

A scenic view of a beach with a large tree in the foreground and mountains in the background. The tree has vibrant red flowers. The beach is wide and sandy, with a few people walking. The ocean is calm, and the sky is overcast.

Building a *stronger Kāpiti* together



Kāpiti Coast
DISTRICT COUNCIL
Me Huri Whakamuri, Ka Titiro Whakamua

Toitū Kāpiti

Kāpiti Coast District Council

Summary Annual Report 2019/20

Foreword from the mayor

Kia ora and welcome to this Summary Annual Report for our district for 2019/20.

As it has everywhere, the pandemic has brought major challenges to our district, and has been particularly hard for the most vulnerable in our community. It is also clear that the impacts are not easily resolved and we will need to continue to navigate a changed world.

Our caring community

However, I am very proud of the way our community responded to this challenge and confident that we will continue to pull together. In this report we have highlighted some of the responses that we in the Council and many groups and individuals initiated as we grappled with how best to keep going and support each other, and care for the most vulnerable. This collaboration and kotahitanga is something we can celebrate and take forward into the year ahead.

Efforts of elected members and staff

I would also like to acknowledge your elected members' efforts – across our year and particularly in responding to the pandemic. With the elections in October 2019 our Council had been working hard to move forward with our work programme, and then we needed to respond very quickly when the seriousness of the situation became clear. The pandemic required us to operate in a different way and I was proud of our constructive and unified approach.

I also want to express my gratitude to all the staff of the Council. They reflected our community values of care and connectedness. The leadership and staff

moved swiftly to keep our community safe and set up services to support those most vulnerable. It is also a great tribute to them that many services continued remotely and we managed to achieve most of our work plan, so we remain well on track with our long-term plan work programme.

Annual Plan and rates adjusted

Setting our Annual Plan for 2020/21 and our rates increase was also disrupted. Prior to the pandemic, elected members had been planning to consult with the community on a higher rates increase that would allow us to step up action on climate change and housing priorities. However, as information about the likely impacts of the pandemic became available, it was clear this would not be reasonable. Elected members looked hard at what our rates needed to be for 2020/21 to enable us to continue to deliver services and play a role in our district's recovery. This included immediate relief for those most severely financially affected and struggling to pay rates, and support for businesses.

Major projects progressed

Although the pandemic response dominated the latter part of the year, overall we made strong progress on our major projects and priorities, including improving our drinking water across the district, upgrading stormwater to protect homes from flooding, and planning for how we deal with the impacts of climate change on our coast. This included our summit in March 2020 Takutai Kāpiti: Climate Change and Our Coast, to launch the coastal

adaptation project. We are determined that our approach for this will be community-led, so it was exciting to see so many groups and people coming together around this massive issue for our coastal district.

Throughout the year we saw increasing examples of Council and iwi and community groups working together, and this Annual Report shares examples of those collaborative initiatives.

Thank you, Kāpiti

On behalf of the Council, I want to thank you for your contributions to your community during the year and your response to the pandemic – especially your care for the most vulnerable. Your actions demonstrate the strengths of our community.

Toitū te whenua, toitū te wai, toitū te tangata, toitū Kāpiti.



K Gurunathan JP, MA
Mayor
Kāpiti Coast District

Overview from the Chief Executive

I echo the Mayor and Rupene Waaka's comments about the wonderful response from so many in our community to support each other. As Chief Executive I was extremely proud of our staff and heartened to see the relationships that we have worked to nurture with iwi and community and business stakeholders translating into so many creative responses.

It was also very encouraging to see that as an organisation our systems and processes enabled us to move quickly to put in health and safety measures, and then have virtually all staff working remotely – and continuing to deliver services – or redeployed for our community support activities.

On track with Long-term Plan

Despite the pandemic, we delivered most of our planned projects and only a few things were deferred. We had already reprioritised some activities where we could reschedule them to future years without adverse impacts. Overall, we are on track to complete the main work we have planned for the first three years of the Long-term Plan 2018–38.

Making headway with financial strategy

We are also on track with our financial strategy to balance capital spending, rates income and borrowing. Over the past five years we have been working to transition to fully funding depreciation of our assets through our income from rates, so that we are in a strong position to borrow in the future when we need to invest in new infrastructure. We followed this approach again in 2019/20, though we will now slow that down so that we can support our community to recover.

Improved credit rating maintained

It is gratifying that our credit rating has been confirmed again as AA. The rating process conducted by international credit rating agency Standard & Poor's (S&P) is extremely stringent and our continued strong rating means the community can be absolutely confident that we're managing the district's finances prudently and planning well for required future borrowing. S&P's assessment also endorses the Council's decisions to continue to invest in infrastructure and services to help Kāpiti respond to the impacts of the pandemic.

Satisfaction with services improved

It was encouraging to see that our residents' satisfaction with Council services remains high at 80 per cent. There are still areas where we didn't meet our targets, but it's good to achieve this overall level of satisfaction, and improve slightly on last year. We are already looking at the areas that were below target and also where we can lift satisfaction further.

Partnering with the community

Council's contribution of \$1.6 million towards the Kāpiti College Te Raukura ki Kāpiti Performing Arts Centre project helped see the centre open in February of this year. This is a massive gain towards supporting the cultural wellbeing of Kāpiti.

Opportunities for improvement identified in organisational review

At the end of the 2018/19 year, the Mayor and Councillors commissioned an independent

organisational review to help improve the management and governance of the Council.

The review conducted by management consultants Martin Jenkins during 2019/20 found that the Council does many things well, but that the achievements are not always widely understood. The review also identified areas where we can strengthen our efforts, and made 29 recommendations to lift the collective performance of the Council. We have prepared an action plan and will be working through this during the 2020/21 year, reporting on it as we go and in next year's Annual Report.

Looking ahead to our next Long-term Plan

As this report details, we are well on track with our work programme and making good progress towards the outcomes agreed in the current Long-term Plan. Although we undoubtedly have some significant challenges, we are in a good space to look ahead to Kāpiti's future needs as we gear up to begin preparing our next Long-term Plan.

Nāku noa, nā



Message from tāngata whenua

Me huri whakamuri, ka titiro whakamua – Drawing from our past to inform our future

As kaitiaki and tangata whenua of the district, our focus is on ensuring that our footsteps in the environment leave a positive imprint for our future generations. Our traditional practice of kaitiakitanga has developed from centuries of observation and experience and knowledge handed down from our ancestors.

The Toitū Kāpiti Long term plan 2018–38 reflects the vision of kaitiakitanga and sustainability that we embrace for our district and there have been more positive steps made on that journey in 2019/20.

Since 1994, we have committed to a partnership with the Council that recognises the roles we each have in the management of the district and our responsibility to plan wisely for the future. Together we have worked to embed our respective knowledge bases to achieve the best outcomes for our community.

For tangata whenua and iwi – Āti Awa ki Whakarongotai, Ngāti Raukawa ki te Tonga and Ngāti Toa Rangatira – there have been some key achievements and opportunities for contribution during the past year.

We are a coastal community and our iwi have long treasured our coastline and been concerned for its future. Our iwi are central to the efforts to deal with the impacts of climate change on our coastline through our ĀRT iwi relationships (Āti Awa ki Whakarongotai, Ngāti Raukawa ki te Tonga and Ngāti Toa Rangatira), and created the ĀRT Coastal Advisory Group (ĀRTCAG) – the three-iwi coastal advisory group established to work with Council. We are looking forward to co-designing our community's response to the massive challenges climate change is bringing to our coast and the surrounding whenua.

Through the year we contributed to the comprehensive refresh of the Economic Development Strategy, and each iwi will be represented on the new independent governance group – the Economic Development Kotahitanga Board. It was encouraging to see the principles of working in partnership/ kotahitanga embedded in the strategy.

The latter part of the year was dominated by the COVID-19 pandemic and iwi played a key part in our district's response, working with the Council and

supporting our most vulnerable whānau during the lockdown period.

2019/20 was a challenging year for all in our community but it was also one where we saw our district's resilience and kotahitanga demonstrated.



Rupene Waaka

Tumuaki, Te Whakaminenga o Kāpiti



Highlights of 2019/20

As year two of Kāpiti Coast District Council's Toitū Kāpiti Long-term Plan 2018–38, the work programme for 2019/20 was largely as projected in the Long-term Plan and most activities were progressed as planned. The main differences in the year's outcomes were the result of COVID-19 impacts and our refocusing of activities to support the district in the last quarter of the year. This section provides highlights of the major activities of the year and our response to the pandemic.

For the first time, we also include a separate section on sustainability and resilience, where we report our progress on reducing emissions.

Our progress on major projects and initiatives

In our Annual Plan 2019/20 – and based on the Long-term Plan – we outlined the major projects intended to be completed during the year. This section summarises our progress on those projects.



Managing and upgrading our **WATER INFRASTRUCTURE** to make sure our water supply remains safe and clean

- We completed our design of the Ōtaki water supply pipe on Tasman Road for construction to begin next year.
- We progressed the water safety and resilience programme by:
 - continuing the detailed design of the Waikanae water treatment plant renewal
 - reviewing the Ōtaki and Hautere drinking water safety upgrades, which confirmed that upgrading the Tasman Road, Rangiuru Road and Hautere treatment plant sites is the best approach for the medium to long term.



ADDRESSING FLOOD RISKS

- We continued investigating, designing, and carrying out major stormwater improvements and more minor upgrades and renewals (most of our stormwater network upgrade is focused on protecting homes).
- We progressed the update of our stormwater management strategy.



Maintaining and improving our **LOCAL ROADING** connections with the new Expressway routes

- We began revocation of the old State Highway 1 to become a local road, working with Waka Kotahi NZ Transport Agency. Work included a new footpath between Poplar Avenue and Raumati Road.
- We finished the Speed Limit Review, including consulting with the community.
- We refreshed the sustainable transport strategy, first developed in 2008, and put it out for consultation in June 2020. The draft strategy identifies 11 key challenges, from a transport network under pressure, to demographic change, to environmental impacts; and a series of desired outcomes including improved access, connectivity, and integration, and a system that supports a vibrant and thriving district.



Progressing **MARINE PARADE SEAWALL**

- We continued preparations for rebuilding the Marine Parade seawall in Paekākāriki. In 2019/20 we finalised the designs and received the resource and building consents. Construction is due to start in 2021/22 and be complete by 2022/23.



HELPING KĀPITI PROSPER through encouraging economic development and activity

- We progressed town centre projects in Paraparaumu, notably the widening of Kāpiti Road completed in February 2020.
- With our iwi partners and business stakeholders we refreshed our economic development strategy, and in the last quarter we updated it to reflect the potential impacts of the COVID-19 pandemic and the need for a recovery plan. The strategy has been completed for a three-year period and includes establishing an independent governance group – the Economic Development Kotahitanga Board.
- We contributed to business development and major events including new events: TooT Suite Boutique Festival and Xterra (an off-road triathlon, duathlon and trail-running event), both held in February 2020.



WASTE MANAGEMENT

We developed local outcomes for regional waste management and minimisation.



Improving **COMMUNITY FACILITIES** across the district

- We reviewed the Open Spaces Strategy and its impacts on the development contributions policy.
- We renewed four playgrounds with community input: Waimeha Domain, Pharazyn Avenue, Campbell Park and Mazengarb Park.
- We carried out planned renewals and refurbishments of Coastlands Aquatic Centre, Waikanae Pool and Ōtaki Pool.
- We set up the interim replacement library and service centre for Waikanae in the new location in Mahara Place, while working towards a long-term solution for the library, including gathering community input.
- We continued planning for the Mahara Gallery upgrade.
- We carried out property renewals, including housing for older persons, halls, and other facilities. (Of our 118 units for older persons, in the past three years we have completed full interior renewals for 39, and partial renewals for 3.)



PLANNING AND REGULATORY responsibilities

- We progressed several District Plan variations.
- We rescheduled the Beach Bylaw review to 2020/21, as we were not able to undertake full community engagement due to COVID-19; however, we did complete an initial survey with the community on how our beaches are managed and protected.
- We progressed work on coastal challenges, seeking community input. This included holding a summit in March 2020, Takutai Kāpiti: Climate Change and Our Coast, to launch the coastal adaptation project. At the summit national and local leaders and climate experts presented research and ideas about climate change, coastal adaptation and building resilient communities, which provided an opportunity for people to find out more about climate change impacts.
- We issued the last two remaining seismic upgrade notices – for Ōtaki Theatre and Ōtaki Museum.

Initiatives across our work programme

As well as our major projects, during the year we progressed a range of other work. Specific initiatives and progress in priority areas are highlighted here, with updates on all our work in the detailed activity reports in the full annual report.

Two priority areas identified in the development of the Toitū Kāpiti Long-term Plan 2018–38 were taking action on climate change and improving housing accessibility and affordability.

Planning for climate change impacts on our coast

We are a coastal area, and of the approximately 24,000 houses in our district, some 8,000 are in the tsunami zone. The impacts of climate change on our coastline are of high importance and significance to iwi, residents and the wider community, and the Kāpiti Coast District Council is taking a community-led approach to developing responses to coastal change.

Council has determined it is essential that iwi and the community have ample opportunity to provide input to the development of the coastal adaptation process, and establishing this approach has been our focus during 2019/20.

We have formed a partnership with tangata whenua through our ART iwi relationships (Āti Awa ki Whakarongotai, Ngāti Raukawa ki te Tonga and Ngāti Toa Rangatira), and created the ĀRT Coastal Advisory Group (ĀRTCAG).

Our co-design working group includes representation from ĀRTCAG, Greater Wellington Regional Council, Coastal Ratepayers United, North Ōtaki Beach Resident Group, Waikanae Estuary Care Group, Friends of Ōtaki River, Friends of Queen Elizabeth Park, and Community Board representatives.

In March 2020 we held the Takutai Kāpiti: Climate Change and Our Coast summit. Climate experts presented in the morning, while the community event afternoon allowed for informal opportunities to learn more about climate change in Kāpiti.

Addressing housing challenges

Increasing housing pressures are affecting the most vulnerable in our community, and those people whose income has been affected as a result of the COVID-19 pandemic. As with the rest of the country, we have seen a sharp rise in the number of people on the Government's Housing Register, which records people assessed with a serious housing need and found eligible for social housing. We are aware that this increase may not be a true reflection of a much higher need in Kāpiti, as our conversations with organisations providing a range of housing options continually highlight their struggle to meet the increasing demand for services.

Council has started conversations internally and with our partners to consider what we can do directly and in collaboration with iwi and community organisations, and through advocacy to central government.

During the year we finalised the Housing Programme Assessment Report, which gave the Council a broad understanding of its role in supporting affordable and public housing and provided a benchmark of current housing supply in Kāpiti, as well as identifying current and future potential gaps to be addressed. We have begun to develop a detailed housing work programme, and as this is developed we are focusing on six priority actions:

- Undertake an audit of Council's existing residential land holdings to determine redevelopment potential and improvements needed.
- Investigate the suitability of other Council-owned land to support housing developments, giving greater weight to the use of Council land for housing.
- Engage with local iwi to determine how Council can support and enhance the capacity of Māori housing providers through opportunities for development partnerships on Māori-owned and other land.

- Identify partnership opportunities with the public housing sector.
- Establish a working group with the local housing sector, including community housing providers, to support this industry to provide quality housing.
- Identify suitable Council or other land through Council or its partnerships that may be available for temporary relocatable housing.
- Map Council's consenting and approval process for housing proposals, to identify opportunities for more efficient Council processing of these applications and easier navigation of the system for applicants.

We also submitted an application for funding to the Crown Infrastructure Fund for a community housing project, and are waiting to see if this application was successful.

Progressing wastewater treatment

For some years we have been working with iwi to explore alternatives to treating our wastewater. This is a complex matter, with sensitive environmental and cultural considerations.

During the year, we had been seeking engagement with mana whenua in the re-consenting process. All our iwi has been invited to participate and identify how this could be best achieved. However, our progress has slowed and the delays in engagement and consultation on options have meant a full process cannot be completed before the discharge consents expire. Alongside pursuing renewed engagement, we have begun putting together an application for interim extension to the existing consents.



Focus on new drinking water safety requirements

The release by the Ministry of Health in May 2019 of a new drinking water safety planning framework, and guidance material, has meant a significant shift in the national drinking water safety risk approach. In response, we completed a risk assessment in 2019/20 that identifies a schedule of improvements to our water safety systems and processes. We will begin implementing the improvements in 2020/21.

We trialled new infrared camera drone technology to locate hard-to-find leaks in one of the water zones. This proved successful, and we will make more use of this new technology in 2020/21.

Kāpiti Gateway project receives Government funding

During the year, we worked on plans for a Kāpiti Island gateway, and applied to the Provincial Growth Fund (PGF) for funding support. Just after year end we learned that the Government had approved \$2.23 million from its COVID-19 Response and Recovery Fund towards the project; this is half the estimated cost. In 2020/21 our focus will be to finalise a business case for Council's consideration.

Earlier in the year, we received funding for our PGF programme manager who works with organisations to prepare applications. Three local initiatives also received funding: Omeo Technologies in Ōtaki, Kāpiti Island's Waiorua Lodge, and Māoriland Trust in Ōtaki.

Waikanae Library replacement planning

At the very beginning of 2019/20 we opened a temporary solution for the Waikanae library and service centre in Mahara Place. During the year we formed a project advisory group (including library users), and began investigating options for the library's long-term location within the town centre. The advisory group is focusing on three areas: library services, customer services, and building options (whether to renovate the original library site or build on a new site).

Libraries review

The future arrangements for Waikanae will be designed in the context of a wider review of the strategic direction for all our library services. Our project Te Ara Hāpai – a pathway that uplifts and supports people – aims to develop responsive and inclusive library services that work in partnership with the community. The review was scoped out during 2019/20, and will get under way in 2020/21.

Animal management shelter upgrade

We finished a comprehensive upgrade to bring our animal management shelter in line with Ministry for Primary Industries' guidelines, including the Code of Welfare for the Temporary Housing of Companion Animals. The scope included a new veterinary area, secure drive-in kennel space, new safe holding cages for assessment and treatment, non-scalable perimeter fencing, and covered exercise areas. We started work in January 2020 and finished in June, slightly delayed by the COVID-19 lockdown. The upgrade will ensure we can maintain the highest standard of care for animals, and provides a safer and healthier working environment.

Building portfolio assessment complete

Over the past few years we have been surveying the condition of our community facilities, and this was completed during the year. We now have a detailed assessment of our entire portfolio (around 200 buildings and facilities). The surveys have confirmed that in our portfolio we have several key issues, including poorly performing plumbing, dated building elements, and evidence of historic leaks and moisture. Staff are reviewing the survey data and will develop proposals as part of the next Long-term Plan.

Local body elections conducted

Council managed the local body elections that took place in September–October 2019. More options were provided for voters, including a mobile voting service. The Chief Executive released a pre-election report to provide residents and candidates with information about the Council's position and issues facing the district.

Just over 45 per cent of eligible Kāpiti voters returned a vote, down on turnout in 2016 of 48.2 per cent, and lower than the average of 46.7 per cent for provincial councils. The average turnout for all New Zealand was 41.7 per cent.

Strategic land purchased at Paraparaumu Beach

In October 2019 we acquired two sections opposite the car park at Maclean Park, Paraparaumu Beach, from our strategic land purchase fund. This cost \$1.43 million. Securing this land gives us options to support future development in the area.



Our COVID-19 response

This section summarises the actions we took in response to the pandemic and the impacts it had on our service delivery and performance in 2019/20. It highlights initiatives we put in place with others in the community, changes we made to services that we will continue, and specific projects delayed because of the pandemic. It also notes applications we submitted for central government COVID-19 recovery funding for major infrastructure projects in the district.

Immediate response

When it became clear we were facing a pandemic, Kāpiti Coast District Council moved quickly to comply with the Government's directives and support the community to keep safe and manage through the lockdown.

We continued services deemed essential for public health and safety, and non-essential services ceased or were delivered in accordance with the health order and appropriate alert level.

Council also immediately initiated our Emergency Operations Centre and welfare desk to support those most vulnerable. This operated remotely to a large extent.

During Alert Level 4 lockdown, we closed Council offices, libraries, pools, halls, reserves, playgrounds and sports grounds, public toilets and transfer and recycling stations. A range of services such as maintenance to water, stormwater, wastewater and roading works were limited to emergencies. Where we could, we put together alternative ways for residents to access services. Many of our staff were able to work remotely, so services such as processing resource and building consents continued.

Support package for community

In addition to helping people access support available from the Government, the Council provided a range of support directly to the community and began developing a strategy for longer term recovery. The Council determined an overall three-pronged approach.



sustain, restore, and rebuild. In early April, Council announced a support package of specific assistance, including rates relief and payment plans, and help for suppliers and businesses. Full details of the support package are included in the Financial overview section.

Financial impact for Council

The pandemic affected Council's financial result for the year, with reduced expenditure where work was not able to be progressed or facilities were not operating, and less revenue with services such as pools closed. The main financial impacts of COVID-19 in 2019/20 are summarised in the Financial overview section.

Keeping services going

Wherever possible we set staff up to work at home. This included using technology for remote communication and meetings. We brought forward \$115,000 of 2020/21 budget to invest in critical information technology to ensure we could support staff adequately.

For many services, the impact on customers was limited to changing meetings from in-person to virtual, and from walk-ins to phone calls or emails. The improvements we have made to our systems mean our staff will be able to easily shift to providing services remotely whenever this is needed.

When Council offices and facilities such as libraries and pools were able to reopen at Alert Level 2, we were fully set up with contact tracing and safety measures in place. Half our office-based staff continued to work remotely from home to enable us to maintain physical distancing requirements. For Alert Level 1, staff began the transition back into the office from 9 June 2020.

Staff re-deployed to support community

Around 60 staff who were not able to continue their core roles were deployed to the Emergency Operations Centre. They responded to community needs through a welfare support helpline, liaised with iwi, sourced equipment and supplies, and provided information. Our planning team worked with our Capital and Coast District Health Board colleagues and developed contingency plans and preparation for longer term recovery.

Council and community initiatives

A positive outcome of the changes required by the pandemic was the creativity and responsiveness that were demonstrated by Council teams and many different groups in our community. The following are some examples.

Iwi and our staff on the Emergency Operations Centre welfare desk worked closely together. For example, Paraparaumu-based health provider Hora Te Pai and Council teamed up to provide wrap-around support for individuals who had contacted the welfare desk with multiple needs.

Council provided financial assistance to **support iwi** with their response to COVID-19. The sum of \$90,000 (\$30,000 to each of the three iwi) was funded from the existing Iwi Partnership budget for 2019/20.

Support for businesses was an immediate focus, and our Economic Development team set up a local business services group to ensure there was good coordination between local groups. Support offered included regular communications, webinars, and a three online workshops on how to take a business digital. We are keeping the workshops available online.

We adapted the programme for our **pop-up business school** to use a mixture of interactive online and venue-based sessions, with great response from over 50 participants.

Our **Environmental Standards team** worked with other agencies to provide essential services during Alert Levels 4 and 3. For example, staff assisted Ministry of Health with contact tracing and monitored freedom camping sites, providing information to police.

Online library services boomed during lockdown. Particularly popular were the online Tamariki Time sessions, which contributed to over 20,000 video views in the fourth quarter, up from 590 views in the previous quarter.

A total of **8289 ebooks** were issued in the fourth quarter, compared with 4800 in the previous quarter, and 762 new ebook users were registered in the third and fourth quarters – with 1840 active users at the end of June.

Our **Youth Council** ran a ‘chalk walk’ competition, encouraging young people to illustrate designs on pavements during lockdown. The online competition reached over 7000 people.

Our **youth development centre provider Zeal** had begun two new courses, in photography and design. They continued offering both during lockdown through online digital platforms.

Council offered additional support to **social investment contract holders** due to the demand for their services post COVID-19. We are also revisiting their reporting and year 3 deliverables, to ensure their service delivery can focus on supporting social recovery.

District planning checks moved from a paper-based system to electronic and this has continued, which has helped the Building team deal with a backlog and complete consents more efficiently.

At our pools, on reopening we supported our regular lane hirers to transition back into full capacity, with a strong focus on contact tracing and increasing the use of membership cards.



Applications for central government infrastructure funding for major projects

In May 2020 the Council applied for funding support from Crown Infrastructure Partners for nine “shovel ready” infrastructure projects, and five were accepted for consideration. At the time of completing the Summary Annual Report we were awaiting further information on how those five projects were progressing.

The projects submitted and being considered are:

- Paraparaumu link road – to deal with congestion on Kāpiti Road and connect key transport routes
- Paekākāriki seawall – to replace the almost 1 kilometre of deteriorating wall
- districtwide stormwater upgrades – to carry out work to protect homes and commercial buildings from flooding

- water safety and resilience – to upgrade our drinking water supply
- Maclean Park development stage two – to continue redevelopment of the park as a regional destination.

The total value of the projects being considered is \$102 million. They are part of our existing work programme and if we are successful in obtaining funding this would provide significant employment and economic opportunities to support the district’s recovery from COVID-19.

Projects delayed by COVID-19

As well as needing to close facilities such as pools and libraries and limit other work because of COVID-19, some specific planned projects were not able to proceed or be completed.

This includes:

- The review of the Beach Bylaw 2009. This is now targeted to be completed by March 2021, with consultation planned for October to November 2020.
- The Wharemauku block wall long-term solution. We had planned to present options to affected residents in March 2020. Consultation, preliminary designs of the preferred option and lodgement of a Resource Consent Application are now planned for 2020/21.
- Planned maintenance to our swimming pools that depended on overseas contractors and suppliers. These projects have been carried forward to 2020/21.
- Neighbours Day. Significant planning had gone into 2020 events, but unfortunately they couldn’t proceed.
- Road works in the Waikanae and Paraparaumu town centres were deferred to 2021 due to the effect the COVID-19 downturn is having on local businesses.

Our sustainability initiatives

Improving sustainability and resilience is an important issue for our community and its wellbeing. This section outlines our main areas of work to lift sustainability in the district, including waste management and minimisation, carbon and energy management and the wider overview of climate change adaptation and mitigation across Council activities.

Climate change emergency declaration

On 27 May 2019, Kāpiti Coast District Council declared a climate change emergency, signalling a strong desire to lift sustainability and resilience in the district.

In response to Council's declaration, a new Sustainability and Resilience team was established, combining carbon and energy management, overview of climate change adaptation and mitigation across Council, and waste management and minimisation.

Emissions reduction goals

On 27 May 2019, Council passed a resolution to pursue a goal of carbon neutrality by 2025.

This resolution built on the existing Carbon and Energy Management Plan adopted by Council in 2012, which set a target of an 80 per cent reduction in greenhouse gas emissions from the organisation by 2021/22, compared to its 2009/10 baseline year.

This was to be achieved through a range of actions including energy conservation, installation of renewable energy, switching from use of fossil fuels

to renewable energy and changing how we dispose of waste.

To underpin our plan and provide an independent assessment of our progress, Council signed up to Toitū Envirocare's *Carbon Reduce* scheme. Under this scheme Council has its annual emissions inventory (carbon footprint) independently audited to gain accreditation to the ISO-14064 standard.

The actions taken over the past eight years in pursuit of that target have seen our Council consistently leading the local government sector in emissions reduction. We have received a number of awards, including from EECA and the Ministry for the Environment.

Carbon audit results for 2018/19

Our verified emissions result for the 2018/19 year was confirmed by Toitū Envirocare, our auditors, in mid-March 2020. That result reported total greenhouse gas (GHG) emissions of 2,867 tonnes of CO₂ equivalent (tCO₂e), down 150 tCO₂e from the previous year, and contributing to a reduction of 77 per cent since 2009/10.

The two main positive contributors to the 2018/19 result were a reduction in the national grid emissions factor and further emissions reductions from our LED streetlight upgrade project. These factors combined resulted in a reduction impact of 293 tCO₂e.

However, that was significantly offset by increased emissions from a number of other Council activities, in particular from Aquatics (119 tCO₂e) and Water and Wastewater operations (24 tCO₂e), resulting in the net emissions reduction of 150 tCO₂e reported above. The Aquatics result was due to our Ōtaki Pool returning to its first full year of use following its rebuild in 2017.

Emissions reduction initiatives in 2019/20

Electric vehicles (EVs)

We purchased a second Nissan Leaf in early December 2019, giving us two EVs in the Council fleet. In March 2020 we also purchased a Nissan Leaf as the new mayoral vehicle - with the Mayor's previous vehicle, a Corolla hybrid, now being used in the fleet. EV charging stations

EV charging stations

Following the decisions to purchase these new EVs, installation of additional EV charging stations at the Civic building were planned. Installation was delayed due to the COVID-19 lockdown, will be completed in the first half of 2020/21r.

Decarbonising our fleet

We've started reviewing our vehicle fleet to ensure its optimised and identify options for reducing its carbon footprint. The review will produce a decarbonisation plan which will provide us with a roadmap for transitioning our fleet to lower emission alternatives (including EVs, plug-in hybrid EVs and standard hybrid vehicles), ensuring that we replace vehicles at the end of their useful life with cost-effective, low-emission and fit-for-purpose alternatives.

Community solar power at the Ōtaki wastewater treatment plant (WWTP)

Energise Ōtaki, a community organisation focused on clean energy production, made progress over the year on its proposal to install a solar photovoltaic (PV) array at the Ōtaki WWTP. The array will supply renewable electricity directly to the treatment plant, reducing its carbon footprint. Agreements for land use and power supply with the Council were developed and signed and site preparation work got underway.

Installation was scheduled for July-August 2020 and the array is envisaged to be commissioned and generating power in September 2020.

Exploring decarbonising the Ōtaki Pool

Council undertook a study into the feasibility of improving the energy efficiency of the water and

space heating at the Ōtaki Pool and upgrading the plant to reduce carbon emissions. There are significant costs associated with an upgrade, and we will consider options as we develop the Long-Term Plan 2021-41.

Embedding climate change into Council's planning

To enable consistency in climate change responses across Council, we are working to ensure that all asset and activity managers have the tools needed to develop evidence-based responses to existing natural hazards that are exacerbated by climate change, particularly in the areas of mitigation and adaptation.

Climate change mitigation

The emissions reduction achieved to date has been due to our across-Council commitment to achieve the targets set out in the Carbon and Energy Management Plan.

While reducing emissions directly from our activities remains a key focus, work is underway to develop the guidance and tools needed to enable more sustainable procurement. Sustainable procurement practices will help to reduce indirect emissions, while also promoting sustainable practices in our suppliers.

Climate change adaptation

To deliver a wide range of sustainable and resilient services, we need to consider the potential impact of the effects of climate change on Council assets and activities, as well as the wider Kāpiti Coast community, and incorporate climate change adaptation into our planning when required.

We determined that updated climate change assumptions for the Kāpiti Coast were required to do this well, particularly prior to the development of the Long-Term Plan 2021-41 (LTP 2021).

To access the most current science while working alongside our regional partners, we turned to NIWA and Greater Wellington Regional Council (GWRC) to develop a robust set of climate change assumptions for the Kāpiti Coast. During the development of the LTP 2021 over the next year, the Sustainability and Resilience team will work alongside asset and activity managers from across Council to use these assumptions in their planning processes.

Regional alignment

While each council in the Greater Wellington Region may experience different impacts from climate change, there is still considerable value in working together as a region.

The Wellington Region Climate Change Working Group was established in 2017 to provide a forum through which elected members and mana whenua from across the Wellington Region could network, discuss issues, share information, and (where appropriate) achieve a consistent approach across all jurisdictions on climate change mitigation and adaptation.

Council has been a keen participant in the working group since it was established.

Development of a sustainability and resilience (climate change) strategy

A sustainability and resilience (climate change) strategy is a key deliverable, particularly in light of Council's climate change emergency declaration, and Council seeks to work with mana whenua and engage with the wider community on its development.

It is anticipated that the current focus on incorporating climate change mitigation and adaptation into the development of the LTP 2021 will provide a strong base for the development of this strategy.

Government reporting requirements

With the recent assent of the Climate Change Response (Zero Carbon) Amendment Bill, Council is preparing itself for when the Minister for Climate Change or the Climate Change Commissioner establishes reporting requirements for local authorities. In addition, as a provider of large

infrastructure services, Council is also preparing for any climate-related financial disclosures that may be required in the near future as well.

Waste minimisation

Council's Waste Minimisation Taskforce presented its final report in December 2019. In responding to the report, Council has been planning to undertake

projects that will support achieving its target to reduce waste to landfill by 30 per cent by 2026.

For more detail on our waste management and waste minimisation activities see the Solid Waste activity chapter, on page 54 of the full annual report.

Financial overview

This is a summary of the major aspects of our financial management and results for the 2019/20 year.

It includes how we are progressing with our financial strategy and summarises our key financial actions to support our community in response to the COVID-19 pandemic.



We have produced this overview to give Kāpiti residents a snapshot of our finances. Full details are provided in the full annual report - there is a summary of the cost of providing services for each activity, comparing what was spent with what was budgeted, in the Our activities and services section of the full annual report (pages 34-93). The full financial statements can be seen in the Our finances section of the full annual report (pages 95-151).

Kāpiti Coast District Council is an entity of

\$1.5 billion

Financial performance

Operating profitability

Council ended the year with a much higher operating surplus than forecast – \$19.6 million.

Total revenue was \$21.8 million higher than we had budgeted, largely due to \$20.5 million of assets being vested to the Council. These vested assets (mainly local roads) transferred to Council following the completion of the Mackays to Peka Peka (M2PP) Expressway project. Due to the complexity of the project, the precise nature and timing of these asset transfers were not included in our 2019/20 Annual Plan.

Total operating expenditure was \$2.1 million higher than budgeted, due to the unplanned impairment of the Otaihangā landfill after-care asset of \$2.2 million.

Capital spending

In setting the 2019/20 annual plan we had budgeted to spend \$35.8 million on capital work.

We ended the year completing \$23.5 million, 66 per cent of planned, with \$11.5 million worth of projects being moved out to future years.

This carry-forward of capital work was partly due to COVID-19 limitations, but more so due to the reprioritisation and rescheduling of work programmes, especially in our water management activity.

Financial performance (\$ millions)

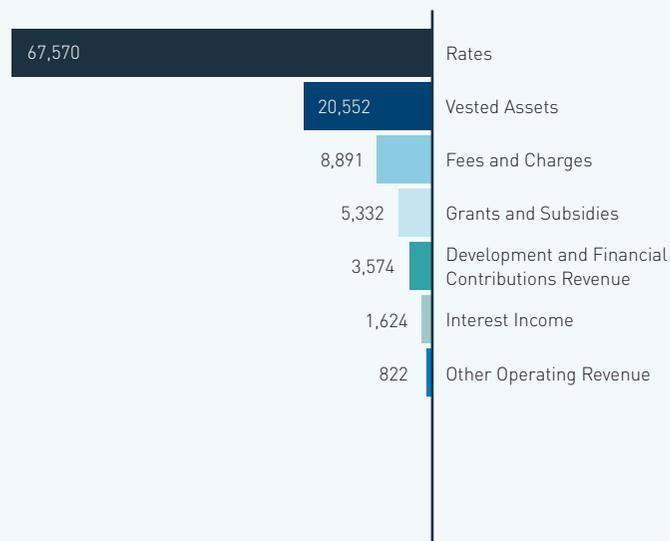
Income

Expenditure

Financial performance (\$ millions)

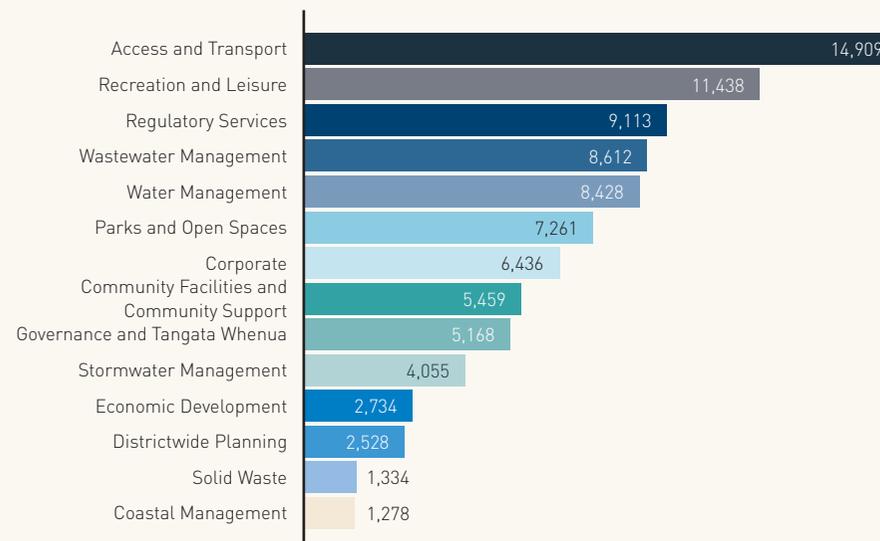
Income by type

\$108.4

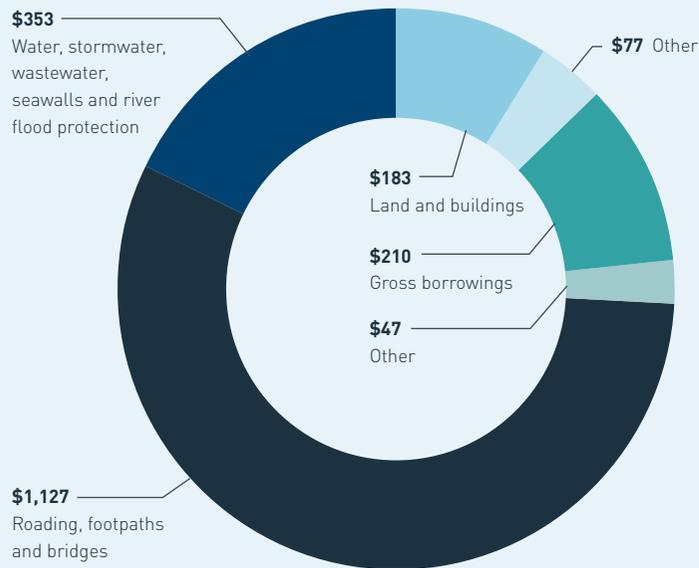


\$88.8

Expenditure by Activity



Financial position (\$ millions)



Assets

\$1,740

85% of Council's assets are infrastructure (water, stormwater, wastewater, roads, bridges, cycleways, walkways and bridleways)

Liabilities

\$257

82% of Council's liabilities are medium to long term borrowings from the Local Government Funding Agency

Financial position

At the end of each year, we determine our financial position. This reflects the overall value of the Council as an entity.

As at 30 June 2020, total assets were \$1,739 million. Of this, infrastructure (water, stormwater, wastewater, roads, bridges, cycleways, walkways and bridleways) accounted for \$1,479 million and the remainder included community facilities, parks and open spaces and financial assets.

Our liabilities are \$256.6 million, with 82 per cent of this being medium to long-term borrowings from the Local Government Funding Agency. Other liabilities include money owed, for example, to suppliers.

The difference between total assets and liabilities means that ratepayers' equity in the Council is \$1,483 million.

Cash and debt management

We ended the year with net debt (total borrowings less cash, term deposits and borrow notes) of \$155.7 million, that represents 185 per cent of our operating income. This reflects our commitment to our 'green-line' strategy to keep borrowings below 200 per cent of our operating income.

We kept our Standard and Poor's credit rating of

AA

We achieved an average cost of borrowings of

4.15%

A positive result for the year is that we kept our credit rating of AA in a generally difficult financial environment. It is beneficial because it helps to reduce our borrowing cost, supporting our financial strategy.

Progress in 2019/20 towards our financial strategy

Our financial strategy is based on balancing rates, borrowings and capital spending.

We've been working hard to improve Council's financial position – spending less so we can pay back more in preparation for future infrastructure replacements. We maintained this approach of close financial management in 2019/20 and, despite the impacts of the pandemic, we have stayed on track with our strategic approach.

During the year, we reduced unfunded depreciation by \$3.1 million. We are forecasting to fully fund depreciation by 2025/26. Our previous target was to do this by 2022/23, however, we needed to slow down a little to help our community to recover from COVID-19.

COVID-19 financial impacts and support provided

Support package

In early April the Council announced a support package available up until 31 August 2020 to help the district withstand the economic and social challenges expected.

The *Phase 1 – Sustain Community Support Package* included the following support for residents, ratepayers and businesses who had been financially impacted by the pandemic. Take-up of the package elements is shown in brackets.

1. Support available on application:

- Removal or reversal of rates late payment penalties for rates falling due between 1 March 2020 and 30 June 2020 (\$34,307);
- Deferral of payments for water and property rates falling due between 1 March 2020 and 31 August 2020 (as at 31 August 2020, 136 payment plans were set up, to a value of \$284,172);
- 90-day credit terms for non-rates invoices;
- Refund of consent deposits and fees if applicants request to withdraw their application (two applications totalling \$6,000)

2. Support being applied automatically to those who are eligible for it:

- Rent payments waived for three months for Council's major commercial tenants (\$38,332);
 - Rapid payments of supplier invoices;
 - Refund of 25% of licence or registration fees relating to food, alcohol, outdoor dining, hairdressing, trade waste, and campground (548 applications processed, to value of \$47,155).
 - Increased weighting for local businesses in procurement processes.
- #### 3. Additional support:
- We repurposed existing budget to support iwi with their response to COVID-19
 - Allowing Community Boards to repurpose unallocated discretionary grants for to COVID-19 response initiatives.
 - Flexibility to repurpose remaining social investment grants in 2019/20 as appropriate.
 - Extended existing library book loans by six weeks.

Financial impacts

The specific impacts of Covid-19 on our financial results are noted in the relevant notes to the financial statements in the full annual report.



Working with others

We are committed to working with the community, responding to community concerns, and supporting community-led initiatives. This section illustrates some of the activities during 2019/20 that demonstrate collaboration and partnership, and reflect how community input has influenced our priorities. It also highlights the huge contribution of volunteers in the district.

Partnership with iwi

Kāpiti Coast District Council has a special relationship with its iwi partners, Āti Awa ki Whakarongotai, Ngāti Raukawa ki te Tonga and Ngāti Toa Rangatira. As set out in the message from Te Whakaminenga o Kāpiti on page 6, March 2019 marked 25 years of formal partnership between iwi and the Council. In June 2020, Āti Awa ki Whakarongotai announced their withdrawal from the partnership. They will remain one of the Council's iwi partners, but will deal with the Council directly while we review the partnership.

Community groups

Council supports and works with a number of community groups: the Kāpiti Older Persons' Council, Kāpiti Youth Council, Kāpiti Accessibility Advisory Group, Kāpiti Multicultural Council, Kāpiti Health Advocacy Group, the Kāpiti Social Services Network and the Kāpiti Settlement Support Network.

Examples of activities generated through these relationships during the year include:

- The Older Persons' Council promoted the annual International Day of the Older Person, which the Council supported with an awards event recognising local seniors for their outstanding contribution to the Kāpiti community.

- The Youth Council ran a stand at the Takutai Kāpiti: Climate Change and Our Coast summit to engage young people about climate change and our local environment.

Social service providers

Council contracts some services and has nurtured close relationships with these organisations.

Youth services provider Zeal

Since 2015, Council has partnered with Zeal Education Trust, a nationwide youth development organisation, to deliver a youth development centre and satellite activities across the district.

A feature of Zeal's approach is involving young people in community gatherings. In 2019/20, this included supporting the Waikanae Lions Garden Trail with coffee and live music, three Council Acoustic in the Park events, and sound for Council's inaugural family Movie in The Park.

Social investment programme providers

Major Council funding for social services and community-led initiatives is managed through the Social Investment Programme, with priorities agreed by Council from a sector panel's recommendations. Council is currently funding nine organisations delivering specific initiatives, and 2019/20 was the second year of the three-year programme contracts.

Our nine programme providers are:

- Kāpiti Youth Support
- Kāpiti Impact Trust
- Volunteer Kāpiti
- Māoriland Hub
- Ngā Hapū o Ōtaki
- Age Concern
- Kāpiti Living without Violence
- Energise Ōtaki
- Kāpiti Women's Centre.

Roading maintenance provider Higgins

Council has partnered with civil construction business Higgins to provide urban and rural road maintenance services to the district. Higgins has expertise in key services for our infrastructure needs including drainage, pavement construction, surfacing and traffic management, and is also an alliance partner in the Mackays to Peka Peka (M2PP) and Peka Peka to Ōtaki (PP2Ō) projects with Waka Kotahi NZ Transport Agency.

Higgins was appointed by Council following an open tender procurement process in 2018.

Waka Kotahi NZ Transport Agency

We work in partnership with Waka Kotahi on the district's major roading projects, including the Expressway projects and associated revocation work (M2PP, PP20 and the Ōtaki to North Levin (Ō2NL) extension). We also depend on financial subsidies from Waka Kotahi to deliver the Council's annual roading programme.

Collaborative initiatives

Community-led approach for coastal adaptation

There is exceptionally high stakeholder interest in the impacts of climate change on our coast, and we are pursuing a community-led approach to develop our response.

Important set up work in 2019/20 included forging a partnership with tangata whenua through the ART confederation of iwi, Āti Awa ki Whakarongotai, Ngāti Raukawa ki te Tonga and Ngāti Toa Rangatira, to form the ĀRT Coastal Advisory Group (ĀRTCAG).

Our summit in March 2020, Takutai Kāpiti: Climate Change and Our Coast provided opportunities for the community to learn more about the impacts our district is facing.

By the end of the financial year we had finalised our co-design working group with representatives from our iwi partners ĀRTCAG; local groups North Ōtaki Beach Resident Group, Waikanae Estuary Care Group, Friends of Ōtaki River, and Friends of Queen Elizabeth Park; and regional partners Greater Wellington Regional Council, and the Coastal Ratepayers United.

Growing support for helping young people into work

Support is expanding for the Kāpiti Youth Employment Foundation programme, Work Ready Kāpiti, which Council sponsors.

The programme enables 15 to 24 years old to gain skills and experience to show that they are work ready, and encourages local businesses to employ youth. Kāpiti, Paraparaumu and Ōtaki colleges and now Ōtaki's Te Rito College and Te Kura (the Correspondence School) run the Work Ready Passport programme with students. The Foundation also hosts #EmployerMeets events, and helps advertise work experience placements.

Kāpiti Rotary and Lions Waikanae have recently offered their support to the programme, and the Foundation is in discussions with the Ministry of Social Development about ways they could partner.

Council's support for the initiative reflects a strategic pillar of our economic development strategy to grow skills and capability and provide pathways for young people/rangatahi as our future workforce.

Optimising the benefits of the expressway for the north of the district

During the year community group Elevate Ōtaki surveyed Ōtaki businesses to better understand their issues and plans as the PP20 Expressway nears completion.

Elevate Ōtaki was set up in 2017 to lead and advise on the best use of a \$300,000 funding package from the Council and Waka Kotahi NZ Transport Agency to help the Ōtaki community prosper from the expressway.

Volunteers team up with Council on coastal planting

During the year community volunteers and beachfront residents worked alongside Council staff to add around 7000 native sand-binding plants to the fore-dunes between Paraparaumu and Ōtaki. This group effort makes a substantial contribution to our coastal dune restoration programme, where we are progressively restoring degraded dune ecosystems by controlling weeds and planting local native plants. The planting has the dual benefit of enhancing biodiversity while providing the best protection against erosion.

Working together on an age-friendly strategy

Grey Power Kāpiti was successful in securing Government funding for initial engagement to develop an age-friendly strategy for the district, and Council and Grey Power agreed a Memorandum of Collaboration to undertake the work needed. The collaboration got under way with Council supporting four workshops to gather information to help form the approach. Some work was delayed due to COVID-19 restrictions, but is being progressed in 2020/21.

Helping facilitate a community-led approach to suicide prevention

We began work with a collective of local community organisations, Regional Public Health and the Capital and Coast District Health Board on an initiative to reduce the incidence of suicide among men in the community. Council's role is to facilitate the project, including developing a business case, investigating funding opportunities and providing general advice on shaping community governance.

Community markets supported to flourish

The popular Saturday Paraparaumu Beach Market got a new home in Maclean Street. We worked with

the market owners and the Paraparaumu Beach Business Association to support the relocation of the market to Maclean Street, with capacity to expand to Maclean Park. This gives the operators certainty about future operation and complements the development of the park.

In Waikanae, the Community Board has been active in promoting the revitalisation of the Waikanae Community Market during the year. The market, based in Waikanae Park, reopened in July 2020 and almost 70 stallholders are registered.

Advocacy through submissions

As part of its advocacy for the district, Council regularly makes submissions on Government bills and policy statements. In 2019/20, the Council made 19 submissions across a range of topics, including significant matters such as climate change and environmental management, housing and development, and infrastructure funding. On urban development and infrastructure funding, Council presented its perspective to the Select Committee. The Council also encouraged people in the community with an interest to make submissions. For example, Mayor K Gurunathan urged environmental groups and conservationists to have their say on protections for indigenous biodiversity, along with the Council's own submission on this.

Community input and iwi consultation were integral to the creation of a multimedia work commissioned to complement Council's redevelopment at Te Uruhi/Maclean Park in Paraparaumu.

Tohorā, designed by internationally renowned New Zealand artist Kereama Taepa (Te Arawa, Te Āti Awa), is a nearly 10-metre long sculpture symbolising the journey of whales and other travellers through the Te Rau o te Rangi waters – the strait between Kāpiti Island and the mainland.

Picture below: iwi representatives and elected members at the blessing of the new artwork in June 2020.

The artwork was commissioned by the Council's Public Art Panel, following community consultation in 2017. Detailed design concepts were developed in consultation with the site's mana whenua Te Āti Awa and accepted by the panel in October 2019.



Recognition for our efforts

Each year specific functions of the Council are audited and assessed. Some of these are mandatory and others we enter voluntarily to determine our progress on key initiatives, and the quality of operations and services we are providing. This section highlights the reviews and audits conducted and recognition we received in 2019/20.

Emissions reduction achievements recognised

Our innovative strategies to reduce emissions by 77 per cent over the last 10 years were recognised, with the Kāpiti Coast District Council winning the Excellence in Climate Action (medium organisation) category at the 2019 Enviro-Mark Solutions Awards.

This follows our 2018 confirmation as the leading certified CO₂ equivalent emission reducer in the CEMARS programme and a 2017 Overall Award for Outstanding Performance in Carbon Management.

The Council has its annual inventory independently audited to gain greenhouse gas (GHG) emissions reduction accreditation to the ISO-14064 standard. Each year's results are provided in the following year, so we will know our 2019/20 achievement in 2021.

Waka Kotahi NZ Transport Agency audits yield top ratings

Road network audit

The Council scored the best possible overall rating for management of the district's paths, roads and cycle ways in a Waka Kotahi audit.

The Audit Investment Report from February 2020 shows our road network is well managed and in a stable condition. The auditors noted that the Council's efforts to improve safety, such as our

intersection upgrades, revised speed limits and safety campaigns, have been well designed and implemented.

The report also commended the Council for its strong emphasis on improving the quality of transport data – providing information on traffic volumes, safety and other aspects of how our roads are functioning – and which we use for planning future infrastructure.

Roading audit

Waka Kotahi also gave Council the top rating for our roading contract management, financial processes and procurement procedures.

The Procedural Investment Audit completed in February 2020 followed the 2019 Investment Audit (noted above).

Waka Kotahi audits local authorities' roading programmes every three to six years to ensure that government investment is well managed and delivering value for money. In 2019/20, the Council was managing a contribution of \$7 million from Waka Kotahi to local projects – approximately 50 per cent of our budget.

Four-star rating maintained for water supply

Council's water supply schemes have been given the highest compliance rating by the Greater Wellington Regional Council (GWRC) in its annual assessment.

The green four-star rating means the scheme complies and has been managed with excellence. This maintains the top compliance rating achieved by the Waikanae River recharge with groundwater scheme since it was implemented in 2013/14 and became operational in 2015 to ensure we provide a high-quality and reliable water supply for Waikanae, Raumati and Paraparaumu.

Our building functions endorsed

Building consent authority accreditation confirmed

Council staff and processes have been praised by experts reviewing our building consent authority functions. Every two years councils are audited by International Accreditation New Zealand. Our most recent audit was completed in October 2019 and confirmed Council's ongoing accreditation.

Councils are required under legislation to hold Building Consent Authority status before they can issue building consents, inspect building work, and issue code of compliance certificates. Accreditation assessments are carried out on behalf of central government, assessing each council against a suite of government regulations and standards.

Kāpiti selected for pilot of Building Act functions

We were one of two local authorities invited by the Ministry for Business, Innovation and Employment (MBIE) to take part in a desktop audit of our territorial authority Building Act functions.

Feedback from MBIE was very positive, with small recommendations for our building warrants of fitness and compliance schedules.

Strong credit rating retained

As they do annually, international credit rating agency Standard & Poor's (S&P) reviewed our financial performance during 2019/20 and our financial management approach and plans. In the previous year, S&P raised Council's credit rating two grades from A+ to AA, and just after year-end this year they advised that the AA rating was maintained.

Receiving a higher rating, and maintaining it in this past year, endorses Council's efforts to improve our financial position, which has been an ongoing focus for us. The AA rating puts Kāpiti among the top tier of councils in New Zealand.

Bronze award for Annual Report 2018/19

In our first entry to the Australasian Reporting Awards (ARA), the Council achieved a Bronze Award for our Annual Report 2018/19. The ARA Awards are open to organisations in Australia, New Zealand, and the Asia-Pacific Region. By participating, organisations:

- benchmark their annual report against best practice criteria and their peers

- receive recognition for excellence in reporting with a gold, silver, or bronze award.
- obtain constructive feedback and expert advice to help improve their next annual report.

Increase in community satisfaction

Each year a sample of residents is independently surveyed about their satisfaction with Council services. For 2019/20, overall satisfaction was 80 per cent. This is the same as achieved in 2017/18, and up from 76 per cent in 2018/19.

Of 14 aspects of satisfaction with Council services measured against a target, only two did not meet the target; these were street lighting and waste minimisation education. The remaining 12 all exceeded targets, with eight the same as or better than the 2018/19 year.

Many of the survey results are provided in the key performance measure tables in the activity sections of this annual report. You can see a full report on the residents' opinion survey on the Council's website at kapiticoast.govt.nz/resident-opinion-survey.

Organisational review finds opportunities for improvement

At the end of the 2018/19 year the Mayor and councillors commissioned an independent organisational review to help improve the management and governance of the Council.

The review, conducted by management consultants Martin Jenkins during 2019/20, found that the Council does many things well, but that the achievements are not always widely understood. The review also identified a range of issues and made 29

recommendations to lift the collective performance of the Council.

Broadly, the recommendations involve:

- improving community understanding of Council planning and operations
- strengthening the partnership relationship with mana whenua
- making the most of our Community Boards
- clarifying the respective roles of councillors, management, and staff, and fostering constructive relationships
- supporting Council managers and staff in decision-making and prioritising
- continuing to emphasise service quality and customer focus
- increasing workforce planning, training and development, including leaders' and managers' staff management skills.

You can read the full report and recommendations at kapiticoast.govt.nz/2019-independent-organisational-review

Our plan on a page

Our plan on a page illustrates the key elements of the strategic direction developed as part of the long term plan 2018–38. More information on our long term plan is available at kapiticoast.govt.nz/long-term-plan-2018-38

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Key challenges



Approaches



Financial strategy



10-year outcomes

3-year focus:

- » Improved financial position against financial constraints
- » Infrastructure investment that supports resilience and agreed growth projections
- » Improved accessibility of Council services
- » A positive response to our distinct district identity
- » An effective response to climate change in Kāpiti

- » Community satisfaction with Council services is maintained or improved
- » A more diverse range of businesses in the district
- » A community that is more resilient through Council's advocacy
- » A community better supported to lead initiatives in response to agreed community priorities
- » Improved biodiversity and environment through sustainable practices
- » WREMO levels of service consistently met or exceeded in response to emergency preparedness

Long term goals

- WISE MANAGEMENT** of public resources and sustainable funding of Council services
- Council is a **TRUSTED PARTNER** with tāngata whenua and strongly engaged with the community
- A high **QUALITY NATURAL ENVIRONMENT** enjoyed by all
- A **RESILIENT COMMUNITY** that has support for basic needs and feels safe and connected
- An attractive and distinctive **KĀPITI IDENTITY** and sense of place that make people proud to live, work and play here
- A **STRONG ECONOMY** with more jobs and higher average incomes



thriving environment :: vibrant economy :: strong communities

toitū te whenua :: toitū te wai :: toitū te tāngata

toitū Kāpiti – the lifestyle choice

Progress towards our outcomes

Our direction

The direction we've set in our Long-term Plan is illustrated in our 'plan on a page' graphic opposite. Our outcomes were shaped through discussions with the community about the most important things the Kāpiti Coast District Council needed to do. They support our vision of a thriving environment, vibrant economy and strong communities, and reflect our challenges, particularly affordability, the need to grow our economy, the value of kotahitanga – community and being connected, and the importance of sustainability. The impacts of the COVID-19 pandemic on the district have reinforced the relevance of our outcomes.

Contribution to focus outcomes

During 2019/20 we continued our emphasis on the three-year focus outcomes. Our projects and initiatives all contribute to one or more outcomes in some way. Below are examples from the past year of how our work and achievements link to our focus outcomes.

- **Improved financial position against financial constraints** – our higher credit rating of AA (gained in 2019) has been maintained by international credit rating agency Standard & Poor's (S&P).
- **Infrastructure investment that supports resilience and agreed growth projections** – we have largely completed all our planned major infrastructure work for 2019/20, with the exception of work impacted by COVID-19.

- **Improved accessibility of Council services** – we installed fibre internet at Ōtaki Library/Service Centre, Waikanae Service Centre, Waikanae Water Treatment Plant and Coastlands Aquatic Centre, improving speed and stability at those locations.
- **A positive response to our distinct district identity** – as part of our pandemic support we created a #LoveLocal section on KāpitiCoastNZ.com and associated Facebook group, campaign and video series, all promoting Kāpiti businesses and attractions.
- **An effective response to climate change in Kāpiti** – our Council continues to be recognised as a top-performing organisation in reducing carbon emissions.

Contribution to wellbeing

Our focus on wellbeing has been reinforced with the Government's re-introduction of the four 'wellbeings' into the Local Government Act 2002 – our governing legislation. This ensures that the social, cultural, economic and environmental wellbeing of the district is held up as a core purpose of Council.

Our Council had retained a focus on these wellbeings and they are encapsulated in our outcomes and long-term goals. Examples of our contribution in each area in 2019/20 are shown below.

Social wellbeing

- We completed a comprehensive assessment of housing needs in the district, involving a range of

community organisations active in improving housing options for Kāpiti.

- With Neighbourhood Support (national office) we began collaboration on an initiative to enhance community safety. We are working with existing Neighbourhood Support groups, and a service coordinator will be based in our Te Newhanga Kāpiti Community Centre.

Cultural wellbeing

- Te Raukura ki Kāpiti Performing Arts Centre opened in February 2020. Located at Kāpiti College, the centre is a partnership between the college and Kāpiti community. Through the Long-term Plan process, Council committed \$1.6 million to ensure the centre would be available for community events.
- Our No. 8 Wire week this year included the first community workshops delivered in Te Reo Māori. During the week, Council promotes a series of events that encourage resourcefulness and showcase environmental sustainability practices.

Economic wellbeing

- Council supports Elevate Ōtaki, a community-led initiative to help Ōtaki businesses and community benefit from the expressway development.
- WellingtonNZ (formerly WREDA) awarded over 30 business capability-building grants to Kāpiti businesses in 2020 – the third highest number of recipients in the Wellington region. Council works closely with WellingtonNZ and promoted

the grants on the Council's website as part of our COVID-19 support.

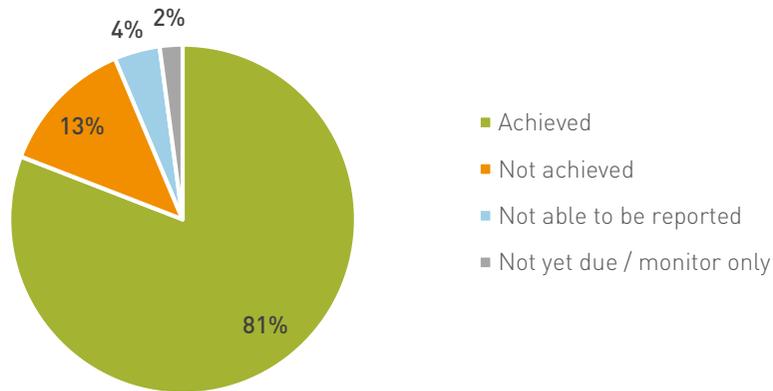
Environmental wellbeing

- We support the Enviroschools programme in Kāpiti. Highlights this year included students and teachers connecting with the natural environment at the Kaitawa Reserve outdoor 'classroom'; an area of replanted bush in Paraparaumu with detailed interpretive signage about the plants, insects and birdlife. It has been developed by Friends of Kaitawa Reserve, with support from Kapi-Mana Forest and Bird and the Council.
- We have been trialling a forestry-style method of restoration planting on the Matai Huka (Raumati Escarpment) Reserve. It has proved very successful and could reduce future planting costs.

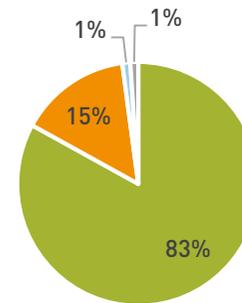
Our service performance summary

To measure how well we are delivering our range of services, we define a set of performance measures every three years in our Long Term Plan. We monitor actual performance through our activity management systems, service request system and a range of surveys. The chart below summarises our performance across all 94 measures.

Summary of all performance measures for 2019/20



2018/19 summary



The following tables state our performance for each of the measures mandated by Government regulations for the Stormwater, Access & Transport, Water, and Wastewater activities.

Stormwater

Mandatory performance measures	Target	Result	Comment
Median response time to attend a flooding event from notification to attendance on site.	Urgent (less than or equal to 24 hours)	Achieved	There were 80 urgent flooding complaints and the median response time was less than 24 hours. (2018/19 result was "Achieved")
	Non-urgent (less than or equal to five days)	Achieved	The median response time was three days for 233 non-urgent flooding related complaints.

Mandatory performance measures	Target	Result	Comment
			[2018/19 result was three days]
Number of complaints received about the performance of the district's stormwater system	Fewer than 30 per 1,000 properties connected to the council's stormwater system	Achieved (13.9 per 1000)	The 313 flooding-related complaints in the year to date translate to 13.9 per 1000 connections (estimated 22,464 connections). [2018/19 result was 14.8]
Major flood protection and control works are maintained, repaired and renewed to the key standards as defined in the Council's activity management plan	Achieve	Achieved	Major asset renewals were completed in Paraparaumu catchments 7 & 8, William Street, and Margaret Road (Stage 1). All projects were completed following the key standards, as defined in the Council's Activity Management plan. [2018/19 result was "Achieved"]
Number of buildings (habitable floors) reported to be flooded as a result of a less than 1-in-50 year rain event	Fewer than 3 per 1,000 properties connected to the Council's stormwater system	Achieved (0.089 per 1000)	There were two habitable floors affected by flooding events. This translate to 0.089 per 1000 connections. [2018/19 result was 0.00, as habitable floors were not affected by flooding in 2018/19]
Measure compliance with the Council's resource consents for discharge from its stormwater system, by the number of: a) abatement notices b) infringement notices c) enforcement orders d) successful prosecutions, received by the Council in relation to those resource consents	None	Achieved (None)	There has been no non-compliance with Council's resource consents for discharge from its stormwater system in 2019/20. [2018/19 result was achieved]
Measure compliance with the Council's resource consents for discharge from its stormwater system, by the number of: a) abatement notices b) infringement notices c) enforcement orders d) successful prosecutions, received by the Council in relation to those resource consents.	None	Achieved (None)	There has been no non-compliance with Council's resource consents for discharge from its stormwater system in 2019/20. [2018/19 result was achieved]

Access and Transport

Mandatory performance measures	Target	Result	Comment
Number of serious and fatal crashes on district roads is falling (excludes SH1)	Five-year rolling average reduces each year	Achieved	There were eight serious injury or fatal crashes in 2019/20, giving a five-year rolling average of 10 (previously 10.2 for the 2014–19 period).
Percentage of the sealed local road network that is resurfaced	5%	Not achieved (4.5%)	Council resurfaced 18 km of the local road network, which is 4.5% of the total 403 km network. (2018/19 result was 5.1%)
Roads that meet smooth roads standards	Overall smooth travel exposure is above 85%	Achieved (90%)	The smooth travel exposure for 2019/20 is 90%. (2018/19 result was 87%)
Percentage of service requests relating to roads and footpaths responded to within 3–5 hrs (urgent), 15 days (non-urgent).	Roads 85% Footpaths 85%	Not able to be reported	We cannot report on this measure due to external data issues preventing the accurate calculation of urgent versus non-urgent requests. However, for all service requests throughout the year, 75% were responded to within the timeframes contracted with Council's road maintenance contractor. During the year we made improvements to how requests are managed, and taking the six months from January 2020 to June 2020, compliance with contracted timeframes improved to 82%.
Percentage of footpaths that fall within the level of service or service standard for the condition of footpaths, as set out in the activity management plan.	40% <i>(target increases over the next three years)</i>	Achieved (94%)	The recently completed footpath survey for 20% of the network reported that 96% of the network is in good or better condition. 40% of the network has been surveyed in the past two years, with the remaining 60% of the network to be surveyed over the next three years. (2018/19 result was 94%)

Water

Mandatory performance measures	Target	Result	Comment
Median response times to a fault or unplanned interruption to our water network measured by attendance time (from the time the Council receives notification to the time that staff are on site)	Urgent = less than or equal to 1 hour	Achieved	Median attendance time was 13.5 minutes for 78 urgent water interruptions. (2018/19 result was 15 minutes)
	Non-urgent = less than or equal to three days	Achieved	Median attendance time was 3 hours for 577 non-urgent water faults. (2018/19 result was 3 hours and 27 minutes)
Median response times to a fault or unplanned interruption to our water network measured by resolution time (from the time that the Council receives notification to the time that staff confirm resolution)	Urgent = less than or equal to 5 hours	Achieved	Median resolution time was 1 hour 5 minutes for 78 urgent water interruptions. (2018/19 result was 1 hour and 38 minutes)
	Non-urgent = less than or equal to four days	Achieved	Median resolution time was 22 hours and 21 minutes for 577 non-urgent water faults. (2018/19 result was 25 hours, 2 minutes)
Measure the extent to which the district's drinking water supply complies with: a) Part 4 of the drinking water standards (bacteria compliance criteria) b) Part 5 of the drinking water standards (protozoal compliance criteria)	Achieve 100%	Not achieved	Four of the five treatment plants achieved full compliance with part 4 of the standards for the whole year. The Tasman Road, Ōtaki, treatment plant exceeded the daily low chlorine duration by 2.17% (31 minutes) in quarter one and failed the standards. (2018/19 result was 'Not achieved')
	Achieve 100%	Not achieved	Four of the five treatment plants achieved full compliance with part 5 of the standards for the whole year. The Tasman Road, Ōtaki, treatment plant had exceedances of greater than 3 minutes in quarter one and two that failed the standards. Note that the Ōtaki and Hautere supplies will not be 100%

Mandatory performance measures	Target	Result	Comment
			compliant until upgrade work is undertaken, which is programmed to be completed by 2022. (2018/19 result was 'Not achieved')
<p>Measure the total number of complaints received by the Council, per 1000 connections to the Council's networked reticulation system, about any of the following:</p> <ul style="list-style-type: none"> a) drinking water clarity b) drinking water taste c) drinking water odour d) drinking water pressure or flow e) continuity of supply f) council's response to any of these issues. 	At or below 6.2 complaints per 1000 connections	Not achieved 6.28 complaints per 1000 connections	<p>A total of 155 complaints were logged this year (31 water quality [taste/odour], 93 service requests for no water supply, and 31 low pressure enquiries).</p> <p>However, of the above 93 service requests for no water supply, only 84 were related to Council activity (as counted above).</p> <p>Thus, with a total of 23,253 connections, and a corrected total of 146 complaints, this translates to 6.28 complaints per 1000 connections.</p> <p>(2018/19 result was 5.56 per 1000)</p>
Average water consumption in litres per person per day (l/p/d)	At or below 325 l/p/d	Achieved	Average water use for the year was 312 l/p/d. (2018/19 result was 301 l/p/d)
Percentage of real water loss ¹ from the Council's networked reticulation system.	At or below 23.6%	Achieved (21.3%)	The percentage real water loss from the Council's network in 2019/20 was calculated at 21.3%, up from 18% in 2018/19.

¹ 'Real water loss' is reported here as defined by the Department of Internal Affairs 'real losses through leaks in the network and apparent losses through metering inaccuracies and (assumed) water theft'. The industry standard definition does not include apparent losses.

Wastewater

Mandatory performance measures	Target	Result	Comment
Median response times to sewage overflows resulting from a blockage or other fault measured by attendance time (from the time the Council receives notification to the time that staff are on site)	Less than or equal to 1 hour	Achieved (20 minutes)	Median attendance time was 25 minutes, for 88 blockages or faults attended in this year. (2018/19 result was 20 minutes)
Median response times to sewage overflows resulting from a blockage or other fault measured by resolution time (from the time that the Council receives notification to the time that staff confirm resolution).	Less than or equal to 5 hours	Achieved	Median resolution time was 3 hours and 48 minutes, for 88 blockages or faults resolved in this year. (2018/19 result was 2 hours and 29 minutes)
Number of complaints received by the Council about any of the following: a) sewage odour b) sewerage system faults c) sewerage system blockages d) the Council's response to issues with the sewerage system.	Fewer than 7.2 complaints per 1000 connections to the Council's sewerage system	Achieved (4.8 complaints per 1000)	98 complaints were received at the close of the year (from a total of 20,410 connections). (2018/19 result was 4.8 per 1000)
Number of dry weather sewage overflows.	At or below 2 overflows per 1000 connections to the Council's sewerage system	Not achieved (2.01 overflows per 1000 connections)	There were 41 dry weather overflows this year, including two Greater Wellington Regional Council (GWRC)-notifiable events (out of a total of 20,410 connections). This is an improvement on the 2018/19 result when there were 52 overflows, or 2.56 per 1000 connections.
Compliance with the Council's resource consents for discharge from its sewerage system measured by the number of: a) abatement notices b) infringement notices c) enforcement orders d) convictions, received by the Council in relation to those resource consents.	None	Achieved	There were no non-compliance actions during the year.

Summary financials

Summary statement of comprehensive revenue and expense for the year ended 30 June 2020			
18/19 Actual \$000		2019/20 Actual \$000	2019/20 Budget \$000
Revenue			
64,225	Rates	67,570	67,498
18,110	Other operating revenue	39,171	17,406
82,335	Total revenue	106,741	84,904
Expenses			
71,809	Operating expenses	79,894	77,601
71,809	Total Expenses	79,894	77,601
Interest			
2,164	Interest income	1,624	1,848
9,592	Interest expense	8,857	9,493
7,428	Net interest expense	7,233	7,645
3,098	Operating surplus/(deficit)	19,614	(342)
Unrealised gains/(losses)			
(8,021)	Unrealised (loss)/gain on revaluation of financial derivatives	(6,984)	-
(4,923)	Net Operating surplus/(deficit)	12,630	(342)
Other comprehensive revenue and expense			
25,238	Revaluation of property, plant and equipment	(18,293)	72,935
20,315	Total comprehensive revenue and expense	(5,663)	72,593

Summary statement of financial position for the year ended 30 June 2020			
2018/19 Actual \$000		2019/20 Actual \$000	2019/20 Budget \$000
60,341	Current assets	51,641	49,593
1,686,545	Non-current assets	1,688,307	1,771,231
1,746,886	Total assets	1,739,948	1,820,824
69,116	Current liabilities	56,054	66,380
188,821	Non-current liabilities	200,608	184,241
257,937	Total liabilities	256,662	250,621
1,488,949	Total equity	1,483,286	1,570,203
1,746,886	Total liabilities and equity	1,739,948	1,820,824

Summary statement of changes in net assets/equity for the year ended 30 June 2020			
2018/19 Actual \$000		2019/20 Actual \$000	2019/20 Budget \$000
1,468,634	Equity as at 1 July	1,488,949	1,497,610
(4,923)	Net surplus/(deficit)	12,630	(342)
25,238	Revaluation of property, plant and equipment	(18,293)	72,935
20,315	Total comprehensive revenue/expense	(5,663)	72,593
1,488,949	Closing equity at 30 June	1,483,286	1,570,203
	Equity is represented by:		
564,889	Accumulated funds	576,495	580,408
4,914	Reserves and special funds	5,938	6,404
919,146	Revaluation reserve	900,853	983,391
1,488,949	Closing equity at 30 June	1,483,286	1,570,203

Summary statement of cash flows for the year ended 30 June 2020			
2018/19 Actual \$000		2019/20 Actual \$000	2019/20 Budget \$000
28,385	Net cash inflow from operating activities	19,966	31,365
(23,842)	Net cash outflow from investing activities	(9,036)	(21,342)
(4,509)	Net cash inflow from financing activities	(9,072)	(10,023)
34	Net increase/(decrease) in cash and cash equivalents	1,858	-
4,052	Total cash and cash equivalents at 1 July	4,086	200
4,086	Total cash and cash equivalents at 30 June	5,944	200

Notes

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

The summary financials have been prepared in accordance with PBE FRS 43. They are presented in New Zealand dollars and rounded to the nearest thousand (\$'000).

The summary financial statements do not provide as complete an understanding as the full financial statements in the Annual Report 2019/20.

There have been no changes in the accounting policies in the year ended 30 June 2020, other than the adoption of new PBE standards and amendments to PBE standards in relation to the Impairment of Revalued Assets (PBE IPSAS 21 and PBE IPSAS 26).

Compliance

A statement of compliance to generally accepted accounting practice in New Zealand can be found in the full annual report. Council is a Tier 1 entity and the full financial statements comply with the standards for public sector public entities (PBE Standards) reporting.

The full and summary financial statements have been subject to audit and both received unqualified audit opinions.

Events after the end of the reporting period

There were no events subsequent to the reporting period that would affect the amounts or disclosures in these financial statements.

This summary has been extracted from the Annual Report 2019/20, which was adopted by the Council on 01 October 2020. It contains detailed information about council's service and financial performance for the year ending 30 June 2020.

The full annual report can be viewed on the Council website (see below) on the Documents/Reports page. Printed copies of the annual report are available at the district's libraries and service centres.

kapiticoast.govt.nz

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Independent auditor's report

To the readers of the Kapiti Coast District Council's summary of the annual report for the year ended 30 June 2020

The summary of the annual report was derived from the annual report of Kapiti Coast District Council (the District Council) for the year ended 30 June 2020.

The summary of the annual report comprises the following summary statements on pages 30 to 37:

- the summary statement of financial position as at 30 June 2020;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in net assets / equity and statement of cash flows for the year ended 30 June 2020;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service provision (referred to as Our service performance summary).

Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: *Summary Financial Statements*.

Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2020 in our auditor's report dated 1 October 2020. Our opinion included an emphasis of matter drawing readers' attention to the disclosures about the impact of COVID-19 on the District Council.

Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: *Summary Financial Statements*.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: *Summary Financial Statements*.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in the District Council.



David Borrie
Ernst & Young
Chartered Accountants
On behalf of the Auditor-General
Wellington, New Zealand
1 October 2020

Contact information for Kāpiti Coast District Council

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