
ANNUAL REPORT

2013 – 2014



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INTRODUCTION BY ROSS CHURCH,

MAYOR,
KĀPITI COAST DISTRICT

It is my pleasure to introduce this Annual Report for 2013/14 for the Kāpiti Coast District Council, my first as Mayor.

This was a year which featured the end of one triennium and the beginning of another. Although several Councillors from the previous triennium were re-elected, inevitably, such a change heralds the introduction of new philosophies.

The new Council made a commitment to be more open and inclusive in our dealings with the community. I feel this is consistent with their wishes and have embraced that desire for greater openness.

I believe this approach is already paying dividends. In the consultation on the Annual Plan, there was a huge response from residents and it was satisfying to see the Council's efforts in reducing the proposed rates increase recognised and praised from within the community.

This is only one of the building blocks we have put in place to progress difficult issues that are facing the District. I am pleased to report that during the year, several other building blocks have also been put in place giving reason to feel genuine optimism for the future of Kāpiti.

One such milestone was the receipt of two independent reports which will pave the way for a new Proposed District Plan.

Development of the Proposed District Plan was put on hold while we awaited the review reports. The Coastal Experts Panel identified additional research needed on coastal hazards and the Proposed District Plan review proposed four options to Council for how to proceed with the Proposed District Plan.

Decisions on those recommendations will have been made in the new financial year, but the important thing is that by the time you read this, we will be moving forward to develop the District in a way that recognises our unique lifestyle, balancing protection of our environment with economic development.

The 2013/14 year ended with charging for treated water moving from 'trial' to 'real'. During the year, the Council heard the concerns of the community and made provision for support to, and in some cases financial relief for, ratepayers.

Those provisions – a grace period in which people will not have to pay for the volume of water used until they have received a second trial reading, and a discretionary period to



allow people to get leaks fixed – came into effect in the 2014/15 financial year. The planning to give us breathing space and flexibility in the introduction of the new water charging process, involved major effort throughout the year.

Great progress was made on the Expressway and the Town Centres Transformation Project both of which will have a big impact on the shape of the Kāpiti Coast District.

During the year, consultation began on how to transform our town centres and connecting roads, with the Council project team engaging with the community in successful open days in Paraparaumu and Waikanae.

The open days generated good interest and we now have approximately 1,200 stakeholders on our contact register we will continue to engage with.

I can see major benefits arising from the Expressway project. Commuters who currently spend an hour or more getting from Paraparaumu to Waikanae on a Friday night will certainly see a difference.

However, I see a wider economic picture too. We are an ideal weekend destination for shopping or relaxation. Currently, the potential for traffic hold-ups on SH1 is a deterrent to that market, especially on long weekends.

On the subject of attracting visitors, the announcement by Conservation Minister Dr Nick Smith to drop the permit fees for visitors to Kāpiti Island is a great start to realising the value of an iconic visitor attraction.

Undoubtedly, the fee reduction will help stimulate demand for visits but we need to build on that first step. What is required is a collaborative effort bringing together the Department of Conservation, tour operators, the Council and the community to devise a forward-looking marketing strategy.

As the financial year came to a close, I was arranging a meeting with the Minister to discuss other opportunities to keep the momentum going.

A major issue which Councillors had to deal with during the year was fluoridation. The Council made a decision to continue fluoridation but felt strongly this was an issue which should rest with central government.

For this reason, the Council decided to take a remit to the Local Government New Zealand Conference, urging the Government to amend the appropriate legislation so that the addition of fluoride to drinking water supplies is a decision made by the Director-General of Health. That remit has been endorsed by other local authorities.

Among the successes of the year, was the opening of the Coastlands Aquatic Centre. By the end of the financial year, six weeks short of a full year, nearly 220,000 visitors had been to the centre. This is an excellent response to the creation of such an outstanding community facility.

On the wider front, I'm very proud of the awards that have been won for the District during the year just gone.

Kāpiti won double honours at the 2014 Energy Efficiency and Conservation Authority Awards for our proactive approach to energy and engagement with the community to improve the energy efficiency of people's homes and reduce waste.

Receiving the Green Ribbon Award from the Minister for the Environment confirmed the effectiveness of the Council's reduction of its carbon footprint.

Our Civic Administration Building was also highly commended in the energy management category of the New Zealand Property Council awards and won a silver medal at the 2014 Master Builders' New Zealand Commercial Project Awards.

Building innovation was further recognised by the Coastlands Aquatic Centre becoming joint supreme winner of the 2014 NZ Wood Resene Timber Design Awards, for its dramatic use of curved laminated timber beams.

Our water supply project won the New Zealand Planning Institute's Rodney Davies

Project Award. Finally, just before the end of the year under review, Kāpiti had been announced as a finalist in the Local Government New Zealand Excellence Awards.

These are things Kāpiti can be proud of.

As a Council, we have seen our share of controversy, but much of that has been or is being left behind and a new era of collaboration between the Council and the community is opening up.

Both short-term and long-term, the future of our District is evolving dynamically. We go into 2014/15 in a mood of optimism.



Ross Church BCA, JP

Mayor



The Council's multi-award winning Civic Administration Building.





A MESSAGE FROM PAT DOUGHERTY, CHIEF EXECUTIVE

This Annual Report represents another busy year for Council. It covers the period 1 July 2013 to 30 June 2014 and outlines the Council's performance in service delivery and in a financial context, against the measures set out for Year Two of the 2012 – 32 Long Term Plan and the 2013/14 Annual Plan.

Highlights during the review period include the successful opening of the Coastlands Aquatic Centre, the establishment of sports fields on the Howarth Block, and making significant progress towards securing a long-term water supply for the District.

In the 12 months to 30 June 2014, the Council invested \$29.93 million on capital works. Major items included nearly \$8 million on water projects and \$5.5 million on roads, footpaths, cycleways and bridleways.

The largest roading project started in 2013/14 was the safety improvement and widening of the Kāpiti Road/Milne Drive/Te Roto Drive intersection. Following community feedback, the design was modified to widen the off-road shared cycleway on the southern side of Kāpiti Road to 2.3 metres.

Significant work was undertaken in partnership with the New Zealand Transport Agency (NZTA) to deliver the Roads of National Significance (RoNS) projects: MacKays to Peka Peka (M2PP); Transmission Gully; and Peka Peka to Ōtaki.

There were 91 site-specific management plans and minor variations to the M2PP Expressway that the Council's resource consent team were required to process. This was in addition to resource consent applications being up 41% on the previous year. Building consent applications were also up significantly, by 22%, on the previous year.

Public engagement is well underway for the development of concept plans for Waikanae and Paraparaumu town centres and for Kāpiti Road and the parts of SH1 that impact on our town centres. Initial meetings have been held with community groups, community boards, business and land owners and 'Open days' were held in Waikanae and Paraparaumu town centres in the latter part of 2013/14. A total of \$525,000 has been invested in this project over the review period. This project will be a key shaper of our main urban and business areas over the decades ahead.

Completion of the Coastlands Aquatic Centre was delayed by the main contractor, Mainzeal, going into receivership in February 2013. Although the centre opened in August 2013, further detailed finishing work was required. Extra costs were incurred as a result, with the total direct cost to the Council due to the receivership reaching \$1.8 million. Through negotiation, the Council has been able to claim a total of \$1.18 million from the

receivers, leaving a shortfall of \$620,000 to be funded from the underspend in the 2013/14 capital programme.

In the previous two financial years the Council had purchased a combined 60 hectares of land in the eastern part of Otaihanga. The land sits between the southern bank of the Waikanae River and SH1. Just under \$250,000 has been invested in developing this reserve for up to eight playing fields. Four have been in use for junior football since 5 April 2014.

A great deal of work was done to secure a long-term solution for the District's water supply. There are three aspects to this: the Waikanae River Recharge Project, the installation of districtwide water meters, and the purchase of land for a future dam.

Over the 2013/14 financial year, the Council spent \$3 million on the Waikanae River Recharge with Groundwater Project. This award-winning project received a 35-year resource consent and work began on site in February 2014.

The upgrade and renewal of the Waikanae Water Treatment Plant is well underway. Just over \$2 million has been invested in construction work over 2013/14.

The final piece of the solution to the District's water supply has been the installation of water meters. The Water Meter Project was substantially completed by 30 June 2014 at a cost of just under \$3 million in 2013/14.

The Statement of Comprehensive Income covers all of the Council's revenue and expenditure. The net position of revenue less expenditure provides the operating surplus or deficit for the year.

The Council has achieved a net operating surplus of \$1.23 million for the year ended 30 June 2014. This is \$3.85 million or 147% favourable to budget.

The Council's favourable performance was achieved mainly due to a recovery of the Western Link Road property holdings costs (mainly interest and rates) of \$2 million from the New Zealand Transport Agency and a \$1 million saving on budgeted finance costs due to a deliberate \$10 million reduction to the 2013/14 planned capital projects work programme.

Other Comprehensive Revenue and Expense of \$563.75 million is due to revaluation uplifts for the Council's assets of \$31.02 million and the revaluation uplift for Council's land under roads of \$532.73 million.

Due to the significant uplift in the valuation of the Council's land under roads, the Council has elected to present its financial performance, financial position and statement of changes in equity both inclusive and exclusive of the valuation of land under roads in Part 4.

The total Rates Funding Requirement for 2013/14 was \$50.80 million. The Council has achieved a Rates Funding Requirement surplus of \$2.06 million for the 2013/14 year, mainly due to the recovery of the Western Link Road property holding costs.

As per Council's resolution, a total of \$0.55 million of the 2013/14 Rates Funding Requirement surplus will offset the 2014/15 Rates Funding Requirement and the remaining surplus of \$1.51 million will be used to repay debt

It was a very busy 12 months and I would like to thank our staff for the heavy workload they have had to carry and for what they have achieved during the year.



Pat Dougherty

Chief Executive



A MESSAGE FROM TĀNGATA WHENUA

He Whakakitenga na te Tāngata Whenua



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

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

Te Whakaminenga o Kāpiti recognises the strength of the Kāpiti Coast District Council's commitment to the role tāngata whenua have as kaitiaki of the District. They also support the manner in which the Council upholds and takes appropriate account of the principles of the Treaty of Waitangi. The four main principles on which the tāngata whenua base their vision for the District, as outlined on pages 10 – 12 of the Long Term Plan 2012 – 32, have supported their 2013/14 work programme.

Some key achievements for this financial year include:

- Marae support grants disseminated to marae for maintenance programmes;
- Inaugural implementation of the Māori Economic Development Strategy;
- Annual Maramataka produced, the theme focuses on the contribution of iwi from the ART (Āti Awa, Raukawa, Toa) Confederation to World War One;
- Implementation of iwi aspirations across Council's planning documentation as captured in the iwi planning document Te Haerenga Whakamua;
- Continued research into waahi tapu sites across the District; and
- Environmental management – two members achieved Commissioner certification.

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

Rupene Waaka
Tumuaki, Te Whakaminenga o Kāpiti

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



GOVERNANCE STRUCTURE

GOVERNANCE STRUCTURE – FROM 1 JULY 2013 TO 1 JUNE 2014

Following both the October 2010 and 2013 Local Body Elections the Kāpiti Coast District Council comprised a Mayor and ten elected Councillors, half of whom were elected from ward constituencies and half of whom were elected on a districtwide basis. They were:

	1 July 2013 to 3 October 2013	29 October 2013 to 1 July 2014
Mayor:	Jenny Rowan	Ross Church
Councillors		
Districtwide:	Roger Booth (Deputy Mayor), Diane Ammundsen, Mike Cardiff, Ross Church, Peter Ellis	Mike Cardiff (Deputy Mayor), Diane Ammundsen, Jackie Elliott, David Scott, Gavin Welsh
Ōtaki Ward:	Penny Gaylor	Penny Gaylor
Waikanae Ward:	Tony Lloyd	Tony Lloyd
Paraparaumu Ward:	K. Gurunathan, Tony Lester	K. Gurunathan, Murray Bell
Paekākāriki-Raumati Ward:	Hilary Wooding	Janet Holborow

Council Meetings were scheduled six weekly, with additional meetings held as required. Council meetings normally commenced at 10am. These meetings were advertised in the local news media. To assist the Council to discharge its duties, it had Standing Committees which generally met every six weeks. Each committee had its own terms of reference and powers delegated to it by the Council. The membership of each of those standing committees is a committee of the whole, that is, every Councillor sits on every committee.

During the 1 July 2013 to 3 October 2013 period, the Council held three Council meetings and seven Standing Committee meetings. During the 29 October 2013 to 1 July 2014 period, the Council held 13 Council meetings and 11 Standing Committee meetings.

The Environment and Community Development Committee (ECD) was chaired by Councillor Gaylor (2010 and 2013). The Committee developed policies and strategies for the Council on behalf of the community for the social, economic, environmental and cultural interests of the District, and policies and strategies associated with the development of the Long Term Plan.

The Corporate Business Committee (CBC) was chaired by Councillor Church (2010) and Councillor Welsh (2013). The Committee managed the financial affairs of the Council including risk management issues within the overall long term financial programme and financial management parameters set out in the Long Term Plan. It also acted as the owner of all Council assets.

The Regulatory Management Committee (RMC) was chaired by Councillor Ammundsen (2010 and 2013). The Committee controlled a range of regulatory activities such as animal control, building control, bylaws, environmental matters, parks and reserves, resource management, District Plan changes, subdivision and land use consents, public safety, traffic, and also acted as Hearing Commissioners and as the District Licensing Agency (until November 2013 when the Council convened a District Licensing Committee).

The Appeals Committee was chaired by Councillor Wooding (2010) and Councillor Lloyd (2013). The Committee is responsible for hearing appeals or objections on Council's regulatory and compliance areas.

Iwi and Māori Representation Members – In 2012, the Council resolved to have the Chair of Te Whakaminenga o Kāpiti attend Council meetings with the opportunity to contribute to debate and discussion. In June 2013, the Council approved the appointment of a Māori representative with voting rights to each of the three major Standing Committees. Member appointments in 2012/13 were: Russell Spratt (CBC); Rupene Waaka (ECD – interim); and Caleb Royal (RMC). Member appointments in 2013/14 were: Russell Spratt (CBC); Reina Solomon (ECD – interim); and Caleb Royal (RMC).

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

	1 July 2013 to 3 October 2013	29 October 2013 to 1 July 2014
Ōtaki Community Board:	James Cootes (Chair) Colin Pearce Marilyn Stevens Jackie Elliott Cr Penny Gaylor	James Cootes (Chair) Rob Kofoed (Deputy Chair) Christine Papps Colin Pearce Cr Penny Gaylor
Waikanae Community Board:	Michael Scott (Chair) Eric Gregory (Deputy Chair) Jocelyn Prvanov Harold Thomas Cr Tony Lloyd	Michael Scott (Chair) Eric Gregory (Deputy Chair) Jocelyn Prvanov James Westbury Cr Tony Lloyd
Paraparaumu-Raumati Community Board:	Louella Jensen (Chair) Jonny Best (Deputy Chair) Trevor Daniell William (Will) Scollay Cr K. Gurunathan Cr Tony Lester	Fiona Vining (Chair) Jonny Best (Deputy Chair) Deborah Morris-Travers Kathy Spiers Cr K. Gurunathan Cr Murray Bell
Paekākāriki Community Board*:	Janet Holborow (Chair) Helen Keivom (Deputy Chair) Steve Eckett Cr Hilary Wooding	Jack McDonald (Chair) Steve Eckett (Deputy Chair) Sam Buchanan Philip Edwards Cr Janet Holborow

*An extraordinary vacancy was created on the Board in June 2014 following the death of Rosemary Barrington. The Board decided not to fill the vacancy given the next local body election was only a few months away.

Further details on the Council's governance arrangements can be found in the Governance Structure document available at www.kapiticoast.govt.nz



MEETING ATTENDANCE RECORD OF ELECTED MEMBERS

2010 – 2013 Triennium – 1 July 2013 to 3 October 2013

The following table details the attendance record of the Mayor and Councillors at the three meetings of Council and seven Standing Committee meetings during this portion of the 2013/14 year.

Elected Member	Council Meetings (3)			Council Committee Meetings (7)		
	Attended	Absent (leave)	Absent (apology)	Attended	Absent (leave)	Absent (apology)
Mayor Jenny Rowan	3	-	-	7	-	-
Diane Ammundsen	3	-	-	7	-	-
Roger Booth	3	-	-	7	-	-
Mike Cardiff	3	-	-	7	-	-
Ross Church	3	-	-	6	-	1
Peter Ellis	3	-	-	7	-	-
Penny Gaylor	3	-	-	6	-	1
K. Gurunathan	3	-	-	7	-	-
Tony Lester	2	1	-	4	3	-
Tony Lloyd	2	-	1	4	2	1
Hilary Wooding	3	-	-	7	-	-

COMMUNITY BOARD MEETING ATTENDANCE

2010 – 2013 Triennium – 1 July 2013 to 3 October 2013

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

Ōtaki Community Board Attendance

Elected Member	Attended	Absent (leave)	Absent (apology)
James Cootes (Chair)	2	-	-
Jackie Elliott	1	-	1
Colin Pearce	2	-	-
Marilyn Stevens	1	-	1
Cr Penny Gaylor	1	-	1

Waikanae Community Board Attendance

Elected Member	Attended	Absent (leave)	Absent (apology)
Michael Scott (Chair)	2	-	-
Eric Gregory	2	-	-
Jocelyn Prvanov	1	1	-
Harold Thomas	2	-	-
Cr Tony Lloyd	-	1	1

Paraparaumu/Raumati Community Board Attendance

Elected Member	Attended	Absent (leave)	Absent (apology)
Louella Jensen (Chair)	1	-	1
Johnny Best	2	-	-
Trevor Daniell	2	-	-
William Scollay	2	-	-
Cr K. Gurunathan	1	-	1
Cr Tony Lester	2	-	-

Paekākāriki Community Board Attendance

Elected Member	Attended	Absent (leave)	Absent (apology)
Janet Holborow (Chair)	3	-	-
Steve Eckett	3	-	-
Helen Keivom	1	-	2
Cr Hilary Wooding	3	-	-

MEETING ATTENDANCE RECORD OF ELECTED MEMBERS

2013 – 2016 Triennium – 29 October 2013 to 30 June 2014

The following table details the attendance record of the Mayor and Councillors at the 11 meetings of Council and 11 Standing Committee meetings during the above period.

Elected Member	Council Meetings (11)			Council Committee Meetings (11)		
	Attended	Absent (leave)	Absent (apology)	Attended	Absent (leave)	Absent (apology)
Mayor Ross Church	11	-	-	10	-	1
Diane Amundsen	11	-	-	11	-	-
Murray Bell	9	1	1	9	1	1
Mike Cardiff	11	-	-	11	-	-
Jackie Elliott	11	-	-	11	-	-
Penny Gaylor	11	-	-	11	-	-
K. Gurnathan	11	-	-	10	-	1
Janet Holborow	10	1	-	11	-	-
Tony Lloyd	8	2	1	4	1	6
David Scott	10	1	-	10	1	-
Gavin Welsh	11	-	-	11	-	-

COMMUNITY BOARD MEETING ATTENDANCE

2013 – 2016 Triennium – 29 October 2013 to 30 June 2014

The following tables detail the attendance record of Community Board members at the 21 Board Meetings.

Ōtaki Community Board Attendance

Elected Member	Attended	Absent (leave)	Absent (apology)
James Cootes (Chair)	6	-	-
Rob Kofoed	6	-	-
Christine Papps	6	-	-
Colin Pearce	5	1	-
Cr Penny Gaylor	5	-	1

Waikanae Community Board Attendance

Elected Member	Attended	Absent (leave)	Absent (apology)
Michael Scott (Chair)	4	-	-
Eric Gregory	4	-	-
Jocelyn Prvanov	3	-	1
James Westbury	4	-	-
Cr Tony Lloyd	3	-	1

Paraparaumu/Raumati Community Board Attendance

Elected Member	Attended	Absent (leave)	Absent (apology)
Fiona Vining (Chair)	5	-	-
Jonny Best	4	-	1
Deborah Morris-Travers	4	-	1
Kathy Spiers	5	-	-
Cr K. Gurnathan	5	-	-
Cr Murray Bell	4	-	1

Paekākāriki Community Board Attendance

Elected Member	Attended	Absent (leave)	Absent (apology)
Jack McDonald (Chair)	6	-	-
Sam Buchanan	5	-	1
Stephen Eckett	5	-	1
Philip Edwards	5	-	1
Cr J. Holborow	5	-	1



STATEMENT OF COMPLIANCE AND RESPONSIBILITY

1 JULY 2013 TO 30 JUNE 2014

Compliance

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

Responsibility

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

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

In the opinion of the Council and management of the Kāpiti Coast District Council, the annual Financial Statements for the year ended 30 June 2014 fairly reflect the financial position and operations of the Kāpiti Coast District Council.



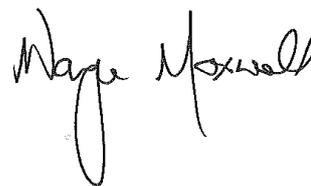
Ross Church
**Mayor
Kāpiti Coast District**

16 October 2014



Pat Dougherty
Chief Executive

16 October 2014



Wayne Maxwell
**Group Manager
Corporate Services**

16 October 2014

FINANCIAL OVERVIEW

The purpose of the financial overview is to provide all readers of this Annual Report with a summary of the Council's financial performance for the year ended 30 June 2014.

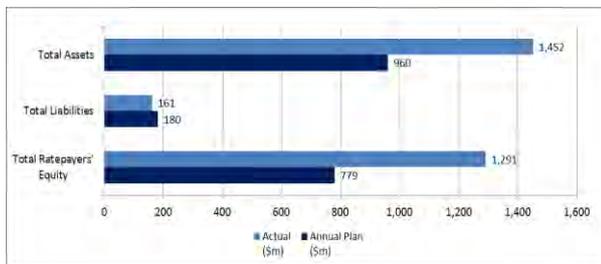
This summary focuses on the following key aspects:

1. Council's Operating Profitability
2. 2013/14 Rates Funding Surplus
3. Council's Balance Sheet
4. Cash and Debt Management
5. Council's Insurance Cover
6. Financial Prudence Benchmarks

Financial Performance Summary

	Actual (\$m)	Annual Plan (\$m)	Variance Fav/Unfav (\$m)
Revenue	70.41	63.99	6.42
Expenses	69.18	66.61	(2.57)
Net Surplus/(Deficit)	1.23	(2.62)	3.85

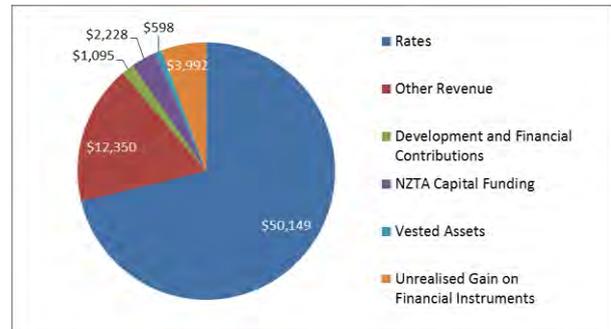
Revenue and Expenditure Summary



Council's Operating Profitability

The following chart shows the breakdown of the Council's revenue. Our main sources of income are rates of \$50.14 million (71%) and other revenue of \$12.35 million (18%). Other revenue mainly includes fees and user charges, New Zealand Transport Agency (NZTA) operating subsidies and assets vested to the Council.

Breakdown of Council's Revenue Sources (\$000's)



Revenue less expenditure provides the net operating surplus or deficit for the year.

The Council has achieved a net operating surplus of \$1.23 million for the year ended 30 June 2014, which is \$3.85 million favourable to the Annual Plan.

Revenue was \$6.42 million favourable to the Annual Plan mainly due to:

1. A gain of \$3.99 million from our interest rate swaps which are financial instruments used to protect the Council from the risk of rising interest rates. This gain is unrealised and reflects the change in the market valuation of our committed future swap finance costs at balance date, compared to 30 June 2013. The gain illustrates that the Council's fixed rates are cheaper than current market rates at balance date.
2. \$2 million was received from NZTA for the Council's total holding costs (mainly finance costs and rates) incurred for its strategic Western Link Road properties sold to NZTA in June 2014.

Operating expenses were \$2.57 million unfavourable to Annual Plan mainly due to:

1. Depreciation and amortisation was \$1.59 million unfavourable to Annual Plan mainly due to faster completion of some capital works than expected and unbudgeted depreciation of \$0.37 million for the new Otaihangā Landfill



aftercare capping asset (\$4.34 million) that was recognised this year for legislative compliance purposes.

- A loan of \$0.29 million previously provided to the Clean Tech Trust for green enhancements and/or office fit-outs was expensed as the Trust was wound up and due to the uncertainty of future tenancy at balance date, net lease costs of \$0.61 million for the Clean Technology Park were also expensed.
- The Council's provisions for trade debt, rate arrears and potential weather-tight building claims were increased by \$0.78 million following a detailed re-assessment.
- An impairment expense of \$0.16 million was recognised to re-align the asset carrying amounts to the agreed sale proceeds for the Kāpiti Expressway road reserve land held for sale at balance date and the pine trees in Otaihangā located on land designated for the Kāpiti Expressway.
- These costs were offset by a \$1.1 million underspend on interest charges mainly due to a deliberate \$10 million reduction to the 2013/14 capital works programme.

2013/14 Rates Funding Surplus

The rates funding surplus/(deficit) is different to the net operating surplus/(deficit) due to the following:

- Net operating surplus/(deficit) covers all of the Council's operating revenue and expenditure from all funding sources, including vested assets.
- Rates funding surplus/(deficit) only covers the Council's revenue and expenditure that is rates funded.

The total rates funding requirement for 2013/14 was \$50.80 million. The Council achieved a rates funding surplus of \$2.06 million for the 2013/14 year.

This was mainly due to the recovery of \$2 million from NZTA for the Council's holding costs for its strategic Western Link Road properties.

As per the Council's resolution, a total of \$0.55 million of this rates funding surplus has offset the 2014/15 rates funding requirement and the remaining surplus of \$1.51 million will be used to repay debt.

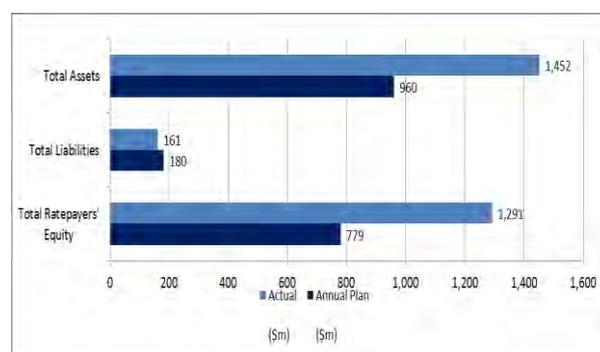
Council's Balance Sheet

Financial Position Summary

	Actual (\$m)	Annual Plan (\$m)	Variance Fav/Unfav (\$m)
Total Assets	1,452	960	492
Total Liabilities	161	180	20
Total Ratepayers' Equity	1,291	779	512

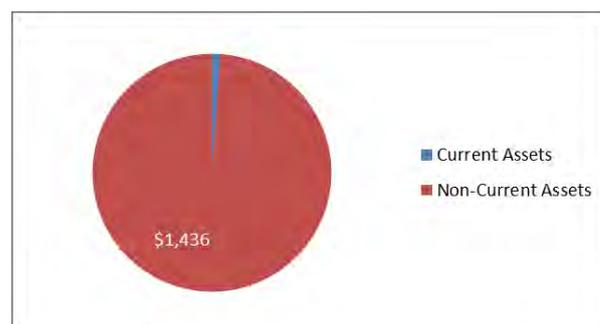
Assets, Liabilities and Ratepayers' Equity Summary

Total assets less total liabilities provide the ratepayers' equity at balance date.



Ratepayers' equity at 30 June 2014 is \$1.29 billion. The chart below shows the breakdown of the Council's total assets (\$1.45 billion) and total liabilities (\$160.7 million).

Current and Non-Current Assets (\$million)

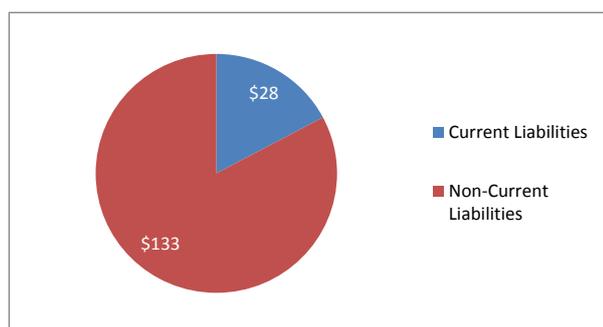


Total assets were \$492 million favourable to Annual Plan due to the following:

- The Council's property, plant and equipment are \$481.33 million favourable to budget, including land under roads subsequent to the three yearly asset revaluations.

- The Council's closing cash balance was \$5 million favourable to Annual Plan due to the final settlement of \$7.22 million received from NZTA for the Western Link Road properties on 26 June 2014.
- There were current assets held for sale of \$2.67 million at balance date relating to three Kāpiti Expressway Road Reserve Land parcels and the Paraparaumu Town Centre land block.

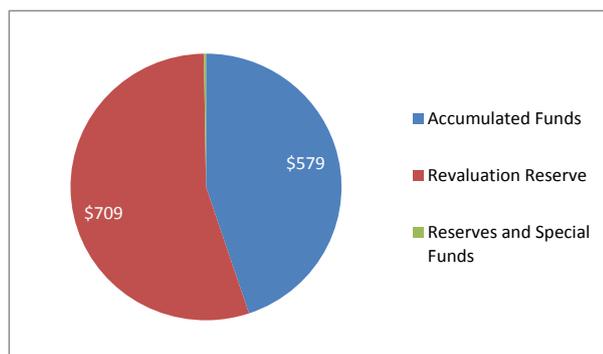
Current and Non-Current Liabilities (\$ million)



Total liabilities were \$20 million favourable to Annual Plan as less public debt was required following the deliberate \$10 million reduction to the 2013/14 capital works programme.

Ratepayers' Equity Breakdown (\$million)

The chart below shows a breakdown of ratepayers' equity.



Ratepayers' equity is therefore \$512 million favourable to the Annual Plan as a direct result of total net asset (assets minus liabilities) variance.

Ratepayers' equity is largely made up of the following:

- The revaluation reserve (\$708.69 million), being the cumulative balance of all valuation

increments and/or decrements for assets still held by the Council.

- Accumulated Funds (\$579.18 million) which represents the cumulative net operating surplus/deficits achieved by the Council, including transfers from Council's Special Reserves (Restricted Use).

Cash and Debt Management

The Council has fully funded its operating costs from revenue and has generated a net cash surplus of \$20.2 million. This has been used together with net borrowings to finance the capital works programme for 2013/14.

The closing cash was high at balance date (\$7.14 million) due to the settlement of the Western Link Road properties from NZTA on 26 June 2014.

Public Debt as at 30 June 2014 was \$130.1 million. A summary of Council's Public Debt movements over the twelve month period is tabulated below.

Public Debt Movement	\$ million
Public Debt as at 1 July 2013	125.2
Add: New borrowings during the year	25.0
Less: Loan repayments during the year	(20.1)
Public Debt as at 30 June 2014	130.1

Total Public debt was \$19 million favourable to Annual Plan. This was mainly due to the following:

- Less public debt was required following the deliberate \$10 million reduction to the 2013/14 capital work programme.
- The \$5 million debenture loan was repaid at balance date using the sale proceeds from NZTA, instead of new borrowings.

Council's Insurance Cover

To reduce the cost of insurance, the Council uses a combination of the following:

- Transferring the risk by purchasing external insurance cover.
- Sharing the risk profile across councils.

During the year, the Council elected to withdraw from the Local Authority Protection Programme (LAPP) from 1 July 2014 in favour of a shared insurance policy with Porirua, Hutt City and Upper Hutt councils. We now have shared policies for the



risk of material damage to property, plant and equipment and infrastructural assets, both above and below ground. The policy includes cover in the event of a natural catastrophe.

Following a new disclosure requirement, the Council's maximum Limits of Liability are shown in Part 4. It should be noted that the Limits of Liability for the Kāpiti District's infrastructural assets have been determined independently through extensive loss modelling and assessments completed by GNS Science and Tonkin Taylor Limited.

Financial Prudence Benchmarks

Part 4 also details the Council's financial performance in relation to seven prescribed benchmarks to enable assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings.

The table below summarises the Council's performance against these seven benchmarks:

The Council did not meet the following two benchmarks:

1. **Balanced Budget Benchmark.** This benchmark is met only if its revenue equals or is greater than its operating expenses. The Council did not meet this benchmark because of its policy of non-funded depreciation, the amount of which was \$4.41 million in 2013/14.
2. **Debt Servicing Benchmark.** Statistics New Zealand projected the Kāpiti District's population growth in 2013/14 to be slower than the national population growth; in which case this benchmark is met if Council's planned borrowing is equal or less than 10% of its revenue. The Council did not meet this benchmark because of the significant capital investment (funded from borrowings) in the Kāpiti District over the past four years has generated a result of 12%.

From a financial perspective, the Council has performed favourably to the Annual Plan this year and we now look forward to focusing on the year ahead.

Benchmark	Benchmark Test	Benchmark Met/Not met	Target	Actual
1. Rates Affordability	Rates revenue complies with the limits set in the Council's financial strategy.	Met	\$52.61m Max	\$51.23m
2. Debt Affordability	Debt complies with the limits set in the Council's financial strategy.	Met	\$149.39m Max	\$130.15m
3. Balanced Budget	Operating revenue, (excluding development and financial contributions and revenue from revaluations), exceeds operating expenditure.	Not Met	100% Min	96%
4. Essential Services	Capital expenditure on the five network infrastructure services exceeds depreciation on those five services.	Met	100% Min	236%
5. Debt Servicing	Interest expense is less than 10% of operating revenue.	Not Met	10% Max	12%
6. Operations Control	Net cash flow from operations equals or exceeds budget.	Met	100% Min	146%
7. Debt Control	Net debt is less than or equal to forecast debt in the Long Term Plan.	Met	\$146.79m Max	\$130.15m

CONTEXT FOR THE ANNUAL REPORT

This Annual Report reports on Council's financial and service performance for 2013/14 against its plans for that year. Those plans were detailed in Year Two of the 2012 – 32 Long Term Plan and in the 2013/14 Annual Plan.

Under the Local Government Act 2002, the Council must adopt a fully compliant Long Term Plan every three years and is able to amend the subsequent two years of that plan through the Annual Plan process. In the third year of the cycle a review of the Long Term Plan is required.

The Legislative changes included in the 2010 Amendment to the Local Government Act 2002 apply to this 2013/14 Annual Report. However, subsequent legislative changes included in the Local Government Amendment Act 2012 are not fully incorporated into this Annual Report (refer to the Legislative Change section on the next page for further explanation).

LONG TERM PLAN

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

The Long Term Plan provides an opportunity for participation by the public in decision-making, through making submissions on the draft plan, and a basis for accountability of the Council to the community.

It describes the activities of the Council, the Community Outcomes for Kāpiti and provides

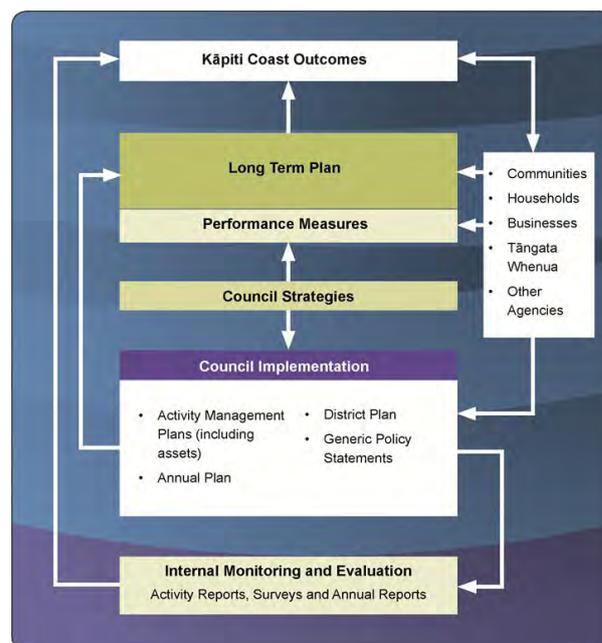
integrated decision-making and coordination of the Council's resources within a long-term focus. The Long Term Plan also allows the Council to adjust expenditure on an annual basis during the three-year cycle through the Annual Plan process.

ANNUAL PLAN

The 2013/14 Annual Plan laid out the Council's plans and intentions for the 2013/14 year and, in particular, highlighted any changes from the initial plans for that year that had been outlined in Year Two of the 2012 – 32 Long Term Plan. The community is also consulted on the Annual Plan through a submission process which is a key part of the Council's accountability to the community. This Annual Report completes the accountability cycle by reporting on outcomes against those plans.

Council Planning Documents

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



LEGISLATIVE CHANGE

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

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

This second part of the purpose repealed the previous second part which was:

“to promote the social, economic, environmental and cultural well-being of communities, in the present and for the future”.

The Council has made incremental changes to incorporate the new legislative requirements into its 2013/14 Annual Plan. These changes are reflected in this 2013/14 Annual Report. One change that was unable to be incorporated was to reflect the change of definition of Community Outcomes that was introduced in the 2012 legislation.

More of the required changes have been included in the 2014/15 Annual Plan with full alignment to be incorporated into the 2015 Long Term Plan.

In reviewing the changes that are required to fully align with the new legislative requirements, it was evident that much of what the Council does already reflects the intent of those changes. Of particular note is that this Council:

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

both the Council and community objectives and interests;

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

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

It includes:

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

COMMUNITY OUTCOMES

The 2012 – 32 Long Term Plan reflects the 2010 Amendment to the Local Government Act 2002 which changed the consultation process for identifying Community Outcomes.

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

Further legislative change in the 2012 amendment changed the definition of Community Outcomes to mean:

“the outcomes that a local authority aims to achieve in meeting the current and future needs of communities for good-quality local infrastructure, local public services and performance of regulatory functions”.

This change in definition occurred after the current Long Term Plan was adopted by the Council. A review of Community/Council Outcomes in line with the new definition is currently underway as part of the 2015 – 35 Long Term Plan process.

In the absence of newly developed Community/Council Outcomes, and given that this Annual Report reports on Year Two of the 2012-32 Long Term Plan, this report assesses performance against the Community Outcomes adopted by the Council at that time.

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

The seven broad Community Outcome areas that this Annual Report references against are outlined in the following table.

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



PROMOTING COMMUNITY INTERESTS

At the time Council adopted the 2012 – 32 Long Term Plan the Local Government Act 2002 defined one of the primary purposes of local government as promoting and reporting on the social, economic, environmental and cultural wellbeing of the District. However, that primary purpose was subsequently changed by the amendment to the Local Government Act 2002 in December 2012 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.”

That change in purpose was reflected in the 2013/14 Annual Plan and it is that purpose which this Annual Report is required to report against.

Although the four ‘wellbeings’ (environment, cultural, economic and social) are no longer held to be part of the primary purpose of local government they are still given some importance in the legislation – they are included as ‘interests’ in the guiding ‘Principles’ for local authorities:

“14 1 (h) In taking a sustainable development approach, a local authority should take into account –

- *the social, economic and cultural interests of people and communities; and*
- *the need to maintain and enhance the quality of the environment; and*
- *the reasonably foreseeable needs of future generations.”*

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

For example, the Council supports economic development in the District through a strategy that focuses on growing the local food economy, providing support for the tourism and business sectors, and encouraging the technology and innovation sectors. The Council’s Economic Development Strategy also includes the Māori Economic Development Strategy. (Note: this strategy is under review in 2014.)

Infrastructure development, including roads, public transport, and water, wastewater and stormwater management, is important for meeting both the economic and social interests of the community.

Social interests are also served by provision of local halls, housing for older persons, the Youth2U Action Plan, and advocacy for local health facilities.

Libraries and galleries relate to both social and cultural interests, as do local heritage projects, and promoting a range of cultural images in public art.

The Council’s resource management responsibilities, oversight of building consents and parks and reserves, and its protection of the character of certain areas promote environmental, social and economic interests.

At the end of each Activity section in this report, there is a brief outline of the ‘Community Interests’ that each of the Council’s activity areas contributes to. This is presented in conjunction with an outline of the Community Outcomes each activity contributes to.

REGIONAL DIMENSION

REGIONAL RELATIONSHIPS

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

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

REGIONAL GOVERNANCE

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

A working party comprising elected representatives from Kāpiti Coast District Council, Wellington City Council, Porirua City Council and the Greater Wellington Regional Council looked at possible options for local government reform in the Wellington Region.

This followed legislative changes to the Local Government Act 2002 in December 2012. Kāpiti participation was guided by a number of principles. These included:

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

- the integration and consolidation of policies; and
- the retention of village identities in Kāpiti.

In March 2013, member councils voted to consult residents on the working party's findings, and their preference in relation to the status quo or a single city, with either a single tier governing structure or a two-tier structure.

In May 2013, this Council undertook a random survey of 1,500 residents. Results showed that 55% of Kāpiti residents supported retaining the current structure of local government. Community feedback also showed that if a single city model is preferred by the Local Government Commission, there is a preference for a two tier structure that retains local structures such as community boards or their equivalent. Survey details can be found on the Council website: www.kapiticoast.govt.nz

The working party discussion culminated in five different proposals to the Local Government Commission for reorganisation. This Council did not make a proposal as the May 2013 survey of the Kāpiti community had indicated an almost even split between those favouring change and those opposed.

The Local Government Commission decided to consider all of the proposals for reorganisation in the region at the same time and to develop a single preferred proposal in response to them. Work progressed on this for several months but was finally halted in June 2014 when it was thought that consultation during a general election period would confuse voters. It appears that the Local Government Commission intends to release its proposal late in 2014.

Further information on local government reform can be found on the Council website: www.kapiticoast.govt.nz



COUNCIL ACTIVITIES

This Annual Report comments on the 2013/14 work programme for Year Two of the 2012 – 32 Long Term Plan (LTP) as further developed in the 2013/14 Annual Plan.

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

Access and Transport	25
Building Control and Resource Consents	34
Coastal Management	41
Community Facilities	45
Development Management	53
Economic Development	59
Environmental Protection	65
Governance and Tāngata Whenua	73
Libraries, Arts and Museums	79
Parks and Open Space	85
Solid Waste	90
Stormwater Management	95
Supporting Environmental Sustainability	101
Supporting Social Wellbeing	108
Wastewater Management	114
Water Management	120

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

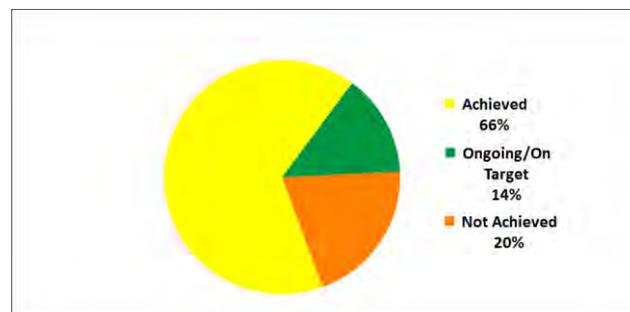
SUMMARY OF PERFORMANCE

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

The expected levels of service set out in the 2012 Long Term Plan for the 2013/14 year provide the benchmark against which the KPIs in this report are measured. The performance measure and performance targets are representative of the major aspects of the ongoing activities provided in each of the Council's 16 Activities. There are 101 KPIs in total. More detail on each of these measures is provided under each of the Activities.

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

Key Performance Indicators



Achievement Category	Year End Result to 30 June 2014
Achieved	65
Ongoing/On target	14
Not Achieved	20
Total Relevant Key Performance Indicators	99
Not Relevant	2
Total Key Performance Indicators	101¹

¹ Solid Waste KPIs were reduced by one in the 2013/14 Annual Plan amendment to the 2012-32 LTP.

ACCESS AND TRANSPORT

Putanga me te Ikiiki

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

KEY RESULTS

- The Board of Inquiry for the Peka Peka to Ōtaki Expressway released a draft decision on 29 November 2013 granting the resource consents sought by NZTA and KiwiRail, subject to conditions. The Council provided comments to the Environmental Protection Agency related to minor inconsistencies in the draft decision and its conditions.
- Significant work was carried out in partnership with NZTA to deliver the Roads of National Significance (RoNS) projects: MacKays to Peka Peka; Transmission Gully; Peka Peka to Ōtaki and; Ōtaki to Levin.
- The final report of the NZTA Financial Audit was received in January 2014. The findings were very good with the auditor noting that *“good financial systems were in place to support delivery of the KCDC land transport programme”*.
- Construction started on the Milne Drive/Te Roto Drive intersection safety improvement project in April 2014. The design was modified to widen the off-road shared cycleway path to 2.3 metre on the southern side of Kāpiti Road.
- The annual reseal programme saw 20.6 lane kilometres of new road seal laid over the year for a total budget of \$1.44 million.
- The Transport Forum for Older Drivers was held on 14 April 2014, with a total of 30 people attending.
- The Road Safety Team designed and delivered the Driving Confidently Course to refresh driving skills and held three motorcycle training days at Southwards Car Museum.
- The School Travel Plan programme delivered a range of travel safety initiatives, including upgraded school zone signs and advanced warning signals, cycle skills programmes, road safety projects and winter cycle visibility programmes.
- The following were completed under the Cycleways, Walkways and Bridleways (CWB) programme: the Hemara Street beach access realignment and boardwalk; Te Moana Road beach access boardwalk; Otaihanga Domain north bank footbridge replacement; Otaihanga Road cycle crossing and the Haruatai Park perimeter walkway.



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

Impacts of the Proposed Expressways

Over the past two years, all Access and Transport projects have been reviewed in light of the expected effects of the proposed Expressways, and the impacts on Council's maintenance, renewal and capital works schedules.

That work had been based on the Expressways proceeding along their designed alignments. Now that the final design and alignment of the MacKays to Peka Peka (M2PP) and Peka Peka to Ōtaki (PP2O) Expressways has been approved, detailed work on the priorities and timing of affected local roading upgrade projects has started.

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

Improvements to Kāpiti Road

The Council recognises that Kāpiti Road congestion is a matter of concern to many residents. However, the introduction of the M2PP Expressway interchanges, and associated changes to traffic flows during its construction, precluded any work on the wider design process until 2013/14.



Removal of a power pole to improve the streetscape on this part of Kāpiti Road.

The **Access and Transport Activity** includes the following services and programmes:

- management of assets; roads, footpaths, street lighting, road signs, street furniture, walkways and cycleways;
- replacement of assets to ensure long-term sustainability;
- delivery of road safety improvement projects, in conjunction with New Zealand Police, New Zealand Transport Agency and other road safety partners;
- promotion of active travel modes and public transport;
- design of road corridors to accommodate a range of modes;
- upgrades to footpaths and development of cycleways, walkways and bridleways;
- providing safe cycleways, walkways and bridleways to promote active transport in Kāpiti;
- advocacy for public transport services; and
- planning and design, linked to wider District development projects; and
- traffic and transport enforcement by regulations, standards and bylaws.

As part of the Council's Town Centre and Connectors Project, concept plans are being developed that will meet the community goal for a more attractive route that will consider traffic movements and the design and appearance of the road.

Construction started on an upgraded and improved Te Roto Drive/Milne Drive intersection on Kāpiti Road in April 2014. In the process of doing this work, community concerns about the width of the shared cycleway/footpath on the southern side of the intersection were taken on board and the design was modified to widen the path to 2.3 metres.

Town Centre Upgrades

Public engagement is well underway for the development of concept plans for Waikanae, Paraparaumu, Kāpiti Road and SH1 Initial meetings have been held with Community groups, Community Boards, business and land owners.

¹ Sustainable Transport Strategy, 2008

Open days for the public were held in each town centre in the latter part of 2013/14.

Traffic modelling and Cycleways, Walkways and Bridleways reviews are well underway and, along with public feedback received from the engagement process, will contribute to the development of concept plans.

The outcome of this engagement will help inform the Council's 2015 Long Term Plan.

District Footpath Renewal

Footpaths were replaced across the District in conjunction with other roading project upgrades.

A number of sites were completed with approximately 3,500m² footpath upgrades completed.

Coordination with Kapiti-Mana Area Police

On 1 November 2013 vehicle child restraint laws were changed to improve road safety. As part of this programme, the Council, Plunket and the Police mounted displays at Coastlands on 30 September and 10 October 2013 (school holidays) to support and promote the new legislation.

The Council also supported the New Zealand Police national campaign 'Make it to Monday' that was held over Queen's Birthday Weekend.

Road Reconstruction and Sealed Road Resurfacing

The annual reseal programme was completed in accordance with NZTA requirements. In particular:

- Total resurfacing of 20.6 kilometres of chipseal and asphalt;
- A 700 metres section of Swamp Road was renovated to treat a weak subgrade due to an underlying peat layer; and
- A number of smaller pavement reconstruction areas were undertaken to ensure pavement integrity is maintained.

Cycleways, Walkways, Bridleways (CWB)

The CWB brochure is available at the District's Libraries, i-Sites and on the Council's website www.kapiticoast.govt.nz (last updated in 2012/13).

Work was completed on the following pathways:

- The loop track at Haruatai Park in Ōtaki was completed in early 2014;
- The upgrade of two major beach access ways on the Waikanae foreshore to boardwalks and the 100 metre path network in the Tasman Lakes Dune Reserve were completed in 2014;
- The footbridge at Otaihanga Domain on the north bank of the Waikanae River near El Rancho was replaced;
- 30 metres of boardwalk was completed in Nikau Reserve; and
- 350 metres of track was built around the Kāpiti Airport perimeter.

Work is underway on the following pathways:

- KiwiRail pedestrian crossing at Paekākāriki;
- Easement agreement at 240 Otaihanga Road to maintain access to the KiwiRail cycleway;
- Footpath from Awatea Avenue /MacGregor Place to Jade Lane, Paraparaumu;
- Beach access stairway 'retreat' at 104 The Esplanade, Paraparaumu;
- Negotiations with NZTA and KiwiRail regarding the cycle path extension to King Arthur Drive were successful;
- Negotiations with Greater Wellington Regional Council for a CWB path at Awatea Avenue were unsuccessful. An alternative route has since been identified and agreed via McGregor Place.

In addition:

- Tenders are being sought for Bert's Way beach access stairway replacement; and
- A review of the CWB network across the District has begun and will be completed to inform the Council's 2015 Long Term Plan.



School Traffic Safety

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

- Five pedestrian crossings at four schools were upgraded to either slow traffic down or make the crossing more obvious and one school had a new pedestrian crossing and footpaths installed;
- Three schools had gateway treatments installed using a red coating treatment and advanced warning flashing amber school zone signs; and
- Six schools had their advanced warning flashing amber school zone signs upgraded to an automated system to improve reliability.

Road Safety

As part of the Safer Summer Driving programme, the Council supported the nationwide Police campaign focusing on driving more safely over the summer period of 2013 with particular emphasis placed on the 4km/hr restriction over and above the posted speed limit. Working in collaboration with the Police, publications were also placed in the media to advise the public about the dangers of driving tired.

The Council also conducted combined Wellington region motorcycle training courses with local authorities including Hutt City, Wellington City, Upper Hutt City and Porirua city councils. As part of this campaign the Council organised motorcycling training days on 4 December 2013 and 16 March 2014 at Southwards Car Museum.

As part of the safety education programme, there are on-going Driving Confidently courses designed and delivered to refresh driving skills with a view to building the confidence of motorists.

Low-Energy Streetlights

The Council has installed 123 Light-Emitting Diode (LED) luminaires on the local road lighting network so far. The combined energy saving of these lights is 58% compared to conventional technology. This equates to 27,000 kWh per year. Installations taking place in 2013/14 included Miro Street, Ōtaki and Olive Terrace, Paraparaumu.

Proposed Expressways

MacKays to Peka Peka

Construction of the M2PP Expressway started in 2013 and is due to be completed by mid-2017. The Council has been closely involved in this project and is now engaged in overseeing construction and certifying site specific management and vegetation retention plans for all stages of the project.

In particular, the Council has certified four site specific management plans, approved seven minor variations and certified over 50 vegetation retention plans. Council officers are also checking to ensure construction of the expressway is in compliance with the approved and certified plans.

Peka Peka to Ōtaki

The Peka Peka to Ōtaki Expressway RoNS project was approved by a Board of Inquiry in February 2014. Construction is scheduled to begin in mid-2016 with an estimated four years construction timeframe.

Transmission Gully

The Transmission Gully decision process is completed and the project is to be undertaken under a Public Private Partnership consortia. In November 2013 the NZTA identified the Wellington Gateway Partnership as the successful consortium.

Over the past 12 months the Council has worked closely with other local authorities in the region to ensure the motorway is constructed in general accordance with the Board of Inquiry decision. Construction is expected to commence later in 2014 with major works commencing in March-June 2015.

Transmission Gully is expected to be operational by 2020.

Ōtaki to Levin

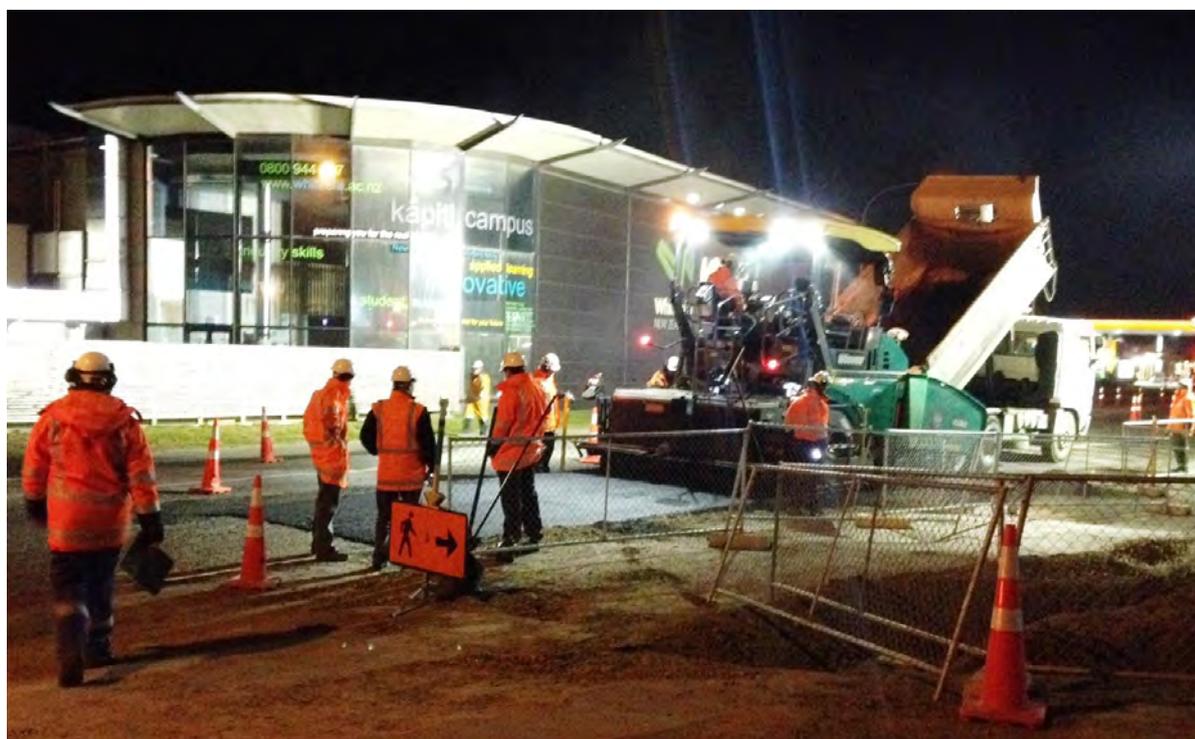
The Ōtaki to Levin Expressway RoNS project is at an earlier stage of development and the Council is involved in consultation processes for conceptual designs, particularly on the Ōtaki to Forest Lakes section of the project.

KEY PERFORMANCE INDICATORS

Access and Transport				
Level of Service	Measure	2013/14 Target	Result Achieved	Year End Result
The allocation of space on the network matches the needs of users of all modes to get to work, home, school, shops, recreation areas etc.	85% of people agree that the design and layout of the transport network gives the necessary access to civic, economic and social centres.	85%	-	Ongoing/On target Last surveyed in Resident Opinion Survey in 2013. This question is on a three year cycle. (2013 result 91%).
Users are safe on the transport network.	Parents, cyclists and pedestrians perceive an improving safety environment for their own or their children's travel.	Achieve	67%	Not Achieved The Resident Opinion Survey, results received in June 2014, recorded 67% satisfaction with regard to this road safety KPI. (2013 result 81%)
All users can reliably predict journey times.	85% of users agree that travel times are usually predictable (during normal driving conditions and excluding SH1).	85%	-	Ongoing/On target Last surveyed in Resident Opinion Survey in 2013. This question is on a three-year cycle. (2013 result 91%)
The use of rates funding is optimised through efficient and effective design and management.	The average cost of the local roading and cycleway, walkway and bridleway network per kilometre is about the same as for similar sized districts in New Zealand.	Achieve	-	Ongoing/On target NZTA data for 2013/14 not yet available. Data for 2012/13 shows that maintenance expenditure per network lane kilometre in Kāpiti is 1.8% lower than the (revised) peer group average. Maintenance expenditure per vehicle kilometre travelled is 1.6% lower in Kāpiti than the (revised) peer group average.
The transport network is reliable and users can easily get around the District by their preferred means.	75% compliance with maintenance contract response times.	75%	75%	Achieved Monthly reports have been supplied which are closely monitored.



Access and Transport				
Level of Service	Measure	2013/14 Target	Result Achieved	Year End Result
The transport network is reliable and users can easily get around the District by their preferred means.	Roading (RAMM) survey data for Kāpiti roads compares favourably with other councils similar to Kāpiti District.	Achieve	-	Not Achieved No data for 2013/14 as yet. Some data available on this for 2012/13 but data is missing for some of the peer group. This KPI will need reviewing through the 2015 LTP process as there are ongoing data collection problems.
Low energy street lighting systems will be used.	Energy (kilowatts/hour) consumed by street lighting per pole decreases over time.	Less than 2012/13	-	Achieved The Council has installed 123 LED luminaires on the local road lighting network so far. The combined energy saving of these lights is 58% compared to conventional technology, or 27,000 kWh per year.
The cycling, walking and bridleways (CWB) network is available at all times throughout the District.	85% of residents are satisfied with the availability of the CWB network.	85%	80%	Not Achieved Resident Opinion Survey, results received in June 2014, reported that 80% of respondents satisfied with the "Network of pathways for cycling, walking and bridleways". (2013 result 97%)



Working on the Kāpiti Road/Milne Drive/Te Roto Drive intersection upgrade at night to reduce disruption to businesses during opening hours.

ACCESS AND TRANSPORT ACTIVITY

Contributions to Community Outcomes and Links to Community Interests

The Access and Transport Activity links to all seven Community Outcomes and all four community interest areas. It provides the primary physical infrastructure which links and connects the community, and advocates for rail and bus services not directly under its control. This connectivity contributes to the ability of all to participate in and use what the District offers and is a major contribution to Outcomes 2, 4 and 5.

Street lighting, street furniture and advocacy around shift of transport mode contribute to safety and health. Personal safety and a freedom from fear are aspects of social wellbeing and contribute to Outcomes 6 and 7.

Design and forward planning contribute directly to integrated land-use (Outcomes 2 and 3) while design contributes to management of

environmental impacts (e.g. road run-off – minimising the harmful effects of action on the environment) and energy use (Outcomes 1 and 4).

Progress in 2013/14

- The improvements and extensions made to the Cycleways, Walkways and Bridleways network contributed to Community Outcome 1.
- Traffic safety improvements around schools contributed to Community Outcomes 6 and 7.
- Road Safety Action Plan with the Kāpiti-Mana Area Police Commander, progressed Community Outcomes 6 and 7. Working together on these joint campaigns is a way for the Council to promote Social Wellbeing by actively fostering and supporting people and groups that sustain and help others.



New footbridge on Waikanae River pathway, north bank, near El Rancho. An example of the ongoing development and improvement of the cycleways, walkways and bridleways facilities in the District.



ACCESS AND TRANSPORT

Statement of Cost of Activity

2012/13 Actual \$000		2013/14 Actual \$000	2013/14 Budget \$000
	Expenditure		
1,671	Finance Expense	1,547	1,834
4,332	Depreciation and Amortisation	4,922	4,532
5,624	Other Operating Expense	5,645	4,956
11,627	Operating Expenditure	12,114	11,322
	Revenue		
1,009	Operating Grants	1,402	1,437
1,544	Capital Grants	2,097	1,755
830	Development and Financial Contributions	127	545
98	Fees and Charges	23	89
298	Other Operating Revenue	2,318	310
3,779	Operating Revenue	5,967	4,136
7,848	NET OPERATING COSTS	6,147	7,186
	Capital Items		
1,799	Asset Construction/Upgrades	8,686	3,823
2,450	Renewals of Existing Assets	2,409	2,740
291	Additional Loan Repayment	228	228
4,540	Total Capital Items	11,323	6,791
12,388	NET COST OF ACTIVITY	17,470	13,977
6,026	Rates	4,029	5,480
3,325	Borrowings	10,067	6,018
600	Depreciation Reserve	1,024	1,662
2,397	Unfunded Depreciation	3,042	3,042
40	Movement in Reserves	(690)	(2,225)
-	Internal Transfers	(2)	-
12,388	TOTAL SOURCES OF FUNDS	17,470	13,977

ACCESS AND TRANSPORT

Detail of Significant Expenditure on Acquisition and Replacement of Assets

	2013/14 Actual \$000	2013/14 Budget \$000
Roading Upgrades		
Kāpiti Road at Milne Drive, Te Roto Drive Intersection. The balance of the project will be completed in 2014/15.	1,473	1,850
Major Bridge Repairs	161	269
Reseal Programme		
Sealed Road Resurfacing – in accordance with NZTA requirements.	1,442	1,442
Walkways/Cycleways		
District Footpath renewal in conjunction with CWB strategy. Sites include Te Moana Road/SH1 footpath, Otaihanga Road, Hemara Street, Georgia Grove, Waikanae Christian Holiday Park, and Ōtaki town centre.	161	247
Other Projects Complete in 2013/14		
Minor road safety improvement works undertaken in a range of locations, mostly related to slowing speed and improving safety around schools.	355	460



BUILDING CONTROL AND RESOURCE CONSENTS

Te Mana Whakatū Whare me te Whakaaetanga Rawa

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

KEY RESULTS

- ✓ The Building team had a successful audit by International Accreditation New Zealand (IANZ) in October 2013. The two corrective actions that resulted were cleared promptly. This included the new requirement of qualifications for technical officers which was achieved.
- ✓ Following relatively stable building consent numbers for the previous two years, there has been a 22% increase in building consents issued in the 2013/14 year compared to 2012/13. Site inspections were up 11% on 2012/13 and the number of Land Information Memoranda (LIM) requests processed was up 10% on 2012/13.
- ✓ 954 of 1,030 building consents (93%) were processed within statutory timeframes in 2013/14. This is below the target of 95% due to a combination of staff vacancies early in the year and the strong increase in consent applications reported above.
- ✓ All 6,076 site inspections this year were completed within 24 hours of request, or at scheduled time. This was up 11% on the 5,469 inspections in 2012/13.
- ✓ All 727 LIM requests this year were processed within the required 10 working days. The average processing time was four working days.
- ✓ Nearly 98% of 223 resource consents were processed within statutory timeframes including six notified applications. Applications were 41% up on 2012/13.
- ✓ 99% of 1,588 service requests for resource consent issues were responded to within one working day of receipt.
- ✓ 91 management plans, minor alterations and vegetation retention plans in relation to the M2PP Expressway were certified, all within statutory timeframes.
- ✓ The draft Earthquake Prone Buildings Bill requires territorial authorities to assess all buildings (other than single or duplex residential) in their areas. Councils are required to set priorities for how the assessments are undertaken and this is subject to a consultation process under the Local Government Act 2002. This will be progressed later in 2014.



There has been significant change in the Building Act 2004 and the Resource Management Act 1991 over recent years. In anticipation of ongoing change, the Council had reviewed, in early 2013, the management and delivery of regulatory services and established three key drivers for change: being 'Open for Business'; improving performance (and the perception of performance) and responding to changes in the legislative environment.

The focus for the future is to proceed with delivering a work programme that achieves results in those three key areas.

Improved performance on a number of key performance indicators was expected in 2013/14 after several of these were not achieved in 2012/13. Results are detailed in the Building Control and Resource Consent sections below.

Legislative Change

The Building Amendment Act 2013 was passed at the end of November 2013. The main changes were a requirement for councils to take into account affected buildings and amend the Dangerous and Insanitary Building Policy as required, as well as some minor changes to schedule 1 that outlines the work that is exempt from requiring a building consent. The Policy will be reviewed in the 2014/15 year.

The Government has also introduced legislation to implement the proposed changes to how earthquake prone buildings are managed as a consequence of the Royal Commission for the Christchurch Earthquakes. The draft bill requires territorial authorities to assess all buildings (other than single or duplex residential) in their areas and enter this information in a register held by the Ministry of Business Innovation and Employment. It also proposes to remove the requirement for councils to have an earthquake prone building policy. However, councils are required to set priorities for how the assessments are undertaken and this is subject to a consultation process under the Local Government Act 2002. This will be progressed later in 2014.

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

- maintaining accreditation as a registered Building Consent Authority;
- processing of building consent applications under the Building Act 2004;
- processing of LIMs;
- undertaking building Warrant of Fitness audits;
- processing of resource consent and designation applications under the Resource Management Act 1991;
- providing associated advice to applicants on opportunities for innovation, good design, links to the wider community vision around the environment, walkways, water quality etc;
- undertaking District Plan and Expressway(s) monitoring and compliance checks; and
- leading pre-application meetings with landowners to promote sustainable design and coordinate whole-of-council advice for commercial activities and major subdivisions.

Building Consents

The regular audit of the Council's building consent process was undertaken by IANZ. After satisfactorily implementing corrective actions, the Council retained its Building Consent Authority Accreditation.

The Council issued 1,030 building consents during 2013/14, an increase of 22% on the 2012/13 year. Of these, 954 (92%) were issued within statutory timeframes. This was below the target of 95% due to a combination of staff vacancies in the first half of the year and consent applications being substantially higher than 2012/13.

Resource Consents

The Resource Consents and Compliance team has had a busy 2013/14. In total 223 resource consents were processed, an increase of 41% on the previous year. Staff responded well to the higher workload, issuing nearly 98% of consents within the statutory 20 day period. This was a significant improvement on the 80% issued on time in 2012/13. In addition to processing resource



consents, the team certified/approved 91 site – specific management plans, vegetation retention plans and minor variations to the Mackays to Peka Peka Expressway. The team also worked closely with councils in the Wellington region to ensure the proposed detailed design for Transmission Gully Motorway is in general accordance with the Board of Inquiry’s decision to approve the construction of the motorway.

Earthquake-Prone Buildings Policy

The Council made a submission to the Ministry of Business Innovation and Employment setting out its concerns about the Government’s proposal to

improve earthquake safety by increasing the seismic strengthening requirements in the Building Act 2004.

The Council agrees that keeping people safe is important and has already acknowledged this need with the Civic Administration Building redevelopment and the planned Mahara Gallery and Waikanae Library upgrade. However, proposed changes could mean substantial costs for the Council and building owners. More will be known about the impact of the legislation in 2014/15.



MacKays to Peka Peka Expressway through Otaihanga, leading up to the Waikanae River crossing. Although NZTA is building the Expressway, there has been considerable work for the Council to ensure the consent conditions are met.

KEY PERFORMANCE INDICATORS

Building Control and Resource Consents				
Level of Service	Measure	2013/14 Target	Result Achieved	Year End Result
Building Control				
All building consents are processed promptly in compliance with the building code.	95% of all building consent applications are processed within statutory timeframes. <i>Note: The proposed changes to the Building Act 2004 will include differing time frames for the four new building consent categories.</i>	95%	93%	Not Achieved 954 of 1,030 building consents were processed within statutory timeframes. This is below the target of 95% due to a combination of staff vacancies in the first half of the year and consent applications being 22% higher than last year. (2012/13 result was 95.4% of 841 on time)
All required inspections are carried out to enable Code Compliance Certificates to be issued in a timely manner.	All site inspections are completed within one working day of request, or at requested scheduled times, to enable Code Compliance Certificates to be issued within statutory timeframes.	100%	100%	Achieved All 6,076 site inspections this financial year were completed within time. This is an 11% increase on 2012/13. (2012/13 result was 100% of 5,469)
Land Information Memoranda are issued without delay ensuring there are no potential delays of property sales.	All applications for Land Information Memoranda (LIMs) are processed within 10 working days.	100%	100%	Achieved All 727 LIMs were processed within ten working days this financial year. This is an increase of 10% on the previous year. The average processing time was four working days. (2012/13 result was 99.83% of 655)
Commercial buildings are safe for users to occupy or visit.	33% of all buildings that are subject to a Building Warrant of Fitness are inspected annually.	33%	34%	Achieved 151 of all (447) buildings subject to a Building Warrant of Fitness were inspected this year. (2012/13 result was 36% of 438).
Illegal or unauthorised work is identified and prompt action is taken.	95% of all notified complaints regarding illegal or unauthorised building work are investigated within three working days.	95%	100%	Achieved All 21 of the complaints about unauthorised work or illegal activity were investigated within three working days. (2012/13 result was 100% of 16)



Building Control and Resource Consents				
Level of Service	Measure	2013/14 Target	Result Achieved	Year End Result
Resource Consents				
All developments in the community are monitored to ensure they are consistent with the District Plan.	All resource consents are monitored in accordance with the Landuse Resource Consents Monitoring Programme.	100%	100%	Achieved All 302 resource consent applications this year were monitored as required. Up 35% on previous year. (2012/13 result was 100% of 223 land use inspections)
Resource consents are issued without undue delay.	All resource consent applications are processed within statutory timeframes.	100%	98%	Not Achieved 218 of 223 resource consent applications (98%) were processed within statutory timeframes. This is a significant improvement on last year's 80% result and achieved against a workload which saw an increase of 41% in total consents received. (2012/13 result was 80% of 132 consents)
Avoid unnecessary delays with notified consents, which due to their complexity can span a lengthy period.	All decisions on notified applications (including requests extended under section 37 Resource Management Act 1991) are processed and issued within statutory timeframes.	100%	100%	Achieved Six notified consent applications were processed within statutory timeframes. (No notified consents in 2012/13)
Process completion certificates promptly to avoid costly delays.	95% of all Subdivision Completion Certificates are issued within 15 working days of completion of subdivision.	95%	100%	Achieved All 81 Subdivision Completion Certificates were processed within statutory timeframes. This is an increase of 14% over the previous year. (2012/13 result was 89% of 71 certificates)
Requests for service are dealt with promptly.	All service requests for resource consent issues are responded to within one working day of receipt.	100%	99%	Not Achieved 1,573 of 1,588 service requests for resource consent issues were responded to within one working day of receipt. A significant improvement on last year's 91% result, achieved against a workload which saw an increase of 8.2% in service requests. (2012/13 result was 91% of 1,467 requests)

Building Control and Resource Consents				
Level of Service	Measure	2013/14 Target	Result Achieved	Year End Result
Co-management opportunities are endorsed through Te Whakaminenga o Kāpiti.	Tāngata whenua have the opportunity to review all notified resource consent applications.	Achieve	Achieved	Achieved Tāngata whenua have had the opportunity to consider all resource consent applications received by the Council.

BUILDING CONTROL AND RESOURCE CONSENTS ACTIVITY

Contributions to Community Outcomes and Links to Community Interests

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

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

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

Progress in 2013/14

- The 1,030 Building Consents and 223 Resource Consents issued (along with the 6,076 building site inspections), ensured levels of compliance were maintained, contributed to Community Outcomes 3 and 4 and minimised the harmful effects of actions on the environment.



BUILDING CONTROL AND RESOURCE CONSENTS

Statement of Cost of Activity

2012/13 Actual \$000		2013/14 Actual \$000	2013/14 Budget \$000
	Expenditure		
3,097	Operating Expense	4,024	3,690
3,097	Operating Expenditure	4,024	3,690
	Revenue		
1,527	Fees and Charges	2,062	1,551
1,527	Operating Revenue	2,062	1,551
1,570	NET OPERATING COSTS	1,962	2,139
1,570	NET COST OF ACTIVITY	1,962	2,139
1,570	Rates	1,915	2,139
-	Movement in Reserves	47	-
1,570	TOTAL SOURCES OF FUNDS	1,962	2,139

COASTAL MANAGEMENT

Whakahaere Takutai

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

KEY RESULTS

- ✓ An international panel was convened in December 2013 to work through the Council's coastal erosion hazard assessment to ensure that it was fit for purpose. Their final report was received by the Council on 24 June 2014.
- ✓ The Council decided to accept the recommendations of the Coastal Experts Panel that further research is needed. This will require a two-to-three year programme of scientific and engineering research to more fully understand coastal hazard and erosion processes in Kāpiti.
- ✓ The Council's occupation permits for its management structures in the southern part of the District were renewed.
- ✓ Further work was carried out on coastal erosion risk analysis as part of the District Plan Review.
- ✓ Focus group meetings have been held to help develop a concept design for the timber seawall replacement in Paekākāriki. The results were reported back to the Paekākāriki Community Board at the end of January 2014. Following additional work a further report-back is planned for 26 August 2014.
- ✓ The annual dune restoration planting programme was completed.
- ✓ The beach access upgrade opposite Heperi Street, Waikanae was completed.
- ✓ The annual coastal dune reserve weed control programme is underway and is being carried out districtwide.
- ✓ The relocation of a 1.4 kilometre dune protection fence at Paraparaumu Beach has been completed. The fence was moved seaward following successful dune restoration using native sand-binding plants. The dune will still be at risk from heavy seas. However, only the southern end of this area was impacted a little by recent big storm events.



Coastal Maintenance

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

Paekākāriki Sea Wall

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

Planting

As part of the Coastal Restoration programme, about 3,000 native sand-binding plants were planted on fore-dunes between Paraparaumu and Ōtaki, focussing on areas where native plants were not established and marram grass predominated. An additional 4,000 native trees,

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

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

shrubs and sedges were planted in back-dune areas between Paekākāriki and Ōtaki to improve biodiversity and replace controlled weeds such as boxthorn and lupin.



Maintaining sea walls and rock revetments faced with continual erosion from high seas is an ongoing task for the Council in coastal Kāpiti.

KEY PERFORMANCE INDICATORS

Coastal Management				
Level of Service	Measure	2013/14 Target	Result Achieved	Year End Result
Access points to the beach are maintained in usable condition.	85% of residents agree that access to the beach meets their needs.	85%	-	Ongoing/On Target This KPI was not surveyed in the 2014 Resident Opinion survey as it is on a three year cycle and was surveyed last year. It will next be surveyed in 2016. (2013 result 99%)
Damaged ecosystems are restored to a more natural state.	Survey and monitoring show improvement in ecosystem health over time.	Achieve	Achieved	Achieved Visual monitoring undertaken by the Council and coastal 'friends' groups has returned positive feedback.
People are made aware of serious hazards on beaches.	Hazards are clearly signposted within 24 hours of notification to the Council.	100%	100%	Achieved Only one hazard reported this year. Signs were erected within 24 hours of notification to the Council.
The coastal/beach area is available for a wide range of activities.	85% of residents agree that multiple uses don't spoil enjoyment of the beach.	85%	-	Ongoing/On Target Last surveyed in May 2013 Resident Opinion Survey. Not due to be surveyed again until 2016. (2013 result 95%)

COASTAL MANAGEMENT ACTIVITY

Contributions to Community Outcomes and Links to Community Interests

The Coastal Management Activity contributes to individual and community health (Outcomes 6 and 7) through the protection of roads and public health assets on the coast from erosion.

The focus on soft engineering solutions contributes to natural character and ecosystems (Outcomes 1 and 2) while the support of natural processes of beach accretion (build-up of dunes) is consistent with Outcome 4 and community aspirations to restore the quality of natural systems (Outcome 1).

Progress in 2013/14

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



COASTAL MANAGEMENT

Statement of Cost of Activity

2012/13 Actual \$000		2013/14 Actual \$000	2013/14 Budget \$000
	Expenditure		
191	Finance Expense	200	201
215	Depreciation and Amortisation	265	246
236	Other Operating Expense	272	285
642	Operating Expenditure	737	732
642	NET OPERATING COSTS	737	732
	Capital Items		
177	Asset Construction/Upgrades	65	74
107	Renewals of Existing Assets	169	215
2	Additional Loan Repayment	78	78
286	Total Capital Items	312	367
928	NET COST OF ACTIVITY	1,049	1,099
641	Rates	654	665
260	Borrowings	217	289
27	Depreciation Reserve	17	-
-	Unfunded Depreciation	145	145
-	Movement in Reserves	16	-
928	TOTAL SOURCES OF FUNDS	1,049	1,099

COASTAL MANAGEMENT

Detail of Significant Expenditure on Acquisition and Replacement of Assets

	2013/14 Actual \$000	2013/14 Budget \$000
Paekākāriki		
Seawall. The Parade Paekākāriki – Stage Two option and design phase. Public consultation commenced in April 2013. Preliminary design work undertaken to establish costs for the various options.	54	110

COMMUNITY FACILITIES

Whakaurunga Hapori

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

KEY RESULTS

- ✓ The Coastlands Aquatic Centre (CAC) officially opened on 10 August 2013. In total, 217,000 people (not including spectators) have visited the centre in the period to 30 June 2014.
- ✓ The disability access ramp for the main pool at the CAC was installed in February 2014 giving even further access for disabled members of our community.
- ✓ The CAC was a joint supreme winner at the 2014 NZ Resene Timber Design Awards.
- ✓ A new, 'AquaEase' programme aimed at people with arthritis or similar medical conditions, was introduced at the CAC with outstanding success.
- ✓ The SwimSchool at the CAC has grown by 55% since opening.
- ✓ The re-roofing, re-sealing and painting of Ōtaki Pool was completed on time and under budget. Combined with longer opening hours and improved service, this has contributed to increased popularity resulting in a total of 29,321 visits for the year.
- ✓ Customer surveys at both the CAC and Ōtaki Pool returned outstanding results. Staff were rated 'good' or 'excellent' by 95% and 100% of respondents, respectively, at each pool.
- ✓ The Property team responded to 2,594 service requests during the year. This was an increase of 5% compared with 2012/13.
- ✓ Housing for Older Persons achieved an occupation rate of 99.85% for the year, despite high turnover, with fifteen flats becoming available during the year.
- ✓ Draft concept plans were produced for the possible redevelopment of the former Raumati Pool building but this work has been postponed to contribute to the Council's aim of restraining rates increases.
- ✓ A 12 month licence to occupy the former Raumati Pool building has been agreed with Combined Lions Club of Kapiti for their Monster Book Fair storage.



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

Civic Administration Building

The Civic Administration Building reopened in March 2013 following a substantial rebuild. In recognition of the quality of the design and construction work on the building, it received two major awards in the 2013/14 financial year.

The first was an architecture award won by the building designers, Designgroup Stapleton Elliott, in the commercial category at the Wellington Architecture Awards in October 2013.

The second was a silver award at the Master Builders' New Zealand Commercial Project Awards in May 2014. Construction company Armstrong Downes was presented with the award for its work in transforming the 1970s building into a "striking, totally refurbished civic administration centre which is fit for purpose, fully accessible, earthquake safe and reflects 21st century architecture."

The building was also highly commended in the New Zealand Property Council Awards under the energy management category.

Swimming Pools

Since the District's public swimming pools returned to Council management in the latter half of 2012, the focus has been on developing and improving the ongoing management of the facilities.

The priority has been to cater for the many needs of the community at each pool, for overall attendance to increase and to provide affordable opportunities for children to learn to swim.

Over the District, a total of 219 children took part

The **Community Facilities Activity** manages major structures and buildings including the following facilities:

- swimming pools and other major recreational facilities (not including sports fields);
- community halls (public);
- community halls (other projects);
- housing for older persons;
- other rental housing;
- public toilets;
- cemeteries, including urupa support; and
- civic buildings (includes responsibility for the library building but not library services).

in the 'SwimBegin' summer holiday learn-to-swim lessons.

In addition, swimming lessons were delivered to over 660 children through the funded 'KiwiSport' learn-to-swim lessons.

Coastlands Aquatic Centre

Despite the disruptions caused by the Mainzeal receivership, the Coastlands Aquatic Centre successfully opened to the public on 10 August 2013.

Following some dissatisfaction over a disability access ramp not being included, due to conflicts with the moveable floor of the pool, the Council negotiated a locally designed and manufactured solution which met the design and warranty requirements of VarioPool – the supplier of the moveable floor. The ramp was installed and in use by the public in February 2014.

The Coastlands Aquatic Centre has proven to be extremely popular with 217,000 visitors in its first 10 and a half months of operation. Through sessionalised programming and comprehensive communications, the centre is successfully catering for Kāpiti's diverse community with its range of ages and abilities. During school holidays, over 20% of visitors are from outside of the Kāpiti District.

The centre hosted an Aquafit instructors course which attracted 33 instructors from around the

country and received very positive feedback from the course tutor for the quality of the facility and the organisation skills of the staff.

Three regional swimming competitions were successfully hosted at the Coastlands Aquatic Centre. Sophisticated timing equipment for competitive events was installed and used in June 2014.

The Coastlands Aquatic Centre was announced as joint supreme award winners, in March 2014, of the 2014 NZ Wood Resene Timber Design Awards. The judges commented:

“The building demonstrates that timber is not only an appropriate durable material for a humid pool environment, but that with good design it can provide light-weight elegant structures. This is an outstanding example of contemporary timber technology.”

Waikanae Pool

Following further plant upgrade over the winter closing period, the Waikanae Pool opened on 3 November 2013. Due to disappointing summer weather the number of visitors was 38,815, down from 46,835 in the previous year. The Council continued to receive very positive feedback regarding the standard of the facility and activities and the professionalism and friendliness of the staff.

Ōtaki Pool

Following on from significant refurbishment work in 2012/13, Ōtaki Pool closed for two months in early 2013/14 for roofing work, re-sealing and painting the pool plus an upgrade to the toddlers pool to enable the water temperature to increase to 32 degrees. Since reopening in December 2013 the pool has enjoyed increased patronage and increased levels of satisfaction from swimmers. A customer service survey in May 2014 saw staff at Ōtaki Pool given a 98% positive rating for being friendly and helpful. Instructors received a perfect 100% for their knowledge and friendliness while the attentiveness and helpfulness of the lifeguards also rated a high 98%.

People commented on the great atmosphere and community feel at the facility with the new spa

being a highlight.

Attendance at the Aquafit classes has increased by a substantial 65% from the previous year.



Ōtaki's upgraded and warmer toddlers pool.

Raumati Pool

With the opening of the Coastlands Aquatic Centre, the Raumati Pool was decommissioned. Plant and equipment from the pool was reallocated to other pools in the district.

Draft concept plans were produced for the possible redevelopment of the former Raumati Pool building and were reported to the Council in March 2014. The redevelopment has been deferred as part of the Council's efforts to restrain rates increases. Project timing will be reviewed during the development of the Long Term Plan.

Housing for Older Persons

Housing for Older Persons achieved an occupation rate of 99.85% for the year, despite high turnover, with fifteen flats becoming available during the year.

However, the waiting list remains at a high level (currently at 80 persons), so demand for these units continues to be strong.

Community Halls

Customer surveys indicate good satisfaction levels with how the halls are being managed and that these venues were meeting the hirers' expectations. In feedback, 82% of hirers' say the hall they use fits their needs at a very good or excellent level, in terms of their expectations.



KEY PERFORMANCE INDICATORS

Community Facilities				
Level of Service	Measure	2013/14 Target	Result Achieved	Year End Result
Library Buildings				
Provide a good standard of comfort, convenience, quality and usability of the library buildings from the users' perspective.	85% of users are satisfied with the standard of comfort, convenience, quality and usability of the library buildings.	85%	98%	Achieved The Resident Opinion Survey (June 2014) reported 98% satisfaction with the comfort and convenience of library buildings. (2012/13 result 93% from the Library Users' Survey)
Halls				
Council hall hirers are satisfied that the halls meet their needs.	80% of customers are satisfied that halls meet the needs of different customers.	80%	82.8%	Achieved The Hall User Survey undertaken in the fourth quarter returned a result of 82.8% satisfied. (2012/13 result 82%)
Housing for Older Persons				
Occupation of the Housing for Older Persons units is maximised.	97% of Housing for Older Persons units are occupied.	97%	99.85%	Achieved
Rents are fair and reasonable.	85% of tenants are satisfied that rents are fair and reasonable.	85%	98.5%	Achieved Tenant Survey in the fourth quarter recorded a result of 98.5% satisfied. (2012/13 result 98%)
Public Toilets				
Toilets are clean, feel safe and well lit, and are well located.	60% of people are satisfied that public toilets are well lit and well located.	60%	-	Ongoing/On target Last surveyed in Resident Opinion Survey 2013. Surveyed every third year. (2013 result 83%)
Toilets are well maintained and functional.	80% of people are satisfied that the toilets are well maintained and functional.	80%	74%	Not Achieved The Resident Opinion Survey (June 2014) reported 74% satisfaction with regard to this KPI. (2013 result 71%)
Buildings				
Council owned buildings will be fit for purpose.	100% of Council owned buildings will have a current building warrant of fitness (where required) and be fit for purpose.	100%	100%	Achieved All building warrants of fitness issued.

Community Facilities				
Level of Service	Measure	2013/14 Target	Result Achieved	Year End Result
Swimming Pools				
Kāpiti Coast District Council provides safe swimming pools to the community.	Council will maintain its PoolSafe accreditation.	Achieve	Achieved	Achieved Audits conducted in February 2014, accreditation retained.
Pool facilities are available for use by the public.	Across all facilities the number of shutdowns due to unplanned maintenance remains at three or less each year.	Three or less	Achieved	Achieved There were no unplanned shutdowns.
Kāpiti Coast District Council provides clean and inviting facilities.	85% of people surveyed are satisfied with the facilities' cleanliness.	85%	Achieved	Achieved Results of customer satisfaction survey were: <ul style="list-style-type: none"> • Ōtaki Pool 100% (44% good, 56% excellent); • Aquatic Centre 90% (45% good, 45% excellent). (2012/13 result Ōtaki – 99%, Raumati – 82%)
Kāpiti Coast District Council provides clean and inviting facilities.	During operating hours, across all facilities, there are no more than six incidents where pool temperature was not maintained within a range of 27 to 29 degrees Celsius.	Less than six	Achieved	Achieved There were no incidents.
Cemeteries				
Kāpiti Coast District Council provides well maintained cemeteries.	85% of people surveyed are satisfied with the cemeteries condition.	85%	87%	Achieved Park Check User Survey undertaken in January 2014. Result was a satisfaction rating of 87%. (2012/13 result 99%)



COMMUNITY FACILITIES ACTIVITY

Contributions to Community Outcomes and Links to Community Interests

The Community Facilities Activity includes all the major structures and buildings that support the social and cultural interests of the community, which in turn contributes to maintaining people's health and provides a civic presence. They make a direct contribution to Outcomes 6 and 7.

Housing for Older Persons provides homes for some of the community's most vulnerable older population, also contributing to Outcome 7 and linking to the Community's Social Interests.

The design of the facilities provided affects the general quality and character of each settlement, a major aspect of the Council's strategy for centres and communities (Outcome 2). The design of facilities also contributes to energy and water conservation, while the location of these facilities in local centres throughout the District reduces the energy needed by residents to get to these facilities (Outcome 4).

Progress in 2013/14

- Achieving a greater than 99% occupancy rate of Housing for Older Persons ensured the community made use of this local resource, contributing to Community Outcomes 4 and 7.
- Managing the District's public swimming pools ensures the provision and maintenance of important recreational facilities for community sport and leisure. This contributed to Community Outcomes 6 and 7.



Kapiti Swim Club meet at the Coastlands Aquatic Centre, which has proven to be a popular facility.

COMMUNITY FACILITIES

Statement of Cost of Activity

2012/13 Actual \$000		2013/14 Actual \$000	2013/14 Budget \$000
	Expenditure		
690	Finance Expense	1,055	839
906	Depreciation and Amortisation	1,335	1,275
-	Loss on Disposal of Property, Plant and Equipment	-	-
3,877	Other Operating Expense	4,993	4,605
5,473	Operating Expenditure	7,383	6,719
	Revenue		
-	Capital Grants	131	-
252	Development and Financial Contributions	219	24
1,539	Fees and Charges	1,965	1,895
1,189	Other Operating Revenue	347	125
2,980	Operating Revenue	2,662	2,044
2,493	NET OPERATING COSTS	4,721	4,675
	Capital Items		
12,681	Asset Construction/Upgrades	1,698	970
5,872	Renewals of Existing Assets	653	894
2	Additional Loan Repayment	37	37
18,555	Total Capital Items	2,388	1,901
21,048	NET COST OF ACTIVITY	7,109	6,576
3,893	Rates	4,418	4,152
17,705	Borrowings	1,658	1,553
518	Depreciation Reserve	631	541
69	Unfunded Depreciation	774	774
(1,137)	Movement in Reserves	(372)	(444)
21,048	TOTAL SOURCES OF FUNDS	7,109	6,576



COMMUNITY FACILITIES

Detail of Significant Expenditure on Acquisition and Replacement of Assets

	2013/14 Actual \$000	2013/14 Budget \$000
<p>Swimming Pools</p> <p>Coastlands Aquatic Centre. The facility opened to the public on 10 August 2013. Completion of the Coastlands Aquatic Centre was delayed by the main contractor, Mainzeal, going into receivership in February 2013. Although the Centre opened in August 2013, further detailed finishing work was required. Extra costs were incurred as a result with the total direct cost to Council due to the receivership reaching \$1,800,000. Through negotiation, the Council has been able to claim a total of \$1,180,000 from the receivers, leaving a shortfall of \$620,000 to be funded from the underspend in the 2013/14 capital programme.</p>	1,636	-
<p>Raumati Pool Closure and Building Re-Use</p> <p>The pool has been decommissioned and equipment removed for use in other district pools. The following preliminary work has been completed: survey and engineering report on pool tank structure and underlying soil conditions; as-built drawings prepared by architects.</p>	20	620

DEVELOPMENT MANAGEMENT

Whakahaere Whanaketangai

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

KEY RESULTS

- An independent review of the Proposed District Plan (PDP) was publicly released on 24 June 2014 following release and public comments on the draft report.
- A Coastal Experts Panel was appointed in late 2013 to review previous coastal erosion hazard assessments related to the PDP and Land Information Memoranda (LIMs). The panel had their first meeting in Kāpiti in early December 2013. They presented their draft report to Council on 21 March 2014 and following public comments a final report was publicly released on 24 June 2014.
- Public engagement is well underway for Waikanae and Paraparaumu Town Centres, Kāpiti Road and SH1. Initial meetings have been held with community groups, community boards, businesses, and land owners. Public open days have been held in each town centre. Traffic modelling and Cycleways, Walkways and Bridleways reviews are well underway and along with public feedback received will inform the development of concept plans.
- Heritage Fund – During the last 12 months nine natural heritage management projects and two built heritage management projects received grants from the Heritage Fund. The Fund budget of \$29,874 was fully allocated, enabling conservation work estimated to cost more than \$122,750 to be undertaken.
- The strategic land purchase fund was used to buy a residential property in Ōtaki for stormwater plant installation.



District Plan Review

An independent review of the Proposed District Plan (PDP) was conducted in late 2013 and early 2014. The reviewers presented their draft report to the Council on 2 April 2014 who invited comments from the individuals and organisations who had presented information to the Panel. These comments were considered in finalising the report which was then publicly released on 24 June 2014.

A Coastal Experts Panel was appointed in late 2013 to review the coastal erosion science underpinning the coastal hazard provisions in the Proposed District Plan. The Panel presented their draft report to the Council in March 2014 and invited comments from the individuals and organisations who had presented information to the panel. Their final report was publicly released on 24 June 2014.

Following the public release of both independent review reports the Council resolved to adopt Option 4 as the way forward on the Proposed District Plan (PDP) which allows the Council to build on all the previous work done, and also makes full use of important input from submitters whilst withdrawing coastal hazard provisions.

The Council decided to form a Coastal Advisory Group (CAG) comprised of statutory agencies and Community representatives to guide the Council's future work programme in consultation with the community.

Earlier in the year a high court judicial review clarified the legalities surrounding coastal hazard information on LIMS.

Monitoring of Te Haerenga Whakamua

The District Plan Review working party of Te Whakaminenga o Kāpiti has developed Te Ara Whakamua which sets out the monitoring framework to measure the implementation of Te Haerenga Whakamua. Prioritisation of the 193 tikanga contained in Te Haerenga Whakamua has resulted in approximately 70 tikanga to be further analysed in order to develop monitoring and subsequent reporting

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

- environmental planning through the District Plan and other associated processes, including District Plan Review process and plan changes;
- urban management strategies and Local Community Outcome Statements which inform District Plan processes;
- sustainable design guidance for engineering and infrastructure development, various best practice design guides and engineering input into subdivision consents;
- analysis and recommendations on policy approaches relating to climate change and other natural hazards;
- design and planning advice to external stakeholders and to other activity areas within Council;
- design and construction of Town Centre upgrades; and
- setting policy direction for Council land throughout the District, including strategic land purchase.

of the tikanga of highest priority to the iwi of the Kāpiti Coast District.

Town Centres and Connectors Project

The Expressway will have a significant impact on the physical form of the District, in particular on traffic flows and pressures on town centres. This had been considered in the Proposed District Plan but it was recognised that further consideration and analysis of the impact on the local road network and Council investment decisions was needed.

Analysis had been started over the past years with preliminary work carried out on concepts for Kāpiti Road, Paraparaumu and Waikanae town centres and the revitalisation of the parts of SH1 that will become a local road.

A Town Centre and Connectors project was formed by the Council to advance this work.

Public engagement is well underway for the development of concept plans for Waikanae, Paraparaumu, Kāpiti Road and SH1 with initial

meetings held with community groups, Community Boards, business and land owners. Open days were held in each town centre in the latter part of 2013/14.

Traffic modelling and CWB reviews are well underway and along with public feedback received will inform the development of concept plans.

The outcome of this engagement will help inform Council's 2015 Long Term Plan.

District Plan Appeals

There were two appeals on Plan Change 72A: Wharemauku Precinct. One appeal was heard before the Environment Court in late October 2013 and the Council decision was upheld. The second appeal is still being considered by the Court.

Strategic Land Purchase Fund

The Council purchased a property in Ōtaki for stormwater plant installation.



An open day was set up by the Council to seek input from the community on their preferences for the future shape of Waikanae town centre.



KEY PERFORMANCE INDICATORS

Development Management				
Level of Service	Measure	2013/14 Target	Result Achieved	Year End Result
Districtwide and Local Community Outcomes relating to character, growth management, intensification, affordability, and the natural environment are reflected in the District Plan.	The District Plan is notified with text that builds on districtwide and local community outcomes relating to character, growth management, intensification, affordability, and the natural environment.	Achieve	-	Not Relevant Subject to the final results of the Independent Review and the Council's decisions in response to that.
Significant waahi tapu sites are researched and lodged in a systematic approach and are protected in the District Plan.	Waahi tapu sites are protected in the District Plan as per tāngata whenua guidance.	Achieve	Achieved	Achieved Research continues on identifying waahi tapu sites in addition to those in the Proposed District Plan. As of 30 June 2014, 27 site reports have been completed (final draft) in addition to the 40 sites added to the PDP.
Town Centres have a high-quality, public space that meets the community's needs for safety, amenity and functionality.	85% of residents are satisfied that Town Centres have a high-quality, public space that meets the community's needs for safety, amenity and functionality.	85%	70%	Not Achieved The Resident Opinion Survey 2014, results of which were received in June, recorded 70% satisfaction. This is a reduction from the 2013 result of 81%, which also failed to achieve the target. (2013 result 81%)
High quality, coordinated design advice is provided to developers, consultants, and landowners prior to formal application for regulatory approval (via resource consent or plan change), and to Council project managers prior to internal project approval.	85% of resource consent applicants, plan change applicants and Council project managers who have participated in the design review process are satisfied with the robustness, clarity and timeliness of pre-application design advice provided by Council.	85%	100%	Achieved Three design review meeting processes undertaken with developers this year. They were all happy with the process.

Development Management				
Level of Service	Measure	2013/14 Target	Result Achieved	Year End Result
Local Outcomes Statements are completed for all communities that request them.	Local Outcomes Statements are completed for all communities that request them via their Community Board.	100%	-	Ongoing/On Target The Town Centres and Connectors Project has picked up this process and further consultation will be undertaken with the community in 2014/15.
The Council provides clear processes and timely, professional services with regard to private plan change requests.	85% of private plan change applicants are satisfied with the timeliness and professionalism of the Council's private plan change services.	85%	-	Not Relevant No private plan change applications have been made due to the District Plan Review taking place.

DEVELOPMENT MANAGEMENT ACTIVITY

Contributions to Community Outcomes and Links to Community Interests

The Development Management Activity is the 'engine room' for addressing growth management pressures in a way that better reflects community interests and concerns.

This has two aspects: how to manage growth pressures from a regulatory perspective, and how to actively encourage development to occur in a way that benefits the community. The latter also includes the Council's development decisions on its own land.

Tying everything together is a commitment to inclusive processes and community involvement in design and development decisions. As such, it contributes across all seven Community Outcome areas, from management of environmental effects

and impacts on local character to managing effects on community health via design and regulation. It links to all of the community interest areas.

Progress in 2013/14

- The public consultation involved in developing these Local Outcome Statements contributes to Community Outcome 7.
- The independent review of the Proposed District Plan and associated submissions is contributing to Community Outcome 3 by developing the framework to ensure development is managed appropriate to community goals.



DEVELOPMENT MANAGEMENT

Statement of Cost of Activity

2012/13 Actual \$000		2013/14 Actual \$000	2013/14 Budget \$000
	Expenditure		
634	Finance Expense	711	736
74	Depreciation and Amortisation	170	108
2,182	Other Operating Expense	2,039	2,712
2,890	Operating Expenditure	2,920	3,556
	Revenue		
65	Development and Financial Contributions	-	78
52	Fees and Charges	66	211
117	Operating Revenue	66	289
2,773	NET OPERATING COSTS	2,854	3,267
	Capital Items		
3,691	Asset Construction/Upgrades	526	1,287
188	Additional Loan Repayment	72	72
3,879	Total Capital Items	598	1,359
6,652	NET COST OF ACTIVITY	3,452	4,627
3,026	Rates	2,855	3,417
3,626	Borrowings	526	1,210
	Movement in Reserves	71	
6,652	TOTAL SOURCES OF FUNDS	3,452	4,627

DEVELOPMENT MANAGEMENT

Detail of Significant Expenditure on Acquisition and Replacement of Assets

	2013/14 Actual \$000	2013/14 Budget \$000
Strategic Land Purchase		
A residential property at Ōtaki Beach was purchased as it was the best location for a storm water pump station required to upgrade the network in the area.	194	1,171
Town Centre Development		
The Town Centre and Connectors project covers the four key workstreams of: Waikanae and Paraparaumu Town Centres; Kāpiti Road; SH1 revocation/revitalization. Public engagement is in process on the concept development for each town centre.	332	661

ECONOMIC DEVELOPMENT

Whakawhanake Umanga

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

KEY RESULTS

- During the latter part of 2013, issues arose with the Clean Technology Trust and the Council decided to discontinue its support for the Trust. Subsequently, the Council took up the lease of the new building at the Clean Technology Park and is implementing a new way forward. The Trust has subsequently been dissolved.
- The Cleaner Emissions Bus project was launched at the Clean Technology Centre on 22 August 2013, to celebrate the collaboration between UZABus Coachlines, Blended Fuel Solutions and Ōtaki College.
- A successful Careers for the Future Expo was held in June 2014 at the Ōtaki Innovation Hub and Clean Technology Centre.
- The 2013 Kapiti Economic Profile was reported to the Council early in 2014 and released publicly.
- The 2014 Wellington Visitor Guide was published including a 'Kāpiti' page and other information featuring Kāpiti events and businesses.
- The Kapiti Company Limited Summer Events guide was published and the Tourism Promotion Strategy was implemented. This included use of 'Lily' a marketing caravan at a range of events outside the District.
- Involvement in the Electra Regional Business Forum continues particularly in the broadband and food work streams.
- Māori Economic Development strategy – the grants application round has been completed. There were four successful applications, including the Ōtaki Maoriland film festival which took place over the week of 24-28 March 2014.
- A grant from the Clean Technology Innovation Fund was awarded to Silaca Glass Crushers.
- A broadband strategy for Ōtaki was prepared to assist with lobbying Communications and Information Technology Minister Amy Adams on improved access for Ōtaki.



Economic Development Strategy

The Council decided earlier in 2014 to review the Economic Development Strategy. That review has started and a Council workshop was held in May 2014. A working party combining the Council and key business interests has been established to progress the strategy.

The aim of the Strategy review is to ensure the focus is on supporting priorities that deliver the most benefit. The review will also incorporate implementation of the visitor information (i-Site) network review.

Tourism Support

The Kapiti Company Limited has been continuing to deliver i-Site management and tourism support services in the 2013/14 year.

A review of the visitor information network was carried out through 2013/14 and reported to the Council at the August 2014 meeting. As a result, the Council commenced a rationalisation of i-SITES in the 2014/15 financial year. A stakeholder engagement process is underway.

The Kapiti Company Limited Summer Events guide was published and the Tourism Promotion Strategy was implemented. This included use of the 'destination (marketing) caravan' in Wellington to promote the Arts Trail and at key events within the Kāpiti target market area (including events in Taranaki, Manawatu and Hawkes Bay). The caravan was reportedly well attended and a considerable amount of information provided to a wide range of people.

Food Sector

An inaugural group of food and beverage business stakeholders has been established to support the development of sustainable and cluster-based approaches to developing markets and building capability. This work is closely connected to the Electra Regional Business Forum.

Business Support

Business support services were delivered by an independent contractor. These services are confidential and tailored to the needs of the business, and could range from tax advice to

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

- managing projects which contribute to Council's Strategy for Supporting Economic Development;
- providing networking and an informed point of contact for businesses;
- business attraction and retention initiatives;
- tourism product development and marketing;
- delivering visitor information centres (i-Sites) in Paraparaumu and Ōtaki;
- supporting events development and facilitation;
- supporting Māori economic development; and
- providing economic development advice together with policy and strategy development.

finding sources of investment.

The service was surveyed in May 2014 and 82% of the respondents were satisfied with the service they received.

Involvement in the Electra Regional Business Forum continues, particularly the Broadband and Food work streams. Reports on the four workstreams have been finalised. The Forum is now focused on deciding the next steps forward.

Ōtaki Innovation Hub/Clean Technology Park

During the latter part of 2013, issues arose with the Clean Tech Trust and the Council decided to discontinue its support for the Trust.

Subsequently, the Council took up the lease of the new building (2 Ake Ake Place) at the Clean Technology Park and is implementing a new way forward. The Trust has subsequently been dissolved.

The Council decided to widen the focus of activity at the new building to enable a broader range of tenants. To that end it has been renamed the Ōtaki Innovation Hub. Clean technology will still form a central part of the hub's activities but there is now the ability to attract a range of other tenants to enhance this development.

The new building was completed in March 2014. The initial focus has been on finding tenants for the building. This has included the employment of the Property Group to conduct the work on the Council's behalf. Marketing material has been prepared and a request for expressions of interest issued. This process will continue in 2014/15.

Māori Economic Development Strategy

The grants application round was completed with three successful applications. These included the inaugural Ōtaki Māoriland Film Festival, Kāpiti Island Nature Tours and Kāpiti Island Tours.

The Council has a key role in promoting Kāpiti as a tourism destination. That promotion focuses on Kāpiti's outdoor attractions, including the beaches, Kāpiti island, its well-regarded walking and horse-riding facilities, as well as its active arts scene and growing popularity as a food destination.

Expressway Opportunities

The construction of the Expressway is creating economic development opportunities and council is advocating to capitalise on those opportunities wherever possible. Steps have been taken to provide local businesses with the opportunity to be involved in the construction. Support has been provided through the Council's Business Support Service to those who want to get involved.



The recently established June Rowland lookout on the Mataihuka Walkway.



Kāpiti - an increasingly popular shopping and dining destination.



Kāpiti has a diverse and thriving arts scene.



The historic trams at Queen Elizabeth Park.



Horse riding on Kāpiti's beaches.



KEY PERFORMANCE INDICATORS

Economic Development				
Level of Service	Measure	2013/14 Target	Result Achieved	Year End Result
The Clean Technology Sector grows on the Kāpiti Coast.	The number of businesses at the Clean Technology Park, Ōtaki increases year to year.	2	-10	Not Achieved There has been a reduction in the number of businesses operating from the Clean Technology Centre from 15 at the start of the year to 5 at end June 2014. Grow Wellington have ceased Clean Technology activities in the Ōtaki Clean Technology Park.
Partnerships between Council and other organisations deliver projects which grow businesses and provide new jobs for the District.	85% of organisations involved in economic development partnerships with the Council are satisfied with the services received.	85%	-	Ongoing/On target The Council has continuing partnerships with a number of organisations, including: Grow Wellington; Marketing Advisory Group; Electra; Horowhenua District Council and Positively Wellington Tourism. No survey was undertaken in 2013/14.
The tourism support services provide high quality advice and assistance to tourism operators and visitors to the Kāpiti Coast.	85% of individuals and organisations using tourism support services funded by the Council are satisfied with the services received.	85%	100%	Achieved Annual Survey of the Tourism Service in March 2014 reported 100% satisfied.
The business support, retention and attraction services provide high quality advice and assistance to businesses on the Kāpiti Coast.	85% of individuals and organisations using business support, retention and attraction services funded by the Council are satisfied with the services received.	85%	82%	Not Achieved Annual survey reported 82% satisfied with service. The dominant reason given for dissatisfaction was the time capacity of the business mentor, in particular the ability to provide more immediate appointments. This is a resourcing issue rather than a service quality issue. The survey reported 98% satisfaction with the professionalism of the mentor. (2012/13 result 100%)

ECONOMIC DEVELOPMENT ACTIVITY

Contributions to Community Outcomes and Links to Community Interests

The Economic Development Activity funds direct services to support business development and retention, wider economic analysis and opportunities for development of a new economic focus. As such, it contributes directly to Outcome 5 and the community's economic interests but also provides support for initiatives that contribute to Outcome 7.

There is a focus on creating local employment opportunities which retain young people in the District (Outcome 6). This activity links to the community's economic and social interests.

There is also a strategy for Māori Economic Development, which contributes to Outcome 5 and to the community's economic and cultural interests.

Progress in 2013/14

- The partnership with Positively Wellington Tourism and Energise Ōtaki contributed to Community Outcomes 5 and 7.
- Endorsement of the Māori Economic Development and Wellbeing Strategy contributed to Community Outcomes 2, 5 and 7.
- The Council's support of the business and tourism sectors contributed to Community Outcomes 5 and 6.



Lily – the new-look Destination Marketing caravan that will be used in 2014/15 to promote Kāpiti's tourism attractions.



ECONOMIC DEVELOPMENT

Statement of Cost of Activity

2012/13 Actual \$000		2013/14 Actual \$000	2013/14 Budget \$000
	Expenditure		
13	Finance Expense	26	42
15	Depreciation and Amortisation	15	20
-	Loss on Disposal of Property, Plant and Equipment	-	-
902	Other Operating Expense	2,190	1,082
930	Operating Expenditure	2,231	1,144
	Revenue		
-	Fees and Charges	10	-
-	Operating Revenue	10	-
930	NET OPERATING COSTS	2,221	1,144
	Capital Items		
200	Asset Construction/Upgrades	-	650
6	Additional Loan Repayment	44	44
206	Total Capital Items	44	694
1,136	NET COST OF ACTIVITY	2,265	1,838
936	Rates	2,209	1,188
200	Borrowings	-	650
-	Movement in Reserves	56	-
1,136	TOTAL SOURCES OF FUNDS	2,265	1,838

ENVIRONMENTAL PROTECTION

Whakaāhuru Taiao

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

KEY RESULTS

- The Sale and Supply of Alcohol Act 2012 came into force on 18 December 2013 and the Council has appointed a District Licensing Committee and Chair. Forms and guidelines have been altered to facilitate the new requirements under the Act.
- Licensed premises' annual invoicing and registration was undertaken.
- Completed inspection of 223 food premises. This was below the target of 301 inspections due to the reallocation of staff to process alcohol licence applications under the new legislation as the latter had a stronger commercial imperative.
- 99.8% of all known dogs have been registered. There are now 7,043 dogs registered and recorded in the District.
- The Animal Control Team responded to 2,682 routine and 304 urgent complaints about dogs (2,552 and 260 respectively, last year).
- Parking changes were introduced around the Coastlands Aquatic Centre; Community Centre and Council buildings and are being monitored with respect to their impact.
- The Wellington Rural Fire Authority was established on 1 October 2013. Rural fire permits are now being issued by the Wellington Region with the assistance of relevant Council staff.
- The Council sold 640 emergency water tanks as part of a Wellington Regional Emergency Management Office (WREMO) region-wide initiative.
- Council welfare desk staff and selected community volunteers received their first training session on the new Emergency Management Information System (EMIS) being rolled out across the region.
- Community Response Plans have now been completed in Ōtaki/Te Horo, Paekākāriki and Waikanae. A number of projects have been started to further build community capacity to respond to and recover from a disaster.



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

A selection of the legislation the Council is required to administer is provided in the box on the right.

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

- inspected 109 liquor outlets;
- inspected 223 food premises;
- undertook 42 notifiable disease investigations;
- issued 328 fire permits within two working days;
- registered 7,043 dogs; and
- responded to 2,682 routine complaints about dogs and 304 urgent dog complaints.

Sale and Supply of Alcohol Act 2012

The Sale and Supply of Alcohol Act 2012 came into force on 18 December 2013. The Council appointed the District Licensing Committee and chair and the committee has already issued a number of decisions. Forms and guidelines have been altered to facilitate the new requirements under the Act.

New fees have been established based on a risk rating for premises. The licensing fees themselves are set by central government regulations.

As a result of the legislative changes, new processes and procedures have had to be developed and resources realigned to meet the demands of these new requirements. Additional work has been involved in communicating the new requirements to license applicants as well as to existing licensed and unlicensed clubs.

Swimming Pools

Council staff inspected 256 private pools during the review period. This number was below target as staff concentrated on assisting pool owners to reach compliance rather than simply completing the inspection tally.

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

- inspection of food premises (Health Act 1956);
- animal control (Dog Control Act 1996);
- inspection of swimming pools (Fencing of Swimming Pools Act 1987);
- liquor licensing (Sale of Liquor Act 1989 and Sale and Supply of Alcohol Act 2012);
- noise control – investigation and enforcement of excessive noise complaints under those provisions in the Resource Management Act 1991; and
- bylaws enforcement and administration.

Rural Fire

The Wellington Rural Fire Authority commenced operations on 1 October 2013 and took over responsibility for all rural fire reduction, readiness and response activities in the Kāpiti Coast District. The Council continues to be involved in:

- maintaining and funding assets that the Council owns at Te Horo Rural Fire Station (such as vehicles and some operational equipment); and
- providing a level of support to the Te Horo Rural Fire Service and Wellington Rural Fire Authority as they build a working relationship.

The Wellington Rural Fire Authority have issued 326 rural fire permits in Kāpiti since their establishment.

Kāpiti Civil Defence and Emergency Management (CDEM) Response

The Kāpiti Emergency Operations Centre (EOC) was partially activated on 21 July 2013 for the first Seddon Earthquake and again on 20 January 2014 for the Eketahuna Earthquake.

Wellington Region Emergency Management Office (WREMO)

The Council continues to support the regional emergency management structure being implemented by the Wellington Region Emergency Management Office (WREMO).

The Community Response Plan (CRP) framework was further developed in Kāpiti during the review period with plans completed in Ōtaki/Te Horo, Paekākāriki and Waikanae. The CRPs have been well received and a number of projects have been started to further build community capacity to respond to and recover from a disaster. They are also acting as the forum to confirm the location and role of community-activated Civil Defence Centres (CDC) and to date two CDC activation exercises have been held with CRP stakeholders and WREMO volunteers. A third CDC exercise is planned for Waikanae on 2 August 2014 with a wider invitation to community groups such as Neighbourhood Support.

The Council has sold 640 emergency water tanks throughout the District since 22 July 2013. This initiative received a huge boost through a stand at the Sustainable Home and Garden Show in March 2014. An updated flyer accompanied the July 2014 rates notices and will likely further boost

local demand for water tanks. MenzShed Kāpiti volunteers have been trained to help install tanks in preparation for the demand anticipated from the rates notice release.

In late May 2014, WREMO hosted a Controller induction training day specifically for Council Controllers. The Kāpiti Coast District currently has four Controllers (one provided by WREMO) who staff a 24 hour duty roster. In a civil defence emergency, local Controllers, supported by advice from the WREMO duty officer, will be responsible for activating the Emergency Operations Centre and coordinating the District's emergency response.

In June 2014, the Council welfare desk staff and selected community volunteers received their first training in Welfare Registration and a basic introduction to the new Emergency Management Information System (EMIS) due to be implemented from 1 July 2014.



KEY PERFORMANCE INDICATORS

Environmental Protection				
Level of Service	Measure	2013/14 Target	Result Achieved	Year End Result
Environmental Health and Liquor Licensing				
All food premises display certification that accurately reflects the quality of the outlet and their food storage and preparation.	All food premises inspected using a risk-based approach in accordance with government regulations. Note: The legislation has not yet been enacted, therefore timeframes are not known at this stage.	100%	74%	Not Achieved 223 of a required 301 inspections were completed. The failure to achieve this target is a result of the reallocation of environmental health staff to processing alcohol licensing. That decision was taken to address the legislative changes in this area and the commercial imperative that alcohol licences be processed promptly. (100% of 346 inspections completed in 2012/13)
Notifiable communicable diseases are managed in a way that minimises their spread.	All notifiable communicable disease investigations are commenced, and the investigation outcome reported to the Medical Officer of Health in accordance with Regional Service Level Agreements.	100%	100%	Achieved All 42 notifiable disease investigations were conducted and reported on within statutory timeframes this year. (2012/13 result was 100% of 53 investigations)
Swimming Pools are operated and managed in a safe and healthy way.	All functioning public, school and commercial swimming pools are inspected to ensure compliance with public health standards and management advised on remedial action where necessary.	100%	80%	Not Achieved 12 of the required 15 swimming pools have been inspected this year. The failure to achieve this target is due to staff resourcing priority being accorded to alcohol licensing work. (2012/13 result was 100%)

Environmental Protection				
Level of Service	Measure	2013/14 Target	Result Achieved	Year End Result
Liquor outlets operate within an environment that is safe and healthy.	50% of liquor outlets are inspected for compliance with appropriate regulations annually.	50%	79%	<p>Achieved</p> <p>There are approximately 138 liquor outlets. The target was 69 inspections for the year. 109 inspections were conducted in 2013/14.</p> <p>This KPI will be reviewed in the LTP process as the new Act changes requirements and workload in this area. Undertaking this many inspections was required under the new Act. 20 were joint visits with Police, a target of the Council Alcohol Action Plan. The other inspections related to all new licenses, renewal licences and some special licence inspections.</p>
All other licensed premises, e.g. hairdressers, operate within an environment that is safe and healthy.	All 'other licensed premises' are inspected for compliance with appropriate regulations.	100%	35%	<p>Not Achieved</p> <p>19 of required 54 inspections conducted. The failure to achieve this target is due to staff resourcing priority being accorded to alcohol licensing work.</p> <p>(2012/13 result was 100% of 60 inspections)</p>
Compliance				
Access to private swimming pools is limited to prevent entry to children under six years of age.	33% of all known private swimming pools inspected to ensure compliance with the Fencing of Swimming Pools Act 1987.	33%	26%	<p>Not Achieved</p> <p>There are 990 pools giving a target for the year of 330. Of these 256 have been inspected this year.</p> <p>Pool inspection work is ongoing, but down on the target of 83 per quarter. Staff have been concentrating on assisting pool owners reach compliance rather than simply completing the inspection tally.</p> <p>(2012/13 result was 297 inspections, 29% of all known private pools)</p>



Environmental Protection				
Level of Service	Measure	2013/14 Target	Result Achieved	Year End Result
All outdoor fires are permitted to ensure they are managed in a way that limits the risk of spread.	All outdoor fire permits are issued within two working days providing Council staff are satisfied that the site surroundings are safe and that fire safety equipment is available.	100%	100%	Achieved All 328 fire permits were issued within two working days this year. The Wellington Rural Fire Authority have issued 326 rural fire permits since they took over on 1 October 2013. This total is not included in the 328 above. (2012/13 result was 99.9% of 658 fire permits issued on time)
Animal Control				
Action is taken to manage dangerous dog incidents.	95% of all urgent calls/complaints about dogs responded to within one hour of receipt.	95%	100%	Achieved All 304 calls received this year were responded to within one hour of receipt. (2012/13 result was 95% of 260 urgent calls)
Dogs are managed effectively to minimise nuisance.	95% of all routine calls/complaints about dogs are responded to within 24 hours of receipt.	95%	99%	Achieved 2,676 out of 2,682 calls/complaints were responded to within 24 hours of receipt. (2012/13 result was 99% of 2,552 routine calls)
All dogs in the District are registered.	95% of all known dogs are registered.	95%	99.8%	Achieved 7,026 out of 7,043 previously registered dogs have been registered. (2012/13 result was 99% of 6,924 known dogs)
Emergency Management and Rural Fire				
The number of households that are ready for any emergency with stored water, food, survival items and a household emergency plan.	The number of prepared households increases by 20% every three years until 80% of households' state they are prepared for an emergency.	50%	81%	Achieved A household preparedness question was added to the Residents Opinion Survey (June 2014). This reported a result of 81% of households surveyed stating that they have a plan and an emergency kit sufficient to get them through the first 3 days following an emergency event.

Environmental Protection				
Level of Service	Measure	2013/14 Target	Result Achieved	Year End Result
The Rural Fire service meets the National Rural Fire Authority audit standards.	The Rural Fire service meets the National Rural Fire Authority audit standards.	Achieve	Achieved	Achieved The Council Rural Fire Authority (RFA) addressed all matters outlined in the National Rural Fire Association (NRFA) Audit within the 1 October 2013 timeframe stipulated. In late May 2013, the Council RFA issued an invitation to the NRFA to conduct another audit. To date the NRFA has still not responded to this invitation.
Civil Defence Emergency Management and Fire Plans provide an effective response to emergencies and reduce the exposure of Council to costs and litigation following an event.	The Civil Defence Emergency Management and Fire Plans are updated annually.	Achieve	Achieved	Achieved WREMO has updated the Group Civil Defence Emergency Management Plan which supercedes all local plans. The Council Rural Fire Plan was updated prior to the handover to the Enlarged Rural Fire District (ERFD) and will remain valid until March 2015. All future Fire Plans will be updated by the ERFD.

ENVIRONMENTAL PROTECTION ACTIVITY

Contributions to Community Outcomes Links to Community Interests

The Environmental Protection activity is concerned with enforcement of and education about standards designed to protect individual and community health and safety.

These standards are generally prescribed through statute or regulation, or via rules in the District Plan. As such the activity in all its areas outlined above contributed to Outcomes 1 and 7, and links to the community's social and economic interests.

Progress 2013/14

- 99.8% of known dogs were registered; 100% of urgent dog complaints were responded to within one hour; 109 liquor outlets were inspected under the new legislation; pool inspections were focused on helping pool owners reach compliance; and 328 fire permits were issued. These activities all worked towards making our community safer. These levels of service contribute to the health and safety aspects of Community Outcome 7 and link to the community's social interests.
- The Council's role in emergency management contributed to Community Outcome 7.



ENVIRONMENTAL PROTECTION

Statement of Cost of Activity

2012/13 Actual \$000		2013/14 Actual \$000	2013/14 Budget \$000
	Expenditure		
111	Finance Expense	98	103
58	Depreciation and Amortisation	55	59
-	Loss on Disposal of Property, Plant and Equipment	-	-
2,421	Other Operating Expense	2,824	2,631
2,590	Operating Expenditure	2,977	2,793
	Revenue		
-	Operating Grants	3	-
917	Fees and Charges	1,044	878
40	Other Operating Revenue	40	40
957	Operating Revenue	1,087	918
1,633	NET OPERATING COSTS	1,890	1,875
	Capital Items		
21	Renewals of Existing Assets	7	32
26	Additional Loan Repayment	44	44
47	Total Capital Items	51	76
1,680	NET COST OF ACTIVITY	1,941	1,951
1,659	Rates	1,887	1,919
-	Borrowings	-	32
21	Depreciation Reserve	7	-
-	Movement in Reserves	47	-
1,680	TOTAL SOURCES OF FUNDS	1,941	1,951

GOVERNANCE AND TĀNGATA WHENUA

Kāwanatanga me te Tāngata Whenua

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

KEY RESULTS

- The Council and Community Board elections were held in early October 2013 and the newly elected members for the 2013-16 Triennium were sworn in at an Inauguration Ceremony later that month.
- The new Elected Members underwent a training and induction programme from October to December 2013.
- Māori representatives are now participating in each of the Council's Standing Committees.
- Commissioner Training: Three iwi members successfully completed their accreditation to become Commissioners.
- Civic and Community Awards held in November 2013. The Mayor honoured kaumātua Rakauoteora (Don) Te Maipi, Ake Taiaki and Tuki Takiwā who have been instrumental in guiding the process of integrating tikanga Māori into many of the Council's core activities.
- Waitangi Day 2014 – the Council and Ngā Hapū o Ōtaki co-hosted Waitangi Day at Raukawa marae.
- The Council gave in-principle support to the concept of establishing a Wellington Regional Economic Development Agency.
- In total, 264 requests were processed under the Local Government Official Information and Meetings Act 1987 and responded to in 2013/14.



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

Elected Members

The Council elections were held in October 2013 and the new Council and Community Boards for the 2013 – 16 Triennium were sworn in at an Inauguration Ceremony on 29 October 2013.

The new Elected Members underwent a training and induction programme from October to December 2013.

In addition to the meeting statistics provided in the Meeting Attendance section, Elected Members also attended a series of public Annual Plan Workshops during February/March 2014.

This was followed in May 2014 by three days of hearings of submitters to the Draft 2014/15 Annual Plan including a day dedicated to hearing submissions about fluoridation of the central water catchment.

Council Submissions

The Council made a number of submissions during the review period. These included a submission to the Greater Wellington Regional Council on their 2014/15 Draft Annual Plan and a submission to the Local Government and Environment Select Committee on the Local Government Act 2002 Amendment Bill (No 3).

The Council also put forward a remit to the Local Government New Zealand Conference (held in July 2014) seeking support for an amendment to the law so decisions about fluoride are made by central government. This followed the Council's hearing of fluoride submissions as part of the 2014/15 Annual Plan process. That remit has been endorsed by other local authorities.

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

- management of all Council and Committee processes, both formal and informal;
- maintenance of a legally coherent and workable Governance Structure;
- delivery of statutory documents and processes under associated legislation;
- management of electoral processes including representation reviews, elections and by-elections;
- elected member remuneration and expenses;
- tāngata whenua relationships and associated projects, e.g. inviting Te Whakaminenga o Kāpiti to contribute to resource management planning;
- management of the integration of tāngata whenua aspirations across Council workstreams;
- encouraging community awareness of and participation in decision-making processes through a civics education programme; and
- district general expenses – e.g. legal and insurance costs.

Annual Plan

The Annual Plan was released for public consultation on 17 March 2014 and submissions were able to be presented to the Council from 26 March to 28 April 2014.

A total of 746 submissions was received. Of these, 628 submitters took the opportunity presented in this Annual Plan process to contribute to the Council's decision on whether to continue adding fluoride to the water supply in Waikanae, Paraparaumu and Raumati.

The Annual Plan hearings process was organised to ensure that particular time was allocated to both supporters and opponents of fluoridation so that all parties had adequate and equal time and opportunity to present their information. Accordingly, 21 May was set aside as a dedicated day to hear submissions on fluoride including those from the Capital

and Coast District Health Board and the Fluoride Action Network. However, due to the volume of submissions received some submitters on fluoride were also heard on the other two days of the Annual Plan hearings.

At the 5 June 2014 Council meeting, the Council resolved to continue to add fluoride at the level of 0.7mg/L to the Waikanae, Paraparaumu and Raumati water supplies.

Proposed District Plan

Council heard both the Coastal Experts Panel final report on the Council's coastal erosion hazard assessment and the final report from the Independent Commissioners' review of the Proposed District Plan on 24 June 2014 (see also Development Management Activity on page 53).

Tāngata Whenua

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

Over the 2013/14 year, the Council:

- introduced Māori representation to the Council's Standing Committees;
- implemented the inaugural Māori Economic Development Strategy;
- continued to research waahi tapu sites across the District to include in the Proposed District Plan (the addition of these sites affords them a level of protection from development and/or destruction); and
- continued to provide support grants for maintenance and upgrades to marae facilities as per the Marae Support Policy.

Events

The Council is committed to hosting civic ceremonies. This year's events included:

- Civic Awards held in August 2013;
- Waitangi Day event, co-hosted with Ngā Hapū o Ōtaki at Raukawa marae;
- Dawn blessing by iwi for the opening of the Coastlands Aquatic Centre;
- Launch of the Annual Maramataka;
- Citizenship Ceremonies;
- ANZAC Day commemoration; and
- ShoutOut Awards for youth.

Regional Governance

The Context section of this report outlines the Council involvement in discussion about the shape and form of the future governance structure for the Wellington region.

The Local Government Commission held over 100 public meetings in Wellington and Wairarapa and commissioned a number of studies relating to the region's nine councils. It has considered a number of reorganisation proposals and was expected to release a draft proposal in June 2014 for consideration by the Wellington Region.

However, it has decided to hold back release of its draft proposal during the regulated period for the general election, which began on 20 June 2014, to avoid confusing voters with a local government reorganisation poll at the same time as the general election.

Resident Opinion Survey 2014

A Resident Opinion Survey undertaken in May 2014 asked residents a number of questions regarding their satisfaction with Council services and facilities.

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

A full report on the Resident Opinion Survey 2014 can be found on the Council's website www.kapiticoast.govt.nz



KEY PERFORMANCE INDICATORS

Governance and Tāngata Whenua				
Level of Service	Measure	2013/14 Target	Result Achieved	Year End Result
Council agendas and minutes are available two working days ahead of the meeting date in Council Service Centres, District Libraries and the Council website.	All meeting agendas and reports are available in hard copy in Service Centres and/or District Libraries at least two working days ahead of the meeting date.	100%	100%	Achieved
Council agendas and minutes are available two working days ahead of the meeting date in Council Service Centres, District Libraries and the Council website.	All Council meeting agendas and minutes are available 99% of the time on the Council website.	99%	99%	Achieved
The strong partnership that has evolved is reflected in Council's commitment to work through Te Whakaminenga o Kāpiti and that Te Whakaminenga o Kāpiti continues to implement work focused on development of knowledge and understanding of tāngata whenua values through the intended activity.	Te Whakaminenga o Kāpiti receives all proposed Council strategies for review and provides comment, when desired, to the Council.	Achieve	Achieved	Achieved The Council has been working with Te Whakaminenga o Kāpiti on the following key pieces of work: District Licensing Committee - for selecting commissioners. Māori Economic Development - evaluation process underway. Māori Representatives - process driven through Te Whakaminenga o Kāpiti. Draft Annual Plan - vision from tāngata whenua reviewed and amended for 2014/15 Annual Plan.
Council and tāngata whenua participate in civic activity that reflects our community's history.	Council and tāngata whenua co-host a Waitangi Day commemoration.	Achieve	Achieved	Achieved Waitangi Day 2014 co-hosted by the Council and Ngā Hapū o Ōtaki at Raukawa marae.

GOVERNANCE AND TĀNGATA WHENUA ACTIVITY

Contributions to Community Outcomes and Links to Community Interests

All the Outcomes have a vision of significant involvement of the community in both on-the-ground initiatives and decision making. As such, the Governance and Tāngata Whenua Activity is of relevance across all Community Outcomes and to the social and cultural interests of the community.

Progress in 2013/14

- Access to the Council's decisions and activities is provided by having all the Council's formal

decisions and associated reports made available on the Council website and from libraries/service centres. This gives the community the opportunity to be involved and contributed to Community Outcome 7.

- Increasing Māori representation in decision making through co-opting a representative of local iwi onto its Standing Committees contributed to Community Outcome 7.

The Waitangi Day celebrations are part of the Council's commitment to working inclusively and collaboratively with local iwi.



Te Korowhai Whakamana, from Ōtaki Primary School, in action at the Waitangi Day 2014 celebrations.



Uncle Rowdy welcomes the Mayor, Ross Church.



Marae-style Devonshire Teas.



Relaxing and enjoying the performances on Waitangi Day at Raukawa marae.



Whirimako Black (left) and partner.



GOVERNANCE AND TANGATA WHENUA

Statement of Cost of Activity

2012/13 Actual \$000		2013/14 Actual \$000	2013/14 Budget \$000
	Expenditure		
381	Finance Expense	142	515
1,039	Depreciation and Amortisation	1,422	1,055
3,124	Other Operating Expense	2,161	3,270
4,544	Operating Expenditure	3,725	4,840
	Revenue		
701	Fees and Charges	964	786
-	Finance Revenue	7	55
-	Other Operating Revenue	604	-
701	Operating Revenue	1,575	841
3,843	NET OPERATING COSTS	2,150	3,999
	Capital Items		
48	Asset Construction/Upgrades	61	314
526	Renewals of Existing Assets	759	1,596
18	Additional Loan Repayment	17	17
592	Total Capital Items	837	1,927
4,435	NET COST OF ACTIVITY	2,987	5,926
2,712	Rates	3,655	3,112
426	Borrowings	58	956
718	Depreciation Reserve	762	325
(379)	Movement in Reserves	246	(220)
958	Internal Transfers	(1,734)	1,753
4,435	TOTAL SOURCES OF FUNDS	2,987	5,926

GOVERNANCE AND TANGATA WHENUA

Detail of Significant Expenditure on Acquisition and Replacement of Assets

	2013/14 Actual \$000	2013/14 Budget \$000
Council Computer Software System Upgrades and Replacements		
Data conversion for Infonet Asset Management Solution completed. The implementation of the Payroll Kiosk scheme commenced.	261	428

LIBRARIES, ARTS AND MUSEUMS

Ngā Wharepukapuka, Ngā Toi mengā Whare Tāonga

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

KEY RESULTS

- ✓ Over 718,000 items were borrowed from the four District libraries and 73,000 items were reserved.
- ✓ 38,000 SMART items from across 19 other SMART libraries were checked out to Kāpiti library customers and 11,253 eBooks were downloaded from the libraries website.
- ✓ More than 8,700 people came to free library events and activities including the Christmas Craft Fair, Time for a Yarn, Friday Family Fun Night, Book Club in a Bag and Live Arts @ My Library.
- ✓ Kāpiti museums held a successful Discover Kāpiti Heritage Day in January 2014, which attracted approximately 600 people.
- ✓ The Public Art Policy was adopted by Council in August 2013. The Public Art Panel was appointed and will maintain an overview of public art activity in the District.
- ✓ More than 270 artists took part in the 2013 Kāpiti Arts Trail.
- ✓ Approximately 200 children completed the Summer Reading Programme.
- ✓ Friends of the Kāpiti Coast District Libraries hosted seven book launches for local authors.
- ✓ Project planning initiated for the introduction of new technology (Radio Frequency Identification) at all District libraries.
- ✓ Storytelling workshops were organised for librarians from the Kāpiti Coast and Horowhenua.
- ✓ 18 New Zealand public libraries have joined with Kāpiti Coast, Wellington and Masterton Libraries in a nationwide outsourcing tender for materials purchasing. This is expected to deliver savings in 2014/15. A decision will be made by the beginning of August 2014, identifying the preferred vendor for this contract.



Libraries

Kāpiti Coast District Libraries had another successful year with a range of new services provided and a range of new programmes and events bringing people into the libraries:

- 718,000 items were borrowed from the four District libraries;
- 73,000 items were reserved free of charge across the Kāpiti District. This represents a 16% increase in reservations compared to the previous twelve months;
- 38,000 items from 19 other SMART (Sharing and Managing a Region Together) Libraries were lent to Kāpiti library customers;
- 11,253 eBooks were downloaded from the libraries website, www.kapiticoastlibraries.govt.nz
- More than 123,000 sessions were logged on the libraries' free internet computers and more than 30,000 free wifi sessions were started;
- 36 free internet PCs are available districtwide;
- Community hub services including Local Links @ my Library continued; and
- 17,900 new items were added to the collection.

More than 8,700 people came to free library events and activities, including:

- *Time for a Yarn*, a monthly event which provides an opportunity for people to meet and share handcraft projects, ideas and skills, was expanded and is now run at all Kāpiti libraries;
- The *Live Arts @ My Library programme* showcased 21 different arts demonstrations and workshops in November 2013;
- The Christmas Craft Fair was held at Paraparaumu Library in December 2013;
- The *Bookbusters Summer Reading Club* which attracted over 200 children during the summer holidays;
- Friday Family Fun Night began at Paraparaumu Library. Art workshops, youth bands, music groups and the teens WRAPPERS (Writers, readers and poets) group were all popular choices;

The **Libraries, Arts and Museums Activity** includes the following services and programmes:

- providing access to information for leisure, entertainment, research, education and career development across the District;
- supporting local heritage through relationships with historical groups, museums, and initiatives such as the Kāpiti Heritage Trail;
- promoting and supporting arts activities through initiatives such as the annual Kāpiti Arts Trail and Creative Communities funding schemes;
- supporting the arts as detailed in the Strategy for Supporting the Arts;
- delivering events and programmes for children, teens and adults;
- supporting museums to promote their collections and increase visitor numbers; and
- working collaboratively with other SMART Libraries in Masterton, Lower Hutt, Porirua, and WelTech and Whitireia polytechnics to provide a regional library service for our community.

- Hosted an inaugural, "If you're a poet we want to know it" competition which attracted 60 entries; and
- Seven book launches were hosted by Friends of the Kāpiti Coast District Libraries.

Arts and Museums

The Council adopted the Public Art Policy in August 2013. The policy outlines why public art is important to the District and what the Council wishes to achieve for the District through public art. It provides direction for the Council, relating to public art on Council land or in Council facilities, in the areas of acquisition and commissioning; asset management; managing donated/gifted works; and relocation or removal.

The Public Art Panel was appointed and its Terms of Reference approved by the Council on 28 November 2013. The first meeting of the Panel was held on 19 March 2014. The Panel will maintain an overview of public art activity in the District.

Other Activities

Two Creative Communities funding rounds were undertaken with \$43,761(excluding GST) distributed to the community.

Another successful Kāpiti Arts Trail was completed with 270 artists and arts groups demonstrating, exhibiting and selling their work.

Kāpiti museums held a successful Discover Kāpiti Heritage Day in January 2014, which attracted more than 600 people.

Military photographic displays, with a World War One theme were held at each library in the last quarter of the financial year. A World War One

Bookmark competition was completed in April 2014 with great success.

Exhibition art spaces at Paraparaumu, Waikanae and Ōtaki Libraries were fully booked. More than fifty artists have exhibited at the libraries in the past twelve months.

New Zealand Festival of the Arts events were held in Ōtaki, Waikanae, Paraparaumu and Paekākāriki and were well-attended and enjoyed. As part of the Festival's Visual Arts programme, Mahara Gallery, the District's Public Gallery held an exhibition of the entire Field Collection of works by Frances Hodgkins.



Finale of the Summer Reading programme, Paraparaumu Library 2014.



Sophie and the robot she made at one of the library's summer activity days.



Making Photoframes, a school holiday activity at the library.



Enthusiastic readers, Olivia and Rayner.



KEY PERFORMANCE INDICATORS

Libraries, Arts and Museums				
Level of Service	Measure	2013/14 Target	Result Achieved	Year End Result
Libraries				
Collections provide current information and a constant choice of new materials.	Collections are refreshed with 350 new items added to the collections per annum per 1,000 population.	17,186 items	17,919	Achieved 17,919 new books added to library collections which equates to 365 books per 1000 population (49,104).
Libraries offer a range of materials and spaces to meet demand.	At least 50% of the Kāpiti Coast District population has utilised the libraries in the past two years.	50%	52%	Achieved 25,684 of 49,104 Kāpiti residents have checked out library items in the last two financial years.
Heritage Collection is available electronically, and originals held within the region.	At least 250 Heritage Collection items are digitised per year.	250	88	Not Achieved Digitisation of photographic collection is on hold until staff have been trained in the use of a new archival software system. One training session has been held and a procedure manual is being developed. The archive box contents of 13 community organisations have been listed and added to Past Perfect – these records will be imported in to the new archival software system. 75 records relating to historical periodicals and ephemera added to Past Perfect.
Art and Museums				
Art is installed at appropriate community spaces to meet community expectations.	At least one item of public art is commissioned every two years.	Achieve	Achieved	Achieved Public Art Panel and Terms of Reference approved. First meeting held 19 March 2014.
Opportunities to recognise art and promote artists are supported.	The numbers of artists participating in the annual Arts Trail increases annually.	More than 250	270	Achieved Over 270 artists and groups registered for the 2013/14 Kāpiti Arts Trail.

LIBRARIES, ARTS AND MUSEUMS ACTIVITY

Contributions to Community Outcomes and Links to Community Interests

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

This links to the community's social and cultural interests as libraries foster learning, education and cultural awareness. They also can be a major source of information about community planning projects happening in the District and general information about the environment.

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

The Arts and Museums sub-activity contributes to Outcome 5 in terms of building capacity and businesses to attract paying visitors and tourists to arts and museum events. It contributes to Outcome 7 in terms of general contribution to cultural activities.

Progress in 2013/14

- The increased use of libraries including use of the library website and computers, attendance at programmes and events, and the success of the Kāpiti Heritage Trail demonstrates strong community involvement and contributes to Community Outcome 7.
- The ongoing success of the Kāpiti Arts Trail contributes to Community Outcome 2.



Tea & Tales, one of the regular events held at Paraparaumu Library for older members of the community.



LIBRARIES, ARTS AND MUSEUMS

Statement of Cost of Activity

2012/13 Actual \$000		2013/14 Actual \$000	2013/14 Budget \$000
	Expenditure		
217	Finance Expense	218	206
617	Depreciation and Amortisation	613	604
3,213	Other Operating Expense	3,228	3,382
4,047	Operating Expenditure	4,059	4,192
	Revenue		
36	Operating Grants	36	33
15	Development and Financial Contributions	-	56
190	Fees and Charges	221	222
-	Finance Revenue	-	-
59	Other Operating Revenue	36	60
300	Operating Revenue	293	371
3,747	NET OPERATING COSTS	3,766	3,821
	Capital Items		
450	Asset Construction/Upgrades	476	702
43	Renewals of Existing Assets	51	218
493	Total Capital Items	527	920
4,240	NET COST OF ACTIVITY	4,293	4,741
3,959	Rates	3,843	4,087
40	Borrowings	-	202
241	Depreciation Reserve	356	452
-	Movement in Reserves	94	-
4,240	TOTAL SOURCES OF FUNDS	4,293	4,741

LIBRARY ARTS AND MUSEUMS

Detail of Significant Expenditure on Acquisition and Replacement of Assets

	2013/14 Actual \$000	2013/14 Budget \$000
Material Additions		
Library books, CDs, DVDs and periodicals.		
Purchase of materials to ensure that the community has free access to current and historical library materials in sufficient quantities and in a variety of appropriate forms.	472	434

PARKS AND OPEN SPACE

Ngā Papa Rēhia me ngā Wāhi Maho Māhorahora

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

KEY RESULTS

- ✓ Ground works to establish up to eight sports fields on the Howarth Block have been completed with structural tree planting started and grass sown. The first sporting events on the new fields started in April 2014.
- ✓ The draft Reserve Management Plan for the Howarth Block has been developed. The relevant community boards and the Council have been briefed and the plan has been released for community consultation. Submissions close in early August 2014 after which they will be considered by the two community boards and the Council before the adoption of the plan.
- ✓ The development of Tilley Road Reserve, Paekākāriki was completed including an off-road car park and sports fields for junior sport.
- ✓ The Pots Reserve in the Ōtaki Gorge was developed with a car parking area and restoration planting.
- ✓ The walking loop around Harautai Park was completed.
- ✓ The playground in Parakai Street Reserve, Paraparaumu was replaced in April 2014.
- ✓ The play area in Victor Weggery Reserve, Waikanae was upgraded. Work was completed in May 2014 with most of the existing play equipment refurbished and repainted and other pieces replaced.
- ✓ Restoration planting continued in the Pharazyn reserve and a Flying Fox was installed as a result of a \$31,000 donation from the Pharazyn Trust.
- ✓ Development commenced on Ngawhakangutu Reserve in Peka Peka.
- ✓ The Waikanae Memorial Park tennis court fence was replaced.
- ✓ A half-basketball, half-netball court was constructed at Kaitawa Reserve.



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

To this end, the following major projects were undertaken in the 2013/14 year.

Howarth Block

The Council has now purchased a total of 60 hectares of what was previously Turf Farm/Howarth Block land between Otaihanga Road and the Waikanae River for a new reserve.

An area sufficient for up to ten junior sports fields (or five senior ones) has been developed on this new reserve land with structural tree planting started and grass sown. Four sports fields have been in use so far, with the first used for children's football games in April 2014. They have been in regular use since with 30 junior games and two senior games scheduled over the period to end June 2014.

A draft Reserve Management Plan for the new reserve land has been developed. The relevant community boards and the Council have been briefed and it has been released for community consultation. Submissions closed in early August 2014 after which they were considered by the two community boards and the Council before the final adoption of the plan.

Haruatai Park

Work continued on the walking loop track around Haruatai Park in Ōtaki. Two new picnic tables were installed in the park playground.

Pharazyn Reserve

Restoration planting continued in the Pharazyn reserve and a flying fox was installed as a result of a \$31,000 donation from the Pharazyn Trust.

Tilley Road Reserve

Development of the Tilley Road Reserve junior sports ground in Paekākāriki was completed earlier this year and was open for play in the 2014 season. The ground included a car park and a public toilet in an existing building within the park.

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

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

Pots Reserve

The Pots Reserve in the Ōtaki Gorge was developed with a car park area established and restoration planting undertaken. Physical works were completed in March 2014 although further restoration planting took place through to the end of June 2014.

Playground Upgrades

The following children's playgrounds were upgraded:

- Parakai Street Reserve, Paraparaumu;
- Victor Weggery Reserve, Waikanae; and
- Play area adjacent to the Information Centre on SH1, Ōtaki.

Other Upgrades

The following sports and other facilities were upgraded in the review period:

- Outdoor basketball court in Kaitawa Reserve;
- Replacement softball diamond fences at Ati Awa Park; and
- Maclean Park duck pond replacement edging.

KEY PERFORMANCE INDICATORS

Parks and Open Space				
Level of Service	Measure	2013/14 Target	Result Achieved	Year End Result
Residents in urban areas live reasonably close to a recreation facility (including other publicly owned space).	85% of residential dwellings in urban areas are within 400 metres of a publicly owned open space.	85%	96%	Achieved Some gaps were reported in the Open Space Strategy. As opportunities arise through the subdivision process, gaps will be addressed where possible. The 96% progress achieved reflects Council-owned land only. It does not yet include recently purchased land such as the Howarth Block or other publicly owned land (e.g. Department of Conservation or Ministry of Education land).
Each ward in the District has open spaces suitable for a range of physical and mental abilities.	Each ward has open spaces that provide an equivalent experience for all visitors regardless of any limit to their abilities.	Achieve	Achieved	Achieved Each ward has open spaces that provide experience for all visitors regardless of any limit to their abilities. The Park Check User Survey in January – February 2014 recorded a result of 91% of park users in all wards satisfied that open spaces provide an equivalent experience for all visitors regardless of any limit to their abilities.
A range of active recreation facilities is available throughout the District both during and after business hours.	85% of residents are satisfied with the current time availability of facilities.	85%	87%	Achieved The Resident Opinion Survey (June 2014) undertaken in June 2014 recorded 87% of respondents satisfied that sports grounds and associated facilities are available at suitable times. The Park Check User Survey undertaken in January – February 2014 also recorded 87% satisfied with the time availability of facilities. (2013 Park Check User Survey result 100%)
Open spaces offer a range of environments of different characters.	75% of residents are satisfied with the range, variety and character of Council-owned parks and open spaces.	75%	93%	Achieved The Resident Opinion Survey (June 2014) resulted in 93% satisfied. The Park Check User Survey recorded a result of 96% satisfied. (2013 results for both the Park Check User survey and the Resident Opinion Survey were 96%)



PARKS AND OPEN SPACE ACTIVITY

Contributions to Community Outcomes and Links to Community Interests

The Parks and Open Space Activity contributes to the overall natural area of the District and has the capacity to build on the green and riparian networks of the District (Outcomes 1 and 4).

Key parks and the coastal reserves play a major part in supporting biodiversity, contributing to Outcome 1. The quality, location and design of local parks contribute to the character and quality of centres and neighbourhoods, contributing to Outcome 2. Both passive and active reserves contribute directly to the health of individuals and communities (Outcomes 6 and 7).

Progress in 2013/14

- Continued support and improved relations with various community groups including community 'Friends' groups involved in planting over 35,000 native plants and taking part in restoration projects linked to the community's social and environmental interests and contributed to Community Outcomes 1, 2, 4 and 7.
- The development of the management plan for the Howarth Block contributed to Community Outcomes 1 and 2.



Junior football taking place on the new playing fields on the reserve on the Howarth Block. There is considerable potential for new recreation activities on this reserve.

PARKS AND OPEN SPACE

Statement of Cost of Activity

2012/13 Actual \$000		2013/14 Actual \$000	2013/14 Budget \$000
	Expenditure		
100	Finance Expense	138	132
831	Depreciation and Amortisation	913	864
3,439	Other Operating Expense	4,252	3,626
4,370	Operating Expenditure	5,303	4,622
	Revenue		
397	Development and Financial Contributions	-	222
152	Fees and Charges	143	84
811	Operating Revenue	143	306
3,559	NET OPERATING COSTS	5,160	4,316
	Capital Items		
1,450	Asset Construction/Upgrades	1,082	1,971
86	Renewals of Existing Assets	144	217
1,536	Total Capital Items	1,226	2,188
5,095	NET COST OF ACTIVITY	6,386	6,504
4,182	Rates	4,595	4,537
467	Borrowings	961	1,145
821	Depreciation Reserve	91	894
(375)	Movement in Reserves	739	(72)
5,095	TOTAL SOURCES OF FUNDS	6,386	6,504

PARKS AND OPEN SPACE

Detail of Significant Expenditure on Acquisition and Replacement of Assets

	2013/14 Actual \$000	2013/14 Budget \$000
Howarth Block		
The draft reserve management plan developed with input from the stakeholder working group. Eight sports fields constructed; the car park at the entrance; drain realignment; waterway bank re-contouring; the framework tree planting and the structural engineer's survey of the stables building. Riparian planting established on the stream margins adjacent to the entrance.	246	211
Pharazyn Reserve		
Work is continuing on the development of the reserve in line with the detailed development plan.	69	113



SOLID WASTE

Para Ūtonga

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

KEY RESULTS

- The Council ceased kerbside collection in Kāpiti from 1 October 2013. Since then all kerbside collections (pre-paid bags, wheelie bins and recycling) in Kāpiti have been provided by the licensed local collectors.
- Monitoring of kerbside collections has intensified to monitor compliance with the collection licences and the Solid Waste Bylaw.
- From 1 December 2013 the Council is no longer operating the Ōtaki Transfer Station. The site is now leased by Envirowaste who are also setting the gate fees. The station has been renamed the Ōtaki Resource Recovery Centre to reflect its improved focus on waste minimisation. The opening hours have not changed.
- Ministry for the Environment audit of Council's levy spending concluded that the Council is complying with the requirements of the Waste Minimisation Act 2008.
- The Wellington Regional Education Strategy was finalised, approved and three of its actions were initiated.
- A variation to the Otaihangā Landfill consent was approved and a new Landfill Management and Closure Plan for Otaihangā Landfill, including a new environmental monitoring plan, was finalised and submitted in early 2014 to meet the new consent conditions.
- An agreement was reached with a local contractor in May 2014 to provide material needed to complete the final capping to seal the Otaihangā Landfill. This has resulted in significant cost savings for the Council.
- The contestable waste levy funding process was successfully completed in March 2014, awarding funding to eight community projects and two business projects to a total of \$42,252 (excluding GST).
- The Zero Waste Education programme was delivered in Waikanae Primary School covering all years. The feedback of the 465 pupils reached with this programme was very positive and enthusiastic.



Kerbside Collection Services

Council ended its kerbside collection services in Kāpiti last year and from 1 October 2013 all kerbside collections in Kāpiti have been provided by local collectors.

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

Collections monitoring has increased to fortnightly monitoring of collector's performance in the public area. Any issues and complaints are immediately communicated with the collectors.

Ōtaki Resource Recovery Centre

Envirowaste took over operation of the Ōtaki Transfer Station on 1 December 2013 on the basis of a five-year lease to operate agreement.

The facility has been renamed the Ōtaki Resource Recovery Centre to reflect its improved focus on waste minimisation. There has been no change to opening hours and Envirowaste did not change the gate fees during 2013/14. Any proposed fee changes would need to be consulted on with the Council.

From 1 December 2013 land adjoining the Ōtaki Resource Recovery Centre has been leased to Silaca Glass Crushers to enable their long term operation in Ōtaki.

Waikanae Recycling Centre

Council continued to contract the management of the recycling drop-off station with Composting New Zealand (CNZ). CNZ manages the greenwaste drop off on its own account and sets the greenwaste fees. A small retail outlet is available for compost related products.

A ramp was constructed to enable easier access to the drop-off slots for various recyclables. The glass drop-off was improved and an Ōtaki-based plastics recycling facility is now re-using the plastics from Waikanae to produce new products.

Greenwaste

Composting New Zealand continued to set greenwaste fees by volume and continued to process all the greenwaste districtwide.

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

- promoting effective and efficient waste management, as required by the Waste Minimisation Act 2008;
- licensing of waste collectors and operators in Kāpiti;
- monitoring of compliance with license and bylaw requirements;
- enabling and monitoring the provision of resource recovery services facilities in Otaihanga and Ōtaki, including asset management;
- providing a greenwaste and recycling drop-off centre in Waikanae;
- managing the (part-closed) Otaihanga Landfill;
- working with Greater Wellington Regional Council to ensure the landfill operation and aftercare development meets environmental requirements;
- initiating, developing and encouraging waste minimisation activities and education; and
- implementation of Wellington Region Waste Management and Minimisation Plan.

Wellington Regional Waste Management and Minimisation Plan

Early in 2014 the Regional Education Strategy was approved, which was one of the regional actions set out in the Plan. Since then work on education actions has begun, with the most significant, being phase one of a Regional Food Waste Survey.

In collaboration with Auckland City Council and a national body representing the waste sector, this project has now evolved to a national level which is a good result. The next phases will be done in 2014/15 together with other planned actions under this strategy. The Council is funding regional actions with the waste levy received from the Ministry for the Environment.

Waste Minimisation

The Council continued to implement its waste minimisation and education action plan with waste levy income provided by the Ministry for the Environment. The Ministry carried out an audit of



Council's levy spending in November 2013. The audit concluded that Council is complying with the requirements of the Waste Minimisation Act 2008.

In line with this plan, the Council has taken an active role and/or facilitated a number of waste minimisation activities throughout the past year, including: zero waste education in schools; recycling education; waste audits for households; zero waste operation of Council offices; regional education actions such as Nappy Lady workshops and food waste investigation.

The Zero Waste Education programme was delivered in Waikanae Primary School this year in 17 classes, four lessons per class. The feedback of the 465 pupils reached with this programme was very positive and enthusiastic.



Worm farm education at Raumati South School.

Phase one of the regional food waste investigation was completed in May 2014. This will be followed by Phase two, consisting of kitchen diaries and a behavioural survey in August/September 2014. The Council is co-funding this work using waste levy funds.

Waste Levy

Under the annual waste levy allocation process, the Grants Allocation Committee awarded \$12,252 for a total of eight applications for Community Projects and \$30,000 under the business seed funding category.

Most community projects focused on organic waste reduction and are being carried out by schools, Greenest Neighbourhood competitors and a retirement village.

The business seed funding has co-funded part of the retirement village organic waste project and

the manufacture of a mobile tyre cutter that will form part of a new tyre recycling business that is currently being established in Ōtaki.

Otaihanga Landfill

A variation to the Otaihanga Landfill consent was approved by Greater Wellington Regional Council and a new Landfill Management and Closure Plan for Otaihanga Landfill, including finalising a new environmental monitoring plan, to meet the new consent conditions.

An invited tender was sent out in May 2014 for the operation of Otaihanga Landfill and a new operational contract has been entered into with Composting New Zealand (CNZ) from 1 July 2014. The contract covers the day-to-day operation of adding the Council's biosolids to the landfill.

Additional land on top of the landfill has been leased to CNZ on an annual basis to allow for more stockpiling required as a result of the Expressway construction and associated work.

Landfill Cap

An agreement securing the full volume of clay type-capping material for the final cap construction on the landfill was finalised in May 2014, resulting in significant cost savings to Council. Negotiations were initiated to source other capping materials from local providers and are ongoing.

Pre-approved capping materials that meet the specifications of the Landfill Management Plan have been accepted for free disposal. It is the intention to source capping materials in this manner as long as volumes are required.



Glass crushing at the Otaihanga Landfill.

KEY PERFORMANCE INDICATORS

Solid Waste				
Level of Service	Measure	2013/14 Target	Result Achieved	Year End Result
Ensure all collection providers are licensed and operate in compliance with the Solid Waste Bylaw.	Performance survey results show that collection service providers are compliant with the Solid Waste Bylaw and licensing requirements.	All collectors licensed Compliance with Bylaw	100%	Achieved All collectors' licences have been reviewed and issued for 2013/14. Surveys were carried out; compliance was achieved.
Reduce waste to landfill.	Waste analysis every three years, (base year 2010), shows a reduction of waste (tonnes) to landfill.	Less than 20,092 total tonnes to landfill	21,655 total tonnes in 2013	Not Achieved 21,655 total tonnes to landfill in 2013. Waste analysis shows a slight increase in kerbside waste to landfill however there is an overall per capita decrease from 208kg to 206 kg. All waste excludes biosolids. Next waste analysis planned in 2016. KPI to be reviewed in 2015 LTP process to reflect the impact of population increases on waste volumes.
Reduce waste to landfill.	Annual report on waste streams (tonnes) shows a reduction.	Achieve	1,545 tonne increase	Not Achieved Annual Report on waste streams shows an increase of 1,545 tonnes to 26,824 tonnes in 2013/14 (compared to 25,279 tonnes in previous year). Waste diverted from landfill has increased by 585 tonnes to 12,483 tonnes in 2013/14 (11,898 tonnes in previous year). KPI to be reviewed in 2015 LTP process to reflect the impact of population increases on waste volumes.

SOLID WASTE ACTIVITY

Contributions to Community Outcomes and Links to Community Interests

The Solid Waste Activity contributes to Outcome 4 via an overall focus on waste minimisation and beneficial re-use of waste products.

The activity also supports the emergence of local waste minimisation and recycling businesses, contributing to Outcome 5. This activity links to community economic and environmental interests.

Progress in 2013/14

- The Progress towards Community Outcome 4 occurred through weekly kerbside waste and recycling collection.
- The development of the Transfer Station at Ōtaki into a Resource Recovery Facility provided for an increasing amount of waste diversion, also contributing to Community Outcome 4.



SOLID WASTE

Statement of Cost of Activity

2012/13 Actual \$000		2013/14 Actual \$000	2013/14 Budget \$000
	Expenditure		
185	Finance Expense	175	161
77	Depreciation and Amortisation	414	57
2,260	Other Operating Expense	923	1,170
2,522	Operating Expenditure	1,512	1,388
	Revenue		
2,504	Fees and Charges	619	1,115
2,504	Operating Revenue	619	1,115
18	NET OPERATING COSTS	893	273
	Capital Items		
86	Asset Construction/Upgrades	189	189
86	Total Capital Items	189	189
104	NET COST OF ACTIVITY	1,082	462
35	Rates	198	323
86	Borrowings	189	189
58	Depreciation Reserve	-	59
(75)	Movement in Reserves	695	(109)
104	TOTAL SOURCES OF FUNDS	1,082	462

Solid Waste

Detail of Significant Expenditure on Acquisition and Replacement of Assets

	2013/14 Actual \$000	2013/14 Budget \$000
Land Development		
Management of landfill aftercare – application for new resource consent underway.	179	159

STORMWATER MANAGEMENT

Whakahaere Wai Āwahā

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

KEY RESULTS

- ✓ Completed stream-protection works on the Kākāriki Stream, adjacent to SH1 in Waikanae, in September 2013.
- ✓ Completed Paraparaumu Beach Local Catchment Upgrades in December 2013.
- ✓ Completed the new Te Roto Wetland Reserve project. The project was designed to treat industrial contaminants, achieving better quality stormwater run-off to the Mazengarb Stream and Waikanae estuary.
- ✓ The professional services contract for the Ōtaki Beach pump station has been awarded and detailed design is underway.
- ✓ The Waikanae north stormwater development has been put on hold so that these works can coincide with the SH1 revocation process. This timing change is expected to result in significant budget savings.
- ✓ Meetings have been held with representatives of Friends of the Paekakariki Streams, Grow Paekakariki, Greater Wellington Regional Council (GWRC) and Kāpiti Coast District Council staff to clarify water quality issues and potential ecological improvements for the Te Puka and Wainui Streams. The Council has agreed to monitor these streams on a monthly basis and email the results to the key stakeholders. The Council has clarified the division of responsibilities between itself and GWRC in regard to these streams and is helping facilitate other issues that the stakeholder groups have raised.



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

Expected climate change impacts are incorporated into the Council's management and design of stormwater infrastructure assets and all new flood plain management work. Climate change brings key risks around increases in rainfall intensity during heavy rainfall and challenges from projected rising ground water levels.

The Greater Wellington Regional Council is responsible for flood protection associated with the major rivers.

Te Roto Wetland Reserve

Phase one of the new stormwater treatment project, the Te Roto Wetland Reserve, was completed in August 2013. The wetland is designed to treat contaminants from the nearby industrial estate, achieving better quality stormwater run-off to the Mazengarb Stream and Waikanae estuary.



Relocating a giant Kokopu further upstream at Te Roto.

Kākāriki Stream and Awanui Drive Upgrade

As part of the Waikanae Township Stormwater Upgrade, project stream protection works on the Kākāriki Stream, adjacent to SH1 in Waikanae, were completed in September 2013.

Further planned work on the Waikanae North stormwater development has been put on hold until 2017/18 so that these works can coincide with the SH1 revocation process. The coordination of these projects is expected to result in significant budget savings.

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

- identifying flood prone areas and/or reviewing known trouble spots;
- identifying and designing possible solutions and setting priorities for works (based on greatest benefit for least cost) to protect property, public health and the environment;
- maintenance of existing stormwater system – pipes, streams and storage facilities;
- undertaking capital works projects – increasing the size of the existing system or building new systems;
- managing stormwater effects on water quality, by treating and disposing of stormwater run-off in urban areas; and
- undertaking flood hazard modelling, incorporating the effects of climate change impacts and the increased risk of heavy rainfall events.

Paraparaumu Beach

Construction of the Paraparaumu Beach local catchment upgrades was completed in December 2013. This upgrade significantly alleviated a regular flooding problem by rerouting storm flows away from the Titoku Stream which is affected by tidal conditions.

Ōtaki Beach Pump Station

The professional services contract for the new pump station at Moana Street, Ōtaki Beach, has been awarded and detailed design work is underway. The start of construction has been deferred by six months so that works commence in the 2014/15 year in order to reduce the funding impacts for 2013/14. Once constructed the pump station will mitigate the flood risk to a significant number of properties in that area.

Tilley Road Stormwater Upgrade

The scheduled stormwater upgrade in Tilley Road, Paekākāriki, to alleviate frequent flooding has also been deferred to reduce funding impacts for 2013/14. The physical works construction contract is now planned to be undertaken in 2015/16. A professional service agreement has been entered into to initiate the design process.

KEY PERFORMANCE INDICATORS

Stormwater Management				
Level of Service	Measure	2013/14 Target	Result Achieved	Year End Result
Risks to human life and health from flooding are minimised.	Residents perceive that their physical safety is safeguarded by the stormwater system during design standard events. ⁽¹⁾	Achieve	83%	Achieved Residents Opinion Survey (June 2014) result was 83% in June 2014. The KPI target is currently unspecified. This will be reviewed in next year's LTP. (June 2013 result was 92%)
Stormwater systems do not harm the downstream receiving environment.	Environmental audits show an improving trend in stormwater quality year-on-year.	Achieve	-	Ongoing/On Target Consent monitoring report to be submitted to Greater Wellington Regional Council in September 2014 as 2013/14 reports are being combined to allow change of conditions to the consent to be processed. Ongoing monitoring will be carried out throughout the year.
Detention and distribution systems minimise negative effects on natural systems.	Water quality improvement measures – for example, riparian planting and treatment devices – are considered in all new stormwater designs and upgrades.	100%	100%	Achieved Water quality improvement measures are being considered in the Expressway process, Kāpiti Airport developments and all upgrades.
The Council responds to requests for help in a timely and professional manner.	90% of all buildings that have been inundated due to minor flooding are visited within four weeks.	90%	97.6%	Achieved 204 of 209 stormwater requests have been responded to in time.
The Council responds to requests for help in a timely and professional manner.	98% of all urgent requests about flooding are responded to within 24 hours.	98%	100%	Achieved No urgent requests received.

⁽¹⁾ Notes

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



STORMWATER MANAGEMENT ACTIVITY

Contributions to Community Outcomes and Links to Community Interests

The primary function of the Stormwater Management Activity is the removal of stormwater run-off and safe disposal into receiving environments. As such, it contributes directly to individual and community health and safety (Outcome 7).

However, the way it is managed and the quality of design of the stormwater systems contribute to the protection and enhancement of ecosystems and the environment in terms of planting and water quality protection (Outcome 1). The cumulative effect this low-impact design has is a major contribution to urban amenity and character (Outcome 2).

The potential re-use of stormwater can contribute to efficient use of the water resource and reduced energy costs from pumping (Outcome 4). The open drain systems and secondary overflow paths

also contribute as recreation areas (Outcome 7).

Finally, decisions about stormwater service levels have major implications for decisions about growth management (Outcome 3) and link to community economic, social and environmental interests.

Progress in 2013/14

- Stormwater upgrades in Paraparaumu Beach contributed to Community Outcomes 2, 3, 4, and 7 through the reduced exposure to flood risk. This activity linked directly to the community's economic and social interests.
- The new Te Roto Wetland Reserve improved the quality of stormwater run-off and reduced environmental effects on the receiving environments of the Mazengarb Stream and Waikanae Estuary. This contributed to Community Outcomes 1 and 7.



Stormwater upgrade project, Middleton Road, Paraparaumu Beach. This project has relieved ongoing flooding issues.

STORMWATER MANAGEMENT

Statement of Cost of Activity

2012/13 Actual \$000		2013/14 Actual \$000	2013/14 Budget \$000
	Expenditure		
932	Finance Expense	951	975
1,057	Depreciation and Amortisation	1,150	933
1,178	Other Operating Expense	1,214	1,344
3,167	Operating Expenditure	3,315	3,252
	Revenue		
109	Development and Financial Contributions	40	110
49	Fees and Charges	55	52
158	Operating Revenue	95	162
3,009	NET OPERATING COSTS	3,220	3,090
	Capital Items		
2,160	Asset Construction/Upgrades	397	2,756
253	Renewals of Existing Assets	436	727
219	Additional Loan Repayment	143	143
2,632	Total Capital Items	976	3,626
5,641	NET COST OF ACTIVITY	4,196	6,716
3,119	Rates	3,322	3,344
2,208	Borrowings	490	3,096
108	Depreciation Reserve	342	276
206	Movement in Reserves	42	-
5,641	TOTAL SOURCES OF FUNDS	4,196	6,716



STORMWATER MANAGEMENT

Detail of Significant Expenditure on Acquisition and Replacement of Assets

	2013/14 Actual \$000	2013/14 Budget \$000
Districtwide (projects that benefit the District)		
Waikākāriki Stream Gravel Extraction. Required flood protection and associated gravel extraction works on the Waikākāriki Stream. The project was delayed due to negotiations still taking place. A carry-over to 2014/15 was required.	7	310
Paraparaumu/Raumati		
Paraparaumu Beach Local Catchments Upgrade – completed December 2013.	481	416
Waikanae		
Kākāriki SH1 and Awanui Stormwater – Upgrades in Waikanae township area. Design and initial work was completed. Any further work deferred because it is dependent on Waikanae North development which has not yet been finalised.	29	807
Ōtaki		
Ōtaki Beach Pump Station. Major upgrade to Ōtaki Beach Stormwater system with the construction of a Replacement pump station and upgraded gravity system. Property purchased and preliminary design completed. Physical works deferred to reduce costs and impact on rates. A carry-over to 2014/15 was required.	238	1,668



The Te Roto Wetland Reserve is designed to treat contaminants from the nearby industrial estate, achieving better quality stormwater run-off to the Mazengarb Stream and Waikanae estuary.

SUPPORTING ENVIRONMENTAL SUSTAINABILITY

Te Tautoko turuki Taiao

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

KEY RESULTS

- ✓ The results of the audit under the Carbon Emissions and Reductions Scheme (CEMARS) show a 48% reduction in emissions for 2012/13 compared with the baseline year of 2009/10. Certified results for 2013/14 will be available mid-2014/15.
- ✓ The provisional result for the Council’s corporate carbon footprint in 2013/14 was 6,946 tonnes of CO₂ equivalent. Although slightly higher than the same period in 2012/13, it is still 456% below the 2009/10 baseline year. The Council is on track to achieve its 2014/15 target of 45% emissions reduction.
- ✓ The Council won the Community and Public Sector categories in the May 2014 Energy Efficiency and Conservation Authority Awards, and was highly commended in the Energy Management category.
- ✓ The Council also won the Reducing Our Greenhouse Gas Emissions Category at the Ministry for the Environment Green Ribbon Awards in June 2014. This was for work relating to energy saving and carbon reduction both within the Council and the wider community.
- ✓ Held nine Getting On To It workshops on topics such as home renewable energy generation, emergency preparedness, and environmentally conscious gardening.
- ✓ The Sustainable Home and Garden Show held in March 2014 had over 9,000 visitors across the two-day event. The show continues to draw a very positive response from the Kāpiti community and further afield.
- ✓ Kāpiti Coast’s Greenest Neighbourhood Competition was won by Ames Street in Paekākāriki. They had scored highest in the community category and had reduced their collective environmental footprint by 18%.
- ✓ Established two local working groups in Paekākāriki and Raumati to address the consequences of potential climate change effects.
- ✓ The electric refuse truck was brought into service in May 2013 for Council collections from public litter bins, and has been in regular daily use in Ōtaki and Waikanae.



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

Reducing Council's Greenhouse Emissions

The Kāpiti Coast District Council was the first council in the country to gain admission to the prestigious carbon Emissions and Reduction Scheme (CEMARS) run by Landcare Research.

The result of the 2012/13 CEMARS energy audit (carried out in 2013/14) shows a 48% reduction in emissions compared to the baseline year of 2009/10. This is a significant increase on the 27.3% reduction reported for the 2011/12 year.

As a result, the Council is slightly ahead of its objective of reducing operational greenhouse gas emissions by 45% in 2014/15 (compared to the baseline year) although there are still challenges ahead to ensure that is achieved.

Projects undertaken in 2013/14 that will contribute to improving the energy efficiency of Council's operations and reducing carbon emissions were:

- Installation of presence sensors on meeting room lights in Civic Building;
- Detailed energy performance monitoring of Coastlands Aquatic Centre which has led to targeted efficiency improvements;
- Purchase of equipment for a 32kW solar photovoltaic system at Paraparaumu Wastewater Treatment Plant; and
- Concluding acceptance process for electric compactor truck project in routine daily use.

LED Streetlights

An approved list of LED (light-emitting diode) streetlight products was created following the adoption of a formal assessment procedure. A design standard for new streetlighting infrastructure has been drafted and stakeholders consulted.

The Council has installed 123 LED luminaires on the local road lighting network to date. The combined energy saving of these lights is 58%

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

- providing advice, support and policy development on energy efficiency, carbon emissions reduction, climate change and adaptation, and environmental education;
- biodiversity and environmental restoration advice, support and policy development;
- water use and conservation advice, policy development;
- delivering the annual Sustainable Home and Garden Show;
- providing households with sustainable building advice through the Eco-design Advisor;
- implementing energy efficiency projects;
- implementing community sustainability programmes such as waste minimisation; and
- supporting local working groups addressing climate change impacts.

compared to conventional technology, or 27,000 kWh per year. Installations undertaken in 2013/14 included Miro Street (Ōtaki), Olive Terrace and Iver Trask Place (Paraparaumu).

Getting On To It Workshops

A series of Getting On To It workshops were held from September to December 2013.

There was a wide range of topics covered, including: emergency preparedness; living sustainably; home renewable energy generation. energy efficient home renovation; keeping chickens; earth building; and environmentally conscious gardening. The workshops were highly rated by attendees.

Eco-design Advice

This service provides independent and impartial information on sustainable, intelligent and sensible residential building practices, and is available to all Kāpiti residents. Over the year, 234 two-hour home consultations and 267 short appointments were undertaken as well as 197 contacts/networking events.

The delivery of the Energy Efficiency and Conservation Authority (EECA) Free Insulation Warm Up New Zealand Healthy Home scheme was also promoted to Kāpiti residents which has resulted in 165 households being passed on to the insulation companies. This work has led to the involvement of an Ōtaki community group in promoting the EECA scheme into 2014/15.

Sustainable Home and Garden Show

The theme of the 2014 show was 'Bees, Butterflies and Bugs' and the show drew over 9,000 visitors.

The show included:

- No.8 Wire workshops that delivered practical and inspiring talks;
- Celebrity chef Michael van de Elzen performed live cooking and gave talks at the event;
- The Lego Eco-town event was held for the first time at the show to demonstrate eco-design principles, town planning and efficient LED street lighting; and
- 16 Waterwise School Gardens.



Lego Eco-town Civic Administration Building.

Greenest Neighbourhood Competition

The Greenest Neighbourhood competition (previously Greenest Street) was inspired by the Council's ongoing commitment to increasing sustainability and community resilience in the District. With support from the Council, groups of neighbours spent nine months competing to reduce their environmental footprint.

Three neighbourhood groups participated in the 2013/14 competition: Ames Street in Paekākāriki, Reikorangi and Waimea Lagoon neighbourhoods in Waikanae. The winning street was Ames Street which had scored the highest in the community category and had reduced their collective environmental footprint by 18% (16% in the previous two rounds).

Electric Refuse Truck

The ZEV (Zero Emission Vehicles) Enviro 9000 electric refuse truck, used to collect from public litter bins passed its acceptance tests provisionally in October 2013 and received a full pass in April 2014. All design issues were resolved at the manufacturer's expense.

It has resulted in a two-thirds reduction in energy/fuel costs compared to the old diesel truck and energy costs can be reduced further with more night charging. In the year to end June 2014 it saved 7.5 tonnes of emissions and \$2,200 of fuel costs. This will increase in 2014/15.

Water Conservation Initiatives

The Council has a number of water conservation initiatives underway aligned to support the introduction of water meters. These are set out in the Water Management Activity on page 123.

Environmental Restoration

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

Over 35,000 eco-sourced native plants were supplied by the Council for planting this year. More than 25,000 native plants were planted by community groups with support from the Council.

Energise Ōtaki

The Energise Ōtaki initiative is aimed at turning Ōtaki into a net exporter of clean energy. The Energise Ōtaki reference group had its first meeting on 13 March 2013 and has had regular six-weekly meetings since.



Key activities this year included the Cleaner Bus project and an energy audit of Ōtaki College.

Blended Fuels Solutions NZ conducted a six-month trial of diesel oil emulsion (DOE) in the bus usually running the 290 Ōtaki route. Discussions with the Bus and Coach Association and NZTA may lead to wider use of DOE. Ōtaki College uses DOE in their vans and tractor, and their science module on emulsion fuels has led to a nomination for teacher Bruce Anderson for the Prime Minister's Science Teacher's prize.

Climate Change Working Groups

Two local working groups in Paekākāriki and Raumati have been established to address the consequences of potential climate change effects. A website has been set up to keep these groups in touch and informed.

Work is ongoing with the Youth Council to engage with young people in a positive way on the issues they may have to face and a set of secondary school-level teaching resources is being developed. Internally, climate change issues are being addressed through the current Activity Plan review.

The Sustainable Home and Garden Show is a key element in the Council's commitment to raising awareness of sustainability issues and ensuring residents are informed about practical and effective examples of sustainable lifestyles and technologies.



Celebrity Chef, Mike van den Elzen in demonstration mode at the increasingly popular 2014 Sustainable Home and Garden Show.



Recycling message in one of the school garden displays at the Show.



Paekākāriki Playcentre's garden display at Show.



Gumboots recycled as flower pots in a school garden at the Show.

KEY PERFORMANCE INDICATORS

Supporting Environmental Sustainability				
Level of Service	Measure	2013/14 Target	Result Achieved	Year End Result
High quality advice is provided in the areas of water, sustainable buildings, energy conservation, and biodiversity.	85% of customers are satisfied with the services of the Green Gardener, Green Plumber, Eco-Design Advisor and Sustainable Communities Coordinator.	85%	Achieved	<p>Achieved</p> <p>Water Conservation Advice – 92% of users were satisfied or very satisfied with the service received.</p> <p>Eco-design Advice – 94% of respondents to the client survey were satisfied with the service received.</p> <p>Sustainable Communities' Coordination – 93% of attendees to the nine "Getting On To It" workshops in the last six month period rated them as 'excellent' or 'good'.</p>
New energy savings projects pay for themselves out of savings.	85% of the initial investment is returned over the planned time frame for the project.	85%	100%	Achieved
Policies and initiatives are effective in reducing the Council's carbon footprint.	Carbon emissions from Council activities show a decreasing average trend over the previous three years.	45% reduction in emissions in 2014/15 compared to 2009/10	On Target	<p>Ongoing/On Target</p> <p>48% reduction in emissions in 2012/13 compared to 2009/10 confirmed by audit.</p> <p>The provisional emissions result for the third quarter 2013/14 is 1,735 tonnes of CO₂ equivalent. This is 7% higher than in the second quarter 2012/13 but 46% below baseline.</p> <p>Based on current information operational emissions may be slightly higher in 2013/14 than in 2012/13. However, the Council remains on target to achieve a 45% reduction by 2014/15.</p>
Community groups engaged in environmental sustainability and biodiversity projects using Council resources are supported with advice and practical assistance.	85% of community groups engaged in environmental sustainability and biodiversity projects using Council resources are satisfied with the services received.	85%	Achieved	<p>Achieved</p> <p>The Council continues to receive overwhelmingly positive feedback from 100% of community groups about the service levels able to be provided over the past year following the employment of two environmental restoration officers January 2013.</p>



Supporting Environmental Sustainability				
Level of Service	Measure	2013/14 Target	Result Achieved	Year End Result
The parks and open space network and community biodiversity projects make a significant contribution to the effort to increase numbers of specimens of native, and especially endemic, plants and animals in the District.	Biodiversity projects receiving Council support result in a net increase in biodiversity and eco-sourced plants.	Achieve	Achieved	<p>Achieved</p> <p>The Biodiversity Advisor is coordinating the planting of more than 35,000 eco-sourced native plants supplied by the Council this winter, most of which have been planted. More than 25,000 additional native plants will be planted by community groups supported by Council during the same period.</p> <p>The Biodiversity Advisor is coordinating the collection and distribution of eco-sourced seed to community groups to boost the diversity and number of endemic plants grown for restoration projects.</p>

SUPPORTING ENVIRONMENTAL SUSTAINABILITY ACTIVITY

Contributions to Community Outcomes and Links to Community Interests

The Supporting Environmental Sustainability Activity is one of the primary ways the Council directly promotes a healthy environment contributing directly to Outcome 1.

Within this activity the Council is providing advice, education and practical assistance to support community action on environmental sustainability (Outcomes 1, 2, 6 and 7). This links to the community's social and environmental interests.

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

The activity focuses on energy and water conservation and sustainable resource use, including in the Council's own activities, contributing to Outcome 4. It also supports and encourages businesses that work in the technology and innovation area, promoting

Outcome 5 and linking to the community's economic interests.

Progress in 2013/14

- The Green Gardener, Water Conservation Advisor, Sustainable Neighbourhoods Co-ordinator, Eco-design Advisor, Waste Minimisation Officer and Environmental Restoration Officers provided advice and information to the community, contributing to a healthy environment and economic development and thus progressing Community Outcomes 1, 4 and 7.
- The Greenest Neighbourhood competition contributed to Community Outcome 4 by reducing the carbon footprint of competing households. The competition also fostered stronger relationships between neighbours' contributing to Outcome 7 and linking to both the social and environmental interest of the community.

SUPPORTING ENVIRONMENTAL SUSTAINABILITY

Statement of Cost of Activity

2012/13 Actual \$000		2013/14 Actual \$000	2013/14 Budget \$000
	Expenditure		
-	Finance Expense	-	2
908	Other Operating Expense	1,109	1,031
908	Operating Expenditure	1,109	1,033
	Revenue		
246	Fees and Charges	200	291
-	Finance Revenue	2	-
246	Operating Revenue	202	291
662	NET OPERATING COSTS	907	742
	Capital Items		
-	Asset Construction/Upgrades	53	708
-	Total Capital Items	53	708
662	NET COST OF ACTIVITY	960	1,450
680	Rates	888	740
-	Borrowings	53	710
(18)	Movement in Reserves	19	-
662	TOTAL SOURCES OF FUNDS	960	1,450



Kāpiti Coast District Council's electric refuse truck visits Kapiti Primary School. The electric refuse truck has resulted in a two-thirds reduction in energy/fuel costs compared with the old diesel truck.



SUPPORTING SOCIAL WELLBEING

Te Tautoko Oranga-ā-Iwi

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

KEY RESULTS

- ✓ Annual Community Grants round completed in September 2013 with 45 organisations receiving a total of \$32,688 (excluding GST).
- ✓ Positive Ageing Community Forum held on 27 September 2013.
- ✓ Youth ShoutOut awards were held in December 2013 celebrating nine very talented local young people.
- ✓ The annual Youth Fest, organised by the Kāpiti Youth Council, was held in March 2014 with over 2,000 young people attending.
- ✓ More than 30 streets/neighbourhoods across the District took part in the Council's Over the Fence Cuppas initiative for Neighbours Day Weekend 29-30 March 2014.
- ✓ Kāpiti Community Health Shuttle 5th Anniversary celebration was held.
- ✓ The Council partnered with the Wellington Curtain Bank to provide free curtains to over 32 vulnerable households in Ōtaki.
- ✓ Business stocktakes undertaken for Ōtaki and Paraparaumu/Waikanae for Youth Pathways to Employment Project. Recommendations being implemented.
- ✓ Youth2Udollars rounds completed in November 2013 and May 2014. Overall, 39 young individuals and seven youth groups were awarded a total of \$9,900 (excluding GST).
- ✓ Careers for the Future Expo showcasing the Ōtaki Innovation Hub and Clean Technology Business Park and the Youth Pathways Business forum were held as part of the Youth Pathways to Employment Project.
- ✓ Council staff working on the Youth Pathways to Employment Project helped facilitate the agreement to proceed with the proposed training facility in the former Helipro offices at Kāpiti Airport. The facility will be used to train local people for jobs on the Expressway and Transmission Gully projects.
- ✓ The Council has been working closely with the Police and Medical Officer of Health to reduce alcohol-related crime and harm and is in the early stages of developing a Local Alcohol Policy.

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

The 2013/14 work programme has focussed on, supporting the community and community groups to respond to issues in the following areas.

Reducing Alcohol Harm

Following the enactment of the Sale and Supply of Alcohol Act 2012 on 18 December 2013, the Council has been developing a Local Alcohol Policy (LAP) for Kāpiti in partnership with Police, the Medical Officer of Health and licensing inspectors. The LAP sets rules for alcohol sales, including hours of business, numbers of licensed premises and proximity to community facilities.

A survey was undertaken in March 2013 to research views in the community on how to reduce alcohol-related harm. The Council received 500 responses to that survey, the results of which contributed to the draft LAP process in May 2014. The final draft policy will be released for public consultation later in the year.

Supporting Young People

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

- Youth Pathways to Employment Project – a community youth development action group was established with the focus on developing some practical ways to give young people a chance through employment. The Council continues to employ young people through apprenticeships and a yearly cadetship. This Project also contributes to the Economic Development Activity on page 59.
- Working with Ōtaki College and the wider community, through Energise Ōtaki and the Youth Pathways to Employment Project, has been the catalyst for an innovative project that focuses on connecting young people to employment and training opportunities. This project will run in 2014/15.

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

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

- The inaugural Youth ShoutOut awards were held in December 2013. These awards publicly recognised nine young people who had shown leadership on the Kāpiti Coast.
- Five hundred young people from Ōtaki have completed a survey which gathered their thoughts and ideas for their community. The results are being used to develop an Ōtaki youth events plan and to inform other Council work in Ōtaki.
- The Council continues to support youth development and youth participation through a range of youth development initiatives such as YouthFest.
- Eight youth-led projects have received \$2,000 in total and support through the ThinkBIG youth projects initiative.
- The Council has secured central government funding to support a taitamariki-led, whanau-



centred project called Te Puawaitangi o Nga Kakano. This project started in response to the tragic alcohol-related deaths of two young men at Kāpiti Lights in 2012. Its purpose is to activate change strategies developed by young people to strengthen their development, belonging and community involvement and prevent further alcohol-related harm.

- The Council investigated the feasibility of establishing a youth centre or other place-based initiative that provides social and recreation opportunities for young people. A Youth Centre is planned for 2015 with the preferred option being to lease a building.



Chris Elise performs at the Youth ShoutOut Awards.

Supporting People with Disabilities

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

Supporting our Older People

In partnership with the Kāpiti Coast Older Persons' Council, a community forum was run with the intention of providing the opportunity for older people to engage with experts on issues that affect everyday life. Some of the topics included; personal safety and security, becoming technology savvy and driving confidently.

Age Friendly Cities

The Council is committed to an age friendly approach to its projects. This is demonstrated through key representatives actively participating in Council advisory groups such as the Road

Safety and Transport Group. Older community leaders can influence and input into Council projects such as the Town Centres Project and the redesign of Kāpiti Road and to the Council's Long Term Plan Reference Group.

Supporting Community Groups

The Council continues to fund a range of organisations through community contracts and grants. This includes:

- Te Newhanga Kāpiti Community Centre;
- Kāpiti and Ōtaki Citizens Advice Bureaux;
- Kāpiti Disability Information and Equipment Centre;
- Paekākāriki and Ōtaki Lifeguards (through Surf Life Saving New Zealand);
- Kāpiti Health Shuttle (through New Zealand Red Cross);
- Ōtaki Health Shuttle (through St John);
- Volunteer Kapiti;
- Kāpiti Safer Community Trust;
- Kāpiti Youth Support; and
- Wellington Free Ambulance and Lifelight.

Neighbours Day Aotearoa

The Over the Fence Cuppas project was supported by the Council as part of the Neighbours Day Aotearoa initiative. It provided an opportunity for neighbours to meet, get to know each other and talk about their community issues. Over 200 people took part in this event.

Several of these neighbourhood groups have gone on to take part in the 2014 Greener Neighbourhoods initiative.

Other Community Initiatives

The Council partnered with the Sustainability Trust, based in Wellington, to provide a mobile curtain service to Ōtaki residents. This initiative enabled 48 households to take advantage of this free curtain scheme.

A Community Paint-Out was run to eradicate graffiti vandalism in Paraparaumu East.

KEY PERFORMANCE INDICATORS

Supporting Social Wellbeing				
Level of Service	Measure	2013/14 Target	Result Achieved	Year End Result
The Council facilitates the community to work together and to work smarter, better meeting needs.	85% of community groups report stronger community networks and better collaboration as a result of Council involvement.	85%	-	Ongoing/On Target Community and stakeholder group surveys are undertaken biennially. Next survey will be undertaken in 2015. (2013 result 94%)
The Council provides resources to the community for capacity building and service provision focused on community priorities.	85% of community groups rate the support provided as relevant to their circumstances and needs.	85%	-	Ongoing/On Target Community and stakeholder groups surveys are undertaken biennially. Next survey will be undertaken in 2015. (2013 result 81%)
The Council provides the Youth Council, Kāpiti Coast Older Persons' Council and the Disability Reference Group with opportunities to influence the content of Council strategies, policies and project planning.	All proposed major Council strategies and projects are provided to the Youth Council, Kāpiti Coast Older Persons' Council and Disability Reference Group (Kāpiti Accessibility Reference Group) for their review and provide comment when desired to the relevant staff.	100%	100%	Achieved All proposed major Council strategies are provided to these stakeholder groups where relevant. Current opportunities where these groups have the opportunity to influence Council strategies and planning include: the Town Centres and Connectors project; the development of the community hub project; Aquatic Centre Services; the Climate Change initiative; usage and design of Parks and Open Space, in particular input into the management plan for the Howarth Block. The Youth2U Action plan and Age Friendly Cities initiative feature in Council plans at the request of these stakeholder groups.



SUPPORTING SOCIAL WELLBEING ACTIVITY

Contributions to Community Outcomes and Links to Community Interests

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

This Activity links to the social and cultural interests of the community.

Progress in 2013/14

- Projects and programmes under the Youth2U Action Plan contributed towards progress of Outcome 6. This included Youth2U Action Plan, inaugural Youth ShoutOut awards, ThinkBIG youth grants, Youth Fest and the Youth Pathways to Employment Project.
- Work with the Older Persons' Council and the Accessibility Advisory Group and supporting community groups contributed to Outcome 7. This included the annual Seniors Expo, Mobility Expo, disability responsiveness, the funding of community contracts and the \$32,688 distributed to 45 community groups through Community Grants.

The Council provides support to a wide range of community groups and initiatives as part of contributing to making Kāpiti a safer, easier and more welcoming place to live.



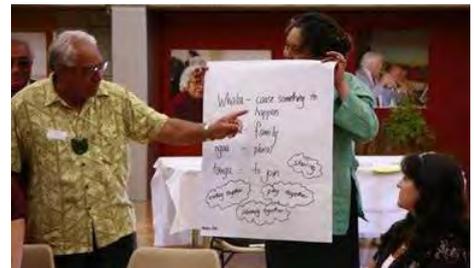
Neighbours Day celebrations, March 2014. Alexander Street residents holding up their street numbers.



Kāpiti Health Shuttle.



Youth Pathways to Employment project.



Older Persons Forum.

SUPPORTING SOCIAL WELLBEING

Statement of Cost of Activity

2012/13 Actual \$000		2013/14 Actual \$000	2013/14 Budget \$000
	Expenditure		
-	Finance Expense	-	3
1,253	Other Operating Expense	1,327	1,355
1,253	Operating Expenditure	1,327	1,358
	Revenue		
20	Fees and Charges	6	-
20	Operating Revenue	6	-
1,233	NET OPERATING COSTS	1,321	1,358
	Capital Items		
-	Renewals of Existing Assets	-	97
-	Total Capital Items	-	97
1,233	NET COST OF ACTIVITY	1,321	1,455
1,233	Rates	1,289	1,358
-	Borrowings	-	91
-	Movement in Reserves	-	6
-	Internal Transfers	32	-
1,233	TOTAL SOURCES OF FUNDS	1,321	1,455



WASTEWATER MANAGEMENT

Whakahaere Wai Para

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

KEY RESULTS

- ✓ The upgrade of the Rauparaha Pumping Station in Waikanae was completed. The project overcame unforeseen ground conditions and significant ground water intrusion. This project increases the capacity for the station in preparation for the duplicate rising main and Waikanae's future growth.
- ✓ The Milne Drive and Te Roto Rising Main and Pump Station Upgrade project in Paraparaumu was substantially completed with commissioning early 2014/15. The project provides upgrades to existing pumps and rising mains and provides emergency storage at Te Roto Drive.
- ✓ Pipe renewal in Manawa Avenue, Paraparaumu, was completed in early December 2013 addressing high ground water infiltration issues in this sewer. This will improve the operational performance of the network.
- ✓ The Waione Pumping Station upgrade was completed and commissioned providing improved operational performance with a new wet-well, control system and dual pumps.
- ✓ The Pehi Kupa Street pipe renewal in Waikanae struck problems last year when the drill head became stuck. Following several attempts to extract the head, the contractor went into liquidation. An alternative contractor has been secured and work is expected to be completed by the end of November 2014.
- ✓ The Paraparaumu Wastewater Treatment Plant drier replacement design and manufacture were completed in preparation for its installation on site in 2014/15. Installation and commissioning is programmed to be completed by end September 2014. The project will revitalise this critical piece of aging infrastructure.
- ✓ The review of the draft Biosolids Strategy short-term measures was completed addressing the limited space at Otaihanga Landfill. Medium-term options are also under review and long-term options are well progressed in preparation of the Biosolids Management Strategy.
- ✓ The desludging of the Ōtaki Wastewater Treatment Plant Earthen Anaerobic Digester (EADER) tank was completed allowing the ponds to be used for stormwater buffer upgrade. This will improve the management of storm flows at the plant.



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

The 2013/14 work programme has focused on the areas detailed below.

Consent Renewals

Enabling works to support the renewal of air and land discharge consents at Ōtaki Wastewater Treatment Plant are completed. River water monitoring bores are in place and monitoring is underway. This work will support the securing of continued effective operation of these plants.

The Waikanae Terminal Pump Station Storage Basin air and land discharge consent was renewed in June 2014 securing the operational flexibility needed to manage storm flows in the network.

Pipe Renewals

Manawa Avenue

Wastewater pipe renewal work in Manawa Avenue, Paraparaumu, was completed in early December 2013. This work addresses high-ground water infiltration into this length of sewer and will improve the operational performance of the network.

Pehi Kupa Street

The wastewater pipe renewal in Pehi Kupa Street, Waikanae, which started in May 2013, was halted when an unforeseen obstruction caused the drill head to lodge. Following several attempts to extract the head, the contractor went into liquidation in February 2014 causing further delays.

Arrangements for the completion of this project are underway with an alternative contractor secured. Commencement is programmed early in 2014-15 with completion expected by end of November 2014.

Pump Station Upgrades

Milne Drive and Te Roto Drive

The Milne Drive and Te Roto Drive Wastewater Pump Station upgrade contract was awarded in March 2014. There were delays with the project resulting from coordination of timing with the

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

- managing the operation and maintenance of the existing wastewater system – collection, reticulation and treatment facilities;
- managing the nature and impact of any discharges into the environment – air, water and land;
- investigations and planning of renewals and upgrades to meet the wastewater service requirements; and
- delivery of capital works projects – to maintain the performance of the existing system and upgrade system to improve performance and service growth.

M2PP project and resolution of access issues over private land.

Despite these and earlier delays, the project has been substantially completed following construction commencing in April 2014. The project has provided upgrades to existing pumps and rising mains and provides for emergency storage at Te Roto Drive.

Rauparaha Street

The upgrade of the Rauparaha Pumping Station in Waikanae has now been completed, the site reinstated and the contractor disestablished from site. During the project unforeseen ground conditions and significant ground water intrusion were overcome in the construction of this key infrastructure project.

This project delivers increased capacity for the station in preparation for the duplicate rising main and Waikanae's future growth needs. The final cost of the project is being finalised and is projected to remain within the overall budget.

Wastewater Treatment Plant Upgrades

Ōtaki

The upgrade work at the Ōtaki Wastewater Treatment Plant is being staged over two years. The tender accepted presents overall cost savings to the Council for the works. The remediation and decommissioning of the Earthen Anaerobic



Digester (EADER) tank including desludging, dewatering and disposal commenced in February 2014 and has been completed.

Desludging of the secondary ponds will commence in August 2014 to manage the contract within budget for the year. When complete the management of storm flows in the plant will be improved.

Paraparaumu

The Paraparaumu Wastewater Treatment Plant drier replacement design and manufacture were completed in preparation for its installation on site in 2014-15. The manufacture of the drier was delayed by additional requirements to complete design certification. Completion is now programmed for end of September 2014. This project will increase the performance reliability of this key piece of aging infrastructure.

Asset Criticality Framework

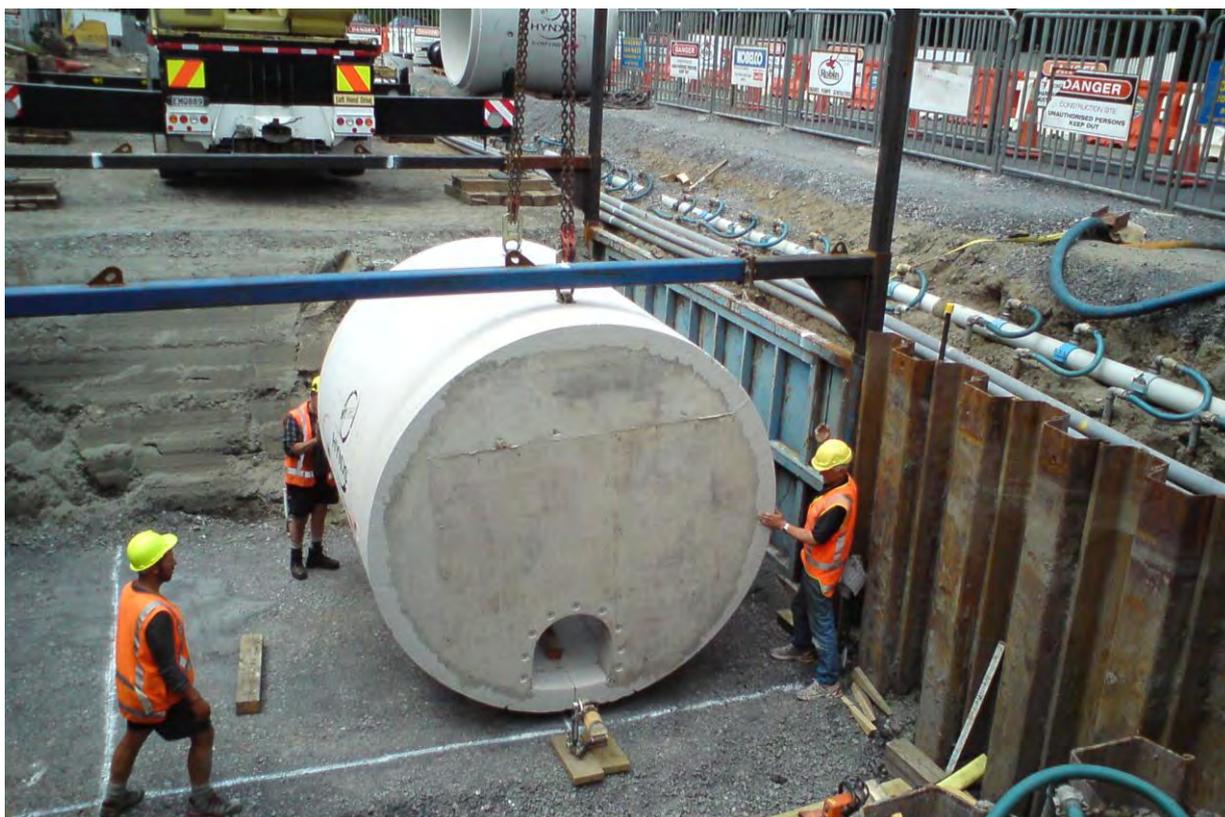
The development of an asset criticality framework is well advanced. This framework will improve the prioritisation of asset condition investigations,

renewals and upgrade planning. It will also highlight risk areas and identify critical infrastructure requirements and operational risks. This framework has been an integral input into the new Activity Management Plans (including Assets) that have been under development in the latter part of the 2013/14 financial year. These management plans, once finalised, will then form a core input into the development of next year's Long Term Plan.

Biosolids Strategy

The sewage sludge produced by the Paraparaumu Wastewater Treatment Plant is stabilised via thermal heat drying. This produces an average of 2,555 tonnes of dried biosolids per year (an average of seven tonnes per day) which is currently disposed of at the Otaihanga Landfill.

The landfill is projected to reach capacity in 2015/16 and therefore an alternative disposal option is needed. A review of the Biosolids Strategy was undertaken in 2013/14 to develop short, medium and long-term options for the management of biosolids for the District.



The Rauparaha Street Pumping Station upgrade delivers increased capacity for the station in preparation for the installation of a duplicate rising main and Waikanae's future growth needs.

KEY PERFORMANCE INDICATORS

Wastewater Management				
Level of Service	Measure	2013/14 Target	Result Achieved	Year End Result
Requests for service are addressed promptly.	95% of reported blockages, spills and breaks resolved within four hours of being reported.	95%	100%	Achieved All 110 incidents this year were responded to within four hours of being. (2012/13 result was 100%)
Quantity and range of contaminants discharged has minimal negative impact on the environment.	All effluent leaving the treatment plant meets resource consent requirements.	Achieve	Achieved	Achieved There were no effluent non-compliance incidents from the wastewater treatment plants.
Receiving natural environments are not damaged by effluent discharge and are enhanced where possible.	No more than two notifications of wastewater spills to Greater Wellington Regional Council during any 12 month period.	No more than two	5	Not Achieved There were five overflows to natural environments or notifications to the Greater Wellington Regional Council. This KPI should refer to spills from pump stations only and is to be reviewed as part of 2015 LTP process.
Service outages are less than 24 hours in duration.	Unplanned interruptions to service are addressed within four hours.	100%	100%	Achieved All 110 reported service interruptions were addressed within four hours. (2012/13 result was 100%)

WASTEWATER MANAGEMENT ACTIVITY

Contributions to Community Outcomes and Links to Community Interests

The primary contribution of the Wastewater Management Activity is to Outcome 7 in terms of protection of public health and links to the community's social and environmental interests. How this is undertaken, such as decisions about discharge of treated water to land, has implications for ecosystems health (Outcome 1) while the focus of beneficial re-use of resources contributes to Outcome 4.

The nature and extent of the wastewater network and/or on-site systems contributes to decisions about growth management (Outcome 3).

Progress in 2012/13

- The provision and upgrade of wastewater treatment plants, pipe renewals and pump station upgrades contributed to Community Outcome 1.



WASTEWATER MANAGEMENT

Statement of Cost of Activity

2012/13 Actual \$000		2013/14 Actual \$000	2013/14 Budget \$000
	Expenditure		
865	Finance Expense	741	778
2,269	Depreciation and Amortisation	2,302	2,277
4,733	Other Operating Expense	5,509	4,880
7,867	Operating Expenditure	8,552	7,935
	Revenue		
195	Development and Financial Contributions	234	142
-	Fees and Charges	30	-
-	Other Operating Revenue	1,225	-
195	Operating Revenue	1,489	142
7,672	NET OPERATING COSTS	7,063	7,793
	Capital Items		
206	Asset Construction/Upgrades	924	1,583
1,716	Renewals of Existing Assets	2,189	3,199
1,922	Total Capital Items	3,113	4,782
9,594	NET COST OF ACTIVITY	10,176	12,575
7,401	Rates	7,124	7,935
1,033	Borrowings	761	2,456
1,793	Depreciation Reserve	2,350	2,184
(633)	Movement in Reserves	(59)	-
9,594	TOTAL SOURCES OF FUNDS	10,176	12,575

WASTEWATER MANAGEMENT

Detail of Significant Expenditure on Acquisition and Replacement of Assets

	2013/14 Actual \$000	2013/14 Budget \$000
Wastewater Waikanae		
Rauparaha Wastewater Pump Station Emergency Storage – Stage 2 – completed May 2014.	728	883
Joint Waste Paraparaumu/Raumati		
Pehi Kupa Street wastewater pipe renewal. Additional spend still required in 2014/15 to complete. Construction work deferred due to liquidation of the major contractor. Arrangements for the completion of the project were underway.	23	-
Paraparaumu Wastewater Treatment Plant Drier Replacement. Bulk materials delivered to the workshop in preparation for manufacturing. Additional requirements to complete design certification have delayed the manufacturing. Completion is programmed for end of September 2014. A carry-over to 2014/15 was required.	258	494
Various pump station renewals – Milne Drive pumping station upgrade underway and to be completed in 2014/15. A carry-over to 2014/15 was required. Tasman pumping station upgrade deferred as budget needed for reactive repairs to Mazengarb pumping station inlet.	119	286
Wastewater Ōtaki		
The dredging of sludge from the oxidation lagoons and dewatering on site using geobags. Physical work commenced in February 2014 and to be completed in 2014/15. A carry-over to 2014/15 was required.	270	604



WATER MANAGEMENT

Whakahaere Wai

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

KEY RESULTS

- The Kāpiti Water Supply Project won the New Zealand Planning Institute Rodney Davies Project Award recognising innovative and creative excellence in development and delivery of planning projects with construction outcomes.
- This project also won the Local Government New Zealand Excellence Award for Infrastructure Project of the year in recognition of its community, infrastructure and economic impacts.
- The River Recharge with Groundwater (RRwG) Project received a 35-year resource consent following the Commissioner’s decision. No appeals were lodged.
- Works on the Waikanae Water Treatment Plant Upgrade and River Recharge with Ground Water Contract commenced in early 2014. Construction works are now well underway.
- More than 23,105 water meters had been installed to the end of June 2014. The Northern and Southern residential contracts were issued practical completion in November 2013 and January 2014, respectively.
- The water meter reading services contract was awarded and the first trial water meter readings were issued to ratepayers from mid-April followed by the second trial water meter readings in June 2014.
- In deliberations on the Annual Plan, the Council resolved to proceed with the proposed change to the charging regime and set a fixed annual charge supplemented by a volumetric charge for the amount of water people use. The fixed charge was set at \$188.50 per annum and the volumetric charge at 95 cents per cubic metre (1,000 litres).
- In excess of 667 high water use (>2,000 litres per day) trial reading letters and information packs were delivered in April 2014 to help people understand and reduce water use.



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

The Council was able to avoid significant water restrictions during the summer drought period through the use of its bore field for 41 days.

In the 2013/14 year the Council resolved to continue the implementation of the long-term sustainable solution for the District's water supply. This involved implementation of the River Recharge with Groundwater project, a substantial upgrade of the Waikanae Water Treatment Plant, the introduction of water meters and a change in the charging regime for water from a single fixed annual charge to also include a volumetric charge for water used by residents. The introduction of a charge for the volume of water used is expected to reduce peak water use up to 25% by encouraging water use reduction and leak repairs.

River Recharge with Groundwater Project

The application for the Waikanae/ Paraparaumu/ Raumati River Recharge with Groundwater Project (RRwG) resource consent hearing began in June 2013 and a 35-year resource consent was issued in September 2013. No appeals have been lodged.

The work involves the construction and refurbishment of water supply bores, installation of associated pipelines and a discharge structure at the Waikanae Water Treatment Plant. As a result the Council will be able to maintain the water supply to Waikanae, Paraparaumu and Raumati in times of low river flows without having to add bore water to the water supply.

The contract for the construction of the RRwG Project was awarded in December 2013. Construction commenced in early 2014 and is well progressed with ground water pipelines substantially complete and testing underway. Good progress has also been made on the construction of the groundwater normalising swale and discharge structure at the Waikanae Water Treatment Plant.

The contract for the RRwG consent compliance professional services contract has been awarded

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

- supply of potable (treated) water to urban areas;
- management of water reticulation and treatment assets;
- delivering and managing the River Recharge with Groundwater Scheme;
- managing the installation, maintenance and reading of water meters;
- detection of leaks on both the Council supply network and on private property;
- establishing benchmark water loss estimates and tracking improvements against those;
- education and promotion of responsible water use to meet water consumption targets;
- monitoring the quality of on-site supply systems; and
- promotion of and funding assistance for non-potable supply systems.

and involves implementing the Baseline Monitoring Plans (BMP). The fourth and final BMP was certified by the Greater Wellington Regional Council on 6 June 2014.

Delays during the resource consent process held up the detailed design of the project and as a result the projected completion date is now May 2015.

Waikanae Water Treatment Plant Upgrade

This upgrade will improve security of supply, renew aging critical infrastructure and improve treatment processes.

The contractor took possession of the site in February 2014 and commenced upgrade work. The work involves improved filter screens and an automated cleaning mechanism at the inlet works to the Treatment Plant, new raw water and high lift pumps, chemical dosing equipment and renewal of all the electrical and control facilities.

Good progress is being made on the construction of the groundwater normalising swale and discharge structure. Works on the treatment plant



building have commenced following the relocation of staff to temporary facilities.

Completion of the project and commissioning of the upgraded plant is scheduled for May 2015.

Water Mains Upgrades

Rider main upgrades were completed in Ames Street, Paekākāriki, in July 2013 and Te Moana Road, Waikanae, in September 2013. These improved supply pressures, security of supply and water quality.

Water Meters

More than 23,105 water meters were installed by the end of June 2014. Practical completion was issued for the Northern contract in November 2013 and in January 2014 for the Southern contract.

The water meter reading services contract was awarded and trial water meter readings commenced in January 2014 in Ōtaki with the first trial readings issued to ratepayers in mid-April 2014. The second trial water meter readings were sent out in June 2014.

During the first trial water meter readings in excess of 667 high water users (households using over 2,000 litres per day) were identified and information packs were delivered in April 2014 as part of the engagement plan to help people understand and reduce their water use.

Water Charging

In deliberations on the Draft Annual Plan, the Council resolved to proceed with the proposed change to the charging regime and set a fixed annual charge supplemented by a volumetric charge for the amount of water people use. The fixed charge was set at \$188.50 per annum and the volumetric charge at 95 cents per cubic metre (1,000 litres). These charges were lower than the figures that had been used for planning purposes in the lead-up to volumetric charging.

The new water charging regime commenced on 1 July 2014.

Paekākāriki Bore

The installation and commissioning of the new Paekākāriki Water Supply Bore was completed and is now operational, improving security of supply for the town.

Maungakotukutuku Valley Dam

The Long Term Plan includes the building of a dam and the Council previously bought land in the Maungakotukutuku Valley for this project. The land for the future dam is being maintained as part of the provision for these future works. It is expected the dam would not be needed until around 2060.

Water Conservation Plan

The 2010 Water Conservation Plan was designed to ensure the Council and the community reached the 490 litres per person per peak day (lppd) target by 2015. It contains seven action areas which work together to help reach the target. These are:

Council leadership

The Council implemented the water metering communications and engagement plan as set out in the water metering project to assist the community in its transition to the new charging regime.

Better data, better results

District Meter Areas (DMA) were re-established to monitor water use and loss and were audited in 2013/14. This will improve the accuracy of DMA water use reporting for 2014/15 and help reduce burst pipe response times and water leak run times.

A water use management review was undertaken in April 2014 that identified existing practices and future improvements. The first stage of improvements will be implemented in 2014/15.

The installation of more than 23,000 consumer water meters across the District since August 2012, combined with the DMA metering, puts Kāpiti in a position to understand water use in each part of the District and the whole of the network with greater accuracy.

Reducing leakage in water supplies

The Paraparamu/Raumati network met the 490 lpd peak water use target and there is a clear trend in water use and peak water use reduction since the Council decided to adopt water meters in 2012.

Notifications of water leaks greater than one litre/minute were sent to 390 properties in 2013/14. The estimated daily water loss from these leaks is 2,721 cubic metres (or 2.7 million litres) and was more than enough to fill the Ōtaki pool four times. The baseline water loss estimate for 2012/13 was 7,480 cubic metres per day, so this year's leak detection has made significant inroads into that.

There were 776 repairs made to the public water supply network by the Council in 2013/14, this including both planned works and reactive responses to leaks as they arose.

Financial incentives

The offer of targeted assistance of up to \$5,000 to install a rainwater tank or greywater system for outdoor irrigation was taken up by 40 properties in 2013/14. A total of \$92,246 or 43% of the total fund for the year was used.

Education

The Council has introduced a range of education initiatives and support for the community. These are outlined below.

Water Conservation Advisor

The Water Conservation Advisor (WCA) provides free home visits to advise on detecting leaks and managing water use, replaces washers on leaking toilets and taps and provides advice to property owners with large leaks.

Water Education Officer and resources

The Water Education Officer assisted three secondary schools, five primary schools, six early childhood centres (ECE) in using the water education resources.

The resources were revamped this year and provide curriculum units and facilitator support for ECE, primary schools and secondary schools wanting to explore water issues.

The Water Education Officer was instrumental in launching the Water Detective Agency (WDA) initiative across twelve schools in the district. Over 1,800 school children have now participated. The WDA programme encourages students to read their home's water meter, record and discuss their family's water use.

Green Gardener

The Green Gardener offers free garden advice to residents to create water efficient gardens via articles, workshops and demonstrations.

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

Technical innovation

The introduction of water meters and the change in the method of charging for water to include a volumetric charge provides a key incentive in regards to encouraging water conservation.

The recent water meter installations will provide valuable information that will allow the Council to target effective active leakage control and planned network renewals. Water meters will also allow the Council to measure the effectiveness of different water conservation measures and target campaigns to areas of high water use.

Activity Management Planning

Criticality framework development

The Three Waters Criticality Framework Development (for water supply, stormwater and wastewater) was progressed to a draft and will be piloted for renewal prioritisation in 2014/15. The framework provides a consistent approach to assessing the comparative impacts on people and the environment caused by the failure of an asset and loss of its function.

Asset Management System

The Infonet system was selected and is being rolled out for the Three Waters assets. The system will provide greater asset data management and analysis capability and aligns Kāpiti with systems used in Wellington City and the water management utility Capacity Infrastructure Services.



KEY PERFORMANCE INDICATORS

Water Management				
Level of Service	Measure	2013/14 Target	Result Achieved	Year End Result
Council has direct ownership, control, management and operation (other than works contracts) of water assets and services, and governs these in accordance with Council standing orders.	No changes are made to this level of service without (a) a special consultative procedure, and (b) following Council standing orders which require a referendum and a 75% majority of members present and voting.	Achieve	Achieved	Achieved No changes made to levels of service.
Council maintains direct control of pricing of water.	Council sets water charges each year.	Achieve	Achieved	Achieved Council has proposed water charges for 2014/15 as part of the Annual Plan Process. These were reduced from those originally proposed.
No health problems arise from the operation of the drinking water network in nonemergency circumstances.	Compliance with New Zealand Drinking Water Standards.	Achieve	Achieved	Achieved There have been no instances of non-compliance with New Zealand Drinking Water Standards.
No health problems arise from the operation of the drinking water network in nonemergency circumstances.	No positive results for bacteria (for example E-coli) as measured by laboratory.	Achieve	Achieved	Achieved There were no positive results for bacteria measured by laboratory.
System management practices ensure continuity of supply to all users.	The number (frequency) of unplanned water service outages reduces each year.	Less than 242	380	Not Achieved There were 380 unplanned interruptions this year. These were largely related to reticulation faults identified due to the Water Meter Project.

Water Management				
Level of Service	Measure	2012/13 Target	Result Achieved	Year End Result
System management practices ensure continuity of supply to all users.	95% of planned interruptions last no longer than four hours.	95%	95%	Achieved 182 of the 191 planned interruptions were resolved within four hours.
The needs of present and future generations are met by use of water resources.	100% compliance with resource consents relating to water take from natural systems.	100%	100%	Achieved There were no instances of non-compliance incidents with regard to resource consents relating to water take from natural systems.
Peak water consumption is managed to ensure long term sustainability.	Peak water consumption per person declines to 400 litres per person per day plus 90 litres per person for water loss by 2016/17.	-	On Target	Ongoing/On Target Will be reported in 2016/17. Water demand initiatives are being implemented to reduce water demand. Reduced from 712 litres (2011), 610 (2012) to 567 (2013) per person, per day, districtwide. 7.5% reduction from previous year despite North Island-wide drought.
The water provided is of an acceptable standard to residents and businesses.	80% of residents and businesses agree that the water delivered by the Council supply is of an acceptable quality.	80%	56%	Not Achieved The Resident Opinion Survey (June 2014) reported 56% satisfaction with this measure. (June 2013 result 88%)
Water loss in the District is minimised.	5% reduction of water loss by 2014/15. Baseline to be determined once the estimated water loss for 2012/13 is available.	-	Ongoing	Ongoing/On Target The baseline water loss figure for 2012/13 is 7,480 m3/day.



'Water Detectives' at Raumati Beach School using the Water Detective Agency resources provided by the Council to encourage learning about water use and conservation.



WATER MANAGEMENT ACTIVITY

Contributions to Community Outcomes and Links to Community Interests

The Water Management Activity provides infrastructure to fit local growth management needs (Outcome 3) and provides potable drinking water as a basic requirement of public and individual health (Outcome 7).

The activity focus on water conservation is intended in part to reduce pressure on river systems and aquifers. This and water quality contribute to Outcome 1. It also progresses efficient use of the water resource and efficient infrastructure investment contributing to Outcome 4 and links to the community's environmental interests.

Progress in 2013/14

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



Council staff involved with the design and consultation on the River Recharge with Groundwater Project, which won the NZ Planning Institute Rodney Davies Project Award.

WATER MANAGEMENT

Statement of Cost of Activity

2012/13 Actual \$000		2013/14 Actual \$000	2013/14 Budget \$000
	Expenditure		
1,262	Finance Expense	1,593	2,168
1,982	Depreciation and Amortisation	2,170	2,119
3,664	Other Operating Expense	4,166	4,282
6,908	Operating Expenditure	7,929	8,569
	Revenue		
134	Development and Financial Contributions	475	122
37	Fees and Charges	35	37
171	Operating Revenue	510	159
6,737	NET OPERATING COSTS	7,419	8,410
	Capital Items		
8,892	Asset Construction/Upgrades	6,377	8,905
1,939	Renewals of Existing Assets	2,577	5,713
3	Additional Loan Repayment	29	29
10,834	Total Capital Items	8,983	14,647
17,571	NET COST OF ACTIVITY	16,402	23,057
6,599	Rates	7,268	8,113
9,963	Borrowings	6,580	14,385
734	Depreciation Reserve	2,374	112
32	Unfunded Depreciation	447	447
243	Movement in Reserves	(267)	-
17,571	TOTAL SOURCES OF FUNDS	16,402	23,057

WATER MANAGEMENT

Detail of Significant Expenditure on Acquisition and Replacement of Assets

	2013/14 Actual \$000	2013/14 Budget \$000
Joint Waikanae, Paraparaumu, Raumati Water		
Additional water supply – River Recharge with Groundwater. Physical work commenced. Consenting delays have moved the final completion date to May 2015.	3,043	5,130
Water Treatment Plant Improvement. Physical work commenced. Consenting delays have moved the final completion date to May 2015.	2,009	5,028
Water Meters – Districtwide installation project. A limited number of ongoing service locations and meter installations are being completed. A carry-over to 2014/15 was required.	2,972	3,511



FINANCE AND REVENUE



**Statement of Comprehensive Revenue and Expense
For the Year Ended 30 June 2014**

2012/13 Actual \$000		Note	2013/14 Actual \$000	2013/14 Budget \$000
Revenue				
47,762	Rates	3	50,149	50,427
8,034	Fees and Charges	4	7,443	7,517
2,698	Grants and Subsidies	5	3,669	3,225
2,032	Development and Financial Contributions		1,095	1,299
-	Finance Revenue	6	197	194
4,161	Unrealised Gain on Revaluation of Derivatives		3,992	-
2,166	Other Operating Revenue	7	3,867	1,324
66,853	Revenue		70,412	63,986
Expenses				
13,847	Depreciation and Amortisation	14,16	15,746	14,150
6,323	Finance Expense	8	7,595	8,696
41,454	Other Operating Expense	9	45,841	43,762
61,624	Expense		69,182	66,608
5,229	OPERATING SURPLUS/(DEFICIT)		1,230	(2,622)
Other Comprehensive Revenue and Expense				
(13,625)	Revaluation of Property, Plant and Equipment	14	563,754	60,831
(13,625)	Other Comprehensive Revenue		563,754	60,831
(8,396)	TOTAL COMPREHENSIVE REVENUE AND EXPENSE		564,984	58,209

The accounting policies and accompanying notes on pages 134 to 189 form part of these financial statements.



**Statement of Changes in Equity
For the Year Ended 30 June 2014**

	Accumulated Funds	Reserves and Special Funds	Revaluation Reserve		
	Actual	Actual	Actual	Actual	Budget
	\$000	\$000	\$000	\$000	\$000
Opening Balance 30 June 2012	571,606	3,582	159,338	734,526	720,901
Changes in Equity					
Net Surplus/(Deficit) for the period	5,229	-	-	5,229	263
Revaluation of Property, Plant and Equipment	-	-	(13,625)	(13,625)	
Total Comprehensive Revenue/Expense	5,229	-	(13,625)	(8,396)	263
Transfers to Reserves and Special Funds	(1,114)	1,114	-	-	-
Transfer from Reserves and Special Funds	1,450	(1,450)	-	-	-
Closing Equity 30 June 2013	577,171	3,246	145,713	726,130	721,164
Changes in Equity					
Net Surplus/(Deficit) for the period	1,230	-	-	1,230	(2,622)
Revaluation of Property, Plant and Equipment	-	-	563,754	563,754	60,831
Total Comprehensive Revenue/Expense	1,230	-	563,754	564,984	58,209
Transfers from Reserves and Special Funds	2,092	(2,092)	-	-	-
Transfers to Reserves and Special Funds	(2,092)	2,092	-	-	-
Transfers from Revaluation Reserve	777	-	(777)	-	-
CLOSING EQUITY 30 June 2014	579,178	3,246	708,690	1,291,114	779,373

The accounting policies and accompanying notes on pages 134 to 189 form part of these financial statements.



Statement of Financial Position
As at 30 June 2014

2012/13 Actual \$000		Note	2013/14 Actual \$000	2013/14 Budget \$000
Current Assets				
5,939	Cash and Cash Equivalents	10	7,145	2,154
5,732	Trade and Other Receivables	11	6,052	6,147
174	Loans	12	197	-
92	Inventories		113	139
39	Derivative Financial Instruments	27	-	2
3,650	Non-Current Assets Held for Sale	13	2,672	-
15,626	Total Current Assets		16,179	8,442
Non-Current Assets				
858,754	Property, Plant and Equipment	14	1,431,846	950,518
525	Forestry Assets	15	77	268
431	Intangible Assets	16	733	350
232	Derivative Financial Instruments	27	775	228
1,766	Other Financial Assets	17	1,976	-
220	Loans	12	227	-
861,928	Total Non-Current Assets		1,435,634	951,364
877,554	TOTAL ASSETS		1,451,813	959,806
Current Liabilities				
14,693	Trade and Other Payables	18	16,749	15,897
1,809	Employee Benefit Liabilities	19	2,113	1,643
996	Deposits	20	910	1,218
10,077	Borrowings	21	5,030	20,059
1,463	Development and Financial Contributions	22	2,177	1,615
-	Provisions	23	686	-
1,342	Derivative Financial Instruments		16	1,668
30,380	Total Current Liabilities		27,681	42,100
Non-Current Liabilities				
187	Employee Benefit Liabilities	19	199	460
115,147	Borrowings	21	125,117	129,118
563	Provisions	23	4,718	39
5,147	Derivative Financial Instruments	27	2,984	8,716
121,044	Total Non-Current Liabilities		133,018	138,333
151,424	TOTAL LIABILITIES		160,699	180,433
577,171	Accumulated Funds		579,178	557,299
3,246	Reserves and Special Funds	24	3,246	1,905
145,713	Revaluation Reserve	25	708,690	220,169
726,130	TOTAL EQUITY		1,291,114	779,373
877,554	TOTAL LIABILITIES AND EQUITY		1,451,813	959,806

The accounting policies and accompanying notes on pages 134 to 189 form part of these financial statements.



Statement of Cashflows
For the Year Ended 30 June 2014

2012/13 Actual \$000		2013/14 Actual \$000	2013/14 Budget \$000
	Cash Flows from Operating Activities		
	<i>Cash was provided from:</i>		
48,606	Kāpiti Coast District Council Rates	50,192	50,409
8,217	Greater Wellington Regional Council Rates	8,442	8,120
1,209	Grants and Subsidies – Operating	3,669	-
-	Interest Received	-	-
7,980	Charges and Fees	11,378	12,053
(60)	GST (net)	1,372	-
65,952		75,053	70,582
	<i>Cash was applied to:</i>		
39,799	Payments to Employees and Suppliers	38,674	43,762
8,217	Rates Paid to Greater Wellington Regional Council	8,442	8,120
6,279	Interest on Borrowings	7,736	8,696
54,295		54,852	60,578
11,657	Net Cash Flows from Operating Activities	20,200	10,004
	Cash Flows from Investing Activities		
	<i>Cash was provided from:</i>		
64	Proceeds from sale of Property, Plant and Equipment	10,808	5,220
1,189	Trust Funds (Coastlands Aquatic Centre)	347	125
1,253		11,155	5,345
	<i>Cash was applied to:</i>		
44,120	Construction and Purchase of Property, Plant and Equipment and Intangibles	34,833	39,581
2,314	Purchase of Investments	240	-
46,434		35,073	39,581
(45,181)	Net Cash Flows from Investing Activities	(23,918)	(34,236)
	Cash Flows from Financing Activities		
	<i>Cash was provided from:</i>		
47,088	Long Term Borrowing Raised	25,000	32,541
47,088		25,000	32,541
	<i>Cash was applied to:</i>		
10,287	Repayment of Principal on Borrowings	20,076	8,096
10,287		20,076	8,096
36,801	Net Cash Flows from Financing Activities	4,924	24,445
3,277	Net Increase/(Decrease) in Cash and Cash Equivalents	1,206	213
2,662	Add Total Cash and Cash Equivalents at 1 July	5,939	1,941
5,939	TOTAL CASH AND CASH EQUIVALENTS AT 30 JUNE	7,145	2,154

The accounting policies and accompanying notes on pages 134 to 189 form part of these financial statements.



Funding Impact Statement For the Year Ended 30 June 2014

	2012/13 Long Term Plan \$000	2012/13 Annual Report \$000	2013/14 Annual Plan \$000	2013/14 Actual \$000
Sources of Operating Funding				
General Rate, Uniform Annual General Charge, Rates Penalties	9,101	9,130	10,334	10,733
Targeted Rates	31,272	30,593	32,481	39,932
Grants and Subsidies for Operating Purposes	1,805	1,209	1,221	1,441
Fees and Charges	16,461	16,483	16,043	6,928
Interest and Dividends from Investments	-	-	-	197
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	-	-	-	3,112
Total Operating Funding	58,639	57,415	60,079	62,343
Applications of Operating Funding				
Payment to Staff and Suppliers	41,091	40,880	43,762	45,665
Finance Costs	8,474	6,323	8,696	7,595
Other Operating Funding Applications	-	-	-	-
Total Applications of Operating Funding	49,565	47,203	52,458	53,260
SURPLUS/DEFICIT OF OPERATING FUNDING	9,074	10,212	7,621	9,083
Sources of Capital Funding				
Grants and Subsidies for Capital Expenditure	1,493	1,344	1,526	2,227
Development and Financial Contributions	2,040	1,997	1,299	1,095
Increase/(Decrease) in Debt	38,849	39,275	27,321	10,168
Gross Proceeds from Sale of Assets	5,220	64	5,220	11,216
Lump Sum Contributions	-	-	-	-
Other Dedicated Capital Funding	-	-	-	-
Total Sources of Capital Funding	47,602	42,680	35,366	24,706
Application of Capital Funding				
Capital Expenditure				
To meet additional demand	3,898	2,026	3,898	3,250
To improve the level of service	36,817	34,825	20,132	17,284
To replace existing assets	14,449	8,002	15,551	9,394
Increase/(Decrease) in Reserves	701	310	624	3,861
Increase/(Decrease) in Investments	811	7,729	2,782	-
Total Applications of Capital Funding	56,676	52,892	42,987	33,789
SURPLUS/DEFICIT OF CAPITAL FUNDING	(9,074)	(10,212)	(7,621)	(9,083)
FUNDING BALANCE	-	-	-	-

The accounting policies and accompanying notes on pages 134 to 189 form part of these financial statements.



Notes to the Financial Statements

1 Reporting Entity

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

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

The financial statements of the Council are for the year ended 30 June 2014. The financial statements were adopted and authorised for issue by the Council on 16 October 2014.

Statement of Compliance

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

Accounting Judgements and Estimations

The preparation of the financial statements requires management to make judgements, estimates and assumptions concerning the future that affect the application of policies and reported amounts of assets, liabilities, revenue and expenses. These estimates and assumptions may differ from subsequent actual results. The judgements, estimates and assumptions are based on historical experience and other factors and are reviewed on an ongoing basis.

Significant judgements, estimates and assumptions have been used for measurement of the following:

- the cost of our environmental obligations in respect to the closure of Otaihanga Landfill (Refer Note 23);
- the cost of our weathertightness obligations (refer Note 23); and

- the valuation of infrastructural assets, forestry assets, and parks and reserves (Refer Notes 14 and 15).

2 Significant Accounting Policies

Basis of Preparation

Measurement

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

The financial statements have been prepared on a historical cost basis, except for land and buildings, infrastructural assets, forestry assets, certain financial instruments, provisions and employee entitlements which have been measured at fair value.

Changes in Accounting Policy

The accounting policies used for preparation of these financial statements are unchanged from those for the prior financial year and have been applied consistently to all periods presented in these financial statements.

Comparative Information

To ensure consistency with the current year, certain comparative information has been reclassified where appropriate. This has occurred:

- where classifications have changed between periods;
- where the Council has made additional disclosure in the current year, and where a greater degree of disaggregation of prior year amounts and balances is therefore required; and
- where there has been a change of accounting policy. There has been no change in the 2013/14 year.

REVENUE

Revenue is measured at the fair value of consideration received or receivable.



Rates

Rates are set annually by a resolution of the Council. Rates are levied in quarterly instalments in the year to which the rates relate and are recognised as revenue when each quarterly instalment is billed.

When rates are received in advance, the receipt is recorded as a liability until such time as the relevant quarterly instalment is billed.

Rates for Water by Meter

Rates for water by meter (commercial use only) are recognised based on usage.

Rates Collected on Behalf of Greater Wellington Regional Council

Rates collected on behalf of Greater Wellington Regional Council (GWRC) are not recognised in the financial statements as the Council is acting as an agent for the GWRC.

Grants and Subsidies

Grants and subsidies are recognised as revenue when eligibility has been established by the grantor and conditions pertaining to the grant have been fulfilled. Grants that have a return obligation are recognised as a liability.

Grant revenue is received mainly from New Zealand Transport Agency (NZTA) to subsidise the cost of local roading infrastructure.

Development and Financial Contributions

Development contributions apply to consents for buildings, subdivisions, land use or service connections. They are recognised as revenue when we provide, or are able to provide, the service for which the contribution was levied. Until such time as we provide or are able to provide the service, development contributions are recognised as a liability.

Development and financial contributions that have a return obligation are recognised as a liability.

Fees and Charges

Fees and Charges are recognised as follows.

- Fees for rendering of services, e.g. consents, licences and permits) are recognised when billed or received, whichever is the earlier. Revenue from the provision of services is recognised by

reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

- Charges for goods sold are recognised as revenue when the goods are sold to the customer and all the risks and rewards of ownership are transferred to the customer.

Finance Revenue

Interest

Interest income is recognised when earned using the effective interest rate method.

Other Operating Revenue

Donated or Vested Assets

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested to the Council are recognised as revenue when control over the asset is transferred to the Council.

Rent from Operating Leases (the Council as Lessor)

Operating leases are leases under which the risks and rewards of ownership are not substantially transferred to the lessee.

Rent revenue from operating lease of properties the Council owns (e.g. community housing) is recognised on a straight-line basis over the term of the lease.

EXPENSES

Other Operating Expenses

Grants and Sponsorships

Discretionary grants (where approval or rejection is at Council discretion) are recognised as expenditure when the Council approves the grant and communication to this effect is made to the applicant.

Non-discretionary grants (which are awarded if the criteria for the grant are met) are recognised as expenditure when the grant is approved.

Borrowing Costs

Borrowing costs, including interest expense are recognised as expenditure in the period in which they are incurred.



Operating Leases (the Council as Lessee)

Council leases certain property, plant and equipment under operating leases. Payments made under these leases (net of any incentives received from the lessor) are expensed on a straight-line basis over the term of the lease.

Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST except for receivables and payables which include GST billed.

ASSETS

Property, Plant and Equipment

Property, Plant and Equipment is categorised into:

Operational Assets: these are used to provide core Council services (e.g. buildings, plant and equipment, library books).

Infrastructural Assets: these are the fixed utility systems owned by the Council that are required for the infrastructure network to function. They include roading, water and stormwater networks.

Restricted Assets: the use or transfer of these assets is legally restricted. They include parks and reserves.

Initial Recognition

Property, plant and equipment is initially recognised at cost, or in the case of vested assets that are acquired for nil or nominal cost, at fair value. The initial cost includes all costs (other than borrowing costs) that are directly attributable to constructing or acquiring the asset and bringing it into the location and condition necessary for its intended use.

Subsequent Costs

Subsequent expenditure that extends or expands the assets service potential is capitalised.

The costs of day-to-day servicing of property, plant and equipment are expensed as they are incurred.

Carrying Value

Property, plant and equipment is carried at accumulated depreciated historical cost less accumulated impairment, except for land, buildings and infrastructural assets which are carried at fair value less depreciation and impairment.

Revaluation

Valuations for the Council's land, buildings and infrastructural assets are performed with sufficient regularity to ensure their carrying amounts are maintained at fair value. The valuations are performed by independent qualified valuers. In addition, the carrying values are assessed annually to ensure that they do not differ materially from the asset's fair values. If there is a material difference, then off-cycle revaluations are performed on the relevant asset class.

Gains or losses arising on revaluation are recognised in Other Comprehensive Revenue/Expense and are accumulated in an asset revaluation reserve for the class of assets. Where this results in a debit balance in the reserve for a class of assets, the balance is expensed in the Statement of Comprehensive Revenue and Expense. Any subsequent increase in value that offsets a previous decrease in value will be recognised firstly in Statement of Comprehensive Revenue and Expense up to the amount previously expensed, with any remaining increase recognised in the revaluation reserve.

Depreciation

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant or equipment less any residual value, over its remaining useful life.

The residual value and useful life of an asset is reviewed and adjusted if applicable, at each financial year end.

Depreciation is charged on all assets other than land, certain parts of roading, river control and seawalls, that are composed of at least 80% basecourse and/or rocks, as these assets are considered to have unlimited useful lives. Regular inspections of these assets are undertaken to check for impairment. Depreciation is not charged on work in progress until such time as the asset under construction is in its intended location and in use.



Disposal

Gains and losses on disposal of property, plant and equipment are recognised in the Statement of Comprehensive Revenue and Expense in the financial year in which they are sold. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Work in Progress

Capital work in progress is recognised at cost less impairment and is not depreciated.

The cost of projects within work in progress is transferred to the relevant asset class when the project is completed.

Asset Category	Estimated Useful Life (Years)
Operational Assets	
Buildings (adjusted for revaluation)	6 – 100
Computer Equipment	4 – 5
Furniture and Chattels	2 – 25
Heritage Assets	100
Library Collection	3 – 7
Motor Vehicles	5
Office Equipment	4 – 10
Other Improvements	1 – 50
Public Art	10 – 25
Plant and Machinery	
Heavy Trucks, Road Machines	5
Tractors, Trailers, Heavy Mowers	3 – 10
Other Plant	1 – 10
Otaihanga Landfill Post Closure	Remaining Life is 13 Years
Infrastructural Assets (adjusted for revaluation)	
Bridges	10 – 99
Seawalls	
Concrete, Posts, Rails, Panels, Rocks	13 – 30
River Control	
Bank Protection	45 – 101
Roading	
Basecourse (20% depreciable content)	16
Footpaths	38
Cycleways	13 – 75
Kerbs, Culverts, Lighting	14 – 39
Surfacing	6 – 12
Traffic Modelling	5 – 10
Stormwater	
Stormwater Flood Maps	10 – 15
Pump Stations, Manholes, Sumps	22 – 91
Pipes	72 – 77



Asset Category	Estimated Useful Life (Years)
Wastewater	
Pump Stations	5 – 80
Manholes, Cleaning Eyes	60 – 64
Pipes	42 – 83
Treatment Plant	28 – 38
Water	
Storage	21 – 50
Headworks, Booster Stations, Pipes	4 – 83
Hydrants, Valves, Tobies	54 – 83
Meters	15
Pipes	70
Treatment Plant	14 – 19

Forestry Assets

Forestry assets are carried at fair value less estimated costs to sell. They are revalued annually by an independent qualified valuer.

Gains or losses arising on revaluation are recognised in the Statement of Comprehensive Revenue and Expense. Costs incurred to maintain the forests are expensed in the period they are incurred.

Intangible Assets

Computer Software

Computer software is carried at cost, less any accumulated amortisation and impairment losses.

Computer software is initially capitalised on the basis of the costs incurred to either develop or acquire it and bring it to the location and condition required for its intended use. Amortisation on a straight-line basis over the period of useful life begins from the time the asset is available for use. The estimated useful life of our computer software is 3 – 5 years.

Realised gains/losses on disposal of intangible assets are recognised in the Statement of Comprehensive Revenue and Expense.

Carbon Credits

New Zealand Carbon Units (NZUs) were received at nil cost from the New Zealand Emission Trading Scheme (the Scheme) in respect of our forestry asset, when the Scheme was first established. They are recognised at fair value on acquisition.

They are not amortised, but are instead tested for impairment annually. They are de-recognised when they are used to satisfy carbon emission obligations.

Inventories

Inventories are valued at the lower of cost and current replacement cost, adjusted when applicable, for any loss of service potential. The amount of write-down for the loss of service potential or from revaluation, is recognised in the Statement of Comprehensive Revenue and Expense. Cost is determined on a weighted average basis.

Non-Current Assets Held for Sale

Non-current assets held for sale are measured at the lower of the carrying amount and fair value, less selling costs. Non-current assets are assessed to be 'held for sale' if it is highly probable that the asset is available for immediate sale in its present condition, the sale is expected to be completed within one year from balance date, and the carrying amount will be recovered through a sale transaction rather than through continuing use.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the Statement of Comprehensive Revenue and Expense. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.



Non-current assets are not depreciated or amortised while they are classified as held for sale.

Impairment

The carrying amounts of property, plant and equipment, forestry assets and intangible assets are reviewed at least annually to determine if there is an indication of impairment. Where an asset's or class of assets' recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported within the Statement of Comprehensive Revenue and Expense, unless the asset is carried at a revalued amount in which case any impairment loss is charged as a decrease to the revaluation reserve.

LIABILITIES

Employee Benefit Liabilities

Short Term Employee Entitlements

Employee entitlements for salaries and wages, annual leave, long service leave, sick leave, and other such benefits are recognised in the Statement of Comprehensive Revenue and Expense when they accrue to employees. Employee entitlements to be settled within 12 months are reported at the amount expected to be paid.

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

Long Term Employee Entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to

entitlement, the likelihood that staff will reach the point of entitlement, contractual entitlement information; and

- present value of the estimated future cash flows.

Employer Contribution to Pension Schemes

Contributions to Defined Contribution Retirement Schemes such as KiwiSaver, are recognised in the Statement of Comprehensive Revenue and Expense as they fall due.

Provisions

A provision is recognised in the Statement of Financial Position when the Council has a present obligation as a result of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are measured at the expenditure expected to be required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities include cash and cash equivalents, receivables (net of prepayments), community loans, and other interest-bearing assets, investments in unlisted shares, trade and other payables and borrowings.

Financial Assets

The Council's financial assets are classified into the following categories for the purpose of measurement:

- *Loans and Receivables*

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, excluding assets classified as 'held for trading' or classified as 'available for sale'. This classification includes cash and cash equivalents and trade receivables.

They are initially recognised at fair value. Loans and receivables with maturities beyond 12 months are subsequently measured at amortised cost using the effective interest method, less any impairment.



Gains or losses when the asset is impaired or sold are recognised in the Statement of Comprehensive Revenue and Expense.

- ***Financial Assets at Fair Value through Surplus or Deficit***

Financial assets in this category include derivatives and financial assets that are held for trading. They are initially recognised at fair value and subsequent measurement is on the same basis, i.e. fair value. Gains or losses on revaluation or impairment are recognised in the Statement of Comprehensive Revenue and Expense.

- ***Held to Maturity Investments***

These are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council has the intention and ability to hold to maturity. They are initially recorded at fair value, and subsequently measured at amortised cost using the effective interest method, less any impairment. Gains or losses when the asset is impaired or settled are recognised in the Statement of Comprehensive Revenue and Expense. If the asset is an equity instrument that does not have a quoted price in an active market and fair value cannot be reliably measured, the asset is measured at cost.

- ***Available for Sale Financial Assets***

These are non-derivative financial assets that are designated as available for sale or do not fall within any of the above classifications of (a) loans and receivables, (b) held-to-maturity investments, or (c) financial assets at fair value through operating surplus or deficit.

They are initially recorded at fair value plus transaction costs directly attributable to the acquisition or issue, and are subsequently measured at fair value less any impairment.

Any gains or losses are recognised in Other Comprehensive Revenue and Expense, except for impairment losses which are recognised in the Statement of Comprehensive Revenue and Expense.

Financial Liabilities

Trade and Other Payables

Trade and other payables are initially recognised at fair value. Those with maturities beyond 12 months are subsequently measured at amortised cost using the effective interest rate method.

Borrowings

Borrowings are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest rate method.

Derivative Financial Instruments

The Council uses derivative financial instruments in the form of interest rate swaps to manage interest rate risks arising from borrowing activities. In accordance with its Treasury Management Policy, the Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value based on quoted market prices, and subsequently re-measured to fair value at the end of each reporting period. Fair value is determined by reference to quoted prices for similar instruments in an active market. Fair value gains or losses on revaluation are recognised in surplus or deficit.

The Council has not adopted hedge accounting.

Impairment of Financial Assets

Financial assets are assessed at each reporting period for impairment. Impairment is first recognised as a reversal of previously recorded revaluation reserve for that class of asset. Where no reserve is available, the impairment is recognised in the surplus/(deficit).

EQUITY

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of components to enable clearer identification of the specified uses of equity.

The components of public equity are Accumulated Funds, Revaluation Reserve, and Reserves and Special Funds.



Reserves and Special Funds

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

The Council created reserves are reserves created by a Council decision. We may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at our discretion.

OTHER

Foreign Currency Translation

Foreign currency transactions are translated into the New Zealand Dollar (NZD) using exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in foreign currencies at balance date covered by forward exchange contract are translated to NZD at the contracted rate. Where the balance is not covered by the forward exchange contract, it is translated at the rate of exchange at balance date. Foreign currency differences arising on translation are recognised in the Statement of Comprehensive Revenue and Expense.

Related Parties

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties also include key management personnel, including the Mayor, Councillors, the Chief Executive and all members of the Senior Leadership Team.

Landfill Aftercare Costs

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

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including known change to legal requirements and technology. The provision includes all costs associated with

landfill post-closure including final cover application and vegetation, incremental drainage control features, completing facilities for leachate collection and monitoring, completing facilities for water quality monitoring, and completing facilities for monitoring and recovery of gas.

Amounts provided for landfill post-closure are capitalised to the landfill asset.

The capitalised landfill asset is depreciated over its remaining useful life.

Allocation of Overheads to Significant Activities

For the purposes of reporting performance by activity, all overhead costs from support service functions are allocated to the Council's significant activities. The costs of internal services not already charged to activities are allocated as overheads using appropriate cost drivers such as actual usage, staff numbers and floor area.

Individual significant activity operating revenue and expenditure is stated inclusive of any internal revenues and internal charges.

The Governance and Tāngata Whenua (i.e. elected members' costs) is reported as a separate activity as it represents a direct public service that is in itself a significant activity.

Budget Figures

The budget figures are those approved by the Council at the beginning of the year in the Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted for the preparation of these financial statements.

New and Amended Accounting Standards Adopted by Council

We have adopted all standards that are applicable to PBEs for the current reporting period.

Standards, Amendments and Interpretations to Existing Standards (that are not yet effective and have not been early adopted)

The External Reporting Board (XRB) has introduced a revised Accounting Standards framework. The revised framework introduces Public Benefit Entity (PBE) Accounting Standards comprising International Public Sector Accounting Standards, modified as appropriate for New



Zealand circumstances. These standards will apply for the years beginning on or after 1 July 2014.

Preliminary investigation indicates that the transition to the new Accounting Standards framework is unlikely to give rise to any significant change in the Council's current accounting policies.

The Council will transition to these new standards in preparing its 30 June 2015 financial statements.

3 Revenue from Rates

2012/13 Actual \$000		2013/14 Actual \$000
	General Rates	
9,236	Districtwide General Rate	10,216
	Targeted Rates	
4,539	Regulatory Services Rate	5,528
11,014	Community Facilities Rate	11,178
5,430	Districtwide Roading Rate	5,180
2,701	Districtwide Stormwater Rate	2,554
17	Paekākāriki Community Services Rate	16
6,584	Districtwide Water Supply Rate	7,371
91	Paraparaumu/Raumati Community Rate	63
7,294	Districtwide Wastewater Disposal Rate	7,204
119	Waikanae Community Rate	119
275	Ōtaki Community Rate	247
27	Paekākāriki Community Rate	35
179	Hautere/Te Horo Water Supply Rate	186
1	Water Conservation Device Loan Rate	15
48	Ōtaki Community Services Rate	50
	Targeted Water Rates By Meter	
207	Districtwide Water Extraordinary Supply Rate (Commercial Use Only)	187
47,762	TOTAL RATES REVENUE FOR KĀPITI COAST DISTRICT COUNCIL	50,149
56,740	Total Rates Billed	59,492
(503)	Less Internal Rates	(568)
(258)	Less Rates Remitted	(313)
(8,217)	Less Greater Wellington Regional Council Rate	(8,462)
47,762	TOTAL RATES REVENUE FOR KĀPITI COAST DISTRICT COUNCIL	50,149



Rates are shown net of rate remissions. Rate remissions granted during the year in accordance with Council's Rates Remission and Postponement Policies total \$0.31 million (2013: \$0.26 million).

Total rates levied on Council-owned properties was \$0.57 million (2013: \$0.50 million). Rates levied on Council-owned properties have been excluded from rates revenue and expenditure.

2012/13 Actual \$000	Rates Remissions	2013/14 Actual \$000
41	Council Community Properties, Sporting, Recreational and Other Community Organisations	41
126	Residential Rating Units Containing Two Separately Habitable Units Remissions	124
91	Financial Hardship	148
258	Total Rates Remissions	313

Rates Funding Requirement	Actual \$000's	2013/14 Full Year		Var %
		Budget \$000's	Var Fav/ (Unfav) \$000's	
Total External Revenue	16,271	13,246	3,025	23%
Expenditure				
Payments to Employees	20,386	20,287	(99)	0%
Direct Costs	25,455	23,475	(1,980)	(8%)
Funded Depreciation	11,333	9,737	(1,596)	(16%)
Finance Costs	7,595	8,696	1,101	13%
Capital Costs	240	1,854	1,614	87%
Total Expenditure	65,009	64,049	(960)	(1%)
Net Expenditure for Rates Funding Requirement	48,738	50,803	2,065	4%

Rates Funding Surplus as above	2,065
Rates Received under Budget	(278)
Unrealised Gain on Revaluation of Financial Instruments	3,992
Rates Funded Capital Costs under Budget	(1,614)
Rates Remitted During the Year (Excluded from Rates)	(313)
Operating Surplus Variance as per the Statement of Comprehensive Revenue and Expense	3,852

Rates Funding Requirement	2,065
Less: Accelerated Recovery of Non-Funded Depreciation in 2014/15	(200)
Less: Rates Funding Requirement Reduction in 2014/15	(350)
Less: Kāpiti Expressway Property Holding Costs Used for Debt Repayment	(1,515)
Rates Surplus Remaining	-



The Rates Funding Surplus of \$2.065 million is different to the Operating Surplus of \$1.23 million as per the Statement of Comprehensive Revenue and Expense due to the following:

1. Operating surplus/(deficit) covers all of Council's operating revenue and expenditure from all funding sources, including vested assets and unrealised gains/(losses).

2. Rates Funding surplus/(deficit) only covers the Council's revenue and expenditure that is rates funded.

The Rates Funding Surplus of \$2.065 million is primarily from an unbudgeted settlement of \$2.051 million from NZTA for the Council's loan servicing and rates holding costs for the Western Link Road. The Council resolved to repay debt from the NZTA settlement and \$0.550 million of the rates surplus was used to help reduce the 2014/15 rates increase.

4 Revenue from Fees and Charges

2012/13 Actual \$000		2013/14 Actual \$000
	User Fees and Charges	
980	Rent from Lease of Council-Owned Properties	1,038
6,374	Sale of Goods and Services	5,701
680	Fines and Penalties	704
8,034	TOTAL FEES AND CHARGES	7,443

The Council receives rents from properties used for operating activities e.g. community housing, and from properties that are held for future strategic purposes e.g. future infrastructural developments. The Council does not hold any properties for investment purposes.

Revenue from sale of goods and services includes building and resource consent fees, licence fees,

library charges and land information management reports.

Fines and Penalties include penalties for late payment of rates of \$0.52 million and traffic infringements of \$0.1 million. It also includes library fines and fines for dog prosecution and noise control.



5 Revenue from Grants and Subsidies

2012/13 Actual \$000		2013/14 Actual \$000
	Grants and Subsidies	
1,623	Capital Grants	2,228
1,075	Operating Grants	1,441
2,698	Total Grants	3,669

Capital grants of \$2.1 million (2013 \$1.3 million) were received from NZTA to subsidise the construction of new local roading; and \$0.1 million (2013: \$0.06 million) was received from Transpower New Zealand Limited for their

Greenline partnership project. Operating grants of \$1.4 million (2013: \$1.1 million) were received from NZTA to subsidise the cost of maintenance and renewal of existing local roading.

6 Finance Revenue

2012/13 Actual \$000		2013/14 Actual \$000
	Finance Revenue	
-	Interest Earned	197
-	TOTAL FINANCE REVENUE	197

7 Other Operating Revenue

2012/13 Actual \$000		Note	2013/14 Actual \$000
233	Local Government Petrol Tax		230
482	Vested Assets (Non-Crown)	14	598
1,189	Donations and Sponsorships		347
-	Gain on Disposal of Property, Plant and Equipment	14	156
262	Gain on Revaluation of Forestry Assets		-
-	Release of Provisions	11	448
-	Other		2,088
2,166	TOTAL OTHER OPERATING REVENUE		3,867

Vested assets (Non-Crown) are mainly infrastructural assets such as roading, drainage, waste and water assets that have been constructed by developers for a subdivision development. As part of the consents process, ownership of these assets is transferred to the Council at the end of the subdivision process.

The release of provisions relates to prior-year provisions for impairment of Trade and Other receivables that are no longer required.

Other Includes the Recovery of Holding Costs from NZTA

Included in the final settlement of \$7.220 million from NZTA for the Western Link Road strategic properties, was an agreed reimbursement of \$2.051 million for property holding costs, mainly debt interest and property rates.



The Council has treated this reimbursement as direct selling costs on the basis that these were directly attributable costs of the strategic assets being made available for sale and the Council's recovery thereof formed part of an agreement with NZTA.

Accordingly, \$2 million of selling costs has been included as Other Revenue and excluded from the gain realised on the disposal of the Kāpiti Expressway properties.

8 Finance Expense

2012/13 Actual \$000		2013/14 Actual \$000
	Finance Expense	
6,323	Interest Expense	7,595
6,323	TOTAL FINANCE EXPENSE	7,595

9 Other Operating Expense

2012/13 Actual \$000		Note	2013/14 Actual \$000
	Auditor's Remuneration		
	<i>Ernst and Young:</i>		
107	Audit of Financial Statements		166
130	Audit of Long Term Plan		-
-	Other Assurance Related Services		9
	Impairments and Unrealised Losses		
400	Impairment of Trade Receivables	11	559
84	Reassessment of Provisions	23	825
-	Impairment of Forestry Assets	15	84
-	Unrealised Loss on Revaluation of Forestry Assets	15	14
	Impairment of Non-Current Assets Held for Sale	13	78
3	Loss on Disposal of Property, Plant and Equipment	14	15
	Governance		
521	Councillor Fees and Costs		543
	Personnel Costs		
17,964	Staff Remuneration		20,182
493	Employer Superannuation Contributions (including KiwiSaver)		631
19	Termination Benefits (including severances)		204
1,102	Other Personnel Costs		1,582
	Other		
655	Grants		783
19,976	Other		20,166
41,454	TOTAL OTHER OPERATING EXPENSE		45,841



10 Cash and Cash Equivalents

2012/13 Actual \$000		2013/14 Actual \$000
366	Cash at Bank	471
7	Cash on Hand	7
5,566	Short Term Deposits	6,667
5,939	Total Cash and Cash Equivalents	7,145

Cash and cash equivalents comprise cash balances and call deposits with maturity dates of less than three months.

11 Trade and Other Receivables

2012/13 Actual \$000		2013/14 Actual \$000
	Trade and Other Receivables	
2,598	Trade Receivables	3,809
1,955	Rates Receivables	2,061
1,827	GST Receivables	960
19	Prepayments	-
(667)	Less provision for impairment	(778)
5,732	TOTAL TRADE AND OTHER RECEIVABLES	6,052
	Represented by:	
5,732	Current Receivables	6,052
-	Non-Current Receivables	-
5,732	TOTAL TRADE AND OTHER RECEIVABLES	6,052

Most receivables are non-interest bearing and the carrying value approximates their fair value.

2012/13 Actual \$000		2013/14 Actual \$000
	Provision for Impairment of Trade Receivables	
516	Opening Balance	667
400	Increase in Provision	559
-	Released Unused Provisions	(448)
(249)	Released as Debt Written Off	-
667	Provision for Impairment of Trade Receivables at 30 June	778

The impairment provision has been calculated based on a review of specific larger overdue receivables and a collective assessment of the remainder of receivables. The collective impairment provision is based on an analysis of past collection history and debt write-offs as a

proportion of the total portfolio. Individually impaired receivables have been determined to be impaired if the particular debtor has significant financial difficulties.



The aging profile of individually impaired receivables is:

2012/13 Actual \$000		2013/14 Actual \$000
	Provision for Impairment of Trade Receivables	
631	Individual Impairment	671
36	Collective Impairment	107
667	Provision for Impairment of Trade Receivables at 30 June	778

12 Loans

2012/13 Actual \$000		2013/14 Actual \$000
	Current	
15	Water Conservation Loans	26
159	Loans to Community Groups	171
174	Total Current Loans	197
	Non-Current	
140	Water Conservation Loans	175
80	Loans to Community Groups	52
220	Total Non-Current Loans	227
394	TOTAL LOANS	424

Loans to Community Groups

Loans to Community Groups include a loan to the Kapiti Hockey Turf Trust for the purpose of laying artificial turf and construction of a new pavilion. This will enable this facility to meet standards suitable for national and international tournaments. The loan is carried at fair value which has been estimated using the present value technique and a discount rate of 5.8%. The nominal value of the loan is \$0.23 million.

Water Conservation Loans

The Council makes interest-free loans to ratepayers who wish to install approved water conservation solutions that have potential to reduce the use of water supply. These loans are carried at fair value and calculated using the present value technique and a discount rate of 5.8%. The total nominal value of the loan is \$0.26 million.

13 Non-Current Assets Held for Sale

2012/13 Actual \$000		2013/14 Actual \$000
3,650	Western Link Road Reserve Land Town Centre Land, Rimu Road, Paraparaumu	272 2,400
3,650	TOTAL NON-CURRENT ASSETS HELD FOR SALE	2,672

At balance date, three separate parcels of Western Link Road land are held by the Council as local purpose reserve (Road Reserve Land). In

the event that the reserve status of the Road Reserve Land is satisfactorily revoked in accordance with section 24 of the Reserves



Act 1977, the NZTA will make payment of \$0.272 million to the Council for that land, at the time of revocation.

Negotiations with the NZTA are ongoing and consideration may alternatively be in the form of commensurate alternate land banks that are deemed strategic for the Council.

The Council no longer requires 5.11 hectares of part of Part Lot 1 DP 52096 and part of Lot 2 DP 64653 of the Town Centre located at

Paraparaumu Town Centre on Rimu Road, Paraparaumu, for public works purposes. Pursuant to section 40(2) of the Public Works Act 1981, the Ngahina Trust has committed to purchase this property from the Council. As at 30 June 2014, a Sale and Purchase Agreement for \$2.4 million was agreed and final settlement was received by the Council on 1 August 2014.

Valuation Assumptions

Strategic Asset	Future Net Sale Proceeds	Pre-Impairment Carrying Amount	Impairment (to Statement of Comp Revenue and Expense)	Revaluation Decrease	Closing Carrying Amount 2013/14	Gain/(Loss) on Disposal	Final Settlement Date
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Kāpiti Expressway Reserve Land	272	350	(78)	-	272	-	Subject to Road Reserve Land Revocation
Paraparaumu Town Centre	2,400	2,433	-	(33)	2,400	-	1 August 2014

The Council has elected to impair its Kāpiti Expressway Reserve Land on the basis that its carrying amount as at 30 June 2014 exceeds its recoverable amount. In accordance with New Zealand international Accounting Standards (NZIAS) 36, given the cost model applies to these assets, an impairment loss of \$0.078 million has been recognised in the Statement of Comprehensive Revenue and Expense.

Similarly, the Council has further elected to impair the Paraparaumu Town Centre Land on the same basis that its revalued carrying amount as at 30 June 2014 exceeds its recoverable amount. In accordance with NZIAS 36, given the revaluation model has been adopted for this asset, the impairment has been treated as a revaluation decrease and is therefore not recognised within the Statement of Comprehensive Revenue and Expense.



14 Property, Plant and Equipment

2013/14	Cost/ Revaluation	Accumulated Depreciation and Impairment Charges	Carrying Amount	Transfers within Asset Classes	Current Year Additions Transferred to Council	Current Year Additions Constructed by Council	Current Year Additions Other	Gross Current Year Disposals	Current Year Impairment Charges	Current Year Depreciation	Gross Accumulated Depreciation on Disposals	Revaluation Surplus	Assets Held for Sale	Cost/ Revaluation	Accumulated Depreciation and Impairment Charges	Carrying Amount
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operational Assets																
Land	26,758	-	26,758	106	-	(637)	-	(486)	-	-	-	5,894	-	31,636	-	31,636
Buildings and Improvements	36,543	(2,134)	34,409	(56)	-	22,837	-	(191)	-	(1,510)	-	2,286	-	58,409	(634)	57,775
Library Collections	7,048	(4,850)	2,198	-	-	476	-	-	-	(390)	-	-	-	7,524	(5,240)	2,284
Plant and Machinery	2,651	(1,935)	716	64	-	72	-	-	-	(84)	-	-	-	2,787	(2,019)	768
Motor Vehicles	3,612	(1,926)	1,686	(64)	-	232	-	(88)	-	(265)	-	-	-	3,807	(2,161)	1,646
Furniture and Chattels	1,967	(1,317)	650	-	-	155	-	-	-	(121)	-	-	-	2,122	(1,438)	684
Computers and Office Equipment	7,594	(5,865)	1,729	-	-	323	-	-	-	(514)	-	-	-	7,916	(6,379)	1,537
Items Under Construction	24,154	-	24,154	(1,410)	-	(20,900)	-	-	-	-	-	-	-	1,844	-	1,844
Landfill Post-Closure	-	-	-	-	-	4,388	-	-	-	(337)	-	-	-	4,388	(337)	4,051
Total Operational Assets	110,327	(18,027)	92,300	(1,360)	-	6,946	-	(765)	-	(3,221)	-	8,180	-	120,433	(18,208)	102,225
Infrastructural Assets																
Roading and Footpaths	242,751	(7,855)	234,896	-	242	8,540	-	(4,241)	(78)	(4,678)	-	14,254	(272)	249,223	(217)	249,006
Land Under Road	200,961	-	200,961	-	-	-	-	-	-	-	-	532,732	-	733,693	-	733,693
Bridges	13,274	(537)	12,737	-	-	104	-	-	-	(274)	-	1,970	-	14,537	-	14,537
Water Treatment Plants and Facilities	11,282	(1,309)	9,973	-	-	11	-	-	-	(719)	-	5,479	-	14,746	(2)	14,744
Water - Other Assets	65,417	(2,564)	62,853	-	84	9,473	-	-	-	(1,409)	-	1,013	-	72,015	-	72,015
Wastewater Treatment Plants and Facilities	23,533	(1,659)	21,874	-	-	177	-	-	-	(851)	-	659	-	21,894	(34)	21,860
Wastewater - Other Assets	64,835	(2,804)	62,031	-	86	489	-	-	-	(1,424)	-	1,833	-	63,015	-	63,015
Stormwater Drainage	63,647	(2,041)	61,606	-	179	1,471	-	-	-	(1,147)	-	(2,977)	-	59,703	(570)	59,133
Seawalls	6,009	(494)	5,515	-	-	426	-	-	-	(301)	-	(525)	-	5,115	-	5,115
River Flood Protection and Control Works	1,126	(26)	1,100	-	-	-	-	-	-	(13)	-	6	-	1,093	-	1,093
Items Under Construction	20,784	-	20,784	1,140	-	4,458	-	(1,979)	-	-	-	(33)	(2,400)	21,970	-	21,970
Total Infrastructural Assets	713,619	(19,289)	694,330	1,140	591	25,149	-	(6,220)	(78)	(10,816)	-	554,411	(2,672)	1,257,004	(823)	1,256,181
Restricted Assets																
Land	48,039	-	48,039	-	-	507	-	-	-	-	-	(2,123)	-	46,423	-	46,423
Buildings and Improvements	25,052	(2,760)	22,292	74	-	408	-	-	-	(1,481)	-	3,286	-	24,624	(45)	24,579
Items Under Construction	1,793	-	1,793	146	-	499	-	-	-	-	-	-	-	2,438	-	2,438
Total Restricted Assets	74,884	(2,760)	72,124	220	-	1,414	-	-	-	(1,481)	-	1,163	-	73,485	(45)	73,440
TOTAL PROPERTY, PLANT AND EQUIPMENT	898,830	(40,076)	858,754	-	591	33,509	-	(6,985)	(78)	(15,518)	-	563,754	(2,672)	1,450,922	(19,076)	1,431,846



14 Property, Plant and Equipment (continued)

2012/13	Cost/ Revaluation	Accumulated Depreciation and Impairment Charges	Carrying Amount	Transfers within asset Classes	Current Year Additions Transferred to Council	Current Year Additions Constructed by Council	Current Year Additions Other	Gross Current Year Disposals	Current Year Impairment Charges	Current Year Depreciation	Gross Accumulated Depreciation on Disposals	Revaluation Surplus	Assets Held for Sale	Cost/ Revaluation	Accumulated Depreciation and Impairment Charges	Carrying Amount
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operational Assets																
Land	26,746	-	26,746	-	-	12	-	-	-	-	-	-	-	26,758	-	26,758
Buildings and Improvements	27,739	(1,058)	26,681	-	-	8,804	-	-	-	(1,076)	-	-	-	36,543	(2,134)	34,409
Library Collections	6,562	(4,463)	2,099	-	-	486	-	-	-	(387)	-	-	-	7,048	(4,850)	2,198
Plant and Machinery	2,597	(1,924)	673	-	-	210	-	(156)	-	(113)	102	-	-	2,651	(1,935)	716
Motor Vehicles	3,511	(1,772)	1,739	-	-	203	-	(102)	-	(263)	109	-	-	3,612	(1,926)	1,686
Furniture and Chattels	1,928	(1,203)	725	-	-	39	-	-	-	(114)	-	-	-	1,967	(1,317)	650
Computers and Office Equipment	7,329	(5,339)	1,990	-	-	265	-	-	-	(526)	-	-	-	7,594	(5,865)	1,729
Items Under Construction	16,209	-	16,209	-	-	7,945	-	-	-	-	-	-	-	24,154	-	24,154
Landfill Post Closure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operational Assets	92,621	(15,759)	76,862	-	-	17,964	-	(258)	-	(2,479)	211	-	-	110,327	(18,027)	92,300
Infrastructural Assets																
Roading and Footpaths	435,224	(3,847)	431,377	-	172	8,316	-	-	-	(4,008)	-	-	-	443,712	(7,855)	435,857
Bridges	13,274	(271)	13,003	-	-	-	-	-	-	(266)	-	-	-	13,274	(537)	12,737
Water Treatment Plant and Facilities	75,345	(1,933)	73,412	-	58	1,296	-	-	-	(1,940)	-	-	-	76,699	(3,873)	72,826
Water - Other Assets																
Wastewater Treatment Plant and Facilities	87,142	(2,222)	84,920	-	92	1,134	-	-	-	(2,241)	-	-	-	88,368	(4,463)	83,905
Wastewater - Other Assets																
Stormwater Drainage	55,982	(987)	54,995	-	160	7,505	-	-	-	(1,054)	-	-	-	63,647	(2,041)	61,606
Seawalls	5,388	(243)	5,145	-	-	621	-	-	-	(251)	-	-	-	6,009	(494)	5,515
River Flood Protection and Control Works	1,126	(13)	1,113	-	-	-	-	-	-	(13)	-	-	-	1,126	(26)	1,100
Items Under Construction	37,123	-	37,123	-	-	943	-	(7)	(13,625)	-	-	-	(3,650)	20,784	-	20,784
Total Infrastructural Assets	710,604	(9,516)	701,088	-	482	19,815	-	(7)	(13,625)	(9,773)	-	-	(3,650)	713,619	(19,289)	694,330
Restricted Assets																
Land	44,067	-	44,067	-	-	3,972	-	-	-	-	-	-	-	48,039	-	48,039
Buildings and Improvements	23,124	(1,364)	21,760	-	-	1,928	-	-	-	(1,396)	-	-	-	25,052	(2,760)	22,292
Items Under Construction	562	-	562	-	-	1,231	-	-	-	-	-	-	-	1,793	-	1,793
Total Restricted Assets	67,753	(1,364)	66,389	-	-	7,131	-	-	-	(1,396)	-	-	-	74,884	(2,760)	72,124
TOTAL PROPERTY, PLANT AND EQUIPMENT	870,978	(26,639)	844,339	-	482	44,910	-	(265)	(13,625)	(13,648)	211	-	(3,650)	898,830	(40,076)	858,754



14 Property, Plant and Equipment (continued)

Summary of Gains/(Losses) on Disposal

	Net Sale Proceeds \$000	Carrying Amount \$000	Gain/(Loss) 2013/14 \$000
Buildings	126	101	25
Land	206	163	43
NZTA/Kāpiti Expressway Land	10,448	10,283	165
Motor Vehicles	72	88	(15)
Closing Balance	10,852	10,635	218

The carrying amount of \$10.635 million includes \$3.650 million of NZTA/Kāpiti Expressway Land classified as Held for Sale as at 30 June 2013.

Revaluation Methodology

Description	Date of Asset Valuation	Valuation Method Used to Assess Fair Value	Next Asset Revaluation Date
Operational Assets			
Land and Buildings	30 Jun 14	Valuations were performed by external registered valuers Quotable Value (QV) New Zealand Limited. The methodology used to assess the fair value of land and most of the buildings was the market value based on recent equivalent sales. Valuations were undertaken in accordance with standards issued by the New Zealand Property Institute. Where no market exists due to the specialised nature of the buildings, the valuation has been performed using the optimised depreciated replacement cost method. Land valuations have been based on extensive local knowledge, the district rating records, the QV Mapping system and records held by Quotable Value New Zealand Limited.	30 Jun 17
Infrastructural Assets			
Roading and Footpaths	30 Jun 14	Valuations were performed by external registered valuers Spiire New Zealand Limited. The optimised depreciated replacement cost method was used to assess the fair value. The roading valuation was completed using the Roothing Asset Management and Maintenance (RAMM) database valuation module. The valuation is based on the inventory with the RAMM database and unit price updated by Spiire as part of the valuation. Unit Values have been adjusted using the appropriate Roothing Construction Index. The rates for replacement costs of assets were based on current construction costs of similar works. Rates for major items have been made with equivalent rates for similar roading work with other parts of the Wellington Region.	30 Jun 17



Description	Date of Asset Valuation	Valuation Method Used to Assess Fair Value	Next Asset Revaluation Date
Land Under Roads	30 Jun 14	Valuations were performed by registered valuers Tse Value Limited and reviewed by Spiire New Zealand Limited. The land was valued on the basis of the average market value of land by location and land use and based on the per hectare value of 'across the fence' adjoining land. The per hectare basis was derived from ruling land value rates which was analysed from recent sales throughout the various wards – appropriately adjusted to reflect localised land differences and the spread, nature and character of the sales data. The derived land value rates were then applied to the supplied land areas.	30 Jun 17
Bridges	30 Jun 14	Valuations were performed by registered valuers Spiire New Zealand Limited. The optimised depreciated replacement cost method was used to assess the fair value. A 'brownfields' optimisation approach was used for roading and bridges, and was based on the assumption the entire roading system remains in its current configuration. No capacity for optimisation of the roading assets was identified. The rates for replacement costs of assets were based on current construction costs of similar works and adjusted using the appropriate Consumer Price Index where there are no other current rates that are applicable.	30 Jun 17
Water	30 Jun 14	Valuations were performed by external registered valuers Spiire New Zealand Limited. All assets have been valued using optimised depreciation replacement cost method. The New Zealand Infrastructure Asset Valuation and Depreciation guidelines issued by the New Zealand Asset Management (NZAM) group of the Institute of Public Works Engineering Australasia (IPWEA) give direction as to the overall methodology applicable to the Optimised Depreciated Replacement Cost valuation technique for water utilities. Replacement Costs for any but new assets were factored using the Capital Goods Price Index from the previous valuations.	30 Jun 17
Wastewater	30 Jun 14	Valuations were performed by external registered valuers Spiire New Zealand Limited. All assets have been valued using the optimised depreciation replacement cost method. The NZ Infrastructure Asset Valuation and Depreciation guidelines issued by the NZAM group of IPWEA give direction as to the overall methodology applicable to optimised depreciated replacement cost valuations for water utilities. Replacement costs for any but new assets were factored using the Capital Goods Price Index from the previous valuations.	30 Jun 17
Stormwater	30 Jun 14	Valuations were performed by external registered valuers Spiire New Zealand Limited. All assets have been valued using the optimised depreciation replacements cost method. The NZ Infrastructure Asset Valuation and Depreciation guidelines issued by the NZAM group of IPWEA give direction as to the overall methodology applicable to optimised depreciated replacement cost valuations for water utilities. Replacement costs for any but new assets were factored using the Capital Goods Price Index from the previous valuations.	30 Jun 17



Description	Date of Asset Valuation	Valuation Method Used to Assess Fair Value	Next Asset Revaluation Date
Seawalls	30 Jun 14	Valuations were performed by external registered valuers Spiire New Zealand Limited. All assets have been valued using the optimised depreciated replacements cost method. Unit rates were checked against recent contracts for appropriateness and consistency and following review, the replacement costs were prepared using the Capital Goods Price Index for reclamation and river control.	30 Jun 17
River Control	30 Jun 14	Valuations were performed by external registered valuers Spiire New Zealand Limited. All assets have been valued using the optimised depreciated replacement cost method. Unit rates were checked against recent contracts for appropriateness and consistency and following review, the replacement costs were prepared using the Capital Goods Price Index for reclamation and river control.	30 Jun 17
Restricted Assets			
Parks and Reserves Structures	30 Jun 14	Valuations were performed by external registered valuers Spiire New Zealand Limited. All assets have been valued using the optimised depreciated replacement cost method. Unit rates were checked against recent contracts for appropriateness and consistency and following review, the replacement costs were assessed using the Capital Goods Price Index for reclamation and river control.	30 Jun 17

Restrictions to Title

The property, plant or equipment in the table above has not been pledged as collateral for

borrowings nor is it subject to finance leases. (2013: \$Nil).

15 Forestry Assets

2012/13 Actual \$000		2013/14 Actual \$000
263	Forestry Assets Opening Balance	525
-	Impairment of Forestry Assets	(84)
-	Less Disposal of Forestry Block	(350)
262	Unrealised Gain/(Loss) on Revaluation of Forestry Assets	(14)
525	Forestry Assets Closing Balance	77

Forestry Disposals

Forestry Asset	Net Sale Proceeds \$000	Pre-impairment Carrying Amount \$000	Impairment \$000	Closing Carrying Amount \$000	Gain/(Loss) on Disposal \$000	Final Settlement Date
Lot 2	350	434	(84)	350	-	27 June 2014

The Council owned a 22.5 hectare plantation of 1983-1985 pine trees located on and adjacent to the Otaihangā Landfill. The majority of the trees

were located on land currently designated for the construction of the new Kāpiti Expressway.



Three reputable forestry management contractors: Forest Marketing Services, John Turkington Ltd and Forme Consulting Group each provided the

Council with estimates for the removal of the trees and potential tree harvest revenue therefrom. These estimates are summarised below.

	Estimated Net Revenue (\$ per Tonne) \$000	Total Estimated Tonnage (Volume)	Total Estimated Net Revenue (Actual Tonnes sold) \$000
Forest Marketing Services	53	9,448	365,794
John Turkington Ltd	48	6,720	327,682
Forme Consulting Group	48	7,137	326,826

In June 2014, the Council and NZTA agreed a final settlement of \$0.35 million in consideration for this forestry block. The Council has elected to impair this asset prior to its disposal on the basis that its carrying amount as at 30 June 2014 exceeds its recoverable amount. In accordance with NZIAS 40, an impairment loss of \$0.08 million has been recognised in the Statement of Comprehensive Revenue and Expense. The net sale proceeds were returned by way of a Council grant to the Paraparaumu/Raumati Capital Reserve Fund.

Valuation Assumptions

Independent Valuer, Tim Hunt, re-assessed the forest valuation of the remaining pine tree

plantation located on Kāpiti Coast District Council land at Waikanae. Harvesting age was set at 30 years. In the case of semi-mature stands, the actual net revenue at harvesting is predicted and discounted to present day. The industry norm is presently in the range of 8-10%. As at balance date, there was no imminent deforestation planned for this forestry block.

Financial Risk Management Strategies

The Council is exposed to financial risks from changes in timber prices. The Council is not a long-term forestry investor and has not taken any measures to manage the risks of a decline in timber prices given the comparatively small nature of its remaining forestry resource.

16 Intangible Asset

	Computer Software Actual \$000	Carbon Credits Actual \$000	Total Actual \$000
Cost			
Opening Balance 1 July 2013	1,000	-	1,000
Additions during the period	523	7	530
Disposals during the period	-	-	-
Closing Balance 30 June 2014	1,523	7	1,530
Amortisation			
Opening Balance 1 July 2013	(569)	-	(569)
Amortisation during the year	(228)	-	(228)
Closing Balance 30 June 2014	(797)	-	(797)
Carrying Value			
30 June 2014	726	7	733
30 June 2013	431	-	431



Carbon Credits

The New Zealand Emissions Trading Scheme (NZ ETS) puts obligations on certain industries to account for the greenhouse gas emissions that result from their activities. The NZ ETS is based around trade in units that represent a tonne of carbon dioxide equivalent emissions. The primary unit of trade is the New Zealand Unit (NZU) which is created and distributed by Government.

Organisations whose activities emit carbon gas have to surrender these units annually to the Government, whereas those organisations that remove carbon gas, e.g. the forestry sector, can receive NZUs.

The Council received 1,725 New Zealand carbon credit units (NZUs) from the Emissions Trading Scheme in recognition of the carbon absorbed by its forestry assets. The fair value of the NZUs as at balance date was \$7,000.

During the year, Council harvested 12.17 ha of forest at Otaihanga for the Kāpiti Expressway. The harvesting resulted in an obligation under the NZ ETS to surrender 9,576 carbon emission reduction units due to the release of 9,576 tonnes of carbon dioxide equivalent gas arising from the deforestation. The Council intends to purchase Kyoto units (which are cheaper than NZUs) to discharge this obligation.

A liability of \$5,000 has been accrued at balance date for the purchase of 9,576 Kyoto units.

Restrictions to Title

There are no restrictions over the title of the intangible assets nor have any of the intangible assets been pledged as collateral for any borrowing.

17 Other Financial Assets and Liabilities

Financial Assets

2012/13 Actual \$000		2013/14 Actual \$000
	Non-Current	
	Shares	
100	NZ Local Government Funding Agency Shares	100
45	NZ Local Government Insurance Corporation Shares	15
	Notes	
1,600	NZ Local Government Funding Agency Stock	1,840
21	Fonterra Perpetual Notes	21
1,766	TOTAL OTHER FINANCIAL ASSETS	1,976

Financial Liabilities

Financial Guarantees

Together with 40 other local authorities, the Council is a guarantor of all of the borrowings of the New Zealand Local Government Funding Authority Limited (LGFA).

Financial reporting standards require the Council to recognise the financial guarantee as a liability

at fair value where this can be reliably measured. The Council has not recognised this liability as it cannot be reliably measured and we consider that the risk of this guarantee being called on is extremely low. Further explanation on this financial guarantee is provided in Note 29.



18 Trade and Other Payables

2012/13 Actual \$000		2013/14 Actual \$000
	Trade and Other Payables	
9,923	Trade Creditors	11,416
427	Interest Payable	286
1,511	Rates Received in Advance	1,654
1,030	Contract Retentions	1,222
1,436	Greater Wellington Regional Council Rates Payable	1,457
366	Sundry Payables	714
14,693	TOTAL TRADE AND OTHER PAYABLES	16,749

Trade payables are non-interest bearing and normally settled on 30-day-terms therefore the carrying values approximate fair value.

19 Employee Benefit Liabilities

2012/13 Actual \$000		2013/14 Actual \$000
	Current	
364	Payroll Accrual	499
1,321	Annual Leave	1,469
67	Sick Leave	81
57	Long Service Leave	64
	Non-Current	
38	Long Service Leave	45
149	Retirement Gratuities	154
1,996	TOTAL EMPLOYEE BENEFIT LIABILITIES	2,312

20 Deposits

2012/13 Actual \$000		2013/14 Actual \$000
	Deposits	
658	Road Damage Deposits	550
327	Resource Consent Planning Bonds	347
5	Hall Deposits	7
6	Miscellaneous Deposits	6
996	TOTAL DEPOSITS	910



21 Borrowings

A Debenture Trust Deed was established as at 30 June 2012 and the Perpetual Trust Limited was appointed as the Trustee. All borrowings are covered by a charge over rates.

In December 2013, a Deed of Retirement was executed, appointing Corporate Trust Limited trading as Foundation Corporate Trust as the new Trustee. A Debenture Trust Deed is a

prerequisite for becoming a shareholder of the Local Government Funding Agency (LGFA).

No defaults or breaches occurred during the year.

Borrowings are divided between the current portion of borrowings (liability of one year or less) and long term borrowings (liability longer than one year).

2012/13 Actual \$000		2013/14 Actual \$000
10,077	Current Portion of Borrowings	5,030
115,147	Long Term Borrowings	125,117
125,224	TOTAL BORROWINGS	130,147
	Maturity	
10,077	2013/14	-
5,081	2014/15	5,030
44	2015/16	60
10,018	2016/17	10,000
60,004	2017/18	60,057
20,000	2018/19	20,000
-	2019/20	-
20,000	2020/21	20,000
-	2021/22	-
-	2022/23	15,000
125,224	TOTAL BORROWINGS	130,147

As at balance date, the effective weighted average interest rate on the Council's borrowings, after taking the Council's interest rate swaps into account, was 5.91% (2013: 5.62%).

Local Government Funding Agency (LGFA)

The Council joined the LGFA as a shareholder in October 2012 and has borrowed for longer term funding through the LGFA to make savings on interest rate margins. As at balance date, \$115 million (2013: \$100 million) of the Council's total borrowings were funded through the LGFA.

The Council's borrowings are secured by a Debenture Trust Deed over Council rates.

22 Development and Financial Contributions

2012/13 Actual \$000		2013/14 Actual \$000
17	Development Contributions	437
17	Closing Balance 30 June	437
	Financial Contributions	
1,004	Ōtaki Reserves Contributions	658
174	Waikanae Reserves Contributions	327
268	Paraparaumu and Raumati Reserves Contributions	755
1,446	Closing Balance 30 June	1,740
1,463	TOTAL DEVELOPMENT AND FINANCIAL CONTRIBUTIONS	2,177

23 Provisions

2012/13 Actual \$000		2013/14 Actual \$000
	Current	
-	Provision for Leaky Buildings	366
-	Provision for Landfill Aftercare	209
-	Other Provisions	111
-	Total Current Provisions	686
	Non-Current Provisions	
525	Provision for Leaky Buildings	-
38	Provision for Landfill Aftercare	4,222
-	Other Provisions	496
-	Total Non-Current Provisions	4,718
563	TOTAL PROVISIONS	5,404



Movement in Provisions

2012/13 Actual \$000		2013/14 Actual \$000
	Provision for Weathertight Buildings	
525	Opening Balance	525
84	Increase in Provision	219
(84)	Expenditure	(378)
525	Closing Balance 30 June	366
	Landfill Aftercare Provision	
38	Opening Balance	38
-	Increase in Provision	4,572
-	Expenditure	(179)
38	Closing Balance 30 June	4,431
	Other Provisions	
-	Opening Balance	-
-	Increase in Provision	607
-	Expenditure	-
-	Closing Balance 30 June	607
563	TOTAL PROVISIONS	5,404

Provision for Weathertight Buildings

This provision represents the Council's estimated liability relating to the settlement of claims arising in relation to the Weathertight Homes Resolution Services (WHRS) Act 2006 and civil proceedings for weathertightness.

During the year, weathertight building claims of \$0.378 million (net of insurance recoveries) were settled by the Council and a further provision of \$0.366 million was recognised for the estimated costs of known claims currently outstanding, including those claims that are being actively managed by the Council as well as claims lodged with WHRS but not yet being actively managed. This method of calculation is consistent with prior years.

It is assumed all claims will be settled within twelve months and so the provision has not been discounted. The provision is net of any third-party contributions including insurance, where applicable.

Landfill Aftercare Provision

The Council currently operates the Otaihangā Landfill and also manages the Ōtaki and Waikanae sites which are now closed. There has been a significant increase in this provision as at 30 June 2014. This is the result of detailed cost estimates for the closure and capping of the Otaihangā Landfill having been developed in 2013 following the approved consent variation. The consent variation that was approved in 2013 reflects an improved cap design that meets current landfill guidelines and best practice.

The Council obtained a resource consent for 35 years in 1994 to operate the Otaihangā Landfill. The Council has responsibility under the Resource Management Act 1991 to provide ongoing maintenance and monitoring of landfills after closure. Work has commenced in early 2012 to design and develop the landfill towards closure, which included a variation to the consent with regard to capping requirements and leachate management and monitoring requirements.

These closure responsibilities include:

- final cover application and vegetation;
- incremental drainage control features;
- completing facilities for leachate collection and monitoring;
- completing facilities for monitoring and recovery of gas;
- post-closure responsibilities;
- treatment and monitoring of leachate;
- ground water monitoring and surface water monitoring; and
- ongoing site maintenance and remedial works when required for drainage systems, final cover and vegetation.

The Otaihanga Landfill has been closed for general waste since 2007 and will stop accepting biosolids at the end of 2014/15. Cleanfill (capping material) will however continue to be accepted until final closure in 2026.

The annual cost for monitoring the Otaihanga Landfill site after closure is estimated to be \$6,000 per year for the first five years after closure. An annual monitoring cost of \$3,000 is estimated for a further 30 years.

The annual cost for monitoring the closed landfills in Waikanae and Ōtaki is \$3,000 per landfill and will be required until 2039 for Waikanae and 2040 for Ōtaki.

The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. A discount rate of 5.8% has been used in the calculation.

The provision is based on best estimate information available when preparing the calculation and is reviewed at each reporting period.

24 Reserves and Special Funds

	Opening Balance 2012/13 Actual \$000	Transfers into Reserve Actual \$000	Transfers out of Reserve Actual \$000	Closing Balance 2013/14 Actual \$000
Restricted Reserves				
Plant Purchase and Renewal Fund	750	79	(425)	404
Waikanae Property Fund	77	4	-	81
Waikanae Capital Improvements Fund	1,152	67	(27)	1,192
Restricted Reserves Closing Balance	1,979	150	(452)	1,677
Council-Created Reserve				
Contingency Fund	949	1,059	(1,412)	596
Paekākāriki-Campe Estate	105	9	(1)	113
Roading Reserve	109	747	(72)	784
Election Reserve	104	127	(155)	76
Council-Created Reserves Closing Balance	1,267	1,942	(1,640)	1,569
TOTAL RESERVES AND SPECIAL FUNDS	3,246	2,092	(2,092)	3,246

Plant Purchase and Renewal Fund

The purpose of the reserve is to fund ongoing replacement of plant and vehicles when this falls due. The reserve is funded from depreciation charges on our current plant and vehicles.

Waikanae Property Fund

The purpose of the reserve is to fund improvements to Council-owned properties in Waikanae. The source of funds is the proceeds from sale of other Council property in the Waikanae Ward (excluding districtwide funded properties).



Waikanae Capital Improvements Fund

The purpose of the reserve is to fund capital improvements in the Waikanae Ward and also to provide capital grants to Waikanae organisations in accordance with approved criteria. The source of funds is Waikanae Ward's share of the property assets of the Horowhenua County Council and interest earned on the capital sum.

Contingency Fund

The purpose of the reserve is to fund unexpected expenditure across the District, e.g. leaky home claims, flood events and insurance excess. The source of funds includes rates and rate penalties.

Paekākāriki Campe Estate

The purpose of the reserve is to fund administration of the Paekākāriki Campe Estate for the benefit of the youth of Kāpiti. The source

of the funds is the proceeds from sale of the property owned by Mr Campe plus interest on the capital sum.

Roading Reserve Upgrading Contributions

The purpose of the reserve is to fund road upgrading works. The source of funds is the road upgrading development contributions from developers and interest on the capital sum.

Election Reserve

The purpose of the reserve is to fund the three yearly election cycle. The reserve is funded from rates on an annual basis.

Miscellaneous and Separate Funds

These funds are set aside within Accumulated Funds but do not meet the requirement to be classified within Reserves or Special Funds.



25 Revaluation Reserve

The revaluation reserves comprise gains/(losses) in the fair value of land, buildings and infrastructural assets. The net revaluation gain for

the year ended 30 June 2014 totalled \$563.7 million.

There were no revaluation adjustments in 2012/13 as the assets are revalued every three years.

Movements in Revaluation Reserve

	Opening Balance 2012/13 Actual \$000	Transfers into Reserve Actual \$000	Transfers out of Reserve Actual \$000	Closing Balance 2013/14 Actual \$000
Land and Buildings				
Opening Balance of Revaluation Reserve	34,344	-	-	34,344
Change in Fair Value Recognised during the Year	-	9,643	(343)	9,300
Transfer of Revaluation Gain on Non-Current Land Held for Sale to Accumulated Funds	-	-	(778)	(778)
Closing Balance Land and Buildings Revaluation Reserve	34,344	9,643	(1,121)	42,866
Roading and Bridges				
Opening Balance of Revaluation Reserve	63,189	-	-	63,189
Change in Fair Value Recognised during the Year	-	548,924	-	548,924
Closing Balance Roothing and Bridges Revaluation Reserve	63,189	548,924	-	612,113
Water				
Opening Balance of Revaluation Reserve	11,777	-	-	11,777
Change in Fair Value Recognised during the Year	-	6,492	-	6,492
Closing Balance Water Revaluation Reserve	11,777	6,492	-	18,269
Wastewater				
Opening Balance of Revaluation Reserve	16,793	-	-	16,793
Change in Fair Value Recognised during the Year	-	2,492	-	2,492
Closing Balance Wastewater Revaluation Reserve	16,793	2,492	-	19,285
Stormwater and River Control				
Opening Balance of Revaluation Reserve	19,610	-	-	19,610
Change in Fair Value Recognised during the Year	-	6	(3,460)	(3,454)
Closing Balance Stormwater and River Control	19,610	6	(3,460)	16,156
TOTAL REVALUATION RESERVE	145,713	567,557	(4,581)	708,689



26 Reconciliation of Operating Surplus/(Deficit) to Cashflow from Operating Activities

2012/13 Actual \$000		2013/14 Actual \$000
5,229	Surplus(Deficit) for the period	1,230
	Add(Less) Non-Cash Items	
13,847	Depreciation and Amortisation Expense	15,746
-	Asset Disposal	(156)
(482)	Vested Assets	(598)
(4,161)	Revaluation of Interest Rate Swaps	(3,992)
151	Provision for Bad Debts	333
(262)	Revaluation of Forestry	(98)
-	Provisions for Landfill	4,968
9,093	Total Non-Cash Items	16,203
	Add(Less) Items Classified as Investing or Financing Activities	
(1,189)	Trust Fund Revenue (Coastlands Aquatic Centre)	(347)
(1,344)	NZTA Capital Funding	(2,228)
(2,533)	Total Investing or Financing Activities	(2,575)
	Add(Less) Movements in Working Capital Items	
(388)	Increase in Accounts Receivable	(320)
94	Increase in Employee Entitlements	304
40	Increase in Inventory	(21)
(114)	Decrease in Deposits	(86)
877	Increase in Accounts Payable (Operating)	4,751
(641)	Increase in Development Contributions	714
(132)	Total Movements in Working Capital	5,342
11,657	NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES	20,200



27 Financial Risk Management

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

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

Fair Value

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

As part of its normal operations, the Council is exposed to credit risk, interest rate risk and liquidity risk.

Credit Risk

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

Fair Value Hierarchy Disclosures

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

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

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

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

There were no transfers between the different levels of the fair value hierarchy during 2013/14.



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

	2013/14				2012/13			
	Quoted Market Price	Valuation Technique- Market Observable Inputs	Valuation Technique- Non-Market Observable Inputs	Total	Quoted Market Price	Valuation Technique- Market Observable Inputs	Valuation Technique- Non-Market Observable Inputs	Total
	(Level 1)	(Level 2)	(Level 3)		(Level 1)	(Level 2)	(Level 3)	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Financial Assets								
Derivative Financial Instruments	-	775	-	775	-	271	-	271
Perpetual Notes	-	21	-	21	-	21	-	21
Shares in LGIC	-	15	-	15	-	45	-	45
LGFA Stock	-	1,840	-	1,840	-	1,600	-	1,600
Shares in LGFA	-	100	-	100	-	100	-	100
TOTAL	-	2,751	-	2,751	-	2,037	-	2,037
Financial Liabilities								
Derivative Financial Instruments	-	3,000	-	3,000	-	6,489	-	6,489
TOTAL	-	3,000	-	3,000	-	6,489	-	6,489

Credit Qualities of Financial Assets

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

Market Risk

Price Risk

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

Interest Rate Risk

The weighted average interest rate on investments as at 30 June 2014 was 3.4% (2013 3.1%). The interest rates on the Council's borrowings are disclosed in Note 21.

Fair Value Interest Rate Risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowing issued at fixed rates exposes the Council to fair

value interest rate risk. The Council's Treasury Management Policy outlines the level of borrowing that is to be secured using fixed rate instruments. Fixed-to-floating interest rate swaps are entered into to manage the fair value interest rate risk arising where the Council has borrowed at fixed rates.

Cash Flow Interest Rate Risk

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

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



interest amounts calculated by reference to the agreed notional principal amounts.

The Council has interest rate swap agreements in place at 30 June 2014 in relation to its borrowing programme. The notional contract value of these agreements was \$163.28 million (2013: \$131.8 million). The interest rate range for the interest rate swaps is 3.81% to 6.07%. The net fair value of the interest rate swaps as at 30 June 2014 was \$2.226 million (30 June 2013: \$6.218 million) comprising assets of \$0.775 million (30 June 2013: \$0.271 million) and liabilities \$3.000 million (30 June 2013: \$6.489 million). The movement in the fair value of these interest rate swaps is taken directly to the Statement of Comprehensive Revenue and Expense.

Liquidity Risk

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

Although current liabilities exceed current assets as at 30 June 2014, current liabilities include the current portion of public debt which will be rolled over in the 2014/15 year.

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

The Council uses an overdraft facility to manage its day-to-day cashflows. The Council has a \$60 million, credit line facility with Westpac Banking Corporation.

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

Contractual Maturity Analysis of Financial Liabilities

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

2013/14	Carrying Amount	Total Contractual Cash Flows	0-12 Months	1-2 Years	2-5 Years	More Than 5 Years
	\$000	\$000	\$000	\$000	\$000	\$000
Trade and Other Payables	16,749	16,749	16,749	-	-	-
Derivative Financial Instruments	3,000	7,089	1,756	1,605	3,286	442
Borrowings	130,000	155,867	10,600	5,453	100,957	38,857
Borrowings – EECA Loan	147	147	30	60	57	-
TOTAL	149,896	179,852	29,135	7,118	104,300	39,299



2012/13	Carrying Amount	Total Contractual Cash Flows	0-12 Months	1-2 Years	2-5 Years	More Than 5 Years
	\$000	\$000	\$000	\$000	\$000	\$000
Trade and Other Payables	14,693	14,693	14,693	-	-	-
Derivative Financial Instruments	6,489	16,384	3,012	3,011	7,414	2,947
Borrowings	124,785	145,332	13,912	8,962	79,953	42,505
Borrowings – EECA Loan	439	439	292	125	22	-
TOTAL	146,406	176,848	31,909	12,098	87,389	45,452

Contractual Maturity Analysis of Financial Assets

2013/14	Carrying Amount	Total Contractual Cash Flows	0-12 Months	1-2 Years	2-5 Years	More Than 5 Years
	\$000	\$000	\$000	\$000	\$000	\$000
Cash and Cash Equivalents	7,145	7,145	7,145	-	-	-
Derivative Financial Instruments	775	(2,668)	(163)	(301)	(1,182)	(1,022)
Trade and Other Receivables	6,052	6,052	6,052	-	-	-
Loan Receivables	424	511	196	36	112	167
LGFA Stock	1,840	2,146	61	61	1,411	613
TOTAL	16,236	13,186	13,291	(204)	341	(242)

2012/13	Carrying Amount	Total Contractual Cash Flows	0-12 Months	1-2 Years	2-5 Years	More Than 5 Years
	\$000	\$000	\$000	\$000	\$000	\$000
Cash and Cash Equivalents	5,939	5,939	5,939	-	-	-
Derivative Financial Instruments	271	(657)	(121)	(121)	(297)	(118)
Trade and Other Receivables	5,882	5,882	5,882	-	-	-
Loan Receivables	244	285	30	30	91	134
LGFA Stock	1,600	1,877	51	51	1,098	677
TOTAL	13,936	13,326	11,781	(40)	892	693



Financial Instrument Categories

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

	2013/14 Actual \$000	2012/13 Actual \$000
FINANCIAL ASSETS		
Loans and Receivables		
Cash and Cash Equivalents	7,145	5,939
Trade and Other Receivables	6,052	5,882
Loans	424	394
TOTAL LOANS AND RECEIVABLES	13,621	12,215
Held to Maturity		
Other Financial Assets		
Perpetual Notes	21	21
Local Authority Stock	1,840	1,600
TOTAL HELD TO MATURITY	1,861	1,621
Fair Value through Profit or Loss		
Other Financial Assets		
Shares in LGIC	15	45
TOTAL FAIR VALUE THROUGH PROFIT OR LOSS	15	45
Available-for-Sale		
Other Financial Assets		
Shares in LGFA	100	100
TOTAL AVAILABLE FOR SALE	100	100
Fair Value through Profit or Loss		
Derivative Financial Instruments		
Current	-	39
Non-Current	775	232
Total Derivative Financial Instruments	775	271
FINANCIAL LIABILITIES		
Fair Value through Profit or Loss		
Derivative Financial Instruments		
Current	16	1,342
Non-Current	2,984	5,147
TOTAL FAIR VALUE THROUGH PROFIT OR LOSS	3,000	6,489
Financial Liabilities at Amortised Cost		
Trade and Other Payables	16,749	14,693
Borrowings	130,147	125,224
TOTAL FINANCIAL LIABILITIES AT AMORTISED COST	146,896	139,917

Sensitivity Analysis

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

As at 30 June 2014, it is estimated that a general increase of one percentage point in interest rates would increase the Council's surplus by approximately \$4.224 million. This is due to the potential unrealised gain of \$5.450 million on the value of the interest rate swaps from a 1% increase in interest rates. Interest rate swaps have been included in this calculation.



The tables below illustrate the potential effect on the surplus or deficit for reasonably possible market movements, with all other variables held constant,

based on the Council's financial instrument exposures at balance date.

	2013/14 Actual \$000		2012/13 Actual \$000	
Interest Rate Risk				
Financial Assets	+100 BPS	-100 BPS	+100 BPS	-100 BPS
Cash and Cash Equivalents – Current	66	(66)	59	(59)
Derivative Financial Instruments – Current	-	-	172	(105)
Derivative Financial Instruments – Non-Current	2,510	(2,737)	1,117	(739)
Financial Liabilities				
Derivative Financial Instruments – Current	-	-	383	(2,356)
Derivative Financial Instruments – Non-Current	2,940	(3,093)	1,410	(9,120)
Borrowings	(1,292)	1,292	(1,252)	1,252
TOTAL SENSITIVITY TO INTEREST RATE RISK	4,224	(4,604)	1,889	(11,127)

28 Commitments and Operating Leases

2012/13 Actual \$000		2013/14 Actual \$000
	Capital Commitments	
81	Capital expenditure contracted for at balance date but not yet completed	856
81	Total Capital Commitments	856

2012/13 Actual \$000		2013/14 Actual \$000
	Non-Cancellable Operating Leases, Council as Lessee	
	<i>Remaining Payables under Leases</i>	
187	Not later than one year	324
760	Later than one year and not later than five years	1,312
161	Later than five years	90
1,108	Non-Cancellable Operating Leases, (Council as Lessee)	1,726

Council (as Lessee) leases commercial premises in Ōtaki and the i-Site offices at Paraparaumu and Ōtaki Railway Station.

2012/13 Actual \$000		2013/14 Actual \$000
	Non-Cancellable Operating Leases, Council as Lessor	
	<i>Remaining Receivables under Leases</i>	
165	Not later than one year	185
490	Later than one year and not later than five years	409
147	Later than five years	91
802	Total Operating Lease Commitments (Council as Lessor)	685

The Council as Lessor leases various Council-owned land and buildings to the community and to commercial organisations.

29 Contingent Liabilities

Local Government Funding Agency (LGFA)

The Council is a guarantor of the LGFA. The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of AA+ which is equal to the New Zealand Government sovereign rating.

The Council is one of 40 local authority guarantors of the LGFA. In that regard, the Council has an obligation in respect of uncalled capital of \$100,000. When aggregated with the uncalled capital of other shareholders, \$20 million is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, the Council is a guarantor of all of LGFA's borrowings. At 30 June 2014, LGFA had borrowings totalling \$3.695 billion.

Financial reporting standards require the Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of the LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- 1) it is not aware of any local authority debt default events in New Zealand; and
- 2) local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

30 Related Party Disclosures

Related Party Transactions - Key Management Personnel

For the purposes of related parties disclosures, key management personnel include the Mayor, Councillors, the Chief Executive and the Senior Leadership Team.

During the year, key management personnel have been involved in transactions with the Council that are of a minor and routine nature and were conducted at arms length, such as payment of rates. These transactions have been conducted on normal commercial terms.

As at balance date, there were no commitments from the Council to key management personnel.

The Mayor and Councillors disclose their personal interests in a register available on the Council website.

Material Related Party Transactions - Other Organisations

During the year, the Council borrowed \$15 million from the LGFA.

31 Remuneration and Employees

Executive Remuneration

The Local Government Act 2002 requires that the Council discloses the total remuneration of key management personnel for the reporting period. Key management personnel includes Councillors, Elected Committee Members, the Chief Executive and the Senior Leadership Team.

The total salary and other short term employee benefits paid to key management personnel for the year ended 30 June 2014 was \$2.023 million (2013: \$1.80 million). The 2014 payments included \$0.17 million for termination benefits.

Chief Executive Remuneration

For the year ended 30 June 2014, our Chief Executive, Pat Dougherty, who was appointed under Section 42(1) of the Local Government Act 2002, received a total remuneration of \$293,150 (2013: \$285,000) from Council. This was comprised of an annual salary of \$278,400 and full use of a Council vehicle and other claims (including Fringe Benefit Tax) of \$14,750.



Councillors and Elected Members Remuneration

Council members are paid an annual salary and also have mileage reimbursed for journeys of 30 kilometres and some information technology

costs subsidised. Total remuneration paid for the period 1 July 2013 to 30 June 2014 is summarised in the tables below.

Name	Monetary Remuneration	IT Allowance	Reimbursement of Mileage and Other	2013/14 Total Remuneration (July – September)
	Actual \$000	Actual \$000		Actual \$000
Councillors				
Jenny Rowan – Mayor	26,095	-	-	26,095
Diane Ammundsen	9,353	-	-	9,353
Roger Booth	10,800	164	1,147	12,111
Mike Cardiff	6,244	138	-	6,382
Ross Church	7,953	153	-	8,106
Peter Ellis	7,851	-	59	7,910
Penny Gaylor	8,486	153	222	8,861
K Gurunathan (Guru)	7,106	138	-	7,244
Tony Lester	8,453	182	-	8,635
Tony Lloyd	6,941	138	-	7,079
Hilary Wooding	9,688	186	-	9,874
Paekākāriki Community Board Members				
Janet Holborow	1,932	157	-	2,089
Stephen Eckett	986	-	-	986
Helen Keivon	1,165	-	-	1,165
	-	-	-	-
Paraparaumu Community Board Members				
Louella Jensen	3,872	139	-	4,011
Jonny Best	1,643	-	-	1,643
Trevor Daniell	1,974	-	-	1,974
William Scollay	1,974	-	-	1,974
	-	-	-	-
Ōtaki Community Board Members				
James Cootes	3,221	184	-	3,405
Jackie Elliott	1,643	-	-	1,643
Colin Pearce	1,643	-	-	1,643
Marilyn Stevens	1,959	-	-	1,959
	-	-	-	-
Waikanae Community Board Members				
Eric Gregory	1,643	-	-	1,643
Michael Scott	3,221	90	-	3,311
Jocelyn Prvanov	1,643	-	-	1,643
Harold Thomas	1,959	-	-	1,959
	-	-	-	-
TOTAL	139,448	1,822	1,428	142,698



Remuneration of Councillors and Elected Members October 2014 to June 2014

Name	Monetary Remuneration	IT Allowance	Reimbursement of Mileage and Other	2013/14 Total Remuneration (October – June) Actual
	Actual \$000		Actual \$000	Actual \$000
Councillors				
Ross Church – Mayor	73,924	51	-	73,975
Diane Ammundsen	32,824	-	84	32,908
Murray Bell	20,384	-	244	20,628
Mike Cardiff	30,517	46	-	30,563
Jackie Elliott	21,049	-	1,574	22,623
Penny Gaylor	26,073	51	1,861	27,985
Janet Holborow	21,085	-	52	21,137
K Gurunathan (Guru)	24,172	46	-	24,218
Tony Lloyd	25,436	46	132	25,614
David Scott	20,384	-	-	20,384
Gavin Welsh	24,461	-	-	24,461
Paekākāriki Community Board Members				
Sam Buchanan	2,460	-	-	2,460
Stephen Eckett	2,639	-	-	2,639
Philip Edwards	2,460	-	-	2,460
Jack McDonald	4,920	-	-	4,920
Paraparaumu Community Board Members				
Jonny Best	5,955	-	-	5,955
Deborah Morris-Travers	5,623	-	-	5,623
Kathy Spiers	5,623	-	-	5,623
Fiona Vining	10,108	-	-	10,108
Ōtaki Community Board Members				
James Cootes	9,601	61	620	10,282
Rob Kofoed	4,920	-	-	4,920
Christine Papps	4,920	-	-	4,920
Colin Pearce	5,264	-	186	5,450
Waikanae Community Board Members				
Eric Gregory	5,237	-	-	5,237
Jocelyn Prvanov	5,237	-	-	5,237
Michael Scott	9,491	30	-	9,521
James Westbury	4,920	-	-	4,920
TOTAL	409,687	331	4,753	414,771



Number of Employees as at 30 June 2014

	Number of Employees (Full Time Equivalents)	
	2013/14	2012/13
Full Time Employees	283	272
Full Time Equivalents (FTEs) of all Non Full Time Employees (based on a 40 hour week)	9	5
TOTAL FULL TIME EQUIVALENT EMPLOYEES	292	277

Note: Employees who work more than 37.5 hours are deemed a full time equivalent even if they work on a casual basis.

Employee Salary Bands

	Number of Employees (Headcount)	
	2013/14	2012/13
Less than \$59,999	244	228
\$60,000 to \$79,999	75	54
\$80,000 to \$99,999	31	28
\$100,000 to 119,999	17	10
\$120,000 to \$299,999	18	9
TOTAL REMUNERATION	385	329

Employee remuneration includes salary and motor vehicles as part of the salary package paid to the employee. These figures represent headcount and so do not agree to the total Full Time Equivalent employees reported above.

Severance Payments

For the year ended 30 June 2014, there were four severance payments (2013: two) made to employees totalling \$203,883 (2013 \$19,462). The value of each severance payment was \$22,192, \$22,650, \$51,018 and \$108,023.

32 Insurance

To reduce the cost of insurance, the Council uses a combination of:

1. Transferring the risk by purchasing external insurance cover.
2. Sharing the risk between Councils.
The Kāpiti Coast, Porirua, Hutt City and Upper Hutt City councils have a shared insurance policy for the risk of material damage and business interruption arising from damage to property plant and equipment and infrastructural assets, both above ground and underground. This policy includes cover in the event of a natural catastrophe. The total value of the Council's assets that are covered by insurance contracts and/or financial risk sharing arrangements and the maximum insurance amount available to the Council is as follows:

Asset	Type of Insurance	Total value of Council assets covered by financial risk-sharing arrangements as at 30 June 2014	Maximum limit of liability available to Council under those arrangements as at 30 June 2014
Property, Plant and Equipment and Above Ground Infrastructural Assets	Material Damage	\$171.63 million	<p>Natural Catastrophe: \$150 million for any one loss or series of losses arising out of any one event and in annual aggregate for all four councils.</p> <p>All other losses: \$150 million for any one loss or series of losses arising out of any one event for all four councils.</p>
Residential Property	Earthquake Commission and Material Damage	\$17.44 million	<p>Natural Catastrophe: First \$0.1 million for each loss event per property to be recovered from the Earthquake Commission. Any remaining top-up required per loss event per property to a maximum of \$17.44 million for 130 properties.</p> <p>All other losses: Replacement value per loss event per property to a maximum of \$17.44 million for 130 properties.</p>
Motor Vehicles	Comprehensive Motor Vehicle Cover	\$1.65 million	<p>Market value at time of loss. Maximum limit any one vehicle of \$0.25 million, unless agreed by insurer.</p> <p>Third party liability-limit any one accident is \$10 million.</p>
Underground Infrastructural Assets	Material Damage in the Event of Natural Catastrophe	\$303.29 million	<p>Natural Catastrophe: \$300 million for each and every loss or series of losses arising out of any one event for all four councils and limited to a \$35 million sub-limit.</p>

Council does not insure land, roading, bridges or forestry assets and does not administer or hold a restricted self-insurance fund.

The Council's maximum limits of liability for the Kāpiti District's infrastructural assets have been determined independently through extensive loss modelling and assessments completed by GNS Science and Tonkin and Taylor Limited.

33 Events After the End of the Reporting Period

There were no events subsequent to the date of these financial statements that would require adjustment to the amounts or disclosures in these financial statements.

34 Major Variances from Budget

Statement of Comprehensive Revenue and Expense

Unrealised Gain on Revaluation of Financial Instruments

No budget provision was made for the unrealised gain on interest rate swaps. The unrealised gain was the result of the impact of higher interest rates on the market value of the interest rate swaps at 30 June 2014.

Finance Expense

Finance costs are under budget due to lower average interest rates achieved for existing debt through the management of the Council's interest rate swaps and lower capital expenditure.



Revaluation of Property, Plant and Equipment

Revaluations of Property, Plant and Equipment occur every three years. The revaluation was in excess of budget mainly due to the unbudgeted revaluation of land under roads.

Statement of Financial Position

Cash and Cash Equivalents

Settlement of the Western Link Road properties at the end of June 2014 resulted in high cash holdings at year end. The proceeds were used partially to repay existing debt with the balance held in an on-call investment account to offset future debt requirements.

Trade and Other Receivables

Trade and other receivables remained at a similar level to last year and did not reduce in line with budget. NZTA operating and capital funding for various projects was due at 30 June 2014 and other debtors were higher than anticipated. Improved debt management practices will reduce other debtors in 2014/15.

Non-Current Assets Held for Sale

This asset is the Ngahina block in Paraparaumu for which an unconditional contract for the sale of the land exists. Settlement took place in early 2014/15.

Property, Plant and Equipment

The increase is due to the three yearly revaluation of the Council's property, plant and equipment which included the value of land under roads which had not been budgeted.

Borrowings

Public debt is lower than budget due to a reduction in the 2013/14 capital work programme and the sale of land needed for the Western Link Road.

Derivative Financial Instruments

Derivative Financial Instruments are below budget due to increases in floating interest rates payable to the Council under swap agreements with selected banks.

Provisions

Provisions are above budget due to providing for the Otaihangā Landfill post-closure capping costs.

Revaluation Reserve

This reserve is above budget due to the three yearly revaluation of the Council's property, plant and equipment being higher than budget and the valuation including the value of land which had not been budgeted.

35 Financial Results Excluding Revaluation of Land Under Roads

During the previous triennium, the Council resolved to value land under roads as part of the three yearly asset revaluation cycle. This decision was made to ensure that Council's valuation methodology was in line with other councils in the Wellington Region, such as Porirua City Council.

This increase in the value of assets does not impact on the Council's overall credit rating or ability to raise external funding.



The Council made a commitment that it would clearly outline the impact of the revaluation on the financial statements and so the tables below show the financial statements both with and without the

revaluation of land under roads for comparative purposes.

Statement of Comprehensive Revenue and Expense – Showing the Impact of Land Under Roads Valuation

2012/13 Actual		2013/14 Actual Including Valuation of Land Under Roads \$000	2013/14 Actual Excluding Revaluation of Land Under Roads \$000
\$000		\$000	\$000
	Revenue		
47,762	Rates	50,149	50,149
8,034	Fees and Charges	7,443	7,443
2,698	Grants and Subsidies	3,669	3,669
2,032	Development and Financial Contributions	1,095	1,095
-	Finance Revenue	197	197
4,161	Unrealised Gain on Revaluation of Derivatives	3,992	3,992
2,166	Other Operating Revenue	3,867	3,867
66,853	Operating Revenue	70,412	70,412
	Expenses		
13,847	Depreciation and Amortisation	15,746	15,746
6,323	Finance Expense	7,595	7,595
41,454	Other Operating Expense	45,841	45,841
61,624	Operating Expense	69,182	69,182
5,229	OPERATING SURPLUS/(DEFICIT)	1,230	1,230
	Other Comprehensive Revenue and Expense		
(13,625)	Revaluation of Property, Plant and Equipment	563,754	31,022
(13,625)	Other Comprehensive Revenue	563,754	31,022
(8,396)	TOTAL COMPREHENSIVE REVENUE AND EXPENSE	564,984	32,252



Statement of Changes in Equity – Showing the Impact of Land Under Roads Valuation

	Accumulated Funds	Reserves and Special Funds	Revaluation Reserve Actual Including Valuation of Land Under Roads	Revaluation Reserve Actual Excluding Revaluation of Land Under Roads	Total Actual Including Valuation of Land Under Roads	Total Actual Excluding Revaluation of Land Under Roads
	Actual \$000	Actual \$000	\$000	\$000	\$000	\$000
Opening Balance 30 June 2012	571,606	3,582	159,338	159,338	734,526	734,526
Changes in Equity						
Net Surplus/(Deficit) for the period	5,229	-	-	-	5,229	5,229
Revaluation of Property, Plant and Equipment	-	-	(13,625)	(13,625)	(13,625)	(13,625)
Total Comprehensive Revenue/Expense	5,229	-	(13,625)	(13,625)	(8,396)	(8,396)
Transfers to Reserves and Special Funds	(1,114)	1,114	-	-	-	-
Transfer from Reserves and Special Funds	1,450	(1,450)	-	-	-	-
Closing Equity 30 June 2013	577,171	3,246	145,713	145,713	726,130	726,130
Changes in Equity						
Net Surplus/(Deficit) for the period	1,230	-	-	-	1,230	1,230
Revaluation of Property, Plant and Equipment	-	-	563,754	31,022	563,754	31,022
Total Comprehensive Revenue/Expense	1,230	-	563,754	31,022	564,984	32,252
Transfers from Reserves and Special Funds	2,092	(2,092)	-	-	-	-
Transfers to Reserves and Special Funds	(2,092)	2,092	-	-	-	-
Transfers to Reserves and Special Funds	777	-	(777)	(777)	-	-
CLOSING EQUITY 30 June 2014	579,178	3,246	708,690	175,958	1,291,114	758,382



Statement of Financial Position as at 30 June 2014 – Showing the Impact of Land Under Roads Valuation

2012/13 Actual		2013/14 Actual Including Valuation of Land Under Roads	2013/14 Actual Excluding Revaluation of Land Under Roads
\$000		\$000	\$000
	Current Assets		
5,939	Cash and Cash Equivalents	7,145	7,145
5,732	Trade and Other Receivables	6,052	6,052
174	Loans	197	197
92	Inventories	113	113
39	Derivative Financial Instruments	-	-
3,650	Non-Current Assets Held for Sale	2,672	2,672
15,626	Total Current Assets	16,179	16,179
	Non-Current Assets		
-	Trade and Other Receivables	-	-
858,754	Property, Plant and Equipment	1,431,846	899,114
-	Trade and Other Receivables	-	-
525	Forestry Assets	77	77
431	Intangible Assets	733	733
232	Derivative Financial Instruments	775	775
1,766	Other Financial Assets	1,976	1,976
220	Loans	227	227
861,928	Total Non-Current Assets	1,435,634	902,902
877,554	TOTAL ASSETS	1,451,813	919,081
	Current Liabilities		
14,693	Trade and Other Payables	16,749	16,749
1,809	Employee Benefit Liabilities	2,113	2,113
996	Deposits	910	910
10,077	Borrowings	5,030	5,030
1,463	Development and Financial Contributions	2,177	2,177
-	Provisions	686	686
1,342	Derivative Financial Instruments	16	16
30,380	Total Current Liabilities	27,681	27,681
	Non-Current Liabilities		
187	Employee Benefit Liabilities	199	199
115,147	Borrowings	125,117	125,117
563	Provisions	4,718	4,718
5,147	Derivative Financial Instruments	2,984	2,984
121,044	Total Non-Current Liabilities	133,018	133,018
151,424	TOTAL LIABILITIES	160,699	160,699
577,171	Accumulated Funds	579,178	579,178
3,246	Reserves and Special Funds	3,246	3,246
145,713	Revaluation Reserve	708,690	175,958
726,130	TOTAL EQUITY	1,291,114	758,382
877,554	TOTAL LIABILITIES AND EQUITY	1,451,813	919,081



37 Cost Analysis by Significant Activity

	Rates	Operating Grants	Capital Grants	Development and Financial Contributions	Fees and Charges	Unrealised Gain on Revaluation of Derivatives	Finance Revenue	Other Operating Revenue	Internal charges and Overheads Recovered	2013/14 Total Revenue	Depreciation and Amortisation	Finance Expense	Other Operating Expense	Internal Charges and Overheads Applied	2013/14 Total Operating Expense	2013/14 Net Surplus (Deficit)
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Access and Transport	4,029	1,402	2,097	127	23	-	-	2,318	-	9,996	4,922	1,547	4,569	1,076	12,114	(2,118)
Building Control and Resource Consents	1,915	-	-	-	2,062	-	-	-	-	3,977	-	-	2,318	1,706	4,024	(47)
Coastal Management	654	-	-	-	-	-	-	-	-	654	265	200	235	37	737	(83)
Community Facilities	4,418	-	131	219	1,965	-	-	347	-	7,080	1,335	1,055	3,561	1,432	7,383	(303)
Development Management	2,855	-	-	-	66	-	-	-	-	2,921	170	711	1,310	729	2,920	1
Economic Development	2,209	-	-	-	10	-	-	-	-	2,219	15	26	2,067	123	2,231	(12)
Environmental Protection	1,887	3	-	-	1,044	-	-	-	40	2,974	55	98	1,899	925	2,977	(3)
Governance and Tāngata Whenua	3,655	-	-	-	964	-	7	604	18,864	24,094	1,422	142	13,889	7,136	22,589	1,505
Libraries, Arts and Museums	3,843	36	-	-	221	-	-	-	36	4,136	613	218	2,387	841	4,059	77
Parks and Open Space	4,595	-	-	-	143	-	-	-	-	4,738	913	138	2,821	1,431	5,303	(565)
Solid Waste	198	-	-	-	619	-	-	-	-	817	414	175	533	390	1,512	(695)
Stormwater Management	3,322	-	-	40	55	-	-	-	-	3,417	1,150	951	973	241	3,315	102
Supporting Environmental Sustainability	888	-	-	-	200	-	2	-	-	1,090	-	-	864	245	1,109	(19)
Supporting Social Wellbeing	1,289	-	-	-	6	-	-	-	-	1,295	-	-	994	333	1,327	(32)
Wastewater Management	7,124	-	-	234	30	-	-	-	1,225	8,613	2,302	741	3,259	2,250	8,552	61
Water Management	7,268	-	-	475	35	-	-	-	-	7,778	2,170	1,593	2,896	1,270	7,929	(151)
Corporate	-	-	-	-	-	3,992	188	598	-	4,778	-	-	1,266	-	1,266	3,512
TOTAL OPERATING SURPLUS (DEFICIT)	50,149	1,441	2,228	1,095	7,443	3,992	197	3,867	20,165	90,577	15,746	7,595	45,841	20,165	89,347	1,230



Internal Borrowings by Activity

2012/13		2013/14
Actual		Actual
\$000		\$000
1,142	Access and Transport	-
90	Coastal Management	-
54	Community Facilities	47
625	Stormwater Management	158
8,759	Wastewater Management	6,942
500	Water Management	259
11,170	TOTAL INTERNAL BORROWINGS	7,406

Capital Expenditure by Activity

2012/13		2013/14	2013/14
Actual		Actual	Budget
\$000		\$000	\$000
4,249	Access and Transport	11,095	6,563
-	Building Control and Resource Consents	-	-
284	Coastal Management	234	289
18,553	Community Facilities	2,351	1,864
3,691	Development Management	526	1,287
200	Economic Development	-	650
21	Environmental Protection	7	32
574	Governance and Tāngata Whenua	820	1,910
493	Libraries, Arts and Museums	527	920
1,536	Parks and Open Space	1,226	2,188
86	Solid Waste	189	189
2,413	Stormwater Management	833	3,483
-	Supporting Environmental Sustainability	53	708
-	Supporting Social Wellbeing	-	97
1,922	Wastewater Management	3,113	4,782
10,831	Water Management	8,954	14,618
44,853	TOTAL CAPITAL EXPENDITURE	29,928	39,580



38 Local Government (Financial Reporting and Prudence) Regulations 2014

Background

New Zealand local authorities have had a statutory obligation to manage their affairs in a financially prudent manner since 2002.

However, there has been little discussion of what financial prudence means or how it is appropriately measured. Notwithstanding this, the Department of Internal Affairs considers the Financial Prudence Regulations have the potential to make a significant contribution to improving public understanding of local authority finances and improving local authority financial management.

The Financial Prudence Regulations mandate benchmarks for three components of financial prudence:

- affordability;
- sustainability;
- predictability.

Furthermore, the regulations require two indicators of affordability. Whilst no formal regulation is required for these, they are equally important to achieving the intended outcomes and are included for clarity.

The seven benchmarks and two affordability indicators are described in the table below, including their rationale.

Benchmarks and Affordability Indicators

Component	Benchmark/Indicator		Benchmark Rationale
Affordability Benchmarks	1.	Rates Affordability Benchmark	Rates revenue complies with the limits set in the Council's financial strategy.
	2.	Debt Affordability Benchmark	Debt complies with the limits set in the Council's financial strategy.
Sustainability Benchmarks	3.	Balanced Budget Benchmark	Operating revenue, excluding development and financial contributions and revenue from revaluations, exceeds operating expenditure.
	4.	Essential Services Benchmark	Capital expenditure on the five network infrastructure services ¹ exceeds depreciation on those five services.
	5.	Debt Servicing Benchmark	Interest expense is less than 10% of operating revenue, as defined in the balanced budget benchmark, except for local authorities with projected population growth greater than or equal to New Zealand's projected population growth. For those local authorities, the benchmark is 15% of operating revenue.
Predictability Benchmarks	6.	Operations Control Benchmark	Net cash flow from operations equals or exceeds budget.
	7.	Debt Control Benchmark	Net debt is less than or equal to forecast debt in the Long Term Plan.
Affordability Indicators	8.	Rates	Rates per rating unit.
	9.	Debt	Net debt per rating unit.

Note 1 – Network services means infrastructure related to water supply, sewerage, treatment and disposal of sewage, stormwater drainage, flood protection and control works, and the provision of roads and footpaths.

Annual Report Disclosure Statement for the Year Ending 30 June 2014

What is the purpose of this statement?

The purpose of this statement is to disclose the Council's financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014, (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

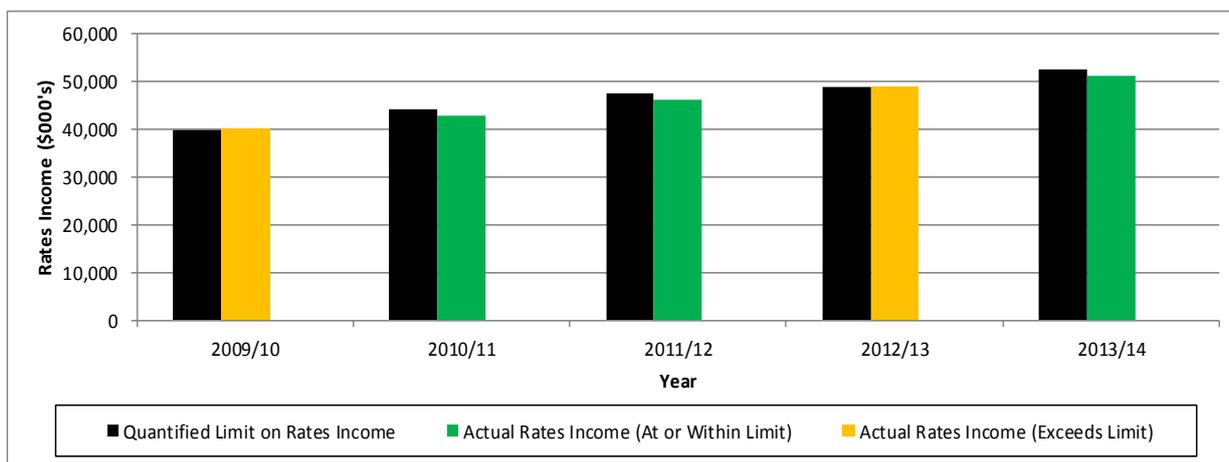
Rates Affordability Benchmark

The Council meets its affordability benchmark if:

- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

Rates (Income) Affordability

The following graph compares the Council's actual rates income with a quantified limit on rates contained in the financial strategy included in the Council's Long Term Plan.



The quantified limits for rates income are as follows:

Years	Rates Income Limits (\$000's)	Data Qualifier
2009/10 ⁽¹⁾	\$40,021	Includes recovery of all operating costs incidental to population growth.
2010/11 ⁽¹⁾	\$44,200	
2011/12 ⁽¹⁾	\$47,395	
2012/13 ⁽²⁾	\$49,000	
2013/14 ⁽²⁾	\$52,606	

Note 1: Quantified Limits as per Kāpiti Coast District Council's 2009/10 Long Term Council Community Plan.

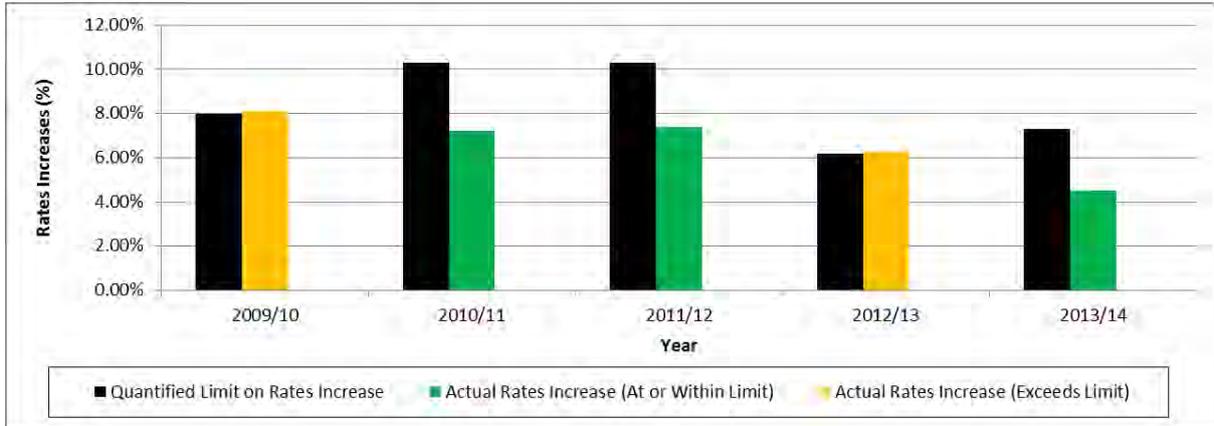
Note 2: Quantified Limits as per Kāpiti Coast District Council's 2012/13 Long Term Plan.



Rates (Increases) Affordability

The following graph compares the Council's actual rates increases with a quantified limit on

rates increases included in the financial strategy included in the Council's Long Term Plan.



The quantified limits for rates increases are as follows:

Years	Rates Increase Limits (%)	Data Qualifier
2009/10 ⁽¹⁾	7.96%	Includes population growth for consistency with rates income above.
2010/11 ⁽¹⁾	10.28%	
2011/12 ⁽¹⁾	10.31%	
2012/13 ⁽²⁾	6.20%	
2013/14 ⁽²⁾	7.30%	

Note 1: Quantified Limits as per Kāpiti Coast District Council's 2009/10 Long Term Council Community Plan.

Note 2: Quantified Limits as per Kāpiti Coast District Council's 2012/13 Long Term Plan.

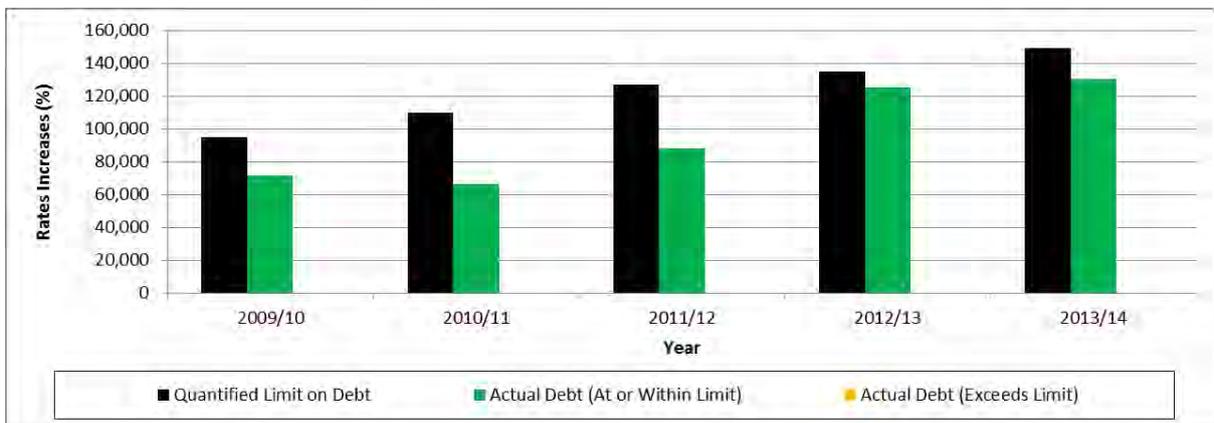
The Council's long term strategy and quantified limits are revised every three years. 2009/10 is the first year of the 2009/10 Long Term Council Community Plan and similarly, 2012/13 is the first year of the 2012/13 Long Term Plan.

Actual rates income (\$) and rates increases (%) exceeded the quantified limits in the 2009/10 and 2012/13 financial years due to actual rate penalties exceeding budget.

Debt Affordability Benchmark

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's Long Term Plan.



The quantified limits on borrowings per year are as follows:

Years	Borrowing Limits \$000
2009/10 ⁽¹⁾	\$95,000
2010/11 ⁽¹⁾	\$110,000
2011/12 ⁽¹⁾	\$127,000
2012/13 ⁽²⁾	\$135,000
2013/14 ⁽²⁾	\$149,000

Note 1: Quantified Limits as per Kāpiti Coast District Council's 2009/10 Long Term Council Community Plan.

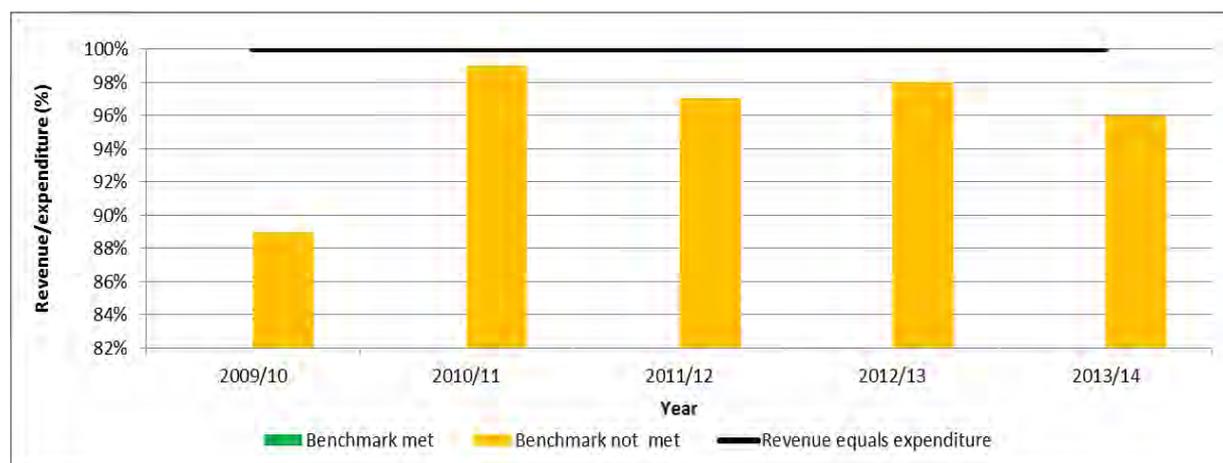
Note 2: Quantified Limits as per Kāpiti Coast District Council's 2012/13 Long Term Plan.

Balanced Budget Benchmark

The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) as a proportion of operating expenses

(excluding losses on derivative financial instruments and revaluations of property, plant or equipment).

The Council meets this benchmark if its revenue equals or is greater than its operating expenses



Kāpiti Coast District Council has not met this benchmark in the reported years due to its policy of non-funded depreciation of infrastructure assets.

This Council manages its non-funded depreciation prudently via the following limits:

1. The total amount of depreciation funded over the period (or partial non-funding of depreciation), must be sufficient to fund the asset renewal programme over that period.
2. Non-funding of depreciation can only be applied to longer term assets where the asset lives are at least 30 years.

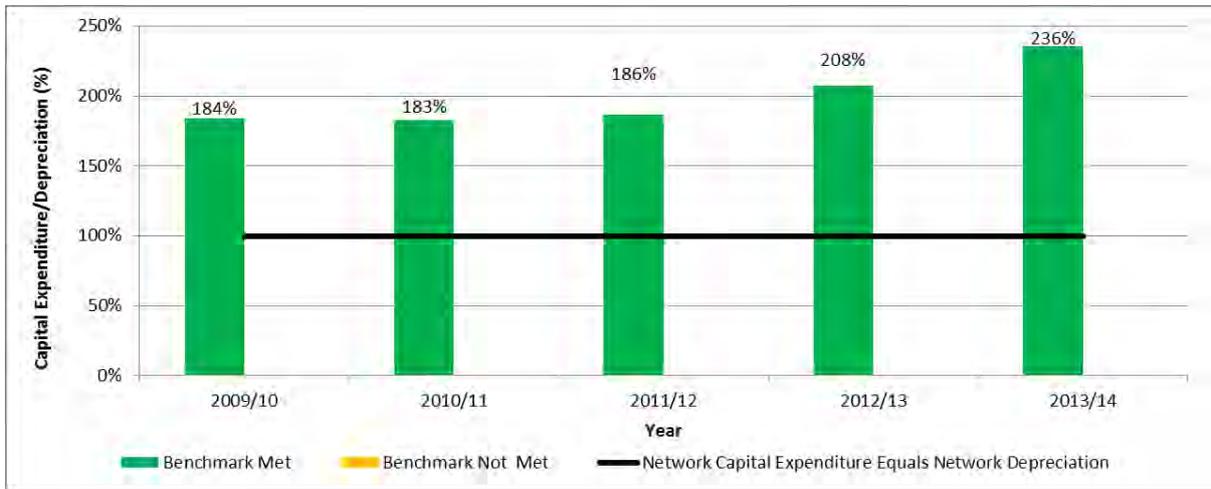
3. Non-funding of depreciation must be repaid over the 20 year period of the 2012/13 Long Term Plan.



Essential Services Benchmark

The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services.

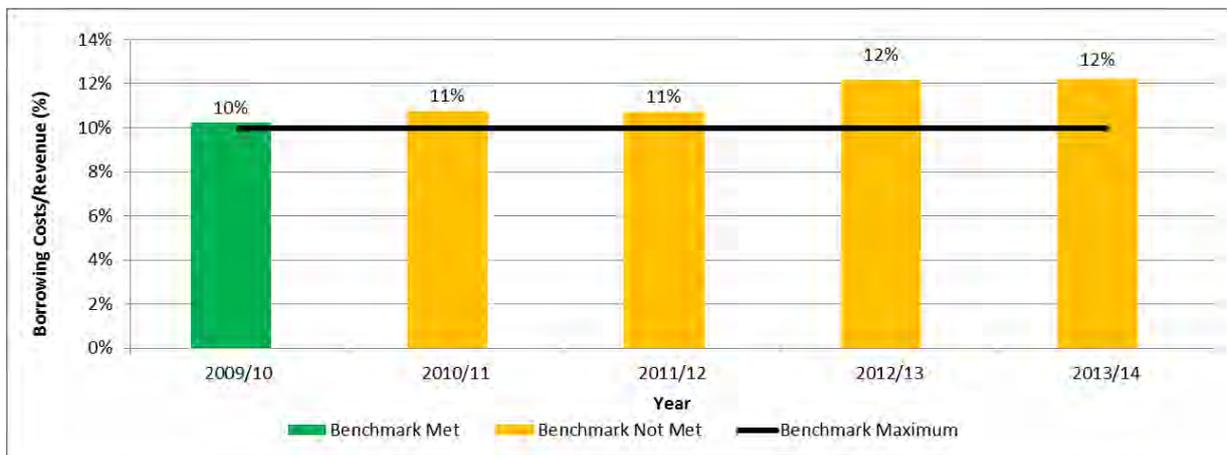
The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt Servicing Benchmark

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment).

Because Statistics New Zealand projects the Council's population will grow more slowly than the national population is projected to grow, the Council meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its revenue.



Kāpiti Coast District Council is not deemed a high growth local authority by Statistics New Zealand for the 2013/14 financial year. As per the 2006 Census (October 2012 Update), the expected population growth for the Kāpiti District for the 2013/14 financial year was 0.7% compared to the national population growth rate of 0.9%.

There has been significant capital investment in the Kāpiti District over the past four years, in response to the community's needs.



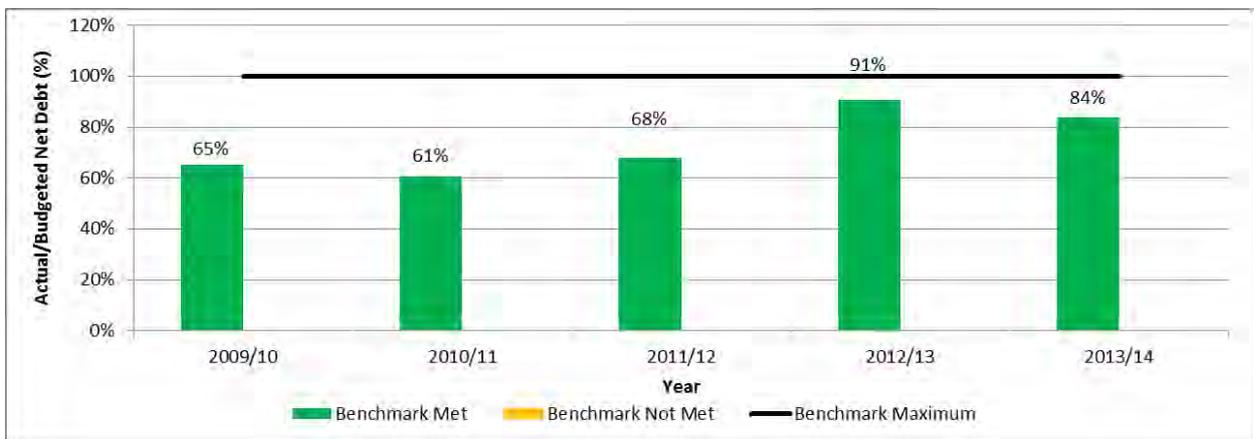
This includes:

1. Waikanae borefield expansion to use ground water to “recharge” the Waikanae River as part of the long term sustainability for the District’s water supply.
2. Upgrade and earthquake strengthening of the Civic Administration Building.
3. Marine Gardens, Raumati Beach upgrade.
4. Construction of the Coastlands Aquatic Centre.
5. Water meter installation (ongoing).

Debt Control Benchmark

The following graph displays the Council’s actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

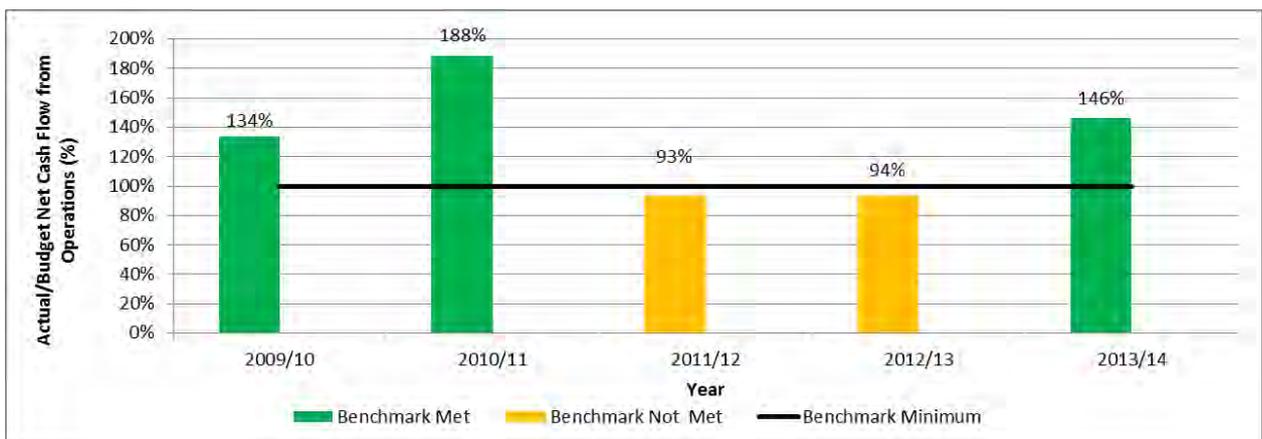
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



Operations Control Benchmark

This graph displays the Council’s actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



Cash received from fees and user charges was significantly below budget in 2011/12 and 2012/13. Reduced activity was a direct result of the extended market slowdown from the economic recession.

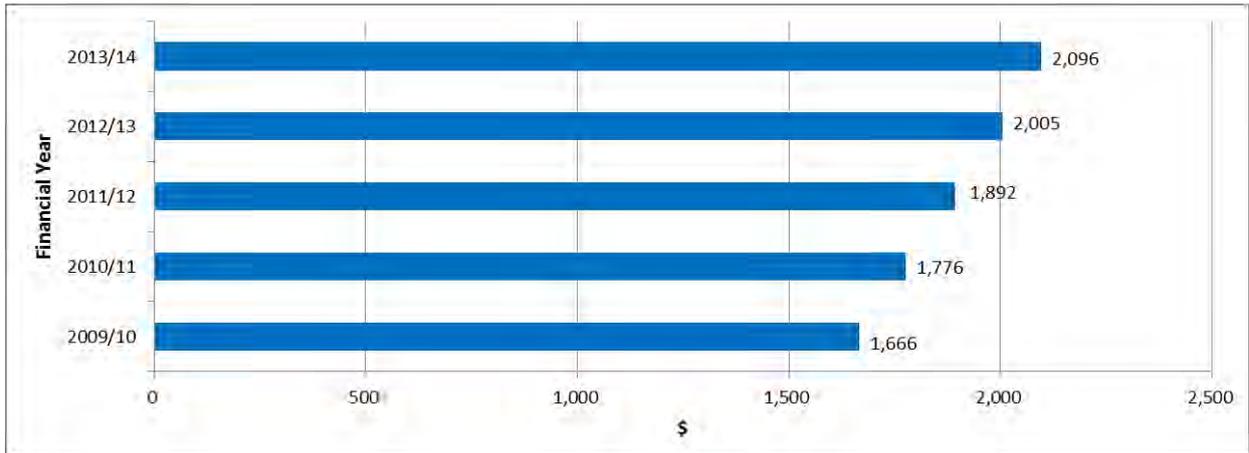
Affordability Indicators

The Department of Internal Affairs does not currently regulate or provide particular targets for both the rates and debt affordability

indicators. Absolute benchmarks may be prescribed in the future. Notwithstanding this, Kāpiti Coast District Council presents its actual affordability indicator results below for the benefit of comparative purposes.

Rates Affordability Indicator

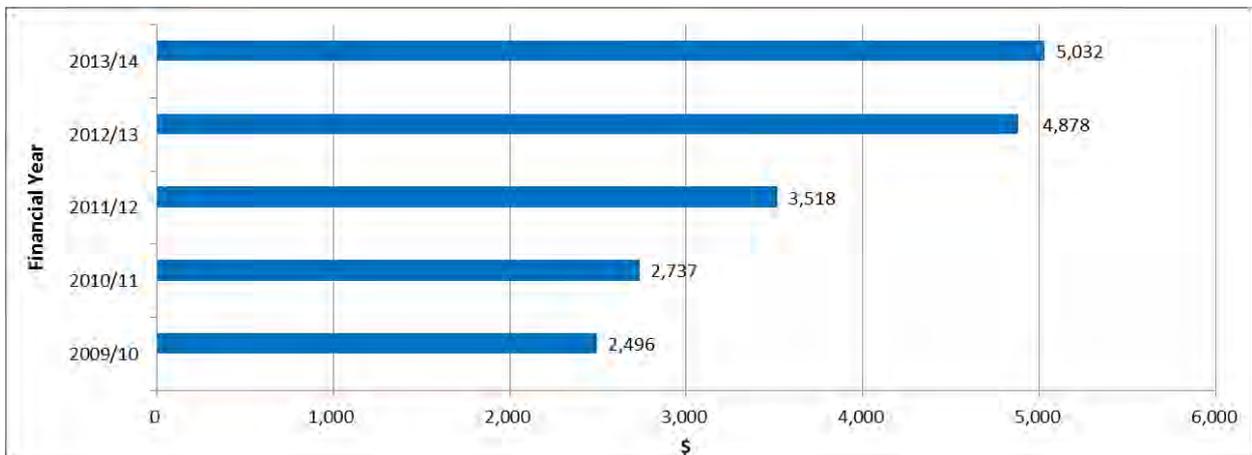
This graph displays the average rates per rating unit for the Kāpiti Coast District.



Debt Affordability Indicator

This graph displays the average debt per Rating Unit for the Kāpiti Coast District. The Department of Internal Affairs does not currently

regulate or provide a particular target for this indicator. Absolute benchmarks may be prescribed in the future.



Year	Rating Units	Total Capital Value of Rating Units	Total Land Value of Rating Units
2009/10			
Rateable Units	24,054	\$10,248,234	\$5,272,433
Non Rateable Units	603	\$338,144	\$144,953
Total	24,657	10,586,378	5,417,386
2010/11			
Rateable Units	24,198	\$10,335,629	\$5,292,531
Non Rateable Units	794	\$337,194	\$143,962
Total	24,992	10,672,823	5,436,493
2011/12			
Rateable Units	24,380	\$10,475,319	\$5,324,350
Non Rateable Units	702	\$340,285	\$146,843
Total	25,082	10,815,604	5,471,193
2012/13			
Rateable Units	24,444	\$10,303,888	\$5,025,736
Non Rateable Units	657	\$359,437	\$138,781
Total	25,101	10,663,325	5,164,517
2013/14			
Rateable Units	24,452	\$10,287,650	\$5,017,185
Non Rateable Units	739	\$362,390	\$140,252
Total	25,191	10,650,040	5,157,437

39 Council Controlled Organisations (CCOs)

Kapiti Coast District Council has the following non-consolidated CCOs:

- Local Government Funding Agency
- Wellington Rural Fire Authority
- Te Newhanga Kapiti Community Centre
- Local Government Funding Agency

On 30 November 2012, Council became a Principal Shareholding Local Authority in the Local Government Funding Agency (LGFA). The primary objective of the LGFA is to optimise the debt funding terms and conditions for participating local authorities. This includes providing savings in annual interest costs, making longer-term borrowings available and enhancing the certainty of access to debt markets. Council has no controlling interest over LGFA and this is not materially impacted by Council's significant policies.

Wellington Rural Fire Authority (WRFA)

On 1 October 2013 the Wellington Rural Fire Authority assumed responsibility for an Enlarged

Rural Fire District across the Wellington region, excluding the Wairarapa. Prior to this, each council was a rural fire authority in its own right. The new structure better enables the WRFA to reduce the risk of fire, and to be better prepared in the event that fire occurs, by responding to fires more effectively and enabling the community to recover from the effects of fire with greater ease. Council has no shareholding in the WRFA.

Te Newhanga Kapiti Community Centre

The Te Newhanga Kapiti Community Centre is a venue for community groups to hold their educational, recreational, supportive and social events. It is owned and subsidised by Council and is operated under a management agreement between the Community Centre and Council. Council has exempted Te Newhanga Kapiti Community Centre from the requirements of CCOs in terms of the Local Government Act 2002.



Funding Impact Statement – Access and Transport For the Year Ended 30 June 2014

	2012/13 Long Term Plan \$000	2013/14 Long Term Plan \$000	2013/14 Actual \$000
Sources of Operating Funding			
General Rate, Uniform Annual General Charge, Rates Penalties			-
Targeted Rates	5,762	5,927	3,979
Grants and Subsidies for Operating Purposes	1,805	1,221	1,402
Fees and Charges	-	-	23
Internal Charges and Overheads Recovered	388	400	321
Local Authorities Fuel Tax, Fines, Infringement Fees and Other Receipts	-	-	2,318
Total Operating Funding	7,955	7,548	8,043
Applications of Operating Funding			
Payment to Staff and Suppliers	4,780	4,044	4,734
Finance Costs	2,155	2,341	1,547
Internal Charges and Overheads Applied	680	736	1,076
Other Operating Funding Applications			-
Total Applications of Operating Funding	7,615	7,121	7,357
SURPLUS/DEFICIT OF OPERATING FUNDING	340	427	686
Sources of Capital Funding			
Grants and Subsidies for Capital Expenditure	1,493	1,526	2,097
Development and Financial Contributions	867	304	127
Increase/(Decrease) in Debt	6,133	4,601	10,067
Gross Proceeds from Sale of Assets	-	-	-
Lump Sum Contributions	-	-	-
Other Dedicated Capital Funding	-	-	-
Total Sources of Capital Funding	8,493	6,431	12,291
Application of Capital Funding			
Capital Expenditure			
to meet additional demand	450	450	764
to improve the level of service	3,692	1,699	7,922
to replace existing assets	2,858	2,756	2,409
Increase/(Decrease) in Reserves	1,770	1,953	1,882
Increase/(Decrease) in Investments	63	-	-
Total Applications of Capital Funding	8,833	6,858	12,977
SURPLUS/DEFICIT OF CAPITAL FUNDING	(340)	(427)	(686)
FUNDING BALANCE	-	-	-



Funding Impact Statement – Building Control and Resource Consents For the Year Ended 30 June 2014

	2012/13 Long Term Plan \$000	2013/14 Long Term Plan \$000	2013/14 Actual \$000
Sources of Operating Funding			
General Rate, Uniform Annual General Charge, Rates Penalties			-
Targeted Rates	1,736	1,850	1,962
Grants and Subsidies for Operating Purposes	-	-	-
Fees and Charges	1,420	1,466	1,866
Internal Charges and Overheads Recovered	-	-	196
Local Authorities Fuel Tax, Fines, Infringement Fees and Other Receipts	-	-	-
Total Operating Funding	3,156	3,316	4,024
Applications of Operating Funding			
Payment to Staff and Suppliers	1,668	1,711	2,318
Finance Costs	-	-	-
Internal Charges and Overheads Applied	1,488	1,605	1,706
Other Operating Funding Applications	-	-	-
Total Applications of Operating Funding	3,156	3,316	4,024
SURPLUS/DEFICIT OF OPERATING FUNDING	-	-	-
Sources of Capital Funding			
Grants and Subsidies for Capital Expenditure	-	-	-
Development and Financial Contributions	-	-	-
Increase/(Decrease) in Debt	-	-	-
Gross Proceeds from Sale of Assets	-	-	-
Lump Sum Contributions	-	-	-
Other Dedicated Capital Funding	-	-	-
Total Sources of Capital Funding	-	-	-
Application of Capital Funding			
Capital Expenditure			
to meet additional demand	-	-	-
to improve the level of service	-	-	-
to replace existing assets	-	-	-
Increase/(Decrease) in Reserves	-	-	-
Increase/(Decrease) in Investments	-	-	-
Total Applications of Capital Funding	-	-	-
SURPLUS/DEFICIT OF CAPITAL FUNDING	-	-	-
FUNDING BALANCE	-	-	-



Funding Impact Statement – Coastal Management For the Year Ended 30 June 2014

	2012/13 Long Term Plan \$000	2013/14 Long Term Plan \$000	2013/14 Actual \$000
Sources of Operating Funding			
General Rate, Uniform Annual General Charge, Rates Penalties	720	632	590
Targeted Rates	4	3	81
Grants and Subsidies for Operating Purposes	-	-	-
Fees and Charges	16	5	-
Internal Charges and Overheads Recovered	-	-	-
Local Authorities Fuel Tax, Fines, Infringement Fees and Other Receipts	-	-	-
Total Operating Funding	740	640	671
Applications of Operating Funding			
Payment to Staff and Suppliers	247	257	235
Finance Costs	196	204	200
Internal Charges and Overheads Applied	24	26	37
Other Operating Funding Applications	-	-	-
Total Applications of Operating Funding	467	487	472
SURPLUS/DEFICIT OF OPERATING FUNDING	273	153	199
Sources of Capital Funding			
Grants and Subsidies for Capital Expenditure	-	-	-
Development and Financial Contributions	-	-	-
Increase/(Decrease) in Debt	401	162	217
Gross Proceeds from Sale of Assets	-	-	-
Lump Sum Contributions	-	-	-
Other Dedicated Capital Funding	-	-	-
Total Sources of Capital Funding	401	162	217
Application of Capital Funding			
Capital Expenditure			
to meet additional demand	-	-	-
to improve the level of service	189	74	65
to replace existing assets	256	105	168
Increase/(Decrease) in Reserves	-	-	183
Increase/(Decrease) in Investments	229	136	-
Total Applications of Capital Funding	674	315	416
SURPLUS/DEFICIT OF CAPITAL FUNDING	(273)	(153)	(199)
FUNDING BALANCE	-	-	-

Funding Impact Statement – Community Facilities For the Year Ended 30 June 2014

	2012/13 Long Term Plan \$000	2013/14 Long Term Plan \$000	2013/14 Actual \$000
Sources of Operating Funding			
General Rate, Uniform Annual General Charge, Rates Penalties	972	724	713
Targeted Rates	3,389	3,463	3,813
Grants and Subsidies for Operating Purposes	-	-	-
Fees and Charges	2,159	2,142	1,965
Internal Charges and Overheads Recovered	-	-	-
Local Authorities Fuel Tax, Fines, Infringement Fees and Other Receipts	-	-	347
Total Operating Funding	6,520	6,329	6,838
Applications of Operating Funding			
Payment to Staff and Suppliers	2,663	3,340	3,561
Finance Costs	947	885	1,055
Internal Charges and Overheads Applied	840	857	1,432
Other Operating Funding Applications	-	-	-
Total Applications of Operating Funding	4,450	5,082	6,048
SURPLUS/DEFICIT OF OPERATING FUNDING	2,070	1,247	790
Sources of Capital Funding			
Grants and Subsidies for Capital Expenditure	-	-	131
Development and Financial Contributions	253	-	219
Increase/(Decrease) in Debt	4,526	609	1,658
Gross Proceeds from Sale of Assets	-	-	-
Lump Sum Contributions	-	-	-
Other Dedicated Capital Funding	-	-	-
Total Sources of Capital Funding	4,779	609	2,008
Application of Capital Funding			
Capital Expenditure			
to meet additional demand	-	-	621
to improve the level of service	9,366	16	1,076
to replace existing assets	823	843	653
Increase/(Decrease) in Reserves	-	-	448
Increase/(Decrease) in Investments	(3,340)	997	-
Total Applications of Capital Funding	6,849	1,856	2,798
SURPLUS/DEFICIT OF CAPITAL FUNDING	(2,070)	(1,247)	(790)
FUNDING BALANCE	-	-	-



Funding Impact Statement – Development Management For the Year Ended 30 June 2014

	2012/13 Long Term Plan \$000	2013/14 Long Term Plan \$000	2013/14 Actual \$000
Sources of Operating Funding			
General Rate, Uniform Annual General Charge, Rates Penalties	928	1,146	972
Targeted Rates	1,749	1,939	1,954
Grants and Subsidies for Operating Purposes	-	-	-
Fees and Charges	205	211	66
Internal Charges and Overheads Recovered	-	-	-
Local Authorities Fuel Tax, Fines, Infringement Fees and Other Receipts	-	-	-
Total Operating Funding	2,882	3,296	2,992
Applications of Operating Funding			
Payment to Staff and Suppliers	1,296	1,447	1,310
Finance Costs	664	762	711
Internal Charges and Overheads Applied	648	695	729
Other Operating Funding Applications	-	-	-
Total Applications of Operating Funding	2,608	2,904	2,750
SURPLUS/DEFICIT OF OPERATING FUNDING	274	392	242
Sources of Capital Funding			
Grants and Subsidies for Capital Expenditure	-	-	-
Development and Financial Contributions	66	204	-
Increase/(Decrease) in Debt	3,557	884	526
Gross Proceeds from Sale of Assets	-	-	-
Lump Sum Contributions	-	-	-
Other Dedicated Capital Funding	-	-	-
Total Sources of Capital Funding	3,623	1,088	526
Application of Capital Funding			
Capital Expenditure			
to meet additional demand	-	-	-
to improve the level of service	3,623	1,088	526
to replace existing assets	-	-	-
Increase/(Decrease) in Reserves	-	-	242
Increase/(Decrease) in Investments	274	392	-
Total Applications of Capital Funding	3,897	1,480	768
SURPLUS/DEFICIT OF CAPITAL FUNDING	(274)	(392)	(242)
FUNDING BALANCE	-	-	-

Funding Impact Statement – Economic Development For the Year Ended 30 June 2014

	2012/13 Long Term Plan \$000	2013/14 Long Term Plan \$000	2013/14 Actual \$000
Sources of Operating Funding			
General Rate, Uniform Annual General Charge, Rates Penalties	941	1,144	2,264
Targeted Rates	-	-	-
Grants and Subsidies for Operating Purposes	-	-	-
Fees and Charges	143	190	10
Internal Charges and Overheads Recovered	-	-	-
Local Authorities Fuel Tax, Fines, Infringement Fees and Other Receipts	-	-	-
Total Operating Funding	1,084	1,334	2,274
Applications of Operating Funding			
Payment to Staff and Suppliers	852	937	2,067
Finance Costs	90	86	26
Internal Charges and Overheads Applied	121	127	123
Other Operating Funding Applications	-	-	-
Total Applications of Operating Funding	1,063	1,150	2,216
SURPLUS/DEFICIT OF OPERATING FUNDING	21	184	58
Sources of Capital Funding			
Grants and Subsidies for Capital Expenditure	-	-	-
Development and Financial Contributions	-	-	-
Increase/(Decrease) in Debt	1,500	-	-
Gross Proceeds from Sale of Assets	-	-	-
Lump Sum Contributions	-	-	-
Other Dedicated Capital Funding	-	-	-
Total Sources of Capital Funding	1,500	-	-
Application of Capital Funding			
Capital Expenditure			
to meet additional demand	-	-	-
to improve the level of service	1,500	-	-
to replace existing assets	-	-	-
Increase/(Decrease) in Reserves	-	-	58
Increase/(Decrease) in Investments	21	184	-
Total Applications of Capital Funding	1,521	184	58
SURPLUS/DEFICIT OF CAPITAL FUNDING	(21)	(184)	(58)
FUNDING BALANCE	-	-	-



Funding Impact Statement – Environmental Protection For the Year Ended 30 June 2014

	2012/13 Long Term Plan \$000	2013/14 Long Term Plan \$000	2013/14 Actual \$000
Sources of Operating Funding			
General Rate, Uniform Annual General Charge, Rates Penalties	770	786	863
Targeted Rates	1,016	1,106	1,070
Grants and Subsidies for Operating Purposes	-	-	3
Fees and Charges	886	919	1,044
Internal Charges and Overheads Recovered	-	-	40
Local Authorities Fuel Tax, Fines, Infringement Fees and Other Receipts	-	-	-
Total Operating Funding	2,672	2,811	3,020
Applications of Operating Funding			
Payment to Staff and Suppliers	1,708	1,809	1,899
Finance Costs	99	93	98
Internal Charges and Overheads Applied	776	821	925
Other Operating Funding Applications	-	-	-
Total Applications of Operating Funding	2,583	2,723	2,922
SURPLUS/DEFICIT OF OPERATING FUNDING	89	88	98
Sources of Capital Funding			
Grants and Subsidies for Capital Expenditure	-	-	-
Development and Financial Contributions	-	-	-
Increase/(Decrease) in Debt	-	32	-
Gross Proceeds from Sale of Assets	-	-	-
Lump Sum Contributions	-	-	-
Other Dedicated Capital Funding	-	-	-
Total Sources of Capital Funding	-	32	-
Application of Capital Funding			
Capital Expenditure			
to meet additional demand	-	-	-
to improve the level of service	-	-	-
to replace existing assets	31	32	7
Increase/(Decrease) in Reserves	-	-	91
Increase/(Decrease) in Investments	58	88	-
Total Applications of Capital Funding	89	120	98
SURPLUS/DEFICIT OF CAPITAL FUNDING	(89)	(88)	(98)
FUNDING BALANCE	-	-	-

Funding Impact Statement – Governance and Tāngata Whenua For the Year Ended 30 June 2014

	2012/13 Long Term Plan \$000	2013/14 Long Term Plan \$000	2013/14 Actual \$000
Sources of Operating Funding			
General Rate, Uniform Annual General Charge, Rates Penalties	2,300	2,880	2,903
Targeted Rates	307	300	245
Grants and Subsidies for Operating Purposes	-	-	-
Fees and Charges	762	842	369
Internal Charges and Overheads Recovered	-	-	19,091
Local Authorities Fuel Tax, Fines, Infringement Fees and Other Receipts	-	-	891
Total Operating Funding	3,369	4,022	23,499
Applications of Operating Funding			
Payment to Staff and Suppliers	1,761	1,731	15,597
Finance Costs	426	558	579
Internal Charges and Overheads Applied	1,355	1,411	7,132
Other Operating Funding Applications	-	-	-
Total Applications of Operating Funding	3,542	3,700	23,308
SURPLUS/DEFICIT OF OPERATING FUNDING	(173)	322	191
Sources of Capital Funding			
Grants and Subsidies for Capital Expenditure	-	-	-
Development and Financial Contributions	-	-	-
Increase/(Decrease) in Debt	5,294	623	58
Gross Proceeds from Sale of Assets	-	-	-
Lump Sum Contributions	-	-	-
Other Dedicated Capital Funding	-	-	-
Total Sources of Capital Funding	5,294	623	58
Application of Capital Funding			
Capital Expenditure			
to meet additional demand	-	-	-
to improve the level of service	4,769	208	61
to replace existing assets	1,476	1,297	759
Increase/(Decrease) in Reserves	638	734	(571)
Increase/(Decrease) in Investments	(1,762)	(1,294)	-
Total Applications of Capital Funding	5,121	945	249
SURPLUS/DEFICIT OF CAPITAL FUNDING	173	(322)	(191)
FUNDING BALANCE	-	-	-



Funding Impact Statement – Libraries, Arts and Museums

For the Year Ended 30 June 2014

	2012/13 Long Term Plan \$000	2013/14 Long Term Plan \$000	2013/14 Actual \$000
Sources of Operating Funding			
General Rate, Uniform Annual General Charge, Rates Penalties	83	137	256
Targeted Rates	3,568	3,724	3,682
Grants and Subsidies for Operating Purposes	-	-	36
Fees and Charges	316	315	221
Internal Charges and Overheads Recovered	-	-	36
Local Authorities Fuel Tax, Fines, Infringement Fees and Other Receipts	-	-	-
Total Operating Funding	3,967	4,176	4,231
Applications of Operating Funding			
Payment to Staff and Suppliers	2,520	2,623	2,387
Finance Costs	179	174	218
Internal Charges and Overheads Applied	501	548	841
Other Operating Funding Applications	-	-	-
Total Applications of Operating Funding	3,200	3,345	3,446
SURPLUS/DEFICIT OF OPERATING FUNDING	767	831	785
Sources of Capital Funding			
Grants and Subsidies for Capital Expenditure	-	-	-
Development and Financial Contributions	16	117	-
Increase/(Decrease) in Debt	348	-	-
Gross Proceeds from Sale of Assets	-	-	-
Lump Sum Contributions	-	-	-
Other Dedicated Capital Funding	-	-	-
Total Sources of Capital Funding	364	117	-
Application of Capital Funding			
Capital Expenditure			
to meet additional demand	-	-	-
to improve the level of service	732	482	476
to replace existing assets	131	139	51
Increase/(Decrease) in Reserves	-	-	258
Increase/(Decrease) in Investments	268	327	-
Total Applications of Capital Funding	1,131	948	785
SURPLUS/DEFICIT OF CAPITAL FUNDING	(767)	(831)	(785)
FUNDING BALANCE	-	-	-

Funding Impact Statement – Parks and Open Space For the Year Ended 30 June 2014

	2012/13 Long Term Plan \$000	2013/14 Long Term Plan \$000	2013/14 Actual \$000
Sources of Operating Funding			
General Rate, Uniform Annual General Charge, Rates Penalties	-	-	-
Targeted Rates	4,196	4,424	4,657
Grants and Subsidies for Operating Purposes	-	-	-
Fees and Charges	130	99	143
Internal Charges and Overheads Recovered	-	-	-
Local Authorities Fuel Tax, Fines, Infringement Fees and Other Receipts	-	-	-
Total Operating Funding	4,326	4,523	4,800
Applications of Operating Funding			
Payment to Staff and Suppliers	2,695	2,785	2,723
Finance Costs	111	150	138
Internal Charges and Overheads Applied	647	646	1,431
Other Operating Funding Applications	-	-	-
Total Applications of Operating Funding	3,453	3,581	4,292
SURPLUS/DEFICIT OF OPERATING FUNDING	873	942	508
Sources of Capital Funding			
Grants and Subsidies for Capital Expenditure	-	-	-
Development and Financial Contributions	397	301	-
Increase/(Decrease) in Debt	833	562	1,131
Gross Proceeds from Sale of Assets	-	-	-
Lump Sum Contributions	-	-	-
Other Dedicated Capital Funding	-	-	-
Total Sources of Capital Funding	1,230	863	1,131
Application of Capital Funding			
Capital Expenditure			
to meet additional demand	-	-	-
to improve the level of service	1,860	1,501	1,083
to replace existing assets	150	217	144
Increase/(Decrease) in Reserves	-	-	412
Increase/(Decrease) in Investments	93	87	-
Total Applications of Capital Funding	2,103	1,805	1,639
SURPLUS/DEFICIT OF CAPITAL FUNDING	(873)	(942)	(508)
FUNDING BALANCE	-	-	-



Funding Impact Statement – Solid Waste For the Year Ended 30 June 2014

	2012/13 Long Term Plan \$000	2013/14 Long Term Plan \$000	2013/14 Actual \$000
Sources of Operating Funding			
General Rate, Uniform Annual General Charge, Rates Penalties	39	49	38
Targeted Rates	-	-	-
Grants and Subsidies for Operating Purposes	-	-	-
Fees and Charges	2,888	3,166	783
Internal Charges and Overheads Recovered	-	-	-
Local Authorities Fuel Tax, Fines, Infringement Fees and Other Receipts	-	-	-
Total Operating Funding	2,927	3,215	821
Applications of Operating Funding			
Payment to Staff and Suppliers	2,361	2,612	533
Finance Costs	178	179	175
Internal Charges and Overheads Applied	252	268	390
Other Operating Funding Applications	-	-	-
Total Applications of Operating Funding	2,791	3,059	1,098
SURPLUS/DEFICIT OF OPERATING FUNDING	136	156	(277)
Sources of Capital Funding			
Grants and Subsidies for Capital Expenditure	-	-	-
Development and Financial Contributions	-	-	-
Increase/(Decrease) in Debt	137	143	189
Gross Proceeds from Sale of Assets	-	-	-
Lump Sum Contributions	-	-	-
Other Dedicated Capital Funding	-	-	-
Total Sources of Capital Funding	137	143	189
Application of Capital Funding			
Capital Expenditure			
to meet additional demand	-	-	-
to improve the level of service	137	143	189
to replace existing assets	-	-	-
Increase/(Decrease) in Reserves	-	-	(277)
Increase/(Decrease) in Investments	136	156	-
Total Applications of Capital Funding	273	299	(88)
SURPLUS/DEFICIT OF CAPITAL FUNDING	(136)	(156)	277
FUNDING BALANCE	-	-	-



Funding Impact Statement – Stormwater Management For the Year Ended 30 June 2014

	2012/13 Long Term Plan \$000	2013/14 Long Term Plan \$000	2013/14 Actual \$000
Sources of Operating Funding			
General Rate, Uniform Annual General Charge, Rates Penalties	417	451	551
Targeted Rates	2,683	2,770	2,843
Grants and Subsidies for Operating Purposes	-	-	-
Fees and Charges	50	52	55
Internal Charges and Overheads Recovered	-	-	-
Local Authorities Fuel Tax, Fines, Infringement Fees and Other Receipts	-	-	-
Total Operating Funding	3,150	3,273	3,449
Applications of Operating Funding			
Payment to Staff and Suppliers	1,209	1,149	973
Finance Costs	919	1,034	951
Internal Charges and Overheads Applied	117	127	241
Other Operating Funding Applications	-	-	-
Total Applications of Operating Funding	2,245	2,310	2,165
SURPLUS/DEFICIT OF OPERATING FUNDING	905	963	1,284
Sources of Capital Funding			
Grants and Subsidies for Capital Expenditure	-	-	-
Development and Financial Contributions	109	16	40
Increase/(Decrease) in Debt	2,712	2,641	490
Gross Proceeds from Sale of Assets	-	-	-
Lump Sum Contributions	-	-	-
Other Dedicated Capital Funding	-	-	-
Total Sources of Capital Funding	2,821	2,657	530
Application of Capital Funding			
Capital Expenditure			
to meet additional demand	241	254	40
to improve the level of service	1,956	2,502	357
to replace existing assets	746	-	436
Increase/(Decrease) in Reserves	-	-	981
Increase/(Decrease) in Investments	783	864	-
Total Applications of Capital Funding	3,726	3,620	1,814
SURPLUS/DEFICIT OF CAPITAL FUNDING	(905)	(963)	(1,284)
FUNDING BALANCE	-	-	-



Funding Impact Statement - Supporting Environmental Sustainability For the Year Ended 30 June 2014

	2012/13 Long Term Plan \$000	2013/14 Long Term Plan \$000	2013/14 Actual \$000
Sources of Operating Funding			
General Rate, Uniform Annual General Charge, Rates Penalties	683	773	910
Targeted Rates	-	-	-
Grants and Subsidies for Operating Purposes	-	-	-
Fees and Charges	285	320	200
Internal charges and Overheads Recovered	-	-	-
Local Authorities Fuel Tax, Fines, Infringement Fees and Other Receipts	-	-	2
Total Operating Funding	968	1,093	1,112
Applications of Operating Funding			
Payment to Staff and Suppliers	736	796	864
Finance Costs	-	-	-
Internal Charges and Overheads Applied	232	244	245
Other Operating Funding Applications	-	-	-
Total Applications of Operating Funding	968	1,040	1,109
SURPLUS/DEFICIT OF OPERATING FUNDING	-	53	3
Sources of Capital Funding			
Grants and Subsidies for Capital Expenditure	-	-	-
Development and Financial Contributions	-	-	-
Increase/(Decrease) in Debt	-	-	53
Gross Proceeds from Sale of Assets	-	-	-
Lump Sum Contributions	-	-	-
Other Dedicated Capital Funding	-	-	-
Total Sources of Capital Funding	-	-	53
Application of Capital Funding			
Capital Expenditure			
to meet additional demand	-	-	-
to improve the level of service	-	708	53
to replace existing assets	-	-	-
Increase/(Decrease) in Reserves	-	-	3
Increase/(Decrease) in Investments	-	(655)	-
Total Applications of Capital Funding	-	53	56
SURPLUS/DEFICIT OF CAPITAL FUNDING	-	(53)	(3)
FUNDING BALANCE	-	-	-

Funding Impact Statement - Supporting Social Wellbeing For the Year Ended 30 June 2014

	2012/13 Long Term Plan \$000	2013/14 Long Term Plan \$000	2013/14 Actual \$000
Sources of Operating Funding			
General Rate, Uniform Annual General Charge, Rates Penalties	1,245	1,297	1,321
Targeted Rates	-	-	-
Grants and Subsidies for Operating Purposes	-	-	-
Fees and Charges	(352)	(418)	6
Internal Charges and Overheads Recovered	-	-	-
Local Authorities Fuel Tax, Fines, Infringement Fees and Other Receipts	-	-	-
Total Operating Funding	893	879	1,327
Applications of Operating Funding			
Payment to Staff and Suppliers	939	971	994
Finance Costs	-	-	-
Internal Charges and Overheads Applied	306	326	333
Other Operating Funding Applications	-	-	-
Total Applications of Operating Funding	1,245	1,297	1,327
SURPLUS/DEFICIT OF OPERATING FUNDING	(352)	(418)	-
Sources of Capital Funding			
Grants and Subsidies for Capital Expenditure	-	-	-
Development and Financial Contributions	-	-	-
Increase/(Decrease) in Debt	-	-	-
Gross Proceeds from Sale of Assets	-	-	-
Lump Sum Contributions	-	-	-
Other Dedicated Capital Funding	-	-	-
Total Sources of Capital Funding	-	-	-
Application of Capital Funding			
Capital Expenditure			
to meet additional demand	-	-	-
to improve the level of service	-	-	-
to replace existing assets	-	-	-
Increase/(Decrease) in Reserves	-	-	-
Increase/(Decrease) in Investments	(352)	(418)	-
Total Applications of Capital Funding	(352)	(418)	-
SURPLUS/DEFICIT OF CAPITAL FUNDING	352	418	-
FUNDING BALANCE	-	-	-



Funding Impact Statement – Wastewater Management For the Year Ended 30 June 2014

	2012/13 Long Term Plan \$000	2013/14 Long Term Plan \$000	2013/14 Actual \$000
Sources of Operating Funding			
General Rate, Uniform Annual General Charge, Rates Penalties	-	-	-
Targeted Rates	6,863	7,098	7,465
Grants and Subsidies for Operating Purposes	-	-	-
Fees and Charges	16	5	30
Internal Charges and Overheads Recovered	-	-	1,225
Local Authorities Fuel Tax, Fines, Infringement Fees and Other Receipts	-	-	-
Total Operating Funding	6,879	7,103	8,720
Applications of Operating Funding			
Payment to Staff and Suppliers	3,794	3,964	3,259
Finance Costs	895	967	741
Internal Charges and Overheads Applied	84	101	2,250
Other Operating Funding Applications	-	-	-
Total Applications of Operating Funding	4,773	5,032	6,250
SURPLUS/DEFICIT OF OPERATING FUNDING	2,106	2,071	2,470
Sources of Capital Funding			
Grants and Subsidies for Capital Expenditure	-	-	-
Development and Financial Contributions	199	132	234
Increase/(Decrease) in Debt	2,089	2,208	416
Gross Proceeds from Sale of Assets	-	-	-
Lump Sum Contributions	-	-	-
Other Dedicated Capital Funding	-	-	-
Total Sources of Capital Funding	2,288	2,340	650
Application of Capital Funding			
Capital Expenditure			
to meet additional demand	361	55	231
to improve the level of service	7	1,373	692
to replace existing assets	2,589	2,316	2,189
Increase/(Decrease) in Reserves	-	-	8
Increase/(Decrease) in Investments	1,437	667	-
Total Applications of Capital Funding	4,394	4,411	3,120
SURPLUS/DEFICIT OF CAPITAL FUNDING	(2,106)	(2,071)	(2,470)
FUNDING BALANCE	-	-	-



Funding Impact Statement – Water Management For the Year Ended 30 June 2014

	2012/13 Long Term Plan \$000	2013/14 Long Term Plan \$000	2013/14 Actual \$000
Sources of Operating Funding			
General Rate, Uniform Annual General Charge, Rates Penalties	-	-	-
Targeted Rates	-	-	7,448
Grants and Subsidies for Operating Purposes	-	-	-
Fees and Charges	7,149	8,476	35
Internal Charges and Overheads Recovered	-	-	-
Local Authorities Fuel Tax, Fines, Infringement Fees and Other Receipts	-	-	-
Total Operating Funding	7,149	8,476	7,483
Applications of Operating Funding			
Payment to Staff and Suppliers	3,008	3,501	2,896
Finance Costs	1,615	2,349	1,593
Internal Charges and Overheads Applied	782	823	1,266
Other Operating Funding Applications	-	-	-
Total Applications of Operating Funding	5,405	6,673	5,755
SURPLUS/DEFICIT OF OPERATING FUNDING	1,744	1,803	1,728
Sources of Capital Funding			
Grants and Subsidies for Capital Expenditure	-	-	-
Development and Financial Contributions	134	148	475
Increase/(Decrease) in Debt	16,541	10,518	6,580
Gross Proceeds from Sale of Assets	-	-	-
Lump Sum Contributions	-	-	-
Other Dedicated Capital Funding	-	-	-
Total Sources of Capital Funding	16,675	10,666	7,055
Application of Capital Funding			
Capital Expenditure			
to meet additional demand	2,846	1,056	1,594
to improve the level of service	8,986	5,068	4,782
to replace existing assets	5,389	4,474	2,577
Increase/(Decrease) in Reserves	-	-	(170)
Increase/(Decrease) in Investments	1,198	1,871	-
Total Applications of Capital Funding	18,419	12,469	8,783
SURPLUS/DEFICIT OF CAPITAL FUNDING	(1,744)	(1,803)	(1,728)
FUNDING BALANCE	-	-	-



AUDIT REPORT



Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF KĀPITI COAST DISTRICT COUNCIL'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

The Auditor-General is the auditor of Kāpiti Coast District Council (the District Council). The Auditor-General has appointed me, Grant Taylor, using the staff and resources of Ernst & Young to audit:

- the financial statements of the District Council that comprise:
 - the statement of financial position as at 30 June 2014 on page 131;
 - the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ending 30 June 2014 on pages 129 to 130 and 132;
 - the funding impact statement of the District Council on page 133; and
 - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 134 to 189;
- the statement of service provision of the District Council (referred to as "Council Activities") which includes the cost of activity statements in relation to each group of activities of the District Council and the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 24 to 127;
- the funding impact statements in relation to each group of activities of the District Council on pages 190 to 205; and
- the disclosures of the District Council that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 182 to 189.

In addition, the Auditor-General has appointed me to report on whether the District Council's annual report complies with the *Other Requirements* of schedule 10 of the Local Government Act 2002, where applicable, by including:

- information about:
 - internal borrowing on page 181;
 - reserve funds on page 161;
 - each group of activities carried out by the District Council on pages 24 to 127;
 - remuneration paid to the elected members and certain employees of the District Council on pages 171 to 174;
 - employee staffing levels and remuneration on page 174;
 - severance payments on page 174;
 - rating base units on page 189 ; and
 - insurance of assets on pages 174 to 175;
- a report on the activities undertaken by the District Council's to establish and maintain processes to provide opportunities for Māori to contribute to the Council's decision-making processes on pages 8 to 9; and
- a statement of compliance and responsibility signed by the Mayor of the Council, and by the District Council's chief executive on page 14.



Opinion

Audited information

In our opinion:

- the financial statements of the District Council on pages 129 to 189:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the District Council's financial position as at 30 June 2014; and
 - the results of its operations and cash flows for the year ended on that date.
- the funding impact statement of the District Council on page 133, fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan.
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 24 to 127, fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's annual plan.
- the statement of service provision of the District Council on pages 24 to 127:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the District Council's levels of service for the year ended 30 June 2014, including:
 - the levels of service as measured against the intended levels of service adopted in the long-term plan; and
 - the reasons for any significant variances between the actual service and the expected service.
- the funding impact statements in relation to each group of activities of the District Council on pages 190 to 205, fairly reflects by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.
- the disclosures on pages 134 to 189 represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information.

Compliance with the other requirements of schedule 10

In our opinion, which is not an audit opinion, the District Council's annual report complies with the *Other Requirements* of schedule 10 that are applicable to the annual report.

Our audit was completed on 16 October 2014. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and the statement of service provision. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council's preparation of the information we audited that fairly reflect the matters to which they relate.

We consider internal control in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of all disclosures in the information we audited;
- determining the appropriateness of the reported statement of service provisions within the Council's framework for reporting performance; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.

When reporting on whether the annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, our procedures were limited to making sure the information required by schedule 10 was included in the annual report, where relevant, and identifying material inconsistencies, if any, with the information we audited. This work was carried out in accordance with International Standard on Auditing (New Zealand) 720: The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements. As a result we do not express an audit opinion on the District Council's compliance with the requirements of schedule 10.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate evidence to provide a basis for our opinion.

Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and statement of service provision that:
 - comply with generally accepted accounting practice in New Zealand;
 - fairly reflect the District Council's financial position, financial performance and cash flows;
 - fairly reflect its service performance, including achievements compared to forecast;
- a funding impact statement that fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- funding impact statements in relation to each group of activities that fairly reflects by each group of activities the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan;



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- statements about budgeted and actual capital expenditure in relation to each group of activities that fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan; and
- disclosures in accordance with the requirements of the Local Government (Financial Reporting and Prudence) Regulations 2014; and
- the other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

The Council's responsibilities arise under the Local Government Act 2002.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on, the information we are required to audit, and whether the Council has complied with the *Other Requirements* of schedule 10, and reporting that opinion to you. Our responsibility arises under section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

When carrying out this audit, which includes our report on the *Other Requirements*, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. Other than this audit, we have conducted an audit of The Clean Technology Trust and certain agreed procedures related to the District Councils application of funds received from the New Zealand Community Trust.

Grant Taylor
Ernst & Young
On behalf of the Auditor-General
Wellington, New Zealand



OTHER INFORMATION

Glossary of Terms

Term	Definition
Activity	Groups of related services, projects or goods provided by, or on behalf of the Council are combined into an activity. These activities are then linked to Community Outcomes.
Annual Plan	The Annual Plan is produced in the intervening years between Long Term Plans. It explains the variations from the activities and/or budgets in the Long Term Plan and confirms arrangements for raising revenue for the financial year.
Annual Report	The Annual Report comments on the performance of the Council against the Community Outcomes, objectives, policies, activities, performance measures (effectiveness measures, key actions/outputs and service standards), indicative costs, and sources of funds outlined in the Long Term Plan and the Annual Plan.
Asset	Something of value that the Council owns on behalf of the Kāpiti Coast District Community, such as roads.
Asset Management Plan	A long term planning document for managing Council's infrastructural assets that ensures that capacity to provide a service is maintained, and that costs over the life of the assets are kept to a minimum.
Capital Expenditure	Cost of purchasing, constructing or improving an asset.
Census (2006 Census of Population and Dwellings)	Statistics New Zealand provide statistical information gathered from the 2006 Census of Population and Dwellings. The statistics provide information on the size and makeup of the New Zealand population by age, gender and ethnicity.
Community Outcomes	A set of statements owned and developed by the community with Kāpiti Coast District Council assistance, found in the <i>Kāpiti Coast: Choosing Futures - Community Outcomes</i> document. They exist to guide decisions made by the Council and to engage with other agencies about how they will invest in the community's future.
Cost of Capital	Opportunity cost of (assets less related net loan).
Council-controlled Organisation	An organisation in which one or more local authorities control 50% or more of the voting rights or appoint 50% or more of the directors.

Term	Definition
Cultural Wellbeing	Includes: <ul style="list-style-type: none"> • an understanding of the history of cultural traditions; • mutual respect for those traditions and values; • a willingness to seek and work with common features and values; • a reflection of those values in the present physical and social environment; • confidence that decisions about change take these principles and values into account; • a sense of control over decisions affecting what is valued by the community.
Current Assets	Any asset which can be readily converted to cash or will be used up within the financial year.
Current Portion of Borrowings	Council debt that matures in less than 12 months.
Current Liabilities	Creditors and other liabilities due for settlement within the next 12 months, i.e. the next financial year. All other liabilities are non-current.
Depreciation	An accounting concept to describe the wearing out, consumption or other loss of value of an asset over its useful life.
District Plan	A plan under the Resource Management Act 1991 that manages the adverse impact of land uses on the environment of the District.
Economic Wellbeing	Includes: <ul style="list-style-type: none"> • economic activity that is within the capacity of natural systems to absorb effects; • local benefit; • employment, including local employment; • a local economy that can adapt to change and pressures; • having people who understand and are willing to take economic risks to establish viable businesses; • skills and the opportunity to use them; • the ability to add value and to think what local resources may offer.
Environmental Wellbeing	Includes: <ul style="list-style-type: none"> • the effect of actions on the environment; • the capacity of natural systems to absorb change; • community aspirations to restore the quality of natural systems; • the ability to harvest natural systems without harm to them.
External Revenue	Income (other than rates) from external sources.
Fair Value	The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

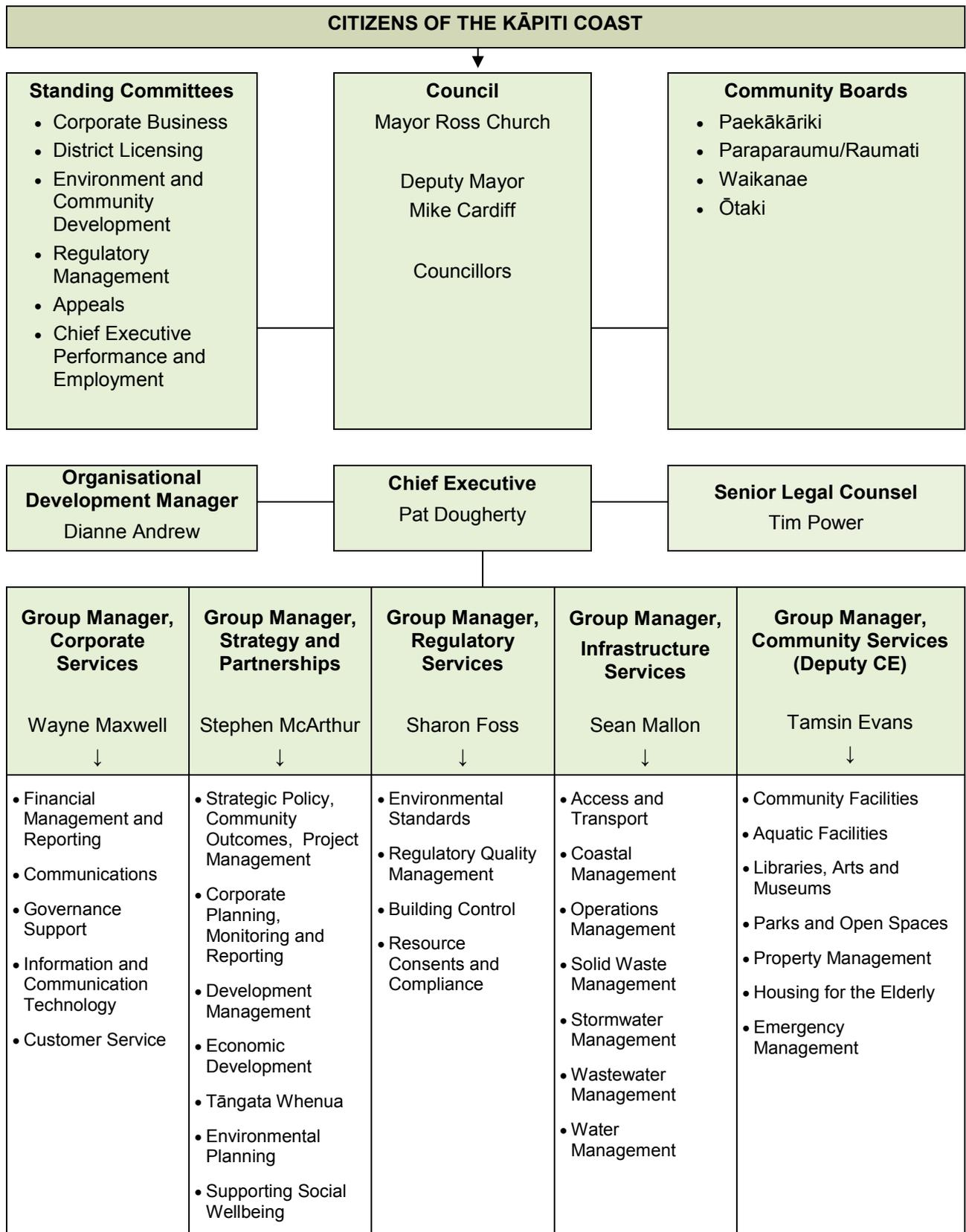


Term	Definition
Fixed Assets	These consist of land and buildings and infrastructural assets (utilities such as roads, stormwater and wastewater networks).
Local Government Act 2002	The Local Government Act 2002 is the primary legislation that governs the Council's operations and actions.
Long Term Plan (LTP)	A plan which: <ul style="list-style-type: none"> describes Council's responsibilities and contributions to the Community Outcomes developed by the Kāpiti Coast community during 2009 and reconfirmed by the Council in 2012; sets out the Council's leadership vision and how it wishes to work with the community; the suggested investment priorities for the next 20 years; identifies partners with a commitment to the wellbeing of the Kāpiti Coast community; provides a long term programme and budget and funding choices.
Long Term Investments	Investments that have a maturity date of 12 months or longer.
Operating Expenses	Costs of maintaining assets plus the allocation of overhead costs.
Non-current Portion of Receivables	Council receivables that have a maturity date of 12 months or longer.
Non-current Portion of Borrowings	Council debt that has a maturity date of 12 months or longer.
Public Benefit Entities	Reporting entities whose primary objective is to provide goods and services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for a financial return to equity holders (as defined in New Zealand equivalents to International Financial Reporting Standards).
Public Equity	Council's net worth (i.e. total assets less total liabilities).
Restricted Assets	Parks and reserves which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.
Short Term Investments	Investments that mature in less than 12 months.
Significance Policy	A policy which explains how Council determines how significant a project or decisions are and the subsequent amount of consultation and analysis required.
Social Wellbeing	Includes: <ul style="list-style-type: none"> the ability of all to participate in and use what the District offers; respect and support for people and groups that sustain and help; the ability of individuals to see a future and feel that they might achieve it; basic levels of physical and mental health or wellness;

Term	Definition
	<ul style="list-style-type: none"> • personal safety and freedom from fear; • a sense of control over individual and community futures; • affordability: ability of people to pay for basic survival (food, shelter etc) and to have enough disposable income to allow participation in local community life.
Structure Plans	<p>A structure plan is a comprehensive indicative development plan for a large area which identifies such things as bush to be protected, roads, sections, stormwater etc. It allows a more integrated sustainable development approach which weaves together urban and environmental matters. A structure plan has a legal status in the District Plan and is used in the formal resource consent process to guide particular decisions.</p>
Sustainable Development Principles	<p>A general definition is: ‘development which meets the needs of the present without compromising the ability of future generations to meet their needs’ (<i>Central Government - Sustainable Development: Programme for Action – published January 2003.</i>) This general statement provides some guidance for action and decision-making but does require further detail to assist with complex issues. The Local Government Act 2002 provides guidance on some principles, as does the Programme for Action cited above.</p> <p>The Kāpiti Coast District Council has developed fourteen principles to guide decision-making, based on the Local Government Act 2002 requirements, the Programme for Action and a review of principles developed by other local, regional and national governments, in New Zealand and elsewhere. These principles have been formally adopted and can be found in Section 2, Part 1 <i>Kāpiti Coast: 2012 Long Term Plan</i>.</p>
Swaps	<p>A financial instrument or contract which has the effect of converting floating interest rate debt into fixed rate debt or vice versa.</p>
Targeted Rates	<p>A rate that a local authority sets for a specified function or functions.</p>
Wellbeing	<p>Consists of four connected components – social, cultural, environmental and economic – that actively support the well being or “health” of a community.</p>



KĀPITI COAST DISTRICT COUNCIL ORGANISATION STRUCTURE



ELECTED MEMBERS CONTACT DETAILS

Elected Member	Phone	Email Address
Ross Church <i>Mayor</i>	298 2886 027 205 3600	ross.church@kapiticoast.govt.nz
Diane Ammundsen	902 4736 027 241 7789	diane.ammundsen@kapiti.govt.nz
Murray Bell	298 8255 027 490 5269	murray.bell@kapiti.govt.nz
Mike Cardiff <i>Deputy Mayor</i>	293 4374 021 441 243	mike.cardiff@kapiti.govt.nz
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Tony Lloyd	904 2966 021 177 6332	tony.lloyd@kapiti.govt.nz
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Gavin Welsh	905 2667 021 772 165	gavin.welsh@kapiti.govt.nz



ŌTAKI COMMUNITY BOARD

Elected Member	Phone	Email Address
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Rob Kofoed <i>Deputy</i>	(06) 364 6154 027 536 4614	rob.kofoed@kapiti.govt.nz
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Colin Pearce	(06) 364 6488	colin.pearce@kapiti.govt.nz

PAEKĀKĀRIKI COMMUNITY BOARD

Elected Member	Phone	Email Address
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Philip Edwards	904 8616 027 286 1947	philip.edwards@kapiti.govt.nz



PARAPARAUMU/RAUMATI COMMUNITY BOARD

Elected Member	Phone	Email Address
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WAIKANAE COMMUNITY BOARD

Elected Member	Phone	Email Address
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Other emergencies

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