



Building a stronger Kāpiti together

TOITŪ KĀPITI

Annual Report 2020–21



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Cover Photo: Council funds the annual Ōtaki Kite Festival.

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Introduction

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Nau mai, haere mai, Tēnā koutou,
tēnā koutou, tēnā koutou katoa.

Welcome to the Kāpiti Coast District
Council Annual Report 2020–21.

**This report provides an overview
of our achievements against the
2020–21 Annual Plan and the 2018–38
Long-term Plan. It is also the third
and final report against the 2018–38
Long-term Plan.**

Mayor and Chief Executive review



Mayor of Kāpiti Coast District, K Gurnathan JP, MA (right) and Chief Executive of Kāpiti Coast District Council, Wayne Maxwell (left).

Introduction

It was a huge year for Kāpiti Coast District Council, supporting the District's recovery from the COVID-19 pandemic, planning for population growth and keeping essential services running.

We drew on our resilience as an organisation to get us through the impacts of COVID-19 and made conscious efforts to focus on community wellbeing and the wellbeing of our staff.

We provided a range of social events and grants for local initiatives, improved the local economy by ensuring it's well positioned for growth, and continued improving and protecting the natural environment with plantings.

We have now put the wheels in motion for some large and challenging pieces of work relating to climate change and developing our District in a way that supports future housing needs.

During the year we served 33,752 customers and handled 62,204 customer requests. We resealed 11.25 kilometres of local roads, built 4.3 kilometres of footpaths, renewed two playgrounds and planted over 30,000 trees.

We engaged openly with residents about proposals in our District Plan and Long-term Plan and on a range of bylaws and policy submissions, including the Beach Bylaw and Solid Waste Management and Minimisation Bylaw.

This was all in the midst of a growing central government agenda for local government reform and legislative change. The year ended on a positive note, with a healthy economy, engaged community, a clear picture of how we will grow and develop and with a strong, resilient organisation.

Recovering from impacts of COVID-19

In October 2020 we launched our Kāpiti Recovery Plan to guide Kāpiti's response to the pandemic, strengthen connections and resilience among our people and provide economic development opportunities for local businesses. Our Kāpiti Recovery Plan contained 42 actions, the majority of which have been (or are now becoming) business as usual.

In quarter three, it became apparent that the community has in some ways coped better through COVID-19 than predicted.

As a result, some actions in the Plan were adjusted to better reflect the needs of the community and iwi groups. A review of where we are up to with the Plan and our next steps is scheduled for later in 2021.

We also had the establishment of the Economic Development Kotahitanga Board and significant progress was made implementing the refreshed Kāpiti Coast Economic Development Strategy. The Ōtaki youth initiative pilot called He Poutama Rangatahi grew skills and capability and we worked with government agencies, iwi and local providers on housing-related issues. Our We Love Local campaign encouraged people to buy local and promoted parks and recreational summer activities, music in the park, the Arts Trail and the Kāpiti Food Fair – all bringing our community back together again.

Elevate Ōtaki received funding to appoint a Community Connector. Their role was to facilitate and support business growth in Ōtaki and Te Horo to recover from the impacts of COVID-19 and prepare for the impact of the new Expressway. Elevate Ōtaki received funding to appoint a community connector role.

We experienced changes in demand for our services.

Income from aquatic facilities was affected with swimming lessons only partly attended due to COVID-19 level two restrictions. The use of community halls was also affected as people gradually built back their confidence after social distancing. The number of items borrowed from libraries per annum (including renewals) did not reach target and library collections were also not able to be refreshed as planned due to overseas availability and supply issues.

Due to a backlog of building consents from the previous lockdown, there was a 25 percent increase in the number of building consent applications compared with the year before and an increase in Code Compliance Certificates (CCC) issued.

Consultation for two Waikanae playgrounds and majority of funding associated with the Otarua Park amenity building was deferred although progress was made on the buildings design and construction model.

Citizenship ceremonies were cancelled and started up again towards the end of the financial year.

Infrastructure construction works were affected by the supply of materials and access to contractors caused delays in the road resealing programme, although the majority of the programme was still delivered in 2021.

Landfill capping works and stormwater control work was affected, leaving the remaining area to be capped (at 30 June) at 7,625m². We did however catch up with renewals of coastal assets that were carried forward from last year due to COVID-19 delays.

COVID-19 placed additional strain on the availability of emergency, social and affordable housing in Kāpiti. There was an increase in the number of people needing emergency accommodation and people tended to stay in accommodation for longer timeframes.

Rising rents and housing costs had a particular impact in Ōtaki. This led to staff to meeting with Ngā Hapū, Ōtaki Medical Centre, Ōtaki Birthright, Te Puna o Ōtaki, the Ōtaki principals' group, the Ministry of Social Development and the MidCentral DHB to improve people's access to emergency housing, other types of accommodation and appropriate support.



New subdivision in Waikanae.

Our District Plan became operative and we planned for growth

After nearly nine years in the making, our District Plan became operative on 30 June 2021, setting the scene for future development in our District. This was a massive achievement, considering 900 submissions, the resolution of all appeals and completion of variations over such a long timeframe.

We also took steps to align the District Plan with National Planning Standards, five years ahead of the 2026 deadline set by central government.

The plan contains the planning objectives, policies and rules for activities and development in the District. It controls what people can do on their land, how it can be developed and how to sustainably manage natural and physical resources to meet the needs of current and future generations.

The District has experienced significant growth over recent years. Population and dwelling projections were updated in 2020 to help understand the extent and nature of growth and support planning and infrastructure investment under the Long-Term Plan 2021–2041. An assessment of development capacity for housing is also underway as part of an update to the Housing Business Assessment. Both pieces of work support the review of the District Growth Strategy, informing the shape and location of future growth for the District for the next 30 years.

Our economy improved

In July 2020 Council adopted the refreshed Economic Development Strategy 2020–23. The strategy included developing a new Kāpiti Coast Destination Management Plan, a new Workforce Plan, facilitating 25 work experience placements (through Work Ready Kāpiti) supporting 41 people to achieve Work Ready Passports and finalising the Elevate Ōtaki Strategy. Elevate Ōtaki received funding to appoint a Community Connector, their role was to facilitate and support business growth in Ōtaki and Te Horo to recover from the impacts of COVID-19 and prepare for the impact of the new Expressway.

Other projects that supported the local economy, included managing the major events fund, the Te Hunga Rangatahi youth pilot programme and the Love Local campaign. As the year progressed the District's economy gathered considerable strength, reversing predicted trends for GDP, employment, consumer spending and tourism.

He Poutama Rangatahi initiative

A two-year pilot programme called Te Hunga Rangatahi, is an initiative focused on Ōtaki rangatahi (aged between 15–24) and received \$995,000 funding from the Provincial Growth Fund. This funding was to support youth at risk of long-term unemployment, those not in education, employment or training and those transitioning from school.

Te Hunga Rangatahi was designed so that every young person on the programme gets wrap-around wellbeing support and skills training. They are supported to achieve learners' and restricted drivers' licences and receive 12-months' pastoral care from the day they start the programme.



Kāpiti Goodies (rebranded to We Love Local).

Did you know:



5.6 percent growth in GDP compared to 4.2 percent nationally***

10.3 percent growth in consumer spending compared to 7.7 percent nationally **

12.5 percent growth in tourism spending compared to 5.4 percent nationally.**

Unemployed 3.8 percent compared to 4.7 percent nationally**

2.1 percent employment (place of residence) growth compared to 0.1 percent nationally**

11.6 percent job seeker support compared to 27.7 percent nationally**

+ Population estimate tables – Stats NZ. Retrieved 22 October 2020.

* Based on 2018 census.

**Infometrics June 2021, annual average % change.

***Infometrics June 2021, annual average provisional % change

Did you know:



Private dwellings* 24,924

59.8 percent own or partly own a house
(compared to 51.3 percent nationally)*

25.8 percent do not own their own house (and not
held in family trust) (compared to 35.5 percent
nationally)*

Six houses and 118 older persons units owned
and maintained by Council.

+ Population estimate tables – Stats NZ. Retrieved 22 October 2020.

* Based on 2018 census.

Improving housing availability and affordability

By March 2021 there were 180 people on the housing register and 83 percent of demand was for one-and-two bedroom properties. Demand for emergency housing remained high with 296 Special Needs Grants approved in the January to March 2021 quarter, compounding the effects. Kāpiti Coast house values rose 34.4 percent on the coast (compared with 27.3 percent nationally).

During the year, Council made great strides towards addressing housing availability and affordability on the coast. A housing work programme was agreed 30 April 2020 to improve housing supply. We worked with Kāpiti Impact Trust and Hora Te Pai services to improve emergency housing and other organisations and developers to improve local provision of transitional housing.

We purchased a section of land in Rangiuuru Road, Ōtaki, to explore development opportunities and looked at Council's existing residential land holdings to identify opportunities for development on Māori owned-land and other land. We also supported the Paekākāriki Housing

Trust and Atareira to secure properties in Kāpiti.

Hui with Ngāti Toa, Te Atiawa and Nga Hapu was held to discuss iwi involvement in housing needs/affordability and a social impact assessment. Another hui was held with Te Puni Kōkiri and the Te Kāhui Kāinga Ora as well as two groups in Ōtaki that are looking to develop papakāinga developments.



House construction on the coast, photo copyright Mark Coote.

A way forward to address climate change challenges

On 23 May 2019, Council declared a climate change emergency. This year, we recognised the need to take stronger action on climate change, so a Climate Emergency Action Framework was developed, setting out a vision, objectives and principles to guide decision making about climate change mitigation and adaptation. The framework was based on feedback from iwi partners, representatives from the Kāpiti Climate Change Action Group and Low Carbon Kāpiti Group, and is due for adoption in July 2021.

The vision at the heart of our Climate Emergency Action Framework is a thriving, vibrant and strong Kāpiti that has reduced its carbon footprint significantly, transitioned to a low-carbon future, and prepared for challenges and opportunities that come from responding to the climate crisis.

Takutai Kāpiti Community Assessment Panel

Former New Zealand Prime Minister and Waikanae resident, Rt Hon James Bolger ONZ PC, was appointed as Chair of the Takutai Kāpiti Community Assessment Panel that was set up to support Takutai Kāpiti, a community-led coastal adaptation project. The project comprises people from tangata whenua and the local community and provides a formal mechanism for wider community input, indigenous knowledge and technical expertise to be used to develop coastal adaptation options.

“As a Kāpiti Coast local I am pleased to chair the Panel that will recommend coastal adaptation options for Councils consideration. The aim is to protect our coastal neighbours' and ratepayers' dollars from the inevitable cost of responding to climate change and rising sea levels. No one is suggesting that there are easy solutions, but they must be developed as the tide will come whether we are ready or not.”

– The Rt Hon James Bolger ONZ PC.



Takutai Kapiti Summit, the Rt Hon James Bolger ONZ PC and Iwi Partnerships Manager Kahu Ropata.



Paekākāriki rock wall.

Paekākāriki seawall

Since consultation was undertaken with the community for the 2018–38 Long-term Plan about the Paekākāriki seawall, costs and conditions changed, making the previously agreed plan unaffordable.

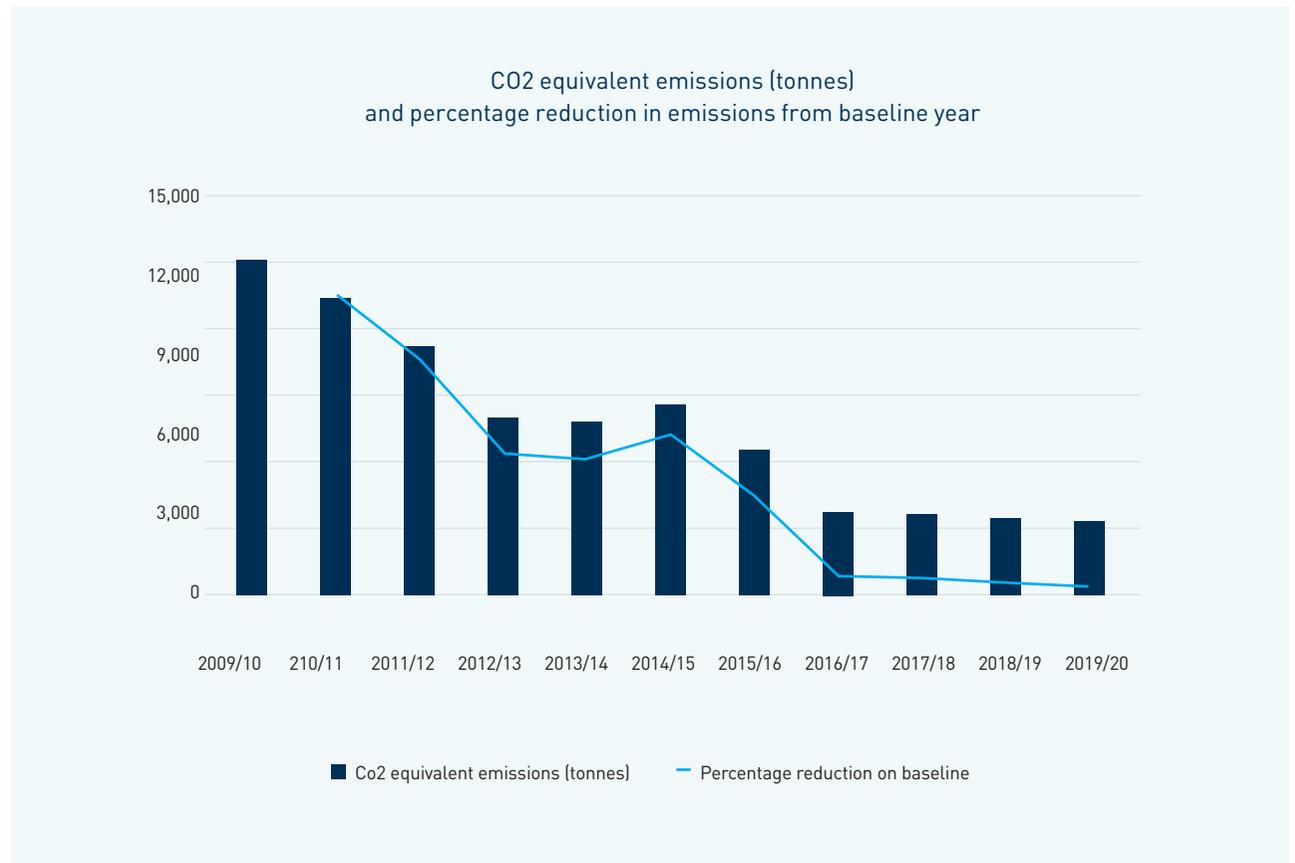
Through the draft 2021–41 Long-term Plan consultation, the majority of Kāpiti residents said they would like the seawall to be replaced with a “like for like” timber wall, and Council agreed.

The wall will be built in stages over the next five years, starting in the 2021–22 financial year to improve protection of the road, three waters infrastructure and the beach environment.

Reducing carbon emissions

To highlight the importance of declaring a Climate Change Emergency and taking action to reduce emissions further, Council adopted a resolution in May 2019 to strive for carbon neutrality by 2025.

In August 2020, Kāpiti Coast District Council earned top placement in Toitū Envirocare's list of carbon emission reducers. The graph shows the emissions reductions that have been achieved by Council between 2010 and 2020.



Carbon emissions reductions that have been achieved by Council between 2010 and 2020.

“We know we have limited time to act on climate change, if we let this moment slip by, what kind of ancestors will we be? What will we say to our children, our grandchildren? The top position earned by Kāpiti Coast District Council on the list of carbon reducers is a very positive sign we are taking this responsibility to our community, the next generation and our planet seriously.”

– Councillor and climate portfolio holder Sophie Handford.

As part of the 2019–20 emissions audit, Council has been able to (for the first time since 2010) estimate emissions of its biological wastewater treatment process. These emissions are now considered Council’s largest emissions source, followed by electricity usage.

During the year we continued to make gains to reduce carbon emissions, for example, the Rau Kūmara Solar Farm (owned and operated by Energise Ōtaki on Council-owned land) generated 80,246 kwh of solar electricity between September 2020 to the end of June 2021, which was used to run the Wastewater Treatment Plant. This equated to around 35 percent of the typical electricity use of the treatment plant.

Council installed three electric vehicle (EV) charging stations in December 2020 at the Civic Building and purchased a second EV for the Council fleet.

Council actively engaged in the Regional Climate Change group and the Regional EV Group and is working with other Councils in the Region to deliver a regional emissions plan as part of the Regional Growth Framework.



Rau Kūmara – Aotearoa’s first community-owned solar farm at Ōtaki Wastewater Plant 2021.



Council electric vehicle charging station.

Community facilities projects

Ōtaki Civic Theatre and Paraparaumu Memorial Hall

We completed refurbishments of the Ōtaki Civic Theatre and the Paraparaumu Memorial Hall. This was possible with the Government's Provincial Growth Fund contributing \$500,000 to each of these projects.

Refurbishing the 83-year-old Ōtaki Civic Theatre created work for local suppliers and building waste was recycled with excess timber donated to Zero Waste Ōtaki.



Ōtaki Civic Theatre upgrade.



Gold Coast rock 'n roll at Paraparaumu Memorial Hall open day.



Te Uruhi (the Gateway) project.

Te Uruhi (the Gateway) project

Council received access to \$2.23 million from the government's COVID-19 Response and Recovery Fund for the Te Uruhi (Kāpiti Gateway) project.

The Te Uruhi project will be a key part of the Kāpiti destination story. Although it is modest in scale, it will help promote other Kāpiti district attractions as well as be a stepping-off point for visitors to Kāpiti Island. It has high significance to local iwi, who are working closely with us through the development.

We celebrated the 20th Anniversary of the much-loved Kāpiti Arts Trail.

The Kāpiti Arts Trail brought visitors from afar, providing a wonderful opportunity for over 67 local artists to show their artworks and benefit local businesses, artists and residents.



Kāpiti Arts trail 2020 – Marcus Ebbett.

We delivered core infrastructure projects

Core infrastructure

We progressed the water safety and resilience project which included preparations for site works to upgrade the Waikanae Water Treatment Plant ("Stage 2"). We also completed feasibility studies for the upgrade of the Otaki and Hautere water treatment plants, began the drinking water emergency response planning programme, and drilled successful replacement raw water bores at the Hautere/Te Horo water treatment plant.

There was a delay in the Tasman Road Water Supply Main upgrade programme due to design and consenting challenges, but materials were procured in financial year 2021.

Government funding of \$3.13 million was received (50 percent of three waters reform funding package of \$6.26 million) from Government, with \$140,000 carried over to next financial year 2021–22.

We used drones for the first time to help us detect water leaks. Drones shone a light on our underground waterpipe network in Ōtaki – a thermal imaging light that detects leaks, undetected slow leaks can waste huge volumes of water and cause extensive damage that is both costly and disruptive to repair once identified.

Major wastewater projects were progressed including the Paraparaumu Wastewater Treatment Plant and Ōtaki Wastewater Treatment Plant renewals and upgrades. The Paraparaumu Wastewater Treatment Plant resource consent is ongoing and had some consent timing issues and the Waikanae Duplicate Rising Main did not progress as planned due to land access issues.

To help prevent flooding we completed 11.4 kilometres of open drain clearing, completed pipe inspections, manhole assessments, water quality monitoring and flood hazard modelling. Progress was made on a range of stormwater projects including completion of Margaret Road (Raumati Beach) Stage Two and Riwai Stormwater upgrades.



Drone leak detection image in Ōtaki.



Waikanae water treatment plant.

Council received the top available ranking of “effective” in the six yearly Waka Kotahi (NZTA) Procedural Investment Audit that was completed in February 2020.

The audit confirmed the Kāpiti Coast District Council is effectively delivering its roading programme, including contract management, financial processes and procurement procedures.



Tar-sealing on a roading project in Raumati.

The footpath renewal programme was completed with a total length achieved of 4.3 kilometres.

The Mackays to Peka Peka (M2PP) Revocation of old SH1 continued on the Raumati Straights (with new roundabout, new stormwater, footpaths, kerbs, channels and light poles). Work on the Peka Peka to Ōtaki (PP20) Expressway progressed well with completion of all but one of the local roads. All bridge decks on the main alignment were completed. The East to West Connector Programme Business Case was submitted to Waka Kotahi (NZTA) and variation works included preparing stormwater modelling.

A Safety Programme with a focus on vulnerable road users was completed and included supporting our younger users through Pedal Ready, Push Scooter and School Patroller training – with the annual patrollers’ parade held in December 2020. Bike week, motorcycle safety stops and regular Child Restraint clinics were provided and mobility scooter safety and Bus Bike workshops were attended by our older community, along with our April 2021 Transport Forum.

Did you know:



51.3 percent drive a private vehicle*

13.2 percent increase in traffic flow (compared to 9.6 percent nationally)**

27.4 percent growth in car registration (compared with 2.5 percent nationally)**

+ Population estimate tables – Stats NZ. Retrieved 22 October 2020.

* Based on 2018 census.

**Infometrics June 2021, annual average % change.

Our 2021–41 Long-term Plan was adopted

Our biggest and boldest Long-term Plan for 2021–41 was adopted following receipt and analysis of 741 submissions. The plan provided a stimulus package with an emphasis on preparing well for growth, tackling climate change and investing in our infrastructure and facilities for the benefit of everyone in our community.

Working with others

We have been actively working towards a more customer-focused approach to meet the needs of the people we serve. Our goal is that a people-centred approach is part of our organisational DNA. We are planning to embed this focus within our operating model, letting our organisational values guide our approach. To get there, we're investing in redesigning and continuously improving some of our key services, building the capability of our organisation to think and act differently, learning more about our customers to better inform our work. Our customers need to understand what's behind our decisions, participate in the community and have a positive customer experience.

Kaihāpai (volunteers) make a huge contribution to our communities in the areas of sport, restoration planting, participation in arts and culture, and emergency services.

In Kāpiti, our not-for-profit organisations are instrumental in creating local solutions for local needs. This year, Council was able to re-orient its grants and funding towards COVID-19 social recovery initiatives to



2,000 plants were planted on Arbor Day at Pharazyn Reserve, supported by 250 local school children volunteers.

support volunteers in not-for-profits organisations to respond to community related COVID-19 challenges.

We planned how to increase our capacity to deliver capital works by aligning procurement activity with Horowhenua District Council. This included through sharing information about capital work programmes and collaborating on procurement activities where it was mutually beneficial.

Council worked collaboratively with other Councils in the region to develop the Wellington Regional Growth Framework and the Wellington Regional Leadership Committee to oversee the framework. The framework provides useful context for development of our own District Growth Strategy.



Kāpiti Coast District Council front desk counter.

Management of Council

Our people's wellbeing

We supported a more open conversation with our people about how they are feeling and learnt to be more flexible as the year went on to accommodate the impacts of COVID-19 and how we work. We recognised that we all have a role to play in looking after our own wellbeing and that of others and continued to look for opportunities to improve staff wellbeing, health and

safety and organisational resilience. We also enhanced Council capability by creating a new Programme Management Office to oversee infrastructure project delivery, and created new Strategy Growth and Recovery Group.

Opening the books – our financial health

Our Standard and Poor's Global AA credit rating was retained, we had a surplus of \$6.9 million from unplanned central government stimulus funding, we

kept average rate increases low at 2.6 percent and completed 89 percent of capital projects with a total capital spend of \$32.9 million, carrying over \$3 million into next year.

Operating surplus for
the financial year
\$6.9 million

Acknowledging our people

Thank you to everyone, every organisation and every business we have worked with.

**Together, with all our efforts, we
have built a stronger Kāpiti !**



Pou (carved pillars) representing the three local iwi.

Te moemoeā o te tangata whenua

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

The Council and tangata whenua have an enduring partnership that lies at the heart of our activities for the community and wider relationships that surround us. We're working hard to ensure we understand tangata whenua aspirations for our District and its people and bring them to life in our daily work. In this past year, the development of the 2021–41 Long-term Plan provided an opportunity to better reflect these aspirations in our overarching plan for the District.

This year we saw the resignation of Rupene Waaka, the Chair of Te Whakaminenga o Kāpiti since 2013 and one of the signatories on behalf of Ngāti Raukawa ki te Tonga at the first signing of the partnership between Mana Whenua and Council in 1994. We acknowledge his leadership and contribution to the partnership, and service to his iwi, hapū and community.

The tangata whenua of the District are Te Atiawa ki Whakarongotai, Ngāti Raukawa and Ngāti Toa Rangatira, including whānau and hapū. In the 1820–1830s they were firmly established in the District and were signatories to the Treaty of Waitangi at the following locations: on board the ship *The Ariel* at Port Nicholson in Wellington (29 April 1840), Queen Charlotte Sound (4 May 1840), Rangitoto (d'Urville Island) (11 May 1840), Kāpiti Island (14 May 1840), Waikanae (16 May 1840), Ōtaki (19 May 1840), Manawatū (26 May 1840), Motungarara Island (4 June 1840), Guards Bay and Cloudy Bay (Te Koko-a-Kupe) in Te Tau Ihu (17 June 1840), Mana Island (19 June 1840) and again on Kāpiti Island (19 June 1840). Although the history books cite us as being allies, we were more than that, we were strongly linked. Therefore, from this time until the

present, tangata whenua have practised and continue to practise kaitiaki/kaitiakitanga.

As tangata whenua, our relationship with the environment spans centuries. Knowledge and cultural practice that have been passed down through generations allow us to take learnings from the past and apply them to current issues. It's through the unique and valuable knowledge we have as kaitiaki that we are often able to provide solutions that work not only within our own cultural environmental frameworks, but also for the betterment of the wider community.

The ability to apply our own lens to the issues our rohe is facing, and have our expertise valued and considered as equally important to that of western science, is extremely important to us as tangata whenua. It is a vision we have been working towards since 1994, when a commitment to build a partnership between each of the three iwi, Ngāti Toa Rangatira, Te Atiawa ki Whakarongotai and Ngāti Raukawa ki te Tonga, and the Council was formally acknowledged by the signing of the Memorandum of Partnership and the establishment of Te Whakaminenga o Kāpiti, a forum that was created for decision making and collaborative engagement on mutually agreed priorities. As tangata whenua and

as kaitiaki, we understand that we must honour our responsibilities to our past, present and future peoples by protecting and improving the wellbeing of our land and waters, so we can create an environment that is able to sustain, support and nourish its communities.

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

Kaitiaki/Kaitiakitanga

Māori have a relationship that is inextricably intertwined with the environment, spanning centuries of observation and experience from which a unique body of knowledge and cultural practice has developed. This experience is valuable, alongside Western scientific knowledge and experience, to the development of tools and processes for ensuring that the mauri (life force) of the environment is maintained and improved.

For Māori, the exercise of tikanga over natural resources is clearly bound to kaitiakitanga. Kaitiakitanga means guardianship, protection, preservation or sheltering.

Kaitiakitanga is the managing of the environment, based on the traditional Māori world view. Kaitiaki/Kaitiakitanga is linked to tino rangatiratanga as it may only be practised by those whānau, hapū or iwi who possess mana whenua in their area. Tangata whenua consistently indicate the following reasons for seeking recognition of cultural values and practices in relation to the management of the environment:

- The belief that their cultural practices have a very strong environmental basis and could enhance the management process.
- An obligation, as kaitiaki, to protect the natural world.
- The belief that spirituality is integral to the connection between Māori culture and tradition with the environment¹.

¹ERMA New Zealand Policy Series. Incorporating Māori perspectives in Part V Decision Making; November 2004.

Tangata whenua base their vision on four principles.

Principle one:

Whakawhanaungatanga/Manaakitanga – the marae is our principal home, which ties us to our whenua and is the physical embodiment of our ancestors. The wellbeing and health of the iwi and their marae can often determine the emotional, spiritual and physical wellbeing of the people who belong to the iwi. Marae are important sites for the practical expression of kaupapa Māori. It is the place where distinguished manuhiri (visitors) are to be extended a welcome and hospitality, and where families meet for significant events. For Māori, the marae is 'Te tūrangawaewae o te iwi – the standing place of the people'. The marae is held in high esteem by many and considered to be a place of special significance. Land, language and kinship along with marae, provide a sense of cultural identity and the continuity of a Māori identity throughout political, cultural, social and economic change. In addition, they are store houses of taonga (treasures).

Principle two:

Te Reo – it is the language of the tangata whenua through which tikanga is conveyed; kawa and wairua are expressed. Te Reo Māori is an official language of New Zealand. It is fundamental that the language, as a deeply treasured taonga left by our Māori ancestors, is nurtured throughout all levels of the community and that the language continues to prosper and future generations are encouraged to use it.

Principle three:

Kotahitanga – through unity, tangata whenua and communities have strength. Working together we can ensure that our District's heritage, cultural development, health, education and economy flourish.

Principle four:

Tino Rangatiratanga – to exercise self-determination and self-governance with regard to all tribal matters.

The vision includes:

- that the tangata whenua role of kaitiaki/kaitiakitanga within the District is strong and effective and encompasses both the environmental and general wellbeing of the community
- that people feel comfortable in the use of Te Reo Māori and English – supporting the notion of a bilingual community
- that all waterways are healthy and able to be used as traditional food resources taking into account tangata whenua environmental indicators
- that the tangata whenua represent and engage effectively, where appropriate, with agencies and communities
- that whānau and hapū have the capacity to engage effectively where appropriate with agencies and communities

- that Māori representation in local government is improved
- that tangata whenua creative talents are fostered and encouraged
- that the District builds a world-class economic development plan to attract international investment
- that tangata whenua are fostered to build Māori interest in food, culture, lifestyle and tourism sectors
- that the community has good access to health services
- that young people of Kāpiti are supported to reach their full potential
- that people know about the Māori names for the original landscape, heritage and waahi tapu and that Māori names for streets and future settlements are adopted
- that tangata whenua play a strong/central role in District planning, particularly around the capacity of resources, water use, and the quality and nature of settlements
- that there is a strong and effective partnership between tangata whenua, the Kāpiti Coast District Council and Greater Wellington Regional Council
- that tangata whenua are involved in citizenship processes with new immigrants
- that the Council assists tangata whenua in the development of iwi plans
- that tangata whenua tangible and spiritual connection to/association with the land, waahi tapu and natural and physical resources is represented, understood and respected
- that in accordance with Māori tikanga and lore, mātā waka are embraced and protected by the mana and rangatiratanga of the tangata whenua
- that within the Memorandum between Te Āti Awa, Ngāti Raukawa, Ngāti Toa Rangatira and Council, provisions are made for any mandated mātā waka to participate further, should they choose to
- that the District appreciates tikanga Māori.



Performance summary

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Snapshot of Council-wide performance for the year

Financial performance/position

\$6.9m Surplus mainly from unplanned stimulus funding from central government

71% Total income is derived from rates

Average rates increase 2020–21 **2.6%**

\$70.4m Actual rates revenue for the year

\$1.53b Council's net value as at 30 June 2021

\$154.6m
Net debt at 30 June 2021 and maintained our AA credit rating from Standard and Poor's Global

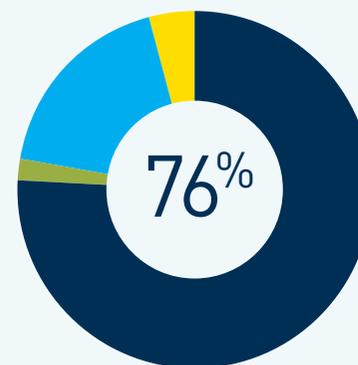
Capital projects



89% Capital projects completed. Total spend for the year was \$32.9 million

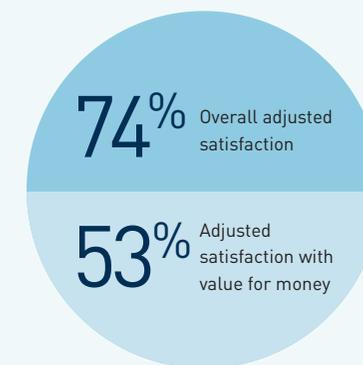
\$3m Carried over to 2021–22 to complete planned projects

Service performance



- Achieved 76%
- Partially achieved 2%
- Not achieved 18%
- Not able to be reported 4%

Residents' satisfaction



Financial overview

We produced this overview to give Kāpiti residents a snapshot of our finances. Full details are provided later in the report. There is a summary of the cost of providing services for each activity, comparing what was spent with what was budgeted, in Our activities and services, on pages 38 to 110. The full financial statements can be seen in Our finances, on pages 111 to 165.

Financial performance

Operating profitability

We achieved an operating surplus of \$6.9 million for the year – \$6.8 million higher than budgeted.

Revenue was \$10.1 million higher than budget due mainly to revenue from development and financial contributions (\$1.4 million), grants and subsidies (\$4.7 million) and vested assets (\$3.1 million) all being higher than expected.

The additional grants and subsidies revenue included unbudgeted Three Waters stimulus funding of \$3 million, \$1.1 million from the government's COVID-19 response and recovery fund for the Te Uruhi project, and \$1 million from the Provincial Growth Fund for refurbishment of the Paraparaumu Memorial Hall and Ōtaki Civic Theatre.

Total operating expenditure was \$3.5 million higher than budgeted, mainly due to unbudgeted opex costs relating to the Three Waters stimulus funding, and higher than expected costs associated with delivering the Long-term Plan.

Revenue was higher
than budgeted by
\$10.1 million

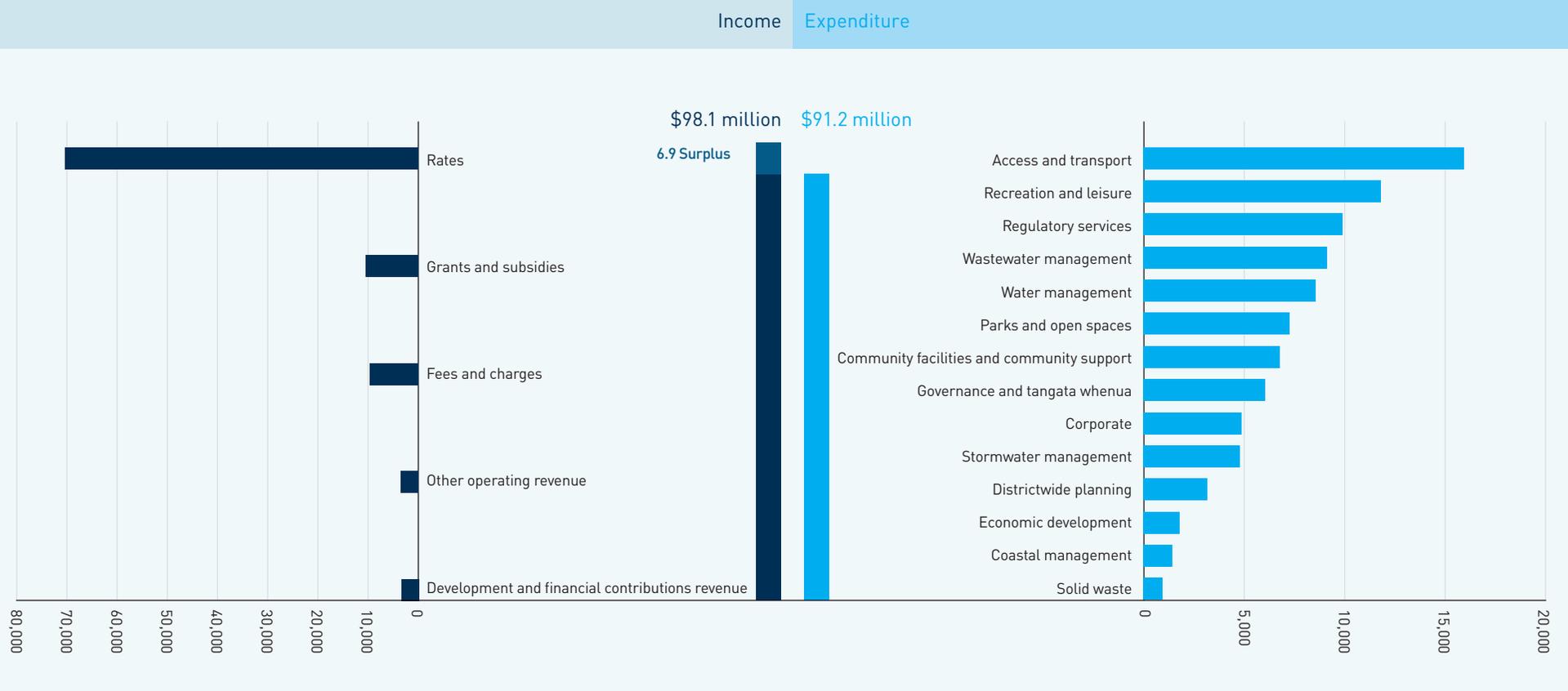
Spent 89 percent of budget for
capital work planned for the year
\$32.9 million

Capital spending

In setting the 2020–21 Annual Plan we had budgeted to spend \$37 million on capital work.

We ended the year completing \$32.9 million, 89 percent of planned, with \$3 million of projects being carried forward to future years.

Financial performance (\$ millions)



Financial position

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

As at 30 June 2021, total assets were \$1,798 million. Of this, infrastructure (water, stormwater, wastewater, roading, bridges, cycleways, walkways and bridleways) accounted for \$1,509 million, and the remainder included community facilities, parks and open spaces and financial assets.

Value of the Council assets

\$1,798 million

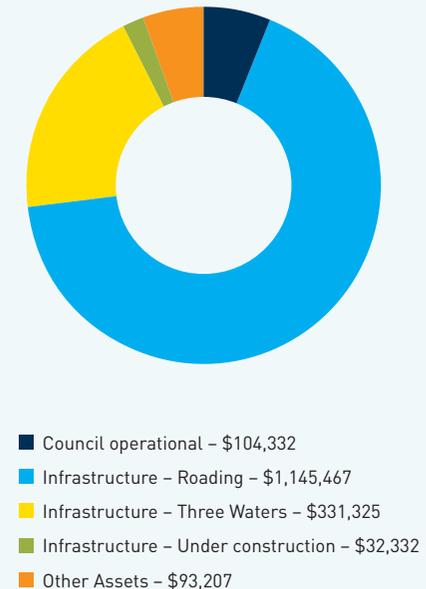
Liabilities for the year

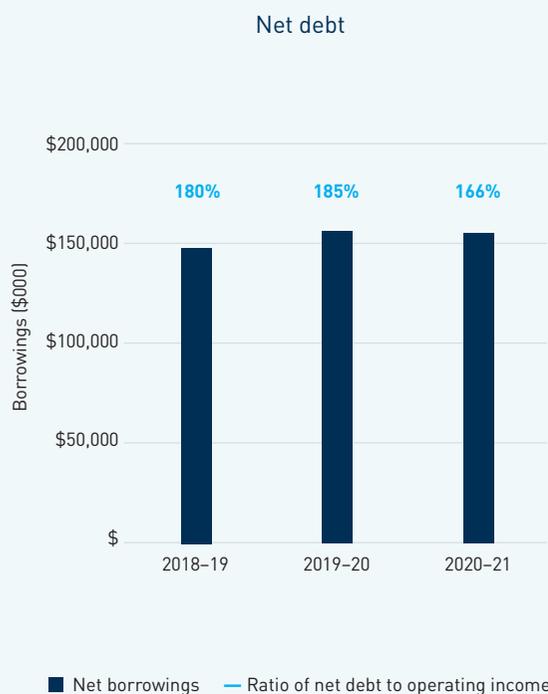
\$272 million

Our liabilities are \$272 million, with 84 percent 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 \$1,526 million.

Total property, plant and equipment
by value 2020–21 \$'000





Cash and debt management

We ended the year with net debt (total borrowings less cash, term deposits and borrower notes) of \$154.6 million, which represents 166 percent of our operating income. This reflects our commitment to our “green-line” strategy to keep net borrowings below 200 percent of our operating income.

A positive result for the year is that we kept our credit rating of AA. This is beneficial because it helps reduce our borrowing costs, supporting our financial strategy.

We kept our Standard and Poor's credit rating

AA

Progress in 2020-21 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 2020-21 and have stayed on track with our strategic approach.

Due to our desire to minimise rates increases in the wake of COVID-19, we did not reduce the unfunded depreciation gap in 2020-21. The gap remains \$3.1 million, which we forecast to reduce progressively until depreciation is fully funded by 2024-25.

Service performance overview

Council achieved 76 percent of all 97 non-financial performance measures. In addition, 2 percent were partially achieved, 18 percent were not achieved and 4 percent were not able to be reported.

Our 2020–21 result (76 percent achieved) was a decrease compared to the previous two years (81 percent achieved in 2019–20 and 83 percent achieved in 2018–19).

There are a range of reasons why some results were not able to be reported that are explained in the Activities and Services section.

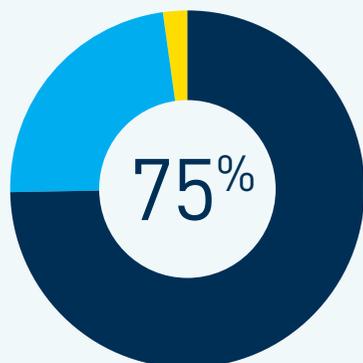
Looking across all our activities, Community Services (which includes community facilities and community support services) had the highest levels of achievement with 85 percent of performance measured achieved, followed by Infrastructure with 75 percent of performance measured achieved.

In the lead up to the new Long-term Plan, we identified opportunities to update performance measures and reviewed questions in the Residents' Opinion Survey to measure achievement towards our new Long-term Plan outcomes.

Overall performance of 97 activity measures

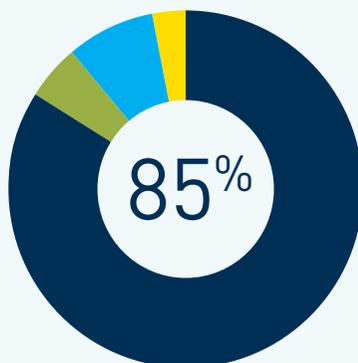


Infrastructure



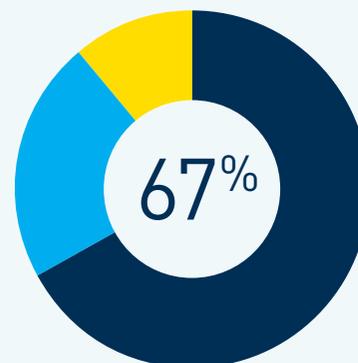
- Achieved 75%
- Not achieved 23%
- Not able to be reported 2%

Community services



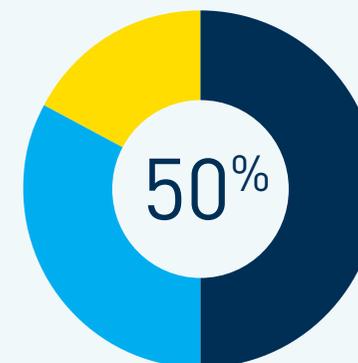
- Achieved 85%
- Partially achieved 5%
- Not achieved 8%
- Not able to be reported 2%

Planning and regulatory



- Achieved 67%
- Not achieved 22%
- Not able to be reported 11%

Governance and tangata whenua



- Achieved 50%
- Not achieved 33%
- Not able to be reported 17%

Primary outcomes

- Infrastructure investment that supports resilience and agreed growth projections
- A resilient community that has support for basic needs and feels safe and connected
- A high-quality natural environment enjoyed by all
- Improved biodiversity and environment through sustainable practices.

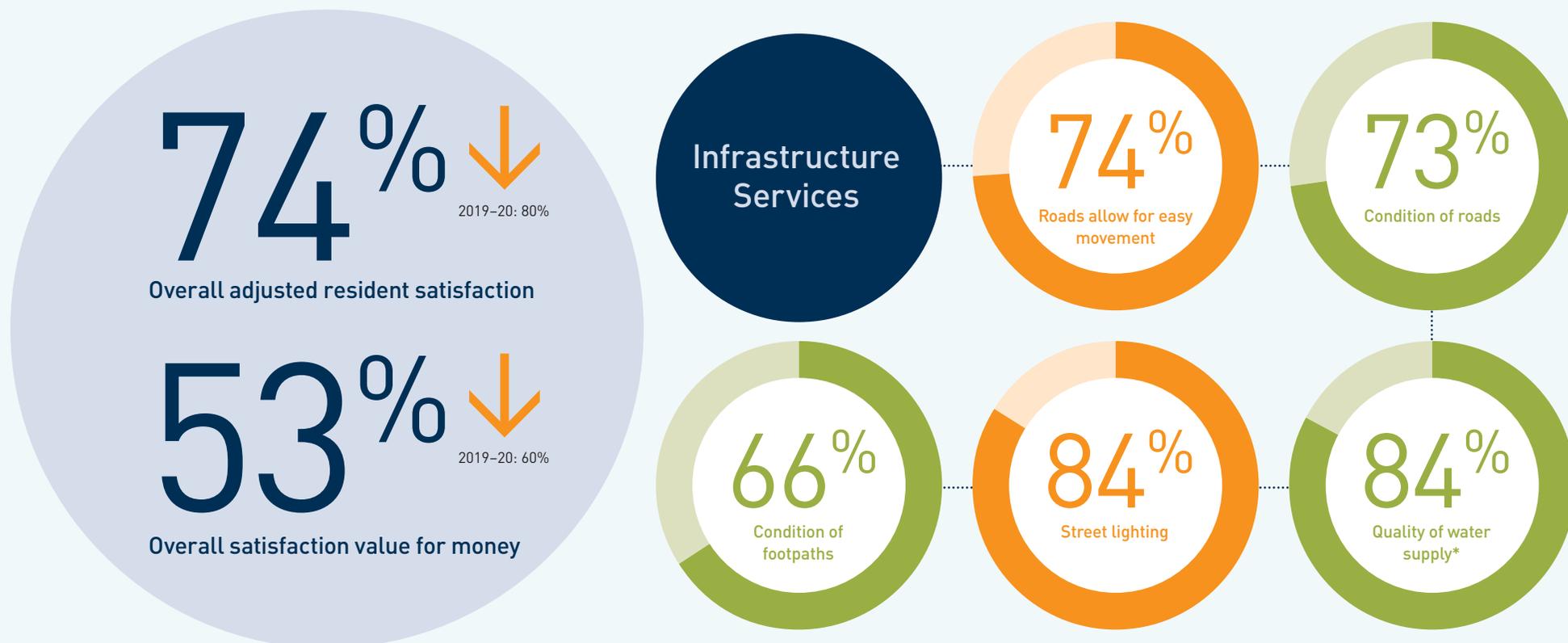
- A high-quality natural environment enjoyed by all
- An attractive and distinctive Kāpiti identity and sense of place that make people proud to live, work and play here
- A strong economy with more jobs and higher average incomes
- A community better supported to lead initiatives in response to agreed community priorities

- An attractive and distinctive Kāpiti identity and sense of place that make people proud to live, work and play here
- Improved accessibility of Council services

- **Governance**
A community is more resilient through Council advocacy
- **Tangata whenua**
Council is a trusted partner with tangata whenua and strongly engaged with the community

Residents' satisfaction survey results

Results that informed achievement of 2020-21 performance measures

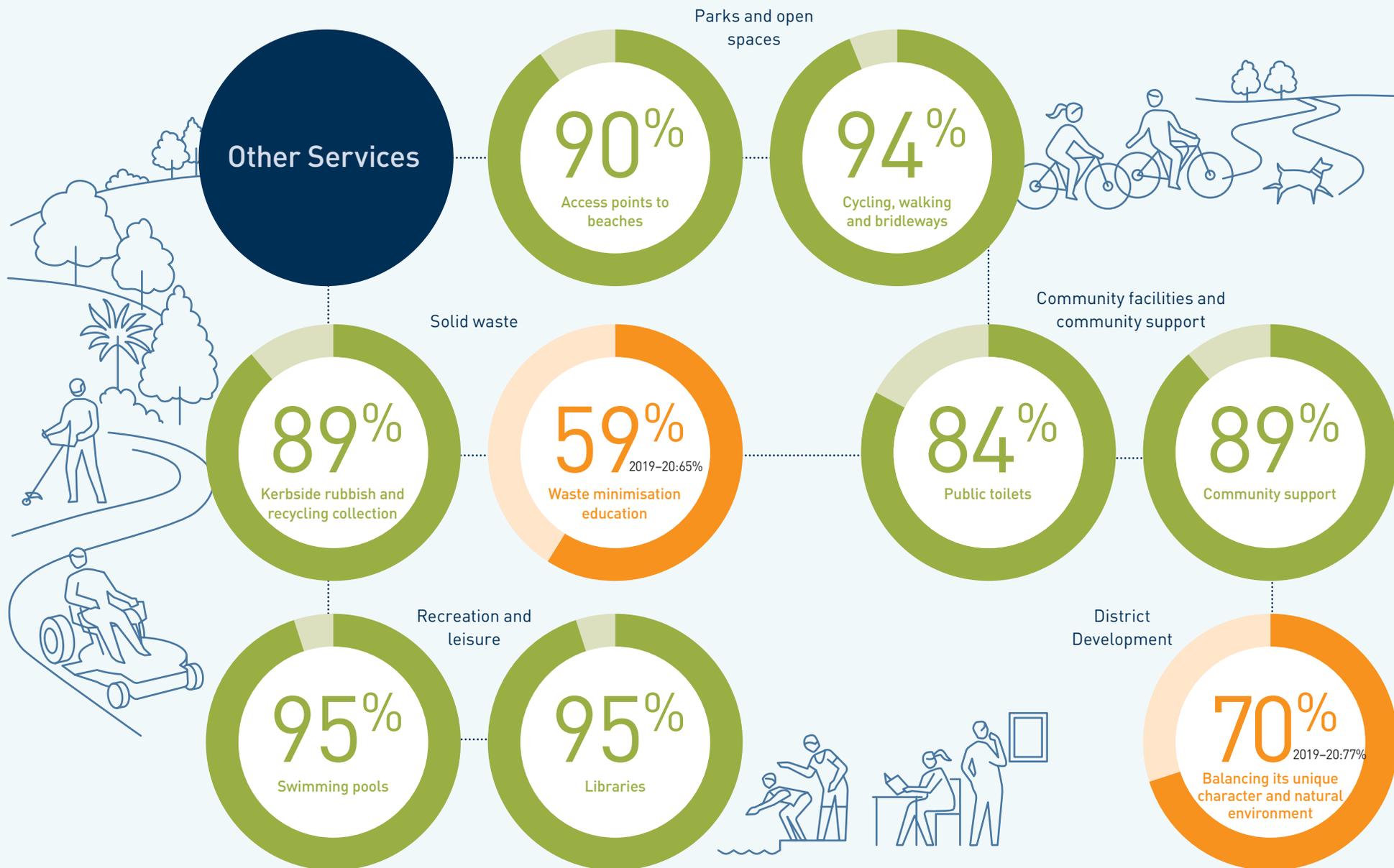


Footnote: adjusted satisfaction – The adjusted satisfaction score is calculated by removing 'neutral' and 'don't know' responses and calculating the percentage of satisfied respondents from the reduced base size. This is in line with the way Council has designed and previously analysed its satisfaction results against Long-term Plan targets.

■ Performance measures that did not meet target
■ Performance measure that achieved target



*86 percent use Council water supply



Residents' satisfaction survey results

Results from non Annual Plan measures



COVID-19 wellbeing	
66%	Calm and relaxed
17%	Nervous when I think about current circumstances
17%	Worried about the risk of getting COVID-19
7%	Stressed about leaving home
71%	Household income has stayed the same
78%	Prepared for an emergency event

Perceptions and sentiments about intent	
98% ↓ <small>2019-20: 99%</small>	Kāpiti great place to live
67% ↓ <small>2019-20: 73%</small>	Confidence Kāpiti is going in the right direction
59% ↓ <small>2019-20: 66%</small>	Trust Council do the right thing
48% ↓ <small>2019-20: 56%</small>	Council makes good decisions
85% ↓ <small>2019-20: 87%</small>	Clarity about what Council does
80%	Dealings with a Council staff member

Residents' involvement

53% ↓ 2019–20: 62% Council provides clear information on issues

53% ↓ 2019–20: 60% Council enables participation in decision-making

Infrastructure Services

60% Safety on-road cycle lanes

64% Availability of on-road cycle lanes

77% ↓ 2019–20: 81% Ability to protect your home from flooding

59% Ability to protect streets from flooding

Our annual Residents' Opinion Survey (adjusted) satisfaction score for 2020–21 was 74 percent (compared to 80 percent in 2019–20).

We exceeded performance targets for cycling, walking and bridleways, swimming pools, libraries, public toilets, and emergency preparedness. Themes of satisfaction related to maintaining roads, library services, making the environment better to live and doing things differently for Ōtaki.

However, we have more work to do to improve performance related to roads (allowing for easy movement), street lighting, waste minimisation education and in enabling the district to develop in a way that considers its unique character and natural environment. We also know we need to improve perceptions about rates (value for money), perceptions that Council makes good decisions and perceptions about trusting Council to do the right thing. These are all areas that drove satisfaction down this year and we will consider how we can improve future satisfaction scores.

Activities and Services

Our plan on a page	34
Overview of activities and services	36
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Community services	68
Planning and regulatory services	96
Governance and tangata whenua	106
Governance	166

Our plan on a page

Our plan on a page from the 2018–38 Long-term Plan outlines 17 outcomes. All activities undertaken by Kāpiti Coast District Council throughout the 2020–21 year were progressed to support achievement of these outcomes.

Key challenges

- Affordability of Council services
- District economy
- Community and connectedness
- Environment

Approaches

- Living within financial constraints
- Kotahitanga and working with the community
- Sustainable growth
- Enhancing our natural environment
- Articulating our attractor factor

Financial strategy

- Deliver affordable rates
- Minimise borrowings
- Optimise capital spending

10-year outcomes

three-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 tangata 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

Our vision thriving environment :: vibrant economy :: strong communities toitū te whenua :: toitū te wai :: toitū te tangata

toitū Kāpiti – the lifestyle choice

Overview of activities and services

This section describes how Council activities for 2020–21 were organised into four groups of work.

Activity purpose

Each activity later in this report, begins with a description about the purpose of the activity.

Contribution to Council outcomes

Each activity contributes to one or more outcomes.



Activities

-  Stormwater – wai āwhā
-  Access and transport – putanga me te waka
-  Coastal management – whakahaere takutai
-  Water – wai
-  Wastewater – wai para
-  Solid waste – para ūtonga



Activities

-  Parks and open spaces – ngā papa rēhia me ngā waahi māhorahora
-  Recreation and leisure – hākinakina
-  Economic development – whakawhanake umanga
-  Community facilities and community support – whakaurunga hapori me ngā hāpai hapori

What we delivered

For each activity key deliverables, projects, and decisions are provided later in this report.

Service performance

Activity performance measure results are provided later in this report.

Financial information

Actual spend against budget for both capital and operating costs per activity is provided later in this report.



Activities



Districtwide planning – ngā kaupapa takiwa



Regulatory services – ratonga whakaritenga

Activities



Governance and tangata whenua – kāwanatanga me te tangata whenua

Infrastructure



Stormwater – wai āwhā

Contributions to outcomes

Primary contribution

- Infrastructure investment that supports resilience and agreed growth projections

Secondary contribution

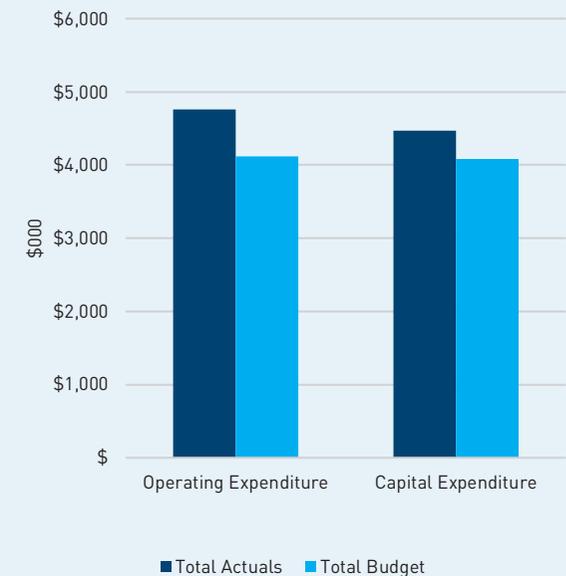
- An effective response to climate change in Kāpiti

Stormwater



■ Achieved 100 percent

Stormwater management – operating and capital expenditure 2020/21



Water – ability to protect your home from flooding:

“The sumps on the roads are adequate and regularly maintained”

Activity purpose

To provide a stormwater system to manage surface water run-off from urban catchments while protecting the receiving environment, ensuring water quality and reducing risks to human life and health from flooding.

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

Under this activity, expected climate change impacts and the water quality aspects are incorporated into the design, construction and maintenance of stormwater infrastructure assets.

Wider stormwater network incorporates open waterways, piped assets, culverts, bridges, sumps, ponds, wetlands, down pipes, soak pits swales and kerb outlets. Some of these assets are Council owned and some are privately owned.

Kāpiti Coast District Council has more than 110 kilometres of open waterways forming part of the

urban drainage network. Council owns and manages approximately 40 kilometres of the open waterways, and Greater Wellington Regional Council (GWRC) is responsible for flood protection associated with the remaining length of open waterways, which includes the Waikanae and Ōtaki rivers.

What we delivered

Stormwater capital works

Work is divided into major capital projects and minor capital projects that are grouped into physical works underway, projects ready for procurement of physical works and projects in investigation/design/resource consent phase.

Many of the projects straddle multiple years and are part of a wider programme.

Major and minor stormwater capital projects

Major stormwater projects include design and construction of major drainage systems to accommodate run-off from less frequent storms (one in 50-year or one in 100-year events). These projects include upgrades and renewals of under-capacity networks, network extensions, stream works and pumping systems that can run over multiple years.

Five major stormwater capital projects were in the physical works phase during the 2020–21 year:

- Margaret Road (Raumati Beach) stage 2 upgrades are complete
- Riwai Street (Paraparaumu) upgrades are complete
- Paraparaumu stage two renewals are 95 percent complete
- Sunshine Avenue (Paraparaumu) upgrades are 70 percent complete
- Moana Road (Ōtaki) stage 2 upgrades are 50 percent complete.

Minor stormwater capital works contracts are 95 percent complete. A contract was awarded and pipes were purchased for Awanui Drive (Waikanae) upgrades.

In addition, procurement plans and documentation for physical works (renewals and upgrades) in Paraparaumu catchments 3 and 4, Raumati Road area 1, and Matene Street (Ōtaki) upgrades have been prepared for tender in 2021–22. Assets upgrades in Titoki Street (Ōtaki), a flood wall in Moa Road (Raumati Beach) and 93 Amohia Street (Paraparaumu) is on hold due to consenting issues.

In 2020–21, the stormwater team worked on 17 designs and lodged applications for resource consents for a range of capital works including Kena Kena (both Paraparaumu Beach) catchment upgrades, Manly Street (Paraparaumu Beach) culverts, Kakariki stream (Waikanae) works, Towncentre modelling work (phase 2); Stormwater inputs for Te Uruhi project, Amohia catchment diversion (Paraparaumu); and Paraparaumu 1 catchment asset renewals, among others.

Drain cleaning and sediment removal

Council completed 11.4 kilometres of open drain/stream cleaning (gravel extraction, machine cleaning and hand cleaning).

Other developments

District-wide asset investigations included data gathering through stormwater survey, CCTV inspections of pipes, and manhole condition assessments, to close gaps in asset data and to identify the renewal needs.

District-wide water quality monitoring and flood hazard modelling progressed well during 2020–21.

Development of a Stormwater Strategy and bylaw and global drain maintenance consent projects continued in 2020–21.



Stormwater performance measures

Contribution to outcomes	Performance measures	Target	Actual	Comment
We minimise risks to human life and health from flooding by responding efficiently and effectively to flooding issues. We maintain, repair and renew major flood protection and control works.	Median response time to attend a flooding event from notification to attendance on site <i>(Department of Internal Affairs (DIA) mandatory measure)</i>	Urgent (less than or equal to 24 hours)	Achieved	There were 56 urgent flood-related complaints and the median response time was less than or equal to 24 hours. (2019–20 result was achieved)
		Non-urgent (less than or equal to 5 days)	Achieved	The median response time was one day for 143 non-urgent flooding-related complaints. (2019–20 result was achieved)
	Percentage of all buildings that have been inundated due to minor flooding that are visited within four weeks	90 percent	Achieved (100 percent)	Year-to-date there was one building-related flooding request (garage flooding). Visited within one week. (2019–20 result was achieved 100 percent)
	Number of complaints received about the performance of the district's stormwater system <i>(DIA mandatory measure)</i>	Fewer than 30 per 1,000 properties connected to the council's stormwater system	Achieved (8.6 per 1,000)	The 199 flooding-related complaints in the year to date translate to 8.6 per 1000 connections (estimated 22,464 connections). (2019–20 result was 13.9)
	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	Two major stormwater projects 100 percent complete and the remaining two were partially complete. The work has been carried out following the key standards as defined in the Council's activity management plan. (2019–20 result was achieved)
	Number of buildings (habitable floors) reported to be flooded as a result of a less than one-in-50 year rain event <i>(DIA mandatory measure)</i>	Less than three per 1,000 properties connected to the Council's stormwater system	Achieved (0 per 1,000)	There were no habitable floors affected by flooding events. (2019–20 result was 0.89 per 1,000)

Contribution to outcomes	Performance measures	Target	Actual	Comment
	Measure compliance with the Council's resource consents for discharge from its stormwater system, by the number of: <ul style="list-style-type: none"> • abatement notices • infringement notices • enforcement orders • convictions received by the Council in relation to those resource consents <i>(DIA mandatory measure)</i>	No notices or convictions	Achieved (None)	There were no notices received or convictions for non-compliance with Council's stormwater discharge resource consents. (2019-20 result was achieved)

Access and transport – putanga me te waka



Contributions to outcomes

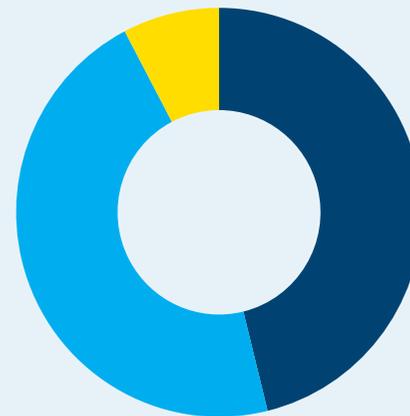
Primary contribution

- A resilient community that has support for basic needs and feels safe and connected

Secondary contribution

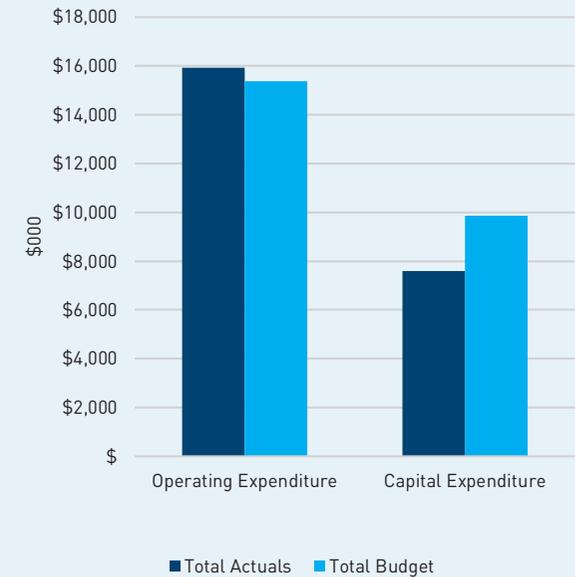
- Infrastructure investment that supports resilience and agreed growth projections

Access and transport



- Achieved 46 percent
- Not achieved 46 percent
- Not able to be reported 8 percent

Access and transport – operating and capital expenditure 2020/21



“Because it’s nice and easy to get around. I do a lot of walking and it’s a pleasure...”

Activity purpose

To maintain, protect and improve our roading network and strongly encourage and support sustainable transport options.

We aim to enhance community connectedness through the creation of a well-planned physical transport system that allows for the reliable, efficient and safe movement of people and goods. This is critical to Kāpiti residents' quality of life and a thriving economy.

Kāpiti Coast District Council's strategic goal for access and transport is to create a physical transport system that is attractive, affordable, connected, responsive, safe and offers effective mode choice so it enables people to act in a sustainable way. We keep this in mind with our renewals, upgrades and new projects.

What we delivered

State Highway 1 revocation

Mackays to Peka Peka (M2PP)

Revocation of old SH1 is underway on the Raumati Straights. Installation of new stormwater infrastructure, as well as the construction of new footpaths, kerbs, channels and the standing of light poles along the straights is substantively complete. The construction of the new roundabout on Raumati Road was 95 percent complete.

Road and footpath maintenance and resealing

Sealed road resurfacing

Within the context of the COVID-19 restrictions, contractor availability and inclement weather before Christmas, some of the resealing programme was delayed with the majority of it being delivered in February, March and April 2021. Roothing contractors were kept busy working on major regional projects, including Transmission Gully (TG), M2PP revocation and the Peka Peka to Ōtaki Expressway (PP2Ō).

The resealing programme featured a higher proportion of sites with wider roads and/or higher cost treatments (asphalt). This means that, despite the budget allocation being spent, there was a longer total length of road resurfaced than normal.

Districtwide footpath upgrades/renewals

The footpath programme was completed, with a total length of 4.3km of footpath renewed. This was a pleasing result, given the shortage of skilled concrete workers across the construction sector in the lower North Island.

Minimising disruption in town centres

We postponed some works associated with SH1 revocation to limit disruption for local businesses and assist with COVID-19 recovery.

Minor safety improvements

A suite of relatively minor road and intersection improvements were completed across the district, including traffic calming to reduce traffic speed, more safe-crossing points, lighting improvements and installation of new road signs and road markings.

Safety improvements include:

- the intersection of Ames Street and Beach Road in Paekākāriki

- electronic corner signage at Poplar Road (Raumati South), Raumati Road (Raumati) and Te Moana Road (Waikanae)
- the intersection of Rimu Road and Iver Trask Place in Paraparaumu
- new footpaths along Arawhata Road (Paraparaumu) and Te Moana Road (Waikanae).

Remaining works on Ames Street (Paekākāriki) and Rimu Road (Paraparaumu) were rescheduled for completion in July 2021.

Retaining wall and bridge repairs

Drainage and bridge repairs are part of an ongoing works programme funded in conjunction with Waka Kotahi (NZTA). High priority repairs on our bridges were completed. Significant upgrades of culverts on Kāpiti Road (Paraparaumu) and Marine Parade (Paraparaumu) will be repaired next year.

East-West connector

The East-West Connector programme supports growth in Kāpiti and includes key developments in the Paraparaumu town centre, relieving congestion on Kāpiti Road, improving safety and providing better accessibility for all modes of transport.

The Programme Business Case has been finalised, and funding is being sought for a Single Stage Business Case through the National Land Transport Programme to progress design and investigation works.

Network planning

A total of 101 new resource consent applications were received by access and transport during the financial year. Network planning advice was provided to support pre-applications, business start-up meetings and in response to 49 temporary events.

The Sustainable Transport Strategy was released for consultation in June 2020 and was adopted in October 2020.

Expressways

Peka Peka to Ōtaki (PP20)

Council continued physical works on the PP20 Expressway, both as consenting authority in the development of the required construction management plans, and as road controlling authority in the detailed design. The main expressway alignment is expected to reach practical completion by mid to late 2022 and will be opened to traffic at that time.

Work progressed well during the past 12 months, with the completion of all but one of the local roads and all

bridge decks on the main alignment now complete. This means it is now possible to drive the full length of the main alignment. Surfacing work on the main alignment has been underway for some time and good progress has been made with this, albeit working around weather events and supply chain issues.

There is a lot of work yet to be completed both on the actual expressway and on local roads, including planting vegetation.



Intersection of Rimu Road and Iver Trask Place in Paraparaumu



Access and transport performance measures

Contribution to outcomes	Performance measures	Target	Actual	Comment
Our transport network allows for the safe and efficient movement of people and goods.	Residents (%) who agree that the existing transport system allows easy movement around the district	80 percent	Not achieved 74 percent	The Residents' Opinion Survey reported 74 percent satisfaction, a decrease on the previous year and below target. It is considered the result reflects disruption from roadworks to continuously improve condition of the roading network. (2019–2020 result was achieved at 81 percent)
	Number of serious and fatal crashes on district roads is falling (excludes SH1) <i>(Department of Internal Affairs (DIA) mandatory measure)</i>	Five-year rolling average reduces each year	Not achieved	There were 12 serious injury or fatal crashes in 2020–2021 (two in quarter four), giving a five-year rolling average of 12 (previously 11 for the 2015–2020 period). (2019–2020 result was achieved with 10 serious injury or fatal crashes)
	Residents (%) are satisfied with street lighting	85 percent	Not achieved 84 percent	The Residents' Opinion Survey reported 84 percent satisfaction, falling slightly short of the target (though within the survey's margin of error of +/- 3.5 percent). Increased investment has been identified in this area to make improvements in the future. (2019–2020 result was not achieved at 83.5 percent)
Our transport network is affordable and reliable, and users can easily get around the district by their preferred means.	Percentage of the sealed local road network that is resurfaced <i>(DIA mandatory measure)</i>	5 percent	Not achieved 2.8 percent	Council resurfaced 11.25kms of the total 403km local road network. Asphalt is approximately four times the cost of chip-sealing, meaning less resurfacing was possible within available budget. The availability of contractors was a constraint on delivery. (2019–2020 result was not achieved at 4.5 percent)
	Residents (%) who are satisfied with the condition of the road and footpath network	Roads 70 percent	Achieved 73 percent	The Residents' Opinion Survey reported 73 percent satisfied. While above target, this was 4 percent down on 2019–2020. (2019–2020 result was achieved at 77 percent)
		Footpaths 65 percent	Achieved 66 percent	Satisfaction was above target and the same as 2019/2020. (2019–2020 result was achieved at 66 percent)
Roads that meet smooth roads standards <i>(DIA mandatory measure)</i>	Overall smooth travel exposure is above 85 percent	Achieved 86 percent	We are observing an increase in the roughness of arterial roads. This is due to changes in traffic routes since the expressway opened and an increase in heavy traffic weights. (2019–2020 result was achieved at 90 percent)	

Contribution to outcomes	Performance measures	Target	Actual	Comment
	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. <i>(DIA mandatory measure)</i>	60 percent	Achieved 94 percent	(2019–2020 result was achieved at 94 percent)
	Average cost of the local roading per kilometre is comparable with similar-sized districts in New Zealand	Achieve	Not able to be reported	Waka Kotahi One Network Road Classification (ONRC) data is no longer available in a format that robustly compares Council's costs with similar-sized districts, so we are unable to report on this measure. (2019–2020 no result recorded)
	Percentage of service requests relating to roads responded to within 3–5 hours (urgent). <i>(DIA mandatory measure)</i>	85 percent	Not achieved 77.5 percent	Previously, this measure was part of a consolidated measure that combined footpaths (urgent and non-urgent) and roading (urgent and non-urgent). This measure has now been split out to increase clarity of the reported result. The result was 77.5 percent of service requests for roads (urgent) were responded to within 3–5 hours. (2019–2020 no result recorded)
	Percentage of service requests relating to roads responded to within 15 days (non-urgent). <i>(DIA mandatory measure)</i>	85 percent	Achieved 97 percent	Previously, this measure was part of a consolidated measure that combined footpaths (urgent and non-urgent) and roading (urgent and non-urgent). This measure has now been split out to increase clarity of the reported result. The result was 97 percent of service requests for roads (non-urgent) were responded to within 15 days. (2019–2020 no result recorded)
	Percentage of service requests relating to footpaths responded to within 3–5 hours (urgent). <i>(DIA mandatory measure)</i>	85 percent	Not achieved 59.4 percent	Previously, this measure was part of a consolidated measure that combined footpaths (urgent and non-urgent) and roading (urgent and non-urgent). This measure has now been split out to increase clarity of the reported result. The result was 59.4 percent of service requests for footpaths (urgent) were responded to within 3–5 hours. (2019–2020 no result recorded)
	Percentage of service requests relating to footpaths responded to within 15 days (non-urgent). <i>(DIA mandatory measure)</i>	85 percent	Achieved 98 percent	Previously, this measure was part of a consolidated measure that combined footpaths (urgent and non-urgent) and roading (urgent and non-urgent). This measure has now been split out to increase clarity of the reported result. The result was 98 percent of service requests for footpaths (non-urgent) were responded to within 15 days. (2019–2020 no result recorded)

Coastal management – whakahaere takutai



Contributions to outcomes

Primary contribution

- A high-quality natural environment enjoyed by all

Secondary contribution

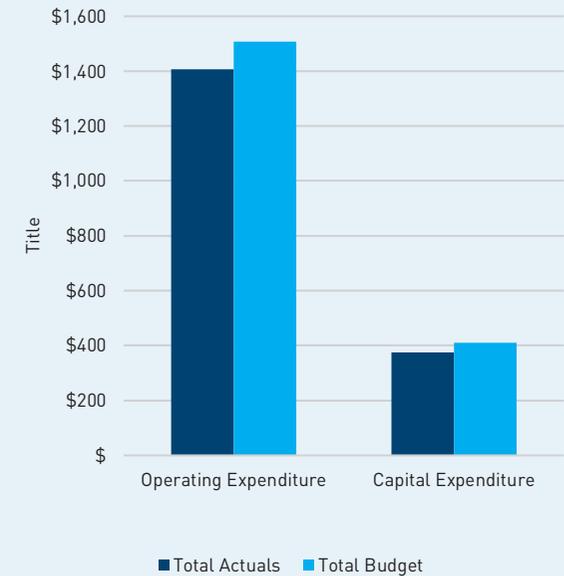
- An effective response to climate change in Kāpiti

Coastal management



■ Achieved 100 percent

Coastal management – operating and capital expenditure 2020/21



“...work on seawalls protects vital infrastructure underground and enables our community to enjoy our coastline”

Activity purpose

A major ongoing focus for the Council and the community is determining how to respond to the effects of increased sea levels and storm intensity on Kāpiti Coast. Kāpiti's coastline is quintessential to the community and its management is critical to the community's functioning.

The Council's priority in this activity is the sustainable management of the coastal environment. This includes protecting publicly owned roads and public health infrastructure, by maintaining Council-owned seawalls and rock revetments as long as practicable and facilitating beach protection projects.

What we delivered

Takutai Kāpiti: Community-led coastal adaptation project

The community-led coastal adaptation project included:

- procurement for coastal science and engineering services, to carry out a Coastal Hazard and Susceptibility Assessment for the district
- establishing the Takutai Kāpiti Community Assessment Panel
- commissioning of a Social Impact Assessment (SIA)
- a panel on the Ministry for the Environment climate change pop-up stall in Coastlands, to share information about the project.

Coastal asset maintenance

The Council undertook maintenance activities including regular cleaning of beach outlets, minor repairs to seawalls and monitoring of coastal asset condition.

Renewal and replacement of coastal assets

Renewal of coastal assets (asset replacements at Willow Grove and Rosetta Road, and Raumati Beach launching ramp) began in 2019–20 and were carried forward due to COVID-19 delays. They have now been completed.



We upgraded approximately 1,700 m² of the Raumati South seawall walkway.

Paekākāriki Seawall replacement

The Paekākāriki Seawall is supporting a public road and some water infrastructure. The seawall was built in the 1970s with a 25-year design life and is subject to regular failures due to coastal action.

The seawall has been ready for construction since 2019. All the designs are completed with resource consents and building consents granted.

In April 2020, Council submitted an application to Government for consideration under the 'Shovel Ready' project category, to bring this project forward.

The application was shortlisted for consideration in May 2020 but declined in September 2020.

The original plan was to use concrete construction and to tender physical works in 2020–21 with construction in 2021–23. However, budget increases resulted in a re-think. The estimated cost of the project escalated to \$27 million in the calendar year 2020 (from \$16.625 million in 2018), so Council decided to canvass options as part of the 2021–41 Long-term Plan consultation process. As a result, tendering the physical works and commencement of construction was deferred pending the outcome of community consultation, which concluded in May 2021.

The community was asked whether to proceed with the design already agreed at a cost of \$27 million or to replace with a 'like-for-like' timber wall at a cost of \$17 million. Nearly 71 percent responded in favour of the 'like-for-like' timber option, whereas just over 29 percent preferred the consented concrete option.

In June 2021, Council approved the 'like-for-like' timber option for the replacement seawall as part of the 2021–2041 Long-term Plan. Tendering and construction will be undertaken in stages commencing in 2021–2022 for five years.



Coastal management performance measures

Contribution to outcomes	Performance measures	Target	Actual	Comment
We respond promptly to sea wall or rock revetment failure and repair where applicable.	Respond within 48 hours to urgent requests to repair sea walls or rock revetments	90 percent	Achieved (100 percent)	There were 26 requests. Four were urgent and all were responded to within 24 hours. (2019–2020 result was 100 percent achieved)
We keep our stormwater beach outlets clear to avoid flooding.	Stormwater beach outlets are kept clear	80 percent	Achieved (100 percent)	Beach outlets were cleaned and kept clear throughout the year. (2019–2020 result was 100 percent achieved)

Water – wai



Contributions to outcomes

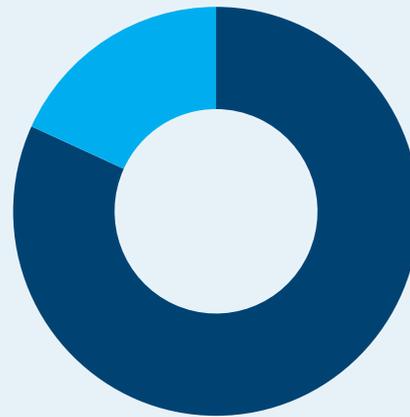
Primary contribution

- Infrastructure investment that supports resilience and agreed growth projections

Secondary contribution

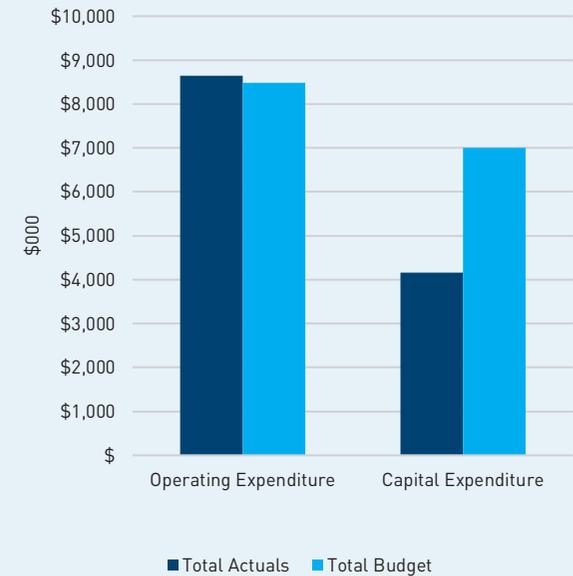
- A high-quality natural environment enjoyed by all

Water



■ Achieved 82 percent
■ Not achieved 18 percent

Water management – operating and capital expenditure 2020/21



“...it’s always fresh tasting and nice”

“The quality of water supply helps make a good cup of tea and doesn’t taste bad”

Activity purpose

Water is our lifeline, and the protection of public health is a number-one priority. We provide potable water for the health of the community, for commercial and industrial enterprises, and ensure an adequate water supply and pressure for firefighting.

What we delivered

Water quality and compliance

The treatment plants at Waikanae and Paekākāriki continue to be compliant with the Drinking Water Standards for New Zealand. The treatment plant in Ōtaki and Hautere are currently classed as non-compliant, based on their level of treatment technology, but have upgrade plans in place and funding allocated in the 2021–41 Long-term Plan.

Waikanae river recharge scheme

The Waikanae River Recharge Programme is directed by a complex Resource Management Act consent with Greater Wellington Regional Council (GWRC) and supported by a community-wide Adaptive Management Group. The programme manages our impact on the awa, from where we abstract our drinking water, by recharging the river when it is at very low levels with bore water. The river recharge scheme was used this year, as the river level/flow rate fell enough to require river recharge, on four days in March and April.

Part of this programme covers environmental monitoring and a condition assessment of wetlands is required every three years, which was completed this year. It had been deferred to this year due to previous COVID-19 restrictions. Next year will begin the first stages of preparing for the 15-year review of the water takes consent including pre-stipulated environmental monitoring and demand planning tasks.

Water conservation and leakage

The districtwide water conservation peak day water use target of less than 490 litres per person per day (l/p/d) was achieved again this year, with the peak day being 398 l/p/d.

The annual leakage index remained acceptable this year, at 2.51. Scores around two indicate a good balance between leakage management efforts and the opportunity for leak reduction. The network leakage increased from last year with suspected increases in the Waikanae and Ōtaki networks. Council will undertake complete sweeps of both networks in quarter three of 2021–22 to isolate where the leakage is occurring.

Council has been trialling detection of leaks with drone technology, using a thermal camera. Unfortunately, a series of cold snaps found the ground temperatures too cold to find a leak. The Ōtaki sweep will be redone in November when there is a better differential between the pipe's ground and water temperature.

Safe drinking water

Aquifer protection prompted a review of all supply and sample bores and a standard method of refurbishment to be carried out in the financial year 2021–22. Water supply network monitoring equipment and locations were reviewed, and equipment procured.

A backflow prevention programme is developing to protect the water supply from possible contamination by high-risk users.

Protection of the Waikanae water supply catchment continues, with a further two hectares of native planting being completed at the future dam site and we have a contract in place to reforest the remaining 11 hectares. The Council also has a partnership with Department of Conservation and GWRC to undertake extensive pest control on species such as possums, goats and rabbits.

After extensive risk assessment and operations planning activities, the draft Water Safety Plan for the Waikanae Water Treatment Plant was submitted to the Ministry of Health (via Regional Public Health and Drinking Water Assessor) in quarter two of 2020–21. This live and evolving document distils the ongoing operations management, key performance information and ongoing optimisation planning that supports our high performance in safe drinking water supply.

Hautere/Te Horo drinking water safety upgrades

We completed an optioneering report for Hautere, Tasman and Rangiuru Water Treatment Plants, including concept designs and costs estimates. The upgrade of the Hautere Water Treatment Plant will ensure the security of water supply and compliance with standards.

Engagement with local iwi and a formal agreement is required with the landowners.

We began drilling new bores to secure the water supply for Hautere.

On completion of the bores, Council will progress with the design and procurement strategy for the upgrade to the Water Treatment Plant.

Ōtaki Water Treatment Plant upgrade

We completed the discharge consenting and hydrogeological assessment for Ōtaki and Hautere Water Treatment Plants.

Engagement and a formal agreement are required with the iwi trust, the landowners for drilling new bores for the security of water supply and upgrading the Water Treatment Plant site.

Waikanae Water Treatment Plant

The Waikanae Water Treatment Plant Stage 2 upgrade includes constructing a new clarifier, rapid mix tank and chemical plant upgrades.

Construction is planned to commence early 2022.



School tour of the Waikanae Water Treatment Plant

Water Safety and Resilience Programme (WSRP)

The WSRP includes renewals and upgrades to Council's water treatment infrastructure in Waikanae, Ōtaki and Hautere.

The proposed upgrades will improve the resilience of the infrastructure and ensure Council can maintain a continuous supply of safe drinking water to meet New Zealand Drinking Water Standards.

Over the years, the construction industry in the three waters sector has been struggling to deliver projects due to a lack of trained, qualified and competent workforce.

The Council's approach to the early contractor involvement for the WSRP during detailed design reduces project risk associated with cost, programme and procurement of equipment. Our current contractor to Council provides confidence that a qualified and competent team is available to work with the Council to deliver the WSRP.

Council has also focused on securing local sub-contractors for SCADA, mechanical fabrication, electrical equipment, pumps, instrumentation and controls.

The Drinking Water Emergency Response Programme (DWERP) began and included several specialist workshops in quarter three.

Water supply pipe network

The year was primarily one of investigative work.

Extensive work has been completed this year in supporting reliable water supply performance and compliance reporting by:

- developing online entry of all laboratory data
- integrating laboratory sampling and analysis outcomes with the compliance data vault and reporting system
- automating field activities, such as sampling, using tablet-based entry forms and point-of-contact technology such as QR code scans.

Pipeline condition and use to prioritise pipe renewals

The condition assessment of pipe materials (sampling and analysis) includes a forward work programme to perform repairs. The Avenue (Paraparaumu Beach) main renewal was undertaken under this regime.

Council is about to start works in Kāpiti Lane (Ōtaki Beach), and the main in Hira Street (Waikanae) has been laid to cut in 2021–22.



Water performance measures

Contribution to outcomes	Performance measures	Target	Actual	Comment
We provide a continuous potable water supply that meets New Zealand drinking water standards.	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) <i>(DIA) mandatory measure)</i>	Urgent = less than or equal to 1 hour	Achieved	Median attendance time was 28 minutes for 54 urgent water interruptions. (2019–20 result was 13.5 minutes)
		Non-Urgent = less than or equal to 3 days	Achieved	Median attendance time was 3 hours 46 minutes for 623 non-urgent water faults. (2019–20 result was 3 hours)
	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) <i>(DIA mandatory measure)</i>	Urgent = less than or equal to 5 hours	Achieved	Median resolution time was 53 minutes for 54 urgent water interruptions. (2019–20 result was 65 minutes)
		Non-Urgent = less than or equal to 4 days	Achieved	Median resolution time was 22 hours 48 minutes for 623 non-urgent water faults. (2019–20 result was 22 hours 21 minutes)
Measure the extent to which the district's drinking water supply complies with: Part 4 of the drinking water standards (bacteria compliance criteria)	Part 5 of the drinking water standards (protozoal compliance criteria) <i>(DIA mandatory measure)</i>	Achieve (100 percent)	Not achieved (Ōtaki water treatment plant exceeded low chlorine duration)	According to our water quality data 83.8 percent (21,542) of connections (25,707 – SUIP*) to Council's water supply network received bacteriologically compliant water. Ōtaki scheme network is linked to receive water from the Rangiuru treatment facility, which was fully compliant, and the Tasman Road facility, which had issues. As a result, all connections in this scheme are reported as non-compliant.
				Hautere rural water supply was non-compliant during the last week of June due to heavy rains with Hautere bores having high turbidity resulting in Council issuing a 'boil water notice'.

Contribution to outcomes	Performance measures	Target	Actual	Comment
	Residents (%) who are satisfied with the quality of the Council's water supply (taste, odour, clarity)	80 percent	Achieved 83 percent	The Residents' Opinion Survey. (2019–20 result was 85 percent)
We encourage the sustainable use of potable water and aim to reduce water loss from our water network.	Measure the total number of complaints received by the Council, per 1,000 connections to the Council's networked reticulation system, about any of the following: <ul style="list-style-type: none"> • drinking water clarity • drinking water taste • drinking water odour • drinking water pressure or flow • continuity of supply • council's response to any of these issues (DIA mandatory measure)	At or below 6.2 complaints per 1,000 connections	Achieved	88 complaints were received for the year (for a total of 25,707 SUIP* connections), giving 3.42 complaints per 1,000 connections. (2019–20 result was 6.28 complaints per 1,000 connections)
	Peak water consumption in litres per person per day (l/p/d)	At or below 490 l/p/d	Achieved	Peak day water use for the year was 398 l/p/d. (2019–20 result was 414 l/p/d)
	Average water consumption in litres per person per day (l/p/d) (DIA mandatory measure)	At or below 325 l/p/d	Achieved	Average water use for the year was 310 l/p/d. (2019–20 result was 312 l/p/d)
	Percentage of real water loss from the Council's networked reticulation system (DIA mandatory measure)	At or below 23.6 percent	Achieved	The percentage of 'real water loss' from the Council's network was 23.28 percent using DIA's definition, which includes 'apparent losses' through assumed metering inaccuracies and water theft. Using the industry standard definition, which does not include 'apparent' losses, water loss was calculated at 21.7 percent. (2019–20 result was 21.3 percent)

* A SUIP is every rating unit and, without limitation, every additional dwelling, commercial or community activity

Wastewater – wai para



Contributions to outcomes

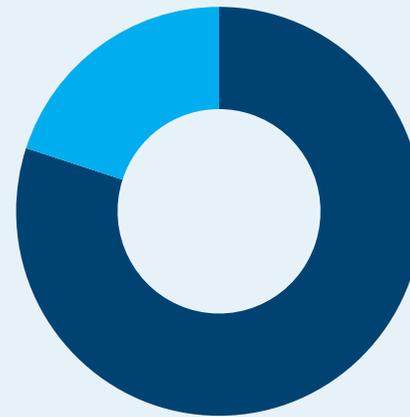
Primary contribution

- Infrastructure investment that supports resilience and agreed growth projections

Secondary contribution

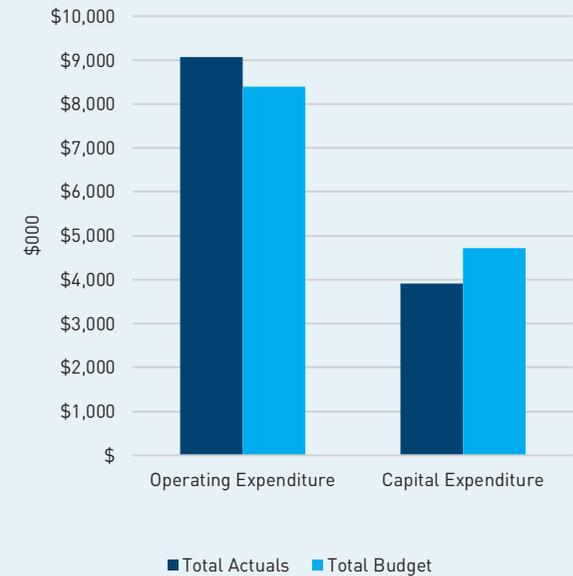
- A high-quality natural environment enjoyed by all

Wastewater



■ Achieved 80 percent
■ Not achieved 20 percent

Wastewater management – operating and capital expenditure 2020/21



“We received no abatement notices, infringement notices, enforcement orders or convictions (as assessed by Regional Council) relating to resource consent discharges from the sewer system”

Activity purpose

The Council provides wastewater (sewerage) infrastructure that protects public health and the natural environment and provides for the development and continuity of service for the Kāpiti community.

Kāpiti Coast District Council is committed to ensuring that natural environments are not damaged by effluent discharge and contaminants and are enhanced where possible.

What we delivered

Paraparaumu Wastewater Treatment Plant upgrades

Paraparaumu Wastewater Treatment Plant (WWTP) aeration system commenced early this year. The chosen product technology is well supported in New Zealand and will offer significant energy consumption savings.

In addition, replacement dissolved oxygen sensing equipment was installed in early 2021 and factory testing of the four blower units purchased from overseas (Sulzer, Finland) was completed in June 2021.

Detailed design continues for the inlet works upgrades scheme and geotechnical and buried-services surveys have been done.

Paraparaumu Wastewater Treatment Plant resource consent

All current resource consents for Paraparaumu WWTP discharges will expire in March 2022.

Council is progressing an application for an interim extension to the existing consents; this is happening in parallel with the development of options under the main application, which has affected programme and cost.

Further works on ecological and environmental effects of current discharges was completed. Engagement with Mana Whenua in the re-consenting process continues with an initial mana whenua impact assessment report that was submitted in June 2021.

Ōtaki Wastewater Treatment Plant renewals/upgrades

Ōtaki WWTP renewal and upgrade programmes began including specification for pond sludge removal and advanced procurement of a new (larger capacity) rotary drum inlet screen.

Construction works for the Ōtaki WWTP Land Disposal Treatment Area (effluent treatment fields) upgrades reached practical completion, with the few remedial works also completed and with little delay or variation in planned cost.

Planting and fencing were completed on the northern boundary of the effluent treatment fields (Manuka and Harakeke). Further work in quarter one of 2021–22 will include software for an adaptive scheduling tool for the effluent fields.

Data and systems

Following adoption of the Tradewaste Bylaw in 2019, a desktop study of tradewaste discharges in Kāpiti has now been completed. This identifies tradewaste discharges and a strategy to manage their risk to the safe operation of the wastewater treatment plants and compliance with discharge consents. This information will be used to review tradewaste consents, management and reporting practices.

The condition study of the wastewater pumping stations has been completed. It showed that our inspection protocols are best practice, that an improved inspection programme provides a better understanding of the condition of critical pumping stations and as a result a renewals profile for all pumping stations was developed to inform investment decisions.

Flow scenario modelling has been done to examine the performance of our wastewater networks and the cost/benefits of upgrades and renewals.

The hydraulic model supporting the network performance upgrade and renewals analysis programme is now capable of supporting any future population growth scenario testing, such as urban development plan changes.

The Containment Standard (Wastewater Network Performance) definition project continues. Upgrades and

renewals analysed against the standard for the containment of wastewater in the network and modelling updates informed the 2021–41 Long-term Plan.

Challenges

COVID-19 related disruption to construction industry, supply of materials (such as mechanical/electrical equipment from Europe and Asia) and access to skilled immigrants and internationally sourced equipment impacted delivery. Careful consideration of procurement timing/availability was necessary to plan forward works programmes.



Wastewater Treatment Plant



Wastewater performance measures

Contribution to outcomes	Performance measures	Target	Actual	Comment
Our wastewater system management practices ensure that we respond efficiently and effectively to wastewater system blockages, faults and overflow issues.	Median response times to sewage overflows resulting from a blockage or other fault measured by attendance time (from the time Council receives a notification to the time that staff are on site) <i>(Department of Internal Affairs (DIA) mandatory measure)</i>	Less than or equal to 1 hour	Achieved (median 24 minutes)	123 blockages or faults attended this year (2019–20 result was achieved – 20 minutes)
	Median response times to sewage overflows resulting from a blockage or other fault measured by resolution time (from the time Council receives a notification to the time that staff confirm resolution) <i>(DIA mandatory measure)</i>	Less than or equal to 5 hours	Achieved (median 1 hour 3 minutes)	123 blockages or faults resolved this year. (2019–20 result was achieved – median 3 hours 48 minutes)
	Number of complaints received by Council about any of the following: <ul style="list-style-type: none"> • sewage colour • sewerage system faults • sewerage blockages • Council's response to issues with the sewerage system. <i>(DIA mandatory measure)</i>	Less than 7.2 complaints per 1,000 connections to Council's sewerage system	Achieved (6.96 complaints per 1,000 connections)	142 complaints were received this year (from a total of 26,995 SUIP*). (2019–20 result was achieved – 4.8 complaints)

Contribution to outcomes	Performance measures	Target	Actual	Comment
We comply with our resource consent conditions and our receiving natural environments are not damaged by effluent discharge and are enhanced where possible.	Number of dry-weather sewage overflows. <i>(DIA mandatory measure)</i>	At or below 2 per 1,000 connections to the Council's sewerage system	Not achieved (2.037 overflows per 1,000 connections)	55 dry-weather overflows occurred, including 3 notifiable overflows (from a total of 26,995 SUIP*). (2019–20 result was not achieved – 2.01 overflows)
	Measure compliance with the Council's resource consents for discharge from its stormwater system, by the number of: <ul style="list-style-type: none"> • abatement notices • infringement notices • enforcement orders • convictions received by the Council in relation to those resource consents <i>(DIA mandatory measure)</i>	No notices or convictions	Achieved (None)	There were no notices received or convictions for non-compliance with Council's resource consents for discharge from its stormwater system. (2019–20 result was achieved)

* A SUIP is every rating unit and, without limitation, every additional dwelling, commercial or community activity

Solid waste – para ūtonga



Contributions to outcomes

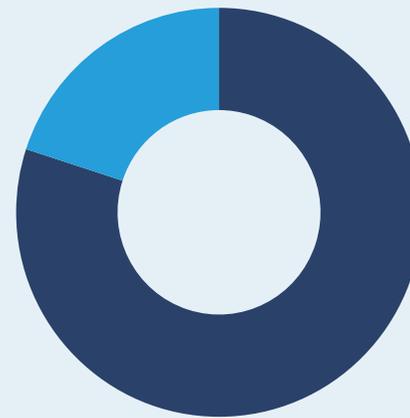
Primary contribution

- Improved biodiversity and environment through sustainable practices

Secondary contribution

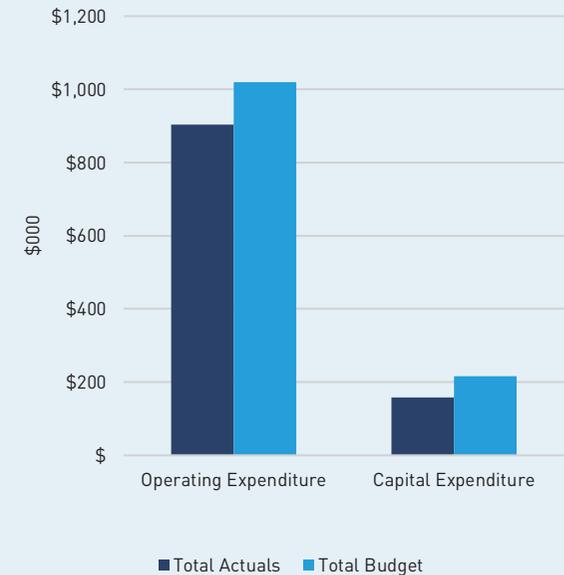
- A high-quality natural environment enjoyed by all

Solid waste



■ Achieved 80 percent
 ■ Not achieved 20 percent

Solid waste – operating and capital expenditure 2020/21



“I have seen the Zero Waste Education Programme first hand, in my classroom. It’s a very good programme”



“It’s the job of Council being out there and informing and leading the process on ways to minimise waste”



Activity purpose

We ensure accessible, effective and efficient waste management options are available, drive waste minimisation and provide closed landfill management that meets legal requirements and best practice guidelines.

What we delivered

Waste and recycling services

Since 1 July 2020, only plastics numbered 1, 2 and 5 are accepted for kerbside recycling and at the drop-off stations. Council delivered a public education campaign via various channels to reinforce good recycling practice.

The development of a regional licensing system for waste collectors and operators was started by the Regional Waste Management and Minimisation Plan Steering Group, with the scope including the

development of an IT system for regional data management.

A contract was awarded to deliver the Regional Licensing Project and work began on 27 April 2021. The five-yearly review process of Kāpiti's licences started, including processes being migrated to Council's recording and response system.

The government gazetted the increase and expansion of the waste disposal levy (on each tonne to landfill) from 1 July 2021. This will result in an increase from \$10 per tonne to \$20 per tonne. It will provide a disincentive to dispose of waste to landfill and incentivise reduction, re-use and recycling. It's likely that the effects will be felt by consumers as landfill disposal fees will be increased by the waste services sector.

The upgraded public recycling bins at Maclean Park were audited in January 2021. The audit found that the bins are well used, capturing a significant volume of recyclable materials; however, a significant proportion (43.8 percent) of recyclable material appears to be from households rather than visitors to the park and 27.4 percent was contaminated (either unrecyclable items or dirty items). Kerbside services information leaflets about recycling were updated and targeted education on the use of the public recycling bins will be delivered early in 2021–22.

Waste minimisation education

Activities included:

- a) delivering the Zero Waste Education programme to 1,247 students through 45 classes at eight schools – Te Horo School, Kenakena School, Waikanae School, Paekākāriki School, Kāpiti School, Paraparaumu School, Ōtaki College and Our Lady of Kāpiti School, with positive feedback received
- b) delivering a workshop for event organisers and a Waste-free Living workshop to 16 residents, and a further three community talks and two tours. For example, a tour of the Otaihanga transfer station and Composting New Zealand for a group of home-schooling families (23 people)
- c) the team visiting transfer station sites to speak to 119 residents about recycling
- d) two internal and two external events run and supported to be Zero Waste events. At the last external event, the Inter-School Primary Cross-Country event at the end of July 2020, 83 percent of the waste generated from the all-day event was diverted from landfill

- e) a series of waste minimisation campaigns shared via social¹ media, a new section on the Council website went live with composting resources and during an interview on Beach FM the available Waste Levy Grants and Zero Waste Education were discussed
- f) providing funding to Para Kore Marae Incorporated as part of co-funding of their regional coordinator who supports marae with minimising their waste.

Solid Waste Management and Minimisation Bylaw 2020

Council adopted the new regionally consistent Solid Waste Management and Minimisation Bylaw on 29 October 2020. The new bylaw came into force on 1 January 2021 and was developed by the Regional Waste Steering Group under the Wellington Region Waste Management and Minimisation Plan 2017.

New requirements under this bylaw are being implemented, such as mandatory waste management planning for multi-unit developments and events. Toolkits, calculators and guidance have been developed by the two regional officers' groups that implement the actions under the Regional Waste Minimisation Management Plan.

Waste Levy Grants

In total, seven Waste Levy Grants applications were awarded in the 2020–21 year totalling \$21,661.22 – one grant to a business for reusable bottle crates, four projects were funded that focused on organic waste diversion and two grants were awarded to support waste diversion at the Maoriland Film Festival and increasing capacity to divert food waste from local businesses.

The Waste Levy Grant 2021–22 funding round opened on 14 June 2021 and closed on 25 July 2021. There is \$20,000 available for the Business Waste Reduction and Seed Funding categories and \$20,000 for Community Projects (which includes educational institutes).

Resource recovery

The Zero Waste Ōtaki Trust official open day at the Ōtaki Resource Recovery Centre was held on 31 January 2021 and community support is growing.

E-waste collection containers were set up at the Otaihanga and Ōtaki transfer station sites and are now open to the public. The Earth Starch food waste

composting trial started on the Otaihanga landfill site. Both projects received waste levy grants funding.

Public recycling bins at Maclean Park were upgraded to accommodate colour-sorted glass recycling.

The team worked with the building project team for Ōtaki Theatre and the Paraparaumu Memorial Hall refurbishments and successfully diverted waste from landfill from these projects.

The team worked with staff at Waikanae Pool to set up recycling bins on the grounds and ran a staff litter clean-up for Keep NZ Beautiful Clean-up Week.

As part of the adoption of the Long-term Plan 2021–41, Council resolved to close the Waikanae recycling drop off from 1 August 2021 and will consider alternate recycling options. The current greenwaste operator will continue to operate the greenwaste drop-off at their own cost for three days a week.

Food waste

A project for the home composting project to divert food waste and green waste from landfill was developed.

¹ The recycling of plastics has been limited due to the impact of National Sword – China's ban of imported plastics as a result of heavy contamination.

The Love Your Compost campaign was launched with five workshops presented to 162 attendees. A total of 272 \$40 vouchers were issued to participants for subsidising the purchase of a composting system.



Publications

An educational infographic flowchart was developed, illustrating where Kāpiti's recycling goes. The team delivered a Recycling Dos & Don'ts flyer with the February rates notices, reaching 25,000 households.

Landfill closure management and monitoring

Remedial works and replanting was done in the Southern Wetland to ensure the project was signed off as completed in line with resource consent conditions. The wetlands reconstruction and replanting formed an integral part of the cap construction/closure project.

Wet weather between June and December 2020 prevented physical works from being started until the end of February 2021. The work was completed within the financial year, including minor works, cap repairs and filling for final cap construction. Filling and capping of the final area is estimated to take the next two years, subject to the amount of suitable clean fill received for this work.

Council was briefed on the final stages of the Otaihanga landfill capping project, projected to be final by the end of the 2022–23 year as part of the Long-term Plan 2021 work programme.

A strategic programme was proposed to develop and implement local Construction & Demolition (C&D) waste recovery on the wider Otaihanga site, starting in the 2021–22 year. C&D waste is a significant waste stream for which few recovery options are available in Kāpiti and Council intend to improve and provide local options to assist businesses to be more sustainable, but also to work towards meeting the target of reduced waste to landfill by 2026.





Solid waste performance measures

Contribution to outcomes	Performance measures	Target	Actual	Comment
Otaihanga, Ōtaki and Waikanae facilities are open seven days a week, and we license kerbside collection services for our urban areas.	Number of days disposal facilities are open	357 days per year	Achieved	This was achieved despite impact of COVID-19. (2019–20 result was achieved)
	Licensed collectors comply with licence requirements	Achieve	Achieved	We carried out regular collection monitoring and found overall good compliance. (2019–20 result was achieved)
	Residents (%) who are satisfied with the standard of kerbside collections	85 percent	Achieved (89 percent)	77 percent of residents districtwide use the privately provided kerbside rubbish collection services. This is lower (67 percent) in the Ōtaki area than any other area. (2019–20 result was achieved 88.5 percent)
We remove illegally dumped waste.	Illegally dumped waste is removed within two working days	85 percent	Achieved (93 percent)	There were 258 instances of dumped waste, of which 241 were removed within two days. (2019–20 result was achieved 93 percent)
We encourage waste minimisation and provide education, information and advice.	Residents (%) who are satisfied with the waste minimisation education, information and advice available	75 percent	Not achieved (59 percent)	The Residents Opinion Survey showed that many respondents (40 percent) were neutral – neither satisfied nor dissatisfied. Verbatim replies indicate that residents sometimes use this question to provide thoughts on anything related to waste services rather than providing feedback on waste minimisation education activities. For this reason, measuring feedback has now changed to surveys taken from activity participants and users of educational material. For the 2021–41 Long-term Plan this question is no longer included in the Residents' Opinion Survey. (2019–20 result was not achieved – 65.8 percent)

Community services



Parks and open spaces – ngā papa rēhia me ngā waahi māhorahora

Contributions to outcomes

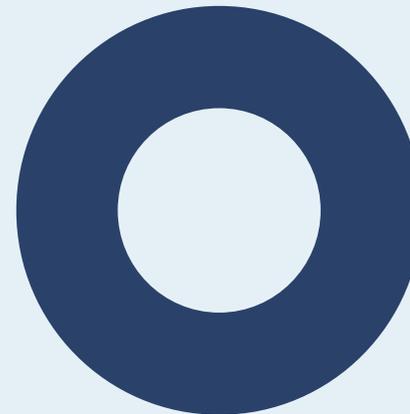
Primary contribution

- A high-quality natural environment enjoyed by all

Secondary contribution

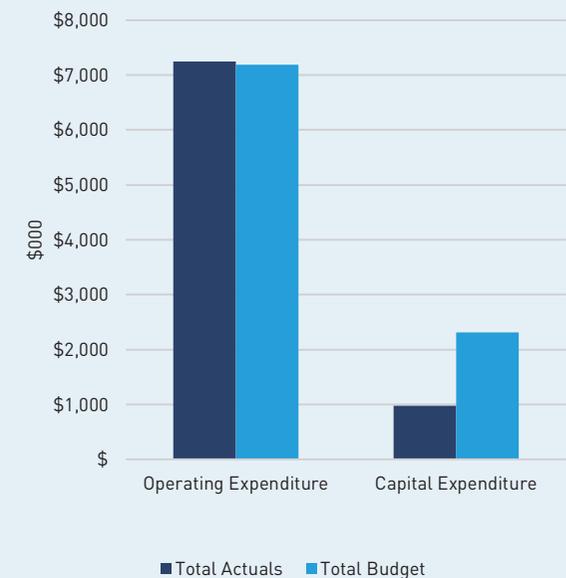
- Improved biodiversity and environment through sustainable practices

Parks and open spaces



■ Achieved 100 percent

Parks and open spaces – operating and capital expenditure 2020/21



Off-road areas – access points to beaches

“There’s lots of access points to beaches at varying points, and they are well maintained with good hand rails – well thought out”

Activity purpose

The Council maintains a wide range of parks, reserves and open space on behalf of the community. We facilitate barrier-free access on our network of cycleways, walkways and bridleways.

What we delivered

- 514 tree-related service requests
- 1138 service requests responded to for Parks and Recreation

Renewals and upgrades

There were a number of renewals and upgrades:

- The Weka Park footbridge was upgraded and the nearby track was raised.
- The Paraparaumu Domain changing rooms were upgraded.
- The Marine Gardens splashpad surface was renewed.
- The Tennis Court Road Reserve tennis courts were resealed.
- The Tilley Road Reserve Weavers Whare refurbishment was completed.
- The Kotuku Park and Matai Road Reserve playgrounds were renewed.
- The Waikanae Park and Haruatai Park cricket wicket surface was renewed.
- Three bridges at Waikanae Park, Ngawhakangutu Reserve and Waimea Domain were refurbished and the boardwalk was renewed at Waimea Domain.
- The Waikanae Park bore was renewed.
- The Wesley Knight Dog Park erosion remediation was undertaken.

The Mazengarb Reserve hockey turf replacement was deferred to 2021–22 based on advice that the turf was in good order and did not need immediate replacement.

Cycleways, walkways and bridleways

A number of cycleway, walkway and bridleway projects were completed:

- 15 metres of boardwalk was renewed at Barry Hadfield Nikau Reserve.
- Access was provided to Ōtaki River for equestrians, off Te Roto Road.
- Safety improvements were made to a shared path from Mazengarb Road into Mazengarb Reserve.
- Shared path signage was provided along the Waikanae River Trail.

Restoration plantings

A number of restoration projects were completed:

- 2,000 plants were planted on Arbor Day at Pharazyn Reserve, supported by 250 local school children volunteers.
- 19,800 natives and eco-sourced plants were planted across 16 different sites in the District.
- Over 150 Year 7 and 8 students from Kapakapanui School pitched in to help Council staff restore the banks along the Waikanae River during the summer months.
- 5,500 dune plants were planted.
- 3,514 plants for wetlands and around the landfill.



Parks team and volunteers – planting day in Waikanae

Community partner projects

A portable pump track was delivered in partnership with the Waikanae Community Board who provided funding for this project.

The Kāpiti Coast District Council Heritage Fund supports landowners and the Kāpiti Coast community to manage, protect and enhance ecological, geological, historical and cultural sites throughout the district. This year, the Grants Allocation Subcommittee allocated \$36,154 towards 11 projects.

A partnership agreement between Council, Greater Wellington Regional Council, Department of Conservation and community representatives including mana whenua (Waikanae Ki Uta ki Tai), focused on improving the Waikanae River catchment.

Jobs for Nature

In November 2020 it was announced that \$8.5 million in Jobs for Nature funding will be coming to the district over the next four years.

The Department of Conservation awarded the funding to create 92 jobs for environmental restoration in the Waikanae River catchment. Work on native afforestation, fencing and pest animal and weed control is scheduled for 2021 and Council was invited to put forward proposals for work on council-owned land. The bid for funding was made by the local

Department of Conservation office with support from Kāpiti Coast District Council, Greater Wellington Regional Council and Ātiawa ki Whakarongotai. The investment brings both ecological and employment benefits.

The Waikanae River catchment is a nationally important taonga and the potential for its ongoing improvement is significant and we expect to see improved water quality, a thriving natural landscape and greater biodiversity as a result of this work.

We will continue to work with our partners on an ongoing basis to identify suitable land for planting, including on some Council-owned land.

Events

A successful parks summer programme was delivered with over 3,000 people attending a variety of events including:

- Sport and Playdays
- Acoustics in the Park
- Movies in the Park
- Park to Path fun run.



Movies in the Park

The Sport Wellington's Te Manawa Fund supported a School Sports Coordinator role for 2021–22. The School Sports Coordinator implemented a virtual challenge event to keep school children active during COVID-19 level 2. The event saw 1,800 primary and intermediate students participating from 70 classes across Kāpiti. They also delivered a triathlon event, the super schools

event and a swimming event with approximately 1,400 students attending.

Rugby league 'have a go' sessions were delivered into 10 Schools (Year 5–8s) with approximately 2,000 students attending. This was a collaboration with the Kāpiti Bears Rugby League Club. There was also an inaugural rugby league tournament, with six schools participating in collaboration with clubs.

The Interschool Cross Country had 1,400 children attend from 12 schools at Waikanae Park. There were over 80 volunteers including Paraparaumu College sports ambassadors, Parks, Aquatics Team and Waste Management teams.

Volleyball had the best registration turn-out to date, with 14 teams and 150 children participating.

Open Space Strategy and Development Contributions Policy

The strategy and policy are both awaiting the new District Growth Strategy (currently in development) so they can better align together. The Open Space Strategy considers parks, sport and recreation, iwi practices and sites, neighbourhood parks, nature reserves, outdoor adventure, urban public space, heritage and ecological issues.

Cemetery projects

A new 65 metre capped wooden paling fence has been installed at Awa Tapu Cemetery to replace a wire farm fence on the northern boundary. This provides a screen and privacy for both the neighbouring property and cemetery users. Corokia plants have been planted in front of the new fence to create extra screening over time and aesthetic value to this space. As a result the ashes monumental beam completed in the first quarter that now sits in front of the new fence is gaining in popularity as an attractive choice for ashes interments and memorialisation.

15 double lawn plaques have been installed on cemetery beams at Waikanae Cemetery. Plans for the remainder of cemetery beam space at Waikanae have also been completed.

Two new ashes gardens have commenced installation at Awa Tapu Cemetery and will be completed in the second quarter of 2021–22 following a COVID-19 induced delay.



Parks and open space performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
Parks and reserves				
Our residents in urban areas live reasonably close to a recreation facility and a range of active recreation facilities is available throughout the district.	Residential dwellings in urban areas are within 400m of a publicly owned open space	85 percent	Achieved	103ha out of 18,452ha (0.6 percent) of the total District Plan residential area are not within 400m walking distance of a publicly owned open space. Note: that this measure is in relation to urban residential dwellings. Rural residential is not part of this measurement. (2019–20 result was 99.4 percent)
	Sports grounds are open (scheduled hours and weather dependent)	85 percent	Achieved	Sports grounds were open 95 percent of the year. (2019–20 result was 98 percent)
	Residents (%) who are satisfied with the current availability of facilities	85 percent	Achieved	The annual Park Users' Survey in May 2021 reported 99 percent satisfaction. (2019–20 result was 91 percent)
	Residents (%) who are satisfied with the quality of the Council parks and open space	85 percent	Achieved	The annual Park Users' Survey in May 2021 reported 99 percent satisfaction. (2019–20 result was 94 percent)
	Residents (%) who are satisfied with the quality and range of recreation and sporting facilities in the district	85 percent	Achieved	The annual Park Users' Survey in May 2021 reported 100 percent satisfaction. (2019–20 result was 85 percent)
	Residents (%) who are satisfied with Council playgrounds	85 percent	Achieved	The annual Park Users' Survey in May 2021 reported 97 percent satisfaction. (2019–20 result was 95 percent)

Contribution to outcomes	Performance measures	Target	Result	Comment
Cemeteries				
We provide well-maintained cemeteries, and we want to ensure that most family members can access the interment site and records are available online.	Users (%) who are satisfied with the cemeteries' appearance and accessibility	85 percent	Achieved	The annual Park Users' Survey in May 2021 reported 99 percent satisfaction. (2019–20 result was 100 percent)
	All available records will be on the Council's website within four weeks of interment	100 percent	Achieved	100 percent of records have been available within four weeks of interment. (2019–20 result was 100 percent)
We measure burial capacity across the district and anticipate future needs.	At least a 10-year burial capacity is maintained across the district	Achieve	Achieved	Currently, the district has an estimated 99+ years' capacity across the three cemeteries (based on 2013 Census data and allowing for projected population growth and age profile). However, Waikanae cemetery has around 10-years' burial interment capacity. (2019–20 result was 100 percent)
Cycleways, walkways and bridleways				
A range of cycleway, walkway and bridleway networks, including low-carbon alternatives, are available throughout our district and the quality and range increase over time.	Users (%) who are satisfied with the Council's cycleways, walkways and bridleways	85 percent	Achieved 94 percent	The Residents' Opinion Survey. (2019–20 result was 92 percent)
Our beach accessways are maintained and are in a usable condition.	Residents (%) who are satisfied with access points to beaches	85 percent	Achieved 90 percent	The Residents' Opinion Survey. (2019–20 result was 89 percent)

Recreation and leisure – hākinakina



Contributions to outcomes

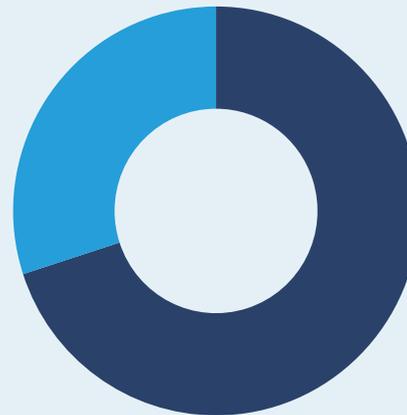
Primary contribution

- An attractive and distinctive Kāpiti identity and sense of place that make people proud to live, work and play here

Secondary contribution

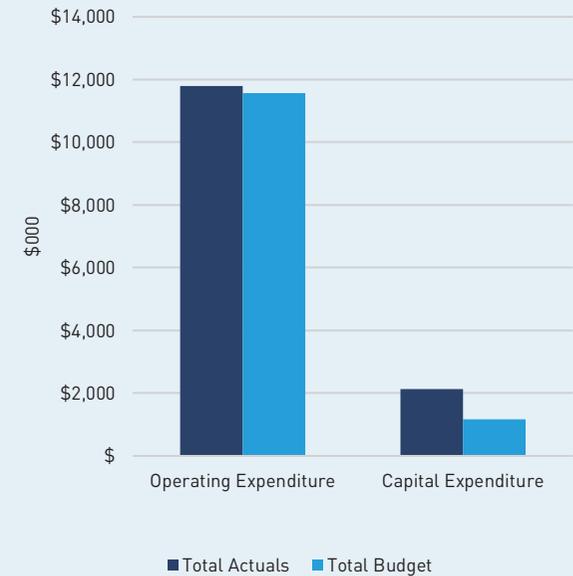
- A positive response to our distinct district identity

Recreation and leisure



■ Achieved 70 percent
■ Not achieved 30 percent

Recreation and leisure – operating and capital expenditure 2020/21



Pools:

“Always very clean and the staff are lovely...”

Libraries:

“The services at our district’s libraries are absolutely wonderful...”



Activity purpose

We provide facilities, services and programmes for recreation and leisure activities in the district. This includes aquatic facilities, libraries, arts and museums, and provision of a range of services, programmes and facilities for the Kāpiti community.

Kāpiti Coast District Council aims to provide affordable and safe aquatic facilities, services and programmes for the health and wellbeing of our community and a districtwide library service with libraries in Ōtaki, Waikanae, Paraparaumu and Paekākāriki. We also provide a website to enable access to library services, online resources and the arts.

What we delivered

District pools

Our swimming pools cater for all ages and abilities and provide affordable opportunities for everyone to learn to swim.

In total there were 317,197 pool visits over the year. This was a substantial increase on 2019–2020 with 268,817 visits. A scheduled three-week maintenance closure at Coastlands Aquatic Centre was offset by a longer summer season at Waikanae, which opened on 26 October in time for Labour Day.

There were 2,989 Learn-to-Swim registrations during the year, which was below target (3,200) but significantly higher than 2019–2020 (1,973), which was affected by the COVID-19 lockdown in March of 2019.

The number of individual students who received lessons (via school bookings) increased significantly (495 over 2019–2020).

In addition to Learn-to-Swim and related swimming lessons, we delivered several movement-enhancement programmes (Aqua Ease, Aqua Move and Aqua Yoga classes), which are popular, particularly for those with medical conditions, experiencing limited mobility or in rehabilitation.

Events

- Summer Sounds at Waikanae Pool (included live music by local performers and food trucks).
- Family Fun Day at Waikanae Pool.
- Three Sound Splash events for 8 to 12-year-olds at Coastlands Aquatic Centre.
- Aqua Extravaganza – a group fitness celebration.
- Swim challenges at all facilities.
- Kāpiti inter-school swim festival.
- Whitby Collegiate School swimming sports.

Coastlands Aquatics Centre

COVID-19 prevented contractors travelling from Holland to replace the movable floor cylinders. The Council's aquatics team worked remotely with contractors from Holland who provided technical guidance to the team to complete this work. This resulted in a \$20,000 saving in capital expenditure budget.

Issues with water egress in the changing rooms were identified during COVID-19 shutdown in 2020 and remedial work was undertaken, with further investigation required.

Libraries

There has been a significant increase in the number of customers visiting libraries compared to 2019–2020. While this level of visitation has not flowed on to increased borrowing, it is reflective of how important the community views their libraries beyond a place to simply borrow books.

Equally the level in E-book usage also remained high. E-book borrowing remains above the similar period in 2019–2020 but fell back against the very high levels seen in the last quarter of 2019–20 as a result of COVID-19 lockdown.

Funding for a long-term solution for Waikanae Library was approved in the 2021–41 Long-term Plan over the next three years with work in the next financial year focused on concept development and project planning.

A total of 592 programmes were delivered with over 6000 participants. Highlights included:

- the Open Mic Night/Poetry competition awards ceremony
- our annual book-themed Literary ‘Mastermind’ competition run with schools from across the district
- regular school holiday programmes themed around ‘Our Community’
- a range of Christmas events held across the district

- ongoing popularity of Justice of the Peace services at Paraparaumu and Ōtaki libraries
- a very successful summer holiday reading programme
- a Chinese New Year celebration
- technology and Te Reo classes.

Sharing garden at Ōtaki Library growing community skills

We’re delighted with how the Ōtaki sharing garden at the local library is bringing people together.

The sharing garden is bringing new life to the community hub, providing fruit, vegetables and herbs for the community and a ready-made outdoor classroom to enhance community education programmes.



Ōtaki Library community garden.

New technology

In October 2020, preparatory work began to introduce Radio Frequency (RFID) technology to libraries across the district. The first stage was inserting an RFID tag on to all library items. New RFID self-service machines were introduced in March 2021 and the technology went live in April 2021.



Waikanae Library.

RFID supports customers to more easily loan and return items, pay fees and charges, and check their borrowing records through the new self-service kiosks. The new automated returns unit at Paraparaumu Library enables customers to easily return their items, which are then automatically taken off their library records. The self-service stations have been highly

successful, particularly in Paraparaumu where 60 percent of issued items are through self-service stations and 80 percent of returns are through the Smart shelf returns unit. Likewise, 28 percent of issues in Ōtaki are through self-service stations.

The first of the fixed-term positions funded through the National Library (as part of supporting recovery in the community) were recruited and started in April. This particular role is focused on digital inclusion in the community.

Kāpiti Coast District Libraries introduced a range of e-services and online resources. This included a new movie streaming platform called Beamafilm (ad-free, on-demand cinema). During the COVID-19 lockdown we saw a 500 percent increase in online access of e-resources, and the appetite for accessible, online content has continued to grow. The streaming options are diverse, from documentaries and features to a strong line-up of New Zealand content.

Challenges

Issues with reduced publishing cycles and overseas supply chain disruptions as a result of COVID-19 has significantly impacted on new publications, stock availability and delivery schedules.

Arts

The focus of work in the arts area was the 2020 Kāpiti Arts Trail, Creative Communities grants allocations and confirming membership of the Public Arts Panel.

Kāpiti Arts Trail

The 2020 Kāpiti Arts Trail, which was held on 7/8 and 14/15 November, was the 20th anniversary of the Trail and featured 67 artists and a number of arts hubs. The estimated economic impact on the Kāpiti region was \$238,000, attracting an estimated 10,000 visitors and 41 percent coming from outside of the District.

The focus in 2021 was on planning for the next 2021 Arts Trail to be run in November. Registrations have been finalised with 200 local artists represented through studios, galleries and arts hubs. Eighty individual artists will be represented as part of the Artists in studios programme.

Public Arts

Confirmation of appointments to the Public Arts Panel, which considers applications for arts funding, was delayed because of prioritising work arising from COVID-19.

In October 2020, Council appointed four members to the Panel and agreed to the appointment of a representative of Te Whakaminenga o Kāpiti (which was subsequently made).

Two rounds of Creative New Zealand grant funding were made during the year, supporting a range of arts initiatives in the district. Both funding rounds were oversubscribed with a total of 47 applications received with nearly \$50,000 allocated.



Toi Matarua Gallery.



Recreation and leisure performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
Aquatics				
We provide clean and safe aquatic facilities that are well used by residents and visitors, and are satisfying the needs of the community.	Maintain PoolSafe accreditation	Achieve	Achieved	PoolSafe accreditation was achieved in 2019–20. (2019–20 result was achieved)
	Users (%) who are satisfied with the pools' services and facilities	85 percent	Achieved 95 percent	In the Resident Opinion Survey, 95 percent of residents were satisfied or very satisfied with the services and facilities at our swimming pools. In an internal survey of users, 97 percent of 270 respondents rated the staff and facilities good or excellent. (2019–20 result was 94 percent)
	Visits to swimming pools in the district	At or above 290,000 annual admissions	Achieved	There were 317,197 combined swims in the year. A three-week closure at Coastlands Aquatics Centre was offset by a longer season at Waikanae with extended periods of good weather. (2019–20 result was not achieved 268,817)
	Learn-to-swim registrations	At or above 3,200 annual registrations	Not achieved	There were 2,989 registrations for the year. Results were affected by COVID-19 in the first quarter. While the target was not achieved, the number of individual students (1,798) we delivered lessons to via school bookings increased significantly (495 over 2019–20). (2019–20 result was not achieved – 1,973)

Contribution to outcomes	Performance measures	Target	Result	Comment
Libraries				
We provide the community with a range of library services, materials and spaces to meet their needs and preferences.	Users (%) who are satisfied with the library services	85 percent	Achieved 96.4 percent	Resident Opinion Survey (2019–2020 result was 98.5 percent)
	Users (%) who are satisfied with library spaces and physical environments	85 percent	Achieved 87.3 percent	The Annual Library Survey conducted in October 2020. (2019–2020 result was 90.4 percent)
We provide the community with a range of library services, materials and spaces to meet their needs and preferences.	Total visits to libraries	At or above 300,000 annually	Achieved	342,115 combined visits in 2020–21. (2019–20 result was not achieved – 226,342)
	Collections are refreshed in accordance with New Zealand public library standards	Maintain 350 new items (including renewals) per 1000 population	Not achieved	Target for 2020–21 was 18,445 new items. Actual was 12,144 items added. This reflects issues with availability and overseas supply. (2019–20 result was not achieved – 13,585)
	Number of items borrowed per annum (including renewals)	650,000	Not achieved	Total 494,327 items borrowed at the end of the year. COVID-19 and closure of Waikanae library had a significant impact. However, borrowing is trending upward. (2019–20 result was not achieved – 462,615)
Arts and museums				
We provide the community with funding to support their artistic and cultural initiatives.	Total value of applications received relative to the total amount of funding in each grant allocation round.	Ratio is >1	Achieved	October 2020 Ratio: 1: 2.71. There were 27 applications received totalling \$61,410 with \$22,645 grants allocated. March 2021 Ratio was 1: 2.14. There were 20 applications received totalling \$62,867 with funding fully allocated. The next Creative Communities funding round is in August 2021. (2019–20 result was: 1.2 Note: Collections budget was reduced by 50 percent for 2019–20 due to Waikanae closure.)

Economic development – whakawhanake umanga



Contributions to outcomes

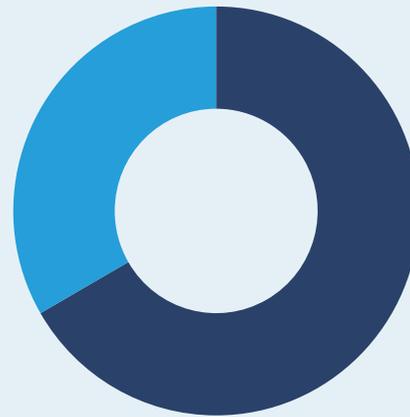
Primary contribution

- A strong economy with more jobs and higher average incomes

Secondary contribution

- A more diverse range of businesses in the district

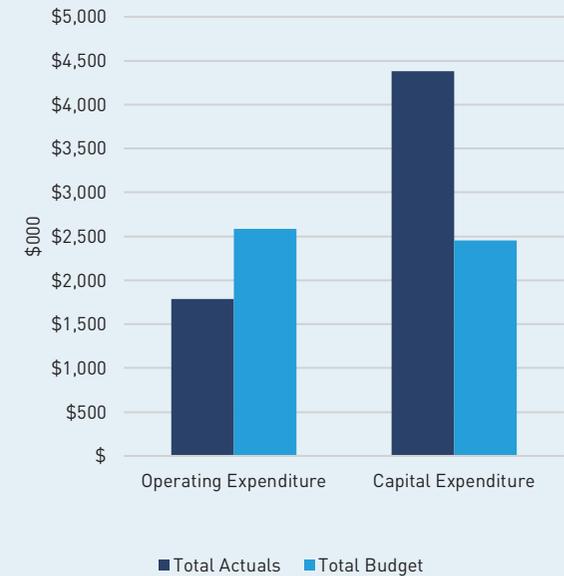
Economic development



■ Achieved 67 percent

■ Not able to be reported 33 percent

Economic development – operating and capital expenditure 2020/21



“Our young people are an important asset and we need to create sustainable pathways to employment and further training”

Activity purpose

The Economic Development Strategy, supported growing a vibrant and diverse economy. It was collaboratively developed with iwi, representatives of the business community and Council.

What we delivered

Snapshot of economic development services delivered:

- 3200+ people attended our series of summer events, including 1800 at movies in the park.
- 25 work experience placements for Work Ready.
- 41 young people completed Work Ready Passports.
- 70 people attended business accelerator events.
- 2,679 posts in Love Local Kāpiti Coast Facebook.

Economic Development Strategy

On 30 July 2020, Council approved the refreshed Kāpiti Coast Economic Development Strategy and Implementation Plan 2020–23 (EDS). The Strategy was developed in partnership with iwi, the business community, partners and stakeholders. It was updated to reflect feedback from the community, particularly in relation to the impacts of climate change. Council also approved the appointment of an Independent Chair of the Economic Development Kotahitanga Board and Councillor Angela Buswell was approved as Council's ex-officio representative on the Board.

On 24 September 2020, the Terms of Reference for the Economic Development Kotahitanga Board was approved by the Strategy and Operations Committee. The Economic Development Kotahitanga Board was established and first priorities were the development of a Destination Management Plan, a Workforce Plan and a Youth Initiative.

Destination Management Plan

The development and delivery of a Destination Management Plan was confirmed as an action under the Manaakitanga Pou of the Economic Development Strategy, and was identified as a priority deliverable in year one of the Implementation Plan. The Ministry of Business, Innovation and Employment (MBIE) guide for developing Destination Management Plans was used.

The Destination Management Plan is a stocktake of all the aspects of Kāpiti that attract people to the district and contribute to visitors' experiences. Additionally, the Plan lays out aspirations of what visitor's experience could look like and what is involved to achieve that. The Plan is due to be submitted to Council for adoption.

Workforce Plan

The delivery of a Workforce Plan is a key action in 'Whānau – growing skills and capability' section of the Economic Development Strategy.

The plan looks at how we can develop, attract, and retain a skilled and competitive workforce to support our local economy. It involves understanding our current and future workforce needs, and the skills we'll need to fill gaps and shortages. It will help us understand the types of training, education pathways and services we need to provide and advocate for. Specific initiatives and opportunities for youth, Māori, older people, and people with disabilities will be a priority.

An assessment of the labour and economic market data has been completed while discussions with iwi partners, community stakeholder groups and local businesses are underway. Delivery of the final plan is expected in late 2021.

Māori Economic Development Strategy Implementation Plan

As part of the refresh of the Kāpiti Coast Economic Development Strategy, discussions took place with iwi representatives and members of Te Whakaminenga o Kāpiti about the development of the strategy and its implementation. As partners to the development and delivery of the strategy, this included ensuring that each of the iwi were represented on the Economic Development Kotahitanga Board.

In terms of deliverables under the existing Māori Economic Development and Wellbeing Strategy, Te Whakaminenga o Kāpiti at its 4 November 2020 meeting agreed that \$60,000 would be available for Māori Economic Development Grants in 2020–21.

Māori economic development

Five organisations received support totalling \$60,000 from the Māori Economic Development Grants fund to develop their services and products:

- Ōtaki Manuka Growers Ltd: Infrastructure development at a Manuka plant nursery.
- Wai Ata: Establishment of a youth-focused training provider associated with film-making.
- The Hori Gallery Ltd: Development of a destination art studio, gallery, café and community space.
- Waka Kāpiti Ltd: Development of a Māori Eco tour venture.
- Toi Tangata Studio Gallery Ltd: Establishment of an inclusive art and community space in Ōtaki township.



Ōtaki Manuka Growers.



The Hori Gallery.



Waka Kāpiti.

Youth initiative

The Te Hunga Rangatahi programme is a two-year pilot youth initiative funded through the He Poutama Rangatahi fund (HPR). It is a cross-agency initiative, funded by MBIE to support young people into work. The HPR fund seeks to support communities to develop pathways for young people (aged 15–24) not currently in employment, education or training, through to sustained employment underpinned by intensive pastoral care.

The programme was launched in March 2021 at the Raukawa Marae. The first intake saw the enrolment of 14 rangatahi who received three months of training and will receive 12 months of pastoral care support. The second intake of rangatahi is now underway. Work Ready Kāpiti and Te Puna Oranga o Ōtaki have been the key delivery partners for the programme.

Major Events Fund

Each year, there is \$200,000 available to be allocated as part of the Kāpiti Coast Major Events Fund. With \$75,000 already approved on multi-year agreements, this year's round was left with \$125,000 in the contestable fund. Applications could be made for the \$100,000 events funding and the \$25,000 feasibility funding. Events that received feasibility funding were:

- Matariki Light Arts Festival
- Kāpiti Design and Arts Festival.

Events that received event funding, including those that were already on multiyear agreements, were:

- Ōtaki Kite Festival
- Māoriland Film Festival
- Kāpiti Food Fair
- XTERRA Wellington Festival
- Matariki Light Arts Festival.

The Kāpiti Food Fair, Ōtaki Kite Festival, Māoriland Film Festival and XTERRA Festival were all delivered in the financial year and had the following estimated impacts during the period:

- An estimated 50,317 attendees, with 56.3 percent or 28,315 attendees estimated to be visitors to the district.

- The overall value added to the district economy by event attendees is estimated to be \$990,902.
- The overall return no investment for the Major Events Fund allocations in 2020–21 was 13.1:1 – meaning that for every \$1 invested by Council, \$13.10 was returned to the economy.

XTERRA Wellington

The XTERRA Wellington festival provided a unique, off-road triathlon, duathlon and trail running experience, showcasing some of our best coastal spaces. The XTERRA NextGen kids' triathlon was an off-road triathlon experience for 7–12 year olds including a brief water run, swim and dive, mountain bike and trail run.

Māoriland Film Festival

The largest Indigenous film festival in the Southern Hemisphere launched its 2021 programme on Waitangi Day.

Kāpiti Food Fair

Kāpiti Food Fair was a pre-Christmas annual food and beverage event, with performing entertainers. The Fair provided an opportunity for local vendors to package their products for visitors to sample and buy.



Ōtaki Kite Festival

The Ōtaki Kite Festival was a free weekend of family fun, displaying every kind of kite imaginable from the giant to the tiny, acrobatic and single line, weird and wonderful, traditional Māori and international designs – a festival for all.



Work Ready Kāpiti (WRK)

There were 25 work experience placements (22 in total completed in 2019). This was a good result given the impact of COVID-19.

Work Ready Passports – Te Kura Kaupapa Māori o Te Rito and Te Kura-ā-Iwi o Whakatupuranga Rua Mano are both participating in the Work Ready Kāpiti's programmes. Te Kura Kaupapa Māori o Te Rito completed the translation of the Work Ready Passport to Te Reo Māori. A total of 41 young people completed and passed their passports for the year, an increase of 65 percent on last year's completed passports.

#EmployerMeets – There were four events for 2020 with a total of 148 students attending compared to 83 students the previous year. All three local colleges participated, plus Te Kura (online correspondence school) in this year's events. We saw a 27 percent increase in last year's student attendance and an over 10 percent increase in employer engagement too.

Ben from Ben's Buns and Work Ready Kāpiti gave a number of talks at the local colleges on the Work Ready Kāpiti programmes. Ben shared his personal story about his journey owning his successful business, having started as a work experience placement. These talks were well received by students.

Awards Night – We saw a 50 percent increase in attendees at the Awards Night, largely due to student involvement in our programmes this year and our growing employer database. We secured three new awards sponsors – Web Genius, Ben’s Buns and Leith Consulting.

Te Uruhi/Kāpiti Island Gateway Centre

Te Uruhi/Kāpiti Island Gateway Centre will consist of two accessible and relocatable building pods surrounded by decking and landscaping on Paraparaumu Beach near the traditional landing and departure point for Kāpiti Island. This project will be a key part of the Kāpiti destination story. Although it is modest in scale, it will help promote other Kāpiti district attractions as well as be a stepping-off point for visitors to Kāpiti Island. It has high significance to local iwi, who are working closely with us through the development.

On 25 February, Elected Members agreed to proceed with Te Uruhi, which will be 50 percent co-funded by the Government’s COVID-19 Response and Recovery Fund and Council acknowledged and thanked Te Āti Awa ki Whakarongotai and Ngāti Toa Rangatira, who gifted the name ‘Te Uruhi’.

Business support

The annual Kāpiti Start-up Weekend was held on 19–20 September 2020 at Ramaroa, Queen Elizabeth Park. More than 60 participants and mentors attended, and six new business ideas were pitched during the 54-hour start-up sprint. Of the participants 70 percent indicated they would continue to work on their start-up. Attendees at the event included visitors from Auckland and across the lower North Island.

Town centres and connectors project

Town centres and connectors project Frater Lane Stage 2 (Waikanae Town Centre Project) was completed and opened. The Rimu Road Intersection upgrade (Paraparaumu Town Centre) commenced and is expected to be completed first quarter 2021–22.

Elevate Ōtaki

Elevate Ōtaki aims to grow the Small Town Big Heart identity and introduce the Ōtaki and Te Horo Business and Community Connector role.

Both initiatives were introduced to benefit the Ōtaki community (Te Horo inclusive), particularly the State Highway One business area.

Two original members of the Elevate Ōtaki Committee moved on this year although stay closely connected to the Group. Three new local members were inducted to the committee and the Group finished the 2020–21 year with a full Committee.

Heading into the first quarter of the 2021–22 year, Elevate Ōtaki is continuing discussions to:

- install flag tracks and flags along SH1 retail area and some related arterial streets
- confirm an extension of funding with Waka Kotahi (NZTA) for the Group to align with the new opening date of the Expressway in 2022
- gain feedback from the Ōtaki business community on the Ōtaki and Te Horo Business and Community Connector role to inform how it can benefit Ōtaki and its businesses
- continue promotion of Ōtaki, its businesses and events.



Economic development performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
We will deliver the 2015 economic development strategy (implementation plan) and we will involve partners and the business community at appropriate points in the decision-making process.	The economic development strategy implementation plan deliverables are achieved	Achieve	Achieved	New Economic Development Strategy and Implementation Plan was adopted by Council July 2020. New Economic Development Kotahitanga Board (EDKB) confirmed November 2020. Implementation of the strategy was underway with the first update from EDKB in May 2021. (2019–20 result was achieved)
	Representatives (%) of the business leadership forum who are satisfied that the economic development strategy implementation plan deliverables are being achieved	85 percent	Not able to be reported	Not able to be measured as the Forum was dissolved in the 2015–2018 triennium, and the new EDKB, who would report against the new Economic Development Strategy and Implementation Plan, was appointed in November 2020. This measure has been discontinued in the new Long-term Plan. (2019–20 result was not able to be measured)
Māori economic priorities will be articulated in a strategy for Council and iwi to implement.	The Māori Economic Development Strategy implementation plan deliverables are achieved	Achieve	Achieved	Māori Economic Development Grants Panel met 15 February 2021 and the funding was fully allocated.

Community facilities and community support – whakaurunga hāpori me ngā hāpai hāpori



Contributions to outcomes

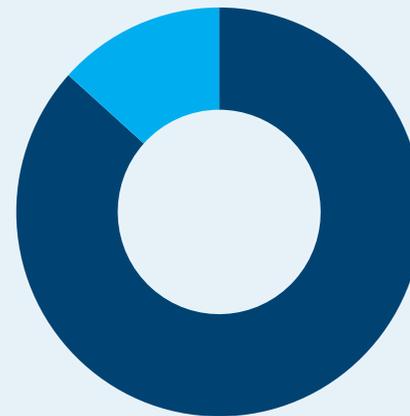
Primary contribution

- A community better supported to lead initiatives in response to agreed community priorities

Secondary contribution

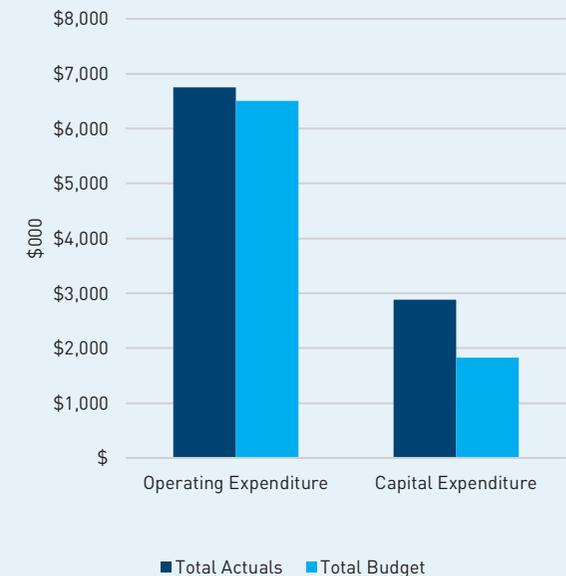
- Community satisfaction with Council services is maintained or improved

Community facilities and community support



- Achieved 87 percent
- Partially achieved 13 percent

Community facilities and community support – operating and capital expenditure 2020/21



“The hall is still a valued venue for many community groups. So we’re very pleased to welcome them back to this much improved space.”



“Some of the events I’ve gone to would not happen if the Council did not support them. They are usually family events and more diverse.”

Activity purpose

We provide resources to the community for capacity building and service provision focused on community priorities, as well as support for community initiatives that promote diversity, resilience and connectedness.

One of the Kāpiti Coast District Council's principal roles is to provide affordable and resilient core services for a healthy, active and involved community. This includes the operation and maintenance of property assets through which some of those services are delivered. It also includes the more direct forms of social wellbeing support we provide for the community and community groups.

What we delivered

Community facilities

The principal purpose of the Community Facilities Group is to manage and maintain the Council's building and property assets.

Older persons' units

Council owns and manages 118 older persons' units across the district. Renewal work is generally undertaken as and when units become vacant. This means there is no certainty with forecasting, but we expect an average tenant churn of 15 tenants per annum.

At 30 June 2021, 51 older persons' units received full interior renewals. There are 16 vacant units, six of which are being held for decanting, five for renewal, three for Healthy Homes Standards and two for operational purposes for sudden events like water pipe bursts. The applicant register is 55, with 36 wishing to reside south of Ōtaki.

The renewed units were identified for renewal by either becoming vacant and requiring renewal or through building condition surveys (identifying them on a priority basis as per the Renewal Programme Strategy).

Condition reports and Healthy Homes assessments were completed on all stock to comply with the Residential Tenancies Act 1986.

Consultation with tenants was completed to enable tenants to make submissions on the 2021–41 Long-term Plan and the proposed change to 80 percent cost recovery through rents.

Ōtaki theatre and museum refurbishment

The project cost a total of \$997,000, and the PGF contributed \$500,000.

Full access to the building allowed the viewing and interrogation of the building substrates. This revealed significant water ingress damage to the concrete walls, chimney, roofing gables and spouting and subsequently incurring additional costs. Work commenced in October 2020 and was completed in June 2021.

Paraparaumu College gymnasium

Council shares the gymnasium with Paraparaumu College. The project involved re-roofing the hall and upgrading changing rooms. This was an unplanned/unbudgeted expense but Council would contribute 50 percent of the cost of the roof replacement.

After several months, the Ministry of Education approved the College's tender process and selection of the successful contractor. This resulted in a delay of approximately four months, meaning the project will be carried over into the next financial year and 2021–41 Long-term Plan.

Paraparaumu Memorial Hall

The project involved earthquake strengthening and refurbishment. The project cost a total of \$1.144 million and the PGF contributed \$500,000. This was an unplanned/unbudgeted expense. The refurbished hall was reopened with a blessing (Karakia) on 22 May 2020.

Waikanae library replacement

In 2019–20 we set up the interim replacement library and service centre for Waikanae in Mahara Place. A project team was established with three focus areas – libraries, customer services and building options (either renovation or new build).

The Kāpiti community was consulted on options as part of the development of the 2021–2041 Long-term Plan and it is a major capital project (total funding of \$13.76 million) within the first triennium of the plan to undertake either an upgrade to the existing Waikanae Library building or to build a new facility. Project planning and design will begin 2021–22.

Otaraua Park Amenity Building

The concept design for the Otaraua Park amenity building was completed and included input from iwi partners and project stakeholders (Te Atiawa and the Waikanae Football Club). However, the project was deferred due to COVID-19 response carrying over approx. \$500,000 into 2021–22 for construction.

Mahara gallery

An upgrade of the Mahara Gallery in Waikanae is planned to start in November 2021 after Council confirmed a \$2.8 million commitment to the project's \$6.5 million estimated cost. The project funding includes a \$250,000 grant from the Waikanae Community Board. This decision followed the Mahara Gallery Trust's recent success in securing significant government funding from the Regional Culture and Heritage Fund (RCHF) towards the project. At 30 June 2021, \$600,000 of fundraising is needed to meet the target agreed with Council.

The project includes upgrading to an accepted museum standard and providing a permanent home to the Field Collection that includes 24 paintings by Frances Hodgkins and family documents.



Artist's impression of new Mahara Gallery.

Renewed animal shelter

The recent upgrade to Kāpiti Coast District Council's animal shelter is enabling the Public Spaces and Animal Management team to provide a greater standard of care to animals who come into their care. The renewal project included improvements to the shelter's drainage, heating and insulation, housing and workspace in the existing enclosures. It also included the creation of a new space for veterinarian treatment, improved access and safety for arriving and departing animals, and an upgrade to fencing to prevent escape.

Te Newhanga Kāpiti Community Centre

Kāpiti Coast District Council announced on 19 March 2021 that Te Newhanga Kāpiti Community Centre will not reopen for community bookings and programmes, with the building closing due to ongoing weather-tightness issues. Recent assessments of the building showed it had continued to deteriorate and we were not confident the building would be safe to occupy over another winter. It was a difficult decision to close the centre until the building can be rebuilt or replaced.

Because the Community Centre plays an important role in creating social connections, providing collaboration spaces and accommodating important community services, we allocated \$5 million across the next two financial years for investigation, design and construction work on a fit-for-purpose Community Centre. We will work with community and social

groups and regular centre users to consider how a rebuilt or replaced centre can best contribute to our community's wellbeing, what this means and what it might include. In the meantime we agreed to support current tenants Kāpiti Foodbank and Volunteer Kāpiti to find new long-term premises for their vital services.

Kāpiti's potentially earthquake-prone buildings

A national system for managing earthquake-prone buildings in New Zealand came into effect in 2017 and Councils were tasked with determining which buildings in their districts are potentially earthquake prone¹ using a set methodology.

We completed our assessments in November 2018 and identified 28 buildings as potentially of concern. The owners of these buildings had 12 months to provide evidence to the contrary, before a formal notice was issued under the Building Act 2004. In April 2021, 22 buildings in Kāpiti remain on the earthquake-prone building register, none of which are priority buildings requiring urgent immediate action. Owners of these buildings have 15 years (until 2033–34) to provide further seismic assessment evidence or undertake remediation work.

Asset management improvement

Operational planning is being used to identify planned and preventative maintenance schedules to be incorporated within the property asset management system. The Long-term Plan for this is to see improvement in budget forecasting and, in time, a reduction in reactive maintenance.

The groundwork to incorporate the asbestos register and operational planning into the property asset management system is complete and will be being implemented from the beginning of 2021–22.

Community support

Social investment programme

Council worked with social investment contractors to address issues such as social isolation, increasing demand for social services, social entrepreneurship, capacity in the social sector and navigating alert levels. Reports about delivery against contract outcomes will be presented to Council in July and August 2021.

Joint social investment contract holders, Kāpiti Women's Centre and Kāpiti Living without Violence, adapted their approach to work collaboratively on a project to better understand family violence in our local communities.

Planning for social investment began with priority areas being Connected Communities, Safe Communities and a Capable Sector. Leading up to this period, community workshops and information clinics will be held to support community organisations to apply for a contestable fund to best meet Social Investment Fund community priorities.

Funding information clinics were reinstated in COVID-19 Alert Level 1 earlier in the year, which were supported by a Department of Internal Affairs (DIA) funding advisor role who provided information about central government fund.

Youth development

A Youth Survey (of 652 youth) was developed and completed by the Kāpiti Coast Youth Council, supported by Council staff and socialised with local youth organisations. The information will help inform a refreshed Youth Action Plan later in 2021.

The Kāpiti Coast Youth Council and members of the Connected Communities team facilitated support for the Think Big programme for those aged between 13 and 24, to run a youth-led project that will help deliver positive change in Kāpiti. Nine youth groups applied for up to \$1,800 funding each, and five teams were successful:

¹ A building, or part of a building, is considered earthquake prone if it will have its ultimate capacity exceeded in a moderate earthquake, and if it were to collapse, would be likely to cause harm to people or property. Earthquake-prone buildings aren't automatically classified as dangerous buildings under the Building Act 2004, but must have a special notice on the outside of the building to alert visitors to the risk.

- Manukura group from Ōtaki College focused on positive male role models and leaders.
- Kāpiti Equestrian and Vaulting Centre focused on a group doing a Duke of Edinburgh Silver Award Journey on horseback.
- Manawanui Wahine group at Ōtaki College focused on growing their girls' leadership and personal development group.
- The 'Pickle Pot Be-In' team focused on providing a free, smoke-free, alcohol free, 'summer day-festival' showcasing youth talent in Kāpiti, with the mantra "for the youth, by the youth".
- The SEAR sustainability group at Paraparaumu College focused on an aluminium can recycling system.

Te Anamata, a rangatahi group in Ōtaki, continues to host Kickbacks (Kickback & Kōrero) on different kaupapa topics including mental wellbeing and education. This initiative was supported by the Youth Council, Ōtaki College and the Council.

Pride in the Park was a youth-led event in collaboration with the Youth Council, Zeal Kāpiti and Council and aimed to celebrate diversity among young people.

The Kāpiti Coast Youth Council began work on a new initiative called Ngahere Hoa i Kāpiti to embed te ao Māori worldviews in our communities. Planning started on a Ki o Rahi tournament between all kura in

the district, Matariki events and Kōrero mai activities for Māori and Pākehā speakers.

We continued to support the Tuia mentoring programme through the Mayors Taskforce for Jobs initiative.

Secrets of Kāpiti

The Youth Council successfully launched their 'Secrets of Kāpiti' Project, supported by Council's Connected Communities, Communications and Economic Development teams. The Kāpiti Coast Youth Council wanted to find a unique way to address feedback from young people that there was not much for them to do in Kāpiti. They wanted to promote accessible, free or low-cost activities to encourage young people to outdoors and explore taiao.

Age-friendly approach

Two technology sessions were held at Zeal Kāpiti in late October 2020. Six young people volunteered and received references for supporting older people with their technology questions. This project was a collaboration between Age Concern Kāpiti Coast, the Kāpiti Coast Youth Council and community members.

Engagement is underway with kaumātua to complement Kāpiti Grey Power's community survey and workshop phase of the project.

Various Council teams sought feedback from the Kāpiti Coast Older Persons' Council, Kāpiti Coast Youth Council and the Kāpiti Accessibility Advisory Group on several plans, including the Representation Review, Traffic Bylaw, and Sustainable Transport Strategy, town centre development and the 2021–41 Long-term Plan.

The Kāpiti Coast Older Persons' Council is partnering with the Council to host a series of mini expos to connect older people with services, interest groups and clubs. The first expo happened in June 2021.



Youth Council members at a technology help session held at Zeal Kāpiti in October 2020.

Place-led community development

We hosted a funder's forum for community organisations in May 2021. This enabled face-to-face meetings with a range of funders from around the region.

Council is working towards reinstating its suite of activities to support the community sector early next year. We will be providing learning opportunities, including Te Tiriti o Waitangi training, sustainable funding approaches and equity workshops for the social and community sector.

Council continues to support and facilitate opportunities for our advisory groups to shape and influence Council's policy and plans.

Resilience and community building events

Neighbourhood Support Wellington continues to support Kāpiti groups – a collaboration between Council and the Regional Neighbourhood Support office.

397 people participated in Neighbours Day in March 2021. Neighbourhood Support provided give-away packs during the Neighbours Day Campaign, as a way of promoting local Neighbourhood Support groups.

Local Community Patrols are continuing to report high incidences of tagging and graffiti in the district – we continue to work with each patrol to collate important community intel to inform our community safety programmes.

Concerns over community safety in the Ōtaki community and at Mahara Place in Waikanae continue. The Connected Communities team (within Council) continues to meet and talk with community organisations and individuals to support a strength-based community approach in response to safety concerns.



Neighbours Day.

Partnership

A new Chair of the Kāpiti Coast Older Persons' Council was appointed and induction support and advice was provided.

The Youth Council continue to have opportunities to influence Council plans. The Youth Council was invited to participate in the Kāpiti Coast Destination Plan and the Sustainable Transport Strategy.

An inter-generational project called the Human Library completed filming for their stereotype-defying series. This project is a collaboration between Age Concern Kāpiti Coast, the Kāpiti Coast Youth Council and community members. Early next year, a launch will mark the project going live on social media.

Key challenges

COVID-19 disruption to services and impact on community wellbeing.



Community facilities and community support performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
We provide a good standard of comfort, convenience, quality and usability of the library buildings.	Users (%) who are satisfied with the standard of the library building facilities	85 percent	Achieved 95 percent	(2019–2020 result was achieved 87 percent)
Council hall hirers are satisfied that the halls meet their standards.	Users who are satisfied with halls	80 percent	Achieved 94 percent	Halls user survey (2019–2020 result was achieved 92 percent)
Our housing for the older persons' rents are fair and reasonable, the service and facilities are of a good standard and our high occupancy rates are maintained.	Occupancy rate of available housing for older persons' units	97 percent	Achieved 99.4 percent	(2019–2020 result was achieved 98.8 percent)
	Housing for older persons tenants (%) who rate services and facilities as good value for money	85 percent	Achieved 100 percent	Annual survey (2019–2020 result was achieved 96 percent)
	Housing for older persons tenants (%) who are satisfied with services and facilities	85 percent	Achieved 97.6 percent	Annual survey (2019–2020 result was achieved 96.8 percent)
We ensure that Council-owned buildings are fit for purpose.	Percentage of Council-owned buildings that have a current warrant of fitness (where required)	100 percent	Achieved 100 percent	(2019–20 result was achieved 100 percent)
Our toilets are clean, feel safe and are well maintained.	Residents (%) who are satisfied that public toilets are clean, well-maintained and safe	75 percent	Achieved 84 percent	Resident Opinion Survey. (2019–20 result was achieved 88 percent)
	Urgent requests to public toilet facilities that are responded to within 4 hours	98 percent	Achieved 100 percent	Service request compliance report. (2019–20 result was achieved 100 percent)

Contribution to outcomes	Performance measures	Target	Result	Comment
We provide resources to the community for capacity building and service provision focused on community priorities and we provide the Youth Council, Older Persons' Council, and the accessibility advisory group with opportunities to influence the content of Council strategies, policies and project planning.	Youth Development Centre opens, and Youth development programme deliverables are achieved.	Achieve	Partially Achieved	The Youth Development Centre was opened in 2016. In 2020–21, day-to-day deliverables were achieved but a project for Kāpiti Zeal had to be reprioritised due to COVID-19, impacting delivery. (2019–20 result was achieved)
	Council's social investment programme enables services to deliver on community priorities	Achieve	Achieved	By remaining flexible and adaptable, community organisations have been able to re-orient services and resources to prioritise COVID-19 responses. (2019–20 result was achieved)
	Participants from the social and community sector are satisfied with the learning opportunities and workshops provided by Council	85 percent	Partially Achieved	Funding Forums and clinics went ahead. Community workshops were stalled due to COVID-19 impacts, which resulted in fewer learning opportunities being available to services. Equity and treaty workshops will be carried over to 2021–22. (2019–20 result was achieved 100 percent)
We provide opportunities for the community to participate in activities and events that encourage Community resilience	The Youth Council, Older Persons' Council and accessibility advisory group are satisfied or very satisfied with opportunities to influence the content of Council strategies policies and project planning	Satisfied	Achieved 84.75 percent	Satisfaction was 84.75 percent and opportunities to influence included the Traffic Bylaw, Transport Strategy, Youth Action Plan development, Age-friendly Plan development, Economic Development Strategy and Implementation Plan and the 2021–41 Long-term Plan. (2019–20 result was achieved)
	Residents (%) who are satisfied with the Council's community support services	85 percent	Achieved 89 percent	Resident Opinion Survey (2019–20 result was achieved 89 percent)
	Community connectedness and diversity projects and initiatives planned for the year are progressed or completed	Achieve	Achieved	We partnered in the Pride in the Park event, Race Relations Day, Human Library project, Think Big, Neighbours Day, No. 8 Wire week and in organising community garden parties. (2019–20 result was achieved)
	Estimated attendance at community and environmentally focused activities and events	No target Internal monitoring only	Achieved total estimated attendance 2,427	Neighbour's Day (397) No. 8 Wire week (1,575) Community Centre Open Day (430) Community Funding Forums (25)

Planning and regulatory services



Districtwide planning – ngā kaupapa takiwa

Contributions to outcomes

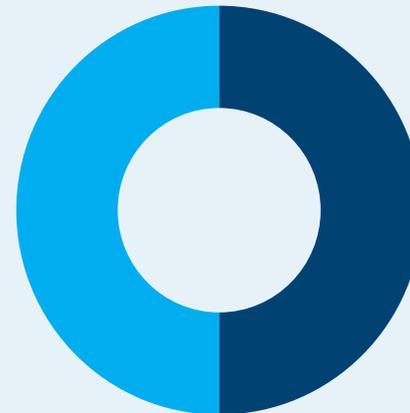
Primary contribution

- An attractive and distinctive Kāpiti identity and sense of place that make people proud to live, work and play here

Secondary contribution

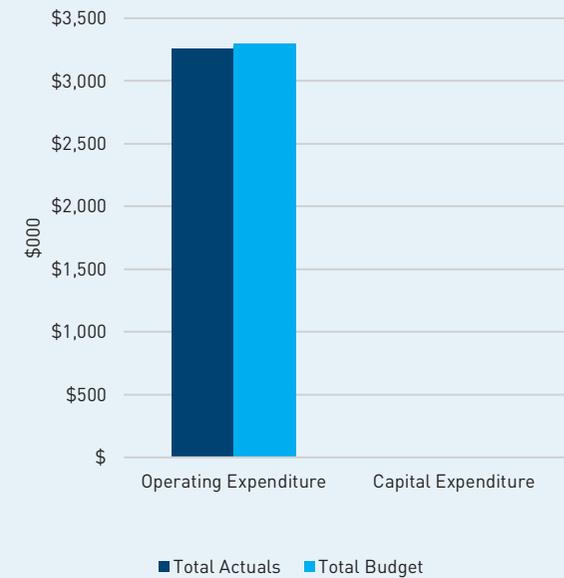
- A high-quality natural environment enjoyed by all
- An effective response to climate change in Kāpiti

Districtwide planning



■ Achieved 50 percent
■ Not achieved 50 percent

Districtwide planning – operating and capital expenditure 2020/21



“It is much better to plan for and enable good growth, so we are not overwhelmed by it, but thrive and gain from it”

Activity purpose

Shaping the district's development rules and guidelines.

This activity focuses on establishing the development framework for the sustainable management of the district's natural and physical resources, including planning responses to natural hazards such as coastal erosion, seismic events, flooding, tsunami and slope instability.

What we delivered

Planning for growth

The district has experienced significant growth over recent years. Population and dwelling projections were updated in 2020 to help understand the extent and nature of growth and support planning and infrastructure investment under the 2020–41 Long-term Plan. An assessment of development capacity for housing began to update to the Housing Business Assessment. Both pieces of work support the review of the District Growth Strategy, informing the shape and location of future growth for district for the next 30 years.

Settlement of Environment Court appeals

Following Council's decision on matters raised in submissions on the Proposed District Plan in November 2017, 18 appeals were lodged with the Environment Court. The final remaining appeals were resolved in 2020–21.

Variations to proposed district plan

Since initial public notification of the Proposed District Plan in 2017, Council has prepared four separate variations to it. Each was required to follow a full Resource Management Act 1991 (RMA) Schedule 1 consultation process.

Following earlier completion of the first variation to the District Plan relating to urban trees, all three remaining variations were completed in 2020–21. Those variations include: Variation 2 (Waikanae Beach and Beach Character Setback Margin), Variation 3 (County Road, Ōtaki) and Variations 4A – H (Miscellaneous Changes and Corrections).

National Planning Standards

Central government requires local authorities to amend their RMA plans to meet the structural, content (including definitions) and electronic accessibility requirements set out in the national planning standards. These amendments, which must be made without a RMA Schedule 1 consultation process, were to be completed by 2026 (or 2028 for definitions).

In 2020–21, Council amended the District Plan to meet these requirements, noting further amendments to complete a tangata whenua/manā whenua chapter will be required by 2026. The National Planning Standard changes took effect on 30 June 2021.



Paraparaumu shops, photo copyright Mark Coote

The District Plan became operative

Following Council decisions on 6 May 2021, the Proposed District Plan (Appeals Version) 2018 became the Operative District Plan 2021 on 30 June 2021.

Rolling review of the District Plan

The current District Plan was first notified in 2012, and since then, the district has changed as have central government requirements. In response to housing challenges across the country, the National Policy Statement on Urban Development 2020 (NPS-UD) requires Council to review key provisions in the District heights and urban densities in existing urban areas need to be reviewed. The NPS-UD also requires the District Plan to make enough land available for housing and business purposes. In 2020–21 work commenced on how we will implement the NPS-UD in Kāpiti.

Council included resources in the 2021–2041 Long-term Plan for a time-staged rolling review of the District Plan. The review will include an Urban Development Plan Change to be notified no later than August 2022, with a further urban development plan change scheduled for notification in 2024. The rolling review will also include plan changes on mana whenua values, coastal issues, flood risk and omnibus plan changes to improve plan effectiveness at managing a wide range of other issues. Climate change is a theme of this programme of work,

with the urban development, coastal and flood risk plan changes all providing opportunities to improve the future resilience of the district.

With the making of the District Plan operative, private plan change requests may now be made to Council. Council will seek to recover costs from those requesting private plan change requests under the Fees and Charges Policy.



Strategic policy work

We have numerous policies, strategies, plans and bylaws, which require updating and review to ensure they meet the needs of the community and are in line with the relevant statutory requirements. Council approves a three-year strategy and policy work programme that ensures these are reviewed as required and developed where needed.

The Kāpiti Recovery Plan and Destination Plan were also added to the work programme to support COVID-19 response work and growth of the visitor economy.

A total of 17 policy projects were completed over the last year including:

- The Long-term Plan 2021–2041
- Development Contribution Policy
- Sustainable Transport Strategy
- Economic Development Strategy
- Beach Bylaw
- Solid Waste Management and Minimisation Bylaw.

The Policy Work Programme is due to be revised by the end of 2021 for the next three-year period.

Submissions on public consultation

Public submissions were made by Council on:

- National Parking Management Guidance
- Horizons Regional Council 2021–31 Long-term Plan
- Greater Wellington Regional Council 2021–31 Long-term Plan
- Freedom Camping (Infringement Offences and Other Matters) Amendment Bill
- Greater Wellington Regional Council's Draft Toitu Te Whenua Parks Network Plan 2020–30, 15 October 2020.

During this financial year, Council also made several submissions to central government on issues relating to climate change:

- Building for Climate Change: Transforming operational efficiency and reducing whole-of-life embodied carbon in October 2020.
- The Draft Wellington Regional Land Transport Plan 2021 in March 2021.
- The Regional Public Transport Plan in March 2021.
- The Climate Change Commission's 2021 Draft Advice for Consultation on 24 March 2021.

Key challenges

New laws replacing the RMA will be progressed in 2021–22. Such fundamental resource management reform is likely to take some time to complete and may have a significant impact on this activity. How these reforms will affect the district-wide planning activity will not be known until any replacement legislation is finalised. In the meantime, Council will continue to provide input into these reforms as opportunities arise.

Council faces significant district planning costs in future years, largely as a result of central government amending legislation and issuing new national policy statements, which subsequently require the Council to review the District Plan.

Council is also likely to face increasing pressures to take on the costs of private plan change requests, rather than requiring developers to meet those costs.

The 2021–41 Long-term Plan budget for District Planning does not provide for the costs of meeting additional national obligations beyond what was known with reasonable certainty in 2020–21, or the impact of private plan change requests.



Districtwide planning performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
We efficiently and effectively develop policies and plans to encourage economic development and preserve the unique character and natural environment of our district.	Residents (%) who agree that the district is developing in a way that takes into account its unique character and natural environment	75 percent	Not achieved 70 percent	<p>The Residents' Opinion Survey reported 70 percent satisfaction for 2020–21, which was below target, and a 7 percent decrease in perception from the previous year. Around 1/3 of residents are neutral, creating an opportunity to convert those who are neutral into satisfied residents.</p> <p>While Council is required to plan for growth, it also needs to consider impacts on the district's unique character and natural environment. This tension could increase in the future and as it relates to the district's housing supply challenges.</p> <p>(2019–20 result was achieved 77 percent)</p>
We efficiently and effectively develop policies and plans to encourage economic development and preserve the unique character and natural environment of our district.	Develop and monitor a strategic policy framework and research programme to underpin the District Plan and Long-term Plan	Achieve	Achieved	<p>The 2018–21 policy work programme was reviewed by the Strategy and Operations Committee with amendments confirmed on September 2019, December 2019 and July 2020, 19 November 2020, 18 February 2021 and August 2021.</p> <p>During the last year, 17 policy projects were completed alongside quarterly activity and National Policy Statement on Urban Development reporting; and nine submissions were made on regional council and central government legislation and policy changes.</p> <p>(2019–20 result was achieved)</p>

Regulatory services – ratonga whakaritenga



Contributions to outcomes

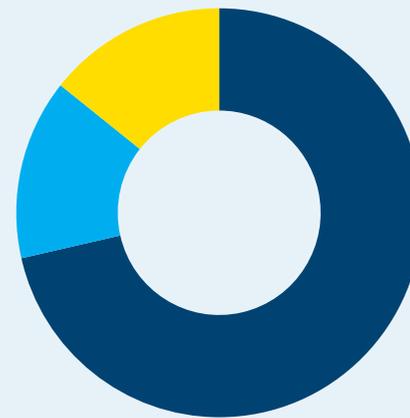
Primary contribution

- Improved accessibility of Council services

Secondary contribution

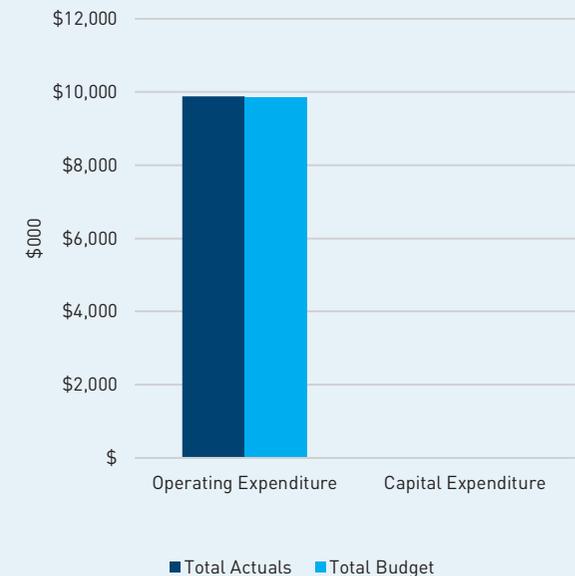
- Community satisfaction with Council services is maintained or improved

Regulatory services



- Achieved 71 percent
- Not achieved 14 percent
- Not able to be reported 14 percent

Regulatory services – operating and capital expenditure 2020/21



“We wanted to extend our thanks for the assistance we received on our projects whilst we got up and running after the shutdown period from the resource and building consents teams. We were able to quickly get construction moving, we look forward to continuing to work with you.”

Activity purpose

We provide regulatory services to ensure Kāpiti is a safe, healthy environment and a great place to live, work and play.

The Council manages a range of public health, safety and design needs associated with building control, environmental health, food safety, alcohol harm reduction, animal management, noise management, trade waste licensing, resource consents, designations and compliance.

We also manage a number of other compliance activities related to the Local Government Act 2002, including parking, bylaws and the inspection of private swimming pool fencing.

What we delivered

- 1,455 service requests responded to for noise
- 498 service requests responded to for wandering dogs
- 3,386 service requests responded to for building inquiries
- 2,709 service requests responded to for land use.

Service requests

Regulatory Services received a total of 13,035 service requests over the year. Of those 12,151 (93.2 percent) were responded to within required times.

Regulatory Services received seven complaints (two were upheld and required improvement to current process) and 78 compliments about service received during 2020–2021.

We issued 949 Land Information Memoranda (LIM) with an average of six days to issue.

Resource consents and compliance

The Resource Consents and Compliance team received 401 resource consent and “deemed permitted boundary activity” applications. They issued 243 resource consent and 78 “deemed permitted boundary activity” decisions. This activity is commensurate with last year when 249 in resource consents and 45 “deemed permitted boundary activity” decisions were issued.

All resource consents were processed non-notified and 83 had time extensions under section 37 of the Resource Management Act. Six of these extensions were at the request of the applicant so that section 223 and section 224 certificates could be issued at the same time.

For consents that did not have their statutory timeframes extended, the average processing time was 16.5 working days against a target of 17 working days.

84 section 223 subdivision certifications were issued, all within the statutory timeframe of 10 working days. In addition, 72 section 224 subdivision certifications were issued creating approximately 185 new lots. This is compared to 149 new lots in 2019–2020.

Input has continued this year into the three major roading projects within the Kāpiti District – Transmission Gully, Mackays to Peka Peka (M2PP), and

Peka Peka to Ōtaki (PP2Ō). Construction on PP2Ō continues to progress with the team processing a number of requests for amendments to Site Specific Management Plans (SSEMPs), as well as undertaking regular site inspections to ensure that consent conditions are complied with. Compliance staff have also been involved with the M2PP as this project gets closer to transferring the responsibility back to Waka Kotahi (NZTA). Transmission Gully continues to progress and regular monitoring checks were undertaken and we worked with the Joint Venture to ensure conditions and requirements were met.

Initial consenting work commenced on the Ōtaki to North of Levin Expressway (Ō2NL). We worked closely with Horowhenua District Council to confirm shared expertise and to ensure a consistent approach to the project. We meet with four other affected Councils fortnightly and the the Waka Kotahi (NZTA) Project team monthly. It is expected that a notice of requirement for the Ō2NL Designation will be lodged with Councils in the first half of 2022.

Longer-term, it is becoming apparent COVID-19 is impacting the construction sector with the supply of some building materials becoming problematic. These supply issues are yet to become a significant issue with local builders in general confirming they have a reasonable amount of future work on the books with some being booked out 12 months in advance.

Building

Building consents processing

It was a busy year with new applications (1,285) being 25 percent up on 2019–20 (1,027).

1,193 building consents were processed compared with 1,022 for the same quarter last year, approximately a 17 percent increase.

For the full year 97.7 percent of building consents were issued within statutory 20-day timeframes.

The average days to issue building consents during this quarter was 10 days.

Certification notifications

28 section 73 certifications under the Building Act 2004 were registered with Land Information New Zealand during the year.

Building inspections

Building inspections were steady except in the January–March quarter where a combination of material shortages, poor weather and labour shortages saw a significant decline. For the full year the team undertook 8,546 inspections, compared to 7,268 inspections for the previous year.

Code Compliance certificates

The number of Code Compliance Certificates (CCC) issued increased as owners and contractors worked through the backlog of outstanding building work created due to the COVID-19 lockdown.

There were 905 CCC issued in 2020–21 compared to 670 for 2019–20.

97.02 percent of CCC were issued within statutory timeframes.

For the financial year the average processing times for CCC was nine days compared to an average of seven days for the 2019–20 year.

Building Warrant of Fitness (BWoF) audits

One hundred and sixty-six BWoF inspections were completed during the year. This meant the team achieved the annual target of 166 audits.

Environmental Health and community monitoring

During the year, 198 registered food businesses that operate under a template food control plan were verified. Registered food businesses are independently checked (called “verifying”) to make sure they are operating within the relevant rules and selling safe food.

The staff conducted 75 inspections of other registered premises (hairdressers, undertakers and campgrounds) to ensure they met Health Regulations.

The Compliance Team carried out 422 three-yearly residential swimming pool barrier inspections. The team also carried out 239 follow-up inspections/re-inspections to check that non-compliance had been rectified.

277 trade waste inspections were completed.

Two successful stakeholder events were run by the Food Team to provide information to members of the public who are thinking of starting up a food business.

Sale and supply of alcohol

Staff issued 75 alcohol licences for premises (all inspected prior to issue); undertook 120 additional inspections of licensed premises; issued 155 Special licences for events; and issued 235 Managers Certificates.

Animal management

The Public Spaces Animal Management Team received four urgent service requests relating to a dog threatening incident, and five urgent requests about dog attacks. At the end of the fourth quarter (just before the registration year begins) there were 8,356 known dogs in Kāpiti. The staff exceeded their target, having registered 99 percent of all known dogs in the District.



Key challenges

COVID-19 continued to impact on our work programme with customers experiencing delays in sourcing skilled labour and materials. The resulting Government stimulus package and low interest rates also led to higher numbers of applications for building and resource consents that stretched existing capacity. At time of writing, this continues to be an ongoing trend.

The strength in the national economy and skilled labour shortages also created challenges in being able to recruit people with the right skill sets.



Regulatory services performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
We provide efficient and effective regulatory services.	Percentage of service requests responded to within corporate standards and closed off	95 percent	Not achieved 93.2 percent	12,151 of the 13,035 service requests we received were responded to within required times. (2019–20 result was not achieved – 94.68 percent)
	Average working days to process building consents will not exceed 17 days	Achieve	Achieved	1,285 new building consent applications were received, and 1,193 building consents were issued. The average number of working days to issue building consents was 10 days. (2019–20 result was achieved – 10 days)
	Average working days to process non-notified resource consents will not exceed 17 days	Achieve	Achieved	1,243 resource consent and 78 “deemed permitted boundary activity” decisions were issued. All were processed as non-notified and 83 had time extensions under section 37 of the Resource Management Act 1991. For consents that did not have their statutory timeframes extended the average processing time was 16.5 working days. (2019–20 result was achieved – 17 days)
	Percentage of survey respondents who agree that the regulatory events are good or very good	85 percent	Not able to be reported	The regulatory group participated in several events. However, a survey of attendees’ thoughts on the participation of the regulatory group in those events was not undertaken, as events were run by other organisations. (2019–20 result was not achieved – 100 percent)
	All dog attack and threatening behaviour requests for service (classified as urgent) are responded to within 1 hour of notification	100 percent	Achieved 100 percent	There were nine urgent service requests for threatening behaviour or dog attack incidents. All were responded to within time. (2019–20 result was not achieved – 100 percent)
We are responsive to customer feedback.	Ratio of compliments to complaints greater than 3:1	Achieve	Achieved 11:1	For the year, 78 compliments and seven complaints were received. (2019–20 result was achieved)
We will consistently and effectively carry out our building consent authority functions.	Building Consents Authority (BCA) accreditation is retained	Achieve	Achieved	The two-year International Accreditation New Zealand (IANZ) accreditation was confirmed in October 2019. (2019–20 result was achieved)

Governance and tangata whenua



Governance and tangata whenua – kāwanatanga me te tangata whenua

Contributions to outcomes

Governance – kāwanatanga

Primary contribution

- A community is more resilient through Council advocacy

Secondary contribution

- Wise management of public resources and sustainable funding of Council services
- WREMO levels of service consistently met or exceeded in response to emergency preparedness

Tangata whenua

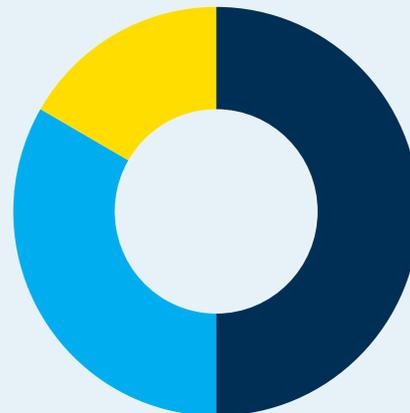
Primary contribution

- Council is a trusted partner with tangata whenua and strongly engaged with the community

Secondary contribution

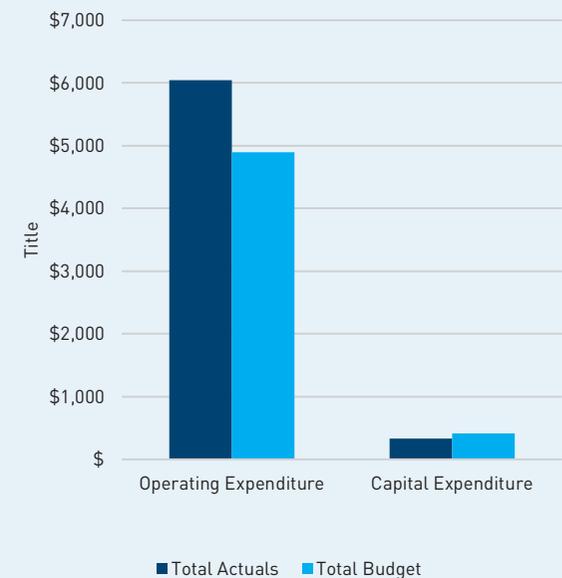
- A positive response to our distinct district identity

Governance and tangata whenua



- Achieved 50 percent
- Not achieved 33 percent
- Not able to be reported 17 percent

Governance and tangata whenua – operating and capital expenditure 2020/21



“Mana whenua and Council have a mutually mana enhancing relationship”



Activity purpose

We value our partnership with iwi and aim to embed tangata whenua values and aspirations into the sustainable management of our district. The Council aims to effectively and efficiently manage the democratic framework in line with legislative requirements.

Governance and tangata whenua focuses on our decision-making and the importance of community participation.

We are working towards strengthening our partnership with iwi and aim to embed tangata whenua values into our operations and to guide the overall development of Kāpiti.

What we delivered

Governance

This activity is an important contributor to the Kāpiti Coast District Council's wider strategy of working with the community and being good partners, as well as meeting our statutory requirements relating to governance, consultation and decision-making responsibilities.

This activity holds the responsibility for managing our democratic processes, providing administrative support to Council, facilitating community input to Council's decision-making processes and providing the information necessary for our community to remain informed and involved.

Representation

Early in the financial year, Council confirmed the Single Transferable Voting (STV) system as the preferred electoral system for the district.

In quarter two, Council approved a community engagement process for 2021 Review of Representation Arrangements for the Kāpiti Coast District, to inform recommendations to Council.

Following the recommendation of its three iwi partners, Te Āti Awa ki Whakarongotai Charitable Trust, Ngā Hapū o Ōtaki (Ngāti Raukawa) and Te Rūnanga o Toa Rangatira (Ngāti Toa Rangatira), the Council resolved not to establish a Māori ward for electoral purposes under section 19Z of the Local Electoral Act 2001 ahead of the 2022 local body elections and instead committed to working towards improving their partnership with mana whenua.

Council activities

Citizenship ceremonies

In response to COVID-19, nationwide there were no citizenship ceremonies in quarters one, two and three of the financial year. Two citizenship ceremonies took place in the fourth quarter. 61 people received citizenship, originating from England, America, South Africa, Australia, Samoa, Bahrain, Singapore, Brazil, Latvia, Zimbabwe, Fiji, Germany, India, Philippines, Scotland and Vietnam.

Council and Committee meetings

For the entire financial year there were 13 Council Meetings, 13 Committee meetings and 10 subcommittee meetings. There were 84 briefings and 13 workshops. Refer to the Governance section of this report for details of the number of Council meetings that occurred.

Official information requests

The Council received 279 requests under the Local Government Official Information and Meetings Act 1974 in the financial year. This compares to 218 in the last year.

Tsunami assessment and readiness for Kāpiti

Our tsunami evacuation maps were updated with the latest scientific information and the Kāpiti tsunami evacuation brochure was developed along with the tsunami evacuation zone finder tool for residents to check if they might need to evacuate if they are living in the evacuation zone. It's vital for everyone in Kāpiti to know if they live, work or play in a tsunami evacuation zone. Kāpiti has three evacuation zones: red, orange and yellow.

Tangata whenua

Tangata whenua management of natural resources is bound to kaitiakitanga, the practice of environmental management centred around the traditional Māori worldview. For tangata whenua, their role as kaitiaki is pivotal to working in partnership with Council.

We are committed to meeting our obligations under the Resource Management Act 1991 and the Local Government Act 2002 in relation to the Treaty of Waitangi, and to providing resources that build capacity and service provision focused on tangata whenua priorities.

Partnership

Iwi Representatives for Te Whakaminenga o Kāpiti were confirmed from Ngāti Toa Rangatira and Ngā Hapu o Ōtaki.

Te Āti Awa ki Whakarongotai confirmed their withdrawal from Te Whakaminenga o Kāpiti.

The Memorandum of Partnership between the three iwi representing Mana Whenua was not renewed pending a review of Te Whakaminenga o Kāpiti.

Members of Te Whakaminenga o Kāpiti discussed what would be involved to review the Memorandum of Partnership and the Terms of Reference and Meeting Protocol Document in the context of wider conversations and other work in progress, including the recommendations of the Independent Organisational Review.

Tangata whenua events

Te Whakaminenga o Kāpiti and the Council delivered online commemorations of Waitangi Day, an approach that reflected ongoing COVID-19 uncertainty around events. The online commemorations had several unique but connected parts:

- The Waitangi ki Kāpiti video series playlist exploring what Waitangi Day means to people in our district.
- An online Waitangi Day welcome and karakia on Council's Facebook page.
- A special livestream of the Waitangi Day commemorations at Rangiatea Pastorate Church in Ōtaki.

Maramataka was planned to be launched at Katihiku Marae in Ōtaki on 2 July 2021, hosted by Ngāti Huia ki Katihiku on behalf Ngā Hapū o Ōtaki.

Blessing of Te Ara Tangata – the people's pathway

An intimate ceremony, led by Kaumātua Koro Don Te Māipi, was held in Waikanae to bless and open the beautiful and distinctive Te Ara Tangata cultural thread pathway. The pathway on Frater Lane is of historic significance, linking Whakarongotai Marae to the Ruakohatu Urupā and the original Waikanae Village. Improving the lane is a key part of Council's plan to link the Marae to heart of the Waikanae town centre.



Te Ara Tangata cultural thread.

Capacity building

Work is ongoing to develop the Council's Te Reo Māori Policy. Council have been working alongside Ngā Hapu o Ōtaki on their Department of Internal Affairs funded Bilingual Towns and Cities Aotearoa Pilot Project. Council's involvement initially has been limited to what is possible within existing work programmes.

The Iwi Partnership team supported Ngā Hapū o Ōtaki with Mahuru Māori.

Support was provided to iwi partners to engage in providing feedback into the 2021–41 Long-term Plan, introducing the Economic Development Kotahitanga Board, developing of the Destination Management Plan, providing on-going support and feedback into the Beach Bylaw review, the Sustainable Transport Strategy and the Open Parks and Spaces Strategy and in developing the Kāpiti Recovery Plan.

Financial assistance \$90,000 (\$30,000 to each of our three iwi) was provided to support iwi with their response to COVID-19.

Council activities to facilitate iwi engagement continue to inform the Council on the critical values and aspirations that are significant to iwi and contributes to meeting the legislative requirements on the Council in regard to iwi participation.

Participation in decision-making processes

Te Whakaminenga o Kāpiti met in 2020 to consider opportunities for iwi nominations to Council's committees this Triennium. Te Whakaminenga o Kāpiti agreed with an amendment of the Governance Structure and Delegations to allow for the appointment of a Māori representative to the Council's Strategy and Operations Committee.



Governance and tangata whenua performance measures

Contribution to outcomes	Performance measures	Target	Result	Comment
Civil defence emergency management				
We encourage households to be ready for emergencies.	Households (%) that have an emergency plan and kit sufficient for three days following an emergency event	70 percent	Achieved 78 percent	Residents Opinion Survey. (2019–20 result was achieved 80 percent)
Governance				
Residents will be informed of opportunities to engage and participate in decision-making processes within statutory timeframes.	Council meeting agendas are available in hard copy in Council service centres and/or district libraries within two working days prior to the meeting	100 percent	Achieved 100 percent	Council meeting agendas were available in hard copy in Council service centres and/or district libraries within two working days prior to the meeting. During COVID-19 Level 4, legislative change meant agendas were available on the Council website within the same timescale. (2019–20 result was not achieved 99.4 percent)
Official information requests will be responded to within statutory timeframes.	Official information requests (%) responded to within 20 working days	100 percent	Achieved 100 percent	100 percent of Official Information requests were responded to within statutory timeframes. (2019–20 result was not achieved 99 percent)
Tangata whenua				
We value the partnership with tangata whenua, and it is strong.	The memorandum of partnership is renewed each triennium	Achieve	Not achieved	The agreement was not renewed pending a review of Te Whakaminenga o Kāpiti. (2019–20 result was not achieved)
	Te Whakaminenga o Kāpiti is satisfied or very satisfied with the partnership	Achieve	Not able to be reported	We have been unable to formally measure this as Te Whakaminenga o Kāpiti has not met since March 2021 and will not meet again before the reporting deadline. (2019–20 result was achieved)
We provide for the active participation of tangata whenua and Māori in decision-making processes.	Māori have representation on standing committees of Council and tangata whenua working parties contribute to significant Council work programmes	Achieve	Not achieved	Te Whakaminenga o Kāpiti gave in-principle approval to the appointment of a Māori representative to the Council's Strategy and Operations Committee. Recruitment to this position is on hold pending changes to mana whenua representation on standing committees. (2019–20 result was in progress)

Our finances

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In this section we provide all the financial information required by law as part of the Annual Report.

It includes the full financial statements that show our actual expenditure and income, changes in our equity, total assets and liabilities and our cash flows for the 2020–21 financial year against budget.

The funding impact statements outline how we have funded our activities and the disclosure statement reports on how we are tracking against the benchmarks set by central government to measure our financial prudence.

Statement of comprehensive revenue and expense for the year ended 30 June 2021

2019/20 Actual \$000		Note	2020/21 Actual \$000	2020/21 Budget \$000
<i>Revenue</i>				
67,570	Rates	2	70,382	69,550
8,891	Fees and charges	3	9,830	9,890
5,332	Grants and subsidies	4	10,674	5,926
3,574	Development and financial contributions		3,520	2,124
21,374	Other operating revenue	5	3,694	460
106,741	Total revenue excluding gains		98,100	87,950
<i>Expenses</i>				
58,505	Operating expenses	6	61,769	58,226
21,389	Depreciation and amortisation	11,12	22,223	22,316
79,894	Total expenses		83,992	80,542
<i>Interest</i>				
1,624	Interest income		1,107	1,302
8,857	Interest expense		8,353	8,653
7,233	Total interest expense		7,246	7,351
19,614	OPERATING SURPLUS/(DEFICIT)		6,862	57
<i>Unrealised gains/(losses)</i>				
(6,984)	Unrealised gain/(loss) on revaluation of financial derivatives		13,963	86
(6,984)	Total unrealised gains/(losses)		13,963	86
12,630	NET OPERATING SURPLUS/(DEFICIT)		20,825	143
<i>Other comprehensive revenue and expense</i>				
(18,293)	Unrealised gain/(loss) from revaluation of property, plant and equipment	11	21,754	10,035
(18,293)	Total other comprehensive revenue and expense		21,754	10,035
(5,663)	TOTAL COMPREHENSIVE REVENUE AND EXPENSE		42,579	10,178

The accounting policies and accompanying notes on pages 115 to 154 form part of these financial statements. Explanation of the major variances against budget are provided in note 27.

¹ As per 2019/20 Annual Plan.

² As per 2020/21 Annual Plan.

Statement of changes in net assets/equity for the year ended 30 June 2021

	Accumulated funds	Reserves and special funds	Revaluation reserve	Total equity	Total equity
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budget \$000
Opening balance at 1 July 2019	564,889	4,914	919,146	1,488,949	1,497,610
Net operating surplus/(deficit)	12,630	-	-	12,630	(342) ¹
Unrealised gain/(loss) from revaluation of property, plant and equipment	-	-	(18,293)	(18,293)	72,935 ¹
Transfer from revaluation reserve	-	-	-	-	-
Total comprehensive revenue and expense for the year	12,630	-	(18,293)	(5,663)	72,593
Transfers from reserves and special funds	962	(962)	-	-	-
Transfers to reserves and special funds	(1,986)	1,986	-	-	-
Closing balance at 30 June 2020	576,495	5,938	900,853	1,483,286	1,570,203
Opening balance at 1 July 2020	576,495	5,938	900,853	1,483,286	1,560,440
Net operating surplus/(deficit)	20,825	-	-	20,825	143 ²
Unrealised gain/(loss) from revaluation of property, plant and equipment	-	-	21,754	21,754	10,035 ²
Total comprehensive revenue and expense for the year	20,825	-	21,754	42,579	10,178
Transfers from revaluation reserve	495	-	(495)	-	-
Transfers from reserves and special funds	920	(920)	-	-	-
Transfers to reserves and special funds	(2,489)	2,489	-	-	-
CLOSING BALANCE AT 30 JUNE 2021	596,246	7,507	922,112	1,525,865	1,570,618

Statement of financial position as at 30 June 2021

2019/20 Actual \$000		Note	2020/21 Actual \$000	2020/21 Budget \$000
	Current Assets			
5,944	Cash and cash equivalents	7	11,133	200
9,797	Trade and other receivables	8	11,277	8,654
152	Inventories		148	167
55	Non-current assets held for sale		13	-
35,640	Other financial assets	10	60,720	40,720
53	Loans	9	51	58
-	Derivative financial instruments	22	2	-
51,641	Total Current Assets		83,344	49,799
	Non-Current Assets			
1,672,641	Property, plant and equipment	11	1,706,663	1,775,423
57	Forestry assets		57	82
2,388	Intangible assets	12	3,066	3,507
12,855	Other financial assets	10	3,635	2,729
366	Loans	9	737	350
-	Derivative financial instruments	22	888	-
1,688,307	Total Non-Current Assets		1,715,046	1,782,091
1,739,948	TOTAL ASSETS		1,798,390	1,831,890
	Current Liabilities			
11,335	Trade and other payables	14	20,848	22,682
2,599	Employee benefits	15	2,946	2,337
1,181	Deposits	16	1,425	1,119
40,000	Borrowings	17	45,000	45,000
391	Provisions	18	119	136
548	Derivative financial instruments	22	377	5,248
56,054	Total Current Liabilities		70,715	76,522
	Non-Current Liabilities			
101	Employee benefits	15	107	194
170,000	Borrowings	17	185,000	162,028
2,586	Provisions	18	2,477	3,633
27,921	Derivative financial instruments	22	14,226	18,895
200,608	Total Non-Current Liabilities		201,810	184,750
256,662	TOTAL LIABILITIES		272,525	261,272
	Public Equity			
576,495	Accumulated funds		596,246	566,596
5,938	Reserves and special funds	20	7,507	6,367
900,853	Revaluation reserve	19	922,112	997,655
1,483,286	TOTAL PUBLIC EQUITY		1,525,865	1,570,618
1,739,948	TOTAL LIABILITIES AND PUBLIC EQUITY		1,798,390	1,831,890

The accounting policies and accompanying notes on pages 115 to 154 form part of these financial statements. Explanation of the major variances against budget are provided in note 27.

Statement of cash flows for the year ended 30 June 2021

2019/20 Actual \$000		Note	2020/21 Actual \$000	2020/21 Budget \$000
	Cash flows from operating activities			
	<i>Cash was provided from:</i>			
66,909	Kāpiti Coast District Council rates		70,129	66,950
13,017	Greater Wellington Regional Council rates collected		13,495	-
2,203	Grants and subsidies		3,352	1,924
2,015	Interest received		1,454	1,276
12,132	Fees and charges		13,721	10,474
(173)	GST (net)		(298)	(54)
96,103			101,853	80,570
	<i>Cash was applied to:</i>			
63,120	Payments to employees and suppliers		53,801	59,162
13,017	Rates paid to Greater Wellington Regional Council		13,495	-
76,137			67,296	59,162
19,966	Net cash flow from operating activities	21	34,557	21,408
	Cash flows from investing activities			
	<i>Cash was provided from:</i>			
50,782	Proceeds from loan repayments/term deposit maturities		39,631	40,640
334	Proceeds from sale of assets held for sale, property, plant and equipment and intangibles		697	-
3,129	Proceeds from capital grants		7,321	4,002
54,245			47,649	44,642
	<i>Cash was applied to:</i>			
22,562	Construction and purchase of property, plant and equipment and intangibles		32,760	37,471
40,719	Purchase of investments		55,861	19,360
63,281			88,621	56,831
(9,036)	Net cash flow from investing activities		(40,972)	(12,189)
	Cash flows from financing activities			
	<i>Cash was provided from:</i>			
30,900	Proceeds from short-term borrowings		-	-
45,000	Proceeds from long-term borrowing		60,000	39,261
75,900			60,000	39,261
	<i>Cash was applied to:</i>			
9,072	Interest paid		8,396	8,480
30,900	Repayment of short-term borrowings		-	-
45,000	Repayment of long-term borrowing		40,000	40,000
84,972			48,396	48,480
(9,072)	Net cash flow from financing activities		11,604	(9,219)
1,858	Net increase/(decrease) in cash and cash equivalents		5,189	-
4,086	Total cash and cash equivalents at 1 July		5,944	200
5,944	TOTAL CASH AND CASH EQUIVALENTS AT 30 JUNE	7	11,133	200

Funding impact statement for the year ended 30 June 2021

	2019/20 Budget \$000	2019/20 Actual \$000	2020/21 Budget \$000	2020/21 Actual \$000
Source of operating funding				
General rate, uniform annual general charge, rates penalties	23,479	23,503	24,869	24,922
Targeted rates	44,633	44,686	45,295	46,041
Grants and subsidies for operating purposes	1,942	2,323	1,999	3,345
Fees and charges	8,977	8,045	9,052	9,146
Interest and dividends from investments	1,848	1,624	1,302	1,107
Vested asset, Local authorities fuel tax, fines, infringement fees, and other	1,086	21,289	609	3,758
Total operating funding	81,965	101,470	83,126	88,319
Applications of operating funding				
Payments to staff and suppliers	56,418	56,305	58,226	61,686
Finance costs	9,493	8,857	8,653	8,353
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	65,911	65,162	66,879	70,039
SURPLUS/DEFICIT OF OPERATING FUNDING	16,054	36,308	16,247	18,280
Source of capital funding				
Grants and subsidies for capital expenditure	2,664	3,129	4,002	7,322
Development and financial contributions	2,124	3,574	2,124	3,520
Increase (decrease) in debt	20,917	11,731	21,407	12,370
Gross proceeds from sale of assets	-	277	-	635
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total source of capital funding	25,705	18,711	27,533	23,847
Applications of capital funding				
Capital expenditure				
> to meet additional demand	2,186	934	1,755	672
> to improve the level of service	21,783	13,568	23,201	17,702
> to replace existing assets	11,392	8,978	12,018	14,536
Increase (decrease) in reserves	6,398	31,539	6,806	9,217
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding	41,759	55,019	43,780	42,127
SURPLUS/DEFICIT OF CAPITAL FUNDING	(16,054)	(36,308)	(16,247)	(18,280)
FUNDING BALANCE	-	-	-	-

Notes to the financial statements

1. Statement of accounting policies

Reporting entity

Kāpiti Coast District Council (Council) is a territorial local authority established under the Local Government Act 2002 (LGA) and is based and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The primary objective of Council is to cover the costs of providing services and managing the district's assets sustainably rather than aiming to make a profit. Accordingly, the Council has designated itself as a public benefit entity (PBE) for the purposes of the accounting standards framework applicable to public sector entities.

The financial statements presented in this report include a statement of comprehensive revenue and expense, a statement of changes in net assets/equity, a statement of financial position and a cash flow statement with supporting notes, encompassing all activities of the Council.

To ensure it is easy to see our performance across the Council, we have included separate funding impact statements for each activity as well as the whole of Council.

The financial statements of the Council are for the year ended 30 June 2021. The financial statements were adopted and authorised for issue by the Council on 25 November 2021.

Statement of compliance

The financial statements have been prepared in accordance with the requirements of the LGA and comply with generally accepted accounting practice in New Zealand (NZ GAAP).

Council is a Tier 1 entity and the financial statements have been prepared in accordance with, and comply with the PBE Standards.

Basis of preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the year.

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

The financial statements have been prepared on a historical cost basis, modified by the revaluation of certain assets and liabilities as identified in the accounting policies.

Accounting Standards issued and not yet effective, and not early adopted

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the financial statements are as follow:

Financial Instruments

In January 2017, the XRB issued PBE IPSAS 41 Financial instruments. This replaces PBE IPSAS 29 Recognition and Measurement, and introduces into PBE Standards the reforms introduced by NZ IFRS 9 in the for-profit sector. PBE IPSAS 41 is effective for annual periods beginning on or after 1 January 2022, with earlier application permitted.

The main changes under this standard relevant to Council are:

- new financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- a new impairment model for financial assets based on expected losses, which might result in earlier recognition of impairment losses.

The Council plans to apply this standard in preparing the 30 June 2023 financial statements and has not yet assessed in detail the impact of the new standard but anticipates that the standard will not have a material effect on Council's financial statements.

Service Performance Reporting

Council is required under the Local Government Act 2002 to produce a Statement of Service Performance as part of its annual report.

In November 2017, the XRB issued a new standard, Service Performance Reporting (PBE FRS 48).

This Standard establishes new requirements for public benefit entities (PBEs) to select and present services performance information. PBEs will need to provide users with: i) sufficient contextual information to understand why the entity exists, what it intends to achieve in board terms over the medium to long term, and how it goes about this; and ii) information about what the entity has done during the reporting period in working towards its broader aims and objectives. The new standard is mandatory for annual periods beginning on or after 1 January 2022, with early application permitted.

The Council plans to apply this standard in preparing the 30 June 2023 financial statements and has not yet assessed in detail the impact of the new standard but anticipates that the standard will not have a material effect on Council's financial statements.

Other changes in accounting policies

There have been no changes in the accounting policies in the year ended 30 June 2021.

Summary of significant accounting policies

Significant accounting policies are included in the specific notes to which they relate.

Those policies that do not relate to a specific note are outlined below.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Council and the revenue can be reliably measured, regardless of when the payment is made.

Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Development and financial contributions

Development and financial contributions, are non-exchange transactions and are recognised as revenue when the Council provides the service for which the contribution was charged.

Interest income

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

Expenses

Interest expense

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

Goods and Services Tax (GST)

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

Other gains and losses

Other gains and losses include fair value adjustments on financial instruments at fair value through surplus or deficit.

Assets

Inventories

Inventories are valued at cost, adjusted when applicable, for any loss of service potential. The amount of write-down for the loss of service potential is recognised in surplus or deficit in the Statement of comprehensive revenue and expense. Cost is determined on a weighted average basis.

Forestry assets

Forestry assets are carried at fair value less estimated costs to sell.

Gains or losses arising on revaluation are recognised in surplus or deficit in the Statement of comprehensive revenue and expense. Costs incurred to maintain the forests are expensed in the period they are incurred.

Other

Foreign currency translation

Foreign currency transactions are translated into the New Zealand Dollar (NZD) using the spot exchange rate at the date of the transaction.

Council has minimal foreign currency transactions. Purchases from overseas vendors are mainly library resources and computer software.

Allocation of overheads to significant activities

For the purposes of reporting performance by activity, all overhead costs from support service functions are allocated to Council's significant activities. The costs of internal services not already charged to activities are allocated as

overheads (using appropriate cost drivers) such as actual usage, staff numbers and floor area.

Individually significant activity operating revenue and expenditure is stated inclusive of any internal revenue and internal charges.

The governance and tangata whenua (i.e. elected members' costs) is reported as a separate activity as it represents a direct public service.

Budget figures

The budget figures presented in these financial statements are from the Council's 2020/21 Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council in preparing the financial statements.

Explanation of major variances between actual results and budgeted figures is provided in note 27.

Accounting judgements and estimations

Preparing the financial statements using PBE Standards requires management to make judgements, estimates and assumptions concerning the future that affect the application of policies and reported amounts of assets, liabilities, revenue and expenses.

Management bases its assessments on historical experience and other factors, which are reviewed on an ongoing basis. The subsequent actual results may be different.

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

- the cost of our environmental obligations in respect to the closure of the Otaihanga landfill – see note 18,
- the valuation of infrastructural assets – see note 11,
- the determination of estimated useful lives and residual values for property, plant and equipment – see note 11,
- the valuation of long-term employee entitlements – see note 15, and
- the valuation of financial derivatives – see note 22.

2. Revenue from rates

2019/20 Actual \$000		2020/21 Actual \$000
	Revenue from exchange transactions:	
	Targeted rates	
4,163	Districtwide water supply volumetric rate	4,438
4,163	Total rates from exchange transactions	4,438
	Revenue from non-exchange transactions:	
	General rates	
23,255	Districtwide	24,715
	Targeted rates	
15,925	Community facilities rate	17,042
178	Hautere/Te Horo water supply rate	154
263	Ōtaki community rate	67
44	Paekākāriki community rate	44
83	Paraparaumu/Raumati community rate	77
8,900	Districtwide roading rate	9,451
2,486	Districtwide stormwater rate	2,430
88	Waikanae community rate	88
8,481	Districtwide wastewater disposal rate	8,240
4,794	Districtwide water supply fixed rate	4,724
368	Commercial rate	369
(1,089)	Less internal rates	(1,097)
(369)	Less rates remitted	(360)
63,407	Total rates from non-exchange transactions	65,944
67,570	Total rates from exchange and non-exchange transactions	70,382
82,335	Total rates levied	85,634
(1,089)	Less internal rates	(1,097)
(369)	Less rates remitted	(360)
(13,307)	Less Greater Wellington Regional Council rates	(13,795)
67,570	Total revenue from rates	70,382

Accounting policy

Revenue from rates is measured at fair value. General and targeted rates are set annually by way of a rates resolution by the Council. Rates revenue is measured at the amount assessed, which is the fair value of the cash received or receivable. The Council recognises revenue from rates when the rates are set and the rates assessments have been provided. Rates are invoiced in quarterly instalments during the financial year. Rates are a tax as they are payable under the Local Government (Rating) Act 2002 and therefore meet the definition of non-exchange transactions.

Water rates are based on a fixed portion plus a volumetric charge for usage determined by meter readings once the service has been delivered. As the rates charged are based on a per unit consumption basis, water rates by meter are considered to be an exchange transaction. Revenue from water rates is recognised on an accrual basis. Unbilled usage as a result of unread meters at year end is accrued on an average usage basis.

Rates remissions are recognised when Council has received an application that satisfies its Rates Remission Policy. Rates income is shown net of any rate remissions and rates levied on council-owned properties. Rates levied on council-owned properties and rates remissions are excluded from expenditure.

Rates collected on behalf of Greater Wellington Regional Council (GWRC) are not recognised in the Statement of comprehensive revenue and expenses as Council acts as an agent for GWRC.

Rates remissions

2019/20 Actual \$000		2020/21 Actual \$000
82	Council community properties, sporting, recreational and other community organisations	50
82	Residential rating units containing two separately habitable units	112
205	Financial hardship	198
369	Total rates remissions	360

Rate remissions granted during the year in accordance with the Council's rates remission and postponement policies total \$0.36 million (2020: \$0.37 million). Total rates levied on council-owned properties were \$1.10 million (2020: \$1.09 million).

Summary of rates funding surplus

	2020/21 Actual \$000
Operating surplus/(deficit)	6,862
Adjustments for non-rates funded revenue and expenditure	
Add: unfunded depreciation	3,145
Add: Expenditure funded by reserves and special funds	118
Add: (Gain)/Loss on Sale of Assets	37
Less: Capital subsidies	(5,176)
Less: Development and Financial Contributions	(3,520)
Less: Vested Assets	(3,101)
Underlying rates deficit	(1,635)
Represented by:	
Water account surplus	1,103
Net overspend across the organisation	(2,738)
Underlying rates deficit	(1,635)

The underlying rates funding deficit of \$1.64 million is different to the operating surplus of \$6.86 million as per the statement of comprehensive revenue and expense due to the following:

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

The underlying rates funding deficit of \$1.64 million is mainly due to \$2.7 million increase in spending across Council in personnel, maintenance and operations offset by higher net income from our water activity.

Rating base information

Year	Rating units	Total capital value of rating units \$000	Total land value of rating units \$000
2016/17			
Rateable units	24,697	10,916,193	5,173,253
Non-rateable units	668	382,366	142,618
Total	25,365	11,298,559	5,315,871
2017/18			
Rateable units	24,781	11,027,223	5,178,137
Non-rateable units	773	509,010	210,376
Total	25,554	11,536,233	5,388,513
2018/19			
Rateable units	25,053	14,816,185	7,122,954
Non-rateable units	722	555,506	242,781
Total	25,775	15,371,691	7,365,735
2019/20			
Rateable units	25,150	14,977,699	7,139,624
Non-rateable units	789	565,346	244,805
Total	25,939	15,543,045	7,384,429
2020/21			
Rateable units	25,321	15,136,250	7,177,818
Non-rateable units	800	736,123	376,913
Total	26,121	15,872,373	7,554,731

The Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements its annual rates income. The Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government

(Rating) Act 2002 together with any revenue received by Council from other local authorities for services provided (and for which the other local authorities rate).

The annual rates revenue of the Council for the purpose of the LGFA Guarantee and Indemnity Deed disclosure are as per note 2.

3. Revenue from fees and charges

2019/20 Actual \$000		2020/21 Actual \$000
	Revenue from exchange transactions:	
1,230	Sale of goods and services	1,063
1,778	Rent from lease of council-owned properties	1,768
3,008	Total fees and charges from exchange transactions	2,831
	Revenue from non-exchange transactions:	
5,115	Sale of goods and services	6,315
768	Fines and penalties	684
5,883	Total fees and charges from non-exchange transactions	6,999
8,891	Total fees and charges	9,830

Revenue from sale of goods and services includes building and resource consent fees, licence fees, library charges and LIM reports.

Fines and penalties include penalties for late payment of rates of \$0.58 million (2020: \$0.62 million) and traffic infringements of \$0.04 million (2020: \$0.08 million). It also includes library fines and prosecutions for animal management and noise infringements.

Accounting policy

Revenue from operating activities is generally measured at the fair value of the consideration received or receivable.

Exchange transactions

i). Sale of goods

Revenue from the sale of goods is recognised when the significant risk and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods, when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the Council.

ii). Rental revenue

Rental revenue is accounted for on a straight-line basis over the lease or rental term. Council receives rentals from properties used for operating activities, e.g. community housing, and from properties that are held for future strategic purposes, e.g. infrastructural developments. Council does not hold any properties for investment purposes.

Non-exchange transactions

The Council undertakes various activities as part of its normal operations that generate revenue, but generally at below market prices or at fees and user charges subsidised by rates. Revenue from the sale of goods or services at a price that is not approximately equal to the value of the goods provided by the Council is considered a non-exchange transaction. Generally, there are no conditions attached to such revenue.

i). Rendering of services

Revenue from such subsidised services is recognised when the Council issues the invoice or bill for the service. Revenue is recognised at the amount of the invoice or bill, which is the fair value of the cash received or receivable for the service.

Revenue is recognised by reference to the stage of completion of the service to the extent that the Council no longer has an obligation to refund the cash received for the service (or to the extent that the customer has the right to withhold payment from the Council for the service) if the service is not completed.

ii). Sale of goods – subsidised

Revenue from the sale of such subsidised goods is recognised when the Council issues the invoice for the goods. Revenue is recognised at the amount of the invoice, which is the fair value of the cash received or receivable for the goods.

iii). Fines and penalties

Revenue from fines and penalties (e.g. traffic and parking infringements, overdue library items, animal management and noise control prosecutions) is recognised when infringement notices are issued or when the fines/penalties are otherwise imposed. Revenue is recognised at the amount of cash received or receivable for the infringement.

Penalties for late payment of rates are recognised as revenue when rates become overdue.

4. Revenue from grants and subsidies

2019/20 Actual \$000		2020/21 Actual \$000
	Revenue from non-exchange transactions	
3,129	Capital grants	7,321
2,203	Operating grants	3,353
5,332	Total grants and subsidies from non-exchange transactions	10,674

Accounting policy

Grants, subsidies and funding subsidies received are recognised as revenue when control is obtained of the transferred asset (cash, goods, other assets or services) and the transfer is free from conditions that require the Council to refund or return the asset if the conditions relating to the assets are not fulfilled. When grants and subsidies include a condition, a liability is recognised until the Council has satisfied the conditions when the revenue is recognised.

Waka Kotahi (NZTA)

The Council receives grants and subsidies revenue from Waka Kotahi (NZTA), which subsidises part of the cost of maintenance and capital expenditure on the local roading infrastructure. The right to receive the funding from Waka Kotahi (NZTA) arises once the work is performed; therefore, revenue is recognised when receivable as there are no further conditions attached to the funding. Capital grants of \$3.47 million (2020: \$3.12 million) were used to subsidise the construction or renewal of new and existing local roading and operating grants of \$1.83 million (2020: \$2.13 million) was used towards the cost of maintaining existing local roading.

Three Waters Reform Programme

The New Zealand Government is currently undertaking a reform programme for Three Waters (drinking water, wastewater and stormwater) service delivery. Capital grants of \$2.13 million and Operating grants of \$0.86 million were received during the year. The Department of Internal Affairs explicitly requires the return of any funding provided to the Council if the conditions within the expenditure programme milestones contract are not fulfilled. As at 30 June 2021, the Council recognised a liability of \$0.14 million in the Statements of Financial Position relating to funds received for work to be completed in 2021–22.

Provincial Growth Fund (PGF)

The Council has been successful in securing PGF funding for a number of Council-led projects. Capital grants of \$2.1 million were received during the year for the Paraparaumu Memorial Hall refurbishment (\$0.5 million), Ōtaki Civic Theatre (\$0.5 million) and Te Uruhi project (\$1.1 million). The Ministry of Business, Innovation and Employment (MBIE) has the ability to fully recover the funding amount should the terms on the contract not be fulfilled by the Council. As at 30 June 2021, the Council recognised a liability of \$0.48 million in the Statements of Financial Position relating to funds received for work to be completed in 2021–22 in regards to the Te Uruhi project.

5. Other operating revenue

2019/20 Actual \$000		Note	2020/21 Actual \$000
	Revenue from exchange transactions		
191	Realised gain on disposal of property, plant and equipment		46
191	Total other operating revenue from exchange transactions		46
	Revenue from non-exchange transactions		
20,552	Vested assets	11	3,101
28	Donations and sponsorships		20
274	Local government petrol tax		306
329	Other revenue		221
21,183	Total other operating revenue from non-exchange transactions		3,648
21,374	Total other operating revenue		3,694

Vested assets are mainly infrastructural assets such as roading, drainage, water and wastewater assets that have been constructed by Waka Kotahi (NZTA) or subdivision developers.

Ownership of these assets transfers to the Council as part of the consent process at the end of the subdivision development or when a state highway is revoked and become a local road.

6. Operating expenses

2019/20 Actual \$000		2020/21 Actual \$000
	Ernst & Young	
185	Audit of financial statements	199
-	Audit of long-term plan	164
3	Audit of debenture trust deeds	3
	Impairments and unrealised losses	
-	Loss on disposal of property, plant and equipment	83
22	Unrealised loss on fair value of forestry assets	-
2,200	Impairment of property, plant and equipment	-
170	Net increase/(decrease) of impairment of receivables	(122)
	Governance	
764	Councillor fees and costs	798
	Personnel costs	
27,361	Staff remuneration	30,150
1,328	Other personnel costs	1,120
1,552	Fixed term resourcing	1,274
881	Employer superannuation (including KiwiSaver)	949
398	Staff training	418
	Other	
127	Transport costs	138
570	Grants and sponsorships	601
680	Legal costs	934
1,045	Insurance	1,728
1,598	Operating projects	1,723
469	Operating lease rentals	493
2,053	Heat, light, power (energy)	2,163
201	Communications	299
1,654	Professional services	1,072
216	Printing and stationery	294
68	Bank charges	72
14,960	Other	17,216
58,505	Total other operating expense	61,769

Accounting policy

Vested assets

Where a physical asset is acquired for nil or nominal consideration, with no conditions attached, the fair value of the asset received, as determined by active market prices, is recognised as non-exchange revenue. Assets vested to the Council are recognised as revenue when control over the asset is transferred to the Council.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the assets. For assets received from property developments, the fair value is based on construction price information provided by the property developer.

Realised and unrealised gains/losses

Gains/losses include realised gains/losses on the disposal of property, plant and equipment or an unrealised fair value increase/decreases on the revaluation of forestry assets.

Governance and Personnel costs

Governance costs relate to the remuneration made to all elected members, comprising the Mayor, Councillors and Community Board members.

Personnel costs relate to the remuneration paid directly to staff (permanent and fixed term), other employee benefits such as KiwiSaver and other associated costs such as recruitment and training.

Grants and sponsorships

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

Operating leases (Council as lessee)

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

7. Cash and cash equivalents

2019/20 Actual \$000		2020/21 Actual \$000
5	Cash on hand	5
5,939	Cash at bank	1,128
-	Short term deposits	10,000
5,944	Total cash and cash equivalents	11,133

Accounting policy

Cash and cash equivalents

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. It includes cash on hand, deposits held on call with banks, or other short-term highly liquid investments with maturities of three months or less.

Bank balances are interest bearing and earn interest based on current floating bank deposit rates. Short-term deposits are made with a registered bank, with a credit rating of at least A+, for varying periods depending on the immediate cash requirements and short-term borrowings of the Council, and earn interest at the applicable term deposit rates.

Trade and other receivables

Trade and other receivables are initially measured at their face value, less any provision for impairment. Receivables are generally short-term and non-interest bearing. The carrying value approximates the fair value.

A receivable is considered to be uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollected is the difference between the amount due and the present value of the amount expected to be collected.

All receivables greater than 30 days in age are considered to be past due.

The impairment provision has been calculated based on a review of specific, larger, overdue receivables and a collective assessment of the remainder of receivables. The collective impairment provision is based on an analysis of past collection history and debt write-offs. Individually impaired receivables are determined to be impaired if the debtor has significant financial difficulties.

8. Trade and other receivables

2019/20 Actual \$000		2020/21 Actual \$000
	Trade and other receivables from exchange transactions	
3,482	Trade receivables	3,670
646	Rates receivable	725
1,233	Prepayments	2,065
(75)	Less provision for impairment	(145)
5,286	Total trade and other receivables from exchange transactions	6,315
	Trade and other receivables from non-exchange transactions	
388	GST receivable	1,163
2,085	Trade receivables	1,707
2,627	Rates receivable	2,489
(589)	Less provision for impairment	(397)
4,511	Total trade and other receivables from non-exchange transactions	4,962
9,797	Total trade and other receivables	11,277

Provision for impairment of trade and other receivables

2019/20 Actual \$000		2020/21 Actual \$000
494	Opening balance	664
(21)	Provision utilised	(50)
215	Increase in provision ¹	177
(24)	Released unused provisions	(249)
664	Provision for impairment of trade and other receivables	542

¹ 2020–21 year includes \$71,148 of debt provided in accordance with section 90A of the Local Government (Rating) Act 2022.

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

Provision for impairment of trade and other receivables

2019/20 Actual \$000		2020/21 Actual \$000
630	Individual impairment	495
34	Collective impairment	47
664	Provision for impairment of trade receivables at 30 June	542

The aging profile of receivables excluding property rates, for the year ended 30 June:

Trade and other receivables (excluding property rates)

	2020/21 Gross \$000	2020/21 Provision \$000	2020/21 Net \$000	2019/20 Gross \$000	2019/20 Provision \$000	2019/20 Net \$000
Not past due	7,726	–	7,726	5,322	–	5,322
1–30 days	298	–	298	1,318	–	1,318
31–60 days	276	–	276	127	–	127
> 90 days	1,802	(191)	1,611	1,810	(148)	1,662
Total	10,102	(191)	9,911	8,577	(148)	8,429

The aging profile of property rates for the year ended 30 June:

Rates receivables

	2020/21 Gross \$000	2020/21 Provision \$000	2020/21 Net \$000	2019/20 Gross \$000	2019/20 Provision \$000	2019/20 Net \$000
Not past due	1,380	(14)	1,366	1,401	(33)	1,368
Up to 2 years	208	(208)	–	171	(171)	–
2 to 5 years	68	(68)	–	124	(124)	–
Over 5 years	61	(61)	–	188	(188)	–
Total Rate Debtors	1,717	(351)	1,366	1,884	(516)	1,368

9. Loans

2019/20 Actual \$000		2020/21 Actual \$000
	Current	
46	Water conservation loans	43
7	Loans to community organisations	8
53	Total current loans	51
	Non-current	
183	Water conservation loans	135
183	Loans to community organisations	602
366	Total non-current loans	737
419	Total loans	788

Water conservation loans

Council provides interest-free loans (up to \$5,000) to property owners who wish to install approved water conservation devices to reduce water use. The Council recovers the loans by way of a targeted rate on the property. The period of repayment is up to 10 years.

Accounting policy

Loans

Loans are initially measured at their fair value, and subsequently at amortised cost using the effective interest method, less any impairment.

A loan is considered to be impaired when there is evidence that the amount due will not be fully collected. The amount that is uncollected is the difference between the amount due and the present value of the amount expected to be collected.

Loans to community organisations

Kāpiti Hockey Turf Trust

Loans to community organisations include a loan to the Kāpiti Hockey Turf Trust for laying artificial turf and construction of a new pavilion to meet standards for hosting national and international tournaments. The current market interest rate of 4.90 percent has been applied to this loan.

Air Chathams

Council provided a \$500,000 concessionary loan to Air Chatham's to maintain a minimum level of air services between the Kāpiti Coast airport and Auckland airport during the period from 24 May 2020 until such date as the loan is fully repaid. The loan is interest-free with a repayment term of up to five years. To determine the discounted fair value of the loan as at 30 June 2021, an effective market interest rate of 3.86 percent has been applied

Loans		
2019/20 Actual \$000		2020/21 Actual \$000
481	Opening balance	419
10	Additions	419
(72)	Repayments	(63)
-	Effective interest adjustment	13
419	Total loans	788

10. Other financial assets

2019/20 Actual \$000		2020/21 Actual \$000
	Current	
	Deposits	
35,000	Term deposits	60,000
	Notes	
640	NZ Local Government Funding Agency	720
35,640	Total current other financial assets	60,720
	Non-current	
	Shares	
100	NZ Local Government Funding Agency	100
14	Civic Financial Services	14
	Notes	
2,720	NZ Local Government Funding Agency	3,500
21	Fonterra perpetual	21
	Deposits	
10,000	Term deposits	-
12,855	Total non-current other financial assets	3,635
48,495	Total other financial assets	64,355

Bank deposits

Term deposits are made with a registered bank, with a credit rating of at least A+. Council holds term deposits as part of its overall liquidity risk management programme, whereby it pre-funds upcoming debt maturities. The carry amount of term deposits approximates their fair value.

Shares

The Council holds the following shares:

- The New Zealand Local Government Funding Agency (LGFA), 100,000 ordinary shares and 100,000 ordinary unpaid shares.
- Civic Financial Services Limited (formerly Civic Assurance), 15,060 shares.

Notes

The LGFA Borrower Notes are subordinated convertible debt instruments that each council that borrows from LGFA must subscribe for. LGFA will redeem Borrower Notes when the councils' related borrowings are repaid or no longer owed to LGFA.

11. Property, plant and equipment

2020/21	Cost/Revaluation								Accumulated depreciation						Carrying amount	
	Opening balance \$000	Additions \$000	Vested assets \$000	Disposals \$000	Revaluation \$000	Impairment \$000	Transfers ((to)/from) \$000	Closing balance \$000	Opening balance \$000	Depreciation \$000	Disposals \$000	Revaluation \$000	Transfers (to/(from)) \$000	Closing balance \$000	Opening balance \$000	Closing balance \$000
<i>Operational assets</i>																
Buildings and improvements	54,580	-	-	(250)	(238)	-	4,517	58,609	-	(2,110)	26	-	-	(2,084)	54,580	56,525
Computers and office equipment	2,807	1,385	-	(443)	-	-	(778)	2,971	(1,569)	(500)	443	-	-	(1,626)	1,238	1,345
Furniture and chattels	2,561	975	-	(484)	-	-	(328)	2,724	(1,199)	(314)	484	-	-	(1,029)	1,362	1,695
Land	37,287	-	-	(320)	-	-	940	37,907	-	-	-	-	-	-	37,287	37,907
Landfill post-closure	2,835	-	-	(2,835)	-	-	-	-	(2,835)	-	2,835	-	-	-	-	-
Library collections	3,007	411	-	-	-	-	1	3,419	(1,179)	(328)	-	-	-	(1,507)	1,828	1,912
Motor vehicles	3,452	305	-	(533)	-	-	(19)	3,205	(2,206)	(256)	415	-	-	(2,047)	1,246	1,158
Plant and machinery	3,408	-	-	(20)	-	-	48	3,436	(2,250)	(220)	20	-	-	(2,450)	1,158	986
Items under construction	2,848	5,834	-	-	-	-	(5,878)	2,804	-	-	-	-	-	-	2,848	2,804
Total operational assets	112,785	8,910	-	(4,885)	(238)	-	(1,497)	115,075	(11,238)	(3,728)	4,223	-	-	(10,743)	101,547	104,332
<i>Infrastructural assets</i>																
Bridges	14,022	-	-	-	2,150	-	274	16,446	(271)	(352)	-	469	-	(154)	13,751	16,292
River flood protection and control works	1,145	-	-	-	-	-	3	1,148	-	(19)	-	-	-	(19)	1,145	1,129
Roading – land under road	767,739	-	-	-	-	-	(1)	767,738	-	-	-	-	-	-	767,739	767,738
Roading and footpaths	351,488	-	934	(8)	7,751	-	3,034	363,199	(6,334)	(6,786)	8	11,622	(272)	(1,762)	345,154	361,437
Seawalls	6,743	-	-	-	-	-	835	7,578	-	(476)	-	-	-	(476)	6,743	7,102
Stormwater drainage	66,819	-	900	-	-	-	3,915	71,634	-	(1,068)	-	-	-	(1,068)	66,819	70,566
Wastewater – other assets	113,203	-	728	-	-	-	953	114,884	(12)	(2,620)	-	-	-	(2,632)	113,191	112,252
Wastewater treatment plants and facilities	22,840	-	-	-	-	-	(1)	22,839	-	(1,144)	-	-	-	(1,144)	22,840	21,695
Water – other assets	99,096	-	521	-	-	-	118	99,735	(37)	(2,293)	-	-	-	(2,330)	99,059	97,405
Water treatment plants and facilities	22,434	-	-	-	-	-	(291)	22,143	(291)	(966)	-	-	290	(967)	22,143	21,176
Items under construction	21,135	22,761	-	-	-	-	(11,564)	32,332	-	-	-	-	-	-	21,135	32,332
Total infrastructural assets	1,486,664	22,761	3,083	(8)	9,901	-	(2,725)	1,519,676	(6,945)	(15,724)	8	12,091	18	(10,552)	1,479,719	1,509,124
<i>Restricted assets</i>																
Buildings and improvements	33,155	22	18	(53)	-	-	2,888	36,030	(502)	(1,969)	8	-	(18)	(2,481)	32,653	33,549
Land	58,335	-	-	-	-	-	549	58,884	(56)	56	-	-	-	-	58,279	58,884
Items under construction	(25)	931	-	-	-	-	(132)	774	468	(468)	-	-	-	-	443	774
Total restricted assets	91,465	953	18	(53)	-	-	3,305	95,688	(90)	(2,381)	8	-	(18)	(2,481)	91,375	93,207
TOTAL PROPERTY, PLANT AND EQUIPMENT	1,690,914	32,624	3,101	(4,946)	9,663	-	(917)	1,730,439	(18,273)	(21,833)	4,239	12,091	-	(23,776)	1,672,641	1,706,663

11. Property, plant and equipment (continued)

2019/20	Cost/Revaluation								Accumulated depreciation						Carrying amount	
	Opening balance \$000	Additions \$000	Vested assets \$000	Disposals \$000	Revaluation \$000	Impairment \$000	Transfers (to/from) \$000	Closing balance \$000	Opening balance \$000	Depreciation \$000	Disposals \$000	Revaluation \$000	Transfers (to/from) \$000	Closing balance \$000	Opening balance \$000	Closing balance \$000
<i>Operational assets</i>																
Buildings and improvements	54,152	-	-	(982)	314	-	1,096	54,580	(3,665)	(1,863)	982	4,546	-	-	50,487	54,580
Computers and office equipment	2,861	835	-	(538)	-	-	(351)	2,807	(1,695)	(412)	538	-	-	(1,569)	1,166	1,238
Furniture and chattels	2,304	127	-	(60)	-	-	190	2,561	(949)	(310)	60	-	-	(1,199)	1,355	1,362
Land	33,571	-	-	-	1,676	-	2,040	37,287	-	-	-	-	-	-	33,571	37,287
Landfill post-closure	5,346	-	-	(311)	-	(2,200)	-	2,835	(2,409)	(426)	-	-	-	(2,835)	2,937	-
Library collections	5,444	345	-	(2,791)	-	-	9	3,007	(3,652)	(318)	2,791	-	-	(1,179)	1,792	1,828
Motor vehicles	3,310	430	-	(271)	-	-	(17)	3,452	(2,206)	(256)	256	-	-	(2,206)	1,104	1,246
Plant and machinery	3,423	-	-	(32)	-	-	17	3,408	(2,065)	(217)	32	-	-	(2,250)	1,358	1,158
Items under construction	2,515	3,804	-	-	-	-	(3,471)	2,848	-	-	-	-	-	-	2,515	2,848
Total operational assets	112,926	5,541	-	(4,985)	1,990	(2,200)	(487)	112,785	(16,641)	(3,802)	4,659	4,546	-	(11,238)	96,285	101,547
<i>Infrastructural assets</i>																
Bridges	14,136	-	-	-	(114)	-	-	14,022	(86)	(314)	-	129	-	(271)	14,050	13,751
River flood protection and control works	1,110	-	-	-	35	-	-	1,145	(17)	(18)	-	35	-	-	1,093	1,145
Roading – land under road	795,759	-	6,810	-	(34,830)	-	-	767,739	-	-	-	-	-	-	795,759	767,739
Roading and footpaths	331,817	-	9,219	(170)	-	-	10,622	351,488	(24)	(6,480)	170	-	-	(6,334)	331,793	345,154
Seawalls	6,182	-	-	-	527	-	34	6,743	(439)	(504)	-	943	-	-	5,743	6,743
Stormwater drainage	68,722	-	1,906	-	(3,478)	-	(331)	66,819	(1,911)	(1,095)	-	3,006	-	-	66,811	66,819
Wastewater – other assets	116,561	-	820	-	(5,164)	-	986	113,203	(2,344)	(2,352)	-	4,818	(134)	(12)	114,217	113,191
Wastewater treatment plants and facilities	24,772	-	-	-	(1,385)	-	(547)	22,840	(1,166)	(1,190)	-	2,222	134	-	23,606	22,840
Water – other assets	96,941	-	1,509	-	(416)	-	1,062	99,096	(2,126)	(2,088)	-	4,230	(53)	(37)	94,815	99,059
Water treatment plants and facilities	23,220	-	-	-	(104)	-	(682)	22,434	(1,234)	(943)	-	1,833	53	(291)	21,986	22,143
Items under construction	16,976	15,361	-	-	-	-	(11,202)	21,135	-	-	-	-	-	-	16,976	21,135
Total infrastructural assets	1,496,196	15,361	20,264	(170)	(44,929)	-	(58)	1,486,664	(9,347)	(14,984)	170	17,216	-	(6,945)	1,486,849	1,479,719
<i>Restricted assets</i>																
Buildings and improvements	35,195	-	288	(4)	(4,122)	-	1,798	33,155	(4,179)	(2,218)	4	6,359	(468)	(502)	31,016	32,653
Land	57,777	-	-	(128)	647	-	39	58,335	(56)	-	-	-	-	(56)	57,721	58,279
Items under construction	413	1,047	-	-	-	-	(1,485)	(25)	-	-	-	-	468	468	413	443
Total restricted assets	93,385	1,047	288	(132)	(3,475)	-	352	91,465	(4,235)	(2,218)	4	6,359	-	(90)	89,150	91,375
TOTAL PROPERTY, PLANT AND EQUIPMENT	1,702,507	21,949	20,552	(5,287)	(46,414)	(2,200)	(193)	1,690,914	(30,223)	(21,004)	4,833	28,121	-	(18,273)	1,672,284	1,672,641

Accounting policy

Property, plant and equipment

Property, plant and equipment is categorised into:

- operational assets – these are used by the Council to provide core services (e.g. buildings, plant and equipment, library books)
- infrastructural assets – these are the fixed utility systems owned by the Council that are required for the infrastructure network to function. They include roading, water, wastewater and stormwater networks
- restricted assets – there are assets such as parks and reserves that the Council maintains on behalf of the community. The use or transfer of these assets is legally restricted.

The Council does not pledge any property, plant and equipment as collateral for borrowings and none are subject to finance leases.

Initial recognition

Expenditure is capitalised as property, plant and equipment when it creates a new asset or extends or expands the service potential of an existing asset.

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

Measurement

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

Carrying value

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

Revaluation

Valuations for Council's land, buildings, park assets and infrastructural assets are performed with sufficient regularity to ensure their carrying amounts are maintained at fair value. The valuations are performed by independent qualified valuers.

Fair value is determined by reference to the depreciated replacement cost or market value on an asset class basis. Optimised depreciated replacement cost is a valuation methodology where the value of an asset is based on the cost of replacement with an efficient modern equivalent making allowance for obsolesce or surplus capacity.

The remaining life of the asset is estimated and straight line depreciation applied to bring the replacement cost to a fair value.

In addition, the carrying values are assessed annually to ensure that they do not differ materially from the asset's fair values. If there is a material difference, then off-cycle revaluations are performed on the relevant asset class.

Gains or losses arising on revaluation are recognised under other comprehensive revenue and expense and are accumulated in an asset revaluation reserve for the class of assets. Where this results in a debit balance in the reserve for a class of assets, the balance is expensed in surplus or deficit in the statement of comprehensive revenue and expense. Any subsequent increase in value that offsets a previous decrease in value will be recognised firstly in surplus or deficit in the statement of comprehensive revenue and expense up to the amount previously expensed, with any remaining increase recognised in the revaluation reserve.

Work in progress

Work in progress represents the cost of capital expenditure projects that are not financially and operationally complete. Capital work in progress is recognised at cost less impairment and is not depreciated.

The cost of assets within work in progress is transferred to the relevant asset class when the asset is in the location and condition necessary for its intended use.

Depreciation

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant or equipment less any residual value, over its remaining useful life. The residual value and useful life of an asset is reviewed and adjusted if applicable at the end of each financial year.

Depreciation is charged on all assets other than land, certain parts of roading, river control and seawalls that are composed of at least 80 percent base course and/or rocks, as these assets are considered to have indefinite useful lives. Regular inspections of these assets are undertaken to check for impairment.

Depreciation is not charged on work in progress until such time as the asset under construction is in its intended location and in use.

Disposal

Gains and losses on disposal of property, plant and equipment are recognised in surplus or deficit in the statement of comprehensive revenue and expense in the financial year in which they are sold.

When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Asset category	Useful life for new assets (years)
Operational assets	
Buildings	3–75
Computer equipment	3–5
Furniture and chattels	3–25
Heritage assets	100
Library collection	5–7
Motor vehicles, trucks, motorcycles	10
Office equipment	3–10
Other improvements	4–100
Public art	10–75
Plant and machinery	
Tractors, trailers, heavy mowers	5–10
Other plant	3–20
Otaihanga Landfill post closure	8
Infrastructural assets	
Bridges	50–100
Seawalls	
Concrete, posts, rails, panels, rocks	5–60
River control	
Bank protection	50

Asset category	Useful life for new assets (years)
Roading	
Footpaths	50–60
Surfacing	14–20
Signs, railings, street lights, traffic signals	10–50
Drainage, surface water channels, sumps, sump leads, traffic islands	20–80
Stormwater	
Stormwater flood maps	10
Pump stations, manholes, Pipes	10–100
Wastewater	
Pumps and pump stations	15–80
Manholes, cleaning eyes	90
Pipes	70–90
Treatment plant	5–50
Water	
Storage	60–80
Booster stations	10–80
Hydrants, valves, tobies	50–70
Meters	25
Pipes	30–90
Treatment plant	3–80

Impairment

The Council's assets are defined as cash generating if the primary purpose of the asset is to provide a commercial return. Non-cash generating assets are assets other than cash generating assets.

The carrying value of cash-generating property, plant and equipment assets are reviewed at least annually to determine if there is an indication of impairment. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported in surplus or deficit, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within the statement of comprehensive revenue and expense.

The carrying value of non-cash-generating property, plant and equipment assets are reviewed at least annually to determine if there is an indication of impairment. Where an asset's recoverable service amount is less than its carrying amount, it will be reported at its recoverable service amount and an impairment loss will be recognised. The recoverable service amount is the higher of an item's fair value less costs to sell and value in use. A non-cash-generating asset's value in use is the present value of the asset's remaining service potential. Losses resulting from impairment are reported in surplus or deficit, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within the statement of comprehensive revenue and expense.

Revaluation methodology

Description	Date of last asset valuation	Valuation method used to assess fair value	Next asset revaluation date
Operational assets			
Land and buildings	30 June 2020	Where comparable sales evidence is available, the fair value of land and buildings was based on the capitalised income and/or direct comparison approach. The capitalised income approach is whereby a yield is applied to the property's rental income to assess its value. The direct comparison approach is where recent sales of similar properties is used to establish its value and compared based on quality age, condition and size of improvements, location, land area and shape. Where it is identified that the land is designated reserve the appropriate adjustments to reflect the restricted nature of any future development potential has been made. Where comparable sales evidence is minimal or non-existent the summation approach has been utilised whereby the value of a property is assessed by separately obtaining the value of the land and buildings' components. The land component has been derived from values of comparably zoned land in surrounding areas making due allowance for the size, character of location and other constraints. The building and site improvements has been determined by establishing their estimate costs to replace with an equivalent new asset less depreciation for their physical, functional and economic obsolescence. The most recent independent valuation was performed by AON Valuation Services.	31 March 2023
Infrastructural assets			
Roading, footpaths, bridges and culverts	31 March 2021	The fair value is measured using the optimised depreciated replacement cost method. The valuation is based on the inventory within the Road Assessment and Maintenance Management (RAMM) database and unit prices updated by WSP New Zealand Limited as part of the valuation. The rates for replacement costs of assets are based on current construction costs of similar works. Rates for major items are equivalent rates for similar roading work in other parts of the Wellington region. Unit rates have been adjusted using the appropriate roading construction index. The most recent independent valuation was performed by WSP New Zealand Limited.	31 March 2023
Land under roads	30 June 2020	This represents the corridor of land directly under and adjacent to the Council's roading network. The fair value is based on the average market value of land by location and land use. The average market value is obtained from per hectare value of "across the fence" adjoining land discounted by 50 percent to reflect its restricted nature. The most recent independent valuation was performed by AON Valuation Services.	31 March 2023
Water, wastewater, stormwater, seawall, river control	30 June 2020	The fair value is measured using the optimised depreciated replacement cost method. Valuations are based on the physical attributes of the assets, their condition and their remaining lives based on Council's best information reflected in its assets management plans. The costs are based on current quotes from suppliers and as such they include ancillary cost such as breaking through seal, traffic control and rehabilitation. Unit rates are adjusted using the appropriate water and environmental management index. The most recent independent valuation was performed by WSP New Zealand Limited.	31 March 2023
Restricted assets			
Parks and reserves structures	30 June 2020	The fair value is measured using summation approach. The value has been determined by first establishing their estimated average costs to replace each asset type with an equivalent new asset less depreciation for their physical, functional and economic obsolescence. The most recent independent valuation was performed by AON Valuation Services.	31 March 2023

Council has elected to revalue property, plant and equipment as follows:

Asset classification	Next revaluation	Subsequent revaluation
Water, wastewater and stormwater (including seawalls and river control)	31 March 2023	Every three years thereafter
Roading and bridges (excluding land under roads)	31 March 2023	Every two years thereafter
Land and buildings (including land under roads revaluations)	31 March 2023	Every three years thereafter
Parks and reserves structures	31 March 2023	Every three years thereafter

Revaluation of property, plant and equipment

The Council's roading and bridge assets were revalued as at 31 March 2021. A revaluation increase of \$21.99 million was recognised.

Revaluation increase	
	2020/21 Actual \$000
Roading assets	19,373
Roading bridges	2,619
	21,992

The major changes that contributed to the increase since the previous valuation in 2018/19 were a combination of the following:

- Updates to inventory quantities from construction of new assets, found or renewed assets and aging of existing assets.
- Unit rate review across the sealed surface structure, drainage, footpath, surface water channel and railing assets components.
- The application of the Waka Kotahi (NZTA) cost adjustment factors to unit rates.

Methodology

The roading and bridge assets have been valued on a replacement cost basis in accordance with accepted New Zealand accounting practices.

Replacement cost is the cost of building the existing infrastructure using present-day technology, while maintaining the originally designed level of service, and assuming present-day technology ensures that no value results from the additional cost of outdated and expensive methods of construction. Maintaining the original level of service ensures the existing assets with all its faults are valued instead of currently desirable alternative.

Property, plant and equipment (continued)

Summary of gains/(losses) on disposal of property, plant and equipment 2020/21	Net sale proceeds \$000	Carrying amount \$000	2020/21 gain/(loss) \$000
Buildings	224	223	1
Land	320	320	-
Restricted Buildings and Improvements	-	43	(43)
Plant and machinery	3	-	3
Motor vehicles	52	50	2
Closing balance	599	636	(37)

Three Waters Reform Programme

In July 2020, the Government launched the Three Waters Reform Programme with the goal of reforming local government three waters service delivery arrangements. Currently 67 different councils own and operate the majority of the drinking water, wastewater and stormwater services across New Zealand. The Government announced on 27 October 2021 that it will legislate the reform of local government's three waters services into four multi-regional entities, with effect from 1 July 2024. The exact size, shape and design of these entities is still being worked through, including details of revenues, expenses, assets and liabilities that may transfer to the new entities from Councils. There is likely to be a material impact on the Councils financial statements from 1 July 2024. No allowance has been made in the 30 June 2021 financial statements for this possibility. The combined book value of the three waters assets at 30 June 2021 is \$323.1 million.

Impairment

Te Newhanga Community Centre

During the 2018 financial year, a building assessment of the Community Centre was obtained, whereby the report indicated moisture intrusion problems with evidence of mould contained in the walls. Since the assessment, ongoing moisture tests have been subsequently carried out, the results of which have influenced management view that the building should no longer be occupied.

As the building is no longer fit for purpose and will not be generating any future income, it has been fully impaired during the 2020–21 financial year.

The impairment loss of \$0.238 million was recognised against the revaluation reserve.

Te Newhanga Community Centre	
	2020/21 Actual \$000
Carrying value at 30 June 2020	238
Recoverable service amount	–
Impairment loss	238

12. Intangible assets

2019/20 Actual \$000		2020/21 Actual \$000
	Computer Software	
	Cost	
2,325	Opening balance	2,104
–	Additions	151
193	Transfers during the year	815
(414)	Disposals during the year	(578)
2,104	Closing balance	2,492
	Amortisation	
1,345	Opening balance	1,299
368	Amortisation during the year	342
(414)	Disposals during the year	(578)
1,299	Closing balance	1,063
805	Carrying Value	1,429
	Right of Use	
	Cost	
–	Opening Balance	1,600
1,600	Additions	–
	Transfers during the year	102
1,600	Closing balance	1,702
	Amortisation	
–	Opening Balance	17
17	Amortisation during the year	48
17	Closing balance	65
1,583	Carrying Value	1,637
2,388	Total carrying value	3,066

Accounting policy

Carrying value

An intangible asset is an identifiable non-monetary asset without physical substance. An asset is a resource that is controlled by the entity as a result of past events and from which future economic benefits are expected.

Intangible Assets are carried at cost, less any accumulated amortisation and impairment losses.

It is initially capitalised on the basis of the costs incurred to either develop or acquire it and bring it to the location and condition required for its intended use.

The useful lives of intangible assets have been established as follows:

- Computer software 3–5 years
- Right of use Kāpiti Performing Arts Centre 48 years
- Right of use Ōtaki Gymnasium 5 years

Impairment

The carrying value of intangible assets are reviewed at least annually to determine if there is an indication of impairment. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and a loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported in surplus or deficit.

Amortisation

The carry amount of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised.

The amortisation charge for each financial year is recognised in the surplus or deficit.

13. Insurance

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

- 1) Transferring the risk by purchasing external insurance cover.
- 2) Sharing the risk between councils. The Council participates in an outer Wellington shared services insurance programme with Porirua, Hutt and Upper Hutt city councils for the risk of material damage and business interruption arising from damage to property, plant and equipment and infrastructure assets, both above and below ground. This policy includes cover in the event of a natural catastrophe.
- 3) Council's maximum limits of liability for the Kāpiti district's infrastructure assets have been determined independently through earthquake and liquefaction loss estimate analysis completed by Tonkin Taylor Limited.
- 4) The total value of Council's assets that are covered by insurance contracts and/or financial risk-sharing arrangements and the maximum insurance amount available to the Council are included in the table below.
- 5) Council does not insure land, roading, bridges or its forestry and does not administer or hold a restricted self-insurance fund.
- 6) Council holds sufficient professional liability and indemnity insurance cover.

Asset	Type of insurance	Total value of Council assets covered by financial risk-sharing arrangements as at 30 June 2021	Maximum limit of insurance cover available to the Council under those arrangements as at 30 June 2021
Property, plant and equipment and above-ground infrastructural assets	Material damage and business interruption	\$172 million	\$600 million for any one loss or series of losses arising out of any one event and applying to material damage and business interruption combined.
Residential property	Earthquake Commission (EQC) and material damage	\$31 million	Natural catastrophe: First \$0.1 million for each loss event per property to be recovered from the EQC. Any remaining top-up required per loss event per property to a maximum of \$31 million for 129 properties. All other losses: Replacement value per loss event per property to a maximum of \$31 million for 129 properties.
Motor vehicles	Comprehensive motor vehicle cover	\$4.11 million	Fleet vehicles: Market or lease value of insured vehicle at the time and place of loss, additional vehicles limited to \$0.4 million for any one insured vehicle, unless notified to insurer. Third party liability: limit indemnity of \$20 million for any one claim or series of claims arising from any one accident.
Underground infrastructural assets	Material damage and business interruption in the event of natural catastrophe	\$650 million	\$600 million combined material damage and business interruption limit for an event involving more than one council for any loss or series of losses arising out of any one event and is subject to one automatic reinstatement at nil charge. Limited to a \$130 million sub-limit for Kāpiti Coast District Council.

14. Trade and other payables

2019/20 Actual \$000		2020/21 Actual \$000
	Trade and other payables	
5,537	Trade creditors	14,257
1,132	Contract retentions	1,007
1,780	Greater Wellington Regional Council rates payable	2,199
353	Interest payable	1,103
1,624	Rates received in advance	1,275
909	Sundry payables	1,007
11,335	Total trade and other payables	20,848

Accounting policy

Trade and other payables are initially recognised at fair value. Those with maturities beyond 12 months are subsequently measured at amortised cost using the effective interest rate method.

15. Employee benefit liabilities

2019/20 Actual \$000		2020/21 Actual \$000
	Current	
52	Long service leave	42
250	Salaries	401
66	Sick leave	74
2,231	Annual leave	2,429
2,599	Total current employee benefit liabilities	2,946
	Non-current	
49	Long service leave	55
52	Retirement gratuities	52
101	Total non-current employee benefit liabilities	107
2,700	Total employee benefit liabilities	3,053

Accounting policy

Short-term employee entitlements

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

A liability for sick leave is recognised only to the extent that absences in the following financial year are expected to exceed the full sick leave entitlements to be earned in that year.

Long-term employee entitlements

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

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, contractual entitlement information, and
- present value of the estimated future cash flows.

Employer contribution to pension schemes

- Contributions to defined contribution retirement schemes such as KiwiSaver, are recognised in surplus or deficit in the statement of comprehensive revenue and expense when they accrue to employees.

16. Deposits

2019/20 Actual \$000		2020/21 Actual \$000
	Deposits	
10	Hall deposits	14
14	Miscellaneous deposits	12
365	Resource consent planning bonds	581
792	Road damage deposits	818
1,181	Total deposits	1,425

Accounting policy

Deposits are non-interest bearing and normally settle within 12 months, therefore the carrying values approximate fair value.

17. Borrowings

2019/20 Actual \$000		2020/21 Actual \$000
40,000	Short-term borrowings	45,000
170,000	Long-term borrowings	185,000
210,000	Total borrowings	230,000
	Maturity	
40,000	2020/21	-
45,000	2021/22	45,000
40,000	2022/23	40,000
25,000	2023/24	45,000
35,000	2024/25	35,000
10,000	2025/26	30,000
15,000	2026/27	20,000
-	2027/28	10,000
-	2028/29	5,000
210,000	Total borrowings	230,000

Accounting policy

Borrowings are initially recognised at face value plus transaction cost. After initial recognition, all borrowings are measured at amortised cost using the effective interest rate.

Due to interest rates on debt resetting to the market rate every three months, the carrying amounts of the secured loans approximate their fair value.

Borrowings are primarily used to fund the purchase of new assets or upgrades to existing assets that are approved through the Annual Plan and Long-term Plan processes.

The Council joined the NZ Local Government Funding Agency (LGFA) as a shareholder in October 2012 and has borrowed longer term funding through the LGFA to make savings on interest rate margins. As at balance date, \$230 million (2020: \$210 million) of Council's total borrowings were funded through LGFA.

The Council's borrowings from the LGFA are secured by a Debenture Trust Deed over Council rates revenue.

As at balance date, the effective weighted average interest rate on Council's borrowings was 3.78 percent (2020: 4.15 percent).

Net borrowings at 30 June

2019/20 Actual \$000		2020/21 Actual \$000
210,000	Total gross borrowings	230,000
	Less	
(5,944)	Cash and cash equivalents (note 7)	(11,133)
(45,000)	Term deposits > 3 months (note 10)	(60,000)
(3,360)	Borrower notes – NZ Local Government Funding Agency (note 10)	(4,220)
155,696	Net borrowings	154,647

18. Provisions

2019/20 Actual \$000		2020/21 Actual \$000
	Landfill aftercare	
3,076	Opening balance	2,752
(280)	Increase/(decrease) in provision	638
(44)	Expenditure	(885)
2,752	Closing balance 30 June	2,505
	Other provisions	
358	Opening balance	225
50	Increase/(decrease) in provision	-
(183)	Expenditure	(134)
225	Closing balance 30 June	91
2,977	Total provisions	2,596

Accounting policy

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

Provisions are measured at the level of expenditure expected to be required to settle the obligation. Material liabilities and provisions to be settled beyond 12 months are recorded at their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Provisions		
2019/20 Actual \$000		2020/21 Actual \$000
	Current	
204	Provision for landfill aftercare	28
187	Other provisions	91
391	Total current provisions	119
	Non-current	
2,548	Provision for landfill aftercare	2,477
38	Other provisions	-
2,586	Total non-current provisions	2,477
2,977	Total provisions	2,596

Landfill aftercare provision

Council currently operates the Otaihanga landfill and also manages the Ōtaki and Waikanae sites, which are now closed.

Council obtained a resource consent for 35 years in 1994 to operate the Otaihanga landfill. Council has responsibility under the Resource Management Act 1991 to provide ongoing maintenance and monitoring of landfills after closure.

These closure responsibilities include:

- final cover application and vegetation
- provision and maintenance of stormwater control features
- completing wetlands for leachate treatment and monitoring, and
- monitoring and management of any landfill gas.

Post-closure responsibilities include:

- monitoring of leachate
- ground water monitoring and surface water monitoring, and
- ongoing site maintenance for stormwater control, final cover and vegetation.

The Otaihanga landfill has been closed for general waste since 2007 and stopped accepting biosolids during 2015/16. Cleanfill (capping material) will however continue to be accepted until final closure. During June 2020, the Council reviewed the current useful life of the landfill due to the capping works progressing faster than initially projected. This has resulted in the final closure date being brought forward from the 2026 resource consent closure date to June 2022.

The annual cost for monitoring and maintenance of the Otaihanga landfill site is estimated to be \$97,308 per year for the first three years after closure, \$80,897 per year for the next five years and then an annual monitoring cost of \$72,692 for the remaining 22 years.

The annual cost for monitoring the closed landfill in Waikanae is \$5,479 and will be required until 2030.

The annual cost for monitoring the closed landfill in Ōtaki is \$5,554 and will be required until 2026.

The long-term nature of the liability means that there are inherent uncertainties in estimated costs that will be incurred.

The provision is calculated as the present value of the expected cost to settle the obligation, using estimated cash flows and a discount rate that reflects the risks specific to the liability.

Council has changed its discount rate this year from 50 percent of the government risk-free rate to 100 percent of the government's risk-free rate.

This was done as a result of the final closure date of the landfill being brought forward by four years as well as more certainty around the estimated future cost.

The average government risk-free rate at 30 June 2021 was 2.26 percent (1.03 percent in 2019/20).

The provision is based on best estimated information available when preparing the calculation and is reviewed at reporting date.

Accounting policy

Landfill aftercare costs

Council, as operator of the Otaihanga landfill, has a legal obligation under the resource consent to provide ongoing maintenance and monitoring services at the landfill site post-closure.

The provision is based on the nominal value of future cash flows expected to be incurred, taking into account future events including known change to legal requirements and technology. The provision includes all costs associated with landfill post-closure including final cover application and vegetation, incremental drainage control features, completing facilities for leachate collection and monitoring, completing facilities for water quality monitoring, and completing facilities for monitoring and recovery of gas.

The provision is calculated as the present value of the expected cost to settle the obligation, using estimated cash flows and a discount rate that reflects the risks specific to the liability.

Equity

Equity is the community's interest in council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of components to enable clearer identification of the specified uses of equity.

The components of public equity are accumulated funds, revaluation reserves and reserves and special funds. Refer to the statement of changes in net asset/equity for the year-on-year movements of the various components.

19. Revaluation reserve

	Opening balance Actual \$000	Increase Actual \$000	Decrease Actual \$000	Closing balance 2020/21 Actual \$000
Land and buildings	64,958	15	(748)	64,225
Roading and bridges	703,792	21,992	-	725,784
Water	37,695	-	-	37,695
Wastewater	74,695	-	-	74,695
Stormwater and river control	19,713	-	-	19,713
Total revaluation reserve	900,853	22,007	(748)	922,112

The revaluation reserves are used to record accumulated increases and decreases in the fair value of certain asset classes. Revaluation movements are non-cash in nature and represent the restating of the Council's assets, subject to revaluation, into current dollar values after taking into account the condition and remaining lives of the assets.

Accounting policy

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

Council-created reserves are reserves created by a council decision. Council may alter them without reference to any third party or the courts. Transfers to and from these reserves are at the Council's discretion.

20. Reserves and special funds

	Opening balance Actual \$000	Transfers into reserve Actual \$000	Transfers out of reserve Actual \$000	Closing balance 2020/21 Actual \$000
Restricted reserves				
Plant purchase and renewal fund	1,216	475	(299)	1,392
Waikanae property fund	100	69	-	169
Waikanae capital improvements fund	1,067	9	(140)	936
Total restricted reserves	2,383	553	(439)	2,497
Council-created reserves				
Contingency fund	156	156	-	312
Paekākāriki Campe Estate	110	1	(3)	108
Roading reserve	785	-	-	785
Election reserve	58	56	(132)	(18)
LTP Reserve	89	43	(164)	(32)
Financial contribution reserve	2,357	1,680	(182)	3,855
Total council-created reserves	3,555	1,936	(481)	5,010
Total reserves and special funds	5,938	2,489	(920)	7,507

Plant purchase and renewal fund

The purpose of the reserve is to fund ongoing replacement of plant and vehicles when this falls due. The reserve is funded from depreciation charges on our current plant and vehicles.

Waikanae property fund

The purpose of the reserve is to fund improvements to council-owned properties in Waikanae. The source of funds is the proceeds from sale of other council property in the Waikanae Ward (excluding districtwide funded properties).

Waikanae capital improvements fund

The purpose of the reserve is to fund capital improvements in the Waikanae Ward and also to provide capital grants to Waikanae organisations in accordance with approved criteria. The source of funds is Waikanae Ward's share of the property assets of the Horowhenua County Council and interest earned on the capital sum.

Contingency fund

This is a discretionary fund for the purpose of funding unexpected legal expenditure across the district, e.g. leaky home claims, flood events and insurance excess.

Paekākāriki Campe Estate

The purpose of the reserve is to fund administration of the Paekākāriki Campe Estate for the benefit of the youth of Kāpiti. The source of the funds is the proceeds from sale of the property owned by Mr Campe plus interest on the capital sum.

Roading reserve upgrading contributions

The purpose of the reserve is to fund road upgrading works. The source of funds was road upgrading development contributions from developers.

Election reserve

The purpose of the reserve is to fund the three yearly election cycle.

Long-term Plan reserve

The purpose of the reserve is to fund the three yearly Long-term Plan.

Financial contribution reserve

Financial contributions are a contribution of money, land, or a combination of both. The purpose of a financial contribution (consisting mainly of reserves contributions) is to address the specific adverse effects generated by a land use activity or subdivision. This includes effects on open spaces and reserves; upgrading off-site infrastructure, before programmed works that will address any environmental effects created by the proposed development; significant heritage and ecological features; and riparian margins.

This includes effects on open spaces and reserves; upgrading off-site infrastructure, before programmed works that will address any environmental effects created by the proposed development; significant heritage and ecological features; and riparian margins.

21. Reconciliation of operating surplus/(deficit) to cash flow from operating activities

2019/20 Actual \$000		2020/21 Actual \$000
12,630	Net operating surplus/(deficit) for the year	20,825
	Add/(less) non-cash items	
21,389	Depreciation and amortisation expense	22,223
(20,552)	Vested assets	(3,101)
6,984	Unrealised loss/(gain) on revaluation of financial derivatives	(13,963)
2,200	Impairment of property, plant and equipment	-
22	(Gains)/losses in fair value of forestry assets	-
-	Present value adjustments	-
10,043	Total non-cash items	5,159
	Add/(less) items classified as investing or financing activities	
(191)	Loss/(gain) on disposal of property, plant and equipment and intangibles	37
(3,129)	Proceeds from capital grants	(7,321)
9,307	Interest on borrowings	8,396
5,987	Total investing or financing activities	1,112
	Add/(less) movements in working capital items	
(239)	(Increase)/decrease in receivables	(1,480)
9	(Increase)/decrease in inventory	4
(8,762)	Increase/(decrease) in payables	8,721
662	Increase/(decrease) in employee entitlements	353
62	Increase/(decrease) in deposits	244
(426)	Increase/(decrease) in provisions	(381)
(8,694)	Total movement in working capital	7,461
19,966	Net cash inflow/(outflow) from operating activities	34,557

22. Financial instruments

Accounting policy

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Financial assets include cash and cash equivalents, receivables (net of doubtful debt provisions), community loans, and other interest-bearing assets, and investments in unlisted shares.

Council's financial assets are classified into the following categories for the purpose of measurement:

Financial assets at amortised cost

Loans and receivables

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

They are initially recognised at fair value. Loans and receivables with maturities beyond 12 months are subsequently measured at amortised cost using the effective interest method, less any impairment.

Financial assets at fair value through surplus or deficit

Derivatives

Financial assets in this category include derivatives and financial assets that are held for trading. They are initially recognised at fair value and subsequent measurement is on the same basis, i.e. fair value. Gains or losses on revaluation or impairment are recognised in surplus or deficit in the statement of comprehensive revenue and expense.

Financial assets at fair value through other comprehensive revenue and expense

Available for sale financial assets

These are non-derivative financial assets that are designated as available for sale or do not fall within any of the above classifications of (a) loans and receivables, (b) held-to-maturity investments, or (c) financial assets at fair value through surplus or deficit.

They are initially recorded at fair value plus transaction costs directly attributable to the acquisition or issue, and are subsequently measured at fair value less any impairment.

If the asset is an equity instrument that does not have a quoted price in an active market and fair value cannot be reliably measured, the asset is measured at cost.

Any gains or losses are recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in surplus or deficit in the statement of comprehensive revenue and expense.

Impairment of financial assets

Financial assets are assessed at each reporting period for impairment.

For loans and receivables and held-to-maturity investments, impairment is established when there is evidence that the credit risk on a financial asset has increased significantly since initial recognition. When making the assessment, the Council uses the change in the risk of default occurring over the expected life of the financial asset. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation, and default in payments are indicators that the asset is impaired.

For available for sale financial assets impairment is first recognised as a reversal of previously recorded revaluation reserve for that class of asset. Where no reserve is available, the impairment is recognised in the surplus/(deficit) in the prospective statement of comprehensive revenue and expense.

The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is

reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account.

Financial liabilities

Financial liabilities at amortised cost

(i) Trade and other payables

Trade and other payables are initially recognised at fair value. Those with maturities beyond 12 months are subsequently measured at amortised cost using the effective interest rate method.

(ii) Borrowings

Borrowings are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities at fair value through surplus or deficit

(iii) Derivative financial instruments

Council uses derivative financial instruments in the form of interest rate swaps to manage interest rate risks arising from borrowing activities. In accordance with its treasury management policy, council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into, and subsequently re-measured to fair value at the end of each reporting period.

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. The fair value is determined using a valuation technique based on cash flows discounted to present value using current market interest rates. Fair value gains or losses on revaluation are recognised in surplus or deficit in the statement of comprehensive revenue and expense.

The Council has not adopted hedge accounting.

Financial instruments categories

2019/20 Actual \$'000		2020/21 Actual \$'000
	Financial assets	
	Loans and receivables	
5,944	Cash and cash equivalents	11,133
8,176	Trade and other receivables	8,049
419	Loans	788
3,360	NZ Local Government Funding Agency borrower notes	4,220
45,000	Term deposits	60,000
62,899	Total loans and receivables	84,190
	Available-for-sale	
21	Fonterra perpetual notes	21
100	Shares in NZ Local Government Funding Agency	100
14	Shares in Civic Financial Services	14
135	Total available-for-sale	135
	Fair value through other comprehensive revenue and expenses	
-	Derivative financial instruments	890
-	Total fair value through other comprehensive revenue and expenses	890
	Financial liabilities	
	Fair value through surplus or deficit	
28,469	Derivative financial instruments	14,603
28,469	Total fair value through surplus or deficit	14,603
	Financial liabilities at amortised cost	
9,711	Trade and other payables	19,573
210,000	Borrowings	230,000
219,711	Total financial liabilities at amortised cost	249,573

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

Fair value

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

Fair value hierarchy disclosures

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy.

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

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

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

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

The table below analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position.

Fair value hierarchy disclosures								
\$000	2020/21				2019/20			
	Quoted market price (level 1)	Valuation technique – market observable inputs (level 2)	Valuation technique – non-market observable inputs (level 3)	Total	Quoted market price (level 1)	Valuation technique – market observable inputs (level 2)	Valuation technique – non-market observable inputs (level 3)	Total
Financial assets								
Perpetual notes	-	21	-	21	-	21	-	21
Shares in LGFA	-	100	-	100	-	100	-	100
Shares in Civic Financial Services	-	14	-	14	-	14	-	14
Derivative financial instruments	-	890	-	890	-	-	-	-
Total	-	1,025	-	1,025	-	135	-	135
Financial liabilities								
Derivative financial instruments	-	14,603	-	14,603	-	28,469	-	28,469
Total	-	14,603	-	14,603	-	28,469	-	28,469

Financial risk management

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

Credit risk

Credit risk is the risk that a third party will default on its obligations to council, thereby causing a loss. Council is not exposed to any material concentration of credit risk other than its exposure within the Wellington region. Receivables balances are monitored on an ongoing basis with the result that Council's exposure to bad debts is not significant.

The table below analyses Council's financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date.

The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

Contractual maturity analysis of financial assets						
	Carrying amount	Total contractual cashflow	0-12 months	1-2 years	2-5 years	More than 5 years
2020/21	\$000	\$000	\$000	\$000	\$000	\$000
Cash and cash equivalents	11,133	11,133	11,133	-	-	-
Derivative financial instruments	890	867	143	139	396	189
Trade and other receivables	8,049	8,049	8,049	-	-	-
Loan receivables	788	945	60	60	125	700
Term deposits	60,000	60,876	60,876	-	-	-
LGFA borrower notes	4,220	4,481	765	698	2,224	794
Total	85,080	86,351	81,026	897	2,745	1,683

Contractual maturity analysis of financial assets

	Carrying amount	Total contractual cashflow	0-12 months	1-2 years	2-5 years	More than 5 years
2019/20	\$000	\$000	\$000	\$000	\$000	\$000
Cash and cash equivalents	5,944	5,944	5,944	-	-	-
Derivative financial instruments	-	-	-	-	-	-
Trade and other receivables	8,176	8,176	8,176	-	-	-
Loan receivables	419	511	62	62	158	229
Term deposits	45,000	46,574	36,279	10,295	-	-
LGFA borrower notes	3,360	3,657	719	765	1,731	442
Total	62,899	64,862	51,180	11,122	1,889	671

The council is exposed to credit risk as a guarantor of all of the LGFA's borrowings. Information about this exposure is explained in note 28.

Credit quality of financial assets

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

Counterparties with credit ratings		
	2020/21	2019/20
	\$000	\$000
Cash and cash equivalents and term deposits – registered banks		
AA-	71,133	50,944
LGFA borrower notes		
AA+	4,220	3,360
	75,353	54,304

Liquidity risk

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

Council manages its borrowings in accordance with its Treasury Management Policy. Council has a \$20 million credit line facility with Westpac Banking Corporation. The Council is exposed to liquidity risk as a guarantor of all of the LGFA's borrowings. Information about this exposure is explained in note 28. The table below sets out the contractual cash flows from all financial liabilities that are settled on a gross cash flow basis. Contractual cash flows for financial liabilities comprise the nominal amount and interest payments.

Contractual maturity analysis of financial liabilities						
	Carrying amount	Total contractual cash flows	0-12 months	1-2 years	2-5 years	More than 5 years
2020/21	\$000	\$000	\$000	\$000	\$000	\$000
Trade and other payables	19,573	19,573	19,573	-	-	-
Deposits	1,425	1,425	1,425	-	-	-
Derivative financial instruments	14,603	15,316	4,536	3,831	5,991	958
Borrowings	230,000	236,464	46,962	41,548	112,538	35,416
Total	265,601	272,778	72,496	45,379	118,529	36,374

Contractual maturity analysis of financial liabilities						
	Carrying amount	Total contractual cash flows	0-12 months	1-2 years	2-5 years	More than 5 years
2019/20	\$000	\$000	\$000	\$000	\$000	\$000
Trade and other payables	9,711	9,711	9,711	-	-	-
Deposits	1,181	1,181	1,181	-	-	-
Derivative financial instruments	28,469	28,470	6,414	5,842	12,665	3,549
Borrowings	210,000	216,270	41,883	46,520	102,441	25,426
Total	249,361	255,632	59,189	52,362	115,106	28,975

Interest rate risk

The main objective of interest rate risk management is to reduce uncertainty around net interest expense as interest rates change.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates expose the council to fair value interest rate risk. The Council's Treasury Management Policy outlines the level of borrowing that is to be secured using fixed rate instruments.

Cash flow interest rate risk

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

Generally, Council raises long-term borrowings at floating rates and swaps them into fixed rates using interest rate swaps in order to manage the cash flow interest rate risk. Such interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if council borrowed at fixed rates directly. Under the interest rate swaps, the Council agrees with other parties to exchange, at specified intervals, the difference between contracted fixed rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

As at 30 June 2021, Council has interest rate swap agreements in place in relation to its borrowing programme. Including forward start swaps, the notional contract value of these agreements was \$215 million (2020: \$209 million).

The fixed interest rate range for Council's interest rate swaps are 0.31 percent to 5.05 percent. The net fair value of the interest rate swaps as at 30 June 2021 was \$14.5 million net liability (2020: \$28.5 million net liability).

The movement in the fair value of interest rate swaps at balance date is taken directly to surplus or deficit of the statement of comprehensive revenue and expense.

Sensitivity analysis

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

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

Fair value sensitivity				
\$000	2020/21		2019/20	
	+100 BPS	-100 BPS	+100 BPS	-100 BPS
Interest rate risk				
Financial assets				
Cash and cash equivalents	-	-	-	-
Other financial assets – term deposits	600	(600)	450	(450)
Derivative financial instruments	1,595	(1,728)	-	-
Financial liabilities				
Derivative financial instruments	6,880	(7,333)	9,742	(10,462)
Borrowings	-	-	-	-
Gain/(loss)	9,075	(9,661)	10,192	(10,912)

Cash flow sensitivity				
\$000	2020/21		2019/20	
	+100 BPS	-100 BPS	+100 BPS	-100 BPS
Interest rate risk				
Financial assets				
Cash and cash equivalents	111	(111)	59	(59)
Other financial assets – LGFA notes	42	(42)	34	(34)
Derivative financial instruments	350	(350)	-	-
Financial liabilities				
Derivative financial instruments	1,800	(1,800)	2,090	(2,090)
Borrowings	(2,300)	2,300	(2,100)	2,100
Gain/(loss)	3	(3)	83	(83)

23. Related party disclosures

Related party transactions – key management personnel

For the purposes of related party disclosures, key management personnel include the mayor, councillors, the chief executive and the senior leadership team.

During the year, key management personnel have been involved in transactions with council that are of a minor and routine nature and were conducted at arm's length, such as payment of rates. These transactions have been conducted on normal commercial terms.

As at balance date, there were no commitments from council to key management personnel. The mayor and councillors disclose their personal interest in a register available on the council website.

The Local Government Act 2002 requires the council to disclose the total remuneration of key management personnel for the reporting period.

Key management personnel		
	Full Year 2020/21	Full Year 2019/20
Members		
Councillors and elected members	27	27
Senior Leadership Team, including Chief Executive Officer	7	6
Total Members	34	33
	2020/21 Actual \$000	2019/20 Actual \$000
Remuneration		
Councillors and elected members	798	764
Senior Leadership Team, including Chief Executive Officer	1,603	1,470
Total remuneration key management personnel	2,401	2,234

24. Remuneration and Staffing levels

Councillors and elected members' remuneration

Council members are paid an annual salary and phone and broadband costs are subsidised. Total remuneration paid for the year ended 30 June 2021 is summarised as follows.

Remuneration of councillors and elected members July 2020 to June 2021	
2020/21	Total remuneration Actual \$000
Name	
Councillors	
K Gurnathan – Mayor	132
Angela Buswell	51
Bernie Randall	46
Gwynn Compton	51
Jackie Elliott	51
James Cootes	56
Janet Holborow	62
Jocelyn Prvanov	46
Martin Halliday	46
Rob McCann	52
Sophie Handford	46
Paekākāriki community board members	
Holly Ewens (Chair)	9
Tina Pope (Deputy Chair)	5
Dan O'Connell	5
Jess Hortop	5
Paraparaumu – Raumati community board members	
Kathy Spiers (Chair)	21
Guy Burns (Deputy Chair)	11
Grace Lindsay	11
Jonny Best	11

Remuneration of councillors and elected members July 2020 to June 2021

2020/21	Total remuneration Actual \$000
Name	
Ōtaki community board members	
Christine Papps (Chair)	16
Marilyn Stevens (Deputy Chair)	9
Shelly Warwick	9
Stephen Carkeek – resigned 13 June 2021	9
Waikanae community board members	
James Westbury (Chair)	16
Margaret Stevenson-Wright (Deputy Chair)	9
Geoffrey Churchman – resigned 11 August 2020	2
Jill Griggs – resigned 18 September 2020	3
Richard Mansell – appointed 24 December 2020	4
Tonchi Begovich – appointed 24 December 2020	4
Total	798

Chief Executive Officer's Remuneration

For the year ended 30 June 2021, Council's Chief Executive, Wayne Maxwell, who was appointed under Section 42(1) of the Local Government Act 2002, received a fixed remuneration package of \$320,000 per annum (2020: \$320,000 p.a.).

Employee staffing levels and remuneration

Number of employees		
2019/20		2020/21
249	Permanent full time employees	252
39	Full time equivalents (FTEs) of all permanent non-full time employees	52
49	Full time equivalents of non-permanent staff (Temporary staff)	49
337	Total full time equivalent employees	353

Employees who work more than 37.5 hours per week are deemed a full time equivalent even if they work on a casual basis.

Salary bands					
Number of permanent employees (headcount) 2019/20	Number of non-permanent staff (Temporary staff) (headcount) 2019/20		Number of permanent employees (headcount) 2020/21	Number of non-permanent staff (Temporary staff) (headcount) 2020/21	
146	62	Less than \$60,000	147	77	
67	10	\$60,000 – \$79,999	75	11	
53	6	\$80,000 – \$99,999	60	6	
27	10	\$100,000 – \$119,999	28	10	
12	4	\$120,000 – \$139,999	18	4	
13	–	\$140,000 – \$159,999	12	–	
8	1	More than \$160,000	8	1	
326	93	Total remuneration	348	109	

Employee remuneration includes salary and motor vehicles as part of the salary package paid to the employee. These figures represent headcount and so do not agree to the total full time equivalent employees reported at the left.

Included in Staff remuneration is severance payment made to two employees (2020: one) totalling \$9,902 (2020: \$7,838). The value of each of the severance payments was \$7,500 and \$2,402.

25. Commitments and operating leases

Capital commitments		
2019/20 Actual \$000		2020/21 Actual \$000
7,410	Contracted capital commitments at 30 June but not yet completed	21,417
7,410	Total capital commitments	21,417

Non-cancellable operating leases (as lessee)		
2019/20 Actual \$000		2020/21 Actual \$000
	<i>Remaining payables under leases</i>	
326	Not later than one year	483
619	Later than one year and not later than five years	1,254
63	Later than five years	179
1,008	Non-cancellable operating leases (Council as lessee)	1,916

Council leases commercial premises in Ōtaki, Waikanae and Paraparaumu.

Non-cancellable operating leases (as lessor)		
2019/20 Actual \$000		2020/21 Actual \$000
	<i>Remaining receivables under leases</i>	
561	Not later than one year	616
1,304	Later than one year and not later than five years	1,012
314	Later than five years	253
2,179	Total operating lease commitments (council as lessor)	1,881

Council leases various council-owned land and buildings to the community and to commercial organisations.

26. Council-controlled organisations (CCOs)

Local Government Funding Agency

Background information

On 30 November 2012, Council became a principal shareholder local authority in the Local Government Funding Agency (LGFA). Council holds 200,000 shares (total number of shares available 45,000,000) reflecting a 0.44 percent interest.

The primary objective of the LGFA is to optimise the debt funding terms and conditions for participating local authorities. This includes providing savings in annual interest costs, making longer-term borrowings available and enhancing the certainty of access to debt markets.

Local Government Act (2002) considerations

The LGFA meets the definition of a council-controlled organisation under section 6(10(a)) as an entity in respect of which one or more local authorities have, whether or not jointly with other local authorities or persons, control, directly or indirectly, of 50 percent or more of the votes at any meeting of the members or controlling body of the entity.

Council therefore has an interest over the LGFA, which is subject to the reporting requirements of a council-controlled organisation.

Financial reporting considerations

PBE IPSAS 20 Related party disclosure – Council does not have the ability to control the entity (0.44 percent shareholding is less than the control threshold). Council does not exercise significant influence over the entity in making financial and operating decisions. The relationship with the LGFA therefore does not meet the definitions of a related party as outlined in the accounting standard.

PBE IPSAS 36 Investments in associates – Council does not exercise significant influence over the entity in making financial and operating decisions. The relationship with the LGFA therefore does not meet the definitions of an associate as outlined in the accounting standard.

PBE IPSAS 35 Consolidated financial statements – Council does have exposure to variable benefits from its involvement with the LGFA under the terms and conditions of participating local authorities. However, the Council has no existing rights that give it the current ability to direct relevant activities, nor does the Council have the power to affect the nature or amount of the benefits from its involvement with the LGFA. The Council therefore does not meet the definition of a controlling entity over the LGFA.

Based on the assessment outline above, the LGFA does not meet the requirements for consolidation into the Council's financial statements.

Implications

LGA 2002 – LGFA is subject to the reporting requirements imposed on council-controlled organisations as outlined in Part A of the Act.

Financial reporting – There are no financial reporting obligations arising from Council's relationship with LGFA.

During the year Council borrowed \$60 million from the LGFA and repaid \$40 million to the LGFA.

27. Major variances from budget

Major variances from Council's budget figures are explained below.

Statement of comprehensive revenue and expense

Rates

Rates were \$0.83 million favourable to budget mainly due to increased water rate revenue and additional properties added from subdivisions received after rates were calculated and set for the 2020–21 financial year

Grants and Subsidies

Grants and Subsidies were \$5.1 million favourable to budget mainly due to:

- \$3 million from Three Waters Stimulus funding
- \$1.1 million from the Government's COVID-19 Response and Recovery Fund towards the Te Uruhi Project
- \$1 million from the Government's Provincial Growth Fund (PGF) grants for the refurbishment of the Paraparaumu Memorial Hall (\$0.5 million) and the Ōtaki Civic Theatre (\$0.5 million).

Development and Financial Contributions

Development and Financial Contributions were \$1.4 million favourable to budget mainly due to the following major subdivisions or developments:

- Ngarara Road \$0.38 million
- Kohekohe Road \$0.30 million
- Arawhata Road \$0.17 million
- Margaret Road \$0.17 million

Other Operating Revenue

Other operating revenue was \$3.3 million favourable to budget mainly due to vested assets from two major developments in Waikanae (Ngarara Road and Huia Road).

Other Operating Expenses

Other operating expenses were \$3.5 million unfavourable to budget mainly due to:

Personnel cost

- Unbudgeted additional fixed-term contractors put in place for the Asset Management Improvement Programme (AMIP).
- Unbudgeted resources required in the new Strategy, Growth, and Recovery group. Several permanent positions remain vacant and are being filled by contractors on a temporary basis.
- Unbudgeted additional resources required to complete the 2021–2041 Long-term Plan.

Maintenance and operations

- Increased spending in investigations of \$0.87 million for Stormwater, Wastewater and Water (funded by unbudgeted Three Waters Stimulus funding).
- Unbudgeted external expenses of \$0.64 million for the 2021–41 Long-term Plan consultation and design costs.
- Legal costs were \$0.5 million higher than budgeted mainly due to higher charge-out rates and hours required.
- \$0.28 million sludge costs higher than budgeted due to more sludge waste needing to be removed.

Depreciation and amortisation

Depreciation and amortisation was \$0.9 million favourable to budget due to the timing of completed capital projects.

Interest income

Interest income was \$0.2 million unfavourable to budget due to market interest rates being lower than planned.

Interest expense

Interest expense was \$0.3 million favourable to budget due to the Council's actual weighted average cost of borrowing being lower than planned.

Unrealised gain on financial derivatives

The Council's unrealised gain on revaluation of financial derivatives is \$13.9 million favourable to budget reflects continued increase of market/swap interest rates since 30 June 2020, compared to the Council's committed financial derivatives.

Unrealised gain from revaluation of property, plant and equipment

The Council's Roading assets (including bridges) were revalued as at 31 March 2021. A revaluation uplift of \$21.9 million was recognised.

Statement of financial position

Cash and cash equivalents

Cash and cash equivalents is \$10.9 million favourable to budget for year-end supplier payments falling due in early to mid-July 2021.

Property, plant and equipment

Property, Plant and Equipment is \$68.8 million unfavourable to budget due to:

- assumptions used during the 2020/21 Annual Plan setting process, over-estimated the opening value for the 2020–21 financial year by \$86.8 million
- this variance being reduced during the current financial year, with the Roading assets (including bridges) revaluation being \$11.8 million higher than budgeted.

Other financial assets

Other financial assets were \$20.9 million favourable to budget due to additional debt that was issued and placed on term deposit to prefund the May 2022 debt maturity (\$5 million) and 2021/22 Capital works programme (\$15 million).

Borrowings

Borrowings were \$22.97 million unfavourable to budget due to additional debt issues and placed on term deposits as noted under Other Financial Assets.

Derivative Financial instruments

Derivative financial instruments are \$9.5 million favourable to budget. This is mainly due to the significant increase in swap interest rates since 1 July 2020.

28. Contingent liabilities

Guarantees and uncalled capital

Council is one of 31 local authority shareholders of the LGFA and has an obligation in respect of uncalled capital of \$100,000.

At 30 June 2021, the LGFA had borrowings totalling \$13.21 billion (2020: \$12.038 billion).

Council considers the risk of the LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- 1) The only circumstance where LGFA would default on its debt is the event where a council defaulted on a loan obligation that exceeded LGFA's available liquidity assets. As at 30 June 2021, this would need to be a single council default event that exceeded the sum of:
 - cash and deposits of \$391.8 million,
 - LGFA borrower notes of \$224.2 million,

- LGFA credit facility of \$500 million, and
- uncalled share capital of \$20 million from LGFA shareholders.

- 2) In the event of an LGFA default, the call on the guarantee is made on the Council's proportion of their share of the underlying rate base.
- 3) In the event of a default exceeding the LGFA's available liquid assets, the council would be called for 1.1 percent of the overall call (less than the council's 1.9 percent of LGFA's loan assets).

Legal claims

On 9 July 2020, KiwiRail served on the Council an application in the Environment Court for enforcement orders relating to a resource consent for work carried out by the Council on the Paraparaumu escarpment. KiwiRail are claiming that Council failed to comply with terms of the resource consent, which led to a slip closing the main trunk line following a weather event in May 2015. KiwiRail are seeking the Council to complete remedial work on the escarpment in addition to costs KiwiRail have already incurred in remedying the issue.

29. Events after the end of the reporting period

The Minister of Local Government announced on 27 October 2021, that government intends to proceed with three waters reforms using a legislated "all in" approach. Four new publicly owned water entities will be created to take over the provision of community drinking, waste, and stormwater infrastructure from Councils on 1 July 2024. The exact size, shape and design of these entities is still being worked through, including details of revenues, expenses, assets, and liabilities that may transfer to the new entities from Councils.

There has been no adjustment in these financial statements to reflect the expected future transfer of assets and liabilities to the new water entities. It is expected central government will develop details regarding the transfer prior to 1 July 2024. As further details are established this may require adjustments to Council's three water assets and liabilities.

Disclosure statement for the year ending 30 June 2021

What is the purpose of this statement?

The purpose of this statement is to disclose council's financial performance in relation to various benchmarks to enable the assessment of whether council is prudently managing its revenue, expenses, assets, liabilities and general financial dealings.

The Council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Please refer to the regulations for more information, including definitions of some of the terms used in this statement.

Rates affordability

Council meets its affordability benchmark if:

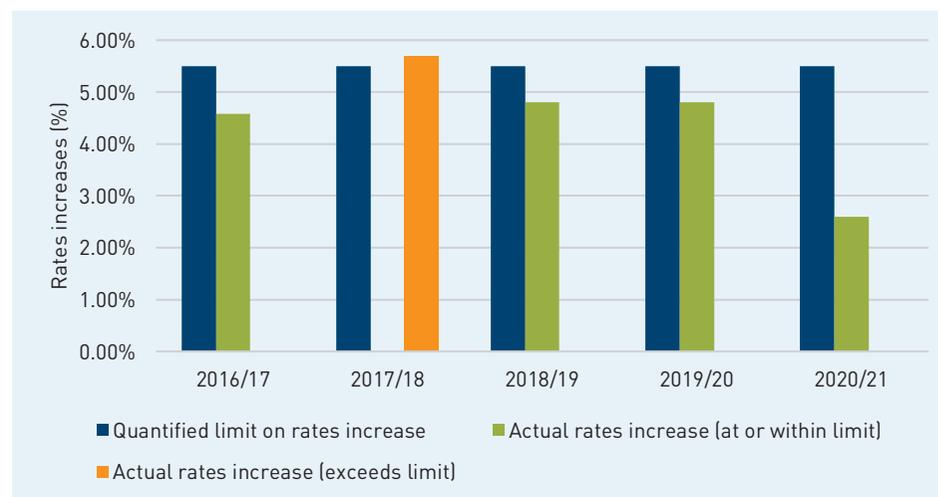
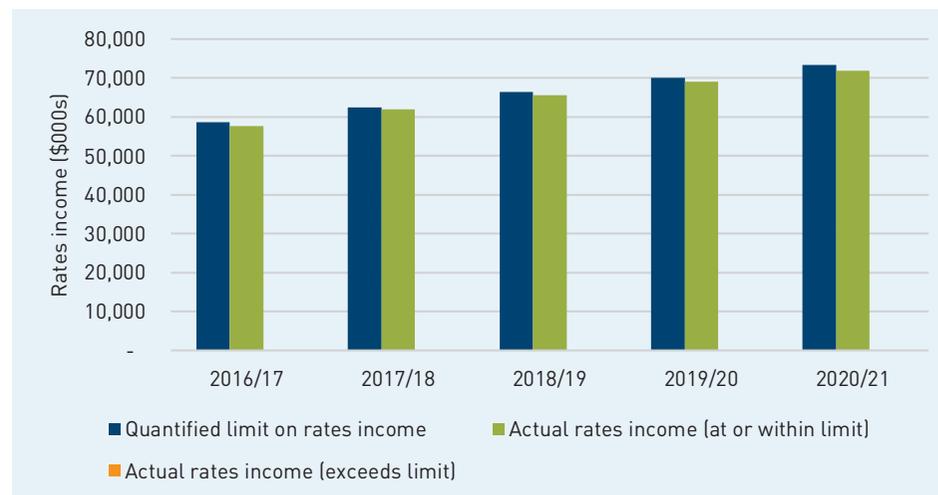
- its actual rates income equals or is less than each quantified limit on rates, and
- its actual rates increases equal or are less than each quantified limit on rates increases.

Rates (income) affordability

The following top graph on the right compares Council's actual rates income with a quantified limit on rates contained in the financial strategy included in Council's Long-term Plan.

Rates (increases) affordability

The second graph on the right compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in Council's Long-term Plan.

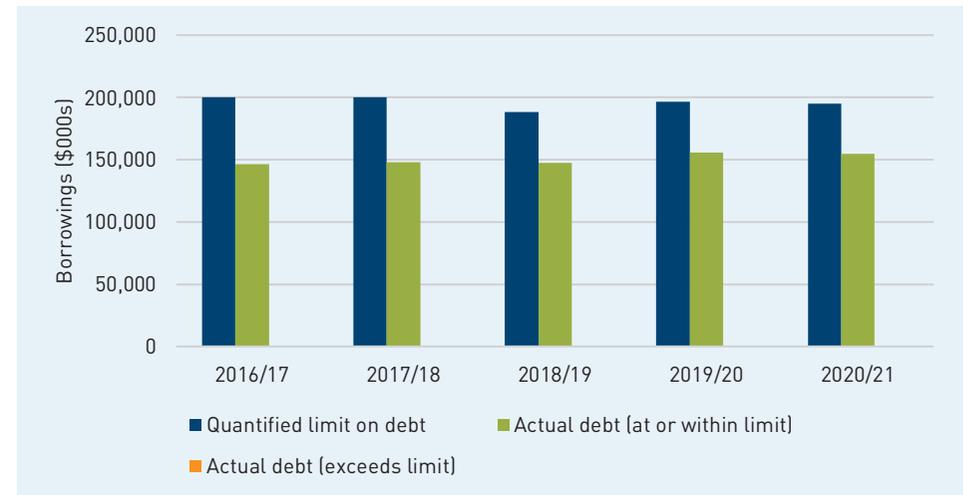


Debt affordability

Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

The graph at right compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in Council's Long-term Plans. Council's quantified limit on borrowings, as set out in the financial strategy excludes debt prefunding.

Council's gross borrowings are \$230 million at 30 June 2021, which includes total prefunding of \$60 million. Excluding prefunding, borrower notes and cash investments Council's borrowings at year end are \$154.6 million (refer to Note 17.) which is within the borrowings limit.

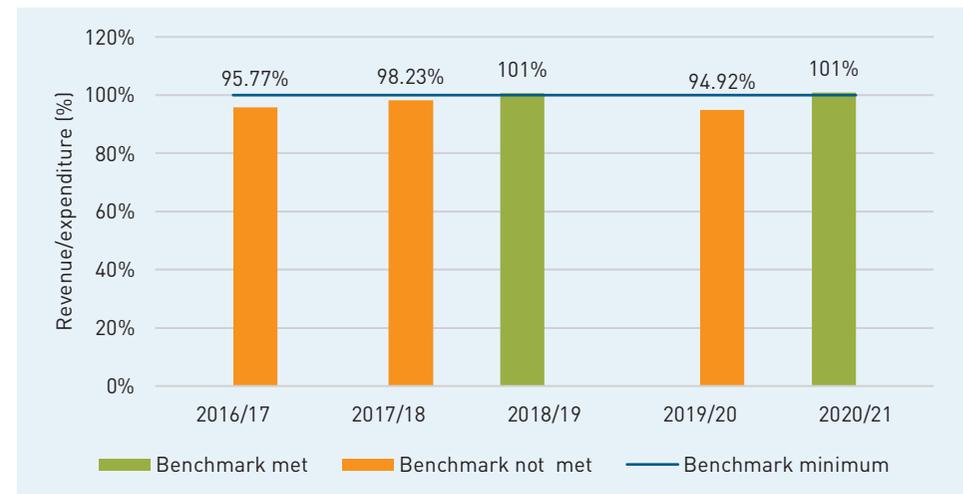


Balanced budget

The graph at right shows council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant and equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant and equipment).

Council meets this benchmark if its revenue equals or is greater than its operating expenses.

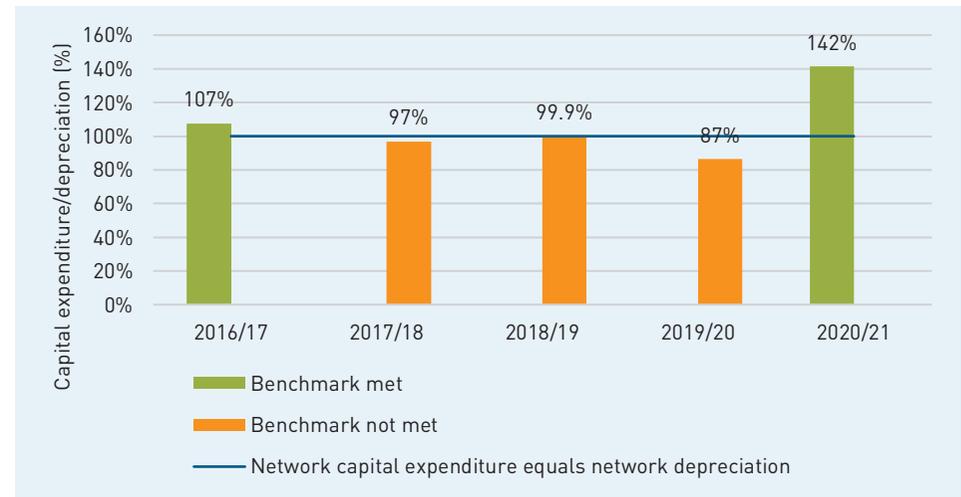
Council is working towards balancing our budget through committing to a financial strategy that progressively fund depreciation with a target of fully funding depreciation by 2025.



Essential services

The graph at right shows the Council's capital expenditure on network services as a proportion of depreciation on network services. Network services means infrastructure related to water supply, sewerage, treatment and disposal of sewage, stormwater drainage, flood protection and control works and the provision of roads and footpaths.

Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.

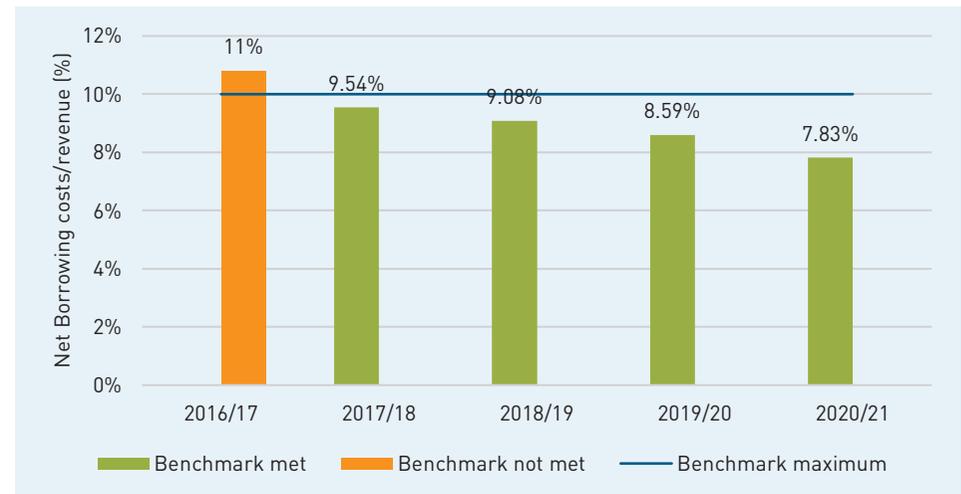


Debt servicing

The graph at right shows the Council's net borrowing costs as a proportion of revenue (excluding development contributions, financial contributions vested assets, gains on derivative financial instruments, and revaluations of property, plant and equipment).

Because Statistics New Zealand projects Council's population will grow more slowly than the national population is projected to grow, Council meets the debt servicing benchmark if its net borrowing costs equal or are less than 10 percent of its revenue.

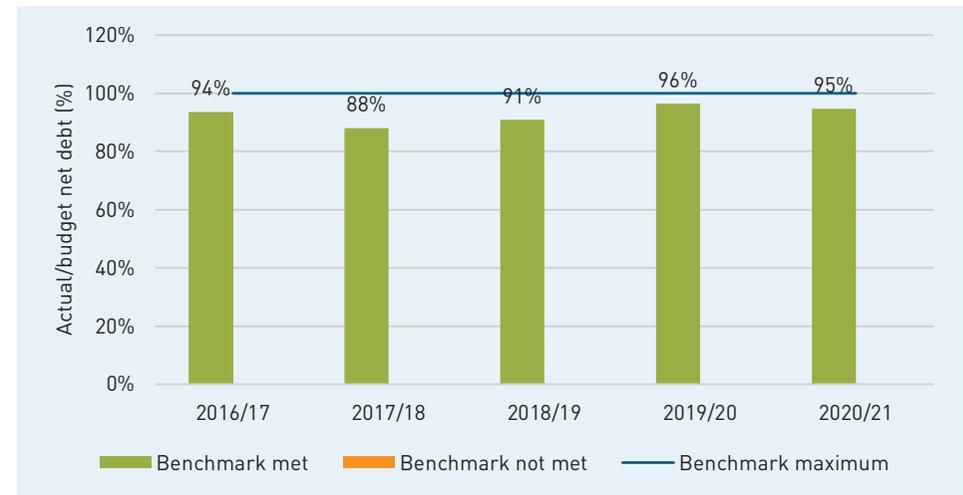
Council has started meeting this benchmark through our green-line strategy (reducing borrowings) and our careful treasury management. This was recognised by Standard and Poor's maintaining Council's credit rating at AA.



Debt control

The graph at right shows Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

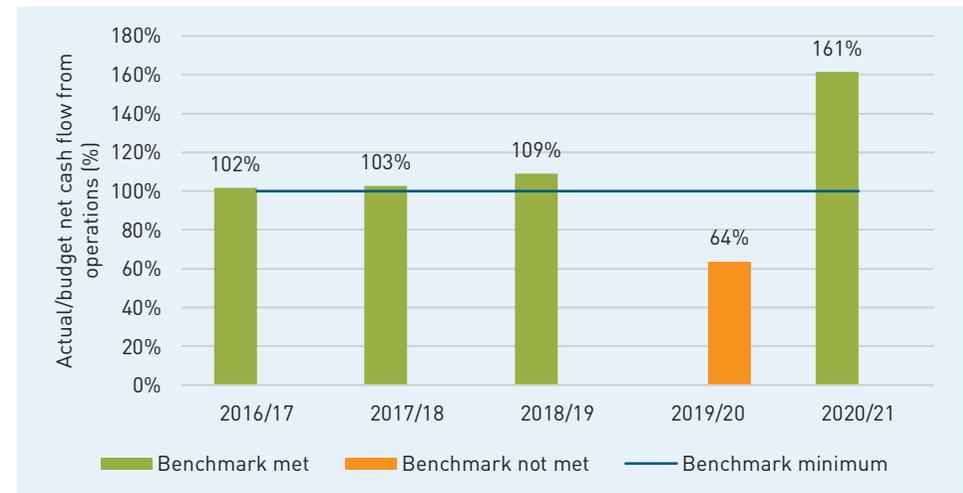
Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



Operations control

This graph at right shows Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



Funding impact statements per activity

Water Management funding impact statement for the year ended 30 June 2021

	2019/20 Budget \$000	2020/21 Budget \$000	2020/21 Actual \$000
Sources of operating funding			
General rate, uniform annual general charge, rates penalties	-	-	-
Targeted rates	8,566	8,363	8,044
Grants and subsidies for operating purposes	-	-	320
Fees and charges	41	41	33
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other	-	-	6
Total operating funding	8,607	8,404	8,403
Applications of operating funding			
Payment to staff and suppliers	3,397	3,284	3,323
Finance costs	1,178	1,030	894
Internal charges and overheads applied	1,049	949	987
Other operating funding applications	-	-	-
Total applications of operating funding	5,624	5,263	5,204
SURPLUS/DEFICIT OF OPERATING FUNDING	2,983	3,141	3,199
Sources of capital funding			
Grants and subsidies for capital expenditure	-	-	2,132
Development and financial contributions	204	492	795
Increase (decrease) in debt	8,051	6,106	687
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	8,255	6,598	3,614
Applications of capital funding			
Capital expenditure			
> to meet additional demand	1,615	433	315
> to improve the level of service	8,051	6,106	2,819
> to replace existing assets	427	468	1,030
Increase (decrease) in reserves	1,145	2,732	2,649
Increase (decrease) in investments	-	-	-
Total applications of capital funding	11,238	9,739	6,813
SURPLUS/DEFICIT OF CAPITAL FUNDING	(2,983)	(3,141)	(3,199)
FUNDING BALANCE	-	-	-

Access and Transport funding impact statement for the year ended 30 June 2021

	2019/20 Budget \$000	2020/21 Budget \$000	2020/21 Actual \$000
Sources of operating funding			
General rate, uniform annual general charge, rates penalties	-	-	-
Targeted rates	8,829	9,252	9,332
Grants and subsidies for operating purposes	1,869	1,857	1,829
Fees and charges	71	152	187
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	247	249	317
Total operating funding	11,016	11,510	11,665
Applications of operating funding			
Payment to staff and suppliers	4,890	4,824	4,985
Finance costs	2,092	2,020	2,517
Internal charges and overheads applied	1,087	1,031	1,131
Other operating funding applications	-	-	-
Total applications of operating funding	8,069	7,875	8,633
SURPLUS/DEFICIT OF OPERATING FUNDING	2,947	3,635	3,032
Sources of capital funding			
Grants and subsidies for capital expenditure	2,664	4,002	3,497
Development and financial contributions	397	482	392
Increase (decrease) in debt	3,309	2,811	1,361
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	6,370	7,295	5,250
Applications of capital funding			
Capital expenditure			
> to meet additional demand	206	527	223
> to improve the level of service	4,175	4,604	2,232
> to replace existing assets	3,617	4,721	5,144
Increase (decrease) in reserves	1,319	1,078	683
Increase (decrease) in investments	-	-	-
Total applications of capital funding	9,317	10,930	8,282
SURPLUS/DEFICIT OF CAPITAL FUNDING	(2,947)	(3,635)	(3,032)
FUNDING BALANCE	-	-	-

Coastal Management funding impact statement for the year ended 30 June 2021

	2019/20 Budget \$000	2020/21 Budget \$000	2020/21 Actual \$000
Sources of operating funding			
General rate, uniform annual general charge, rates penalties	1,203	1,407	1,305
Targeted rates	-	-	-
Grants and subsidies for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	-	-	-
Total operating funding	1,203	1,407	1,305
Applications of operating funding			
Payment to staff and suppliers	412	386	432
Finance costs	249	244	242
Internal charges and overheads applied	132	229	256
Other operating funding applications	-	-	-
Total applications of operating funding	793	859	930
SURPLUS/DEFICIT OF OPERATING FUNDING	410	548	375
Sources of capital funding			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	77	55	34
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	77	55	34
Applications of capital funding			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	77	55	34
> to replace existing assets	593	356	340
Increase (decrease) in reserves	(183)	192	35
Increase (decrease) in investments	-	-	-
Total applications of capital funding	487	603	409
SURPLUS/DEFICIT OF CAPITAL FUNDING	(410)	(548)	(375)
FUNDING BALANCE	-	-	-

Wastewater Management funding impact statement for the year ended 30 June 2021

	2019/20 Budget \$000	2020/21 Budget \$000	2020/21 Actual \$000
Sources of operating funding			
General rate, uniform annual general charge, rates penalties	-	-	-
Targeted rates	8,110	7,987	8,822
Grants and subsidies for operating purposes	-	-	-
Fees and charges	-	-	1
Internal charges and overheads recovered	1,500	1,486	1,410
Local authorities fuel tax, fines, infringement fees, and other	-	-	-
Total operating funding	9,610	9,473	10,233
Applications of operating funding			
Payment to staff and suppliers	3,956	3,918	4,529
Finance costs	305	130	21
Internal charges and overheads applied	2,041	1,980	2,117
Other operating funding applications	-	-	-
Total applications of operating funding	6,302	6,028	6,667
SURPLUS/DEFICIT OF OPERATING FUNDING	3,308	3,445	3,566
Sources of capital funding			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	295	101	126
Increase (decrease) in debt	358	2,684	1,691
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	653	2,785	1,817
Applications of capital funding			
Capital expenditure			
> to meet additional demand	-	363	134
> to improve the level of service	358	2,684	1,691
> to replace existing assets	1,339	1,666	2,085
Increase (decrease) in reserves	2,264	1,517	1,473
Increase (decrease) in investments	-	-	-
Total applications of capital funding	3,961	6,230	5,383
SURPLUS/DEFICIT OF CAPITAL FUNDING	(3,308)	(3,445)	(3,566)
FUNDING BALANCE	-	-	-

Stormwater Management funding impact statement for the year ended 30 June 2021

	2019/20 Budget \$000	2020/21 Budget \$000	2020/21 Actual \$000
Sources of operating funding			
General rate, uniform annual general charge, rates penalties	1,675	1,734	1,963
Targeted rates	2,471	2,385	2,241
Grants and subsidies for operating purposes	-	-	540
Fees and charges	72	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	-	-	19
Total operating funding	4,218	4,119	4,763
Applications of operating funding			
Payment to staff and suppliers	1,760	1,659	2,411
Finance costs	933	993	925
Internal charges and overheads applied	385	296	324
Other operating funding applications	-	-	-
Total applications of operating funding	3,078	2,948	3,660
SURPLUS/DEFICIT OF OPERATING FUNDING	1,140	1,171	1,103
Sources of capital funding			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	102	152	224
Increase (decrease) in debt	2,912	3,602	4,397
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	3,014	3,754	4,621
Applications of capital funding			
Capital expenditure			
> to meet additional demand	365	432	-
> to improve the level of service	2,912	3,602	4,397
> to replace existing assets	378	46	70
Increase (decrease) in reserves	499	845	1,257
Increase (decrease) in investments	-	-	-
Total applications of capital funding	4,154	4,925	5,724
SURPLUS/DEFICIT OF CAPITAL FUNDING	(1,140)	(1,171)	(1,103)
FUNDING BALANCE	-	-	-

Solid Waste funding impact statement for the year ended 30 June 2021

	2019/20 Budget \$000	2020/21 Budget \$000	2020/21 Actual \$000
Sources of operating funding			
General rate, uniform annual general charge, rates penalties	861	444	365
Targeted rates	-	-	-
Grants and subsidies for operating purposes	-	-	-
Fees and charges	579	575	618
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	-	-	-
Total operating funding	1,440	1,019	983
Applications of operating funding			
Payment to staff and suppliers	525	506	408
Finance costs	163	158	107
Internal charges and overheads applied	234	268	295
Other operating funding applications	-	-	-
Total applications of operating funding	922	932	810
SURPLUS/DEFICIT OF OPERATING FUNDING	518	87	173
Sources of capital funding			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	-	-	-
> to replace existing assets	181	216	159
Increase (decrease) in reserves	337	(129)	14
Increase (decrease) in investments	-	-	-
Total applications of capital funding	518	87	173
SURPLUS/DEFICIT OF CAPITAL FUNDING	(518)	(87)	(173)
FUNDING BALANCE	-	-	-

Economic Development funding impact statement for the year ended 30 June 2021

	2019/20 Budget \$000	2020/21 Budget \$000	2020/21 Actual \$000
Sources of operating funding			
General rate, uniform annual general charge, rates penalties	2,197	2,117	1,013
Targeted rates	370	370	370
Grants and subsidies for operating purposes	-	70	398
Fees and charges	-	-	29
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	31	31	30
Total operating funding	2,598	2,588	1,840
Applications of operating funding			
Payment to staff and suppliers	1,135	1,302	1,474
Finance costs	763	877	(43)
Internal charges and overheads applied	641	261	356
Other operating funding applications	-	-	-
Total applications of operating funding	2,539	2,440	1,787
SURPLUS/DEFICIT OF OPERATING FUNDING	59	148	53
Sources of capital funding			
Grants and subsidies for capital expenditure	-	-	636
Development and financial contributions	-	-	-
Increase (decrease) in debt	2,562	2,450	3,673
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	2,562	2,450	4,309
Applications of capital funding			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	2,562	2,450	4,309
> to replace existing assets	-	-	70
Increase (decrease) in reserves	59	148	(17)
Increase (decrease) in investments	-	-	-
Total applications of capital funding	2,621	2,598	4,362
SURPLUS/DEFICIT OF CAPITAL FUNDING	(59)	(148)	(53)
FUNDING BALANCE	-	-	-

Community Facilities and Community Support funding impact statement for the year ended 30 June 2021

	2019/20 Budget \$000	2020/21 Budget \$000	2019/20 Actual \$000
Sources of operating funding			
General rate, uniform annual general charge, rates penalties	3,024	3,521	3,589
Targeted rates	462	840	1,180
Grants and subsidies for operating purposes	-	-	-
Fees and charges	1,472	1,461	1,327
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	-	10	27
Total operating funding	4,958	5,832	6,123
Applications of operating funding			
Payment to staff and suppliers	2,950	3,161	3,227
Finance costs	212	191	87
Internal charges and overheads applied	1,316	1,911	2,149
Other operating funding applications	-	-	-
Total applications of operating funding	4,478	5,263	5,463
SURPLUS/DEFICIT OF OPERATING FUNDING	480	569	660
Sources of capital funding			
Grants and subsidies for capital expenditure	-	-	508
Development and financial contributions	95	106	302
Increase (decrease) in debt	1,660	368	207
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	1,755	474	1,017
Applications of capital funding			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	1,660	368	715
> to replace existing assets	2,229	1,462	2,164
Increase (decrease) in reserves	(1,654)	(787)	(1,202)
Increase (decrease) in investments	-	-	-
Total applications of capital funding	2,235	1,043	1,677
SURPLUS/DEFICIT OF CAPITAL FUNDING	(480)	(569)	(660)
FUNDING BALANCE	-	-	-

Parks and Open Spaces funding impact statement for the year ended 30 June 2021

	2019/20 Budget \$000	2020/21 Budget \$000	2020/21 Actual \$000
Sources of operating funding			
General rate, uniform annual general charge, rates penalties	-	-	-
Targeted rates	6,341	6,578	6,607
Grants and subsidies for operating purposes	-	-	-
Fees and charges	258	193	199
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	-	-	14
Total operating funding	6,599	6,771	6,820
Applications of operating funding			
Payment to staff and suppliers	2,436	2,583	2,706
Finance costs	379	436	254
Internal charges and overheads applied	2,580	2,407	2,623
Other operating funding applications	-	-	-
Total applications of operating funding	5,395	5,426	5,583
SURPLUS/DEFICIT OF OPERATING FUNDING	1,204	1,345	1,237
Sources of capital funding			
Grants and subsidies for capital expenditure	-	-	50
Development and financial contributions	1,030	790	1,680
Increase (decrease) in debt	640	1,150	169
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	1,670	1,940	1,899
Applications of capital funding			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	640	1,150	219
> to replace existing assets	787	1,159	757
Increase (decrease) in reserves	1,447	976	2,160
Increase (decrease) in investments	-	-	-
Total applications of capital funding	2,874	3,285	3,136
SURPLUS/DEFICIT OF CAPITAL FUNDING	(1,204)	(1,345)	(1,237)
FUNDING BALANCE	-	-	-

Recreation and Leisure funding impact statement for the year ended 30 June 2021

	2019/20 Budget \$000	2020/21 Budget \$000	2020/21 Actual \$000
Sources of operating funding			
General rate, uniform annual general charge, rates penalties	311	443	400
Targeted rates	9,139	9,213	9,516
Grants and subsidies for operating purposes	42	52	142
Fees and charges	1,748	1,807	1,695
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	64	56	49
Total operating funding	11,304	11,571	11,802
Applications of operating funding			
Payment to staff and suppliers	6,070	6,379	6,325
Finance costs	995	985	943
Internal charges and overheads applied	2,820	2,710	2,994
Other operating funding applications	-	-	-
Total applications of operating funding	9,885	10,074	10,262
SURPLUS/DEFICIT OF OPERATING FUNDING	1,419	1,497	1,540
Sources of capital funding			
Grants and subsidies for capital expenditure	-	-	499
Development and financial contributions	-	-	-
Increase (decrease) in debt	433	202	(48)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	433	202	451
Applications of capital funding			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	433	202	451
> to replace existing assets	812	968	1,683
Increase (decrease) in reserves	607	529	(143)
Increase (decrease) in investments	-	-	-
Total applications of capital funding	1,852	1,699	1,991
SURPLUS/DEFICIT OF CAPITAL FUNDING	(1,419)	(1,497)	(1,540)
FUNDING BALANCE	-	-	-

Districtwide Planning funding impact statement for the year ended 30 June 2021

	2019/20 Budget \$000	2020/21 Budget \$000	2020/21 Actual \$000
Sources of operating funding			
General rate, uniform annual general charge, rates penalties	2,871	3,301	3,251
Targeted rates	-	-	-
Grants and subsidies for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	-	-	-
Total operating funding	2,871	3,301	3,251
Applications of operating funding			
Payment to staff and suppliers	2,103	2,534	2,325
Finance costs	-	-	-
Internal charges and overheads applied	768	767	926
Other operating funding applications	-	-	-
Total applications of operating funding	2,871	3,301	3,251
SURPLUS/DEFICIT OF OPERATING FUNDING	-	-	-
Sources of capital funding			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	-	-	-
> to replace existing assets	-	-	-
Increase (decrease) in reserves	-	-	-
Increase (decrease) in investments	-	-	-
Total applications of capital funding	-	-	-
SURPLUS/DEFICIT OF CAPITAL FUNDING	-	-	-
FUNDING BALANCE	-	-	-

Regulatory Services funding impact statement for the year ended 30 June 2021

	2019/20 Budget \$000	2020/21 Budget \$000	2020/21 Actual \$000
Sources of operating funding			
General rate, uniform annual general charge, rates penalties	5,018	5,201	5,024
Targeted rates	-	-	-
Grants and subsidies for operating purposes	-	-	70
Fees and charges	4,325	4,472	4,732
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	129	176	58
Total operating funding	9,472	9,849	9,884
Applications of operating funding			
Payment to staff and suppliers	5,618	5,565	5,410
Finance costs	7	6	21
Internal charges and overheads applied	3,760	4,189	4,357
Other operating funding applications	-	-	-
Total applications of operating funding	9,385	9,760	9,788
SURPLUS/DEFICIT OF OPERATING FUNDING	87	89	96
Sources of capital funding			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	1
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	-	-	1
Applications of capital funding			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	-	-	1
> to replace existing assets	238	-	7
Increase (decrease) in reserves	(151)	89	89
Increase (decrease) in investments	-	-	-
Total applications of capital funding	87	89	97
SURPLUS/DEFICIT OF CAPITAL FUNDING	(87)	(89)	(96)
FUNDING BALANCE	-	-	-

Governance and Tangata Whenua funding impact statement for the year ended 30 June 2021

	2019/20 Budget \$000	2020/21 Budget \$000	2020/21 Actual \$000
Sources of operating funding			
General rate, uniform annual general charge, rates penalties	4,316	4,532	5,619
Targeted rates	327	314	299
Grants and subsidies for operating purposes	-	-	-
Fees and charges	99	12	23
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	-	-	2
Total operating funding	4,742	4,858	5,943
Applications of operating funding			
Payment to staff and suppliers	2,625	2,938	3,939
Finance costs	(10)	(16)	(7)
Internal charges and overheads applied	2,264	1,920	2,057
Other operating funding applications	-	-	-
Total applications of operating funding	4,879	4,842	5,989
SURPLUS/DEFICIT OF OPERATING FUNDING	(137)	16	(46)
Sources of capital funding			
Grants and subsidies for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	(635)
Gross proceeds from sale of assets	-	-	635
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure			
> to meet additional demand	-	-	-
> to improve the level of service	-	-	-
> to replace existing assets	445	416	329
Increase (decrease) in reserves	(582)	(400)	(375)
Increase (decrease) in investments	-	-	-
Total applications of capital funding	(137)	16	(46)
SURPLUS/DEFICIT OF CAPITAL FUNDING	137	(16)	46
FUNDING BALANCE	-	-	-

Governance, people and capability

Governance

166

People and capability

175



Governance

This activity supports Kāpiti Coast District Council's wider strategy of working with the community and being good partners, as well as meeting our statutory requirements relating to governance, consultation and decision-making responsibilities.

1 Mayor and 10 elected members

4 wards

7 committees

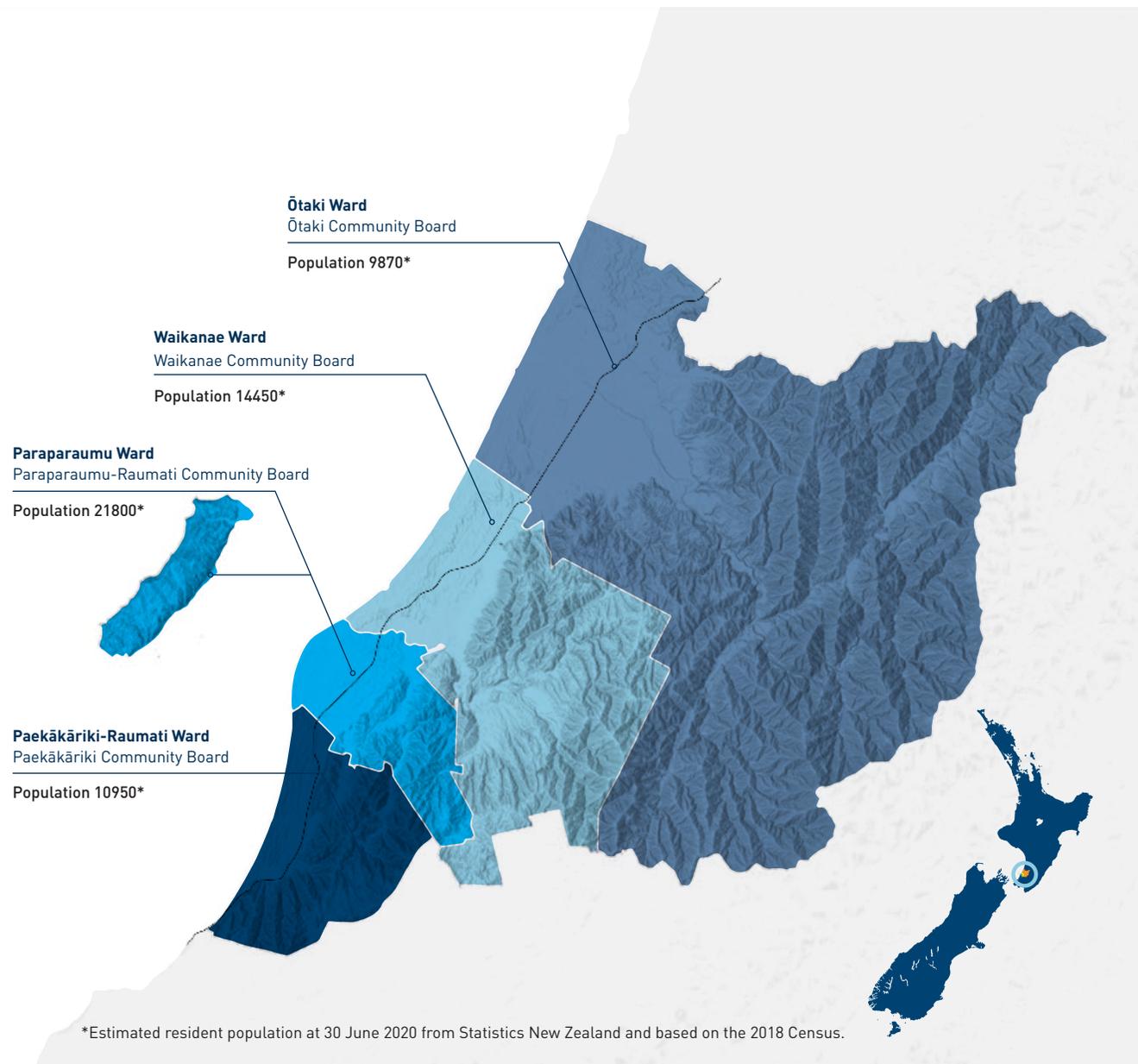
4 community boards

Local body electorate wards

The map shows how the Kāpiti Coast District is made up of four local body electorate wards (represented by ward councillors). There are also four community boards (represented by community board members).

The Waikanae and Ōtaki Wards both align to the same geographical area as their respective community boards, while the other two wards and community boards overlap each other.

The suburbs of Raumati South and Raumati Beach are part of the Paekākāriki-Raumati Ward. However, at a community board level, they form part of the Paraparaumu-Raumati Community Board.





Elected members

The Kāpiti Coast District Council consists of a Mayor and 10 Councillors. Five Kāpiti Coast District Councillors are elected from across the district and five are elected from four wards.



K (Guru) Gurunathan

Mayor of Kāpiti Coast District Council
k.gurunathan@kapiticoast.govt.nz



Janet Holborow

Deputy Mayor and Districtwide Councillor
 Portfolio: Cultural wellbeing
janet.holborow@kapiticoast.govt.nz



Angela Buswell

Districtwide Councillor
 Portfolio: Business and jobs
angela.buswell@kapiticoast.govt.nz

From left to right: Councillor Jackie Elliott, Councillor Rob McCann, Councillor Bernie Randall, Councillor Jocelyn Prvanov, Councillor Janet Holborow (Deputy Mayor), Mayor K (Guru) Gurunathan, Councillor James Cootes, Councillor Gwynn Compton, Councillor Sophie Handford, Councillor Martin Halliday, Councillor Angela Buswell.



Gwynn Compton

Districtwide Councillor
Portfolios: Rural, Greater Wellington Regional Council, and economic wellbeing
gwynn.compton@kapiticoast.govt.nz



Jackie Elliott

Districtwide Councillor
Portfolio: Waste
jackie.elliott@kapiticoast.govt.nz



Rob McCann

Districtwide Councillor
Portfolios: Housing and social wellbeing
robert.mccann@kapiticoast.govt.nz



James Cootes

Ōtaki Ward Councillor
Portfolio: Transport
james.cootes@kapiticoast.govt.nz



Jocelyn Prvanov

Waikanae Ward Councillor
Portfolio: Environmental wellbeing
jocelyn.prvanov@kapiticoast.govt.nz



Martin Halliday

Paraparaumu Ward Councillor
Portfolios: Health and seniors
martin.halliday@kapiticoast.govt.nz



Bernie Randall

Paraparaumu Ward Councillor
bernie.randall@kapiticoast.govt.nz



Sophie Handford

Paekākāriki/Raumati Ward Councillor
Portfolios: Climate and youth
sophie.handford@kapiticoast.govt.nz

Community boards

Supporting Council are four district community boards: Ōtaki, Paraparaumu/Raumati, Waikanae and Paekākāriki. Community boards are the grass-roots of local democracy, where people in each of our towns and villages can take their concerns or seek assistance.

The Council has a strong partnership base with Community Boards on local matters. The corresponding ward councillors sit on each board. As far as practicable, local issues are referred to community boards for consideration, comment or recommendations before decisions are made.

Board chairs can sit at Council meetings and contribute to the debate, helping ensure that the interests of the whole district are taken into account. They do not have voting rights at council meetings. A board's role is mainly advocacy, but it also has powers to make some decisions about issues within its boundaries. Boards make submissions to council and other statutory agencies.

They control local funds for making grants to individuals and groups for community purposes.

Community board members

Ōtaki community board

The area covered by the community board includes north of Marycrest, Te Horo, Ōtaki and north to Forest Lakes.

Christine Papps, Chair
christine.papps@kapiticoast.govt.nz

Marilyn Stevens, Deputy Chair
marilyn.stevens@kapiticoast.govt.nz

Stephen Carkeek
stephen.carkeek@kapiticoast.govt.nz

Shelly Warwick
shelly.warwick@kapiticoast.govt.nz

The following changes occurred in the Ōtaki Community Board:

- Stephen Carkeek – resigned 13 June 2021
- Seat still vacant as at 30 June 2021

Waikanae community board

The area covered by the community board stretches from the Waikanae River in the south through to Peka Peka in the north.

James Westbury, Chair
james.westbury@kapiticoast.govt.nz

Jill Griggs, Deputy Chair
jill.griggs@kapiticoast.govt.nz

Geoffrey Churchman
geoffrey.churchman@kapiticoast.govt.nz

Margaret Stevenson-Wright
margaret.stevenson-wright@kapiticoast.govt.nz

The following changes occurred in the Waikanae Community Board:

- Geoffrey Churchman – resigned 11 August 2020
- Jill Griggs – resigned 18 September 2020
- Tonchi Begovich – elected 09 February 2021
- Richard Mansell – elected 09 February 2021

Paraparaumu/Raumati community board

The area covered by the community board includes from Raumati South through to Otaihanga.

Kathy Spiers, Chair
kathy.spiers@kapiticoast.govt.nz

Guy Burns, Deputy Chair
guy.burns@kapiticoast.govt.nz

Jonny Best
jonny.best@kapiticoast.govt.nz

Grace Lindsay
grace.lindsay@kapiticoast.govt.nz

Paekākāriki community board

The area covered by the community board includes the Emerald Glen area and Whareroa Road in the north, down to Fisherman's Table in the south.

Holly Ewens, Chair
holly.ewens@kapiticoast.govt.nz

Tina Pope, Deputy Chair
tina.pope@kapiticoast.govt.nz

Jess Hortop
jessica.hortop@kapiticoast.govt.nz

Dan O'Connell
daniel.o'connell@kapiticoast.govt.nz

Council meetings

Council meetings are generally scheduled monthly with additional meetings arranged as required. Council meetings are publicly advertised in the local media and on Council's website. Council has delegated some of its powers to Committee, Subcommittees and Hearing Commissioners (Standing Committees) to meet regularly to discuss matters within their delegation and/or make recommendations to Council.

In total for the year there were 13 Council meetings, 13 Committee meetings and 10 Subcommittee meetings.

There were 84 briefings and 13 public workshops.

By-elections

Over the past financial year, Kāpiti Coast District Council held one by-election as a result of two resignations from the Waikanae Community Board. The Council also received a resignation from the Ōtaki Community Board, triggering a further by-election in July 2021 that was uncontested.

Committees (2019–22 triennium)

As well as the Council and Community Boards, committees are set up with each new triennium to better channel the Council's resources for an efficient governance structure. For the 2019–22 triennium these are:

- Strategy and operations committee
- Audit and risk subcommittee
- Chief Executive performance and employment subcommittee
- Appeals hearings subcommittee
- Grants allocation subcommittee
- District licensing committee
- Campe Estate subcommittee.

Te Whakaminenga o Kāpiti

Te Whakaminenga o Kāpiti is one of the longest-lasting partnerships between tangata whenua and local government in New Zealand. The partners are the Kāpiti Coast District Council and two of the iwi on the Kāpiti Coast: Ngāti Raukawa ki te Tonga and Ngāti Toa Rangatira.

Representatives

Rupene Waaka, JP-Chair

Representing – Ngā Hapū ō Ōtaki
Iwi affiliation – Ngāti Raukawa ki te Tonga

Kirsten Hapeta

Representing – Ngā Hapū ō Ōtaki
Iwi affiliation – Ngāti Raukawa ki te Tonga

Naomi Solomon

Representing – Te Rūnanga o Toa Rangatira
Iwi affiliations – Ngāti Toa Rangatira

Natalia Repia

Representing – Te Rūnanga o Toa Rangatira
Iwi affiliation – Ngāti Toa Rangatira

K Gurunathan – Mayor

James Cootes – Ōtaki Ward Councillor

The following changes occurred in Te Whakaminenga o Kāpiti:

Rupene Waaka, Chair of Te Whakaminenga o Kāpiti, resigned 04 May 2021 and the Chair position remains vacant.

Meeting attendance record of elected members (Council and Strategy and Operations Committee) 2019–22 triennium – 1 July 2020 to 30 June 2021

Elected member	Council (13 meetings)				Strategy and Operations committee (13 meetings)			
	Possible attendance	Attended	Absent (leave)	Absent (apology)	Possible attendance	Attended	Absent (leave)	Absent (apology)
K Gurunathan (Mayor)	13	11	0	2	13	11	0	2
Janet Holborow (Deputy Mayor)	13	12	1	0	13	12	0	1
Angela Buswell	13	12	0	1	13	12	0	0
Gwynn Compton	13	13	0	0	13	13	0	0
James Cootes	13	12	0	1	13	13	0	0
Jackie Elliott	13	13	0	0	13	11	0	2
Martin Halliday	13	13	0	0	13	13	0	0
Sophie Handford	13	13	0	0	13	13	0	0
Rob McCann	13	13	0	0	13	12	0	1
Jocelyn Prvanov	13	12	0	1	13	13	0	0
Bernie Randall	13	13	0	0	13	13	0	0

Attendance at community boards

The following tables detail attendance of community board members at board meetings between 1 July 2020 and 30 June 2021.

Ōtaki (7 meetings)

Elected member	Attended	Absent (leave)	Absent (apology)
Christine Papps (Chair)	7	0	0
Marilyn Stevens (Deputy Chair)	6	0	1
Stephen Carkeek (until 13 June 2021)	3	-	3
Shelly Warwick	6	1	0
Cr James Cootes	7	0	0

Paraparaumu–Raumati (6 meetings)

Elected member	Attended	Absent (leave)	Absent (apology)
Kathy Spiers (Chair)	6	0	0
Guy Burns (Deputy Chair)	6	0	0
Jonny Best	6	0	0
Grace Lindsay	4	0	2
Cr Martin Halliday	5	0	1
Cr Bernie Randall	6	0	0

Waikanae (6 meetings)

Elected member	Attended	Absent (leave)	Absent (apology)
James Westbury (Chair)	6	0	0
Jill Griggs (Deputy Chair) (until 18 September 2020)	1	-	-
Geoffrey Churchman (until 11 August 2020)	-	-	-
Margaret Stevenson-Wright	6	0	0
Cr Jocelyn Prvanov	6	0	0
Tonchi Begovich – from 9 February 2021	3	0	0
Richard Mansell – from 9 February 2021	3	0	0

Paekākāriki (8 meetings)

Elected member	Attended	Absent (leave)	Absent (apology)
Holly Ewens (Chair)	8	0	0
Jessica Hortop (Deputy Chair)	8	0	0
Daniel O'Connell	7	0	1
Tina Pope	7	0	1
Cr Sophie Handford	8	0	0

People and capability

Senior Leadership Team

The Kāpiti Coast District Council has seven members on its Senior Leadership Team and the Chief Executive reports to Council.



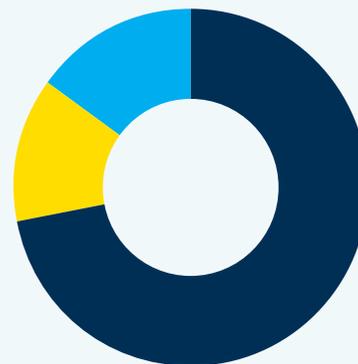
Left to right: Group Manager Regulatory Services – James Jefferson, Group Manager Place and Space – Sacha Haskell, Group Manager People and Partnerships – Janice McDougall, Group Manager Strategy, Growth and Recovery Group – Natasha Tod, Group Manager Corporate Services – Mark de Haast, Chief Executive – Wayne Maxwell, Group Manager Infrastructure Services – Sean Mallon.

Workforce profile

At the end of 2020–21, our workforce comprised 353 full time equivalent employees (FTEs). This included people working part-time but not those on a casual employment basis. The headcount on 30 June 2021 was 401 employees (excluding casual employees).

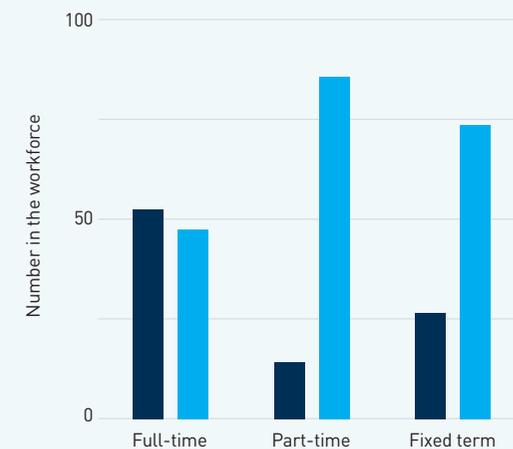
Our employees are spread across seven different business groups.

Total workforce composition



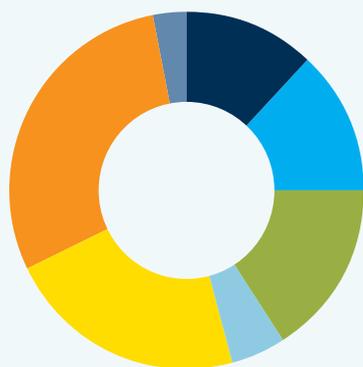
■ Full time – 72 percent
■ Part-time – 13 percent
■ Fixed term – 15 percent

Workforce by gender



■ Male (%) ■ Female (%)

Full time employees (FTEs) per group



- People and partnerships – 43 FTEs
- Corporate services – 45 FTEs
- Regulatory services – 55 FTEs
- Strategy, growth and recovery – 18 FTEs
- Place and space – 78 FTEs
- Infrastructure services – 102 FTEs
- Organisational development and CE's office – 12 FTEs

Staff engagement

The Gallup Survey provides an opportunity for staff to have their say about how they feel about working for Council and what needs to be done to ensure Council remains a great place to work. The survey was undertaken in August 2020 with a drop in the response rate from 85 percent (previous year) to 72 percent in 2020. Overall satisfaction rate increased on the five-point scale from 3.78 (in November 2019) to 3.82 in the August 2020 survey. The overall satisfaction rate increase in 2020 showed that the greatest improvement was that staff felt they had the materials and equipment they needed to do their jobs. This had been a key focus area for us from the 2019 survey.

Since the COVID-19 disruptions, we implemented a digital workplace platform that further enabled staff to effectively work remotely. Our focus over this past year has been on staff knowing what is expected of them at work. This has been part of a series of ongoing initiatives focused on leadership development, improvements to our induction process, training delivery and career development. Another survey is planned for the last quarter of 2021.

Impact of COVID-19

Managing the impact of COVID-19 on employee wellbeing and employee workload was a major focus for the year. The organisation continues to operate in a highly constrained environment due to competition from central government agencies for skilled workers, particularly in the Building, Resource Consent, Planning and Engineering areas. Our staff are committed to delivering but our current resourcing is stretched to meet demand.

Health and safety

Kāpiti District Council has a Health and Safety Leadership Charter that sets out elected members' responsibilities. Quarterly reporting to the Audit and Risk Subcommittee includes reporting on all events (injury, illness, events and near misses and progress on mitigation of hazards and risks).

Event reporting continues to increase as staff awareness of the need to report events also increases. A total of 373 events were reported for the year 1 July 2020 to 30 June 2021 and 55 percent of these were third-party events (includes customers using council facilities and council's public open spaces), 44 percent were worker related

events and 1 percent of events involved contractors undertaking work on the Council's behalf. Unfortunately, several employees have been exposed to unreasonable behaviour from customers, so we implemented a regular cycle of safety at work training for front-line employees.

Critical Risks identified during the period 1 July 2020 to 30 June 2021 included asbestos management, driving and psychological risk management. Management programmes are in place for asbestos management and driver awareness and work is underway to strengthen psychological risk management for workers.

Improved capability

We implemented a leadership strategy and a programme for developing people leaders. A programme of work to encourage resilience and further enable awareness for the importance of psychological wellbeing is also under development. We investigated mentoring programmes and worked with iwi partners to develop a resource to build shared understanding of Council's legislative and partnership obligations to iwi/Māori.

We also established a Project Management Office to provide a joined-up view of key projects across the organisation with a primary focus on infrastructure projects.

Turnover

At the end of 2020–21 our turnover rate was 15.5 percent and we had four retirements. Turnover excludes casual employees and employees on fixed-term agreements that terminate as planned. We face strong competition from central government agencies who can attract staff through greater remuneration package offers.

Information from exit interviews show a trend towards staff leaving to pursue career opportunities with increased pay benefits, and/or for personal or family reasons. They also indicate the best thing about working for the Council is the people/colleagues and the opportunity to make a positive difference and add value to the community.

Policy changes to benefit employees

With differing individual needs across our workforce, leave policy changes were implemented to enable a new leave category for providing care to dependents. There has been a reduction in the use of individual sick leave as a result of introducing Dependent Carer Leave, which is being monitored. We also implemented a five-day paid parental leave option for fathers in the first year, following the birth of their child, which is in addition to legislative requirements.

Council contributes to the compulsory employer contribution to KiwiSaver 'on-top' of remuneration and does not terminate the employer contribution to KiwiSaver for employees over 65 years of age. We also

have a multi-union collective employment agreement in place with the Public Service Association and the Amalgamated Workers Union. No employee is paid less than the minimum adult wage, as we do not subscribe to minimum youth nor apprenticeship rates of pay.

Equal employment opportunities and pay equity

Council is an equal opportunities employer and operates on the basis of identifying the best person for the role. Our policies and procedures around recruitment and selection support this, as does the Council's remuneration policy and procedures and overall organisational remuneration strategies.

The Council uses the Strategic Pay 5-Factor System to assign a grade to roles. Each role is assessed on its own merit, not on the role holder. Each grade has a remuneration range between 85 percent and 115 percent of the median and a position in range is determined upon skills, experience, tenure in the role and qualifications required. We have 45 percent of female employees paid at 100 percent or above of their role grade; and 55 percent of our male employees are paid at 100 percent or above of their role grade. For the positions where there are several role holders to the

same role, 83 percent of female employees are paid at 100 percent or above of their role grade; and 17 percent of male employees are paid at 100 percent or above of their grade. Information about employee remuneration by salary bands is found in the Our finances section.

Independent Organisational Review

An Independent Organisational Review, commissioned in 2019, by Martin Jenkins evaluated Council performance and identified opportunities for improvement. The findings concluded that Council is generally delivering its services well to the community, but too often achievements were not as well-known as they could be and identified areas where improvements would lift the collective performance of Council. There were 29 recommendations covering partnerships between Elected Members, Iwi and management, organisational capacity and capability, business planning priorities and public participation/democratic participation. An assessment of progress against the recommendations and focus areas will be undertaken in 2022.

Statement of compliance & responsibility



Statement of compliance and responsibility

1 July 2020 to 30 June 2021

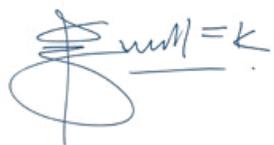
Compliance

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

Responsibility

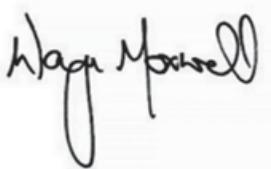
We accept responsibility for the preparation of the annual financial statements and the judgements used in them, and for establishing and maintaining a system of internal control that provides reasonable assurance as to the integrity and reliability of our financial reporting.

In our opinion, the annual financial statements for the year ended 30 June 2021 fairly reflect the financial position and operations of the Council.



K Gurunathan
Mayor, Kāpiti Coast District

25 November 2021



Wayne Maxwell
Chief Executive

25 November 2021



Sean Mallon
Deputy Chief Executive
Group Manager, Infrastructure Service

25 November 2021

Independent auditor's report





INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF KĀPITI COAST DISTRICT COUNCIL'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

The Auditor-General is the auditor of Kāpiti Coast District Council (the District Council). The Auditor-General has appointed me, David Borrie, using the staff and resources of Ernst & Young, to report on the information in the District Council's Annual Report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the Annual Report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 25 November 2021. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 111 to 154:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2021;
 - the results of its operations and cash flows for the year ended on that date; and

- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards;
- the funding impact statement on page 114, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Annual Plan.
- the statement of service provision referred to as "Activities & Services" on pages 34 to 110:
 - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2021, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand; and

- the statement about capital expenditure for each group of activities on pages 159 to 165, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council’s Annual Plan; and
- the funding impact statement for each group of activities on pages 159 to 165, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council’s Annual Plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the Annual Report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 155 to 158, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council’s audited information and, where applicable, the District Council’s Long-term Plan and Annual Plans.

Emphasis of matter – The Government’s three waters reform programme announcement

Without modifying our opinion, we draw attention to notes 11 and 29 on pages 134 and 154, which outlines that subsequent to year-end, the Government announced it will introduce legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities from 1 July 2024. The impact of these reforms, once legislated, will mean that the District Council will no longer deliver three waters services.

Basis for our opinion on the audited information

We carried out our audit 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. We describe our responsibilities under those standards further in the “*Responsibilities of the auditor for the audited information*” section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General’s Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its Annual Report.

The Council’s responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's Annual Plan or Long-term Plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.
 - We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
 - We determine the appropriateness of the reported intended levels of service in the statement of service provision referred to as "Activities & Services", as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
 - We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council to cease to continue as a going concern.
 - We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Information

The Council is responsible for the other information included in the Annual Report. The other information comprises the information included on pages 1 to 33, 166 to 181 and 187 to 194, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the District Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have audited the Council's consultation document and Long-term Plan and carried out an assurance engagement in relation to the District Council's debenture trust deed, which is compatible with independent requirements. Other than these engagements 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

Glossary and references

Some of the words and terms in the Annual Report are technical or have a specific meaning where they are used. This glossary provides definitions of Te Reo Māori terms and technical terms.

Annual Report

The Annual Report outlines what we achieved for the year against the Annual Plan. It is a statutory requirement under the Local Government Act 2002.

Asset

An asset is an object (physical or intangible) that has an identifiable value and a useful life greater than 12 months, that is used, or could be used, to provide a service. Our assets include local roads, the water supply network, sewerage network and buildings. Managing asset performance, risks and expenditure over an asset's life cycle is a core part of our work.

Blower units

Blower units are typically used in wastewater treatment plants to provide aeration in activated sludge plants and to promote aerobic digestion. They keep solids suspended in channels and in aeriated grit chambers, which is absolutely necessary for a proper treatment ecosystem.

Climate Emergency Action Framework

This framework sets out the overarching vision, objectives and principles we follow when we make decisions about climate change mitigation and adaptation.

Code Compliance Certificate

A Code Compliance Certificate is issued when a building work is finished and the Council is satisfied building and plumbing work under the consent complies with the New Zealand Building Code.

Destination Management Plan

This plan provides a long-term strategic framework to strengthen Kāpiti's visitor economy through sustainable development and visitation. It aims to guide tourism development, marketing and industry involvement, and improve visitor experience and infrastructure, with the ultimate goal of increasing the value of the Kāpiti visitor economy by increasing the number of visitors, their length of stay, and the ability to spend more money in the region.

Development Contribution Policy

This policy provides the Council with a means of recovering costs of specific growth infrastructure that's required for new development, where the development results in an increase in demand on the district's infrastructure.

District Plan

Our district plan details the specific objectives, policies and rules that have been adopted to promote the sustainable management of natural and physical resources in our district.

Economic Development Strategy

This strategy provides a framework for growing the Kāpiti Coast economy for the benefit of current and future residents, iwi, communities and businesses and was adopted by Council on 30 July 2020.

Fees and Charges Policy

This policy sets out fees and charges from building consents to hall hire. They reflect the costs of providing services each year and are reviewed annually.

Hydraulic neutrality

Hydraulic neutrality is an approach to dealing with stormwater where any rainfall on a site is retained and disposed of on site. This stormwater is not discharged into the stormwater system.

Kāpiti Recovery Plan

The plan sets out our approach to recovery, showing how we will work together towards rebuilding our communities to be more sustainable, prosperous and resilient than they were before.

Land Information Memorandum (LIM)

A LIM is a document containing all the information the Council holds about a property.

Local Government Act 2002 (LGA 2002)

The Act is the primary legislation for local authorities. It provides the general framework and powers under which our Council and the other local authorities throughout New Zealand operate.

Long-term Plan (LTP)

This is the 20-year plan that sets out Council's priorities in the medium to long-term. We prepare and consult on an LTP every three years in accordance with requirements in the LGA 2002. Our LTP outlines the services we will provide, the projects we will undertake, the cost of doing this work, how it will be paid for and how we will measure quality and effectiveness. The 2021-41 Long-term Plan was adopted on 24 June 2021.

Performance measures

These are the main measures by which we assess our performance across our activities and services. These indicators guide our independent auditors to undertake their assessment of our service performance. The indicators are a mix of qualitative and quantitative measures and are set out in our Long-term Plan. Some of the indicators for our core infrastructure services are compulsory for all councils to measure.

Residents Opinion Survey (ROS)

This survey is undertaken four times a year by Council to measure residents' satisfaction across a range of services, as well as their interactions with Council and general perceptions of Council. The survey is conducted over the phone with a total of 800 respondents each year (200 per quarter).

River recharge

Our Waikanae river recharge with groundwater scheme allows more fresh water to be taken from Waikanae River while maintaining the river's ecological balance and required minimum flow.

Takutai Kāpiti

This project aims to encourage the Kāpiti Community to become more aware of the impacts of coastal hazard risks resulting from sea-level rise and climate change and empower them to take part in developing solutions and pathways for adapting to coming change.

Three waters

This term collectively refers to drinking water supply, stormwater and wastewater assets and services.

Workforce Plan

This plan includes current and future workforce needs, skills to fill gaps and shortages, types of training and educational pathways or services needed, specific opportunities for youth, Māori, older people and people with disabilities, as well as changing business models and the impacts of COVID-19.

Financial

Amortisation (depreciation)

This is an expense charged each year to reflect the estimated cost of using our assets over their lives. Amortisation relates to intangible assets such as software while depreciation relates to physical assets such as buildings.

Capital expenditure

Capital expenditure, also referred to as CAPEX, is the money that we invest in purchasing or improving our assets, such as buildings, vehicles, equipment or land.

Credit rating

This is an independent, expert opinion of the capability and willingness of Council to repay its debts – in other words, its financial strength or creditworthiness. Our credit rating is issued by Standard & Poor's, an internationally recognised rating agency. Ratings are expressed alphabetically with the higher rating, e.g. 'AAA', being superior (having a lower chance of default) to a lower rating, e.g. 'C', (a higher risk of default). Our current credit rating is AA.

Current asset

This is an asset that can be readily converted to cash or will be used to repay a liability within 12 months of balance date.

Current liability

This is a liability that is required to be discharged within 12 months of balance date.

Depreciation (amortisation)

This is an expense charged each year to reflect the estimated cost of using our assets over their lives. Depreciation relates to physical assets such as buildings and amortisation relates to intangible assets such as software.

Fair value

Fair value reflects the market value of our assets or liabilities.

Impairment

Impairment describes a permanent reduction in the value of an asset.

Net borrowings

These are total borrowings, less any funds held on deposit.

Operational expenditure

Operating expenditure or OPEX refers to all the costs for providing day-to-day services that are not related to building or renewing assets. OPEX includes asset maintenance and depreciation, insurance, utilities like power and internet, and salaries and training.

Prudential limits

These are limits applied to the level of borrowings to ensure we are managing the Council's assets and liabilities prudently. These limits are outlined in the Investment and Liability Management Policy in Part 2 of our Long-term Plan.

Unfunded depreciation

This is the amount of depreciation not funded by rates. This relates mainly to roading assets funded by Waka Kotahi (NZTA) and wastewater treatment assets where the operator has responsibility for asset renewal.

Te Reo Māori terms

Kāpiti is rich in Māori heritage and we are proud that we have a high number of speakers of Te Reo Māori in our district. The Council shares our iwi partners' aspirations to promote Te Reo Māori to everyone in the community, so we are using more Te Reo Māori words and names and phrases in our activities and documents. The list that follows provides meanings and information about the terms we've incorporated in this Annual Report – some of which are familiar to many of us, and some less so. A great source of further information is Te Papa Kupu Māori Dictionary, or Māori Dictionary online. (maoridictionary.co.nz)

Hapū

Sub-tribe, kinship group, clan and primary political unit in traditional Māori society.

Iwi

Extended kinship group, tribe, nation, large group of Māori descended from a common ancestor and associated with a distinct territory. We have three iwi in our district considered as mana whenua: Te Āti Awa ki Whakarongotai, Ngāti Raukawa kite Tonga and Ngāti Toa Rangatira.

Mana whenua

The local tribes that have authority over the land. Territorial rights associated with possession and occupation of tribal lands.

Kaitiaki

Guardian, caregiver, custodian, keeper.

Kaitiakitanga

Guardianship, stewardship.

Kaupapa

Topic, policy, matter for discussion, plan, purpose, scheme, proposal, agenda, subject, programme, theme, issue, initiative.

Kawa

To perform the kawa ceremony, open a new house.

Kotahitanga

Unity, togetherness, solidarity, collective action. Council has set up an Economic Development Kotahitanga Board to oversee the delivery of the Economic Development Strategy.

Marae

The courtyard of a Māori meeting house, especially as a social or ceremonial forum.

Maramataka

Māori lunar calendar, a traditional Māori planting and fishing almanac. The Council has supported the production of a Maramataka for the past 10 years.

Me huri whakamuri,ka titiro whakamua

Let us look to the past, in order to see the future.

A Māori proverbial saying encouraging us to learn from our mistakes of the past or how understanding the past can often set the vision for the future.

Pōwhiri

A traditional Māori welcome; to welcome, invite, beckon.

Rangatahi

To be young, youthful, younger generation.

Rohe

Boundary, district, region, territory, area, border (of land).

Takutai Kāpiti

Kāpiti sea coast. We have given this name to our coastal adaptation programme.

Tamariki

Children. Tamariki Time is our libraries' online story programme for pre-schoolers.

Tangata whenua

People of the land, a general term given to the indigenous people of Aotearoa New Zealand.

Taonga

Anything prized and valued including socially or culturally valuable objects, resources, phenomena. For our water management activity, we use the phrase: He taonga te wai – water is precious.

Te Waewae Kāpiti o Tara rāua ko Rangitāne

Traditional name for Kāpiti Island.

Te Whakaminenga o Kāpiti

The confederation of Kāpiti. The Te Whakaminenga o Kāpiti partnership reflects Council's long-standing relationship with iwi/mana whenua.

Te Tiriti o Waitangi

Māori version of the Treaty of Waitangi signed by Māori. Local iwi were early signatories of Te Tiriti o Waitangi (the Māori version) as opposed to the translated English version.

Tikanga

Correct procedure, custom, habit, lore, method, manner, rule, way, code, meaning, plan, practice, convention, protocol – the customary system of values and practices that have developed over time and are deeply embedded in the social context.

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

Permanence of the land, water, people, Kāpiti district. The Council has chosen this phrase to describe the vision of our Long-term Plan.

Tuia

To sew, to thread. Each year the Mayor selects a rangatahi from Kāpiti to participate in the Tuia Programme. The Tuia programme is an intentional, long term, intergenerational approach to develop the leadership capacity of young Maori in communities throughout New Zealand. This programme involves local Mayors selecting a young Maori from their district to mentor on a one-to-one basis, to encourage and enhance leadership skills.

Waikanae ki Uta ki Tai

Waikanae in land to the sea. This is the name given to the Waikanae River Mountains to the Sea catchment restoration programme the Council contributes to.

Wairua

Attitude, quintessence, feel, mood, feeling, nature, essence, atmosphere.

Whakawhanaungatanga

Process of establishing relationships, relating well to others.

Whānau

Extended family, family group, a familiar term of address to a number of people.

Whenua

Land, territory, domain, placenta, afterbirth, ground, nation, start, country.

In our activities and services section of this report we give the Te Reo Māori for each of our activity areas alongside the English.

References

Long-term Plan 2021–41

kapiticoast.govt.nz/your-council/forms-documents/annual-and-long-term-plans/long-term-plan/

Annual Plan for 2020–21

kapiticoast.govt.nz/your-council/forms-documents/annual-and-long-term-plans/annual-plan/

Annual Report for 2019–20

kapiticoast.govt.nz/your-council/forms-documents/reports/annual-reports/

Pre-Election Report and Supplement Documents

kapiticoast.govt.nz/your-council/forms-documents/reports/pre-election-reports/

Kāpiti Coast District Plan

kapiticoast.govt.nz/your-council/forms-documents/district-plan/

Residents' Opinion Survey annual reports

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

Kāpiti Recovery Plan

kapiticoast.govt.nz/our-district/cdem/covid-19/recovery-and-support/recovery-planning/

Independent Organisational Review

kapiticoast.govt.nz/your-council/forms-documents/reports/2019-independent-organisational-review/

Takutai Kāpiti website

takutaikapiti.nz

Final Sustainable Transport Strategy

kapiticoast.govt.nz/media/37567/sustainable-transport-strategy-2020.pdf

Economic Development Strategy 2020–23

kapiticoast.govt.nz/our-district/economic-development/strategy-for-supporting-economic-development/

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