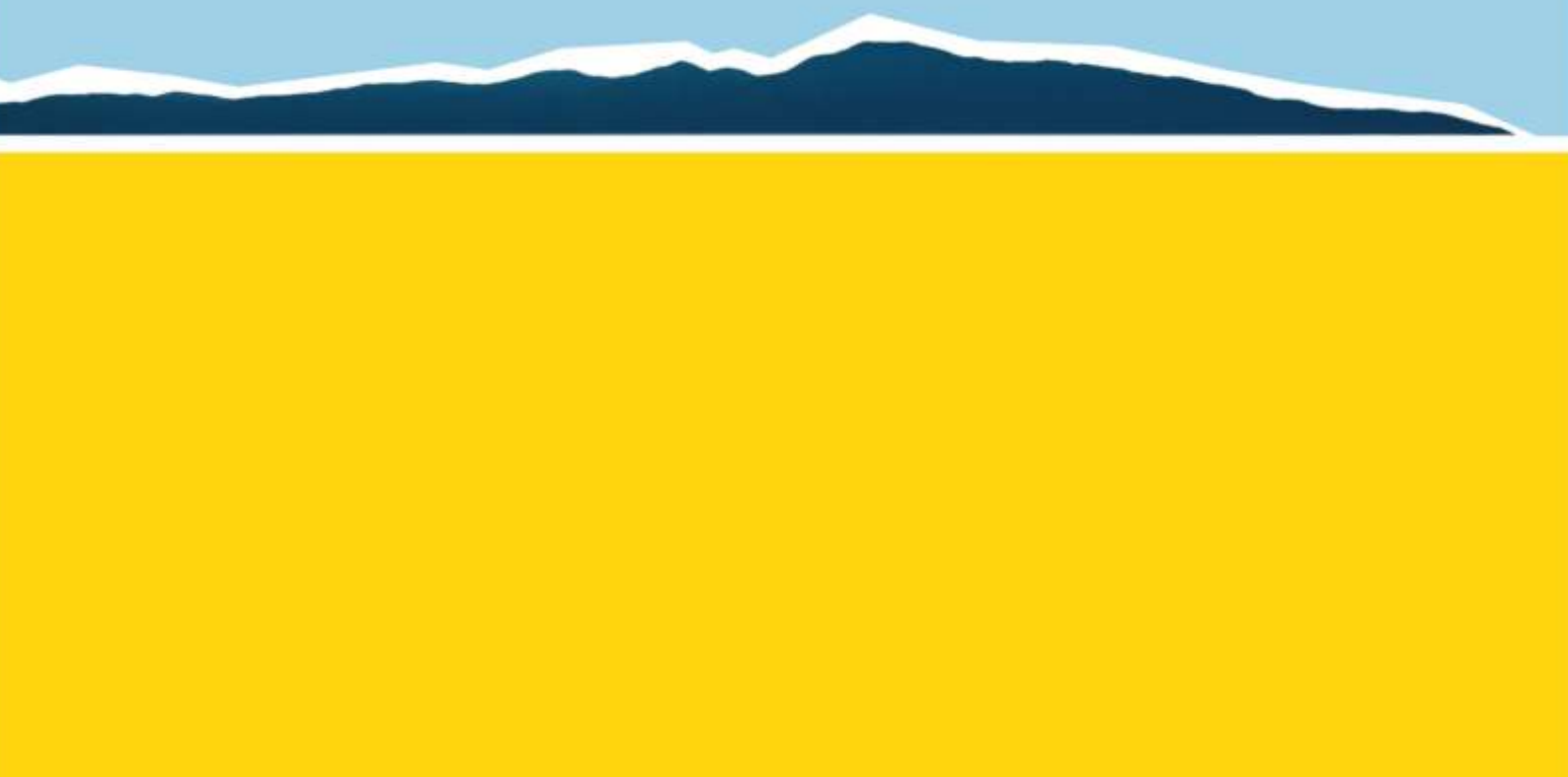


Draft long term plan 2018-38
Consultation - supporting information

Strategic context



Contents

Legislative environment	5
Roles and responsibilities of local authorities	5
Local Government Act 2002	5
Resource Management Act 1991	6
Treaty of Waitangi	8
Land Transport Management Act 2003.....	8
Other laws	9
Relationship between a territorial authority and a regional council	9
Council planning	10
External factors.....	12
Demographic changes and urbanisation	12
Rapid technology change	13
Mobile technology, wearable technology and cloud computing.....	13
Big data and the Internet of Things (IoT).....	14
Transport	14
Automation.....	14
Renewable energy and distributed generation.....	15
Affordability	15
Cost of living	15
Other factors influencing housing affordability	16
Pressures on the natural environment.....	18
Climate change	19
Emergency resilience.....	20
Roles and responsibilities	21
New Zealand's current preparedness.....	21
Earthquake and tsunami preparedness	22
Significant tsunami risk.....	22
Earthquake planning.....	22
Economic prosperity	23
National economic outlook	23
Growth within the New Zealand economy.....	23

Employment growth.....	26
Initiatives relevant to the Wellington Region.....	27
Our partnership with iwi	29
Our iwi landscape	29
Te Āti Awa ki Whakarongotai	29
Ngāti Raukawa ki te Tonga	29
Ngāti Toa Rangatira	30
ART Confederation	30
Iwi partnership	30
Memorandum of partnership.....	30
Underpinning our partnership.....	31
Māori demographics within Kāpiti	33
District overview.....	34
Our geographic location and natural environment.....	34
Our geographic location	34
Our natural environment	35
Our history.....	36
Early settlement	36
Māori and European historical influences.....	36
1950s to today.....	37
Our people.....	37
Age.....	39
Ethnicity.....	41
Education.....	42
Our homes.....	43
Housing.....	44
Deprivation	49
Migration	50
Our economy.....	51
Employment	52
Income (from all sources).....	58
Our boundaries.....	64
District health boards	64
Police districts.....	66

Work and Income regions	66
Māori electorate seats.....	66
General electorates	66
Ward and community board boundaries	67
Iwi boundaries	67
Council’s current operations	69
Kāpiti within the Wellington Region.....	69
Greater Wellington Regional Council	70
Strengthening the Wellington Region	70
Key regional relationships and forums.....	71
Our community values	71
Local Community Futures Statements (Local outcomes).....	71
Resident opinion surveys.....	72
Other ways of understanding what our community values	72
Our vision for our future – vibrant, diverse and thriving	72
Council outcomes	72
Current service provision.....	74
Infrastructure.....	74
Community services	74
Planning and regulatory services.....	74
Governance and tāngata whenua	74
Our financial position	75
Our financial strategy	75
District challenges and opportunities.....	77
Changing demographics	77
Affordability	77
Transport	78
Place in the region.....	79
Crossing boundaries	79
Natural environment	81
Distinct communities.....	81

Legislative environment

There are 78 local authorities in New Zealand – 11 regional councils and 67 territorial authorities (11 city councils, 50 district councils and 6 unitary authorities).

Roles and responsibilities of local authorities

There are several pieces of central government legislation that establish the roles and responsibilities of local authorities, while also shaping the environment in which they operate and setting restrictions on their activities.¹

The Local Government Act 2002 (LGA), the Resource Management Act 1991 (RMA), the Treaty of Waitangi, and the Land Transport Management Act 2003 have some of the most significant effects on local authority operations and strategy; however, there are many more pieces of legislation and policies that local authorities must take into account.

Local Government Act 2002

Section 10 of the LGA states that the purpose of local government is:

- a) to enable democratic local decision-making and action by, and on behalf of, communities; and
- b) to 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.

Local authorities – city councils, district councils and regional councils – do this by performing their duties as stipulated under the LGA. Section 11 of the LGA states that the core services that local authorities must consider when they are carrying out their role include:

- a) network infrastructure;
- b) public transport services;
- c) solid waste collection and disposal;
- d) the avoidance or mitigation of natural hazards; and
- e) libraries, museums, reserves, recreational facilities and other community infrastructure.

The LGA also provides for local authorities to play a broad role in the performance of regulatory functions, such as resource and building consents, and local authorities have the ability to make bylaws to protect the public from nuisance; to protect, promote and maintain public health and safety; and to minimise the potential for offensive behaviour in public places.

The Local Government Commission² is an independent statutory body established under the LGA, whose main task is to make decisions on the structure of local government, for example they make decisions on reorganisation of local authorities, representation reviews and other council structure changes.

¹ Unless stated otherwise, all information in this chapter on the legislative environment and the roles and responsibilities of local councils is drawn from Local Government New Zealand's Elected members' governance handbook (2016), Local Government New Zealand's Journalists' guide to local government (2016), the Department of Internal Affairs' Local councils website (localcouncils.govt.nz), and the Ministry for the Environment's resources on the RMA and national policy statements.

² Local Government Commission. lgc.govt.nz

Changes to the Local Government Act 2002

The roles and responsibilities of local authorities can change in accordance with central government requirements.

Through the 2012 and 2014 Local Government Amendment Acts, the Government began to carry out a suite of changes aimed at improving the efficiency and effectiveness of local government. For example, these amendments include making changes to the purpose of local government and establishing financial prudence benchmarks³ as well as setting a new requirement under section 17A for local authorities to regularly review service delivery models, asset management arrangements, and regulatory functions.⁴

A third Local Government Act Amendment Bill (Number Two) was put before Parliament in 2016, but was not passed before the 2017 General Election. It is anticipated that the Local Government Act Amendment Bill (Number Two) will be reintroduced to Parliament in 2018, but it could be considerably different under the new government and may contain some reversals to the changes that were made in the 2012 and 2014 amendments.

Resource Management Act 1991

The RMA describes how New Zealand's environment will be managed, in order to sustain New Zealand's natural and physical resources. Section 30 of the RMA outlines the functions, powers and duties of regional councils, while section 31 outlines the functions, powers and duties of territorial authorities.

According to section 31, every territorial authority shall give effect to:

- the establishment, implementation, and review of objectives, policies, and methods to achieve integrated management of the effects of the use, development, or protection of land and associated natural and physical resources of the district;
- the establishment, implementation, and review of objectives, policies, and methods to ensure that there is sufficient development capacity in respect of housing and business land to meet the expected demands of the district;
- the control of any actual or potential effects of the use, development, or protection of land, including for the purpose of:
 - the avoidance or mitigation of natural hazards;
 - the prevention or mitigation of any adverse effects of the development, subdivision, or use of contaminated land; and
 - the maintenance of indigenous biological diversity;
- the control of the emission of noise and the mitigation of the effects of noise;
- the control of any actual or potential effects of activities in relation to the surface of water in rivers and lakes; and
- any other functions specified in the RMA.

The RMA provides local authorities with the necessary powers to manage their plans and establish resource consenting processes.

³ Department of Internal Affairs. Factsheets for the 2012 Amendment Act. dia.govt.nz/Fact-sheets-for-2012-Act

⁴ Section 17A Delivery of services. legislation.govt.nz/act/public/2002/0084/latest/DLM6236168.html

Changes to the Resource Management Act 1991

Several amendments have been made to the RMA in recent times. In 2009, reforms changed the resource consent process and created a system to speed up nationally significant consent applications.

Further amendments were made to the RMA in 2013 to ensure the resource consent process could deliver community planning needs, enable growth, and provide strong environmental outcomes in a timely and cost-effective way. A six-month time limit was also put in place for processing consents for medium-sized projects and there are now stronger requirements for local authorities to base their planning decisions on robust and thorough cost-benefit analyses.

The Resource Legislation Amendment Act 2017 introduced:

- new options for how specific resources should be managed under the RMA;
- revised functions for RMA decision-makers;
- changes to enhance Māori participation in the resource management process;
- changes to the standard process for making and changing plans and regional policy statements;
- a new optional streamlined planning process;
- a new optional collaborative planning process;
- changes to heritage protection under the RMA; and
- a host of changes and requirements related to the consenting process.

National policy statements

Any council plans prepared under the RMA must recognise national policy statements. National policy statements are instruments issued under section 52(2) of the RMA to state objectives and policies for matters of national significance.

New Zealand has several national policy statements, including the:

- National Policy Statement on Urban Development Capacity December 2016⁵
Provides direction on planning for urban environments under the RMA. Its purpose is to ensure planning decisions enable the supply of housing needed to meet demand.
- National Policy Statement for Freshwater Management August 2017⁶
Sets out the objectives and policies that direct local government management of water in an integrated and sustainable way, through set water quantity and quality limits.
- National Policy Statement for Renewable Electricity Generation May 2011⁷
Drives a consistent approach to planning for renewable electricity generation in New Zealand, gives clear government direction on the benefits of renewable electricity generation and requires all councils to make provision for it in their plans.
- New Zealand Coastal Policy Statement December 2010⁸
Promotes the sustainable management of natural and physical resources in relation to New Zealand's coastal environment.

⁵ mfe.govt.nz/udc

⁶ mfe.govt.nz/fresh-water/regulations/national-policy-statement-freshwater-management

⁷ mfe.govt.nz/publications/rma/nps-renewable-electricity-generation-2011

⁸ doc.govt.nz/about-us/science-publications/conservation-publications/marine-and-coastal/new-zealand-coastal-policy-statement/national-implementation-plan/

Treaty of Waitangi

The Treaty of Waitangi provides a broad statement of principles which act as a guide to establishing meaningful relationships with tāngata whenua in a manner that ensures that tāngata whenua as kaitiaki exercise their tikanga within the natural environment. Providing opportunities for tāngata whenua to participate in local government is one way of applying the intentions of the Treaty.

While the responsibility for Treaty obligations lies with the Crown, Māori local government engagement began with the reform of local government in 1989 and the passage of the RMA. The RMA devolved environmental administration to local government, including the responsibility for involving tāngata whenua organisations at various points in the policymaking and implementation process.

Under the RMA, councils are required to take into account the principles of the Treaty of Waitangi. This includes duties to act reasonably and in good faith and to actively protect Māori interests. The RMA provides directly and indirectly for tāngata whenua participation in the preparation of policy statements, plans and decisions on resource consent applications. The RMA also enables the transfer of resource management powers to iwi authorities and joint management agreements. In addition, recent reforms to the RMA via the Resource Legislation Amendment Bill seek to ensure robust tāngata whenua engagement in any resource management process through the use of formalised Mana Whakahone ā Rohe/Iwi Participation Arrangements.

The LGA also provides principles and requirements for councils intended to facilitate consultation and participation by Māori in local government decision-making processes. Under the LGA:

- a local authority should provide opportunities for Māori to contribute to its decision-making process; and
- any significant decisions in relation to land or a body of water must take into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna, and other taonga.

Land Transport Management Act 2003

The Land Transport Management Act 2003 governs the planning and funding of land transport in order to build an effective, efficient and safe land transport system.

Government Policy Statement on Land Transport

Developed as a requirement of the Land Transport Management Act, Government Policy Statements (GPS) on Land Transport outline the Crown's land transport strategy, priorities and desired outcomes for the following 10 years, along with guides on how the National Land Transport Fund will be used to support these activities.

National Land Transport Programme

The New Zealand Transport Agency then develops a National Land Transport Programme every three years, giving effect to the Government Policy Statement on Land Transport and taking Regional Land Transport Plans into account. The programme stipulates which activities are likely to receive funding from the National Land Transport Fund.

Roads of national significance

Currently, there are seven roads of national significance under development throughout New Zealand. The Wellington Northern Corridor (Levin to Wellington) – SH1 is the only one in the Greater Wellington Region.

The National Land Transport Programme influences the roads of national significance projects that are undertaken, based on available funding. These locations were selected because they were experiencing ongoing land transport issues and, due to their close proximity to large city centres, they were determined to be appropriate sites for new roading infrastructure.

Roads of national significance must be taken into account in the long term plans of territorial authorities, influencing Council activities and strategy.

Regional Land Transport Plan

A Regional Land Transport Plan sets out a region's land transport priorities and projects, to be funded or co-funded by the National Land Transport Fund, for the following 10 years.⁹ The plan must include the region's land transport objectives, policies and measures. Regional Land Transport Plans must be consistent with the Government Policy Statement on Land Transport, identify projects of significance, and stipulate how the projects will be funded. Any projects that require local funding need to be incorporated into the Council's long term plan for approval.

Other laws

In addition to the Treaty of Waitangi, the LGA, the RMA and the Land Transport Management Act, several other laws influence territorial authority activities, including but not limited to the:

- Local Government Official Information and Meetings Act 1987;
- Land Transport Act 1998;
- Health (Drinking Water) Amendment Act 2007;
- Waste Minimisation Act 2008;
- Health and Safety at Work Act 2015;
- Building Act 2004;
- Reserves Act 1977;
- Building (Earthquake-prone Buildings) Amendment Act 2016;
- Civil Defence Emergency Act 2002; and
- Local Government (Financial Reporting and Prudence) Regulations 2014.

Relationship between a territorial authority and a regional council

Part 3 of the LGA establishes rules in relation to local authority boundaries. Most regional council boundaries align with territorial authority boundaries, and each regional council generally encompasses several local councils.

The relationships between regional councils and territorial authorities are formally documented in regional triennial agreements. These triennial agreements seek to avoid duplication, strengthen relationships between councils and ensure that the activities of each council in the region are working together to promote the region's best interests.

Regional councils carry out tasks that are best undertaken at a regional level, as these activities cross over the region's territorial authority boundaries. A regional council's responsibilities will include activities like environmental management, civil defence preparedness, and public transportation (

⁹ GWRC. 2015. Wellington Regional Land Transport Plan.

Table 1).

Table 1: Sample of regional council functions across New Zealand

Environmental protection (e.g. resource consents for contaminant discharge)	River and lake management, including flood and drainage control	Biosecurity and pest management
Coastal management	Biodiversity	Natural hazard management
Integrated land management	Public transport	Bulk water supply
Civil defence	Marine regulations	Port ownership

Source: Council responsibilities in the Elected Members' Governance Handbook, 2016.

Territorial authorities are responsible for local service provision (utilities and services) and local land use planning. Under New Zealand law, the activities undertaken by territorial authorities can differ widely however they must have consulted with their communities in making these decisions (Table 2).

Table 2: Sample of territorial authority functions across New Zealand

Parks and open spaces	Museums	Drainage
Civil defence	Libraries	Cemeteries
Crime prevention	Economic development	Cultural facilities
After school care or crèches	Tourism promotion	Drinking water
Iwi relationships	Airport ownership	Wastewater
Voluntary sector grants	Events	Stormwater
Public health protection	Sports facilities	Citizens' advisory services
Housing	Business attraction	Citizenship ceremonies
Community centres	Coastal management	Town planning
Refuse collection and disposal	Local roads	Local regulations

Note: The Fire and Emergency New Zealand Act 2017 transferred responsibilities for the management of lighting fires in open air from territorial authorities to the newly established Fire and Emergency New Zealand.

Source: Council responsibilities in the Elected Members' Governance Handbook, 2016.

Council planning

Under the LGA and RMA, councils are required to develop a suite of planning documentation¹⁰ stating their future direction including:

- regional policy statements and plans;
- district plan;
- long term plan;
- annual plan;
- annual report;
- activity plans; and
- asset management plans.

¹⁰ [kapiticoast.govt.nz/Your-Council/Planning/](https://www.kapiticoast.govt.nz/Your-Council/Planning/)

There are two national bodies, Local Government New Zealand (LGNZ)¹¹ and New Zealand Society of Local Government Managers (SOLGM)¹², which provide guidance, support and advocacy on behalf of Local Government. There are also a number of organisations that provide guidance and support on specific issues, such as Water New Zealand¹³. The Kāpiti Coast District Council maintains relationships with these organisations, utilises the guidance provided and participates in relevant working groups.

¹¹ Local Government New Zealand. lgnz.co.nz

¹² New Zealand Society of Local Government Managers. solgm.org.nz

¹³ Water New Zealand. waternz.org.nz

External factors

External factors are described as key emerging global or national trends, strategies and concerns that may impact on a council's operating environment, and to which a council may choose to respond.

Demographic changes and urbanisation

The New Zealand population is ageing as a result of declining birth rates and longer life expectancies (Table 3). The average age of the New Zealand population is expected to increase from 37.1 years in 2016 to 40 years in the early 2030s. The 2013 Census determined that 14.2% of the total population was over the age of 65, and this number is projected to increase to 20%-22% by 2032.

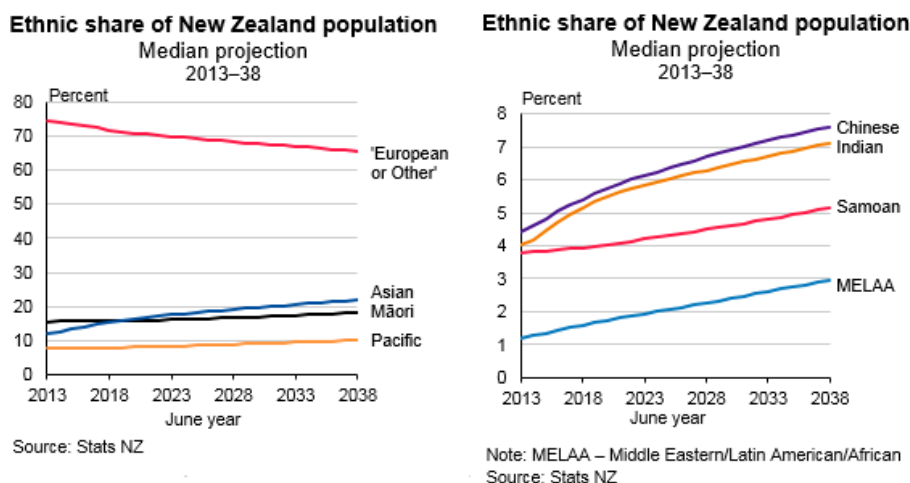
Table 3: National population age-sex pyramid projections



Source: Statistics NZ, Interactive population pyramid for New Zealand; Statistics NZ, National Population Projections: 2016(base)–2068, October 2016.

In addition, the ethnic composition of New Zealand is expected to change significantly in the future, as net migration continues to rise and birth rates among non-European ethnicities increase, such as Māori, Asian and Pasifika (Figure 1).

Figure 1: Ethnic share of New Zealand population



Source: Statistics NZ, National Ethnic Population Projections: 2013(base)–2038 (update) [Media Release 18 May 2017].

In the future, it is projected that New Zealanders will predominately reside in cities, which could lead to an increasing population in surrounding areas as well because some people may be unable to afford the cost of living in the city centres. Young people are also likely to reside in cities, contributing to a higher birth rate in these areas.¹⁴ Meanwhile, rural communities and small towns across the country are projected to experience declining populations.¹⁵

Implications

Changing demographics will put pressure on councils to provide services and infrastructure that cater to the changing needs of their communities. This economic pressure of providing these services will be more pronounced in rural areas, where the median age of the population is older than in urban areas.¹⁶

Rapid technology change

Technological change is a constant feature of life in the twenty-first century and the change is gathering pace. New technologies can present both challenges and opportunities for local authorities. On the one hand, new technological developments can help councils be more efficient and effective; on the other hand, new technological developments may increase demands on councils to monitor the use of new technologies to ensure safety.

A 2015 report by the New Zealand Society of Local Government Managers (SOLGM) and the Association of Local Government Information Management (ALGIM) considered the impact of 10 developing and evolving disruptive emergent technologies on local authorities in the future.¹⁷ The emergent technologies that are likely to be the most relevant for Kāpiti Coast District Council are:

Mobile technology, wearable technology and cloud computing

Mobile devices are computers that can be transported while in use, enabling people to have instant access to information and tools in a variety of locations (e.g. smartphones). Wearable technology refers to computing devices comfortably worn on the body, such as body cameras, or even incorporated into it, and tends to be more sophisticated than hand-held technology. Cloud computing means storing and accessing data and programs over the internet instead of via your computer's hard drive.

Opportunities

People will be able to work effectively anywhere – provided New Zealand's communication network coverage and capacity are sufficient. The national rollout of high-speed broadband is supporting this change. New options for employers can range from open plan office spaces to opportunities for employees to work remotely from home on occasion, or even permanently.

While mobile technology, wearable technology and cloud computing provide opportunities for improved local government services, councils may experience financial pressures to expand their investments in these areas.

¹⁴ LGNZ. July 2016. The 2050 challenge: future proofing our communities.

¹⁵ Ibid.

¹⁶ Ibid.

¹⁷ SOLGM and ALGIM. 2015. Fit for the digital future. solgm.org.nz/Category?Action=View&Category_id=1180

Big data and the Internet of Things (IoT)

Big data is a term that describes the large volume of data that comes into a business in their usual operations.¹⁸ It has three key characteristics – volume, velocity and variety. The Internet of Things (IoT) is the “internetworking of physical devices, vehicles (also referred to as “connected devices” and “smart devices”), buildings, and other items – embedded with electronics, software, sensors, actuators, and network connectivity that enable these objects to collect and exchange data without human intervention”.¹⁹

Opportunities

The importance and potential of big data are not in the amount of data that is sourced, but in how organisations turn this into meaningful information. Local governments could leverage this across their services to analyse relationships, support decision-making or present data in creative and compelling ways, provided the skills and capabilities are available.

IoT applications can deliver ‘real time’ data continuously with much lower reliance on site visits, and can be used anywhere that relies on the monitoring of data. For local government, this technology provides opportunities in asset management, demand management and regulatory applications.

The IoT is often closely linked to ‘big data’. The sheer volume of data generated can, if mined properly, gain far deeper and richer insights into the state of the environment, or the way people use a service.

Transport

Technology and emerging innovations have been recognised by the Ministry of Transport as one factor influencing the transport sector.²⁰ This includes the potential for unmanned aerial vehicles (commonly known as drones) and new energy technologies for vehicles.

Opportunities

Drones have the potential for wide application by councils. They could be used anywhere that aerial photography (either still or moving) could be applied. This includes functions such as infrastructure assessments. Electric vehicles are able to draw wholly or partly on electrical energy for motive power as opposed to internal combustion (i.e. petrol or diesel). The obvious opportunities for adoption of electric vehicle technology lie in reducing the use of fossil fuels. Mass adoption of electric vehicles would be a significant step towards New Zealand meeting greenhouse gas targets.

Automation

Automation and mechanisation are the replacement of human labour with machine labour. Local Government New Zealand’s (LGNZ’s) 2050 Challenge paper clearly articulates the challenges and opportunities for local government from increased automation.²¹

Implications

Automation is important to local authorities as any increased automation within a local authority itself could impact current staff and jobs, but it could also influence employment in the local authority’s

¹⁸ SAS. “Big data – what it is, and why it matters”. sas.com/en_us/insights/big-data/what-is-big-data.html

¹⁹ linux.com/news/who-needs-internet-things

²⁰ Ministry of Transport. 2014. Future demand summary report; Henderson W. 2015. Navigating the regulatory interface between transport and land use.

²¹ LGNZ. July 2016. The 2050 challenge: future proofing our communities, p26.

region so some local authorities may work alongside local business associations and education institutions to ensure sufficient opportunities within the region for labour force (re)training and development.

Renewable energy and distributed generation

Renewable energy is the production of energy, or electricity, using a source in such a way that the source is not destroyed in the process (e.g. hydroelectricity), or where the source can be replaced (e.g. biomass). While New Zealand already has substantial power generation using renewable sources, other options for renewable energy are emerging, including marine-based generation and biomass.²² Distributed generation is a complementary and emergent technology where electrical energy is generated at the point of consumption.

Opportunities

Peak oil, and possibly volatile energy prices associated with peak oil, may affect councils by increasing energy costs and making transport more expensive and difficult. Renewable energy and distributed generation/storage could provide an affordable alternative for councils and further reduce New Zealand's reliance on fossil fuels as an energy source.

Affordability

Affordability is a significant concern for councils owing to their role in managing land use and capacity, the impact of increased prices on the standard of living in their communities, and the impact of this on rate setting.

Cost of living

New Zealanders have experienced numerous cost of living increases in recent decades and this trend is likely to continue.

The proportion of household income spent on housing costs has been increasing since 2007.²³ As an example, although household incomes increased by 2.1% from 2015 to 2016, household costs increased by 10.7% over the same period.²⁴ These increases in household costs were primarily due to increases in the cost of housing (buying or renting) and increases in the costs of other goods and services, such as food, utilities and transportation.

Significant increase in the cost of houses

New Zealand house prices rose markedly between 2001 and 2007, with residential housing values nearly doubling over this period. In 2008, the global financial crisis led to a downturn in the New Zealand property market; however, the market soon recovered and since 2012, house values have continued to increase. Adjusted for inflation, residential housing values in January 2017 were 28.5% above the peak prices New Zealand experienced in 2007.²⁵

²² Ibid., p26.

²³ Statistics NZ. Household economic survey (income): year ended June 2016.

²⁴ Ibid.

²⁵ QV. January 2017. Property values drop in parts of NZ as the LVR takes effect.

Nationally, residential property values increased by 12.5% during 2016, but the level of growth varied between regions.²⁶ Wellington, Nelson/Marlborough and Waikato/Bay of Plenty experienced the greatest average price increases, to record new levels.²⁷ The average price of a Wellington property increased by 22% in the year to December 2016, the greatest ever increase in the region's property values over a 10-month period.²⁸

Rental market cost increases

Since the 1990s, the average cost of renting a home in New Zealand has continued to increase as well.²⁹ According to tenancy bonds lodged up to December 2016, the average weekly rent had increased by 7.1% over the previous 12 months to \$425 a week, a 24.6% rise in the cost of rent over the five years to December 2016.³⁰ Similarly, as of December 2016, data from rental properties advertised on Trade Me showed that the average weekly rent had increased by 7.1% over the previous twelve months to \$450 a week³¹, which was a 27.1% rise in the cost of rent over the last five years.³² Wellington is one of the most expensive markets in the country and rents have increased by 13.0% in the 12 months to February 2017 and 21.5% in the five years to February 2017.³³

In 2015, 50% of households living in rental properties were spending 30% of their incomes on housing.³⁴

Other cost of living increases

Other household living costs – such as food, transport and utilities – have also continued to increase, thereby compounding concerns over affordability. From 2013 to 2016, average household expenditure on all living costs (combined) increased by 17.1%. During that time, weekly household expenditure on food rose 14% and weekly household expenditure on transport rose 23.4%. Over the same three-year period, household incomes only increased by 11.7%, which increased the proportion of household income that was required to cover those costs.³⁵

Other factors influencing housing affordability

In 2012 the New Zealand Productivity Commission completed an inquiry into housing affordability in New Zealand. The inquiry was initiated because of concerns that real house prices in New Zealand had increased significantly, and that this increase was associated with general declines in housing affordability and home ownership rates as well as increased demand for rental accommodation and additional pressures on the social housing sector. The report identified a number of factors influencing housing affordability, from a demand and a supply perspective.

²⁶ Ibid.

²⁷ REINZ. 2017. Monthly Property Report. 2017.

²⁸ Ibid.

²⁹ Statistics New Zealand. July 2013. Rental affordability 1998–2012: regional distributions.

³⁰ MBIE. Rental bond data: Mean rents by region, January 1993 – February 2017. mbie.govt.nz/info-services/housing-property/sector-information-and-statistics/rental-bond-data

³¹ Trade Me. December 2016. Rent leap to end 2016 on record high.

³² Trade Me. November 2016. Little Christmas cheer for tenants.

³³ Op. cit.

³⁴ Statistics NZ. Household economic survey (income): year ended June 2015.

³⁵ Statistics NZ. Household expenditure statistics: year ended June 2016.

Demand

There are two components that determine household demand: underlying demand and effective demand.

Underlying demand is based on the size of the population, the number of households and the size of those households. The New Zealand population is projected to grow to between 5.3 and 6.5 million by 2038.³⁶ At the same time, household size is projected to decrease due to the rise in one- and two-person households, a trend that is forecast to continue over time.³⁷ A growing population coupled with decreasing household sizes will translate to an increase in the number of households, which will result in an increase in the underlying demand for housing.

Meanwhile, effective demand is determined by people's aspirations to rent or buy a house and their financial ability to do so, which relates not only to household incomes and housing costs, but also to mortgage lending rates and housing supply. For example, from 2015 to 2016, low interest rates made it easier for many households to secure debt to purchase their own homes, which then contributed to an increased demand for housing despite record property prices and increases in housing costs greater than increases in household incomes.³⁸

Supply

Statistics New Zealand argues that, in the year ending June 2017, the supply of new homes did not appear to be large enough to meet growing demand.³⁹

Supply of housing can be influenced by many different factors including regulations, new building plans, the cost of building materials, the availability of skilled workers, the availability of other infrastructure, and zoning rules.⁴⁰

Since 1980, construction costs have increased 4.3% on average.⁴¹ According to Statistics New Zealand, this made it less appealing for prospective home owners to build their own homes and contributed to the 21% decline in the number of building consents issued between 1974 and 2016.⁴²

The size of homes under construction has also dramatically increased, from an average of 110m² in 1974 to 182m² in 2016, reducing the number of properties that can be constructed in a certain land area.⁴³

At a national level, one of the levers being used to address supply issues is the National Policy Statement on Urban Development Capacity, which encourages councils to make plans that will allow their cities to grow in the future and cater to the needs of their growing communities through the provision of infrastructure and services.⁴⁴

³⁶ Statistics NZ. October 2016. National population projections.

³⁷ Statistics NZ. October 2015. National family and household projections: 2013(base)–2038.

³⁸ Quotable Value. December 2016. 2016: a year of uncertainty for the NZ property market.

³⁹ Statistics New Zealand. 2017. Trending topics – Housing.

⁴⁰ Ibid.

⁴¹ NZ Productivity Commission. March 2012. Final report on housing affordability.

⁴² Statistics New Zealand. October 2016. We're building bigger 40 years on.

⁴³ Ibid.

⁴⁴ Ministry for the Environment. 2016. Proposed National Policy Statement on Urban Development Capacity: Consultation Document.

Availability of social housing

The demand for state housing in New Zealand increased by 35% in 2016⁴⁵, as rising property prices and rental costs hindered households' abilities to afford their own homes or to rent privately.

To address this increase in demand, the government announced in 2016 that it would provide an additional 6,400 social houses by 2020, predominately in Auckland, where waiting lists are long but supply is limited.⁴⁶ To fund the purchase of the new homes, the Ministry of Social Development (MSD) opted to sell many existing properties in rural areas and small towns to community housing providers. From September 2015 to December 2017, the size of Housing New Zealand's managed stock decreased by 3,883.⁴⁷

Implications

There are two primary reasons why territorial authorities are concerned about the availability of affordable housing and the rising costs of goods and services.

Firstly, territorial authorities themselves are not immune to the impacts of cost increases. Rising costs of labour and materials, coupled with growing populations and ageing infrastructures, can pose financial challenges to local authorities, who aim to provide quality infrastructure and services for their communities.

Secondly, territorial authorities understand that high living costs coupled with insufficient housing weaken communities. As such, many territorial authorities are currently debating their roles regarding the provision of affordable housing, the construction of new housing, and the overall social wellbeing of residents.

Pressures on the natural environment

Local government has a clear legislative mandate to ensure the sustainable management of our natural resources; however, this is a significant challenge for local government because New Zealand's natural environment is facing a number of pressures (such as ongoing challenges to freshwater quality and threats to indigenous flora and fauna).⁴⁸

LGNZ argues that, although environmental sustainability is embedded in national legislative and policy frameworks, it is still difficult to align environmental goals with other aims. For example, even though New Zealand's economy is highly dependent on the natural environment, economic aims and environmental aims are often at odds.

Local governments must work with their communities to find ways to obtain some goals – particularly those related to economic development and growth – without furthering harm to the environment. Exacerbating this challenge is the fact that the increasingly visible impacts of climate change must be managed at the same time.

⁴⁵ Ministry of Social Development. September 2016. The housing register.

⁴⁶ Ministry of Social Development. December 2016. Social housing purchasing strategy.

⁴⁷ Housing New Zealand. Property by number of bedrooms, 30 September 2015; Housing New Zealand. Property by number of bedrooms, 31 December 2017.

⁴⁸ LGNZ. July 2016. The 2050 challenge: future proofing our communities.

Climate change

The Intergovernmental Panel on Climate Change's (IPCC) *Fifth Assessment Report* provides a clear, close to unequivocal understanding of the changes occurring to the climate system and the impact of human activity that has led to those changes.⁴⁹ Climate change is already impacting how our communities live and function, and these impacts are expected to increase in magnitude and extent over time.

A recent report from NIWA, commissioned by GWRC, agreed with the IPCC's conclusions that the climate system is warming, with most of the recent temperature increases due to human greenhouse gas emissions. New Zealand has warmed about 1°C since 1909, with more heat waves, fewer frosts and more rain in the south and west of New Zealand; less rain in the north and east of both islands; and a rise in sea level of approximately 1.7mm per year.⁵⁰

New Zealand's climate is 'virtually certain to warm further' during the twenty-first century, with:

- heat waves and fire risk predicted to increase in intensity and frequency;
- floods, landslides, droughts and storm surges likely to become more frequent and intense;
- frosts likely to become less frequent; and
- precipitation patterns leading to increased runoff in the southwest and reduced runoff in the northeast.⁵¹

Complex and far-reaching impacts on our communities and industries

Climate change will increase the frequency and likelihood of natural hazard events affecting communities and industries. Increased flooding and erosion in many coastal and low-lying areas, for example, will escalate risks to low-lying ecosystems, infrastructure and housing. At the same time, changing production zones and growing conditions for agriculture, pasture production, forestry and fisheries may shift the types of industry that can be supported.

A strong theme in these impacts is the unequal ways our communities will be directly affected. Sea level rise clearly affects coastal communities most (although impacts can flow inland along waterways and be felt through a rising water table), while agricultural regions are likely to be affected in different ways.⁵²

Implications

Action is needed to (i) mitigate our greenhouse gas emissions to help reduce the extent of climate change, and (ii) adapt to climate change in order to reduce the extent to which these changes harm communities and industries.

Councils have opportunities to develop strategic initiatives and practical tools to support these aims. SOLGM argues that an integrated mix of regulatory and non-regulatory responses is needed, with many of the opportunities for local government action falling into three broad categories:

- building community understanding and preparedness;
- developing practical processes and tools to help New Zealanders adapt; and
- strengthening resilience against adverse impacts.⁵³

⁴⁹ LGNZ. 2015. Climate change. Note: the IPCC sixth assessment report is due to be published in 2022.

⁵⁰ NIWA. June 2017. Climate change and variability – Wellington Region: prepared for Greater Wellington Regional Council, p11.

⁵¹ Ibid., pp11-12.

⁵² LGNZ. July 2016. The 2050 challenge: future proofing our communities.

Given the significant impact of rising sea levels and other changes on coastal environments in particular, the Parliamentary Commissioner for the Environment published a series of reports in 2014 and 2015 to increase understanding of how sea level rise will affect New Zealand.⁵⁴ More recently, the Ministry for the Environment released guidance for local government on adaptation to coastal hazard risks from climate change.⁵⁵

Emergency resilience

New Zealand's wild and diverse landscape, our relatively isolated geographic location, and our reliance on primary production means that New Zealanders are, and will continue to be, at risk from a broad range of hazards.⁵⁶

New Zealand's integrated approach to emergency management, as described by the Ministry of Civil Defence & Emergency Management, centres around four areas of activity known as the 4Rs.⁵⁷ These are:

- **Reduction:** Identifying and analysing long-term risks to human life and property from hazards; taking steps to eliminate these risks if practicable, and, if not, reducing the magnitude of their impact and the likelihood of their occurring;
- **Readiness:** Developing operational systems and capabilities before a civil defence emergency happens; including self-help and response programmes for the general public, and specific programmes for emergency services, lifeline utilities and other agencies;
- **Response:** Actions taken immediately before, during or directly after a civil defence emergency to save lives and protect property, and to help communities recover; and
- **Recovery:** The coordinated efforts and processes to bring about the immediate, medium-term and long-term holistic regeneration of a community following a civil defence emergency.

Emergency management can cover a range of events from natural hazards (such as earthquakes, tsunamis, flood or severe wind), to biological (human pandemic, major pest or disease outbreak), to technological (infrastructure failure or cyber-attack) and social (terrorism or global conflicts). New Zealand's position at the border of tectonic plates makes it vulnerable to geological hazards such as earthquakes, tsunamis and volcanic activity. Meteorological hazards such as floods also form a key aspect of New Zealand's risk profile, particularly due to their high frequency.

Figure 2 below illustrates the likelihood of a risk occurring over the course of one year, and the scale of the consequences of the hazard occurring.

⁵³ SOLGM. Climate change.

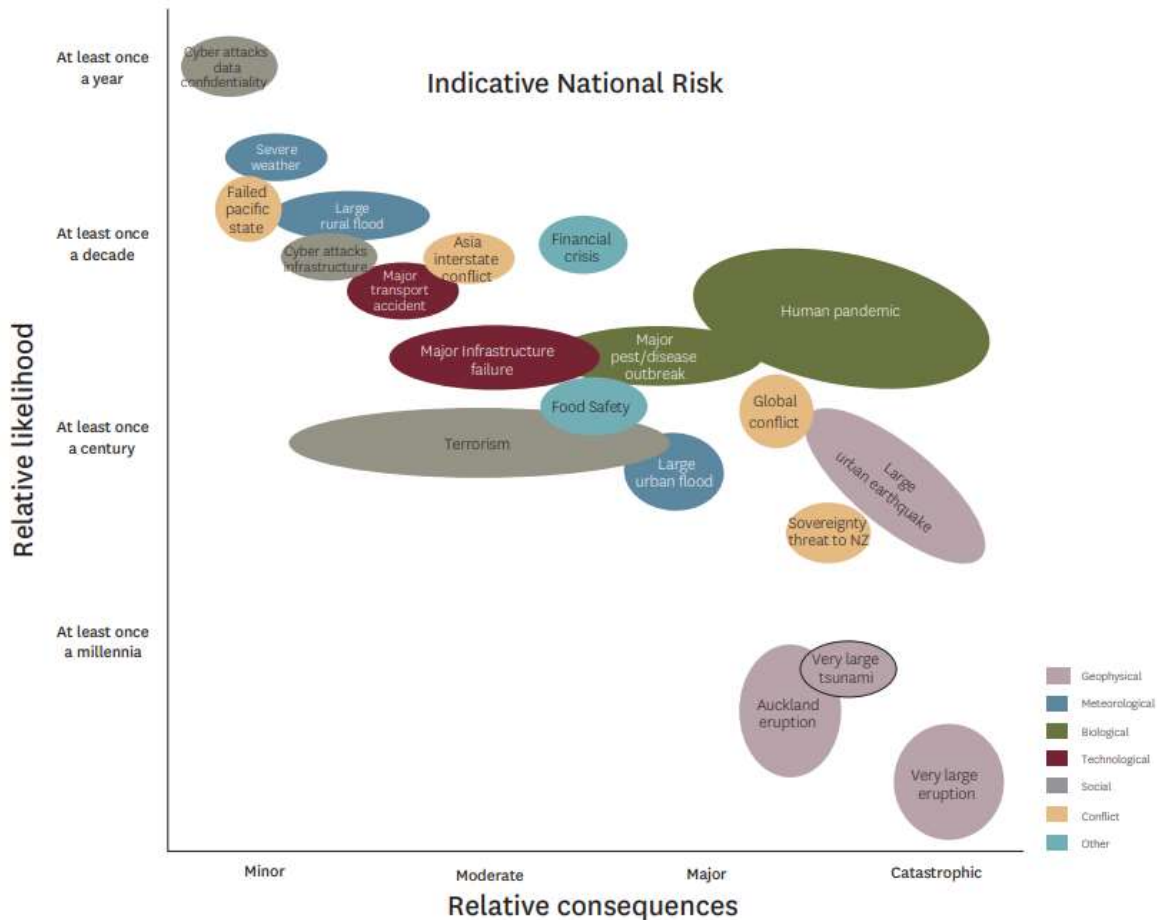
⁵⁴ Parliamentary Commissioner for the Environment. 2015. Preparing New Zealand for rising seas: certainty and uncertainty; Parliamentary Commissioner for the Environment. 2014. Changing climate and rising seas: understand the science.

⁵⁵ Ministry for the Environment. 2017. Coastal hazards and climate change: guidance for local government.

⁵⁶ National Civil Defence Emergency Management Strategy 2008, p3.

⁵⁷ civildefence.govt.nz/cdem-sector/cdem-framework/the-4rs/

Figure 2: Indicative national risk



Source: LGNZ, Managing natural hazard risk in New Zealand – towards more resilient communities, October 2014.

Roles and responsibilities

Government departments, local government agencies, emergency services and lifeline utilities all have a key role in planning and preparing for emergencies and for response and recovery in the event of an emergency. These roles and responsibilities vary depending on the type and scale of event. The Civil Defence Emergency Management Act 2002 (CDEM Act) defines these functions and responsibilities.

Under the CDEM Act, section 64, a local authority must:

1. plan and provide for civil defence emergency management within its district; and
2. ensure that it is able to function to the fullest possible extent, even though this may be at a reduced level, during and after an emergency.

New Zealand's current preparedness

New Zealand's emergency management and preparedness have typically focused on preparing for and responding to natural disasters.

In 2014 LGNZ reviewed the current arrangements for managing natural hazard risk in New Zealand, and determined that New Zealand's management of natural hazard risks is in a 'poor state' and identified a range of issues:

- little national ownership of the fourth 'R' – risk reduction – with a clear national emphasis on readiness, response and recovery;

- a lack of coordinated national leadership of risk reduction, even though there are multiple national players involved;
- little monitoring of risk reduction activity or outcomes achieved;
- no consistent basis to make natural hazard risk management decisions;
- dispersed information and guidance on natural hazards;
- the public's frequent reliance on incomplete (and sometimes inaccurate) information about hazards management; and
- the changing context in which natural hazards are occurring – the effect of climate change, in particular, is not appropriately accounted for.⁵⁸

Earthquake and tsunami preparedness

Earthquake and tsunami preparedness is a relevant and contemporary issue for many New Zealanders, organisations, local governments and central government. Public awareness of earthquakes and tsunamis following the 2011 Christchurch earthquakes and the more recent Kaikōura earthquakes has led to clear community expectations that national and local government will ensure preparedness – particularly in central New Zealand. The following section explores the risk and response at a national level in greater detail.

Significant tsunami risk

New Zealand faces significant tsunami risk, but has almost no direct experience so this risk is not widely appreciated.

The New Zealand Institute of Economic Research (NZIER) recommended to the Earthquake Commission (EQC) in 2015 that a number of tsunami risk gaps needed addressing, including completion of evacuation planning so there is national coverage, information for decision-makers during any tsunami event and strong leadership to ensure agencies invest in the necessary tsunami capabilities.⁵⁹

Earthquake planning

Earthquake impacts are better understood for some environments, but additional planning is needed in this area as well.

Emergency preparedness and responsiveness for earthquake events are top-of-mind for central and local government for 2017, particularly in central New Zealand following the Kaikōura series of quakes in November 2016. Being prepared is not just about asset management. Well-prepared communities that can respond to emergencies using their own skills, resources and connections are crucial to recovery. Additionally, a newer area of planning and preparedness that is increasingly recognised, and required, by organisations centres around business continuity.

The Kaikōura earthquakes caused damage to offices within the Wellington CBD. In December 2016 CBRE estimated that 11% of total office building stock remained closed to occupiers, affecting 50 different

⁵⁸ LGNZ. October 2014. Managing natural hazard risk in New Zealand – towards more resilient communities.

lgnz.co.nz/home/our-work/publications/managing-natural-hazard-risk-in-new-zealand-towards-more-resilient-communities/

⁵⁹ LGNZ. Managing natural hazards. lgnz.co.nz/home/our-work/publications/managing-natural-hazard-risk-in-new-zealand-towards-more-resilient-communities/

tenants.⁶⁰ This has resulted in workers being moved between buildings and/or choosing to work from home in the wider Wellington Region indefinitely.

Economic prosperity

New Zealand's economic performance has strengthened since the last long term plan was developed.

This section provides a brief economic outlook (which is picked up at a district level in the District overview), information about current sector growth, and background about national and regional initiatives.

National economic outlook

New Zealand has come out of the global recession well, with economic growth resuming from 2010. In 2015 New Zealand was one of the fastest-growing developed economies in the world.⁶¹ Economic growth was 3.0% in the year to September 2016.⁶²

The New Zealand Treasury is predicting ongoing economic growth over the next five years, with economic growth expected to accelerate to a peak of 3.6% to June 2017 before moderating to 2.3% by June 2021. Unemployment is at 5% and is projected to remain at between 4% and 5% over the next five years (the medium term).⁶³ This economic growth is a result of high net migration inflows, elevated tourist arrivals, and low interest rates supporting residential construction, service exports, market investment and private consumption. These factors are expected to moderate in the medium term as capacity issues, interest rate increases and slowing net migration begin to impact on the economy.⁶⁴ Internationally, economic growth could be impacted by slower trading partner growth, which could lead to lower export demand and prices.⁶⁵

Building a more productive and competitive economy was one of four strategic priorities set by the government in 2012 with an ultimate aim of raising the living standards for New Zealanders.

The Ministry of Business, Innovation and Employment (MBIE), which is leading this programme of work, has a goal of delivering a successful New Zealand economy by 2025.⁶⁶

Growth within the New Zealand economy

New Zealand is experiencing economic growth but it is uneven, with some industries growing faster than others.

For a sector-specific growth perspective, it is important to note that economies are generally broken down into four broad sectors that are made up of specific types of industry. These four sectors are:

⁶⁰ CBRE report quoted in the NZ Herald on 7 December 2016.

nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=11761992

⁶¹ Euromonitor International – economy, finance and trade New Zealand, p1.

⁶² Statistics NZ. Gross domestic product: September 2016 quarter.

stats.govt.nz/browse_for_stats/economic_indicators/GDP/GrossDomesticProduct_HOTPSep16qtr.aspx

⁶³ Please note that these figures reflect GDP production measure (Real production GDP, annual average percentage change). Sourced from – The Treasury, Half Year Economic and Fiscal Update (HYEFU), 8 December 2016, pp9 and 146.

⁶⁴ Ibid., p9.

⁶⁵ Ibid., p59.

⁶⁶ For more information see the suite of documents on the Business Growth Agenda – mbie.govt.nz/info-services/business/business-growth-agenda/towards-2025

- primary, which makes direct use of natural resources; extracts or harvests products from the earth; and includes agriculture, forestry, fishing, and mining;
- secondary, which produces manufactured and other processed goods and includes manufacturing, electricity, gas and water, and construction;
- tertiary, which includes all the lower value-adding service industries that are not knowledge intensive, such as retail trade, and food and accommodation services; and
- quaternary, which includes the higher value-adding, knowledge-based service industries such as information technology and financial services.⁶⁷

In 2015 the share of total GDP spread across these four sectors in New Zealand was: primary 7.8%; secondary 19.1%; tertiary 28.3%; and quaternary 31.3%.⁶⁸

From an economic development perspective, growing quaternary sector activity and increasing value-adding activities within the other sectors provide the best opportunity for greater economic prosperity in New Zealand.

Four industry specific-sectors that are currently experiencing high-value growth in New Zealand are tourism; technology; construction; and retail.

Tourism sector growth

Tourism plays a significant and growing role in the New Zealand economy. It is our largest export industry in terms of foreign exchange earnings and directly employs 7.5% of the New Zealand workforce.⁶⁹ In the year to March 2016, tourism generated a direct contribution to GDP of \$12.9 billion, or 5.6% of GDP. The indirect value added of industries supporting tourism generated an additional \$9.8 billion for tourism, or 4.3% of GDP.⁷⁰

Visitor nights and expenditure increased across the country in 2016^{71,72}, with a 19.6% increase in international tourism expenditure and a 7.4% rise in expenditure from domestic tourists. This significant increase in international tourism expenditure is driving the country's desire to attract more international tourists, particularly from China.⁷³

International tourist arrivals are projected to grow by 45% to 4.5 million in 2022 (Figure 3).

⁶⁷ Infometrics. Kāpiti Coast district annual economic profile 2015, p51.

⁶⁸ Ibid., p4.

⁶⁹ tourismnewzealand.com/about/about-the-industry/

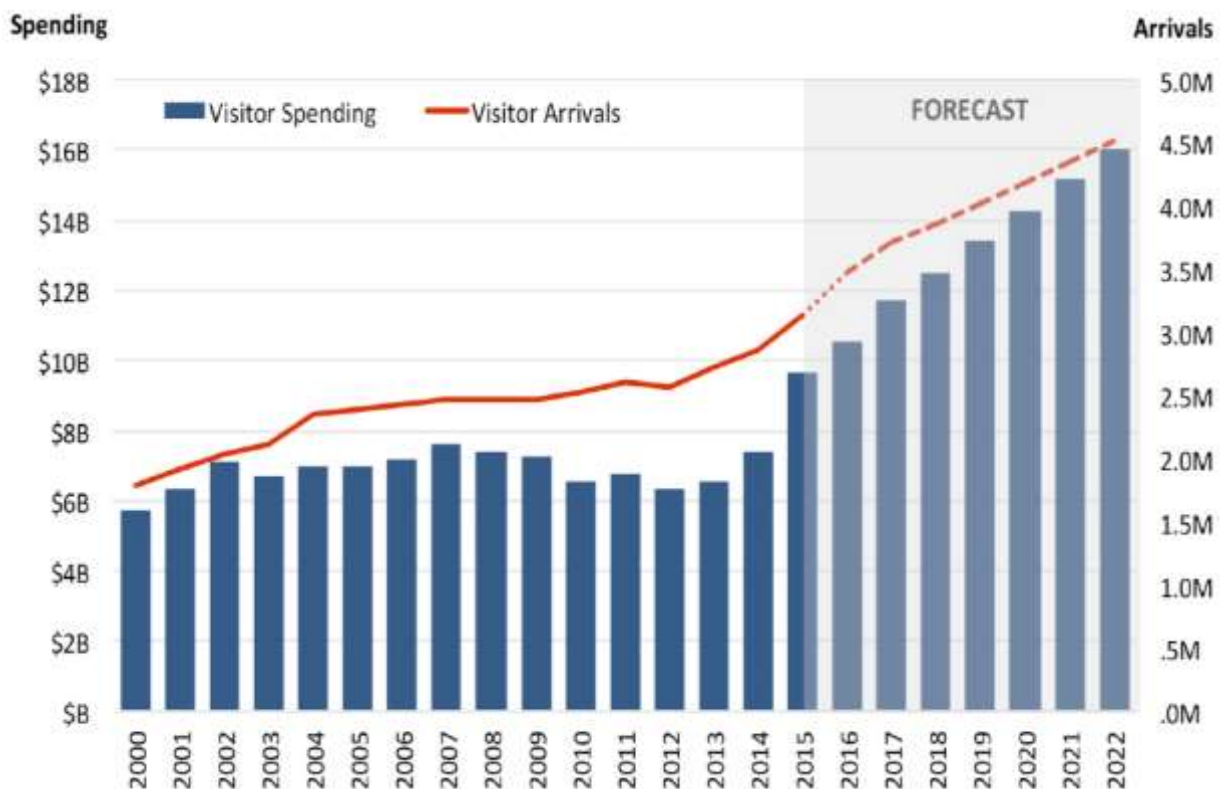
⁷⁰ Direct value added does not measure the full impact of tourism on the New Zealand economy because it is limited to businesses that have a direct relationship with tourists. Indirect value added covers production of intermediate inputs used in producing goods and services sold to tourists, although there is no direct relationship between the producer of the intermediate inputs and the tourist. Source: Statistics NZ. October 2016. Tourism Satellite Account: 2016 the contribution made by tourism to the New Zealand economy.

⁷¹ Statistics NZ. November 2016. Accommodation survey: September 2016.

⁷² MBIE. January 2017. Key tourism statistics.

⁷³ Westpac. March 2016. Industry insights: tourism, hospitality and recreation.

Figure 3: MBIE 2016–22 Forecasts – International Visitor Arrival and Spending



Source: MBIE, Forecasts – International visitor arrival and spending 2016.

This sharp rise has implications for councils as it will increase the pressure on New Zealand’s existing infrastructure, while increasing tourism expenditure in New Zealand. This increase will be driven by “the opening of new airline routes and the increase in airline capacity”⁷⁴, making it easier for tourists to come to New Zealand.

Technology

Technology is another high-value growth area. New Zealand’s technology sector has shown steady growth since 2012, with the greatest surge occurring between 2014 and 2015. Several subsectors have experienced significant increases in revenue, including financial services technology, IT services, software solutions and healthcare.⁷⁵

Since 2010 the number of employees in the technology industry increased by 8.6% across New Zealand. Wellington and Otago/Southland experienced the greatest employment increases by region, creating jobs and making it more likely that individuals in the technology industry will move to these areas in pursuit of employment opportunities.⁷⁶

Construction

Between 2013 and 2014 the construction industry experienced significant growth, as revenue from non-residential construction increased by 87.1% and construction services revenue expanded by 48.4%, presenting significant opportunities for growth. The residential construction and heavy and civil

⁷⁴ Westpac. March 2016. Industry insights: tourism, hospitality and recreation.

⁷⁵ MBIE. 2016. The investor’s guide to the New Zealand technology sector.

⁷⁶ MBIE. 2015. Information and communications technology.

engineering subsectors also experienced growth, but this was significantly smaller in comparison.⁷⁷ These trends are not forecast to continue, as growth in the residential sector is expected to peak in 2017, while the non-residential sector is forecast to start declining in 2018 (Figure 4).

Figure 4: Value of all New Zealand construction nationwide (historical and forecast)



Source: MBIE, National Construction Pipeline Report 2016, July 2016.

Recent growth in New Zealand's construction sector has been driven, in part, by the Canterbury earthquake rebuild. The work generated from this rebuild is projected to lead to an imminent 9% decline of employees in the region's construction sector. In search of new job opportunities, these workers will relocate to other areas of New Zealand that are experiencing growth.

Retail

Retail sales increased by 2.3% in the second quarter of 2016.⁷⁸ Most retail subsectors experienced growth over this period, but the increased revenue is lower than the percentage increases experienced by some other industries. While retail is New Zealand's largest sector, it is fraught with challenges that can impact on the industry's success, such as competition from overseas online retailers.

The largest subsector in this industry continues to be food and grocery, employing the greatest number of individuals but adding the least value, while the most value of any of the subsectors in this industry comes from vehicles and parts.⁷⁹

Demand for retail is projected to drop in 2017 and continue declining into 2020.⁸⁰ This will create an increasingly difficult operating environment for retailers.

Employment growth

While different industry sectors and subsectors may grow at different rates, employment growth within each sector may vary as well.

⁷⁷ Statistics NZ. August 2015. Annual enterprise survey 2014.

⁷⁸ Statistics NZ. August 2016. Retail trade survey: June 2016 quarter.

⁷⁹ Westpac. December 2015. Industry insights: retail.

⁸⁰ Ibid.

In November 2015 the MBIE employment growth forecasts suggested:

- moderate to strong employment growth over the next 10 years in industries from several different sectors, including retail trade and accommodation, business services, construction and utilities, and some manufacturing industries (such as mining and quarrying, machinery and equipment, and metal products); and
- moderate employment growth over the next 10 years in service industries, including healthcare and social assistance; and arts, and recreation and other services.⁸¹

Initiatives relevant to the Wellington Region

In 2015 the MBIE Business Growth Agenda identified the following activities as being relevant to the Wellington Region⁸²:

- extend the Ultra-Fast Broadband network to smaller towns;
- lift rural broadband speeds with the Rural Broadband Initiative;
- develop the Levin to Airport Road of National Significance, including Kāpiti Expressway and Transmission Gully;
- construct the Haywards Interchange and other regional roading upgrades;
- offer opportunities via the New Zealand Regional Partnership programme to grow international education;
- promote the Tourism Growth Partnership Fund to grow tourism infrastructure;
- complete Nga Haerenga – The New Zealand Cycle Trail;
- attract new investment and jobs with the Regional Investment Attraction Programme;
- relaunch the Regional Business Partners Programme for Wellington small and medium-sized business enterprises;
- build Regional Business Hubs;
- strengthen Callaghan Innovation's regional footprint;
- promote the Ministry for Primary Industries' Primary Growth Partnerships R & D Programme;
- encourage water storage projects with the Irrigation Acceleration Fund and Crown Irrigation;
- unlock the productivity of Māori-owned land;
- undertake resource management reforms to speed up decision-making;
- increase the supply of affordable housing through Housing Accords and Special Housing Areas;
- increase social housing provision through community providers;
- promote Māori and Pasifika Trades Training;
- encourage vocational training with New Zealand Apprenticeships' Trades Academies;
- boost regional skilled migration;
- establish ICT graduate schools; and
- improve trade access for exporters with the Korean free trade agreement and Trans-Pacific Partnership.

⁸¹ MBIE. December 2015. Medium to long term employment outlook, Looking ahead to 2024.

⁸² Regional economic activity report 2015, p53. mbie.govt.nz/info-services/business/business-growth-agenda/regions/documents-image-library/rear-2015/min-a003-rear-report-lr-optimised.pdf

Regional economic development focus

The Wellington Regional Economic Development Agency (WREDA) was established in 2014, bringing together the economic development activities of Wellington City Council and Greater Wellington Regional Council (GWRC).

WREDA's Statement of Intent for 2016–19 sets a vision for Wellington to be “The most prosperous, liveable, and vibrant region in Australasia by 2025”. Appendix Two of WREDA's Statement of Intent sets out the Strategic Plan on a Page for the region.⁸³

⁸³ WREDA Statement of intent 2016–19, p23.

Our partnership with iwi

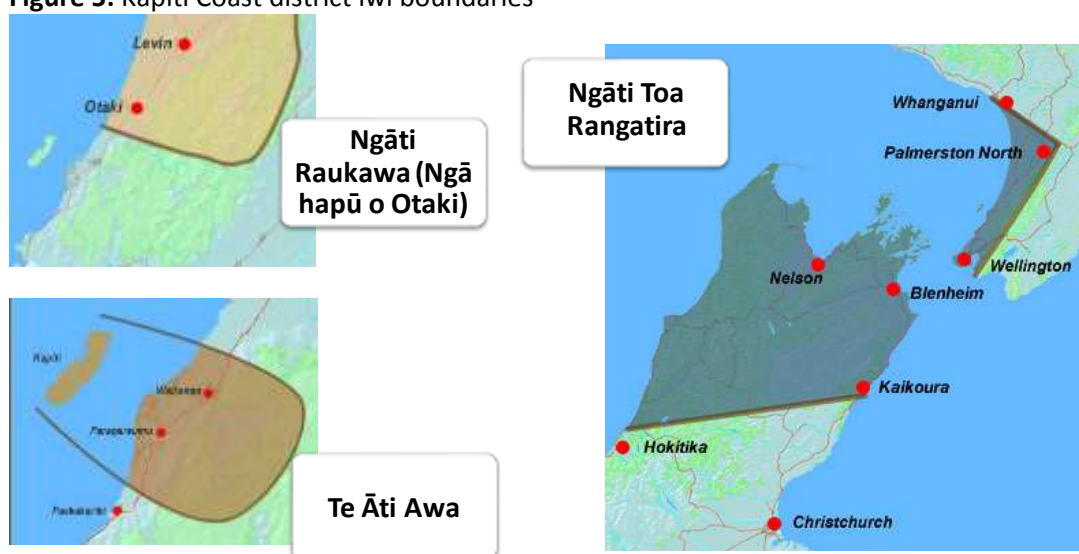
This section on our partnership with iwi identifies the mana whenua⁸⁴ for the Kāpiti Coast, and describes our partnership with iwi, and how we ensure tāngata whenua participation in decision-making.

Our iwi landscape

The mana whenua on the Kāpiti Coast are the three iwi of Te Āti Awa ki Whakarongotai, Ngāti Raukawa ki te Tonga and Ngāti Toa Rangatira, including whānau and hapū (Figure 5).

In the 1820s–30s, these mana whenua were firmly established in the district and were signatories to the Treaty of Waitangi in several locations between April and June 1840, including Waikanae, Ōtaki and Kāpiti Island.

Figure 5: Kāpiti Coast district iwi boundaries



Te Āti Awa ki Whakarongotai

These are the ngā whānau, ngā hapū and ngā iwi who are descendants of those ancestors of Te Āti Awa and kindred tribes (Ngāti Tama, Ngāti Mutunga, Ngāti Maru Wharanui) who remained in Waikanae after 1848 and who identify with the land from Kukutauaki to Whareroa, inland to Pukemore and to Maunganui, northward to Kapakapanui and Pukeatua to Ngawhakangutu, then westward to Kukutauaki.

Ngāti Raukawa ki te Tonga

Ngā hapū o Ōtaki are the five hapū⁸⁵ in Ōtaki who are mana whenua in the Ōtaki region. While Raukawa rohe⁸⁶ extends north into Manawatū, when working with the Kāpiti Coast District Council the five hapū are signatories to the partnership arrangements.

⁸⁴ People with ‘authority over the land’ – based on whakapapa, and representing power, control, status and leadership.

⁸⁵ Ngāti Huia ki Katihiku, Ngāti Kapumanawawhiti, Ngāti Koroki, Ngāti Maiotaki, Ngāti Pare.

⁸⁶ Rohe are the territory or boundaries of iwi.

Ngāti Toa Rangatira

Ngāti Toa Rangatira has marae in Porirua (Hongoeka and Takapūwahia) and Te Tau Ihu (northern South Island, Wairau and Whakatau). Ngāti Toa's ancestral house, Toa Rangatira, stands at Takapuwahia marae in Porirua. It is the focal point of tribal activities and gatherings, and an enduring symbol of the mana of Ngāti Toa.

ART Confederation

Today Te Āti Awa, Ngāti Raukawa and Ngāti Toa combine on issues of mutual significance under the ART Confederation. At Ōtaki, they cooperated in the building of the Rangiātea Church in the 1840s, the Ōtaki Māori Racing Club in the 1880s and, half a century later, in the opening of the Raukawa Marae overseen by a body of 69 trustees known as the Raukawa Marae Trustees (the Trustees). In 1975 the Trustees began a 25-year tribal development experiment, known as Whakatupuranga Rua Mano – Generation 2000. In April 1981 the Trustees resolved to establish Te Wānanga o Raukawa along with the opening of Te Kura a iwi o Whakatupuranga Rua Mano in the year 2000.

Iwi partnership

Whatungarongaro te tāngata toitū te whenua

As man disappears from sight, the land remains

This whakatauki⁸⁷ provides insight into the way tāngata whenua see their role as kaitiaki. Within this role, there is an inherent intergenerational obligation which reminds us that our role is to continue to plan for the health and wellbeing of our future generations – our whakapapa.⁸⁸ Participation is holistic: planning will incorporate cultural, social, economic, environmental, and political values and dimensions.

The tāngata whenua relationship with the environment spans centuries of observation and experience, from which a unique body of knowledge and cultural practice has developed. Alongside western scientific knowledge and experience, the tāngata whenua experience is valuable for the development of tools and processes for ensuring that the mauri (life force) of the environment is maintained and improved. The tāngata whenua natural management of the environment is clearly bound through the process of kaitiakitanga practised by those whānau, hapū or iwi who possess mana whenua in their area.

Memorandum of partnership

The Treaty of Waitangi provides the incentive for councils to establish relationships with tāngata whenua. Since 1994 the Kāpiti Coast District Council and the mana whenua – Te Āti Awa ki Whakarongotai, Ngāti Raukawa ki te Tonga and Ngāti Toarangatira – have committed to a memorandum of partnership which forges a relationship of mutual benefit to iwi and the Council and recognises each member's role in the management of the district and a collective responsibility to plan wisely for the future. The partnership, known as Te Whakaminenga o Kāpiti, also guides the strategic direction for the Council in relation to tāngata whenua outcomes.

⁸⁷ Proverb.

⁸⁸ Ancestral lineage, ancestral rights.

Te Whakaminenga o Kāpiti

Te Whakaminenga o Kāpiti (Te Whakaminenga) is one of the longest lasting partnerships between tāngata whenua and local government in New Zealand, and it is reviewed and signed each triennium. Most recently all of the partners renewed their commitment to the partnership by re-signing the Memorandum of Partnership on 5 December 2017.

Te Whakaminenga consists of two representatives from each iwi and two Council members, including the Mayor. Any issues of significance can be tabled and discussed so that an agreed process of further consultation or action can be decided. Other Māori groups (mātā waka) can approach the Council through Te Whakaminenga.

Through Te Whakaminenga, iwi are able to take overall responsibility for ensuring that Māori have a voice and an active role in decision-making. It also provides opportunities for iwi to offer guidance to the Council and guides the general relationship, but is not a substitute for direct consultation on specific issues. The main emphasis of Te Whakaminenga has been to ensure there are good structures and processes relating to the RMA.

Underpinning our partnership

The partnership provides the foundation for the Council and iwi to harmonise western and Māori world views in the management of the district's resources and ensure iwi values and aspirations are incorporated into Council initiatives, all based on a solid understanding of the landscape involved (e.g. traditional bodies of knowledge, history, wāhi tapu⁸⁹, etc.).

Since 1994 the Council and tāngata whenua have developed a considerable body of experience in (i) how to build and maintain relationships, both statutory and non-statutory, and (ii) how best to incorporate traditional Māori bodies of knowledge into Council decision-making processes.

At an operational level, the partnership supports the purposeful coordination and integration of Māori aspirations and cultural beliefs within the environmental management of the district. It also provides investment in appropriate strategies to improve Māori participation in decision-making processes such as the appointment of Māori representatives to the Council's Strategy and Policy Committee, and Operations and Finance Committee.

During the development of the first long term council community plan in 2004, through a series of workshops with whānau and hapū groups, tāngata whenua established their vision for the community based on four principles. These principles provide a framework with which all Council activity can be aligned. For tāngata whenua, the vision represents the values that underpin their relationship to the environment and the management principles that are used to maintain a balance. These values are consistent across generations and the practice of them is handed down from generation to generation.

Principle One – Whakawhanaungatanga/Manaakitanga

The marae is the principal home that ties tāngata whenua to the whenua. Marae are the physical embodiment of the ancestors. The wellbeing and health of the marae determine the emotional, spiritual and physical wellbeing of the people. Marae provide a place where the land, language and kinship are

⁸⁹ Places that are sacred to Māori in the traditional, spiritual, religious, ritual or mythological sense.

maintained for future generations. Marae provide for the continuity of Māori identity throughout political, cultural, social and economic change.

Principle Two – Te Reo

Te Reo is the language of the tāngata whenua, through which tikanga is conveyed, and it is an official language of New Zealand. It is fundamental that the language, as a deeply treasured taonga left by our ancestors, is nurtured throughout the community and continues to prosper and encourage future generations.

Principle Three – Kotahitanga

Through unity, we as communities have strength. Working together we can ensure our district's heritage, cultural development, health and education flourish.

Principle Four – Tino Rangatiratanga

Tino Rangatiratanga is the continuation of self-determination and self-governance of all tribal matters. To ensure Tino Rangatiratanga, the partnership would like to encourage the following across the district:

- kaitiakitanga;
- the use of te reo;
- the development and maintenance of a healthy environment;
- effective engagement, partnership, and Māori representation;
- fostering of artistic talent;
- international recognition;
- economic development;
- community access to health services;
- young people reaching their full potential;
- the community having knowledge of Kāpiti history and heritage;
- involvement with citizenship processes and support for new migrants;
- the development of iwi management plans;
- the recognition of intangible spiritual connections and association with the environment; and
- an appreciation of tāngata whenua law and lore.

Māori representation on standing committees

In recent years it has been apparent that there is a need to work collectively on wider issues affecting the district's future. During the last triennium, tāngata whenua through Te Whakaminenga o Kāpiti led a process to ensure Māori were represented to sit at the table with Councillors at all standing committee meetings. The Chair of Te Whakaminenga participates in full Council meetings.

Working parties

Additional mechanisms, including working parties, are established so that tāngata whenua can participate in operational projects. This ensures that values and aspirations are included in the design and outcome of key Council projects and ongoing activities

Working directly with each iwi

The memorandum of partnership recognises that each of the three iwi is an independent tribe maintaining their own mana and tikanga. The Council works directly with each iwi on projects that are specific to an iwi rohe.

Māori demographics within Kāpiti

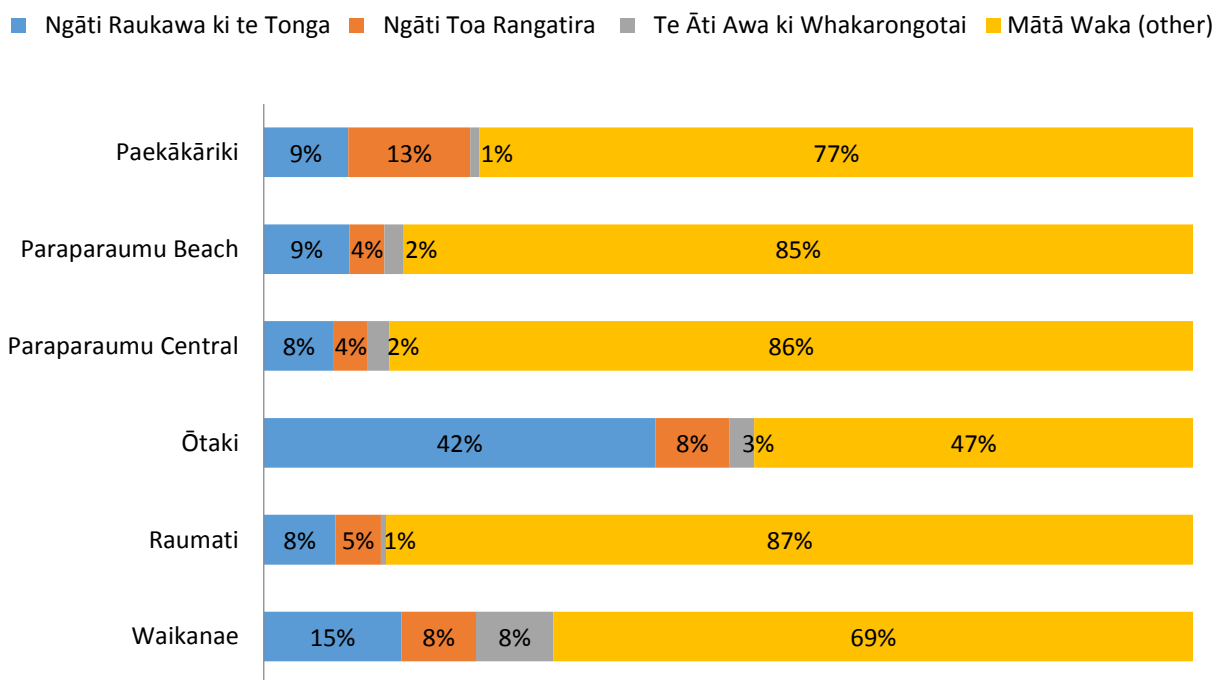
In Kāpiti there are 6,198 usual residents of Māori ethnicity. Of those residents, close to 50% reside in the communities of Ōtaki (29%) and Paraparaumu Central (19%).

In Kāpiti there are 7,107 usual residents identified as being of Māori descent, which is approximately 14% of the total population.⁹⁰ According to the 2001, 2006 and 2013 Census data, the Māori population in Kāpiti increased by 13% between 2001 and 2006, and by a further 13% from 2006 to 2013. This is significantly larger than the total number of Māori in New Zealand, which increased by 7.4% between 2001 and 2006, and by 5.9% between 2006 and 2013.

For those in Kāpiti of Māori descent, less than 30% overall are descendants of at least one of the three local iwi, although this varies considerably across the district (**Figure 6**). In Ōtaki 53% of the usual resident population is descended from at least one of the local iwi, primarily Ngāti Raukawa ki te Tonga.

Of those in Kāpiti that are descendants of at least one local iwi, the majority are Ngāti Raukawa ki te Tonga (67%), followed by Ngāti Toa Rangatira (22%), and then Te Āti Awa ki Whakarongotai (11%). For both Kāpiti district and for New Zealand, the number of people with affiliation to these three iwi has increased by about one-half between 2001 and 2013.

Figure 6: Māori descent, by Kāpiti community (2013)



Note: For reasons of confidentiality, Statistics New Zealand does not release small numbers (generally less than 3). For this reason, data on Māori descent is not available for some small geographic areas. There are 384 usual residents in the semi-rural/rural communities that are of Māori descent, but small numbers prevent Statistics New Zealand from supplying more information. Source: Statistics NZ, Census of Population and Dwellings 2013.

⁹⁰ "The Māori ethnic group population is made up of people who stated Māori as being their sole ethnic group or one of several ethnic groups. Māori descent refers to people who are a descendent of a person of the Māori race of New Zealand." Statistics New Zealand. 2013. Census QuickStats about Māori.

District overview

Our geographic location and natural environment

The geographic location and natural environment of the Kāpiti Coast have influenced the development of the district and community, and helped to define what the Kāpiti community views as important.

Our geographic location

The Kāpiti Coast district is located in the south-west of the North Island, with eight coastal settlements split along 40km of beaches – Paekākāriki, Raumati South, Raumati Beach, Paraparaumu, Waikanae, Peka Peka, Te Horo and Ōtaki. Many of these settlements have both a beach settlement and a township further inland (Figure 7).

The district is also home to several rural areas – Maungakotukutuku, Reikorangi, Te Horo, Waitohu and the Hautere Plains.

About 40% of the district lies in the Tararua Range and Forest Park, which forms the eastern boundary with the Wairarapa councils. Horowhenua District Council sits to the north and Porirua City Council sits to the south. The western coastline looks out to Kāpiti Island, which is a 1,965-hectare nature reserve that serves as a focal point for the district's identity.

Within the district, there are 2,200 hectares of Māori Freehold Land, with a land value of approximately \$50 million and capital value of \$60m.⁹¹

Approximately 50km to the south of the district is Wellington, the capital city of New Zealand. Being located so close to the capital has helped define the demographic make-up of the Kāpiti Coast.

The 45-minute drive to Wellington, along with the electric train link from Waikanae to the city, has resulted in a significant portion of the working population commuting to Wellington for employment, and many students attending school in Wellington.

Similarly, the easy transport connections, together with the accessible coastline and temperate climate, have resulted in the Kāpiti Coast district becoming a preference for holiday-home owners and retirees.

Recently the Mackays to Peka Peka four-lane expressway has opened in the district, which separates local and highway traffic and results in safer and shorter trips to and through the Kāpiti Coast. Construction has now begun on the next stage of the expressway – Peka Peka through to north Ōtaki – which will increase



Figure 7: Map of the Kāpiti Coast

⁹¹ BERL. 13 December 2016. The Māori economy in the Kāpiti Coast district [PowerPoint slides].

the efficiency of freight and people movements between Wellington and the north, ease local trip congestion, and facilitate economic development in the area.

Also of significance to the future of the district is the construction of the Transmission Gully motorway, which is expected to be open for traffic in 2020. The 27km motorway will begin just north of Wellington and continue northwards, connecting to the Mackays to Peka Peka expressway. Transmission Gully will provide a route that is more resilient to natural disasters than the existing coastal highway and will provide a quicker route to the Kāpiti Coast from Wellington.

Our natural environment

The natural environment is one of the key features of the Kāpiti Coast, and is a significant reason why people live and visit here. Kāpiti is an area noted for its beauty, space and recreational opportunities, but it is also an area under pressure as there are a number of potential threats to the natural systems, including rapid rates of development, effects of climate change and pressure from increased recreation use.

The Kāpiti Coast district encompasses a total land area of 731km², including coastline, beaches, wetlands, rivers, forests and mountains. The district's terrain consists of hill country and a coastal plain made up of alluvial debris and windblown silt, overlaid by sand dunes sporadically accumulated over the last 6,000 years, and floodplains formed by rivers flowing from mountainous catchments. There are also areas which have been greatly influenced by tectonic events and coastal processes, such as the Hemi Matenga foothills, or the string of wetlands and peatlands adjacent to State Highway One.

The land between the coast and the ranges is where a significant majority of the population within Kāpiti resides, concentrated in a chain of coastal settlements. This coastal plain is a dynamic environment that can experience rapid changes in beach levels, dune formation and water quality. Much of the coastal plain was once covered with a mix of dense coastal forest and extensive wetlands but, as the coastal plain was developed for agriculture and urban areas, bush was cleared, dunes were flattened, exotic species were introduced, wetlands were drained and filled, river channels were narrowed and protective structures were built. All of these changes to the environment have affected coastal ecology and processes. This dynamic system would have once been able to retreat and accrete over a wide area prior to permanent development, but is now constrained to a narrow strip in most areas. In some places the coastal plain is only marginally above existing sea levels.

The 40km of coastline is one of the main features of the district, and a major attractor for people to live and visit here. As such, the coastline holds economic value in terms of tourism, coastal property values and recreation opportunities. It is a key part of the lifestyle enjoyed by people who live in Kāpiti, and the locations of the towns and villages adjacent to the coast emphasise the importance the community places on the coastline.

The largest urban area in the district is Paraparaumu, with additional urban areas in the townships of Ōtaki, Paekākāriki, Raumati and Waikanae. Rural land is used largely for horticulture, market gardening, sheep and dairy. The district's three main water sources are in Waikanae, Ōtaki and Paekākāriki.

Many of the farming and coastal areas in the southern portion of the district have been subdivided for residential development, and this pressure for subdivision is now extending to other parts of the district due to population growth. The development of the expressway is likely to encourage more growth, which could further alter land use patterns and impact local connectivity.

Despite nearly 20 years of rapid population growth, the district continues to remain well served with open space. River corridors, private farmland, coastal reserves and regional and local parks provide residents of the district with many opportunities to see and enjoy a range of open space. In addition, Kāpiti is home to many volunteer restoration groups who work to repopulate the native flora and fauna of the region.

Tāngata whenua value the Kāpiti environment as a significant resource for traditional activities and spirituality. How Māori interact with this environment (including coastal areas, waterways and oceans) is crucial to their identity. As such, the ongoing ability to keep tikanga and mahinga kai practices alive is crucial to the wellbeing of Māori. Māori have developed customs to look after the mauri (life force) of all natural resources to ensure that the relationship between people and the environment is characterised by respect and reciprocity and to ensure their sustainable management.

Our history

The Kāpiti Coast has a long and diverse history. From the early Māori and European settlers, to the more recent development of Kāpiti, this history has defined the way our district was settled.

Early settlement

Originally, the Kāpiti Coast was mainly occupied by the people of Ngāi Tara, Ngāti Apa, Rangitāne, Muaūpoko and Ngāti Kahungunu. In the early decades of the nineteenth century, it was taken over by migrating tribes from the north – Te Āti Awa from Taranaki, Ngāti Raukawa from the Maungatautari and Ngāti Toa Rangatira from Kāwhia.⁹²

The main early Māori settlements were based in Ōtaki and Kenakena (Paraparaumu), where the majority of the Māori population within Kāpiti still resides. European settlement began with William Wakefield of the New Zealand Company landing at Paraparaumu with the intention of starting a settlement in 1839. Shore whalers, mainly from Australia, set up stations along the coast and offshore islands, often intermarrying with Māori.

Māori and European historical influences

By the mid-1840s, sheep farms were established by both Māori and Pākehā, extending from Paekākāriki to Manawatū. Produce was traded with Wellington, initially using the beach as a highway, and then coach services were established, followed by rail services in 1886.

Many other foundations of the district were established from the mid-1880s to the early 1930s including the clearing of bush and timber to enable villages to be established and a through road being completed with bridges over the Waikanae (1901) and Ōtaki (1902) rivers.

Dairying became dominant, with factories at Paraparaumu, Te Horo and Ōtaki. Horticulture flourished around Ōtaki. Railway excursions brought city holiday makers to the coast with boarding houses and hotels flourishing and several seaside resorts being laid out such as those in Raumati Beach (1908) and later in Paraparaumu Beach, Raumati South and Ōtaki Beach (1920s).

⁹² Collectively, these three iwi are recognised as the ART Confederation of Kāpiti, based on their historical alliances. See the section on Our partnership with iwi for more information.

1950s to today

The Second World War influenced the Kāpiti Coast, with the area growing vegetables for the armed services and supplying the extensive US Marine camps at Mackays Crossing. Centennial Highway (Pukerua Bay to Paekākāriki) and Paraparaumu airfield (now the Kāpiti Coast Airport) were both opened in 1940, with the airfield being Wellington's air link for passengers and freight. The airport became the main airport for the Wellington Region in 1949, which helped Paraparaumu acquire basic professional, commercial and service occupations throughout the 1950s. However, the importance of this airfield declined in 1959 when the Wellington International Airport opened.

During the 1960s the region's tourism industry flourished and a rapid period of economic and population growth ensued, with commuters travelling to Wellington and local farms being subdivided to establish the Paraparaumu township. Building and related trades flourished with the development of the Coastlands shopping centre and the Te Roto industrial park.

From 1953 to 1983, 12 schools opened within the district, including two colleges. This helped to solidify the district as a major link town to Wellington, with people choosing to raise families in Kāpiti while working in the city.

An integral part in the development of the Kāpiti district was the Kāpiti Island Reserve Act in 1987, which reserved all Crown-owned portions of the island, and established Kāpiti Island as New Zealand's leading bird sanctuary. The creation of the reserve on Kāpiti Island, and its subsequent development as a nationally significant site for protection of native wildlife, has made the island an important symbol of the emergence of environmental values within the wider community.

In 1989 the establishment of the Kāpiti Coast District Council brought together three former local authorities: Kāpiti Borough, Ōtaki Borough and the southern part of Horowhenua County. Waikanae and Ōtaki were incorporated at that time, and a rural district plan was developed to provide guidance on rural and urban growth.

The Kāpiti Coast district grew quickly throughout the 1990s. This growth, and the recent settlement and development of the district, meant the natural environments of the district and communities were subject to significant change over a relatively short period of time.

This growth period continued until 2008, when the global financial crisis led to reductions in local building, construction and employment.

Today the local economy and population are growing once again, and this poses both opportunities and challenges for the district.

Our people

The Kāpiti Coast district's estimated resident population for the year ending 30 June 2017 was 52,700.⁹³ The population density is 0.72 persons per hectare across the district⁹⁴, although density varies across the urban centres and rural areas.

⁹³ Statistics NZ. Subnational population estimates (TA, AU), by age and sex, at 30 June 1996, 2001, 2006–17 (2017 boundaries).

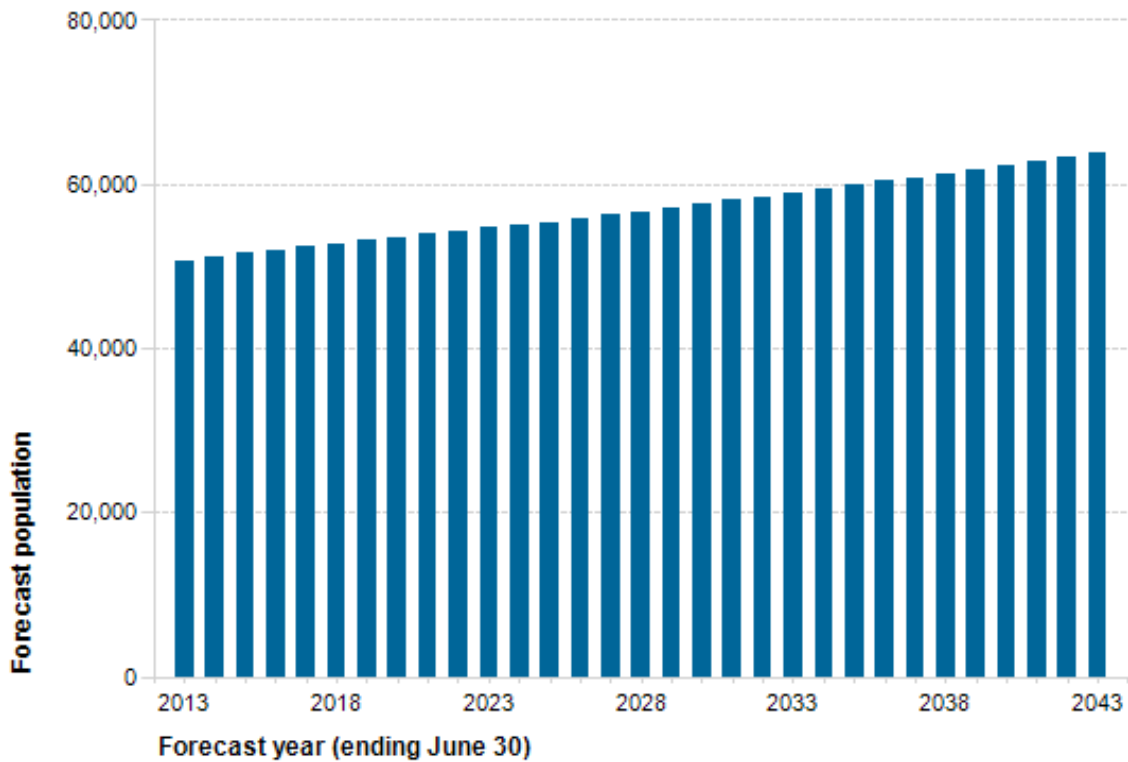
⁹⁴ .id, the population experts. profile.idnz.co.nz/kapiti?WebID=10

Out of the 67 territorial authorities in New Zealand, Kāpiti is the twenty-first largest. It is the fourth largest territorial authority in the Wellington Region, behind Wellington City, Lower Hutt and Porirua.⁹⁵

From 2016 to 2017 the estimated resident population grew by 1.1%. This is higher than the previous five years (where average population growth was 0.9% per annum), but not compared with the last 20 years (where average population growth was 1.4% per annum). Statistics New Zealand classifies Kāpiti as a medium growth area.

The Kāpiti Coast population is forecast to grow to approximately 63,685 by 2043, which equates to an average of 0.8% per annum (Figure 8).

Figure 8: Kāpiti Coast district estimated population, 2013–43



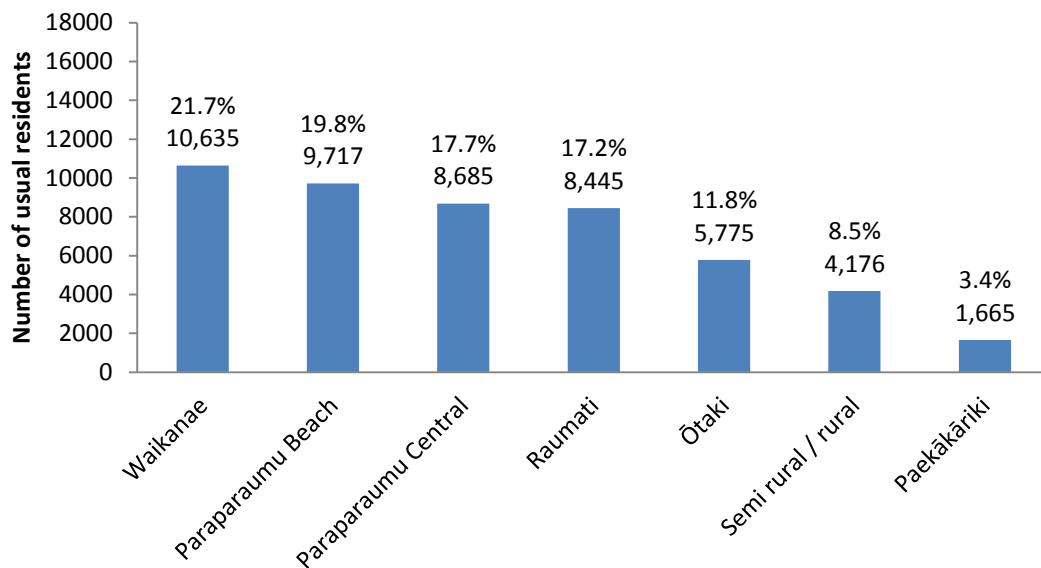
Source: Statistics NZ, Census of Population and Dwellings 2013. Compiled by .id, the population experts.

Population by community

The most populated communities in the district are Waikanae, Paraparaumu Beach and Paraparaumu Central. Almost 60% of the district’s total population lives in those three areas (Figure 9).

⁹⁵ Statistics NZ. Subnational population estimates (TA, AU), by age and sex, at 30 June 1996, 2001, 2006–17 (2017 boundaries).

Figure 9: Kāpiti Coast district usual resident population, by community (2013)



Note: Paraparaumu Beach includes Ōtaihangā. Semi-rural/rural includes Peka Peka, Kaitawa, Ōtaki Forks, Te Horo and Maungakotukutuku.

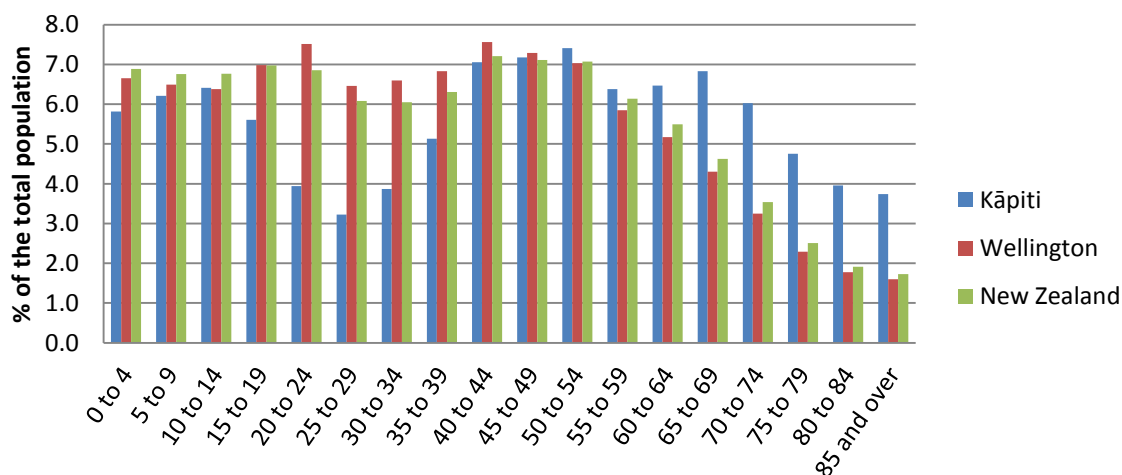
Source: Statistics NZ, 2013 Census of Population and Dwellings 2013.

Age

Comparisons with the Wellington Region and New Zealand show that Kāpiti has a high percentage of seniors, and a low percentage of young adults (Figure 10). The median age of Kāpiti residents is 46.9 years, which is higher than the Wellington Region (37.2 years) and New Zealand (38.0 years).

Sixty-five percent of the Kāpiti population is over 34 years of age. Between the 2006 and 2013 Census, the age groups with the biggest increases were those that were 50 years and above, and this trend is forecast to continue.

Figure 10: Kāpiti Coast district usual resident population, by five-year age groups (2013)



Source: Statistics NZ, Census of Population and Dwellings 2013. Compiled by .id.

Of the 67 territorial authorities in New Zealand, Kāpiti ranks second highest in terms of having the largest proportion of residents aged 60 years and over (31.4%), and ranks the absolute lowest in terms of having the smallest proportion of residents made up of the 20–39 year age group (16.3%).⁹⁶

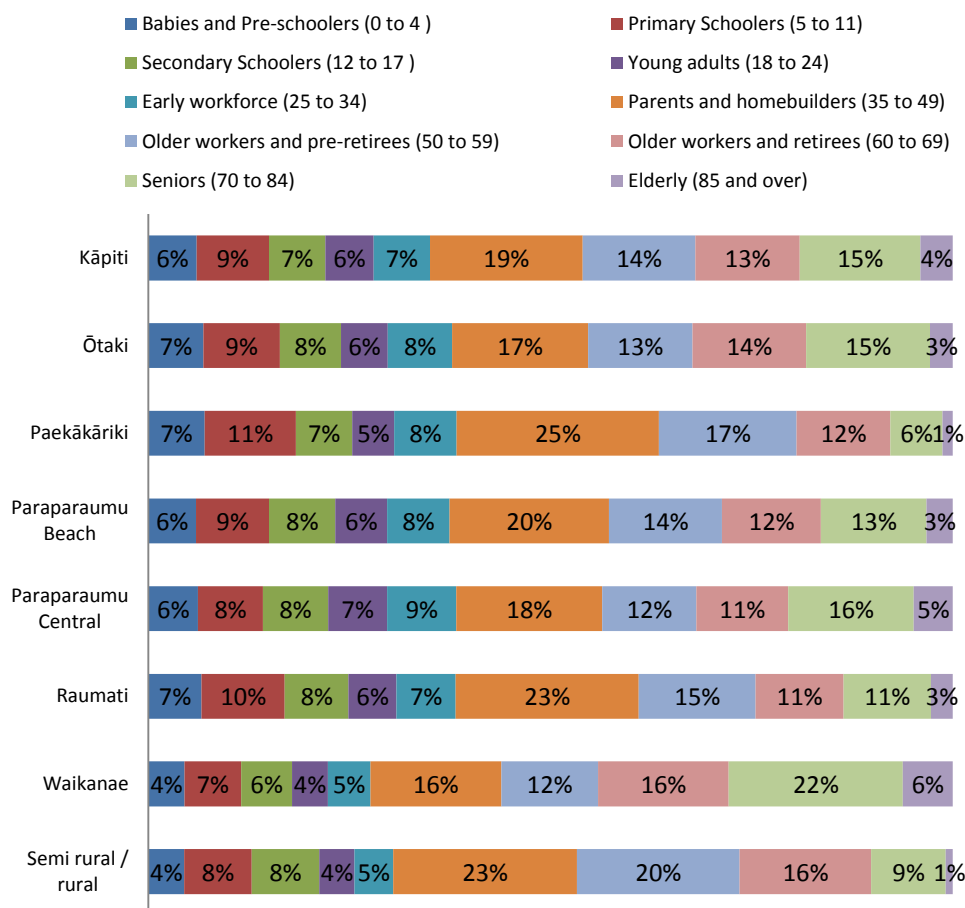
This general age profile of Kāpiti is not unusual for district councils in the Wellington Region. Horowhenua, Masterton, Carterton and South Wairarapa also have low numbers of young people and high numbers of older people. In fact, one is likely to find that this is a common migration pattern throughout New Zealand and even internationally – young adults migrate to city centres for work and school, while older people move out of city centres as they approach retirement.

Age groups by community

Waikanae has the greatest number of older residents in the district; over half of Waikanae residents (56%) are 50 years of age or more (Figure 11).

Paekākāriki has the most evenly spread distribution across the service age groups with 30% aged under 25, 33% aged between 25 and 49, and 36% aged over 50.

Figure 11: Kāpiti Coast district usual resident service age groups, by community (2013)



Source: Statistics NZ, Census of Population and Dwellings 2013. Compiled by .id.

⁹⁶ Statistics NZ. Subnational population estimates (TA, AU), by age and sex, at 30 June 1996, 2001, 2006–16 (2017 boundaries). Thames-Coromandel District Council has the largest proportion of residents aged 60 and over (36.2%).

Ethnicity

Eighty-five percent of the Kāpiti 2013 usual resident population identify as European, which is higher than in the Wellington Region (70%) and New Zealand (74%) (Table 4).

Thirteen percent identify as Māori, which is the same as the Wellington Region (13%), but slightly lower than New Zealand (15%).

The communities with the greatest percentage of Māori residents compared with other ethnicities are Ōtaki (28%), Paekākāriki (16%) and Paraparaumu Central (13%).

Percentages of those who identify as Pasifika, Asian or MELAA (Middle Eastern/Latin American/African) are lower than for the Wellington Region and New Zealand.

Table 4: Kāpiti Coast district usual resident ethnic group (multi-response*), by community (2013)

	European %	Māori %	Pasifika %	Asian %	MELAA** %
Kāpiti, Wellington and New Zealand					
Kāpiti	85	13	3	3	<1
Wellington	70	13	8	8	1
New Zealand	74	15	7	12	1
Kāpiti, by community					
Ōtaki	61	28	4	4	<1
Paekākāriki	78	16	2	2	<1
Paraparaumu Beach	83	10	2	3	<1
Paraparaumu Central	78	13	3	4	<1
Raumati	84	10	2	2	<1
Waikanae	86	7	2	3	<1
Semi-rural/rural	87	7	1	1	<1

* Multi-response means that people who report belonging to more than one ethnic group are counted once in each group. This means that the total number of responses can be greater than the total number of respondents.

** MELAA = Middle Eastern/Latin American/African.

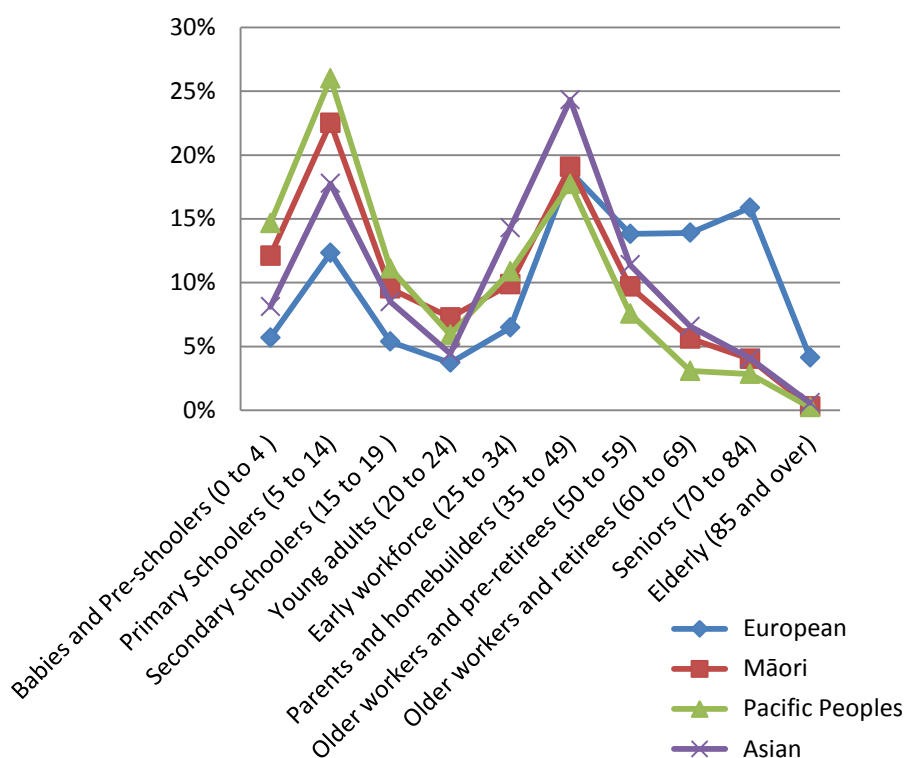
Source: Statistics NZ, Census of Population and Dwellings 2013. Compiled by .id.

For all of Kāpiti, 7,107 usual residents identify as being of Māori descent, which is approximately 14%. Less than 30% of these residents are descendants of at least one of the local iwi. For those descendants of at least one of the local iwi, the majority are Ngāti Raukawa ki te Tonga (67%), followed by Ngāti Toa Rangatira (22%), and then Te Āti Awa ki Whakarangotai (11%). The remaining 70% are mātā waka, which means they are Māori descendants who come from other areas.

Ethnicity by age

Ethnicity by age shows that some ethnic groups have greater percentages of young people than others (Figure 12). Almost half of all Māori residents (45%) and over half of all Pasifika residents (52%) are aged 19 and under, primarily aged 5-14. Alternatively, almost half of all Europeans (48%) are over 50.

Figure 12: Ethnicity by service age group for Kāpiti Coast district usual resident population (2013)



Source: Statistics NZ, Census of Population and Dwellings 2013.

Education

In the Kāpiti Coast district, there are 15 primary schools, 3 colleges and 2 kura kaupapa Māori.⁹⁷

Comparisons of highest qualifications achieved in Kāpiti, the Wellington Region and New Zealand suggest that there are differences in degree attainment, but they are not vast.⁹⁸ Residents of Kāpiti have a lower percentage of Bachelors degrees or higher compared with the Wellington Region (17.4% and 25.4%, respectively).

Kāpiti has a slightly greater percentage of residents with no qualification (32.6%) than the Wellington Region, although the difference is not significant (31.8%). The majority of those with no qualification are aged 15-19 years (many of whom are unlikely to have a qualification yet) and 60 years and above (for whom degree expectations were likely to have been different at the time they were in school). Since the 2006 Census, Kāpiti has seen a reduction in the number of students that leave school with no qualification.

There is significant variation across the district in relation to the highest qualifications achieved. In Paekākāriki, 36.4% of residents have Bachelor degrees or higher, while less than 10% have no qualification at all. In Ōtaki and Paraparaumu Central, over 20.0% of the population have no qualification, which is high compared with the Wellington Region and all of New Zealand. In every community of Kāpiti, approximately 30%-35% of residents have school qualifications, but no post-school or tertiary qualifications.

Comparisons across key educational performance indicators from primary and secondary schools suggest that Kāpiti students generally perform well compared with the Wellington Region and all of New Zealand

⁹⁷ Ministry of Education. Directory of schools as at 15 January 2018.

⁹⁸ Statistics NZ. Census of Population and Dwellings 2013. Compiled by .id.

up to NCEA Level 2.⁹⁹ The percentage of Kāpiti students with NCEA Level 3 or above is slightly lower than the Wellington Region, although the difference is not significant (57.6%-59.0%).

Māori educational achievements

Māori in Kāpiti have a higher level of education than in other parts of the country. Of Māori aged 15 years and over, 14% had a Level 7 qualification or a Bachelors degree or higher, compared with 10% for Māori in the rest of the country.¹⁰⁰

In addition, Ōtaki has the highest proportion of te reo speakers in the district (902 people in 2013, representing 14% of the Ōtaki population). In the Kāpiti Coast district as a whole, approximately 4% are te reo speakers, which is on par with New Zealand overall.

Contributing factors for the high proportion of te reo speakers and high rates of educational achievement for Māori are likely to be the two kura kaupapa Māori in Ōtaki, the proximity of the two wānanga (Te Wānanga o Raukawa in Ōtaki and Te Wānanga o Aotearoa in Porirua), and the availability of scholarships to Māori in the district.

Our homes

Close to 30% of all households in Kāpiti are sole-person, close to 40% are two-person, and just over 30% are three or more persons.¹⁰¹

Sole-person households

The percentage of Kāpiti residents living alone (28.9%) is higher than for the Wellington Region (24.2%) and all of New Zealand (22.9%).

There are 5,910 sole-person households in Kāpiti. Of those, almost 60% (n=3,480) are aged 65 years and over (Figure 13). This is high compared with all of New Zealand, where 44% of sole-person households are aged 65 years and over.

Of the 3,480 persons aged 65 years and over that are living alone in Kāpiti, 73% are female. As such, 43% of all sole-person households in Kāpiti are females aged 65 years and over (2,547/5,910=43%). Again, this percentage is higher than for all of New Zealand, where only 30% of one-person households are females aged 65 years and over.

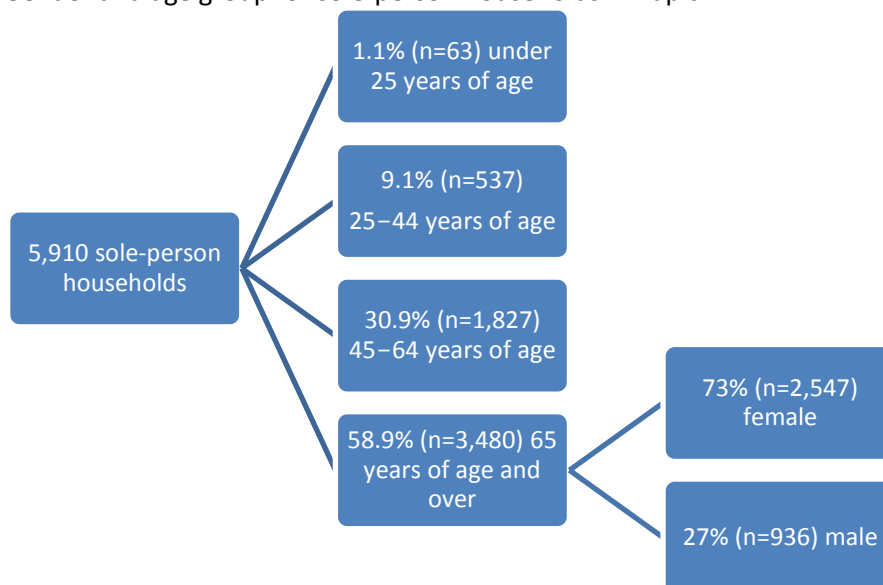
The communities with the greatest percentage of residents living alone are Ōtaki (34.6%) and Waikanae (31.8%).

⁹⁹ Education Counts. Find a school.

¹⁰⁰ Statistics NZ. Census of Population and Dwellings 2013.

¹⁰¹ Ibid.

Figure 13: Gender and age group for sole-person households in Kāpiti



Source: Statistics NZ, Census of Population and Dwellings 2013.

Households with two or more persons

Approximately 70% of Kāpiti residents live in households with two or more persons. Of these, the majority are couples without children, most of whom are aged 65 years and over.

Kāpiti has a greater percentage of two-person households (39.3%) compared with the Wellington Region (33.5%) and all of New Zealand (34.0%). The communities with the highest percentages of couples without children are Waikanae (59.0%) and the semi-rural/rural communities (55.4%).

The communities with the highest percentages of couples with children are Raumati (40.1%) and Paekākāriki (38.6%).

Sole-parent households

In Kāpiti, there are 1,701 sole-parent with dependent children households. Of those, 84.3% are female sole parents, and almost 12.8% of those are under 25 years of age. (These figures are both similar to the national and regional average, where approximately 84% of sole parents are female and, of those, 12% are under 25 years of age.)

Ōtaki, Paekākāriki and Paraparaumu Central have high percentages of sole-parent families compared with the other communities of Kāpiti, the Wellington Region, and New Zealand.

Housing

According to Statistics New Zealand, a dwelling means any building or structure used for the purpose of human habitation.¹⁰² Statistics New Zealand classifies dwellings as either private or non-private. A private dwelling is a place of habitation for a person or a group of people, whereas a non-private dwelling provides short- or long-term communal or transitory type accommodation. Examples of non-private dwellings that

¹⁰² Statistics NZ. Classifications and related statistical standards. stats.govt.nz/methods/classifications-and-standards/classification-related-stats-standards.aspx

are particularly important for Kāpiti include residential and community care facilities and residential care for older people.

According to Statistics New Zealand:

- the percentage of separate dwellings in Kāpiti (82.5%) is higher than for the Wellington Region (71.2%) and New Zealand (76.4%);
- the percentage of high density dwellings (e.g. large apartment blocks) is considerably lower than for the Wellington Region and New Zealand (2.0% compared with 14.3% and 7.4%, respectively);
- within Kāpiti, Paraparaumu Beach South and Raumati Beach have the greatest percentage of medium- and high-density dwellings (e.g. small and large apartment blocks);
- the percentage of unoccupied private dwellings in Kāpiti (12.8%) is higher than for the Wellington Region (8.3%) and New Zealand (11.1%);
- the numbers of unoccupied private dwellings vary considerably across the district, with the beach communities in the northern part of the district having the highest percentages of unoccupied private dwellings (i.e. Waikanae Beach, Ōtaki Beach, Peka Peka, Kaitawa and Te Horo). It is presumed that these unoccupied private dwellings are holiday homes; and
- as of the 2013 Census, the greatest density of non-private dwellings was in Paraparaumu, but more are being built across the district, particularly in Waikanae.

Housing tenure

Housing tenure generally falls into three categories: owner-occupied, rented, or other (which primarily consists of dwellings that are held in a family trust).

In every community of Kāpiti, over 50% of private dwellings are owner-occupied (Figure 14). In Waikanae and the semi-rural/rural communities, these numbers are even greater, with over 70% of private dwellings being owner-occupied.

Moreover, nearly 50% of private dwellings in Waikanae and nearly 40% of private dwellings in the semi-rural/rural communities are owner-occupied and fully owned. These numbers are the highest in the district, and considerably higher than for the Wellington Region and New Zealand (26.9% for both).

Ōtaki and Paekākāriki have the highest percentage of residents living in rentals, with approximately 30% of households renting. These are the only two communities in the district that have renting rates equal to those of the Wellington Region (30.6%) and New Zealand (29.2%).

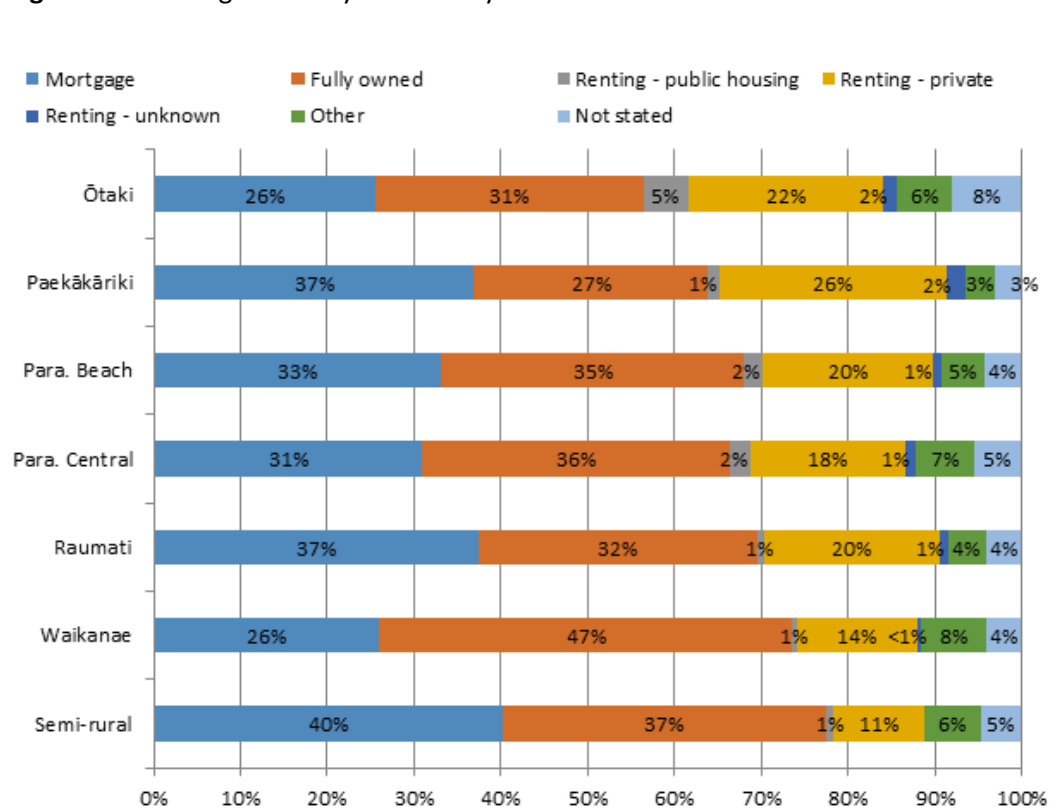
In Ōtaki, 5% of households are living in some type of public housing. This is the highest percentage of residents living in public housing in the district.

Housing New Zealand services the district with 209 properties (at December 2017, with 1 of the 209 vacant as it is currently undergoing renewal and maintenance work).¹⁰³ The majority of these are two-bedroom (54%) and three-bedroom properties (38%). Comparing Kāpiti with adjacent councils, Horowhenua district has a similar number of Housing New Zealand properties (175), while Porirua has more than 12 times the amount (2637), although this does include housing for refugees.

¹⁰³ Housing New Zealand. Managed stock by number of bedrooms and territorial authority – 31 December 2017.

In addition, the Kāpiti Coast District Council leases 118 one- or two-bedroom properties at subsidised rates; these are located in Ōtaki (66), Waikanae (3), Paraparaumu (45) and Paekākāriki (4). This service is available to qualifying persons aged 55 and over, and demand for these units continues to be strong.

Figure 14: Housing tenure by community



Source: Statistics NZ, Census of Population and Dwellings 2013. Compiled by .id.

Housing costs

As at 1 August 2017 Quotable Value (QV) identified the average house value in the district to be \$541,500, an increase of 37% on capital values three years ago.¹⁰⁴

Waikanae Beach saw the largest increase in land values, with most increasing at least 55%, with the exception of beachfront land values, which increased 45%. Land values in Ōtaki and Ōtaki Beach also increased by 45% (

Table 5).

While values have been increasing, dwelling sales prices and dwelling rents have been increasing too but generally lower than the Wellington Region average (Figure 15, Figure 16). There is some variation across Kāpiti, with dwelling sales prices and dwelling rents consistently lower in the Ōtaki Ward.

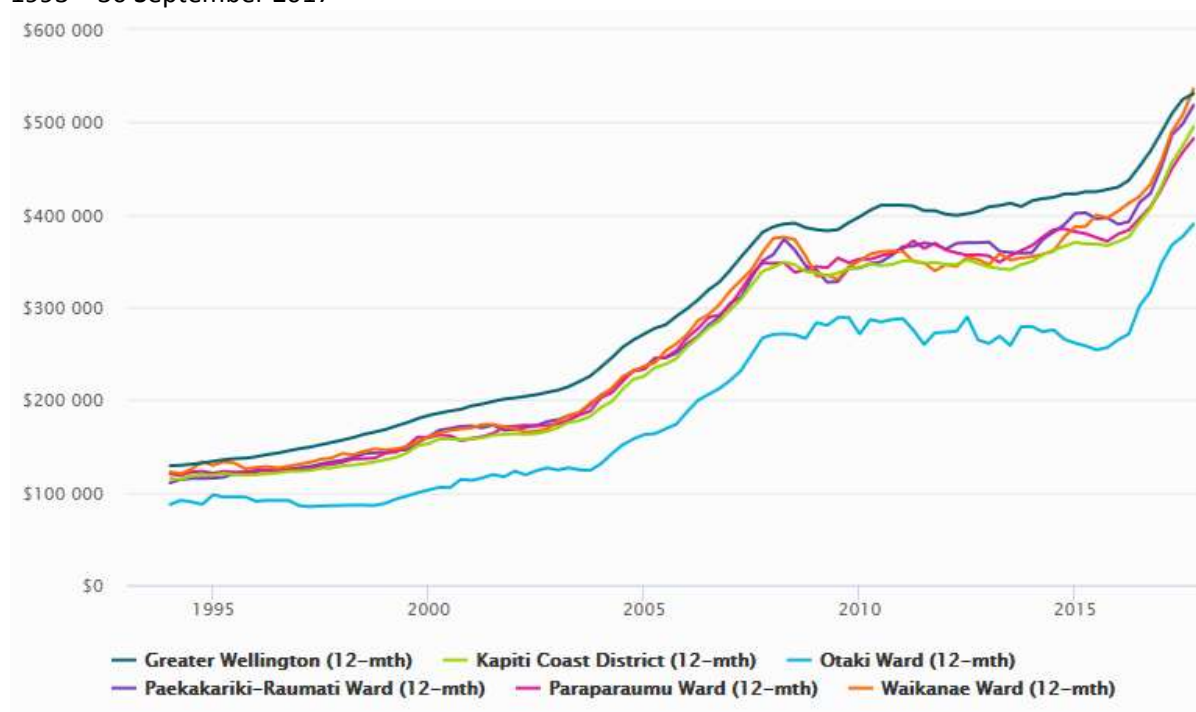
¹⁰⁴ Kāpiti Coast District Council. 19 October 2017. Strong value increases seen across Kāpiti Coast district over the past three years [media release].

Table 5: Kāpiti Coast residential dwelling values, 1 August 2014 – to 1 August 2017

	Total capital value change (%)	Total land value change (%)	2017 average capital value (\$)	2017 average land value (\$)
Ōtaihangā	35.1	34.1	573,000	240,500
Ōtaki	42.0	44.5	361,000	140,500
Ōtaki Beach	39.1	46.1	372,000	144,500
Paekākāriki	27.3	29.8	587,000	337,000
Paraparaumu Beach	35.6	42.8	584,500	280,500
Paraparaumu Central	46.5	49.4	490,000	218,500
Raumati Beach	36.2	40.3	621,500	312,000
Raumati South	33.6	41.8	575,500	292,500
Waikanae Beach	43.6	55.5	625,500	340,500
Waikanae East	38.5	40.6	555,000	245,500
Waikanae Garden	30.7	35.4	568,500	278,000

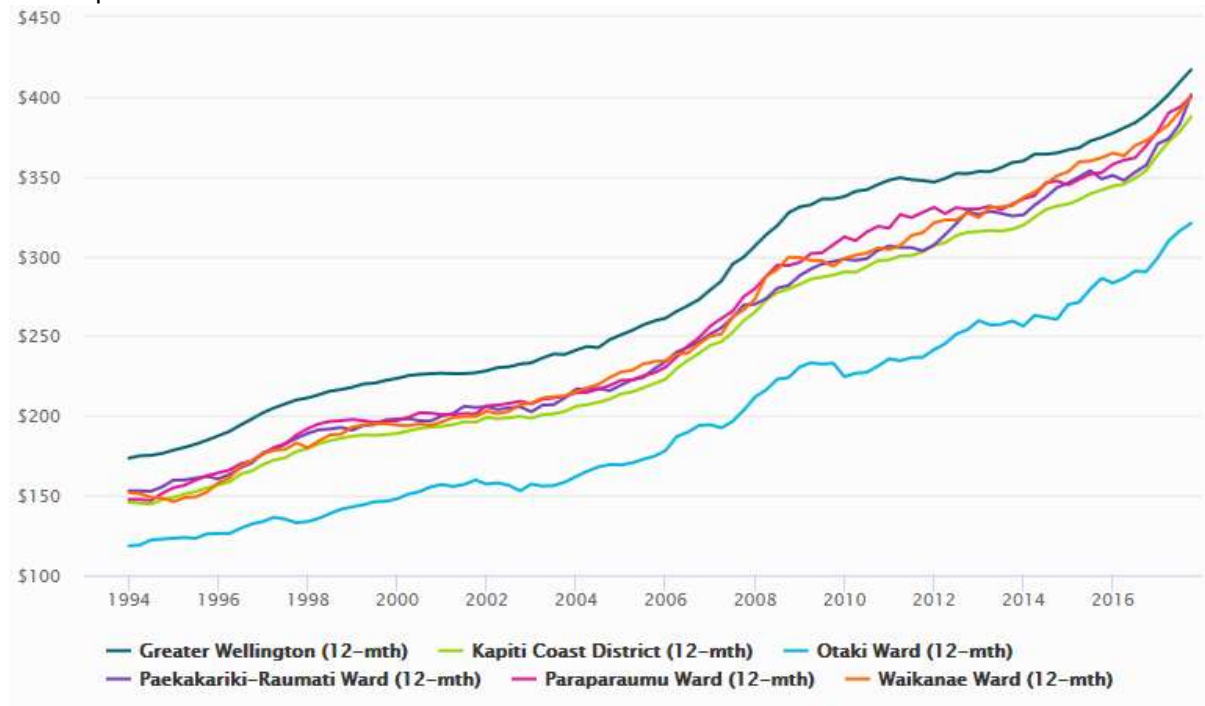
Source: Quotable Value. 1 August 2017. Rating valuations for the Kāpiti Coast district.

Figure 15: Kāpiti Coast and Wellington Region dwelling sales prices (actual 12-month rolling), 31 December 1993 – 30 September 2017



Source: MBIE, using CoreLogic data. mbienz.shinyapps.io/urban-development-capacity/#help-ts

Figure 16: Kāpiti Coast and Wellington Region dwelling rents (actual 12-month rolling), 31 December 1993 – 30 September 2017

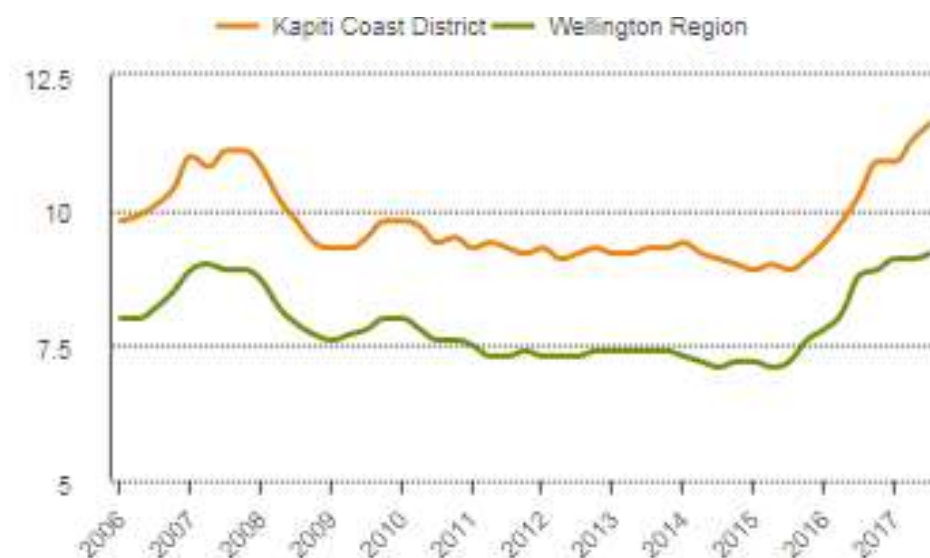


Source: MBIE, using CoreLogic data. mbienz.shinyapps.io/urban-development-capacity/#help-ts

Housing affordability

High housing costs relative to income can leave lower-income households with insufficient income to meet other basic needs such as food, clothing, transport, medical care, and education.

Figure 17: Kāpiti Coast and Wellington Region housing affordability index, 2006–17



Source: Infometrics, Kapiti Coast district economic profile, ecoprofile.infometrics.co.nz/kapiti%2bcoast%2bdistrict

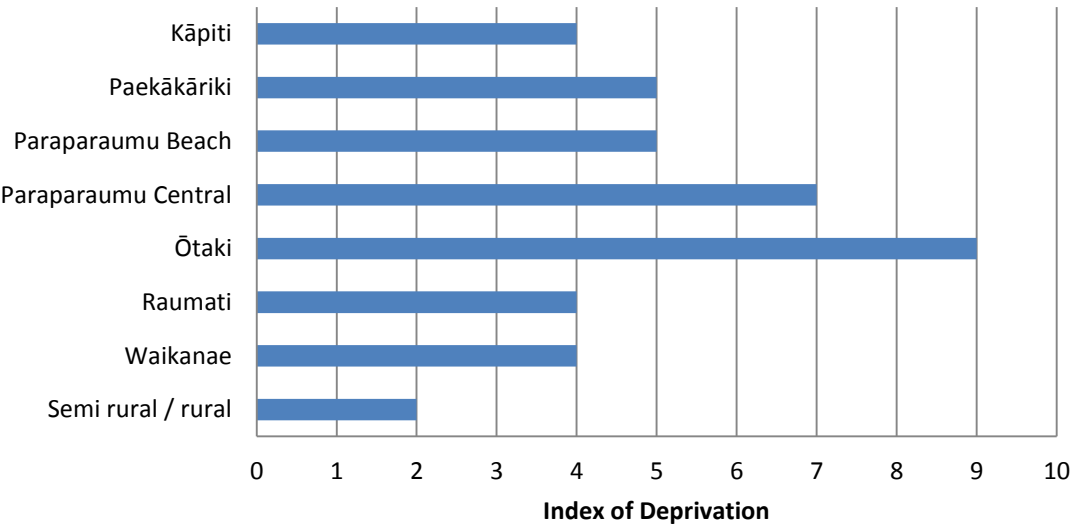
Housing affordability indices compare housing costs as a proportion of average annual earnings from filled jobs.¹⁰⁵ The higher the value of the index, the less affordable housing is because it means that housing costs are a greater proportion of average annual earnings. Since 2006 housing has consistently been less affordable in Kāpiti for existing Kāpiti residents (Figure 17).

Since 2016, in particular, housing has become less affordable across the Wellington Region. This is largely because housing costs have increased, while average annual earnings have not increased at the same rate. As a result, there has been a considerable amount of migration within the district (e.g. residents from other parts of the Wellington Region moving to Kāpiti) as residents look for more affordable housing options.

Deprivation

The New Zealand Deprivation Index is a measure of socioeconomic deprivation, calculated for small geographic areas. The calculation uses nine variables from the 2013 Census to create a summary deprivation score for each area. The different dimensions considered in the calculation of the deprivation index include: communication, income, employment, qualifications, owned home, support, living space, and transport.¹⁰⁶

Figure 18: Index of deprivation for Kāpiti communities



Source: Atkinson J et al. 2014. NZDep2013 Index of Deprivation. Wellington: Department of Public Health, University of Otago.

The index of deprivation is usually reported on an ordinal scale from 1 to 10, where 1 represents the areas with the least deprived scores and 10 represents the areas with the most deprived scores.¹⁰⁷ A value of 10 indicates that the geographic area is in the most deprived 10% of areas in New Zealand, according to the Deprivation Index’s 2013 scores.

¹⁰⁵ According to the 2013 Census data, nearly 40% of Kāpiti usual residents aged 15 and over are not in the labour force (see section on Employment). As a result, it is likely that this data will be slightly skewed for the Kāpiti district because the index is calculated with average annual earnings from filled jobs.

¹⁰⁶ Source: Atkinson J et al. 2014. NZDep2013 Index of Deprivation user’s manual. Wellington: Department of Public Health, University of Otago, pp5-6.

¹⁰⁷ The Index of Deprivation has two forms – an ordinal scale and a continuous score. The ordinal scale ranges from 1 to 10, where 1 represents the areas with the least deprived scores and 10 the areas with the most deprived scores. The continuous score is developed first, and the 10-point ordinal scale is then derived from this continuous score. Source: Ibid., p5.

A comparison of deprivation scores for the communities of Kāpiti (Figure 18) indicates that:

- Ōtaki and Paraparaumu Central are significantly deprived areas;
- most of the Kāpiti district sits around the middle of the index; and
- the semi-rural and rural areas are some of the least deprived in New Zealand.¹⁰⁸

Migration

Housing affordability influences where people choose to live, and this is important because community visions, aspirations, and demands for services and facilities in an area will be influenced by the characteristics of the population living there.

The movement of people in and out of an area is important because it directly influences the characteristics of the population. And, while some residents will move into or out of an area entirely, others might simply move within the area.

Between 2008 and 2013, 45.7% (n=22,461) of Kāpiti residents did not move, while 40.7% (n=19,995) of Kāpiti residents did (Table 6). Of those that moved, Statistics New Zealand reports that 9,789 moved within the district while 5,382 moved into the district. Of those that moved into the district, 2,391 came from overseas while 2,991 came from another part of New Zealand.

Table 6: Previous location of current Kāpiti residents

	Number	%
Residents who did NOT move between 2008 and 2013	22,461	45.7
Total residents who moved between 2008 and 2013	19,995	40.7
Residents who moved within the district	9,789	19.9
Residents who moved from another part of New Zealand	2,991	6.1
Residents who moved from another country	2,391	4.9
Residents who moved from a 'not stated' area	4,824	9.8
Residents for whom it is not known whether they moved	3,795	7.7
Residents with no fixed address	3	0.0
Residents born between 2008 and 2013	2,859	2.8

Source: Statistics NZ, Census of Population and Dwellings 2013. Compiled by .id.

By matching up the data on residents that moved throughout New Zealand between 2008 and 2013, Statistics New Zealand determined that Kāpiti experienced the greatest net migration gain from Wellington City, Porirua City, Lower Hutt City and Upper Hutt City (Table 7). During that same time, Kāpiti experienced the greatest net migration loss to Horowhenua District, Dunedin City, Palmerston North City, Tauranga City and Auckland City.

¹⁰⁸ More recently, researchers at the University of Auckland's School of Public Health developed a more detailed Index of Multiple Deprivation (IMD), which incorporates data from a range of sources to develop another deprivation index. The IMD combines seven dimensions: employment, income, crime, housing, health, education and access to services. While each specific dimension shows some variation across the Kāpiti district, the combined IMD reaches the same conclusion – Ōtaki, Ōtaki Beach and Paraparaumu Central are among the most deprived areas in New Zealand. Source: Exeter D et al. 2017. The New Zealand Index of Multiple Deprivation (IMD): a new suite of indicators for social and health research in Aotearoa, New Zealand.

Table 7: Territorial authorities (TAs) ranked by net gain and net loss to Kāpiti

	In migration	Out migration	Net migration
Top 5 TAs ranked by net gain to Kāpiti			
Wellington City	2,460	-1,485	975
Porirua City	996	-483	513
Lower Hutt City	822	-369	453
Upper Hutt City	354	-213	141
Christchurch City	291	-264	27
Top 5 TAs ranked by net loss to Kāpiti			
Horowhenua District	351	-774	-423
Dunedin City	87	-201	-114
Palmerston North City	300	-405	-105
Tauranga City	90	-171	-81
Auckland City	531	-588	-57

Source: Statistics NZ, Census of Population and Dwellings 2013. Compiled by .id.

Our economy

Economic growth in Kāpiti has generally been at or above the national growth rate since 2002. Over the last 10 years to March 2016, economic growth in Kāpiti Coast averaged 1.8% per annum compared with an average of 1.8% per annum nationally.¹⁰⁹ Growth in Kāpiti Coast reached a high of 6.0% in 2003 and a low of -3.0% in 2009.

The industries that contributed the most to the district's gross domestic product (GDP) in 2016 were:

- manufacturing (10.6% of GDP);
- rental, hiring and real estate services (10.2%);
- healthcare and social assistance (8.8%);
- construction (8.5%); and
- professional, scientific and technical services (8.4%).¹¹⁰

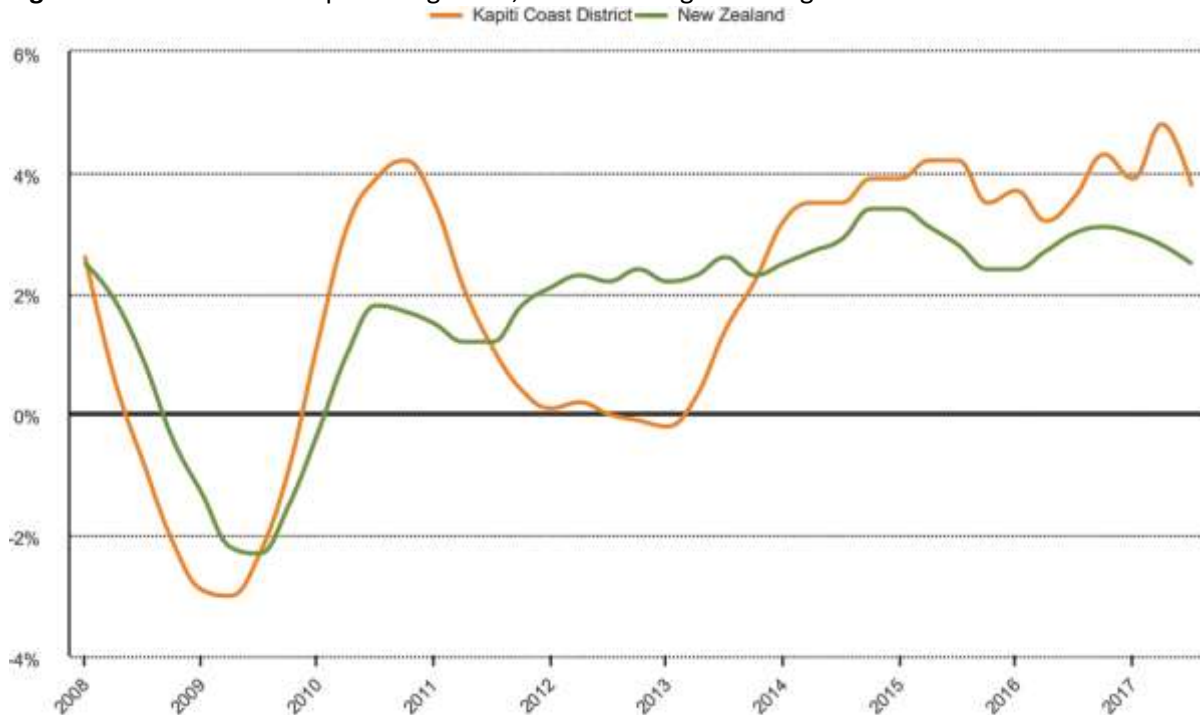
For the year to September 2017 the district's GDP was \$1,638m; this was up 3.8% compared with a year earlier, while New Zealand's GDP had only increased by 2.5% over the same period (Figure 19).

¹⁰⁹ Infometrics. Kāpiti Coast district 2016 annual economic profile, p2.

ecoprofile.infometrics.co.nz/kapiti%2bcoast%2bdistrict/PDFProfile

¹¹⁰ Ibid., p4 (Table 1: GDP by 1-digit industry).

Figure 19: Gross domestic product growth, annual average % change



Source: Infometrics, September 2017, Kāpiti Coast District Quarterly Economic Monitor.

ecoprofile.infometrics.co.nz/kapiti%2bcoast%2bdistrict/QuarterlyEconomicMonitor

Employment

Employment growth in Kāpiti has also been at or above the national growth rate over the last 10 years. In Kāpiti, employment growth averaged 1.5% per annum in the 10 years to March 2016, compared with 1.2% per annum nationwide.¹¹¹

The largest employing industries on the Kāpiti Coast are construction (15.1% of total employment), retail trade (12.8%), healthcare and social assistance – which includes aged-care residential services – (12.6%), education and training (8.8%) and professional, scientific and technical services (8.6%).¹¹²

The major differences between the jobs held by the population of the Kāpiti Coast district and the Wellington Region are that in Kāpiti there is a:

- larger percentage of persons employed in construction (15.1% compared with 6.9%);
- larger percentage of persons employed in retail trade (12.8% compared with 8.9%);
- larger percentage of persons employed in healthcare and social assistance (12.6% compared with 8.9%);
- smaller percentage of persons employed in public administration and safety (9.8% compared with 2.6%); and
- smaller percentage of persons employed in professional, scientific and technical services (13.0% compared with 8.6%).

¹¹¹ Infometrics. Kāpiti Coast district 2016 annual economic profile, p12.

ecoprofile.infometrics.co.nz/kapiti%2bcoast%2bdistrict/PDFProfile

¹¹² Ibid., p15.

Comparisons between Kāpiti, the Wellington Region and New Zealand show that Kāpiti has a low number of usual residents aged 15 years and over in the labour force (Table 8). This is not surprising since a large part of the population is retired. For those that are in the labour force, the percentage of those employed is similar to the Wellington Region and New Zealand, but more are employed part-time rather than full time.

Comparisons across Kāpiti show variation in labour force status and employment status across the district. In Waikanae, less than 50% of residents aged 15 and over are in the labour force. In Ōtaki and Paraparaumu Central, the percentages are only slightly higher (52.2% and 53.6%, respectively). On the other hand, in other communities such as Paekākāriki and the semi-rural and rural areas, over 65% are in the labour force.

Table 8: National and regional comparisons of employment for residents aged 15+ years (2013)

	Kāpiti district %	Wellington Region %	New Zealand %
Labour force status			
In labour force	57.0	66.9	63.8
Not in labour force	39.4	28.7	31.3
Status unknown	3.5	4.4	4.9
Employment status (for those in labour force)			
Employed	92.4	92.8	92.9
Employed full-time	67.9	72.6	71.5
Employed part-time	24.5	20.2	21.4
Unemployed*	7.6	7.2	7.1

* While the unemployed rate was determined to be 7.6% at the time of the 2013 Census, the unemployment rate in the year to June 2017 was 4.9%, which was just under the national average of 5.0%.

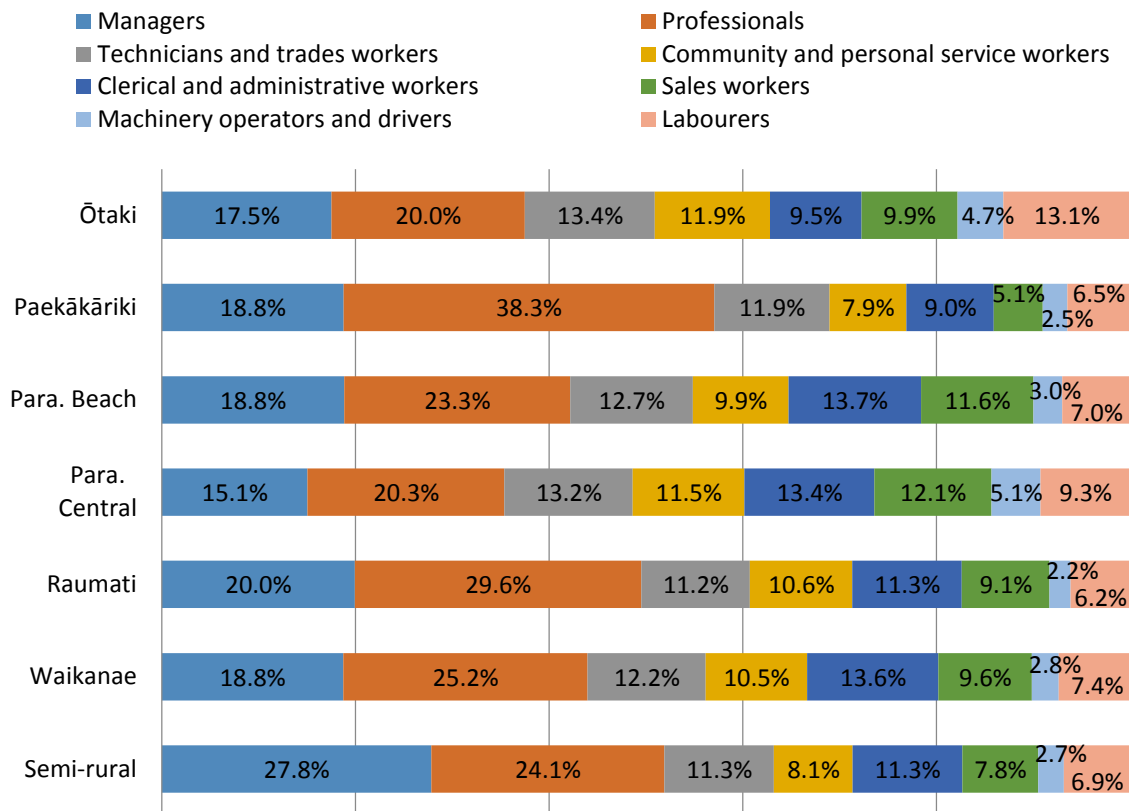
Source: Statistics NZ, Census of Population and Dwellings 2013. Data compiled by .id.

Type of employment varies by community as well. In Paekākāriki and the semi-rural and rural areas, over 50% of employed residents are managers or professionals (Figure 20). Meanwhile, in Ōtaki and Paraparaumu Central, over 60% of employed residents are labourers, machinery operators and drivers, sales workers, clerical and administrative workers, community and personal service workers, and technicians and trades workers.

Nearly one-third of all employed residents in Kāpiti are self-employed.¹¹³ This is a significantly higher proportion than in the national economy, where self-employment sits at 18.0%. Nearly 50% of all self-employed residents work in one of three industries: construction (22.6%); professional, scientific and technical services (16.0%); or administrative and support services (9.8%).

¹¹³ Infometrics. April 2017. Self-employment in Kāpiti Coast district.

Figure 20: Occupation of employed residents, by community



Source:

Source: Statistics NZ, Census of Population and Dwellings 2013. Compiled by .id.

Te Wānanga o Raukawa

Te Wānanga o Raukawa is a large contributor to the Kāpiti Coast economy in terms of GDP and employment, while also having a significant social impact. It was established in 1981 by the Confederation of Te Āti Awa, Ngāti Raukawa and Ngāti Toa Rangatira.

There are three wānanga nationwide – Te Wānanga o Raukawa, Te Wānanga o Aotearoa, and Te Whare Wānanga o Awanuiārangi. The Education Act 1989 recognises these wānanga as tertiary institutions offering a wide range of education programmes, while also furthering āhuatanga Māori (Māori tradition) according to tikanga Māori (Māori custom).

Te Wānanga o Raukawa is the smallest of three wānanga, representing approximately 5% of the wānanga sector. It is based in Ōtaki, but offers programmes at 26 sites across New Zealand.

The document entitled *Guiding Kaupapa of Te Wānanga o Raukawa* states that a primary intention of the wānanga is to undertake the empowerment of Māori and advance the use of mātauranga Māori (Māori knowledge). Promoting the revival of te reo Māori has been a central focus of the wānanga from its inception.

Impact of Te Wānanga o Raukawa on the New Zealand economy (2012)

	Direct impacts	Indirect impacts	Induced (downstream) impacts	Total
Output (\$m)	15	9	11	35
GDP (2012 \$m)	11	5	7	23
Employment (FTE)	194	47	48	289

A 2012 BERL report found that Te Wānanga o Raukawa provides the equivalent of 289 FTE and an economic impact of approximately \$35m per annum. As of 2016 a total of 3,763 students were enrolled at Te Wānanga o Raukawa. Of those, 85% were Māori, and the average age of students was 39.

Sources:

- BERL. 2014. Wānanga ringahora: the Economic Contribution of the Wānanga Sector.
- Te Wānanga o Raukawa. April 2017. *2016 Pūrongo ā Tau (Annual Report)*.

Unemployment in Kāpiti

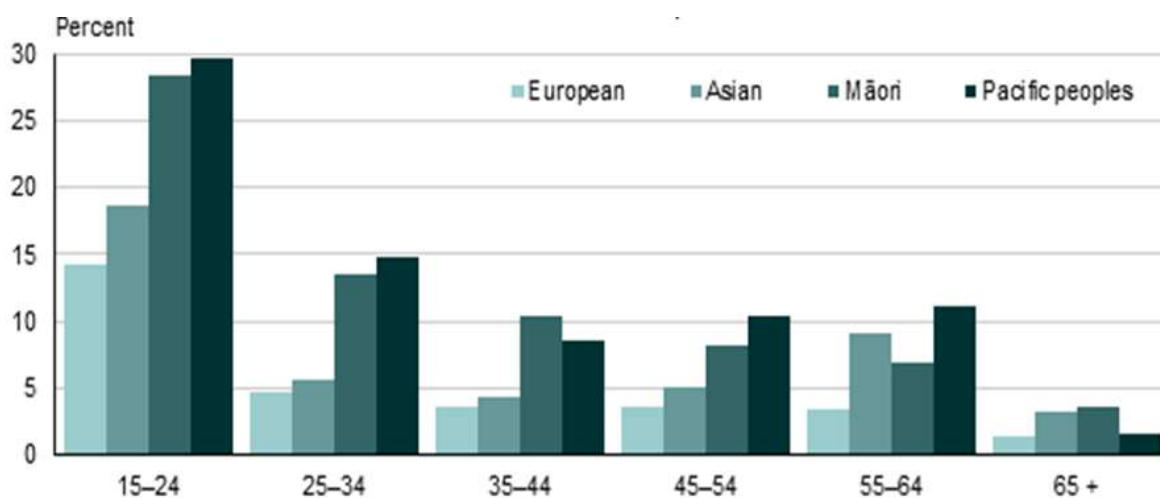
At the time of the 2013 Census, Kāpiti had a slightly higher percentage of unemployed residents than the Wellington Region and New Zealand (Table 8), but unemployment rates have improved in Kāpiti since then. While the unemployed rate was determined to be 7.6% at the time of the 2013 Census, the unemployment rate in the year to June 2017 was 4.9%, which was equal to the national unemployment rate and just under the Wellington Region unemployment rate of 5.0%.¹¹⁴

Some communities have higher percentages of unemployed residents than others. Ōtaki and Paraparaumu Central have the highest rates of unemployment in Kāpiti.

Nationwide, Māori and Pasifika have the greatest percentages of unemployment, twice that of their European counterparts and almost four times that of their Asian counterparts (Figure 21). Statistics New Zealand argues that these higher rates of unemployment among Māori and Pasifika are partly due to the age structures of each group. “New Zealand’s ethnic populations – most notably Māori, Pacific peoples, and Asian – have significantly different age structures to the European population. The median age of the 2013 projected total population for each ethnicity varies considerably; the European median age is 40 years, which is almost double the median age for both Māori (23 years) and Pacific peoples (22 years). The Asian median age is in between, at about 31 years.”¹¹⁵

Nationwide, both Māori and Pasifika have the largest proportion of 15-24-year-olds in the working-age population. This is true for Kāpiti as well, where Māori and Pasifika have the greatest percentages of young people in their labour forces as well as the highest rates of unemployment (Table 9).

Figure 21: Unemployment rates by ethnic group and age group, year to June 2013



Source: Statistics NZ, Age structure comparisons of New Zealand’s main ethnic populations, October 2013.

¹¹⁴ Infometrics. Kapiti Coast district quarterly economic monitor – September 2017.

¹¹⁵ Statistics NZ. October 2013. Age structure comparisons of New Zealand’s main ethnic populations. stats.govt.nz/browse_for_stats/income-and-work/employment_and_unemployment/ethnic-labour-force-stats-by-age.aspx#top

Table 9: Unemployment rate comparisons by ethnicity

	Percentage of Kāpiti labour force aged 15-24 years %	Unemployment rate in Kāpiti for each ethnic group (all ages) %
European	12.3	7.1
Māori	22.3	15.0
Pasifika	23.3	14.5
Asian	14.0	3.8
MELAA	12.9	12.9

Source for Kāpiti district: Statistics New Zealand, Census of Population and Dwellings 2013.

Commuters

Fifty-four percent (n=11,388) of employed Kāpiti residents work in Kāpiti, while at least 35% commute outside of Kāpiti for work.¹¹⁶ Most of these residents work in Wellington City (22.3%), Porirua City (5.5%), Lower Hutt City (3.8%) or Horowhenua District (1.9%).

At the time of the 2013 Census, the total number of workers in Kāpiti was 12,936. Of those, 88% (n=11,388) were Kāpiti residents and the remaining 12% (n=1548) were residents of other local territorial authorities.¹¹⁷ The territorial authorities with the most people commuting into Kāpiti for work were: Horowhenua (549), Porirua (318), Wellington City (282), Lower Hutt (120), Auckland (90), Upper Hutt (48) and Palmerston North (39).

Nearly 60% of Kāpiti residents travel to work via motor vehicle, either as driver or as a passenger. This is higher than for the Wellington Region (51.8%), but not for New Zealand (63.2%). As might be expected, greater percentages of people in the Wellington Region use public transportation or travel to work by bike or foot.

Meanwhile, compared with the Wellington Region and New Zealand, Kāpiti has a greater percentage of residents taking trains (8.9%) or working from home (9.6%). Kāpiti has a significantly lower percentage of people taking buses (0.8%).

Generally, there is not too much variation in method of travel to work across Kāpiti. It is interesting to note that nearly 20% of Paekākāriki residents take the train to work, and nearly 20% of semi-rural and rural residents work from home.

Earnings from employment

While employment growth in Kāpiti has been at or above the national growth rate over the last 10 years, this has not translated to higher earnings. Annual individual earnings in the Kāpiti Coast district were

¹¹⁶ For approximately 10% of Kāpiti residents that are employed, the location of work is unknown.

¹¹⁷ The number of those who work in Kāpiti from other territorial authorities is likely to be an undercount. Another source states that there are 1,620 people that work in Kāpiti, but do not live in the district (.id profile). For reasons of confidentiality, Statistics NZ will not report the exact number of employees from any territorial authority that has three or fewer residents working in Kāpiti. Source: Statistics NZ, 2013 Census data.
stats.govt.nz/datavisualisation/commuterview/index.html

\$43,760 in the year to March 2016, which was lower than the New Zealand mean of \$57,780 and the Wellington Region mean of \$64,540.¹¹⁸

One reason for low annual earnings is that growth in employment has not always been in higher paid industries. For example, the retail trade and accommodation industry is the second largest employing industry in Kāpiti, but has the lowest average weekly earnings (\$668 compared with the all-industry average of \$1,102) out of all industries nationwide.¹¹⁹ Similarly, average earnings in aged-care residential services – which is the largest subset of the healthcare and social assistance industry – are \$36,900 per year.¹²⁰

The professional, scientific and technical services industry is a growth industry in Kāpiti. It was the fifth largest contributor to GDP growth in 2016, and also offers the highest average weekly earnings of the five largest employing industries (\$1,318 compared to the all-industry average of \$1,102).¹²¹

Income (from all sources)

Infometrics reports that the median individual income for the Kāpiti Coast as of July 2017 is \$53,400.¹²²

To understand how Kāpiti Coast compares with other regions or how communities within Kāpiti compare with each other, income quartiles from the 2013 Census are commonly seen as an objective method for comparisons. The quartile ranges are based on the incomes of the entire population according to the most recent census. Four income quartiles are established in such a way that 25% of the total population is earning an income within each quartile. These quartiles become the benchmarks with which other areas are then compared.

Individual income quartiles

Compared with the Wellington Region and New Zealand, Kāpiti has a greater proportion of persons in the medium low income quartile (

¹¹⁸ Infometrics. Kāpiti Coast district 2016 annual economic profile, p29. Similarly, MBIE finds that in 2017 the average household income in Kāpiti is \$90,500 compared with \$97,100 for New Zealand and \$113,600 for the Wellington Region (Source: MBIE's Regional Economic Activity Web Tool).

¹¹⁹ Statistics New Zealand. Earnings from main wage and salary job by industry (ANZSIC 2006). Extracted on 18 February 2018.

¹²⁰ Infometrics. 2017. Profile of the aged care and support sector 2016.

¹²¹ Statistics New Zealand. Earnings from main wage and salary job by industry (ANZSIC 2006). Extracted on 18 February 2018.

¹²² Infometrics. July 2017. Rates affordability estimates for Kapiti Coast District Council.

Table 10), although there are variations across communities. Ōtaki and Paraparaumu Central have the greatest percentage of residents in the medium low quartile (39.7% and 35.1%, respectively), while Paekākāriki (33.1%), the semi-rural and rural areas (32.4%), Raumati (including Raumati South) (29.2%) and Paraparaumu Beach (25.7%) have over 25% of residents in the highest income quartile (Table 11).

Table 10: Individual income quartiles for Kāpiti residents aged 15+ (2013)

	Kāpiti district %	Wellington Region %	New Zealand %
Lowest group (\$0-\$12,824)*	21.0	23.3	25
Medium lowest (\$12,825-\$28,474)	31.2	22.3	25
Medium highest (\$28,475-\$52,637)	23.5	23.6	25
Highest group (\$52,637 and over)	24.3	30.9	25

* These quartile group dollar ranges were calculated from the 2013 income data for all of New Zealand.

Source: Statistics NZ, Census of Population and Dwellings 2013. Compiled by .id.

Table 11: Individual income quartiles for Kāpiti residents aged 15+, by community (2013)

	Ōtaki (%)	Paekākāriki (%)	Paraparaumu Beach (%)	Paraparaumu Central (%)	Raumati (%)	Waikanae (%)	Semi-rural / rural (%)
Lowest group (\$0-\$12,824)*	23.9	19.7	22.2	21.6	20.3	18.2	23.0
Medium lowest (\$12,825-\$28,474)	39.7	24.2	28.9	35.1	26.7	33.3	23.3
Medium highest (\$28,475-\$52,637)	22.6	23.0	23.2	24.1	23.8	24.7	21.3
Highest group (\$52,637 and over)	13.8	33.1	25.7	19.3	29.2	23.8	32.4

* These quartile group dollar ranges were calculated from the 2013 income data for all of New Zealand.

Source: Statistics NZ, Census of Population and Dwellings 2013. Compiled by .id.

Household income quartiles

Household incomes are derived from the total of incomes of all persons in the household who were home and stated an income on census night.

Table 12 compares annual household incomes in Kāpiti with the Wellington Region and New Zealand. Kāpiti has a greater proportion of households in the low and medium low groups. This means that 57.2% of households in Kāpiti have a total household income (from all sources) lower than \$63,996. This percentage of households in the two lowest income quartiles is higher in Kāpiti than in the Wellington Region or New Zealand.

Table 12: Household income quartiles (2013)

	Kāpiti district %	Wellington Region %	New Zealand %
Lowest group (\$0-\$33,001)*	30.0	21.4	25
Medium lowest (\$33,002-\$63,996)	27.2	22.1	25
Medium highest (\$63,997-\$109,431)	22.3	24.9	25
Highest group (\$109,432 and over)	20.5	31.6	25

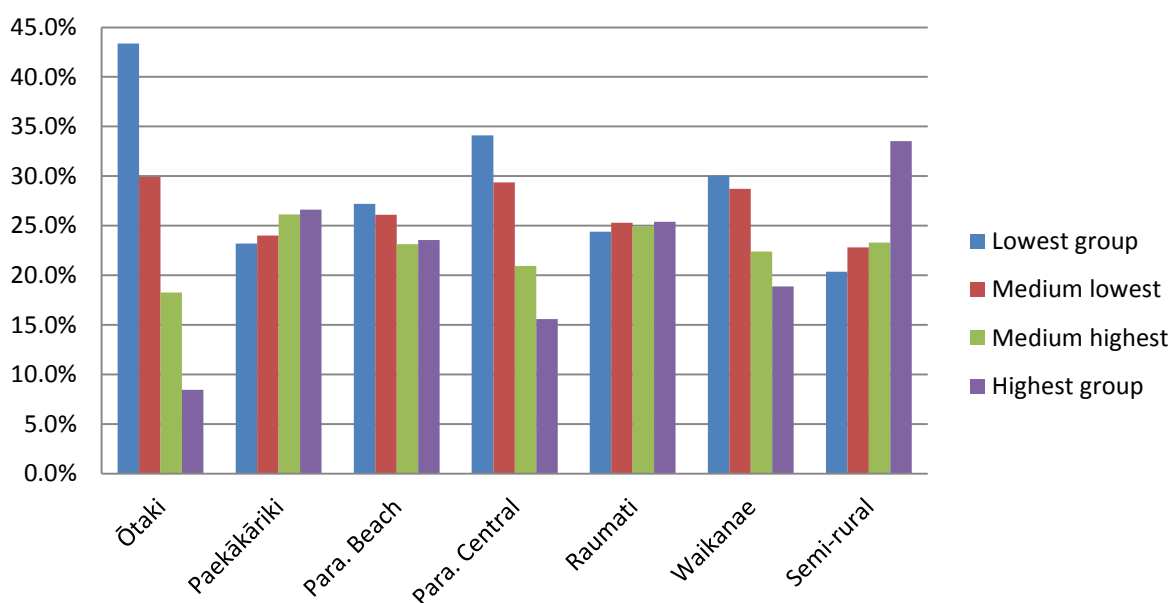
* These quartile group dollar ranges were calculated from the 2013 income data for all of New Zealand.

Source: Statistics NZ, Census of Population and Dwellings 2013. Compiled by .id.

There are significant differences in household income quartiles across the seven communities of Kāpiti (Figure 22). In Ōtaki, Paraparaumu Central, Waikanae and Paraparaumu Beach, over 50% of households are in the lowest and medium lowest household income quartiles. Ōtaki and Paraparaumu Central have the largest percentages of households in these two categories (73.3% and 63.5%, respectively).

At the other extreme, 33.5% of the semi-rural/rural communities are in the highest household income quartile, which is more than for the Wellington Region and New Zealand.

Raumati appears to have the most evenly distributed household incomes across the four quartiles.

Figure 22: Percentage of Kāpiti household incomes in each quarter, by community (2013)

Source:

Source: Statistics NZ, Census of Population and Dwellings 2013. Compiled by .id.

Sources of income

The greatest source of household income for Kāpiti, the Wellington Region and New Zealand is income from work (i.e. wages, salaries, commissions, bonuses, etc.); but, while this accounts for 65%-70% of household income for the Wellington Region and New Zealand, it is only 55.7% in Kāpiti (Figure 23).

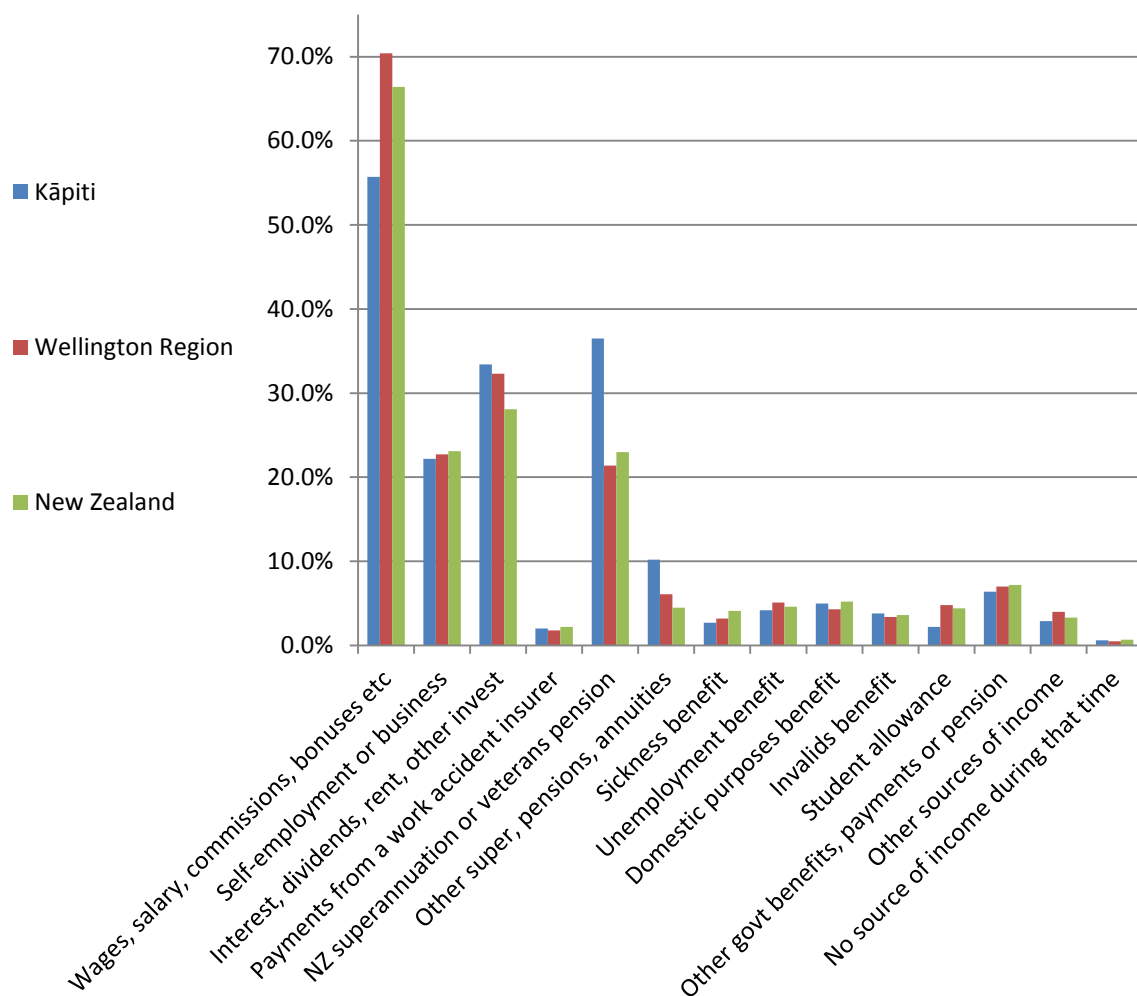
Due to its large proportion of retired residents, Kāpiti has the highest proportion of income from superannuation, pensions and annuities – 36.5% for New Zealand superannuation and Veteran's Pension,

and 10.2% for other types of superannuation and pensions. Kāpiti also has the largest proportion of income from interest, dividends, rents and other investments (33.4%).

There are variations in household income across Kāpiti. Paekākāriki, the semi-rural and rural communities, Raumati and Paraparaumu Beach have at least 60% of households earning income from work. In addition, over 40% of households in semi-rural and rural communities and over 30% of households in Paekākāriki earn income from self-employment.

Waikanae, Paraparaumu Central and Ōtaki have the greatest proportion of households receiving income from superannuation and pensions, while Waikanae and the semi-rural and rural communities have the greatest proportion of households earning income from interest, dividends, rent and other investments.

Figure 23: Sources of household income in Kāpiti (2013)



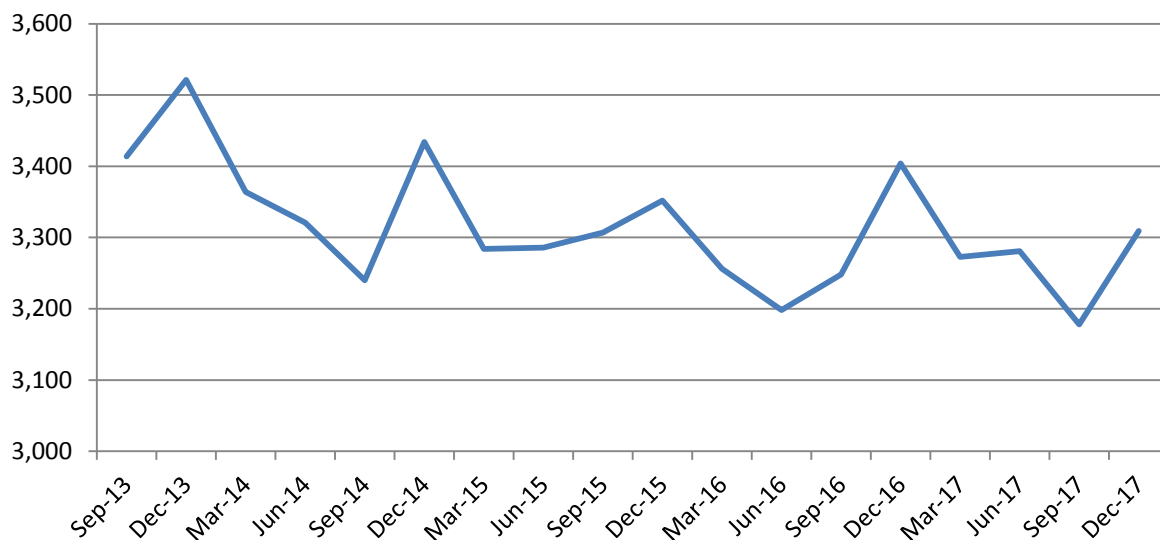
Note: The % of total sources of household income will add to more than 100% because households identified all sources of income.
Source: Statistics NZ, Census of Population and Dwellings 2013. Compiled by .id.

Beneficiaries

Data from the 2013 Census found that Ōtaki has the greatest proportion of households in Kāpiti receiving sickness benefits (4.3%), unemployment benefits (7.4%), Domestic Purposes Benefits (7.5%), and Invalid's Benefit (6.1%).

Work and Income New Zealand data suggests, however, that the number of working-age beneficiaries (18-64 years) in all of Kāpiti has declined by 6% since December 2013 (Figure 24). As of December 2017 there were 3,309 working-age beneficiaries in the Kāpiti district.

Figure 24: Total working-age beneficiaries in Kāpiti, September 2013 – December 2017



Source:

Source: Work and Income New Zealand, Benefit fact sheets, December 2017 quarter.

In Kāpiti, percentages of working-age beneficiaries for each type of benefit are roughly similar to New Zealand (Table 13). Compared with the Wellington Region, however, Kāpiti has fewer beneficiaries receiving jobseeker support, but more receiving Sole Parent Support and Supported Living Payments.

Table 13: Working-age beneficiaries by benefit type

	Kāpiti district %	Wellington Region %	New Zealand %
Jobseeker Support	43.3	47.0	42.5
Sole Parent Support	22.2	18.4	20.9
Supported Living Payment	32.5	30.1	32.1
Other main benefits	2.1	4.5	4.5

Source: Work and Income New Zealand, Benefit fact sheets, December 2017 quarter.

Across all benefit types in Kāpiti, females and Māori are overrepresented (Table 14). Just over 57% of all working-age beneficiaries are women and 29% are Māori. Nearly 75% of all working-age beneficiaries in Kāpiti have been receiving the benefit for more than one year.

Jobseeker Support helps people while they are looking for work. While receiving a weekly payment, recipients work with a designated Work and Income coordinator who assists with the job search and organises any training that may be required. Of the Jobseeker Support recipients in Kāpiti:

- 55.5% are male;
- 32.4% are Māori;
- 55.8% are work ready, while 38.5% are not working owing to health conditions or disabilities;
- of those with a health condition or disability, over half (54.0%) have a psychological or psychiatric condition preventing them from working; and

- 58.4% have received the support for more than one year.

Table 14: Characteristics of working-age beneficiaries (December 2017)

	All benefit types combined (%)	Jobseeker Support (%)	Sole Parent Support (%)	Supported Living Payment (%)
Gender				
Male	42.6	55.5	9.8	49.1
Female	57.4	44.5	90.2	50.9
Ethnic group*				
NZ European	55.5	53.2	46.4	66.4
Māori	29.1	32.4	38.6	17.7
Pacific peoples	2.2	2.4	3.3	1.2
All other ethnicities	10.8	9.5	10.1	12.5
Unspecified	2.3	2.5	1.6	2.2
Age group				
18-24 years	15.6	21.3	14.3	6.7
25-39 years	32.1	27.8	58.3	20.3
40-54 years	30.8	30.0	26.1	36.0
55-64 years	21.5	20.9	1.4	37.0
Continuous duration				
One year or less	25.8	41.6	21.4	4.3
More than one year	74.2	58.4	78.6	95.7

* According to Work and Income New Zealand, ethnicity data is self-identified and multiple ethnicities may be chosen by an individual as fits their preference or self-concept. Multiple selected ethnicities are then prioritised into a hierarchy. The Māori ethnicity has the highest priority in this hierarchy, followed by Pacific peoples. These ethnic groups do not currently align with Statistics New Zealand ethnicity groupings.

Source: Work and Income New Zealand, Benefit fact sheets, December 2017 quarter.

Similarly, Sole Parent Support provides financial help through a weekly payment to single parents and caregivers of dependent children while also supporting them to get ready for future work and find part-time work. Of the Sole Parent Support recipients in Kāpiti:

- 90.2% are female;
- 38.6% are Māori;
- 58.3% are 25-39 years of age;
- 47.7% have dependent children less than 5 years of age while the other 53.9% have dependent children aged between 5 and 13 years; and
- 78.6% have received the support for more than one year.

Supported Living Payments are assistance for people who have, or are caring for someone who has, a health condition, injury or disability. Of those receiving Supported Living Payments in Kāpiti:

- 93% have a health condition, injury or disability (while the remaining 7% are the carers);
- 66.4% are European;
- 73% are 40-64 years of age (which is an older profile when compared with the other benefit types);
- 95.7% have received the support for more than one year; and
- 97.6% are unable to work owing to health conditions or disabilities, such as:
 - psychological or psychiatric conditions (34.5%);
 - intellectual disabilities (10.6%);
 - musculo-skeletal system disorders (11.5%);
 - nervous system disorders (7.8%);
 - cardio-vascular disorders (4.2%);
 - accidents (4.3%);
 - cancer and congenital conditions (7.3%); or
 - other (12.6%).

Our boundaries

Central government, electoral and iwi boundaries include the Kāpiti Coast district, but the boundaries do not always align with the district's boundaries (Figure 25). This can be challenging for the community and the Council.

District health boards

South of Te Horo, the Kāpiti Coast is serviced by the Capital & Coast District Health Board (CCDHB), alongside Wellington, Porirua and Paraparaumu.¹²³ However, Ōtaki is part of the MidCentral DHB and, despite its proximity to Waikanae, Ōtaki residents are unable to access CCDHB services. The MidCentral DHB also services Levin, Dannevirke, Feilding and Palmerston North.¹²⁴ This split is challenging for the Kāpiti Coast as each district health board has its own initiatives and priorities, based on the needs of the people in its area.

The Wellington Free Ambulance provides a free of charge service from Wellington City through to Peka Peka, with residents being transported to Kenepuru Hospital in Porirua or Wellington Regional Hospital in Central Wellington. However people who reside north of Peka Peka must pay for an ambulance to Palmerston North Hospital.¹²⁵ This ambulance service is operated by St John and residents are charged \$98 to access this service; however, non-emergency services are charged on the kilometres travelled to Palmerston North Hospital, an expensive journey for Ōtaki residents.¹²⁶

The other option for residents outside of the Wellington Free Ambulance area is public and private transport, but residents without access to private cars struggle to travel to Palmerston North, as Ōtaki has limited access to public transport. This can present a significant challenge to low-income or elderly residents.

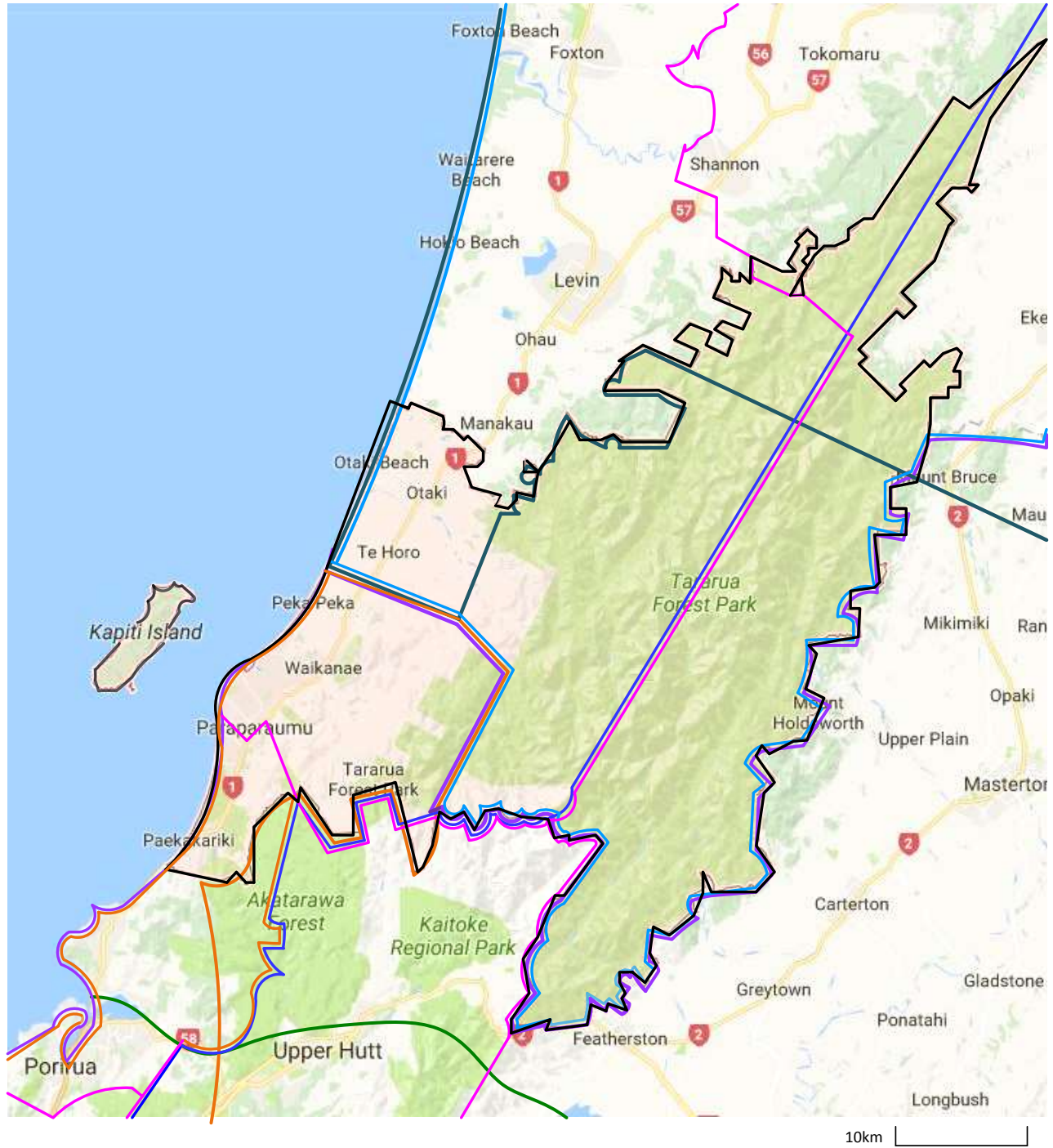
¹²³ Ministry of Health. Capital & Coast District Health Board.

¹²⁴ Ministry of Health. MidCentral District Health Board.

¹²⁵ MidCentral District Health Board. February 2014. Funding arrangements.

¹²⁶ St John. Ambulance part charges.

Figure 25: Boundaries crossing through the Kāpiti Coast district



Key

- Work and Income Boundaries
- MidCentral District Health Board
- Capital and Coast District Health Board
- Wellington Police District
- Maori Electorate Boundaries
- Central Police District
- General Electorate Boundaries
- Kapiti District Council Boundaries

Police districts

New Zealand has 12 police districts, each made up of several areas. South of Te Horo, Kāpiti is part of the Wellington police district, alongside Porirua and Wellington Central, while Ōtaki is overseen by the Central police district, together with Manawatū, Whanganui and Taranaki.¹²⁷

Each police district is overseen by a Commander, who has the autonomy to determine the role of police in the local community, based on the district's needs and national police strategy.¹²⁸ This results in the police initiatives in Ōtaki being very different from Paraparaumu, despite the proximity of the two areas.

Decisions about the future of policing in the Wellington district are made in Wellington Central, while arrangements for the Central district are made in Palmerston North. Each region also has different priorities, populations and demographics, which influences the role of police in that community. The Central district is also a geographically significant area, so police resources may be stretched, but more condensed in the Wellington Region, influencing the community's access to services.

Work and Income regions

Work and Income services are divided into several areas that cover the country. Each Work and Income region has several offices and area-specific strategies, based on the local economy and demographics.¹²⁹ Thus, the Work and Income services in each region are unique, based on community need and its relationship with local iwi and businesses in the area.

The Kāpiti Coast district is part of Work and Income Central, a region that covers the central North Island and includes Masterton, Horowhenua and Palmerston North.¹³⁰ Work and Income's regional priorities for the Central area are very different from the activities taking place in the Wellington Region, the area Kāpiti Coast affiliates with. As a result, some of the initiatives Work and Income introduces on the Kāpiti Coast may not align with the district's needs.

Kāpiti Coast is also part of the Central region of New Zealand, alongside Wellington, Manawatū-Whanganui, Hawke's Bay and Gisborne. This area is geographically significant, but Kāpiti Coast is only a very small area of the Central region.

Māori electorate seats

New Zealand has several Māori electorate seats, based on the size of the local Māori population. The Kāpiti Coast district is represented by Te Tai Hauauro, alongside southern Waikato, Taranaki, Whanganui, Manawatū, Horowhenua and Porirua.¹³¹

The large and diverse nature of this extensive area of New Zealand makes it difficult for the Member of Parliament to represent the needs of the entire Māori community in this area. Hence, certain areas of the electorate may be championed above others, so the Kāpiti Coast may miss out on opportunities that are presented to other areas, based on its small size and close proximity to Wellington.

General electorates

South of Paraparaumu, Kāpiti Coast residents are part of the Mana electorate, together with Porirua, Pukerua Bay and Paekākāriki, while residents north of this area are part of the Ōtaki electorate. This

¹²⁷ New Zealand Police. Police districts.

¹²⁸ Statistics New Zealand. 2015. Review of police crime data.

¹²⁹ Ministry of Social Development. Central Region.

¹³⁰ Ministry of Social Development. Find a service centre: Central.

¹³¹ New Zealand Parliament. December 2014. Te Tai Hauauro: electoral profile.

constituency extends as far north as Foxton Beach and includes Waikanae, Ōtaki, Levin and Paraparaumu.¹³² However, Raumati and Paekākāriki residents do not affiliate with Porirua, nor is it their community of interest. There is also a distinct physical barrier between Paekākāriki and Pukerua Bay. This makes it harder for these residents to have their views represented or to champion for services that are predominately in the Ōtaki electorate. There is also a risk that the needs of Raumati and Paekākāriki will be overshadowed by Porirua's requirements, as the city has a much larger population and voice in the electorate.

This division makes it harder for the Kāpiti Coast District Council to work alongside elected representatives for the area, as KCDC needs to liaise with several Members of Parliament. In a national sense, the best interests of the entire district are not examined as a whole, as the Kāpiti Coast is divided into two separate areas, despite the strong relationship between these communities.

Ward and community board boundaries

The Kāpiti Coast district has four wards: Paekākāriki, Paraparaumu, Waikanae and Ōtaki. Most of the wards have corresponding community boards with aligning boundaries; however, Raumati and Raumati South are part of Paekākāriki Ward, but are not part of the community board. Instead, these residents fall under the Paraparaumu-Raumati Community Board, which includes the Paraparaumu Ward. Thus, the Raumati community does not receive funding from the community it affiliates with.

The Paraparaumu-Raumati Community Board is the largest in the district, as it includes 56% of residents in the Kāpiti Coast district reside in this area.¹³³ This makes it difficult for the community board to represent the views of the entire area and Raumati may miss out on funding in favour of projects in Paraparaumu, the largest town in Kāpiti.

In addition to representing their communities, community boards are also required to understand the services the council provides to their community¹³⁴, but this may be difficult for ward members. The community board overlap makes it difficult for ward members to distinguish which services are specially provided to its community.

Iwi boundaries

On the Kāpiti Coast there are the three iwi of Te Āti Awa ki Whakarongotai, Ngāti Raukawa ki te Tonga and Ngāti Toa Rangatira. The three iwi are all mana whenua in Kāpiti, with overlapping areas of interest in the district.

The overlap of iwi complicates the number of parties involved in the iwi-Council partnership and increases the consultation that needs to take place to ensure the Council is representing the best interests of all local iwi and their people.

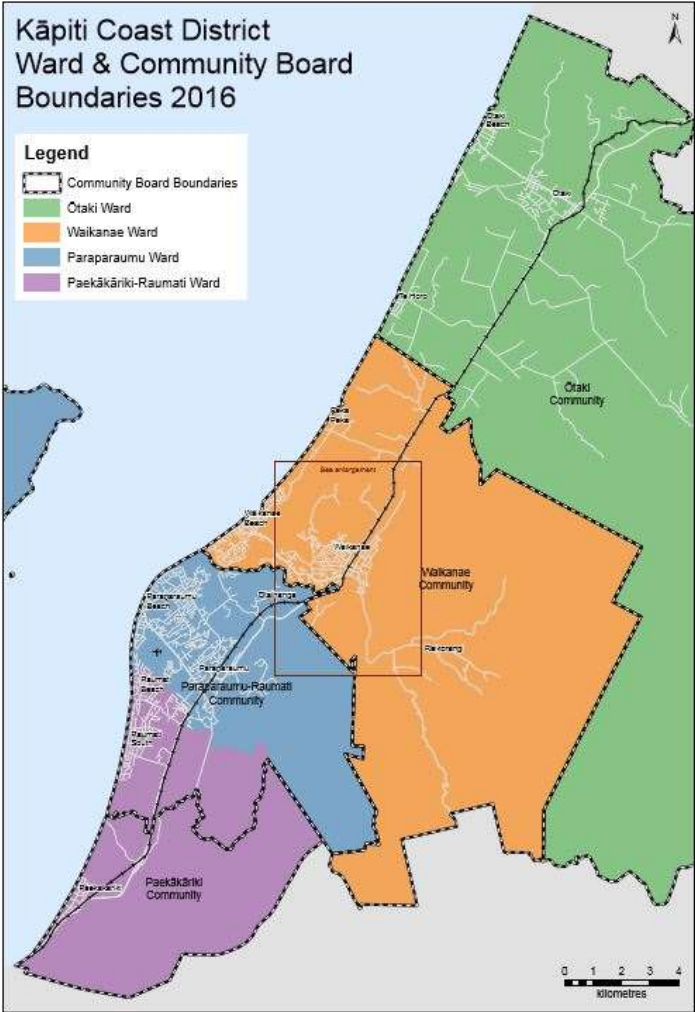
Ngāti Raukawa ki te Tonga and Ngāti Toa Rangatira both have other areas of interest that fall within their wards, not just Kāpiti.

¹³² Electoral Commission. Find my electorate.

¹³³ Local Government Commission. April 2010. Determination of representation arrangements to apply for the election of the Kāpiti Coast District Council to be held on 9 October 2010.

¹³⁴ LGNZ. December 2016. Community boards.

Figure 26: Kāpiti Coast district ward and community board boundaries



Source: Kāpiti Coast District Council, Kāpiti Coast district ward and community board boundaries, 2016.

Council's current operations

This section provides more information on how the Kāpiti Coast district is situated within the wider Wellington Region; the steps the Council takes to ensure that the community voice drives the vision of the district; and the current scope of the Council's operations, including information on the Council's financial strategy.

Kāpiti within the Wellington Region

Kāpiti Coast District Council is one of eight territorial authorities located within the Wellington Region. Kāpiti Coast contains 10% of the regional population (52,700 out of 513,900) (Table 15; Figure 27).

Table 15: Populations of the Wellington Region territorial authorities

Territorial authority	Population
Wellington City Council	212,700
Hutt City Council	104,700
Upper Hutt City Council	43,200
Porirua City Council	56,100
Kāpiti Coast District Council	52,700
South Wairarapa District Council	10,250
Carterton District Council	9,060
Masterton District Council	25,200
Total population of the Wellington Region	513,900

Source: Statistics NZ, Subnational population estimates (TA, AU), by age and sex, at 30 June 1996, 2001, 2006–17 (2017 boundaries).

Figure 27: Map of territorial authorities within the Wellington Region



Source: Greater Wellington Regional Council, Regional, city or district council? May 2013.

Greater Wellington Regional Council

The Greater Wellington Regional Council comprises 13 regional councillors, who represent six constituencies – Kāpiti Coast has one representative on the GWRC.¹³⁵ The GWRC has statutory obligations under the LGA, RMA and other legislation to work in cooperation with territorial authorities to protect the environment and meet the economic, cultural and social needs of residents within the Wellington Region. The core functions of the GWRC include:

- biosecurity – protect the environment, economy and way of life from the harmful impacts of pests and diseases;
- emergency management – coordinate emergency management planning and operations for the region;
- environment – ensure that the region's natural resources (land, air, water, energy) are used appropriately and sustainably;
- flood protection – flood plain management, including working with communities to manage the flood risk from the region's rivers and streams;
- harbours – provide safe and efficient maritime management for commercial and recreational users of the region's waters;
- land management – protecting the productive capacity of land in the region and encouraging and promoting sustainable land management;
- parks and forests – maintain a network of over 15,000 hectares of regional parks and forests;
- pollution control – maintain a 24-hour incident response service, conduct environmental assessments of industrial and commercial sites, and maintain a register of sites with hazardous industries or activities;
- transport – fund regional bus and train services, plan the roading network and build public transport infrastructure across the region; and
- water supply – manage the water treatment and supply, stormwater and wastewater service delivery for Lower Hutt, Porirua, Upper Hutt and Wellington City.¹³⁶

Strengthening the Wellington Region

In October 2009 central government released a package of reforms aimed at improving the transparency, accountability and financial management of local government throughout New Zealand. The formation of the new Auckland Council sparked speculation within other regions – particularly those centred round major cities like Wellington – about whether amalgamation could be right for them. For the next five years, the territorial authorities, residents and businesses of the Wellington Region debated various forms of regional amalgamation.

In June 2015 the Local Government Commission (LGC) decided not to proceed with a proposal for a single Wellington council, but would instead work with communities across the region to identify other options to promote more effective local government. Following discussions with the Wellington Region Mayoral Forum, chief executives and councils, the parties agreed to progress work in three main areas: transport; regional spatial planning; and the potential for local government amalgamation in the Wairarapa. Water services and economic development were later added to this list.¹³⁷

¹³⁵ GWRC. October 2016. Council and councillors.

¹³⁶ GWRC. February 2017. Greater Wellington's role and functions.

¹³⁷ Local Government Commission. July 2016. Strengthening the Wellington region progress update.

In July 2017 the LGC stated that it would no longer pursue a single Wairarapa council, after the majority of voters opposed the proposal. Then in December 2017 the LGC released a report entitled 'Strengthening the Wellington Region – Recommendations to councils'.¹³⁸ This report recommends joint action in the areas of transport, land-use planning, and three-water services; the Wellington Region councils have until 30 April 2018 to respond to the recommendations included in the report.

Key regional relationships and forums

Councillors, Council managers and staff participate in a vast number of regional forums including the:

- Mayoral Forum;
- Regional and Provincial Forum;
- Chief Executives Forum;
- Coordinating Executive Group (CEG);
- Council Planning Managers Group;
- Wellington Regional Climate Change Working Group;
- Wellington Regional Natural Hazards Management Strategy Steering Group (and associated working groups);
- LGNZ Rural and Provincial Meeting, which is a national meeting;
- Wellington Regional Amenities Fund;
- Wellington Region Waste Management and Minimisation Joint Committee;
- Wellington Regional Strategy Joint Committee (oversees the Wellington Regional Economic Development Agency (WREDA)); and
- Regional Transport Joint Committee.

Our community values

The Council acts on behalf of a diverse range of communities of interest within Kāpiti and works hard to make sure a range of opportunities is available for residents and ratepayers to be involved in the work of the Council and to participate in local decision-making.

The Council needs to understand people's views about their communities, their futures and their needs to ensure they are reflected in the activities and services we provide. There are a number of ways that this occurs within the Kāpiti Coast district, which are outlined below.

Local Community Futures Statements (Local outcomes)

Kāpiti coast district comprises several different local communities, each with its own distinct identity and values. In 2003 the Council began to work closely with many of these communities to develop Local Outcomes Statements, which sought to capture and articulate residents' aspirations for their local communities. In 2015 the Council continued to work with some communities on these statements, although they are now referred to as Community Futures Statements.

Community Futures Statements are developed through a highly collaborative process of discussion with local communities over an extended period. They describe the aspirations of the local community, their vision for the future and the issues they seek to address for the benefit of the local community.

¹³⁸ Local Government Commission. 18 December 2017. Fresh approach needed to strengthen the Wellington region [media release].

These documents are used by the Council to inform planning and activities relating to service provision within those communities. They can also be used by the community to guide independent activity that takes place for the benefit of the community.

Resident opinion surveys

The Council undertakes a quarterly resident opinion survey¹³⁹ with results being used to inform the Council's strategic direction and planning.

Other ways of understanding what our community values

Other approaches used to get the public's views and communicate our decisions to residents, ratepayers and businesses include:

- monitoring customer service requests and complaints – the Council operates an electronic customer service request register. This system registers the call when it comes in, its general content, the action carried out and the date and time of resolution;
- carrying out community engagement and formal consultation on the long term plan and annual plan, and in the development of strategies, plans, policies and bylaws;
- involving tāngata whenua in decision-making via Te Whakaminenga o Kāpiti (and, through them, māta waka);
- involving other specific communities in decision-making through the Youth Council, the Older Persons' Council and the Accessibility Advisory Group;
- providing informal opportunities to give feedback on various areas of Council business through workshops, surveys, reference groups, our website and social media channels, and face-to-face conversation at community events and through our daily contact with customers; and
- promoting opportunities to provide feedback and update on progress and decisions through the Council's own communications channels including the website, the e-newsletter 'Everything Kāpiti', the Council's Facebook page, the Council's bi-monthly newspaper supplement and the Council's call centre and service centres. The Council communicates directly with ratepayers, residents and businesses where possible and uses newspaper, radio and online advertising where appropriate. The Council also works with partners and stakeholders to get the message out through their own networks.

Our vision for our future – vibrant, diverse and thriving

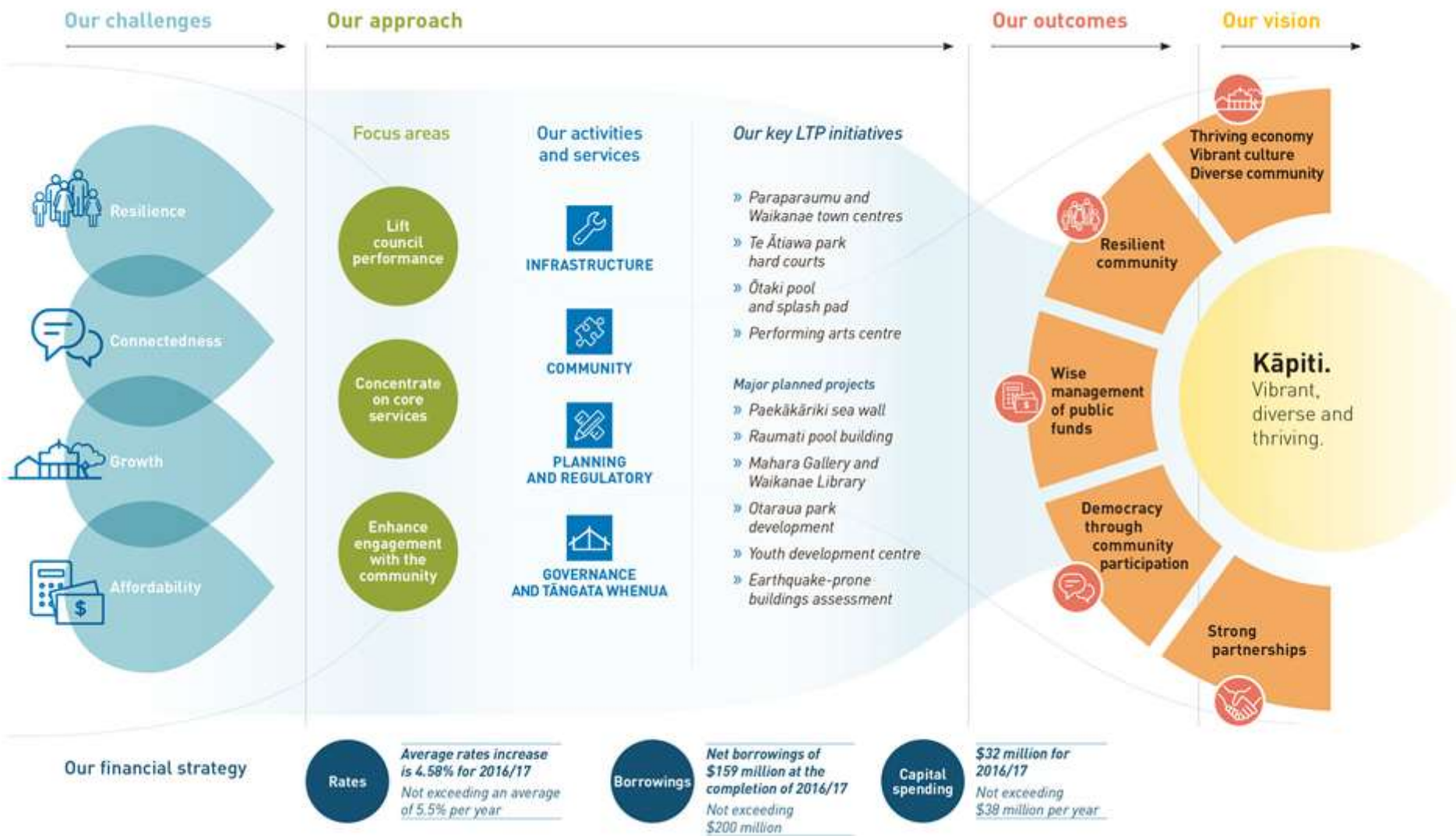
As part of the long term plan 2015–35, the Council developed a vision for how the Council will contribute to the achievement of the community outcomes – to work together to build a community that is vibrant, diverse and thriving.

Council outcomes

In 2014 the Council worked with a representative group of community members to draft a set of Council outcomes that specify the role that the Council will play in achieving the community outcomes. These outcomes were adopted by the Council as part of the long term plan 2015–35 (Figure 28).

¹³⁹ kapiticoast.govt.nz/Your-Council/Forms-Documents/Reports-reviews-surveys/resident-opinion-survey

Figure 28: Long Term Plan 2015–35 Plan on a Page



Source: Long term plan 2015–35.

Current service provision

We organise our work in the community into four clusters: infrastructure; community services; planning and regulatory services; and governance and tāngata whenua.

Infrastructure

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

Our infrastructure activities are a mix of service delivery, maintenance, replacement and renewals, and new construction.

Community services

The community services cluster covers a range of Council activities that enhance life for Kāpiti residents and visitors. The Council has a role in encouraging economic growth and, with stakeholders and our iwi partners, we have developed a focused economic development strategy. We maintain community facilities such as halls and meeting spaces throughout the district and fund a range of local organisations from surf lifesaving to the Citizens Advice Bureau. Our parks and sportsgrounds provide opportunities for diverse recreation activities, as does Kāpiti's extensive network of cycleways, walkways and bridleways. We also provide several swimming pools and library facilities across the district and support various arts and heritage activities that are important to our community.

Planning and regulatory services

Many of the matters that Kāpiti people deal with the Council on are delivered through planning and regulatory services. This cluster of services covers district-wide planning including the preparation of the comprehensive district plan, which governs the development of the Kāpiti Coast. Through our regulatory services, the Council issues resource consents to ensure building and development work is in line with legislation and the provisions of our district plan. In addition, we are carrying out the assessment of earthquake-prone buildings that is required by new legislation. Key day-to-day activities include registering dogs and following up noise complaints. Many of our compliance functions are determined by law, but are part of the way we contribute to community wellbeing.

Governance and tāngata whenua

The governance and tāngata whenua cluster focuses on our decision-making and the importance of community participation. This cluster reports on our current arrangements in terms of the structure and make-up of the Council's governance and on the recent review of our representation arrangements. We have a strong, active partnership with our three iwi and aim to embed tāngata whenua values into our operations and to guide the overall development of Kāpiti.

Our financial position

Kāpiti Coast District Council has robust financial management in place. Our financial strategy was developed as part of the long term plan 2015–35.

Our financial strategy

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

Our financial strategy is about achieving a balance. This means we want to:

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

Our rates, our borrowings and our capital spending are the three financial ‘levers’ that influence what services we can provide. We have to find the right mix of settings for these levers. Generally, this means keeping rates and borrowings as low as we can.

Strategy limits

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

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

Rates

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

Capital spending

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

Borrowings

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

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

Reducing rates impacts

Cost increases are largely based on the inflation-adjusted Local Government Cost Index (1.8%-2.6%). Beyond inflation, the key driver is increasing funding for depreciation to ensure we are fully funding all depreciation by the end of year eight of the 2015–35 long term plan (2023). This is to enable us to pay for the replacement of our assets over time.

How are we doing against our strategy limits?

The Council reports on its progress against its strategy limits and other financial information in each year's annual report.¹⁴⁰

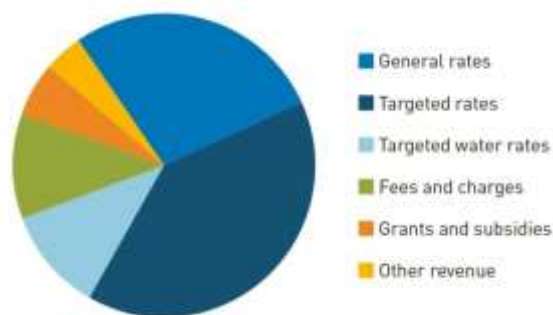
Affordability

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

We provide some discounts for Community Services and Super Gold Cardholders. We also have a rates remission policy. This means homeowners facing extreme hardship may not have to pay the full rates assessment, or can arrange to postpone payments.

More than 75% of our costs are funded by rates (Figure 29). Our economic development strategy is part of a longer-term solution – creating more jobs and wealth to increase the number of ratepayers. In mid-2016 we were expecting almost 3% growth in the district over the next three years.

Figure 29: Sources of income



Rates pay for more than 75% of Council operations. The current ratings base is mostly residential, with a very small commercial ratings base that is not differentiated.

¹⁴⁰ kapiticoast.govt.nz/Your-Council/Forms-Documents/Reports-reviews-surveys/

District challenges and opportunities

Changing demographics

Changing demographics contribute to the vibrancy of the Kāpiti Coast district, while also posing challenges as the Council aims to meet the aspirations of the many different communities of interest that live in Kāpiti. In the Kāpiti district:

- the population is older than in Wellington and all of New Zealand. In Kāpiti the 60+ age group outnumbers the 20-39 age group nearly two to one. There are also fewer young adults (13%) than in Wellington (24%) and all of New Zealand (22%);
- young people tend to leave the district in search of work or a higher education. However, this situation is not unique when compared with some other councils in the Wellington Region;
- 85% of the population identify as European (84%); this is higher than in the Wellington Region and for all of New Zealand (74%);
- almost half of all Māori (45%) and over half of all Pasifika (52%) are aged 19 and under; and
- population growth is largely driven by migration, from other parts of the Wellington Region in particular.

Implications

- As the district continues to grow, the Council faces pressures on infrastructure and service provision.
- Council planning is based on robust population forecasts; however, several factors can influence the accuracy of these projections, such as changes to New Zealand's immigration laws.
- Kāpiti is one district, comprising many different communities (in terms of geography and interest areas). At times, these different communities have differing aspirations so the Council must design and deliver a wide range of services to meet as many aspirations as possible.

Affordability

Housing cost increases combined with increased living costs and low household incomes are likely to cause affordability issues for some Kāpiti residents. For example:

- Kāpiti Coast house values and rental costs have increased significantly over the past five years, and have recently accelerated;
- over the past three years, average household expenditure on living costs has increased by 17.1%, while household incomes increased by 11.7%¹⁴¹;
- exact numbers are hard to measure, but it appears that roughly 40% of the district lives on a fixed income (~35% on pension and ~5% on benefits);
- there is limited social housing within the district; and

¹⁴¹ Statistics NZ. December 2016. Household expenditure statistics: year ended June 2016.

- in 2017 the average household income for the Kāpiti district was \$90,500. This compares with \$113,600 for the Wellington Region and \$97,100 for New Zealand overall.¹⁴²

Implications

- Increasing house prices combined with increasing living costs can result in existing residents moving out of the district because they are looking for more affordable housing elsewhere.
- At the same time, new residents are moving to Kāpiti from other parts of the Wellington Region (and even from other parts of New Zealand) because housing in Kāpiti may be more affordable than housing in their home district.
- Rising living costs can exacerbate existing deprivation issues and increase the number of vulnerable residents.¹⁴³ This can influence the types of services and supports needed by the community, while also placing limits on the ability of the Council to gather residential rates.
- Similarly, the large percentage of ratepayers living on fixed incomes means that the Council must be mindful of rates increases for those residents as well.

Transport

The roads of national significance (RoNS) Wellington Northern Corridor improvement is a central government initiative led by NZTA that is intended to upgrade the 110km stretch of State Highway One (SH1) from Wellington Airport to Levin. Three of the eight sections of the corridor run fully or partially through the Kāpiti district. The project is expected to:

- create 865 extra permanent jobs in the Wellington Region and a further 8,000 construction jobs during the construction period¹⁴⁴;
- make the highway more resilient to crashes or natural disasters by providing viable alternative routes and constructing roads that can recover quicker from natural events; and
- create a 35-minute travel time from Kāpiti to Wellington.

Implications

- The Council will need to maintain infrastructure connectivity across the new corridor including access (roads, cycle and walkways), stormwater and other pipe networks.
- Significant changes to traffic flows and the local access network (how people get in and out of their communities from Raumati to Ōtaki is likely to change as a result of the corridor, and traffic will be directed away from the Paraparaumu and Waikanae town centres, and from Ōtaki).
- It will be important to leverage from the shift of traffic away from town centres to develop functioning town centres that enhance connections within and between communities. Attractive town centres that are in good economic heart and have a range of activities such as retail, business services, education, community, civic and entertainment build long-term resilience, attract investment and support public transport.

¹⁴² MBIE. Regional economic activity report: Average household income in New Zealand, accessed from the interactive web tool on webrear.mbie.govt.nz/summary/new-zealand

¹⁴³ MBIE. Regional economic activity report: Household income in New Zealand, accessed from the interactive web tool on webrear.mbie.govt.nz/summary/new-zealand

¹⁴⁴ Sourced from NZTA, nzta.govt.nz/projects/wellington-northern-corridor/

- Managing the immediate impact of construction on local communities, and the longer-term impact that the changes bring for communities, will include shifting community expectations as their focus moves from construction to life post-completion.
- Resource implications for the Council – dealing with the planning, construction and eventual operation of the corridor – has absorbed a great deal of Council time over the past 5-10 years, and will continue to do so over the next 5-10 years.

Place in the region

The Kāpiti Coast district has a strong identity as an independent, resilient coastal community that lies to the north of Wellington.

- Kāpiti makes up only 10% of the regional population.
- Kāpiti 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 (to the north and south).
- Thirty-five percent of Kāpiti residents commute outside of Kāpiti for work, predominately to Wellington City.
- The northern part of the district has economic, social and historical ties to parts of Horowhenua, and the continuous coastal plain creates a common ground for tourism.
- Government is increasingly expecting councils within a region to collaborate.

Implications

- Kāpiti Coast district is a small player within the wider Wellington Region, which can make it difficult for the Kāpiti Coast to exert influence in the region.
- Collaboration between councils can be difficult because sometimes the outcomes sought by councils within the region differ owing to different make-up of residents, issues and geographic locations.
- More diverse job opportunities (both type and salary levels) are required to enable residents to work within the district instead of commuting.
- The Council must continue to support ongoing improvements to commuting options for residents who prefer to work in Wellington City.

Crossing boundaries

Central government, electoral and iwi boundaries include the Kāpiti Coast district, but the boundaries do not always align with the district's boundaries. This can be challenging for the community and the Council. For example, Kāpiti is:

- serviced by two district health boards;
- part of two police districts;
- overseen by Work and Income Central, a region that covers the central North Island and includes Masterton, Horowhenua and Palmerston North;
- represented by the Māori electorate seat Te Tai Hauauru, which also includes southern Waikato, Taranaki, Whanganui, Manawatū, Horowhenua and Porirua;
- part of two electorates;

- made up of four wards – Paekākāriki, Paraparaumu, Waikanae and Ōtaki – that generally have corresponding community boards except for Raumati and Raumati South, which fall under the Paekākāriki Ward and the Paraparaumu-Raumati Community Board; and
- home to the three iwi of the Kāpiti Coast – Te Āti Awa ki Whakarongotai, Ngāti Raukawa ki te Tonga and Ngāti Toa Rangatira – who maintain overlapping areas of interest in the district.

Implications

- The DHB split is challenging as each DHB has its own initiatives and priorities.
- Residents north of Peka Peka are unable to access the Wellington Free Ambulance service. Instead they must pay for a St John Ambulance to Palmerston North, with emergency services at a fixed cost and non-emergency services charged by kilometre, which means an expensive journey for Ōtaki residents. The alternatives are public or private transport, but there is limited access to public transport to Palmerston North, which presents a significant challenge to low-income and elderly residents.
- Police initiatives in Ōtaki can be very different from the remainder of the district as they are part of the Central police district. Each police district has different priorities, populations, and demographics, which influences the role of police in that community. The Central district is also a geographically significant area, so police resources may be stretched, but more condensed in the Wellington Region, influencing the community's access to services.
- Work and Income's regional priorities for the Central area are very different from the activities taking place in the Wellington Region, the area Kāpiti Coast affiliates with. As a result, some of the initiatives Work and Income introduces on the Kāpiti Coast may not align with the district's needs.
- The large and diverse nature of the extensive area covered by the Te Tai Hauauru Māori electorate seat makes it difficult for the Member of Parliament to represent the needs of the entire Māori community in this area.
- Although Raumati and Paekākāriki are part of the Mana electorate, they do not affiliate with Porirua, nor is it their community of interest. There is also a distinct physical barrier between Paekākāriki and Pukerua Bay. This makes it harder for these residents to have their views represented and there is also a risk that the needs of Raumati and Paekākāriki will be overshadowed by Porirua's requirements, as the city has a much larger population and voice in the electorate.
- The electorate division makes it harder for the Kāpiti Coast District Council to work alongside elected representatives for the area, as they must liaise with several Members of Parliament.
- The community board/ward overlap can cause confusion for residents about which ward councillor and community board are representing their views.
- The overlap of iwi increases the consultation that needs to take place to ensure the Council is representing the best interests of all local iwi and their people. Additionally, Ngāti Raukawa ki te Tonga and Ngāti Toa Rangatira both have other areas of interest that fall within their wards, not just Kāpiti.

Natural environment

Kāpiti Coast district is known as a great place to live, a relaxed coastal community with great access to the natural environment – from the mountains to the sea.

- Kāpiti is predominantly made up of rural and conservation areas, and population density varies greatly across the district.
- There are limits in place around development to ensure that conservation values, in particular, are maintained. This means that there is only so much land available for growth within the district.
- The majority of Kāpiti Coast residents live in the lowland areas to the west of the Tararua and Akatarawa Ranges.
- The two main rivers on the Kāpiti coast are the Ōtaki and Waikanae Rivers; however there are also many small streams.
- Climate change is expected to bring a rising sea level and increased frequency and intensity of storms.
- Earthquakes and tsunamis are important natural hazards for the Kāpiti Coast community – particularly following on from the Kaikōura earthquake series of late 2016, which was felt by many residents.

Implications

- Increased frequency and intensity of storm events will add to the risk from floods, landslides, severe wind, storm surge, coastal erosion and inundation.
- More frequent and more intense flooding events are likely to place stress on stormwater and other infrastructure.
- Some residents have increased expectations for the Council to support earthquake and tsunami preparedness among the community, particularly following on from the Kaikōura earthquake series of late 2016.
- Kāpiti is able to offer companies a business continuity opportunity in the event of a natural disaster because Kāpiti may not experience the same repercussions from some hazard events, as was evident in late 2016 when the Wellington Central Business District was closed after the Kaikōura earthquake, while the Kāpiti Coast was open for business as usual.

Distinct communities

The Kāpiti Coast district has a strong identity as a relaxed coastal area, a short distance up the coast from Wellington. Residents identify strongly with the district, and with their local community within it.

- There are eight settlements along the Kāpiti coastline, often with both beach settlements and townships further inland. There are also several rural areas.
- Community identities are distinct and localised, with different needs of the Council, which can be driven by differences in demographic and economic profiles, local history, and community values.
- The level of deprivation varies significantly across the district, with Ōtaki and Paraparaumu Central among the most deprived areas in New Zealand.

- There are many special interest groups within Kāpiti with particular needs and views.

Implications

- The separate identities of our communities provide both a strength and challenge: a strong sense of community identity supports internal cohesion and resilience within each community, but it also reinforces competing needs and challenges for service provision.
- The Northern Corridor and Kāpiti Expressway, in particular, could significantly impact how our communities connect and work together.
- Town centres could be impacted by the expressway so the Council must ensure they remain functioning by enhancing connections within and between communities.
- The Council must understand and take into consideration the needs and views of special interest groups for future planning of Council services.