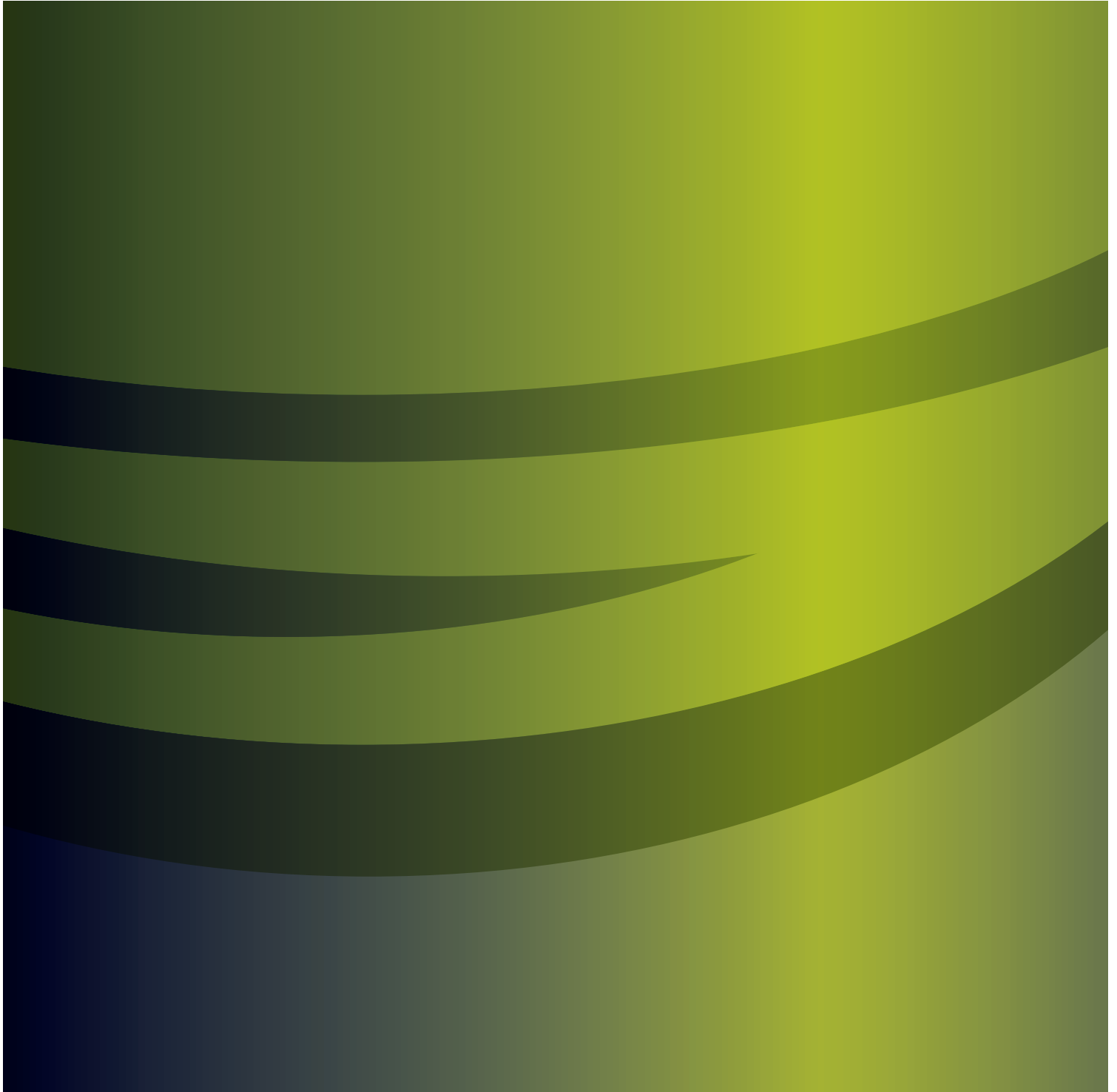


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# ANNUAL REPORT

## 2012 – 2013

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# INTRODUCTION BY JENNY ROWAN, MAYOR, KĀPITI COAST DISTRICT

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It is a pleasure to present this Annual Report on behalf of my fellow councillors. It represents the first year of achievements of the 2012 – 2032 Long Term Plan (LTP).

The LTP was only signed off after considerable public consultation and is a comprehensive picture of what residents want us to do on their behalf over the next 10 to 20 years. It is a totally transparent document laying out expectations, costs and how those costs will be handled.

This Annual Report is therefore our first “report card” for the LTP. It covers what we have achieved over the 12 months to 30 June 2013. I am confident the results compare very favourably with the LTP road map.

This Annual Report is important for another reason. It is the last full year of the current triennium, which will culminate in the 12 October 2013 local body elections.

The 12 months to 30 June 2013 have been very busy.

Council has moved from its temporary accommodation at the former Whitireia Campus at Lindale back to the substantially re-built Civic Administration Building on Rimu Road in Paraparaumu. I'm very happy to say the project was completed on time and within budget.

Residents now have greatly improved access to Customer Service staff, and the ground floor Council Chamber, in the reconfigured building. Our staff members now work in a modern, open plan building that is weather proof, wind tight and earthquake strengthened.



Three beautifully carved pou representing the three iwi in Kāpiti that signed the Treaty of Waitangi were unveiled outside the main entrance of the building in June 2013. The pou acknowledge the journey Council and the District's tāngata whenua have taken together, giving mana to the Civic area and completing the Civic Building project.



The Coastlands Aquatic Centre was scheduled to open in April 2013 but completion was delayed by the sudden collapse of the construction company Mainzeal. A number of projects elsewhere across New Zealand were also affected. Senior Council staff successfully negotiated an agreement with the receivers and the building was on track for an August opening. This will be a great facility to have in our community.

The Coastlands Aquatic Centre looks absolutely spectacular with its ultra-modern clear finished dome ceiling, exposed internal beams, natural light, three separate pools, spa pool, sauna and hydroslide facilities.

Significant gains were also made in other areas of Council activity.

Council continued to work on a long-term sustainable solution for the District's water supply. A great deal of work was undertaken to support the Waikanae River Recharge Project and a resource consent application was filed with the Greater Wellington Regional Council. After a series of hearings by independent commissioners, consent was approved for 35 years. Construction of the River Recharge infrastructure will begin in early 2014.

A major project to install water meters across the District began and is expected to finish within budget and on schedule. Council is planning to run two trial billings before it begins charging residents for the water they actually use. The trials will allow residents time to get used to the new billing system before the new system kicks in from 1 July, 2014.

The Local Government Reform debate got into full swing during the year following amendments to the Local Government Act. A Working Party comprising Greater Wellington, Wellington City, Porirua City and ourselves spent a great deal of time discussing possible forms of amalgamation.

Two public surveys were held in August 2012 and Council separately commissioned a telephone survey of 1500 residents in May 2013.

Almost 55% of Kāpiti residents preferred the current local government governance structure (eight city and district councils and one regional council) and almost 43% said they wanted a single city across the region. Clearly Kāpiti residents have mixed feelings on the way forward! We are only half way through this process. There is still a lot to be decided over the next 18 months.

We made progress, however, on local Māori representation with the appointment of a Māori representative on each of the three main Standing Committees of Council. The members are independent and represent all Māori views. The Te Āti Awa ki Whakarongotai Iwi Water Working Party was established, as well as a process for iwi to contribute to the District Plan Review and economic development.

A great deal of work was undertaken on the review of the District Plan, something all councils have to do every 10 years. The Proposed District Plan was notified in late November 2012 and submissions called for. The deadline for submissions on the coastal aspect of the Plan was extended to match the significant interest in this particular issue.

Work on the Proposed District Plan will run through 2014/15.

The Strategy for Supporting Economic Development on the Kāpiti Coast was adopted. The key focus is to support clean technology, grow the local food economy and provide support for business and the tourism sector. The strategy includes the Māori Economic Development Strategy developed by Te Whakaminenga o Kāpiti, the body that provides a Māori perspective for Council.

An Alcohol Action Plan was developed in collaboration with 38 local and national agencies. The plan has since been a springboard for a number of community-led projects seeking to reduce harm from alcohol and other drugs. A new alcohol bylaw was developed to create alcohol-free zones across the District.

A strategy for supporting the arts was adopted. This will help guide Council's direction in supporting the arts. It will also inform Council's long term planning in this area.

The Youth Council continued to build on the achievements that led it to winning the Youth in Local Government Supreme Award. The Youth2U Action Plan includes new youth development awards, youth events programmes and youth grant schemes.

The Council's "Green Team" also had a very active year, building on the Ministry for the Environment Green Ribbon Award it won in 2011 and the fact that it was highly commended in the 2012 EECA Awards for its energy saving work and Council's energy policy. Initiatives included energy efficiency upgrades to pensioner housing, Greenest Street/Neighbourhoods awards and trials of LED streetlights and solar powered cycleway lighting.

In conclusion I would like to thank those individuals, community organizations and groups that helped to make things happen over 2012 – 2013. You have helped to make a difference.



Jenny Rowan, QSO, JP  
Mayor  
Kāpiti Coast District



# A MESSAGE FROM

## PAT DOUGHERTY,

### CHIEF EXECUTIVE

---

This Annual Report represents another busy year for Council. It covers the period 1 July 2012 to 30 June 2013 and illustrates Council's performance in service delivery and in a financial context, against the measures set out for Year One in the 2012-32 Long Term Plan.

Highlights during the review period include the successful completion of the Civic Administration Building upgrade on time and within budget, substantial progress on the construction of the Coastlands Aquatic Centre, and the purchase of the "Turf Farm" at Waikanae.

In the 12 months to 30 June 2013, Council invested \$44.8 million on capital works. Major items included \$12.5 million on the Coastlands Aquatic Centre, \$5.81 million on the Civic Administration Building, and \$4.2 million on roads. The latter included \$1.5 million on re-sealing, an estimated \$670,000 on Kāpiti Road intersections and \$398,000 on footpaths.

In July 2012 Council purchased the 24 hectare "Turf Farm" for \$2.1 million. This is a magnificent piece of land that runs along the southern boundary of the Howarth Block which Council bought in the previous 2011 – 2012 financial year.

Both blocks sit between the southern bank of the Waikanae River and SH1 and total 60 hectares. The plan is to develop the combined area for sports fields and recreation over the longer period to cater for future population growth and the expected increase in demand for sports fields and open space.

With this in mind, the designation of the land has been changed to recreation under the Reserves Act 1977 so a Reserves Management Plan can be prepared for community consultation and ultimately, adoption by Council.

During the review period, a significant investment (\$2.4 million) was also made on stormwater infrastructure. This included \$854,000 on an upgrade for Tasman Road in Ōtaki and \$647,000 for Ocean Road in Paekākāriki.

A further \$383,000 was spent on the Waikanae stormwater infrastructure on Kakariki Stream and Awanui Drive, and \$403,000 was invested in upgrading local stormwater networks at Paraparaumu Beach.

As mentioned by Mayor Rowan, a great deal of work continued on securing a long-term solution for the District's water supply. There are three aspects to this initiative: the Waikanae River Recharge project, the installation of districtwide water meters, and the purchase of land for a future dam.

Over the review period the Council spent \$3.88 million on work to secure a long term water supply for Waikanae, Paraparaumu and Raumati. This included \$2.4 million on the purchase of land for a future dam, \$1 million in costs associated with lodgement of our resource consent application for the Waikanae River Recharge project, and \$400,000 for detailed design work on stage one of the project.



The Water Meter Project is on track for completion in December 2013 with \$4.75 million spent to 30 June 2013. The Water Meter Project is an integral part of our water conservation initiatives for the District. At present residents are charged a flat annual fee that is not directly related to the amount of water that each household consumes.

Under the new system – to begin on 1 July 2014 – residents will pay for the water they use in addition to a lower level of fixed charge. We anticipate this system will lead to a change in the way people use treated drinking water and a consequential reduction in peak water demand of 25%. A further 5% saving should result from better on-going leak detection.

Given the impact of the economic recession on the levels of activity during the year, Council ended the year in a sound financial position, mainly due to savings in loan servicing costs.

There was a rates surplus of \$723,000 as at 30 June 2013, which was reported to the Corporate Business Committee on 15 August 2012. This surplus has been partly used (\$341,000) to offset the 2013/14 rates increase and the balance is available to be used to offset the 2014/15 rates increase.

The Statement of Comprehensive Income (on page 118) includes revenue and expenditure not only funded from rates but also from other sources. The operating surplus was \$5.229 million. Included in the operating surplus are revenue items such as development contributions of \$2.032 million, which are capital contributions from developers that must be used to fund capital expenditure.

Also included in the Statement of Comprehensive Income, but outside of the operating surplus, is a one-off adjustment for recognition of the New Zealand Transport Agency's (NZTA) subsidy on the land purchased for the Western Link Road.

The Western Link Road project was on hold until the Board of Inquiry made their final decision on the Expressway. NZTA's share of the land will now be transferred back to NZTA and Council's share will be sold to NZTA early in the 2013/14



year. The transfer of NZTA's share of the land is non-cash.

The one-off items include an unrealised gain on valuation of interest rate swaps of \$4.16 million. When these one-off (non-cash) items are deducted from the operating surplus, it results in a net operating surplus of \$1.068 million.

Most of the savings have resulted from savings in loan servicing costs mainly through the lower interest rate market.

All in all it was a very busy year and I would like to thank our staff for the very heavy workload they have had to carry.

A handwritten signature in black ink, appearing to read 'Pat Dougherty'. The signature is stylized with a large, looped 'P' and a long, sweeping underline.

Pat Dougherty  
Chief Executive



# A MESSAGE FROM TĀNGATA WHENUA

He Whakakitenga na te Tāngata Whenua



*Te Hekenga – the Migration  
Designed by Hemi Sundgren,  
Te Hekenga was carved by Hemi  
with the assistance of Shannon  
Wafer (Te Āti Awa) and Tamati  
Holmes (Te Āti Awa).*

*Te Hekenga provides the  
entranceway to the Paraparaumu  
Library. The three waka symbolise  
the three iwi of the Kāpiti Coast  
(Te Āti Awa ki Whakarongotai,  
Ngāti Raukawa ki te Tonga me  
Ngā Hapū o Ōtāki, Ngāti Toa  
Rangatira) and their migration to  
the Kāpiti Coast.*

Tāngata whenua of the Kāpiti Coast District are pleased to have enjoyed an ongoing and productive relationship with Council since 1994, through the Memorandum of Partnership and the establishment of Te Whakaminenga o Kāpiti. Te Whakaminenga o Kāpiti is a forum where the tāngata whenua and Council come together to discuss matters of mutual interest and importance in relation to Iwi specific issues and wider District matters.

The tāngata whenua of this District are: Āti Awa ki Whakarongotai, Ngāti Toa Rangatira, and Ngāti Raukawa ki te Tonga including their whānau and hapū.

Te Whakaminenga o Kāpiti recognises the strength of the Kāpiti Coast District Council's commitment to the role tāngata whenua have as kaitiaki of the District. They also support the manner in which the Council upholds and takes appropriate account of the principles of the Treaty of Waitangi. The four main principles on which the tāngata whenua base their vision for the District, as outlined on pages 10 -12 of the Long Term Plan 2012-32, have supported their 2012/2013 work programme.

Some key achievements for this financial year include:

- Ongoing partnership with tāngata whenua to identify the most suitable solution for the District's water requirements for the next 100 years;
- Marae support grants disseminated to marae for maintenance programmes;
- Forty waahi tapu sites have been researched and included in the Draft District Plan. Waahi tapu research continues to be a priority;
- Advancing the aspirations with tāngata whenua within a local government process – Māori Representation has been realised with appointments to each of Council's Standing Committees;
- The blessing and unveiling of three pou for the Civic Building completed by carvers from each of the three iwi;
- Advancement of Te Reo Māori within Council and on Council signage. An example of this is the presentation of the heritage signage and rongoā Māori signage across the district in both Te Reo Māori and English; and
- Environmental management – three iwi members achieved Commissioner's certification.

A table providing year-end comment against each initiative and/or project is provided on the next page.

Rupene Waaka  
Tumuaki, Te Whakaminenga o Kāpiti

## Te Whakaminenga o Kāpiti Year-end Comment

Te Whakaminenga o Kāpiti Initiative and/or Project		Progress Comment
Iwi / Council Capacity Building	Council liaison / Māori	Council Kaumātua - guides the Council in the expression of tikanga Māori for formal and informal occasions. Te Whakaminenga o Kāpiti – continues to provide strategic overview of priorities for ongoing engagement between tāngata whenua and Council. Iwi Liaison - increased liaison between Council and Iwi on issues of significance, including the District Plan Water Working Group, Māori Economic Development. Work Force Development and Cultural Advisor - increasing opportunities to develop cultural understanding within Council activities. Waahi Tapu - Researcher continued research to identify and protect waahi tapu sites across the District.
	Increasing efficiency of Iwi response to joint work	Improved communications between Iwi and Council.
	Resource Management	Ongoing participation in relevant training opportunities on resource management. Three Commissioners certified in this financial year.
	Democratic Process	Māori Representatives appointed to each of Councils Standing Committees.
State of the Environment	Kaitiakitanga	Develop understanding of Te Tiriti o Waitangi. Treaty Settlements - keeping abreast of settlement process. Coastal Strategy - annual forums. Exploring traditional kaupapa Māori practices that contribute to the management of the environment.
Economic Development	Building on the work from the Wellington Regional Strategy with a focus on local issues and opportunities to contribute towards Māori economic development potential.	This financial year, a Māori Economic Development Strategy has been adopted which provides a process to work with Māori in the District to grow economic development.
He Taonga te Reo	Upholding the reo as a deeply treasured tāonga	Nurturing the written and spoken utilisation of te reo Māori throughout the District. Increased awareness of significant cultural events such as Matariki. Council and Iwi co hosting Waitangi Day and Citizenship ceremonies. Promoting bi-lingual signage. Heritage trail – all signage is now in te reo Māori and English.
He Taonga Tuku Iho	Marae - the standing place of the people.	Supporting the wellbeing of marae as principal homes of tāngata whenua.



Ngā Hapū o Ōtaki



Te Runanga o Toa Rangatira



# GOVERNANCE STRUCTURE

## GOVERNANCE STRUCTURE – FROM 1 JULY 2012 TO 30 JUNE 2013

Following the October 2010 Local Body Election the Kāpiti Coast District Council comprised a Mayor and 10 elected Councillors, half of whom were elected from ward constituencies and half of whom were elected on a districtwide basis. They were:

Mayor: Jenny Rowan

Councillors

Districtwide: Roger Booth (Deputy Mayor), Diane Ammundsen, Mike Cardiff, Ross Church, Peter Ellis

Ōtaki Ward Penny Gaylor

Waikanae Ward Tony Lloyd

Paraparaumu Ward K (Guru) Gurunathan, Tony Lester

Paekākāriki-Raumati Ward Hilary Wooding

**Council meetings** were scheduled six weekly, with additional meetings held as required. During the year the Council held 18 meetings. Council meetings normally commenced at 10am during the year. These meetings were advertised in the local news media. To assist the Council to discharge its duties it had Standing Committees which generally met every six weeks, and each committee had its own terms of reference and powers delegated to it by the Council. The membership of each of those standing committees is a committee of the whole. That is, every Councillor sits on every committee. There are also a number of subcommittees. The Standing Committees (listed below) held 22 meetings during the year.

The **Environmental and Community Development Committee** (ECD) was chaired by Councillor Gaylor. The Committee developed policies and strategies for the Council on behalf of the community for the social, economic, environmental and cultural wellbeing of the District, and policies and strategies associated with the development of the Long Term Plan.

The **Corporate Business Committee** (CBC) was chaired by Councillor Church. The Committee managed the financial affairs of the Council including risk management issues within the overall long term financial programme and financial management parameters set out in the Long Term Plan. It also acted as the owner of all Council assets.

The **Regulatory Management Committee** (RMC) was chaired by Councillor Ammundsen. The Committee controlled a range of regulatory activities such as animal control, building control, bylaws, environmental matters, parks and reserves, resource management, District Plan changes, subdivision and land use consents, public safety, traffic, and also acted as the District Licensing Agency (liquor) and as Hearing Commissioners.

The **Appeals Committee** was chaired by Councillor Wooding. The Committee is responsible for hearing appeals or objections on Council's regulatory and compliance areas.

**Iwi Representation Members** – In 2012 Council resolved to have the Chair of Te Whakaminenga o Kāpiti attend Council meetings with the opportunity to contribute to debate and discussion. On 6 June 2013 the Council approved the appointment of a Māori representative with voting rights to each of the three major Standing Committees. Member appointments in 2012/13 were: CBC Committee, Russell Spratt; ECD Committee, Rupene Waaka; and RMC Committee, Caleb Royal.

**The Community Boards'** role was to advise Council of local issues and to help determine priorities. They also had delegated power to deal with some local matters. The Community Boards generally met every six weeks and during the year a total of 32 meetings were held. The Chairs of each Community Board were also invited to sit at the Council table for meetings of Council and Committees and contribute to the discussion. The Boards and their members were as follows:

Ōtaki Community Board	James Cootes	Chair (from 19 June 2012)
	Colin Pearce	
	Marilyn Stevens	
	Don Moselen	(resigned 1 August 2012)
	Jackie Elliott	(sworn in 4 December 2012 after by-election)
	Cr Penny Gaylor	
Waikanae Community Board	Michael Scott	Chair
	Eric Gregory	Deputy Chair
	Jocelyn Prvanov	
	Harold Thomas	
	Cr Tony Lloyd	
Paraparaumu-Raumati Community Board	Louella Jensen	Chair
	Jonny Best	Deputy Chair
	Trevor Daniell	
	William (Will) Scollay	
	Cr K Gurunathan	
	Cr Tony Lester	
Paekākāriki Community Board	Janet Holborow	Chair (from 10 July 2012)
	Helen Keivom	Deputy Chair (from 10 July 2012)
	Steve Eckett	
	Rosemary Barrington	(passed away 24 June 2013)
	Cr Hilary Wooding	

Further details on the Council's governance arrangements can be found in the Governance Structure document available at [www.kapiticoast.govt.nz](http://www.kapiticoast.govt.nz)



# REMUNERATION OF THE ELECTED MEMBERS

The remuneration rates, the level of allowances and the reimbursement of expenses payable to local government elected members are set by the Remuneration Authority which is a statutory body whose members are appointed by the Government. Other than setting the remuneration for mayors and regional council chairs, the Authority allows councils to propose how the remuneration pool will be divided within the District. Assuming the council's proposal meets the Authority's criteria it will be approved.

The Council members are paid an annual salary and also have their mileage reimbursed for journeys over 30 kilometres and some of their IT requirements subsidised. Below is the remuneration paid covering the period **1 JULY 2012 to 30 JUNE 2013**.

Name		Gross \$	Internet \$	Mileage \$
Jenny Rowan	Mayor	96,838	-	-
<b>Councillors</b>				
Diane Amundsen	Chair, Regulatory Management Committee	31,812	-	65
Roger Booth	Deputy Mayor	36,283	551	608
Mike Cardiff		24,997	551	-
Ross Church	Chair, Corporate Business Committee	31,812	612	-
Peter Ellis		26,292	-	-
Penny Gaylor	Chair, Environment and Community Development	33,942	612	3,339
K Gurnathan (Guru)		28,422	551	109
Tony Lester		28,422	612	406
Tony Lloyd		27,765	551	-
Hilary Wooding	Chair, Appeals Committee	32,496	624	-
<b>Paekākāriki Community Board Members</b>				
Janet Holborow	Chair	7,647	626	70
Stephen Eckett		3,943	-	-
Rosemary Barrington		4,072	-	-
Helen Keivon		3,943	-	-
<b>Paraparaumu/Raumati Community Board Members</b>				
Louella Jensen	Chair	12,882	-	421
Jonny Best		6,573	-	-
Trevor Daniell		6,573	-	-
William Scollay		6,573	-	-
<b>Waikanae Community Board Members</b>				
Michael Scott	Chair	12,882	-	360
Eric Gregory		6,573	-	-
Jocelyn Prvanov		6,573	-	-
Harold Thomas		6,573	-	-
<b>Ōtaki Community Board Members</b>				
James Cootes	Chair	12,882	766	532
Don Moselen		584	-	-
Jackie Elliott		4,266	-	-
Colin Pearce		6,627	-	178
Marilyn Stevens		6,573	-	243
<b>TOTAL</b>		<b>514,820</b>	<b>6,056</b>	<b>6,331</b>

## MEETING ATTENDANCE RECORD OF ELECTED MEMBERS

The following table details the attendance record of the Mayor and Councillors at the 18 meetings of Council and 22 Standing Committee meetings during the 2012/13 year.

Elected Member	Council Meetings (18)			Council Committee Meetings (22)		
	Attended	Absent (leave)	Absent (apology)	Attended	Absent (leave)	Absent (apology)
Mayor Jenny Rowan	14	0	4	13	1	8
Diane Ammundsen	14	4	0	18	3	1
Roger Booth	17	0	1	21	0	1
Mike Cardiff	18	0	0	17	1	4
Ross Church	18	0	0	20	2	0
Peter Ellis	16	1	1	21	0	1
Penny Gaylor	17	0	1	21	0	1
K Gurunathan	17	0	1	21	0	1
Tony Lester	14	3	1	16	3	3
Tony Lloyd	13	0	5	17	1	4
Hilary Wooding	17	1	0	21	1	0

## COMMUNITY BOARD MEETING ATTENDANCE 2012/13

The following tables detail the attendance record of Community Board members at the 31 Board Meetings.

### Ōtaki Community Board Attendance

Elected Member	Attended	Absent (leave)	Absent (apology)
James Cootes (Chair from June 2012)	8	0	0
Colin Pearce	7	0	1
Marilyn Stevens	6	2	0
Don Moselen	1	0	0
Jackie Elliott	4	0	1
Cr Penny Gaylor	8	0	0

### Waikanae Community Board Attendance

Elected Member	Attended	Absent (leave)	Absent (apology)
Michael Scott (Chair)	6	0	1
Eric Gregory	7	0	0
Jocelyn Prvanov	7	0	0
Harold Thomas	7	0	0
Cr Tony Lloyd	7	0	0

### Paraparaumu / Raumati Community Board Attendance

Elected Member	Attended	Absent (leave)	Absent (apology)
Louella Jensen (Chair)	8	0	0
Johnny Best	7	0	1
Trevor Daniell	7	0	1
William Scollay	7	0	1
Cr K Gurunathan (Guru)	8	0	0
Cr Tony Lester	5	3	0

### Paekākāriki Community Board Attendance

Elected Member	Attended	Absent (leave)	Absent (apology)
Janet Holborow (Chair)	7	0	1
Helen Keivom	8	0	0
Steve Eckett	8	0	0
Rosemary Barrington*	7	0	1
Cr Hilary Wooding	7	0	1

\*Rosemary Barrington passed away on 24 June 2013.

# STATEMENT OF COMPLIANCE AND RESPONSIBILITY

1 JULY 2012 TO 30 JUNE 2013

## **Compliance**

The Council and management of Kāpiti Coast District Council confirm that all statutory requirements of Sections 98 and 99 of the Local Government Act 2002 have been complied with.

## **Responsibility**

The Council and management of the Kāpiti Coast District Council accept responsibility for the preparation of the annual Financial Statements and the judgements used in them.

The Council and management of the Kāpiti Coast District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and management of the Kāpiti Coast District Council, the annual Financial Statements for the year ended 30 June 2013 fairly reflect the financial position and operations of the Kāpiti Coast District Council.



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Jenny Rowan, QSO, JP  
**Mayor**  
**Kāpiti Coast District**  
3 October 2013



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Pat Dougherty  
**Chief Executive**  
3 October 2013



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Warwick Read  
**Group Manager**  
**Finance**  
3 October 2013



# CONTEXT FOR THE ANNUAL REPORT

Under the Local Government Act 2002, the Council must adopt a fully compliant Long Term Plan every three years. The current Long Term Plan was adopted in June 2012. Year One of the 2012-32 Long Term Plan covers the 2012/13 financial year.

This Annual Report reports on Council's financial and service performance for 2012/13, that is against Year One of the 2012 Long Term Plan.

The legislative changes included in the 2010 Amendment to the Local Government Act 2002 apply to this 2012/13 Annual Report. However, changes included in the 2012 Local Government Amendment Act are not fully incorporated into this Annual Report (refer to the Legislative Change section on the next page for further explanation).

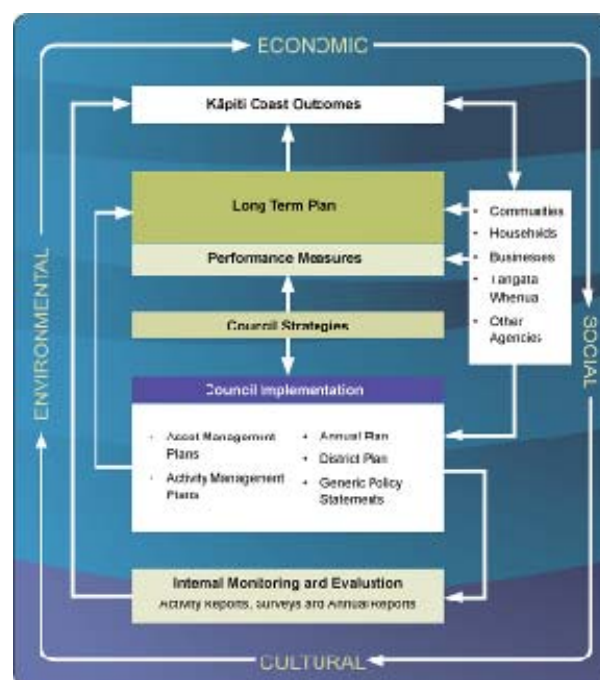
## THE LONG TERM PLAN

The 2012-32 Long Term Plan is essentially a benchmark for Council and the communities of the Kāpiti Coast. It guides both the long term programme and projects, and the linkages between key strategies and plans. It states what Council will do to promote wellbeing and community interests to meet the current and future needs of the District's communities. The LTP is used to review Council's performance and sets a framework for expenditure against which Asset and Activity Management Plans are developed.

It also allows Council to adjust expenditure on an annual basis during the three year cycle.

## Council Planning Documents

The following diagram illustrates the linkages between the Council planning documents:



# LEGISLATIVE CHANGE

The 2012 Amendment to the Local Government Act 2002 which came into effect on 5 December 2012 changed the purpose of local government to:

- enable democratic local decision-making and action by, and on behalf of, communities; and
- meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

This second part of the purpose repealed the previous second part which was “to promote the social, economic, environmental and cultural well-being of communities, in the present and for the future”.

Because the amendment came into effect after the adoption of the 2012-32 Long Term Plan (in particular Year One of that plan) this 2012/13 Annual Report reflects Council's activities against the earlier purpose which was current at that time.

Council has already made incremental changes to align the new legislative requirements into its 2013/14 Annual Plan. More changes will be included in the 2014/15 Annual Plan with full alignment incorporated into the 2015 Long Term Plan. Moves to align with the changes already in place show that this Council:

- has a strong foundation and proven record (supported by the achievement of a range of national awards for community engagement) in regard to enabling democratic local decision-making and action by, and on behalf of, communities;
- has an established Community Outcome framework (developed with full community input) which it has retained because it reflects both Council and community objectives and interests;

- addresses the question of rates impacts on the more vulnerable members of the community via the development every three years of an Affordability Report;
- provides rates relief via a range of rates remissions;
- is the only local authority in New Zealand to prepare a Long Term Plan that has a Financial Strategy which covers 20 years. This 20 year outlook allows Council to achieve what it views as the appropriate balance between meeting the needs of the community and avoiding unacceptable costs to that community;
- has already identified three key drivers for change in the management and delivery of regulatory services including: being “Open for Business”; improving performance (and the perception of performance); and responding to changes in the legislative environment; and
- has commenced a review of project management with a view to ensuring that there is consistency in the way projects are developed, managed and reported.

The process to align with legislative changes reviews the linkages between what Council currently does, and the new purpose, role and powers of Council in the amended Local Government Act 2002.

It includes:

- a review of how Council applies business methodologies to work programmes. These methodologies include the application of tools such as cost-benefit analysis, multi-criteria and risk-analysis; and
- a stock-take of how our existing activities and services (including our decision-making processes and the way we make grants) fit the requirements of the new legislation.

# COMMUNITY OUTCOMES

The 2012-32 Long Term Plan reflects the 2010 Amendment to the Local Government Act 2002 which changed the consultation process for identifying Community Outcomes. The legislative change required Community Outcomes to be developed by Council and relate to what Council aims to achieve in order to meet the purpose of local government as set out in legislation.

In response to this change of approach Kāpiti Coast District Council decided to retain its 2009 Community Outcomes as a benchmark because they reflect the community's vision of what they want the District to be. They represent both community aspirations and Council objectives which remain relevant from a local, national and global perspective. They have also been used to inform the current review of the District Plan.

This Annual Report reports on Year One of the 2012-32 Long Term Plan, therefore it reports against the Community Outcomes adopted by Council at that time. It also reports against the purpose of the Council at that time (which was subsequently amended in December 2012, after the Long Term Plan was adopted) to promote the social, economic, environmental and cultural wellbeing of the community, both now and for the future.

The current Council considers its established Community Outcome framework to be a useful tool that expresses the intent of the 2010 legislation. In addition this Council has a strong foundation and proven record of enabling democratic local decision-making and action by, and on behalf of the District's communities.

The following table outlines the seven broad Community Outcome areas.

OUTCOMES	1	there are healthy natural systems which people can enjoy	The community's vision for the Kāpiti Coast's natural environment is simple; maintain and build on valued natural qualities.
	2	local character is retained within a cohesive District	This Outcome is concerned with recognising, protecting and preserving the unique character of various communities while also nurturing those things that create a sense of community as a whole.
	3	the nature and rate of population growth is appropriate to community goals	This Outcome is about the management of population changes and development. The community has clearly indicated population growth needs to be managed in a way that brings benefits not problems.
	4	the community make use of local resources and people have the ability to act in a sustainable way on a day-to-day basis	This Outcome is concerned with the efficient use of finite resources and making sensible use of renewable resources.
	5	there is increased choice to work locally	This Outcome is concerned with how and to what extent the local economy grows and gives residents greater employment choice, including skilled work and job security.
	6	the District is a place that works for young people	The community's vision is that the Kāpiti Coast provides a place young people can enjoy and feel a part of, where they can make the best of education and other opportunities and be encouraged to stay in the District as they grow older.
	7	the District has a strong, healthy, safe and involved community	Overall, the Kāpiti Coast community is strong, healthy and involved. Safety was added to this Outcome when all Outcomes were reviewed with the community in 2009.





# PROMOTING WELLBEING

At the time Council adopted the 2012-32 Long Term Plan (LTP) the Local Government Act 2002 defined one of the primary purposes of local government as promoting and reporting on the social, economic, environmental and cultural wellbeing of the District. This Annual Report reports on Year One of the LTP, therefore it retains this purpose as a goal against which to measure Council's performance (acknowledging that the purpose was subsequently changed in December 2012).

The report uses the general characteristics that make up each of the wellbeing areas identified in the LTP as a benchmark for reporting (refer data boxes below). However, as a first step towards alignment with the December 2012 amended purpose of local government, the word 'wellbeing' is considered as interchangeable with the word 'interests'.

The Local Government Act 2002 requires an Annual Report to identify the community outcomes to which Council activities contribute, report the results of progress towards achieving those outcomes, and describe any effects an activity has had on the community.

In some areas Council has a direct influence through the services it provides, while in other areas the influence is more indirect or may be through Council adopting an advocacy role.

For example, Council supports economic development in the District through a strategy that focuses on supporting clean technology, growing the local food economy, and providing support for the tourism and business sectors. Council's strategy also includes the Māori Economic Development Strategy.



## CULTURAL

### CULTURAL WELLBEING INCLUDES

- an understanding of the history of cultural traditions and heritage of people living within the District;
- mutual respect for those traditions and values that contribute to human wellbeing;
- a reflection of those values (including local heritage) in the present physical and social environment;
- confidence that decisions which will result in change take these principles and values into account; and
- a sense of community control over decisions affecting what is valued for community good.

## ECONOMIC

### ECONOMIC WELLBEING INCLUDES

- economic activity which is within the capacity of natural eco-systems to absorb and withstand any negative effect;
- local benefit;
- employment which provided opportunity for high paid, high skill jobs;
- a local economy which adapts to change and pressures;
- having business people who are able to establish viable businesses that return benefits to their local communities;
- a high level of skills in the community, the opportunity to train to improve skills and the opportunity to use those skills effectively;
- the ability to add value to what local resources offer, especially natural resources and creative talent; and
- equal pay for work of equal value.

COMMUNITY OUTCOMES 1 2 3 4 5 6 7

Infrastructure development, including roads, public transport, and water, wastewater and stormwater management, is also important for economic, as well as social wellbeing. Other contributors to social wellbeing are local halls, housing for older persons, the Youth2U Action Plan, and advocacy for local health facilities. Libraries and galleries relate to both social and cultural wellbeing, as do

local heritage projects, and promoting a range of cultural images in public art. Council's resource management responsibilities, oversight of building consents and parks and reserves, and its protection of the character of certain areas promote environmental, social and economic wellbeing / interests.



# THE REGIONAL DIMENSION

## REGIONAL RELATIONSHIPS

The Kāpiti Coast District exists within a complex regional environment. Despite the physical separation, Ōtaki, Waikanae, Paraparaumu, Raumati and Paekākāriki are part of a large Wellington regional urban area to the south and a more rural area to the north. The northern part of the District has economic ties to parts of Horowhenua, while other shared services exist with Wairarapa and the Hutt Valley.

This complexity is compounded by the District falling completely within the Greater Wellington Regional Council jurisdiction and having divisions across a number of central government agencies. Details of the main regional structures that are relevant to the Kāpiti Coast can be found in Part One of the 2012-32 Long Term Plan.

## REGIONAL GOVERNANCE

As one of nine councils in the Wellington region this Council is currently involved in discussions about the shape and form of the future governance structure for the Wellington Region.

A Working Party comprising elected representatives from Kāpiti Coast District Council, Wellington City Council, Porirua City Council and the Greater Wellington Regional Council has been looking at possible options for local government reform in the Wellington Region.

This follows legislative changes to the Local Government Act 2002 in December 2012. The elected Kāpiti Coast members of the Working Party are Mayor Jenny Rowan, Deputy Mayor Roger Booth, and Councillors' Penny Gaylor and Tony Lester. Membership of the Working Party does not commit any member council to any actions or imply support for any option.

Kāpiti participation has been guided by a number of principles. They include:

- retaining meaningful local democracy and access to decision-making;
- the legacy of debts and assets must be fairly managed;
- any change must be for the better;

- early and meaningful provision for involvement of Maori in decision-making;
- the integration and consolidation of policies; and
- the retention of village identities in Kāpiti.

In March 2013 member councils voted to consult residents on the Working Party's findings, and their preference in relation to the status quo or a single city, with either a single tier governing structure or a two tier structure. In May 2013 Council undertook a random survey of 1,500 residents. Results showed that 55% of Kāpiti residents support retaining the current structure of local government. Community feedback also showed that if a single city model is preferred by the Local Government Commission, there is a preference for a two tier structure that retains local structures such as community boards or their equivalent. Survey details can be found on the Council website.

In June 2013 Council considered the results of the survey and submissions received via the regional consultation process. In determining the next steps forward in Local Government reform, Council voted to:

- support the application to the Local Government Commission by the Wairarapa Councils to become a single unitary authority;
- decline to put in a joint proposal with the Greater Wellington Regional Council on a single city option for the Wellington Region;
- support a two tier structure that preserves local democratic structures such as community boards or their equivalents should the Local Government Commission prefer a single city option; and
- advocate for effective partnerships and representation arrangements for tangata whenua.

Further information on local government reform can be found on the Council website.



# LEADERSHIP AREAS

Section 4 of the 2012-32 Long Term Plan identified 16 leadership areas or themes which helped shape Council's activities, direction and long term thinking during 2012/13.

## BUILDING RESILIENCE

A resilient community has the capacity to actively respond and adapt to change with minimum cost to communities, to community systems (including infrastructure) and ecosystems. It is a community which is served by infrastructure and structures which can also adapt over time. Resilience is an approach that combines risk management and sustainability.

The Council's emphasis is on finding solutions that reduce reliance on single systems. These range from improved access, to increasing opportunities for non-potable water (not drinking water) supply, to developing a range of structures for community involvement. It continues to build the idea of resilience into its thinking and decision-making, in particular about Council infrastructure and services.

## PARTICIPATION, COMMUNICATION AND CONSULTATION

Participation, communication and consultation are a core attribute of a functioning, positive, local democracy. Council will continue to provide people and stakeholders with the opportunity to shape ideas and direction early in the decision-making process in a proactive way.

The Council aims to provide easy to understand information to assist participation in decision-making. It continues to develop improved communication tools so people and stakeholders have all the information available to participate in and understand decisions.

## NATURAL HAZARDS

Over the long term global warming, with expected sea level rises and increased severe weather events, will put pressure on our coastal and stormwater protection structures. Council has an ongoing stormwater upgrade programme designed to provide protection for a one in 10 year flood (if access to a secondary flow path is available) and a one in 100 year flood (if a secondary flow path is not available). The cost of implementing this programme is significant and some projects are not planned until after 2021/22.

Council will intervene on the coast only to protect Council owned assets, such as road and public health infrastructure, from erosion. Considering potential risks and rising community costs, it has begun a process of community discussion around an orderly approach to withdrawing from coastal and flood hazard areas over the long term. Such an approach would unfold over many decades.

No conclusions on this issue or what the appropriate approach should be have been reached. Council recognises that it could be years before a clear community view is identified. It believes it should take a leadership role in relation to natural hazards, and considers collaboration with other Local Authorities on this issue is important.

## IMPORTANCE OF PLACE, OPEN SPACE, CENTRES AND DESIGN

People on the Kāpiti Coast have pressed for policies and action which improve the appearance and quality of new development and the quality of its town centres. There is a growing awareness generally that attractive town centres with a range of activities (such as retail, business services, education, civic and entertainment) build long term resilience, attract investment to the District, and support public transport.



The Council continues to focus on improving the quality of all physical developments within a broad framework of sustainable urban form and systems. It does this through the Development Management Strategy, and the Subdivision and Development Principles and Requirements. For instance, the Coastlands Aquatic Centre and upgraded Civic Building are examples of developments that enhance the Paraparaumu Town Centre.

## THRESHOLDS FOR DEVELOPMENT MANAGEMENT

The Council has developed an innovative approach to managing growth and development on the Kāpiti Coast. This is intended to give the community more input into development over time. It has introduced the idea of development stages and thresholds for large developments, where a further stage of proposed development can be reviewed when certain thresholds are reached.

In addition, more controls over infrastructure investment decisions have been developed. For instance, where a private development is dependent on community infrastructure, the timing of that infrastructure development cannot be driven solely by the requirements of the private development proposal. Also, greater use of structure plans provides more certainty around the form of any future development.

## EXPLORING THE LOCAL FOOD ECONOMY

Kāpiti Coast District has a major resource in the food and fibre producing potential and capacity of its rural lands. Council is already providing support to businesses in this sector and work is continuing on assessing further economic opportunities.

The focus is on developing the local food economy and reducing the leakage of benefits to outside the District. Council has identified this as a priority area under its strategy for Supporting Economic Development on the Kāpiti Coast.

## HOUSING CHOICE

The Kāpiti Coast has a limited range of housing choice, in terms of size, type and tenure. This is a particular problem for older people who wish to stay within their community but want alternatives to retirement village options.

The District also has very limited housing options for people who need emergency support or housing assistance. There are groups on the Kāpiti Coast who wish to explore all of these issues and the Council will work with them to consider ideas and options.

In terms of Council's own work programme, it is in the process of reviewing its regulatory role under the District Plan, and the impacts and opportunities around affordable housing. It is also open to exploring innovation around housing options, housing design and adaptability with developers.

## BUILDING SOCIAL CAPITAL

Social capital has many definitions but is generally concerned with the value (including economic value) of social networks and interactions and the role they play in maintaining wellbeing.

The Kāpiti Coast District has a strong network of community groups and organisations; it also has a large number of individuals who are directly involved in their communities and work as volunteers. Local groups, iwi and hapū, marae, churches, advocacy groups, businesses and individuals build and maintain social cohesion. That unity supports families under stress, builds employment and provides wider social wellbeing and enjoyment.

The Council continues to place a leadership focus on the immense local 'human resource' of skills, wisdom and creativity. The Council is not a social service delivery agency but can, in the course of undertaking its day to day activities, find innovative ways to assist groups to build skills and capacity. It also plays a major civic role in honouring and recognising the role of volunteers in the community.



## PARTNERSHIP

Building partnerships with a range of groups and interests in the community is essential to achieving Council and community objectives as set out in the community outcomes. Council works to foster four general types of partnerships:

- working to harness the wisdom, intelligence, capital and skill in the community and provide places where people can discuss and advance ideas and projects. For example, the Clean Technology Centre, the Maori Economic Development Strategy, and supporting the business and tourism sectors. It involves developing relationships and partnerships with key government and funding agencies and local organisations and groups;
- working with organisations advocating the interests of their membership. Council values its relationship with groups such as Kapiti Coast Grey Power, the Kāpiti Coast Older Persons' Council, the Youth Council, Kapiti Chamber of Commerce and the Kapiti Accessibility Advisory Group. Council will continue its commitment to maintain an open flow of information and communication on issues of concern and interest;
- working with umbrella organisations that act as advocates on a range of social, economic, environmental and cultural issues to help them use the resources of Council, to gain central and regional government attention and resources; and
- developing partnerships with central and regional government organisations.

## PARTNERSHIP WITH TĀNGATA WHENUA

Council is committed to its partnership with Te Āti Awa ki Whakarongotai, Ngāti Raukawa and Ngāti Toa Rangatira and the Memorandum of Partnership it holds with them. It includes a commitment to working via Te Whakaminenga o Kāpiti, the partnership mechanism for advancing matters of mutual interest.

Council is committed to working directly with each iwi and specific hapū on matters relevant to their role as kaitiaki, and interests within their rohe. In its commitment to extending Māori involvement in decision-making, Council has appointed a Māori representative with voting rights to each of the three major Standing Committees of Council.

## CLOSING THE LOOP: COUNCIL SERVICES – WASTE AND ENERGY

The goal of Council's zero-waste policy is to reduce or eliminate 'waste' and to re-direct waste products for beneficial reuse. To this end, Council has considered energy efficiency and energy production as side-products of its services and activities. For example, it has introduced a LED streetlight replacement scheme, and switched from diesel to wood fuel for the wastewater treatment boiler at the Paraparaumu Wastewater Treatment Plant.

Council continues to explore cross-service opportunities both locally and regionally, taking into account both the cost of energy and the cost of any emissions trading scheme.

## KĀPITI COAST'S PLACE IN THE REGION

Council recognises the District is linked to the Wellington region, via the transport system, the urban system, the labour market and employment, an increasing focus for migrant settlement, and the wider regional economy. It recognises that regional initiatives, such as the Regional Land Transport Strategy and the Wellington Regional Strategy, are central to leveraging resources into the District. It supports local governments working together in a productive way at the regional level.

Also important is the presence of central government and the ability to interact more directly with key departments and ministries, via regional structures such as the Mayoral Forum and the Wellington Regional Strategy Committee.

Council is fully involved in a range of initiatives for shared services with an aim to reduce costs or increase levels of service. For instance, it is a member of the regional libraries SMART (Shared and Managed Region Together) consortium.

## SUSTAINABLE CLEAN TECHNOLOGIES

Council is actively pursuing a sustainable technology concept as part of its economic development, water management and waste minimisation programmes. Its role is to encourage thinking and networking around this concept, to leverage funding into the District from other sources, and to support practical initiatives.

Council promotes Kāpiti Coast as a Centre of Excellence for innovative, sustainable clean technologies such as, small scale energy systems and water conservation systems. It supports the businesses at the Clean Technology Centre in Ōtaki developing new technologies that reduce environmental impact.

## TRAINS, BUSES, CYCLING AND WALKING

Council continues to be a strong advocate for an effective regional transport service for the District. It supports an efficient rail network that services the region from Palmerston North to Wellington, including Ōtaki, as essential to the future of the District. In addition, it advocates for bus services that complement rail and provide improved services within each community.

Council continues to invest in cycling, walking and bridleways, and ensures road space is shared across modes.

## CREATIVITY AND THE ARTS

Creative and heritage activities, in all forms, express and support the development of individual and community identity, pride and wellbeing.

Council considers promotion of the arts in all its forms can contribute to a sustainable local economy and a growing celebration of a place that values its identity and culture. Council's Strategy for Supporting the Arts guides the Council's direction in this leadership area.

## NEIGHBOURHOOD AND STREET ACTION FOR CHANGE: ENERGY, WASTE, WATER, GARDENS AND FOOD

Council is committed to encouraging neighbourhood and street action around water consumption, water efficient gardening and waste minimisation. The use of these resources directly affects a range of Council services. Similarly household energy efficiency is important given its impact on disposable income and implications of wider affordability for the District. The *Building Sustainable Communities: Kāpiti Coast's Greenest Street 2010-2012* document released in May 2013 aims at raising awareness to increase resilience, build community and reduce environmental impact.

Council continued to encourage groups to take action, by providing information, planting fruit trees on Council roads and parks, and helping capture funding for projects.

# COUNCIL ACTIVITIES

This Annual Report comments on the 2012/13 work programme for Year One of the 2012-32 Long Term Plan (LTP).

Work programmes for each of the following 16 activity categories are reviewed on the following pages.

Access and Transport  
 Building Control and Resource Consents  
 Coastal Management  
 Community Facilities  
 Development Management  
 Economic Development  
 Environmental Protection  
 Governance and Tāngata Whenua  
 Libraries, Arts and Museums  
 Parks and Open Space  
 Solid Waste  
 Stormwater Management  
 Supporting Environmental Sustainability  
 Supporting Social Wellbeing  
 Wastewater Management  
 Water Management

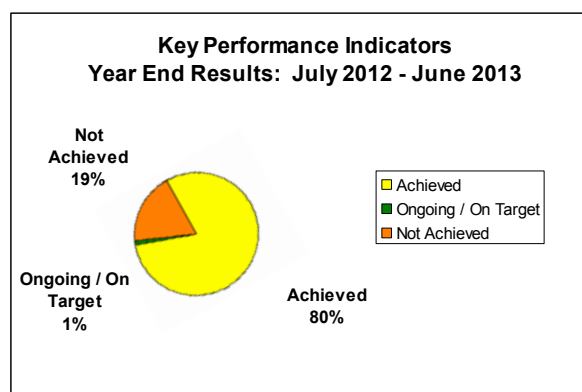
Each Activity links to one or more Community Outcomes, either directly by contributing to the realisation of a community objective, or through the provision of a level of service to the community. Activities are also driven by the Council's priorities and strategic direction. For example, strategically the Council makes a decision to proceed with certain community facilities over time. Planning for these facilities must occur as part of wider town centre and recreation planning, must aspire to leadership around design, and must involve robust and inclusive community processes.

## SUMMARY OF PERFORMANCE

Key Performance Indicators (KPIs) are a set of quantifiable measures the Council uses to determine or compare its performance in terms of achieving its strategic priorities and meeting its targeted levels of service.

The expected levels of service set out in the 2012 Long Term Plan for the 2012/13 year provide the benchmark against which the KPIs in this report are measured. The performance measure and performance targets are representative of the major aspects of the ongoing activities provided in each of the Council's 16 Activities. There are 102 KPIs in total. More detail on each of these measures is provided under each of the Activities.

The following graph provides an overview of the combined KPI results for the year.



Achievement Category	Year End Result to 30 June 2013
Achieved	77
Ongoing / On target	1
Not achieved	18
<b>Total Relevant Key Performance Indicators</b>	<b>96</b>
Not relevant	6
<b>Total Key Performance Indicators</b>	<b>102</b>



# ACCESS AND TRANSPORT

Putanga me te Ikiiki

THIS ACTIVITY LINKS TO COMMUNITY OUTCOMES:	1	2	3	4	5	6	7
	✓	✓	✓	✓	✓	✓	✓

## KEY RESULTS

- ✓ Kāpiti Road and Brett Ambler Way intersection upgrade completed.
- ✓ Kāpiti Road and Ngahina Street realignment and footpath renewals completed.
- ✓ Traffic management safety improvements made around Waikanae and Waitohu Schools, Ōtaki College.
- ✓ Co-operated with NZ Police on an interactive radio road safety campaign and implemented the Road Safety Action Plan.
- ✓ Worked with New Zealand Transport Authority (NZTA) on the Expressway projects with a focus on acting as an advocate for the community.

The Council's Strategic Goal for Access and Transport is to 'Create a physical transport system that is attractive, affordable, connected, responsive, safe and offers effective mode choice so that it enables people to act in a sustainable way<sup>1</sup>'.

### Impacts of the Proposed Expressways

All Access and Transport projects in 2012/13 considered the effects of the proposed Expressways, and the impacts on Council's maintenance, renewal and capital works schedules.

Although the Council proceeded on the basis that the Expressways would proceed along their current designed alignments, final decisions on projects that may interact with the construction of the Expressways were delayed awaiting further information and associated analysis.

The **Access and Transport Activity** area 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, New Zealand Transport Agency and other road safety partners;
- design of road corridors to accommodate a range of modes;
- upgrades to footpaths and development of cycleways, walkways and bridleways;
- advocacy for public transport services; and
- planning and design, linked to wider District development projects.

<sup>1</sup> Sustainable Transport Strategy, 2008

Implementation of the MacKays to Peka Peka section of the Roads of National Significance Expressways is scheduled to begin in September 2013.

More information on each of the proposed Expressways is provided on the next page.

### **Improvements to Kāpiti Road**

The Council recognises that Kāpiti Road congestion is a matter of concern to many residents. However the introduction of the Mackays to Peka Peka Expressway interchanges, and associated changes to traffic flows during its construction, precluded major decisions on upgrades during the 2012/13 year.

The wider design process is scheduled for 2013/14. The Council is working with Community Boards to meet the community long term goal for a more attractive route, and will consider traffic movements, and the design and appearance of the road.

In the meantime, Ngahina Street was realigned to provide improved pedestrian and vehicle access off Kāpiti Road and into Iver Trask Place, and the intersection was upgraded on Kāpiti Road at Brett Ambler Way to facilitate access into the new Coastlands Aquatic facility.

### **District Footpath Renewal**

Replacement of footpaths was undertaken districtwide, in conjunction with other roading project upgrades.

### **Co-ordination with Kapiti-Mana Area Police**

An interactive radio road safety campaign was jointly sponsored by the Council and Police to educate motorists about the dangers of winter driving and safe cycling on Council local roads. Council also implemented a Road Safety Action Plan with the Kapiti-Mana Area Police Commander.

### **Road Reconstruction and Sealed Road Resurfacing**

The annual reseal programme was completed in accordance with the New Zealand Transport Authority (NZTA) requirements, and some pavement reconstruction took place in Nikau Valley.

### **Cycleways, Walkways, Bridleways (CWB)**

The updated CWB brochure is available at the Libraries, i-Sites and on the Council's website [www.kapiticoast.govt.nz](http://www.kapiticoast.govt.nz).

Work was completed on the following pathways:

- Te Waka Road to south bank of Ōtaki River;
- Haruatai Park perimeter path; and
- The pathway from Makora Road between the Otaihanga Boat Club and the Otaihanga suspension bridge (beside the Waikanae River).

### **Pathways**

Work is underway on the following pathways:

- Poplar Avenue shared path between Matai Road and Te Ra School;
- An unsurfaced pedestrian connection between Haruatai Park and the Ōtaki Cemetery was cleared by mechanical mulcher but wet weather in June delayed the completion of the loop track; and
- The upgrade of the key beach access ways on the Waikanae foreshore and path networks in the Pharazyn Reserve. This follows Council adopting the recommendation of the Waikanae Community Board that a shared pathway should not be installed.

In addition:

- Tenders are being sought for the replacement of the footbridge at the North bank of the Waikanae River near El Rancho; and
- Negotiations with NZTA and Kiwi Rail are underway regarding the cycle path extension to King Arthur Drive, and with Greater Wellington Regional Council (GWRC) for a CWB at Awatea Avenue.



## **School Traffic Safety**

The following projects to improve traffic safety around local schools were completed:

- Installation at Waikanae School of a new Kea crossing on Winara Avenue, 'kiss and drop off' area on Seddon Street and 67 metre footpath extension on Utauta Street;
- Installation of two new bus stops on Mill Road to alleviate safety concerns of students and staff at Ōtaki College; and
- Extension of footpaths and installation of complimentary speed humps at Waitohu School from Main Road (SH1) down County Road to State Highway underpass.

## **Low Energy Streetlights**

The Council installed 26 LED streetlights in two separate areas to gain familiarity with this technology.

The 21 Philips Roadstar lights installed in Regent Drive and the adjoining streets of Monarch Close and Consort Close together saved 4,345 kWh of electricity, a 58% reduction. The approximate value of this energy saving is \$500 per year.

The five KTL Silverlight lights installed in Tilley Road and Te Miti Street saved 1,152 kWh of electricity in 2012/13, a 65% reduction. The approximate value of this energy saving is \$133 per year.

Both installations met the New Zealand Standard for lighting intensity and distribution for their particular road lighting category.

A further 100-200 LED streetlight installations are planned for the 2013/14 financial year.

## **Proposed Expressways**

### ***Peka Peka to Ōtaki***

NZTA has lodged an application to build the Peka Peka to Ōtaki section of the Expressway with the Environmental Protection Authority and the proposal is now being considered by a Board of Inquiry. The Council has provided a submission into this process and will provide evidence to the Board of Inquiry on key aspects of the project that require further work or clarification. The Board of Inquiry is scheduled to make a decision in early 2014.

### ***Transmission Gully***

The Transmission Gully project was approved by the Board of Inquiry. NZTA has selected two Public Private Partnership (PPP) consortia who are now preparing bids to construct this section of the Expressway. Council is liaising with NZTA and both consortia as they prepare their bids. NZTA will select its preferred PPP early in 2014.

The successful PPP will work closely with Council on those aspects of the detailed design that fall within the Kāpiti District.



## KEY PERFORMANCE INDICATORS

Access and Transport Level of Service	Measure	2012/13 Target	Result Achieved	Year End Result
The allocation of space on the network matches the needs of users of all modes to get to work, home, school, shops, recreation areas etc.	85% of people agree that the design and layout of the transport network gives the necessary access to civic, economic and social centres.	85%	91%	<b>Achieved</b> 91% of people were satisfied that the design and layout of the transport network gives the necessary access to civic, economic and social centres.
Users are safe on the transport network.	Parents, cyclists and pedestrians perceive an improving safety environment for their own or their children's travel.	Achieve	81%	<b>Achieved</b> 81% of people are satisfied that the Council's road safety programme is improving the safety environment for their own or their children's travel. This is a sufficient majority for an achieved result but a percentage target must be established for 2013/14.
All users can reliably predict journey times.	85% of users agree that travel times are usually predictable (during normal driving conditions and excluding SH1).	85%	91%	<b>Achieved</b> 91% of people are satisfied that travel times were usually predictable.
The use of rates funding is optimised through efficient and effective design and management.	The average cost of the local roading and cycleway, walkway and bridleway network per kilometre is about the same as for similar sized districts in New Zealand.	Achieve	-	<b>Not Achieved</b> Data for 2012/13 will be available in September 2013. <b>Note:</b> NZTA data for 2011/12 shows maintenance expenditure <ul style="list-style-type: none"> <li>per network lane kilometre is 31% higher than the peer group average</li> <li>per vehicle kilometres travelled (VKT) is 28% lower than the peer group average.</li> </ul> These variances from the peer group are too large to be close. Review will consider a more meaningful measure than 'about the same' and analyse the appropriateness of Kāpiti belonging to this peer group – check with NZTA what similarities they have identified with the other nine districts in the group.
The transport network is reliable and users can easily get around the District by their preferred means.	75% compliance with maintenance contract response times.	75%	-	<b>Not Achieved</b> Contractor unable to provide response time data in audit timeframe, will ensure data is reported on a monthly basis for 2013/14.



Access and Transport Level of Service	Measure	2012/13 Target	Result Achieved	Year End Result
The transport network is reliable and users can easily get around the District by their preferred means.	Roading (RAMM) survey data for Kāpiti roads compares favourably with other councils similar to Kāpiti District.	Achieve	-	<p><b>Ongoing / On target</b></p> <p>Data for 2012/13 will be available in September 2013.</p> <p><b>Note:</b></p> <p>NZTA data for 2011/12 shows:</p> <ul style="list-style-type: none"> <li>• The Kāpiti Condition Index (CI) is 2% higher than the peer group average;</li> <li>• The Kāpiti Pavement Integrity (PI) is 2% higher than the peer group average; and</li> <li>• Kāpiti Smooth Travel Exposure (STE) is 4% lower than the peer group average.</li> </ul> <p>Kāpiti is close to the peer group average in all measures and both Kāpiti and the group as a whole perform well in all categories. Kāpiti therefore meets the KPI requirement if 2011/12 used.</p>
Low energy street lighting systems will be used.	Energy (kilowatts/hour) consumed by street lighting per pole decreases over time.	Less than 2011/12	<b>Achieved</b>	<p><b>Achieved</b></p> <p>Energy consumed by streetlighting was reduced by 5497kWh from 2011/12.</p>
The cycling, walking and bridleways (CWB) network is available at all times throughout the District.	85% of residents are satisfied with the availability of the CWB network.	85%	<b>89%</b>	<p><b>Achieved</b></p> <p>89% of residents are satisfied with the availability of pathways for cycling, walking and bridleways.</p>



## ACCESS AND TRANSPORT ACTIVITY

### Links to Leadership Statements and Contributions to Community Outcomes

The Access and Transport Activity links to all seven Community Outcomes and all four Wellbeing areas. It provides the primary physical infrastructure which links and connects the community, and advocates for rail and bus services not directly under its control. This connectivity contributes to the ability of all to participate in and use what the District offers and is a major contribution to Outcomes 2, 4 and 5. Street lighting, street furniture and advocacy around mode shift contribute to safety and health. Personal safety and a freedom from fear are aspects of Social Wellbeing and contribute to Outcomes 6 and 7. Design and forward planning contribute directly to integrated land-use (Outcomes 2 and 3) while design contributes to management of environmental impacts and Environmental Wellbeing (e.g. road runoff - minimising the harmful effects of action on the environment) and energy use (Outcomes 1 and 4).

### Progress in 2012/13

- The improvements and extensions made to the Cycleways, Walkways and Bridleways network contributed to Social Wellbeing and Community Outcome 1. This links to Council's Leadership Statements "Trains, Buses, Cycling and Walking" and "Building Resilience".
- Traffic safety improvements around schools contributed to Community Outcomes 6 and 7, and Social Wellbeing.
- The interactive radio Road Safety campaign, and implementing the Road Safety Action Plan with the Kapiti-Mana Area Police Commander, progressed Community Outcomes 6 and 7. Working together on these joint campaigns is a way for the Council to promote Social Wellbeing by actively fostering and supporting people and groups that sustain and help others.



## ACCESS AND TRANSPORT

### Statement of Cost of Activity

2011/12		2012/13	2012/13
Actual		Actual	Budget
\$000		\$000	\$000
	<b>Expenditure</b>		
5,135	Operating Costs	5,420	5,374
612	NZTA Expressway Project Expenses	204	200
1,932	Debt Servicing	1,671	2,155
4,126	Depreciation	4,332	4,279
11,805	Operating Expenditure	11,627	12,008
	<b>Revenue</b>		
3,370	NZTA Operating Funding	1,009	1,297
612	NZTA Expressway Reimbursement	200	200
-	NZTA Capital Funding	1,344	1,773
272	Fees	396	416
476	Development Contributions	830	867
(419)	Less Funding for Capital Purposes	(825)	(867)
4,311	Operating Revenue	2,954	3,686
<b>7,494</b>	<b>NET OPERATING COSTS</b>	<b>8,673</b>	<b>8,322</b>
	<b>Capital Items</b>		
5,010	Asset Construction and Renewal	4,249	7,000
2,050	Loan Repayments	2,142	2,142
<b>14,554</b>	<b>NET COST OF ACTIVITY</b>	<b>15,064</b>	<b>17,464</b>
(135)	Prior Years Rates Deficit	(135)	(135)
5,900	Rates	6,161	5,876
2,184	Depreciation Reserve	1,991	1,851
3,714	Loans	3,325	6,133
145	Equity	-	-
476	Reserve/Development Levies	865	867
-	Utilisation of Balances	-	15
470	NZTA Share of Depreciation	460	460
1,800	Non Funded Depreciation	2,397	2,397
<b>14,554</b>	<b>TOTAL SOURCES OF FUNDS</b>	<b>15,064</b>	<b>17,464</b>

## ACCESS AND TRANSPORT

### Detail of Significant Expenditure on Acquisition and Replacement of Assets

	2012/13 Actual \$000	2012/13 Budget \$000
<b>Roading Upgrades</b>		
Kāpiti Road at Milne Drive, Te Roto Drive Intersection. The balance of the project will be completed in 2013/14.	166	2,000
Road Reconstruction- where significant surface failure occurred. Sites included pavements in Nikau Valley.	156	363
Major Bridge Repairs. No major works identified.	7	261
<b>Reseal Programme</b>		
Sealed Road Resurfacing - in accordance with NZTA requirements.	1,472	1,391
<b>Walkways / Cycleways</b>		
District Footpath renewal in conjunction with CWB strategy. Sites include Rosetta Road, Poplar Avenue, Ratanui Road, Matai Road, Matai Place, Matai Street, Huia Street and Utauta Street.	398	411

### Other Projects complete in 2012/13

Kāpiti Road at Brett Ambler Way Intersection upgrade.

Kāpiti Road/ Ngahina Street Upgrade. Realignment to allow better access to Iver Trask Place.



# BUILDING CONTROL AND RESOURCE CONSENTS

Te Mana Whakatū Whare me te Whakaaetanga Rawa

THIS ACTIVITY LINKS TO COMMUNITY OUTCOMES:	1	2	3	4	5	6	7
	✓	✓	✓	✓	✓		✓

## KEY RESULTS

- ✓ 95.37% of 842 building consents processed within statutory timeframes.
- ✓ All 5,469 site inspections completed within 24 hours of request, or at scheduled time.
- ✓ 654 Land Information Memorandum processed within 10 days (one LIM went over by two days).
- ✓ Council made submissions on Government's proposal to increase seismic strengthening requirements in the Building Act 2004, and the proposed changes to the Resource Management Act 1991.

Changes to the Building Act 2004 and the second phase of the reform of the Resource Management Act 1991 continued throughout 2012/13.

In anticipation of these changes in early 2013 the Council reviewed the management and delivery of regulatory services and established three key drivers for change in the delivery of regulatory services: being "Open for Business"; improving performance (and the perception of performance); and responding to changes in the legislative environment. The focus for the future is to proceed with delivering a work programme that achieves results around these three key areas. A number of key performance indicators were not achieved in 2012/13. Improved performance is expected in 2013/14.

The **Building Control and Resource Consents Activity** area includes the following services and programmes:

- maintaining accreditation as a registered Building Consent Authority;
- processing of building consent applications under the Building Act 2004;
- providing associated building advice to applicants on option/systems and opportunities for energy and water conservation;
- processing of resource consent applications under the Resource Management Act 1991; and
- providing associated advice to applicants on opportunities for innovation, good design, links to the wider community vision around the environment, walkways, water quality, etc.

## Building Consents

The Council issued 841 building consents during the period.

The regular audit of the Council's building consent process was undertaken by International Accreditation New Zealand (IANZ). While this highlighted some issues to do with documentation and record keeping, IANZ was satisfied with the judgements and decisions made around building consents by Council. After satisfactorily implementing corrective actions, the Council retained its Building Consent Authority Accreditation.

## Resource Consents

The Council did not meet statutory deadlines for resource consents in 2012/13 because of staff shortages. However in the fourth quarter there was a significant improvement in performance. This was due to the review of regulatory services which added a new leadership team and filled staff vacancies.

## Earthquake Prone Buildings Policy

The Council made a submission to the Ministry of Business Innovation and Employment setting out its concerns about the Government's proposal to improve earthquake safety by increasing the seismic strengthening requirements in the Building Act 2004.

The Council agrees that keeping people safe is important and has already acknowledged this need with the Civic Administration Building redevelopment and the planned Waikanae Library upgrade. However, proposed changes could mean substantial costs for the Council and building owners, with no indication in the Government proposals around who would pay for the earthquake strengthening.



## KEY PERFORMANCE INDICATORS

Building Control and Resource Consents Level of Service	Measure	2012/13 Target	Result Achieved	Year End Result
<b>Building Control</b>				
All building consents are processed promptly in compliance with the building code.	95% of all building consent applications are processed within statutory timeframes.  Note: The proposed changes to the Building Act 2004 will include differing time frames for the four new building consent categories.	95%	<b>96%</b>	<b>Achieved</b> 809 of 841 building consents were processed within statutory timeframes during the year.
All required inspections are carried out to enable Code Compliance Certificates to be issued in a timely manner.	All site inspections are completed within one working day of request, or at requested scheduled times, to enable Code Compliance Certificates to be issued within statutory timeframes.	100%	<b>100%</b>	<b>Achieved</b> All 5,469 site inspections were completed in time during the year.
LIM's are issued without delay ensuring there are no potential delays of property sales.	All applications for Land Information Memorandum are processed within 10 working days.	100%	<b>99.85%</b>	<b>Not Achieved</b> 654 of 655 LIM's were processed within 10 working days during the year. The average processing time was 5 working days.
Commercial buildings are safe for users to occupy or visit.	33% of all buildings that are subject to a Building Warrant of Fitness are inspected annually.	33%	<b>36%</b>	<b>Achieved</b> 157 of 438 buildings subject to a Building Warrant of Fitness were inspected during the year. NOTE: The total number of buildings requiring a Building Warrant of Fitness has increased to 438 from 330 in 2011/12.

<b>Building Control and Resource Consents Level of Service</b>	<b>Measure</b>	<b>2012/13 Target</b>	<b>Result Achieved</b>	<b>Year End Result</b>
Illegal or unauthorised work is identified and prompt action is taken.	95% of all notified complaints regarding illegal or unauthorised building work are investigated within three working days.	95%	<b>100%</b>	<b>Achieved</b> All 16 of the illegal activity / unauthorised work complaints were investigated within three working days during the year.
<b>Resource Consents</b>				
Resource consents are issued without undue delay.	All resource consent applications are processed within statutory timeframes.	100%	<b>80%</b>	<b>Not Achieved</b> 106 of the 132 resource consent applications were processed within statutory timeframes during the year.
Avoid unnecessary delays with notified consents, which due to their complexity can span a lengthy period.	All decisions on notified applications (including requests extended under section 37 Resource Management Act 1991) are processed and issued within statutory timeframes.	100%	-	<b>Not Relevant</b> No decisions on notified applications have been processed.
Process completion certificates promptly to avoid costly delays.	95% of all Subdivision Completion Certificates are issued within 15 working days of completion of subdivision.	95%	<b>89%</b>	<b>Not Achieved</b> Of the 41 certificates issued under section 223 of the Resource Mgmt Act 1991 (RMA), 37 (90%) were issued in 10 working days during the year. Of the 30 certificates issued under section 224(c) of the RMA, 26 (87%) were issued in 15 working days or less.
Requests for service are dealt with promptly.	All service requests for resource consent issues are responded to within one working day of receipt.	100%	<b>91%</b>	<b>Not Achieved</b> 1,340 of 1,467 service requests for resource consent issues received during the year were responded to within one working day of receipt.





Building Control and Resource Consents Level of Service	Measure	2012/13 Target	Result Achieved	Year End Result
Co-management opportunities are endorsed through Te Whakaminenga o Kāpiti.	Tāngata whenua have the opportunity to review all notified resource consent applications.	Achieve	Achieved	<b>Achieved</b> Tāngata whenua have had the opportunity to consider all resource consent applications received by the Council during the year.

## BUILDING CONTROL AND RESOURCE CONSENTS ACTIVITY

### Links to Leadership Statements and Contributions to Community Outcomes and the Four Wellbeing Areas

The Building Control and Resource Consents Activity is split into two sub-activities.

The primary focus of the building control sub-activity area is maintenance of a high quality, efficient and healthy building stock (contributing to Environmental Wellbeing, Social Wellbeing, Outcomes 4 and 7). The building stock is a resource for the community; if it is of poor quality then this will impose increased and unnecessary maintenance and renewal costs, as well as health costs, on households and businesses.

The primary focus of the resource consent sub-activity area is managing the effects of activities on the environment according to rules set out in the District Plan. Through this regulatory role, the resource consents sub-activity contributes to Environmental Wellbeing, Outcomes 1, 2, 3, 4 and 7.

#### Progress in 2012/13

- The 842 Building Consents and 132 Resource Consents issued (along with the 5,469 building site inspections), ensured levels of compliance were maintained, contributed to Community Outcomes 3 and 4 and promoted Environmental Wellbeing through minimising the harmful effects of actions on the environment. This linked to the Leadership Statement “Thresholds for Development Management”.



# BUILDING CONTROL AND RESOURCE CONSENTS

## Statement of Cost of Activity

2011/12 Actual \$000		2012/13 Actual \$000	2012/13 Budget \$000
	<b>Expenditure</b>		
3,029	Operating Costs	3,097	3,156
4	Depreciation		
3,033	Operating Expenditure	3,097	3,156
	<b>Revenue</b>		
1,502	Charges and Fees	1,527	1,420
1,502	Operating Revenue	1,527	1,420
<b>1,531</b>	<b>NET OPERATING COSTS</b>	<b>1,570</b>	<b>1,736</b>
	<b>Capital Items</b>		
-	Asset Construction and Renewal	-	-
<b>1,531</b>	<b>NET COST OF ACTIVITY</b>	<b>1,570</b>	<b>1,736</b>
1,531	Rates	1,570	1,736
-	Separate Funds	-	-
<b>1,531</b>	<b>TOTAL SOURCES OF FUNDS</b>	<b>1,570</b>	<b>1,736</b>



# COASTAL MANAGEMENT

Whakahaere Takutai

THIS ACTIVITY LINKS TO COMMUNITY OUTCOMES:	1	2	3	4	5	6	7
	✓	✓		✓		✓	✓

## KEY RESULTS

- ✓ Consultation on Proposed District Plan underway with considerable interest amongst coastal property owners.
- ✓ Coastal maintenance undertaken with rock revetments being restacked and sections of backfill behind revetments topped up in Paekākāriki and Raumati South, and repair of the beach access ramps at Marine Gardens, Raumati Beach and Hydes Road, Raumati South.
- ✓ Consultation was undertaken on Stage 2 of the replacement of the seawall along The Parade, Paekākāriki.
- ✓ Four well attended Coastal Erosion Workshops were held for affected residents.

A major focus for Council and the community continues to be the determination of how to respond to the effects of potential increases in sea levels and storm intensity on Kāpiti's low lying coast.

All councils are required by the Government's National Coastal Policy Statement 2010 to do a coastal hazard assessment with a 100 year timeframe. Kāpiti Coast District Council's assessment was completed in August 2012 and has been incorporated into the Proposed District Plan (for more information see the Development Management Activity on page 57).

The assessment projects where the shoreline along the Kāpiti Coast could be within 50 and 100 years. It shows what might happen to the shoreline in managed and unmanaged scenarios.

The **Coastal Management Activity** area includes the following services and programmes:

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

Around 1,800 properties in Kāpiti, including most beachfront properties, are shown to be at risk of potential erosion or inundation from coastal hazards within 100 years. Up to 1,000 of these may be at risk within 50 years.

The new coastal hazard risk information is included in Land Information Memoranda (LIMs) requested for affected properties. This is because information held on erosion or inundation (flooding) is required to be included in LIMs under the Local Government Official Information and Meetings Act. LIMs are property specific reports generated by councils on request, most commonly as part of a property sale process. Since 2004 it has been noted on coastal LIMs that coastal hazard management information is being reviewed.

The shoreline projections are hazard risk information only at this stage. However, under the Resource Management Act, councils must try to avoid new buildings and developments in areas of high risk from natural hazards. In line with this, coastal hazards are an important issue for the District Plan Review.

Over 400 submissions received on the Proposed District Plan raised issues with Chapter 4 Coastal Environment. The Council recognises that this is a contentious issue, and wants to ensure an open and informed debate occurs.

To assist this, the Council agreed to appoint three independent experts on coastal erosion hazards to be part of the pre-hearing process. These experts will have full access to all information and will have the opportunity to make their own assessment before working with other experts to arrive at a consensus and resolve any contested

technical matters through the pre hearings process.

The process of pre-hearing meetings, including formal hearings with the independent commissioners, is laid down and protected by the Resource Management Act.

Hearings are scheduled to begin in the 2013/14 financial year. Council decisions would follow the hearings and may be subject to appeals before the Plan is made operative.

### **Coastal Maintenance**

Coastal maintenance was undertaken, including rock revetments being restacked and sections of backfill behind revetments topped up in Paekākāriki and Raumati South.

Repairs were made to the beach access ramp near Raumati Beach Marine Gardens which was damaged in severe weather during October 2012.

Initial consultation was undertaken on Stage 2 of the replacement of the seawall along The Parade, Paekākāriki. The Council is scheduled to undertake further consultation before seeking a resource consent from the Greater Wellington Regional Council.

### **Workshops**

Four Natural Hazard Workshops were held for residents during September 2012.



## KEY PERFORMANCE INDICATORS

Coastal Management Level of Service	Measure	2012/13 Target	Result Achieved	Year End Result
Access points to the beach are maintained in usable condition.	85% of residents agree that access to the beach meets their needs.	85%	99%	<b>Achieved</b> 99% of residents are satisfied that access to the beach met their needs.
Damaged ecosystems are restored to a more natural state.	Survey and monitoring show improvement in ecosystem health over time.	Achieve	<b>Achieved</b>	<b>Achieved</b> Visual monitoring was undertaken by Leisure and Open Space staff and "friends groups".
People are made aware of serious hazards on beaches.	Hazards are clearly signposted within 24 hours of notification to the Council.	100%	-	<b>Not Relevant</b> There were no hazard notifications received during the year.
The coastal/beach area is available for a wide range of activities.	85% of residents agree that multiple uses don't spoil enjoyment of the beach.	85%	95%	<b>Achieved</b> 95% of residents are satisfied that multiple uses of the beach do not spoil their enjoyment of the beach.

## COASTAL MANAGEMENT ACTIVITY

### Links to Leadership Statements and Contributions to Community Outcomes and the Four Wellbeing Areas

The Coastal Management Activity promotes Environmental Wellbeing and contributes to individual and community health (Outcomes 6 and 7) through the protection of roads and public health assets on the coast from erosion. The focus on soft engineering solutions contributes to natural character and ecosystems (Outcomes 1 and 2) while the support of natural processes of beach accretion (build up of dunes) is consistent with Outcome 4 and community aspirations to restore the quality of natural systems (Environmental Wellbeing).

#### Progress in 2012/13

- Council planted spinifex and pingau plants along the foreshore dunes as part of the coastal replanting. This contributes to a healthy natural system and progress on Community Outcomes 1 and 4 and Environmental Wellbeing through realising community aspirations to restore the quality of natural systems.
- The coastal erosion hazard assessment links to the Leadership Statement "Natural Hazards", Community Outcome 1 and Environmental Wellbeing.

COASTAL MANAGEMENT		
Statement of Cost of Activity		

2011/12		2012/13	2012/13
Actual		Actual	Budget
\$000		\$000	\$000
	<b>Expenditure</b>		
282	Operating Costs	236	273
183	Debt Servicing	191	196
207	Depreciation	215	255
672	Operating Expenditure	642	724
15	Operating Revenue	-	16
15	Operating Revenue	-	16
<b>657</b>	<b>NET OPERATING COSTS</b>	<b>642</b>	<b>708</b>
	<b>Capital Items</b>		
502	Asset Construction and Renewal	284	445
233	Loan Repayments	135	135
<b>1,392</b>	<b>NET COST OF ACTIVITY</b>	<b>1,061</b>	<b>1,288</b>
672	Rates	641	726
219	Depreciation Reserve	160	161
501	Loans	260	401
<b>1,392</b>	<b>TOTAL SOURCES OF FUNDS</b>	<b>1,061</b>	<b>1,288</b>

COASTAL MANAGEMENT		
Detail of Significant Expenditure on Acquisition and Replacement of Assets		

	2012/13 Actual \$000	2012/13 Budget \$000
<b>Paekākāriki</b>		
Seawall, The Parade Paekākāriki - Stage two option and design phase.	26	154
Public consultation commenced in April 2013. Consent process will start in 2013/14.		



# COMMUNITY FACILITIES

Whakaurunga Hapori

THIS ACTIVITY LINKS TO COMMUNITY OUTCOMES:	1	2	3	4	5	6	7
		✓		✓		✓	✓

## KEY RESULTS

- ✓ Civic Administration Building upgrade completed on time and under budget and staff relocated successfully, with the first Council meeting in the new accessible Chambers held on 7 March 2013.
- ✓ Council worked successfully with the Receivers of Mainzeal Construction to continue with construction of the Coastlands Aquatic Centre.
- ✓ 99.86% occupancy in Council's Housing for Older Persons for the twelve month period.
- ✓ Council took over management of the District's public swimming pools during the year and produced a significant increase in attendance and satisfaction levels.

This activity includes all the major structures and buildings that support the social and cultural wellbeing of the community, which in turn contributes to maintaining people's health and provides a civic presence. These facilities exist alongside many other buildings and structures provided by community groups directly – including sports, boating and golf clubs. They influence the general quality and character of each settlement in the District and the way they are built contributes to efficient use of resources. Their primary role is supporting a healthy, active and involved community.

### Civic Administration Building

The Council's Rimu Road Civic Administration Building was upgraded and refurbished and is now weatherproof, wind tight and earthquake strengthened. It was reopened in March 2013 and

The **Community Facilities Activity** area includes the following services and programmes:

- swimming pools and other major recreational facilities (not including sports fields);
- community halls (public);
- community halls (other projects)
- housing for older persons;
- public toilets;
- cemeteries, including urupa support; and
- civic buildings (other than libraries).

delivers an improved working environment for Council, staff and the public.

Work was also carried out in Iver Trask Place, Rimu Road and Ngahina Street.



On 19 June 2013 carved pou, representing the three iwi in Kāpiti that signed the Treaty of Waitangi, were unveiled outside the main entrance of the Civic Administration Building. The pou acknowledge the journey Council and the District's tāngata whenua have taken together, giving mana to the civic area and completing the Civic Administration Building project.

### **Swimming Pools**

Public swimming pools opened under Council Management: Raumati and Ōtaki from 1 October 2012 and Waikanae Pool from 17 November 2012.

Over the District, a total of 231 children took part in the 'SwimBegin' summer holiday learn to swim lessons.

In addition, swimming lessons were delivered through the funded 'KiwiSport' learn to swim lessons. This programme was also delivered in Te Reo to two Te Kura Kaupapa Māori schools in Ōtaki.

### **Coastlands Aquatic Centre**

The Coastlands Aquatic Centre was due to open in March 2013. However the project was delayed as a result of the construction company, Mainzeal, going into receivership in February 2013.

The Council worked successfully with the Receivers to keep the project moving forward, with a re-scheduled opening date of 10 August 2013.

By 30 June 2013 staff for the Coastlands Aquatic Centre staff had been recruited, inducted and were working at other Kāpiti Coast pools.

When the provision of a ramp into the main pool was found to be problematic because of the moveable floor of the pool, the community was swift in making it clear that not having a ramp was unacceptable.

The Council publicly apologised for the "frustration and hurt" caused to the disabled and elderly community over Council's handling of the pool ramp issue.

A locally designed and manufactured solution was developed which met the design and warranty

requirements of the supplier of the moveable floor, and is expected to be installed by October 2013.

### **Waikanae Pool**

Following refurbishment and plant upgrade the Waikanae Pool opened on 17 November 2012 and had a total of 46,835 visitors through the summer season (an increase of 28%). The Council continued receiving very positive feedback regarding the standard of the facility and activities and the professionalism and friendliness of the staff.

### **Ōtaki Pool**

Refurbishment, plant upgrade, and the extension of opening hours to attract commuters contributed to an 89% increase in attendance. This included increased admissions and attendances at Aquafit classes.

Children's Day at Ōtaki Pool was an outstanding success with over 500 children attending.

### **Raumati Pool**

Raumati Pool saw a 34% increase in admissions. With the opening of the Coastland Aquatic Centre the decommissioning of the Raumati Pool was started along with the process for determining the new use for a facility.

### **Resident Opinion Survey 2013**

A Resident Opinion Survey undertaken in June 2013 asked residents a number of questions regarding their satisfaction with Council services and facilities.

The results of the survey indicate a high level of satisfaction with the community facilities in the District, including high levels of satisfaction regarding public toilets (well lit, located and maintained), and the range of recreation facilities available to residents.

Many of the questions asked and results are provided in the Key Performance Indicator (KPI) tables provided within each Activity Area.

A full report on the Resident Opinion Survey 2013 can be found on the Council's website [www.kapiticoast.govt.nz](http://www.kapiticoast.govt.nz).



## KEY PERFORMANCE INDICATORS

Community Facilities Level of Service	Measure	2012/13 Target	Result Achieved	Year End Result
<b>Library Buildings</b>				
Provide a good standard of comfort, convenience, quality and usability of the library buildings from the users' perspective.	85% of users are satisfied with the standard of comfort, convenience, quality and usability of the library buildings.	85%	<b>94%</b>	<b>Achieved</b> 94% of users are satisfied with the standard of comfort, convenience, quality and usability of the library buildings. Will consider including this KPI in external survey in future to ensure robustness of result.
<b>Halls</b>				
Council hall hirers are satisfied that the halls meet their needs.	80% of customers are satisfied that halls meet the needs of different customers.	80%	<b>83%</b>	<b>Achieved</b> 83% of customers are satisfied that the hall they use meets their needs.
<b>Housing for Older Persons</b>				
Occupation of the Housing for Older Persons units is maximised.	97% of Housing for Older Persons units are occupied.	97%	<b>99%</b>	<b>Achieved</b> Housing for Older Persons units were occupied 99% during the year.
Rents are fair and reasonable.	85% of tenants are satisfied that rents are fair and reasonable.	85%	<b>99%</b>	<b>Achieved</b> 99% of tenants are satisfied that rents are fair and reasonable.
<b>Public Toilets</b>				
Toilets are clean, feel safe and well lit, and are well located.	60% of people are satisfied that public toilets are well lit and well located.	60%	<b>83%</b>	<b>Achieved</b> 83% of people are satisfied that public toilets are well lit and well located.
Toilets are well maintained and functional.	80% of people are satisfied that the toilets are well maintained and functional.	80%	<b>91%</b>	<b>Achieved</b> 91% of people are satisfied that the toilets are well maintained and functional.
<b>Buildings</b>				
Council owned buildings will be fit for purpose.	100% of Council owned buildings will have a current building warrant of fitness (where required) and be fit for purpose.	100%	<b>100%</b>	<b>Achieved</b> 100% of Council owned buildings have a current building warrant of fitness (where required) and are fit for purpose.

Community Facilities Level of Service	Measure	2012/13 Target	Result Achieved	Year End Result
<b>Swimming Pools</b>				
Kāpiti Coast District Council provides safe swimming pools to the community.	Council will maintain its PoolSafe accreditation.	Achieve	<b>Achieved</b>	<b>Achieved</b> The Council maintained its PoolSafe accreditation.
Pool facilities are available for use by the public.	Across all facilities the number of shutdowns due to unplanned maintenance remains at three or less each year.	Three or less	<b>3</b>	<b>Achieved.</b> There were three shutdowns due to unplanned maintenance during the year.
Kāpiti Coast District Council provides clean and inviting facilities.	85% of people surveyed are satisfied with the facilities' cleanliness.	85%	<b>100% &amp; 99%</b>	<b>Achieved</b> 100% of people surveyed at Ōtaki Pool were satisfied. 99% of people surveyed at Raumati Pool were satisfied.
	During operating hours, across all facilities, there are no more than six incidents where pool temperature was not maintained within a range of 27 to 29 degrees Celsius.	Less than six	<b>3</b>	<b>Achieved</b> There were three incidents where pool temperature was not maintained during the year, with no incidents at Ōtaki Pool since the upgrade.
<b>Cemeteries</b>				
Kāpiti Coast District Council provides well maintained cemeteries.	85% of people surveyed are satisfied with the cemeteries condition.	85%	<b>99%</b>	<b>Achieved</b> 99% of people surveyed are satisfied with the cemeteries condition.



## COMMUNITY FACILITIES ACTIVITY

### Links to Leadership Statements and Contributions to Community Outcomes and the Four Wellbeing Areas

The Community Facilities Activity includes all the major structures and buildings that support the social and cultural wellbeing of the community, which in turn contributes to maintaining people's health and provides a civic presence. They make a direct contribution to Outcomes 6 and 7. Housing for Older Persons provides homes for some of the community's most vulnerable older population. The design of facilities provided affects the general quality and character of each settlement, a major aspect of the Council's strategy for centres and communities (Outcome 2). The design of facilities also contributes to energy and water conservation and the location in local centres reduces energy consumption (Outcome 4).

#### Progress in 2012/13

- Achieving a greater than 99% occupancy rate of Housing for Older Persons ensured the community made use of this local resource, contributing to Community Outcome 4 and Social Wellbeing.
- Managing the District's public swimming pools ensure the provision and maintenance of important recreational facilities for community sport and leisure. This contributed to Community Outcomes 6 and 7.
- The upgraded Civic Administration Building provided a connection point and meeting facility for ease of community engagement and the efficient conduct of Council affairs. This contributed to Community Outcomes 4 and 7.



## COMMUNITY FACILITIES

### Statement of Cost of Activity

2011/12 Actual \$000		2012/13 Actual \$000	2012/13 Budget \$000
	<b>Expenditure</b>		
3,125	Operating Costs	3,877	3,550
171	Debt Servicing	690	947
854	Depreciation	906	1,183
4,150	Operating Expenditure	5,473	5,680
	<b>Revenue</b>		
1,257	Charges and Fees	1,539	1,259
361	Kāpiti Coast Multi-Purpose Aquatic and Recreation Centre Trust Capital Contributions	1,189	900
1,334	Development Levies	252	253
(1,449)	Less Funding for Capital Purposes	(252)	(253)
1,503	Operating Revenue	2,728	2,159
<b>2,647</b>	<b>NET OPERATING COSTS</b>	<b>2,745</b>	<b>3,521</b>
	<b>Capital Items</b>		
8,865	Asset Construction and Renewal	18,553	14,792*
235	Loan Repayments	1,158	1,157
	<b>Appropriations</b>		
361	Miscellaneous and Separate	-	-
-	Development Contributions	-	-
<b>12,108</b>	<b>NET COST OF ACTIVITY</b>	<b>22,456</b>	<b>19,470</b>
3,100	Rates	3,835	4,408
-	Prior Year Rates Surplus	58	58
578	Depreciation Reserve	518	5,553
6,783	Loans	17,705	9,129*
1,167	Development Levies	271	253
119	Utilisation of Balances	-	-
361	Kāpiti Coast Multi-Purpose Aquatic and Recreation Centre Trust	-	-
-	Unfunded Depreciation	69	69
<b>12,108</b>	<b>TOTAL SOURCES OF FUNDS</b>	<b>22,456</b>	<b>19,470</b>

\* The published LTP figure differs from the above due to the reclassification of the Civic Building from Governance and Tangata Whenua Activity.

## COMMUNITY FACILITIES

### Financial Detail for Significant Activities

2011/12		2012/13	2012/13
Actual		Actual	Budget
\$000		\$000	\$000
	<b><u>Swimming Pools</u></b>		
1,669	Operating costs	2,176	1,907
123	Loan servicing	644	903
146	Depreciation	146	401
-	Aquatic Centre Fundraising	(1,189)	(900)
(320)	Income (User Charges)	(529)	(465)
<b>1,618</b>	<b>NET OPERATING COSTS</b>	<b>1,248</b>	<b>1,846</b>
	<b><u>Public Halls</u></b>		
451	Operating costs	470	506
-	Loan servicing	-	-
258	Depreciation	258	266
(167)	Income (User Charges)	(160)	(175)
(22)	Interest on Depreciation Reserves	-	-
<b>520</b>	<b>NET OPERATING COSTS</b>	<b>568</b>	<b>597</b>
	<b><u>Public Toilets</u></b>		
272	Operating costs	426	446
28	Loan servicing	28	27
182	Depreciation	179	186
(11)	Income (User Charges)	-	-
-	Interest on Depreciation Reserves	-	(16)
<b>471</b>	<b>NET OPERATING COSTS</b>	<b>633</b>	<b>643</b>
	<b><u>Cemeteries</u></b>		
341	Operating costs (including Urupa Support)	367	368
4	Loan servicing	-	2
44	Depreciation	99	101
(176)	Income (User Charges)	(258)	(176)
(3)	Interest on Depreciation Reserves	-	(16)
<b>210</b>	<b>NET OPERATING COSTS</b>	<b>208</b>	<b>279</b>
	<b><u>Housing for Older Persons</u></b>		
377	Operating costs	369	354
16	Loan servicing	18	15
181	Depreciation	181	186
(549)	Income (Rental)	(498)	(485)
<b>25</b>	<b>NET OPERATING COSTS</b>	<b>70</b>	<b>70</b>





## COMMUNITY FACILITIES

### Detail of Significant Expenditure on Acquisition and Replacement of Assets

	2012/13 Actual \$000	2012/13 Budget \$000
<b>Swimming Pools</b>		
Coastlands Aquatic Centre. The facility opened to the public on 10 August 2013 with the project being delayed due to the Mainzeal receivership. The project remains within the overall budget of \$21.12 million.	12,554	9,049
<b>Administration Building</b>		
Civic Administration Building Upgrade – the project was completed on time and on budget and was officially opened on Monday 4 March 2013 with Council’s first meeting held on Thursday 7 March. While the budget was overspent in the 2012/13 year, it remained within the overall project budget.	5,827	5,593



# DEVELOPMENT MANAGEMENT

Whakahaere Whanaketangai

THIS ACTIVITY LINKS TO COMMUNITY OUTCOMES:	1	2	3	4	5	6	7
	✓	✓	✓	✓	✓	✓	✓

## KEY RESULTS

- ✓ Proposed District Plan notified 29 November 2012.
- ✓ Te Horo Local Outcomes Statement adopted by Council.
- ✓ Turf Farm purchased under the Strategic Land Purchase Fund.

### District Plan Review

Kāpiti's current District Plan took effect in 1999 and the required 10 Year District Plan Review began in 2009.

The Proposed District Plan (PDP) was notified for submissions in late November 2012.

Public information sessions were held across the District, and a 'Friend of the Submitter' resource was made available to assist submitters with submissions and the hearings process.

Legal costs have exceeded the budget by \$330,000 and this relates mainly to the Weir Judicial Review.

768 submissions were received. Of those submissions, over 400 raised issues on Chapter 4 coastal environment issues (for further information see the Coastal Management Activity on page 43).

The 'further submissions' process allowed individuals to comment on others' submissions. Over 200 further submissions were received.

Hearings are scheduled to begin in November 2013.

The **Development Management Activity** area includes the following services and programmes:

- urban management strategies: this includes the front-end processes and analysis in different communities around major development issues;
- District development projects primarily Town Centre upgrades, building on Local Outcomes Statements; and
- District Plan: plan changes (including responding to private plan changes), plan reviews (including most prominently the overall ten year District Plan Review beginning in 2009), subdivision codes, best practice design guides, subdivision engineering consents processing, and associated policy development.

### Local Outcomes Statement

The Te Horo Local Outcomes Statement was adopted by Council.

### **Monitoring of Te Haerenga Whakamua**

A project is underway in partnership with the District Plan Review working party of Te Whakaminenga o Kāpiti to develop a monitoring framework for Te Haerenga Whakamua, a statement of Tāngata Whenua aspirations for the District Plan and other resource management issues.

### **District Plan Appeals**

Two appeals remain outstanding on Plan Change 72A: Wharemauku Precinct and are before the Environment Court. A hearing is set down for late October 2013.

### **Strategic Land Purchase Fund**

The Council purchased, and declared as reserve, the 'Turf Farm' 24-hectare block through this fund. See the Parks and Open Spaces Activity (on page 84) for more information.



## KEY PERFORMANCE INDICATORS

Development Management Level of Service	Measure	2012/13 Target	Result Achieved	Year End Result
Districtwide and Local Community Outcomes relating to character, growth management, intensification, affordability, and the natural environment are reflected in the District Plan.	The District Plan is notified with text that builds on districtwide and local community outcomes relating to character, growth management, intensification, affordability, and the natural environment.	Achieve	<b>Achieved</b>	<b>Achieved</b> The Proposed District Plan was notified on 29 November 2012 with submissions closing 1 March 2013. Proposed District Plan text works towards outcomes relating to character, growth management, intensification, affordability, and the natural environment.
Significant waahi tapu sites are researched and lodged in a systematic approach and are protected in the District Plan.	Waahi tapu sites are protected in the District Plan as per tāngata whenua guidance.	Achieve	<b>Achieved</b>	<b>Achieved</b> Over 40 waahi tapu sites have received immediate protection via the Proposed District. The continuation of this protection will depend on the result of submissions, hearings and any appeals. Further sites will be protected in the future based on ongoing research.
Town Centres have a high-quality, public space that meets the community's needs for safety, amenity and functionality.	85% of residents are satisfied that Town Centres have a high-quality, public space that meets the community's needs for safety, amenity and functionality.	85%	<b>81%</b>	<b>Not Achieved</b> 81% of residents are satisfied that Town Centres have a high-quality, public spaces and facilities.
High quality, coordinated design advice is provided to developers, consultants, and landowners prior to formal application for regulatory approval (via resource consent or plan change), and to Council project managers prior to internal project approval.	85% of resource consent applicants, plan change applicants and Council project managers who have participated in the design review process are satisfied with the robustness, clarity and timeliness of pre-application design advice provided by Council.	85%	<b>90%</b>	<b>Achieved</b> Respondents of the design review process survey were 90% satisfied with the robustness, clarity and timeliness of pre-application design advice provided by Council.

Development Management Level of Service	Measure	2012/13 Target	Result Achieved	Year End Result
Local Outcomes Statements are completed for all communities that request them.	Local Outcomes Statements are completed for all communities that request them via their Community Board.	100%	100%	<p><b>Achieved</b></p> <p>All Local Outcome Statements have been completed for communities that requested them: Te Horo, Paekākāriki, Raumati South, Raumati Beach, Paraparaumu Town Centre, Paraparaumu Beach, Otaihanga, Waikanae North, Peka Peka and Greater Ōtaki.</p> <p>The Waikanae Town Centre draft Local Outcome Statement was completed in 2008 but has been awaiting final decisions on the MacKays to Peka Peka Expressway.</p>
The Council provides clear processes and timely, professional services with regard to private plan change requests.	85% of private plan change applicants are satisfied with the timeliness and professionalism of the Council's private plan change services.	85%	-	<p><b>Not relevant</b></p> <p>No private plan change applications were made or processed, due to the District Plan Review taking place.</p>



## DEVELOPMENT MANAGEMENT ACTIVITY

### Links to Leadership Statements and Contributions to Community Outcomes and the Four Wellbeing Areas

The Development Management Activity is the “engine room” for addressing growth management pressures in a way that better reflects community vision and concerns. 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 also includes the Council’s development decisions on its own land. Tying everything together is a commitment to inclusive processes and community involvement in design and development decisions. As such it contributes across all Wellbeing areas and Community Outcome areas, from management of environmental effects and impacts on local character to managing effects on community health via design and regulation. It links to the following Council Leadership Statements – “The Importance of Place, Open Space, Centres and Design”, “Thresholds for Development Management”, “Kāpiti Coast’s Place in the Region” and “Housing Choice”.

#### Progress in 2012/13

- Completing the Local Outcome Statement for Te Horo influences the development of this area and contributes progress to Community Outcome 2, Social Wellbeing and Environmental Wellbeing. The public consultation involved in developing Local Outcome Statements contributes to Community Outcome 7 and Social Wellbeing.
- The release of the Proposed District Plan with associated submissions is contributing to Community Outcome 3 by developing the framework to ensure development is managed appropriate to community goals. It contributes to all the Wellbeing areas.





DEVELOPMENT MANAGEMENT			
Statement of Cost of Activity			
2011/12		2012/13	2012/13
Actual		Actual	Budget
\$000		\$000	\$000
<b>Expenditure</b>			
1,553	Operating Costs	2,182	1,953
402	Debt Servicing	634	664
57	Depreciation	74	85
2,012	Operating Expenditure	2,890	2,702
<b>Revenue</b>			
78	Charges and Fees	52	205
-	Development Levies	65	66
-	Less Funding for Capital Purposes	(65)	(66)
78	Operating Revenue	52	205
<b>1,934</b>	<b>NET OPERATING COSTS</b>	<b>2,838</b>	<b>2,497</b>
<b>Capital Items</b>			
4,459	Asset Construction and Renewal	3,691	3,623
306	Loan Repayments	272	274
<b>6,699</b>	<b>NET COST OF ACTIVITY</b>	<b>6,801</b>	<b>6,394</b>
2,122	Rates	3,026	2,686
118	Depreciation Reserve	84	85
88	Development Levies	65	66
4,371	Loans	3,626	3,557
<b>6,699</b>	<b>TOTAL SOURCES OF FUNDS</b>	<b>6,801</b>	<b>6,394</b>

DEVELOPMENT MANAGEMENT		
Detail of Significant Expenditure on Acquisition and Replacement of Assets		
	2012/13 Actual \$000	2012/13 Budget \$000
<b>Strategic Land Purchase</b>		
Purchase of the Turf Farm and Ngahina Block.	2,741	2,622



# ECONOMIC DEVELOPMENT

Whakawhanake Umanga

THIS ACTIVITY LINKS TO COMMUNITY OUTCOMES:	1	2	3	4	5	6	7
					✓	✓	✓

## KEY RESULTS

- ✓ The Clean Technology Trust was successfully established and contributed to scaled up activities at the Clean Technology Park.
- ✓ Tourism support and business support services successfully established.
- ✓ The Māori Economic Development and Wellbeing Strategy was endorsed by Council.
- ✓ The tourism destination marketing brand was successfully launched on 6 June 2013.
- ✓ A partnership comprising Electra, Horowhenua District Council and Kāpiti Coast District Council was established to promote regional business growth.

### Tourism Support

The Kapiti Company Limited has been contracted to deliver i-Site management and tourism support services since 1 July 2012. These services were delivered successfully.

The tourism destination marketing brand was successfully launched on 6 June 2013. Five businesses have applied for a licence to use the brand.

An agreement has been reached with Positively Wellington Tourism to link its website for the Kāpiti visitor sector. The Council is now a member of the International Marketing Alliance which is run by Positively Wellington Tourism and includes the other Councils in the region.

A feasibility study on the potential to develop a gateway or visitor centre for Kāpiti Island has been completed and will be reported to Council in 2013/14. A review of the visitor information

The **Economic Development Activity** area includes the following services and programmes:

- providing networking and an informed point of contact for businesses;
- business attraction and retention initiatives;
- tourism product development and marketing;
- management of the visitor information centres (i-Sites) in Paraparaumu and Ōtaki;
- events development and facilitation;
- support for Māori economic development;
- general strategy development and projects.

network has also been completed and will be reported to Council at the same time.



## Food Sector

Work continued on value-add opportunities in the local food sector.

The focus was on building networks with producers, developing the case of establishing a Kāpiti food brand and exploring the potential for establishing a producers market in Kāpiti.

## Business Support

QBS Limited was contracted to deliver business support services. These services are confidential and tailored to the needs of the business, and could range from tax advice to finding sources of investment.

A partnership comprising Electra, Horowhenua District Council and Kāpiti Coast District Council was established to promote regional business growth. This focussed on four sectors: distribution and logistics, food and beverage, service business, and IT and technology.

## Clean Technology Development

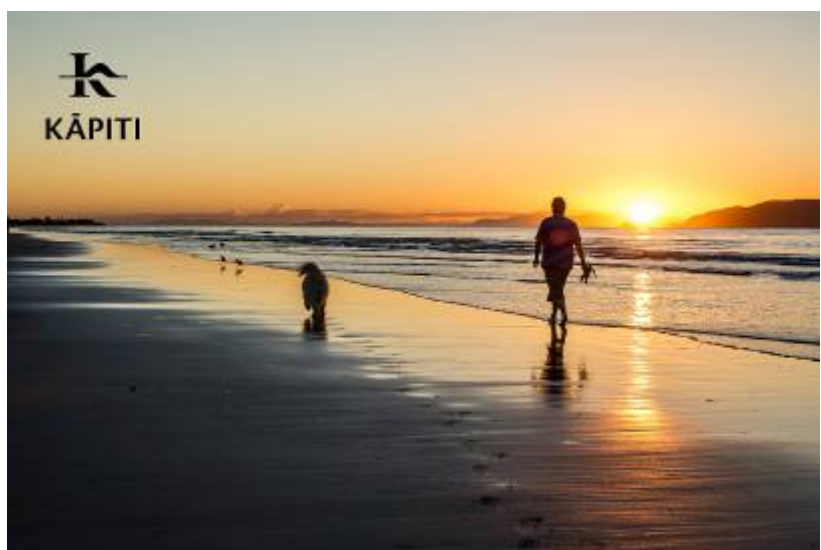
The construction of Clean Technology Trust's second building is now planned for August 2013 (delayed from the first half of 2012). This building is significant in terms of scaling up activity at the Clean Technology Park.

A number of new projects under the umbrella of Energise Ōtaki are underway and discussed in more detail under the Supporting Environmental Sustainability Activity on page 100.

Alternative data links out of the Clean Technology Centre are being investigated. Current broadband connectivity (not fibre), is available from Fastcom through the Chorus network for tenants.

## Māori Economic Development and Wellbeing Strategy

The Māori Economic Development and Wellbeing Strategy was received and approved by Te Whakaminenga o Kāpiti in March 2013 and endorsed by Council in June 2013.



## KEY PERFORMANCE INDICATORS

Economic Development Level of Service	Measure	2012/13 Target	Result Achieved	Year End Result
The Clean Technology Sector grows on the Kāpiti Coast.	The number of businesses at the Clean Technology Park, Ōtaki increases year to year.	2	1	<b>Not Achieved</b> Currently there are 15 tenants at the Clean Technology Centre. At the beginning of the year there were 14 tenants. The Clean Technology Trust has initiated processes to attract new tenants to the second building when complete.
Partnerships between Council and other organisations deliver projects which grow businesses and provide new jobs for the District.	85% of organisations involved in economic development partnerships with the Council are satisfied with the services received.	85%	-	<b>Not Achieved</b> No surveys were done in the 2012/13 year. Council has entered into a number of partnerships including: Grow Wellington, Marketing Advisory Group, Little Greenie Building Education, Electra and Horowhenua District Council, and Positively Wellington Tourism.
The tourism support services provide high quality advice and assistance to tourism operators and visitors to the Kāpiti Coast.	85% of individuals and organisations using tourism support services funded by the Council are satisfied with the services received.	85%	93%	<b>Achieved</b> 93% of respondents to the 2013 Tourism Operator Survey were satisfied with the services received.
The business support, retention and attraction services provide high quality advice and assistance to businesses on the Kāpiti Coast.	85% of individuals and organisations using business support, retention and attraction services funded by the Council are satisfied with the services received.	85%	100%	<b>Achieved</b> 100% of respondents to the Evaluation of Business Facilitation Service Survey were satisfied with the services received.

## ECONOMIC DEVELOPMENT ACTIVITY

### Links to Leadership Statements and Contributions to Community Outcomes and the Four Wellbeing Areas

The Economic Development Activity funds direct services to support business development and retention, wider economic analysis and opportunities for development of a new economic focus. As such it contributes directly to Outcome 5 but also contributes to Outcome 7 by providing support for initiatives that ultimately contribute to Social Wellbeing. There is a focus on creating local employment opportunities which retain young people in the District (Outcome 6). This Activity links to the leadership statements “Exploring the Local Food Economy” and “Sustainable Domestic Technologies”.

#### Progress in 2012/13

- The Clean Technology Park contributed to regional economic development, progress on Community Outcome 5 and all the Wellbeing areas.
- The partnership with Positively Wellington Tourism and Energise Ōtaki contributed to Community Outcomes 5, 7 and Economic Wellbeing.
- Endorsement of the Māori Economic Development and Wellbeing Strategy contributed to Community Outcomes 2, 5 and 7 and Leadership Area Partnership with Tāngata Whenua.
- The Council's support of the business and tourism sectors contributed to Community Outcomes 5 and 6.



## ECONOMIC DEVELOPMENT

### Statement of Cost of Activity

2010/11 Actual \$000		2012/13 Actual \$000	2012/13 Budget \$000
	<b>Expenditure</b>		
827	Operating Costs	902	974
15	Debt Servicing	13	90
9	Depreciation	15	15
851	Operating Expenditure	930	1,079
	<b>Revenue</b>		
-	Charges and Fees	-	143
-	Operating Revenue	-	143
<b>851</b>	<b>NET OPERATING COSTS</b>	<b>930</b>	<b>936</b>
	<b>Capital Items</b>		
-	Asset Construction and Renewal	200	1,500
5	Loan Repayments	6	6
<b>856</b>	<b>NET COST OF ACTIVITY</b>	<b>1,136</b>	<b>2,442</b>
856	Rates	936	942
-	Loans	200	1,500
<b>856</b>	<b>TOTAL SOURCES OF FUNDS</b>	<b>1,136</b>	<b>2,442</b>

## ECONOMIC DEVELOPMENT

### Detail of Significant Expenditure on Acquisition and Replacement of Assets

	2012/13 Actual \$000	2012/13 Budget \$000
<b>Clean Technology Development</b>		
Development of Clean Tech Park in Ōtaki. The building phase will start in 2013/14. Funds were carried over as part of the 2013/14 annual plan process.	200	1,500



# ENVIRONMENTAL PROTECTION

Whakaāhuru Taiao

THIS ACTIVITY LINKS TO COMMUNITY OUTCOMES:	1	2	3	4	5	6	7
	✓						✓

## KEY RESULTS

- ✓ 6,842 dogs were registered.
- ✓ Responded to 2,552 routine and 260 urgent complaints about dogs.
- ✓ 658 fire permits issued within two working days.
- ✓ National Rural Fire Authority review of Council as a Rural Fire Authority completed.
- ✓ Wellington Region's Civil Defence Management Office established.

This activity protects public health and safety through the administration and enforcement of statutory requirements.

A selection of the legislation the Council is required to implement is provided in the box opposite.

Over the year, the Council's Environmental Health team:

- responded to 577 service requests;
- registered 6,842 dogs;
- responded to 2,552 routine complaints about dogs and 260 urgent dog complaints; and
- issued 658 fire permits within two working days.

### Rural Fire

The Council, with the Te Horo Volunteer Rural Fire Force, responded to 25 rural fire callouts.

Due to a very hot dry summer, a prohibited fire season was implemented from March 2013 to 5 April 2013. Only two fires were reported during

The **Environmental Protection Activity** area includes the following services and programmes:

- inspection of food premises (Health Act 1956);
- animal control (Dog Control Act 2003);
- inspection of swimming pools (Fencing of Swimming Pools Act 1987);
- liquor licensing including monitoring of gambling machines (Sale of Liquor Act 1989 and Gambling Act 2003);
- location and advertising of brothels (Prostitution Act 2003);
- noise control – enforcement of District Plan standards under the Resource Management Act 1991;
- bylaws, enforcement and administration; and
- emergency management.

this period with the community responding well to the total fire ban.



The National Rural Fire Authority (NRFA) audit of Council as a Rural Fire Authority was completed. Council was one of only two authorities audited by the NRFA using a new process. This new process resulted in some corrective actions which were rectified.

The amalgamation of the five Rural Fire Authorities was approved by the National Rural Fire Authority.

From 1 October 2013 all rural fire responsibilities will be transferred to a new entity called the Wellington Rural Fire Authority. This new authority will manage rural fire responsibilities for Upper Hutt City, Hutt City, Wellington City, Porirua City and the Kāpiti Coast District.

### **Kāpiti Civil Defence and Emergency Management (CDEM) Response**

The Kāpiti Emergency Operations Centre (EOC) was partially activated on 4 July 2012 due to the potential of a tsunami from a magnitude 7 earthquake located south of Opunaki, in the southern Taranaki basin. No tsunami threat was issued and the EOC stood down.

The EOC was also partially activated for another potential tsunami on Wednesday 6 February 2013. This threat was due to a magnitude earthquake near the Santa Cruz Islands. The tsunami did not eventuate.

The storm that lashed the Wellington, the Hutt Valley and Wairarapa on 20 June 2013 did not require activation of the Kāpiti EOC. Kāpiti's emergency services and Electra coped well with the event and kept the CDEM Local Controller well informed. The strong relationships between emergency services, lifeline agencies such as Electra and this Council provide a solid base for emergency response.

### **Wellington Region Emergency Management Office (WREMO)**

From 2 July 2012 the Wellington Region's Civil Defence Emergency Management (CDEM) Office was established in order to pool resources from all the City and District Councils in the region.

This group developed a new Wellington Region Civil Defence and Emergency Management Group Plan 2013-2018 in consultation with Police and Fire emergency services, Councils, the Mid-Central and Capital-Coast District Health Boards, non-government organisations and consultation with the various communities. This is a comprehensive plan that addresses the four 'R's of Emergency Management – Reduction, Readiness, Response and Recovery. Annual business plans are being developed to deliver on the objectives outlined in this Plan.

Initiatives undertaken by WREMO to improve the resilience of communities in the region include Grab and Go kits at i-Sites which at \$69 each represent a significant discount on other commercially available kits, and a Community Response Plan framework which will be further developed in Kāpiti during the 2013-14 financial year.

### **Freedom Camping Policy**

The Council formally adopted the Freedom Camping Policy in August 2012 to ensure visitors and locals have a clear understanding of where freedom camping is prohibited, the restrictions that apply to freedom camping where it is allowed, and services/facilities available.

## KEY PERFORMANCE INDICATORS

Environmental Protection Level of Service	Measure	2012/13 Target	Result Achieved	Year End Result
<b>Environmental Health and Liquor Licensing</b>				
All food premises display certification that accurately reflects the quality of the outlet and their food storage and preparation.	All food premises inspected using a risk based approach in accordance with government regulations. Note: The legislation has not yet been enacted, therefore timeframes are not known at this stage.	100%	<b>100%</b>	<b>Achieved</b> 346 inspections were undertaken during the year.
Notifiable communicable diseases are managed in a way that minimises their spread.	All notifiable communicable disease investigations are commenced, and the investigation outcome reported to the Medical Officer of Health in accordance with Regional Service Level Agreements.	100%	<b>100%</b>	<b>Achieved</b> 53 investigations were undertaken during the year in accordance with Regional Service Level Agreement timeframes.
Swimming Pools are operated and managed in a safe and healthy way.	All functioning public, school and commercial swimming pools are inspected to ensure compliance with public health standards and management advised on remedial action where necessary.	100%	<b>100%</b>	<b>Achieved</b> All swimming pool assessments were undertaken.
Liquor outlets operate within an environment that is safe and healthy	50% of Liquor outlets are inspected for compliance with appropriate regulations annually.	50%	<b>50%</b>	<b>Achieved</b> 76 assessments were conducted during the year.
All other licensed premises, e.g. hairdressers, operate within an environment that is safe and healthy.	All 'other licensed premises' are inspected for compliance with appropriate regulations.	100%	<b>100%</b>	<b>Achieved</b> 60 inspections were conducted during the year.



Environmental Protection Level of Service	Measure	2012/13 Target	Result Achieved	Year End Result
<b>Compliance</b>				
All developments in the community are monitored to ensure they are consistent with the District Plan.	All resource consents are monitored in accordance with the Landuse Resource Consents Monitoring Programme.	100%	<b>100%</b>	<b>Achieved</b> All resource consents were monitored in accordance with the Land Resource Consent Monitoring Programme. 223 required land use inspections were undertaken.
Access to private swimming pools is limited to prevent entry to children under 6 years of age.	33% of all known private swimming pools inspected to ensure compliance with the Fencing of Swimming Pools Act 1987.	33%	<b>29%</b>	<b>Not Achieved</b> 297 private swimming pools were inspected to ensure compliance during the year. The shortfall in total pool fencing inspections was due to two factors: 1) To enable concentration on pools identified as 'non compliant' and get them to a point where a compliance decision could be made; and 2) Reallocation of work resource following a restructure. It is planned that the pool fence inspection regime will be reviewed during the 2013/14 financial year to establish what areas of the inspection process need adjustment and what numbers of pools should be inspected.
All outdoor fires are permitted to ensure they are managed in a way that limits the risk of spread.	All outdoor fire permits are issued within two working days providing Council staff are satisfied that the site surroundings are safe and that fire safety equipment is available.	100%	<b>99.9%</b>	<b>Not Achieved</b> 657 of 658 fire permits were issued within two working days during the year. <b>Note:</b> Due to the Total Fire Ban in March 2013 the number of permits issued is down.
<b>Animal Control</b>				
Action is taken to manage dangerous dog incidents.	95% of all urgent calls/complaints about dogs responded to within one hour of receipt.	95%	<b>95%</b>	<b>Achieved</b> During the year 248 of 260 urgent calls/complaints about dogs were responded to within one hour of receipt.

<b>Environmental Protection Level of Service</b>	<b>Measure</b>	<b>2012/13 Target</b>	<b>Result Achieved</b>	<b>Year End Result</b>
Dogs are managed effectively to minimise nuisance.	95% of all routine calls/complaints about dogs are responded to within 24 hours of receipt.	95%	<b>99%</b>	<b>Achieved</b> During the year 2,440 of 2,552 routine calls/complaints about dogs were responded to within 24 hours of receipt.
All dogs in the District are registered.	95% of all known dogs are registered.	95%	<b>99%</b>	<b>Achieved</b> 6,842 of the 6,924 known dogs were registered.
<b>Emergency Management and Rural Fire</b>				
The number of households that are ready for any emergency with stored water, food, survival items and a household emergency plan.	The number of prepared households increases by 20% every three years until 80% of households' state they are prepared for an emergency.	50%	<b>43%</b>	<b>Not Achieved</b> A Wellington Regional Civil Defence Emergency Management Office (WREMO) survey conducted early in 2012 resulted in high percentages of prepared households with the exception of having a place to meet which averaged at 43% of households. No survey has been taken in 2013 to measure the effectiveness of any community engagement.
The Rural Fire service meets the National Rural Fire Authority audit standards.	The Rural Fire service meets the National Rural Fire Authority audit standards.	Achieve	<b>Achieved</b>	<b>Achieved</b> Review was completed. Outstanding items were identified and corrected. NRFA states that "what Council has presented is comprehensive. The improvements in the sections of the Fire Plan will certainly cover any shortfall in Miscellaneous Requirements". The NRFA was not able to conduct another review in March/April 2013 due to their commitments.
Civil Defence Emergency Management and Fire Plans provide an effective response to emergencies and reduce the exposure of Council to costs and litigation following an event.	The Civil Defence Emergency Management and Fire Plans are updated annually.	Achieve	<b>Achieved</b>	<b>Achieved</b> Minor changes to maintain the Plan have been carried out. The Civil Defence Emergency Management Plan Group Plan has been completed. The Kāpiti Coast District Plan can now be reviewed by WREMO staff.



## ENVIRONMENTAL PROTECTION ACTIVITY

### Links to Leadership Statements and Contributions to Community Outcomes and the Four Wellbeing Areas

The Environmental Protection Activity is concerned with enforcement of and education about standards designed to protect individual and community health and safety. These standards are generally prescribed through statute or regulation, or via rules in the District Plan. As such the activity in all its areas outlined above contributes to Outcomes 1, 7 and Environmental Wellbeing.

#### Progress 2012/13

- 99% of known dogs were registered and 96% of urgent dog complaints were responded to within one hour. Inspections of all school swimming pools, 346 inspections of food premises, and 69 inspections of 'other licensed premises' all worked towards making our community safer. These levels of service contribute to the healthy and safety aspects of Community Outcome 7, Social Wellbeing, Cultural Wellbeing and Environmental Wellbeing.
- The Council's role in emergency management and rural fire protection contributed to Community Outcome 7.





## ENVIRONMENTAL PROTECTION

### Statement of Cost of Activity

2011/12		2012/13	2012/13
Actual		Actual	Budget
\$000		\$000	\$000
	<b>Expenditure</b>		
2,262	Operating Costs	2,421	2,492
130	Debt Servicing	111	99
62	Depreciation	58	62
2,454	Operating Expenditure	2,590	2,653
	<b>Revenue</b>		
914	Charges and Fees	917	846
-	Internal Recoveries	40	40
914	Operating Revenue	957	886
<b>1,540</b>	<b>NET OPERATING COSTS</b>	<b>1,633</b>	<b>1,767</b>
	<b>Capital Items</b>		
34	Asset Construction and Renewal	21	31
36	Loan Repayments	103	103
<b>1,610</b>	<b>NET COST OF ACTIVITY</b>	<b>1,757</b>	<b>1,901</b>
1,546	Rates	1,659	1,794
64	Depreciation Reserve	98	107
<b>1,610</b>	<b>TOTAL SOURCES OF FUNDS</b>	<b>1,757</b>	<b>1,901</b>



# GOVERNANCE AND TĀNGATA WHENUA

Kāwanatanga me te Tāngata Whenua

THIS ACTIVITY LINKS TO COMMUNITY OUTCOMES:	1	2	3	4	5	6	7
	✓	✓	✓	✓	✓	✓	✓

## KEY RESULTS

- ✓ Agreed that Independent Commissioners would hear submissions to Chapter 4 (coastal hazards) of the Proposed District Plan.
- ✓ Council approved a Māori appointee to each of the major Standing Committees.
- ✓ Council adopted the 2013/14 Annual Plan and the 2013 Amendment to the 2012 Long Term Plan.
- ✓ Council was an active member of the Regional Governance Working Party.
- ✓ By-election held in October 2012 to fill an extraordinary vacancy on the Ōtaki Community Board.

This activity is an important contributor to the Council's wider strategy for working with the community, and meeting the Council's statutory requirements relating to its governance, consultation and decision-making responsibilities.

### Civic Chambers

During most of the 2012/13 year the Council held committee meetings on Mazengarb Road, Paraparaumu. The new Council Chamber in the Civic Administration Building has been used since 7 March 2013 and provides a far better environment than the Chamber in the previous building. The improved access for the elderly and those with disabilities removes a barrier for their involvement in the democratic process.

### Elected Members

In addition to the meeting statistics provided in the Meeting Attendance section, Council also held a series of Annual Plan Workshops with Elected Members during February/March 2013, and

The **Governance and Tāngata Whenua Activity** area includes the following services and programmes:

- Elected Members' remuneration and expenses;
- management of electoral processes including representation review, elections and by-elections;
- management of formal Council and Committee processes;
- delivery of Community Plan processes under the Local Government Act 2002;
- tāngata whenua relationships and associated projects, e.g. work with iwi to develop cultural health monitoring indicators;
- civic awareness and promotion programme; and
- District general expenses - e.g. legal and insurance costs.

Elected Member Resource Management Act training was completed.

To assist Elected Members, iPads were introduced to improve efficiencies and reduce costs associated with printing and agenda delivery. This has proved successful and feedback from Elected Members has been positive with a reduction in the amount of printing and deliveries required.

### **Consultation on Planning Documents**

The Council consulted on the Proposed District Plan (see the Development Management Activity on page 56). Following feedback on Chapter 4: Coastal Hazards, Council agreed that Independent Commissioners would hear these submissions to the Proposed District Plan (see the Coastal Management Activity on page 43).

During the year Council also adopted the 2013/14 Annual Plan, and the 2013 Amendment to the 2012 Long Term Plan (see the Solid Waste Activity on page 88).

### **Tāngata Whenua**

This area provides for active projects around Council's commitment to its partnership with Te Āti Awa ki Whakarongotai, Ngāti Raukawa ki te Tonga and Ngāti Toa Rangitira and the Memorandum of Partnership it holds with them. This includes a commitment to working via Te Whakaminenga o Kāpiti, the partnership mechanism for advancing matters of mutual interest.

Over the year, Council:

- Approved a Māori appointee to each of the three Standing Committees;
- Ratified the Māori Economic Development Strategy through Te Āti Awa, Raukawa and Toa (ART) Confederation, Te Whakaminenga o Kāpiti and the Environment and Community Development Committee;
- Ensured tāngata whenua engagement, through Te Whakaminenga o Kāpiti, in the Council's draft Public Arts Policy;
- Supported Te Whakaminenga o Kāpiti in their nomination to the NZPI Conference for their

work in the District Plan Review and the Development of Te Haerenga Whakamua;

- Ongoing partnership with tāngata whenua through Te Whakaminenga o Kāpiti, including working to identify the most suitable solution for the District's water requirements for the next 100 years; iwi contribution to the Proposed District Plan, and iwi representation;
- Work continued in 2012/13 on adding to the 40 waahi tapu sites already added to the Proposed District Plan. The addition of sites affords them a level of protection from development and/or destruction; and
- Council continued to provide support grants for maintenance and upgrades to marae facilities as per the Marae Support Policy.

### **Events**

Council is committed to hosting civic ceremonies, including this year:

- Waitangi Day event held at Whakarongotai marae;
- Civic Awards held in November 2012;
- Citizenship Ceremonies;
- ANZAC Day commemoration; and
- Shoutout Awards for youth.

Council also supported the Kapiti Sports Awards.

### **Regional Governance**

Councils in the Wellington Region have been discussing potential governance reorganisation for the past two and a half years. In December 2012 a working party comprising Kāpiti Coast District, Porirua City, Wellington City and Greater Wellington Regional Councils was established.

The working party completed a proposal for community consultation which began in April 2013 with community meetings in all four wards. A phone survey was conducted and results were reported to Council in June 2013. The Council also commissioned work to assess the potential costs to Kāpiti of an option to stand alone as a unitary authority should a multi-unitary approach be promoted by other stakeholders.



## KEY PERFORMANCE INDICATORS

Governance and Tāngata Whenua Level of Service	Measure	2012/13 Target	Result Achieved	Year End Result
Council agendas and minutes are available two working days ahead of the meeting date in Council Service Centres, District Libraries and the Council website.	All meeting agendas and reports are available in hard copy in Service Centres and/or District Libraries at least two working days ahead of the meeting date.	100%	100%	<b>Achieved</b> All meeting agendas and reports were available in hardcopy in Service Centres and/or District Libraries at least two working days ahead of the meeting date.
Council agendas and minutes are available two working days ahead of the meeting date in Council Service Centres, District Libraries and the Council website.	All Council meeting agendas and minutes are available 99% of the time on the Council website.	99%	100%	<b>Achieved</b> All Council meeting agendas and minutes were available 100% of the time on the Council website.
The strong partnership that has evolved is reflected in Council's commitment to work through Te Whakaminenga o Kāpiti and that Te Whakaminenga o Kāpiti continues to implement work focused on development of knowledge and understanding of tāngata whenua values through the intended activity.	Te Whakaminenga o Kāpiti receives all proposed Council strategies for review and provides comment, when desired, to the Council.	Achieve	<b>Achieved</b>	<b>Achieved</b> Te Whakaminenga o Kāpiti received all proposed Council strategies for review and provided comment, when desired, to Council.
Council and tāngata whenua participate in civic activity that reflects our community's history.	Council and tāngata whenua co-host a Waitangi Day commemoration.	Achieve	<b>Achieved</b>	<b>Achieved</b> Council and tāngata whenua co-hosted a Waitangi Day commemoration at Whakarongotai Marae in Waikanae.

## GOVERNANCE AND TĀNGATA WHENUA ACTIVITY

### Links to Leadership Statements and Contributions to Community Outcomes and the Four Wellbeing Areas

All the Community Outcomes have a vision of significant involvement of the community in both on-the-ground initiatives and decision making. As such the Governance and Tāngata Whenua Activity is of relevance across all Community Outcomes. This Activity links to Council leadership statements “Partnership with Tāngata Whenua” and “Participation, Communication and Consultation”.

#### Progress in 2012/13

- Access to Council’s decisions and activities is provided by having all Council’s formal decisions and associated reports made available on the Council website and from libraries/service centres. This gives the community the opportunity to be involved and contributed to Community Outcome 7 and Cultural Wellbeing.
- Increasing Māori representation in decision making through co-opting a representative of local iwi onto its Standing Committees contributed to Community Outcome 7 and Social and Cultural Wellbeing.



## GOVERNANCE AND TĀNGATA WHENUA

### Statement of Cost of Activity

2011/12 Actual \$000		2012/13 Actual \$000	2012/13 Budget \$000
	<b>Expenditure</b>		
3,584	Operating Costs	3,124	3,125
109	Debt Servicing	381	426
917	Depreciation	1,039	928
975	Loss on Disposal	-	-
5,585	Operating Expenditure	4,544	4,479
	<b>Revenue</b>		
555	Charges and Fees	571	689
-	Internal Income	130	73
187	Miscellaneous and Separate	-	-
8	Interest	-	-
750	Operating Revenue	701	762
<b>4,835</b>	<b>NET OPERATING COSTS</b>	<b>3,843</b>	<b>3,717</b>
	<b>Capital Items</b>		
742	Asset Construction and Renewal	574	1,642*
238	Loan Repayments	400	402
	<b>Appropriations</b>		
(880)	Miscellaneous and Separate	-	-
26	Special Funds	-	-
<b>4,961</b>	<b>NET COST OF ACTIVITY</b>	<b>4,817</b>	<b>5,761</b>
2,742	Rates	2,721	2,616
699	Depreciation Reserve	718	718
810	Loans	426	691*
-	Separate Funds	-	-
710	Utilisation of Balances	952	1,736
<b>4,961</b>	<b>TOTAL SOURCES OF FUNDS</b>	<b>4,817</b>	<b>5,761</b>

\*The published LTP figure differs from the above due to the reclassification of the Civic Building to the Community Facilities Activity.



# LIBRARIES, ARTS AND MUSEUMS

Ngā Wharepukapuka, Ngā Toi mengā Whare Tāonga

THIS ACTIVITY LINKS TO COMMUNITY OUTCOMES:	1	2	3	4	5	6	7
	✓	✓	✓	✓	✓	✓	

## KEY RESULTS

- ✓ 780,000 items were borrowed from the four District libraries and 62,794 items were reserved.
- ✓ 60,000 SMART items from across 23 SMART libraries checked-out to Kāpiti library customers and 4,000 eBooks downloaded from the libraries website.
- ✓ More than 17,000 people came to free library events and activities.
- ✓ The Public Art Policy was consulted on.
- ✓ Two Creative Communities funding rounds were undertaken with \$44,300 distributed to the community.
- ✓ Another successful Kāpiti Arts Trail was completed with 250 artists and arts groups demonstrating, exhibiting and selling their work.

### Libraries

Kāpiti Coast District Libraries had a very successful year with lending up across the board and a host of new services on offer.

Over the past year the library service was reorganised and more services were added to better meet the needs of the community. This review of the District's libraries was the first in nearly 30 years. It was driven by the Public Libraries of New Zealand Strategic Framework, a national strategy to refocus the role of New Zealand libraries to make them more relevant and responsive to the communities they serve.

A raft of new programmes and events at the District's public libraries helped make it one of the most successful years ever:

The **Libraries, Arts and Museums Activity** area includes all projects, programmes and services relating to the District's libraries. There are library buildings at Paekākāriki, Paraparaumu (main library administration centre), Waikanae and Ōtaki.

- 780,000 items were borrowed from the four District libraries, an increase of 50,000 items from the previous twelve months;



- 62,794 items were reserved free of charge across the Kāpiti District. This represents a 43% increase in reservations compared to the previous twelve months;
- 60,000 Shared and Managed Region Together (SMART) items from across 23 SMART libraries were lent to Kāpiti library customers;
- 4,000 eBooks were downloaded from the libraries website, [www.kapiticoastlibraries.govt.nz](http://www.kapiticoastlibraries.govt.nz);
- More than 117,000 sessions were logged on the libraries' free internet computers;
- Eighteen new internet PCs and desks were installed at the libraries bringing the total number of free computers/Internet facilities to 35 PCs districtwide;
- Community hub services such as Go Digital and Careers Advice continued;
- The *Book Club in a Bag* programme was successfully launched. Twenty kits are now available for loan; and
- 369 new items per 1,000 population were added to the collection, exceeding the New Zealand Library and Information Association (NZLIA) standard of 350 new items per 1,000 population.

More than 17,000 people came to free library events and activities, including:

- A new monthly event launched at Paraparaumu Library, *Time for a Yarn*, which provides an opportunity for people to meet and share handcraft projects, ideas and skills;
- A new monthly book discussion group started at Paraparaumu Library;
- The *Bookbusters Summer Reading Club* operated during the summer holidays;
- The *Live Arts @ my Library* programme showcased over 28 different arts demonstrations, workshops in November 2012; and
- Four book launches were hosted by Friends of the Kāpiti Coast District Libraries.

### Arts and Museums

- The draft Public Art Policy was circulated for public consultation in April/May 2013. The policy outlines why public art is important to the District and what the Council wishes to achieve for the District through public art. It provides direction for the Council, relating to public art on Council land or in Council facilities, in the areas of acquisition and commissioning; asset management; managing donated/gifted works; and relocation or removal. The final policy is due for adoption by the Council in August 2013.
- Two Creative Communities funding rounds were undertaken with \$44,300 distributed to the community.
- Another successful Kāpiti Arts Trail was completed with 250 artists and arts groups demonstrating, exhibiting and selling their work.
- The Kāpiti Heritage Trail was re-launched bringing together 15 new signs, plaques and plinths across 34 heritage sites throughout the District. The new signs, featured from Ōtaki to Paekākāriki have all been produced in English and Te Reo, and are accompanied by a set of four new bilingual brochures for Ōtaki, Waikanae, Paraparaumu and Paekākāriki which are available on the Council's website [www.kapiticoast.govt.nz](http://www.kapiticoast.govt.nz).

## KEY PERFORMANCE INDICATORS

<b>Libraries, Arts and Museums Level of Service</b>	<b>Measure</b>	<b>2012/13 Target</b>	<b>Result Achieved</b>	<b>Year End Result</b>
Collections provide current information and a constant choice of new materials.	Collections are refreshed with 350 new items added to the collections per annum per 1,000 population.	350 new items per 1,000 population	<b>369 new items per 1,000 population</b>	<b>Achieved</b> 17,257 items have been introduced into the collections this financial year. This represents 369 new items per 1,000 population.
Libraries offer a range of materials and spaces to meet demand.	At least 50% of the Kāpiti Coast District population has utilised the libraries in the past two years.	50%	<b>58%</b>	<b>Achieved</b> There were 26,635 active Kāpiti borrowers during the year.
Heritage Collection is available electronically, and originals held within the region.	At least 250 Heritage Collection items are digitised per year.	250	<b>280</b>	<b>Achieved</b> 280 Heritage Collection items were digitised during the year.
Art is installed at appropriate community spaces to meet community expectations.	At least one item of public art is commissioned every two years.	Achieve	<b>Achieved</b>	<b>Achieved</b> Three pou were commissioned and installed beside the Civic Administration Building.
Opportunities to recognise art and promote artists are supported.	The numbers of artists participating in the annual Arts Trail increases annually.	More than 200	<b>250</b>	<b>Achieved</b> 250 artists contributed to the success of the Kāpiti Arts Trail in November 2012.



## LIBRARIES, ARTS AND MUSEUMS ACTIVITY

### Links to Leadership Statements and Contributions to Community Outcomes and the Four Wellbeing Areas

The Libraries provide access to books and information services and as such contribute to Social Wellbeing, Cultural Wellbeing and a number of Community Outcomes that aim to foster an informed community (Outcomes 1, 5, 6 and 7).

This links to the leadership statement Building Social Capital. For example, libraries can be a major source of information about community planning projects happening in the District and general information about the environment.

The District's libraries also perform an important role (along with civic centres) as community gathering points, where ideas can be aired and exhibitions held. They have a role to play in directing people to skills and information held in the community (Outcome 4). Finally, they are an essential part of the 'centres' component of the District Urban Strategy (Outcome 2).

The Arts and Museums sub-activity contributes to Outcome 5 in terms of building capacity and

businesses to attract paying visitors and tourists to arts and museum events. It contributes to Cultural Wellbeing and Outcome 7 in terms of general contribution to cultural activities and community involvement and links to the "Creativity and the Arts" leadership statement.

#### Progress in 2012/13

- The increased use of libraries' including use of the library website and computers, attendance at programmes and events, and the re-launch of the Kāpiti Heritage Trail demonstrates strong community involvement and contributes to Social Wellbeing, Cultural Wellbeing and Community Outcome 7.
- The Kāpiti Arts Trail contributed to Community Outcome 2.



LIBRARIES, ARTS AND MUSEUMS				
Statement of Cost of Activity				
2011/12			2012/13	2012/13
Actual			Actual	Budget
\$000			\$000	\$000
	Expenditure			
3,008	Operating Costs		3,213	3,189
202	Debt Servicing		217	179
584	Depreciation		617	575
3,794	Operating Expenditure		4,047	3,943
	Revenue			
315	Charges and Fees		226	257
-	Internal Recoveries		59	59
-	Development Levies		15	16
-	Less Funding for Capital Purposes		(15)	(16)
315	Operating Revenue		285	316
3,479	NET OPERATING COSTS		3,762	3,627
	Capital Items			
637	Asset Construction & Renewal		493	863
276	Loan Repayment		267	267
4,392	NET COST OF ACTIVITY		4,522	4,757
3,645	Rates		3,959	3,819
631	Depreciation Reserve		508	526
79	Development Levies		15	16
28	Loans		40	348
9	Utilisation of Balances		-	48
4,392	TOTAL SOURCES OF FUNDS		4,522	4,757

LIBRARIES ARTS AND MUSEUMS		
Detail of Significant Expenditure on Acquisition and Replacement of Assets		
	2012/13 Actual \$000	2012/13 Budget \$000
<b>Materials Additions</b>		
Library books, CDs and DVDs periodicals.	402	417
Purchase of materials to ensure that the community has free access to current and historical library materials in sufficient quantities and in a variety of appropriate formats.		



# PARKS AND OPEN SPACE

Ngā Papa Rēhia me ngā Wāhi Maho Māhorahora

THIS ACTIVITY LINKS TO COMMUNITY OUTCOMES:	1	2	3	4	5	6	7
	✓	✓		✓		✓	✓

## KEY RESULTS

- ✓ Upgrades completed to spaces in Main Street, Ōtaki and Marine Gardens, Raumati.
- ✓ Mazengarb Park Multi Sport Turf Changing Rooms building project completed September 2012.
- ✓ Playground upgrades completed at Pharazyn Reserve, Mahara Place, Manawa Avenue, and Matai Street.
- ✓ Turf Farm/Howarth land redevelopment and Management Plan commenced, land gazetted as reserve.

The Council's strategic goal is to maintain a rich and diverse network of open spaces that protect the region's ecology and support the identity, health, cohesion and resilience of the District's communities.

To this end, the following major projects were undertaken in the 2012/13 year:

### Marine Gardens, Raumati Beach Upgrade

A splash-pad water play area was installed to replace the old paddling pool at Marine Gardens. After a long, hot summer a record number of visitors flocked to enjoy the new facility. Some teething issues with the trial matting were resolved during winter maintenance.

Other playground equipment in the area was also replaced with a new link path built from the lookout summit to the stream footbridge, and general beautification and coastal protection planting was undertaken.

The **Parks and Open Space Activity** area includes the following services and programmes:

- parks maintenance;
- maintenance of sports fields, playgrounds and active recreation facilities (other than swimming pools);
- support for community planting and restoration projects;
- land acquisition for reserves purposes; and
- general park upgrades (capital expenditure).

### Mazengarb Park Multi Sport Turf Changing Rooms

The new community changing facility at the Mazengarb Park Multi Sport Turf was completed. This was a joint venture with the Kapiti Community Recreational Turf Trust.





### **Main Street Ōtaki Project**

Upgrades to Memorial Park and community space in Main Street Ōtaki were completed in October 2012.

#### **Playground Upgrades:**

The following children's playgrounds were upgraded:

- Pharazyn Reserve;
- Mahara Place play area;
- Manawa Avenue Reserve; and
- Matai Street.

### **Turf Farm/Howarth Land**

The Council purchased the Turf Farm, adding a further 24 hectares to the Howarth Land to provide a total of 60 hectares of public land between Otaihangā Road and the Waikanae River.

Development of a draft Reserves Management Plan for consultation has commenced, and the land has been gazetted as a reserve.

Activity to date has involved tidying the site, weed and fence removal and upgrading the north eastern dwelling so that it can be rented.



## KEY PERFORMANCE INDICATORS

Parks and Open Space Level of Service	Measure	2012/13 Target	Result Achieved	Year End Result
Residents in urban areas live reasonably close to a recreation facility (including other publicly owned space).	85% of residential dwellings in urban areas are within 400 metres of a publicly owned open space.	85%	<b>95.7%</b>	<b>Achieved</b> The progress achieved of 95.7% reflects Council owned land only. This does not include recently purchased land such as the Howarth/Turf Farm blocks or other publicly owned land (e.g. Department of Conservation or Department of Education land).
Each ward in the District has open spaces suitable for a range of physical and mental abilities.	Each ward has open spaces that provide an equivalent experience for all visitors regardless of any limit to their abilities.	Achieve	<b>Achieved</b>	<b>Achieved</b> Each ward has open spaces that provide experience for all visitors regardless of any limit to their abilities.
A range of active recreation facilities is available throughout the District both during and after business hours.	85% of residents are satisfied with the current time availability of facilities.	85%	<b>100%</b>	<b>Achieved</b> 100% of residents surveyed in the January/ February 2013 Park Check User Survey were satisfied with the current time availability of facilities.
Open spaces offer a range of environments of different characters.	75% of residents are satisfied with the range, variety and character of Council owned parks and open spaces.	75%	<b>96%</b>	<b>Achieved</b> 96% of residents surveyed in the January/ February 2013 Park Check User Survey were satisfied with the range, variety and character of Council owned parks and opens spaces.

## PARKS AND OPEN SPACE ACTIVITY

### Links to Leadership Statements and Contributions to Community Outcomes and the Four Wellbeing Areas

The Parks and Open Space Activity links to the leadership statement The Importance of Place, Open Space, Centres and Design. It contributes to the overall natural area of the District and has the capacity to build on the 'green and riparian networks' of the District (Outcomes 1 and 4). Key parks and the coastal reserves play a major part in supporting biodiversity, contributing to Environmental Wellbeing. The quality, location and design of local parks contribute to the character and quality of centres and neighbourhoods, contributing to Cultural Wellbeing and Outcome 2. Both passive and active reserves contribute directly to the health and wellbeing of individuals and communities (Social Wellbeing, Outcomes 6 and 7).

### Progress in 2012/13

- Continued support and improved relations with various community groups including 23 community 'Friends' groups involved in planting over 32,000 native plants and taking part in restoration projects contributed progress to Community Outcomes 1, 2, 4, 7, Social Wellbeing and Cultural Wellbeing.
- The acquisition of the Turf Farm and attribution of reserve status contributed to Community Outcomes 1 and 2.



## PARKS AND OPEN SPACE

### Statement of Cost of Activity

2011/12 Actual \$000		2012/13 Actual \$000	2012/13 Budget \$000
	<b>Expenditure</b>		
3,142	Operating Costs	3,439	3,415
204	Loss on Forestry Revaluation	-	-
44	Debt Servicing	100	111
807	Depreciation	831	823
4,197	Operating Expenditure	4,370	4,349
	<b>Revenue</b>		
113	Charges and Fees	152	81
-	Gain on Forestry Revaluation	262	-
-	Internal Revenue	-	49
904	Development Levies / Reserves Contributions	397	397
(700)	Less Revenue for Capital Purposes	(397)	(397)
317	Operating Revenue	414	130
<b>3,880</b>	<b>NET OPERATING COSTS</b>	<b>3,956</b>	<b>4,219</b>
	<b>Capital Items</b>		
2,847	Asset Construction and Renewal	1,536	2,010
104	Loan Repayments	44	44
<b>6,831</b>	<b>NET COST OF ACTIVITY</b>	<b>5,536</b>	<b>6,273</b>
3,845	Rates	4,182	4,269
428	Depreciation Reserve	821	823
1,646	Loans	467	833
-	Forestry Valuation	(262)	-
912	Development Levies / Reserves Contributions	328	348
<b>6,831</b>	<b>TOTAL SOURCES OF FUNDS</b>	<b>5,536</b>	<b>6,273</b>

## PARKS AND OPEN SPACE

### Detail of Significant Expenditure on Acquisition and Replacement of Assets

	2012/13 Actual \$000	2012/13 Budget \$000
<b>Land Development</b>		
Main Street Ōtaki – upgrade Memorial Park (original budget \$267,000)	224	133
Marine Gardens Upgrade – Paddling pool and play equipment replacement, paths, beautification and coastal protection planting.	187	200

# SOLID WASTE

Para Ūtonga

THIS ACTIVITY LINKS TO COMMUNITY OUTCOMES:	1	2	3	4	5	6	7
				✓	✓		

## KEY RESULTS

- ✓ Complete review of kerbside collections and funding.
- ✓ Changes to Council kerbside collections consulted on in Proposed District Plan.
- ✓ Composting New Zealand has started to set greenwaste fees and continued to process all greenwaste districtwide.
- ✓ Work was progressed on the Otaihanga Landfill project working towards an updated management plan.
- ✓ Expressions of Interest sought for Ōtaki Transfer Station.

### 2013 Amendment to the 2012-32 Long Term Plan

On 27 June 2013 Council formally adopted an amendment to the 2012 Long Term Plan whereby Council no longer holds contracts for kerbside collections, but the Council continues to monitor the delivery of collection services.

All household rubbish collectors must be licensed by Council under the Solid Waste Bylaw, and are required to provide kerbside recycling on behalf of their wheelie bin or bag customers.

The most common concern in the seven submissions received about the amendment was that the changes may remove incentives to recycle. However, residents who use wheelie bins already pay for their recycling service in the bin rate, and for users of pre-paid bags the recycling cost is included in the bag price. This provides the financial incentive for residents to continue to use kerbside recycling.

The **Solid Waste Activity** area provided the following services and programmes:

- rubbish bag collection;
- kerbside recycling;
- drop-off waste recycling stations at Waikanae, Otaihanga Resource Recovery Facility and Ōtaki Transfer Station;
- Resource Recovery Facility at Otaihanga;
- Waste Transfer Station at Ōtaki;
- a greenwaste and recycling centre at Waikanae;
- landfill management at Otaihanga;
- waste minimisation and education; and
- Implementation of Wellington Region Waste Management and Minimisation Plan.



In addition, the cost of recycling is currently less than disposal to landfill, and this is unlikely to change due to waste levy charges and carbon taxes on every tonne of waste that is landfilled.

The 2013 Amendment to the 2012 Long Term Plan also changed the public/private split to 25% public (funded through revenues from the various solid waste activities) and 75% private (funded from Rates).

The full Amendment is available on the Council's website [www.kapiticoast.govt.nz](http://www.kapiticoast.govt.nz).

### **Ōtaki Transfer Station**

Expressions of Interest have been received for the operation and transformation of Ōtaki Transfer Station into the Ōtaki Resource Recovery Centre. New operations are due to start in the 2013/14 financial year.

### **Greenwaste**

Composting New Zealand has started to set districtwide greenwaste fees by volume and continues to process all greenwaste districtwide.

The Council approved additional targeted rates to maintain the current level of service at Waikanae Greenwaste and Recycling Centre on 27 June 2013.

### **Wellington Regional Waste Management and Minimisation Plan (WRWMMP)**

Council provided input into regional projects under the WRWMMP. Initial investigations into a Regional Solid Waste Bylaw were completed, and a Draft Regional Education Strategy is due for completion in September 2013. The Council implemented its waste minimisation and education action plan with waste levy income provided by the Ministry for the Environment.

### **Otaihanga Landfill**

Drafting the new management and closure plan for Otaihanga Landfill began with the final plan expected early in the 2013/14 financial year.

An application for a variation to the existing landfill consent has been lodged with Greater Wellington Regional Council regarding a new monitoring regime and the final height and shape of the landfill. Input and discussions concerning the construction of the Expressway and its effects on the operation of the Otaihanga landfill are ongoing.





## KEY PERFORMANCE INDICATORS

Solid Waste Level of Service	Measure	2012/13 Target	Result Achieved	Year End Result
Waste and recycling collected weekly on the same day in the urban area.	No more than 10 reports of uncollected bags per week.	Less than 10 per week	<b>Less than 10 per week</b>	<b>Achieved</b> Every week during the year there were less than 10 reports of uncollected bags. The weekly average was three reports.
Waste and recycling collected weekly on the same day in the urban area.	No more than 10 reports of uncollected recycling bins per week.	Less than 10 per week	<b>Less than 10 per week</b>	<b>Achieved</b> Every week during the year there were less than 10 reports of uncollected recycle bins. The average was five reports.
Reduce waste to landfill.	Waste analysis every three years, (base year 2010), shows a reduction of waste (tonnes) to landfill.	Less than 20,092 tonnes	-	<b>Not Relevant</b> The next waste analysis is due in September 2013.
Reduce waste to landfill.	Annual report on waste streams (tonnes) shows a reduction.	Achieve	-	<b>Not Achieved</b> Kāpiti has achieved considerable reduction in waste to landfill over recent years, but analysis to measure this result occurs three yearly. Will consider making this a rolling average based on per capita measures.

## SOLID WASTE ACTIVITY

### Links to Leadership Statements and Contributions to Community Outcomes and the Four Wellbeing Areas

The Solid Waste Activity contributes to Outcome 4 via an overall focus on waste minimisation and beneficial reuse of waste products. The activity also supports the emergence of local waste minimisation and recycling businesses, contributing to Outcome 5 and Environmental Wellbeing. This links to the leadership statement "Closing the Loop: Council Services – Waste and Energy".

#### Progress in 2012/13

- Progress towards Community Outcome 4 and Environmental Wellbeing occurred through weekly kerbside waste and recycling collection.
- The Resource Recovery Facility at Otaihanga provided for an increasing amount of waste diversion with a recycling drop-off, a reuse and recycling shop, and contributed to progress on Community Outcome 4 and Environmental Wellbeing.



<b>SOLID WASTE</b>			
<b>Statement of Cost of Activity</b>			
<b>2011/12</b>		<b>2012/13</b>	<b>2012/13</b>
<b>Actual</b>		<b>Actual</b>	<b>Budget</b>
<b>\$000</b>		<b>\$000</b>	<b>\$000</b>
	<b>Expenditure</b>		
2,821	Operating Costs	2,260	2,613
162	Debt Servicing	185	178
55	Depreciation	77	56
3,038	Operating Expenditure	2,522	2,847
	<b>Revenue</b>		
2,965	Charges and Fees	2,504	2,888
<b>2,965</b>	<b>Operating Revenue</b>	<b>2,504</b>	<b>2,888</b>
<b>73</b>	<b>NET OPERATING COSTS</b>	<b>18</b>	<b>(41)</b>
	<b>Capital Items</b>		
31	Asset Construction and Renewal	86	137
100	Loan Repayment	116	116
<b>204</b>	<b>NET COST OF ACTIVITY</b>	<b>220</b>	<b>212</b>
77	Depreciation Reserve	58	58
31	Loans	86	137
-	Rates	35	39
96	Solid Waste Account	41	(22)
<b>204</b>	<b>TOTAL SOURCES OF FUNDS</b>	<b>220</b>	<b>212</b>

<b>SOLID WASTE</b>		
<b>Detail of Significant Expenditure on Acquisition and Replacement of Assets</b>		
	<b>2012/13</b>	<b>2012/13</b>
	<b>Actual</b>	<b>Budget</b>
	<b>\$000</b>	<b>\$000</b>
<b>Land Development</b>		
Management of Landfill aftercare – application for new resource consent underway.	86	137

# STORMWATER MANAGEMENT

Whakahaere Wai Āwahā

THIS ACTIVITY LINKS TO COMMUNITY OUTCOMES:	1	2	3	4	5	6	7
	✓	✓	✓	✓			✓

## KEY RESULTS

- ✓ Installation of an Automated Floodgate at Waimanu Lagoon Weir.
- ✓ Ocean Road, Paekākāriki Stormwater upgrade completed.
- ✓ Tasman Road Stormwater upgrade completed, on budget, April 2013.
- ✓ Paraparaumu Beach Local Catchments upgrade underway.

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

### Ocean Road Stormwater Upgrade

The stormwater system along the length of Ocean Road, Paekākāriki was upgraded to alleviate a regular flooding problem in Wellington Road and Tilley Road.

### Raumati Beach CBD Stormwater Upgrade

A stormwater system upgrade solved the existing flood issues within the Raumati Beach CBD and Margaret Road area.

### Waimanu Lagoon Flood Control Gate

An automated floodgate was constructed to replace the manual floodgate at Waimanu Lagoon, Waikanae.

### Tasman Road Stormwater Upgrade

The upgrade to the Tasman Road, Ōtaki Stormwater Main was completed along with down-stream improvements as part of the Ōtaki Town Centre Upgrade.

The **Stormwater Management Activity** area includes the following services and programmes:

- identifying flood prone areas and/or reviewing known trouble spots;
- identifying and designing possible solutions and setting priorities for works – based on greatest benefit for least cost;
- maintenance of existing stormwater system – pipes, streams and storage facilities;
- undertaking capital works projects – increasing the size of the existing system or building new systems; and
- managing stormwater effects on water quality.

### Kākāriki Stream and Awanui Drive Upgrade

Design and construction is underway for the upgrade to the Waikanae Township Stormwater system to alleviate flooding caused by overflows in the Kākāriki Stream.

### Paraparaumu Beach

Design and construction is underway for the upgrade to the Paraparaumu Beach Stormwater network.



## KEY PERFORMANCE INDICATORS

Stormwater Management Level of Service	Measure	2012/13 Target	Result Achieved	Year End Result
Risks to human life and health from flooding are minimised.	Residents perceive that their physical safety is safeguarded by the stormwater system during design standard events. <sup>(1)</sup>	Achieve	92%	<b>Achieved</b> 92% of residents perceive that their physical safety is safeguarded by the stormwater system during design standard events.
Stormwater systems do not harm the downstream receiving environment.	Environmental audits show an improving trend in stormwater quality year on year.	Achieve	<b>Achieved</b>	<b>Achieved</b> Results from the Te Roto Wetland project show improvement in 10 out of the 11 categories measured compared with the average pre-Wetland measures (the Temperature Field increased 5degrees due to the hot draught conditions). Results from other projects started during the year will become available in the future.
Detention and distribution systems minimise negative effects on natural systems.	Water quality improvement measures – for example, riparian planting, treatment devices – are considered in all new stormwater designs and upgrades.	100%	100%	<b>Achieved</b> Water quality improvement measures are being considered in the Expressway process, Kapiti Airport developments and all upgrades.
The Council responds to requests for help in a timely and professional manner.	90% of all buildings that have been inundated due to minor flooding are visited within four weeks.	90%	94%	<b>Achieved</b> 247 of 262 requests received during the year have been visited within four weeks.
The Council responds to requests for help in a timely and professional manner.	98% of all urgent requests about flooding are responded to within 24 hours.	98%	100%	<b>Achieved</b> All of the three urgent requests received during the year were responded to within 24 hours.

### <sup>(1)</sup> Notes

Design standard events are:

- minor flooding means flooding with a return period of five years or less;
- one in 10 year flood means there is a 10% chance a flood will occur in any one year; and
- 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.

Although a 10-year event will occur, on average, once every 10 years and a 100-year event is so large it is expected to occur only every 100 years, this is only a statistical statement to describe the level of risk arising from these storm or flooding events. It does not mean 100-year floods will happen regularly, every 100 years. In any given 100-year period, a 100-year storm may occur once, twice, more, or not at all.



## STORMWATER MANAGEMENT ACTIVITY

### Links to Leadership Statements and Contributions to Community Outcomes and the Four Wellbeing Areas

The primary function of the Stormwater Management Activity is the removal of stormwater run-off and safe disposal into receiving environments. As such it contributes directly to individual and community health and safety (Outcome 7). However, the way it is managed and the quality of design of the stormwater systems contribute to the protection and enhancement of ecosystems and the environment in terms of planting and water quality protection (Outcome 1, Environmental Wellbeing). The cumulative effect this low impact design has is a major contribution to urban amenity and character (Outcome 2).

The potential re-use of stormwater can contribute to efficient use of the water resource and reduced

energy costs from pumping (Outcome 4). The open drain systems and secondary overflow paths also contribute as recreation areas (Outcome 7). Finally, decisions about stormwater service levels have major implications for decisions about growth management (Outcome 3) and links to the leadership statement “Building Resilience”.

#### Progress in 2012/13

- Stormwater upgrades contributed to Environmental Wellbeing and Community Outcomes 2, 3, 4, and 7 through the reduced exposure to flood risk.



## STORMWATER MANAGEMENT

### Statement of Cost of Activity

2011/12 Actual \$000		2012/13 Actual \$000	2012/13 Budget \$000
	<b>Expenditure</b>		
1,162	Operating Costs	1,178	1,382
839	Debt Servicing	932	919
858	Depreciation	1,057	893
2,859	Operating Expenditure	3,167	3,194
	<b>Revenue</b>		
49	Charges and Fees	49	50
133	Development Contributions	109	109
(133)	Less Revenue for Capital Purposes	(109)	(109)
49	<b>OPERATING REVENUE</b>	49	50
<b>2,810</b>	<b>NET OPERATING COSTS</b>	<b>3,118</b>	<b>3,144</b>
	<b>Capital Items</b>		
4,392	Asset Construction and Renewal	2,413	2,943
1,008	Loan Repayments	762	760
<b>8,210</b>	<b>NET COST OF ACTIVITY</b>	<b>6,293</b>	<b>6,847</b>
3,155	Rates	3,119	3,156
606	Depreciation Reserve	651	662
4,163	Loans	2,208	2,712
153	Utilisation of Balances	208	208
133	Development Levies	107	109
<b>8,210</b>	<b>TOTAL SOURCES OF FUNDS</b>	<b>6,293</b>	<b>6,847</b>



## STORMWATER MANAGEMENT

### Detail of Significant Expenditure on Acquisition and Replacement of Assets

	2012/13 Actual \$000	2012/13 Budget \$000
<b>Districtwide (projects that benefit the District)</b>		
Waikākāriki Gravel Extraction. Required flood protection and associated gravel extraction works on Waikākāriki Stream. Court proceedings resolved but resultant delays meant a carry over to 2013/14 was required.	251	325
<b>Paraparaumu/Raumati</b>		
Paraparaumu local beach catchments upgrade – design and construction. Funds were carried over to 2013/14 as part of the 2013/14 Annual Plan process. Completion expected in August 2013/14.	403	815
<b>Waikanae</b>		
Kakariki SH1 and Awanui Stormwater - Upgrades in Waikanae township area.	383	451
Waimanu Lagoon flood control gate - completed September 2012 (Overall budget \$551,000 spanning 2 financial years).	109	104
<b>Ōtaki</b>		
Tasman Road Ōtaki Stormwater upgrade – design and construction completed April 2013.	854	868
<b>Paekākāriki</b>		
Ocean Road Stormwater and Watermain Upgrade– completed October 2012.	647	625



# SUPPORTING ENVIRONMENTAL SUSTAINABILITY

Te Tautoko turuki Taiao

THIS ACTIVITY LINKS TO COMMUNITY OUTCOMES:	1	2	3	4	5	6	7
	✓	✓	✓	✓	✓	✓	✓

## KEY RESULTS

- ✓ Sustainable living services provided by the Green Gardener, Water Conservation Advisor, Sustainable Neighbourhoods Co-ordinator, Eco-design Advisor, Environmental Restoration Officers and Waste Minimisation Officer.
- ✓ Water Education Resources developed and being promoted to schools.
- ✓ The 2013 Sustainable Home and Garden Show attracted over 8,000 visitors and considered best yet.
- ✓ The Energise Ōtaki initiative is gaining momentum with a number of projects and members.

The Supporting Environmental Sustainability Activity provides direct support for the community in ensuring environmental wellbeing, as well as monitoring and reducing the Council's own impact on the environment when carrying out its business.

### Environmental Restoration

Supporting community environmental restoration groups is a key part of the role of two Environmental Restoration Officers who started in February 2013. This service provides support for private land owners to assist with the management of ecologically important/sensitive sites and works with the Biodiversity Advisor.

The **Supporting Environmental Sustainability Activity** area includes the following services and programmes:

- biodiversity advice and support, policy development;
- water use and conservation advice, policy development;
- annual Sustainable Home and Garden Show;
- energy management projects; and
- community sustainability programmes such as waste minimisation.

### **Eco-design Advisor**

This service provides independent and impartial information on sustainable, intelligent and sensible residential building practices, and is available to all Kāpiti residents including home owners, families renting, community groups, designers/architects and trades people. Over the year 164 full two hour home consultations and 183 short appointments were undertaken as well as 248 contacts/networking events and 10 presentations.

### **The 2013 Sustainable Home and Garden Show**

The 2013 Show drew over 8,000 people with feedback suggesting it was the best yet. The theme of the show was 'Building Sustainable Communities' and included the ever popular 'No.8 Wire' workshops that deliver practical and inspiring talks. Raumati South School won the Best Garden and People's Choice awards, and the Kapiti Children's Centre won the Best Early Childhood Garden.

Only three wheelie bins were used for general waste at the event, with 75% of waste diverted from landfill (up from 55% last year).

The Council also supported Raumati South School to go to the 2012 Ellerslie International Flower Show.

### **Greenest Street Competition**

The Greenest Street competition was inspired by Council's ongoing commitment to increasing sustainability and community resilience in the District. With support from Council, groups of neighbours spend nine months competing to reduce their environmental footprint. The average reduction in participants' environmental footprint in the first two rounds of the competition was 16%.

The winning street in 2012 was Alexander Road North, Raumati Beach and street signs marking their success were installed, along with the 2011 winners Te Roto Road, Ōtaki.

A report was released on '*Building Sustainable Communities: Kāpiti Coast's Greenest Street 2010-12*'. The report covers the journeys toward sustainability taken by 84 households in seven streets since the competition began in 2010. The

report is available on available on the Council's website [www.kapiticoast.govt.nz](http://www.kapiticoast.govt.nz).

For 2013, Kāpiti Coast's Greenest Street has been renamed Kāpiti Coast's Greenest Neighbourhood.

### **Water Conservation Initiatives**

The Council has a number of water conservation initiatives underway, and these are set out in the Water Management Activity on page 116.

### **2013 Green Chip Report**

The 2013 Green Chip report was commissioned by Council to document and analyse Ōtaki energy use. This is being used by the Energise Ōtaki Reference Group to identify a 'road map of projects and opportunities across the spectrum of energy use in Ōtaki to move towards a future where local energy is a central component of a strong local economy'.

Projects undertaken include:

- further development of solar energy generation at Council sites;
- the building of an Electric Rubbish Truck which was bought by Council and put into service in May 2013 for Council collections from public litter bins etc; and
- investigation with Blended Fuel NZ of the vehicles best suited to blended fuels and the means of fuel supply.

### **Energise Ōtaki**

The Energise Ōtaki initiative is gaining momentum. The Energise Ōtaki Reference Group had its inaugural meeting on 13 March 2013. It has members from the Ōtaki Community Board, Ōtaki College, the Clean Tech Trust, Green Chip, Transition Towns, local businesses and the Council and is working on links with Te Wānanga o Rakauwa.

Key activities include the Cleaner Bus project, Little Greenie Building Education, and an energy audit of Ōtaki College.



## Reducing Council's Greenhouse Emissions

The Kāpiti Coast District Council is the first council in the country to gain admission to the prestigious Carbon Emissions Measurement and Reduction Scheme (CEMARS).

CEMARS is run by Landcare Research and recognises organisations that can independently verify they have measured and reduced greenhouse gas emissions.

Council has calculated its corporate carbon footprint to the internationally recognised ISO 14064 standard and adopted an emissions management and reduction plan for the organisation.

The objective is to reduce Council's operational greenhouse gas emissions by 45% in 2014/15 and

80% by 2021/22 compared to 2009/10, control energy costs and increase resilience of operations.

Projects included (in addition to those already covered):

- securing a new wood fuel contract;
- ensuring the biosolids strategy will lead to elimination of sludge emissions; and
- trialling LED streetlights in Paraparaumu Beach and Paekākāriki.

The Council was highly commended in the 2012 Energy Efficiency and Conservation Authority (EECA) Awards for its energy savings.



## KEY PERFORMANCE INDICATORS

Supporting Environmental Sustainability Level of Service	Measure	2012/13 Target	Result Achieved	Year End Result
High quality advice is provided in the areas of water, sustainable buildings, energy conservation, and biodiversity.	85% of customers are satisfied with the services of the green gardener, green plumber, Eco-Design advisor and sustainable communities coordinator.	85%	95%	<p><b>Achieved</b></p> <p><b>Water Conservation Advisor</b> - 100% of respondents to the survey were satisfied with the service received.</p> <p><b>Eco – design Advisor</b> – 100% of respondents to the survey were satisfied with the service received.</p> <p><b>Sustainable Communities’ Co-ordinator</b> – 92% of readers rate the “On to it” newsletter as great or good; 89% of visitors to the No.Wire Workshops at the Sustainable Home &amp; Garden Show rated them as good, very good or excellent.</p> <p><b>Green Gardener</b> – no survey responses were received.</p>
New energy savings projects pay for themselves out of savings.	85% of the initial investment is returned over the planned time frame for the project.	85%	Achieved	<p><b>Achieved</b></p> <p>Energy savings and reduced maintenance costs resulting from the new Ōtaki Pool boiler and LED streetlight trials in Tilley Road, Paekākāriki and Regent Drive, Paraparaumu have begun contributing to a return on investment of at least 85% over the 20 year life cycle of these projects.</p>
Policies and initiatives are effective in reducing the Council’s carbon footprint.	Carbon emissions from Council activities show a decreasing average trend over the previous 3 years.	Achieve	Achieved	<p><b>Achieved</b></p> <p>The Council achieved a 27.3% reduction in greenhouse gas emissions in 2011/12 compared to its baseline year of 2009/10 as verified by the CEMARS audit conducted in 2012/13. The Council is on track to achieve its target of 45% reduction in emissions in 2014/15 compared to the baseline year.</p>
Community groups engaged in environmental sustainability and biodiversity projects using Council resources are supported with advice and practical assistance.	85% of community groups engaged in environmental sustainability and biodiversity projects using Council resources are satisfied with the services received.	85%	Not Achieved	<p><b>Not Achieved</b></p> <p>No survey was undertaken.</p>



Supporting Environmental Sustainability Level of Service	Measure	2012/13 Target	Result Achieved	Year End Result
The parks and open space network and community biodiversity projects make a significant contribution to the effort to increase numbers of specimens of native, and especially endemic, plants and animals in the District.	Biodiversity projects receiving Council support result in a net increase in biodiversity and eco-sourced plants.	Achieve	<b>Achieved</b>	<p><b>Achieved</b></p> <p>Planted over 28,000 plants on the following projects which are either completed or still underway:</p> <p>Waikanae River corridor, Pharazyn Reserve, Raumati Escarpment, Paraparaumu Escarpment, Wharemauku Stream/Kaitawa Reserve, Ames Street Reserve, Dune Reserves, Haruatai Park, Greendale Reserve, Eatwell Reserve, Mangaone Stream, and Ōtaki River and Estuary</p> <p>Riparian margin restoration projects on four private properties were supported and supplied with 700 eco-sourced plants.</p> <p>Pest animal control lines on the Waikanae River have been established by the Friends of Waikanae River using \$10,000 funding from Transpower's Greenline programme. A district-wide possum control programme on public and private land designed to boost biodiversity is being rolled out in conjunction with Greater Wellington.</p>



## SUPPORTING ENVIRONMENTAL SUSTAINABILITY ACTIVITY

### Links to Leadership Statements and Contributions to Community Outcomes and the Four Wellbeing Areas

The Supporting Environmental Sustainability Activity is one of the primary ways the Council directly supports the community in Environmental Wellbeing.

The Council is providing advice, education and practical assistance to support community action on environmental sustainability (Cultural Wellbeing, Outcomes 1, 2, 6 and 7). This links to the leadership statement “Neighbourhood and Street Action for Change: Energy, Waste, Water, Gardens and Food”.

This activity depends on and contributes to a partnership and collaboration approach with the community including Tāngata Whenua and other government agencies (Outcomes 1, 6, 7) and links to the “Partnership” leadership statement.

The activity focuses on energy and water conservation, including in Council’s own activities, and the encouragement of businesses that work in this area. It also contributes to Outcomes 4 and 5.

#### Progress in 2012/13

- The Green Gardener, Water Conservation Advisor, Sustainable Neighbourhoods Co-ordinator, Eco-design Advisor, Waste Minimisation Officer and Environmental Restoration Officers provided advice and information to the community, progressing Community Outcomes 4 and 7 and contributing to Environmental and Economic Wellbeing.
- The “Greenest Street” competition contributed to Community Outcome 4 by reducing the carbon footprints of the competing households. The competition also contributed to Social Wellbeing by fostering stronger relationships between neighbours.



## SUPPORTING ENVIRONMENTAL SUSTAINABILITY

### Statement of Cost of Activity

2011/12 Actual \$000		2012/13 Actual \$000	2012/13 Budget \$000
	<b>Expenditure</b>		
866	Operating Costs	908	968
866	Operating Expenditure	908	968
	<b>Revenue</b>		
204	Fees and Charges	229	268
-	Internal Recoveries	17	17
204	<b>OPERATING REVENUE</b>	246	285
<b>662</b>	<b>NET OPERATING COSTS</b>	<b>662</b>	<b>683</b>
<b>662</b>	<b>NET COST OF ACTIVITY</b>	<b>662</b>	<b>683</b>
628	Rates	680	683
34	Separate Funds	(18)	-
<b>662</b>	<b>TOTAL SOURCES OF FUNDS</b>	<b>662</b>	<b>683</b>

# SUPPORTING SOCIAL WELLBEING

Te Tautoko Oranga-ā-lwi

THIS ACTIVITY LINKS TO COMMUNITY OUTCOMES:	1	2	3	4	5	6	7
	✓	✓	✓	✓	✓	✓	✓

## KEY RESULTS

- ☒ Youth2U Action Plan highlights include:
  - The inaugural Youth Shout Out awards;
  - Youth Pathways to Employment Project;
  - Another successful annual Youth Fest in Maclean Park;
  - Two rounds of Youth2U dollars with \$6,350 distributed to 22 individuals and four groups; and
  - Second round of ThinkBIG youth lead community projects funded six projects receiving \$8,000.
- ☒ The third biennial Seniors Expo was held in September 2012 in Waikanae and a Mobility Scooter Expo in Paraparaumu in August 2012.
- ☒ Tāngata Whenua Ki Kāpiti brochure was launched at Waitangi Day 2013.
- ☒ Community Grants round completed with 32 organisations receiving \$27,939.
- ☒ A number of initiatives relating to alcohol harm and crime were introduced including an overnight alcohol free zone from Paekākāriki to Waikanae.

In this area, the Council continues to respond to community concerns and interests, and the impact of changes to central government policy and funding direction.

The 2011/12 work programme has focussed on the following areas, supporting the community and community groups to respond to issues.

### Reducing Alcohol Harm and Crime

Following some serious incidents of alcohol related violence in the Kāpiti Lights area, and building on the platform of the Alcohol Action Plan the Council introduced a number of initiatives:

- an overnight alcohol free zone in all public places from Paekākāriki to Waikanae. This has been subsequently included in a revised Control of Alcohol in Public Places Bylaw;
- Support for community based initiatives focused on young people leading community solutions to alcohol and violence (Ōtaki Alcohol and Other Drugs (AOD) Free Rangatahi, and Te Puāwaitanga o Ngā Kākano); and
- A 'Crime Prevention through Environmental Design' assessment of the Kāpiti Lights area and subsequent work with property owners on improvements.



## Supporting Young People

The Council continues to work with the Youth Council to implement the Youth2U Action Plan. This year work has focused on:

- Youth Pathways to Employment Project established: two working groups; a business stocktake in Ōtaki and Paraparaumu/Waikanae; and forums held on youth employment in Paraparaumu and Ōtaki hosted by the Mayor. The Council continues to employ a number of young people through apprenticeships and a yearly cadetship. This project also contributes to the Economic Development Activity on page 62;
- Working with Ōtaki College to support their role in the community through Energise Ōtaki and Youth Pathways to Employment;
- The inaugural Youth Shout Out awards were held in December 2012. These awards publicly recognised 18 young people who had shown leadership on the Kāpiti Coast;
- A range of youth development initiatives including YouthFest; ThinkBIG grants for youth-led community projects; murals across the District designed and installed by young people; and
- Investigating the feasibility of establishing a youth centre or other place-based initiative that provides social and recreation opportunities for young people.

## Supporting People with Disabilities

The Council continues to work with the Kapiti Accessibility Advisory Group and the Disability Information and Equipment Centre to deliver disability responsiveness training to all Council staff, and to improve the access outcomes of Council projects.

## Supporting our Older people

In conjunction with the Kāpiti Coast Older Persons' Council, the third biennial Seniors Expo was held in September 2012 attracting over 1,200 visitors.

The **Supporting Social Wellbeing Activity** area includes the following services and programmes:

- general community group support and development, including capacity building e.g. increasing the skills of groups in planning, management and operation, and in attracting and retaining funding;
- development of formal partnerships with central and regional government agencies which have a significant role in the District;
- working with the Kāpiti Coast Youth Council on youth development initiatives;
- working with the Kāpiti Coast Older Persons' Council and Kāpiti Coast Grey Power on projects for older people;
- management of community grants;
- management of contracts with organisations contributing to or delivering social/cultural services;
- working with the Kāpiti Accessibility Advisory Group and other disability responsiveness projects; and
- development of Social Wellbeing action plans based on research and consultation, and working with the community to advocate for services.

## Supporting Community Groups

The Council continues to fund a range of organisations to provide important services in the District. This includes Te Newhanga Kapiti Community Centre, Kāpiti and Ōtaki Citizens Advice Bureaux, Kāpiti Disability Information and Equipment Centre, Paekākāriki and Ōtaki Lifeguards (through Surf Life Saving NZ), Kapiti Emergency Medical Service, Kapiti Health Shuttle (through NZ Red Cross), Ōtaki Health Shuttle (through St John), Volunteer Kapiti, Kapiti Safer Community Trust, Kapiti Youth Support, Wellington Free Ambulance and Lifeflight.

## KEY PERFORMANCE INDICATORS

Supporting Social Wellbeing Level of Service	Measure	2012/13 Target	Result Achieved	Year End Result
The Council facilitates the community to work together and to work smarter, better meeting needs.	85% of community groups report stronger community networks and better collaboration as a result of Council involvement.	80%	<b>94%</b>	<b>Achieved</b> 94% of community groups report stronger community networks and better collaboration. This is based on a survey of community organisations undertaken in August 2013
The Council provides resources to the community for capacity building and service provision focused on community priorities.	85% of community groups rate the support provided as relevant to their circumstances and needs.	80%	<b>81%</b>	<b>Achieved</b> 81% of surveyed community groups rate the support provided as relevant to their circumstances and needs.
The Council provides the Youth Council, Kāpiti Coast Older Persons' Council and the Disability Reference Group with opportunities to influence the content of Council strategies, policies and project planning.	All proposed major Council strategies and projects are provided to the Youth Council, Kāpiti Coast Older Persons' Council and Disability Reference Group (Kapiti Accessibility Reference Group) for their review and provide comment when desired to the relevant staff.	100%	<b>100%</b>	<b>Achieved</b> Council has developed a Disability Responsiveness Work Programme to ensure this KPI continues to be met in the future.



## SUPPORTING SOCIAL WELLBEING ACTIVITY

### Links to Leadership Statements and Contributions to Community Outcomes and the Four Wellbeing Areas

There is a common emphasis in the Supporting Social Wellbeing Activity on working with the community, and developing relationships, partnerships, and opportunities that develop whakawhanuanga. Programmes concerned with social wellbeing include resources that assist other activities in their work with the community. The primary contribution is to Outcomes 6 and 7 but there is a general contribution across all Community Outcomes and the four Wellbeing areas.

This Activity links to leadership statements “Building Social Capital”, “Partnership”, “Partnerships with Tāngata Whenua” and “Housing Choice”.

#### Progress in 2012/13

- Projects and programmes under the Youth2U Action Plan contributed towards progress of Outcome 6, and Social Wellbeing, Economic and Cultural Wellbeings. This included Youth2U dollars scheme, inaugural Youth Shout Out awards, ThinkBIG youth grants, Youth Fest and the Youth Pathways to Employment Project.
- Work with the Older Persons’ Council and the Accessibility Advisory Group and supporting community groups contributes to Outcome 7 and all the wellbeings. This included the annual Seniors Expo, mobility expo, disability responsiveness, the funding of community contracts and the \$25,055 distributed to 37 community groups through Community Grants.





## SUPPORTING SOCIAL WELLBEING

### Statement of Cost of Activity

2011/12 Actual \$000		2012/13 Actual \$000	2012/13 Budget \$000
	<b>Expenditure</b>		
1,307	Operating Costs	1,253	1,245
1,307	Operating Expenditure	1,253	1,245
	<b>Revenue</b>		
82	Fees and Charges	20	-
82	<b>OPERATING REVENUE</b>	20	-
<b>1,225</b>	<b>NET OPERATING COSTS</b>	<b>1,233</b>	<b>1,245</b>
1,225	Rates	1,233	1,245
<b>1,225</b>	<b>TOTAL SOURCES OF FUNDS</b>	<b>1,233</b>	<b>1,245</b>



# WASTEWATER MANAGEMENT

Whakahaere Wai Para

THIS ACTIVITY LINKS TO COMMUNITY OUTCOMES:	1	2	3	4	5	6	7
	✓		✓	✓			✓

## KEY RESULTS

- ✓ Guildford Drive Pump Station upgraded.
- ✓ Renewal of pump stations in Ōtaki and Waikanae.
- ✓ Milne Drive pump station upgrade project commenced.
- ✓ Design and tender completed for Stage 2 Rauparaha pump station upgrade.

The provision of wastewater services is an important public health function that Council provides to the residents of the Kāpiti Coast.

- The upgrade of the Guildford Drive Pump Station was completed in May 2013. The upgrade linked into new rising mains previously installed allowing wastewater to be more directly pumped to the Paraparaumu Wastewater Treatment Plant;
- Mechanical pump stations at Moana Road, Ōtaki Beach and Queens Road, Waikanae; were renewed. Generator control panel renewals are being undertaken at various other sites;
- Rauparaha Wastewater Pump Station Emergency Storage Stage 2 - Construction of new wet wall, refurbishment of existing wet wall, new pump set installations, pipe work and odour control; and

The **Wastewater Management Activity** area includes the following services and programmes:

- managing maintenance of the existing wastewater system – transportation and treatment facilities;
  - managing the nature and impact 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 Milne Drive pump station upgrade project is underway with the concept design completed and, following a formal Request for Proposal, a contract for professional design services awarded. All physical works are due for completion in the 2013/14 financial year.

## KEY PERFORMANCE INDICATORS

Wastewater Management Level of Service	Measure	2012/13 Target	Result Achieved	Year End Result
Requests for service are addressed promptly.	95% of reported blockages, spills and breaks resolved within four hours of being reported.	95%	100%	<b>Achieved</b> All 92 incidents during the year were responded to within four hours of being reported.
Quantity and range of contaminants discharged has minimal negative impact on the environment.	All effluent leaving the treatment plant meets resource consent requirements.	Achieve	<b>Achieved</b>	<b>Achieved</b> There were no effluent non-compliances from wastewater treatment plants during the year.
Receiving natural environments are not damaged by effluent discharge and are enhanced where possible.	No more than two notifications of wastewater spills to Greater Wellington Regional Council during any 12 month period.	No more than 2	3	<b>Not Achieved</b> During the year there were three notifications to the Greater Wellington Regional Council.
Service outages are less than 24 hours in duration.	Unplanned interruptions to service are addressed within four hours.	100%	100%	<b>Achieved</b> All 92 reported service interruptions were addressed/ responded to within four hours during the year.

## WASTEWATER MANAGEMENT ACTIVITY

### Links to Leadership Statements and Contributions to Community Outcomes and the Four Wellbeing Areas

The primary contribution of the Wastewater Management Activity is to Outcome 7 and Environmental Wellbeing in terms of protection of public health. How this is undertaken, such as decisions about discharge of treated water to land, has implications for ecosystems health (Outcome 1) while the focus of beneficial reuse of resources contributes to Outcome 4. The nature and extent of the wastewater network and/or on-site systems

contributes to decisions about growth management (Outcome 3) and links to leadership statement "Building Resilience".

#### Progress in 2012/13

- The provision and upgrade of wastewater treatment plants contributed to Community Outcome 1 and Environmental Wellbeing.



## WASTEWATER MANAGEMENT

### Statement of Cost of Activity

2011/12 Actual \$000		2012/13 Actual \$000	2012/13 Budget \$000
	<b>Expenditure</b>		
4,466	Operating Costs	4,733	4,772
868	Debt Servicing	865	895
2,218	Depreciation	2,269	2,212
7,552	Operating Expenditure	7,867	7,879
	<b>Revenue</b>		
301	Charges and Fees	-	16
460	Development Contributions	195	199
(718)	Less Revenue for Capital Purposes	(195)	(199)
43	Operating Revenue	-	16
<b>7,509</b>	<b>NET OPERATING COSTS</b>	<b>7,867</b>	<b>7,863</b>
	<b>Capital Items</b>		
2,961	Asset Construction and Renewal	1,922	2,957
1,376	Loan Repayments	1,099	1,099
<b>11,846</b>	<b>NET COST OF ACTIVITY</b>	<b>10,888</b>	<b>11,919</b>
7,591	Rates	7,401	7,405
2,454	Depreciation Reserve	1,793	1,752
1,312	Loans	1,033	2,089
460	Development Contributions	195	199
29	Utilisation of Balances	466	474
<b>11,846</b>	<b>TOTAL SOURCES OF FUNDS</b>	<b>10,888</b>	<b>11,919</b>

## WASTEWATER MANAGEMENT

### Detail of Significant Expenditure on Acquisition and Replacement of Assets

	2012/13 Actual \$000	2012/13 Budget \$000
<b>Wastewater – Waikanae</b>		
Rauparaha Wastewater Pump Station Emergency Storage Stage 2 - Construction of new wet wall, refurbishment of existing wet wall, new pump set installations, pipe work and odour control. Physical works commenced April 2013. \$883,000 carried over to the 2013/14 financial year as part of the Annual Plan process.	520	1,368
<b>Joint Waste Paraparaumu/Raumati</b>		
Pehi Kupa Street wastewater pipe renewal. Additional spend still required in 2013/14 to complete.	262	263
Various pump station renewals – Realm Drive rising main installation completed. Guildford Drive Pump Station renewal completed May 2013.	181	177
Concept design for Langdale and Campbell catchments completed March 2013. Design and physical works 2014/15.		



# WATER MANAGEMENT

Whakahaere Wai

THIS ACTIVITY LINKS TO COMMUNITY OUTCOMES:	1	2	3	4	5	6	7
	✓		✓	✓			✓

## KEY RESULTS

- ✓ Approximately 15,000 water meters have been installed districtwide since August 2012. Installations are currently underway in Paraparaumu and Waikanae. Paekākāriki water meters are almost complete.
- ✓ The River Recharge with Groundwater Project resource consent application was lodged and hearings commenced in June.
- ✓ Tui high level reservoir renewal completed and project awarded Contractors Federation award.
- ✓ Water conservation initiatives well underway districtwide with a focus on education and water losses.

Council maintained its 571 kilometres of water mains, five water treatment plants, seven pump stations and eight groundwater bores throughout the District.

The Council was able to avoid significant water restrictions during the recent drought period through the use of its bore field for three days. This was in contrast to the situation for Porirua, Hutt City, Upper Hutt City and Wellington who are provided with water via Greater Wellington Regional Council.

The Council continues to work on a long-term sustainable solution for the District's water supply, informed by the policies set out in the Sustainable Water Use Strategy, 'Water Matters' (adopted in 2003 with a 50 year focus). The Strategy optimised the timing of water infrastructure investment and provides for water supply systems within the 'reasonable water use standard'.

The **Water Management Activity** area includes the following services and programmes:

- supply of potable (treated) water to urban areas;
- management of water reticulation and treatment assets;
- promotion of responsible water use to meet water consumption targets;
- monitoring the quality of on-site supply systems;
- promotion of non-potable supply systems.

It also references the Water Conservation Plan (September 2010) which has seven action areas: Water Conservation Plan Action Areas: Water Loss Reduction; Better Data, Better Results; Regulation; Financial Incentives; Education; Fostering Innovation; and Council Leadership.



Progress towards implementing this strategy is documented as follows:

### **River Recharge**

The consent application for the Waikanae/ Paraparaumu/ Raumati River Recharge with Groundwater Project resource consent hearing began in June 2013. At the time of writing, a decision was expected by 6 September 2013.

Delays during the resource consent process have had an impact on the detail design project but the programme is expected to be completed before 2015.

### **Maungakotukutuku Valley Dam**

The Council has purchased the land for the proposed dam in the Maungakotukutuku Valley and its construction is currently planned for 2060.

### **Water loss reduction**

The Council continued its work on water loss including reporting savings from repaired leaks and improving accuracy of water use estimates. Over the year more than 400 leaks were found on private property. The estimated daily loss amounted to approximately 1.9 million litres and was enough to fill the Raumati swimming pool almost twice a day or the Ōtaki pool three times a day.

The Council also continued with identification of high water users surveys, minor reticulation upgrades and backwater modelling and zone metre upgrade work.

### **Water Meters**

Installation of water meters began in August 2012 with two contract areas; Northern and Southern. Approximately 15,000 water meters have been installed to date.

A customer information brochure is delivered to all households in conjunction with the meter installations.

### **Waikanae Water Treatment Plant Upgrade**

The design details on the Waikanae Water Treatment plant are being finalised with tenders due to be received by October 2013.

The physical work for the Tui Street, Waikanae high level reservoir and pump station upgrade was completed in June 2013.

### **Water Conservation Advisor**

The Water Conservation Advisor (WCA) is a new role and the Advisor has already visited over 420 properties providing advice on identifying leaks, plumbing audits and replacing washers. The WCA also works with the water meter project team visiting properties with large leaks and providing advice. Feedback from customers has been very positive.

### **Funding Assistance for rainwater and greywater systems.**

There were 43 successful applications (and one unsuccessful application) for the Funding Assistance for rainwater and greywater systems. A total of \$149,419 or 70% of the total fund was used in 2012/13.

### **Water Education Resources**

A set of water education resources for local early childhood centres, schools and colleges was developed. There are six resource sets available and these learning programmes meet the education objectives set in the early childhood curriculum Te Whāriki and The New Zealand Curriculum for primary and secondary schools.

The Green Gardener is also developing a school resource on waterwise gardening that will complement the water education resources.

### **Resident water use calculator**

A water use calculator to help residents concerned about their current water use and looking for simple tips to save water is available on the Council's website [www.kapiticoast.govt.nz](http://www.kapiticoast.govt.nz).

### **Provision of fluoride in water supply**

The Council received a number of submissions to the 2012/13 Draft Annual Plan from residents who want fluoride removed from drinking water.

In response to these concerns, Council will initiate a special consultative process to canvas community opinion on whether it should continue to add fluoride to the Waikanae, Paraparaumu and Raumati water supplies. It has also resolved to



seek the support of other councils in submitting a remit to the 2014 Government New Zealand conference supporting moves to make decisions on fluoridation the responsibility of the appropriate health authorities.

The addition of fluoride to the public water supply is not mandatory but is recommended by the Ministry of Health.

Council currently adds fluoride to the Waikanae, Paraparaumu and Raumati water supply. No fluoride is added to Ōtaki, Hautere or Paekākāriki water supplies. The parts per million (ppm) level of fluoride added to Waikanae, Paraparaumu and Raumati water supply was reduced from 1ppm to 0.7ppm in 2009 after the issue was debated by the previous Council.

Non-fluoridated water is available at the following public supply points located within Ōtaki and Paekākāriki:

- Ōtaki Visitor Centre Main Highway, Ōtaki
- Ōtaki Library Mill Road, Ōtaki
- Paekākāriki Town Centre, Beach Road, Paekākāriki

The location of these non-fluoridated water filling points are identified by signage at each location and on the Council's website

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

### **Drinking Water**

New Drinking Water Standards were introduced in 2008 with a requirement on all reticulated systems to have an approved Public Health Risk Management Plan (PHRMP) by 2014. Council has been awarded an 'Aa' water grading. The Plan for Paraparaumu/Waikanae/Raumati has been submitted to the Ministry of Health.

## KEY PERFORMANCE INDICATORS

Water Management Level of Service	Measure	2012/13 Target	Result Achieved	Year End Result
Council has direct ownership, control, management and operation (other than works contracts) of water assets and services, and governs these in accordance with Council standing orders.	No changes are made to this level of service without (a) a special consultative procedure and (b) following Council standing orders which require a referendum and a 75% majority of members present and voting.	Achieve	<b>Achieved</b>	<b>Achieved</b> No changes were made during the year to Council's direct ownership, control, management and operation (other than works contracts) of water assets and services.
Council maintains direct control of pricing of water.	Council sets water charges each year.	Achieve	<b>Achieved</b>	<b>Achieved</b> Council will set water charges for 2013/14 as part of the Annual Plan Process.
No health problems arise from the operation of the drinking water network in nonemergency circumstances.	Compliance with New Zealand Drinking Water Standards.	Achieve	<b>Achieved</b>	<b>Achieved</b> There were no non-compliances with NZ Drinking Water Standards during the year.
No health problems arise from the operation of the drinking water network in nonemergency circumstances.	No positive results for bacteria (for example E-coli) as measured by laboratory.	Achieve	<b>Achieved</b>	<b>Achieved</b> There were no positive results for bacteria as measured by the laboratory during the year.
System management practices ensure continuity of supply to all users.	The number (frequency) of unplanned water service outages reduces each year.	Less than 242	<b>278</b>	<b>Not Achieved</b> There were 278 unplanned interruptions during the year. These were related to water meter installations.



Water Management Level of Service	Measure	2012/13 Target	Result Achieved	Year End Result
System management practices ensure continuity of supply to all users.	95% of planned interruptions last no longer than 4 hours.	95%	82%	<b>Not Achieved</b> 31 of the 38 planned interruptions during the year were resolved within four hours. <i>NB: The seven interruptions that were not resolved within the 4 hours were service interruptions for contractors to carry out water meter installations.</i>
The needs of present and future generations are met by use of water resources.	100% compliance with resource consents relating to water take from natural systems.	100%	100%	<b>Achieved</b>
Peak water consumption is managed to ensure long term sustainability.	Peak water consumption per person declines to 400 litres per person per day plus 90 litres per person for water loss by 2016/17.	-	-	<b>Not Relevant</b> Will be reported in 2016/17. Water demand initiatives to reduce peak water consumption are being implemented (these include water meter installations).
The water provided is of an acceptable standard to residents and businesses.	80% of residents and businesses agree that the water delivered by the Council supply is of an acceptable quality.	80%	88%	<b>Achieved</b> 88% of residents and businesses agree that the water delivered by the council supply is of an acceptable quality.
Water loss in the District minimised.	5% reduction of water loss by 2014/15. Baseline to be determined once the estimated water loss for 2012/13 is available.	-	-	<b>Not Relevant</b> Will be reported in 2013/14.

## WATER MANAGEMENT ACTIVITY

### Links to Leadership Statements and Contributions to Community Outcomes and the Four Wellbeing Areas

The Water Management Activity provides infrastructure to fit local growth management needs (Outcome 3) and provides potable drinking water as a basic requirement of public and individual health (Outcome 7). The activity focus on water conservation is intended in part to reduce pressure on river systems and aquifers; this and water quality contribute to Outcome 1 and Environmental Wellbeing. It also progresses efficient use of the water resource and efficient infrastructure investment contributing to Outcome 4 and linking to the leadership statements “Building Resilience” and “Neighbourhood and Street Action for Change: Energy, Waste, Water, Gardens and Food”.

#### Progress 2012/13

- The water conservation plan, including water education resources for schools, visits to neighbourhoods to promote water wise gardening, and a calculator to help residents concerned about their current water use contributed to progression Outcome 4.
- The identification and resolving of water leaks contributed to Community Outcomes 1, 3 & 4.
- Installation of water meters contributed to Community Outcome 3.



## WATER MANAGEMENT

### Statement of Cost of Activity

2011/12 Actual \$000		2012/13 Actual \$000	2012/13 Budget \$000
	<b>Expenditure</b>		
3,828	Operating Costs	3,664	3,850
1,119	Debt Servicing	1,262	1,615
1,978	Depreciation	1,982	2,017
6,925	Operating Expenditure	6,908	7,482
	<b>Revenue</b>		
312	Charges and Fees	245	342
161	Development/Financial Levies/Contributions	134	134
(161)	Less Revenue for Capital Purposes	(134)	(134)
312	Operating Revenue	245	342
<b>6,613</b>	<b>NET OPERATING COSTS</b>	<b>6,663</b>	<b>7,140</b>
	<b>Capital Items</b>		
3,984	Asset Construction and Renewal	10,831	17,221
1,652	Loan Repayments	1,177	1,177
<b>12,249</b>	<b>NET COST OF ACTIVITY</b>	<b>18,671</b>	<b>25,538</b>
6,257	Rates	6,391	6,867
2,357	Depreciation Reserve	1,907	1,909
3,422	Loans	9,963	16,352
161	Development Levies	134	134
52	Utilisation of Balances	244	244
-	Unfunded Depreciation	32	32
<b>12,249</b>	<b>TOTAL SOURCES OF FUNDS</b>	<b>18,671</b>	<b>25,538</b>

## WATER MANAGEMENT

### Detail of Significant Expenditure on Acquisition and Replacement of Assets

	2012/13 Actual \$000	2012/13 Budget \$000
<b>Joint Waikanae, Paraparaumu, Raumati Water</b>		
Additional water supply – River Recharge with Groundwater Consenting.	3,877	4,745
Water Treatments Plant Upgrade. Detailed designs being finalised.	826	4,425
Water Meters – Districtwide installation project, commenced August 2012.	4,754	6,669
Funds carried over to 2013/14 but project on target for a December 2013 completion.		





# FINANCE AND REVENUE

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# STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2013

2011/12 Actual \$000		Notes	2012/13 Actual \$000	2012/13* Budget \$000
	<b>Revenue</b>	(32)		
38,749	Rates, excluding Targeted Water Supply Rates	(34)	41,409	41,207
6,872	Targeted Rates	(34)	7,115	6,807
8,855	Other Revenue		9,009	9,741
3,468	Development and Financial Contributions		2,032	2,041
3,370	NZTA Operating Funding	(21)	1,009	1,297
612	NZTA Expressway Project	(21)	200	-
-	NZTA Capital Funding	(21)	1,344	1,773
-	Unrealised Gain on Revaluation of Financial Instruments		4,161	-
<b>61,926</b>	<b>TOTAL OPERATING REVENUE</b>		<b>66,279</b>	<b>62,866</b>
39,314	Expenditure		40,676	41,278
612	NZTA Expressway Project	(21)	204	-
975	Loss on Disposal		-	-
5,187	Finance Costs		6,323	7,544
5,936	Unrealised Loss on Revaluation of Financial Instruments		-	-
13,142	Depreciation/Amortisation	(9)(10)(21)(33)	13,847	13,781
<b>65,166</b>	<b>TOTAL OPERATING EXPENDITURE</b>		<b>61,050</b>	<b>62,603</b>
<b>(3,240)</b>	<b>NET SURPLUS /(DEFICIT)</b>		<b>5,229</b>	<b>263</b>
	<b>Other Comprehensive Income</b>			
-	Property, Plant and Equipment - Increase/(Decrease) in Revaluation Reserve		(13,625)	-
<b>(3,240)</b>	<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(8,396)</b>	<b>263</b>

\*The 2012/13 LTP budget has been restated to reflect the correct internal charges. The overall budget surplus of \$263,000 remains the same. Some categories making this up have changed from the published LTP.

The impairment in the roading reserve is a one off adjustment for the recognition of the NZTA subsidy for land purchased for the Western Link Road.

Note: Explanations of major variances against budget are provided in Note 36.




# STATEMENT OF FINANCIAL POSITION

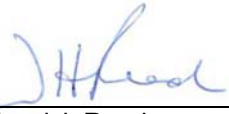
As at 30 June 2013

2011/12 Actual \$000		Notes	2012/13 Actual \$000	2012/13 Budget \$000
<b>Current Assets</b>				
2,662	Cash and Cash Equivalents	(6)	5,939	3,561
5,573	Trade and Other Receivables	(12)	5,882	2,667
-	Loan Receivables		24	-
132	Inventories		92	137
2	Derivative Financial Instruments	(7)	39	48
-	Non-Current Assets Held for Sale	(29)	3,650	-
<b>8,369</b>	<b>Total Current Assets</b>		<b>15,626</b>	<b>6,413</b>
<b>Non-Current Assets</b>				
844,339	Property, Plant and Equipment	(9)	858,754	894,912
263	Forestry Assets	(11)	525	350
343	Intangible Assets	(10)	431	350
3	Derivative Financial Instruments	(7)	232	228
66	Other Financial Assets	(7)	1,766	-
-	Loan Receivables		220	-
<b>845,014</b>	<b>Total Non-Current Assets</b>		<b>861,928</b>	<b>895,840</b>
<b>853,383</b>	<b>TOTAL ASSETS</b>		<b>877,554</b>	<b>902,253</b>
<b>Current Liabilities</b>				
14,371	Trade and Other Payables	(13)	14,693	15,293
1,668	Derivative Financial Instruments	(8)	1,342	1,704
1,594	Employee Benefit Liabilities	(17)	1,809	1,499
1,110	Deposits	(14)	996	1,200
68,059	Public Debt	(15)	10,077	13,909
2,104	Development Contributions		1,463	562
<b>88,906</b>	<b>Total Current Liabilities</b>		<b>30,380</b>	<b>34,167</b>
<b>Non-Current Liabilities</b>				
20,364	Public Debt	(15)	115,147	121,281
8,716	Derivative Financial Instruments	(8)	5,147	4,618
308	Employee Benefit Liabilities	(17)	187	445
563	Provisions	(18)	563	38
<b>29,951</b>	<b>Total Non-Current Liabilities</b>		<b>121,044</b>	<b>126,382</b>
<b>118,857</b>	<b>TOTAL LIABILITIES</b>		<b>151,424</b>	<b>160,549</b>
571,606	Accumulated Funds		577,171	579,566
159,338	Revaluation Reserve	(16)	145,713	159,338
3,582	Reserves and Special Funds	(19)	3,246	2,800
<b>734,526</b>	<b>TOTAL PUBLIC EQUITY</b>		<b>726,130</b>	<b>741,704</b>
<b>853,383</b>	<b>TOTAL LIABILITIES AND PUBLIC EQUITY</b>		<b>877,554</b>	<b>902,253</b>

Note: Explanations of major variances against budget are provided in Note 36.

  
 Jenny Rowan, QSO, JP  
**Mayor**  
**Kāpiti Coast District**  
 3 October 2013

  
 Pat Dougherty  
**Chief Executive**  
 3 October 2013

  
 Warwick Read  
**Group Manager Finance**  
 3 October 2013



## STATEMENT OF CHANGES IN PUBLIC EQUITY

For the year ended 30 June 2013

	Accumulated Funds						Revaluation Reserve			Reserves and Special Funds		
	2012/13 Actual \$000	2012/13 Budget \$000	2011/12 Actual \$000	2012/13 Actual \$000	2012/13 Budget \$000	2011/12 Actual \$000	Note 16			Note 19		
							2012/13 Actual \$000	2012/13 Budget \$000	2011/12 Actual \$000	2012/13 Actual \$000	2012/13 Budget \$000	2011/12 Actual \$000
<b>Prior Year Opening Equity</b>	734,526	741,441	737,766	571,606	578,602	576,366	159,338	159,338	159,338	3,582	3,501	2,062
<b>Transfer (Note 19)</b>	-	-	-	-	-	(1,661)	-	-	-	-	-	1,661
<b>Restated Public Equity at the Start of the Period</b>	734,526	741,441	737,766	571,606	578,602	574,705	159,338	159,338	159,338	3,582	3,501	3,723
Net Surplus/(Deficit) for the Period	5,229	263	(3,240)	5,229	263	(3,240)	-	-	-	-	-	-
Property, Plant and Equipment - Increase/(Decrease) in Revaluation Reserve	(13,625)	-	-	-	-	-	(13,625)	-	-	-	-	-
<b>Total Comprehensive Income</b>	<b>(8,396)</b>	<b>263</b>	<b>(3,240)</b>	<b>5,229</b>	<b>263</b>	<b>(3,240)</b>	<b>(13,625)</b>	-	-	<b>3,582</b>	<b>3,501</b>	<b>3,723</b>
Appropriation of Accumulated Funds	-	-	-	(1,114)	(574)	(645)	-	-	-	1,114	574	645
Transfers From Reserves	-	-	-	1,450	1275	786	-	-	-	(1,450)	(1,275)	(786)
<b>Public Equity at the End of the Period</b>	<b>726,130</b>	<b>741,704</b>	<b>734,526</b>	<b>577,171</b>	<b>579,566</b>	<b>571,606</b>	<b>145,713</b>	<b>159,338</b>	<b>159,338</b>	<b>3,246</b>	<b>2,800</b>	<b>3,582</b>

Note: Explanations of major variances against budget are provided in Note 36.

# STATEMENT OF CASH FLOWS

For the year ended 30 June 2013

2011/12 Actual \$000	Notes	2012/13 Actual \$000	2012/13 Budget \$000
<b>Cash Flows From Operating Activities</b>			
<u>Cash was provided from:</u>			
46,208	Kāpiti Coast District Council Rates	48,606	47,164
7,847	Greater Wellington Regional Council Rates	8,217	7,770
3,370	Government Subsidies and Grants	1,209	-
8	Interest Received	-	-
7,988	Charges and Fees	7,980	13,852
203	GST (net)	(60)	-
65,624		65,952	68,786
<u>Cash was applied to:</u>			
38,744	Payments to Suppliers and Employees	39,799	40,091
7,882	Rates Paid to Greater Wellington Regional Council	8,217	7,770
5,157	Interest Paid on Public Debt	6,279	8,474
51,783		54,295	56,335
<b>13,841</b>	<b>Net Cash Flows From Operating Activities</b>	<b>11,657</b>	<b>12,451</b>
<b>Cash Flows From Investing Activities</b>			
<u>Cash was provided from:</u>			
293	Sale of Property, Plant and Equipment	64	5,220
-	- Trust Funds (Coastlands Aquatic Centre)	1,189	900
293		1,253	6,120
<u>Cash was applied to:</u>			
33,661	Construction and Purchase of Property, Plant and Equipment	44,120	55,164
-	- Purchase of Investments	2,070	-
-	- Loans Issued	244	-
33,661		46,434	55,164
<b>(33,368)</b>	<b>Net Cash Flows From Investing Activities</b>	<b>(45,181)</b>	<b>(49,044)</b>



2011/12 Actual \$000		Notes	2012/13 Actual \$000	2012/13 Budget \$000
<b>Cash Flows From Financing Activities</b>				
	<u>Cash was provided from:</u>			
23,000	Long Term Borrowing Raised		47,088	44,069
	<u>Cash was applied to:</u>			
1,124	Debt Principal Repayments		10,287	7,682
<b>21,876</b>	<b>Net Cash Flows From Financing Activities</b>	(20b)	<b>36,801</b>	<b>36,387</b>
2,349	Net Increase/(Decrease) in Cash Held		3,277	(206)
313	Add Total Cash and Cash Equivalents at 1 July		2,662	3,767
<b>2,662</b>	<b>TOTAL CASH AND CASH EQUIVALENTS at 30 June</b>		<b>5,939</b>	<b>3,561</b>

The GST (net) component of operating activities reflects the net GST paid to and received from the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial reporting purposes.

Note: Explanations of major variances against budget are provided in Note 36.



# FUNDING IMPACT STATEMENT

For the year ended 30 June 2013

2011/12 Actual \$000	2011/12 Budget \$000		2012/13 Actual \$000	2012/13 Budget \$000
<b>Sources of Operating Funding</b>				
8,988	8,967	General Rates	9,130	9,101
29,570	29,091	Targeted Rates (other than a Targeted Rate for Water Supply)	30,593	31,272
3,370	1,189	Subsidies	1,209	1,805
16,163	17,012	Fees, Charges, and Targeted Rates for Water Supply	16,483	16,461
<b>58,091</b>	<b>56,259</b>	<b>Total Operating Funding</b>	<b>57,415</b>	<b>58,639</b>
<b>Application of Operating Funding</b>				
44,087	38,269	Payment to Staff and Suppliers	40,880	41,091
5,187	7,722	Finance Costs	6,323	8,474
<b>49,274</b>	<b>45,991</b>	<b>Total Application of Operating Funding</b>	<b>47,203</b>	<b>49,565</b>
<b>8,817</b>	<b>10,268</b>	<b>Surplus to Operating Funding</b>	<b>10,212</b>	<b>9,074</b>
<b>Sources of Capital Funding</b>				
3,468	3,880	Development Levies	1,997	2,040
26,781	36,583	Loans	39,339	44,069
-	1,685	NZTA Capital Subsidies	1,344	1,493
<b>30,249</b>	<b>42,148</b>	<b>Total Sources of Capital Funding</b>	<b>42,680</b>	<b>47,602</b>
<b>Uses of Capital Funding</b>				
(823)	(2,488)	To meet additional demand	(2,026)	(3,898)
(25,062)	(36,439)	To meet improved levels of services	(34,825)	(36,817)
(8,579)	(10,224)	To replace existing assets	(8,002)	(14,449)
(4,037)	(2,306)	Decrease in Investments	(7,729)	(811)
(565)	(959)	Decrease in Reserves	(310)	(701)
<b>(39,066)</b>	<b>(52,416)</b>	<b>Total Application of Capital Funding</b>	<b>(52,892)</b>	<b>(56,676)</b>
<b>(8,817)</b>	<b>(10,268)</b>	<b>Deficit of Capital Funding</b>	<b>(10,212)</b>	<b>(9,074)</b>
-	-	<b>FUNDING STATEMENT BALANCE</b>	-	-





# STATEMENT OF COMMITMENTS

For the year ended 30 June 2013

	2012/13 Actual \$000	2011/12 Actual \$000
<b>Capital Commitments Approved and Contracted</b>	-	-
<b>Non-Cancellable Contracts:</b>		
Council has entered into non-cancellable contracts. Details of the commitments under these contracts are as follows:		
Not later than one year	81	75
Later than one year and not later than two years	-	-
<b>TOTAL COMMITMENTS</b>	<b>81</b>	<b>75</b>

## Operating Leases as Lessee

Council leases property in the normal course of its business. The lease has a non-cancellable term of up to 10 Years. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	2012/13 Actual \$000	2011/12 Actual \$000
<b>Non-Cancellable Operating Leases as Lessee</b>		
Not later than one year	187	308
Later than one year and not later than five years	760	646
Later than five years	161	472
<b>TOTAL NON-CANCELLABLE OPERATING LEASES</b>	<b>1,108</b>	<b>1,426</b>

Rent payable has been determined on the basis of the terms of the lease agreement.

Leases can be renewed at Council's option, with rents set by reference to current market rates for items of equivalent age and condition.

There are no restrictions placed on Council by any of the leasing arrangements. The current operating lease on the Maple Building, Rimu Road, Paraparaumu is to December 2020. Council can then enter into a further two lots of 10 years at the time of renewal with no commitment of either party.



# STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

For the year ended 30 June 2013

## REPORTING ENTITY

Kāpiti Coast District Council (Council) is a territorial local authority governed by the Local Government Act 2002 and is domiciled in New Zealand.

The primary objective of Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, Council has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of Council are for the year ended 30 June 2013. The financial statements were authorised for issue by Council on 3 October 2013.

## BASIS OF PREPARATION

The financial statements of Council have been prepared in accordance with Section 98 of the Local Government Act 2002, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP). They comply with NZ IFRS and other applicable financial reporting standards, as appropriate for public benefit entities.

There have been no changes in accounting policies during the financial year.

The financial statements have been prepared on a historical cost basis, except where modified by the revaluation of land and buildings, certain infrastructural assets, biological assets, and financial instruments (excluding cash and accounts receivable).

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

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign

exchange gains and losses resulting from the settlement of such transactions are recognised in the Statement of Comprehensive Income.

### 1. Financial Statements Presented

The financial statements presented in this Annual Report include a Statement of Comprehensive Income, a Statement of Financial Position, a Statement of Cash Flows, a Statement of Changes in Equity, and a Funding Impact Statement with supporting notes, encompassing all activities of Council.

In order to meet its obligations of public accountability, Council has also included, for each significant activity, a separate Statement of Cost of Activity.

### 2. Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable. Rates revenue is recognised when levied. Water billing revenue is recognised on an accrual basis. New Zealand Transport Agency roading subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled. Other grants and bequests and assets vested in Council, with or without conditions, are recognised as revenue when control over the assets is obtained.

### 3. Public Equity

Public Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities.

Public Equity is disaggregated and classified into a number of reserves to enable clearer identification of the specified uses that Council makes of its accumulated funds. The components of public equity are Accumulated Funds, Revaluation Reserve, and Reserves and Special Funds.



#### 4. Reserves and Special Funds

Restricted reserves are a component of public equity generally representing a particular use to which various parts of public equity have been assigned. Reserves may be legally restricted or created by Council.

Restricted reserves are those subject to specific conditions accepted as binding by Council and which may not be revised by Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves created by Council decision. Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of Council.

#### 5. Other Financial Assets

Council classifies its financial assets into the following four categories: fair value through surplus or deficit, loans and receivables, held-to-maturity investments, and available-for-sale. The classification depends on the purposes for which the investments were acquired. Management determined the classification of its investments at initial recognition and re-evaluated this designation at every reporting date.

Financial assets are initially measured at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the Statement of Comprehensive Income.

Purchases and sales of financial assets are recognised on trade-date, the date on which Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has

transferred substantially all the risks and rewards of ownership.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques.

Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The four categories of financial assets are:

- *Fair Value through Profit or Loss*

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated into a hedge accounting relationship for which hedge accounting is applied. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance date.

After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the Statement of Comprehensive Income.

- *Loans and Receivables*

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are



recognised in the Statement of Comprehensive Income.

- *Held-to-maturity Investments*

These are non-derivative financial assets with fixed or determinable payments and fixed maturities and there is the positive intention and ability to hold to maturity.

After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the Statement of Comprehensive Income.

- *Available-for-Sale*

Financial assets available for sale are those that are designated into the category at initial recognition or are not classified in any of the other categories above. Council includes in this category: investments that it intends to hold long-term but which may be reclassified before maturity; and shareholdings that it holds for strategic purposes. These investments are measured at their fair value, with gains and losses recognised in other comprehensive income, except for impairment losses, which are recognised in the Statement of Comprehensive Income. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the Statement of Comprehensive Income.

Financial assets that are no longer held for trading, other than those designated as fair value through profit or loss on initial recognition or derivatives, can be reclassified out of this category to the following categories:

- loans and receivables – if the financial assets have fixed or determinable payments, are not quoted in an active market and contain no features which could

cause the holder to recover substantially all of its investment except through credit deterioration, and the intention is to hold them for the foreseeable future;

- held-to-maturity – if the intention is to hold them to maturity and only in rare circumstances; and
- available-for-sale – only in rare circumstances. Rare circumstances arise from a single event that is unusual and unlikely to recur in the near term.

For financial assets that have been reclassified out of the fair value through profit or loss category, Council assesses on the date of the transfer whether the financial asset contains an embedded derivative. Where a financial asset contains an embedded derivative whose economic characteristics and risks are not closely related to those of the host instrument, the embedded derivative is separated and measured at fair value with changes in the fair value recognised in the Statement of Comprehensive Income. The assessment is to be made on the basis of the circumstances that existed on the later of:

- the date when Council first became a party to that contract; and
- the date at which a change occurs in the terms of the contract that significantly modifies the cash flows that otherwise would have been required under contract.

### **Impairment of Financial Assets**

At each balance date Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the Statement of Comprehensive Income.



## 6. Derivatives Financial Instruments and Hedge Accounting

Council uses derivative financial instruments to manage interest rate risks arising from financing activities. In accordance with its treasury management policy, Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance date. The method of recognising the resulting gains or losses depends on whether the derivative is designated as a hedging instrument.

Council's derivative financial instruments are not designated as hedging instruments. Accordingly, the gains or losses of derivative financial instruments are recognised in the Statement of Comprehensive Income.

## 7. Non-Current Assets Held for Sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the Statement of Comprehensive Income.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

## 8. Property, Plant and Equipment

Property, plant and equipment consist of:

- **Infrastructure Assets**  
Infrastructure assets are the fixed utility systems owned by Council. Each asset type includes all items that are required for the network to function, for example, wastewater reticulation includes reticulation piping and wastewater pump stations;
- **Operational Assets**  
Operational Assets include land, buildings, improvements, library books, plant and equipment, and motor vehicles; and
- **Restricted Assets**  
Restricted assets are parks and reserves owned by Council that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Property, plant and equipment are shown at cost or valuation, less accumulated depreciation and impairment losses.

### Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably. Property, plant and equipment are initially recognised at cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

### Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported in the Statement of Comprehensive Income. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.



### **Subsequent Costs**

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

### **Revaluation**

Land and buildings (operational and restricted), and infrastructure assets (except land under roads) are revalued at least every three years to ensure that their carrying amount does not differ materially from fair value. All other asset classes are carried at depreciated historical cost.

Revaluations of property, plant and equipment are accounted for on a class-of-asset basis.

Additions between valuations are recorded at cost, except for vested assets. Certain infrastructure assets and land have been vested in Council as part of the subdivisional consent process. The vested reserve land has been initially recognised at the most recent appropriately certified government value. Vested infrastructure assets have been valued based on the actual quantities of infrastructure components vested and the current "in the ground" cost of providing identical services.

The net revaluation results are credited or debited to an asset revaluation reserve in equity for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is recognised in the Statement of Comprehensive Income. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the Statement of Comprehensive Income will be recognised first in the Statement of Comprehensive Income up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Land occupied by infrastructural assets, with the exception of roads, has not been included under infrastructural assets but has been included with other land owned by Council under operational assets. Improvements and additions to infrastructural and operational assets are capitalised at cost. Maintenance of infrastructural and operational assets is expensed.

In prior years the road and bridge valuation was made up of two parts:

- road network land value; and
- road improvements.

Land under roads is recorded at 2002 values in the Annual Report as at 30 June 2013.

In previous years, the improvement component of roads has been calculated at depreciated replacement cost. This is arrived at by determining current construction cost and applying a depreciation factor to it.

Water, wastewater and stormwater treatment, and reticulation systems were valued at depreciated replacement value as at 30 June 2011. The depreciated replacement cost figures were found by determining the current replacement costs of the assets involved and applying a depreciation factor based on the age and expected life of each asset.

### **Depreciation**

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, certain parts of roading, river control and seawalls. The roading, river control and seawall assets that are considered to be non-depreciable assets are Basecourse (80% non-depreciable content), Berms/Crossings/Earthworks/Formation/Land, Sub base/Watertable, Riprap seawall protection (rocks) and Stopbanks. The reason for their non-depreciable status is that there is no decline





in service potential and therefore these assets have an unlimited life.

Other assets are depreciated at rates which will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. Motor vehicles purchased after 30 June 2001 have been

given a residual value of 30% of original cost and are depreciated to this residual value. The estimated useful lives of resource consents, management plans and investigations are determined by their period of validity.

The estimated useful lives are as follows:

Asset Category	Estimated Useful Life (Years)
<b>Operational Assets</b>	
Buildings (adjusted for revaluation)	6 – 100
Computer Equipment	4 – 5
Furniture and Chattels	2 – 25
Heritage Assets	100
Library Collection	3 – 7
Motor Vehicles	5
Office Equipment	4 – 10
Other Improvements	1 – 50
Public Art	10 – 25
Plant and Machinery	
Heavy Trucks, Road Machines	5
Tractors, Trailers, Heavy Mowers	3 – 10
Other Plant	1 – 10
<b>Infrastructural Assets</b> (adjusted for revaluation)	
Bridges	10 – 99
Seawalls	
Concrete/Posts/Rails/Panels/Rocks	13 – 30
River Control	
Bank Protection	45 – 101
Roading	
Basecourse (20% depreciable content)	16
Footpaths	38
Cycleways	13 – 75
Kerbs/Culverts/Lighting	14 – 39
Surfacing	6 – 12
Traffic Modelling	5 – 10
Stormwater	
Stormwater Flood Maps	10 – 15
Pump Stations/Manholes/Sumps	22 – 91
Pipes	72 – 77
Wastewater	
Pump Stations	5 – 80
Manholes/Cleaning Eyes	60 – 64
Pipes	42 – 83
Plant	28 – 38
Water	
Storage	21 – 50
Headworks/Booster Stations/Pipes	4 – 83
Hydrants/Valves/Tobies	54 – 83
Meters	15
Pipes	70
Plant	14 – 19



Section 100 of the Local Government Act 2002 requires that a local authority must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses. Depreciation is an operating expense that therefore has to be funded. For the purpose of determining this year's funding requirements, Council has adopted a policy of not funding the depreciation cost relating to that portion of its roading asset base that was originally financed by subsidy received from New Zealand Transport Agency (NZTA) (and its predecessors). Council has adopted its policy on the basis that replacement of such assets will continue to be financed by New Zealand Transport Agency at the same level.

#### *Assets Under Construction*

Assets under construction are generally not depreciated until completion. The total cost of a project is transferred to the relevant asset class and is then depreciated on its completion.

#### *Borrowing Costs*

Borrowing costs are recognised as an expense in the period in which they are incurred and are not capitalised.

### **9. Intangible Assets**

#### **Software Acquisition and Development**

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation

begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the Statement of Comprehensive Income.

The useful lives of major classes of intangible assets have been estimated as follows:

- Computer software 3 – 5 years

### **10. Forestry Assets**

Forestry assets are independently revalued annually at fair value.

Gains or losses arising on initial recognition of forestry assets at fair value less estimated point of sale costs and from a change in fair value less estimated point of sale costs are recognised in the Statement of Comprehensive Income.

The costs to maintain the forestry assets when incurred are included in the Statement of Comprehensive Income.

### **11. Impairment of Property, Plant and Equipment and Intangible Assets**

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where Council would, if deprived of the asset, replace its remaining future economic benefits or service potential. The value in use for cash-generating assets is the present value of expected future cash flows.



If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the Statement of Comprehensive Income.

For assets not carried at a revalued amount, the total impairment loss is recognised in the Statement of Comprehensive Income.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the Statement of Comprehensive Income a reversal of the impairment loss is also recognised in the Statement of Comprehensive Income.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the Statement of Comprehensive Income.

## 12. Landfill Post Closure Costs

The Otaihangā Landfill is now closed to general waste as it reaches the end of its life as a general waste facility. Treated sludge from Paraparaumu and Ōtaki Wastewater Treatment Plants is disposed of to the landfill site. Cleanfill is used as a mixing agent.

Council, as operator of the Otaihangā Landfill, has a legal obligation under the resource consent to provide ongoing maintenance and monitoring services at the landfill site after closure. A provision for post closure costs is recognised as a liability when the obligation for post closure arises.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology.

The provision includes all costs associated with landfill post closure.

Amounts provided for landfill post closure are capitalised to the landfill asset where they give rise to future economic benefits to be obtained. Components of the capitalised landfill asset are depreciated over their useful lives.

The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to Council.

## 13. Cost Allocation Policy

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities based on cost drivers and related activity/usage information.

- *Criteria for Direct and Indirect Costs*

Direct costs are those costs directly attributable to a significant activity.

Indirect costs are those costs which cannot be identified in an economically feasible manner with a specific significant activity.

- *Cost Drivers for Allocation of Indirect Costs*

The costs of internal services not directly charged to activities are allocated as overheads using appropriate cost drivers such as actual usage, staff numbers and floor area as set out on the following chart.



<b>Basis of Allocation of Overheads</b>	<b>Method used</b>
Accommodation.	Area utilised.
Chief Executive's Office.	Charged to Governance and Tāngata Whenua activity.
Communication (Public Relations).	Estimate of time spent per activity.
Corporate Services.	Estimate of time spent on direct reporting lines.
Customer Services.	Estimate of time spent.
Development Projects Management.	Charged to project budgets based on time spent.
Environmental Protection Management.	Estimate of time spent on direct reporting lines.
Finance.	Number of transactions.
Human Resources.	Number of staff.
Information Technology / Information Management.	Hardware utilised.
Community Services.	Estimate of time spent on direct reporting lines.
Infrastructural Services.	Allocated on total expenditure per managed activity.
Rates Management.	Funds required from rates levied.
Strategy and Partnerships Management.	Estimate of time spent (strategic requirements to activities and direct reporting lines).
District-wide Services.	Operating expenditure – water, wastewater and stormwater activities.
Council Depots.	Number of staff.

#### 14. Allocation of Overheads

All overhead expenses have been allocated to significant activities with the exception of the "Governance and Tāngata Whenua" activity, i.e. Elected Members costs (including a share of the support staff and overheads) which has been reported on as a separate activity as it represents a direct public service which is in itself a significant activity.

#### 15. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.



## 16. Inventories

Inventories (such as spare parts) held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost and current replacement cost.

Cost has been determined on a weighted average basis. The valuation includes allowances for slow moving and obsolete inventories.

The write down from cost to current replacement cost is recognised in the Statement of Comprehensive Income.

## 17. Trade and Other Receivables

Trade and other receivables are recognised at amortised cost. An allowance is made for doubtful and uncollectible debts by establishing and offsetting any provision. Increases or decreases in the provision are recognised in the Statement of Comprehensive Income.

## 18. Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST, with the exception of receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

## 19. Budget Figures

The budget figures are those approved by Council in its 2012-13 Long Term Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

## 20. Borrowing

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest rate method.

## 21. Employee Benefits

### ***Short Term Employee Benefits***

Employee benefits expected to be settled within 12 months after balance date are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that Council anticipates it will be used by staff to cover those future absences.

### ***Long Term Employee Benefits***

Employee benefits that are due to be settled beyond 12 months after balance date, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will



- the present value of the estimated future cash flows. A discount rate of 5.75% and an inflation factor of 2.5% were used. The discount rate is based on the average after tax discount rate used in the financial statements of the Government of New Zealand. The inflation factor is based on the expected long term increase in remuneration for employees.

### **Employee Superannuation Schemes**

#### *Defined Contribution Schemes*

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the Statement of Comprehensive Income when incurred.

#### *Defined Benefit Schemes*

Council makes employer contributions to the Defined Benefit Plan Contributors Scheme (the Scheme), which is managed by the Board of Trustees of the National Provident Fund. The Scheme is a multi-employer defined benefit scheme.

The scheme exposes the participating employers to actuarial risks associated with the current and former employees of other participating employers, with the result that there is no consistent and reliable basis for allocating the obligation, scheme assets, and costs to individual participating employers. The Scheme is therefore accounted for as a defined contribution scheme.

## **22. Provisions**

Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

## **23. Leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Payments under these leases are recognised as expenses on a straight-line basis over the lease term.

## **24. Cost of Activity Statements**

The Cost of Activity Statements detail the net cost of activity for significant activities of Council, and are represented by the costs of providing the activities less all directly related revenue that can be allocated to these activities.

## **25. Critical Accounting Estimates and Assumptions**

In preparing these financial statements, Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.



### **Infrastructural Assets**

There are a number of assumptions and estimates used when performing depreciated replacement cost valuations over infrastructural assets. These include:

- the physical deterioration and condition of an asset, for example, Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, such as stormwater, wastewater and water supply pipes which are under ground. This risk is minimised by Council by performing a combination of physical inspections and condition modelling assessments of underground assets;
- estimating any obsolescence or surplus capacity of an asset; and
- estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, Council could be over or under estimating the annual depreciation costs recognised as an expense in the Statement of Comprehensive Income. To minimise this risk, Council determines the infrastructural asset useful lives with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and has adjusted for local conditions based on past experience. Physical inspections, deterioration and condition modelling are also carried out regularly as part of Council's asset management planning activities, which gives Council further assurance over its useful life estimates.

### **Forestry Assets**

There are a number of assumptions and estimates used when determining the

revaluation of forestry assets. These include maturity date, exchange rate, market prices, discount rate and growth rate.

Experienced independent valuers perform Council's infrastructural and forestry asset revaluations.

## **26. Standards, Amendments and Interpretations Issued not yet Effective**

Standards, amendments and interpretations issued but not yet effective that have not been early adopted, and which are relevant to Council, are:

NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement.

These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of NZ IAS 39. The revised Standard introduces a number of changes to the accounting for financial assets, the most significant includes:

- (a) two categories for financial assets being amortised cost or fair value,
- (b) strict requirements to determine which financial assets can be classified as amortised cost or fair value. Financial assets can only be classified as amortised cost if (i) the contractual cash flows from the instrument represent principal and interest and (ii) the entity's purpose for holding the instrument is to collect the contractual cash flows,
- (c) reclassifications between amortised costs and fair value are no longer permitted unless the entity's business model for holding the asset changes.

This Standard will not significantly impact Council's financial position or performance. Any changes will be of a presentation nature only.

The application date of the Standards is 1 January 2015. The application date for Council is 1 July 2015.





The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, Council will be Tier 1 reporting entity in terms of the public sector Public Benefit Entity Accounting Standards. The effective date for the new standards for public sector entities is for reporting periods beginning on or after 1 July 2014. Therefore, Council will transition to the new standards in preparing its 30 June 2015 financial statements. Council has not assessed the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

## **27. Development Contribution Policy**

Development contributions apply to developments where applications for buildings, subdivisions, and land use consents or service connections are received. They are treated as a liability upon receipt and recognised as revenue when growth occurs in the community asset classification for which the development contributions were initially collected for.

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# NOTES TO THE FINANCIAL STATEMENTS

## 1. Reconciliation between the Cost of Service Statements and the Statement of Comprehensive Income

2011/12 Actual \$000	Notes	2012/13 Actual \$000	2012/13 Budget \$000
<b>Revenue</b>			
<b>Rates Levied</b>			
9,225	General Rates	9,345	9,344
<b>Targeted Rates</b>			
5,355	Districtwide Roading Rates and Charges	5,516	5,521
3,811	Regulatory Services Rates	4,611	4,610
10,089	Community Facilities Charges	11,310	11,309
320	Community Separate Rates	401	406
7,591	Wastewater Rates and Charges	7,654	7,405
6,399	Water Rates and Charges	6,870	6,867
2,756	Stormwater Rates	2,744	2,739
41	Ōtaki Community Services Charge	49	49
16	Paekākāriki Community Services Charge	17	17
<b>45,603</b>	<b>Total Rates before Rates Penalty</b>	<b>48,517</b>	<b>48,267</b>
536	Rates Penalty	510	250
<b>46,139</b>	<b>Total Rates Before Internal Rates Deductions</b>	<b>49,027</b>	<b>48,517</b>
(518)	Less Internal Rates	(503)	(503)
<b>45,621</b>	<b>TOTAL RATES</b>	<b>48,524</b>	<b>48,014</b>
-	Government Subsidy – Capital	1,344	1,773
3,370	Government Subsidy – Operating	1,009	1,297
<b>3,370</b>	<b>Total</b>	<b>2,353</b>	<b>3,070</b>
<b>Other Revenue</b>			
8,705	Charges and Fees (5)	7,967	8,848
612	NZTA Expressway Revenue	200	-
-	Capital Contribution	-	-
3,468	Development and Financial Contributions	2,032	2,040
-	Interest	-	-
222	Petrol Tax	233	236
26	Special Funds Interest	-	-
204	Interest on Loan Repayment Provision	158	-
171	Interest on Depreciation Reserves	-	-
880	Vested Assets	482	1,040
-	Gain on Revaluation of Forestry	262	-
-	Trust Funds (Coastlands Aquatic Centre)	1,189	900
-	Gain on Revaluation of Interest Rate Swaps	4,161	-
(983)	Less Internal Interest	(930)	(930)
(370)	Less Internal Solid Waste Charges	(352)	(352)
<b>12,935</b>	<b>Total Other Revenue</b>	<b>15,402</b>	<b>11,782</b>
<b>61,926</b>	<b>TOTAL REVENUE</b>	<b>66,279</b>	<b>62,866</b>



2011/12 Actual \$000	Notes	2012/13 Actual \$000	2012/13 Budget \$000
<b>Expenditure</b>			
11,805	Access and Transport	11,627	12,008
3,033	Building Control and Resource Consents	3,097	3,156
672	Coastal Management	642	724
4,150	Community Facilities	5,473	5,680
2,012	Development Management	2,890	2,702
851	Economic Development	930	1,079
2,454	Environmental Protection	2,590	2,653
5,586	Governance and Tāngata Whenua	4,544	4,479
3,794	Libraries, Arts and Museums	4,047	3,943
4,197	Parks and Open Space	4,370	4,349
3,038	Solid Waste	2,522	2,847
2,859	Stormwater Management	3,167	3,194
866	Supporting Environmental Sustainability	908	968
1,307	Supporting Social Wellbeing	1,253	1,245
7,552	Wastewater Management	7,867	7,879
6,925	Water Management	6,908	7,482
<b>61,101</b>	<b>TOTAL OPERATING EXPENDITURE</b>	<b>62,835</b>	<b>64,388</b>
5,936	Loss on Revaluation of Interest Rate Swaps	-	-
(1,871)	Less Internal Charging	(1,785)	(1,785)
<b>65,166</b>	<b>TOTAL OPERATING EXPENDITURE</b>	<b>61,050</b>	<b>62,603</b>
<b>(3,240)</b>	<b>NET SURPLUS/(DEFICIT)</b>	<b>5,229</b>	<b>263</b>



## 2. Cost of Activity Summary for the Year Ended 30 June 2013

	2012/13 Revenue From Activities \$000	2012/13 Operating Expenditure \$000	2012/13 Net Operating Cost (Revenue) \$000	2012/13 Budget \$000	2012/13 Capital Items \$000	2012/13 Capital Items Budget \$000
Access and Transport	2,954	11,627	8,673	8,322	4,249	7,000
Building Control and Resource Consents	1,527	3,097	1,570	1,736	-	-
Coastal Management	-	642	642	708	284	445
Community Facilities	2,728	5,473	2,745	3,521	18,553	14,792
Development Management	52	2,890	2,838	2,497	3,691	3,623
Economic Development	-	930	930	936	200	1,500
Environmental Protection	957	2,590	1,633	1,767	21	31
Governance and Tāngata Whenua	701	4,544	3,843	3,717	574	1,642
Libraries, Arts and Museums	285	4,047	3,762	3,627	493	863
Parks and Open Space	414	4,370	3,956	4,219	1,536	2,010
Solid Waste	2,504	2,522	18	(41)	86	137
Stormwater Management	49	3,167	3,118	3,144	2,413	2,943
Supporting Environmental Sustainability	246	908	662	683	-	-
Supporting Social Wellbeing	20	1,253	1,233	1,245	-	-
Wastewater Management	-	7,867	7,867	7,863	1,922	2,957
Water Management	245	6,908	6,663	7,140	10,831	17,221
<b>TOTAL</b>	12,682	62,835	50,153	51,084	44,853	55,164
Plus Capital Expenditure			44,853	55,164		
<b>TOTAL NET COSTS</b>			<b>95,006</b>	<b>106,248</b>		



### 3. Net Rates Requirement Summary for the Year Ended 30 June 2013

	2012/13 Total Rates Utilised \$000	2012/13 Budget \$000
Access and Transport	6,161	5,876
Building Control and Resource Consents	1,570	1,736
Coastal Management	641	726
Community Facilities	3,835	4,408
Development Management	3,026	2,686
Economic Development	936	942
Environmental Protection	1,659	1,794
Governance and Tāngata Whenua	2,721	2,616
Libraries, Arts and Museums	3,959	3,819
Parks and Open Space	4,182	4,269
Solid Waste	35	39
Stormwater Management	3,119	3,156
Supporting Environmental Sustainability	680	683
Supporting Social Wellbeing	1,233	1,245
Wastewater Management	7,401	7,405
Water Management	6,391	6,867
<b>TOTAL</b>	<b>47,549</b>	<b>48,267</b>

### 4. Rates Levied

The revenue from rates in the Statement of Comprehensive Income is the total rates levied as per the Rates Strike.

The rates shown in the Statement of Cost of Activity for each significant activity is the amount of net operating and capital expenditure to be funded from rates as shown in Note 3. The difference between \$47.549 million and the gross rates levied of \$48.272 million (excluding rates penalties of \$0.510million) is \$0.723million. The rates surplus has been applied to offset the 2013/14 rates increase and future rates increase.

## 5. Charges and Fees

	2012/13 Actual \$000	2011/12 Actual \$000
Access and Transport	129	49
Building Control and Resource Consents	1,527	1,568
Coastal Management	-	15
Community Facilities	1,600	1,618
Development Management	52	78
Environmental Protection	957	914
Governance and Tāngata Whenua	190	122
Libraries, Arts and Museums	284	315
Parks and Open Space	152	113
Solid Waste	2,504	2,965
Stormwater Management	49	49
Supporting Environmental Sustainability	246	204
Supporting Social Wellbeing	20	82
Wastewater Management	257	301
Water Management	-	312
<b>TOTAL CHARGES AND FEES</b>	<b>7,967</b>	<b>8,705</b>

## 6. Cash and Cash Equivalents

	2012/13 Actual \$000	2011/12 Actual \$000
Cash at Bank and on Hand	373	152
Bank Call Deposits	5,566	2,510
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>5,939</b>	<b>2,662</b>

## 7. Other Financial Assets

	2012/13 Actual \$000	2011/12 Actual \$000
<b>Current Portion</b>		
<i>Fair Value Through Profit or Loss</i>		
Derivative Financial Instruments	39	2
<b>TOTAL CURRENT</b>	<b>39</b>	<b>2</b>
<b>Non-Current Portion</b>		
<i>Held-to-Maturity</i>		
Perpetual Notes	21	21
Local Authority Stock	1,600	-
<i>Fair Value Through Profit or Loss</i>		
Shares in NZ Local Government Insurance Corporation(NZLGIC)	45	45
Derivative Financial Instruments	232	3
<i>Available-for-Sale</i>		
Shares in NZ Local Government Funding Agency (NZLGFA)	100	-
<b>TOTAL NON-CURRENT</b>	<b>1,998</b>	<b>69</b>



## 8. Financial Instruments

Council has a series of policies to manage the risks associated with financial instruments. Council is risk averse and seeks to minimise exposure from its treasury activities. Council has established Council-approved Liability Management and Investment Policies – these policies do not allow any transactions that are speculative in nature to be entered into.

Council's financial instruments include financial assets (cash and cash equivalents, shares, loans and receivables, available-for-sale financial assets), and financial liabilities (payables that arise directly from operations and borrowings). Interest rate swaps are used to reduce exposure to fluctuations in interest rates arising on floating rate borrowings. The main purpose of Council's financial instruments is to finance Council's operations.

### Fair Value

Fair value is the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The fair values of all financial instruments equate to the carrying amount recognised in the Statement of Financial Position.

As part of its normal operations, Council is exposed to credit risk, interest rate risk and liquidity risk. Council's exposure to these risks and the action that Council has taken to minimise the impact of these risks is outlined below.

### Credit Risk

Credit risk is the risk that a third party will default on its obligations to Council, thereby causing a loss. Council is not exposed to any material concentration of credit risk other than its exposure within the Wellington region. Receivables balances are monitored on an ongoing basis with the result that Council's exposure to bad debts is not significant. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of Financial Position.

### Fair Value Hierarchy Disclosures

For those instruments recognised at fair value in the Statement of Financial Position, fair values are determined according to the following hierarchy:

Level 1 – the fair value is calculated using quoted prices in an active market

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the Statement of Financial Position:

	2012/13 \$000				2011/12 \$000			
	Quoted Market Price (Level 1)	Valuation Technique- Market Observable Inputs (Level 2)	Valuation Technique- Non Market Observable Inputs (Level 3)	Total	Quoted Market Price (Level 1)	Valuation Technique- Market Observable Inputs (Level 2)	Valuation Technique- Non Market Observable Inputs (Level 3)	Total
<b>Financial Assets</b>								
Derivative Financial Instruments	-	271	-	271	-	5	-	5
Perpetual Notes	-	21	-	21	-	21	-	21
Shares in NZLGIC	-	45	-	45	-	45	-	45
Local Authority Stock	-	1,600	-	1,600	-	-	-	-
Shares in NZLGFA	-	100	-	100	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>2,037</b>	<b>-</b>	<b>2,037</b>	<b>-</b>	<b>71</b>	<b>-</b>	<b>71</b>
<b>Financial Liabilities</b>								
Derivative Financial Instruments	-	6,489	-	6,489	-	10,384	-	10,384
<b>TOTAL</b>	<b>-</b>	<b>6,489</b>	<b>-</b>	<b>6,489</b>	<b>-</b>	<b>10,384</b>	<b>-</b>	<b>10,384</b>

There were no transfers between the different levels of the fair value hierarchy.

### Credit Qualities of Financial Assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates.

	2012/13 Actual \$000	2011/12 Actual \$000
<b>Counterparties with Credit Ratings</b>		
<b>Cash and Cash Equivalents</b>		
AA-	5,939	2,662
<b>Shares in NZLGIC</b>		
B++	45	45
<b>Perpetual Notes</b>		
A+	21	21
<b>Derivative Financial Instruments</b>		
AA	271	5
<b>Local Government Funding Agency Stock</b>		
AA+	1,600	-
<b>Shares in NZLGFA</b>		
AA+	100	-





## **Market Risk**

### ***Price risk***

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. Council is not exposed to price risk as it does not hold significant equity securities.

### ***Interest rate risk***

The weighted average interest rate on investments as at 30 June 2013 was 3.1% (2012 3.1%). The interest rates on Council's borrowings are disclosed in Note 15.

#### *Fair value interest rate risk*

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowing issued at fixed rates expose Council to fair value interest rate risk. Council's Treasury Management Policy outlines the level of borrowing that is to be secured using fixed rate instruments. Fixed to floating interest rate swaps are entered into to manage the fair value interest rate risk arising where Council has borrowed at fixed rates.

#### *Cash flow interest rate risk*

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose Council to cash flow interest rate risk.

Council manages its cash flow interest rate risk on borrowings by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if Council borrowed at fixed rates directly. Under the interest rate swaps, Council agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

Council has interest rate swap agreements in place at 30 June 2013 in relation to its borrowing programme. The notional contract value of these agreements was \$131.8 million (2012: \$128.1 million). The interest rate range for the interest rate swaps is 2.65% to 6.07%. The net fair value of the interest rate swaps as at 30 June 2013 was \$6.218 million (30 June 2012: \$10.379 million) comprising assets of \$0.271 million (30 June 2012: \$0.005 million) and liabilities \$6.489 million (30 June 2012: \$10.384 million). The movement in the fair value of these interest rate swaps is taken directly to the Statement of Comprehensive Income.

## **Liquidity Risk**

Liquidity risk is the risk that Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. Council aims to maintain flexibility in funding by keeping committed credit lines available.

Although current liabilities exceed current assets as at 30 June 2013, current liabilities include the current portion of public debt which will be rolled over in the 2013/14 year.

Council manages its borrowings in accordance with its funding and financial policies, which include a Treasury Management Policy. These policies have been adopted as part of Council's Long Term Plan.

Council uses overdraft facility to manage its day-to-day cashflows. Council has one \$15 million, one \$10 million and one \$5 million multi option credit line facilities with Westpac Banking Corporation. Council also has a \$5 million multi option credit line facility with the Bank of New Zealand.



The table below sets out the contractual cashflows from all financial liabilities that are settled on a gross cashflow basis. Contractual cashflows for financial liabilities comprise the nominal amount and interest payments.

#### Contractual Maturity Analysis of Financial Liabilities

<b>2012/13</b>	<b>Statement of Financial Position \$000</b>	<b>Total Contractual Cash Flows \$000</b>	<b>0-12 months \$000</b>	<b>1-2 years \$000</b>	<b>2-5 years \$000</b>	<b>More than 5 years \$000</b>
Trade and Other Payables	14,693	14,693	14,693	-	-	-
Derivative Financial Instruments	6,489	16,384	3,012	3,011	7,414	2,947
Public Debt	124,785	145,332	13,912	8,962	79,953	42,505
Public Debt – EECA Loan	439	439	292	125	22	-
<b>TOTAL</b>	<b>146,406</b>	<b>176,848</b>	<b>31,909</b>	<b>12,098</b>	<b>87,389</b>	<b>45,452</b>

<b>2011/12</b>	<b>Statement of Financial Position \$000</b>	<b>Total Contractual Cash Flows \$000</b>	<b>0-12 months \$000</b>	<b>1-2 years \$000</b>	<b>2-5 years \$000</b>	<b>More than 5 years \$000</b>
Trade and Other Payables	14,371	14,371	14,371	-	-	-
Derivative Financial Instruments	10,384	15,544	2,476	2,813	6,972	3,283
Public Debt	87,785	95,207	9,668	9,465	27,181	48,893
Public Debt – EECA Loan	638	638	274	274	90	-
<b>TOTAL</b>	<b>113,178</b>	<b>125,760</b>	<b>26,789</b>	<b>12,552</b>	<b>34,243</b>	<b>52,176</b>



The table below analyses Council's financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

#### Contractual Maturity Analysis of Financial Assets

<b>2012/13</b>	<b>Carrying Amount</b>	<b>Total Contractual Cash Flows</b>	<b>0-12 Months</b>	<b>1-2 Years</b>	<b>2-5 Years</b>	<b>More Than 5 Years</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Cash and Cash Equivalents	5,939	5,939	5,939	-	-	-
Derivative Financial Instruments	271	657	121	121	297	118
Trade and Other Receivables	5,882	5,882	5,882	-	-	-
Loan Receivables	244	285	30	30	91	134
Local Government Funding Agency Stock	1,600	1,877	51	51	1,098	677
<b>TOTAL</b>	<b>13,936</b>	<b>14,640</b>	<b>12,023</b>	<b>202</b>	<b>1,486</b>	<b>929</b>

<b>2011/12</b>	<b>Carrying Amount</b>	<b>Total Contractual Cash Flows</b>	<b>0-12 Months</b>	<b>1-2 Years</b>	<b>2-5 Years</b>	<b>More Than 5 Years</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Cash and Cash Equivalents	2,662	2,662	2,662	-	-	-
Derivative Financial Instruments	5	7	1	1	3	2
Trade and Other Receivables	5,573	5,573	5,573	-	-	-
Shares in NZLGIC	45	45	-	-	-	-
<b>TOTAL</b>	<b>8,285</b>	<b>8,287</b>	<b>8,236</b>	<b>1</b>	<b>3</b>	<b>2</b>

## Financial Instrument Categories

The accounting policies for financial instruments have been applied to the line items below:

	2012/13 Actual \$000	2011/12 Actual \$000
<b>FINANCIAL ASSETS</b>		
<b>Loans and Receivables</b>		
Cash and Cash Equivalents	5,939	2,662
Trade and Other Receivables	5,882	5,573
<b>TOTAL LOANS AND RECEIVABLES</b>	<b>11,821</b>	<b>8,235</b>
<b>Held-to-Maturity</b>		
Other Financial Assets:		
Perpetual Notes	21	21
Local Authority Stock	1,600	-
<b>TOTAL HELD-TO-MATURITY</b>	<b>1,621</b>	<b>21</b>
<b>Fair Value Through Profit or Loss</b>		
Other Financial Assets		
Shares in NZLGIC	45	45
<b>TOTAL FAIR VALUE THROUGH PROFIT OR LOSS</b>	<b>45</b>	<b>45</b>
<b>Available-for-Sale</b>		
Other Financial Assets		
Shares in NZLGFA	100	-
<b>TOTAL AVAILABLE-FOR-SALE</b>	<b>100</b>	<b>-</b>
<b>Fair Value Through Profit or Loss</b>		
<b>Derivative Financial Instruments</b>		
Current	39	2
Non Current	232	3
<b>Total Derivative Financial Instruments</b>	<b>271</b>	<b>5</b>
<b>FINANCIAL LIABILITIES</b>		
<b>Fair Value Through Profit or Loss</b>		
Derivative Financial Instruments		
Current	1,342	1,668
Non Current	5,147	8,716
<b>TOTAL FAIR VALUE THROUGH PROFIT OR LOSS</b>	<b>6,489</b>	<b>10,384</b>
<b>Financial Liabilities at Amortised Cost</b>		
Trade and Other Payables	14,693	14,371
Public Debt	125,224	88,423
<b>TOTAL FINANCIAL LIABILITIES AT AMORTISED COST</b>	<b>139,917</b>	<b>102,794</b>

## Sensitivity Analysis

In managing interest rate risk Council aims to reduce the impact of short-term fluctuations on Council. Over the longer term, however, permanent changes in interest rates will have an impact on the financial performance.

As at 30 June 2013 it is estimated that a general increase of one percentage point in interest rates would increase Council's surplus by approximately \$1.889 million. This is due to the potential unrealised gain of \$3.082 million on the value of the interest rate swaps from a 1% increase in interest rates. Interest rate swaps have been included in this calculation.

The tables below illustrate the potential effect on the surplus or deficit for reasonably possible market movements, with all other variables held constant, based on Council's financial instrument exposures at balance date.

	2012/13 Actual \$000		2011/12 Actual \$000	
	+100 BPS	-100 BPS	+100 BPS	-100 BPS
<b>Interest Rate Risk</b>				
<b>Financial Assets</b>				
Cash and Cash Equivalents – Current	59	(59)	27	(27)
Derivative Financial Instruments – Current	172	(105)	59	(2)
Derivative Financial Instruments – Non Current	1,117	(739)	156	(3)
<b>Financial Liabilities</b>				
Derivative Financial Instruments – Current	383	(2,356)	914	(1,023)
Derivative Financial Instruments – Non Current	1,410	(9,120)	4,106	(4,503)
Public Debt	(1,252)	1,252	(884)	884
<b>TOTAL SENSITIVITY TO INTEREST RATE RISK</b>	<b>1,889</b>	<b>(11,127)</b>	<b>4,378</b>	<b>(4,674)</b>

## 9. Property, Plant and Equipment: 2012/13

	Cost/ Revaluation	Accumulated Depreciation and Impairment Charges	Carrying Amount	Current Year Additions/ Reclassification	Gross Current Year Disposals	Current Year Impairment Charges	Current Year Depreciation	Gross Accumulated Depreciation on Disposals	Assets Held for Sale	Cost/ Revaluation	Accumulated Depreciation and Impairment Charges	Carrying Amount
	1 July 2012	1 July 2012	1 July 2012							30 June 2013	30 June 2013	30 June 2013
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Council Operational Assets</b>												
Land	26,746	-	26,746	12	-	-	-	-	-	26,758	-	26,758
Buildings and Improvements	27,739	(1,058)	26,681	8,804	-	-	(1,076)	-	-	36,543	(2,134)	34,409
Library Collections	6,562	(4,463)	2,099	486	-	-	(387)	-	-	7,048	(4,850)	2,198
Plant and Machinery	2,597	(1,924)	673	210	(156)	-	(113)	102	-	2,651	(1,935)	716
Motor Vehicles	3,511	(1,772)	1,739	203	(102)	-	(263)	109	-	3,612	(1,926)	1,686
Furniture and Chattels	1,928	(1,203)	725	39	-	-	(114)	-	-	1,967	(1,317)	650
Computers and Office Equipment	7,329	(5,339)	1,990	265	-	-	(526)	-	-	7,594	(5,865)	1,729
Items Under Construction	16,209	-	16,209	7,945	-	-	-	-	-	24,154	-	24,154
<b>Total Operational Assets</b>	<b>92,621</b>	<b>(15,759)</b>	<b>76,862</b>	<b>17,964</b>	<b>(258)</b>	<b>-</b>	<b>(2,479)</b>	<b>211</b>	<b>-</b>	<b>110,327</b>	<b>(18,027)</b>	<b>92,300</b>
<b>Infrastructure Assets</b>												
Roading	435,224	(3,847)	431,377	8,488	-	-	(4,008)	-	-	443,712	(7,855)	435,857
Bridges	13,274	(271)	13,003	-	-	-	(266)	-	-	13,274	(537)	12,737
Water	75,345	(1,933)	73,412	1,354	-	-	(1,940)	-	-	76,699	(3,873)	72,826
Wastewater	87,142	(2,222)	84,920	1,226	-	-	(2,241)	-	-	88,368	(4,463)	83,905
Stormwater	55,982	(987)	54,995	7,665	-	-	(1,054)	-	-	63,647	(2,041)	61,606
Seawalls	5,388	(243)	5,145	621	-	-	(251)	-	-	6,009	(494)	5,515
River Control	1,126	(13)	1,113	-	-	-	(13)	-	-	1,126	(26)	1,100
Items Under Construction	37,123	-	37,123	943	(7)	(13,625)	-	-	(3,650)	20,784	-	20,784
<b>Total Infrastructure Assets</b>	<b>710,604</b>	<b>(9,516)</b>	<b>701,088</b>	<b>20,297</b>	<b>(7)</b>	<b>(13,625)</b>	<b>(9,773)</b>	<b>-</b>	<b>(3,650)</b>	<b>713,619</b>	<b>(19,289)</b>	<b>694,330</b>
<b>Restricted Assets</b>												
Land	44,067	-	44,067	3,972	-	-	-	-	-	48,039	-	48,039
Buildings and Improvements	23,124	(1,364)	21,760	1,928	-	-	(1,396)	-	-	25,052	(2,760)	22,292
Items Under Construction	562	-	562	1,231	-	-	-	-	-	1,793	-	1,793
<b>Total Restricted Assets</b>	<b>67,753</b>	<b>(1,364)</b>	<b>66,389</b>	<b>7,131</b>	<b>-</b>	<b>-</b>	<b>(1,396)</b>	<b>-</b>	<b>-</b>	<b>74,884</b>	<b>(2,760)</b>	<b>72,124</b>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>870,978</b>	<b>(26,639)</b>	<b>844,339</b>	<b>45,392</b>	<b>(265)</b>	<b>(13,625)</b>	<b>(13,648)</b>	<b>211</b>	<b>(3,650)</b>	<b>898,830</b>	<b>(40,076)</b>	<b>858,754</b>



## Property, Plant and Equipment: 2011/12

	Cost/ Revaluation	Accumulated Depreciation and Impairment Charges	Carrying Amount	Current Year Additions/ Reclassification	Gross Current Year Disposals	Current Year Impairment Charges	Current Year Depreciation	Gross Accumulated Depreciation on Disposals	Revaluation Surplus/ (Deficit)	Cost/ Revaluation	Accumulated Depreciation and Impairment Charges	Carrying Amount
	1 July 2011	1 July 2011	1 July 2011							30 June 2012	30 June 2012	30 June 2012
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Council Operational Assets</b>												
Land	26,746	-	26,746	-	-	-	-	-	-	26,746	-	26,746
Buildings and Improvements	28,480	(75)	28,405	254	(995)	-	(1,043)	60	-	27,739	(1,058)	26,681
Library Collections	6,087	(4,116)	1,971	475	-	-	(347)	-	-	6,562	(4,463)	2,099
Plant and Machinery	2,639	(1,895)	744	63	(105)	-	(126)	97	-	2,597	(1,924)	673
Motor Vehicles	3,263	(1,864)	1,399	722	(474)	-	(271)	363	-	3,511	(1,772)	1,739
Furniture and Chattels	1,483	(1,121)	362	445	-	-	(82)	-	-	1,928	(1,203)	725
Computers and Office Equipment	6,586	(4,813)	1,773	743	-	-	(526)	-	-	7,329	(5,339)	1,990
Items Under Construction	6,213	-	6,213	9,996	-	-	-	-	-	16,209	-	16,209
<b>Total Operational Assets</b>	<b>81,497</b>	<b>(13,884)</b>	<b>67,613</b>	<b>12,698</b>	<b>(1,574)</b>	<b>-</b>	<b>(2,395)</b>	<b>520</b>	<b>-</b>	<b>92,621</b>	<b>(15,759)</b>	<b>76,862</b>
<b>Infrastructure Assets</b>												
Roading	430,830	(67)	430,763	4,394	-	-	(3,780)	-	-	435,224	(3,847)	431,377
Bridges	13,274	-	13,274	-	-	-	(271)	-	-	13,274	(271)	13,003
Water	74,495	(2)	74,493	850	-	-	(1,931)	-	-	75,345	(1,933)	73,412
Wastewater	83,172	(34)	83,138	3,970	-	-	(2,188)	-	-	87,142	(2,222)	84,920
Stormwater	55,721	(135)	55,586	261	-	-	(852)	-	-	55,982	(987)	54,995
Seawalls	3,693	-	3,693	1,695	-	-	(243)	-	-	5,388	(243)	5,145
River Control	1,125	-	1,125	1	-	-	(13)	-	-	1,126	(13)	1,113
Items Under Construction	30,997	-	30,997	6,126	-	-	-	-	-	37,123	-	37,123
<b>Total Infrastructure Assets</b>	<b>693,307</b>	<b>(238)</b>	<b>693,069</b>	<b>17,297</b>	<b>-</b>	<b>-</b>	<b>(9,278)</b>	<b>-</b>	<b>-</b>	<b>710,604</b>	<b>(9,516)</b>	<b>701,088</b>
<b>Restricted Assets</b>												
Land	40,086	-	40,086	3,981	-	-	-	-	-	44,067	-	44,067
Buildings and Improvements	21,784	(46)	21,738	1,559	(219)	-	(1,323)	5	-	23,124	(1,364)	21,760
Items Under Construction	22	-	22	540	-	-	-	-	-	562	-	562
<b>Total Restricted Assets</b>	<b>61,892</b>	<b>(46)</b>	<b>61,846</b>	<b>6,080</b>	<b>(219)</b>	<b>-</b>	<b>(1,323)</b>	<b>5</b>	<b>-</b>	<b>67,753</b>	<b>(1,364)</b>	<b>66,389</b>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>836,696</b>	<b>(14,168)</b>	<b>822,528</b>	<b>36,075</b>	<b>(1,793)</b>	<b>-</b>	<b>(12,996)</b>	<b>525</b>	<b>-</b>	<b>870,978</b>	<b>(26,639)</b>	<b>844,339</b>

The split between prior year cost, depreciation and carrying value have been adjusted to correct the impact of the revaluation.





## Property, Plant and Equipment (continued)

### Valuation

All assets are recorded at depreciated historical costs except for the following assets classes, which are revalued on a three year cycle on the basis described below:

Description	Method of Revaluation	Valuation Performed By	Next Revaluation Date
<b>Operational Assets</b>			
Buildings and Improvements	Fair Value 30 June 2011	<b>Quotable Value</b> Kerry Stewart <i>Val Prof Urb</i> <i>PG Dip Env Audit MBA ANZIV SNZPI</i> Vanessa Hutcheson <i>B Com VPM</i>	30 June 2014
Land	Fair Value 30 June 2011	<b>Quotable Value</b> Kerry Stewart <i>Val Prof Urb</i> <i>PG Dip Env Audit</i> <i>MBA ANZIV SNZPI</i> Vanessa Hutcheson <i>B Com VPM</i>	30 June 2014
<b>Infrastructural Assets</b>			
River Control	Depreciated Replacement Cost 30 June 2011	<b>Aecom</b> Graeme Hughson <i>BE, MIPENZ</i>	30 June 2014
Roads and Bridges	Depreciated Replacement Cost 30 June 2011	<b>CPG</b> (Consulting Engineers) Ken Tonks <i>SPINZI</i>	30 June 2014
Seawalls	Depreciated Replacement Cost 30 June 2011	<b>Aecom</b> Graeme Hughson <i>BE, MIPENZ</i>	30 June 2014
Stormwater	Depreciated Replacement Cost 30 June 2011	<b>Aecom</b> Graeme Hughson <i>BE, MIPENZ</i>	30 June 2014
Wastewater	Depreciated Replacement Cost 30 June 2011	<b>Aecom</b> Graeme Hughson <i>BE, MIPENZ</i>	30 June 2014
Water	Depreciated Replacement Cost 30 June 2011	<b>Aecom</b> Graeme Hughson <i>BE, MIPENZ</i>	30 June 2014

All valuations are carried out or reviewed by independent qualified valuers.



## 10. Intangible Assets

	2012/13 Actual \$000	2011/12 Actual \$000
Opening Balance	343	454
Additions/Reclassifications	289	35
Amortisation	(201)	(146)
<b>Closing Balance</b>	<b>431</b>	<b>343</b>
Represented by		
Total Cost	1,000	710
Total Accumulated Amortisation	(569)	(367)
	<b>431</b>	<b>343</b>

Intangible assets only include computer software. There are no restrictions over the title of Council's intangible assets, nor are any intangible assets pledged as security for liabilities.

## 11. Forestry Assets

	2012/13 Actual \$000	2011/12 Actual \$000
Balance at 1 July	263	467
Gains/(loss) Arising from Changes in Fair Value Less Estimated Point of Sale Costs	262	(204)
<b>Balance at 30 June</b>	<b>525</b>	<b>263</b>

Council owns 30 hectares of pinus radiatus forest, which are at varying stages of maturity ranging from 22 to 24 years. Independent valuer Tim Hunt valued the forestry assets as at 30 June 2013.

A pre-tax discount rate of 9% has been used in discounting the present value of expected cash flows.

Council has a limited area of forestry assets (<20 hectares) at various small sites across the District. Council resolved to apply for an exemption from the Emissions Trading Scheme for 8 hectares of forest that was planned to be deforested for the Western Link and Pharazyn Reserve. For all the remaining pre-1990 forestry assets an allocation of New Zealand Carbon Credits will be applied for.

### *Financial Risk Management Strategies*

Council is exposed to financial risks from changes in timber prices. Council is not a long term forestry investor but does not expect timber prices to decline significantly in the foreseeable future, therefore, has not taken any measures to manage the risks of a decline in timber prices.

Description	Method of Revaluation	Valuation Performed By	Next Revaluation Date
<b>Forestry Assets</b>			
Forestry	Fair Value 30 June 2013	Tim Hunt (AMNZIF)	30 June 2014



## 12. Trade and Other Receivables

	2012/13 \$000	2011/12 \$000
Rates	1,901	2,167
Department Internal Affairs	102	-
Water by Meter	54	99
General Debtors	2,361	1,698
GST Accrual	1,827	1,662
Dogs/Licenses	97	1
Parking Infringement	177	189
Prepayments	19	169
Miscellaneous	11	33
Private Plan Change-Ōtaki South	-	71
	<b>6,549</b>	<b>6,089</b>
Less Provision for Impairment of Receivables	667	516
<b>TOTAL TRADE AND OTHER RECEIVABLES</b>	<b>5,882</b>	<b>5,573</b>

The status of receivables as at 30 June 2013 and 2012 are detailed below:

	2012/13 Actual \$000			2011/12 Actual \$000		
	Gross	Impairment	Gross	Gross	Impairment	Net
Not past due	2,761	-	2,761	3,478	-	3,478
Past due 1-60 days	36	-	36	98	-	98
Past due 61-120 days	67	-	67	8	-	8
Past due > 120 days	3,685	(667)	3,018	2,505	(516)	1,989
<b>TOTAL</b>	<b>6,549</b>	<b>(667)</b>	<b>5,882</b>	<b>6,089</b>	<b>(516)</b>	<b>5,573</b>

The impairment provision has been calculated based on expected losses for Councils pool of debtors. Expected losses have been determined based on an analysis of Council losses in previous periods, and review of specific debtors as detailed below:

	2012/13 Actual \$000	2011/12 Actual \$000
Individual Impairment	631	186
Collective Impairment	36	330
<b>TOTAL PROVISION FOR IMPAIRMENT</b>	<b>667</b>	<b>516</b>

Individually impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor. An analysis of these individually impaired debtors is as follows:

	2012/13 Actual \$000	2011/12 Actual \$000
Past due 1-60 days	-	-
Past due 61-120 days	-	-
Past due > 120 days	631	516
<b>TOTAL INDIVIDUAL IMPAIRMENT</b>	<b>631</b>	<b>516</b>

Movements in the provision for impairment of receivables are as follows:

	2012/13 Actual \$000	2011/12 Actual \$000
At 1 July	516	449
Additional Provisions made during the Year	400	69
Receivables Written-off during the Period	(249)	(2)
<b>TOTAL AT 30 JUNE</b>	<b>667</b>	<b>516</b>

Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

### 13. Trade and Other Payables

	2012/13 Actual \$000	2011/12 Actual \$000
Trade Creditors	9,923	9,827
Interest Accrual	427	383
Rates in Advance	1,511	1,448
Contract Retentions	1,030	980
Greater Wellington Regional Council Accrued Rates	1,436	1,369
ACC Levy Accrual	120	116
Payroll Suspense	5	-
Miscellaneous	229	234
Fringe Benefit Tax	12	14
<b>TOTAL TRADE AND OTHER PAYABLES</b>	<b>14,693</b>	<b>14,371</b>

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the varying value of creditors and other payables approximates their fair value.

The Trade and Other payables note has been changed from the balance reported in 2011/12. The change relates to the reclassification of the 'Leaky Home Building Provision' to the provision category.

Opening Balance	14,896
Leaky Home Building Provision	(525)
Closing Balance as above	14,371

The provision is now reflected in Note 18.



#### 14. Deposits

	2012/13 Actual \$000	2011/12 Actual \$000
Road Damage Deposits	658	659
Resource Consent Planning Bonds	327	342
Hall Deposits	5	5
Miscellaneous Deposits	6	104
<b>TOTAL DEPOSITS</b>	<b>996</b>	<b>1,110</b>

#### 15. Public Debt

A debenture deed has been established and Westpac Banking Corporation appointed as security agent. A debenture trust deed was established as at 30 June 2012 and the perpetual Trustees were appointed as the Trustee. All public debt is covered by a charge over rates.

Council agreed to replace its Debenture deed with a Debenture Trust deed which is a prerequisite for becoming a shareholder of the Local Government Funding Agency (LGFA).

No defaults or breaches occurred during the year.

The Total Public Debt is divided between Long Term Public Debt (Debt liability longer than one year) and Current Portion of Public Debt (Debt liability of one year or less).

	2012/13 Actual \$000	2011/12 Actual \$000
Current Portion of Public Debt	10,077	68,059
Long Term Public Debt	115,147	20,364
<b>TOTAL PUBLIC DEBT</b>	<b>125,224</b>	<b>88,423</b>
2012/13	-	68,059
2013/14	10,077	5,274
2014/15	5,081	5,064
2015/16	44	26
2016/17	10,018	10,000
2017/18	60,004	-
2018/19	20,000	-
2019/20	-	-
2020/21	20,000	-
<b>TOTAL PUBLIC DEBT</b>	<b>125,224</b>	<b>88,423</b>

The effective weighted average interest rate on Council's Public Debt after taking Council's interest rate swaps into account is 5.62% (2012: 5.35%).

#### Local Government Funding Agency

Council became a shareholder of the LGFA at the minimum subscription of \$100,000 in the 2012/13 year. Council joined the LGFA as a shareholder in October 2012 and has borrowed for longer term funding through the LGFA to make savings on interest rate margins. To date \$100 million of the above Council's total external debt figure has been funded through the LGFA.



## 16 Revaluation Reserve

Total revaluation reserves of \$145.713 million consist of:

	2012/13 Actual \$000	2011/12 Actual \$000
a) Roding and Bridges		
Opening Balance 1 July	76,814	76,814
<i>Less Impairment of Roding</i>	<i>(13,625)</i>	<i>-</i>
Closing Balance 30 June	63,189	76,814
b) Land and Buildings		
Opening Balance 1 July	34,344	34,344
<i>Plus revaluation of Land and Buildings</i>	<i>-</i>	<i>-</i>
Closing Balance 30 June	34,344	34,344
c) Stormwater/River Control		
Opening Balance 1 July	19,610	19,610
<i>Plus revaluation of Stormwater/ River Control</i>	<i>-</i>	<i>-</i>
Closing Balance 30 June	19,610	19,610
d) Wastewater		
Opening Balance 1 July	16,793	16,793
<i>Plus revaluation of Wastewater</i>	<i>-</i>	<i>-</i>
Closing Balance 30 June	16,793	16,793
e) Water		
Opening Balance 1 July	11,777	11,777
<i>Plus revaluation of Water</i>	<i>-</i>	<i>-</i>
Closing Balance 30 June	11,777	11,777
<b>TOTAL</b>	<b>145,713</b>	<b>159,338</b>

The impairment in the Roding Reserve is a one off adjustment for the recognition of the NZTA subsidy for land purchased for the Western Link Road.

## 17 Employee Benefit Liabilities

	2012/13 Actual \$000	2011/12 Actual \$000
Payroll Accrual	364	266
Annual Leave	1,321	1,256
Sick Leave	67	72
Long Service Leave	95	92
Retirement Gratuities	149	216
<b>TOTAL EMPLOYEE BENEFIT LIABILITIES</b>	<b>1,996</b>	<b>1,902</b>
Disclosed as follows:		
<b>Current Portion</b>		
Payroll Accrual	364	266
Annual Leave	1,321	1,256
Sick Leave	67	72
Long Services Leave	57	-
	1,809	1,594
<b>Non-current</b>		
Long Service Leave	38	92
Retirement Gratuities	149	216
	187	308
<b>TOTAL EMPLOYEE BENEFIT LIABILITIES</b>	<b>1,996</b>	<b>1,902</b>

## 18 Provisions

### Provision for Leaky Buildings

	2012/13 Actual \$000	2011/12 Actual \$000
Opening Balance	525	525
<b>CLOSING BALANCE</b>	<b>525</b>	<b>525</b>

This provision was previously shown as part of the Trade and Other Payables (see Note 13).

### Provision for Environmental Obligations

There has been no change in the Provision for Environmental Obligations as at 30 June 2013 (\$0.038 million). This is due to work completed on the sites being offset by a revision of the estimates of future costs, and funds set aside to meet the costs for landfill aftercare after closure (Note 23).

#### Landfill Aftercare Liability

Council obtained a resource consent for 35 years in 1994 to operate the Otaihangā Landfill. The Otaihangā Landfill is now closed to general waste disposal as it reaches the end of its life as a general waste facility. For the next year treated sludge from the Paraparaumu and Ōtaki Wastewater Treatment Plants will still be disposed of to the landfill site. Cleanfill is used to act as a mixing agent. After that time, the landfill will enter the aftercare phase.

Council has responsibility under the Resource Management Act 1991 to provide ongoing maintenance and monitoring of landfills after closure. These responsibilities include:

- final cover application and vegetation;
- incremental drainage control features;





- completing facilities for leachate collection and monitoring;
- completing facilities for waste quality monitoring; and
- completing facilities for monitoring of gas.

The annual cost for monitoring the Otaihangā landfill site is \$4,000 per year. This is expected to be required for 17 years after all three landfills have been closed.

The cost of providing a capping layer for the completed portion of the Otaihangā Landfill is estimated to be minimal and is currently being funded through cleanfill disposal charges.

The cash outflows for landfill post-closure cost for the Otaihangā Landfill commenced in 2009. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and is discounted using a discount rate of 5.5%.

### Sewage Ponds

#### *Waikanae Oxidation Ponds – Decommissioning and Rehabilitation*

With the major upgrade to the combined Paraparaumu/Waikanae Wastewater Treatment Plant, the Waikanae Oxidation Ponds have not been used for effluent disposal since 31 March 2003. In the 2003/04 year, the rehabilitation project was renamed “Waikanae Coastal Wetlands” and is funded from the Parks and Open Space Activity. A decommissioning plan was approved by the Finance, Operations and Property Committee on 26 March 2002.

No reimbursement of costs is expected at this stage although there may be some cost sharing and external grants/funds when rehabilitation work is further underway.

The only risk identified at this stage is that there may be risk of odour generated from the sludge for a period, due to the fall in water level in the ponds.

The carrying value of the Waikanae Oxidation Ponds has been impaired to reflect the decommissioning and rehabilitation costs. As the current estimate of future decommissioning costs is less than the land value no further provision is required.

### Paraparaumu Sludge Ponds

With the major upgrade to the combined Paraparaumu/Waikanae Wastewater Treatment Plant, the Paraparaumu Sludge Ponds have not been used since March 2001. A decommissioning plan was approved by Greater Wellington Regional Council on 28 September 2001.

The carrying value of the Paraparaumu Sludge Ponds has been impaired to reflect the decommissioning costs. As the current estimate of future decommissioning costs is less than land value, no further provision is required.

### Provision for Environmental Obligations

#### Otaihangā Landfill

	2012/13 Actual \$000	2011/12 Actual \$000
Opening Balance	38	38
Expenditure	(4)	(4)
Increase Provision	4	4
<b>CLOSING BALANCE</b>	<b>38</b>	<b>38</b>



## 19. Reserves and Special Funds

	2012/13 Actual \$000	2011/12 Actual \$000 Adjusted	2011/12 Actual \$000 Original
<b>Opening Balance</b>	3,582	2,062	2,062
Transfers from Special Funds	1,114	2,306	645
Transfers to Special Funds	(1,450)	(786)	(786)
<b>Closing Balance</b>	<b>3,246</b>	<b>3,582</b>	<b>1,921</b>
<i>Represented by:</i>			
<b>Council Restricted Reserves</b>			
Plant Purchase and Renewal Fund	750	642	642
Waikanae Property Fund	77	75	75
Waikanae Capital Improvements Fund	1,152	1,127	1,127
<b>Council Created Reserves</b>			
Contingency Fund	949	1,423	-
Paekākāriki - Campe Estate	105	102	-
Roading Reserve	109	143	-
Election Reserve	104	70	-
Ōtaki Carpark and Services Lane	-	-	77
<b>TOTAL</b>	<b>3,246</b>	<b>3,582</b>	<b>1,921</b>

Please note four reserves were added to this category. These were:

- Contingency Fund
- Paekākāriki Campe Estate
- Roothing Upgrading Contributions
- Election Reserve Account

The Ōtaki Services Lane and Car Park Fund no longer meets the definition and is now in Note 23.

The movement in reserves results in the opening balance as reported in the 2011/12 financial results increasing from \$1.921 million to \$3.582 million.

### Plant Purchase and Renewal Fund

Purpose: To fund the replacement of Council's vehicles and plant.

Source of Funds: Depreciation charges relating to Council's vehicles and plant.

### Waikanae Property Fund

Purpose: To fund Council property improvements at Waikanae.

Source of Funds: Sale of Council property proceeds (excluding Districtwide funded properties) in the Waikanae Ward.

### Waikanae Capital Improvement Fund

Purpose: To fund Council capital improvements in the Waikanae Ward and also to provide capital grants to Waikanae organisations in accordance with approved criteria.

Source of Funds: Original source of funds was Waikanae's share of the property assets of the Horowhenua County Council. Current source is interest on the capital sum.

## Contingency Fund

Purpose: To fund unexpected expenditure across the District, e.g. Leaky Home Claims, flood events, insurances excess etc.

Source of Funds: Rate Penalties.

## Paekākāriki Campe Estate

Purpose: To administer the Paekākāriki Campe Estate funds for the benefit of the youth of Kāpiti.

Source of Funds: Original source of funds was the proceeds from the sale of the property owned by Mr Campe. Current funding source is interest on the capital sum.

## Roading Reserve Upgrading Contributions

Purpose: To fund road upgrading works from contributions from developers.

Source of Funds: The original source of funds was road upgrading contributions from developers. Current source is interest on the capital sum.

## Election Reserve

Purpose: To fund the three yearly election cycle.

Source of Funds: Funded from rates on an annual basis.

## 20. Statement of Cash Flows

- a) Investing activities comprise the purchase and disposal of non-current assets used in Council operations together with money received from investments held.
- b) Financing activities comprise the change in the debt capital structure of Council. All financing activities during the year were for cash.
- c) Reconciliation with reported surplus.

	2012/13 Actual \$000	2011/12 Actual \$000
Reported Surplus (Deficit)	5,229	(3,240)
Add back Non Cash Items:		
• Depreciation	13,847	13,142
• Asset Disposal	-	975
• Vested Assets	(482)	(880)
• Revaluation of Interest Rate Swaps	(4,161)	5,936
• Provision for Bad Debts	151	67
• Revaluation of Forestry	(262)	204
Add back Items Classified as Investing Activities		
Trust Fund Revenue (Coastlands Aquatic Centre)	(1,189)	-
NZTA Capital Funding	(1,344)	-
Add (less) Movements in Other Working Capital Items:		
• (Inc)/Dec in Accounts Receivable	(388)	(274)
• Inc/(Dec) in Employment Entitlements	94	99
• (Inc)/Dec in Inventory	40	5
• Inc/(Dec) in Deposits	(114)	27
• Inc/(Dec) in Accounts Payable (Operating)	877	478
• Inc/(Dec) in Development Contributions	(641)	(2,698)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES (GST exclusive)</b>	<b>11,657</b>	<b>13,841</b>

## 21. Total Operating Expenditure/Income

	2012/13 Actual \$000	2011/12 Actual \$000
<b>Total Operating Expenditure includes:</b>		
<u>Audit Fees (net of disbursements)</u>		
Fees Paid to Principal Auditors		
Annual Report	148	140
2012 Long Term Plan	-	117
2013 Amendment to 2012 Long Term Plan	11	-
New Zealand Community Trust Grant	2	-
<b>TOTAL AUDIT FEES</b>	<b>161</b>	<b>257</b>
<u>Depreciation and Amortisation</u>		
Computer Software (Intangible Asset)	201	146
Computer Hardware / Office Equipment	526	526
Furniture and Fittings	114	82
* Motor Vehicles	263	271
Buildings and Improvements	2,470	2,366
Library Collection	387	347
Wastewater	2,241	2,188
Water	1,940	1,931
Roeading	4,008	3,780
* Plant and Machinery	113	126
Bridges	266	271
River Control	13	13
Stormwater	1,054	852
Seawalls	251	243
<b>TOTAL DEPRECIATION AND AMORTISATION</b>	<b>13,847</b>	<b>13,142</b>
<b>Note:</b> *Motor Vehicles and Plant Depreciation are included in the Cost of Activity Statements as part of the transport costs.		
<u>Employee Benefit Expenses</u>		
Salaries and Wages	18,117	16,694
Employer Superannuation Contributions to:		
Defined contribution schemes	498	436
Increase/(Decrease) in Employee Benefit Liabilities	94	108
Allocation of Labour Costs to Capital Projects	(1,811)	(2,016)
<b>TOTAL EMPLOYEE BENEFIT EXPENSES</b>	<b>16,898</b>	<b>15,222</b>
Fees to Elected Members	521	567
Insurance Premiums	1,306	1,077
Subscriptions	68	81
Entertainment Expenses	6	6
Public Ceremonies	82	47
Grants to Community Organisations	716	612
Interest on Debt Servicing	7,253	6,170
Bad Debts Written Off – General Debtors	-	2
<b>Total Operating Income includes:</b>		
<b>NZTA Operating Revenue</b>		
Maintenance of Roads	955	1,175
Renewal Local Roads	1,344	2,046
Community Programmes	33	147
Western Link – Properties	21	2
<b>TOTAL NZTA OPERATING REVENUE</b>	<b>2,353</b>	<b>3,370</b>
<b>NZTA Expressway Project</b>		
Expressway – Investigation and Design - Revenue	(200)	(612)
Expressway – Investigation and Design - Expenditure	204	612



## 22. Contingencies

Council had outstanding liability claims totalling \$1,305,000 as at 30 June 2013 (\$482,000 as at 30 June 2012). These claims mainly relate to building consents and resource consents.

Of the total claims outstanding Council would be liable to a maximum amount of \$535,000 (\$142,000 as at 30 June 2012) as the balance is covered by policies of insurance and indemnity arrangements.

Provision has been made in the financial statements for known leaky building claims made as at 30 June 2013 of \$525,000 (2012: \$525,000). Based on prior claims settled, future claims could be in the order of \$800,000 in total until Council's exposure to this risk finishes in 2015.

There are no contingent assets (2012: Nil).

### *Local Government Funding Agency*

Council is a guarantor of the New Zealand Local Government Funding Agency Limited (LGFA). The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of AA+ which is equal to the NZ Government sovereign rating.

Council is one of 30 local authority shareholders and 8 local authority guarantors of the LGFA. In that regard Council has an obligation in respect of uncalled capital of \$100,000. When aggregated with the uncalled capital of other shareholders, \$20 million is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Council is a guarantor of all of LGFA's borrowings. At 30 June 2013, NZLGFA had borrowings totalling \$2.475 billion.

Financial reporting standards require Council to recognise the guarantee liability at fair value. However, Council, along with all other Council shareholders and guarantees of the LGFA, has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. Council considers the risk of the LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- a. it is not aware of any local authority debt default events in New Zealand; and
- b. local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.



## 23. Miscellaneous and Separate Funds

	2012/13 Actual \$000	2011/12 Actual \$000
Districtwide Advance Account	224	286
Paraparaumu Beach Carpark	56	56
Housing for Older Persons Depreciation	(5)	(5)
Parks and Open Space / Pools Projects	20	20
Districtwide Property Fund	300	314
Ōtaki Property Sales Fund	37	37
Waste Minimisation Levy	79	61
Coastlands Aquatic Centre Fundraising	649	362
Systems Charges	26	24
Water Conservation Loans	-	(13)
House Sale Awa Tapu Cemetery	173	-
Ōtaki Services Lane and Car-park Account	79	77
ECCA Loan repayments	-	16
Environmental Obligations	-	3
<b>TOTAL</b>	<b>1,638</b>	<b>1,238</b>

As a result of change in legislation four Funds were removed from this note. Please see Note 19 for full disclosure of this transfer.

The Miscellaneous and Separate funds above are included in Accumulated Funds.

## 24. Related Party Transactions and Balances

### Key Management Personnel

During the year Councillors and key management as part of a normal customer relationship were involved in minor transactions with Council (such as payment of rates).

There were no outstanding balances with key management personnel.

No provision has been required, nor any expense recognised for impairment of receivables to related parties.

#### *Key Management Personnel <sup>(1)</sup> Compensation*

	2012/13 Actual \$000	2011/12 Actual \$000
Salaries and other short term employee benefits	1,800	1,646
Termination Benefits	-	-

Note: <sup>(1)</sup> Key management personnel include the Mayor, Councillors, Chief Executive and members of the Senior Leadership Team.

## 25. Remuneration of the Chief Executive

The Chief Executive of Council, Pat Dougherty, was appointed under Section 42 of the Local Government Act 2002 on 11 August 2008.

The total cost, including Fringe Benefit Tax, to Council of the Chief Executive remuneration package was:

Total Remuneration for the Year	2012/13 Actual \$000	2011/12 Actual \$000
Chief Executive		
Annual Salary	271	266
Additional Benefit	-	-
Full use of Council Vehicle (including Fringe Benefit Tax)	14	13
<b>TOTAL REMUNERATION</b>	<b>285</b>	<b>279</b>

## 26. Severance Payments

For the year ended 30 June 2013 there were two severance payments (2012: four) made to employees totaling \$19,462. The value of each severance pay was \$14,000 and \$5,462.

This disclosure is in accordance with Schedule 10 of the Local Government Act 2002.

## 27. Events After Balance Date

There were no events after balance date that impact on Council's financial position as at 30 June 2013 (2012: nil).



## 28. Rates Remissions

Rates revenue is shown net of rates remissions. Under Council's Rates Remission Policies which provide for rates to be remitted for Council Community, Properties and Sporting, Recreational and other Community Organisations, as well as separately habitable parts of properties, Council made remissions during the year that totalled \$424,877.

	2012/13 Actual \$000	2011/12 Actual \$000
<b>Total Rates Revenue (Per the Statement of Comprehensive Income)</b>	<b>48,524</b>	<b>45,621</b>
Add back Internal Rates	503	518
Less Penalties	(510)	(536)
<b>Total Rates Levied</b>	<b>48,517</b>	<b>45,603</b>
Less Total Remissions (below)	(425)	(284)
Plus Remitted Late Penalties (below)	167	125
<b>TOTAL RATES REVENUE LEVIED (NET OF REMISSIONS)</b>	<b>48,259</b>	<b>45,444</b>

<b>Council Policy Remissions</b>	2012/13 Actual \$000	2011/12 Actual \$000
Council Community Properties, Sporting, Recreational and Other Community Organisations	41	40
Residential Rating Units containing Two Separately Habitable Units	126	119
Remission of Rates for Financial Hardship	91	-
Remission of Late Payment Penalties	167	125
<b>TOTAL RATES REMISSIONS</b>	<b>425</b>	<b>284</b>

## 29. Non-Current Assets Held for Sale

	2012/13 Actual \$000	2011/12 Actual \$000
Non-Current Assets Held for Sale are		
Land – Roads of National Significance	3,650	-
<b>TOTAL NON-CURRENT ASSET HELD FOR SALE</b>	<b>3,650</b>	<b>-</b>



### 30. Internal Debt

	2011/12 Closing Balance	2012/13 Loan Repayments	2012/13 Closing Balance	2012/13 Loan Interest
	\$000	\$000	\$000	\$000
Access and Transport	3,114	1,972	1,142	104
Coastal Management	128	38	90	5
Community Facilities	291	237	54	20
Development Management	367	367	-	9
Governance and Tāngata Whenua	349	349	-	9
Libraries, Arts and Museums	4,045	4,045	-	188
Solid Waste	111	111	-	5
Stormwater Management	808	183	625	34
Wastewater Management	11,633	2,874	8,759	529
Water Management	632	132	500	27
<b>TOTAL INTERNAL DEBT</b>	<b>21,478</b>	<b>10,308</b>	<b>11,170</b>	<b>930</b>

### 31. Salary Bands

Full Time Equivalents	2012/13 Actual \$000	2011/12 Actual \$000
Full Time Employees	272	247
Full Time Equivalents (all other Employees)	5	6
<b>TOTAL FULL TIME EQUIVLANTS</b>	<b>277</b>	<b>253</b>

Please note for the purposes of this note if an employee works more than 37.5 hours they are deemed a Full Time Equivalent even if they are employed on a casual basis.

Total Annual Remuneration	2012/13 Actual \$000	2011/12 Actual \$000
Less than \$59,999	228	185
Between \$60,000 - \$79,999	54	59
Between \$80,000 - \$99,999	28	24
Between \$100,000 - \$119,999	10	11
Between \$120,000 - \$299,999	9	8
<b>TOTAL ANNUAL REMUNERATION BY SALARY BANDS</b>	<b>329</b>	<b>287</b>

Total remuneration includes salary and motor vehicles as part of the salary package paid to the employee by Council. The above figures represent headcount hence the difference to the Full Time Equivalents above. The full time employees figure of 292 on page 193 is different again as it includes vacant positions on 30 June 2013.

### 32. Reclassification

Council has changed the presentation of items within income to comply with the new presentation requirements of the Local Government (Financial Reporting) Regulations 2011. The effect of the changes to income is shown in the table below:

	Actual 2012		
	Before Reclassification \$000	Reclassification \$000	After Reclassification \$000
<b>Income</b>			
Total Rates	45,621	(45,621)	-
Rates, excluding Targeted Rates for Water Supply	-	38,749	38,749
Targeted Rates	-	6,872	6,872
Development and Financial Contributions	-	3,468	3,468
NZTA Operating Funding	3,370	-	3,370
NZTA Expressway Project	612	-	612
Other Revenue	12,323	(3,468)	8,855
<b>TOTAL INCOME</b>	<b>61,926</b>	<b>-</b>	<b>61,926</b>

### 33. Depreciation and Amortisation Expenses by Group of Activity

	2012/13 Actual \$000	2011/12 Actual \$000
<b>Directly Attributable Depreciation and Amortisation Expenses by Group of Activity</b>		
Access and Transport	4,332	4,126
Building Control and Resource Consents	-	4
Coastal Management	215	207
Community Facilities	906	854
Development Management	74	57
Economic Development	15	15
Environmental Protection	58	62
Governance and Tāngata Whenua	1,039	917
Libraries, Arts and Museums	617	584
Parks and Open Space	831	807
Solid Waste	77	55
Stormwater Management	1,057	858
Supporting Environmental Sustainability	-	-
Supporting Social Wellbeing	-	-
Wastewater Management	2,269	2,218
Water Management	1,982	1,980
<i>Total Directly Attributable Depreciation and Amortisation Expenses by Group of Activity</i>	<b>13,472</b>	<b>12,744</b>
Depreciation and Amortisation not Directly Related to Group of Activities	375	398
<b>TOTAL DEPRECIATION AND AMORTISATION EXPENSE</b>	<b>13,847</b>	<b>13,142</b>



#### 34. Rates, excluding Targeted Water Supply Rates

	2012/13 Actual \$000	2011/12 Actual \$000
General Rates	33,490	30,612
Targeted Rates Attributable to Activities		
Water, excluding Targeted Water Supply Rates	-	-
Sewerage	7,409	7,601
Refuse and Sanitation	-	-
Marketing	-	-
Rates Penalties	510	536
<b>TOTAL RATES, EXCLUDING TARGETED WATER SUPPLY RATES</b>	<b>41,409</b>	<b>38,749</b>

Council is required by the Local Government Funding Agency (LGFA) Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates income. That Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating Act) 2002 together with any revenue received by Council from other local authorities for services provided by that Council for which those other local authorities rate. The annual rates income of Council for the year ended 30 June 2013 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

	2012/13 Actual \$000	2011/12 Actual \$000
Rates, excluding Targeted Water Supply Rates	41,409	38,749
Targeted Rates	7,115	6,872
<b>TOTAL ANNUAL RATES</b>	<b>48,524</b>	<b>45,621</b>

### 35. Funding Impact Statements by Activity - Access and Transport

2011/12 Actual \$000		2012/13 Actual \$000	2012/13 Budget \$000
<b>Sources of Operating Funding</b>			
5,900	Targeted Rates (other than a targeted rate for water supply)	6,161	5,762
3,370	Subsidies	1,209	1,805
884	Fees, charges, and targeted rates for water supply	396	388
<b>10,154</b>	<b>Total Operating Funding</b>	<b>7,766</b>	<b>7,955</b>
<b>Application of Operating Funding</b>			
4,986	Payment to Staff and Suppliers	4,783	4,780
1,932	Finance Costs	1,671	2,155
694	Internal Charging and Overheads	833	680
<b>7,612</b>	<b>Total Application of Operating Funding</b>	<b>7,287</b>	<b>7,615</b>
<b>2,542</b>	<b>Surplus to Operating Funding</b>	<b>479</b>	<b>340</b>
<b>Sources of Capital Funding</b>			
476	Development Levies	830	867
3,714	Loans	3,325	6,133
-	NZTA Capital Subsidies	1,344	1,493
<b>4,190</b>	<b>Total Sources of Capital Funding</b>	<b>5,499</b>	<b>8,493</b>
<b>Uses of Capital Funding</b>			
-	To meet additional demand	(169)	(450)
(2,416)	To meet improved levels of services	(1,501)	(3,692)
(2,594)	To replace existing assets	(2,579)	(2,858)
(1,722)	Decrease in investments	(1,666)	(1,770)
-	Decrease in reserves	(63)	(63)
<b>(6,732)</b>	<b>Total Application of Capital Funding</b>	<b>(5,978)</b>	<b>(8,833)</b>
<b>(2,542)</b>	<b>Deficit of Capital Funding</b>	<b>(479)</b>	<b>(340)</b>
-	<b>FUNDING STATEMENT BALANCE</b>	-	-



## Funding Impact Statement - Building Control and Resource Consents

(Note 35 continued)

2011/12 Actual \$000		2012/13 Actual \$000	2012/13 Budget \$000
<b>Sources of Operating Funding</b>			
1,531	Targeted Rates (other than a targeted rate for water supply)	1,570	1,736
1,502	Fees, charges, and targeted rates for water supply	1,527	1,420
<b>3,033</b>	<b>Total Operating Funding</b>	<b>3,097</b>	<b>3,156</b>
<b>Application of Operating Funding</b>			
1,557	Payment to Staff and Suppliers	1,620	1,668
1,472	Internal Charging and Overheads	1,477	1,488
<b>3,029</b>	<b>Total Application of Operating Funding</b>	<b>3,097</b>	<b>3,156</b>
<b>4</b>	<b>Surplus to Operating Funding</b>	-	-
(4)	Decrease in investments	-	-
<b>(4)</b>	<b>Total Application of Capital Funding</b>	-	-
<b>(4)</b>	<b>Deficit of Capital Funding</b>	-	-
-	<b>FUNDING STATEMENT BALANCE</b>	-	-

## Funding Impact Statement - Coastal Management

(Note 35 continued)

2011/12 Actual \$000		2012/13 Actual \$000	2012/13 Budget \$000
	<b>Sources of Operating Funding</b>		
665	General Rates	634	720
7	Targeted Rates (other than a targeted rate for water supply)	7	4
15	Fees, charges, and targeted rates for water supply	-	16
<b>687</b>	<b>Total Operating Funding</b>	<b>641</b>	<b>740</b>
	<b>Application of Operating Funding</b>		
208	Payment to Staff and Suppliers	208	247
183	Finance Costs	191	196
74	Internal Charging and Overheads	28	24
<b>465</b>	<b>Total Application of Operating Funding</b>	<b>427</b>	<b>467</b>
<b>222</b>	<b>Surplus to Operating Funding</b>	<b>214</b>	<b>273</b>
	<b>Sources of Capital Funding</b>		
501	Loans	260	401
<b>501</b>	<b>Total Sources of Capital Funding</b>	<b>260</b>	<b>401</b>
	<b>Uses of Capital Funding</b>		
(217)	To meet improved levels of services	(177)	(189)
(285)	To replace existing assets	(107)	(256)
(221)	Decrease in investments	(190)	(229)
<b>(723)</b>	<b>Total Application of Capital Funding</b>	<b>(474)</b>	<b>(674)</b>
<b>(222)</b>	<b>Deficit of Capital Funding</b>	<b>(214)</b>	<b>(273)</b>
<b>-</b>	<b>FUNDING STATEMENT BALANCE</b>	<b>-</b>	<b>-</b>





## Funding Impact Statement - Community Facilities

(Note 35 continued)

2011/12 Actual \$000		2012/13 Actual \$000	2012/13 Budget \$000
	<b>Sources of Operating Funding</b>		
848	General Rates	896	972
2,252	Targeted Rates (other than a targeted rate for water supply)	2,939	3,389
1,618	Fees, charges, and targeted rates for water supply	2,791	2,159
<b>4,718</b>	<b>Total Operating Funding</b>	<b>6,626</b>	<b>6,520</b>
	<b>Application of Operating Funding</b>		
2,429	Payment to Staff and Suppliers	2,711	2,663
171	Finance Costs	690	947
714	Internal Charging and Overheads	1,168	840
<b>3,314</b>	<b>Total Application of Operating Funding</b>	<b>4,569</b>	<b>4,450</b>
<b>1,404</b>	<b>Surplus to Operating Funding</b>	<b>2,057</b>	<b>2,070</b>
	<b>Sources of Capital Funding</b>		
1,334	Development Levies	252	253
6,783	Loans	17,706	4,526
<b>8,117</b>	<b>Total Sources of Capital Funding</b>	<b>17,958</b>	<b>4,779</b>
	<b>Uses of Capital Funding</b>		
(8,649)	To meet improved levels of services	(17,781)	(9,366)
(216)	To replace existing assets	(773)	(823)
(656)	Decrease in investments	(1,461)	3,340
<b>(9,521)</b>	<b>Total Application of Capital Funding</b>	<b>(20,015)</b>	<b>(6,849)</b>
<b>(1,404)</b>	<b>Deficit of Capital Funding</b>	<b>(2,057)</b>	<b>(2,070)</b>
<b>-</b>	<b>FUNDING STATEMENT BALANCE</b>	<b>-</b>	<b>-</b>



## Funding Impact Statement - Development Management

(Note 35 continued)

2011/12 Actual \$000		2012/13 Actual \$000	2012/13 Budget \$000
	<b>Sources of Operating Funding</b>		
747	General Rates	901	928
1,375	Targeted Rates (other than a targeted rate for water supply)	2,125	1,749
78	Fees, charges, and targeted rates for water supply	52	205
<b>2,200</b>	<b>Total Operating Funding</b>	<b>3,078</b>	<b>2,882</b>
	<b>Application of Operating Funding</b>		
966	Payment to Staff and Suppliers	1,536	1,296
402	Finance Costs	634	664
588	Internal Charging and Overheads	647	648
<b>1,956</b>	<b>Total Application of Operating Funding</b>	<b>2,817</b>	<b>2,608</b>
<b>244</b>	<b>Surplus to Operating Funding</b>	<b>261</b>	<b>274</b>
	<b>Sources of Capital Funding</b>		
-	Development Levies	65	66
4,371	Loans	3,626	3,557
<b>4,371</b>	<b>Total Sources of Capital Funding</b>	<b>3,691</b>	<b>3,623</b>
	<b>Uses of Capital Funding</b>		
(4,459)	To meet improved levels of services	(3,691)	(3,623)
(156)	Decrease in investments	(261)	(274)
<b>(4,615)</b>	<b>Total Application of Capital Funding</b>	<b>(3,952)</b>	<b>(3,897)</b>
<b>(244)</b>	<b>Deficit of Capital Funding</b>	<b>(261)</b>	<b>(274)</b>
<b>-</b>	<b>FUNDING STATEMENT BALANCE</b>	<b>-</b>	<b>-</b>



## Funding Impact Statement - Economic Development

(Note 35 continued)

2011/12 Actual \$000		2012/13 Actual \$000	2012/13 Budget \$000
	<b>Sources of Operating Funding</b>		
856	General Rates	936	941
-	Fees, charges, and targeted rates for water supply	-	143
<b>856</b>	<b>Total Operating Funding</b>	<b>936</b>	<b>1,084</b>
	<b>Application of Operating Funding</b>		
703	Payment to Staff and Suppliers	782	852
15	Finance Costs	13	90
117	Internal Charging and Overheads	119	121
<b>835</b>	<b>Total Application of Operating Funding</b>	<b>914</b>	<b>1,063</b>
<b>21</b>	<b>Surplus to Operating Funding</b>	<b>22</b>	<b>21</b>
	<b>Sources of Capital Funding</b>		
-	Loans	200	1,500
-	<b>Total Sources of Capital Funding</b>	<b>200</b>	<b>1,500</b>
	<b>Uses of Capital Funding</b>		
-	To meet improved levels of services	(200)	(1,500)
(21)	Decrease in investments	(22)	(21)
<b>(21)</b>	<b>Total Application of Capital Funding</b>	<b>(222)</b>	<b>(1,521)</b>
<b>(21)</b>	<b>Deficit of Capital Funding</b>	<b>(22)</b>	<b>(21)</b>
-	<b>FUNDING STATEMENT BALANCE</b>	<b>-</b>	<b>-</b>



## Funding Impact Statement - Environmental Protection

(Note 35 continued)

2011/12 Actual \$000		2012/13 Actual \$000	2012/13 Budget \$000
	<b>Sources of Operating Funding</b>		
700	General Rates	746	770
846	Targeted Rates (other than a targeted rate for water supply)	913	1,016
914	Fees, charges, and targeted rates for water supply	957	886
<b>2,460</b>	<b>Total Operating Funding</b>	<b>2,616</b>	<b>2,672</b>
	<b>Application of Operating Funding</b>		
1,604	Payment to Staff and Suppliers	1,628	1,708
130	Finance Costs	111	99
657	Internal Charging and Overheads	794	776
<b>2,391</b>	<b>Total Application of Operating Funding</b>	<b>2,533</b>	<b>2,583</b>
<b>69</b>	<b>Surplus to Operating Funding</b>	<b>83</b>	<b>89</b>
	<b>Uses of Capital Funding</b>		
(6)	To meet improved levels of services	-	-
(28)	To replace existing assets	(21)	(31)
(35)	Decrease in investments	(62)	(58)
<b>(69)</b>	<b>Total Application of Capital Funding</b>	<b>(83)</b>	<b>(89)</b>
<b>(69)</b>	<b>Deficit of Capital Funding</b>	<b>(83)</b>	<b>(89)</b>
<b>-</b>	<b>FUNDING STATEMENT BALANCE</b>	<b>-</b>	<b>-</b>



## Funding Impact Statement - Governance and Tāngata Whenua

(Note 35 continued)

2011/12 Actual \$000		2012/13 Actual \$000	2012/13 Budget \$000
	<b>Sources of Operating Funding</b>		
2,453	General Rates	2,437	2,300
289	Targeted Rates (other than a targeted rate for water supply)	284	307
555	Fees, charges, and targeted rates for water supply	701	762
<b>3,297</b>	<b>Total Operating Funding</b>	<b>3,422</b>	<b>3,369</b>
	<b>Application of Operating Funding</b>		
4,191	Payment to Staff and Suppliers	3,084	1,761
109	Finance Costs	381	426
1,334	Internal Charging and Overheads	1,407	1,355
<b>5,634</b>	<b>Total Application of Operating Funding</b>	<b>4,872</b>	<b>3,542</b>
<b>(2,337)</b>	<b>Deficit to Operating Funding</b>	<b>(1,450)</b>	<b>(173)</b>
	<b>Sources of Capital Funding</b>		
810	Loans	427	5,294
<b>810</b>	<b>Total Sources of Capital Funding</b>	<b>427</b>	<b>5,294</b>
	<b>Uses of Capital Funding</b>		
(235)	To meet improved levels of services	(67)	(4,769)
(507)	To replace existing assets	(509)	(1,476)
2,834	Increase in investments	1,846	1,762
(565)	Decrease in reserves	(247)	(638)
<b>(1,527)</b>	<b>Total Application of Capital Funding</b>	<b>(1,023)</b>	<b>(5,121)</b>
<b>2,337</b>	<b>Surplus of Capital Funding</b>	<b>1,450</b>	<b>173</b>
<b>-</b>	<b>FUNDING STATEMENT BALANCE</b>	<b>-</b>	<b>-</b>



## Funding Impact Statement - Libraries, Arts and Museums

(Note 35 continued)

2011/12 Actual \$000		2012/13 Actual \$000	2012/13 Budget \$000
	<b>Sources of Operating Funding</b>		
218	General Rates	252	83
3,427	Targeted Rates (other than a targeted rate for water supply)	3,707	3,568
315	Fees, charges, and targeted rates for water supply	285	316
<b>3,960</b>	<b>Total Operating Funding</b>	<b>4,244</b>	<b>3,967</b>
	<b>Application of Operating Funding</b>		
2,360	Payment to Staff and Suppliers	2,504	2,520
202	Finance Costs	217	179
648	Internal Charging and Overheads	710	501
<b>3,210</b>	<b>Total Application of Operating Funding</b>	<b>3,431</b>	<b>3,200</b>
<b>750</b>	<b>Surplus to Operating Funding</b>	<b>813</b>	<b>767</b>
	<b>Sources of Capital Funding</b>		
-	Development Levies	15	16
28	Loans	40	348
<b>28</b>	<b>Total Sources of Capital Funding</b>	<b>55</b>	<b>364</b>
	<b>Uses of Capital Funding</b>		
(442)	To meet improved levels of services	(449)	(732)
(195)	To replace existing assets	(43)	(131)
(141)	Decrease in investments	(376)	(268)
<b>(778)</b>	<b>Total Application of Capital Funding</b>	<b>(868)</b>	<b>(1,131)</b>
<b>(750)</b>	<b>Deficit of Capital Funding</b>	<b>(813)</b>	<b>(767)</b>
<b>-</b>	<b>FUNDING STATEMENT BALANCE</b>	<b>-</b>	<b>-</b>



## Funding Impact Statement - Parks and Open Space

(Note 35 continued)

2011/12 Actual \$000		2012/13 Actual \$000	2012/13 Budget \$000
<b>Sources of Operating Funding</b>			
3,845	Targeted Rates (other than a targeted rate for water supply)	4,182	4,196
113	Fees, charges, and targeted rates for water supply	414	130
<b>3,958</b>	<b>Total Operating Funding</b>	<b>4,596</b>	<b>4,326</b>
<b>Application of Operating Funding</b>			
2,645	Payment to Staff and Suppliers	2,726	2,695
44	Finance Costs	101	111
619	Internal Charging and Overheads	713	647
<b>3,308</b>	<b>Total Application of Operating Funding</b>	<b>3,540</b>	<b>3,453</b>
<b>650</b>	<b>Surplus to Operating Funding</b>	<b>1,056</b>	<b>873</b>
<b>Sources of Capital Funding</b>			
904	Development Levies	397	397
1,646	Loans	467	833
<b>2,550</b>	<b>Total Sources of Capital Funding</b>	<b>864</b>	<b>1,230</b>
<b>Uses of Capital Funding</b>			
(2,557)	To meet improved levels of services	(1,450)	(1,860)
(290)	To replace existing assets	(86)	(150)
(353)	Decrease in investments	(384)	(93)
<b>(3,200)</b>	<b>Total Application of Capital Funding</b>	<b>(1,920)</b>	<b>(2,103)</b>
<b>(650)</b>	<b>Deficit of Capital Funding</b>	<b>(1,056)</b>	<b>(873)</b>
<b>-</b>	<b>FUNDING STATEMENT BALANCE</b>	<b>-</b>	<b>-</b>



## Funding Impact Statement - Solid Waste

(Note 35 continued)

2011/12 Actual \$000		2012/13 Actual \$000	2012/13 Budget \$000
	<b>Sources of Operating Funding</b>		
-	General Rates	35	39
2,965	Fees, charges, and targeted rates for water supply	2,504	2,888
<b>2,965</b>	<b>Total Operating Funding</b>	<b>2,539</b>	<b>2,927</b>
	<b>Application of Operating Funding</b>		
2,678	Payment to Staff and Suppliers	1,984	2,361
162	Finance Costs	185	178
142	Internal Charging and Overheads	276	252
<b>2,982</b>	<b>Total Application of Operating Funding</b>	<b>2,445</b>	<b>2,791</b>
<b>(17)</b>	<b>Surplus / (Deficit) to Operating Funding</b>	<b>94</b>	<b>136</b>
	<b>Sources of Capital Funding</b>		
31	Loans	86	137
<b>31</b>	<b>Total Sources of Capital Funding</b>	<b>86</b>	<b>137</b>
	<b>Uses of Capital Funding</b>		
(31)	To meet improved levels of services	86	(137)
17	Increase (Decrease) in investments	94	(136)
<b>(14)</b>	<b>Total Application of Capital Funding</b>	<b>180</b>	<b>(273)</b>
<b>17</b>	<b>Surplus / (Deficit) of Capital Funding</b>	<b>(94)</b>	<b>(136)</b>
-	<b>FUNDING STATEMENT BALANCE</b>	<b>-</b>	<b>-</b>



## Funding Impact Statement - Stormwater Management

(Note 35 continued)

2011/12 Actual \$000		2012/13 Actual \$000	2012/13 Budget \$000
	<b>Sources of Operating Funding</b>		
648	General Rates	438	417
2,504	Targeted Rates (other than a targeted rate for water supply)	2,681	2,683
49	Fees, charges, and targeted rates for water supply	49	50
<b>3,204</b>	<b>Total Operating Funding</b>	<b>3,168</b>	<b>3,150</b>
	<b>Application of Operating Funding</b>		
906	Payment to Staff and Suppliers	1,001	1,209
839	Finance Costs	932	919
258	Internal Charging and Overheads	179	117
<b>2,003</b>	<b>Total Application of Operating Funding</b>	<b>2,112</b>	<b>2,245</b>
<b>1,201</b>	<b>Surplus to Operating Funding</b>	<b>1,056</b>	<b>905</b>
	<b>Sources of Capital Funding</b>		
133	Development Levies	109	109
4,163	Loans	2,208	2,712
<b>4,296</b>	<b>Total Sources of Capital Funding</b>	<b>2,317</b>	<b>2,821</b>
	<b>Uses of Capital Funding</b>		
(359)	To meet additional demand	(183)	(241)
(3,665)	To meet improved levels of services	(1,977)	(1,956)
(368)	To replace existing assets	(253)	(746)
(1,105)	Decrease in investments	(960)	(783)
<b>(5,497)</b>	<b>Total Application of Capital Funding</b>	<b>(3,373)</b>	<b>(3,726)</b>
<b>(1,201)</b>	<b>Deficit of Capital Funding</b>	<b>(1,056)</b>	<b>(905)</b>
<b>-</b>	<b>FUNDING STATEMENT BALANCE</b>	<b>-</b>	<b>-</b>

## Funding Impact Statement - Supporting Environmental Sustainability

(Note 35 continued)

2011/12 Actual \$000		2012/13 Actual \$000	2012/13 Budget \$000
	<b>Sources of Operating Funding</b>		
628	General Rates	680	683
204	Fees, charges, and targeted rates for water supply	246	285
<b>832</b>	<b>Total Operating Funding</b>	<b>926</b>	<b>968</b>
	<b>Application of Operating Funding</b>		
648	Payment to Staff and Suppliers	674	736
218	Internal Charging and Overheads	233	232
<b>866</b>	<b>Total Application of Operating Funding</b>	<b>907</b>	<b>968</b>
<b>(34)</b>	<b>Surplus / (Deficit) to Operating Funding</b>	<b>19</b>	<b>-</b>
	<b>Uses of Capital Funding</b>		
34	Increase/(Decrease) in investments	(19)	-
<b>34</b>	<b>Total Application of Capital Funding</b>	<b>(19)</b>	<b>-</b>
<b>34</b>	<b>Surplus / (Deficit) of Capital Funding</b>	<b>(19)</b>	<b>-</b>
<b>-</b>	<b>FUNDING STATEMENT BALANCE</b>	<b>-</b>	<b>-</b>



## Funding Impact Statement - Supporting Social Wellbeing

(Note 35 continued)

2011/12 Actual \$000		2012/13 Actual \$000	2012/13 Budget \$000
	<b>Sources of Operating Funding</b>		
1,225	General Rates	1,233	1,245
82	Fees, charges, and targeted rates for water supply	20	(352)
<b>1,307</b>	<b>Total Operating Funding</b>	<b>1,253</b>	<b>893</b>
	<b>Application of Operating Funding</b>		
1,031	Payment to Staff and Suppliers	946	939
276	Internal Charging and Overheads	307	306
<b>1,307</b>	<b>Total Application of Operating Funding</b>	<b>1,253</b>	<b>1,245</b>
-	<b>Surplus to Operating Funding</b>	-	<b>(352)</b>
	<b>Uses of Capital Funding</b>		
-	Decrease in investments	-	352
-	<b>Total Application of Capital Funding</b>	-	<b>352</b>
-	<b>Surplus of Capital Funding</b>	-	<b>352</b>
-	<b>FUNDING STATEMENT BALANCE</b>	-	-



## Funding Impact Statement - Wastewater Management

(Note 35 continued)

2011/12 Actual \$000		2012/13 Actual \$000	2012/13 Budget \$000
	<b>Sources of Operating Funding</b>		
7,591	Targeted Rates (other than a targeted rate for water supply)	7,401	6,863
301	Fees, charges, and targeted rates for water supply	257	16
<b>7,892</b>	<b>Total Operating Funding</b>	<b>7,658</b>	<b>6,879</b>
	<b>Application of Operating Funding</b>		
3,679	Payment to Staff and Suppliers	3,750	3,794
868	Finance Costs	865	895
847	Internal Charging and Overheads	983	84
<b>5,394</b>	<b>Total Application of Operating Funding</b>	<b>5,598</b>	<b>4,773</b>
<b>2,498</b>	<b>Surplus to Operating Funding</b>	<b>2,060</b>	<b>2,106</b>
	<b>Sources of Capital Funding</b>		
460	Development Levies	195	199
1,312	Loans	1,033	2,089
<b>1,772</b>	<b>Total Sources of Capital Funding</b>	<b>1,228</b>	<b>2,288</b>
	<b>Uses of Capital Funding</b>		
-	To meet additional demand	(162)	(361)
(149)	To meet improved levels of services	(44)	(7)
(2,812)	To replace existing assets	(1,716)	(2,589)
(1,309)	Decrease in investments	(1,366)	(1,437)
<b>(4,270)</b>	<b>Total Application of Capital Funding</b>	<b>(3,288)</b>	<b>(4,394)</b>
<b>(2,498)</b>	<b>Deficit of Capital Funding</b>	<b>(2,060)</b>	<b>(2,106)</b>
-	<b>FUNDING STATEMENT BALANCE</b>	-	-



## Funding Impact Statement - Water Management

(Note 35 continued)

2011/12 Actual \$000		2012/13 Actual \$000	2012/13 Budget \$000
	<b>Sources of Operating Funding</b>		
6,568	Fees, charges, and targeted rates for water supply	6,636	7,149
<b>6,568</b>	<b>Total Operating Funding</b>	<b>6,636</b>	<b>7,149</b>
	<b>Application of Operating Funding</b>		
2,960	Payment to Staff and Suppliers	2,791	3,008
1,119	Finance Costs	1,262	1,615
889	Internal Charging and Overheads	872	782
<b>4,968</b>	<b>Total Application of Operating Funding</b>	<b>4,925</b>	<b>5,405</b>
<b>1,600</b>	<b>Surplus to Operating Funding</b>	<b>1,711</b>	<b>1,744</b>
	<b>Sources of Capital Funding</b>		
161	Development Levies	134	134
3,422	Loans	9,963	16,541
<b>3,583</b>	<b>Total Sources of Capital Funding</b>	<b>10,097</b>	<b>16,675</b>
	<b>Uses of Capital Funding</b>		
(458)	To meet additional demand	(1,512)	(2,846)
(2,242)	To meet improved levels of services	(7,404)	(8,986)
(1,284)	To replace existing assets	(1,915)	(5,389)
(1,199)	Decrease in investments	(977)	(1,198)
<b>(5,183)</b>	<b>Total Application of Capital Funding</b>	<b>(11,808)</b>	<b>(18,419)</b>
<b>(1,600)</b>	<b>Deficit of Capital Funding</b>	<b>(1,711)</b>	<b>(1,744)</b>
<b>-</b>	<b>FUNDING STATEMENT BALANCE</b>	<b>-</b>	<b>-</b>

## Note 36

### Explanations for Major Variance to Council's 2012 -32 LTP figures are as follows:

#### Statement of Comprehensive Income

##### NZTA Operating and Capital Funding

Income received from NZTA was lower than budget due to NZTA approving their budgets after Council had adopted the 2012 LTP. NZTA approved less than KCDC requested. KCDC will amend the programme of work to align with subsidy levels received from NZTA over the approved three year period.

##### Unrealised gain on revaluation of Financial Instruments

No budget provision was made for the unrealised gain on interest rate swaps. The unrealised gain was the result of the impact of higher interest rates on the market value of the interest rate swaps as at 30 June 2013.

##### Finance Costs

Finance costs are lower than budget as less capital works were completed in 2012/13 and also because of lower interest rates and careful management of interest rate swaps.

##### Property, Plant and Equipment – Decrease in Revaluation Reserve

Council wrote off the NZTA's share of the land held for the Western Link Road once the Expressway project was approved by the Board of Inquiry. Until that decision the Western Link Road project was on hold. This resulted in the one off, non cash impairment of \$13.625 million as shown in this statement.

#### Statement of Financial Position

##### Trade Receivables

The trade receivables as at 30 June 2013 stayed in line with the previous year's balance and did not decrease as budgeted for. Improving debt management will see a reduction in this balance in 2013/14.

##### Property Plant and Equipment

The write off of NZTA's share of the land purchased for the Western Link combined with an underspend in the capital programme resulted in this variance to budget.

##### Non Current Assets held for resale

This represents KCDC's share of land purchased for the Western Link Road. NZTA will purchase this from Council in 2013/14. Again no budget provision as the Western Link Road project was on hold until the Board of Inquiry decision.

##### Other Financial Assets

Council is now a member of the LGFA and as a result has replaced its existing shorter term debt with \$100 million of debt through the Local Government Funding Agency (LGFA). One of the LGFA's requirements is that a Council must invest 1.6% of its borrowing in Borrower notes with the LGFA for the period of each loan.

##### Derivative Financials Instruments

The change reflects the impact of the unrealised gain on the market value of the interest rate swap portfolio as at 30 June 2013. This is solely dependent on the market interest rates as at 30 June 2013.

##### Revaluation Reserve

The reduction in the revaluation reserve is the result of a one off adjustment for the recognition of the NZTA share of the land purchased for the Western Link Road.





# AUDIT REPORT



Chartered Accountants

## INDEPENDENT AUDITOR'S REPORT TO THE READERS OF KAPITI COAST DISTRICT COUNCIL'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2013

The Auditor-General is the auditor of Kapiti Coast District Council (the "District Council"). The Auditor-General has appointed me, Grant Taylor, using the staff and resources of Ernst & Young to audit:

- the financial statements of the District Council that comprise:
  - the statement of financial position as at 30 June 2013 on page 119;
  - the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of commitments for the year ended 30 June 2013 on pages 118 and 120 to 124;
  - the funding impact statement of the District Council on page 123;
  - the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 25 to 116; and
  - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 125 to 186;
- the statement of service provision referred to as the statement of service performance of the District Council on pages 25 to 116 and the funding impact statements in relation to each group of activities of the District Council on pages 170 to 185.

In addition, the Auditor-General has appointed me to report on whether the District Council's annual report complies with the *Other Requirements* of schedule 10 of the Local Government Act 2002, where applicable, by including:

- information about:
  - internal borrowing on page 167
  - reserve funds on page 160 and 164;
  - each group of activities carried out by the District Council on pages 25 to 116;
  - remuneration paid to the elected members and certain employees of the District Council on page 12;
  - employee staffing levels and remuneration on page 167; and
  - severance payments on page 165;
- a report on the activities undertaken by the District Council to establish and maintain processes to provide opportunities for Māori to contribute to the Council's decision-making processes on page 8; and
- a statement of compliance signed by the mayor of the Council, and by the District Council's chief executive on page 14.

### Opinion

#### *Audited information*

In our opinion:

- the financial statements of the District Council on pages 118 to 186:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - the District Council's financial position as at 30 June 2013; and
    - the results of its operations and cash flows for the year ended on that date.
- the funding impact statement of the District Council on page 123, fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan.
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 25 to 116, fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan.

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- the statement of service performance of the District Council on pages 25 to 116:
  - complies with generally accepted accounting practice in New Zealand; and
  - fairly reflects the District Council's levels of service for the year ended 30 June 2013, including:
    - the levels of service as measured against the intended levels of service adopted in the long-term plan; and
    - the reasons for any significant variances between the actual service and the expected service.
- the funding impact statements in relation to each group of activities of the District Council on pages 170 to 185, fairly reflects by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.

#### **Compliance with the other requirements of schedule 10**

In our opinion, which is not an audit opinion, the District Council's annual report complies with the *Other Requirements* of schedule 10 that are applicable to the annual report.

Our audit was completed on 3 October 2013. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities, and we explain our independence.

#### **Basis of opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and the statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council's preparation of the information we audited that fairly reflect the matters to which they relate. We consider internal control in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of all disclosures in the information we audited;
- determining the appropriateness of the reported statement of service performance within the Council's framework for reporting performance; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.

When reporting on whether the annual report complies with the *Other Requirements* of schedule 10 of the Local Government Act 2002, our procedures were limited to making sure the information required by schedule 10 was included in the annual report, where relevant, and identifying material inconsistencies, if any, with the information we audited. This work was carried out in accordance with International Standard on Auditing (New Zealand) 720, *The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements*. As a result we do not express an audit opinion on the District Council's compliance with the requirements of schedule 10.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate evidence to provide a basis for our opinion.



### Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and the statement of service performance that:
  - comply with generally accepted accounting practice in New Zealand;
  - fairly reflect the District Council's financial position, financial performance and cash flows;
  - fairly reflect its service performance, including achievements compared to forecast;
- a funding impact statement that fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- funding impact statements in relation to each group of activities that fairly reflects by each group of activities the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan;
- statements about budgeted and actual capital expenditure in relation to each group of activities that fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan; and
- the other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

The Council's responsibilities arise under the Local Government Act 2002.

### Responsibilities of the Auditor

We are responsible for expressing an independent opinion on, the information we are required to audit, and whether the Council has complied with the *Other Requirements* of schedule 10, and reporting that opinion to you. Our responsibility arises under section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

### Independence

When carrying out this audit, which includes our report on the *Other Requirements*, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. Other than the audit and the audits of the long-term plan amendment and New Zealand Community Trust Grant, we have no relationship with, or interest in, the District Council.

Grant Taylor  
Ernst & Young  
On behalf of the Auditor-General  
Wellington, New Zealand



## Other Information

Term	Definition
Activity	Groups of related services, projects or goods provided by, or on behalf of Council are combined into an activity. These activities are then linked to Community Outcomes.
Annual Plan	The Annual Plan is produced in the intervening years between Long Term Plans. It explains the variations from the activities and/or budgets in the Long Term Plan and confirms arrangements for raising revenue for the financial year.
Annual Report	The Annual Report comments on the performance of Council against the community outcomes, objectives, policies, activities, performance measures (effectiveness measures, key actions/outputs and service standards), indicative costs, and sources of funds outlined in the Long Term Plan and the Annual Plan.
Asset	Something of value that Council owns on behalf of the Kāpiti Coast District Community, such as roads.
Asset Management Plan	A long term planning document for managing Council's infrastructural assets that ensures that capacity to provide a service is maintained, and that costs over the life of the assets are kept to a minimum.
Capital Expenditure	Cost of purchasing, constructing or improving an asset.
Census (2006 Census of Population and Dwellings)	Statistics New Zealand provide statistical information gathered from the 2006 Census of Population and Dwellings. The statistics provide information on the size and makeup of the New Zealand population by age, gender and ethnicity.
Community Outcomes	A set of statements owned and developed by the community with Kāpiti Coast District Council assistance, found in the <i>Kāpiti Coast: Choosing Futures - Community Outcomes</i> document. They exist to guide decisions made by Council and to engage with other agencies about how they will invest in the community's future.
Cost of Capital	Opportunity cost of (assets less related net loan).
Council-controlled Organisation	An organisation in which one or more local authorities control 50% or more of the voting rights or appoint 50% or more of the directors.
Cultural Wellbeing	Includes: <ul style="list-style-type: none"> <li>• an understanding of the history of cultural traditions;</li> <li>• mutual respect for those traditions and values;</li> <li>• a willingness to seek and work with common features and values;</li> <li>• a reflection of those values in the present physical and social environment;</li> <li>• confidence that decisions about change take these principles and values into account;</li> <li>• a sense of control over decisions affecting what is valued by the community.</li> </ul>



Term	Definition
Current Assets	Any asset which can be readily converted to cash or will be used up within the financial year.
Current Portion of Public Debt	Council debt that matures in less than 12 months.
Current Liabilities	Creditors and other liabilities due for settlement within the next 12 months, i.e. the next financial year. All other liabilities are non-current.
Debt Servicing	Interest cost on loans.
Depreciation	An accounting concept to describe the wearing out, consumption or other loss of value of an asset over its useful life.
District Plan	A plan under the Resource Management Act 1991 that manages the adverse impact of land uses on the environment of the District.
Economic Wellbeing	Includes: <ul style="list-style-type: none"> <li>• economic activity that is within the capacity of natural systems to absorb effects;</li> <li>• local benefit;</li> <li>• employment, including local employment;</li> <li>• a local economy that can adapt to change and pressures;</li> <li>• having people who understand and are willing to take economic risks to establish viable businesses;</li> <li>• skills and the opportunity to use them;</li> <li>• the ability to add value and to think what local resources may offer.</li> </ul>
Environmental Wellbeing	Includes: <ul style="list-style-type: none"> <li>• the effect of actions on the environment;</li> <li>• the capacity of natural systems to absorb change;</li> <li>• community aspirations to restore the quality of natural systems;</li> <li>• the ability to harvest natural systems without harm to them.</li> </ul>
External Revenue	Income (other than Rates) from external sources.
Fixed Assets	These consist of land and buildings and infrastructural assets (utilities such as roads, stormwater and wastewater networks).
Loan Repayment Provisions	Annual loan repayment provisions have replaced annual sinking funds provisions on all new loans.
Local Government Act 2002	The Local Government Act 2002 is the primary legislation that governs Council's operations and actions.



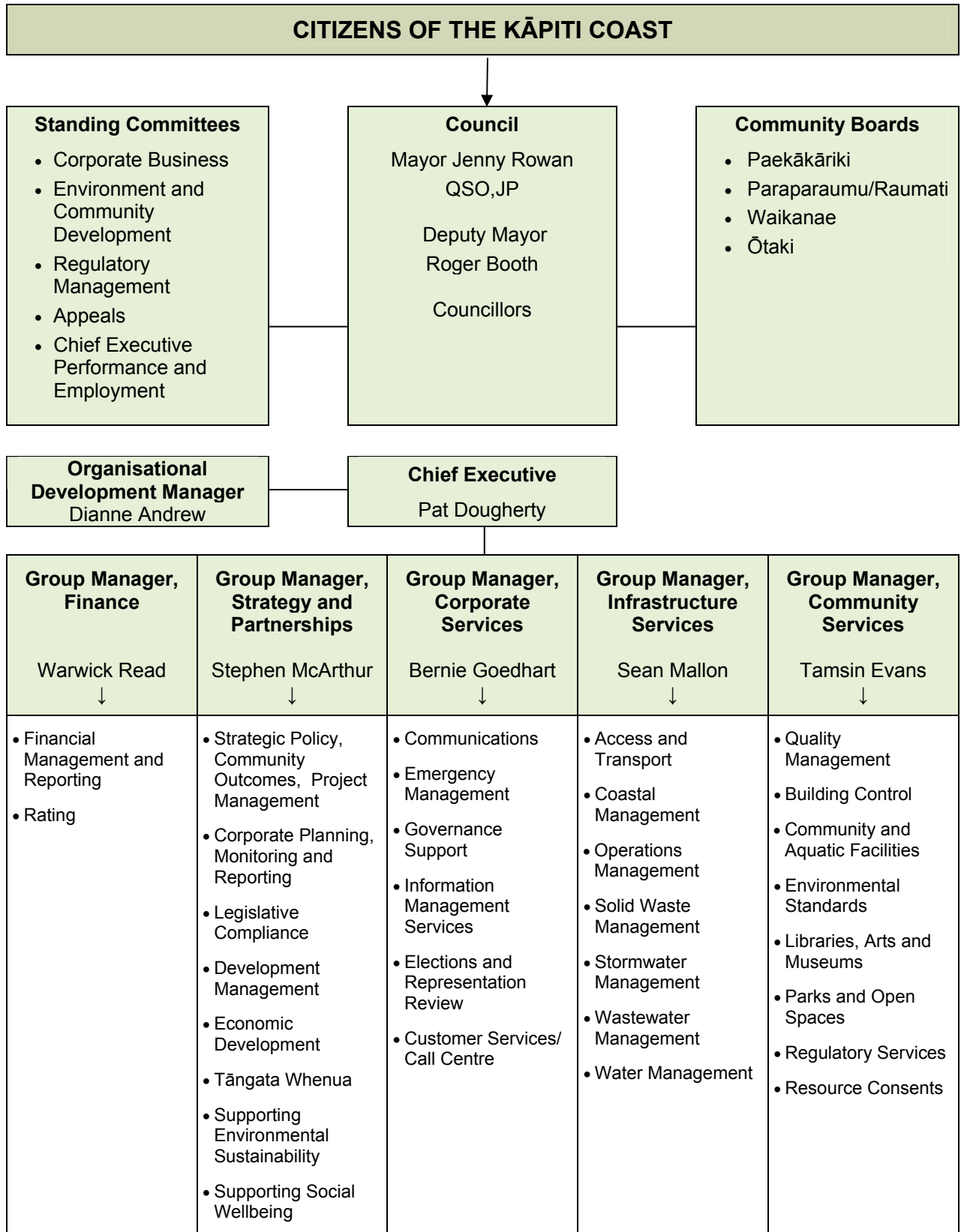
Term	Definition
Long Term Plan (LTP)	<p>A plan which:</p> <ul style="list-style-type: none"> <li>describes Council's responsibilities and contributions to the Community Outcomes developed by the Kāpiti Coast community during 2009 and reconfirmed by Council in 2012;</li> <li>sets out Council's leadership vision and how it wishes to work with the community;</li> <li>the suggested investment priorities for the next 20 years;</li> <li>identifies partners with a commitment to the wellbeing of the Kāpiti Coast community;</li> <li>provides a long term programme and budget and funding choices.</li> </ul>
Long Term Investments	Investments that have a maturity date of 12 months or longer.
Operating Costs	Costs of maintaining assets plus the allocation of overhead costs.
Non-current Portion of Public Debt	Council debt that has a maturity date of 12 months or longer.
Public Benefit Entities	Reporting entities whose primary objective is to provide goods and services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for a financial return to equity holders (as defined in New Zealand equivalents to International Financial Reporting Standards).
Public Equity	Council's net worth (i.e. total assets less total liabilities).
Restricted Assets	Parks and reserves which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.
Short Term Investments	Investments that mature in less than 12 months.
Significance Policy	A policy which explains how Council determines how significant a project or decisions are and the subsequent amount of consultation and analysis required.
Social Wellbeing	<p>Includes:</p> <ul style="list-style-type: none"> <li>the ability of all to participate in and use what the District offers;</li> <li>respect and support for people and groups that sustain and help;</li> <li>the ability of individuals to see a future and feel that they might achieve it;</li> <li>basic levels of physical and mental health or wellness;</li> <li>personal safety and freedom from fear;</li> <li>a sense of control over individual and community futures;</li> <li>affordability: ability of people to pay for basic survival (food, shelter etc) and to have enough disposable income to allow participation in local community life.</li> </ul>



Term	Definition
Structure Plans	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 formal resource consent process to guide particular decisions.
Sustainable Development Principles	<p>A general definition is: 'development which meets the needs of the present without compromising the ability of future generations to meet their needs' (<i>Central Government - Sustainable Development: Programme for Action – published January 2003.</i>) This general statement provides some guidance for action and decision-making but does require further detail to assist with complex issues. The Local Government Act 2002 provides guidance on some principles, as does the Programme for Action cited above.</p> <p>The Kāpiti Coast District Council has developed fourteen principles to guide decision-making, based on the Local Government Act requirements, the Programme for Action and a review of principles developed by other local, regional and national governments, in New Zealand and elsewhere. These principles have been formally adopted and can be found in Section 2, Part 1 <i>Kāpiti Coast: 2012 Long Term Plan</i>.</p>
SWAPS	A financial instrument or contract which turns fixed interest rate debt into floating rate debt or vice versa.
Targeted Rates	A rate that a local authority sets for a specified function or functions.
Wellbeing	Consists of four connected components - social, cultural, environmental and economic – that actively support the well being or “health” of a community.



## Kāpiti Coast District Council Structure



Staff at 1 July 2013 = 292 FTE (full time equivalents)



# ELECTED MEMBERS CONTACT DETAILS

## 2010-2013

Elected Member	Address	Phone	Email Address
Jenny Rowan (Mayor)	366 Main Road North Paekākāriki	027 205 3600	<a href="mailto:jenny.rowan@kapiticoast.govt.nz">jenny.rowan@kapiticoast.govt.nz</a>
Roger Booth (Deputy Mayor)	53 Kiwi Road, Raumati Beach	04 902 3421 027 569 8515	<a href="mailto:roger.booth@kapiti.govt.nz">roger.booth@kapiti.govt.nz</a>
Diane Ammundsen	23 Percival Road Paraparaumu	04 902 4736 027 241 7789	<a href="mailto:diane.ammundsen@kapiti.govt.nz">diane.ammundsen@kapiti.govt.nz</a>
Mike Cardiff	16 Kereru Street Waikanae	04 293 4374 021 441 243	<a href="mailto:mike.cardiff@kapiti.govt.nz">mike.cardiff@kapiti.govt.nz</a>
Ross Church	386 Kapiti Road Paraparaumu	027 440 5840	<a href="mailto:ross.church@kapiti.govt.nz">ross.church@kapiti.govt.nz</a>
Peter Ellis	4 Elder Grove, Paraparaumu	04 297 0691 027 447 1883	<a href="mailto:peter.ellis@kapiti.govt.nz">peter.ellis@kapiti.govt.nz</a>
Penny Gaylor (Ōtaki Ward Councillor)	145 Waitohu Valley Road Ōtaki	06 364 7534 027 664 8869	<a href="mailto:penny.gaylor@kapiti.govt.nz">penny.gaylor@kapiti.govt.nz</a>
K (Guru) Gurunathan (Paraparaumu Ward Councillor)	3 Winton Street Paraparaumu	04 902 3921 021 023 13905	<a href="mailto:k.gurunathan@kapiti.govt.nz">k.gurunathan@kapiti.govt.nz</a>
Tony Lester (Paraparaumu Ward Councillor)	21 Merlin Court Paraparaumu	04 298 5466 027 235 6421	<a href="mailto:tony.lester@kapiti.govt.nz">tony.lester@kapiti.govt.nz</a>
Tony Lloyd (Waikanae Ward Councillor)	45 Rimu Street Waikanae	04 904 2966 021 177 6332	<a href="mailto:tony.lloyd@kapiti.govt.nz">tony.lloyd@kapiti.govt.nz</a>
Hilary Wooding (Paekākāriki Ward Councillor)	30 Gavin Road Raumati South	04 297 9704 027 671 1189	<a href="mailto:hilary.wooding@kapiti.govt.nz">hilary.wooding@kapiti.govt.nz</a>



## ŌTAKI COMMUNITY BOARD

Elected Member	Address	Phone	Email Address
James Cootes (Chair)	3 Sylvia Way Te Horo RD1 Ōtaki 5581	06 364 3234 027 4572 346	<a href="mailto:james.cootes@kapiti.govt.nz">james.cootes@kapiti.govt.nz</a>
Colin Pearce	75 Freemans Road Ōtaki	06 364 6488	<a href="mailto:colin.pearce@kapiti.govt.nz">colin.pearce@kapiti.govt.nz</a>
Marilyn Stevens	48 Hautere Road Te Horo	021 225 5684	<a href="mailto:marilyn.stevens@kapiti.govt.nz">marilyn.stevens@kapiti.govt.nz</a>
Jackie Elliott	21 Kitchener Street Te Horo	021 045 2762	<a href="mailto:jackie.elliott@kapiti.govt.nz">jackie.elliott@kapiti.govt.nz</a>

## WAIKANAĒ COMMUNITY BOARD

Elected Member	Address	Mobile Phone	Email Address
Michael Scott (Chair)	14 Walton Grove Waikanae	027 448 4110	<a href="mailto:michael.scott@kapiti.govt.nz">michael.scott@kapiti.govt.nz</a>
Eric Gregory (Deputy Chair)	6A Rimu Street Waikanae	021 759 950	<a href="mailto:eric.gregory@kapiti.govt.nz">eric.gregory@kapiti.govt.nz</a>
Jocelyn Prvanov	114 Rutherford Drive Waikanae	04 293 2677 021 111 0825	<a href="mailto:jocelyn.prvanov@kapiti.govt.nz">jocelyn.prvanov@kapiti.govt.nz</a>
Harold Thomas	14 Karu Crescent Waikanae	027 555 8038	<a href="mailto:harold.thomas@kapiti.govt.nz">harold.thomas@kapiti.govt.nz</a>



## PARAPARAUMU/RAUMATI COMMUNITY BOARD

Elected Member	Address	Mobile Phone	Email Address
Louella Jensen (Chair)	20 Callendar Terrace Paraparaumu	04 298 2960 027 606 0809	<a href="mailto:louella.jensen@kapiti.govt.nz">louella.jensen@kapiti.govt.nz</a>
Jonny Best (Deputy Chair)	86 Kiwi Road Raumati	027 480 0201	<a href="mailto:jonny.best@kapiti.govt.nz">jonny.best@kapiti.govt.nz</a>
Trevor Daniell	72 Leinster Avenue Raumati South	04 902 3669 027 779 1245	<a href="mailto:trevor.daniell@kapiti.govt.nz">trevor.daniell@kapiti.govt.nz</a>
Will Scollay	69 The Esplanade Raumati South	04 902 1463 021 420 213	<a href="mailto:will.scollay@kapiti.govt.nz">will.scollay@kapiti.govt.nz</a>

## PAEKĀKĀRIKI COMMUNITY BOARD

Elected Member	Address	Phone	Email Address
Janet Holborow (Chair)	4 Ames Street Paekākāriki	04 905 7368 027 296 1628	<a href="mailto:janet.holborow@kapiti.govt.nz">janet.holborow@kapiti.govt.nz</a>
Helen Keivom (Deputy Chair)	7B Wellington Road Paekākāriki	04 905 7178 027 258 4251	<a href="mailto:helen.keivom@kapiti.govt.nz">helen.keivom@kapiti.govt.nz</a>
Steve Eckett	108 Wellington Road Paekākāriki	04 292 8505 027 485 2916	<a href="mailto:steve.eckett@kapiti.govt.nz">steve.eckett@kapiti.govt.nz</a>

## Contact Information for Council

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Or 0800 486 486 (Toll free)

Fax  
Email  
Website

04 296 4830  
[kapiti.council@kapiticoast.govt.nz](mailto:kapiti.council@kapiticoast.govt.nz)  
[www.kapiticoast.govt.nz](http://www.kapiticoast.govt.nz)

### After Hours Emergencies

Including:  
Noise control  
Animal control  
Other emergencies

0800 486 486 (Toll free)



**Matters relating to the electronic presentation of the summary audited financial statements, non-financial performance information and the other requirements**

This audit report relates to the summary financial statements, non-financial performance information and the other requirements of Kapiti Coast District Council for the year ended 30 June 2013 included on the Kapiti Coast District Council's website. Kapiti Coast District Council is responsible for the maintenance and integrity of the Kapiti Coast District Council's website. We have not been engaged to report on the integrity of the Kapiti Coast District Council's website. We accept no responsibility for any changes that may have occurred to the summary financial statements, non-financial performance information and the other requirements since they were initially presented on the website.

The audit report refers only to the summary financial statements, non-financial performance information and the other requirements named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the summary financial statements, non-financial performance information and the other requirements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited summary financial statements, non-financial performance information and the other requirements as well as the related audit report dated 3 October 2013 to confirm the information included in the audited summary financial statements, non-financial performance information and the other requirements presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.





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