserves/Development Contributions	722	348	779
Equity	-	150	150
Loans	-	370	525
Total Funding	**3,610**	**3,868**	**4,304**

Additional financial information

- operating costs - in addition to indexing of current operating budgets, the "Traffic Islands Maintenance" budget has been increased by $40,000 (total budget $140,000). This reflects the actual maintenance costs of an increasing number of common garden areas resulting from new subdivisions, and also including meeting health and safety requirements (including traffic management) to carry out this work safely.

Capital expenditure - major items proposed

- Strategic Land Acquisition Fund - $425,000;
- artificial turf (for hockey and other sports) – contribution of the remaining $330,000 committed in 2007;
- Maclean Park pond area (Paraparaumu Beach Town Centre) - $200,000;
- Haruatai Park (Otaki) tennis court resealing - $160,000;
- Paraparaumu escarpment revegetation - $125,000.

Solid Waste

Activity Areas

The solid waste activity includes the following services and programmes:

- landfill management and aftercare;
- domestic collections;
- kerbside collection of paper;
- recycling - drop-off stations and kerbside (2008/09);
- greenwaste recycling;
- hazardous waste removal (have a non-acceptance policy except for domestic hazardous waste).

The entire activity is currently self funding through bag charges and landfill charges. Once the new Resource Recovery Facility becomes operational the current landfill at Otaihanga will be decommissioned. Council will no longer operate a landfill but will process all waste through a new Resource Recovery Facility located at the Otaihanga landfill site under an agreed operational waste minimisation contract with a private contractor. The introduction of kerbside recycling services will be funded through bag charges in 2008/09.

Strategic Issues

This activity faces pressing issues requiring long-term strategic decisions by Council. The main issues are:

- closure of the existing Otaihanga Landfill and the associated aftercare;
- waste minimisation;
- identifying regional solutions to waste disposal.

Levels of Service

- a means by which the community can reduce their waste, via drop-off stations;
- until there is 100% waste recovery etc., a means to dispose of waste safely.

Levels of Service Risks

- significant risks to viability of a waste reduction service potentially offset by public private partnerships.

Current Priorities: 2008/09 Delivery Programme

- cost recovery of Council’s capital investment in a waste recovery / transfer station through the operating contract;
- introduction of kerbside recycling throughout the urban areas of the district.

Levels of Service - Solid Waste

*Effectiveness Measures**	Key Actions/ Outputs	Detailed Service Standards
* *These measures were set in 2006 and are reviewed three yearly.* • amount of waste diverted for beneficial re-use via Council-provided waste reduction services: - measure: as set out in the Waste Management Plan the final measure to be reviewed in 2007; • percentage of households using recycling services: - measure: as set out in the Waste Management Plan the final measure to be reviewed in 2007.	• new waste reduction strategy – within regional context; • construction of a resource recovery park.	**Landfill Resource Consent Standards** • landfill performs to all resource consent standards. **Collection Frequency** • no more than 10 reported ‘missed rubbish bags’ per 1,000 properties per week; • refuse bins are emptied twice weekly from roadside and reserve areas; • all waste recycling drop-off stations emptied weekly; • all streets are cleaned four times per year; • all retail areas are cleaned twice a week; • illegally dumped waste from public roads removed within 48 hours of being advised; • the composition and quantity of waste is surveyed every three years in accordance with Ministry for the Environment guidelines.

Forecast Statement of Financial Performance and Capital Expenditure - Solid Waste

$000's	Annual Plan 2007/08	Community Plan 2008/09	Annual Plan 2008/09
Operating Costs	2,056	3,778	1,385
Debt Servicing	120	30	200
Depreciation	10	33	-
Operating Expenditure	**2,187**	**3,800**	**1,585**
Income (user charges)	(2,752)	(3,872)	(1,665)
Net Operating Costs	**565**	**(72)**	**(80)**
Loan Repayments	106	21	80
Capital Expenditure	2,200	-	1,500
Total Capital Items	**2,306**	**21**	**1,580**
Total	**1,740**	**(51)**	**1,500**
Funding Sources			
Solid Waste Account	(460)	(51)	-
Loans	2,200	-	1,500
Total Funding	**1,740**	**(51)**	**1,500**

The 2008/09 Annual Plan assumes the successful commissioning of the Refuse Recovery Centre and Transfer Station and effective closure of the Otaihanga landfill by December 2008. Under this scenario, Council's Solid Waste activities will be limited to:

- refuse bags – supply, collection and disposal;
- kerbside recycling – meeting our share of the total cost of service;
- central Recycling Centres – review undertaken;
- greenwaste composting – cost recovery basis;
- management of landfill aftercare processes;
- waste minimisation education and initiatives.

Financial snapshot of new regime

$000's	**Annual Plan 2008/09**
Council Refuse Bags	
Refuse bag sales	(805)
Refuse bag collection and disposal costs	460
Kerbside recycling contribution	305
Recycling stations	40
Surplus from refuse bags	-
Greenwaste	
Greenwaste composting – revenue	(500)
Contractor processing costs	500
	-
Resource Recovery Centre	
Facility rental revenue	(280)
Debt servicing	280
	-
Solid Waste Management	
Landfill aftercare (top-up) and monitoring	50
Waste reduction / education initiatives	30
Other revenue	(80)
	-
Net Solid Waste Account balance	**-**

Stormwater Management

Activity Area

Stormwater was raised as a substantial strategic issue in the 2006/07 Choosing Futures process. Community interest raised important issues about overall links between urban growth management and stormwater.

The Council responded by:

- bringing forward the stormwater review with its focus on high level issues including:
  - analysis of long-term climate change impacts and implications for levels of service choices; a second report from NIWA was produced in December 2007;
  - assessment of implications for existing stormwater infrastructure capacity standards;
  - development of a full network model for Otaki. The results of this are currently being worked through with a community reference group and will then be taken out for wider discussion. This will take about six months;
  - undertaking a gap analysis for Waikanae to determine what further investigations are required;
  - assessment of the implications for and relationship with development management; e.g. the Wharemauku Stream catchment is currently being remodelled;
- reviewing the prioritisation methodology to give greater emphasis to groundwater issues. This work has been completed and prioritisation has been adjusted accordingly;
- reviewing site specific concerns.

Strategic Issues

- climate change implications and the need to make significant decisions about changing the levels of service. For example, should the Council effectively lower the levels of service in the face of the climate impacts? This has been covered in Council's draft Stormwater Management Strategy which went out for consultation in late 2007.
- risk of elevated groundwater levels becoming more common over time;
- appropriate controls on urban development and the design of stormwater systems, e.g. District Development Management Strategy, Subdivision and Development Principles and Requirements. Council continues to lead best practice in this area;
- an increased focus on sustainable development and softer engineering options, e.g. swales, soak pits, wetlands and riparian improvement works creates an increased need for maintenance;
- work is underway with the Greater Wellington Regional Council to ascertain service levels for streams under its control. This has become more urgent in the light of recent flooding.

Levels of Service

Current service standards ensure streams have capacity to pass flood flows. Funding for improved appearance, including more regular mowing and weeding of riparian areas, and additional litter inspection/clearing in the Paraparaumu Town Centre, was provided for in the 2006 Community Plan.

The total implications of upgrading the overall system to maintain existing service levels and cope with climate change effects are now being determined. Modelling work is underway on this.

Although catchment modelling results will assist with estimating the financial impact, detailed analysis and planning is required to determine more than a rough order cost. The estimated impact of an additional climate change factor for known works was noted in the 2006 Community Plan. For example, the trade-off between catchment head works or downstream systems needs to be reviewed in the light of information about future peak flows. The focus will also be on robust assessment of capacity investment, system design, and development management decisions. Much of the work in 2008/09 will be focused on advancing this understanding around specific catchments. This will be a major input into the development of the 2009 Community Plan and will provide a firmer estimate of stormwater upgrade costs as a totality. There will be a need for extensive community discussion of acceptable risk versus acceptable cost.

Levels of Service Risks

The 2006 Community Plan adopted no additional provision for reactive maintenance arising from storms or significant adverse weather events. These costs would be met from operating budgets and reprioritisation of other activities or projects if needed.

Climate change effects pose a risk to the level of protection from flooding currently afforded by the stormwater network. Without additional network upgrades there is potential for the current level of protection provided against varying return period storm events to be reduced over the next 50 years. Currently all planned upgrades and renewals make allowance for the impacts of climate change as part of the design process, as documented within the Stormwater Management Strategy.

Expenditure

- the 2006 Community Plan provided for increased expenditure on maintenance of open drains and waterways to achieve a shift away from a purely reactive maintenance approach;
- Council previously adopted a prioritisation methodology which ranked potential works against a series of criteria with different weightings;
- there is currently an issue that because of recent pressure to address local issues, that is, to fast track local projects on a more reactive basis, there have been problems with progressing the planned strategic projects that will address whole of catchment issues;
- further funding was not sought in the Annual Plan budget to address this issue. Instead, the capital expenditure budget makes an explicit distinction between strategic stormwater expenditure and local problems, with a proportion of total proposed expenditure spent on the latter and significant major projects funded from the larger remainder. Should strategic projects not be able to proceed in any one year, the funding will then be re-allocated in that year to local projects. The prioritisation methodology will continue to apply. The wider strategic / local works budgeting trade-off options will be developed as the 2009 Community Plan is prepared.

Current Priorities: 2008/09 Delivery Programme

Otaki

- Otaki modelling is almost complete, including work carried out in conjunction with the Greater Wellington Regional Council. The next phase is working with the community and Greater Wellington to review options. This is essential given the major financial and environmental costs implications;
- investigation and design for Dunstan Street Stage 2 will be completed during 2008/09 and other works have been pushed out to 2009/10 to allow for consultation.

Paraparaumu

- Wharemauku Catchment floodplain modelling – $200,000 (strategic item);
- Matatua Road Bridge - $1.6million, (strategic item);
- Kapiti Road/Amohia Street - $500,000;
- Mazengarb design work.

Waikanae Beach

- continue work to identify what further investigations are required for Waikanae area;
- William Street – new stormwater pipeline to replace existing soak pits overflows - $250,000, (local item).

Paekakariki

- Beach Road works have been deferred to allow community discussion of benefits relative to cost and risks. Discussion will occur via the 2009 Community Plan development process;
- construction of Ocean Road upgrade works takes priority over the Beach Road project for 2008/09 which has been reallocated to 2009/10 Community Plan.

Districtwide

- Waikakariki Stream upgrade works.

Levels of Service - Stormwater Management

*Effectiveness Measures**	**Key Actions/ Outputs**	**Detailed Service Standards**
* *These measures were set in 2006 and are reviewed three yearly.* • rate at which the percentage of at risk properties in flood risk areas is reduced (1:10 year event if the primary systems have access to secondary flow paths, and 1:100 year event if there is no secondary flow path): - measure: complete current known upgrade prioritisation programme by 2016; • asset value retained as set out in asset management plan; • implementation of Ministry for Environment bathing water quality guidelines: - measure: the final measure to be reviewed against the Greater Wellington Regional Council standard.	• upgrades projects priority list (annual); • strategic projects programme.	• stormwater outlets are inspected weekly or monthly depending on vulnerability to blockage; • 90% of non-urgent service requests are responded to within five days; • for new developments and upgrades, where practicable, design for a one in 10 year flood if primary system has access to a secondary flow path*; if no secondary flow path, then must design for a one in 100 year flood**; • flood damage is investigated, and remedial action for future funding determined, within two weeks of minor flooding***.

Note:

* *one in 10 year flood means there is a 10% chance a flood will occur in any one year.*

** *one in 100 year flood means that there is a 1% chance of a flood occurring in any one year – but it will be more severe than a one in 10 year flood.*

*** *minor flooding means flooding with a return period of five years or less.*

Forecast Statement of Financial Performance and Capital Expenditure - Stormwater Management

$000's	Annual Plan 2007/08	Community Plan 2008/09	Annual Plan 2008/09
Operating Costs	876	856	966
Loan Servicing	658	887	912
Depreciation	813	884	794
Operating Expenditure	**2,346**	**2,627**	**2,672**
Development Contributions	**(180)**	**(180)**	**(180)**
Net Operating Expenditure	**2,166**	**2,447**	**2,492**
Loan Repayments	441	548	662
Capital Expenditure	5,002	3,464	4,881
Total Capital Items	**5,443**	**4,012**	**5,543**
Total	**7,610**	**6,459**	**8,035**
Funding Sources			
Rates	2,416	2,477	2,574
Depreciation	579	734	841
Loans	4,570	3,098	4,620
Equity	-	150	-
Other	45	-	-
Total Funding	**7,610**	**6,459**	**8,035**

Additional financial information

Operating Costs – by Rating Area

	Annual Plan 2007/08 $000	Annual Plan 2008/09 $000	Operating Carryovers Incl. in 2008/09 $000	Net Increase Before Carryovers %
Districtwide	6	6	-	0.0%
Paekakariki	20	26	4	10.0%
Paraparaumu	626	669	30	2.1%
Waikanae	132	149	14	2.3%
Otaki	92	116	12	13.0%
	876	**966**	**60**	**3.4%**

Capital Projects – by Rating Area

	Annual Plan 2007/08 $000	Projection 2007/08 $000	Annual Plan 2008/09 $000
Districtwide	1,300	1,300	325
Paekakariki	326	61	420
Paraparaumu	2,360	2,360	1,960
Waikanae	456	456	464
Otaki	559	559	317
	5,001	**4,736**	**3,486**

Wastewater Management

Activity Areas

This activity area includes the following services and programmes:

- managing maintenance of the existing wastewater systems – transportation and treatment facilities;
- managing the nature and impacts of any discharges into the environment – water and land;
- undertaking capital works projects – increasing the size of the existing system or development of new systems.

The District has two wastewater treatment plants at Otaki and Paraparaumu. The Otaki Plant is an oxidation system while Waikanae, Paraparaumu and Raumati wastewater is treated by a biological nutrient reduction plant and sludge drying system. There are discharge consents for both sites. The dried sludge from the Paraparaumu Plant and the sludge from Otaki are disposed of at the Otaihanga landfill. This disposal will continue after the closure of the landfill operation and the sludge will be used to top off the landfill.

The Council leads the region in wastewater discharge quality standards. Improvements in asset management will enable the Council to optimise future expenditure for the long term performance of the wastewater network and the sustainability of our pumping stations.

Strategic Issues

- improve asset data to enable prediction of future costs with more certainty;
- active participation in water quality improvement issues and monitoring methodologies;
- improved renewals profile – based on asset condition information and predictive models;
- involvement of wastewater asset managers in natural environment and urban development programmes to achieve better integration of wastewater management with other council initiatives.

Levels of Service

The key levels of service associated with this activity – reliability, capacity and responsiveness and environmental quality are detailed on pages 237 – 239 of the 2006 Community Plan.

Further development in asset management will allow for a more integrated approach to asset performance and levels of service.

Levels of Service Risks

Without adequate asset planning and management the full impact of decisions on future development and network optimisation cannot be fully considered.

Current Priorities: 2008/09 Delivery Programme

Feasability work in expectation of replacing diesel fueled sludge drying with wood burning technology.

Ensure decisions on future management and expenditure associated with the wastewater network can be supported by sound strategic information.

Levels of Service - Wastewater Management

*Effectiveness Measures**	**Key Actions/ Outputs**	**Detailed Service Standards**
* *These measures were set in 2006 and are reviewed three yearly.* • asset value retained as set out in asset management plan; • implementation of Ministry for Environment bathing water quality guidelines: - measure: the final measure to be reviewed against the Greater Wellington Regional Council Standard; • percentage of wastewater produced that is received and treated.	• vitrification process operating.	• 85% of all blockages, breaks and overflows are responded to within one hour; • 85% of all repairs (whether temporary or permanent) are effected within four hours; • no more than three overflows during the year caused by pumping station faults; • compliance with resource consent conditions for treated effluent quality; • no more than 15 dry weather overflows from the reticulation that reach a watercourse in any year.

Forecast Statement of Financial Performance and Capital Expenditure - Wastewater Management

$000's	**Annual Plan 2007/08**	**Community Plan 2008/09**	**Annual Plan 2008/09**
Operating Costs	3,631	3,876	3,800
Loan Servicing	1,592	1,799	1,468
Depreciation	1,936	2,210	1,933
Operating Expenditure	**7,159**	**7,885**	**7,201**
Income (User charges)	(10)	(10)	(10)
Development Contributions	(300)	(300)	(300)
Net Operating Expenditure	**6,849**	**7,575**	**6,891**
Loan Repayments	1,263	1,369	1,294
Capital Expenditure	2,686	2,459	2,842
Total Capital Items	**3,949**	**3,828**	**4,136**
Total	**10,798**	**11,403**	**11,027**
Funding Sources			
Rates	6,646	7,812	6,902
Depreciation	1,723	1,858	1,990
Loans	1,889	1,450	655
Equity	-	100	-
Other	540	183	1,480
Total Funding	**10,798**	**11,403**	**11,027**

Additional financial information

The major drivers of operating cost increases are:

Energy costs

- electricity has increased by $35,000 (total $495,000) as a result of the new contract price. The main electricity cost is the Paraparaumu / Waikanae Wastewater Treatment Plant ($325,000), and the balance ($170,000) is used to power the wastewater reticulation pump stations in all catchments;
- diesel is used for the sludge drying process at the Paraparaumu / Waikanae Wastewater Treatment Plant. The budget for diesel has been increased by $65,000 (to $375,000) based on current diesel prices. The feasibility of replacing the sludge drying fuel with wood is being investigated.

Chemical costs have also increased – by $20,000 (total budget $80,000) due to the increase cost of acid-based products (as also explained in Water Management).

Wastewater Fixed Charges	**2007/08 $**	**2008/09 $**
Paraparaumu / Raumati		
Sewer Maintenance	224.00	218.00
Sewer Loan	14.00	42.00
Sewer Upgrade Loan	96.00	90.00
	334.00	**350.00**
Waikanae		
Sewer Maintenance	194.00	222.00
Sewer Upgrade Loan	161.50	153.50
	355.50	**375.50**
Otaki		
Sewer Maintenance	217.00	224.00
Sewer Upgrade Loan	44.50	42.00
	261.50	**266.00**

Operating Costs – by Rating Area

	Annual Plan 2007/08 $000	Annual Plan 2008/09 $000	Operating Carryovers Incl. in 2008/09 $000	Net Increase Before Carryovers %
Paraparaumu /Raumati	2,120	2,225	25	3.8%
Waikanae	960	1,003	13	3.1%
Otaki	551	572	12	2.0%
	3,631	**3,800**	**50**	**3.2%**

The costs of the Paraparaumu / Waikanae Wastewater Treatment Plant (included in the Paraparaumu and Waikanae costs above) are:

	Annual Plan 2007/08 $000	Annual Plan 2008/09 $000	Increase %
Paraparaumu/ Waikanae Treatment	1,700	1,803	6.1%

These costs are allocated between Paraparaumu and Waikanae based on the number of connections to the Wastewater system. The current split is:

	Connections	%
Paraparaumu/Raumati	13,066	68.7%
Waikanae	5,960	31.3%
Total	**19,026**	**100.0%**

Capital Projects – by Rating Area

	Annual Plan 2007/08 $000	Projection 2007/08 $000	Annual Plan 2008/09 $000
Paraparaumu (Reticulation)	1,880	459	490
Waikanae (Reticulation)	612	341	712
Paraparaumu/ Waikanae (Treatment)	127	127	1,500
Otaki	119	119	140
	2,737	**1,046**	**2,842**

Major Capital Projects

Paraparaumu / Waikanae wastewater – woodburner to replace diesel fuel sludge drying process ($1.43million). This proposal will be funded entirely by Government Grant and Crown Loan and is subject to feasability exercise to ensure its success.

COMMUNITY OUTCOMES

1 2 3 4 5 6 7

Water Management

Activity Areas

This activity area includes the following services and programmes:

- management of water reticulation and treatment assets;
- promotion of responsible water use to meet specified standards;
- monitoring of the quality of on-suite systems.

The Sustainable Water Use Strategy 2003 aims to ensure the long term sustainability of our District's water resources. The Greater Wellington Regional Council's predicted water shortages for the northern suburbs of the Wellington community from 2007 onwards highlights the importance of sustainable water use.

The Otaki, Hautere and Te Horo supply systems are being reviewed in conjunction with development management issues. This will be the focus in terms of new asset investment over the next five years. During 2008/09 preferred methods for demand management (e.g., water conservation education, storage, such as roof water tanks and collection, and water meters will be explored. Work on long term supply options will also be reviewed).

Work will continue through 2008/09 on reviewing water matters (including water supply). Council is committed to consulting on water conservation, funding, and collection and storage options. These consultation opportunities will be offered and advertised as part of the 2009 Community Plan development programme.

Strategic Issues

- ensuring adequate infrastructure capacity within responsible water use targets;
- moving away from a simple demand lead/supply capacity formula where supply is endlessly increased to satisfy demand;
- reviewing the Sustainable Water Use Strategy 2003;
- continued implementation of the demand management programme;
- maintenance of asset value;
- the renewal costs of the asset requires on-going investigation and better quality data to allow prediction of future costs with more certainty;
- improved renewals profile – based on asset condition review and predictive models;
- collection and storage systems, water conservation education and other methods will be consulted on further;
- investigation of the opportunities to increase the capacity of the borefield.

Levels of Service

The key levels of service associated with this activity – Capability, Reliability, Quality and Responsiveness are detailed on pages 240 – 243 of the 2006 Community Plan.

These levels of services are consistent with the community needs and the Council's strategic objectives. Further development in asset management will allow for a more integrated approach to asset performance and levels of service.

Levels of Service Risks

Without adequate asset planning and management the full impact of decisions on future development and network optimisation cannot be fully considered.

Current Priorities: 2008/09 Delivery Programme

- ensure that decisions on future management and expenditure associated with the water network can be supported by sound strategic information;
- detailed water use reduction implementation programme;
- further consultation on sustainable water use including water conservation, collection and storage options. Council will also consult on funding options such as a rolling fund for retro-fitting houses for water conservation and collection systems.

Levels of Service - Water Management

<table>
<tr><th>Effectiveness Measures*</th><th>Key Actions/ Outputs</th><th>Detailed Service Standards</th></tr>
<tr>
<td>
* These measures were set in 2006 and are reviewed three yearly.
• increase in number of households with on-site systems for non-potable water, via Council assistance programmes:
- measure: 80% of households have on-site systems for non-potable water by 2013. Note further measures are set out in the Water Matters Strategy document;
• asset value retained as set out in asset management plan;
• water consumption is no more than 400 litres per person per day (lppd) at all times:
- 250 lppd for essential use;
- 150 lppd for non-essential use;
- (640 lppd by 2006/07 and 400 lppd by 2012/13);
measure: to be achieved by 2013;
• water loss index.
</td>
<td>
• Otaki / Hautere water review;
• installation of water meters has been deferred to enable further community discussion on sustainable water use including conservation, funding, collection and storage options.
</td>
<td>
• water supply quality is tested daily in accordance with the Ministry of Health Drinking Water Standards for New Zealand 2005;
• the highest supply and reticulation grading is maintained within the capabilities of each treatment plant:
<table>
<tr><th>Source</th><th>Current Grading (1995)(1)</th></tr>
<tr><td>Hautere</td><td>Ca</td></tr>
<tr><td>Otaki</td><td>Db</td></tr>
<tr><td>Waikanae</td><td>Aa</td></tr>
<tr><td>Paraparaumu</td><td>Aa</td></tr>
<tr><td>Paekakariki</td><td>Ba</td></tr>
</table>
(1) The Ministry of Health (MOH) water grading system measures two aspects of a water supply system against criteria relating the risk to the source of the supply and the risk of contamination in the reticulation.
Although the grading dates back to the 1995 standards the Council has continued to comply with the drinking water standards as they have been upgraded and is fully complying with the new 2005 standards.
Due to the length of time it has taken for the new Health Bill and associated standards to become mandatory, the MOH have been reluctant to carry out formal assessments. They have also been training new drinking water assessors on how to assess Councils under the new standards.
Council cannot be certain on its grading until it is assessed by the MOH under the new standards and it is hoped that this will be undertaken prior to June 2008. In the meantime, the Council has worked closely with the MOH in the development of all proposed water treatment upgrades to ensure that it will continue to comply with the new standards and achieve a satisfactory grading.
</td>
</tr>
</table>

Key Actions/ Outputs	Detailed Service Standards

Continuity of Supply per Customer	On Demand Supply	Restricted Flow Supply
Maximum duration of one non-notified shutdown.	No more than four hours of shutdown on any one occasion.	No more than 3% of shutdowns last for more than four hours
Maximum duration of one disruption	24 hours	24 hours
Normal duration of one disruption (95% of all disruptions)	8 hours	24 hours
Maximum total disruptions in any 5 day period	24 hours	24 hours

- normal operating water pressure at reticulation extremities meets the following standards except where elevation of reservoir does not allow:

Pressure in Reticulation in Meters Head (Static)	On Demand Supply	Restricted Flow Supply
Normal minimum (95-99% of time) as indicated by verified Network Analysis Model	25 meters	25 meters
Normal Maximum	120 meters	-
Running Pressure as indicated by verified Network Analysis Model	15 meters	-

- clear point of contact within the Council for residents, businesses, schools and community groups about key issues such as supply, conservation and education.

Forecast Statement of Financial Performance and Capital Expenditure - Water Management

$000's	Annual Plan 2007/08	Community Plan 2008/09	Annual Plan 2008/09
Operating Costs	3,020	3,348	3,300
Debt Servicing	1,390	1,722	1,476
Depreciation	1,814	2,041	1,780
Operating Expenditure	**6,224**	**7,111**	**6,556**
Income (user charges)	(313)	(315)	(318)
Development Contributions	(120)	(120)	(120)
Net Operating Costs	**5,791**	**6,676**	**6,118**
Loan Repayments	1,014	1,328	1,247
Capital Expenditure	2,703	5,923	2,943
Total Capital Items	**3,717**	**7,251**	**4,190**
Total	**9,508**	**13,927**	**10,308**
Funding Sources			
Rates	5,683	6,646	6,206
Depreciation	1,856	1,891	1,720
Loans	1,861	5,240	2,330
Equity	-	150	32
Other	108	-	20
Total Funding	**9,508**	**13,927**	**10,308**

Additional financial information

Operating Costs

- energy – increased by $47,000 (12%) to $ 445,000 – new energy contract this year;
- chemicals – increased by $101,000 (41%) to $ 348,000 - the increased occurrence of blue green algae across the Wellington Region has required an increase in the use of Powdered Activated Carbon (PAC) for the control of taste and odour at the Waikanae Water Treatment Plant. This means the peak summer dosage is now around 100kg per day. This will add approx $50,000 to our annual chemical costs. The use of carbon also helps to absorb the toxin produced when the blue green algae dies. This issue has impacted on all regional water supplies with increased use of PAC;
- the majority of the other chemicals used contain large amounts of acid which is currently in high demand because it is used in the production of fertilizer. The demand for fertilizer has significantly increased globally, for reasons including increased agricultural crops used in

the production of bio fuel. This means Council is having to pay more for acid. There is also increased compliance costs involved with the new HAZNO regulations that are being passed on from suppliers and increasing prices.

Operating Costs by Community:

	Annual Plan 2007/08 $000	Annual Plan 2008/09 $000	Increase %
Paraparaumu/Waikanae	2,229	2,451	9.9%
Paekakariki	157	168	6.8%
Otaki	538	576	7.0%
Hautere	96	105	9.4%
	3,020	**3,300**	**9.2%**

Capital Expenditure – significant items

- Otaki Reservoir ($700,000) - site selection, land purchase, construction of reservoir and connection (total project $3.6 million over 3 years);
- Joint Water – Augmentation ($250,000) – investigate options;
- proposed implementation of water meters ($2.6 million in 2008/09) has been deferred to enable further community discussion on sustainable water use including water conservation, collection and storage options.

Refer to the Annual Plan - Part Two for a full schedule of capital expenditure projects.

Water Fixed Charges	**2007/08 $**	**2008/09 $**
Paekakariki		
Water Supply	**310.00**	**333.00**
Paraparaumu / Raumati		
Water Maintenance	153.50	164.00
Water Loan	1.00	1.00
Water Upgrade Loan	111.00	115.00
	265.50	**280.00**
Waikanae		
Water Maintenance	153.50	164.00
Water Upgrade Loan	111.00	115.50
	264.50	**279.50**
Peka Peka		
Water Supply	**268.00**	**279.00**
Otaki		
Water Maintenance	208.00	198.00
Water Loan	39.50	39.00
Water Improvement Rate	39.50	61.00
	287.00	**298.00**
Hautere Te Horo		
Water Supply	**169.00**	**184.00**

KAPITI COAST
DISTRICT COUNCIL

Additional copies of the *Kapiti Coast: Choosing Futures – Annual Plan 2008/09*, Part One and Two are available from the Kapiti Coast District Council on request or can be viewed on the Council's website at: http://www.kapiticoast.govt.nz/Democracy/Annual Plan 2008/09

The Plan consists of this Part One document and a Part Two document which incorporates detailed fiscal information, revenue and financing policies and other statutory information.

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