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Introduction by Jenny Rowan, QSO, JP Mayor, Kāpiti Coast District

By the time the financial year under review ended on June 30, 2009, the Council had a clear picture of where we had been and where we were going with our important projects.

We had a really clear vision of where we were going with the Western Link and of the approach we were taking to development to the north of Waikanae and in town centres in other parts of the district.

We had developed and carried out extensive consultation on the 2009 Long Term Council Community Plan (LTCCP) and we believed we were in a position to continue, *Delivering on the community's plan*.

However, since August 2009, the Ministerial announcement on the Kāpiti State Highway Expressway routes has had a major impact on our ability to achieve our goals. Our ability to stay on track will largely depend on the outcome of the current expressway consultation.

This is a report on our progress and activities during 2008/2009, and I will confine my comments to this period. I am pleased to report that our property purchases for the Western Link for Stage 1 from Te Moana Road to Raumati Road were virtually complete with all but two resource consents left to be granted at June 30 2009. Since then they have been granted.

As part of our LTCCP we also undertook a Rating and Funding Review focused on three key issues: land value rating versus capital value, the establishment of a rural village differential and whether water, wastewater and stormwater should be funded on a districtwide basis with the change being introduced over a five-year period. The result was majority support for continuing with land value as the basis of rating. The rural village differential is being introduced and water, wastewater and stormwater services will be funded districtwide. Stormwater will, however, continue to be rated based on capital value.

The Council addressed other roading and transport issues besides the Western Link during the year. The Raumati Road/Rimu Road roundabout was completed. Some \$800,000 was spent on footpath upgrades and renewals and with major support from the Waikanae Community Board, the Lion Foundation and Greater Wellington Regional Council the Te Arawai Footbridge over the Waikanae River was built and opened.

The economic downturn has obviously affected the building industry nationwide and the impact on the Kāpiti Coast has been significant. Our Building and Resource Consent teams have seen a downturn in their work but the Council decided that we would ride the storm and seek other ways to keep our top class trained team of inspectors together. Members of the Kāpiti Coast District Council building inspection team have been working in Horowhenua, Porirua, in Wellington and the Hutt Valley supporting the teams in those councils.

Progress on the town centre upgrades continued with the work being completed in Paekākāriki and the major Paraparaumu Beach Town Centre upgrade started. The long awaited Ōtaki Railway Carpark area was also completed including the planting of mature fruit trees recovered from local Ōtaki orchards.

In the recession it seems people read more. The libraries reported increased lending of books and increased numbers of members and work was completed on replacing the Waikanae Library lift.

The Kāpiti Coast District Civic Awards and the Wellington Airport Regional Community Awards were a highlight of the year. For the first time a Mayoral Special Award was made to honour

one of our district's iconic people, Sir Jon Trimmer, celebrating his 50th year with the New Zealand Ballet and a major contribution to the cultural fabric of our district.

An essential, but less glamorous milestone was in stormwater management where we commenced work on the Matatua Road Bridge to replace the triple cell culvert. This project will directly improve stormwater management on the Wharemauku Stream. This is one of a number of major stormwater projects people will see in Kāpiti over the next 10 years.

We introduced kerbside recycling in August 2008 and completed the Otaihanga Transfer Station in November 2008.

In the area of water quality we installed ultra violet treatment at the Waikanae Water Treatment Plant to treat the Raumati, Paraparaumu and Waikanae water supply.

Another significant achievement was the completion of the Multi-Sport Arena at Mazengarb Park, otherwise known as the artificial hockey turf. This now very successful sports arena was opened in 2008 with a \$650,000 contribution from the Council contributing to the funding package.

In summary, this has been a year in which the Council has successfully upgraded and improved a range of infrastructure and services in the community.

My thanks and that of the Council must go to our Chief Executive Pat Dougherty and our hardworking and professional staff who worked through a very thorough process in the issues facing us with our LTCCP and ensured we had the information on which to base the complex decisions local government must manage at this time. I thank them for their time and patience.

My thanks also go to my Deputy Ann Chapman, councillors and community board chairs and members of the newly established Elders Council and the Youth Council, all of whom worked hard, and often beyond the call of duty, to wrestle with the complex issues facing our district.

Finally, my thanks go to you, the residents and ratepayers of the Kāpiti Coast for your interest and involvement in the issues of the District. A particular thank you to those of you who have engaged so generously at both a political and practical level.

A handwritten signature in black ink, appearing to read 'Jenny Rowan', with a stylized flourish at the end.

Jenny Rowan QSO, JP
Mayor, Kāpiti Coast District

Message from Pat Dougherty Chief Executive

This Annual Report for the Council covers the period from July 1 2008 to June 30 2009 and reviews the activities, policies and achievements of the organisation over that period. The report covers the wide range of activities with which Councils are involved under the Local Government Act 2002 and provides detailed financial information on capital expenditure and operating expenditure.

Since taking up the position of Chief Executive in August 2008 I have been impressed with the depth and strength of the Senior Leadership Team and the focus and commitment of the Council's staff in all the areas of our operations from developing strategies and policies to mowing playing fields and managing our streets and parks.

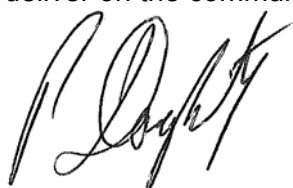
In her introduction the Mayor summarises the progress made on key projects and outlines the considerable effort put into preparing the 2009 Long Term Council Community Plan (LTCCP). One of the clear themes that became very apparent as the LTCCP was developed is the amount of work required to develop and maintain our infrastructural and recreational assets to standards that meet community expectations and provide adequate capacity to cope with growth. In order to ensure that we have the capacity to cope with this ongoing workload, internal changes have been made to strengthen our Infrastructure and Leisure & Open Space Teams.

This report assesses how the Council has performed in providing services to the community. This is measured against objectives set in the 2006 LTCCP and is assessed in two parts – Key Actions/Outputs and Service Standards. An analysis of the 32 Key Actions/Outputs shows 47% of targets were achieved, 16% were partially achieved, 22% were on track, 9% were on-going and 6% were no longer required. An analysis of the 102 Service Standards 86% of targets were achieved, 2% were partially achieved, 2% were on track, 2% were not relevant and 7% were not achieved.

The Council had an operating surplus for the year of \$12,185,000 which included \$12,682,000 of New Zealand Transport Agency (NZTA) capital funding. Adjusting for the NZTA targeted funding, the Council had an operating deficit of \$497,000 compared to the operating surplus of \$902,000 predicted in the 2008/09 Annual Plan. The deficit relates mainly to the solid waste operations where there were one-off additional costs associated with the setup of kerbside recycling and additional operating costs at the Otaihanga Landfill related to leachate drainage work and sludge disposal.

The Council ended the year with a rates surplus of \$203,000 which will be used to offset future rate increases. Given the impacts of the economic recession on building control and resource consent fees during the years, the Council ended the year in a satisfactory financial position mainly due to savings in loan servicing costs and prudent management of interest rate swaps.

Overall this is a good result for the Council but one that can be improved. We are currently introducing improved monitoring and reporting systems so that we can better track performance against targets. Our objective is to be an organisation respected for our ability to deliver on the community's plan.



Pat Dougherty
Chief Executive

Governance Structure - from 1 July 2008 to 30 June 2009

Following the October 2007 Local Body Election the Kāpiti Coast District Council comprised a Mayor and 10 elected Councillors, half of which were elected from ward constituencies and half of which were elected on a districtwide basis. They were:

Mayor:	Jenny Rowan
Councillors:	
Districtwide	Peter Ellis, Anne Molineux, David Scott, Tony Jack, Hilary Wooding
Ōtaki Ward	Ann Chapman (Deputy Mayor)
Waikanae Ward	Sandra Patton
Paraparaumu Ward	Diane Ammundsen, Peter Daniel
Paekākāriki-Raumati Ward	Lyndy McIntyre

Council meetings were scheduled six weekly, with extraordinary meetings held as required. Council meetings normally commenced at 9.00am during the year. These meetings were advertised in the local news media. To assist the Council discharge its duties it had Standing Committees which generally met every six weeks, and each committee had its own terms of reference and powers delegated to it by the Council. The membership of those standing committees was the full Council.

During the year the Council met 20 times, and the associated Standing Committees (listed below) met 25 times.

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

The **Corporate Business Committee** was chaired by Councillor Jack. 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 Council Community Plan. It also acted as the owner of all Council assets.

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

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

Ōtaki Community Board	Andre Baker	Chair
	Don Moselen	Deputy Chair
	James Cootes	
	Penny Gaylor	
	Cr Ann Chapman	
Waikanae Community Board	Michael Scott	Chair
	Jocelyn Prvanov	Deputy Chair
	Eric Gregory	
	Harold Thomas	
	Cr Sandra Patton	
Paraparaumu/Raumati Community Board	John Haxton	Chair
	Dale Evans	Deputy Chair
	<i>(resigned 15 June 2009)</i>	
	Louella Jensen	
	William (Will) Scollay	
Cr Peter Daniel		
Paekākāriki Community Board	Adrian Webster	Chair
	Helen Keivom	Deputy Chair
	Janet Holborow	
	Betty Perkins	
	<i>(resigned 12 August 2008)</i>	
	Steve Eckett	
	<i>(sworn in 18 November 2008)</i>	
Cr Lyndy McIntyre		

Remuneration of the Elected Members

1 July 2008 to 30 June 2009

Name		Gross \$	Mileage \$
Jenny Rowan	Mayor	77,312	-
Councillors			
Diane Ammundsen	Chair, Regulatory Management Committee	28,660	667
Ann Chapman	Deputy Mayor	33,724	4,218
Peter Daniel		24,880	493
Peter Ellis		22,510	-
Tony Jack	Chair, Corporate Business Committee	28,660	970
Anne Molineux		24,880	1,537
Lyndy McIntyre		24,880	316
Sandra Patton		27,350	2,663
David Scott		24,880	792
Hilary Wooding	Chair, Environment and Community Development Committee	28,660	815
Paekākāriki Community Board Members			
Adrian Webster	Chair	7,365	1,058
Janet Holborow		3,760	-
Helen Keivom		3,760	-
Stephen Eckett		2,954	-
Betty Perkins		437	-
Paraparaumu/Raumati Community Board Members			
John Haxton	Chair	12,275	-
Dale Evans		6,260	-
Louella Jensen		6,260	251
William (Will) Scollay		6,260	-
Waikanae Community Board Members			
Michael Scott	Chair	12,275	-
Eric Gregory		6,260	2
Jocelyn Prvanov		6,260	58
Harold Thomas		6,260	103
Ōtaki Community Board Members			
André Baker	Chair	12,275	1,999
James Cootes		6,260	-
Penny Gaylor		6,260	467
Don Moselen		6,260	2,734
TOTAL		457,837	19,143

Remuneration paid to Hearing Commissioners

Name		Gross Remuneration \$	Mileage \$
Diane Ammundsen Chair, Regulatory Management Committee		3,357	38
Ann Chapman	Deputy Mayor	2,278	244
Anne Molineux	Deputy Chair, Corporate Business Committee	612	-
Sandra Patton	Chair, Kāpiti Creative Communities Scheme Allocation Sub Committee	408	243
Hilary Wooding	Chair, Environment and Community Development Committee	6,613	-
Adrian Webster	Chair, Paekākāriki Community Board	2,516	147
Total for Hearing Commissioners		15,784	672
TOTAL PAID TO ELECTED MEMBERS		473,621	19,815

Statement of Compliance and Responsibility

Compliance

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

Responsibility

The Council and management of 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 2009 fairly reflect the financial position and operations of Kāpiti Coast District Council.



Jenny Rowan, QSO, JP
Mayor
Kāpiti Coast District

22 October 2009



Pat Dougherty
Chief Executive

22 October 2009



Warwick Read
Group Manager
Finance

22 October 2009

Section 1: Context for the Annual Report

Under the Local Government Act 2002 (the Act), the Council had to publish a fully compliant Long Term Council Community Plan (LTCCP) by July 2006. Year Three of the LTCCP was the Annual Plan for 2008/09.

This Annual Report reports on the delivery through the Annual Plan for 2008/09 of Year Three of the 2009 LTCCP delivered. The Act also requires Council to review its LTCCP every three years, and that process was undertaken during 2008/09.

Council Planning Documents

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



2006 Long Term Council Community Plan

The 2006 LTCCP describes the Council's responsibilities and contribution to the Community Outcomes developed by the community during 2003/04, reaffirmed in 2006. It sets out the Council's leadership vision, how it wishes to work with the community and the suggested investment priorities for the next 20 years and how it identifies partners in that work. The LTCCP also provides a long-term programme and budget and funding choices. These responsibilities were delivered by a Council that is fully committed to the community vision, to taking a sustainable development approach and to the social, cultural, economic and environmental wellbeing of the Kāpiti Coast.

2009 Long Term Council Community Plan

During the 2008/09 year the Council prepared, consulted on and adopted the 2009-19 LTCCP. The process for preparing this document was divided into two parts:

1. identifying the community's vision for the future. This vision has been published in the separate 'blue' documents called *Choosing Futures: The Community's Vision for the Kāpiti Coast District, Community Outcomes 2009 and Local Outcomes*; and
2. identifying what the Council will do in response to this vision and its statutory responsibilities. This information is set out in the 2009 LTCCP published as a two volume 'green' document.

The Council followed the framework set down in the Local Government Act 2002 for developing a LTCCP. That framework requires Council to:

- promote the social, economic, environmental and cultural wellbeing of the District;
- take a sustainable development approach to its work;
- identify significant issues which might affect the future and Council and community actions;
- identify the activities it undertakes, describe the levels of service for each activity and show the costs of funding those activities;
- identify how each activity contributes to the Community Outcomes and to the four wellbeing areas. A series of measures must be included to assess both contribution to outcomes and delivery of agreed levels of service. These activity statements form a major part of the LTCCP;
- it must set out its policies for how these activities will be funded and its overall financial or treasury management policies.

Council also prepared asset management plans which identify what must be done to maintain infrastructure assets and to renew them when they reach the end of their life. The levels of service standards for these assets were set through the LTCCP process. These plans do not appear in the LTCCP document but were audited in order to provide a clear level of confidence for the underpinning financial information that appears within the document.

Delivery of Community Outcomes

2006 Community Outcomes

The Kāpiti Coast District Council developed its Community Outcomes process early in 2003-2004 as part of its work programme to adopt its first LTCCP by 30 June 2004. The results of that process as published in the January 2003 document, *Kāpiti Coast Choosing Futures-Community Outcomes*, very clearly sets the future path the Kāpiti Coast Community desires. The broad direction for the community's vision can be described as "Reaffirming the Kāpiti Coast lifestyle and culture - with a sustainable emphasis".

The Local Government Act 2002 required all Councils in New Zealand to adopt a LTCCP in 2006 and be audited on the associated process to identify Community Outcomes. Given the relatively short time since the Community Outcomes were first identified, the Council decided to use community workshops associated with various activity areas to build onto the original Outcomes information, rather than undertake any additional process to review Community Outcomes. Following that series of workshops those seven outcomes were consulted on through the draft *Kāpiti Coast: Choosing Futures – Community Plan* document that was distributed to households throughout the District in early April 2006. The final LTCCP inclusive of those outcomes was adopted on 22 June 2006.

The summary statements for these seven 2006 outcome areas are listed below and the detail for each outcome was published in the *Kāpiti Coast Choosing Futures-Community Outcomes*.

<p>Outcome 1 There are healthy natural systems which people can enjoy.</p>	<p>This outcome is about the community's vision for the Kāpiti Coast's natural environment – maintain and build on valued natural qualities.</p>
<p>Outcome 2 Local character is retained within a cohesive District.</p>	<p>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.</p>
<p>Outcome 3 The nature and rate of population growth is appropriate to community goals.</p>	<p>This outcome is about the management of population changes and development.</p>
<p>Outcome 4 The District's resources are used wisely.</p>	<p>This outcome is concerned with the efficient use of finite resources and making sensible use of renewable resources.</p>
<p>Outcome 5 There is increased choice to work locally.</p>	<p>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.</p>
<p>Outcome 6 The District is a place that works for young people.</p>	<p>This outcome is 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.</p>
<p>Outcome 7 The District has a strong, healthy and involved community.</p>	<p>This outcome is about the Kāpiti Coast community being strong healthy and involved.</p>

2006 Community Outcomes Review

As required by the Local Government Act 2002, the Community Outcomes were reviewed in 2008 and early 2009 to see if people's vision for the future had changed. This was timely, given increasing awareness of major global issues, such as climate change, and the implications for local communities. There was a general sense that the 2003/04 Community Outcomes still held, especially around matters of place, character, development and natural environment, health and community – but there was a desire to drill down further on some emerging issues.

A series of public forums held from February to September 2008 focused on specific themes. These included an Older Person's Forum, Housing, the Arts, Climate Change and Energy, Social Wellbeing, Environment, Biodiversity and Food, and Coastal Stewardship (part of an annual review). The Council also supported a successful Ethnic Forum initiated by an interested community group, and work on more detailed local outcomes continued during 2008.

Additional themes emerging from the review included:

- a recognition that Kāpiti Coast has small pockets of people in all communities who are in social and financial need and a desire to see adequate services and facilities for those groups;
- a vision of greater housing choice, particularly for people as they age, and affordability for young and old;
- healthy communities with hubs, villages or town hearts;
- a strong local economy supported with local jobs;
- a community where individuals are taking action around climate change impacts, including energy and food production;
- greater focus on the arts in all their forms;
- recognition and support for an increasing diversity of new migrants settling on the Kāpiti Coast.

2009 Community Outcomes

Where relevant, the Community Outcomes were modified as a result of the review, and subsequent feedback and consultation. They were adopted by the Council in June 2009 as *Choosing Futures – The Community’s Vision for the Kāpiti Coast District*. The Community Vision is published as a separate document, available from the Council or the website www.kapiticoast.govt.nz

The process concluded that the community continued to want seven outcome areas, each with extensive further detail. Section 5 of the 2009 LTCCP shows how Council activities, projects and programmes contribute to the achievement of the 2009 Community Outcomes, results of which will be reported in the 2009/10 Annual Report.

Local Outcomes

When the initial consultation was undertaken in 2003/04 the Council found that, in addition to the full set of seven broadly districtwide Community Outcomes, it also had a number of chosen outcomes focused on specific localities and communities within the District.

Turning the seven principal districtwide outcomes into reality requires the Council to take the vision and develop associated timescales, funding and action plans. Among the action plans was the promise to work with local communities to give shape and form to their local outcomes.

Since then, those outcomes and the detail that supports them have informed the work that has been done in undertaking more detailed local community design processes, and developing plans and strategies at the local level. During the 2008/09 year, work continued on incorporating the results of those processes into a series of Local Outcome Statements, which take the districtwide outcomes and gives them a local focus. From there the specific local outcomes are presented along with programmes developed in consultation with the community to redefine the outcomes into practical visions and programmes for the future.

The aim is to provide a framework, or touchstone, for options and actions for the future as local communities and the wider District evolve over time. As at 30 June 2009 Local Outcomes documents had been developed and adopted for the following areas: Paekākāriki; Raumati South; Raumati Beach; Paraparaumu Town Centre; Paraparaumu Beach; Waikanae North and the Greater Ōtaki area.

Cross-Outcome Links

As well as the particular focus of each Community Outcome area, there are a number of common themes interwoven with them. For example, improved access is a cross-outcome thread: walkways, local footpaths, beach access, road linkages, extended bus and train links contribute to enjoyment of the environment, health, local character, cohesiveness, the local economy, and choice for young people and so on. These were reaffirmed in the recent review of the 2006 Community Outcomes. The common threads that the community focuses on are:

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

This weaving together of Community Outcomes and cross-outcome links reinforces the fact that people do not see things in separate categories or with equal significance.

Achieving the Community Vision: Measuring Progress

The Kāpiti Coast District Council takes the view that a whole range of people, organisations, groups and agencies contribute to the community vision. During the year the Council continued to work with some central government agencies to obtain clear partnership statements about those parts of the community vision they will support.

The Local Government Act 2002 requires regular reporting on what progress has been made by either the Council and/or its community partners towards achieving the Community Outcomes and vision. This rate of progress is measured in two ways:

1 With a Genuine Progress Index

This is a way of measuring cumulative performance or “quality of life” across all areas of wellbeing. It is an important measure, as it does not make sense, for example, to have major economic growth if the environment is harmed in the process.

The first stage of developing the Genuine Progress Index has been to review the possible measures and key milestones noted in the 2006 LTCCP, as part of producing the Kāpiti Coast Community Outcomes Progress Report. That report, which can be found on the Council’s website or at libraries and service centres, provides information on a range of measures under each outcome, and how these have changed over time. These have been supplemented by examples and key milestones that have been reached.

The second stage is to determine how the indicators can be brought together to build a Genuine Progress Index and how this can be presented to give people a real sense of what is being achieved across the economic, environmental, social and cultural wellbeing areas. The Wellington Regional Strategy process is developing regional genuine progress indicators and index. The Kāpiti Coast initiative will be linked to that process.

2 Measuring Achievement in Each Outcome Area

Long-term measures and key milestones for each of the seven community outcomes are listed in the LTCCP. They have two parts, each focussed on results to mark progress:

- Measuring whether the possible long-term measures of progress (key indicators) have improved. For example, are there more local jobs? (Outcome 5 refers).
- Measuring whether the key milestones have been achieved. For example, a milestone may be that the rail system is electrified as far as Ōtaki. (All seven outcomes refer).

Community Outcomes Progress Report

In 2003/2004, as required by the Local Government Act 2002, Council consulted with the Kāpiti Coast community which resulted in its first LTCCP. Essentially this Plan presented the community's vision for the District over the following 10-20 years. In 2008 it was time to review the plan in consultation with the community to see if we were headed in the right direction. The measures proposed in the 2006 Long Term Council Community Plan were reviewed to make sure they are simple and easy to understand, reliable, relevant and could be repeated for the next progress report. The Council carried out this review through a series of public forums held from July to September 2008 which focused on specific themes signalled by the community to be of key importance. A summary of progress made by the community against each Community Outcome has been included in the 2009 LTCCP.

The 2009 Community Outcomes Progress Report uses the reviewed measures, milestones and examples to describe how we are progressing towards each of the seven Community Outcomes. Data in the Progress Report has come from a variety of sources. This reflects that fact that the work of many organisations contributes to achieving the community's vision. This means many different things have been measured in different ways and over different time periods. It is not always possible to show results that can be easily compared with each other to show progress towards the vision over the period since the Community Outcomes were first developed in 2003/04.

Making the Connections: Outcomes to the Council's Activities

When reporting every three years on progress towards the community's vision and outcomes, it is important to show who contributes to a particular outcome and how their contribution affects the whole. No one part of the vision can be achieved by the actions of just one person or one agency.

The broader Community Outcomes and Local Outcomes documents do not bind a government department or community agency to a future direction or a particular level of investment, especially as these issues need to be balanced against needs and requirements in other areas and across the District as a whole. However, together they become the basis against which the performance of agencies in supporting the community's wellbeing can be assessed. They also form a more concrete basis for engagement between communities, agencies and institutions and discussion of particular issues. Ultimately, the LTCCP will show how all the different players contribute to the community vision. A start to achieving this connection has been made through Council's participation in the Wellington Regional Strategy.

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

The Council uses traditional delivery areas as its activity categories. However, the Council has spent considerable effort in identifying strategies for action to guide those activities. These strategies become the filter through which action by all agencies and organisations involved can happen. The strategies place each activity within a decision-framework that requires consideration about overall priorities, risk management, the total affordability of services, timing, standards and the way the Council will work with the community. It combines these processes and links programmes and activities to the achievement of required outcomes.

Reporting on Service Levels

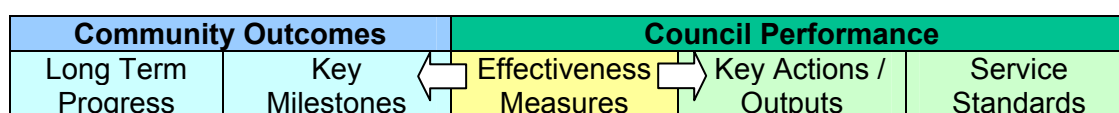
The basic building blocks of a LTCCP are the areas of activity – that is the goods or services provided by, or on behalf of a local authority. Within each activity, it is important to define levels of service – which is a formal term used to describe the actual performance standards to be applied to each activity.

Levels of service are important to both the Council and the community as they set standards for the delivery of the activity, which in turn can be used to inform customers and manage their expectation. They:

- provide a framework for performance measurement;
- act as a guide to developing strategies for the acquisition, maintenance, replacement and disposal of assets and the associated financial and other consequences;
- are likely to be influenced by customer needs and preferences, legislative requirements and environmental standards and the availability of resources;
- can be related to any, or all, of the following factors: quality, quantity, availability, legislative requirements, reliability and performance, capacity, environmental impacts, cost, safety and responsiveness.

Measuring Performance

The 2006 LTCCP presents performance measures for activities in a two-part five-column format to make a distinction between the community outcomes and the Council performance sections.



This distinction is important. The Community Outcomes are a statement of the community's vision and the Council has a partnership role with other agencies and the wider community in achieving this vision. Community performance against these community outcome measures is reported on every three years and the Council has a statutory requirement to ensure that is done.

This Annual Report comments on the performance measures for delivering on Council activities. In accordance with the Local Government Act 2002, it includes an audited statement comparing actual service levels for activities against the intended levels of service provision. It also gives the reason for any significant variance between actual and expected service provisions. To the best of its knowledge the Council is unaware of any negative effects of the activities that the Council delivers on the social, cultural, economic and environmental wellbeings of the Kāpiti Coast.

The Effectiveness Measure column is the 'link-column' between Community Outcomes and Council Performance. Its purpose is to assess the longer term effectiveness of Council actions as they contribute to the community vision (outcomes). These effectiveness measures will be reported on every three years alongside the progress report on Community Outcomes. This three-year cycle allows longer-term trends to emerge, and the cumulative impact of Council actions to be assessed. The 2006 LTCCP builds on the platform established by the 2004 LTCCP, which indicated that these measures along with the performance measures of the Community Outcomes were a work in progress. The information in the LTCCP for each activity for this column is only an initial view of what may be used. It is the first stage identification of an 'area of progress measure' that will be used towards the three yearly report on the Community Outcomes, and the performance measures for the Council's actions.

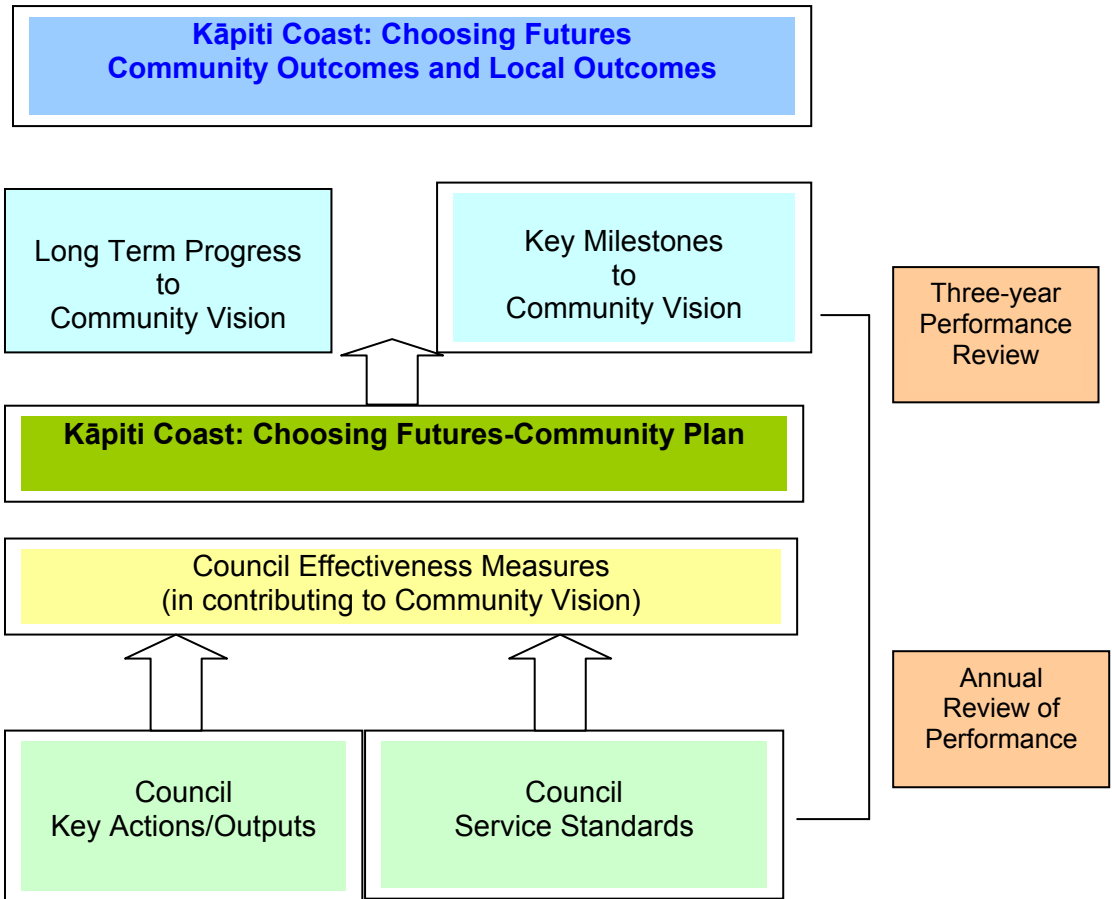
Therefore, at this stage, the Effectiveness Measures simply provide an indicator of how to mark progress on achieving the end-results. They are not final measures that require 'actual' performance reporting in this document. The Council is working with the community to finalise these measures to show progress on the community vision. The Council will also ensure that any performance measures link with those used at the national and regional level.

Sitting under these effectiveness measures are the Key Actions/Outputs and Detailed Service Standards. This Annual Report on 2008/09 performance in these areas will contribute to the overall effectiveness of Council actions in contributing to the Community Outcomes.

The Key Actions/Outputs column states the delivery measure for the activity. This is the key measure of what the Council is delivering in terms of progressing towards achieving key actions / outputs. The measure may not all be completed in any one financial year.

The Detailed Service Standards column states the service standards used to report on how well the Council performs in the detailed actions or activities that link to the Community Outcomes.

As all three measures are refined, the format of the Annual Report will be reviewed with the goal of designing a monitoring document that reflects the distinctions and linkages between the various measures. In the interim, the following diagram reflects the relationship.



Message from the Tāngata Whenua

On 29 September 2004 the tāngata whenua of the District, Āti Awa ki Whakarongotai, Ngāti Toa Rangatira, Ngāti Raukawa ki te Tonga including their whanau and hapū and Kāpiti Coast District Council celebrated 10 years partnership through Te Whakaminenga o Kāpiti. Te Whakaminenga o Kāpiti is a forum where the tāngata whenua and Council come together to discuss matters of mutual interest and importance in relation to iwi specific issues and wider District matters.

In the 1820-1830s the tāngata whenua of the District were firmly established in the District and were signatories to the Treaty of Waitangi at the following locations:

- on board the ship “The Ariel” at Port Nicholson in Wellington (29 April 1840),
- Queen Charlotte Sounds (4 May 1840),
- Rangitoto (d’Urville Island), (11 May 1840),
- Kāpiti Island (14 May 1840),
- Waikanae (16 May 1840),
- Ōtaki (19 May 1840),
- Manawatu (26 May 1840),
- Motungarara Island (4 June 1840),
- Guards Bay and Cloudy Bay (Te Koko-a-Kupe) in Te Hau Ihu (17 June 1840),
- Mana Island (19 June 1840), and again on
- Kāpiti Island (19 June 1840).

Te Whakaminenga o Kāpiti appreciates the strength of the Kāpiti Coast District Council commitment to the tāngata whenua continuing to practice their Kaitiaki/Kaitiakitanga role. 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 in English on page 16 and in Māori on page 17 of the 2006 Long Term Council Community Plan have supported their 2008/09 work programme. A progress comment against each initiative and/or project is noted below:

Te Whakaminenga o Kāpiti Initiative and/or Project		Progress Comment
Iwi / Council Capacity Building	Council liaison.	Ongoing. Increased liaison with Council and iwi on issues of significance, including the development of the 2009 LTCCP.
	Māori Staff support.	Work Force Development and Cultural Advisor – increasing opportunities to develop cultural understanding within Council activities.
	Increasing efficiency of iwi response to joint work.	Ongoing. Improved communications between iwi and Council.
	Iwi Management Plans.	Ongoing. Iwi Management Plans underway.
	Potential cadetship programme.	Ongoing.

Te Whakaminenga o Kāpiti Initiative and/or Project		Progress Comment
State of the Environment	Coastal Strategy (identifying the fundamental requirements of iwi in a customary sense).	Ongoing. Annual Forums focused on identifying the progress of activity along the coast lines.
	Waahi tapu management plans (key sites).	Ongoing. Research continues on sites for inclusion into the District Plan.
	Environmental monitoring.	Ongoing.
Economic Development	Cultural tourism and Wellington Regional Strategy (building on the work from the Wellington Regional Strategy on Māori development potential, with a focus on local issues and opportunity).	Completed. Te Aho, Regional Māori Economic Development Strategy completed. Quarterly reports provided to Horowhenua Kāpiti Joint Economic Development Forum in August 2009. Funding for implementation activity allocated in the 2009 LTCCP.
History, Naming and Symbols	Design Initiatives / Historical resource (a project aimed at bringing the historical and contemporary features of the tāngata whenua into an appropriate showcase).	Work In Progress in Ōtaki rohe (area) under the Greater Ōtaki Project including "The Pipi Trail" Brochure which has been completed and launched.
	Increasing awareness of Te Ao Māori.	Application of the macron where required. Increased awareness of te reo Māori. Increased awareness of significant cultural events such as Matariki. Council and Iwi co-hosting Waitangi Day for the Kāpiti District.
Māori Representation	Local Government Act (identification of a preferred option in terms of a potential Māori ward(s) and consultation).	Ongoing discussions on representation with iwi required. Iwi elected not to pursue a Māori seat on Council in this representation review.

Response from Council about its Partnership with Tāngata Whenua

The Council is proud of its relationship with the tāngata whenua. There has been an emphasis on constantly improving the quality of the work and interactions under the Memorandum of Partnership.

Evidence of this relationship can be found in The History of Te Whakaminenga o Kāpiti that was launched in June 2008. The book explains how, through Te Whakaminenga, the tāngata whenua of the Kāpiti Coast have contributed to the Council work programme through a range of forms including the District Plan, the Heritage Strategy, and resource consent processes, notably in relation to the protection of waahi tapu.

Wellbeing and Sustainability

The 2006 Long Term Council Community Plan (LTCCP) continues to deliver a work programme based on the framework adopted in the 2004 LTCCP that promotes the wellbeing of its community and takes a sustainable development approach to all operations and services within the Kāpiti Coast District. This approach was reconfirmed during the process of developing and the subsequent adoption of the 2009 LTCCP.

The Kāpiti Coast community has very clearly set out its path for the future. A summary can over-simplify what people have said, however the community's vision can be described as *"Reaffirming the Kāpiti Coast lifestyle and culture – with a sustainable emphasis"*.

Within this context, and consistent with the community outcomes, the Council has established examples of what social, economic, cultural, and environmental wellbeing means for the Kāpiti Coast District. The Council has also developed fourteen sustainable development principles to guide decision-making.

As one of the fastest growing areas within the country it is important for the Council to apply these principles in all aspects of the Council's services and operations.

In evaluating the progress the Council has made with, and the benefits gained from, a sustainable development approach it is important to note that it extends beyond the reporting of social, economic, cultural, and environmental wellbeing. It is a management process to support decision-making and co-ordination covering strategic planning and objective setting, accounting for performance, auditing and reporting on the performance. In this regard Council does not, to the best of its knowledge, believe that there are any negative affects arising from its activities. This shift to a more deliberate and active strategy of involving advocacy, support and development of partnerships around wellbeing is as important as the provision of services.

The Kāpiti Coast District Council has a number of projects in place designed to increase sustainability within the Kāpiti Coast District. The Council has become a leading small sized territorial authority in a number of areas including urban design and planning for climate change. Innovation and communication are key aspects of this and is a result of engaging with many stakeholders within the community including landowners, developers, local iwi and other territorial authorities within the Wellington Region and around New Zealand.

Section 2: Report on Kāpiti Coast District Council's Strategic Response

Reporting on the year three delivery (2008/09) of the 2006 Long Term Council Community Plan (LTCCP) is one of the major requirements of Elected Members in response to *Kāpiti Coast: Choosing Futures-Community Outcomes*, and to Council's wider responsibilities under the Local Government Act 2002. This Annual Report documents the work of two governing Councils.

The incoming Council of the 2008/10 triennium inherited the 2006 LTCCP work platform. That LTCCP was the response made by the previous Council to the Community Outcomes and is driven by Strategies for Action. These strategies are important in a situation of limited resources, of competing pressures and points of view, and changing circumstance. They act as the filter through which action by all agencies occurs.

In delivering on the 2006 LTCCP and responding to Community Outcomes, the work programme that the Council delivers is driven by the following three broad areas of action and change:

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

These three areas of action and change were key considerations as the Council developed the 2009 LTCCP. A delicate balancing act was required in deciding what would actually be delivered for the community through Council activities. The Council needed to achieve a balance between delivering day to day services, delivering what it can of the community's vision (which often seeks major changes and improvement), ensuring what is delivered is consistent with sustainable development principles, and ensuring all wellbeing areas are promoted. It also involved achieving a balance between issues of affordability and community aspiration.

Essentially the process required the Councillors to act as leaders of change or as protectors of a balanced future for the community. For example, if the community's vision neglects some wellbeing areas or is inconsistent with sustainable development principles, then Council can choose to deliver or not to deliver in those areas.

This leadership role also extended to supporting or leading discussion and action around some of the longer term issues facing the community which can go well beyond the ten year financial focus of the LTCCP. For this reason the Council included a section on Council's leadership focus in its 2009 LTCCP.

The Council also decided, although not specifically required under the Act, to include in this leadership section further explanation of the Council's chosen role in terms of working in partnership with Te Atiawa ki Whakarongotai, Ngati Raukawa and Ngati Toa Rangitira, within each of whose rohe Kāpiti Coast District falls. This partnership is encapsulated in a Memorandum of Partnership and managed through Te Whakaminenga o Kāpiti. The Council has worked closely with these iwi and other Māori within the District via a range of structures. A summary of their vision for the future is included in the 2009 LTCCP.

Section 3 Council Activities

This Annual Report comments on Year Three of the 2006 Long Term Council Community Plan (LTCCP) work programmes for each of the following 15 activity categories that the Council uses to report on detailed issues, programmes, expenditure, performance and funding frameworks:

- Access, Roading and Transport
- Building Control and Resource Consents
- Coastal Management
- Community Facilities
- District Strategic Development
- Economic Development Projects
- Environmental Protection
- Facilitation, Partnerships and Social Wellbeing
- Governance and Tāngata Whenua
- Libraries
- Parks and Reserves
- Solid Waste
- Stormwater Management
- Wastewater Management
- Water Management

Each activity links to one or more Community Outcome, either directly in terms of contributing to an end vision, or in terms of the quality of action that the community is looking for. They are also driven by the Council's broad strategic direction and decisions - itself devised in response to the Community Outcomes. This strategic influence also demands particular end actions, or a particular quality of action. For example, strategically the Council has made the decision to proceed with certain community facilities over time, reflecting community priorities. However, 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.

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

- The Community Outcomes to which the activity is linked;
- A brief comment on delivery programme progress to 30 June 2009;
- The measures that are being used by the Council to assess Council performance. These include:
 - an effectiveness measure (how well the activity is achieving the desired result-linked to Community Outcomes)
 - a delivery measure (key measure of what is delivered when)
 - detailed service standards (Part Two of the LTCCP, pages 199-215)
 - a summary of 2008/09 expenditure.

In the Council activity areas that follow, performance reporting for each Activity is broken into two parts – Key Actions/Outputs and Service Standards.

Key Actions/Outputs

These state the delivery measure for the activity. This is the key measure of what the Council is delivering in terms of progressing towards achieving key actions/outputs. The measure may not all be completed in any one financial year. The Council's year end performance is reported using the following categories:

Achieved	Required outputs/actions were completed and the intended output achieved.
Partially Achieved	Some outputs/actions contributing to the intended final output were achieved.
Not Achieved	Output not delivered.
Contributory Actions On Track	Final output for projects not relevant for 2008/09, but pre-requisite processes were commenced and/or the Council is waiting on a third party.
Ongoing	Outputs/actions delivered, but it is multi-faceted and not totally time related in that there are constant actions continuously adding to it.
Not Relevant This Year	Performance standard not required as measure not relevant for 2008/09.
No Longer Required	Outputs/actions no longer required.

Service Standards

These state the detailed service standards used to report on how well the Council performs in the detailed actions or activities that link to the Community Outcomes. The Council's year end performance is reported using the following categories:

Achieved	Required level of service achieved.
Partially Achieved	Some outputs/actions contributing to the intended level of service were achieved.
Not Achieved	% target not reached.
Contributory Actions On Track	Pre-requisite processes were commenced and/or the Council is waiting on a third party.
Ongoing	A particular level of service was delivered, but it is multi-faceted and not totally time related in that there are constant actions continuously adding to it.
Not Relevant This Year	Performance standard not required as measure was not relevant for 2008/09 or action was not required during 2008/09.
No Longer Required	Level of service no longer required.

Council Performance against 2006 Long Term Council Community Plan Measures as at 30 June 2009

The Council is using the following performance measures to report on how well it performs in the detailed actions or activities that link to the Council's strategic direction and the Community Outcomes or aspirations.

Elected Members reviewed these measures as part of the process of developing asset management plans and the 2006 Long Term Council Community Plan (LTCCP). The opportunity was taken to revise them, correct inconsistencies and ensure better linkages to both activity and asset management plans.

Access, Roding and Transport

COMMUNITY OUTCOMES

1 2 3 4 5 6 7

This activity area is linked to all seven community outcomes and includes the following services and programmes:

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

Key Results

Strategically access continued to be a very important level of service for the Council which made good progress in this critical area during the year. The Council is actively involved in delivering transport services, through either construction and/or maintenance of assets such as:

- roads, cycleways and walkways
- education and setting of design standards
- advocacy for services provided by other agencies and businesses.

These services are all interconnected and formed part of the draft Sustainable Transport Strategy developed and consulted on by Council during 2008. The Strategy, titled "*Towards a Sustainable Transport System*", which at 30 June 2009 had been adopted but not yet published, aims to reshape the local transport system to have the characteristics of a sustainable system, be able to deal with the key problems that are a barrier to sustainable outcomes and act as a guide for Council actions and decisions.

Associated with the development of the Sustainable Transport Strategy the Council continued to take a role in relation to support and advocacy for rail services within the District. This focus on rail is a deliberate response to the issues and pressures the rail service currently faces. Particular focus during the year was on the electrification to, and upgrade of, the Waikanae Station, with the Council involved with Greater Wellington Regional Council, New Zealand Transport Agency and OnTrack in assessing options for the configuration and design. That project is now underway.

Design quality is important in Kāpiti and this is reflected in the specific standards included in the Streetscape Strategy. These design solutions continued to be addressed as part of the community design process for local and neighbourhood centres.

The importance to the District of an extensive walkway/cycleway network continued with the Council investing in new walking and cycling pathways, and ensuring road space was designed / marked for ease of sharing across all modes of transport.

Western Link

The year under review was a success in terms of progressing the Council's commitment to establishing a 'Western Link' to provide local communities and businesses with relief from having to use the State Highway. However by the time of preparing this report the apparent success of that project was heavily affected on by a new announcement from the Minister of Transport.

The Council had continued its Western Link work programme on the basis that the Western Link will accrue additional regional and national benefits from freeing up State Highway capacity, increased highway safety and provision of an alternative route for times when the State Highway is congested and/or closed. This was recognised by the provision of 90% external funding (normally 53%) for Stage 1 and listing as the top roading priority in the regional funding programme.

Other work that occurred over the last year on this project included a major design review which confirmed a two lane road with smaller than previously planned intersections whilst nonetheless retaining functionality to ensure benefits to the State Highway justify the high levels of subsidy. The previous approach of undertaking earthworks for a potential four lane route in some parts in the future was no longer considered necessary. Travel speeds were confirmed as 50kph in the urban areas and 70kph in the rural areas. There was also an increased focus on fitting the road into the landscape and providing much improved walking, cycling and horse riding opportunities.

At year end, the land purchase associated with the project was nearly complete, funding provision had been made in the regional transport planning process to date (formal application to the New Zealand Transport Agency being a further step) and all but two consents had been granted.

The Council had confirmed its commitment to completing Stage 1 (between Te Moana Road, Waikanae, and Raumati Road in the south) over the next four years. It had also agreed on completion of the essential Ihakara Street extension between the Paraparaumu Town Centre and the Western Link. Along with a commitment to also review and consult on the final design of Stage 3 (Raumati Road south). During the process of finalising the 2009 Long Term Council Community Plan the Council had agreed that Stage 1 be completed by 2012/13 and Stage 3 and Ihakara Street be completed by 2013/14. It was also confirmed that Stage 3 and the Ihakara Street link would only proceed if 90% external funding was achieved and Stage 2, Te Moana Road through to the State Highway, would only proceed if development in Waikanae North proceeded. The final agreement was that no provision for Stage 2 would be included in the Long Term Council Community Plan within the next 10 years.

Events Subsequent to 30 June 2009

New Information Received from the Minister of Transport on 20 August 2009 regarding the New Zealand Transport Agency Roothing Work Programme

On 20 August 2009 the Council received advice from the Minister of Transport that the Government had made improving roading links through, and within the Kāpiti Coast, a top transport priority.

The Levin to Wellington Airport corridor had been identified as a Road of National Significance, together with a statement that a quality link was needed to provide proper service to Wellington, the Kāpiti Coast, Levin, Palmerston North and the lower North Island.

The new priority was to provide a high standard four-lane expressway through the whole corridor, as reported by the Government, to the benefit of all road users. It was on this basis that the NZ Transport Agency (NZTA) decided to seek residents' views as to where they would prefer the highway to be built, before further advancing the existing proposals for the Waikanae Transport Interchange or the Kāpiti Western Link Road.

They provided two options for consultation between August 24, 2009 and October 2, 2009. At the time of preparing this Annual Report the Council was preparing its own submission and encouraging interested parties and those affected to make submissions on their own behalf. Further information on this process is available from the Council website, www.kapiticoast.govt.nz.

Performance Update on Key Actions/ Outputs (Note: these may span more than one financial year)	
Construction of the Western Link and river crossings.	<p>Contributory Actions On Track.</p> <p><i>Design</i> - The updated design documentation was largely complete and was being readied as at 30 June 2009 for forwarding to NZTA in August for further funding approval.</p> <p><i>Investigation</i> - The final resource consents and the Historic Places Act authorities have been issued. There were no outstanding statutory consents required prior to construction.</p> <p><i>Property Purchases</i> - Steady progress with acquisitions was made during the year. As at year end two private properties remained to be agreed plus NZTA land - all were in an advanced state of valuation and/or negotiation.</p> <p><i>Construction</i> - Good progress was made with completing essential enabling works - mostly conditions of consents or property acquisition agreements.</p> <p><i>Waikanae Christian Holiday Park</i> – the following works were completed: Weggery Drive alternative access; Elm Court noise protection bund; Kauri Hall noise mitigation; and temporary fencing. The Wetland rehabilitation was in progress.</p>

Performance Update on Key Actions/ Outputs

(Note: these may span more than one financial year)

	NZTA Subsidy - 90% funding had been secured for investigations, concept design and property purchases. 90% funding in principle had been agreed for detailed design and construction. Additional NZTA funding for final design and land purchase was being sought.
Completion of footpath replacement programme.	Ongoing.
Other access network links completed.	Ongoing.

Service Standard	Performance Achieved
Road pavement surfaces are maintained in waterproof conditions (generally chip seal, with high stress areas slurry or asphaltic concrete, and some retail areas asphaltic concrete) - Measured by: <ul style="list-style-type: none"> • completing the yearly road pavement renewal programme. 	Achieved.
Footpath surface: existing footpaths are maintained to minimise tripping hazards.	Achieved.
Streetlighting location and brightness: existing streetlighting maintained with reported failures responded to within seven days, and streetlights progressively upgraded to AS/NZS 1158:1997.	Partially Achieved - 70%. Repairs involving circuit faults can take longer as they require a technical response from Electra.
Street furniture location: identification of locations for any new street furniture is considered in accordance with the Street Furniture Priority List recommended by Community Boards and approved by the Council.	Achieved.

Access, Roothing and Transport Statement of Cost of Activity

2007/08 Actual \$000		2008/09 Actual \$000	2008/09 Budget \$000
	Expenditure		
3,839	Operating Costs	4,086	3,784
1,343	Debt Servicing	1,686	2,149
3,099	Depreciation	3,250	3,200
8,281	Operating Expenditure	9,022	9,133
	Revenue		
5,232	Subsidies and Fees	16,036	2,524
121	Miscellaneous and Separate	10	-
280	Development Contributions	54	200
5,633	Operating Revenue	16,100	2,724
2,648	NET OPERATING COSTS	(7,078)	6,409
	Capital Items		
8,318	Asset Construction and Renewal	22,603	13,684
1,096	Sinking Funds/Loan Repayments	1,433	1,433
	Appropriations		
336	To Miscellaneous and Separate Funds	-	-
12,398	NET COST OF ACTIVITY	16,958	21,526
3,874	Rates	4,259	4,748
1,343	Depreciation Reserve	2,182	1,800
5,072	Loans	8,487	13,283
557	Utilisation of Balances	576	295
280	Reserve/Development Levies	54	-
1,272	NZTA's Share of Depreciation	1,400	1,400
12,398	TOTAL SOURCES OF FUNDS	16,958	21,526

Access, Roding and Transport Detail of Significant Expenditure on Acquisition and Replacement of Assets

	2008/09 Actual \$000	2008/09 Budget \$000
Streetlighting		
Upgrade of Street Lighting to meet Improved Lighting Standards.	214	328
Roding Upgrades		
Rimu Road Roundabout completed.	1,409	1,976
The Esplanade Rock Wall - stage one completed.		
Waitohu Valley Road Footpath extension completed.		
Hinemoa Street and Tararua Street upgrades completed.		
Hillcrest Road (north and south) connected.		
Strategic land purchases for roding completed for the year.		
Roding Renewals	960	886
Reseal programme		
Annual Resealing Contract completed.	1,234	1,232
Seal Extension – completed.	38	42
Roding Stormwater drainage		
Properties purchased at Matatua Road, Raumati Beach in relation to Matatua Road stormwater drainage issues.	1,248	2,058
Walkways / Cycleways		
Te Arawai Footbridge over Waikanae River (Councils' share of costs).	68	193
Footpath Upgrading - This project is to replace all of the existing asphalt footpaths throughout the District with concrete footpaths over a six year period with minimal public disruption.	801	856
Western Link Road		
Property Purchase, Design and Construction.	15,787	45,904
Less NZTA Subsidies.	(12,469)	(41,183)

Building Control and Resource Consents



This activity area is linked to community outcomes 1, 2, 3, 4 and 7 and includes the following services and programmes:

- processing of building consent applications under the Building Act 2004
- associated building advice to applicants on options/systems and opportunities for energy and water conservation
- processing of resource consent applications under the Resource Management Act 1991
- associated advice to applicants on opportunities for innovation, good design, links to the wider community vision around the environment, walkways, water quality, etc.

Key Results

The Council performed well in the Building Control area. Following from its earlier achievement of attaining accreditation as a Building Consent Authority it successfully under went the Phase II assessment, which reconfirmed accreditation and gained accreditation for Regulation 17, being one of the first in the country and more than 18 months before the statutory requirement. The 2008/09 focus of this activity area was on maintaining the performance levels established through the accreditation process and delivering a service that Council must provide in order to operate as a Building Consent Authority and achieve the new statutory timeframes under the new Act.

The Resource Consent team continued to focus on managing the effects of activities on the environment according to the rules set out in the District Plan. Their work was supported by the continued application by a Design and Review Team of a multi disciplinary review of all major private and Council projects to ensure that design quality on the Kāpiti Coast is achieved. The review allows opportunities for developers to consider improvements to their design. This process facilitates better urban design and energy efficiency to achieve Council’s goals of sustainable development.

In addition the release of the Ministry for the Environment two yearly survey of local authorities for 2007/2008 identified Kāpiti Coast District Council as one of the top councils in the country for processing resource consents on time which ranked us as 11th for that period. This improved our ranking from 51 to 11, a 40 place improvement over the 2005/2006 survey which is a tribute to the resource consent team.

Performance Update on Key Actions/ Outputs (Note: these may span more than one financial year)	
Continual use of Design Review Team	<p>Achieved.</p> <p>The design and review team met to discuss proposals both prior to and following lodgement with Council. The team, in almost every case, contributed a significant improvement to the design of the proposals considered to the mutual benefit of both the applicant and the community. This approach of working with developers and designers facilitates better urban design and energy efficiency and supports our sustainable development goals.</p>

Service Standard	Performance Achieved
Processing times/ complaint levels	
95% of all building consents are processed within 15 working days.	<p>Not Achieved.</p> <p>Of the 1,040 consents processed 93% were processed within 15 days at an average of 10 days for all consents.</p> <p>Note: largely due to the economic downturn, and to counter reduced revenue through fewer applications, 7 staff were involved in secondments, contracted to other Councils, took up other positions within Council or took early retirement. During this period the second phase of Building Consent Authority Accreditation was also undertaken in February 2009, further impacting the effectiveness of the Approvals team through the preparation, alteration of processes and other work associated with attaining re-accreditation.</p>
All applications for Land Information Memoranda are processed within 10 working days.	Achieved.
95% of all code compliance certificates are issued within 15 working days.	Achieved. 100%.
95% of all subdivision completion certificates are issued within 15 working days.	Achieved. 100%.
95% of all survey plans are issued within 10 working days.	<p>Not Achieved.</p> <p>94.4 % of s223 certificates issued within 10 working days of application being made (i.e. one was issued out of time).</p> <p>Note: Only 18 certifications of this type issued. Most are now combined with the completion certificate (s.224(c)) as a result of the improved efficiency of the registration system on <i>Landonline</i>.</p>
All objections to non-notified resource consents are processed within 40 working days.	Achieved.
All decisions on notified applications (not involving requests for time extension or further information) are processed and issued within 70 working days.	<p>Not Achieved.</p> <p>Four notified consents decisions made, two of which went over time, typically as a result of difficulties sourcing available Accredited Hearing Commissioners and/or suitable Hearing dates. Note however,</p>

Service Standard	Performance Achieved
	that the decisions were still issued within statutory time frames as Section 37 time extension powers were used.
Inspection Standards and Rates	
95% of all illegal activity/unauthorised building work complaints are investigated within three working days.	Achieved 100%.
33% of all buildings that are subject to a Building Warrant of Fitness are inspected annually.	<p>Not Achieved.</p> <p>24% of buildings subject to a Building Warrant of Fitness inspected. The economic downturn and subsequent secondment and loss of staff limited abilities to provide a concerted effort on the Building Warrant of Fitness audit inspections during the last quarter of the financial year.</p> <p>Note: The 33% annual target is set to enable a three year inspection cycle.</p>
All site inspections are completed within 24 hours of request or at the scheduled time.	Achieved.
All resource consents are monitored in accordance with the Landuse Resource Consents Monitoring Programme.	Achieved.

Building Control and Resource Consents Statement of Cost of Activity

2007/08 Actual \$000		2008/09 Actual \$000	2008/09 Budget \$000
	Expenditure		
2,685	Operating Costs	2,920	2,875
<hr/>			
2,685	Operating Expenditure	2,920	2,875
	Revenue		
1,696	Charges and Fees	1,394	2,181
<hr/>			
1,696	Operating Revenue	1,394	2,181
989	NET OPERATING COSTS	1,526	694
	Capital Items		
20	Asset Construction and Renewal	-	-
<hr/>			
1,009	NET COST OF ACTIVITY	1,526	694
<hr/>			
989	Rates	1,526	694
20	Depreciation Reserve	-	-
<hr/>			
1,009	TOTAL SOURCES OF FUNDS	1,526	694
<hr/>			

This activity area is linked to community outcomes 1, 2, 4, 6 and 7 and includes the following services and programmes:

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

Key Results

Work continued in accordance with the focus of the Coastal Strategy on delivering a comprehensive, integrated approach to coastal management (not just protection) which treats the coast as an ecosystem to be managed as a whole. This work includes improved access (signage, enforcement of bylaw and access points); ecosystem health – dune planting as one means to contribute to overall dune health and stability; and the understanding of Beach Processes – the aim of this project is to provide beach interpretive signage that better explains beach processes.

Work also continued on the Coastal Hazard Assessment Process, a longterm project aimed at identifying coastal hazards and reviewing the associated development controls and implications for coastal protection. The assessments of the rivers, streams and inlets are complete and the building lines methodology and the assessments of the open coast hazards are also complete. The corresponding changes to the District Plan have been delayed pending the outcome of the Government's review of the New Zealand Coastal Policy Statement.

During the process of developing the 2009 Long Term Council Community Plan (LTCCP) the Council confirmed it will only provide coastal protection works to protect Council owned road and public health infrastructure assets from erosion. In making that decision, the Council also agreed, in the face of increasing risks and rising community costs, to begin a process of community discussion about managed retreat – an orderly approach to withdrawing from coastal and flood hazard areas over time. Such an approach would unfold over many decades. The Council has not reached any conclusion on this issue or about what is the appropriate approach but considers the discussion and debate should be extensive and prolonged, giving the community ample time to build up knowledge and consider options. Given the low-lying nature of the Kāpiti Coast, it considers leadership is needed to bring this issue to the fore for community discussion. In doing so, it recognises that it could be years before a clear community view is forged. It also recognises that managed retreat does not just affect immediate issues of coastal and stormwater assets but has the potential to affect virtually every aspect of community life.

Performance Update on Key Actions/ Outputs (Note: these may span more than one financial year)	
Coastal protection maintenance levels agreed.	Achieved. Community discussion on protection standards and managed retreat will continue through annual Coastal Forums.
Completion of coastal hazard regulatory framework.	Contributory Actions On Track. Building lines methodology completed. Assessments completed for open coast hazards and inlet hazards. The coastal hazard regulatory framework will be enabled through the District Plan process when the outcome of the New Zealand Coastal Policy Statement is known.
Education signage (Install new coastal education signage that references the desired coastal outcomes requested by the community in the Kāpiti Coast District Council Coastal Strategy Document).	Partially Achieved. Access markers and design of interpretive signs has been achieved. Signage installation in progress.

Service Standard	Performance Achieved
Access, Eco-System Health, Education and Erosion Protection	
Beaches and recreational waterways are tested weekly from 1 November to 31 March, and monthly for the remainder of the year.	Achieved.
Possible causes of pollution of beaches and recreational waterways are investigated in conjunction with other agencies and, where possible, remedial works are initiated.	Achieved.
All beaches and rivers identified as hazardous to public health are publicised and signposted.	Achieved.
All dunes eroded to an unstable "cliff-like" condition are signposted as hazardous.	Achieved.
The coast and seawalls are inspected 11 times per year and repairs effected where necessary.	Achieved.

Service Standard	Performance Achieved
Stormwater outlets are inspected weekly or monthly depending on vulnerability to blockage.	Achieved.
Beaches are patrolled according to tides, seasonal conditions and beach usage.	Achieved.

**Coastal Management
Statement of Cost of Activity**

2007/08 Actual \$000		2008/09 Actual \$000	2008/09 Budget \$000
	Expenditure		
261	Operating Costs	193	254
44	Debt Servicing	57	109
154	Depreciation	133	150
<hr/>			
459	Operating Expenditure	383	513
<hr/>			
459	NET OPERATING COSTS	383	513
	Capital Items		
326	Asset Construction and Renewal	515	835
129	Sinking Funds/Loan Repayments	95	95
<hr/>			
914	NET COST OF ACTIVITY	993	1,443
<hr/>			
449	Rates	388	513
346	Depreciation Reserve	223	150
119	Loans	382	780
<hr/>			
914	TOTAL SOURCES OF FUNDS	993	1,443
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Coastal Management

Detail of Significant Expenditure on Acquisition and Replacement of Assets

	2008/09 Actual \$000	2008/09 Budget \$000
Raumati South – The Esplanade Investigation of options to protect the public road. Construction work to commence in the 2009/10 year.	158	240
Raumati South – Extension of Rock Revetment to mitigate end effect	51	50
Paekākāriki Marine Parade Alternative Exploration of protection solutions at Marine Parade.	28	130
Raumati North Seawall Replacement of timber seawall off Tainui Street.	50	50
Coastal Protection Restoration Backfilling and planting after Rock Revetment.	50	50

This activity area is linked to community outcomes 2, 4, 6 and 7 and includes the following services and programmes:

- civic buildings (other than libraries)
- community halls
- cemeteries, including urupa support
- public toilets
- swimming pools
- housing for older people
- other major recreation facilities (not including sports fields etc.).

Key Results

This activity includes all the major structures and buildings that support the social fabric of a community, contribute to maintaining people's health and provide 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 and 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 and social wellbeing in general.

Community property venues, services and maintenance programmes were provided in accordance with the 2006 Long Term Council Community Plan (LTCCP) and the importance of these reconfirmed through the process of preparing the 2009 LTCCP. The latter process also clarified Council's role in supporting community halls that are not owned by Council and supporting marae. It decided to provide "support for existing hall facilities for all communities through a range of mechanisms, including direct provision and ownership and (on a case-by-case basis), one-off capital investments for non-Council owned buildings, provided that this support is funded on a ward basis". During the year the Council also decided to provide a support role in marae asset management (subject to formal review of the draft marae support policy).

In addition, the Council maintained its commitment to local museums, arts and swimming facilities and housing for older people. Related to housing, the Council identified the issue of housing affordability as being an issue of increasing concern in the community. There are signs the current economic crisis is having an impact, with an increased waiting list for the Council housing units for the elderly. In adopting the 2009 LTCCP the Council confirmed it will not pursue any plans to exit delivery of housing for the elderly. Rather, it went on to identify the limited range of housing choice for the District as one of its Leadership areas. The current service will be assessed, and the Council will lead discussion on innovation in housing options, including exploring various models of delivery for housing in the future such as the *Abbeyfield* model.

The Council continued its support of the planned Kāpiti Coast Multi-Purpose Aquatic and Recreation Centre Trust. As at 30 June 2009, the Council had resolved to maintain its commitment to a ceiling of up to \$10 million to the construction of an Aquatic Centre at Paraparaumu Town Centre. A further \$500,000 has been committed to investigation and design (started in 2007/08) with the balance committed to construction over three years (\$4 million in 2009/10, \$4 million in 2010/11 and \$2 million in 2011/12). The Kāpiti Coast Multi-Purpose Aquatic and Recreation Centre Trust has the task of raising the remaining funding required before the project can go ahead.

Accommodation problems continued during the year. The Council considers it important to provide civic administration facilities that meet building compliance standards for access to all,

and to have sufficient capacity for Elected Members and staff to work and liaise with the community. Costs were included in the 2009 LTCCP for leasing and fitting out additional space in a building adjacent to the Council building (still to be built), and for an upgrade to the current building over three years to coincide with the completion of the additional space. By providing additional space and upgrading the current building it has allowed the timing of a new Civic Building to be extended beyond the 10 year programme.

Performance Update on Key Actions/ Outputs (Note: these may span more than one financial year)	
Aquatic Centre final concept plan and developed design completed.	Contributory Actions On Track. The project is dependent on the Kāpiti Coast Multi-Purpose Aquatic and Recreation Centre Trust. The Trust continued its planning and design work alongside a strong community fundraising campaign. Construction is envisaged over the next two years.
Civic Building options investigated.	Contributory Actions On Track. The Council is negotiating to lease and fit out additional space in a (still to be built) building adjacent to the Council Rimu Road offices. It will also upgrade the current Rimu Road building over three years to coincide with the completion of the additional space.

Service Standard	Performance Achieved
Condition Rating of Building Assets	
All Council buildings have a condition rating (i.e. assessment of physical condition).	Achieved.
Community Health and Safety Operations:	
All township public toilets (Mill Road and SH1 in Ōtaki; Mahara Place in Waikanae; Kāpiti Road in Paraparaumu and Beach Road in Paekākāriki) are cleaned twice daily.	Achieved.
All other public toilets are cleaned twice daily in the summer season (October to March) and once daily for the remainder of the year.	Achieved.
The Ōtaki, Waikanae, Paraparaumu and Paekākāriki Memorial Halls are cleaned daily.	Achieved.
The Waikanae Beach Community Hall and the Raumati South Memorial Hall	Achieved.

Service Standard	Performance Achieved
are cleaned twice weekly, and the Reikorangi Community Hall is cleaned as and when required.	
All public toilets and the Ōtaki, Waikanae, Paraparaumu and Paekākāriki Memorial Halls receive a monthly maintenance inspection.	Achieved.
90% of graffiti on Council properties/structures removed within 48 hours of advice.	Achieved. 95%.
Public swimming pool water quality is maintained to the NZS 5826 2000 standard.	Achieved.
All new cemetery monumental work is manufactured and installed in accordance with the Council requirements.	Achieved.
Level of Energy Use	
EECA EnergyWise Council status is maintained.	<p>No Required Action.</p> <p>EECA no longer runs this programme and the EnergyWise Council status is therefore not applicable. However, the Council continued to work with EECA on local actions to implement the New Zealand Energy Efficiency and Conservation Strategy.</p>
Level of Housing Occupancy	
An occupancy rate of 97% is achieved in the Council's housing for older people stock (118 units).	Achieved 100%.

Community Facilities Statement of Cost of Activity

2007/08 Actual \$000		2008/09 Actual \$000	2008/09 Budget \$000
	Expenditure		
2,322	Operating Costs	2,511	2,451
62	Debt Servicing	70	120
532	Depreciation	737	642
<hr/>			
2,916	Operating Expenditure	3,318	3,213
	Revenue		
977	Charges and Fees	981	989
97	Development Levies	219	200
6	Miscellaneous and Separate		
<hr/>			
1,080	Operating Revenue	1,200	1,189
1,836	NET OPERATING COSTS	2,118	2,024
	Capital Items		
692	Asset Construction and Renewal	1,709	5,223
68	Sinking Funds/Loan Repayments	55	70
	Appropriations		
103	Miscellaneous and Separate	102	-
<hr/>			
2,699	NET COST OF ACTIVITY	3,984	7,317
<hr/>			
1,983	Rates	2,246	2,382
589	Depreciation Reserve	927	540
-	Loans	501	2,840
103	Development Levies	259	-
-	Other	-	1,505
6	Utilisation of Balances	51	50
18	Miscellaneous and Separate	-	-
<hr/>			
2,699	TOTAL SOURCES OF FUNDS	3,984	7,317

Community Facilities Financial Detail for Significant Activities

2007/08 Actual \$000		2008/09 Actual \$000	2008/09 Budget \$000
	<u>Swimming Pools (incl. Aquatic Centre)</u>		
1,279	Operating Costs	1,328	1,335
5	Loan Servicing	24	24
164	Depreciation	167	205
(339)	Income (user charges)	(317)	(335)
1,109	Net Operating Costs	1,202	1,229
	<u>Public Halls</u>		
278	Operating Costs	300	313
-	Loan Servicing	-	8
138	Depreciation	219	170
(111)	Income (user charges)	(122)	(102)
305	Net Operating Costs	397	389
	<u>Public Toilets</u>		
213	Operating Costs	234	217
12	Loan Servicing	9	9
104	Depreciation	129	120
329	Net Operating Costs	372	346
	<u>Cemeteries</u>		
267	Operating Costs (including Urupa support)	232	251
4	Loan Servicing	4	4
6	Depreciation	14	6
(95)	Income (user charges)	(97)	(116)
182	Net Operating Costs	153	145
	<u>Housing for Older People</u>		
285	Operating Costs	307	269
41	Loan Servicing	34	35
109	Depreciation	167	130
(432)	Rental Income	(434)	(432)
3	NET OPERATING COSTS	74	2

2007/08 Actual \$000		2008/09 Actual \$000	2008/09 Budget \$000
	<u>Other Community Facilities</u>		
-	Operating Costs	110	66
-	Loan Servicing	-	40
11	Depreciation	40	11
-	Revenue	(230)	(4)
11	NET OPERATING COSTS	(80)	113

Community Facilities Detail of Significant Expenditure on Acquisition and Replacement of Assets

	2008/09 Actual \$000	2008/09 Budget \$000
Public Toilets		
New Toilets – Paekākāriki Toilets constructed and completed.	81	74
New Toilets – Ōtaki Toilets constructed and completed.	146	150
Swimming Pools		
New Aquatic Facility Continuing concept and design work.	716	2,750
Public Halls		
Civic Building Investigation options. Work continuing on Council's accommodation requirements and options.	83	240
St Peter's Hall Contributions		
Council contribution towards upgrading St Peter's Hall. Project is underway and grant has been drawn down.	71	75

This activity area is linked to all seven community outcomes and includes the following services and programmes:

- Urban development strategies: this includes the front-end processes and analysis in different communities around major development issues. The work flows through into more formal District Plan processes once the strategic direction has been discussed and set with relevant communities;
- District Development projects;
- District Plan: plan changes (including responding to private plan changes), plan reviews, subdivision codes, subdivision engineering consents processing, associated policy development;
- Regional Strategy.

Key Results

This activity area contributes across all Community Outcomes – either directly or indirectly. For example, the District Plan is most concerned with the effects of actions on the natural environment (Outcomes 1 and 4) and with District form and growth management (Outcomes 2 and 3). It also has implications for access and local strategic development activity.

The District Development Projects primarily made up of Town Centre upgrades and building on Local Outcomes Statements are part of a series of investigation, analysis and design processes for different parts of the District. They contain the work needed to assess development pressures, to look at what the community wishes to see happen in their local areas and for the District as a whole, to look at infrastructure needs, especially water and wastewater and to plan a long term approach. The interesting aspect to this activity is that the range of levels that it operates across – from Private District Plan changes through to school children undertaking environmental projects.

In addition to private plan changes which have continued to require a major response from staff working in this activity area the work programme during the year also involved in-depth analysis of character and vision for local areas. This work, which is being progressed area by area, has resulted in the development of Local Outcomes Statements which will provide key inputs into the District Plan review due to start in the latter half of 2009.

As at 30 June 2009, Local Outcomes documents for the following areas had been published: Paekākāriki, Raumati South, Raumati Beach, Paraparaumu Town Centre, Paraparaumu Beach, Waikanae North and Greater Ōtaki. This work will continue in 2009/10 with the plan is to complete Local Outcomes statements for Waikanae Town Centre and Otaihanga, and to develop statements for Peka Peka, Waikanae Beach and Te Horo.

Community workshops to develop these statements continued to prove popular in terms of providing locals with an opportunity to express their views and provide a successful “front end” to realising local community outcomes. For example the work programme to establish a statement for Peka Peka is a direct response to a request made through a workshop for another locality.

The continued community engagement around the Greater Ōtaki Project is another achievement in this activity. This project, which was formally recognised and published as the Greater Ōtaki Local Outcomes Statement, provides a strong demonstration of the value of working with the residents of a geographical locality to assist them to identify and work towards delivering on their community’s vision.

Environmental sustainability and wellbeing continued to be an important district strategic development area. The Council, rather than merely fulfil its regulatory functions, provided advice, education and practical assistance to support and enable the community to take action on environmental sustainability. This focus includes obtaining resources from central government and other sources to advance community projects. For example during 2008/09, \$300,000 of grants and revenue and \$1 million of low interest Crown Loans have been obtained for energy efficiency, waste minimisation and biodiversity projects.

Performance Update on Key Actions/ Outputs (Note: these may span more than one financial year)	
<p>District Plan provides for Community Outcomes perspectives relating to:</p> <ul style="list-style-type: none"> • character; • growth management; • intensification. 	<p>Partially Achieved.</p> <p>Plan Changes that provided for community perspectives relating to character, growth management and intensification actioned during the year included:</p> <ul style="list-style-type: none"> ○ Ōtaki Residential Subdivision Review Plan Change (underway); ○ Earthquake Fault Traces Plan Change (underway); ○ Large Format Retail Plan Change (underway); ○ Waikanae North Urban Edge Plan Change (completed, subject to appeal); ○ Ngarara Private Plan Change (completed); ○ Water Demand Management Change (completed); ○ Raumati Beach Town Centre Change (underway).
<p>Urban development concept plans for each town centre and neighbourhood centre are in place.</p>	<p>Ongoing.</p> <p>Urban development concepts have been developed for Greater Ōtaki Project, Waikanae North, Paraparaumu Town Centre, Paraparaumu Beach, Raumati Beach, Raumati South and Paekākāriki.</p> <p>Programmes for Waikanae Town Centre and Otaihanga continued, with local outcomes expected to be adopted later in 2009. This process was extended to include Peka Peka, Waikanae Beach and Te Horo.</p>

Performance Update on Key Actions/ Outputs

(Note: these may span more than one financial year)

<p>Structure plans for key urban development areas. (Note: A Structure Plan is a comprehensive indicative development plan for a large area which identifies such things as bush to be protected, roads, sections, stormwater, etc. It allows a more integrated sustainable development approach which weaves together urban and environmental matters. A Structure Plan has a legal status in the District Plan and is used in the informal resource consent process to guide particular decisions).</p>	<p>Achieved. Structure plan required for Private Plan Change 80 (Waikanae North Urban). Private Plan Change 79 (Waikanae North Urban Edge) approved by Council but under appeal at year end, will require structure plans for the “Eco-Hamlet Area” in Waikanae North, to be initiated in 2009/10.</p>
<p>Investment programmes follow design stage.</p>	<p>Achieved. The Ōtaki Rail area upgrade was completed and the Paraparaumu Beach CBD area is underway.</p>

Service Standard	Performance Achieved
Quality of Community Processes	
<p>Level of community involvement and community feedback.</p>	<p>Achieved. There were regular report-backs on each community design process.</p>
Community Design	
<p>All urban development issues/projects will have a community design component.</p>	<p>Achieved. All work to progress the urban development concepts included a community design component.</p>
Consultation	
<p>All District development projects will have a clear feedback and final consultation process.</p>	<p>Achieved. All work to progress the urban development concepts included opportunities for local communities to participate.</p>

District Strategic Development Statement of Cost of Activity

2007/08 Actual \$000		2008/09 Actual \$000	2008/09 Budget \$000
	Expenditure		
1,565	Operating Costs	1,811	1,488
71	Debt Servicing	153	159
19	Depreciation	7	25
<hr/>		<hr/>	<hr/>
1,655	Operating Expenditure	1,971	1,672
	Revenue		
535	Charges and Fees	351	365
<hr/>		<hr/>	<hr/>
535	Operating Revenue	351	365
1,120	NET OPERATING COSTS	1,620	1,307
	Capital Items		
569	Asset Construction and Renewal	1,115	900
46	Sinking Funds/Loan Repayments	74	78
<hr/>		<hr/>	<hr/>
1,735	NET COST OF ACTIVITY	2,809	2,285
<hr/>		<hr/>	<hr/>
1,120	Rates	1,620	1,307
54	Depreciation Reserve	74	78
404	Loans	1,115	900
157	Utilisation of Balances	-	-
<hr/>		<hr/>	<hr/>
1,735	TOTAL SOURCES OF FUNDS	2,809	2,285

District Strategic Development Activity Financial Detail

Operating Costs / Charges and Fees

The actual operating costs include costs associated with private plan changes which have been recovered as charges and fees.

District Strategic Development
Detail of Significant Expenditure on Acquisition and Replacement of Assets

	2008/09 Actual \$000	2008/09 Budget \$000
Paekākāriki Town Centre Upgrade - Streetscape design and build of northern side of Beach Road.	216	-
Paraparaumu Beach Town Centre Upgrade	-	-
Dune Restoration/Foreshore Path	201	-
Street Upgrading.	227	-
Ōtaki Main Street Upgrade – Concept.	78	-
Ōtaki Railway Carpark – Development of carpark completed to increase carparking for the public at the railway.	394	-

This activity area is linked to community outcomes 5, 6 and 7 and includes the following services and programmes:

- business advice and support;
- tourism support (including Visitor Information Centres);
- contribution to the Apparel and Textiles Major Regional Initiative – linked to central government regional investment programme;
- events support - economic development focus;
- general strategy development and implementation.

Key Results

The Kāpiti Coast District occupies a unique economic development position looking north to the more rural areas with Horowhenua and also having a clear link to the more urban southern region.

In respect of the north, economic development on the Kāpiti Coast continued as a joint exercise with the Horowhenua District Council. Nature Coast Enterprise was contracted by both Councils to deliver joint economic initiatives in a range of areas. Nature Coast Enterprise is the regional tourism brand that was used to express the area's great lifestyle, climate, environment, attractions, and fresh produce. Visitor Information Centres at Levin, Ōtaki and Paraparaumu provided visitor information on accommodation and tourist attractions in the area

Many residents commute south to Wellington. The Council has recognised it needs to decide how it will work with economic development ideas and opportunities that come from the Wellington urban area and continued to be an active partner in the development of the Wellington Regional Strategy.

The Kāpiti Horowhenua Joint Economic Development Strategy continued to work in the three key industry sectors as strategy priorities for the local region:

- value added manufacturing specifically apparel and textiles and food production and processing;
- tourism and events; and
- Māori enterprise.

Performance Update on Key Actions/ Outputs

(Note: these may span more than one financial year)

Participation in Wellington Regional Economic Development Strategy.	<p>Achieved.</p> <p>Ongoing participation (Note: not fully under direct Council control).</p> <p>Stage 1 of rural review completed but no further progress until 2010/11 on rural project anticipated other than a report on process. Agreement in principle to support establishment of clean technology business incubation as part of the Regional Centres of Excellence programme.</p>
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Service Standard	Performance Achieved
Responsiveness to Enquiries	
Clear point of contact for each business / economic development group with which the Council has a direct relationship.	<p>Achieved.</p> <p>Regular newsletters and information sent direct to businesses and tourism operators. Business networking provided through business breakfasts and other functions.</p> <p>Note: Services outsourced to local economic development agency, Nature Coast Enterprise.</p>
Key business/economic development groups that the Council works with have an agreed facilitation process and a clear information provision process.	<p>Achieved.</p> <p>Ongoing liaison with central government and other agencies at national or regional level, as well as local organisations.</p>
Clear points of contact for residents about key issues and clear indication of whom to contact within the Council.	<p>Achieved.</p> <p>The Council's website clearly indicates Nature Coast's role in economic development. A direct link to the Nature Coast website is provided.</p>
Quality of Information	
Annual update on business development (includes sector confidence and annual to five-yearly new business set-up [note: some of the figures will be dependent upon the availability of census data]).	<p>Achieved.</p> <p>Economic profile published April 2009.</p>

Economic Development Projects Statement of Cost of Activity

2007/08 Actual \$000		2008/09 Actual \$000	2008/09 Budget \$000
	Expenditure		
600	Operating Costs	690	785
-	Debt Servicing	-	11
600	Operating Expenditure	690	796
	Revenue		
2	Miscellaneous and Separate	-	-
2	Operating Revenue	-	-
598	NET OPERATING COSTS	690	796
	Capital Items		
17	Asset Construction and Renewal	-	140
-	Loan Repayments	-	19
	Appropriations		
2	To Miscellaneous and Separate Funds	-	-
617	NET COST OF ACTIVITY	690	955
600	Rates	677	775
17	Loans	-	140
-	Opening Balances	13	40
617	TOTAL SOURCES OF FUNDS	690	955

This activity area is linked to community outcomes 1 and 7 and includes the following services and programmes:

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

Key Results

This activity area is protection of health and safety, and it is mainly driven by statutory requirements which the Council must deliver. As such it is largely concerned with the requirements of individual businesses and residents and requires a strong emphasis from Council staff on providing a professional customer service while they enforce relevant standards. Progress made in this area can at times be difficult given the regulatory nature of this activity.

The Council is required to deliver on the requirements of the Civil Defence and Emergency Management Act 2002. The Council continued to facilitate the development of local civil defence welfare groups in each community to improve readiness. During the year, the dedicated Emergency Operations Centre at the Paraparaumu Council Depot in Mazengarb Road, Paraparaumu was used for an emergency management training exercise.

The work programme around bylaw development and review continued. During the year the Dog, Beach and the Trade Waste Bylaws were all completed. Development of both the Beach and Dog Bylaws required substantial community involvement, a process which resulted in bylaws that, as much as possible, respond to the wishes of the community and also meet Council's regulatory requirements.

Work on drafting bylaws for Solid Waste, General, Public Places and Cemeteries was also started.

Performance Update on Key Actions/ Outputs

(Note: these may span more than one financial year)

Bylaw review completed 2008/09.	Achieved 2008/09 programme of Beach, Dog and Trade Waste Bylaws. Bylaws for Solid Waste, General, Public Places, Water Supply and Cemeteries underway.
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Service Standard	Performance Achieved
Responsiveness to Enquiries	
95% of noise complaints responded to within 30 minutes of receipt.	Achieved 97%.
95% of routine calls/ complaints about dogs responded to within 24 hours of receipt.	Achieved 100%.
95% of urgent calls/complaints about dogs responded to within one hour of receipt.	Achieved 100%.
All calls/complaints (routine or emergency) about wandering stock responded to within one hour of receipt.	Achieved.
All emergency callouts to unauthorised trade waste discharges made within one hour of receipt.	Not Relevant This Year.
Processing Times	
95% of routine complaints of abandoned vehicles responded to within one working day.	Achieved 100%.
All beach signage is inspected to determine appropriateness and where necessary repairs are initiated within five working days.	Achieved.
All food premises inspected under the Kāpiti Coast District Council Food Safety Bylaw 2006 in accordance with their grade.	Achieved.

Service Standard	Performance Achieved
<p>All other premises inspected for compliance with appropriate regulations.</p> <p>Type inspection</p> <p>Grade A annually</p> <p>Grade B two times per year</p> <p>Grade D three times per year</p> <p>New Premises two times per year</p>	<p>Achieved.</p>
<p>All notifiable infectious diseases investigated within eight working hours and the outcome reported to the Medical Officer of Health within two working days for high-risk and within four working days for low risk cases.</p>	<p>Not Achieved. 96%</p> <p>One case was not investigated in time and another case was not reported back to the Medical Officer of Health in time.</p>
<p>All functioning school swimming pools inspected to ensure compliance with public health standards and school staff advised on remedial action where necessary.</p>	<p>Achieved.</p>
<p>50% of all licensed liquor premises inspected annually.</p>	<p>Achieved 67%.</p>
<p>33% of known private swimming pools inspected to ensure compliance with the Fencing of Swimming Pools Act 1987.</p>	<p>Achieved 34%.</p>
<p>Rural fire service provider which meets the National Rural Fire Authority audit standards.</p>	<p>Achieved.</p>
<p>Districtwide civil defence and emergency readiness in accordance with the Regional Civil Defence Emergency Management Group Plan (emergency management).</p>	<p>Achieved.</p>
<p>All rural and urban fire permits issued within one working day on satisfaction after site inspection that the site surroundings are safe and that fire safety equipment is available.</p>	<p>Not Achieved.</p> <p>98% were issued within timeframes.</p>
<p>95% of all known dogs are registered by 31 October 2008.</p>	<p>Achieved 100%.</p> <p>As at 31 October 2008 there were 5,985 of the 6,300 known dogs registered. Between 1 November 2008 and 31 January 2009 all 315 unregistered dog owners were written to or visited. Of these, 216 had either</p>

Service Standard	Performance Achieved
	deceased, left the district or put arrangements in place to pay. This left a balance of 99 unregistered dog owners, who were infringed.
All owners of unregistered dogs after 1 November 2008 receive infringement notices by 31 January 2009.	Achieved.
Quality of Information	
Clear publicly available information on standards required for environmental protection processes.	Achieved.
Regular community feedback in public newspapers.	Achieved.

Environmental Protection Statement of Cost of Activity

2007/08 Actual \$000		2008/09 Actual \$000	2008/09 Budget \$000
	Expenditure		
1,799	Operating Costs	1,959	1,810
108	Debt Servicing	136	144
42	Depreciation	52	39
<hr/>			
1,949	Operating Expenditure	2,147	1,993
	Revenue		
737	Charges and Fees	785	712
80	Development Levies	-	-
<hr/>			
817	Operating Revenue	785	712
1,132	NET OPERATING COSTS	1,362	1,281
	Capital Items		
513	Asset Construction and Renewal	243	250
44	Sinking Funds/Loan Repayments	77	88
	Appropriations		
80	Miscellaneous and Separate	-	-
<hr/>			
1,769	NET COST OF ACTIVITY	1,682	1,619
<hr/>			
1,256	Rates	1,423	1,342
21	Depreciation Reserve	61	77
393	Loans	198	200
19	Separate Funds	-	-
80	Development Levies	-	-
<hr/>			
1,769	TOTAL SOURCES OF FUNDS	1,682	1,619

Environmental Protection Financial Detail for Significant Activities

2007/08 Actual \$000		2008/09 Actual \$000	2008/09 Budget \$000
	<u>Environmental Health</u>		
858	Operating Expenditure	966	896
(233)	Income (user charges)	(281)	(256)
625	Net Operating Costs	685	640
	<u>Animal Control</u>		
474	Operating Costs	621	501
(449)	Income (Dog registration fees and fines)	(472)	(426)
25	Net Operating Costs	149	75
	<u>Rural Fire</u>		
73	Operating Costs	46	53
(19)	Income (Subsidy)		
54	Net Operating Costs	46	53
	<u>Civil Defence and Emergency Management</u>		
394	Operating Costs	416	384
108	Loan Servicing	127	128
42	Depreciation	50	31
(36)	Income (Government subsidy and rental)	(28)	(30)
508	Net Operating Costs	565	513

Environment Protection Detail of Significant Expenditure on Acquisition and Replacement of Assets

	2008/09 Actual \$000	2008/09 Budget \$000
New Dog Pound – Completed in the 2008/09 year.	198	200
Te Hapua Wetland Monitoring – KCDC Contribution.	25	25

This activity area is linked to all seven outcomes and includes the following services and programmes:

- general community groups and agency partnerships support and development;
- development of formal partnerships with central and regional government agencies which have a significant role in the District;
- youth support coordination;
- working with the Positive Ageing Group;
- arts coordination;
- management of community grants;
- management of contracts with organisations contributing to / or delivering social and/or cultural services.

Key Results

This activity area continues to grow as it contributes to the Council's wider strategy for working with the community and the development of relationships and partnerships. The programmes are generally concerned with social wellbeing, but the activity also includes resources to assist other parts of the Council as they work with the community.

The 2008/09 work programme continued to focus on responsiveness to community groups. This work included:

- provision of services and activities for young people through the Greater Ōtaki Project;
- supporting meetings of the Council of Elders to consider issues facing our ageing population and to provide feedback and support to the Council on these. The contributions of the Council of Elders reflect the vast experience, skills and knowledge held by the many older people in the Kāpiti Coast community. The value of this input was further recognised with both the Council of Elders and Kāpiti Coast Grey Power being invited to contribute to the various processes involved with the development of the 2009 Community Outcomes and the 2009 Long Term Council Community Plan (LTCCP).

Other examples of continued support were evidenced:

- Youth Week in 2008 included a successful promotion around "hoodie clothing" and an associated message about not judging a person by what they wear. The Youth Council also contributed to the development of the 2009 LTCCP. They undertook a bus tour of the District during which they identified areas of interest and/or concern to youth for the Council to consider;
- road safety programmes offered to the community;
- continued promotion of the successful Walking School Bus programme and the appointment of a dedicated staff position to support this work;
- continued work on establishing and maintaining links between government agencies to meet local needs and vision with a strong focus on the key community partnership areas of housing, transport, health, work and education;
- support for community service groups and Mahara Gallery was maintained.

Performance Update on Key Actions/ Outputs

(Note: these may span more than one financial year)

<p>Contracts management with:</p> <ul style="list-style-type: none"> ○ Sport Wellington Region; ○ Kāpiti Safer Community Trust; ○ Citizens Advice Bureaux; ○ Kāpiti Community Centre; ○ Surf Lifesaving; ○ Kāpiti Community Health Trust; ○ Mahara Gallery; ○ Kāpiti Disability Information and Equipment Centre. 	Achieved.
Grants processes.	Achieved.
Triennial Agreement (Local Government Act 2002).	Achieved.
Formal central government partnerships statements by selected central government agencies.	Achieved. Memorandum of Partnership with Police completed.

Service Standard	Performance Achieved
Clear points of contact	
Clear point of contact for each community group with which the Council has a direct relationship.	Achieved.
Clear points of contact for residents about key issues and clear indication of whom to contact within the Council.	<p>Achieved.</p> <p>Portfolio responsibilities for the Mayor and Councillors ensured additional points of contact for residents.</p> <p>The Council of Elders continued to provide point of contact for key issues and advocacy specifically for older residents.</p> <p>In addition weekly radio spots were run on both NewstalkZB and Beach FM during which key issues and contact names are highlighted, all advertising carries clear contact details, telephone number/website details etc.</p>

Service Standard	Performance Achieved
Grants Processes	
All grants allocated in accordance with Council procedures and fund criteria.	Achieved.
Facilitation and Information Processes	
Key community groups that Council works with have an agreed facilitation process and a clear information provision process.	Achieved.
Regular community feedback in public newspapers.	Achieved. Programme of regular Kāpiti Reportbacks published in The Observer and Kāpiti News nearly every fortnight. Ōtaki News pages provided at less regular intervals and input also provided to the Paekākāriki X-pressed.

**Facilitation, Partnerships and Social Wellbeing
Statement of Cost of Activity**

2007/08 Actual \$000		2008/09 Actual \$000	2008/09 Budget \$000
	Expenditure		
1,116	Operating Costs	1,177	1,207
<hr/>			
1,116	Operating Expenditure	1,177	1,207
	Revenue		
31	Agency Grants	30	30
177	Charges and Fees	48	104
<hr/>			
208	Operating Revenue	78	134
908	NET OPERATING COSTS	1,099	1,073
	Capital Items		
4	Asset Construction and Renewal	-	-
	Appropriations		
30	Miscellaneous and Separate	-	-
<hr/>			
942	NET COST OF ACTIVITY	1,099	1,073
<hr/>			
909	Rates	1,011	1,043
4	Depreciation Reserve	-	-
15	Opening Balances	1	30
14	Miscellaneous and Separate	87	-
<hr/>			
942	TOTAL SOURCES OF FUNDS	1,099	1,073
<hr/>			

This activity area is linked to all seven community outcomes and includes the following services and programmes:

- Elected Members' salaries and expenses;
- management of electoral processes;
- management of formal Council and Committee processes;
- delivery of Long Term Council Community Plan processes under the Local Government Act 2002;
- tāngata whenua relationships;
- District general expenses - e.g. legal and insurance costs.

Key Results

This activity area is an important contributor to the Council's wider strategy for working with the community and responding to the community's wish for improved involvement in decision making processes. The associated statutory timeframes were achieved.

Contributions to the decision making process by Māori continued. The Council is proud of its relationship with the tāngata whenua. There has been an emphasis on constantly improving the quality of the work and interactions under the 1994 Memorandum of Partnership between the three iwi with mana whenua status within the Kāpiti Coast.

A Memorandum of Partnership between the three iwi (Ngāti Raukawa, Āti Awa ki Whakarongotai and Ngāti Toa) and Kāpiti Coast District Council has been in place since 1994. The Memorandum guides the relationship between Council and tāngata whenua. The goal of the Memorandum is to forge a relationship of mutual benefit between the Council and tāngata whenua that will develop into an effective and meaningful partnership. The associated structures and processes in place continued to be a successful mechanism to progress the Council leadership focus on maintaining and building its relationship with iwi, hapu and Māori generally. The work programme of Te Whakaminenga o Kāpiti which focuses on Iwi / Council capacity building, State of the Environment Economic Development History, Naming and Symbols Māori representation is reported on earlier in this Annual Report.

The staff individual performance and development programme continued to contributions related to Tikanga Māori. This approach supports staff who wish to attend Te Reo classes.

Te Reo Māori classes were held for members of the Senior Leadership Team and the staff at the Customer Call Centre. In addition new Kōrero mai or 'how to say' phrases were regularly posted on the Staff Intranet.

Te Waka I roto I te Ataarangi o Kāpiti (Council's Kaupapa Māori Staff Group) continued to fulfill its role in supporting the Mayor and Council Kaumatua. Members of Te Waka attended in their own right and also provided advice and support for staff attending tangi, marae and other hui where it was appropriate to recognise tikanga Māori.

The Local Government Act 2002 requires all councils to regularly review their Long Term Council Community Plan (LTCCP), and this work occurred during the financial year. This process involved separate reviews of Community Outcomes, rating options followed by consultation on the draft LTCCP itself.

The review of the Community Outcomes was a two stage process. The first step was to check back with the community that the Outcomes identified together in 2003 were still relevant to the future. This review was carried out via a series of public forums held from July to September 2008 which focused on specific themes signalled by the community to be of key importance.

Feedback from the forums was gathered together and used to develop the draft 2009 Community Outcomes.

A Rating Review involving extensive consultation with the ratepayers of the District was carried out in 2008 to seek their views and invite submissions on whether they preferred land value or capital value as the basis of property value ratings. Another key issue consulted on was a proposal to introduce a third Rural Differential, being a rural village differential to cover those generally smaller rural properties that are clustered together throughout the rural rating areas. The third issue that was consulted on was a proposal to introduce the Districtwide funding of water, wastewater and stormwater services over a 5 year period, but only for those properties receiving those services or having access to those services.

This process was followed by much work, discussion and debate by elected members, Council staff and the community to develop a draft 2009 LTCCP for consultation. That consultation resulted in 497 submissions being received on a wide range of topics and the final LTCCP being adopted on 25 June 2009.

The Council, recognising the impact that rates have on individual low income households, encouraged people to take up the central government rates rebate scheme in order to reduce the impact of the rates on their household. At the end of the financial year, 2,521 applications had been received for a rates rebate, and of these a total of 2,340 applications were accepted as meeting the Department of Internal Affairs criteria. The total value of these rates rebate was \$1.1 million.

Performance Update on Key Actions/ Outputs (Note: these may span more than one financial year)	
Three yearly Long Term Council Community Plan review.	Achieved. The 2009 LTCCP was adopted on 25 June 2009.
Three yearly report on progress.	Achieved.
Six yearly Community Outcomes review.	Achieved. The 2009 Community Outcomes was adopted on 3 June 2009.
Three yearly review of representation.	Contributory Action On Track. Pre-consultation on the representation review process started in April 2009.

Service Standard	Performance Achieved
Accessibility of the Council's agendas, reports and minutes to the community	
100% compliance with Local Government Act 2002 and Local Government Official Information and Meetings Act 1987 requirements for accessibility of Council information, agendas, reports and minutes to the community.	Achieved.

Service Standard	Performance Achieved
All of the Council's formal decisions and associated reports are available on the website and in the libraries/service centres and Rimu Road Council offices.	Achieved.
100% compliance with contractual arrangements with tāngata whenua for resource consent processing.	Achieved.
Staff have an understanding of Tikanga Māori as appropriate to their role in local government.	Achieved.
Elected members are provided with the opportunity to gain further understanding of Tikanga Māori as appropriate to their role in local government.	Achieved. Four Elected Members took the opportunity to undertake Te Pumaomao Treaty of Waitangi training.

Governance and Tāngata Whenua Statement of Cost of Activity

2007/08 Actual \$000		2008/09 Actual \$000	2008/09 Budget \$000
	Expenditure		
1,946	Operating Costs	2,583	2,342
-	Contingencies	180	250
39	Debt Servicing	34	71
630	Depreciation	762	697
<hr/>		<hr/>	<hr/>
2,615	Operating Expenditure	3,559	3,360
	Revenue		
65	Charges and Fees	119	117
316	Miscellaneous and Separate	182	206
404	Interest	515	-
121	Special Funds – Interest	60	-
<hr/>		<hr/>	<hr/>
906	Operating Revenue	876	323
1,709	NET OPERATING COSTS	2,683	3,037
	Capital Items		
527	Asset Construction and Renewal	510	651
66	Sinking Fund/Loan Repayments	69	73
	Appropriations		
349	Miscellaneous and Separate	461	-
121	Special Funds	59	-
<hr/>		<hr/>	<hr/>
2,772	NET COST OF ACTIVITY	3,782	3,761
<hr/>		<hr/>	<hr/>
1,898	Rates	2,282	2,381
-	Rates Penalties	180	250
444	Depreciation Reserve	434	581
-	Equity	-	25
-	Loans	97	100
69	Separate Funds	-	-
361	Utilisation of Balances	789	424
<hr/>		<hr/>	<hr/>
2,772	TOTAL SOURCES OF FUNDS	3,782	3,761
<hr/>		<hr/>	<hr/>

Governance and Tāngata Whenua

Detail of Significant Expenditure on Acquisition and Replacement of Assets

	2008/09 Actual \$000	2008/09 Budget \$000
Information Technology		
Purchase of replacement photocopiers – completed.	61	80
Records Management – Software licences purchased for the new records management system.	30	30
Hardware Upgrade – Servers. Upgrades completed for the year.	49	62

This activity area is linked to community outcomes 1, 2, 4, 5, 6 and 7 and includes all projects, programmes and services relating to the District's libraries, Nga Matapuna a Kupu. There are library buildings at Paraparaumu Town Centre (main library administration centre), Waikanae Town Centre and Ōtaki. Support is provided for the Paekākāriki Community Library.

Key Results

Fifty percent of residents on the Kāpiti Coast are active borrowers (have used the three district libraries located in Paraparaumu, Waikanae and Ōtaki within the last two years), which is an increase of 6% since last year or nearly 3000 more active borrowers. The recession appears to have been a positive factor for the libraries, as our community has rediscovered the advantages of being an active library member.

A significant focus during the year was the steps taken to resolve the problems with the Library Management System. A key problem was that customers were unable to search effectively using the system implemented in 2006. Despite these ongoing issues all measurable statistics, including door count, issues, reserves and revenue continued to increase. The upgrade to the Library Management System was completed and is expected to alleviate these problems.

Local writers received assistance through the introduction of a monthly "Kāpiti Writes" display with plans for a separate collection of books by local authors to be called "Kāpiti Writes". This initiative is supported by the Friends of the Kāpiti Coast District Libraries.

The libraries continued to receive valuable day-to-day support from volunteers. The partnership with the Friends of the Library, who provided fund raising and sponsorship for library events including the children's Summer Reading Programme, and various literary events, all contributed to the value of the libraries as community centres.

A number of well-attended activities were held in the libraries. These included:

- Arty August Festival held in all three libraries, with 42 demonstrations and exhibitions throughout the month.
- "Summer Reading Programme" held in all three libraries, with 220 children registered and 98% successfully completing the programme.
- "Winter Warmers Reading Programme", 120 children registered at 30 June 2009.
- Ongoing support of local genealogist organisations;
- Participation in Waitangi Day celebrations at Whakarongotai Marae with an historical photographic exhibition. The Māori Services Librarian provided expertise on library resources available.
- Digitisation of local history photographs to improve access for the community.
- Art Spaces are now at all three libraries, with the Ōtaki Art Space, Ngā Purapura, launched in September 2008. This year saw over 50 exhibitions held in Library Art Spaces.
- Regular participation at Age Concern Friendship Group meetings, with presentations made by library staff throughout the year.

The Waikanae Library's lift which had become unreliable was replaced during the year. The new lift has made it easier to access the first floor which houses the Children's, Teens and Māori Collections.

Over the past year the libraries supported many Council initiatives including the energy efficient light bulb campaign; the Western Link Road display; the Sustainable House and Garden Show, and the Aquatic Centre promotion.

Performance Update on Key Actions/ Outputs

(Note: these may span more than one financial year)

Lifelong Learning Policy	Contributory Actions On Track.
Service Standard	Performance Achieved
Long term issue numbers to meet or exceed an average monthly target of: Paraparaumu 40,000, Waikanae 15,000, Ōtaki 9,000.	<p>Partially Achieved.</p> <p><i>Paraparaumu Library</i> averaging 39,777, up 10.64% from last year.</p> <p><i>Waikanae Library</i> averaging 14,948, up 5.23% from last year.</p> <p><i>Ōtaki Library</i> averaging 9,235, up 8.99% from last year.</p> <p>Note: While both Paraparaumu and Waikanae are just under the monthly average target, overall issues are up.</p>
Conduct an arts and museums audit for items in Council facilities, public and semi public areas within the district, creating an on-line searchable database of information.	<p>Contributory Actions On Track.</p> <p>This was changed in this year's annual plan to: 'To establish a methodology for a public library art audit by January 2010'. The development of ideas around what this should encompass, how it will be achieved and desirability of having an over-arching arts strategy have contributed to the extension in time.</p>
Ratio of new/old book stock	
Meet the LIANZA standard of 350 new items per 1,000 population added to the collection yearly. (Note: this service standard cannot be fully met until the libraries are funded to a level that allows achievement of the LIANZA standards of 20% of the total operating budget to be spent on collections – to be reviewed as part of the Long Term Council Community Plan).	<p>Not Achieved.</p> <p>Due to budget level, the libraries are achieving 294 items per 1,000 population.</p> <p>Note: The budget is not yet at the level to achieve this target. An increase in materials budget for 2009/10 will assist in moving towards this standard.</p>

Service Standard	Performance Achieved
Processing time for new items	
An average of 25 working day processing time for new items to be catalogued.	Achieved.
Community Learning	
Promote libraries as places of lifelong learning and provide services that support the goal of increased community involvement.	Achieved.

Libraries
Statement of Cost of Activity

2007/08 Actual \$000		2008/09 Actual \$000	2008/09 Budget \$000
	Expenditure		
2,075	Operating Costs	2,337	2,294
413	Debt Servicing	433	428
522	Depreciation	570	636
<hr/>			
3,010	Operating Expenditure	3,340	3,358
	Revenue		
230	Charges and Fees	257	254
50	Development Levies	-	-
<hr/>			
280	Operating Revenue	257	254
2,730	NET OPERATING COSTS	3,083	3,104
	Capital Items		
431	Asset Construction and Renewal	546	539
271	Sinking Funds/Loan Repayment	273	272
	Appropriations		
50	Miscellaneous and Separate	-	-
<hr/>			
3,482	NET COST OF ACTIVITY	3,902	3,915
<hr/>			
2,927	Rates	3,194	3,141
-	Loans	-	100
-	Equity	-	100
505	Depreciation Reserve	678	524
50	Development Levies	30	50
<hr/>			
3,482	TOTAL SOURCES OF FUNDS	3,902	3,915

Libraries

Detail of Significant Expenditure on Acquisition and Replacement of Assets

	2008/09 Actual \$000	2008/09 Budget \$000
Materials Additions – Library books, CDs and DVDs 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 formats.	337	330
Waikanae Library Building – replacement of lift.	127	120

This activity area is linked to community outcomes 1, 2, 4, 6 and 7 and includes the following services and programmes:

- parks maintenance;
- playgrounds;
- maintenance of sports fields and active recreation facilities (other than swimming pools);
- developing green corridors;
- developing the community vision for streams, rivers and beaches;
- support for community planting and restoration projects;
- land acquisition for reserves purposes;
- park upgrades (capital expenditure).

Key Results

During the year Council continued its support of the various community groups involved in planting and restoration projects throughout the District, including:

- Keep Ōtaki Beautiful;
- Keep Paraparaumu Beautiful;
- Friends of the Ōtaki River;
- Friends of the Waikanae River;
- the Waitohu Stream Care Group;
- the Gorge Road Care Group;
- Friends of the Waimeha Lagoon;
- community planting projects undertaken by Forest and Bird; Raumati South Residents Association etc.

The Parks and Reserves services and programmes continued to be delivered in accordance with the 2006 Long Term Council Community Plan. As part of the Yardstick Programme, Council undertook a Park Check individual survey report between January and February based around the establishment of a series of core questions focused on park categories. This involved organisations identifying all accessible parks which were divided into four categories – destination park, neighbourhood park, sportsground and other. The questions were designed to identify the importance of park services and amenities and cover nine specific areas – gardens and trees, children’s playgrounds, seats and tables, toilets, sport surfaces, cleanliness, grass maintenance, paths and tracks, and shade.

The Reserve Management Plans continued to set standards for individual reserves. Minor improvement works consistent with management plans were completed within reserves throughout the District.

Performance Update on Key Actions/ Outputs

(Note: these may span more than one financial year)

Reserve Management Plans.	Achieved. All current Reserve Management Plans are operative. At present there is no requirement for any of these plans to be reviewed, as the proposed development projects do not fall outside of any respective aims or objectives.
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Service Standard	Performance Achieved
85% of all sports field users' are satisfied with the standard of sports field maintenance.	Achieved.
Grass length is maintained appropriate to the activity function for each park.	Achieved.
All playgrounds are maintained to the NZS 4422 and NZS 4486.1 standards.	Achieved.
Refuse bins are emptied twice weekly from reserve areas.	Achieved.
Tree maintenance based on regular assessment of need/risk etc., made during the weekly maintenance programme.	Achieved.

**Parks and Reserves
Statement of Cost of Activity**

2007/08 Actual \$000		2008/09 Actual \$000	2008/09 Budget \$000
	Expenditure		
2,132	Operating Costs	2,439	2,252
39	Debt Servicing	32	61
394	Depreciation	497	420
<hr/>			
2,565	Operating Expenditure	2,968	2,733
	Revenue		
51	Charges and Fees	74	53
511	Reserves Contributions/Development Levies	802	500
-	Miscellaneous and Separate	-	-
<hr/>			
562	Operating Revenue	876	553
2,003	NET OPERATING COSTS	2,092	2,180
	Capital Items		
885	Asset Construction and Renewal	1,218	2,017
76	Sinking Funds/Loan Repayments	76	107
	Appropriations		
511	Miscellaneous and Separate	798	-
<hr/>			
3,475	NET COST OF ACTIVITY	4,184	4,304
<hr/>			
2,533	Rates	2,922	2,550
307	Depreciation Reserve	107	300
-	Loans	385	525
124	Special Funds	40	150
511	Development Levies	731	779
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3,475	TOTAL SOURCES OF FUNDS	4,184	4,304

Parks and Reserves

Detail of Significant Expenditure on Acquisition and Replacement of Assets

	2008/09 Actual \$000	2008/09 Budget \$000
Kāpiti Multisport Arena		
Contribution to funding and support for an artificial sports turf at Mazengarb Park (Council's total budgeted contribution \$650,000 over two years). Project Completed.	455	330
Macleay Park ponds environment – upgrade to the kiosk and other minor improvements	89	200
Kotuku Park playground development.	75	74
Land Development		
Pharazyn Reserve Development		
Completed years planned development work for Pharazyn Reserve.	68	53
Asset Management		
Development of Paraparaumu/Raumati Reserves		
Completed individual minor improvement additions within Paraparaumu/Raumati Reserves in line with respective Management Plans.	58	42
Waikanae Reserves Management Plans and Development		
Completed minor improvement works within Waikanae reserves, consistent with management plan policies.	22	21
Jim Cooke Park Extension		
Installation of an irrigation bore.	30	30

This activity area is linked to community outcomes 4 and 5 and includes the following services and programmes:

- landfill management and aftercare;
- domestic collections;
- kerbside collection of paper;
- recycling – drop-off stations and kerbside;
- greenwaste recycling;
- hazardous waste removal.

Key Results

During the financial year the work programme associated with introducing the major new levels of service for solid waste continued.

The 2006 Long Term Council Community Plan and associated consultation had informed the community that the Council owned landfill at Otaihanga was due to close in 2009 and that the Council did not plan to open a new site, given the proximity of other landfills and its zero-waste policy.

The Otaihanga Landfill is now closed to general waste disposal as it reaches the end of its life. The Council requested exploration of regional options for waste disposal and discussion has commenced with other authorities during the year.

The Council now provides a kerbside recycling contract which collects glass, paper, cardboard, all plastics and tin cans on a weekly basis. It is available to all residential ratepayers within the main urban areas who are served either by Council or those partners in the recycling industry. The service is funded by Council and waste collection operators who wish to make use of the service. The waste collection operators fund is based on their share of the collections market.

A new Waste Collection collections contract was awarded in 2008 which provides a weekly service to all households. The cost of service is based on the number of bags collected.

The Council currently pays for the mulching of greenwaste received at the transfer stations which is then used by the contractor for composting. This contract will be reviewed in three years. The mulching service is paid for via greenwaste charges.

A new Resource Recovery Facility has been built and is operational at Otaihanga. The facility provides for waste diversion from the main tipping floor, recycling drop-off and a re-use and recycling shop. The contract with the operators requires them to recycle all waste that can be removed and sold on at a cost lower than the cost of disposal. They must work to a target of 30% waste reduction by 2010/11 and 50% by 2013/14.

Performance Update on Key Actions/ Outputs

(Note: these may span more than one financial year)

New waste reduction strategy – within regional context.	Contributory Actions On Track. As part of the Regional Solid Waste Review considerations.
Construction of a resource recovery park.	Achieved.

Service Standard	Performance Achieved
Landfill Resource Consent Standards	
Landfill performs to all resource consent standards.	Not Achieved. One bore was inaccessible for the monitoring of water quality and therefore no samples could be taken from that bore for testing.
Collection frequency	
No more than 10 reported "missed rubbish bags" per 1,000 properties per week.	Achieved.
Refuse bins are emptied twice weekly from roadside and reserve areas.	Achieved.
All waste recycling drop-off stations emptied weekly.	Achieved. Up to the end of January 2009. Note: After that date the last of the waste recycling drop-off stations located throughout the District was closed.
All streets are cleaned four times per year.	Achieved.
All retail areas are cleaned twice a week.	Achieved.
Illegally dumped waste from public roads removed within 48 hours of being advised.	Achieved.
The composition and quantity of waste is surveyed every three years in accordance with Ministry for the Environment guidelines.	Not Relevant This Year. The last survey was completed in June 2007.

Solid Waste Statement of Cost of Activity

2007/08 Actual \$000		2008/09 Actual \$000	2008/09 Budget \$000
	Expenditure		
2,250	Operating Costs	2,852	1,385
34	Debt Servicing	193	200
13	Depreciation	22	-
-	Interest on Environmental Obligations	-	-
<hr/>		<hr/>	<hr/>
2,297	Operating Expenditure	3,067	1,585
	Revenue		
2,961	Charges and Fees	2,322	1,665
22	Miscellaneous and Separate	-	-
<hr/>		<hr/>	<hr/>
2,983	Operating Revenue	2,322	1,665
(686)	NET OPERATING COSTS/(SURPLUS)/DEFICIT	745	(80)
	Capital Items		
1,343	Asset Construction and Renewal	1,360	1,500
21	Sinking Funds/Loan Repayment	109	80
<hr/>		<hr/>	<hr/>
678	NET COST OF ACTIVITY	2,214	1,500
<hr/>		<hr/>	<hr/>
21	Depreciation Reserve	21	-
1,343	Loans	1,360	1,500
(686)	Separate Funds	833	-
<hr/>		<hr/>	<hr/>
678	TOTAL SOURCES OF FUNDS	2,214	1,500
<hr/>		<hr/>	<hr/>

Solid Waste Detail of Significant Expenditure on Acquisition and Replacement of Assets

	2008/09 Actual \$000	2008/09 Budget \$000
Otaihanga Transfer Station/Refuse Recovery Centre Completed and opened in December 2008	1,360	1,500

This activity area is linked to community outcomes 1, 2, 3, 4 and 7 and includes the following services and programmes:

- identifying flood prone areas and/or reviewing known trouble spots;
- identifying and designing possible solutions;
- setting priorities for works - based on greatest benefit for least cost;
- maintenance of existing stormwater system - pipes, streams and storage facilities;
- undertaking capital works projects - increasing the size of the existing system or building new systems;
- development of a full network model for Ōtaki;
- undertaking a gap analysis for Waikanae;
- assessment of the implications for the relationship with development management.

Key Results

Work continued on responding to the important issues about overall links between climate change, urban growth management and stormwater.

During the year the National Institute of Water and Atmospheric Research Ltd (NIWA) undertook the three yearly update of their report on climate change impacts on the Kāpiti Coast. That information is critical for Council to manage those climate change impacts on budgeting for stormwater costs.

Work continued on increasing energy efficiency – a major mechanism for reducing greenhouse gas emissions.

The biggest stormwater project undertaken during the year was the Matatua Road Bridge, the construction of which started in 2009. The project involves increasing the stormwater capacity by removing the triple cell culvert and replacing it with a bridge.

The Stormwater Strategy was adopted, but at year end was still to be published. As part of that strategy work continued on mapping flood pathways. New flood maps have been completed for Ōtaki and these will be consulted on during the 2009/10 year. Mapping is also underway for Mazengarb, Wharemauku and Waikanae. This information is released for consultation and once adopted as a part of the strategic projects programme is then used to determine the necessary capital expenditure programme.

Performance Update on Key Actions/ Outputs (Note: these may span more than one financial year)	
Upgrades project priority list (annual).	Partially Achieved. <ul style="list-style-type: none"> • 60 Rimu Road (completed). • Amohia Street upgrade (adjacent to RSA) (completed). • Matatua Road Bridge (construction underway and due for completion September 2009).
Strategic projects programme.	Partially Achieved. New flood maps have been completed for Ōtaki and these will be consulted on during the 2009/10 year.

Service Standard	Performance Achieved
Stormwater outlets are inspected weekly or monthly depending on vulnerability to blockage.	Achieved.
90% of non-urgent service requests are responded to within five days.	Achieved.
For new developments and upgrades, where practicable, design for a one in 10 year flood if primary system has access to a secondary flow path*; if no secondary flow path, then must design for a one in 100 year flood. **	Achieved.
Flood damage is investigated, and remedial action for future funding determined, within two weeks of minor flooding. ***	Achieved.
<p>* one in 10 year flood means there is a 10% chance a flood will occur in any one year.</p> <p>** one in 100 year flood means that there is a 1% chance of a flood occurring in any one year – but it will be more severe than a one in 10 year flood.</p> <p>*** minor flooding means flooding with a return period of five years or less.</p>	

Stormwater Management Statement of Cost of Activity

2007/08 Actual \$000		2008/09 Actual \$000	2008/09 Budget \$000
	Expenditure		
819	Operating Costs	974	966
540	Debt Servicing	533	912
745	Depreciation	634	794
<hr/>		<hr/>	<hr/>
2,104	Operating Expenditure	2,141	2,672
	Revenue		
267	Development Contributions	-	180
<hr/>	Operating Revenue	<hr/>	<hr/>
267		-	180
1,837	NET OPERATING COSTS	2,141	2,492
	Capital Items		
2,743	Asset Construction and Renewal	3,494	4,881
431	Sinking Funds/Loan Repayments	463	662
	Appropriations		
267	Miscellaneous and Separate	-	-
<hr/>		<hr/>	<hr/>
5,278	NET COST OF ACTIVITY	6,098	8,035
<hr/>		<hr/>	<hr/>
2,225	Rates	2,314	2,574
832	Depreciation Reserve	600	841
1,916	Loans	3,184	4,620
33	Miscellaneous and Separate Funds	-	-
5	Utilisation of Balances	-	-
267	Development Levies	-	-
<hr/>		<hr/>	<hr/>
5,278	TOTAL SOURCES OF FUNDS	6,098	8,035
<hr/>		<hr/>	<hr/>

Stormwater Management Detail of Significant Expenditure on Acquisition and Replacement of Assets

	2008/09 Actual \$000	2008/09 Budget \$000
Summary by Stormwater Catchment		
Districtwide	533	1,080
Paekākāriki	19	20
Paraparaumu	2,553	2,990
Waikanae	257	474
Ōtaki	122	317
TOTAL	3,484	4,881
Districtwide (projects that benefit the district)		
Strategic Land Purchase – Strategic land purchases completed for the 2008/09 year.	292	302
Reactive Solutions – Flood plan modelling for the Wharemauku Stream.	154	212
Strategic Modelling – completed.	87	100
Waikākāriki Gravel Extraction – budget carried over for work to be done on completion of land acquisition.	-	465
Paekākāriki	533	1,079
Asset Renewals	19	20
TOTAL PAEKĀKĀRIKI	19	20
Paraparaumu/Raumati		
<u>Stormwater upgrades</u>		
Matatua Road Bridge Matatua Road Bridge (triple cell culvert replacement) required to increase capacity under bridge and stream at the mouth of the Wharemauku Stream. Due for completion September 2009.	1,639	1,000
Rimu Road – 62 and 63 Rimu Road ground water issue.	208	-
Raumati Beach CBD Stormwater Upgrade.	37	-
Amohia Street Upgrade.	203	-
Paraparaumu Beach Town Centre Upgrade.	289	290
Flood Maps.	53	-
Kāpiti Road CCTV Repairs – Deferred to 2009/10.	-	400
New Assets.	124	1,300
TOTAL PARAPARAUMU/RAUMATI	2,553	2,990
Waikanae		
Asset Management Improvements.	116	100
Flood Maps design.	118	250
Soak renewal work.	7	124
TOTAL WAIKANAЕ	241	474

	2008/09 Actual \$000	2008/09 Budget \$000
Ōtaki		
Upgrading scoping and investigation. Investigating solutions for improving stormwater network in Ōtaki.	52	167
Asset Management Improvements.	58	100
Dunstan Street upgrade (Stage 1) - completed.	11	50
TOTAL ŌTAKI	121	317

This activity area is linked to community outcomes 1, 3, 4, and 7 and includes the following services and programmes:

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

Key Results

During the year, the Council delivered on the service levels for this activity and maintained the current standards at the District's three wastewater collection systems, at Ōtaki, Waikanae and Paraparaumu/Raumati.

It also continued to make improvements to increase the wastewater asset planning capacity which is essential to ensure that decisions on future management and expenditure associated with the wastewater network can be supported by sound strategic information.

Work around the importance of applying an energy efficiency focus to the operations of this activity continued during the year, with a particular focus, on a project to look at the feasibility of replacing diesel fueled sludge drying Paraparaumu/Raumati Wastewater Treatment with wood burning technology. This project was confirmed during the 2009 Long Term Council Community Plan (LTCCP).

Also identified during the process of developing the draft 2009 LTCCP was the need to make improvements in the area of environmental quality. The Council has identified that the links between infiltration and overflows and environmental impacts are not clear, even though Council does comply with resource consent standards. Generally the standards are concerned more with public health issues. Provision has been made in the long term programme to review this issue

Performance Update on Key Actions/ Outputs (Note: these may span more than one financial year)	
Vitrification process operating.	No Longer Required. Note: Council has subsequently made a decision not to proceed.
Wastewater Management Service Standard	Performance Achieved
85% of all blockages, breaks and overflows are responded to within one hour.	Achieved 95%.
85% of all repairs (whether temporary or permanent) are effected within four hours.	Achieved 95%.

Wastewater Management Service Standard	Performance Achieved
No more than three overflows during the year caused by pumping station faults.	Achieved.
Compliance with resource consent conditions for treated effluent quality.	Achieved.
No more than 15 dry weather overflows from the reticulation that reach a watercourse in any year.	Achieved.

Wastewater Management Statement of Cost of Activity

2007/08 Actual \$000		2008/09 Actual \$000	2008/09 Budget \$000
	Expenditure		
3,536	Operating Costs	4,000	3,800
1,371	Debt Servicing	1,216	1,468
1,778	Depreciation	1,955	1,933
<hr/>			
6,685	Operating Expenditure	7,171	7,201
	Revenue		
3	Charges and Fees	2	10
-	Upgrading Contributions	-	300
-	Development Levies	-	-
<hr/>			
3	Operating Revenue	2	310
6,682	NET OPERATING COSTS	7,169	6,891
	Capital Items		
652	Asset Construction and Renewal	594	2,842
1,236	Sinking Funds/Loan Repayments	1,256	1,294
	Appropriations		
-	To Separate Funds	(8)	-
<hr/>			
8,570	NET COST OF ACTIVITY	9,011	11,027
<hr/>			
6,515	Rates	6,899	6,902
1,891	Depreciation Reserve	1,892	1,990
-	Loans	220	655
-	Other	-	1,480
164	Utilisation of Balances	-	-
<hr/>			
8,570	TOTAL SOURCES OF FUNDS	9,011	11,027

Wastewater Management Detail of Significant Expenditure on Acquisition and Replacement of Assets

	2008/09 Actual \$000	2008/09 Budget \$000
Wastewater – Paraparaumu		
Asset Management Plan Improvements.	12	100
Pump Station Pump Renewals.	69	70
Capital Expenditure Renewals.	136	241
Decommission of Sludge Lagoons – to be completed 2009/10 year.	25	80
Wastewater – Waikanae		
Balance Tanks – modelling and design to be completed 2009/10 year.	92	351
Asset Management Plan Improvements	-	100
Wastewater – Ōtaki		
Capital Expenditure Renewals.	134	138
Water and Wastewater Services		
Datran Asset Renewal.	48	48

This activity area is linked to community outcomes 1, 3, 4 and 7 and includes the following services and programmes:

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

Key Results

The Council continued to deliver on the Sustainable Water Use Strategy adopted in 2003. It has a 50 year focus and is concerned with reducing demand for water, in turn optimising the timing of water infrastructure investment and providing for water supply systems within the 'reasonable water use standard'. The Council spent a considerable amount of time during the year considering issues around sustainable water use including water conservation incentives and funding as well as additional water supply / storage capacity. These considerations and subsequent consultation on them as part of the draft 2009 Long Term Council Community Plan (LTCCP) resulted in the following decisions:

Additional Water Supply/Storage Capacity

During the 2008/09 year the focus was on reviewing Council's policy direction on water supply/ storage. The 2009 LTCCP includes provision for additional water supply/ storage capacity for Waikanae, Paraparaumu and Raumati, with construction commencing in 2012/13 and completed in the following year.

Some provision for investigations is included in earlier years. The range of estimated costs for the currently known potential solutions is from \$14million to \$23million. The Council resolved to include the higher end cost at this stage until a final option has been arrived at.

The nature of the increased capacity has not yet been decided. There will be an extensive assessment of options undertaken, with full consideration of all environmental, social and financial issues associated with any proposed solution. The establishment of an external technical advisory group is also proposed to ensure a thorough assessment of options is undertaken with extensive consultation forming an integral part of the process.

Water Conservation Incentives and Funding

The Council has reaffirmed a standard of bringing peak water demand per capita down to 400 litres per person per day. The standard will also be used to design the increased water supply/storage capacity for Waikanae, Paraparaumu and Raumati.

During the year the Council decided that it will fully explore all methods to reduce peak and average water consumption and will report back in early 2010/11 as part of advancing the preferred supply/storage option. This timing will allow for any adjustments to funding policy to be included in the 2010/11 Annual Plan process, should that be proposed. This work will include full exploration of water conservation financial incentives packages.

Provision of rainwater tanks and greywater reuse (where appropriate) is now required on all new properties (Plan Change 75 subject to an appeal).

Greater Ōtaki Project – Water Supply

Work was undertaken in conjunction with the Greater Ōtaki Project on water supply with the following communities in that area:

- Te Horo Beach and Te Horo – the Council continued to support the residents with their work on water management. Residents at this stage wish to continue with onsite systems. The Council supports this approach but will continue to work with the community to monitor the effects.
- Ōtaki – the town has adequate capacity in its reticulation system, but is reliant on bores with no built-in storage capacity. This means that there are risks that bore pumping cannot keep up with demand and the community has a greater risk of loss of supply during a disaster. Improvements to the treatment plant are programmed for completion in 2009. During the year the Council made provision in the budget for further upgrades to the supply bores and for the construction of a new supply reservoir programmed for construction in 2011/12 at an estimated cost of \$4.7 million. Funding was also allocated to continue this investigative work into assessing both the extent of water loss from what is a relatively old reticulation network, and assessing demand from horticultural businesses.
- Hautere Plain - this area is on a rural supply system which is at capacity and any new development in the area must use on-site systems. The review of this system and the future approach to the area is being carried out as part of the Greater Ōtaki Project and District Plan Review.

Drinking water standards (quality) – New Drinking Water Standards regulations have been introduced with a requirement on all reticulated systems to have an approved Public Health Risk Management Plan by 2016. The Paraparaumu /Waikanae / Raumati water zone has already achieved compliance and planning for the Ōtaki compliance and Paekākāriki water supply zones is underway.

This means new treatment requirements and provision for increased operational and capital costs in some areas. This capital cost has been planned for and in some areas works have been completed.

Water supply provision standards linked to the responsible water use standard include a peak water use objective of 640 litres per person per day (lppd). The following table shows both the peak and average water use for 2008/09.

Reticulated Supply System ⁽¹⁾ litres per person per day (lppd)	Peak 2008/09 lppd water use	Average 2008/09 lppd water use
Ōtaki	1,075	780
Waikanae	757	602
Paraparaumu and Raumati	524	356
Paekākāriki	606	399

⁽¹⁾Note: The residential lppd performance data is generated by electronic flow recorders located at the Paekākāriki Reservoir, Riwai Street (Paraparaumu) Reservoir; Kakariki Grove (Waikanae) Reservoir and Tasman and Rangiuru Road Bores (Ōtaki). These are the supply points for the four main separate water supply zones within the District.

Each supply point has a flow meter linked to Council's telemetry network that remotely records the flow rate out of the relevant reservoir or bore. Each flow meter is independently calibrated on an annual basis.

The lppd is calculated by dividing the total population (using 2006 census data) for each supply zone by the total water used within the relative zone. This figure is then divided by the number of days in a year to give a daily figure.

The Council appointed Water Conservation Coordinator continued to promote water conservation initiatives. This work was supported by the Green Plumber, Green Gardener and the Kāpiti Coast Sustainable Home and Garden Show as detailed below:

- The Green Plumber offers assistance for people to conserve water. The green plumber replaces washers on leaking taps, toilets and showers. Over the last financial year the green plumber visited 643 people.
- The Green Gardener offers advice for residents to create gardens that provide food, use resources wisely and suit the resident's ability. The Green Gardener visited over 80 properties with a mixture of neighbourhood and one on one visits.
- The Green Gardener also works with schools interested in recycling and growing food. In Ōtaki the Green Gardener designed gardens for the Mara Kai project. The Mara Kai project is collective of six kohunga reo/preschool, kura/school and whare kura/college who want to teach children how to grow food and eat healthily. The Green Gardener designed the gardens, helped cost their funding applications and ran a series of gardening workshops for kaiako/teachers and kai whina/helpers. The gardens are now in place, students are growing food and the next stage of the project is to work with parents around cooking healthy food.
- The Sustainable Home and Garden Show this year attracted over 8,000 visitors over the two day event.
- While the summer was mild, over 30 people obtain efficient irrigation exemptions, allowing them to continue watering their gardens during sprinkler restrictions.

Performance Update on Key Actions/ Outputs (Note: these may span more than one financial year)	
Ōtaki / Hautere Water Supply Systems Review.	Partially Achieved. This work will continue into the 2009/10 work programme.
Installation of water meters.	No Longer Required. Note: Council has subsequently made a decision not to proceed.

Service Standard	Performance Achieved
Water supply quality is tested daily in accordance with the Ministry of Health Drinking Water Standards for New Zealand 2005.	Achieved.

Service Standard	Performance Achieved												
<p>The highest supply and reticulation grading is maintained within the capabilities of each treatment plant:</p> <table border="1" data-bbox="204 353 703 801"> <thead> <tr> <th data-bbox="204 353 491 481">Source</th> <th data-bbox="491 353 703 481">Current Grading (1995) ⁽¹⁾</th> </tr> </thead> <tbody> <tr> <td data-bbox="204 481 491 544">Hautere</td> <td data-bbox="491 481 703 544">Ca</td> </tr> <tr> <td data-bbox="204 544 491 607">Ōtaki</td> <td data-bbox="491 544 703 607">Db</td> </tr> <tr> <td data-bbox="204 607 491 669">Waikanae</td> <td data-bbox="491 607 703 669">Aa</td> </tr> <tr> <td data-bbox="204 669 491 732">Paraparaumu</td> <td data-bbox="491 669 703 732">Aa</td> </tr> <tr> <td data-bbox="204 732 491 795">Paekākāriki</td> <td data-bbox="491 732 703 795">Ba</td> </tr> </tbody> </table> <p>⁽¹⁾ The Ministry of Health (MoH) water grading system measures two aspects of a water supply system against criteria relating the risk to the source of the supply and the risk of contamination in the reticulation.</p> <p>Although the grading dates back to the 1995 standards the Council has continued to comply with the drinking water standards as they have been upgraded and is fully complying with the new 2005 standards.</p> <p>Due to the length of time it has taken for the new Health Bill and associated health standards to become mandatory, the MoH have been reluctant to carry out the formal assessments. They have also been training the new drinking water assessors on how to assess the Councils under the new standards.</p> <p>Council cannot be certain on its grading until it is assessed by the MoH under the new standards and it is hoped that this will be undertaken prior to June 2009. In the meantime, the Council has worked closely with the MoH in the development of all proposed water treatment upgrades to ensure that it will continue to comply with the new standards and achieve a satisfactory grading.</p>	Source	Current Grading (1995) ⁽¹⁾	Hautere	Ca	Ōtaki	Db	Waikanae	Aa	Paraparaumu	Aa	Paekākāriki	Ba	<p>Achieved.</p>
Source	Current Grading (1995) ⁽¹⁾												
Hautere	Ca												
Ōtaki	Db												
Waikanae	Aa												
Paraparaumu	Aa												
Paekākāriki	Ba												

Service Standard	Performance Achieved															
<p>Continuity of supply ensures minimum disruption to water supply and minimum duration in loss of water when it occurs:</p> <table border="1" data-bbox="213 353 707 887"> <thead> <tr> <th data-bbox="213 353 432 443">Continuity of Supply per Customer</th> <th data-bbox="432 353 560 443">On Demand Supply</th> <th data-bbox="560 353 707 443">Restricted Flow Supply</th> </tr> </thead> <tbody> <tr> <td data-bbox="213 443 432 607">Maximum duration of one non-notified shutdown</td> <td data-bbox="432 443 560 607">No more than four hours on any one occasion</td> <td data-bbox="560 443 707 607">No more than 3% of shutdowns last for more than four hours</td> </tr> <tr> <td data-bbox="213 607 432 689">Maximum duration of one disruption</td> <td data-bbox="432 607 560 689">24 hours</td> <td data-bbox="560 607 707 689">24 hours</td> </tr> <tr> <td data-bbox="213 689 432 801">Normal duration of one disruption (95% of all disruptions)</td> <td data-bbox="432 689 560 801">8 hours</td> <td data-bbox="560 689 707 801">24 hours</td> </tr> <tr> <td data-bbox="213 801 432 887">Maximum total disruptions in any five day period</td> <td data-bbox="432 801 560 887">24 hours</td> <td data-bbox="560 801 707 887">24 hours</td> </tr> </tbody> </table>	Continuity of Supply per Customer	On Demand Supply	Restricted Flow Supply	Maximum duration of one non-notified shutdown	No more than four hours on any one occasion	No more than 3% of shutdowns last for more than four hours	Maximum duration of one disruption	24 hours	24 hours	Normal duration of one disruption (95% of all disruptions)	8 hours	24 hours	Maximum total disruptions in any five day period	24 hours	24 hours	<p>Achieved.</p>
Continuity of Supply per Customer	On Demand Supply	Restricted Flow Supply														
Maximum duration of one non-notified shutdown	No more than four hours on any one occasion	No more than 3% of shutdowns last for more than four hours														
Maximum duration of one disruption	24 hours	24 hours														
Normal duration of one disruption (95% of all disruptions)	8 hours	24 hours														
Maximum total disruptions in any five day period	24 hours	24 hours														
<p>Normal operating water pressure at reticulation extremities meets the following standards except where elevation of reservoir does not allow.</p> <table border="1" data-bbox="204 1133 738 1608"> <thead> <tr> <th data-bbox="204 1133 419 1245">Pressure in Reticulation in Meters Head (Static)</th> <th data-bbox="419 1133 587 1245">On Demand Supply</th> <th data-bbox="587 1133 738 1245">Restricted Flow Supply</th> </tr> </thead> <tbody> <tr> <td data-bbox="204 1245 419 1413">Normal Minimum (95 – 99% of time) as indicated by verified Network Analysis Model</td> <td data-bbox="419 1245 587 1413">25 meters</td> <td data-bbox="587 1245 738 1413">25 meters</td> </tr> <tr> <td data-bbox="204 1413 419 1469">Normal Maximum</td> <td data-bbox="419 1413 587 1469">120 meters</td> <td data-bbox="587 1413 738 1469">-</td> </tr> <tr> <td data-bbox="204 1469 419 1608">Running Pressure as indicated by verified Network Analysis Model</td> <td data-bbox="419 1469 587 1608">15 meters</td> <td data-bbox="587 1469 738 1608">-</td> </tr> </tbody> </table>	Pressure in Reticulation in Meters Head (Static)	On Demand Supply	Restricted Flow Supply	Normal Minimum (95 – 99% of time) as indicated by verified Network Analysis Model	25 meters	25 meters	Normal Maximum	120 meters	-	Running Pressure as indicated by verified Network Analysis Model	15 meters	-	<p>Achieved.</p>			
Pressure in Reticulation in Meters Head (Static)	On Demand Supply	Restricted Flow Supply														
Normal Minimum (95 – 99% of time) as indicated by verified Network Analysis Model	25 meters	25 meters														
Normal Maximum	120 meters	-														
Running Pressure as indicated by verified Network Analysis Model	15 meters	-														
<p>Clear point of contact within the Council for residents, businesses, schools and community groups about key issues such as supply, conservation and education.</p>	<p>Achieved.</p>															

Water Management Statement of Cost of Activity

2007/08 Actual \$000		2008/09 Actual \$000	2008/09 Budget \$000
	Expenditure		
2,983	Operating Costs	3,225	3,300
1,315	Debt Servicing	1,020	1,476
1,822	Depreciation	1,690	1,780
6,120	Operating Expenditure	5,935	6,556
	Revenue		
275	Charges and Fees	313	318
215	Development/Financial Levies/Contributions	299	120
490	Operating Revenue	612	438
5,630	NET OPERATING COSTS	5,323	6,118
	Capital Items		
1,597	Asset Construction and Renewal	1,755	2,943
915	Sinking Funds/Loan Repayments	922	1,247
	Appropriations		
215	To Separate Funds	299	-
8,357	NET COST OF ACTIVITY	8,299	10,308
5,736	Rates	5,637	6,206
2,161	Depreciation Reserve	1,362	1,720
57	Loans	1,016	2,330
215	Development Levies	284	-
113	Utilisation of Balances	-	32
75	Miscellaneous and Separate	-	20
8,357	TOTAL SOURCES OF FUNDS	8,299	10,308

Water Management Detail of Significant Expenditure on Acquisition and Replacement of Assets

	2008/09 Actual \$000	2008/09 Budget \$000
Water - Paekākāriki		
Minor unprogrammed new works completed.	5	11
New Bore Pipeline.	10	-
Capital Expenditure Renewals.	42	54
TOTAL PAEKĀKĀRIKI	57	65
Joint Waikanae, Paraparaumu, Raumati Water		
Milne Drive to Kiwi Road Pipeline design work completed.	27	53
Water System Augmentation.	160	250
Drinking Water Standards (UV) – work underway and will continue in the 2009/10 year.	363	400
Minor Unprogrammed new Capex – reactive capital budget not required in 2008/09 year.	-	129
PAC (Power Activated Carbon) Bulk Storage.	47	55
Asset Management Plan Improvements.	232	200
Riwai Street Level Auto Shut Off Valve.	91	80
Minor Unprogrammed New Capital Expenditure.	7	27
Capital Expenditure Renewals.	310	540
TOTAL JOINT WATER	1,237	1,734
Water - Ōtaki		
Drinking Water Standards To meet Ōtaki's water requirements. UV treatment upgrade in progress; new reservoir investigations continuing.	253	1,000
Laying Rider Mains.	16	27
Asset Management Plan Improvements.	58	64
TOTAL ŌTAKI	327	1,091
Water – Hautere/Te Horo		
Treatment Plant Renewal completed.	8	10
TOTAL HAUTERE/TE HORO	8	10

Section 4: Finance and Revenue

Statement of Comprehensive Income

For the Year Ended 30 June 2009

2008 Actual \$000		Notes	2009 Actual \$000	2009 Budget \$000
34,415	Total Rates	(4)(29)(31)	36,752	36,499
13,349	Other Revenue		10,746	9,763
1,993	NZTA Operating Funding		3,106	2,190
2,875	NZTA Capital Funding	(31)	12,682	-
(1,035)	Gain/(loss) on Revaluation of Financial Instruments		(2,959)	-
51,597	TOTAL OPERATING REVENUE		60,327	48,452
29,541	Expenditure		32,791	31,959
3,988	Finance Costs		4,363	5,260
10,346	Depreciation/Amortisation	(9) (22)	10,988	10,331
43,875	TOTAL OPERATING EXPENDITURE	(2) (22)	48,142	47,550
7,722	NET SURPLUS		12,185	902
	Other Comprehensive Income			
101,009	Revaluation – Fair Value Movement on Property, Plant, and Equipment		-	25,000
108,731	TOTAL COMPREHENSIVE INCOME		12,185	25,902

The accompanying policies and notes form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 30 June 2009

				Retained Earnings			Revaluation Reserve			Reserves and Special Funds			Sinking Funds		
				Note 16			Note 17			Note 20			Note 7		
	2009 Actual \$000	2009 Budget \$000	2008 Actual \$000	2009 Actual \$000	2009 Budget \$000	2008 Actual \$000	2009 Actual \$000	2009 Budget \$000	2008 Actual \$000	2009 Actual \$000	2009 Budget \$000	2008 Actual \$000	2009 Actual \$000	2009 Budget \$000	2008 Actual \$000
Equity at the Start of the Period*	670,975	566,299	562,244	566,004	562,251	558,654	101,009	-	-	2,677	2,433	2,317	1,285	1,615	1,273
Net Surplus/(Deficit) for the period	12,185	902	7,722	12,185	902	7,722	-	-	-	-	-	-	-	-	-
<i>Net Income/ (Expense) recognised directly in equity</i>															
Property, Plant and Equipment - Increase/(Decrease) in revaluation reserves	-	25,000	101,009	-	-	-	-	25,000	101,009	-	-	-	-	-	-
Financial Assets at fair value through equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	12,185	25,902	108,731	12,185	902	7,722	-	25,000	101,009	-	-	-	-	-	-
Appropriation of retained earnings	-	-	-	(1,391)	(1,203)	(2,425)	-	-	-	334	122	1,266	1,057	1,081	1,159
Transfers from reserves	-	-	-	1,354	1,000	2,053	-	-	-	(306)	-	(906)	(1,048)	(1,000)	(1,147)
Equity at the End of the Period	683,160	592,201	670,975	578,152	562,950	566,004	101,009	25,000	101,009	2,705	2,555	2,677	1,294	1,696	1,285

*See note 31 on prior period adjustments.

The accompanying policies and notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2009

2008 Actual \$000	Notes	2009 Actual \$000	2009 Budget \$000
Current Assets			
8,171	Cash and Cash Equivalents (6)	10,092	5,611
5,855	Trade and Other Receivables (12)	6,149	6,822
311	Inventories	248	343
5,679	Other Financial Assets (6) (7)	1,274	424
20,016	Total Current Assets	17,763	13,200
Non-Current Assets			
726,899	Property, Plant and Equipment (9) (31)	754,194	668,308
236	Forestry Assets (11)	232	193
37	Intangible Assets (10)	43	32
1,417	Derivative Financial Instruments (8)	1,029	2,451
871	Other Financial Assets (7)	-	1,272
729,460	Total Non-Current Assets	755,498	672,256
749,476	TOTAL ASSETS	773,261	685,456
Liabilities and Public Equity			
Current Liabilities			
9,385	Trade and Other Payables (13)	9,609	8,272
-	Derivative Financial Instruments (8)	53	-
976	Employee Benefit Liabilities (18)	1,259	947
1,498	Deposits (14)	1,347	1,000
18,500	Public Debt (15)	28,211	3,500
4,659	Development Contributions	4,838	1,500
35,018	Total Current Liabilities	45,317	15,219
Non-Current Liabilities			
43,000	Public Debt (15)	41,861	77,574
-	Derivative Financial Instruments (8)	2,517	-
445	Employee Benefit Liabilities (18)	369	424
38	Provisions (19)	37	38
43,483	Total Non-Current Liabilities	44,784	78,036
78,501	TOTAL LIABILITIES	90,101	93,255
Public Equity			
566,004	Retained Earnings (16) (31)	578,152	562,950
101,009	Revaluation Reserve (17)	101,009	25,000
2,677	Reserves and Special Funds (20)	2,705	2,555
1,285	Sinking Funds (7)	1,294	1,696
670,975	TOTAL PUBLIC EQUITY	683,160	592,201
749,476	TOTAL LIABILITIES AND PUBLIC EQUITY	773,261	685,456

The accompanying policies and notes form part of these financial statements.



Jenny Rowan, QSO, JP
Mayor
Kāpiti Coast District

22 October 2009



Pat Dougherty
Chief Executive

22 October 2009



Warwick Read
Group Manager
Finance

22 October 2009

Statement of Cash Flows

For the Year Ended 30 June 2009

2008 Actual \$000	Notes	2009 Actual \$000	2009 Budget \$000
Cash Flows from Operating Activities			
<u>Cash was provided from:</u>			
34,413		36,660	36,566
5,596		5,886	6,148
3,151		15,829	2,259
1,157		445	-
8,187		5,408	8,863
3,417		2,105	-
-		26	-
158		106	-
56,079		66,465	53,836
<u>Cash was applied to:</u>			
16,515		18,433	17,853
13,075		14,367	13,353
5,552		5,833	6,148
5,617		4,291	7,349
193		-	-
40,952		42,924	44,703
15,127	Net Cash Flows From Operating Activities	23,541	9,133
	(21d)		
Cash Flows From Investing Activities			
<u>Cash was provided from:</u>			
249		53	100
-		5,000	-
1,159		1,058	1,000
1,408		6,111	1,100
<u>Cash was applied to:</u>			
15,636		35,317	36,378
5,000		-	-
1,159		986	1,000
21,795		36,303	37,378
(20,387)	Net Cash Flows From Investing Activities	(30,192)	(36,278)
	(21b)		

The accompanying policies and notes form part of these financial statements.

2008 Actual \$000		Notes	2009 Actual \$000	2009 Budget \$000
Cash Flows from Financing Activities				
<u>Cash was provided from:</u>				
15,000	Long Term Borrowing Raised		12,072	26,940
<u>Cash was applied to:</u>				
10,306	Debt Principal Repayments		3,500	5,539
4,694	Net Cash Flows From Financing Activities	(21c)	8,572	21,401
(566)	Net Increase/(Decrease) in Cash Held		1,921	(5,744)
8,737	Add Total Cash and Cash Equivalents at 1 July		8,171	7,642
8,171	TOTAL CASH AND CASH EQUIVALENTS at 30 June 2009	(21a)	10,092	1,898

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

The accompanying policies and notes form part of these financial statements.

Statement of Commitments
As at 30 June 2009

	2009 Actual \$000	2008 Actual \$000
Capital Commitments Approved and Contracted	1,248	12,258
Capital commitments include \$0.768 million for the completion of the Town Centre upgrade at Paraparaumu Beach.		
Non-cancellable Contracts:		
The Council has entered into non-cancellable contracts for the operation of pools in the district and contracts for service from community organisations. Disbursement costs associated with the Greenwaste composting are not included as they cannot be quantified. Details of the commitments under these contracts are as follows:		
Not later than one year	841	3,556
Later than one year and not later than two years	-	1,074
Later than two years and not later than five years	-	1,586
TOTAL COMMITMENTS	2,089	18,474

Operating Leases as Lessee

Kāpiti Coast District Council leases property in the normal course of its business. The lease has a non-cancellable term of 36 months. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Actual 2009 \$000	Actual 2008 \$000
Non-cancellable Operating Leases as Lessee		
Not later than one year	12	24
Later than one year and not later than five years	13	24
Later than five years	-	-
TOTAL NON-CANCELLABLE OPERATING LEASES	25	48

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$nil (2008 \$nil).

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

Leases can be renewed at Kāpiti Coast District Councils option, with rents set by reference to current market rates for items of equivalent age and condition.

There are no restrictions placed on Kāpiti Coast District Council by any of the leasing arrangements.

Statement of Significant Accounting Policies

For the Year Ended 30 June 2009

Reporting Entity

The Kāpiti Coast District Council is a territorial local authority governed by the Local Government Act 2002.

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

The financial statements of Kāpiti Coast District Council are for the year ended 30 June 2009. The financial statements were authorised for issue by Council on 22 October 2009.

Basis of Preparation

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

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets, investment property, biological assets and financial instruments (including derivative instruments).

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000). The functional currency of Council is New Zealand dollars. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the Statement of Comprehensive Income.

Specific Accounting Policies

The following accounting policies which materially affect the measurement of results and financial position have been applied:

1. Financial Statements presented

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

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

2. Revenue Recognition

Revenue is measured at the fair value of consideration received.

Rates revenue is recognised when levied. Water billing revenue is recognised on an accrual basis. Land Transport New Zealand roading subsidies are recognised as revenue upon entitlement, which is when conditions pertaining to eligible expenditure

have been fulfilled. Other grants and bequests and assets vested in the Council, with or without conditions are recognised as revenue when control over the assets is obtained.

3. Budget Figures

The budget figures are those approved by the Council at the beginning of the year after a period of consultation with the public as part of the Long Term Council Community Plan process. The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the Council for the preparation of financial statements.

4. Equity

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Public equity is disaggregated and classified into a number of reserves to enable clearer identification of the specified uses that the Council makes of its accumulated surpluses. The components of equity are Retained Earnings, Revaluation Reserves, Reserves and Special Funds, and Sinking Funds.

5. Reserves and Special Funds

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

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

Council-created reserves are reserves established by Council decision. The Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

6. Financial Assets

Kāpiti Coast District Council classifies its financial assets into the following four categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and financial assets at fair value through equity. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

There are no standards, interpretations, and amendments that have been issued, but are not yet effective, that Council has not yet applied other than NZ IFRS 7, *Financial Instruments Disclosures*. Council has applied NZ IAS 32, *Financial Instruments Presentation*.

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

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

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Kāpiti Coast District Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The four categories of financial assets are:

• ***Financial assets at fair value through profit or loss***

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

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

Financial assets in this category include interest rate swaps.

• ***Loans and receivables***

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

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the Statement of Comprehensive Income. Loans and receivables are classified as “trade and other receivables” in the statement of financial position.

• ***Held to maturity investments***

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that Kāpiti Coast District Council has the positive intention and ability to hold to maturity.

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

Investments in this category include sinking funds.

• ***Financial assets at fair value through equity***

Financial assets at fair value through equity are those that are designated as fair value through equity or are not classified in any of the other categories above.

This category encompasses:

- Investments that Kāpiti Coast District Council intends to hold long-term but which may be realised before maturity; and
- Shareholdings that Kāpiti Coast District Council holds for strategic purposes.

After initial recognition these investments are measured at their fair value.

Gains and losses are recognised directly in equity except for impairment losses, which are recognised in the Statement of Comprehensive Income. In the event of impairment, any cumulative losses previously recognised in equity will be removed from equity and

recognised in Statement of Comprehensive Income even though the asset has not been derecognised.

On derecognition the cumulative gain or loss previously recognised in equity is recognised in the Statement of Comprehensive Income.

Impairment of financial assets

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

Accounting for derivative financial instruments and hedging activities

Kāpiti Coast District Council uses derivative financial instruments to hedge exposure to interest rate risks arising from financing activities. In accordance with its Treasury Management Policy, Kāpiti Coast District Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance date.

Council's derivative financial instruments are not designated as hedging instruments for accounting purposes. Accordingly, derivative financial instruments are reported as financial instruments at fair value through profit or loss.

7. Property, Plant and Equipment

Property, plant and equipment consists of:

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

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

Additions

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

Disposals

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

Subsequent costs

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

Revaluation

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

Valuations will be undertaken more regularly if necessary to ensure that no individual item of property, plant or equipment within a class is included at a valuation that is materially different from its fair value.

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

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

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

In prior years the Roads and Bridges valuation was made up of two parts:

- Road network land value;
- Roothing improvements.

Land under roads is not revalued, in accordance with current best practice.

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

Water, Wastewater and Stormwater Treatment and Reticulation systems were valued at Depreciated Replacement Value as at 30 June 2008 by Maunsell Limited (Engineers). The depreciated replacement cost figures were found by determining the current replacement costs of the assets involved and applying a depreciation factor based on the age and expected life of each asset.

Depreciation

Depreciation is provided on a straight line basis on all assets other than land, and certain parts of roading, river control and seawalls. The roading, river control and seawall assets that are considered to be non-depreciable assets are Basecourse (80% non-depreciable content), Berms/Crossings/ Earthworks/Formation/ Land, Sub base/Watertable, Riprap seawall protection (rocks) and Stopbanks. The reason for their non-depreciable status is

that there is no decline in service potential and therefore these assets have an unlimited life. Other assets are depreciated at rates which will write-off the cost (or valuation) of the assets over their useful lives. Motor vehicles purchased after 30 June 2001 have been given a residual value of 20% of original cost and are depreciated to this residual value. The estimated useful lives of resource consents, management plans and investigations are determined by their period of validity. Depreciation rates and the estimated useful lives are as follows:

Asset Category	Depreciation Rates %	Estimated Useful Life (Years)
Operational assets		
Buildings	1.0 – 3.0	40 – 100
Computer Equipment	25	4
Furniture and Chattels	12.5	8
Heritage Assets	1	100
Library Collection	14.29	7
Motor Vehicles	20	5
Office Equipment	12.5 – 20	5 – 8
Other Improvements	2.5 – 20	5 – 40
Plant and Machinery		
Light Trucks	14.29	7
Heavy Trucks, Road Machines	10	10
Tractors, Trailers, Heavy Mowers	14.29	7
Other Plant	20	5
Infrastructural assets		
Bridges	1 – 14.29	7 – 100
Seawalls		
Concrete/Posts/Rails/Panels/Rocks	3.00 – 10.00	10 – 30
River Control		
Bank protection	2.13 – 2.22	45 – 47
Roading		
Basecourse (20% depreciable content)	4.42	23
Footpaths	1.66	60
Kerbs/Culverts/Lighting	2	50
Surfacing	16.66	6
Marking	39	2.5
Stormwater		
Pump Stations/Manholes/Sumps	1.25 – 50	2 – 80
Pipes	1.25 – 5.26	19 – 80
Wastewater		
Pump stations	1.25 – 50	2 – 80
Manholes/Cleaning eyes	1.43 - 2.56	39 – 70
Pipes	1.14 – 4.55	22 – 88
Plant	1 – 25	4 – 100
Water		
Storage	1.27 – 4	25 – 79
Headworks/Booster stations/Pipes	1.06 – 50	2 – 94
Hydrants/Valves/Tobies	1.25 – 1.64	61 – 80
Meters	10	10

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

Assets under Construction

Assets under construction are generally not depreciated until completion. The total cost of a project is transferred to the relevant asset class and on its completion is then depreciated. The current carrying amount of items under construction is disclosed in Note 8.

Borrowing Costs

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

8. Intangible Assets

Software acquisition and development

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

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

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in Statement of Comprehensive Income.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

- Computer software 3 – 5 years

9. Forestry Assets

Forestry assets are independently revalued annually to fair value.

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

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

10. Impairment of Non-Financial Assets

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

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

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

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

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

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

11. Landfill Post-Closure Costs

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

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology. The provision includes all costs associated with landfill post-closure.

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

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

12. Council Controlled Trading Organisations

The Council has no Council Controlled Trading Organisations or significant organisations that require consolidation in compliance with Section 6 of the Local Government Act 2002.

13. Cost Allocation Policy

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

Criteria for Direct and Indirect Costs

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

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

Cost Drivers for Allocation of Indirect Costs

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

Basis of Allocation of Overheads

Accommodation	Area utilised
Chief Executive's Office	Governance
Communication (Public Relations)	Estimate of time spent per Group
Community and Corporate Information Management	Estimate of time spent on direct reporting lines
Customer Services	Estimate of time spent
Development Projects Management	Charged to project budgets based on time spent
Environmental Protection Management	Estimate of time spent on direct reporting lines
Finance	Number of transactions and total expenditure
Human Resources	Number of staff
Information Technology / G.I.S.	Hardware utilized
Assets and Services Management	Estimate of time spent on direct reporting lines
Planning and Risk Management	70% to capital projects Balance allocated on expenditure per activity (including 50% of Access , Roothing and Transport)
Rates Management	Funds required from rates
Strategy and Partnerships Management	Estimate of time spent (strategic requirements to activities and direct reporting lines)
Districtwide Services	Operating expenditure – water, wastewater and stormwater
Council Depots	Number of staff

14. Allocation of Overheads

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

15. Cash and Cash Equivalents

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

16. Inventories

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

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

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

17. Trade and Other Receivables

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

18. Investments

Investments are valued at amortised cost in the Council's Statement of Financial Position. However, if evidence of any impairment loss exists, the carrying value of the investment is reduced to the present value of the estimated future cash flows. The amount of any resulting reduction in carrying value is recognised as an expense in the Statement of Comprehensive Income.

19. Sinking Funds

Funds have been set aside to meet future repayments of certain loans. These funds are invested with the Sinking Fund Commissioners of the Kāpiti Coast District Council. Interest earned on sinking funds is recognised as revenue in the Statement of Comprehensive Income.

Sinking Funds are valued at amortised cost in the Council's Statement of Financial Position. However, if evidence of any impairment loss exists, the carrying value of the investment is reduced to the present value of the estimated future cash flows. The amount of any resulting reduction in carrying value is recognised as an expense in the Statement of Comprehensive Income.

20. Goods and Services Tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

21. Borrowing

Borrowing is recognised in the Statement of Financial Position on a fair value basis. Valuation gains and losses are recognised in the Statement of Comprehensive Income.

22. Employee Benefits

Short-term benefits

Employee benefits that Kāpiti Coast District Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

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

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

Long-term benefits

Long service leave and retirement leave

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave, 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 and contractual entitlements information; and
- the present value of the estimated future cash flows. A discount rate of 4.90% and an inflation factor of 3.00% were used. The discount rate is based on the average after tax discount rate used in the Financial Statements of the Government of New Zealand. The inflation factor is based on the expected long-term increase in remuneration for employees.

Superannuation schemes

Defined contribution schemes

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

Defined benefit schemes

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

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme, the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

23. Provisions

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

Provisions are not recognised for future operating losses.

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

Financial guarantee contracts

A financial guarantee contract is a contract that requires Council to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received a provision is recognised based on the probability Kāpiti Coast District Council will be required to reimburse a holder for a loss incurred, discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation, however if Council assesses that it is probable that expenditure will be required to settle a guarantee, then the provision for the guarantee is measured at the present value of the future expenditure.

24. Non-current Assets held for Sale

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

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

25. Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Payments under these leases are recognised as expenses and income is recognised as revenue in the Statement of Comprehensive Income in the periods in which they are incurred.

26. Cost of Activity Statements

The cost of activity statements, as provided in the Cost of Activity Summary, report the net cost of activity for significant activities of the Council, and are represented by the costs of providing the activity less all directly related revenue that can be allocated to these activities.

27. Critical Accounting Estimates and Assumptions

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

Landfill aftercare provision

Note 19 discloses an analysis of the exposure of Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

Infrastructural assets

There are a number of assumptions and estimates used when performing Depreciated Replacement Cost valuations over infrastructural assets. These include:

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

Experienced independent valuers perform the Council's infrastructural asset revaluations.

28. Critical Judgements in Applying Council's Accounting Policies

Management has not been required to exercise any critical judgements in applying the Council's accounting policies for the period ended 30 June 2009.

Notes to the Financial Statements

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

2008 Actual \$000		Notes	2009 Actual \$000	2009 Budget \$000
Revenue				
Rates Levied				
5,439	General Rates	(4)	6,393	6,387
Targeted Rates				
3,939	Districtwide Roding Rates and Charges		4,591	4,583
2,175	Regulatory Services Rates		2,430	2,427
7,215	Community Facilities Charges		7,061	7,047
1,093	Community Separate Rates		821	828
6,615	Wastewater Rates and Charges		6,978	6,950
5,598	Water Rates and Charges		5,972	5,933
2,167	Stormwater Rates		2,364	2,354
58	Waikanae Community Services Charge		-	-
44	Ōtaki Community Services Charge		45	48
-	Paekākāriki Community Services Charge		9	9
346	Rates Penalty		405	250
34,689	Total Rates before internal rates deductions		37,069	36,816
(274)	Less internal Rates	(31)	(317)	(317)
34,415	TOTAL RATES	(29)	36,752	36,499
Revenue				
2,875	Government Subsidy – Capital	(31)	12,682	-
1,993	Government Subsidy – Operating		3,106	2,190
(1,035)	Gain (Loss) on Revaluation of Interest Rate Swaps		(2,959)	-
Other Revenue				
30	Agency Grants		30	30
8,311	Charges and Fees	(5)	6,866	6,263
1,508	Financial Contributions		1,375	1,500
404	Interest		515	500
219	Petrol Tax		217	220
121	Special Funds Interest		60	-
375	Interest on Loan Repayment Provision		307	-
191	Interest on Depreciation Reserves		143	250
158	Sinking Funds Interest		105	-
3,370	Vested Assets		2,482	2,000
43	Gain/Loss on Revaluation of Forestry		(4)	-
(1,381)	Less Internal Interest	(31)	(1,200)	(1,000)
-	Less internal Solid Waste Charges	(31)	(150)	-
13,349	Total Other Revenue		10,746	9,763
51,597	TOTAL OPERATING REVENUE		60,327	48,452

2008 Actual \$000		Notes	2009 Actual \$000	2009 Budget \$000
Expenditure				
8,281	Access, Roading and Transport		9,022	9,133
2,685	Building Control and Resource Consents		2,920	2,875
459	Coastal Management		383	513
2,916	Community Facilities		3,318	3,213
1,655	District Strategic Development		1,971	1,672
600	Economic Development Projects		690	796
1,949	Environmental Protection		2,147	1,993
1,116	Facilitation and Partnerships		1,177	1,207
2,615	Governance and Tāngata Whenua		3,379	3,110
3,010	Libraries		3,340	3,358
2,565	Parks and Reserves		2,968	2,733
2,297	Solid Waste		3,067	1,585
2,104	Stormwater Management		2,141	2,672
6,685	Wastewater Management		7,171	7,201
6,120	Water Management		5,935	6,556
473	Contingency		180	250
45,530	TOTAL OPERATING EXPENDITURE*	(2) (22)	49,809	48,867
1,655	Less Internal Charging	(31)	1,667	1,317
43,875	TOTAL OPERATING EXPENDITURE		48,142	47,550
7,722	NET SURPLUS		12,185	902
Other Comprehensive Income				
67,288	Gains on Infrastructure Asset Revaluation		-	25,000
33,721	Gains on Land and Building Revaluation		-	-
101,009	TOTAL OTHER COMPREHENSIVE INCOME		-	25,000
108,731	TOTAL COMPREHENSIVE INCOME		12,185	25,902

* Total Operating Expenditure includes Finance costs of \$5.563 million (2008: \$5.379 million)

2. Cost of Activity Summary for the Year Ended 30 June 2009

	Revenue from Activities \$000	Operating Expenditure \$000	Net Operating Cost (Revenue) \$000	2009 Budget \$000	Capital Items \$000	2009 Capital Items Budget \$000
Access, Roading and Transport	16,100	9,022	(7,078)	6,409	24,036	15,117
Building Control and Resource Consents	1,394	2,920	1,526	694	-	-
Coastal Management	-	383	383	513	610	930
Community Facilities	1,200	3,318	2,118	2,024	1,764	5,293
District Strategic Development	350	1,971	1,621	1,307	1,189	978
Economic Development Projects	-	690	690	796	-	159
Environmental Protection	784	2,147	1,363	1,281	320	338
Facilitation, Partnerships and Social Wellbeing	78	1,177	1,099	1,073	-	-
Governance and Tāngata Whenua	876	3,379	2,503	3,037	579	724
Libraries	257	3,340	3,083	3,104	819	811
Parks and Reserves	876	2,968	2,092	2,180	1,294	2,124
Solid Waste	2,322	3,067	745	(80)	1,469	1,580
Stormwater Management	-	2,141	2,141	2,492	3,957	5,539
Wastewater Management	2	7,171	7,169	6,891	1,850	4,136
Water Management	612	5,935	5,323	6,118	2,677	4,190
Rate Penalties / Contingencies	405	180	(225)	250	-	-
TOTAL	25,256	49,809	24,553	38,089	40,564	41,919
Plus Capital Expenditure	-	-	40,564	41,919	-	-
TOTAL NET COSTS			65,117	80,008		

3. Net Rates Requirement Summary for the Year Ended 30 June 2009

	Total Rates Utilised \$000	Budget \$000
Access, Roding and Transport	4,259	4,748
Building Control and Resource Consents	1,526	694
Coastal Management	388	513
Community Facilities	2,246	2,382
District Strategic Development	1,620	1,307
Economic Development Projects	677	775
Environmental Protection	1,423	1,342
Facilitation, Partnerships and Social Wellbeing	1,011	1,043
Governance and Tāngata Whenua	2,282	2,381
Libraries	3,194	3,141
Parks and Reserves	2,922	2,550
Stormwater Management	2,314	2,584
Wastewater Management	6,899	6,935
Water Management	5,637	6,206
TOTAL	36,398	36,601

4. Rates Levied

The revenue from rates in the Statement of Comprehensive Income is the total rates levied as per the Rates Account. The rates levied have been incorporated so that the overall surplus or deficit could be reported for the operating activities. This is in compliance with generally accepted accounting practice.

The rates shown in the Statement of Cost of Activity for each significant activity is the amount of net operating and capital expenditure to be funded from rates as shown in Note 3. The difference between \$36.398 million and the gross rates levied of \$36.601 million (excluding rates penalties of \$.0405 million) is \$0.203 million. This will be used to offset rate increases in future years.

5. Charges and Fees

	2009 \$000	2008 \$000
Access, Roding and Transport	34	266
Building Control and Resource Consents	1,394	1,696
Community Facilities	981	977
District Strategic Development	351	535
Environmental Protection	785	737
Facilitation, Partnerships and Social Wellbeing	55	177
Governance and Tāngata Whenua	301	381
Libraries	256	230
Parks and Reserves	72	51
Solid Waste	2,322	2,983
Wastewater Management	2	3
Water Management	313	275
TOTAL CHARGES AND FEES	6,866	8,311

6. Cash and Cash Equivalents

	2009 \$000	2008 \$000
Cash at Bank and on hand	220	221
Bank Call Deposits	9,800	7,950
Sinking Funds	72	-
TOTAL CASH AND CASH EQUIVALENTS	10,092	8,171

7. Other Financial Assets

	2009 \$000	2008 \$000
Current Portion		
<i>Held to Maturity</i>		
Sinking fund investments	1,222	679
Local Authority Stock	-	5,000
<i>Loans and receivables</i>		
Long Term Loans	37	250
<i>Fair Value through equity</i>		
Shares in NZ Local Government Insurance Corporation	15	15
TOTAL CURRENT	1,274	5,944
Non-Current Portion		
<i>Fair value through Profit and Loss</i>		
Interest Rate Swaps	1,029	-
<i>Held to Maturity</i>		
Sinking fund investments	-	606
TOTAL NON-CURRENT	1,029	606

Sinking Funds

	2009 \$000	2008 \$000
Opening Balance	1,285	1,273
Instalments/Interest Disbursements	1,058 (1,049)	1,159 (1,147)
Closing Balance	1,294	1,285
Represented by: Kāpiti Coast District Council Sinking Fund Commissioners	1,294	1,285

The total sinking funds are divided between sinking funds associated with loan liabilities maturing within one year (current portion of public debt) and sinking funds associated with the long term public debt.

Allocation of Sinking Funds

	2009 \$000	2008 \$000
Held for Long Term Public Debt	130	606
Held for Current Portion of Public Debt	1,164	679
	1,294	1,285

Sinking Funds instalments are only required for those Council loans raised prior to 1 July 1998. Since that date, loan repayment provisions are made annually and accumulate in a loan repayment provision account for each new loan.

In accordance with the Council's Treasury Management Policy, the Council will take out new loans for a maximum of 20 years except for loans approved by Council for specific assets which can be taken out for a maximum of 30 years. Loan repayment provision will be made each year so that a minimum of 25% of each loan will be repaid every five years for 20 year loans and a minimum of 20% of each loan will be repaid every six years for 30 year loans.

This loan repayment provision is part of Retained Earnings in the Public Equity section of the Statement of Financial Position. The Loan Repayment Provision account amounted to \$4.716 million as at 30 June 2009 which represented the annual loan repayment provision plus interest on new loans raised less loan repayments since 1 July 1998.

Long Term Loan

Loan to Greater Wellington Regional Council (relates to Pedestrian Rail Overbridge at Epiha Street, Paraparaumu).

Shareholding

New Zealand Local Government Insurance Corporation Limited: 15,060 shares (2008 15,060) of \$1 each.

8. Financial Instruments

Kāpiti Coast District Council has a series of policies to manage the risks associated with financial instruments. Kāpiti Coast District Council is risk averse and seeks to minimise exposure from its treasury activities. Kāpiti Coast District 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, loans and receivables, available-for-sale financial assets), financial liabilities (payables that arise directly from operations and borrowings) and derivative financial instruments. Interest rate swaps are used to reduce exposure to fluctuations in interest rates arising on floating rate borrowings. The main purpose of the Council's financial instruments is to raise finance for 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 arms 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. The Council's exposure to these risks and the action that the Council has taken to minimise the impact of these risks is outlined below.

Credit Risk

Credit risk is the risk that a third party will default on its obligations to the Groups, thereby causing a loss. The Council is not exposed to any material concentrations 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.

The Council's maximum exposure to credit risk at balance date is:

	2009 \$000	2008 \$000
Cash and cash equivalents	10,092	8,171
Derivative financial instruments Interest rate swaps – amounts receivable	1,029	1,417
Trade and other receivables	6,149	5,855
Community and related party loans	37	250
Local authority stock	-	5,000
Sinking funds investments	1,294	1,285
Other financial assets	15	15
TOTAL FINANCIAL ASSETS	18,616	21,993

Credit Qualities of Financial Assets

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

	2009 \$000	2008 \$000
Counterparties with Credit Ratings		
Cash at bank and term deposits		
Council	10,092	8,171
Sinking Funds	1,222	1,264
AA		
TOTAL CASH AT BANK AND TERM DEPOSITS	11,314	9,435
Capital Notes		
Sinking Funds		
A+	21	21
TOTAL CAPITAL NOTES	21	21
Derivative financial instrument assets		
AA	1,029	1,417
TOTAL DERIVATIVE FINANCIAL INSTRUMENT ASSETS	1,029	1,417
Counterparties without Credit Ratings		
Local Authority stock with no defaults in the past	-	5,000
TOTAL LOCAL AUTHORITY STOCK	-	5,000
Related Party Loans with no defaults in the past	37	250
TOTAL RELATED PARTY LOANS	37	250

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. Kāpiti Coast District Council is not exposed to price risk as it doesn't hold any equity securities.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Kāpiti Coast District Council is not exposed to currency risk, as it does not enter into foreign currency transactions.

Interest rate risk

The weighted average interest rate on investments as at 30 June 2009 was 3.5% (2008 8.8%). The interest rates on Kāpiti Coast District Council's borrowings are disclosed in note 14.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowing issued at fixed rates expose the Kāpiti Coast District Council to fair value interest rate risk. Kāpiti Coast District 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 hedge the fair value interest rate risk arising where Kāpiti Coast District 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 Kāpiti Coast District Council to cash flow interest rate risk.

Kāpiti Coast District 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 and swaps them into fixed rates that are generally lower than those available if Kāpiti Coast District Council borrowed at fixed rates directly. Under the interest rate swaps, Kāpiti Coast District Council agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

Council has interest rate swap agreements and swap options in place at 30 June 2009 in relation to its borrowing programme. The notional contract value of these agreements was \$80 million (2008: \$53.5 million). The interest rate range for the interest rate swaps is 3.60% to 7.38%. The net fair value of the interest rate swaps and swap options as at 30 June 2009 was (\$1.541 million) (30 June 2008 \$1.416 million) comprising assets of \$1.029 million (2008: \$1.416 million) and liabilities \$2.570 million (2008: \$nil). The movement in the fair value of these interest rate swaps and swap options is taken directly to the Statement of Comprehensive Income.

Liquidity Risk

Liquidity risk is the risk that Kāpiti Coast District 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. Kāpiti Coast District Council aims to maintain flexibility in funding by keeping committed credit lines available.

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

The Council has no overdraft facility. The Council has two \$10million multi option credit facilities and a \$5million multi option credit facility with Westpac Banking Corporation and a \$20million multi-option credit facility with ANZ National Bank which are secured under the Debenture Trust.

The following table 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

2009

	Statement of Financial Position \$000	Total Contractual Cash Flows \$000	0-12 months \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000
Trade and Other Payables	9,609	9,609	9,609	-	-	-
Debt Securities	69,000	114,454	30,136	6,193	39,125	39,000
EECA Loan	1,072	1,072	211	215	642	4
TOTAL	79,681	125,135	39,956	6,408	39,767	39,004

2008

	Statement of Financial Position \$000	Total Contractual Cash Flows \$000	0-12 months \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000
Trade and Other Payables	9,385	9,385	9,385	-	-	-
Debt Securities	61,500	98,827	23,727	7,100	38,000	30,000
TOTAL	70,885	108,212	33,112	7,100	38,000	30,000

Contractual Maturity Analysis of Financial Assets

2009

	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	10,092	10,092	10,092	-	-	-
Trade and Other Receivables	6,149	6,149	6,149	-	-	-
Community and Related Party Loans	37	37	37	-	-	-
Local Authority Stock	-	-	-	-	-	-
Sinking Funds Investments	1,222	1,222	1,092	130	-	-
Unlisted Shares	15	15	15	-	-	-
TOTAL FINANCIAL ASSETS	17,515	17,515	17,385	130	-	-

2008

	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	8,171	8,171	8,171	-	-	-
Trade and Other Receivables	5,855	5,855	5,855	-	-	-
Community and Related Party Loans	250	250	-	-	250	-
Local Authority Stock	5,000	5,000	5,000	-	-	-
Sinking Funds Investments	1,285	1,285	679	-	606	-
Unlisted Shares	15	15	-	-	15	-
TOTAL FINANCIAL ASSETS	20,576	20,576	19,705	-	871	-

Financial Instrument Categories

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

	Council	
	Actual 2009 \$000	Actual 2008 \$000
FINANCIAL ASSETS		
Loans and receivables		
Cash and Cash Equivalents	10,092	8,171
Debtors and Other Receivables	6,149	5,855
Other Financial Assets:		
Loans to Related Parties	37	250
TOTAL LOANS AND RECEIVABLES	16,278	14,276
Held to maturity		
Other Financial Assets:		
Sinking Fund Investments	1,222	1,285
Local Authority Stock	-	5,000
TOTAL HELD TO MATURITY	1,222	6,285
Fair value through equity		
Other Financial Assets		
Unlisted Shares	15	15
TOTAL FAIR VALUE THROUGH EQUITY	15	15
FINANCIAL LIABILITIES		
Financial liabilities at amortised cost		
Creditors and Other Payables	9,609	9,385
Borrowings:		
Secured Loans	70,072	61,500
TOTAL FINANCIAL LIABILITIES AT AMORTISED COST	79,681	70,885

Sensitivity Analysis

In managing interest risk the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. Over the longer-term, however, permanent changes in interest rates will have an impact on the surplus.

At 30 June 2009 it is estimated that a general increase of one percentage point in interest rates would increase the group's surplus before income tax by approximately \$2.560 million. This is due to the potential unrealised gain of \$3.150 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 surplus and deficit impact for reasonably possible movements, with all other variables held constant, based on Council's and the Group's financial instrument exposures at balance date.

Interest Rate Risk	Note	2009 \$000		2008 \$000	
		+100BPS Deficit	-100 BPS Surplus	+100BPS Deficit	-100 BPS Surplus
Financial Assets					
Cash and Cash Equivalents – Council	a	100	(100)	82	(82)
Derivatives – Interest Rate Swaps	b	3,150	(3,383)	779	(683)
Financial Liabilities					
Debt Securities	c	(690)	690	(615)	615
TOTAL SENSITIVITY TO INTEREST RATE RISK		2,560	(2,793)	246	(150)

a. Cash and cash equivalents

Council – Cash and cash equivalents includes \$10.092 million on short term deposit (2008: \$8.171 million). The balance of Council funds is in different accounts with interest payable on the aggregation of all accounts. A movement in interest rates of plus or minus 1% has an effect on interest income of \$0.100 million (2008: \$0.082 million).

b. Derivatives – Interest rate swaps

Derivatives include interest rate swaps with a fair value totalling (\$1.347 million) (2008: \$1.417 million). The fair value is the benefit from the life to maturity of swaps, and not the amount payable within the year. A movement in interest rates of plus 1% has an effect on increasing the unrealised value of the interest rate swaps by \$3.150 million. A movement in interest rates of minus 1% has an effect on reducing the unrealised value of the interest rate swaps by \$3.383 million.

c. Debt securities

Debt securities are at floating rates and total \$69 million (2008: \$61.5 million). A movement in interest rates of plus or minus 1% has an effect on the interest expense of \$0.69 million (2008: \$0.615 million).

9. Property, Plant and Equipment: 2009

	Cost/ Revaluation	Accumulated depreciation and impairment charges	Carrying amount	Current year additions/ reclassification	Gross Current year disposals	Current year impairment charges	Current year depreciation	Gross Accumulated Depreciation On disposals	Revaluation surplus	Cost/ Revaluation	Accumulated depreciation and impairment charges	Carrying amount
	1 July 08	1 July 08	1 July 08							30 June 09	30 June 09	30 June 09
Council Operational Assets												
Land	27,111	-	27,111	1,019	(32)	-	-	-	-	28,098	-	28,098
Buildings and Improvements	23,128	(51)	23,077	5,112	(45)	-	(771)	35	-	28,195	(787)	27,408
Library Collections	4,930	(3,231)	1,699	295	-	-	(292)	-	-	5,225	(3,523)	1,702
Plant and Machinery	2,590	(1,569)	1,021	63	(39)	-	(257)	30	-	2,614	(1,796)	818
Motor Vehicles	2,826	(1,243)	1,583	179	(140)	-	(414)	107	-	2,865	(1,550)	1,315
Furniture and Chattels	1,206	(846)	360	215	-	-	(81)	-	-	1,421	(927)	494
Computers and Office Equipment	4,826	(2,984)	1,842	402	-	-	(603)	-	-	5,228	(3,587)	1,641
Items Under Construction	3,222	-	3,222	(1,357)	-	-	-	-	-	1,865	-	1,865
Total Operational Assets	69,839	(9,924)	59,915	5,928	(255)	-	(2,418)	172	-	75,511	(12,170)	63,341
Infrastructure Assets												
Roading	394,524	-	394,524	6,982	-	-	(2,945)	-	-	401,506	(2,945)	398,561
Bridges	10,387	(24)	10,363	91	-	-	(298)	-	-	10,478	(322)	10,156
Water	67,638	-	67,638	2,336	-	-	(1,679)	-	-	69,974	(1,679)	68,295
Wastewater	77,039	-	77,039	601	-	-	(1,911)	-	-	77,640	(1,911)	75,729
Stormwater	44,608	-	44,608	2,801	-	-	(617)	-	-	47,409	(617)	46,792
Seawalls	3,458	-	3,458	772	-	-	(134)	-	-	4,230	(134)	4,096
River Control	906	-	906	6	-	-	(11)	-	-	912	(11)	901
Items Under Construction	9,911	-	9,911	16,240	-	-	-	-	-	26,151	-	26,151
Total Infrastructure Assets	608,471	(24)	608,447	29,829	-	-	(7,595)	-	-	638,300	(7,619)	630,682
Restricted Assets												
Land	40,946	-	40,946	305	(1)	-	-	-	-	41,250	-	41,250
Buildings and Improvements	17,593	(2)	17,591	2,272	-	-	(940)	-	-	19,865	(942)	18,923
Items under Construction	0	-	-	-	-	-	-	-	-	-	-	0
Total Restricted Assets	58,539	(2)	58,537	2,577	(1)	-	(940)	-	-	61,115	(942)	60,173
TOTAL PROPERTY, PLANT AND EQUIPMENT	736,849	(9,950)	726,899	38,333	(257)	0	(10,953)	172	0	774,926	(20,732)	754,194

Property, Plant and Equipment: 2008

	Cost/ Revaluation	Accumulated depreciation and impairment charges	Carrying amount	Current year additions/ reclassification	Current year disposals	Current year impairment charges	Current year depreciation	Revaluation surplus	Cost/ Revaluation	Accumulated depreciation and impairment charges	Carrying amount
	1 July 07	1 July 07	1 July 07						30 June 08	30 June 08	30 June 08
Council Operational Assets											
Land	17,040	-	17,040	975	(78)	-	-	9,174	27,111	-	27,111
Buildings and Improvements	20,414	(1,177)	19,237	518	-	-	(673)	3,373	23,128	(51)	23,077
Library Collections	7,573	(2,968)	4,605	325	-	-	(262)	-	4,930	(3,231)	1,699
Plant and Machinery	3,907	(1,391)	2,516	78	(4)	-	(181)	-	2,590	(1,569)	1,021
Motor Vehicles	3,606	(1,110)	2,496	556	(226)	-	(421)	-	2,826	(1,243)	1,583
Furniture and Chattels	1,905	(785)	1,120	86	-	-	(61)	-	1,206	(846)	360
Computers and Office Equipment	7,932	(2,403)	5,529	(700)	(3)	-	-504	-	4,826	(2,984)	1,842
Items Under Construction	3,055	-	3,055	167	-	-	-	-	3,222	-	3,222
Total Operational Assets	65,432	(9,834)	55,598	2,005	(311)	-	(2,102)	12,547	69,839	(9,924)	59,915
Infrastructure Assets											
Roading	351,624	(6,426)	345,198	8,053	-	-	(2,845)	41,273	394,524	-	394,524
Bridges	7,405	(680)	6,725	514	-	-	(242)	3,148	10,387	(24)	10,363
Water	61,508	(3,387)	58,121	5,952	-	-	(1,816)	3,565	67,638	-	67,638
Wastewater	68,905	(3,371)	65,534	3,500	-	-	(1,780)	8,005	77,039	-	77,039
Stormwater	31,467	(1,215)	30,252	3,189	-	-	(728)	11,167	44,608	-	44,608
Seawalls	2,766	(225)	2,541	842	-	-	(154)	75	3,458	-	3,458
River Control	378	(3)	375	474	-	-	(11)	57	906	-	906
Items Under Construction	15,289	(77)	15,212	(5,301)	-	-	-	-	9,911	-	9,911
Total Infrastructure Assets	539,342	(15,384)	523,958	17,223	-	-	(7,576)	67,290	608,471	(24)	608,447
Restricted Assets											
Land	21,704	(16)	21,688	920	-	-	-	18,338	40,946	-	40,946
Buildings and Improvements	13,593	(1,278)	12,315	2,444	-	-	(647)	2,834	17,593	(2)	17,591
Items under Construction	42	-	42	(42)	-	-	-	-	-	-	0
Total Restricted Assets	35,339	(1,294)	34,045	3,322	-	-	(647)	21,172	58,539	(2)	58,537
TOTAL PROPERTY, PLANT AND EQUIPMENT	640,113	(26,512)	613,601	22,550	(311)	-	(10,325)	101,009	736,849	(9,950)	726,899

Property, Plant and Equipment (continued)

Valuation

All assets are recorded at depreciated historical costs except for the following assets classes, which are revalued on a three year cycle on the basis described below:

Description	Method of Revaluation	Valuation Performed By	Next Revaluation Date
Operational Assets			
Buildings and Improvements	Fair Value 30 June 2008	Quotable Value Kerry Stewart <i>Val Prof Urb</i> <i>PG Dip Env Audit MBA ANZIV</i> <i>SNZPI</i> Vanesa Hutcheson <i>B Com VPM</i>	30 June 2011
Land	Fair Value 30 June 2008	Quotable Value Kerry Stewart <i>Val Prof Urb</i> <i>PG Dip Env Audit</i> <i>MBA ANZIV SNZPI</i> Vanesa Hutcheson <i>B Com VPM</i>	30 June 2011
Infrastructural Assets			
River Control	Depreciated Replacement Cost 30 June 2008	Maunsell Limited Graeme Hughson <i>BE, MIPENZ</i>	30 June 2011
Roads and Bridges	Depreciated Replacement Cost 30 June 2008	Duffill Watts and Tse Ltd (Consulting Engineers) Ken Tonks <i>SPINZI</i>	30 June 2011
Seawalls	Depreciated Replacement Cost 30 June 2008	Maunsell Limited Graeme Hughson <i>BE, MIPENZ</i>	30 June 2011
Stormwater	Depreciated Replacement Cost 30 June 2008	Maunsell Limited Graeme Hughson <i>BE, MIPENZ</i>	30 June 2011
Wastewater	Depreciated Replacement Cost 30 June 2008	Maunsell Limited Graeme Hughson <i>BE, MIPENZ</i>	30 June 2011
Water	Depreciated Replacement Cost 30 June 2008	Maunsell Limited Graeme Hughson <i>BE, MIPENZ</i>	30 June 2011

All valuations are carried out or reviewed by independent qualified valuers.

10. Intangible Assets

	Actual \$000
Balance 1 July 2008	
Cost	96
Accumulated Amortisation and Impairment	(59)
Opening Carrying Amount	37
Year ended 30 June 2009	
Additions	40
Disposals	-
Amortisation on Disposals	-
Amortisation Charge	(34)
Closing Carrying Amount	43
Balance at 30 June 2009	
Cost	136
Accumulated Amortisation and Impairment	(93)
Closing Carrying Amount	43
Balance 1 July 2007	
Cost	169
Accumulated Amortisation and Impairment	(137)
Opening Carrying Amount	32
Year ended 30 June 2008	
Additions	26
Disposals	(100)
Amortisation on Disposals	(21)
Amortisation Charge	100
Closing Carrying Amount	37
Balance at 30 June 2008	
Cost	96
Accumulated Amortisation and Impairment	(59)
Closing Carrying Amount	37

There are no restrictions over the title of Kāpiti Coast District Council's intangible assets, nor are any intangible assets pledged as security for liabilities.

11. Forestry Assets

	2009 \$000	2008 \$000
Balance at 1 July	236	193
Gains Arising from Changes in Fair Value Less Estimated Point of Sale Costs	(4)	43
Decrease due to Harvest	-	-
Balance at 30 June	232	236

Kāpiti Coast District Council owns 30 hectares of pinus radiatus forest, which are at varying stages of maturity ranging from 22 to 24 years.

Independent valuer Tim Hunt valued the forestry assets as at 30 June 2009.

A pre-tax discount rate of 10% has been used in discounting the present value of expected cash flows.

Financial Risk Management Strategies

Kāpiti Coast District Council is exposed to financial risks from changes in timber prices. Council is not a long term forestry investor but does not expect timber prices to decline significantly in the foreseeable future, therefore, has not taken any measures to manage the risks of a decline in timber prices.

12. Trade and Other Receivables

	2009 \$000	2008 \$000
Rates	1,806	1,426
New Zealand Transport Agency Subsidy	2,029	1,823
Water by Meter	49	62
General Debtors	1,514	1,101
Interest Accrual	-	1
GST Accrual	657	683
Dogs	146	552
Parking Infringement	111	70
Prepayments	22	32
Miscellaneous	44	46
Private Plan Change-Paraparaumu Airport Ltd	79	250
	6,457	6,046
Less Provision for Impairment of Receivables	308	191
TOTAL TRADE AND OTHER RECEIVABLES	6,149	5,855

The status of receivables as at 30 June 2009 and 2008 are detailed below:

	2009 \$000			2008 \$000		
	Gross	Impairment	Net	Gross	Impairment	Net
Not past due	4,223	-	4,223	4,350	-	4,350
Past due 1-60 days	45	-	45	810	-	810
Past due 61-120 days	50	-	50	78	-	78
Past due > 120 days	2,139	(308)	1,831	808	(191)	617
TOTAL	6,457	(308)	6,149	6,046	(191)	5,855

The impairment provision has been calculated based on expected losses for Kāpiti Coast District Council pool of debtors. Expected losses have been determined based on an analysis of Kāpiti Coast District Council losses in previous periods, and review of specific debtors as detailed below:

	2009 \$000	2008 \$000
Individual impairment	273	156
Collective impairment	35	35
TOTAL PROVISION FOR IMPAIRMENT	308	191

Individually impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor. An analysis of these individually impaired debtors are as follows:

	2009	2008
	\$000	\$000
Past due 1-60 days	-	-
Past due 61-120 days	-	-
Past due > 120 days	273	156
TOTAL INDIVIDUAL IMPAIRMENT	273	156

Movements in the provision for impairment of receivables are as follows:

	2009	2008
	\$000	\$000
At 1 July	191	40
Additional Provisions made during the Year	119	156
Receivables Written-off during the Period	(2)	(5)
TOTAL AT 30 JUNE	308	191

Kāpiti Coast District Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

13. Trade and Other Payables

	2009	2008
	\$000	\$000
Trade Creditors	6,981	6,415
Interest Accrual	466	394
Rates in Advance	869	898
Contract Retentions	704	654
Greater Wellington Regional Council Accrued Rates	171	118
Payroll Deductions	168	38
ACC Levy Accrual	151	160
Miscellaneous	72	108
Kāpiti Safer Community Trust	-	82
Revenue in Advance	12	503
Fringe Benefit Tax	15	15
TOTAL TRADE AND OTHER PAYABLES	9,609	9,385

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the varying value of creditors and other payables approximates their fair value.

14. Deposits

	2009	2008
	\$000	\$000
Road Damage Deposits	634	667
Resource Consent Planning Bonds	704	818
Hall Deposits	4	3
Miscellaneous Deposits	5	10
TOTAL DEPOSITS	1,347	1,498

15. Public Debt

A debenture deed has been established and Westpac Banking Corporation appointed as security agent. All public debt is secured by a charge over all rating in favour of the security agent.

The total Public Debt is divided between Long Term Public Debt (Debt liability longer than one year) and Current Portion of Public Debt (Debt liability of one year or less).

	2009	2008
	\$000	\$000
Current Portion of Public Debt	28,211	18,500
Long Term Public Debt	41,861	43,000
TOTAL PUBLIC DEBT	70,072	61,500
2008/09	-	18,500
2009/10	28,211	2,000
2010/11	11,215	11,000
2011/12	214	-
2012/13	10,214	-
2013/18	20,218	30,000
TOTAL PUBLIC DEBT	70,072	61,500

The effective weighted average of Council's Public Debt after taking the Council's interest rate swaps into account is 6.22%.

16. Retained Earnings

	2009	2008
	\$000	\$000
Opening Balance 1 July	566,004	558,654
Add Net Surplus	12,185	7,722
Less Appropriations	(1,391)	(2,425)
Plus Transfers from Reserves	1,354	2,053
CLOSING BALANCE 30 JUNE	578,152	566,004

17. Revaluation Reserve

Total revaluation reserves of \$101.009 million consist of:

	2009 \$000	2008 \$000
a) Roothing and Bridges		
Opening Balance 1 July	44,420	-
<i>Plus revaluation of Roothing & Bridges</i>	-	44,420
Closing Balance 30 June	44,420	44,420
b) Land and Buildings		
Opening Balance 1 July	33,721	-
<i>Plus revaluation of Land & Buildings</i>	-	33,721
Closing Balance 30 June	33,721	33,721
c) Stormwater/River Control		
Opening Balance 1 July	11,223	-
<i>Plus revaluation of Stormwater/ River Control</i>	-	11,223
Closing Balance 30 June	11,223	11,223
d) Wastewater		
Opening Balance 1 July	8,005	-
<i>Plus revaluation of Wastewater</i>	-	8,005
Closing Balance 30 June	8,005	8,005
e) Water		
Opening Balance 1 July	3,565	-
<i>Plus revaluation of Water</i>	-	3,565
Closing Balance 30 June	3,565	3,565
f) Seawalls		
Opening Balance 1 July	75	-
<i>Plus revaluation of Seawalls</i>	-	75
Closing Balance 30 June	75	75
TOTAL	101,009	101,009

18. Employee Benefit Liabilities

	2009 \$000	2008 \$000
Payroll Accrual	128	-
Annual Leave	1,051	946
Sick Leave	80	30
Long Service Leave	118	200
Retirement Gratuities	251	245
Total Employee Benefit Liabilities	1,628	1,421
Disclosed as follows:		
Current Portion		
Payroll Accrual	128	-
Annual Leave	1,051	946
Sick Leave	80	30
	1,259	976
Non-current		
Long Service Leave	118	200
Retirement Gratuities	251	245
	369	445
TOTAL EMPLOYEE BENEFIT LIABILITIES	1,628	1,421

19. Provisions

Provision for Environmental Obligations

There has been no change in the provision for environmental obligations as at 30 June 2009 (\$0.040 million). This is due to work completed on the sites being offset by a revision of the estimates of future costs, and funds set aside to meet the initial costs for landfill aftercare after closure (Note 24).

Landfill Aftercare Liability

The Council obtained a resource consent for 35 years in 1994 to operate the Otaihanga Landfill. Due to a lack of capacity the site no longer accepts general refuse and is due to close fully within the next two years. The site is now used primarily as a cleanfill site and for the disposal of Council biosolids from Paraparaumu and Ōtaki.

The Council has responsibility under the Resource Management Act 1991 to provide ongoing maintenance and monitoring of landfills after closure. These responsibilities include:

- final cover application and vegetation;
- incremental drainage control features;
- completing facilities for leachate collection and monitoring;
- completing facilities for waste quality monitoring;
- completing facilities for monitoring of gas.

The annual cost for monitoring all three landfill sites is estimated to be \$10,000 per year. This is expected to be required for 20 years after all three landfills have been closed.

The cost of providing a capping layer for the completed portion of the Otaihanga Landfill is estimated to be minimal and is currently being funded through cleanfill disposal charges.

The capital values of the Waikanae Landfill and the Ōtaki Landfill have been impaired to reflect the aftercare costs.

The cash outflows for landfill post-closure cost for the Otaihanga Landfill are expected to commence in 2009. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and is discounted using a discount rate of 8%.

Sewage Ponds

Waikanae Oxidation Ponds – Decommissioning and Rehabilitation

With the major upgrade to the combined Paraparaumu/Waikanae Wastewater Treatment Plant, the Waikanae Oxidation Ponds have not been used for effluent disposal since 31 March 2003. In the 2003/04 year, the rehabilitation project was renamed “Waikanae Coastal Wetlands” and is funded from Parks and Reserves. A decommissioning plan was approved by the Finance, Operations and Property Committee on 26 March 2002.

The financial provisions which have been included in the Long Term Council Community Plan are as follows:

Item	Year		Total \$000
	2008/09 \$000	2009/10 \$000	
Rehabilitation and Restoration	53	50	103
TOTAL	53	50	103

No reimbursement of costs is expected at this stage although there may be some cost sharing and external grants/funds when rehabilitation work is further underway.

The only risk identified at this stage is that there may be risk of odour generated from the sludge for a period, due to the fall in water level in the ponds.

The capital value of the Waikanae Oxidation Ponds has been impaired to reflect the decommissioning and rehabilitation costs. As the current estimate of future decommissioning costs is less than the land value no further provision is required.

Paraparaumu Sludge Ponds

With the major upgrade to the combined Paraparaumu/Waikanae Wastewater Treatment Plant, the Paraparaumu Sludge Ponds have not been used since March 2001. A decommissioning plan was approved by Greater Wellington Regional Council on 28 September 2001.

The capital value of the Paraparaumu Sludge Ponds has been impaired to reflect the decommissioning costs. As the current estimate of future decommissioning costs is less than land value, no further provision is required.

Provision for Environmental Obligations

Otaihanga Landfill

	2009 \$000	2008 \$000
Opening Balance	37	38
CLOSING BALANCE	37	38

20. Reserves and Special Funds

	2009 \$000	2008 \$000
Opening Balance	2,677	2,317
Transfers from Special Funds	(306)	(906)
Transfers to Special Funds	334	1,266
Closing Balance	2,705	2,677
<i>Represented by:</i>		
Plant Purchase and Renewal Fund	997	954
Paekākāriki Reserves Fund	5	7
Paraparaumu/Raumatī Reserves Fund	36	38
Waikanae Reserves Fund	8	9
Waikanae Property Fund	67	65
Waikanae Capital Improvements Fund	1,229	1,217
Ōtaki Carpark and Services Lane Account	67	66
Ōtaki Reserves Fund	296	321
TOTAL	2,705	2,677

Plant Purchase and Renewal Fund

Purpose: To fund the replacement of Council's vehicles and plant.

Source of Funds: Depreciation charges of Council's vehicles and plant.

Paekākāriki Reserves Fund

Purpose: To fund capital expenditure on Parks and Reserves in Paekākāriki. Legal Restriction – must be spent in area reserves contribution levied (Reserves Act 1977).

Source of Funds: Paekākāriki Reserves Contributions, levied on subdivisions at Paekākāriki.

Paraparaumu/Raumati Reserves Fund

Purpose: To fund capital expenditure on Parks and Reserves in Paraparaumu/Raumati. Legal Restriction – must be spent in area reserves contribution levied (Reserves Act 1977).

Source of Funds: Paraparaumu/Raumati Reserves Contributions levied on subdivisions on Paraparaumu/Raumati.

Waikanae Reserves Fund

Purpose: To fund capital expenditure on Parks and Reserves in Waikanae. Legal Restriction – must be spent in area reserves contribution levied (Reserves Act 1977).

Source of Funds: Waikanae Reserves Contributions levied on subdivisions on Waikanae.

Ōtaki Reserves Fund

Purpose: To fund capital expenditure on Parks and Reserves in Ōtaki. Legal Restriction – must be spent in area reserves contribution levied (Reserves Act 1977).

Source of Funds: Ōtaki Reserves Contributions levied on subdivisions at Ōtaki.

Waikanae Property Fund

Purpose: To fund Council property improvements at Waikanae.

Source of Funds: Sale of Council property proceeds (excluding Districtwide funded properties) in Waikanae Ward.

Waikanae Capital Improvement Fund

Purpose: To fund Council capital improvements in the Waikanae Ward and also to provide capital grants to Waikanae organisations in accordance with approved criteria.

Source of Funds: Original source of funds was Waikanae's share of the property assets of the Horowhenua County Council. Current source is interest on the capital sum.

Ōtaki Carpark and Service Lane Account

Purpose: To fund Ōtaki carpark and service lane improvements.

Source of Funds: Originally an Ōtaki separate rate on the Ōtaki Commercial Area. Current source is interest.

21. Statement of Cash Flows

- a) Opening and closing balances include Cash, Bank and Investments.

	2009	2008
	\$000	\$000
Cash and Bank	220	221
Short Term Investments (Note 5)	9,800	7,950
Sinking Funds	72	-
TOTAL CASH AND CASH EQUIVALENTS	10,092	8,171

- b) Investing activities comprise the purchase and disposal of non-current assets used in Council operations together with money received from and applied to Sinking Funds and investments held.
- c) Financing activities comprise the change in the debt capital structure of Council. All financing activities during the year were for cash.
- d) Reconciliation with reported surplus.

	2009	2008
	\$000	\$000
Reported Surplus	12,185	4,847
Add back non cash items:		
▪ Depreciation	10,988	9,750
▪ Vested Assets	(2,482)	(3,370)
▪ Revaluation of Interest Rate Swaps	2,959	1,035
▪ Revaluation of Forestry	4	(43)
Add (less) Movements in Other Working Capital Items:		
▪ Increase in Accounts Receivable	(294)	(533)
▪ Increase in Employment Entitlements	78	
▪ Decrease/ (Increase) in Inventory	63	33
▪ Increase (Decrease) in Deposits	(151)	81
▪ Increase in Creditors (Operating)	12	1,474
▪ Increase in Development Contributions	179	1,853
Net cash inflow from operating activities (GST exclusive)	23,541	15,127

22. Total Operating Expenditure/Income

	2009 \$000	2008 \$000
Total Operating Expenditure includes:		
<u>Audit Fees (net of disbursements)</u>		
- Fees Paid to Principal Auditors		
Annual Report	130	119
Long Term Community Plan	115	-
- Other Services provided by Principal Auditors	-	2
Total Audit Fees	245	121
<u>Depreciation and Amortisation</u>		
Computer Software (Intangible Asset)	35	21
Computer Hardware / Office Equipment	603	504
Furniture and Fittings	81	61
* Motor Vehicles	414	421
Buildings and Improvements	1,711	1,320
Library Collection	292	262
Wastewater	1,911	1,780
Water	1,679	1,816
Roading	2,945	2,845
* Plant and Machinery	257	181
Bridges	298	242
River Control	11	11
Stormwater	617	728
Seawalls	134	154
Total Depreciation and Amortisation	10,988	10,346
* Motor Vehicles and Plant Depreciation are not included in the Cost of Activity Statements as these costs are netted off against internal plant hire charges.		
<u>Employee Benefit expenses</u>		
- Salaries and Wages	14,753	13,155
- Employer Superannuation Contributions to:		
multi-employer defined benefit plans	2	6
defined contribution schemes	385	418
- Increase/(decrease) in Employee Benefit Liabilities	78	50
Allocation of Labour Costs to Capital Projects	(912)	(1,208)
Total Employee Benefit Expenses	14,306	12,421
Net Gain on Sale of Fixed Assets	(2)	6
Fees to Elected Members	474	383
Insurance Premiums	575	531
Subscriptions	77	73
Entertainment Expenses	11	6
Public Ceremonies	18	33
Grants to Community Organisations	435	428
Interest on Debt Servicing	3,949	5,379
Bad Debts Written Off – General Debtors	2	5
Total Operating Income includes:		
Interest Income	444	535

23. Contingencies

The Council acts as guarantor for loans for the sporting groups listed below. The amounts disclosed reflect Kāpiti Coast District Council's assessment of the undiscounted portion of financial guarantees that are not recognised in the Statement of Financial Position.

	2009 \$000	2008 \$000
Paraparaumu Rugby Football Club Inc.	24	31
Kāpiti Bowling Club	-	8
TOTAL	24	39

The Council had outstanding liability claims totalling \$402,710 as at 30 June 2009 (\$70,000 as at 30 June 2008). These are liability claims over a period of five years relating mainly to building inspection and planning consents.

Of the total claims outstanding the Council would be liable to a maximum amount of \$306,000 (\$70,000 as at 30 June 2008) as the balance is covered by policies of insurance and indemnity arrangements.

There is litigation risk associated with a claim by a third party which are not quantifiable at this stage, relating to some property transactions.

There are no contingent assets (2008: Nil).

24. Miscellaneous and Separate Funds

	2009 \$000	2008 \$000
Creative NZ Fund	2	-
Election Reserve Account	88	37
Districtwide Advance Account	63	449
Library/Miscellaneous Account	4	4
Paraparaumu Beach Carpark	56	56
Pensioner Housing Depreciation	145	145
Parks and Reserves / Pools Projects	8	9
Paekākāriki - Campe Estate	181	173
Districtwide Property Fund	352	367
Ōtaki Property Sales Fund	37	37
Rate Penalty Reserves	1,049	905
Road Upgrading Contributions	134	124
Water Upgrading Contributions	5	5
Sewerage Upgrading Contributions	118	118
Water and Sewer Renewal Funds	111	150
Landfill Closure Account	216	200
Insurance Contingency	28	28
Aquatic Centre Fundraising	-	13
St. Peters Hall Upgrade Fund	-	14
TOTAL	2,597	2,834

These funds are included in retained earnings.

25. Related Party Transactions and Balances

Subsidiary Holding Companies

The Council did not have any subsidiary holding companies in the 2008/09 year.

Key Management Personnel

During the year Councillors and key management as part of a normal customer relationship were involved in minor transactions with the Council (such as payment of rates).

In addition, during the year Kāpiti Coast District Council purchased plumbing services from Thomas Plumbing and Gas Limited and Paraparaumu Gas Appliances, which are both plumbing and gas firms in which Mr Harold Thomas, an Elected Member, is a Director. Plumbing and gas services supplied by Thomas Plumbing and Gas Limited amounted to \$1,131 (including GST) (2008: \$4,701) and these were supplied on normal commercial terms. There were no transactions with Paraparaumu Gas Appliance Centre during the financial year (2008: \$257 inclusive of GST).

Council also purchased catering services from SK Bakery. James Cootes, an Elected Member, has a financial interest in SK Bakery. Catering Services supplied by SK Bakery for the 2008/09 year amounted to \$809 and these were supplied on normal commercial terms. This complied with the Local Authorities Members Interest Act 1968. These transactions relate to wastewater, water, property maintenance work and catering services.

No provision has been required, nor any expense recognised for impairment of receivables to related parties.

Key Management Personnel ⁽¹⁾ Compensation

	2009 \$000	2008 \$000
Salaries and other short term employee benefits	1,406	1,156
Termination Benefits	-	300

⁽¹⁾ Key management personnel include the Mayor, Councillors, Chief Executive and members of the Senior Leadership Team.

26. Remuneration of the Chief Executive

The Chief Executive of the Council, Pat Dougherty, was appointed under Section 42 of the Local Government Act 2002 on 11 August 2008. During the interim period between 1 July and 10 August 2008 Kevin Jefferies acted as Chief Executive.

The total cost, including Fringe Benefit Tax, to the Council of the Chief Executive and acting Chief Executive remuneration package was:

Total Remuneration for the Year	2009	2008
	\$	\$
<u>Chief Executive</u>		
Annual Salary	206,900	188,800
Additional Benefit Full use of Council Vehicle (including Fringe Benefit Tax)	13,100	16,200
Total Remuneration	220,000	205,000
<u>Kevin Jefferies (Acting Chief Executive)</u>		
Salary (24 Dec 2007 – 13 April 2008)	-	59,046
(12 May 2008 – 30 June 2008)	-	26,571
Salary (1 July 2008-10 August 2008)	22,142	-
<u>Leigh Halstead</u>		
Salary (1 July 2007 – 21 Dec 2007)	-	109,142
Additional Benefit Full use of Council Vehicle (including Fringe Benefit Tax)	-	7,788
<u>Gary Simpson (Acting Chief Executive)</u>		
Salary (14 April 2008 – 9 May 2008)	-	13,922
<u>Pat Dougherty</u>		
Salary (11 August 2008 – 30 June 2009)	183,027	-
Additional Benefit Full use of Council Vehicle (including Fringe Benefit Tax)	11,588	-
TOTAL	216,757	216,469

27. Severance Payments

For the year ended 30 June 2009, three severance payments (2008: three) were made to employees totally \$63,089.77 (2008: \$57,775). The value of each of the severance pays was \$4,289.77, \$11,000 and \$47,800.

This disclosure is in accordance with Schedule 10 of the Local Government Act 2002.

28. Events after Balance Date

There were no significant events after the balance date that impacts on the financial statements.

29. Significant Variances in the Capital Works Programme for the 2008/09 year compared to the 2008/09 year programme in the 2006 LTCCP

Project	2006 LTCCP		
	Actual 2008/09 \$000	2008/09 Budget \$000	Variance \$000
Western Link ⁽¹⁾	3,064	3,945	(881)
Major Bridge Repairs ⁽²⁾	1,248	158	1,090
Marine Parade Alternative ⁽³⁾	28	650	(622)
New Aquatic Facility ⁽⁴⁾	716	16	700
Marine Gardens Upgrade ⁽⁵⁾	16	531	(515)
Transfer Station / Refuse Recovery Centre ⁽⁶⁾	1,360	-	1,360
Balance Tanks Waikanae Wastewater ⁽⁷⁾	73	948	(875)
Ōtaki Water Reservoir ⁽⁸⁾	253	1,593	(1,340)
Universal Water Metering ⁽⁹⁾	-	1,943	(1,943)
Pump Station and Riser Coleman Street ⁽¹⁰⁾	-	1,101	(1,101)
Ōtaki Stormwater ⁽¹¹⁾	-	1,540	(1,540)
TOTAL	6,758	12,425	(5,667)

(#) explanations over page.

It should be noted that the 2008/09 year was Year 3 of the 2006 LTCCP. Most of the significant variations between the actual capital expenditure in the 2008/09 year and the budgeted capital expenditure for the 2008/09 year as per the 2006 LTCCP, related to the re-scheduling of key major projects such as:

- The Western Link
- The Aquatic Centre

Other significant variations generally relate to issues that were not identified until after the 2006 LTCCP was adopted.

- (1) **Western Link**
Due to the change because of the progress Kāpiti Coast District Council made in finalising the resource consents and property purchases, the Western Link was not as far advanced as was proposed in the 2006 LTCCP. In the 2008/09 year design and property purchases were still being completed and no construction work was undertaken in the 2008/09 year.
- (2) **Major Bridge Repairs**
The Matatua Road twin cell culvert capacity improvement had not been identified in 2006. It was identified in the 2007/08 year and a budget provision approved in the 2008/09 year.
- (3) **Marine Parade Alternative**
In 2006, a beach drainage option for coastal protection works was proposed but subsequently was not accepted as a viable solution. A more cost effective alternative of using rock revetment was budgeted for in the 2008/09 year.
- (4) **New Aquatic Facility**
In the 2006 LTCCP, the Aquatic Centre was proposed to be built over the 2006/07 and 2007/08 years and subject to external fundings.
- (5) **Marine Gardens Upgrade**
This project was moved out to the 2011/12 year as part of the review of the 2009 LTCCP. This is linked to the new Aquatic Facility.
- (6) **Transfer Station / Refuse Recovery Centre**
The approval of the construction of the Transfer Station / Refuse Recovery Centre was a Council decision subsequent to the adoption of the 2006 LTCCP and consulted on via the 2007/08 Annual Plan process.
- (7) **Balance Tanks Waikanae Wastewater**
In the 2008/09 Annual Plan the Council decided to split the project over two financial years. Investigation and design, was budgeted at \$150,000 for the 2008/09 year, with construction to be undertaken in the 2009/10 year.
- (8) **Ōtaki Water Reservoir**
This major work has been deferred until the 2011/12 year as part of the review of the 2009 LTCCP. Land purchase this year / construction next year.
- (9) **Universal Water Metering**
In the 2008/09 year, the Council reviewed its policy direction on water supply/storage as part of the 2009 LTCCP process. Council resolved not to proceed.
- (10) **Pump Station and Riser Coleman Street**
This work was deferred until the 2012/13 year, as part of the review of the 2009 LTCCP.
- (11) **Ōtaki Stormwater**
The need to complete the flood plan mapping for the entire Ōtaki area has meant that some of the major stormwater improvement work has been deferred until that work was completed.

30. Rates Remission

Rates revenue is shown net of rates remissions. Under the Council's Rates Remission Policies which provide for rates to be remitted for Council Community, Properties and Sporting, Recreational and other Community Organisations, as well as separately habitable parts of properties, the Council made remissions during the year that totalled \$108,588.

	2009	2008
	\$000	\$000
Total Rates Revenue (net of Remissions)	36,752	34,415

	2009	2008
	\$	\$
Council Policy Remissions		
Community properties, sporting, recreational & other community organisations	23,455	30,647
Separately habitable parts	72,278	52,123
Late Payment Penalties	12,855	15,102
TOTAL REMISSIONS	108,588	97,872

31. Retrospective and Internal Adjustments

New Zealand Transport Agency Capital Funding

In previous years the Council has offset the cost of capital purchases associated with the Western Link development with funding received from NZTA (and its predecessors). This was done to show the net cost associated with the development to the Council, but does not comply with generally accepted accounting practice. This practice has changed for the 2008/09 financial year with receipts being recognised as NZTA Capital Funding through the SOCI, and the full cost of the assets being recognised as property, plant and equipment in the Statement of Financial Position. The 2008 comparative information has been adjusted as follows:

Statement and item affected	Change to 2008 comparative information
Statement of Comprehensive Income: <ul style="list-style-type: none"> • NZTA Capital Funding 	Increased from \$0 to \$2,875,000 Total revenue increased from \$50,377,000 to \$53,252,000 and the operating surplus from \$4,847,000 to \$7,722,000.
Statement of Changes in Equity <ul style="list-style-type: none"> • Retained Earnings at the start of the period (i.e. as at 1 July 2007) 	Increased by \$1,800,000; in respect of NZTA funding received prior to 2007/08 that was offset against the cost of construction of the Western Link. It should have been recognised as revenue and thus would have increased retained earnings.
Statement of Financial Position <ul style="list-style-type: none"> • Property, Plant and Equipment 	Increased by \$4,675,000 to reflect the total of NZTA funding that had been offset against construction costs NZ (2008: \$2,875,000 plus \$1,800,000 from prior periods).

Statement and item affected	Change to 2008 comparative information
	There is also a consequential adjustment to Note 9. In the 2008 reconciliation, the item 'Infrastructure Assets, items under construction' has been increased by these amounts.
<p>Statement of Cash Flows:</p> <ul style="list-style-type: none"> • Cash flows from Operating Activities; <ul style="list-style-type: none"> ○ Government subsidies and Grants • Cash flows from Investing Activities <ul style="list-style-type: none"> ○ Cash applied to Construction and Purchase of Property, Plant and Equipment 	<p>Increased from \$0 to \$2,875,000</p> <p>Increased by \$2,875,000</p>

Internal Charging

- In previous years internal interest and rate revenue and expenditure has been included in the Statement of Comprehensive Income/Statement of Financial Performance in an aim to show the true cost to Council of its activities. This year, internal charges of \$1.517 million has been removed from the Statement of Comprehensive Income. Prior period figures/amounts have been adjusted as follows. The 2008 comparative internal revenue (included in the Statement of Comprehensive Income under the heading 'Other Revenue') and expense (included in the Statement of Comprehensive Income under the heading 'Finance Costs' have been reduced by \$1.655 million. The budget for 2009 for these items has also been reduced by \$1.317 million. This change has no effect on the net surplus of the Council, or the Statement of Financial Position.
- This year the Council recognised internal revenue and expenditure of \$0.15 million for Solid Waste disposal. This was done to reflect the true cost of the activity. The \$0.15 million has been removed from the Statement of Comprehensive Income to comply with the International Accounting Standard. No prior period adjustments are required.

AUDIT REPORT
TO THE READERS OF
KĀPITI COAST DISTRICT COUNCIL'S
FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION
FOR THE YEAR ENDED 30 JUNE 2009

The Auditor-General is the auditor of Kapiti Coast District Council (the District Council). The Auditor-General has appointed me, Robert Manktelow, using the staff and resources of Audit New Zealand, to carry out an audit. The audit covers the District Council's compliance with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report of the District Council for the year ended 30 June 2009, including the financial statements.

Unqualified Opinion

In our opinion:

- The financial statements of the District Council on pages 96 to 147:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the District Council's financial position as at 30 June 2009; and
 - the results of its operations and cash flows for the year ended on that date.
- The service provision information of the District Council on pages 24 to 95 fairly reflects the levels of service provision as measured against the intended levels of service provision adopted, as well as the reasons for any significant variances, for the year ended on that date; and
- The District Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report (the "other requirements").

The audit was completed on 22 October 2009, and 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 the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements, performance information and the other requirements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements, performance information and the other requirements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements, performance information and the other requirements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements, performance information and the other requirements.

We evaluated the overall adequacy of the presentation of information in the financial statements, performance information and the other requirements. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the District Council as at 30 June 2009. They must also fairly reflect the results of its operations and cash flows and the levels of service provision for the year ended on that date. The Council is also responsible for meeting the other requirements of Schedule

10 and including that information in the annual report. The Council's responsibilities arise from Section 98 and Schedule 10 of the Local Government Act 2002.

We are responsible for expressing an independent opinion on the financial statements, performance information and the other requirements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than the audit and in conducting the audit of Long Term Council Community Plan, we have no relationship with or interests in the District Council.



Robert Manktelow
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Section 5: 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 this activity. These activities are then linked to Community Outcomes.
Annual Plan	The Annual Plan is produced in the intervening years between Long Term Council Community Plans. It explains the variations from the activities and/or budgets in the Long Term Council Community 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 Council Community 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 the 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

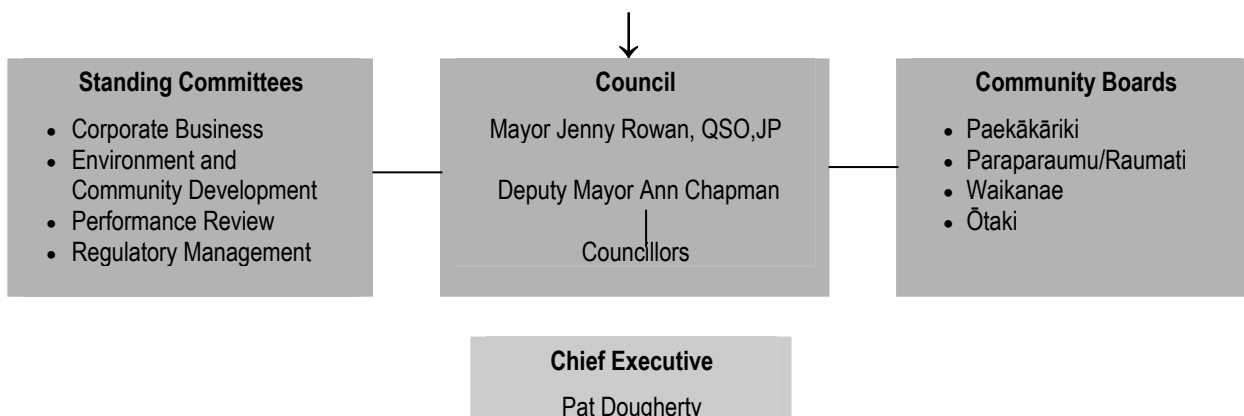
	engage with other agencies about how they will invest in the community's future.
Cost of Capital	Opportunity cost of (assets less related net loan).
Council-controlled Organisation	An organisation in which one or more local authorities control 50% or more of the voting rights or appoint 50% or more of the directors.
Cross-outcome Links	Common themes that weave across each Community Outcome area.
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 Public Debt	Council debt that matures in less than 12 months.
Current Liabilities	Creditors and other liabilities due for settlement within the next 12 months, i.e. the next financial year. All other liabilities are non-current.
Debt Servicing	Interest cost on loans.
Depreciation	An accounting concept to describe the wearing out, consumption or other loss of value of an asset over its useful life.
District Plan	A plan under the Resource Management Act 1991 that manages the adverse impact of land uses on the environment of the District.
Economic Wellbeing	Includes: <ul style="list-style-type: none"> • 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

	<p>take economic risks to establish viable businesses</p> <ul style="list-style-type: none"> • skills and the opportunity to use them • the ability to add value and to think what local resources may offer.
Environmental Wellbeing	<p>Includes:</p> <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.
Fixed Assets	These consist of land and buildings and infrastructural assets (utilities such as roads, stormwater and wastewater networks).
Loan Repayment Provisions	Annual loan repayment provisions have replaced annual sinking funds provisions on all new loans.
Local Government Act 2002	The Local Government Act 2002 is the primary legislation that governs the Council's operations and actions.
Long Term Council Community Plan (LTCCP)	<p>A plan which</p> <ul style="list-style-type: none"> • describes the Council's responsibilities and contributions to the Community Outcomes developed by the Kāpiti Coast community during 2003 • 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 well-being 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 Costs	Costs of maintaining assets plus the allocation of overhead costs.
Non-current Portion of Public Debt	Council debt that has a maturity date of 12 months or longer.
Public Benefit Entities -	Reporting entities whose primary objective is to provide goods and services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for a financial return to equity holders (as defined in

	New Zealand equivalents to International Financial Reporting Standards).
Public Equity	Council's net worth (i.e. total assets less total liabilities).
Residents Survey	Telephone survey carried out by National Research Bureau to rate residents satisfaction with selected Council levels of service.
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.
SCADA	Supervisory control and data acquisition.
Short Term Investments	Investments that mature in less than 12 months.
Significance Policy	A policy which explains how the Council determines how significant a project or decisions are and the subsequent amount of consultation and analysis required
Sinking Funds	An annual provision made towards the final repayment of loans. The sinking fund provision is calculated so that when a loan matures there are sufficient funds set aside to fully repay the loan. Sinking funds are separately invested and interest accrues each year on an annual basis. Sinking funds are no longer required on new loans raised after 1 July 1998.
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 • 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	A structure plan is a comprehensive indicative development plan for a large area which identifies such things as bush to be protected, roads, sections, stormwater etc. It allows a more integrated sustainable development approach which weaves together urban and environmental matters. A

	structure plan has a legal status in the District Plan and is used in the formal resource consent process to guide particular decisions.
Sustainable Development Principles	<p>A general definition is: ‘development which meets the needs of the present without compromising the ability of future generations to meet their needs’ (<i>Central Government - Sustainable Development: Programme for Action – published January 2003.</i>) This general statement provides some guidance for action and decision-making but does require further detail to assist with complex issues. The Local Government Act 2002 provides guidance on some principles, as does the Programme for Action cited above.</p> <p>The Kāpiti Coast District Council has developed fourteen principles to guide decision-making, based on the Local Government Act requirements, the Programme for Action and a review of principles developed by other local, regional and national governments, in New Zealand and elsewhere. These principles have been formally adopted and can be found in Section 1, Part 1 <i>Kāpiti Coast: Choosing Futures – Community Plan</i></p>
SWAPS	A financial instrument or contract which turns fixed interest rate debt into floating rate debt or vice versa.
Targeted Rates	A rate that a local authority sets for a specified function or functions.
Wellbeing	Consists of four connected components - social, cultural, environmental and economic – that actively support the well being or “health” of a community.

CITIZENS OF THE KĀPITI COAST



Group Manager Development Projects	Group Manager Finance	Group Manager Strategy and Partnerships	Group Manager Community and Corporate Information	Group Manager Assets and Services
Kevin Jefferies	Warwick Read	Gael Ferguson	Bernie Goedhart	Gary Simpson
<ul style="list-style-type: none"> • Major Project Development and Management - Western Link - Aquatic Centre • Town Centre Development 	<ul style="list-style-type: none"> • Corporate Planning, Monitoring and Reporting • Elections • Financial Management • Legislative Compliance • Rating 	<ul style="list-style-type: none"> • Community Outcomes • Development Management • District Plan Policy and subdivision engineering • Economic Development Projects • Elders • Governance and Tāngata Whenua • Strategy / Policy • Supporting Environmental Sustainability • Supporting Social Wellbeing • Youth 	<ul style="list-style-type: none"> • Arts • Communications • Emergency Management • Information Services • Libraries • Museums 	<ul style="list-style-type: none"> • Asset Planning • Access and Transport • Building Control, Resource Consents • Coastal Management • Community Facilities • Customer Services / Call Centre • Cycleways, Walkways, Bridleways Network Development • Environmental Protection • Parks and Open Space • Regulatory Compliance • Solid Waste • Stormwater • Wastewater • Water

Contact Information for Council

Main Office	<u>Street Address</u> 175 Rimu Road Paraparaumu	<u>Postal Address</u> Private Bag 60601 Paraparaumu
	Phone (including after hours)	04 296 4700
	Ōtaki residents (Toll Free)	364 9301
	Fax Email Website	04 296 4830 kapiti.council@kapiticoast.govt.nz www.kapiticoast.govt.nz
Waikanae Service Centre	Phone	04 296 4761
	Fax	04 293 4820
Ōtaki Service Centre	Phone	06 364 9317
	Fax	06 364 9303
Public Libraries	Paraparaumu	04 296 4889
	Waikanae	04 296 4760
	Ōtaki	06 364 9300
Visitor Information Centres	Paraparaumu	04 298 8195
	Waikanae	04 296 4768
	Ōtaki	06 364 7620
Swimming Pools	Raumati	04 296 4787
	Waikanae	04 296 4789
	Ōtaki	06 364 5542
After Hours Emergencies	0800 486 486	