Kapftiour story

Pre-election Report 2022

Where we're headed

Game changer

We need to hear your voice – shaping your Kāpiti



Te Ara Nui o Te Rangihaeata – Transmission Gully Photographer: David Haxton

Contents



About the Pre-election Report



Chief Executive overview



District profile



Strategic approach and issues



Governance



Financial statements



Major projects



Supporting information

Leading the district through a time of significant change

Whakataukī

Whāia e koe te iti kahurangi ki te tūohu koe, me he maungateitei

Pursue excellence – should you stumble, let it be to a lofty mountain

This whakatauki challenges us to pursue our dreams or goals. It asks us to persevere through adversity and only bow our heads if the obstacle is truly great.

This kauri tree was planted by prominent Māori leader, politician and farmer Wiremu Te kākākura Parata, in the 1870s at Tuku Rakau in Waikanae. The kauri tree (one of the world's largest and longest-living trees) is considered by Māori to be the king of New Zealand's forest, with chiefly status.

The tree symbolises strength and leadership in the face of constant changes in seasons and climate.



About the Pre-election Report

What is the report about?

This report provides information for voters at the next local body elections and for those considering standing at the election as potential candidates.

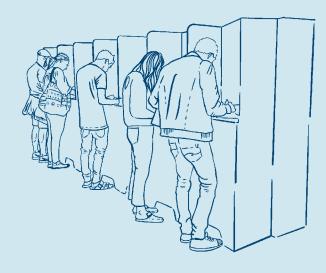
This report is provided by the Chief Executive of the Kāpiti Coast District Council in the lead up to local body elections on 8 October 2022, where our community will vote for a Mayor, Councillors and Community Board members.

It describes the big challenges and issues facing our district and encourages conversations and robust debate about what is important to focus on. It also describes the role that Council governance plays in ensuring local people's needs are addressed and outlines our major projects and finances from the previous three years and for the next three years.

Who's it for?

This report is for anybody who wishes to stand as a candidate for Mayor, the Council or one of its Community Boards. It's also for everyone who wants to vote and for anyone who is interested in our community, more generally.

There is a huge amount going on in local government right now, which will have a significant effect on the future of our district, so we want everyone – especially those who aspire to be leaders in our community, to be as well informed as possible. We also want all those who can vote to have their say in deciding our future.



Why vote?

Local government is our most fundamental level of democracy. While voter turnout on Kāpiti Coast is higher than some other districts, it has been declining over the last few elections.

Democracy works best when all voices are heard – whoever you are, whatever you do, your vote counts the same as everyone else's. **So mark 8 October in your diary to vote for your elected members and consider standing as a candidate**. There is more about how to stand as a candidate later in this report.

We need leaders prepared to make bold decisions necessary to ensure a sustainable future for our communities.





Chief Executive overview

Councils these days are complex

In many of the districts around the country, a Council is now one of the largest employers, and one of the biggest local businesses.

Kāpiti Coast District Council looks after \$1.8 billion worth of assets, from pipes and treatment plants, to roads, libraries, pools and parks. We have annual revenues in excess of \$100 million, plus we have a large capital expenditure programme of almost \$80 million per year. We have over 400 staff, delivering more than 40 different functions, set up in about 25 business units.

There are many new regulatory responsibilities, and everincreasing expectations around environmental standards, asset management and strategic planning. We have to keep the lights on while thinking far ahead, at the same time as we have to adapt to the many changes being thrust our way.

Kāpiti Coast District Council looks after

\$1.8 billion

worth of assets

It's a big job

Local government has always been a challenging, diverse, rewarding gig.

In recent years, it has become ever more complex as we strive to balance all the competing and often conflicting obligations and aspirations that are placed upon us – by government, by our community and by ourselves.

In the last few years, we've had the added challenge of a pandemic and now we have global geopolitical instability affecting our lives.

At a national level, we have the most significant reform agenda in 30 years, covering three waters, resource management (including climate change and carbon emissions) and the future of local government review.

COVID-19 has not only been disruptive for people but it has also put our local economy under pressure. The pipeline of people and materials needed to deliver our infrastructure programme has been compromised to address ramped-up national demand.

We have a climate emergency, a housing catastrophe, a health crisis and more. Some might say that these things do not fall under the local government ambit. Others see that we are the 'local' in government, and it is our duty to do all that we can to support our communities, and to improve their quality of life.

Amid these challenges we must remain focused on delivering outcomes that support resilient and safe communities, with a prosperous local economy, access to affordable housing and a natural environment that makes Kāpiti our special place to live.

With the increasing cost of living and expectations of higher wages, we can no longer rely on attracting people to our sunny coastal lifestyle, when Wellington City and government departments are able to pay so much more for staff. Addressing this issue will be critical to being able to deliver against governance expectations that flow from this election. This Pre-election Report is designed to help voters and candidates to make informed decisions and get involved in this election.

Sean Mallon

Acting Chief Executive, Kāpiti Coast District Council



District profile

This section provides key districtwide statistics that relate to people, geography, social aspects, the environment, the economy and housing.

The district's Gross Domestic Product (GDP), employment and resource consents have all increased over the last year. This has put our local economy in a strong position for 2022 and beyond.

Our district continues to show great resilience. More people are working from home and spending locally, which has helped to boost our economy.

As more people are attracted to live on the coast, we are mindful that growth needs to be well managed which is why we developed the Te tupu pai – Growing well strategy. It includes improving the availability and affordability of housing.

We also need to consider some of the more adverse statistics, such as the levels of crime and deprivation, and factor solutions to these issues into our growth.

Mana Whenua

The tāngata whenua of the district are Te Āti Awa ki Whakarongotai, Ngāti Raukawa and Ngāti Toa Rangatira, including whānau and hapū.

Population

Population projections

In June 2021, the Kāpiti district had an estimated population of **58,000**.

It is estimated there will be **32,000** more people living in Kāpiti by 2051 and approximately **15,000 additional dwellings** needed to house them.

Ethnicity

In 2018, **15 percent** of Kāpiti's population was **Māori** and **3 percent** were **Pasifika.** This compares nationally to 16.5 percent Māori and 8 percent Pasifika.

Age

In 2018 the **median age** in Kāpiti was **47.9 years** and for **Māori** it was **26.9 years**. This compares nationally with 37.4 years and for Māori 25.4 years.

In 2021 Kāpiti had **26 percent** of its population **over the age of 65 years** compared to 16 percent nationally.



Location

Climate



On 5 April 2022, NIWA reported the **Wellington Region** as the **second sunniest region** with **828 sunshine hours** so far this year, which was largely due to the Kāpiti Coast.

Geography

The total area of Kāpiti Coast District is 731.3km².



The Department of Conservation owns 49 percent of our district and only 29 percent of the land is flat.

It is **50km from Wellington City to Paraparaumu.** Waka Kotahi NZ Transport Agency says that Transmission Gully saves commuters roughly 10 minutes.

Social



Deprivation by area, 2018

3 Waikanae4 Paekākāriki5 Paraparaumu Central5 Paraparaumu Beach

5 Raumati **9** Ōtaki

Decile 10 is most deprived and decile 1 is least deprived.

Beneficiaries

In 2022, an average of **7.8 percent** were on a benefit in Kāpiti, compared to **9.2 percent nationally.**

71 percent of beneficiary claimants in Kāpiti are Pākehā and **29 percent** are Māori.

Crime

In the first quarter of 2022, **Kāpiti ranked 31 out of 66 Territorial Authorities for all crimes** (1 being low crime and 66 being high crime).

The most common crime types in the district are unlawful entry, illegal use of a vehicle and theft.

Environment



Carbon emissions

57 percent of Kāpiti's gross emissions are from transportation.

17 percent of Kāpiti's emissions are from stationary energy (such as industrial, residential, and commercial electricity or gas consumption).

12 percent of Kāpiti's emissions are from agriculture.

From 2001 to 2019, agricultural emissions dropped by 41 percent as the number of farm animals in the District declined by nearly 50 percent.

9 percent of Kāpiti's emissions are from waste.

5 percent of Kāpiti's emissions are from industry.

92 percent of waste emissions are from solid waste, which emits methane gas when organic materials break down in open and closed landfills.

The Council's emissions in 2021/22 were 4,736 tC02e (down from 12,498 tC02e in 2009/10).

Economic growth

Biggest contributors to growth

The biggest contributors to economic growth over the last 10 years have been in professional, scientific and technical services, construction and healthcare, social assistance and retail trade.

From March 2021 to March 2022, Kāpiti's GDP growth rate was 7.4 percent, compared with 5.1 percent for Wellington and 5.2 percent nationally.

66 percent growth in **residential consents** over the last year.

Employment

2.7 percent employment growth over the last year.

Kāpiti has a high number of small businesses – the average number of **employees per business** is **23 percent lower** than nationally.

31 percent of the working population **commute out of the district** for work.

In 2022, **mean household income** was **\$99,897** compared to \$117,947 nationally.

Housing



Type of ownership (2020/21)

3 percent social emergency housing.

13 percent stressed private rentals (over one in four private renters are paying more than 50% of their household income in rent).

6 percent renters that are able to afford rent but not buy.

5 percent relatively well off renters (renters that can affordably service a mortgage associated with buying a dwelling at the median market sale price in 2021).

39 percent owner occupied with mortgage.

34 percent owner occupied with no mortgage.

Affordability

Kāpiti Coast **median rent price (\$640)** was one of the most expensive in the Wellington region, after Wellington City (\$675) and Porirua (\$655) according to Trade Me's rental price index in January 2022. This compares to the national median rent of \$570.

In 2022, Kāpiti was the **11th least affordable** Territorial Authority for **rent** in New Zealand.

In 2022, Kāpiti Coast was the **8th least affordable** Territorial Authority for **buying a house.**

House values in the March quarter were **up 13 percent** from a year ago but are now declining.

Trieste Way development in Paraparaumu is an example of how our housing developments are changing to accommodate growth in the district.



Strategic approach and issues

In the Long-term Plan 2021-41 (LTP) we retained our vision of Toitū Kāpiti that was agreed with the community in 2018. It embodied our goal of a vibrant and thriving district with healthy, safe and resilient communities. The vision reflects the concerns and aspirations the community shared with us and will help us to navigate through coming years.

Our vision keeps us on a clear pathway even in times of uncertainty

While the destination remains the same, our operating environment is continuously changing and so does our path for getting there.

Therefore, we need to constantly monitor what's going on around us. We must be agile enough to respond and adapt where necessary, but also have the courage to stay true to our vision.



We are here as kaitiaki and need to plan for the long term and for generations after us – this responsibility rests with all of us and we cannot ignore it. We are, and must continue to be, a strategy-led organisation that focuses on the big strategic issues and how we can position Kāpiti well, now and for the future. The decisions we take now, both big and small, ensure we stay on the path towards our vision.

Our strategic direction and priorities

The LTP maps out our long-term strategy and our short-term focus. For a long time, Council has done more with less, but now we are responding to the pandemic, and mirroring the government's stimulus approach, by investing for growth and resilience.

The Council has successfully taken a strategic approach to the major issues that it faces. A successful strategy starts with a vision; after that it needs time, resources, collaboration and iteration to design and implement.

For an example of a successful strategy see the Water Strategy Story on the next page.

A significant capital works programme

To enable our strategic priorities to be delivered, we have planned a significant capital programme for the district to grow well in a way that reflects the values and priorities of our residents and ensures that Kāpiti remains a desirable place for residents and visitors alike.

Build and maintain strong networks for shared success

We need to build and maintain strong networks across central government and with our neighbours and the private sector and be in a strong position to engage with and advocate for our communities.

Spot the opportunities that build on our strengths

While there are risks to councils from the government reforms, there are also opportunities – which build on the existing strengths of the Council in its role as a provider of services and support, and a connector of communities.

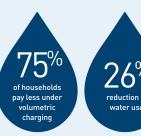
Applying our strategic approach - water strategy story

As an example of applying our strategic approach, we want to share with you our water strategy story, how it was developed and the impact it has had.

The success of the strategy speaks for itself

It demonstrated that councils can affordably address issues of water supply, as long they are prepared to make the hard decisions (as distinct from the popular decisions).

The value of water meters is two-fold



Water meters enable low water users to save money. Up to 75 percent of households pay less under volumetric charging than they would under a standard fixed charge. The other significant benefit was that it highlighted water leaks at the connection to the household – and this is where the main reductions in water loss were achieved. It is likely that a large proportion of the 26 percent reduction in water was due to finding and fixing leaks on what is called the 'private side', or the household-owned connection.

Long term security of water supply

Our strategic approach included the following, which has enabled the district to deliver water for the next 100 years:

- Metering for demand behaviour and leak detection.
- Encouraging conservation and grey-water use.
- River recharge from bores.
- · Acquiring land for a future dam for supply.
- In 2013, Council strategically purchased land as part of the wider Waikanae Supply project that included the River Recharge Programme.

The overall strategic value of these changes is long term water supply security.

Water service measures

The following water data is from 2020/21 Annual Reports.

	Other councils in the Wellington region	Kāpiti
Urgent response attendance time	85–131 mins	28 mins
Urgent resolution time	3-14 hrs	53 mins
Non urgent response attendance time	68-148 hrs	3 hr 46 mins
Non urgent resolution time	6-8 days	22 hr 48 mins
Average water consumption in litres per person per day	379-380 (l,p,d)	310 (l,p,d)

Note: Wellington City Council and Kāpiti Coast District Council measure response and resolution in median response times.

66 Through all this, satisfaction with the quality of water supply has risen. 99

51% In 2014/15

83% In 2020/21

Looking ahead for water

Our Infrastructure Strategy, and our LTP, include provision for \$1.1 billion in capital expenditure on three waters over the next 30 years. This includes renewals of networks as well as upgrading to meet new standards, and to accommodate growth. At the end of that time, the forecast cost per ratepayer is the same (uninflated) as it is today.

Independent analysis by Castalia Limited notes that our operating costs are already lower than Watercare – which is the largest water service provider in the country.

Big issues

Three big reform agendas

There are three reform agendas currently underway that will have a significant impact on local government:

- Three waters reform.
- Resource management reform.
- The future for local government reform.

They collectively and individually represent the largest reforms to local government since 1989.

Local government is a big beast and it's getting more and more complex. The constant theme through these reforms is a centralisation of functions – potentially diminishing the 'local' in local government as it has been known over the past 30 years.

Taken together, the reviews and reforms will fundamentally change the system that local government operates within, including how decisions are made and by whom, what local government does and how it does it, and who local government needs to work with to enable community wellbeing.

There are other changes also occurring, such as the health reforms, that will impact on the community in which we live. There is likely to be a lot of time and effort invested in responding to changes during the election term.

Health sector reforms are establishing localities to counterbalance the centralisation of health into two national entities. In addition, recent Ministry of Social Development-funded COVID-19 response initiatives have seen the establishment of community connector groups, often having the co-benefit of enhancing iwi capacity. These changes will be an opportunity for local government to get involved.

In addition to reform driven by central government, there is a range of environmental factors and other big issues that we will continue to grapple with over future years. They are not quick fixes and it will take time to see them through.

Three waters reform

The most debated reform over the last two years and one of the biggest reforms in coming years, is the three waters reform. This reform proposes to centralise water assets and operations of all councils into four large water service entities. Kāpiti will be part of entity C, which has a geographic region stretching from Tairāwhiti (Gisborne) down to Te Tau Ihu (top of the South Island). The entities are intended to be operational from 1 July 2024.

The next two years will be a complex and challenging time, as all councils try to retain staff and keep business going, while also contributing to the significant transition requirements.

Resource management reform and national policy statements

The impact of resource management reform is considered by some to have even greater impact on councils, and in particular on the way districts will grow and develop.

The government is replacing the Resource Management Act with a suite of three acts that are intended to be linked. There is a Strategic Planning Act, which requires regions to work together to develop long-term spatial plans – which will determine where growth areas are, and how they can be developed.

The Natural and Built Environments Act will establish planning frameworks that set limits for environmental impacts of development – aiming to protect and restore the environment while enabling better development.

The Climate Adaptation Act is intended to address the complex issues around managed retreat – something that our Council is still grappling with through the formation of the Takutai Kāpiti project and recently established Takutai Kāpiti Coastal Advisory Panel.

The three acts are following on the heels of the National Policy Statement on Urban Development (and other policy statements) that have set quite prescriptive requirements for tier one councils (which includes Kāpiti) for allowing growth to occur both out and up. The 'up' component allows greater height and density near transport nodes, while the 'out' component is about greenfields development.

The suite is going to take some years to deliver, and will be followed invariably by more years of uncertainty as developers and courts work through case law and interpret the acts. Just as with three waters, councils will be obliged to work under both the existing framework and the proposed changes – to keep business as usual happening while implementing the changes.

There are not enough planners across the country to keep up with all this change, which will add to delivery challenges. In addition, there are calls from some parties for some or all of the planning to be regionalised.

The future for local government

The future for local government review should arguably have started with this piece of work, rather than tacking it on as an afterthought. The future for local government panel has been working on this question for over a year, and is due to land their findings around the time of the local government elections. After a six-month period of research and investigation, the panel published an interim report – Arewa ake te Kaupapa – that identified five shifts that would influence what good local government and governance should look like for the next 30 years.

Back in 1989, local government reform saw over 800 entities merged into 86 local authorities. In the 30 years that followed, a lot has changed in our world – so the question from the panel is what should change in terms of our structures, roles and responsibilities to provide for the best interests of our communities for the next 30 years.



Environmental impacts

Councils' have always had to consider impacts of natural hazards such as earthquakes, tsunami, fires and floods. We make our assets as resilient as we can and have insurance and mitigation programmes in place. But in recent years we've had additional major issues to contend with – COVID-19 as well as climate change, which has continued to become more of an imperative.

COVID-19

The arrival of a one in a hundred-year pandemic event was an exercise in agility and resilience. The impacts have varied across the country in economic terms – some city centres have had a major decline, while working from home has caused a small boost in some areas. However, the impacts have not been consistent across the board. While government support and stimulus funding has been vital, many businesses have used up their cash reserves to stay afloat.

As an organisation, we have had to adjust quickly to provide support to the community where it was needed, to change work programmes and to help our staff change the way they work. We put together a Recovery Plan, which is now embedded as part of our normal business.

Medium-term impacts are still being felt, including the mental health and overall wellbeing of our people. The pandemic has impacted on supply chains and, along with ramped-up stimulus spending, has increased inflationary pressure while causing projects to be slowed down. Whether we like it or not, we have to accept that it is taking longer to deliver our work programme – we have to adjust our expectations.

As a Council, we are reliant on rates as a major income source. We're acutely aware of cost pressures on households, and this makes the balancing act ever more difficult. It does increase the motivation to find suitable alternative revenue sources; not least to continue to advocate for a share of central government funding.

Climate

We're proud of being the best in the country in terms of reducing our carbon footprint – by over 70 percent from our baseline year. We have a significant programme of adaptation work underway, such as our \$250 million stormwater efforts, the \$25 million Paekākāriki seawall replacement, and our coastal adaptation project. But things are only going to get harder from here on; and we want to have a strong influence on how our entire district responds as well – not just the things we control, but looking at the things we can encourage others to do.

In all of this, we have to be careful to focus our resources and efforts on things that will truly make a difference. We also have to think differently about the issues, and the possible solutions. For example, 57 percent of our district's carbon footprint comes from transport. One area of focus must be to convert to less carbon-intensive transport methods – public transport, walking, cycling and electric vehicles.

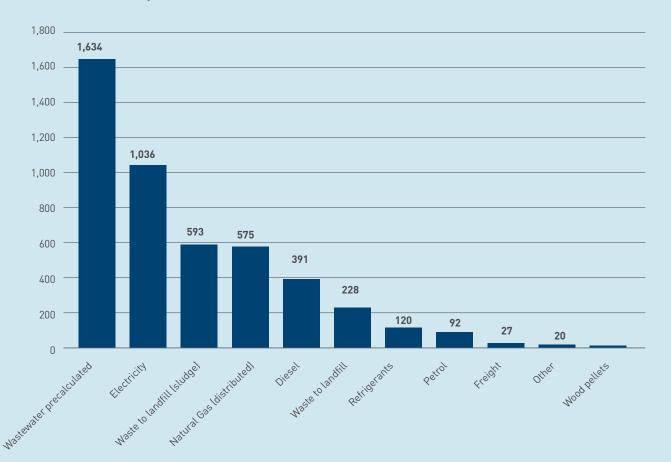
However, we might equally look at how to reduce the amount of travel overall – for example by working from home (or near home) much more, rather than the daily commute. COVID-19 proved to all of us that this is actually quite easy to do.

Council's emissions in 2021/22 are 4,736 tCO2e (down from 12,498 tCO2e in 2009/10). The graph on the next page shows our current situation for carbon emissions, where wastewater is our biggest emission source.



KĀPITI COAST DISTRICT COUNCIL

Council emissions by source in 2020/21 (tCO2e)





The Council is working with the community to reduce these emissions and has commissioned a feasibility study for increasing solar energy production. The Council has also been working on decarbonising its vehicle fleet and upgrading the Ōtaki Pool (in 2023/24) that includes heat recovery, fuel switching and consideration of solar power. Council is also researching and planning forestry planting for carbon sequestration.

Kua takoto te manuka

Reinforces a message that a challenge has been laid, and calls those listening to take up or respond to the challenge.

Other issues

We are grappling with a raft of major issues and have been successful in the past by adopting a long-term strategic view. In recent years this has included our responses to water supply and to our financial situation. This approach ensures good outcomes, and avoids the temptation to respond with short-term, knee-jerk actions that can sometimes have adverse unintended consequences.

While we can plan for most things, some are unpredictable and we need to be ready. At any given time our focus could shift. For example, if there was a major earthquake, tsunami or natural hazard in the district then our emergency response and recovery would become important.

Growing well

The district has historically had high growth rates, averaging over 3 percent per year. In recent times growth has slowed, but the opening of Te Ara Nui o Te Rangihaeata – Transmission Gully, is but one piece of a transport jigsaw worth more than \$3 billion of government funding that is being invested, with the effect of making the Kāpiti Coast very accessible.

We've spent the past couple of years getting a growth strategy in place to help us to ensure that we benefit from growth, rather than suffer through it. The next steps are to implement the action plan and keep good progress happening.

Over the past three years our focus has been on laying the foundations for growth.



Housing

One of the most obvious pressures for us is the provision of sufficient housing, and at an affordable price. A lot of effort has been put into understanding the need, through a detailed quantitative and qualitative housing needs assessment. We will be able to use this information to work with various partners to deliver the right housing solutions, in the right places.

While most of the actual delivery will be by others, the Council has a role, both in terms of its own older persons housing portfolio, and in terms of facilitating building developments. We are looking at Community Land Trust models, and we need to consider Community Housing Providers, in order to access the government's incomerelated rent subsidy for the benefit of our tenants.

We do need houses being built across the spectrum, at scale, in order to relieve the pressures on house prices. The Te tupu pai - Growing well strategy has identified what land should be freed up, and District Plan changes are being implemented to enable this.

Our focus is on understanding what will help people thrive in their communities and what makes the right type of house a home.

Stormwater programme

In 2015, after a series of severe weather events, we reviewed our stormwater capital works programme to help us improve the community's flood-related safety and resilience. After investigating more than 800 flood locations in the district, we developed a large capital work programme of 240 projects, to be delivered in 45 years.

The stormwater programme in the LTP outlines 227 projects, to be delivered slightly faster, over 37 years. These projects are a combination of creating new assets, and upgrading or renewing current assets to address habitable floor flooding, commercial building flooding, garage flooding, street flooding and property flooding.

Wastewater treatment consent

Waikanae, Paraparaumu and Raumati are served by a single wastewater treatment plant in Paraparaumu, which was upgraded in 2001/02. The Paraparaumu Wastewater Treatment Plant uses biological nutrient removal, one of the most advanced treatment processes in New Zealand. The plant treats approximately 10 million litres of wastewater every day. Resource consents were granted for the Paraparaumu Wastewater Treatment Plant on 28 March 2000, and expired on 31 March 2022. The renewal application was lodged in December 2021, before its expiry with the Greater Wellington Regional Council.

The treatment plant project will identify the best longterm solution for the plant and its discharges. Laws and standards, and community views about the environment, have all changed since the last consents were granted.

This means our current treatment method, primarily discharging treated wastewater into a waterway, will not meet future requirements.

We lodged an application for interim consents to extend the existing situation. These interim consents will give us the time to identify the best long-term solution, and to fund, design and construct that solution.

Economic development

A refreshed Economic Development Strategy was adopted in 2020, and is supported by an independent, energetic and passionate Kotahitanga Board. Focus areas included visitor attraction, jobs (especially for youth) and support for key sectors. Excellent progress has been made, with a Destination Management Plan adopted in September 2021 and a Workforce Plan in early 2022.

An example of new business being attracted to the district is the relocation of Sustainable Foods, establishing a food innovation hub in Paraparaumu. More recently, Safari Group has committed to building a hotel at Paraparaumu beach, combining 46 hotel units with apartments. This development is on land that the council acquired to enable such a development, and that will complement Te Uruhi and the Kāpiti Island visitor experience.



Waikanae library

The closure in 2018 of the library in Mahara Place was due to issues with the building causing poor air quality. While there was a renewal plan, this had to be discarded once we discovered the state of the building. This did create an opportunity to revisit what 'good' would look like in terms of the facility and the needs of the local community.

COVID-19 has slowed the progress of this project, but this may have new benefits, such as considering complementary uses in the airspace above the library. For example, this is a prime site for urban development as envisaged by the National Policy Statement for Urban Development, being adjacent to the rail station.

We also intend to undertake a similar comprehensive project in Ōtaki, with that project due to kick off in 2023. In each case we want solutions that meet the needs of the local community.

Transmission Gully – Te Ara Nui o Te Rangihaeata

The opening of this significant road provides easier access to and from our capital city. It is a game changer and will bring with it opportunities for economic development, employment, recreation and tourism. It provides the transport resilience we need to be properly connected to the city.

Access further north will be enhanced with the PP20 (Peka Peka to Ōtaki) section of the Kāpiti expressway and the O2NL (Ōtaki to North of Levin) roading project.

The Link Road

One of the keys to unlocking our town centre in Paraparaumu is for us to construct a Link Road, connecting Arawhata Road to Ihakara Street. This is expected to remove traffic from the east end of Kāpiti Road, which will improve flows. This \$25 million project will also enable commercial, retail and possibly residential developments to get under way.

By some estimates we lose as much as \$200 million in retail 'leakage' each year, which is locals spending their money in other districts. The opportunity created by expressways and complemented by the Link Road, could contribute towards boosting local retail spending.

Infrastructure Acceleration Fund

The Infrastructure Acceleration Fund (IAF) is part of the Government's \$3.8 billion Housing Acceleration Fund announced in March 2021. The IAF is a contestable fund of at least \$1 billion for infrastructure investment to support new housing supply. The Council has applied for funding to improve water supply and roading networks in Ōtaki, which has the potential to enable hundreds of houses to be provided for; and which is intended to future-proof our water supply for the northern part of our district.

Of an initial 200+ applications, for more than \$5 billion, the Ōtaki project (estimated to be \$29 million) is one of 35 from across the country that has been invited to the final negotiation phase.



Open spaces

As the district grows and urbanises, the need for a complementary focus on our open spaces also intensifies. A new Open Space strategy for Kāpiti was adopted in 2022, and sets in place a vision for protecting and enhancing the district's awesome network of parks and reserves, urban space and pathways for the next 30 years.

It aims to make sure we have the right spaces in the right places, and to make sure that what we love about Kāpiti is protected. The strategy incorporates a te ao Māori (Māori world view) approach, with a focus on kaupapa (values), huanga (objectives) and tikanga (approaches) to protecting and enhancing open spaces. This will provide the framework for ongoing work across the district, with our parks, reserves, paths, beaches and more.

The Council is investing in a range of ways. One example is Otaraua Park in Paraparaumu, an area of 60ha acquired in 2012 to become a multi-purpose, sustainable sport and recreation park.

Policy work programme

A key role of the Council is its policy programme. We administer a dozen bylaws and more than 20 policies, each with regular review requirements.

A significant piece of work under way is the development of a Local Alcohol Policy, which has been contentious across the country. Councils seek to use this legal tool to provide a framework for district licensing of the sale and supply of alcohol, in the interests of community wellbeing. This and many more key policies will need to be created and renewed during the triennium.

Governance

Representation

On 6 April 2022, the Local Government Commission released its final determination on the Council's representation arrangements ahead of the 2022 local government elections. A copy of the full determination can be found on the Local Government Commission website. These new representation arrangements will be in place for the 2022 elections.

The determination sees the district keeping a Mayor and 10 Councillors with four wards. It also sees a change to the mix of ward and districtwide Councillors, with seven ward and three districtwide Councillors.

There have also been some slight changes to the Te Horo and Raumati boundaries, meaning we now have five Community Boards (including an extra Community Board to service Raumati).

The district map (on the next page) is indicative only and subject to certification by the Local Government Commission and Land Information New Zealand.

As such, there could be some changes to the boundaries.

The map shows the four wards in varying shades of green (including the number of Councillors per ward). It also shows five Community Boards (dotted lines) and their membership. The Ōtaki and Waikanae Community Boards

follow the same boundaries as their wards. The other three Community Boards (Paraparaumu, Raumati and Paekākāriki) have slightly different boundaries from their corresponding wards.

Good governance

... requires effective monitoring

of Council's performance against its stated objectives and policies, balancing short-term and long-term responsibilities, and prudent stewardship of Council assets.

... promotes effective and inclusive decision-making and community engagement and helps to enhance Council's accountability, as well as to build trust and credibility within the community.

... is dependent on having elected members who reflect the community, and who are open and available to representing the interests of their community.



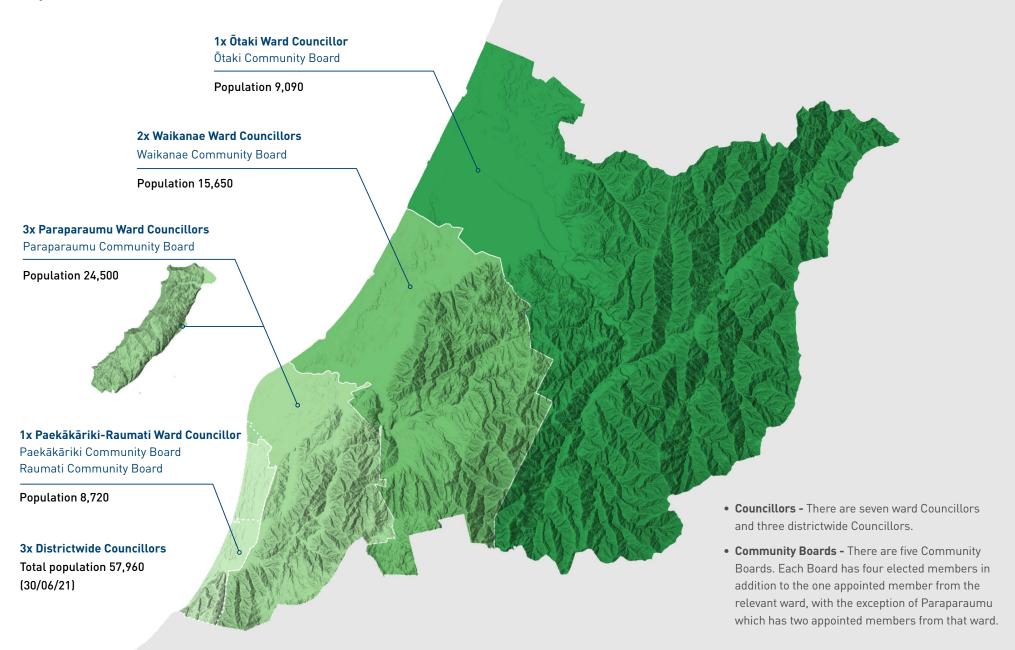
Ehara taku toa, he takitahi, he toa takitini

My success should not be bestowed onto me alone, as it was not individual success but success of a collective.



Mayor elected districtwide

KĀPITI - OUR STORY





Councils are driven by how their communities are feeling and the feedback they provide, which is often considered alongside legislative requirements, cost implications and opportunities to improve the wellbeing of residents who work and reside in Kāpiti.

All in all, Councils play a vital role in local communities.

Given the current review of local government, it would be good to see the community's voice remain central to Council's aspirations and a genuine partnership between local and central government achieved, where local people can have their say and influence the delivery of services in their areas.

Bryan Jackson

Chair of the Audit and Risk Committee for Kāpiti Coast District Council

Iwi partnerships, and co-governance

We have one of the longest standing partnerships, by way of a Memorandum of Partnership with our three iwi, that has been in place since 1994. We have been working to refresh our partnership arrangements so that they are fit for the future. This includes capacity funding, as well as a wider participation in our governance arrangements.

Guided by the advice of Mana Whenua, our current Council opted not to create a Māori Ward as part of the representation review. It was their preference that we work on other mechanisms first, however, this decision is likely to be revisited in the next triennium. Council recently voted to appoint Mana Whenua representatives to the Strategy and Operations Committee and a number of its other committees for this triennium to enhance the role of iwi in its decision-making structures.

Many of our cornerstone projects, such as our river recharge project, have benefitted from the contribution of iwi as partners in governance and project groups. Going forward we expect this to be further enhanced.

Localities and local outcomes

Local voice is sought and heard by a range of methods, but one formal structure is Community Boards. As a result of the representation review and the Local Government Commission determination, the Council has established a fifth Community Board, representing Raumati. Council will need to ensure sufficient resources for Community Boards to support their advocacy and outcomes.

The Council plays a role in social wellbeing and working with interest groups in our community to ensure local outcomes are as successful as they can be.



What we want from our elected representatives

People have busy lives. They don't want to have to think about streetlights and potholes or what we need in place 20 years from now; they just expect that we will do that for them. We talked to our community as part of reviewing our representation arrangements, in advance of the local elections that will be held this year.

What we found was encouraging, in that it reflected a balanced and mature view of what we should be about and the challenges that this presents. Our people said that they want their elected representatives to do what is best for our district overall. What they meant was that we should spend our time and effort where it is most needed, because that best improves the lives of us all. This can be translated to the concept of equity.

People also said that they recognised the need for their representatives to have a high-level governance role that is strategic, but also to be close to the grass roots of the community. In the interests of good representation, we need people from all walks of life. We also need those people to be able to work together to make decisions in the best interests of the community as a whole. The best decisions are not always the most popular decisions.

Sometimes it is a single issue that activates people. Sometimes it's a wish to give something back to the community that they live in. Whatever their reasons, once people get involved with a council, they very quickly discover all the complexity and diversity

that a council has. One day you are updating a bylaw, agreeing grants for community organisations and approving a submission to the government about one of a myriad of consultation issues. The next day you're at a blessing for the completion of a new project, reviewing a quarterly progress report setting out all the things the Council has been doing, and workshopping the development of a new strategy.

You'll be determined to make decisions that make sense. You'll be hoping and wanting to make everyone happy – and you will discover that this is often impossible. You'll discover new views and perspectives, even around the council table.

Your role is to set the direction for the Council. You do that by evaluating the advice and recommendations from staff, and considering them through the lens of the communities that you represent. You make decisions, and then your governance role is to monitor the delivery and effectiveness of those decisions.

To do justice to the role, will require a big time commitment. There's a lot to read, and there are a lot of hours to be spent in meetings, briefings and workshops. Then there is the commitment to the community that elected you – to get out and about and be available to them. You need to take time to hear their issues and concerns, and in turn you have a role to explain the business of the Council, and particularly the 'why' – the reasons for doing (or not doing) something.

It's a pretty big job. Are you up for it?

Think of the role of Councillor as being on the board of directors of a medium to large business.

So our elected representatives need to be thoughtful, considered, strategic and adaptable and we need good people to commit to doing their bit to help guide our Council through turbulent waters ahead.

Have you got what it takes?

Democracy works if people who care for and understand the needs and aspirations of the community are prepared to stand up and be counted.

Our district needs local leaders who are prepared to guide the transformation of their community to ensure that it is well-placed to meet current and emerging challenges.

What you need to know about the election

The elections are being conducted by postal vote with election day on 8 October 2022. The single transferable voting system is used in the Kāpiti Coast District. If you want to know more about how this works, you can find out on the website – stv.govt.nz

How do I stand for election?

There are a few roles in local government that candidates can stand for:

- Mayor.
- Councillor (in either a district or ward role).
- Community Board member.

Information on standing is in the Candidate Information Handbook available on our website www.kapiticoast.govt.nz/media/wdcb1wfn/candidate-information-handbook-2022.pdf.

Key dates

- Friday 15 July 2022 nominations for candidates open.
- Noon, Friday 12 August nominations for candidates close.
- From Friday 16 September delivery of voting documents.
- Noon, Saturday 8 October voting closes.
- Thursday 13 October official results announced.

How do I enrol to vote?

You must be enrolled in order to vote by 12 August 2022.

If you are already enrolled, you should have received your enrolment information in the mail from the Electoral Commission.

Check that your details are correct. If your details are not correct, put the right information on the form and send it back in the enclosed envelope.

If you haven't received anything, you can pick up an enrolment pack from a Post Shop, library, or Council service centre; or visit the website vote.nz; or freephone 0800 36 76 56.

Ratepayers who live outside the district can download an enrolment form for the non-resident ratepayer roll from our website or by contacting the Electoral Officer on 0800 922 822; or email electoral@Kāpiticoast.govt.nz

How do I vote?

If you enrol by 12 August 2022, you will receive your voting documents in the mail between 16 September 2022 and 21 September 2022.

You can fill out and deliver or post your vote any time before voting closes at noon on 8 October 2022. If you wish to post your voting documents, make sure you post them by Tuesday 4 October to ensure they are received by the Electoral Officer before voting closes. Postage is free.

You can deliver your vote to Council service centres and libraries during normal business hours — see details in the panel. For additional times and locations see our website.



Financial Statements

Summary statement of financial position

The statements on the following pages summarise our detailed financials over the past three years and our projections for the next three – the period following this election. The data from 2019/20 and 2020/21 has been audited and the information relating to the year just ended 2021/22 is based on estimates, which will be confirmed when we have our financials audited and the Council approves them in September.

Summary statement of financial position - What we own and what we owe

Council assets are \$1.84 billion at 31 March 2022 and forecast to be \$1.89 billion on 30 June 2022.

The liabilities includes our total borrowings. We talk about our borrowings as gross and net. Gross is the total and net is what we owe less our financial assets – essentially the cash and term deposits we hold to repay borrowings. To make sure we can always cover repayments when they are due, we start to build up funds in advance of the due date and put those funds into term deposits. Our net borrowings therefore reflect the true position of what we owe.

Funding impact statement – Where we get our income and how we use it

The statement shows what has come in and how we've applied it in the last couple of years and what we're projecting for the next three years.

The first side of the statement shows that our operating income includes rates, grants, fees and some charges such as pool entry and hall rental, as well as the interest we earn on our term deposits.

We use operating funding for the day-to-day costs of providing services and maintaining our assets including paying our staff and businesses who supply services to the district and covering interest on our borrowings.

The second half of the statement shows where our income for capital spending comes from – mainly grants, development contributions and borrowings (debt). Our borrowings is the biggest source of capital funding. Most of our grants are from Waka Kotahi NZ Transport Agency for their contribution towards our roading, footpath and cycleway network. Property developers and individuals subdividing their properties contribute towards the costs of providing services such as infrastructure.

We use our capital funding for replacing existing assets, building new assets and accommodating growth in our district.



Summary statement of financial position

What we own and what we owe

	2019/20 Actual	2020/21 Actual	2021/22 Forecast	2022/23 AP Budget	2023/24 LTP Budget	2024/25 LTP Budget	2025/26 LTP Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Assets							
Current							
Financial assets	51,434	83,183	84,753	81,530	71,094	66,203	55,376
Non-financial assets	207	161	153	157	187	192	197
Total current assets	51,641	83,344	84,906	81,687	71,281	66,395	55,573
Non-current							
Financial assets	13,221	5,260	25,232	47,505	28,431	33,808	44,708
Non-financial assets	1,675,086	1,709,786	1,777,739	1,917,914	2,043,312	2,113,555	2,266,319
Total non-current assets	1,688,307	1,715,046	1,802,971	1,965,419	2,071,743	2,147,363	2,311,027
Total assets	1,739,948	1,798,390	1,887,877	2,047,106	2,143,024	2,213,758	2,366,600
Liabilities							
Current							
Borrowings	40,000	45,000	45,000	55,000	35,000	30,000	20,000
Other liabilities	16,054	25,715	27,428	38,837	45,728	45,768	45,265
Total current liabilities	56,054	70,715	72,428	93,837	80,728	75,768	65,265
Non-current							
Borrowings	170,000	185,000	210,000	245,000	301,277	336,704	372,882
Other liabilities	30,608	16,810	3,626	3,952	22,764	25,077	27,447
Total non-current liabilities	200,608	201,810	213,626	248,952	324,041	361,781	400,329
Total liabilities	256,662	272,525	286,054	342,789	404,769	437,549	465,594
TOTAL EQUITY/NET ASSETS	1,483,286	1,525,865	1,601,823	1,704,317	1,738,255	1,776,209	1,901,006

NOTES

a. The figures for Actual 2019/20 and 2020/21 are from the Council's 2020-21 Annual Report.

b. The figures for Forecast 2021/22 are the Council's estimated figures for the 2021/22 financial year.

c. The figures for AP budget 2022/23 are the budgeted figures from the Council's 2022-23 Annual Plan.

d. The figures for LTP budget 2023/24 to 2025/26 are the budgeted figures from Council's 2021-41 LTP.

Funding impact statement Operational

	2019/20 Actual \$000	2020/21 Actual \$000	2021/22 Forecast \$000	2022/23 AP Budget \$000	2023/24 LTP Budget \$000	2024/25 LTP Budget \$000	2025/26 LTP Budget \$000
Sources of operating funding							
General Rate, Uniform Annual General Charge, Rates Penalties	23,503	24,922	29,461	29,718	31,881	33,533	35,279
Targeted Rates	44,686	46,041	50,112	52,664	59,113	61,106	65,120
Grants and Subsidies for Operating Purposes	2,323	3,345	3,030	2,845	2,603	3,167	3,528
Fees and Charges	8,045	9,146	9,669	11,057	10,452	10,496	10,827
Interest and Dividends from Investments	1,624	1,107	1,181	1,500	550	550	550
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other	21,289	3,758	1,243	52,037	30,147	624	684
Total operating funding	101,470	88,319	94,696	149,821	134,746	109,476	115,718
Applications of operating funding							
Payment to Staff and Suppliers	56,305	61,686	67,381	74,356	70,334	71,852	74,679
Finance Costs	8,857	8,353	8,588	8,983	8,913	9,891	10,743
Internal Charges and Overheads Applied	-	-	-	-	-	-	
Other Operating Funding Applications	-	-	-	-	-	-	
Total applications of operating funding	65,162	70,039	75,969	83,339	79,247	81,743	85,422
SURPLUS/(DEFICIT) OF OPERATING FUNDING	36,308	18,280	18,727	66,482	55,499	27,733	30,296

Funding impact statement Capital

	2019/20 Actual \$000	2020/21 Actual \$000	2021/22 Forecast \$000	2022/23 AP Budget \$000	2023/24 LTP Budget \$000	2024/25 LTP Budget \$000	2025/26 LTP Budget \$000
Sources of capital funding							
Grants and subsidies for Capital Expenditure	3,129	7,322	8,397	13,992	5,290	6,740	5,774
Development and Financial Contributions	3,574	3,520	4,314	3,949	5,533	6,629	7,610
Increase (Decrease) in Debt	11,731	12,370	20,329	36,376	30,561	28,259	22,997
Gross Proceeds from Sale of Assets	277	635	-	-	-	-	-
Lump Sum Contributions	-	-	-	-	-	-	-
Other Dedicated Capital Funding	-	-	-	-	-	-	-
Total sources of capital funding	18,711	23,847	33,040	54,317	41,384	41,628	36,381
Applications of capital funding							
Capital Expenditure							
>to meet additional demand	934	672	520	5,914	9,034	8,663	7,942
>to improve the level of service	13,568	17,702	26,211	47,086	32,574	29,508	23,744
>to replace existing assets	8,978	14,536	16,105	31,700	30,803	33,158	38,189
Increase/(decrease) in Reserves	31,539	9,217	8,931	36,099	24,472	(1,968)	(3,198)
Increase/(decrease) in Investments	-	-	-	-	-	-	-
Total applications of capital funding	55,019	42,127	51,767	120,799	96,883	69,361	66,677
SURPLUS/(DEFICIT) OF CAPITAL FUNDING	(36,308)	(18,280)	(18,727)	(66,482)	(55,499)	(27,733)	(30,296)
FUNDING BALANCE	-	-	-	-	-	-	-

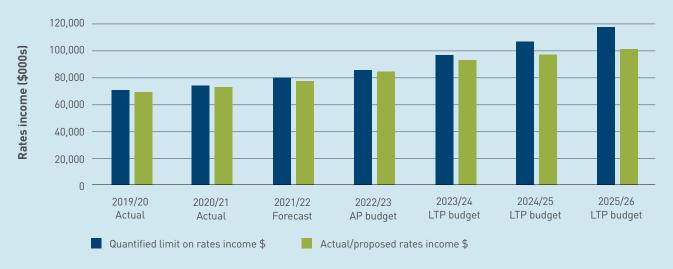
How we're doing against our financial strategy limits

Our financial strategy is set out in the LTP. That strategy includes limits for rates increases and borrowings. Our aim is to set limits that enable us to deliver affordable rates and minimise borrowings while maintaining services and preparing for the future. The graphs show how we are tracking against those limits.

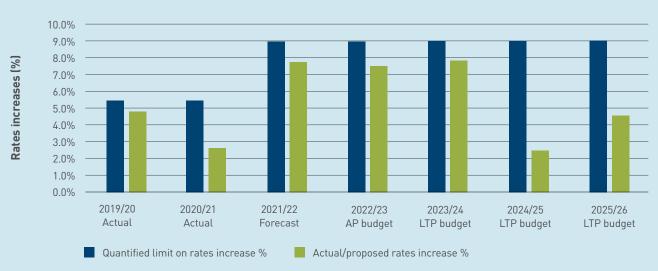
Our rates compared with the limits we've set

Our financial strategy sets an upper limit on rates increases of 9 percent. Rates increases are projected to remain within that limit for the forecast period.

Income from rates



Rates increases



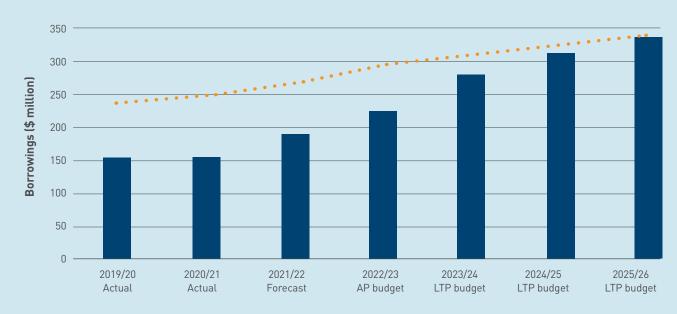
Our borrowings compared with the limits we've set

Our financial strategy sets an upper limit for net debt of 280 percent of Total Operating Income. Net debt is projected to remain within that limit for the forecast period.

This graph shows our projected net borrowings, compared with our limit of 280 percent of operating income that is represented by the orange line. Currently our net borrowings are \$168 million at 31 March 2022, equating to 175 percent of operating income.

It is one of the key measures used by S&P Global when they determine our credit rating.

Borrowings

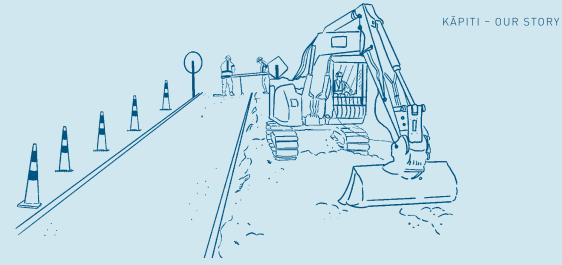


Actual / proposed net borrowings

• • • • 280 percent net borrowings / operating income

Major projects

Our major projects and initiatives are summarised below.



Capita	l projects	2022/23 (\$m)	2023/24 (\$m)	2024/25 (\$m)	2025/26 (\$m)	Total budget 20 years (\$m)
Infrastru	icture					
	Strengthen east-west connection in Paraparaumu with a 'link road' from Arawhata Road to Ihakara Street	\$3.4	\$11.9	\$7.2	\$1.7	\$24.9
	Increase our renewal of footpaths across the district	\$1.5	\$1.6	\$1.7	\$1.8	\$41.1
	Rebuild Paekakariki seawall in timber and improve beach access	\$3.3	\$5.0	\$3.4	\$3.5	\$16.8
	Keep upgrading our stormwater network to protect homes and businesses from flooding	\$6.0	\$6.0	\$7.9	\$5.8	\$143.8

Capita	l projects	2022/23 (\$m)	2023/24 (\$m)	2024/25 (\$m)	2025/26 (\$m)	Total budget 20 years (\$m)
Infrastru	cture					
	Progress our drinking water safety and resilience project	\$15.4	\$0.8	\$1.4	\$3.1	\$32.4
	Upgrade our water network	\$2.8	\$3.2	\$4.6	\$13.2	\$185.2
	Upgrade our wastewater treatment plant	\$3.6	\$1.2	\$4.2	\$0.6	\$26.6
	Upgrade our wastewater network	\$1.1	\$2.2	\$2.3	\$3.6	\$78.8
Commun	ity services					
	Mahara Gallery	\$3.0	\$1.1	-	-	\$6.4
	Upgrade Maclean Park, including progressing the development of Te Uruhi with co-funding from Government	\$4.5	\$0.5	\$0.4	-	\$8.9
	Continue development of Otaraua Park and begin redevelopment of Waikanae Park	\$3.5	\$3.3	\$3.3	\$1.1	\$11.2

Capita	l projects	2022/23 (\$m)	2023/24 (\$m)	2024/25 (\$m)	2025/26 (\$m)	Total budget 20 years (\$m)
Commun	ity services					
	Move on to stage 2 of our improvements at Otaki Pool	\$0.7	\$2.7	-	-	\$3.4
	Develop a new multi-use space for the Waikanae library and community service centre	\$2.0	\$5.9	\$3.1	\$1.1	\$13.8
	Replace Te Newhanga Kāpiti Community Centre	\$0.5	\$4.5	-	-	\$5.0
	Reshape our community facilities in Otaki, focusing initially on the library and memorial hall	\$0.5	-	\$1.2	\$3.8	\$10.8









Other initiatives



Implement our climate emergency action framework and action plans for climate change mitigation and adaptation across our work

Continue our emissions reduction programme within Council as we work towards becoming carbon neutral by 2025, and increase community education to reduce waste



Support increased capacity within iwi to be involved in the work of Council



Continue to support our district's recovery from COVID-19



Set up a CCO (Council Controlled Organisation), which could be used in the future for activities to benefit the district

Explore whether Council may be able to have a role in Kāpiti Coast Airport

Support and enable increased supply and development of housing



Develop and implement our district growth strategy

Review our District Plan, particularly to reflect central government's National Policy Statement on Urban Development

Supporting information

If you'd like to know more, take a look on our website – **kāpiticoast.govt.nz** or click on the following links:

Long-term Plan 2021-41

Long-term Plan – Kāpiti Coast District Council (kāvpiticoast.govt.nz)

Annual Report 2020-21

Annual reports – Kāpiti Coast District Council (kāpiticoast.govt.nz)

Annual Plan 2022-23

Year two – Kāpiti Coast District Council (kāpiticoast.govt.nz) available from 31 July 2022

Operative District Plan 2021

Ø kāpiticoast.govt.nz/your-council/forms-documents/district-plan/operative-district-plan-2021/#operative-plan

Economic Development Strategy

Kāpiti Economic Development Strategy refresh – Kāpiti Coast District Council (kāpiticoast.govt.nz)

Growth Strategy

Completed – Growth strategy – Kāpiti Coast District Council (kāpiticoast.govt.nz)

Representation review 2021

Representation review 2021 – Kāpiti Coast District Council (kāpiticoast.govt.nz)

Covid Recovery/Response Plan

Our role & recovery planning – Kāpiti Coast District Council (kāpiticoast.govt.nz)

Three Waters Reform

Three Waters Reform Programme – dia.govt.nz

Review into the Future for Local Government

Research and reports | Review into the Future for Local Government

Review of the Resource Management Act

Overview of the resource management reforms | Ministry for the Environment

Council Performance Reports

© Council performance reports - Kāpiti Coast District Council (Kāpiticoast.govt.nz)

