



APPENDICES

**Council Meeting
Under Separate Cover**

Thursday, 26 October 2023

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10.1 Adoption of the Annual Report and Summary Annual Report for 2022/2023

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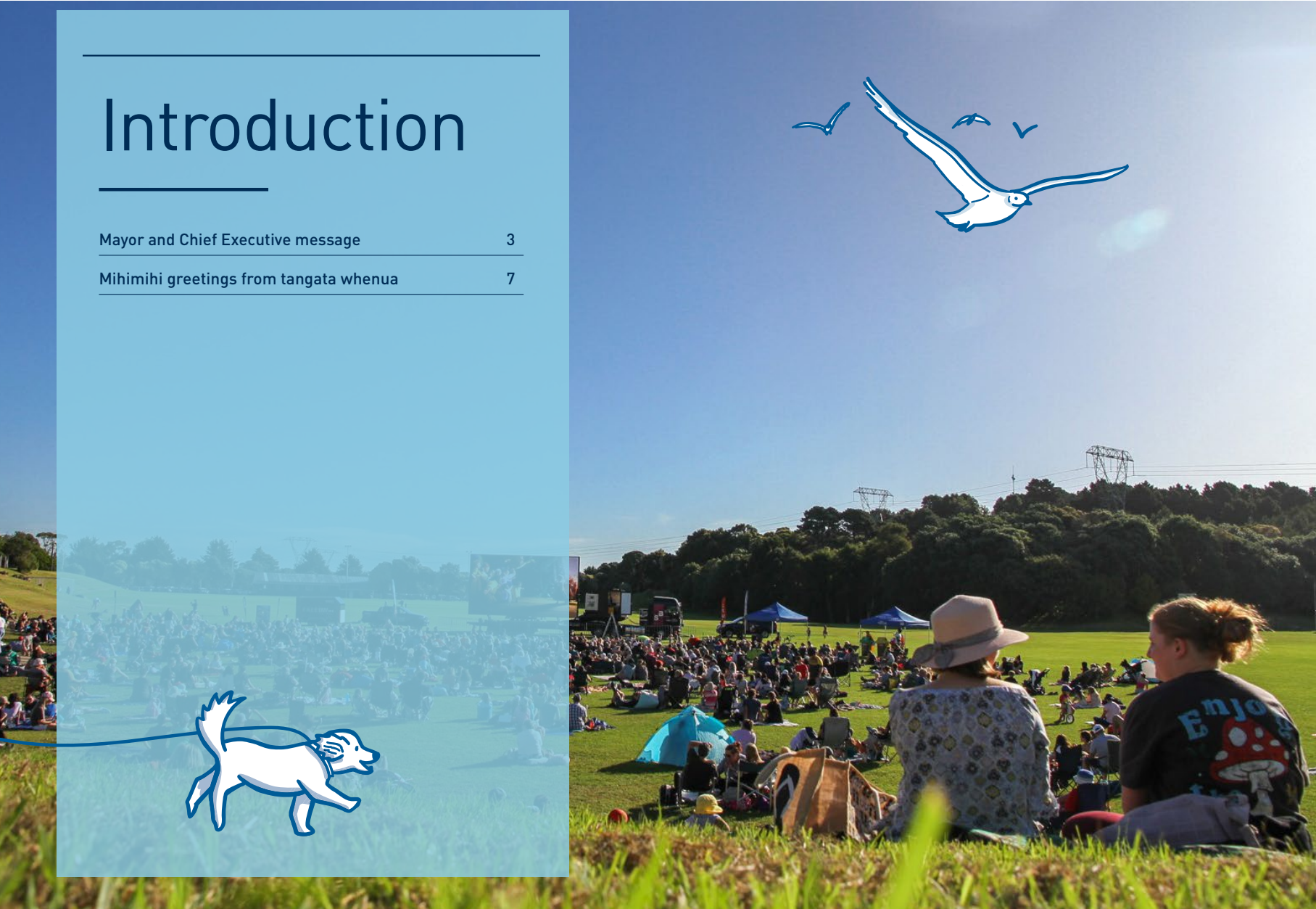


Kāpiti Coast District Council Annual Report 2022/23

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Mayor and Chief Executive message



Mayor of the Kāpiti Coast District, Janet Holborow (left) and Chief Executive of the Kāpiti Coast District Council, Darren Edwards (right).

**Paiahahā! Tēnā rawa atu koutou,
e hāpori o Kāpiti. Nau mai! Nau mai!
Arohia ki tō tatou rautaki ā tau 2022/23.
Welcome to the Kāpiti Coast District
Council's Annual Report for 2022/23.**

This is the second Annual Report against the Kāpiti Coast District Council's Long-term Plan for 2021–2041.

It's a snapshot of how we performed against the goals we set in the plan, including how well we managed our finances, and delivered our core services and other initiatives to enhance and futureproof the District.

A lot has changed since we adopted the Long-term Plan 2021–41 amid pandemic lockdowns and Ukrainian conflict. Sharp inflation and interest rate increases drove up the cost of the materials and skills we need to deliver our work programmes. Like households and businesses, we've had to re-prioritise, slowing down some work in favour of a sharper focus on other areas, such as building the resilience of the District's core infrastructure and services.

We're hopeful of a more settled economy and improved affordability in a few years. When that day comes, we'll be ramping up our plans to invest in the future – one that aligns with what our community wants and needs. Right now we are asking our residents what they think through Vision Kāpiti, which is exploring the community's aspirations for how future generations might live, work, and play in Kāpiti. The outcomes from this will help guide Council decision-making for many years to come, so thank you in advance for talking to us.



In the meantime, we had our AA credit rating reaffirmed by S&P Global. This means we have a very strong capacity to meet our financial obligations. It's fantastic news, especially given some of the challenges we've faced over the past few years. Council's rating was adjusted from stable to negative in recognition of the rising costs of essential materials and skills for all councils.

We achieved 76 percent of our non-financial performance measures this year – an improvement from the 68 percent recorded in 2021/22 – but we didn't do quite so well on the residents' opinion survey, with overall satisfaction down from 70 percent to 64 percent.

In the survey, 800 residents told us we can do better in a few specific areas, such as traffic flow, and road and footpath conditions. Other areas for improvement are perceptions of how well Council is making decisions, guiding the District, and demonstrating value for money. We're taking this feedback on board. This is where the insights from Vision Kāpiti will be so important for both lifting resident satisfaction, and for our short and long-term planning.

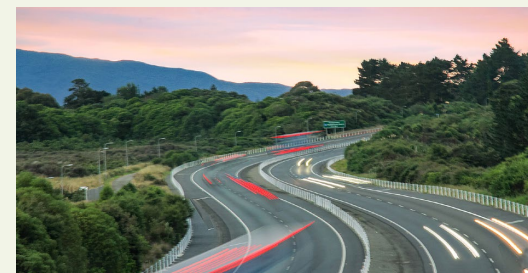
Now let's talk about some of the big wins from the past year

In roading, the McKays to Peka Peka portion of the Old SH1 is now almost complete. This separates local and expressway traffic, helping to make travelling through the District safer and shorter. The transport hub at Paraparaumu, which aims to improve people's experience of public transport and connections to our retail area, is also receiving its finishing touches.



Lorna Irene playground.

It's been a big year for stormwater renewals and upgrades, with completed works in Paraparaumu, Waikanae and Ōtaki and progress on the multi-stage Amohia catchment upgrade in Paraparaumu. In Ōtaki the site of the new water reservoir has been confirmed so we can start construction later this year. The reservoir is a huge asset for the community as it will improve firefighting capability and provide secure water supply for existing and future homes in Ōtaki.



Kāpiti expressway.

Highlights in our community spaces include completing the new Toi Mahara Gallery, introduction of an Open Space Strategy and implementation plan to deliver on the aspirations of our communities as our District grows, and planting of more than 20,000 plants, shrubs, and trees. The Lorna Irene Drive Reserve playground in Raumati South was upgraded to cater for all abilities, with a bonus win of the Playground of the Year award at the Recreation Aotearoa NZ Parks Awards.

We've achieved a lot despite a challenging year and we're looking forward to the economy picking up so we can get back to some of the projects and initiatives that had to be put on hold or slowed down. In the meantime, our priorities will be to safeguard our essential infrastructure and strengthen community wellbeing with the knowledge and support of the people of Kāpiti.

Toitū te whenua, toitū te wai, toitū te tāngata – toitū Kāpiti.



Janet Holborow
Mayor



Darren Edwards
Chief Executive



Kāpiti road planting.



Exterior of the new Toi Mahara Gallery.



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We've had a big year

- 13,459 service requests received
- 28,140 front counter customers welcomed
- Over 42,000 customer calls answered
- 1,110 voicemails responded to
- 17,511 e-mail and website submissions received
- 48.8 kilometres of open waterways cleaned
- 11.6 kilometres of local roads re-sealed
- 5 kilometres of new footpaths constructed
- 6,000,000 m3 litres of treated potable water delivered to households
- 18 new or upgraded street lights across the District
- 12,000,000 m3 of wastewater treated at Paraparaumu and Otaki treatment plants
- Registered 8,324 dogs
- 284,000 visits to our libraries
- 12,000 visitors to the Kāpiti Coast Art Trail
- Hosted 3000 people at Movies in the Park
- 20,000 plants, shrubs and trees planted
- 6,231 hours weed eating and 8,625 hours on mowers and tractors
- 312,000 visitors to our aquatics centres.

More about what we delivered can be found in Section 3 of this report.

Mihimihi greetings from tangata whenua

Ka rere tāwhangawhanga te au o te kupu
ki te Toi o Ngā Rangi, ki ngā pou tiriao o te
ao wairua ōtira o te waahi ngaro e poipoia
ana ngā tāonga kāmehameha no tua
whakarere nei ra te mihi matakuikui nā
te mana, nā te tapu o te whenua e hōrapa
ana te mihi tēna koutou katoa!



The tangata whenua of the district are Te Ātiawa ki Whakarongotai, Ngāti Raukawa represented through Ngā Hapū o Ōtaki and Ngāti Toa Rangatira, including whānau and hapū. In the 1820s–1830s they were firmly established in the district and were signatories to Te Tiriti o Waitangi at various locations on the Kāpiti coast. We recognise and affirm their whakapapa and their 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.

TE ĀTIAWA KI KĀPITI



Ngā Hapū o Ōtaki

Te moemoeā o te tangata whenua

The vision of tangata whenua

Te Harakeke, Te Kōrari
The flax plant, the flax flower

Ngā taonga whakarere iho
Treasures left down here

O te rangi. O te whenua. O ngā tūpuna
Of the sky. Of the land. Of the ancestors

Homai he oranga mō mātou
Give wellness to us all.

Tīhei Mauri Ora
Sneeze the breath of life

In developing the Long-term Plan 2021-41 (LTP), tangata whenua of the district agreed to use Te Pā Harakeke (the flax bush) as a metaphor for their vision of the relationship between mana whenua and Kaunihera (the Council).

In the graphic representation used in the LTP, the roots of the Pā Harakeke are the principles and values agreed by iwi representatives and the councillors to guide our work together:

Kaitiakitanga – Guardianship. Sustaining the environment and people.

Ūkaipōtānga – Identity. Having a place where one belongs, where one counts, where one is important, and where one can contribute.

Whanaungatanga – Connectedness. A system of 'kinship', including rights and reciprocal obligations that underpin the social organisation of family, and community.

Pūkengatanga – Wisdom. Preserving, creating, teaching in building knowledge and understanding.

Manaakitanga – Support. Supporting each other through generosity, care, respect and reciprocity towards others.

Pā Harakeke is about protection of our most vulnerable, and collective strength. It fosters connection to the whenua (land) and to Papatūānuku (Earth Mother), as well as our connection to family (including extended family) and people – past, present and future.

Our principles and vision remain the same as we navigate another year working to establish the means to achieve our moemoeā (vision).

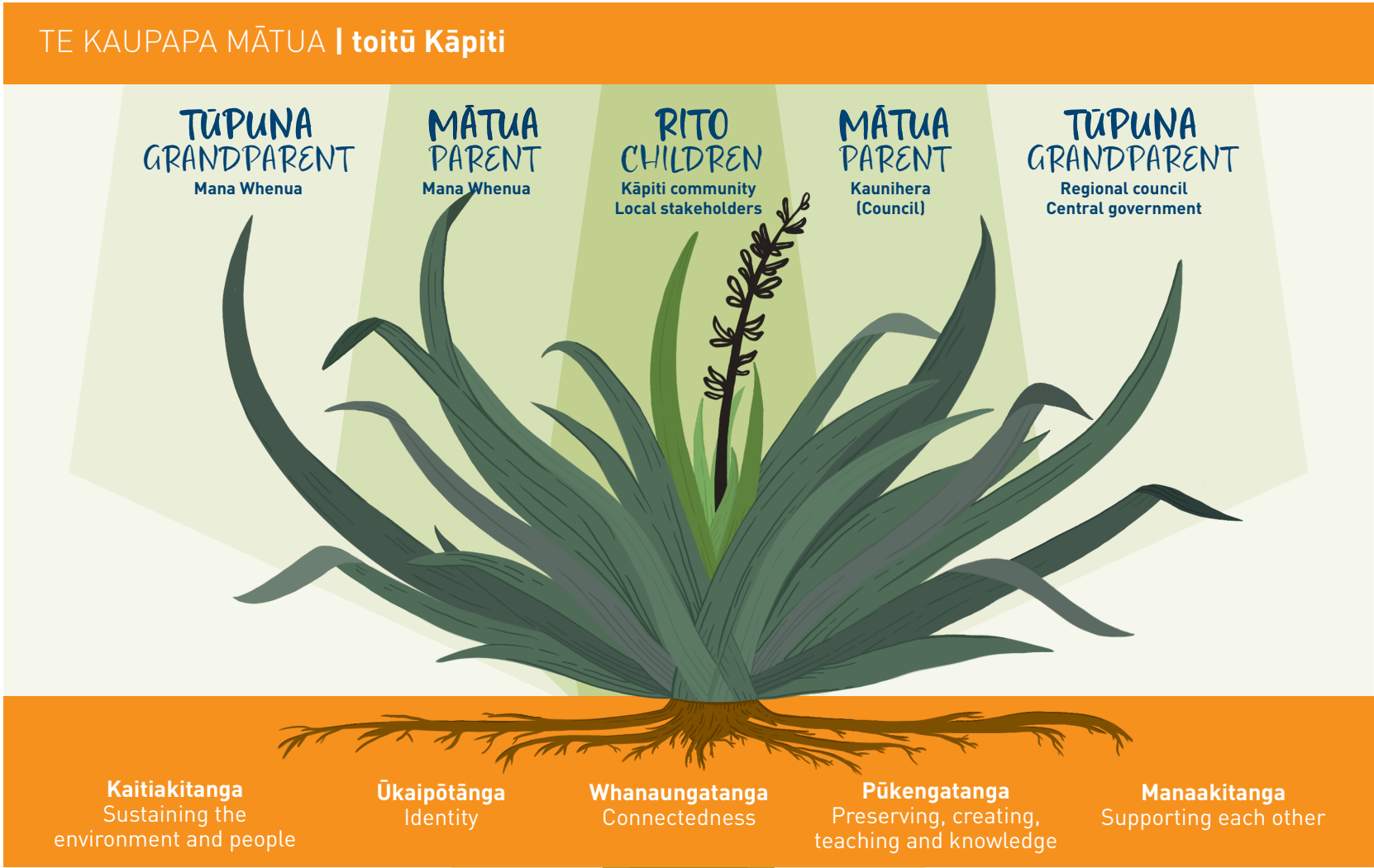
It has been a great year which has seen the elevation of the Iwi Partnerships function within Council to its own group – Honongā a-Iwi.

Mana whenua continue to be directly involved in governance through the Council and its committees – increasing capability within iwi and the Council. These developments reflect the mana-enhancing partnership we strive for.

There is still much to be done, but we are heading in the right direction, with the refresh and review of our Partnership Agreement being a priority.

Nāku noa nei

André Baker
Kaihautu Te Whakaminenga o Kāpiti





Performance summary

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Snapshot of the Council's performance for the year

Financial performance/position

\$8.5m

Surplus is mainly due to external funding for capital works. This does not represent a cash surplus.

70%

Total income is derived from rates.

7.5%

Average rates increase 2022/23.

\$81.4m

Actual rates revenue for the year.

\$1.9b

The Council's net value as at 30 June 2023.

\$199.8m

Net debt at 30 June 2023.

AA/A-1+

credit rating from S&P Global.

Capital projects

\$61.5m

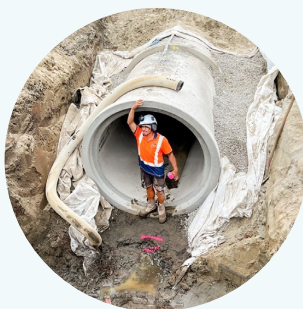
Despite supply and resource shortages we achieved our highest capital spend.

73%

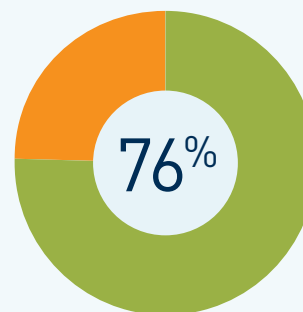
Capital expenditure budget spent.

\$23.2m

Carried over to 2023/24 and outyears.



Service performance



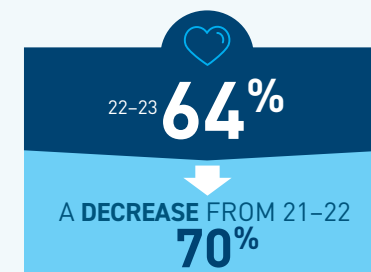
■ Achieved 76%
■ Not achieved 24%

63
Achieved

21
Not achieved

Out of 84 performance measures.

Residents' satisfaction



Compared to the previous year:

- overall adjusted **satisfaction** ↓ 6 %
- satisfaction with **value for money** ↓ 5%

The three drivers of change in satisfaction relate to the Council:

- Making good decisions
- Guiding the District in the right direction
- Value for money.

Financial overview

Revenue for the year was
\$116.8 million

Council's mainstream revenue includes rates, fees and charges and external grants and subsidies. This made up 89% of Council's total revenue for the year and was in line with budget. Old State Highway 1, the section from Mackays crossing to Peka-Peka, was planned to be vested to Council in 2022/23 at a fair value of \$49 million, which is accounted for as revenue. This did not eventuate and explains why Council's total revenue was \$49.5 million below budget for the full year.

Total expenses for the year were
\$108.3 million

Total operating expenses, including personnel, depreciation and finance costs were in line with budget for the year.

Operating surplus for the year was
\$8.5 million

Council's total revenue less total expenses has resulted in a surplus of \$8.5 million for the year. This mainly reflects external subsidies received for Council's capital works programme and does not represent a permanent cash surplus.



Unrealised gain on derivatives

\$2.9 million

This represents the difference between the current market value of the derivatives, compared to their original cost when acquired.

Unrealised gain from revaluation of property, plant and equipment

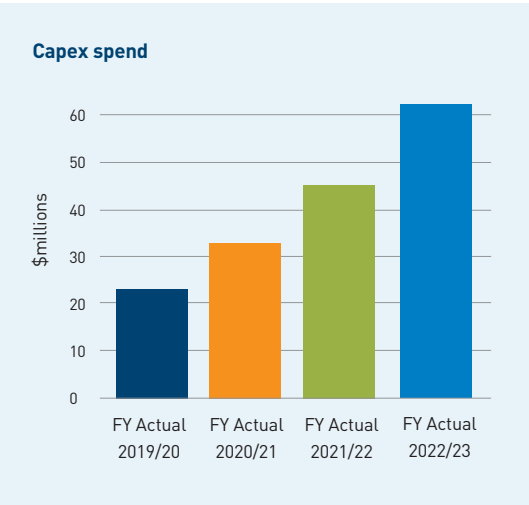
\$221.9 million

All assets were revalued this year and the assets' values have increased for land and buildings (\$124.8 million), roading and bridges including land under roads (\$67 million) and three waters (\$29.3 million) to reflect fair value, being current replacement costs less depreciation to account for the age of the assets. \$128.7 million (58% of total revaluation increase) relates specifically to Council-owned land, which was last revalued in 2020. These land valuations have no impact on Council rates. Land valuation movements depend on zoning and location.

Capex spend this year was

\$61.5 million

Delivering capital projects has proved challenging due to materials and labour shortages combined with changing circumstances and community preferences. A few projects were not completed as planned. \$23.2 million has been carried over to 2023/24 and out years.

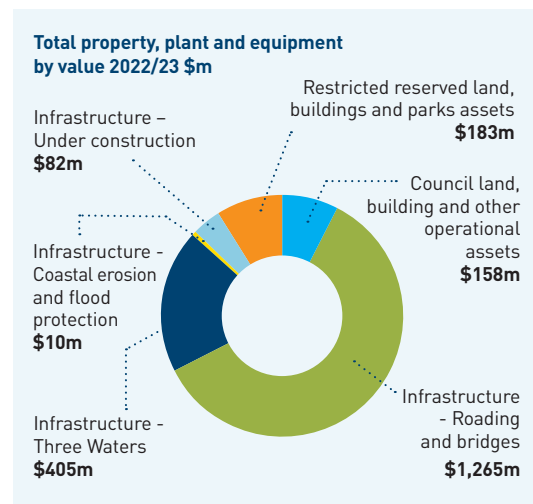


Financial position

Council assets at 30 June 2023

\$2.2 billion

95 percent of the Council's assets is property, plant and equipment (PPE). The PPE value is \$189.8 million higher than the budget due to the significant increase resulted from revaluation.



Council liabilities at 30 June 2023

\$310.3 million

Gross borrowing of \$275 million made up 89 percent of total liabilities. The remainder is mainly trade creditors (8 percent of council liabilities).

Public equity at 30 June 2023

\$1.9 billion

Ratepayers' equity being the difference between total assets and liabilities, stood at \$1.9 billion, \$0.2 billion more than budget due to higher than budgeted revaluation increases of PPE.

Cash and debt management

Net debt was

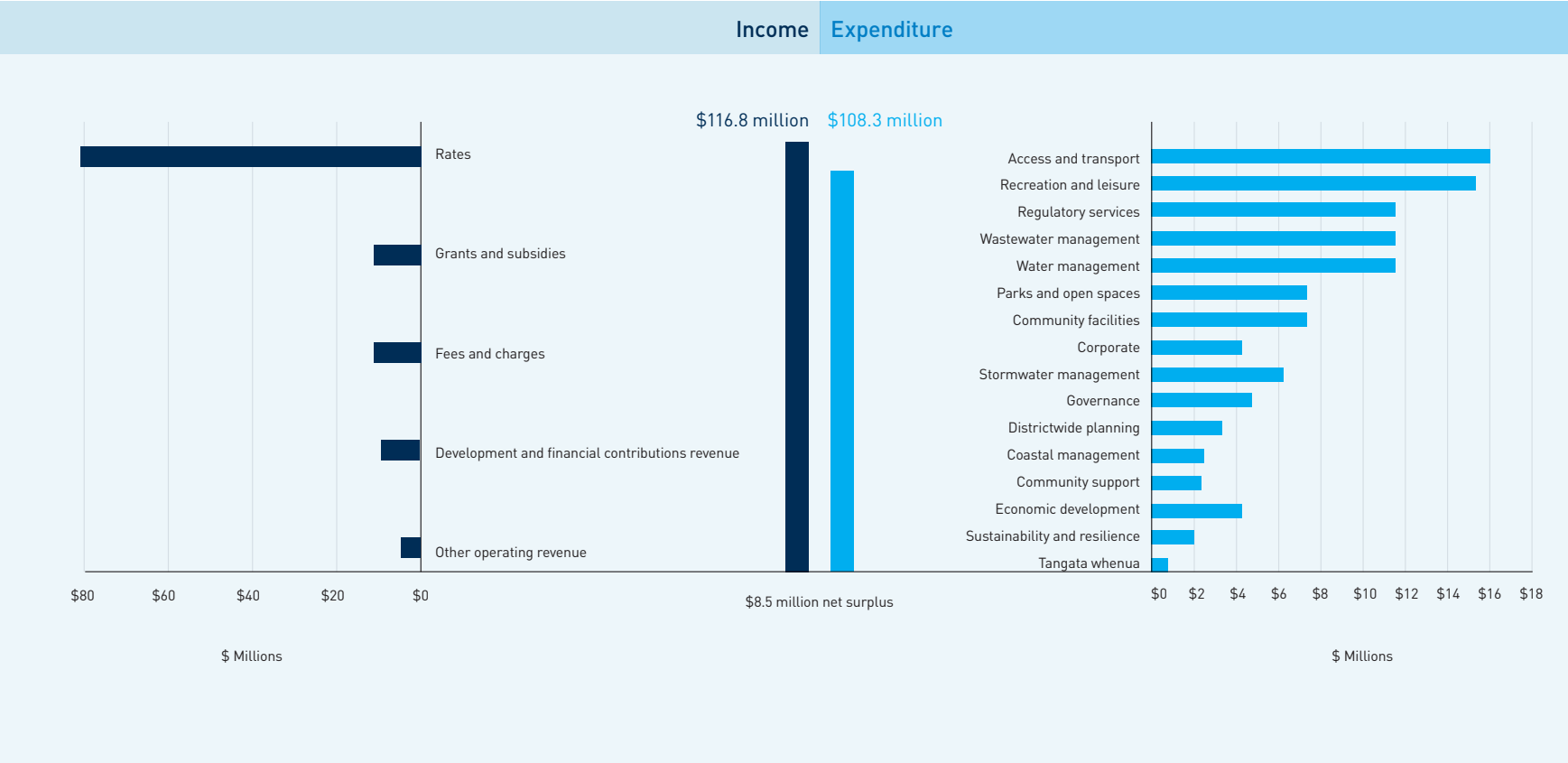
\$199.8 million

192.4 percent of operating income

Net debt (total borrowings less term deposits, borrower notes and cash) is well below the upper limit of 280 percent and preferred limit of 250 percent as set out in the LTP.



Financial performance (\$ millions)



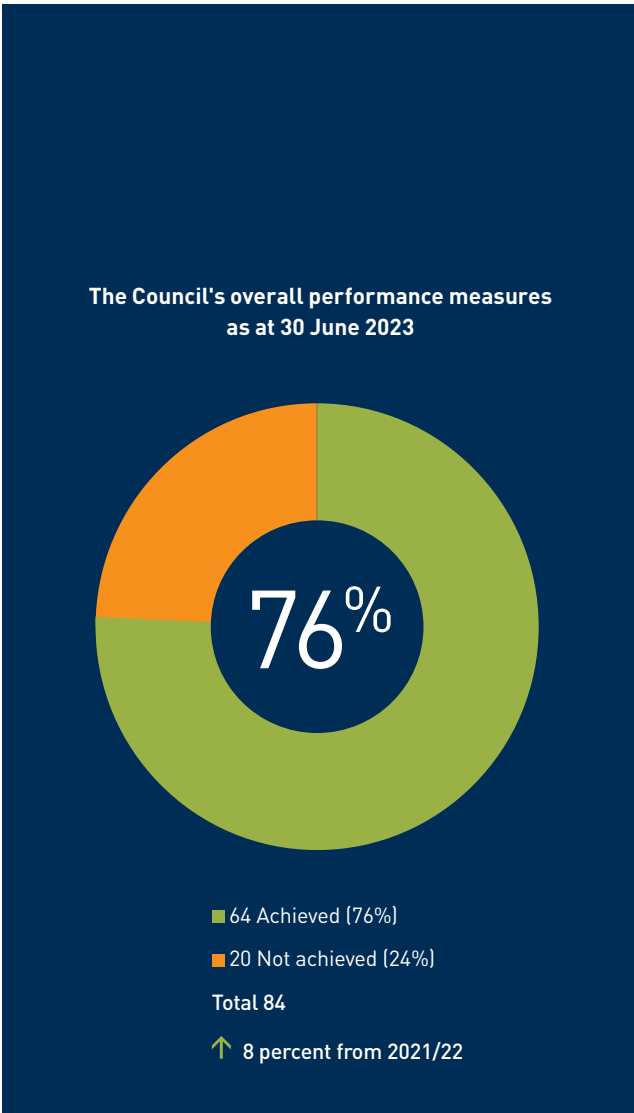
summary

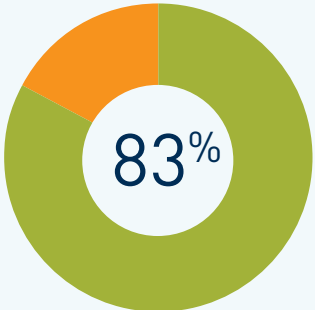
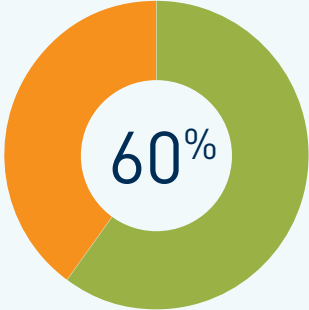
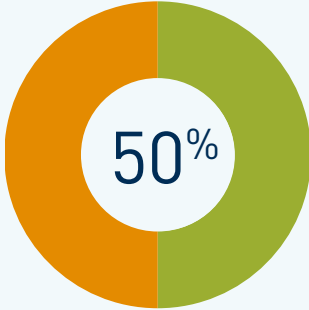

Service performance overview

Council achieved 76 percent of the 84 performance targets that support the delivery of levels of service.

This result is higher than the previous year when 68 percent of performance measures were achieved.

While the 2022/23 year has seen improved performance in many areas, opportunities to improve are apparent.



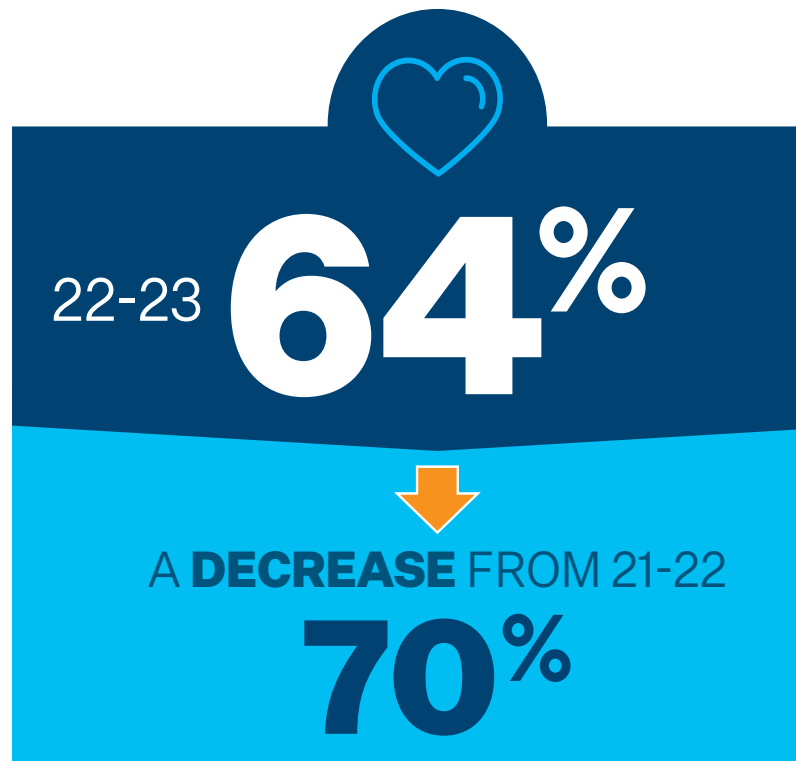
| <p>Community services performance measures as at 30 June 2023</p>  <p> 20 Achieved (83%) 4 Not achieved (17%) Total 24 ↑ 16 percent from 2021/22 </p> | <p>Partnerships performance measures as at 30 June 2023</p>  <p> 6 Achieved (60%) 4 Not achieved (40%) Total 10 No change from 2021/22 </p> | <p>Planning and regulatory performance measures as at 30 June 2023</p>  <p> 3 Achieved (50%) 3 Not achieved (50%) Total 6 ↓ 17 percent from 2021/22 </p> | <p>Corporate performance measures as at 30 June 2023</p>  <p> 1 Achieved (100%) 0 Not achieved Total 1 No change from 2021/22 </p> |
|---|--|---|--|
| <p>Outcomes</p> | | | |
| <ul style="list-style-type: none"> Our communities are resilient, safe, healthy, thriving and connected. Everyone has a sense of belonging and can access the resources and services they need. Our natural environment is restored and enhanced as we transition to a low-carbon future. Mana whenua and the Council have a mutually mana-enhancing partnership. Page 57–71. | <ul style="list-style-type: none"> Mana whenua and the Council have a mutually mana-enhancing partnership. Our local economy is prosperous with ample opportunities for people to work and learn in Kāpiti. Page 72–87. | <ul style="list-style-type: none"> People have access to suitable housing in Kāpiti so that they can live and thrive. Our communities are resilient, safe, healthy, thriving and connected. Everyone has a sense of belonging and can access the resources and services they need. Our natural environment is restored and enhanced as we transition to a low-carbon future. Mana whenua and the Council have a mutually mana-enhancing partnership. Page 88–97. | <ul style="list-style-type: none"> Corporate activity supports other Council activities to deliver against outcomes. Page 98–100. |

summary

Residents' Opinion Survey results

Results that informed 2022/23 performance measures

Overall Satisfaction

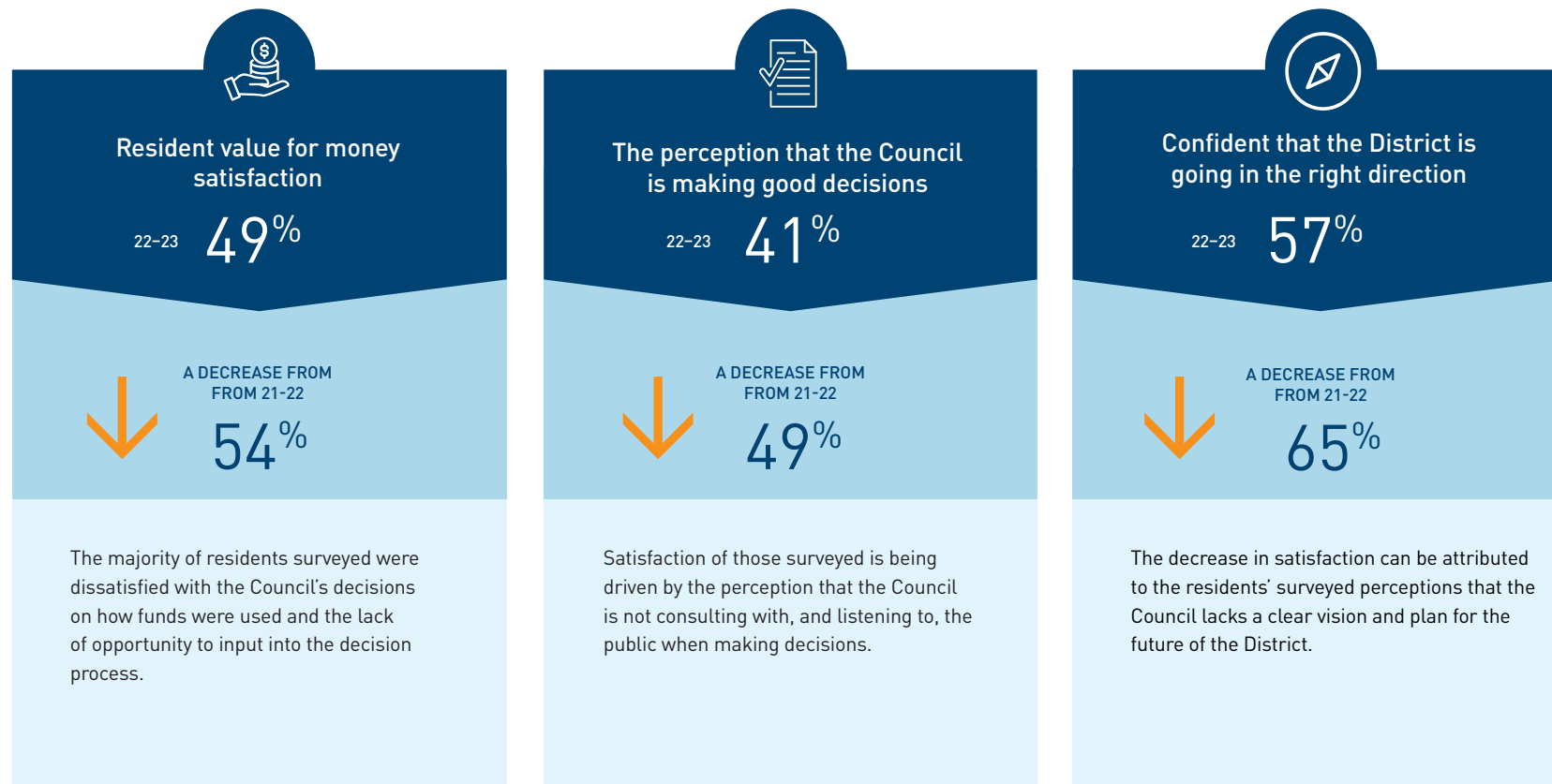


800 residents were surveyed during the year. This is considered to be a statistically valid sample size.

Drivers of change in satisfaction

Quarterly surveys throughout the year indicate that the below drivers have influenced opinions during 2022/23.

Improving these aspects may improve residents' perceptions of the Council and ultimately raise overall satisfaction with the Council.

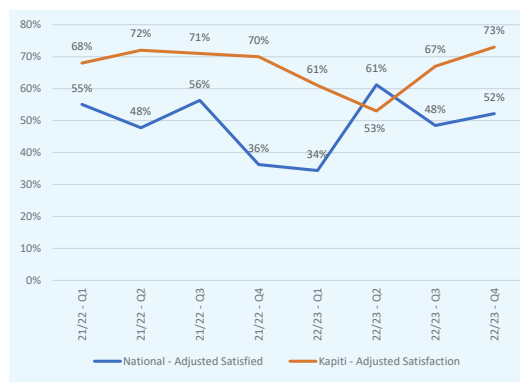


National comparisons¹

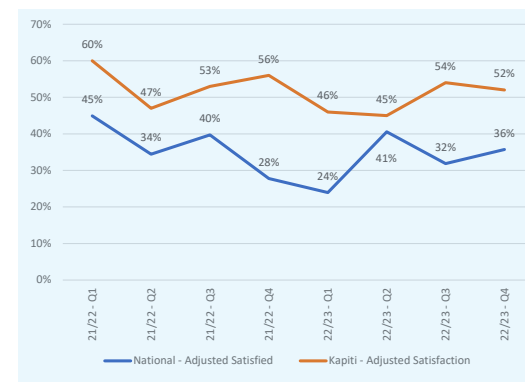
Overall satisfaction and value for money satisfaction in Kapiti are trending higher than national satisfaction results measured by quarter

However, whilst we are improving in these areas, we are still trending lower than the national average in terms of opportunities to have a say and information on decisions that may affect people, measured by quarter.

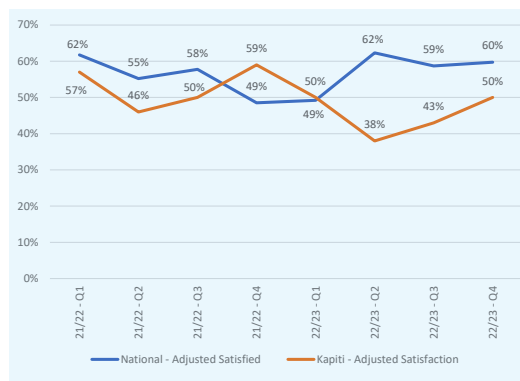
Adjusted satisfaction – Overall satisfaction



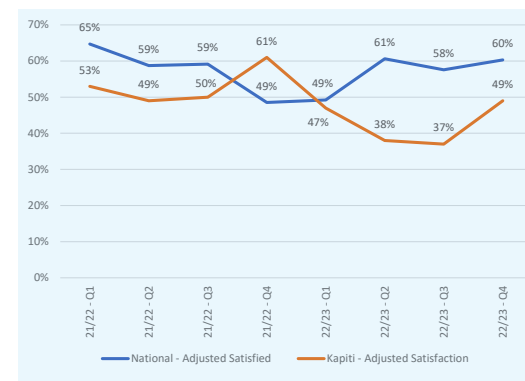
Adjusted satisfaction – Value for money



Adjusted satisfaction – Opportunities to have my say



Adjusted satisfaction – Information on decisions that affect your area



¹ Source: What is driving perceptions of Local Government? Research First, 2023.

Our activities

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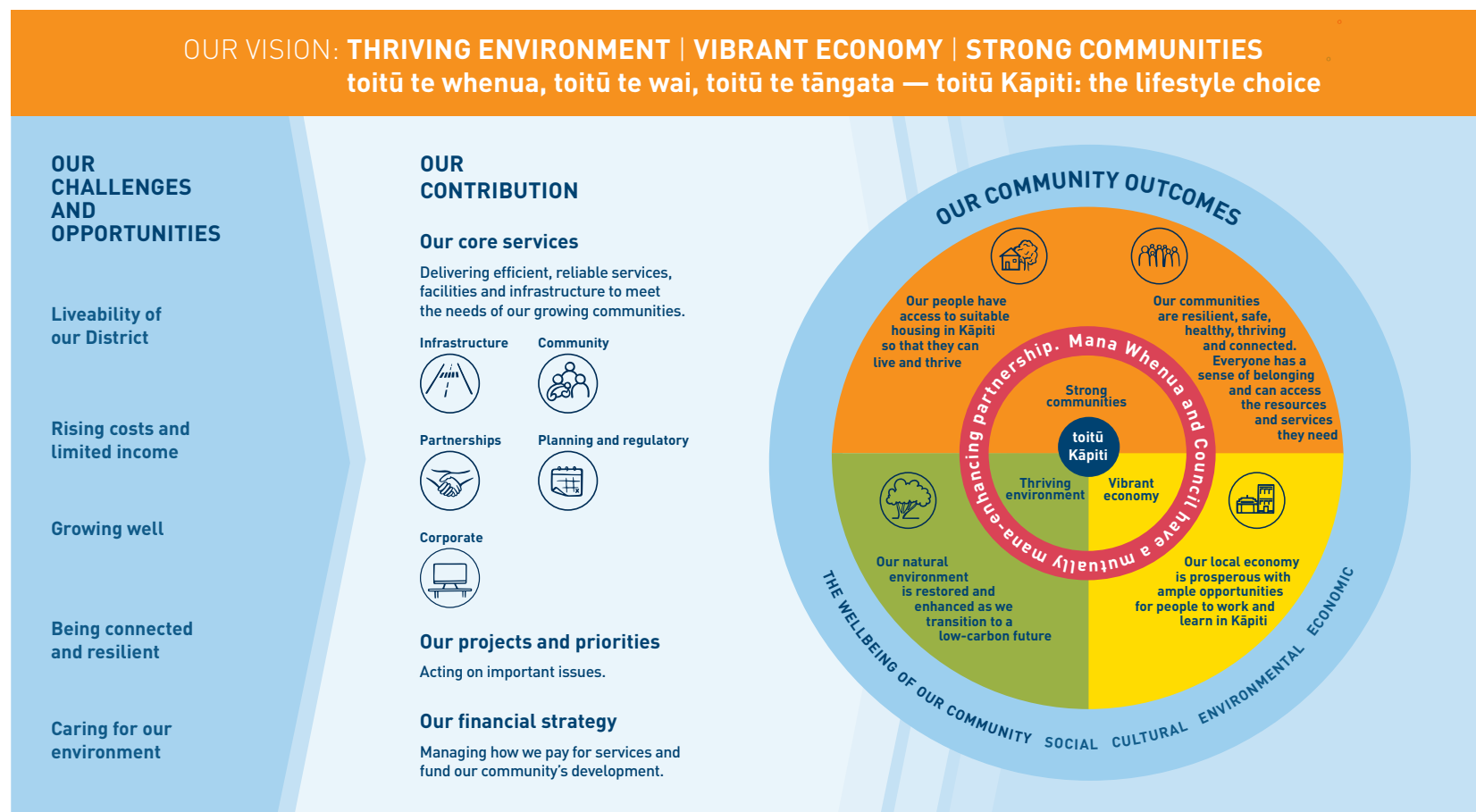
Council manages 16 activities and services for the District, all of which contribute towards community outcomes that align with the social, cultural, environmental, and economic wellbeing of our District.

This section provides an overview of what we achieved during the year, and our performance against the targets set in the Long-term Plan 2021-41.

delivered

The Council's strategic direction

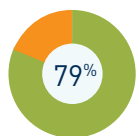
Our plan on a page is from the LTP 2021-41 and contains five outcomes. All activities undertaken by the Council throughout the 2022/23 year were progressed to support achievement of these outcomes.



Overview of activities and services



delivered



↑ 7% from last year

Infrastructure

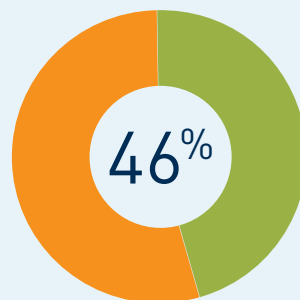


Putanga me te waka – Access and transport

Purpose

This activity contributes to community resilience and connectedness by developing and maintaining a roading network and an extensive cycleway, walkway and bridgeway network that allows for the safe and efficient movement of people and goods to work, home, school, essential services, shops, and recreation activities throughout the district.

Performance measures as at 30 June 2023

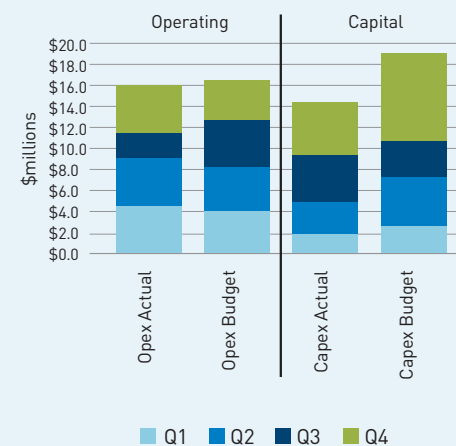


■ Achieved 46% ■ Not achieved 54%

2021/22: 46%

6 Achieved 7 Not achieved 13 Total

Operating and capital expenditure 2022/23



Full year underspend due to delays on the Paraparaumu transport hub and Arawhata Road to Ihakara Street link road projects.

Key highlights for the year

East-West connection in Paraparaumu
(Arawhata Road to Ihakara Street link)

This is a complex project in its early planning and design stages. We completed a traffic model, which was peer reviewed, and technical reports (including archaeological, liquefaction, geotechnical, and wetlands assessment). We also completed a Strategic Business Case for funding from Waka Kotahi. Proposed road layout cross-sections are in the review stage. The new landowner is preparing a Resource Consent application (stage 1).

SH1 Revocation (M2PP/PP20)

The McKays to Peka Peka (M2PP) revocation is near practical completion. This 16km route is a key north-south arterial connection through the southern half of our District and includes significant pedestrian and cycleway improvements. The work in the Paraparaumu and Waikanae town centres is complete. We expect handover of this length of road from Waka Kotahi to Kāpiti Coast District Council to occur shortly.

The Waikanae River Bridge pedestrian clip-on remains an action for contractors to complete, but this will not affect the route handover to Council.

Planning for the Peka Peka to Ōtaki (PP20) revocation (the final stage) is underway.

Footpaths renewals

The first five-year cycle of the footpath condition survey was completed this year, which found less than 1 percent of footpaths in poor or very poor condition. This confirms that the strong footpath renewal programme from 2019-22 has improved the overall network condition.

The 2022/23 programme was reduced to work within Waka Kotahi funding constraints and cost escalation impacts. Funding is still limited, so as we move forward into the 2023/24 year it is likely we will do less renewals and more essential repairs. Despite the constraints, we constructed 5km of new footpaths.



What we delivered | Infrastructure | Putanga me te waka – access and transport | 25

Road maintenance and surfacing

Despite significant winter/spring rainfall damage to road pavements requiring six weeks of unplanned repair work, Council completed its seasonal road upgrade and resealing programme (resealing 29 roads with chipseal, and asphaltting of Elizabeth Street, Waikanae).



Paraparaumu Transport Hub

The project is progressing well, with paving, retaining walls, steps, lighting, and balustrades largely complete, and finishing touches underway, including fabrication of pedestrian shelters and construction of a cycle park and charge facility.

The Greater Wellington Regional Council’s contribution to the project includes the design and build of new bus shelters with living roofs. These are being designed and fabricated off-site.

Raumati Village improvements

Survey and investigation work is underway to design the most effective means of reducing vehicle speeds in the Raumati Beach village to promote road user safety.

Bridges and retaining walls

Planning for the Kāpiti Road and Marine Parade culvert replacement work is underway.

Three new retaining walls have been constructed due to storm damage in Waikanae, Ōtaki, and Paraparaumu.

Emergency river protection was installed on Maungakotukutuku Road as a temporary measure to protect the road from further scouring. Work to build a permanent retaining wall is planned in the 2023/24 financial year.

Street lighting

The lighting network remains stable with low numbers of outages. New street lights were installed on seven streets/roads, and 11 streetlights in Main Street, Ōtaki, were upgraded to LED.

| | | |
|--|---|---|
| | | |
| Minor safety improvements | Resource consents | Strategy and Policy |
| <p>We have undertaken a range of relatively minor road and intersection improvements across the District, which have included traffic calming, lighting improvements, and installation of new road signs and road markings.</p> <p>Council engaged with the community on the Kāpiti Coast’s first Speed Management Plan with implementation scheduled to commence in the first half of 2024.</p> | <p>117 resource consents and 44 temporary event applications were received by the Access and Transport team this financial year.</p> <p>Officers attended pre-application meetings and provided advice and input into resource consent information responses, conditions on consents and actioned service requests as required. In addition to this, officers have provided advice on COVID-19 Fast Track Consenting Act applications and attended workshops with Kāinga Ora on potential developments within the District.</p> | <p>The team made a submission on the Land Transport Management (Regulation of Public Transport) Amendment Bill in relation to rule changes affecting public transport. The team were also heavily involved in Council’s submission on the Natural and Built Environment Bill and the Spatial Planning Bill (RMA reforms).</p> <p>Other strategy work included District Plan change processes and attending and inputting into the regional transport work programmes such as the Future Development Strategy and the Wellington Regional Land Transport Plan.</p> |
| Blue Bluff | Ōtaki to North of Levin highway (Ō2NL) | Speed management |
| <p>Cost options to repair the slip and the damaged portion of road have been identified. Council would like to consult the community before making a decision. Any decision to confirm the way forward is therefore delayed until consultation can be completed.</p> | <p>The team has also been continuing to input into the Notice of Requirement application for the Ō2NL project. The team will also be involved in mediation, and an Environment Court hearing to be held mid to late 2023. Officers are meeting regularly with other consenting authorities and Waka Kotahi to ensure strong working relationships with these partners, and to ensure good outcomes for our community.</p> | <p>During the year Council adopted its first Speed Management Plan for the Kāpiti Coast. The plan sets out a three-year implementation programme for ‘high-benefit areas’ such as school zones, areas where there are high concentrations of active roads users such as town centres and marae, and road corridors. It also includes options for how the transport network could look in the longer term to achieve safe and appropriate speeds on Kāpiti roads. Initial work to implement the plan for high-benefit areas is in the early stages.</p> |

delivered

Challenges

- Recent changes to the Resource Management Act and the District Plan enable the building of higher-density housing, and the National Policy Statement on Urban Development (NPS-UD) has removed minimum car parking requirements for new developments. Before these amendments were made, the Access and Transport activity had the opportunity to consider the effects of medium density housing on the road network capacity. In urban areas the more permissive rules could have a significant impact on the roading network. The reduced opportunity to assess impacts presents a challenge for the Access and Transport planning process.
- Winter weather events caused damage to roads and pavements, reducing the expected lifespan of the asset, requiring urgent remedial work, and impacting on scheduled physical works.

Blue Bluff: Public consultation on next steps for this issue is likely to delay any repairs or remediation beyond the upcoming construction seasons. This means the road will remain unusable during the 2023 summer.



Ōtaki Gorge Road / Blue Bluff.

Putanga me te waka – Access and transport performance measures

| Performance measures | Target | Result | Status | Comment and previous years' result |
|--|---|---------------------------|--------------|--|
| Residents who agree the existing transport network allows easy movement around the District. | 80 percent | 57 percent | Not achieved | This result is derived from the Residents' Opinion Survey of 800 residents. 31% of residents surveyed who had an issue with the transport network service explained it was due to traffic flow issues. This is reflective of the substantial roadworks associated with stormwater replacement impacting on traffic on Kāpiti Rd, the Paraparaumu transport hub, and works associated with revocation of SH1 resulting in disruption to traffic flows. The 2021/2022 result was 67 percent (not achieved). |
| The change from the previous financial year in the number of serious and fatal crashes on the local road network, expressed as a number. | Five-year rolling average reduces each year | 9 crashes rolling average | Achieved | The 2021/2022 result was achieved (10 crashes). |
| Residents who are satisfied with street lighting. | 85 percent | 83 percent | Not achieved | This result is derived from the Residents' Opinion Survey of 800 residents. It is consistent with previous years. Council is working on "dark spots" where the light spread of the new LED lights is not as wide as the old-style lights, as this is an area of frustration within the survey responses. The 2021/2022 result was 83 percent (not achieved). |
| Percentage of sealed local road network that is resurfaced. | 5 percent | 2.9 percent | Not achieved | Increased costs have required reduced volume to stay within budget. The full chipseal programme was achieved, but two asphalt sites were not completed due to resource availability. The 2021/2022 result was 3 percent (not achieved). |

| Performance measures | Target | Result | Status | Comment and previous years' result |
|--|--|---|--------------|--|
| Residents who are satisfied with the condition of roads. | 70 percent | 55 percent | Not achieved | This result is derived from the Residents' Opinion Survey of 800 residents. 48% of residents surveyed who had an issue with the transport network service explained it was due to poor road maintenance. This is reflective of severe weather events impacting on road surfaces resulting in increased unplanned works and delays to planned road renewals, and increased costs and reduced funding constraining repairs. The 2021/2022 result was 66 percent (not achieved). |
| Roads that meet smooth roads standards. | Overall smooth travel exposure is above 85 percent | 84 percent | Not achieved | Continued effort to target levelling and resurfacing is required to hold and improve this result. The measure is weighted toward high traffic routes. The 2021/2022 result was 84 percent (not achieved). |
| Residents who are satisfied with the condition of footpaths. | 65 percent | 66 percent | Achieved | The 2021/2022 result was 66 percent (achieved). |
| Percentage of footpaths that fall within the service standard for the condition of footpaths as set out in the activity management plan. | 60 percent | 99.6 percent | Achieved | The 2021/2022 result was 98 percent (achieved). |
| Average cost of local roading per kilometre is comparable with similar councils. | Achieve | Comparable costs for reseal and asphalt sites | Achieved | The 2021/2022 result was achieved. |
| Service requests relating to roads responded to within three to five hours (urgent) | 85 percent | 62 percent | Not achieved | The team has improved accuracy of reporting this measure, which has identified opportunity for improvement. Alignment between the measure and contractor response times is required for significant change. The 2021/2022 result was 67 percent (not achieved). |

| Performance measures | Target | Result | Status | Comment and previous years' result |
|--|------------|------------|--------------|--|
| Service requests relating to roads responded to within 15 days (non-urgent). | 85 percent | 99 percent | Achieved | The 2021/2022 result was 94 percent (achieved). |
| Service requests relating to footpaths responded to within three to five hours (urgent). | 85 percent | 45 percent | Not achieved | The team has improved accuracy of reporting this measure, which has identified opportunities for improvement. Alignment between the measure and contractor response times is required for significant change. The 2021/2022 result was 46 percent (not achieved). |
| Service requests relating to footpaths responded to within 15 days (non-urgent). | 85 percent | 98 percent | Achieved | The 2021/2022 result was 97 percent (achieved). |

delivered



Whakahaere takutai – Coastal management

Purpose

This activity contributes to community resilience and safety by identifying and managing coastal hazards, and providing and maintaining coastal assets to protect public infrastructure such as roads, wastewater assets, stormwater assets, walkways and beach accessways.

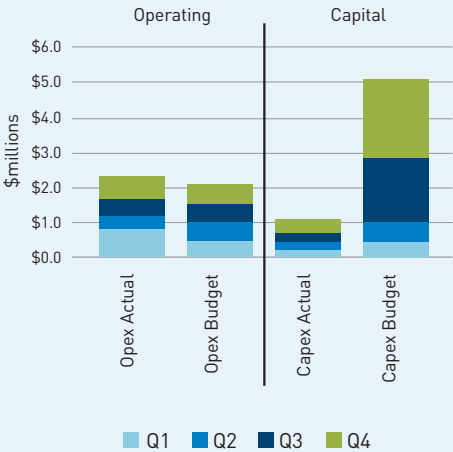
Coastal management performance measures as at 30 June 2023



Achieved 100%
Not achieved 0%
2021/22: 100%

3 Achieved 0 Not achieved 3 Total

Operating and capital expenditure 2022/23



Full year underspend due to delays on the Paekākāriki seawall replacement project.

Key highlights for the year

Paekākāriki seawall

The construction of stage 1 (accessway 4 – main access at Campbell Park) tender was evaluated and recommended options presented to Council in May 2023. The tender price, together with the risks that have been listed by the tenderer, was significantly over the pre-tender estimate. Councillors decided not to proceed with construction of accessway 4 as tendered (concrete option) due to financial limitations. Detailed designs associated with the wall progressed and the construction tender for stage 2 of the project (replacement of approximately 160 metres of the wall with timber) will be advertised early in the 2023/24 financial year.



Winnie enjoys the beach.

Raumati Seawall

Detailed designs are complete. Initial discussions with Greater Wellington Regional Council on consenting requirements commenced. The construction tender to replace the worst part of this 3.1km wall with a like-for-like timber wall will be tendered in the 2023/24 financial year. Timing of construction depends on the Greater Wellington Regional Council's guidance on consenting needs.

Wharemauku Block Wall

Designs are progressing. An ecological assessment was completed and consultation with iwi is in progress. Council expects to submit its Resource Consent application early in the 2023/24 financial year and advertise the construction tender in January/ February 2024 (subject to the outcome of the Resource Consent application decision).

delivered

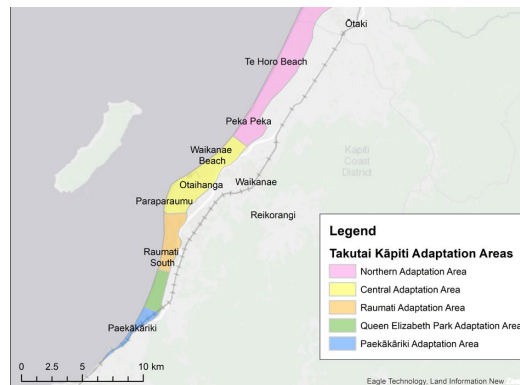
Takutai Kāpiti

The Coastal Advisory Panel (CAP) held a free Kāpiti-wide coastal hazards public information event at the Ocean Road Community Centre in Paraparaumu Beach in July 2022, and started developing a “long-list” of adaptation options relating to specific coastal locations. CAP meetings were temporarily paused in October 2022.

Funding for iwi engagement with the project was confirmed in January 2023, and Te Ātiawa ki Whakarongotai appointed a Climate Change Technical Lead to the project, along with two iwi representatives to join the CAP. Ngā Hapū o Ōtaki appointed two mana whenua representatives to the CAP in April 2023.

Phase 2 of the project officially commenced with the first CAP workshop on 1 March 2023.

Risk Assessment overviews for the Northern Adaptation Area (NAA) were presented to the CAP at the CAP meeting on 29 March, and at this meeting, the CAP made their first initial decisions regarding shortlisting pathway options for the NAA. Additionally, one member from each Community Board was invited to join all CAP workshops as ‘Observers’.



Takutai Kāpiti adaptation areas.

On 6 May 2023, CAP held a community values workshop at the Otaihanga Boating Club to hear from the Central Adaptation Area (CAA) community with eighty people in attendance. An online ‘Have Your Say’ survey ran for those who could not attend the in-person community workshop and over 600 responses were received from the CAA community.

The CAP began their work on the CAA at the CAP meeting on 29 June 2023, and the CAP’s draft recommendations for the NAA were publicly shared on ‘Have Your Say’ for community feedback. These recommendations were shared ahead of the NAA feedback session hosted by CAP on 1 July 2023 at the Ōtaki Baptist Church.

Challenges

During 2022/23 financial year, significant increases in construction costs continued. As a result, Long-term Plan 2021-41 (LTP) budget allocations for the replacement of Paekākāriki seawall, Raumati seawall, Wharemauku Block wall, and other coastal structures are not sufficient. The budgets allocated to deliver the capital works programme outlined in the LTP will need to be reviewed during the 2024 LTP process.

Significant repairs to the Paekākāriki seawall and Raumati seawall were undertaken during this period. Further delays in wall replacements could cause catastrophic wall failure.

Whakahaere takutai – Coastal management performance measures

| Performance measures | Target | Result | Status | Comment and previous year's result |
|---|------------|--|----------|---|
| Working with the community and tangata whenua, we will develop a response to the impacts of coastal erosion and inundation resulting from sea-level rise and climate change on our coast. | 2021/2022 | Achieved | Achieved | The 2021/22 result was achieved. |
| Final recommendations are developed to inform an implementation plan to address coastal hazards. | 2022/23 | Initial decisions regarding shortlisting pathway options for the Northern Adaptation Area made | Achieved | The commencement of this phase was delayed, and the project timeframe extended. Work is continuing to develop final recommendations to meet the deadline of the Coastal Advisory Panel taking their recommendations report to Council in late May 2024. The 2021/22 result was achieved. |
| Respond within 48 hours to urgent requests to repair seawalls or rock revetments. | 85 percent | 100 percent | Achieved | The 2021/22 result was 100 percent (achieved). |



Wai āwhā – Stormwater

Purpose

This activity contributes to community resilience and safety by minimising risks to human life and health from flooding. We do this by responding efficiently and effectively to flooding issues, and maintaining, repairing, and renewing major flood protection and control works.

The aim of major stormwater projects is to eliminate the risk of loss-of-life and damage to property due to flooding, and these are focused on the alleviation of habitable floor flooding.

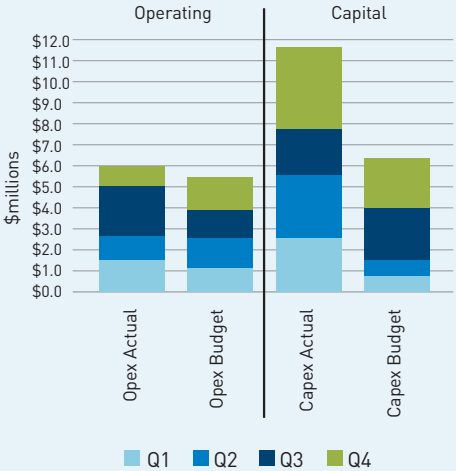
Stormwater performance measures as at 30 June 2023



Achieved 100%
Not achieved 0%
2021/22: 100%

7 Achieved 0 Not achieved 7 Total

Operating and capital expenditure 2022/23



Capital overspend is due to cost escalations upon awarding the construction contracts for the Amohia upgrade project. Council approved the additional Amohia St budget by resolution.

Key highlights for the year

Major projects are progressing across the District with contracts ongoing, including stormwater upgrades and minor capital works.

Upgrades and renewals

Upgrades were completed at Riwai Street, Paraparaumu (Stage 2), Matene and Matai Streets in Ōtaki, and Rauparaha and Huiawa Streets in Waikanae.

The Kena Kena (Paraparaumu) catchment habitable floor flooding project was granted a resource consent by Greater Wellington Regional Council for the new pump station, and a fish passage permit was approved by the Department of Conservation. Network design is now progressing.

Renewals were carried out at Paraparaumu catchments 3 and 4.

The Amohia catchment (Paraparaumu) Stage 1 and Jeep Road/Clunie Ave stormwater upgrades continue at pace.

Other initiatives

48.8 km of open waterways were cleaned, 33km by hand and the remainder by machine.

Work is ongoing to monitor water quality, model districtwide flooding, and providing technical inputs for subdivision applications, and 20 major future projects are being designed.

Global consent applications for stormwater discharge and open drain/stream maintenance were submitted to Greater Wellington Regional Council.

We continue to work with our iwi partners to finalise a code of practice for the global maintenance consent application and to progress the current stormwater strategy and stormwater bylaw.

A joint project with the water and wastewater teams to address infiltration continues.



Amohia stormwater project.

delivered

Challenges

Increased and more restrictive consent conditions associated with new natural freshwater management requirements impact our ability to proceed with necessary works in a timely and cost-effective manner. In some cases previously acceptable activity is prohibited, leading to re-design and additional cost and consultation.

Significant increases in construction costs continued in the 2022/23 financial year. As a result, Long-term Plan 2021-41 (LTP) budget allocations for capital works, and operational activities, were not sufficient. Funding allocated to deliver these services will be reviewed during development of the 2024 LTP.



Installation of 800 metres of large diameter stormwater pipe from Iver Trask Place to Amohia Street to reduce flooding issues.

Wai āwhā – Stormwater performance measures

| Performance measures | Target | Result | Status | Comment and previous years result |
|---|---|--------------------------------|----------|--|
| Median response times to attend a flooding event from notification to attendance on site. | Urgent = less than or equal to 24 hours | 2 Hours | Achieved | The 2021/22 result was achieved. |
| Median response times to attend a flooding event from notification to attendance on site. | Less than or equal to five days | 1 day | Achieved | The 2021/22 result was achieved. |
| Percentage of all buildings that have been inundated due to minor flooding that are visited within four weeks. | 90 percent | 100 percent with 24 hours | Achieved | The 2021/22 result was 100 percent (achieved). |
| Number of complaints received about the performance of the District's stormwater system. | Fewer than 30 per 1,000 properties connected to the Council's stormwater system | 15.5 per 1,000 connections | Achieved | The 2021/22 result was 21 per 1,000 properties (achieved). |
| 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 | All work done to key standards | Achieved | The 2021/22 result was achieved. |

| Performance measures | Target | Result | Status | Comment and previous years result |
|--|--|------------------------------------|----------|---|
| Number of buildings (habitable floors) reported to be flooded as a result of a less than one-in-50-year rain event. | Fewer than 3 per 1,000 properties connected to the Council's stormwater system | 0.09 per 1,000 connections | Achieved | The 2021/22 result was 2 per 1,000 properties (achieved). |
| <p>Compliance with the Council's resource consents for discharge from our stormwater system measured by the number of:</p> <ul style="list-style-type: none"> a) abatement notices b) infringement notices c) enforcement orders d) convictions <p>received by the Council in relation to those resource consents.</p> | No notices, orders, or convictions | No notices, orders, or convictions | Achieved | The 2021/22 result was achieved. |



Wai – Water management

Purpose

This activity contributes to community health and safety by providing high-quality drinking water across the District and ensuring there is enough water to fight fires when needed and protect the health and wellbeing of our communities.

Note

The Department of Internal Affairs is responsible for the non-financial performance measures set out in rules made under the Local Government Act 2002. On 15 November 2022, Taumata Arowai introduced new Drinking Water Quality Assurance Rules (as they relate to bacteria and protozoa). The new Drinking Water Quality Assurance Rules have similar standards to the former Drinking Water Standards for New Zealand 2005 provided by the Ministry of Health.

For the 2022/23 year Council reported against the bacteria and protozoa measures set out in the non-financial performance measures for the period 1 July 2022 to 14 November 2022, and thereafter against the new Drinking Water Quality Assurance Rules (as they relate to bacteria and protozoa) from 15 November 2022 to 30 June 2023.

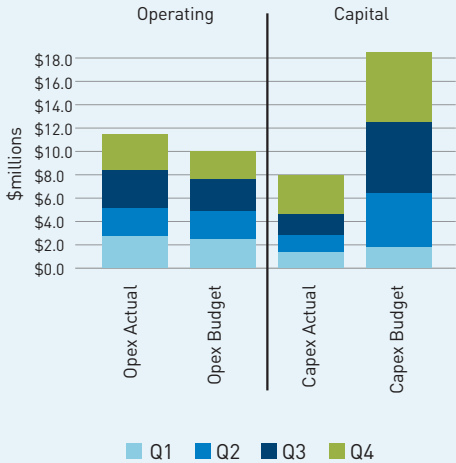
Water management as at 30 June 2023



Achieved 100%
Not achieved 0%
2021/22: 82%

11 Achieved 0 Not achieved 11 Total

Operating and capital expenditure 2022/23



Full year underspend is due to Ōtaki water supply upgrade and Waikanae water treatment plant.

Key highlights for the year

Progress drinking water safety and resilience

Hautere Water Treatment Plant

The design of the generator and filter shed is complete with construction expected during the second half of 2023.

Rangiuru Water Treatment Plant

Design is underway for a new shed to house cartridge filters, a future fluoride system, a generator, and a toilet. Existing chlorine cylinders will be relocated requiring new electrical and data cables to the new position.

Tasman Road (Ōtaki) Water Treatment Plant

The design for the drilling of new bores is complete and we expect to install these later in 2023, subject to consent approval.

Waikanae Water Treatment Plant (Stage 2)

We have completed the detailed design for the main works of the current upgrade and expect works to begin in October 2023.



Replacing an empty 920kg 100% concentration chlorine gas cylinder.

Upgrade our water network

Fire main installation (Ōtaki)

Approximately 60 percent of pipelines for the fire main installation at Riverbank Rd, Aotaki St, and Mill Road (approximately 2km) have been installed and commissioned.

Water mains renewals

The 1.15km watermain upgrade on Te Moana Road (Waikanae) is complete.

Ōtaki Water reservoir

This project is part of a programme of infrastructure development in Ōtaki funded by a \$29 million grant from the Kāinga Ora Infrastructure Acceleration Fund. The site for the reservoir was purchased in March under the Public Works Act. Public meetings have been held with the local community regarding visual impacts and screening planting options. The Greater Wellington Regional Council and Council provided consents for the required earthworks, and detailed design of the reservoir and associated pipework is underway.

Other initiatives

Council submitted eight projects totalling \$5.26 million to the Department of Internal Affairs (Te Tari Taiwhenua) for funding through the Three-Waters Better-Off Funding package. The projects are new initiatives, or requests to accelerate, scale up, or enhance projects already planned for in Council's Long-term Plan 2021-41 (LTP).

Council made submissions to Central Government on the *Water Services Entities Bill*, the *Water Services Legislation Bill*, and the *Water Services Economic Efficiency and Consumer Protection Bill*.

Challenges

Third party resourcing is a challenge for projects at the Hautere and Waikanae treatment plants, and the location of overhead power lines is impacting the siting of the new shed and replacement bore at Rangiora.



Hosing down the weirs of the Centra-floc Clarifier to remove organic build ups.

delivered

Wai – Water management performance measures

| Performance measures | Target | Result | Status | Comment and previous years result |
|---|---------------------------------------|--|----------|---|
| Median response times to a fault or unplanned interruption to our water network measured by attendance time (from the time the Council is notified to the time that staff are on site). | Urgent = less than or equal to 1 hour | 15 minutes for 51 urgent water interruptions. | Achieved | The 2021/22 result was 4 hours 45 minutes (achieved). |
| Median response times to a fault or unplanned interruption to our water network measured by attendance time (from the time the Council is notified to the time that staff are on site) | Non-urgent = 3 days or less | 18 hours 24 minutes for 702 non-urgent water faults. | Achieved | The 2021/22 result was 25 minutes (achieved). |
| Median response times to a fault or unplanned interruption to our water network measured by resolution time (from the time the Council is notified to the time that staff confirm resolution). | Urgent = 5 hours or less | 2 hours for 51 urgent water faults | Achieved | The 2021/22 result was 1 hour 5 minutes (achieved). |
| Median response times to a fault or unplanned interruption to our water network measured by resolution time (from the time the Council is notified to the time that staff confirm resolution). | Non-urgent = 4 days or less | 1 day 4 hours for 702 non-urgent water faults | Achieved | The 2021/22 result was 1 day, 1 hour and 55 minutes (achieved). |

| Performance measures | Target | Result | Status | Comment and previous years result |
|--|--|---------------------------------------|----------|--|
| Compliance of the District's drinking-water supply with: | 100 percent | 100 percent | Achieved | The 2021/22 result was not achieved. |
| a) Part 4 of the drinking water standards (bacteria compliance criteria) | | | | |
| b) Part 5 of the drinking-water standards (protozoal compliance criteria). | 100 percent | 100 percent | Achieved | The 2021/22 result was not achieved. |
| Residents who are satisfied with the quality of the Council's water supply (taste, odour, and clarity) | 80 percent | 84 percent | Achieved | The 2021/22 result was 85 percent (achieved). |
| Total number of complaints received by the Council per 1,000 connections to the Council's networked reticulation system, about any of the following: | At or below 6.2 complaints per 1,000 connections | 4.62 complaints per 1,000 connections | Achieved | The 2021/22 result was 4.35 complaints per 1,000 connections (achieved). |
| a) drinking-water clarity | | | | |
| b) drinking-water taste | | | | |
| c) drinking-water odour | | | | |
| d) drinking-water pressure or flow | | | | |
| e) continuity of supply, and | | | | |
| f) the Council's response to any of these issues | | | | |

| Performance measures | Target | Result | Status | Comment and previous years result |
|--|---|-------------------------------|----------|--|
| Peak water consumption in litres per person per day. | At or below 490 litres per person per day | 393 litres per person per day | Achieved | The 2021/22 result was 403.3 l/p/d (achieved). |
| Average water consumption in litres per person per day (l/p/d). | At or below 325 litres per person per day | 286 litres per person per day | Achieved | The 2021/22 result was 287.4 l/p/d (achieved). |
| Percentage of real water loss from the Council's networked reticulation system calculated per the Water Loss Guidelines using WaterNZ's BenchLoss NZ software. | At or below 23.6 percent | 21.5 percent | Achieved | The 2021/22 result was 23.38 percent (achieved). |



Wai para – Wastewater management

Purpose

This activity contributes to community need. Managing wastewater is essential to our community's health and wellbeing.

Contributing to community resilience and safety by minimising risks to human life and health from contamination resulting from sewage overflows. We do this by using wastewater management practices that ensure we respond efficiently and effectively to system blockages, faults, and overflow issues.

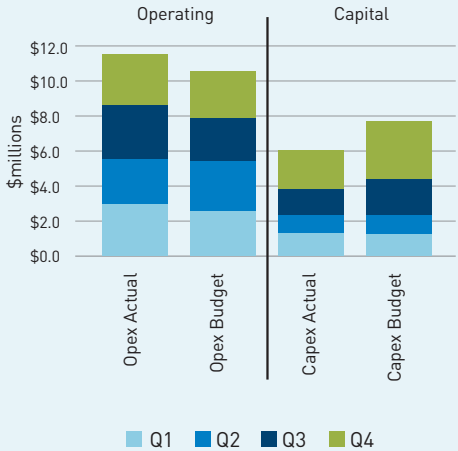
Wastewater as at 30 June 2023



Achieved 100%
Not achieved 0%
2021/22: 82%

5 Achieved 0 Not achieved 5 Total

Operating and capital expenditure 2022/23



Capital underspends due to delays to Waikanae duplicate rising main.

delivered

Key highlights for the year

Ōtaki Wastewater Treatment Plant (ŌWWTP)

Desludging of the oxidation ponds and de-gritting of the aeration pond are complete. The inlet bypass flow is installed, and the monitoring bores downstream of the land disposal treatment area are now fenced. As required by consent conditions, community liaison meetings have commenced.

The electro-mechanical and process improvements design work at the Ōtaki wastewater treatment plant is progressing, and procurement of a contract to upgrade the inlet works and aeration system is underway, with work planned for early 2024.

Paraparaumu Wastewater Treatment Plant (PWWTP)

Structural strengthening work (seismic upgrade) for the wood fuel and boiler house is complete, and electro-mechanical and process improvement design work is progressing. Refurbishment of clarifier 1 will be commissioned by September.

A resource consent was received for the stormwater pond capacity upgrade, lining, rerouting pipelines for discharges, and permanent decommissioning of the old and retired sludge beds at PWWTP.

Procurement for the storm basin lining work, decommissioning the retired sludge bed, and installation of new pH correction systems to meet regulatory requirements is underway.

Other Progress

Design is in progress for the upgrade of the Ōtaki sewer pump station at County Rd, and the existing gravity sewer mains at Rahui Rd, Te Roto Rd and County Rd. Further, design of new gravity mains at Mill Rd and Aotaki St are in progress.

The Waikanae duplicate rising main work is 75 percent complete, and consultation with iwi and affected landowners is progressing.

Across the wastewater network smoke-testing and CCTV assessments are underway to identify potential inflow and infiltration issues. CCTV inspection was completed for approximately 2.5 km sewer main at Waerenga Rd in Ōtaki and Ratanui Rd in Paraparaumu. Condition assessments for ten sewer pumpstations was completed, and the scope was confirmed for the assessment of another ten pumpstations. Lining work that is a condition of the resource consent was completed for the wastewater overflow pond at the Waikanae wastewater pumping station.

Challenges

Consent applications for the Paraparaumu and Ōtaki wastewater treatment plants will be affected by the requirements in the National Policy Statement on freshwater (Te Mana o te Wai), but at this point the implications are not clear. We continue to work with iwi on our work programmes, and are finalising a partnership agreement charter.

The Government's announcement amending the course of the Affordable Waters reform introduces uncertainty regarding transition timing and ongoing operations and management of these assets.



Council's wastewater operations.

delivered

Wai para – Wastewater management performance measures

| Performance measures | Target | Actual | Status | Comment and previous years result |
|---|---|---------------------------------------|----------|--|
| Median response times to sewage overflows resulting from a blockage or other fault measured by attendance time (from the time the Council receives notification to the time that staff are on site). | 1 hour or less. | 22 minutes | Achieved | The 2021/22 result was 28 minutes (achieved). |
| Median response times to sewage overflows resulting from a blockage or other fault measured by resolution time (from the time that the Council receives notification to the time that staff confirm resolution). | 5 hours or less. | 54 minutes | Achieved | The 2021/22 result was 54 minutes (achieved). |
| Number of complaints received by the Council about any of the following: a) sewage colour b) sewerage system faults c) sewerage blockages a) the Council's response to issues with the sewerage system expressed per 1,000 connections. | Fewer than 7.2 complaints per 1,000 connections to Council's sewerage system. | 3.14 complaints per 1,000 connections | Achieved | The 2021/22 result was 4.96 complaints per 1,000 connections (achieved). |
| Number of dry weather sewage overflows from the Council's sewerage system expressed per 1,000 network connections. | At or below 2 per 1,000 connections to Council's sewerage system. | 0.97 overflows per 1,000 connections. | Achieved | The 2021/22 result was 1.65 overflows per 1,000 connections (achieved). |

| Performance measures | Target | Actual | Status | Comment and previous years result |
|--|-------------------------------------|-------------------------------------|----------|--------------------------------------|
| Compliance with the Council's resource consents for discharge from its sewerage system measured by the number of: a) abatement notices b) infringement notices c) enforcement orders b) convictions, received by the Council in relation to those resource consents. | No notices, orders, or convictions. | No notices, orders, or convictions. | Achieved | The 2021/22 result was not achieved. |

delivered

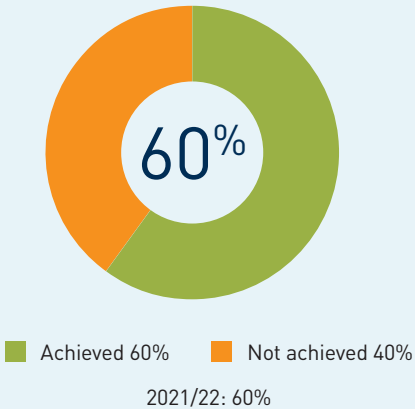


Toiūtanga me te manawaroatanga – Sustainability and resilience

Purpose

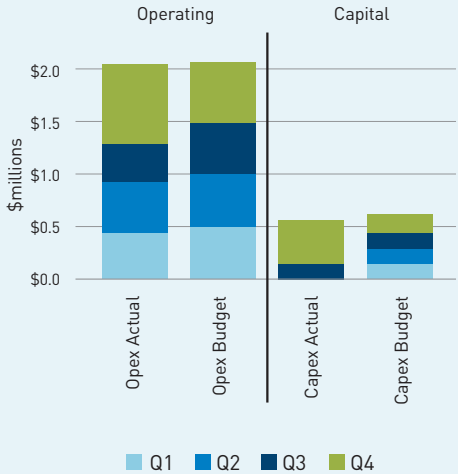
Contributing to preserving, restoring, and enhancing our natural environment to provide resilience. We do this by ensuring accessible, effective, and efficient waste management options; facilitating waste minimisation and carbon reduction initiatives in Council and the community; and improving community resilience through emergency management preparedness.

Sustainability and resilience as at 30 June 2023



3 Achieved 2 Not achieved 5 Total

Operating and capital expenditure 2022/23



Key highlights for the year

Climate Emergency Action Framework

Significant progress has been made in the climate space during the year.

The “Climate Emergency action: Delivering on our climate commitments” report was released, highlighting Council’s recent and future work to reduce emissions and prepare for the impacts of climate change.

Council also set a new aspirational long-term target for net zero emissions across the organisation by 2040, replacing the current target of carbon neutrality by 2025 that was set in 2019.

An initiative to help businesses move to more environmentally sustainable practices was launched during the year. Pakihi Toitū o Kāpiti will connect local businesses that wish to share knowledge on using sustainable processes and practices.

The development of a Climate Change Strategy is progressing well, exploring the mitigation, adaptation, and transition to low carbon living in alignment with Vision Kāpiti, the community’s vision to 2060 and beyond. District-wide targets will be set as part of the strategy.

From a regional perspective, the Wellington Region Climate Change Impact Assessment (WRCCIA) is nearing completion and is expected to be complete within the next few months. The Wellington Regional Reduction Plan (WRRD) is also under development with an information day for stakeholders held in July. Both the RCCIA and the WRRD are part of the Wellington Regional Growth Framework delivery.

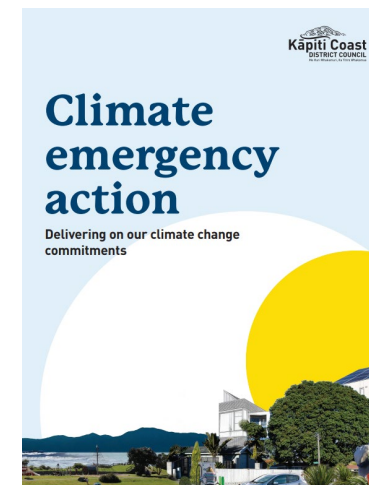
Emissions reduction programme within Council

Council was briefed on the outcomes of the emissions reduction audit performed by Toitū Envirocare over the 2021/22 year, which showed Council’s corporate emissions over the 2021/22 year were down 277 tonnes of carbon-dioxide equivalent (tCO2-e) from the previous year.

Council adopted a mid-term target to reduce direct emissions (categories 1 and 2) with a further 15.5% by 2032. This will lead to Council achieving an 85.5% reduction in these categories by 2032. Category 1 emissions are direct emissions from using fuel, natural gas etc., and category 2 emissions are from using electricity. Council reset its “carbon neutral by 2025” target and adopted an aspirational target of being net zero for its corporate emissions by 2040.

Council acknowledges that in order to meet its emissions targets it will need to invest in initiatives to support these outcomes. The projects will be discussed during development of the next LTP.

Council will now focus on its value chain emissions, develop actions, and set a reduction target for these emissions in 2025. These emissions are from goods and services that Council purchases, but also include emissions from capital and operational contracts delivered by Council. Council estimated these emissions for the first time in May and these will be included in the annual audits going forward.



delivered

Waste minimisation and resource recovery

Council received Community Waste Levy Grants of \$32,824 for eight projects, and a business waste levy grant of \$150,000 per year for three years for the development and operation of a Zero Waste hub at Otaihanga.

Council received and resolved 250 service requests related to illegally dumped waste in public spaces. This is down from 279 in 2021/22.

Council delegated its authority to lead the public consultation of its Waste Management and Minimisation Plan (WMMP) to the Joint Committee for the Wellington region. Kāpiti's Local Action Plan that forms part of the Wellington Region Waste Management and Minimisation Plan was discussed at the Climate and Environment Subcommittee and at Council. Public consultation is now underway.

Zero Waste community hub

The establishment of the Kāpiti Zero Waste Hub at Otaihanga has started with the removal of the current structures, finalising site designs, geotechnical investigations, and starting the consenting process.

An innovative planting programme was started in the Southern Wetland to further support stormwater treatment around the closed Otaihanga landfill.



Ōtaki e-waste container.

Other Initiatives

Love your Compost programme

Council's 'love your compost' workshops proved popular. We conducted 15 workshops and a market day stall reaching 319 residents. We also issued 288 composting vouchers to contribute to the cost of residents' chosen composting system or collection service. To date, we have now given out over 900 vouchers.

Waste minimisation and education

Education to minimise the volume of solid waste in the District continued with 34 workshops, talks, or market visits reaching 610 individuals. We supported 19 community events, 17 with waste management resources, and approved 11 event waste management plans.

We also delivered waste minimisation programmes to five education institutes, one above our target for the year.

Challenges

The projects needed to achieve the new emissions target will require funding allocations in future Long-Term Plans .

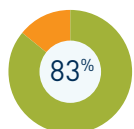
Council will have to consider funding for the implementation of further waste minimisation and resource recovery projects to meet its existing and new waste minimisation targets.



Raumati electric vehicle station.

Toiūtanga me te manawaroatanga – Sustainability and resilience performance measures

| Performance measures | Target | Result | Status | Comment and previous years result |
|--|--------------------------------|-------------|--------------|---|
| Residents are satisfied with the standard of kerbside collections. | 85 percent | 88 percent | Achieved | The 2021/22 result was 89 percent (achieved). |
| Illegally dumped waste is removed within two working days. | 85 percent | 78 percent | Not achieved | The target was met in Q1 and Q2 but not achieved in Q3 and Q4 due to staff shortages requiring prioritisation of other work, and requests that needed more preparation given their location. The 2021/22 result was 86 percent (not achieved). |
| Households have an emergency plan and kit sufficient for seven days following an emergency event. | 70 percent | 63 percent | Not achieved | This indicator is measured through the Residents' Opinion Survey of 800 residents. Delivery is provided by the Wellington Regional Emergency Management Office (WREMO) community programme with support from Council WREMO officers. The target has not been achieved due to emergency response pressure across the region. Locally, we are seeing indicators that some households do not consider emergency planning as a priority. The 2021/22 result was 67 percent (not achieved). |
| The Council delivers a waste minimisation education programme in schools. | Minimum of 4 schools each year | 5 schools | Achieved | The 2021/22 result was not achieved. |
| The number of the Council's total fleet that are low-emissions vehicles (i.e. EVs, plug-in hybrids or conventional hybrids). | 10 vehicles | 10 vehicles | Achieved | The 2021/22 result was 7 vehicles (achieved). |



↑ 16% from last year

Community services

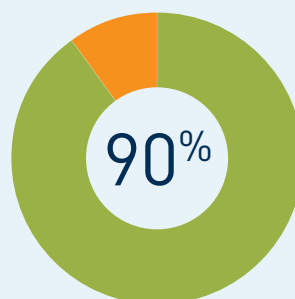


Ngā papa rēhia me ngā papa – Parks and open spaces

Purpose

This activity contributes to people's safety, health, connectedness and sense of belonging by providing access to and maintaining open public spaces, including sports facilities, playgrounds, cycleways, walkways, bridleways, parks and reserves and cemeteries.

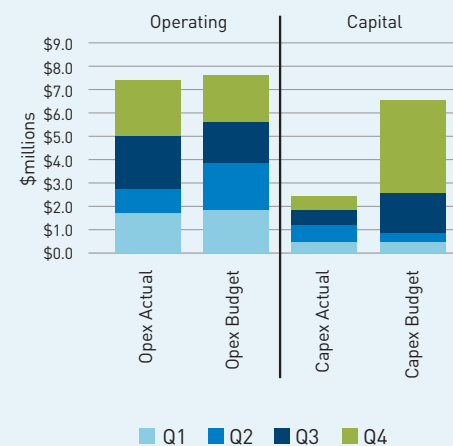
Parks and open spaces as at 30 June 2023



Achieved 90% Not achieved 10%
2021/22: 90%

9 Achieved 1 Not achieved 10 Total

Operating and capital expenditure 2022/23



Full year underspend due to Maclean Park and Otaraua Park.

delivered



Raumati's Lorna Irene drive playground renewal and upgrade was recognised for its Accessibility and Inclusiveness, taking home Recreation Aotearoa's 'Playground of the year' award.

Key highlights for the year

Maclean Park renewal

Throughout 2022/23 we continued the design work for Stage 2 of the redevelopment which includes an upgrade of the skatepark and replacement of the amenity block.

We finalised the concept design for the skatepark by engaging with the community about what they wanted and then seeking their feedback on the draft concept. We then finalised the design with an expert user group, ready for enabling work and construction to begin in 2024. The new skatepark will include a flow bowl, mini-ramp, and a street section, all aimed at helping users of all wheeled sports to progress from beginner to advanced.

We also continued our work on replacing the aging amenity block. This involved engaging a local contractor to work with Exeloo to design a new building that will provide more toilets and change facilities for park users, ensuring these are fully accessible and more useable for families. This year we carried out early design work and site investigations to determine the optimal layout and placement of the new building, which is also scheduled for construction in 2024.

Developing Otaraua Park (stage 2)

This project is being revisited to determine whether the objectives can be achieved by other means. Design and investigations of the proposed pavilion and amenity block identified that significant investment would be required to provide adequate infrastructure to the buildings and the current budget would be insufficient.

Waikanae Awa revitalisation

Regular meetings of Waikanae Ki Uta Ki Tai Te Putahitanga o Te Wai throughout the previous year culminated in the presentation of an action plan.

Funding to support this action plan will be sought through respective Long-Term Plan processes for 2024-34.

School sports programme

Over 7,000 tamariki from 17 schools and Kura across the District participated in more than 20 sport and play events organised by the School Sports Program (externally funded), including a first-ever full ki o rahi programme in which all Kāpiti Coast tamariki in grades 7 and 8 first learned the basics of the sport in their school or Kura and then practised it at an interschool competition. To deliver this top-notch programme, all school sports activities work in conjunction with neighbourhood colleges (80 Sports Ambassadors), community organisations, local sports clubs, and Nuku Ora.

Find Your Play project

Waka Kori, our play trailer, is still well-liked and was made accessible for use during 16 school holiday activations, including four all-abilities play days, and throughout the District's schools during the regular school year. The play trailer also promotes neighbourhood gatherings like the Strawberry Festival, XTERRA, and Movies in the Park, and it has been spotted at most annual public gatherings.



Kāpiti Coast Art Trail

The Kāpiti Coast Art Trail underwent a new appearance and name, and over 120 artists and 12 exhibition spaces participated in the Trail, the highest number to yet. Each of the artists has a webpage on a new website that was made specifically to assist the Trail. The Trail attracted almost 12,000 visitors over the first two weekends in November, generating close to \$1 million in revenue for the artists and nearby merchants.

Creative Communities Scheme

In addition to well-established regular programmes and events, the Council's Grants Allocation Subcommittee awarded \$52,316 in funding to 39 applicants from a variety of artistic, cultural, and creative projects under the Creative Communities Scheme. The community was served by poetry readings, musical performances, symphony concerts, and the recurring Mulled Wine and Music in the Park events.

delivered

Summer Events Programme

A busy Waikanae Pool summer season:

- Family Fun Day: 495 attendees
- Summer Sounds: 248 attendees
- Back to school water fight: 556 attendees
- Waitangi Pool Party: 758 attendees
- 10,279 slides
- 1,916 slushies sold
- 8,156 ice creams sold.

Popular Coastlands Aquatic Centre events:

- Christmas Party: 730 attendees
- Sound Splash: 800 attendees.

Parks summer events were enjoyed by many:

- All Abilities Waikanae: 180 attendees
- Storytime Kaitawa: 50 attendees
- Waterplay Campbell: 65 attendees
- Waka Kori Victor Weggery: 55 attendees
- Waka Kori Tasman: 38 attendees
- Chalk and Build: 40 attendees
- Movies in the Park: 3,000 attendees.



Mahuru magic as part of the 'Creative Communities Scheme'.

Renewals and upgrades

This year saw several renewals and upgrades take place:

Raumati's Lorna Irene Drive playground renewal and upgrade was recognised for its Accessibility and Inclusiveness, taking home Recreation Aotearoa's 'Playground of the Year' award. Renewals were also completed at Shotover Drive (Waikanae) and Milne Drive (Paraparaumu) playgrounds. Planning, design and public consultation work was completed for the Waterstone Ave (Paraparaumu) and Victor Weggery (Waikanae) playground replacements.

Artificial cricket matting at Weka Park in Paraparaumu and the Paraparaumu Domain were replaced.

Restoration plantings

We continued restoration planting projects around the District, supplying plants to over 20 community conservation groups, as well as planting carried out by Council staff and contractors. Over 20,000 plants, shrubs, and trees have been planted in dunes, wetlands, riparian, and forest environments.

Cycleways, walkways, and bridleways

As part of the Peka Peka to Ōtaki Expressway project, Waka Kotahi has completed a shared path that runs from the existing trail at Peka Peka to Ōtaki River. Greater Wellington has connected this to Te Roto Road near the Ōtaki Māori Racing Club. This final piece means the Kāpiti Coast now boasts a dedicated 35km shared pathway spanning the entire length of the District, affectionately known as The Coast 35.

Open Space Strategy

The Open Space Strategy was adopted by Council in 2022. Work continues to develop an implementation plan to ensure that Council delivers on the open space aspirations of the strategy. Notwithstanding this, there are principles from the strategy that are already being applied when it comes to development of open spaces. This entails ensuring the correct level of access to, type and location of open space is achieved in a rapidly growing District. This year there were 10 subdivisions that had their open space obligations assessed using the Open Space Strategy.



Children at Waka Kori event.

Cemetery projects

A land feasibility study has begun to find potential locations for a secondary site to supplement the existing Waikanae Cemetery which has limited remaining capacity. All cemeteries now have brand-new ash and burial beams. We have updated all cemetery maps and placed a new signage at Awa Tapu Cemetery. A new electronic data management and booking system is being developed for Council-managed cemeteries. This will ensure information integrity, safety, and privacy, and future-proof support and operations at all sites.

Other

We commissioned an indoor stadium court needs assessment and a District-wide sports field demand assessment.

delivered

Ngā papa rēhia me ngā papa – Parks and open spaces performance measures

| Performance measures | Target | Result | Status | Comment and previous years result |
|---|------------|------------|--------------|---|
| Residential dwellings in urban areas are within 400 metres of a publicly owned space. | 85 percent | 99 percent | Achieved | The 2021/22 result was 99 percent (achieved). |
| Sportsgrounds are open when scheduled. | 85 percent | 93 percent | Achieved | The 2021/22 result was 97 percent (achieved). |
| Residents are satisfied with the current availability of facilities. | 85 percent | 92 percent | Achieved | The 2021/22 result was 93 percent (achieved). |
| Residents are satisfied with the quality of the Council's parks and open spaces. | 85 percent | 98 percent | Achieved | The 2021/22 result was 98 percent (achieved). |
| Residents who are satisfied with quality of recreation and sporting facilities | 85 percent | 94 percent | Achieved | The 2021/22 result was 89 percent (achieved). |
| Residents are satisfied with the quality of playgrounds. | 85 percent | 90 percent | Achieved | The 2021/22 result was 98 percent (achieved). |
| Residents are satisfied with the appearance of, and accessibility to cemeteries. | 85 percent | 99 percent | Achieved | The 2021/22 result was 95 percent (achieved). |
| At least a 10-year burial capacity is maintained across the District. | Achieve | Achieved | Achieved | The 2021/22 result was achieved. |
| Users are satisfied with the Council's cycleways, walkways and bridleways. | 85 percent | 83 percent | Not achieved | This result is derived from the Residents' Opinion Survey of 800 residents. Significant adverse weather events resulted in closure of tracks and trails. The 2021/22 result was 84 percent (not achieved). |
| Residents are satisfied with access points to beaches. | 85 percent | 91 percent | Achieved | The 2021/22 result was 92 percent (achieved). |

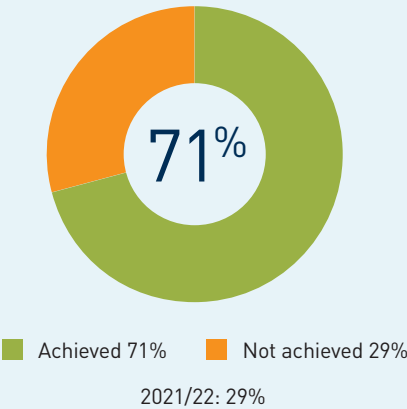


Ruhanui – Recreation and leisure

Purpose

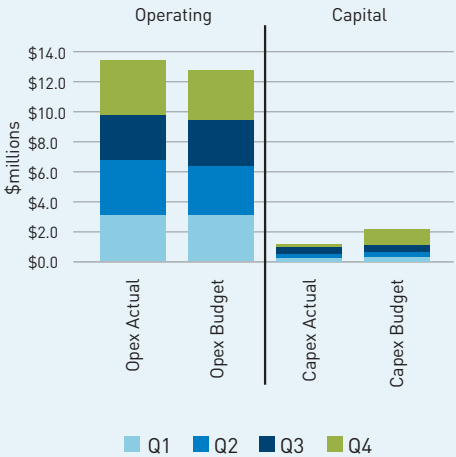
Contributing to people’s safety, health, connectedness, and sense of belonging through providing access to community swimming pools and libraries; public arts, culture, and heritage facilities; and managing grant funding for arts, museums, and maintenance of heritage sites.

Recreation and leisure as at 30 June 2023



5 Achieved 2 Not achieved 7 Total

Operating and capital expenditure 2022/23



delivered

Key highlights for the year

Develop a multi-use space for the Waikanae Library and Community Service Centre

Following an extensive community engagement process, a preferred option for the Waikanae Library has been determined. This will involve refurbishing and extending the former library building and developing it into a multifunctional space that becomes a social hub for the community.



Paekākāriki library.

Stage 2 of Ōtaki pool improvements

The project progressed from concept stage to preliminary design. The design allows for upgrade works to be staged to align with budget constraints and minimise disruption to pool services. The scope includes changing the fossil fuel heating source to electric and upgrades to change facilities, entrance and staff areas. A decision on how to proceed will be made once final costs are understood.

Increase digital library services and resources, and support across Council's libraries

Kāpiti Coast District Libraries has a collection of digital devices aimed at boosting the computing capability of both staff and the community. In the last year the library has stocked up on a range of digital tools for the public to use to grow digital literacy and confidence, including virtual reality headsets for gaming, history or stories, a 3D printer for design and making, programmable robots, and laptops and tablets to help with tasks like online banking, research, word processing or shopping.

We now have a Digital Inclusion Specialist on board to lead the library's digital work programme and provide opportunities to experience new technologies in a safe way. This is part of a strategy to lift the digital literacy of the Kāpiti community and make sure everyone has access to emerging digital technologies and trends. The library team have been making time and space available for different groups to experience what these tools can do, including hosting sessions for the home school community, holiday and after school programmes, and participating in Craft Café sessions. They also run the well-attended digital drop-in sessions at the Paraparaumu and Ōtaki libraries and retirement villages to help residents with their online tasks. Tools like Edison or Bee-Bot programmable robots can let people see how programming or coding works, VR headsets offer gaming or storytelling experiences, and a 3D printer can bring design ideas to life.

While some of the equipment looks toy-like, it is not just for kids. By having a go at coding one of the Bee-Bots to travel a route of your design or creating a 3D printed object, people of all ages can get a better understanding of how technology works in a fun way.



Chief Executive Darren Edwards reading to tamariki in Paraparaumu library.

delivered



Splash Save, a new water safety education programme in Ōtaki.

Aquatics accreditation

The Ōtaki Pool, Waikanae Pool and Coastlands Aquatic Centre have all received annual Poolsafe accreditation.

Kāpiti Coast Aquatics has something for all visitors

Over the past year, we welcomed 312,000 visitors, and a survey of 1,100 of our customers showed a 93 percent satisfaction rating. Our new learn-to-swim programme delivered in Te Reo Māori has proved popular at Ōtaki Pool. Delivery of water safety programmes to schools was at a new high with 1,680 students attending. New events delivered to our community included Whanau Day at Ōtaki Pool, 'Splash Save' a new water safety education programme for families, and the inaugural Ōtaki Triathlon.

Initiative for Aquatics Apprenticeships

We continue to promote upskilling of our learn-to-swim and Lifeguard Team. The last 12 months saw 26 of our team complete an apprenticeship or NZ Certificate level 3 or 4 Qualifications. We currently have a further 14 trainees working their way through various NZ Certificate Qualifications. This hugely successful initiative attracts a wider range of talent to the aquatics industry, encourages professional development and helps us create a more well-rounded team.

Ruhanui – Recreation and leisure performance measures

| Performance measures | Target | Result | Status | Comment and previous years result |
|--|---|------------|--------------|--|
| Users who are satisfied with the pools' services and facilities. | 85 percent | 96 percent | Achieved | This result is derived from the Residents' Opinion Survey of 800 residents. The 2021/22 result was 93 percent (achieved). |
| Visits to swimming pools in the District. | ≥ 290,000 each year | 312,000 | Achieved | The Aquatic Facilities posted the highest attendance numbers on record. While attendance at Ōtaki Pool was reduced with a 7-week maintenance closure a solid season at Waikanae, and exceptional numbers at Coastlands Aquatic Centre more than made up for the shortfall. The 2021/22 result was 223,110 (not achieved). |
| Learn-to-swim registrations. | ≥ 3,200 per year | 2,398 | Not achieved | During the year, 2,398 children were enrolled in our learn-to-swim group lessons and a further 1,683 attended school swimming lessons with our Kāpiti Coast Aquatics instructors. At Ōtaki Pool we have permanently established five learn-to-swim classes delivered in The Te reo Māori classes which are well utilized. The 2021/22 result was 1,881 registrations (not achieved). |
| Users who are satisfied with the library services. | 85 percent | 96 percent | Achieved | The 2021/22 result was 94 percent (achieved). |
| Visits to libraries. | ≥ 300,000 each year | 283,972 | Not achieved | Yearly stats for 2022/23 year. Mechanical failure of door counters has likely contributed to this result. The 2021/22 result was 266,717 (not achieved). |
| Collections are refreshed in accordance with the New Zealand public library standards. | 350 new items (including renewals) per 1,000 population | 14,646 | Achieved | The 2021/22 result was 11,851 new items (not achieved). |
| Items borrowed and renewed per annum (including physical, digital, and SMART libraries). | 520,000 each year | 561,600 | Achieved | The 2021/22 result was 500,138 items (not achieved). |

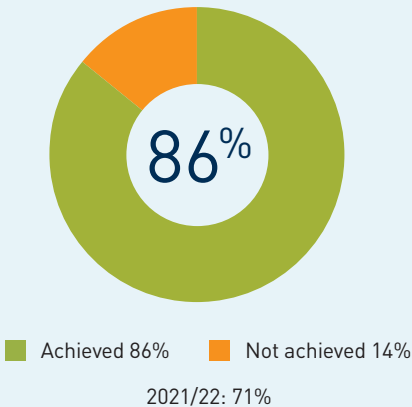


Whare tapere hapori – Community facilities

Purpose

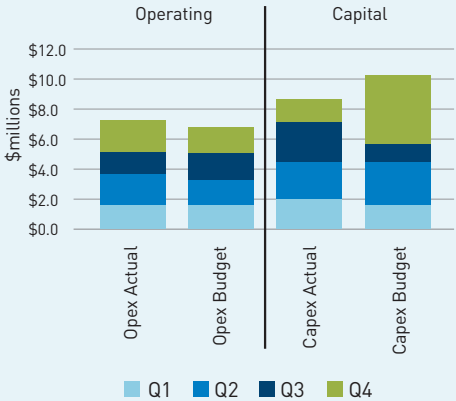
Contributing to people’s safety, health, connectedness, and sense of belonging by providing access to the facilities, resources, and services they need, and ensuring civic buildings are well maintained and safe.

Community facilities as at 30 June 2023



6 Achieved 1 Not achieved 7 Total

Operating and capital expenditure 2022/23



Full year capital underspend due to the delay in the Waikanae library project.

Key highlights for the year

Toi Mahara Gallery upgrade

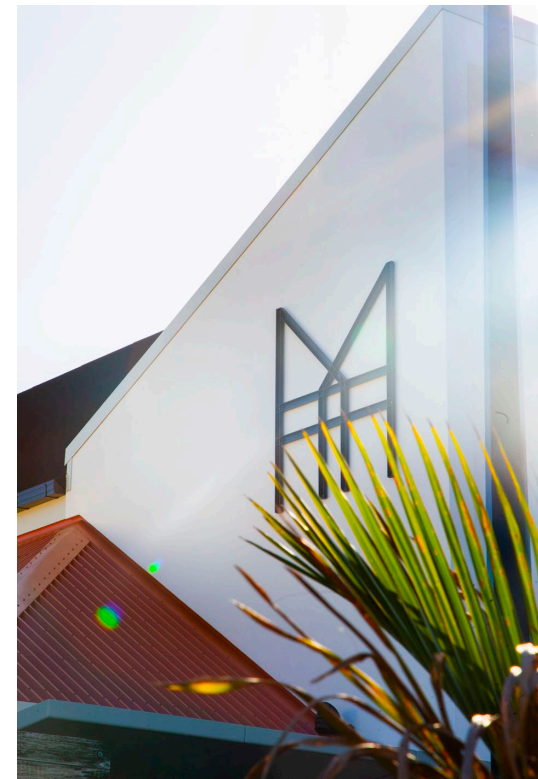
In the lead up to a planned gallery opening at the end of October, finishing touches are being applied, including internal fitout with custom furniture, IT, and audio-visual equipment and hard landscaping outside.

Older persons' housing renewal

Kāpiti Coast District Council is progressing a comprehensive review of its older persons' housing portfolio with the objective of ensuring the ongoing sustainable delivery of the service. The portfolio, which includes 118 units in 10 locations throughout Kāpiti for qualifying older persons, is fully occupied with a current waiting list of approximately 60 prospective tenants.

Council committed to taking a bigger role in improving access to housing through its last Long-term Plan and adopted the Kāpiti Coast District Council Housing Strategy in 2022 which included specific actions to review existing Council land to see if additional housing could be built. Beyond capacity there are other opportunities and challenges with Council's current model of service delivery. Independent Community Housing Providers can access an Income Related Rent Subsidy which means they can set rent at 25 percent of the tenant's net income. Government covers the difference between the tenant's rental payment and the market rent for the property. Councils are not eligible for this subsidy.

Council's current ability to provide support services is also limited. While Council is a responsible and conscientious landlord, some tenants may have complex needs that require specialist welfare services. This may be something that could be delivered through partnerships with other agencies, depending on the recommendations to come out of the review. Following this targeted engagement, options will be presented to Council for feedback in September 2023 before public engagement through Vision Kāpiti hubs. Council is expected to make its decisions in early 2024.



Toi Mahara Gallery.

delivered

Replace Te Newhanga Kāpiti Community Centre

We have procured the services of a consultant to help us to assess potential uses of the Centre with the community. While this is ongoing, we are planning a temporary space at the rear of the building that will serve as a hub for community activities in the meantime. The assessment is likely to take a few months, so the future of the Centre will be debated as part of the development of the Long-term Plan 2024.

Ōtaki Pavilion restroom

The heritage architect has completed the structural design for the restrooms in the Ōtaki Pavilion, along with the design specifications that must reflect the scope of work necessary to bring the facility up to code while respecting the heritage requirements of this special facility. The tendering process will soon begin, and once we have a successful contractor, we will be able to inform the community of the schedule of works.

Reshape community facilities in Ōtaki

The old Ōtaki playgroup building at Hauratai Park received a full refurbishment. The exterior grounds were cleaned up and levelled to reduced flooding and ponding, and the exterior and interior received a repaint. New flooring, a repurposed kitchen, and new toilet facilities were installed.

Other

The Raumati South Memorial Hall has received a refresh. Outside, concrete foundations were repaired, the roof replaced, and a retaining wall was built at the site's back. On the inside, the hall and supper room were repainted, LED lighting installed, and a new heating and cooling system put in.

As part of our strategy to keep the Paraparaumu Memorial Hall sustainable, we installed a new heating and cooling system to replace the outdated gas heating.

The ground floor of Waikanae Memorial Hall has new carpet throughout after flooding in June last year. A new ceiling, new ceiling paint, new curtains, and LED lighting were installed in the Waikanae Community Centre's Hall.

To make the underpass at the Paraparaumu Railway Station safer for all pedestrians, it was painted, and the lighting was improved.

Whare tapere hapori – Community facilities performance measures

| Performance measures | Target | Result | Status | Comment and previous years result |
|--|------------|--------------|--------------|---|
| Users who are satisfied with the standard of the library building facilities. | 85 percent | 91 percent | Achieved | The 2021/22 result was 86 percent (achieved). |
| Residents who are satisfied public toilets are clean, well-maintained and safe. | 75 percent | 79 percent | Achieved | The 2021/22 result was 83 percent (achieved). |
| Urgent requests relating to public toilet facilities that are responded to within 4 hours. | 98 percent | 76 percent | Not achieved | Service requests were closed off incorrectly. The 2021/22 result was 83 percent (not achieved). |
| Users who are satisfied with Community halls. | 85 percent | 88 percent | Achieved | The 2021/22 result was 70 percent (not achieved). |
| Occupancy rate of the total number of units available for older persons. | 97 percent | 97.5 percent | Achieved | The 2021/22 result was 99 percent (achieved). |
| Tenants of housing for older persons who rate services and facilities as good value for money. | 85 percent | 91 percent | Achieved | Healthy homes standards will be achieved for all units by the end of 2024. The 2021/22 result was 93 percent (achieved). |
| Tenants of housing for older persons who are satisfied with services and facilities. | 85 percent | 97 percent | Achieved | The 2021/22 result was 98 percent (achieved). |

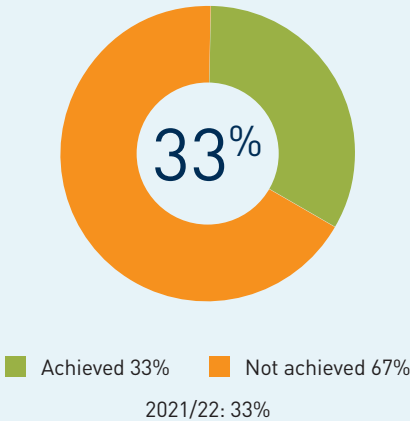


Tangata whenua

Purpose

Contributing to tangata whenua’s and the wider community’s resilience, connectedness, and sense of belonging through tikanga, engagement, capacity building, and knowledge sharing.

Tangata whenua as at 30 June 2023



1

Achieved

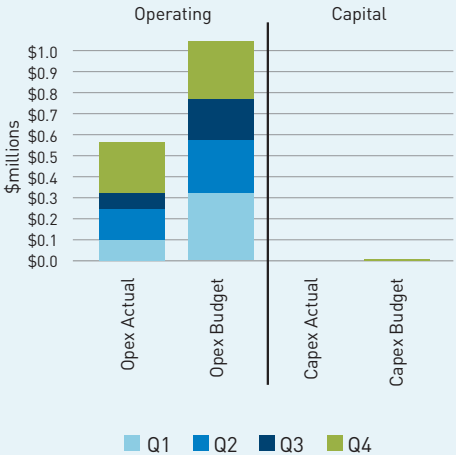
2

Not achieved

3

Total

Operating and capital expenditure 2022/23



Operating underspend is due to vacancies being carried.

Key highlights for the year

Iwi Capacity Building

Council confirmed remuneration for mana whenua representatives on Council, committees, and subcommittees in the formally adopted Governance Structure and Delegations 2022-2025 as agreed by Council on 24 November 2022.

When adopting the Governance Structure and Delegations for the triennium in December 2022, Council confirmed Huriwai Paki as the representative for Ngāti Toa Rangatira to attend Council (with speaking rights only). Huriwai was also appointed to the Strategy, Operations and Finance Committee, the Social Sustainability Subcommittee, and the Climate and Environment Subcommittee.

In January 2023, Andre Baker, Janine Huxford, and Christopher Gerretzen were confirmed as representatives for Ātiawa ki Whakarongotai to attend Council (with speaking rights only), the Strategy, Operations and Finance Committee, Social Sustainability Subcommittee, and the Climate and Environment Subcommittee. The three representatives will alternate attendance.



Education Perfect Te Ao Māori for Professionals course.

In March 2023, Council appointed Kim Tahiwi as the representative for Ngā Hapū o Ōtaki to attend the Social Sustainability Subcommittee, the Climate and Environment Subcommittee, and Grants Allocation Committee Creative Communities NZ scheme meetings.

In May 2023 Oriwia Raureti (Ngā Hapū o Ōtaki) was appointed as the mana whenua representative to the Risk and Assurance Committee.

Council capacity and knowledge building

An external provider was contracted to deliver a six-month online programme covering Te Ao Māori and Te Reo Māori for professionals through three cohorts. 160 Council personnel enrolled with 20 graduating as part of the first pilot cohort, and 60 who are part of cohort two currently undertaking the Education Perfect Te Ao Māori Foundation Essentials Course programme.

In addition an Upane a Ngāti Toa induction course was delivered to 50+ inductees (including eight elected members, senior leadership, and staff).

Elected Representatives attended a Te Tiriti o Waitangi 101 Workshop with a second workshop scheduled for October 2023.

The Iwi Partnerships team facilitated a Te Waka group involving 43 staff who represent Council, performing at Council functions and events.

Mana whenua and Council continue to partner in the development of plans, policies, and strategies, facilitated by the Iwi Partnerships team.

Challenges

Iwi capacity building continues to be challenging with limited resourcing and availability across all three mana whenua iwi.

Mātauranga Māori capacity within Council continues to test our ability to make progress in this area with a lack of resources and availability of active iwi members in Council's iwi group. The Iwi Partnerships function is recruiting a number of vacancies which is expected to lift capacity.



Maramataka is a system of time that introduces the principles of the Māori lunar calendar, providing insights into living with the traditional wisdom and practices of the taiao - nature.

Tangata whenua performance measures

| Performance measures | Target | Result | Status | Comment and previous years result |
|---|---------|--------------|--------------|---|
| Partnership agreements are in place with each of our iwi partners, and they are reviewed annually. | Achieve | Not achieved | Not achieved | Partnership arrangements are not yet in place with any of our three iwi partners, but progress has been made. Iwi mana whenua and the Council are continuing to progress partnership arrangements in 2023/24. The 2021/22 result was not achieved. |
| Iwi partners are satisfied with their partnership with Council. | Achieve | Not achieved | Not achieved | Iwi mana whenua have requested a review of their partnership with Council. Council continues to support iwi mana whenua to progress this Kaupapa as a priority, at a time that is suitable for iwi mana whenua. The 2021/22 result was not achieved. |
| Iwi have the opportunity for representation on standing committees of Council, and mana whenua have opportunities to contribute to Council work programmes. | Achieve | Achieved | Achieved | At the beginning of the 2022-2025 triennium, the Council re-confirmed a role for iwi mana whenua within its governance structure including positions for mana whenua with voting rights on the Strategy, Operations and Finance Committee and its two subcommittees, as well as being able to attend all Council meetings and receive all papers, with the ability to contribute to the debate but not vote. Council officers continued to connect with our iwi mana whenua partners in relation to operational work programmes, identifying opportunities for partnering and collaborating. The 2021/22 result was achieved. |

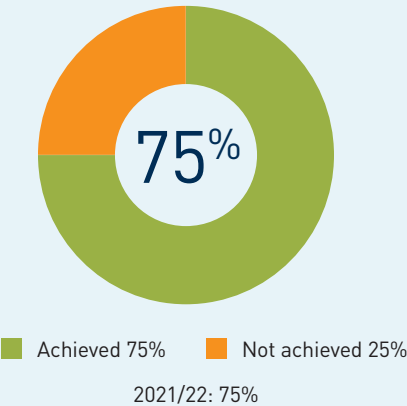


Ngā hāpai hāpori – Community support

Purpose

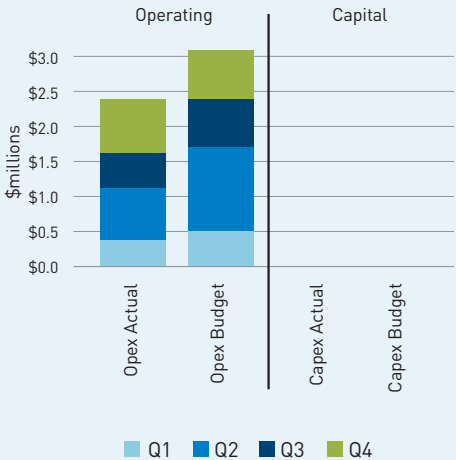
Contributing to communities’ resilience, safety, health, and connectedness by providing resources and services to build capacity and opportunities for people to influence Council social strategies, policies, and programmes addressing community priorities.

Community Support as at 30 June 2023



3 Achieved 1 Not achieved 4 Total

Operating and capital expenditure 2022/23



Key highlights for the year

Implement our social investment and support programme for the community sector to support our District's recovery and rebuilding from COVID-19 impacts

Nine Kāpiti initiatives were selected in August 2022 as recipients of the 2022-25 Social Investment Fund, aimed at building safe and connected Kāpiti communities and lifting social sector capability. Through this Fund, the nine not-for-profit organisations will receive a total of \$1.04 million over the next three years. All agreements have been signed, and the organisations are underway with programmes and support. An additional \$50,000 each year will be allocated to addressing inequity in Ōtaki.

Develop and implement an age-friendly approach to meet the needs of our “seniors” population

The age-friendly approach is close to completion, with implementation to occur in 2023/24. This project brings together providers of senior services to develop culturally appropriate communications and engagement planning.

Work with our community to develop spaces - community centre/hubs - that enhance access to resources and services

As part of the Te Newhanga Kāpiti Community Centre project, we are supporting the development of a social and community needs assessment to ensure that any future space will meet the current and future needs and aspirations of our community. We continue to engage with the community in several ways including through activities such as My Mothers Apron – Stories from the kitchen table, and Te Wiki Kaumātua, Senior's week.



Council's social investment initiatives

delivered

Ngā hāpai hapori – Community support performance measures

| Performance measures | Target | Result | Status | Comment and previous years result |
|---|------------|--------------|--------------|---|
| Formal Council-mandated and supported advisory groups are satisfied or very satisfied with opportunities to influence the content of Council strategies, policies and project planning. | Satisfied | Not measured | Not achieved | <p>Due to on-going disruption to advisory groups' ability to meet, we have not surveyed advisory group members.</p> <p>Developing an age-friendly approach has been a significant focus for the Older Person's Council.</p> <p>The Youth Council/ Ngā Rangatahi o Kāpiti achieved a number of projects including providing ThinkBig grants for youth led initiatives across Kāpiti, delivering a well-attended Kāpiti Enviro Youth Summit, and providing representation on a range of Council activities.</p> <p>The 2021/22 result was not achieved.</p> |
| Youth development programme deliverables are achieved. | Achieve | Achieved | Achieved | The 2021/22 result was achieved. |
| Residents who are satisfied with the Council's community support services. | 85 percent | 92 percent | Achieved | The 2021/22 result was 89 percent. |
| The Council's social investment programme enables services to deliver on community priorities. | Achieve | Achieved | Achieved | The 2021/22 result was achieved. |

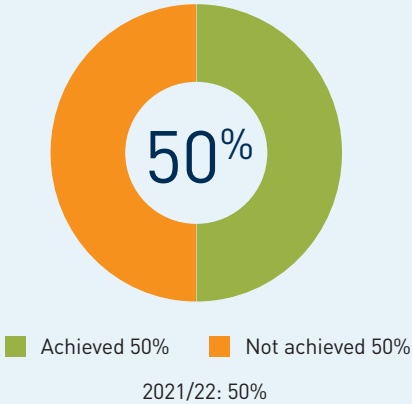


Mana whakahaere – Governance

Purpose

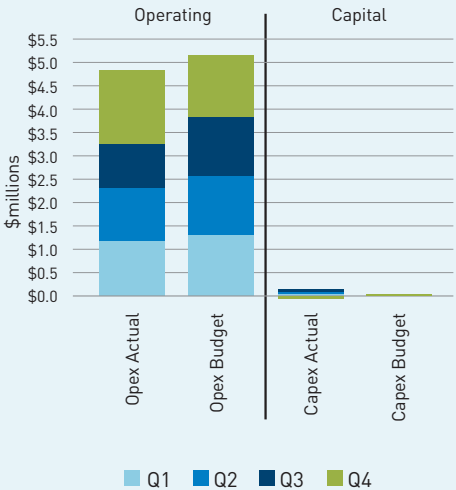
Contributing to communities’ resilience, connectedness, and sense of belonging through providing access to Council and managing democratic services.

Governance as at 30 June 2023



1 Achieved 0 Not achieved 1 Total

Operating and capital expenditure 2022/23



delivered

Key highlights for the year

Continue to explore opportunities to enhance participation of Māori in the governance framework

Council resolved to continue governance arrangements for mana whenua adopted by the previous Council last triennium. One mana whenua representative from each of the District's three iwi may be appointed to the Strategy, Operations and Finance Committee, Social Sustainability Subcommittee and the Climate and Environment Subcommittee with full voting rights. One mana whenua representative (total) may be appointed to the Risk and Assurance Committee and there is provision for mana whenua appointments to the various grants allocation committees. Appointed mana whenua representatives may attend Council meetings, briefings and workshops with full speaking rights. All three iwi, Ngā Hapū o Ōtaki, Ngāti Toa Rangatira and Ātiawa ki Whakarongotai Charitable Trust have appointed representatives to positions this triennium. Mana whenua are funded to participate in governance processes at a level that is on par with the remuneration set for elected members.

Te Whakaminenga o Kāpiti continues to operate as an independent advisory to Council to support the partnership between Council and mana whenua in place via the Memorandum of Partnership.

Council commenced discussions with mana whenua around the establishment of a Māori ward ahead of the next 2025 local body elections, consideration of which will progress in the next financial year.

Elections

Local body elections were carried out on 8 October 2022 for Council, its five community boards and Greater Wellington Regional Council (GWRC), using the Single Transferable Voting (STV) system as the electoral system. These were conducted by Council's independent Electoral Officer from Election Services, with Council staff supporting as electoral officials as required under the Local Electoral Act 2001. The elections were carried out in accordance with all legislative and practical requirements under the Local Electoral Act 2001, with no significant issues or concerns arising.

Councillors were sworn in at an Inauguration Ceremony (and first formal Council meeting) on 27 October 2022 and Community Board Members were sworn in at each individual inaugural Community Board meeting held in either November or December 2022.



Inauguration of elected members.

At the second and third meetings of Council for the 2022-2025 triennium, a range of statutory governance mechanisms were put in place:

- The Mayor exercised her powers under section 41A of the Local Government Act 2002 and appointed the Deputy Mayor, along with establishing committees and subcommittees of Council and appointing chairpersons of each committee.
- Council appointed deputy chairperson's to and delegated powers to its committees, subcommittees and community boards.
- Councillors were appointed to a range of joint committees, external organisations and community boards.

New elected members were provided a comprehensive induction and training programme between October and December 2022 with briefings by Council staff across operational activities, a 2-day offsite for elected members, and a range of sessions to provide the necessary capability and knowledge for elected members comprising media, communications, legal, financial management, civic defence emergency management, health and safety, governance protocols and iwi partnerships.

In the financial year:

- Council adopted the Governance Statement for the 2022-2025 triennium as required under the Local Government Act 2002.
- Council entered into the Wellington Regional Triennial Agreement 2022-2025
- Council adopted an Elected Members' Remuneration, Expenses and Allowances Policy and a Fees Framework for non-elected members for the 2022-2025 triennium.
- Council confirmed mana whenua and community board representation on various committees and subcommittees

In October 2022, Covid-19 temporary amendments to the Local Government Act 2002 under the under the Epidemic Management – Covid-19 Notice 2020 lapsed. These temporary amendments enabled Council to relax quorum requirements so that members attending remotely would still count towards quorum. In March 2023, remote attendance provisions were re-introduced in response to Cyclone Gabrielle when the Government passed the Severe Weather Emergency Management Act. These provisions remain in place until 27 September 2024.

Citizenship ceremonies

Council hosted four citizenship ceremonies during the financial year and 255 individuals received their citizenship.

The Council and Committee meetings

Over the financial year, there were 16 Council meetings, 12 Strategy, Operations and Finance and two Risk and Assurance Committee meetings, 11 subcommittee meetings, 20 community board meetings, as well as 74 briefings and workshops. We held five Te Whakaminenga o Kāpiti meetings.



Elected members induction.

Official information requests

The Council received 245 requests for official information under the Local Government Official Information and Meetings Act 1987 for the financial year. This compares to 284 for the previous year.

delivered

Mana whakahaere – Governance performance measures

| Performance measures | Target | Result | Status | Comment and previous years result |
|--|-------------|---------------|--------------|---|
| 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 | 100 percent | Achieved | The 2021/22 result was 100 percent (achieved). |
| Official information requests that are responded to within 20 working days. | 100 percent | 97.44 percent | Not achieved | A total of 5/6 requests were sent within 5 working days, with 2 being the result of a delay in the request being forwarded to the Official Information team, 2 being the result of a delay in approval sign-off, 1 being the result of a delay in processing the request, and 1 being the result of staff illness. The 2021/22 result was 97.3 percent (not achieved). |



Whakawhanake umanga – Economic development

Purpose

Contributing to providing opportunities for people to work and learn in Kāpiti and increasing prosperity in the local economy by delivering the Kāpiti Coast Economic Development Strategy and Implementation Plan through partnerships.

Economic development as at 30 June 2023



Achieved 100%
Not achieved 0%
2021/22: 100%

1 Achieved 0 Not achieved 1 Total

Operating and capital expenditure 2022/23



Full year capital underspend due to stopping the Te Uruhi project.

Key highlights for the year

The Kāpiti Coast Economic Development Strategy's (EDS) implementation is moving along well. The current emphasis is on the creation of sector strategies and the execution of current plans using the resources at hand.

Major Events Funding

2022 funding was allocated to seven major events that help to make Kāpiti a great place to live and bring visitors into the District. This year we supported the Kāpiti Half Marathon, Kāpiti Food Fair, XTERRA Wellington, Ōtaki Kite Festival, Kāpiti Women's Triathlon, Māoriland Film Festival and the Matariki Ramaroa Festival. All these events have seen growth in visitor numbers from outside the District, with almost half of all visitors coming from other parts of Wellington and New Zealand. The investment in these events has returned almost \$5 million to the local economy this year.



Kāpiti Food Fair 2022.

Kāpiti Coast Workforce Plan 2022

A needs assessment and feasibility study were conducted to ascertain the viability of developing an education hub in the District. The results of that have led to the development of a skills and training hub concept that will act as an information site and portal to help rangatahi and other learners navigate the training pathways available in the District. Roll-out of the skills and training hub concept will begin in the second half of 2023.

Food & Beverage Industry Game Plan 2023

The food and beverage industry has been recognised as one that offers substantial prospects for economic growth and long-term sustainability by the Economic Development Kotahitanga Board and Kāpiti Coast District Council. We worked with the food and beverage industry to create a formal cluster focused on a collaborative work programme designed by the industry. The Food and Beverage Game Plan, which will assist Council to prioritise activities over the next five years and identify opportunities and challenges in key priority areas, was created with input from the cluster participants. This Game Plan assists the industry in enhancing its reputation, way of life, and commitment to environmental sustainability. Recent projects include the development of a food and beverage marketing pack, a "Kāpiti Coast Collective" that attended the Fine Food Show in Auckland, and pilot programmes like "Taste the Coast," a WOAP event.

Housing

The provision of infrastructure, services, and community amenities has been Council's main area of focus in the past. We have played and still play a regulatory role, and we also manage 118 older persons housing units in our portfolio. Given the serious housing issues in the District, we asked the community in 2021 if we should play a stronger role in housing during our Long-term Plan 2021-41 consultation process. More than half of the respondents agreed that we should.



- Established a Development Facilitation process to build relationships with developers and assist developers working on housing developments that meet our strategic goals.
- Worked with iwi to develop new rules for the District Plan to make it easier to build papakāinga.
- Had ongoing conversations with key government agencies, iwi, community housing organisations and developers to build understanding of the issues in Kāpiti, and to encourage greater investment in housing in our District that better targets what is most needed.

- Successfully applied to the Government's Infrastructure Acceleration Fund targeted at key infrastructure delivery in Ōtaki.
- Progressed a proposal to establish an affordable housing entity to increase the provision of affordable rental and ownership units in the District.
- Part funded and worked closely with an Emergency Housing Navigator working with people experiencing homelessness and those at risk of becoming homeless in the District, confirming Council's role.
- Accepted an invitation to prepare a Request for Proposal to access the Ministry of Housing and Urban Development's Affordable Housing Fund for grant funding to develop affordable housing on a Council owned site in Ōtaki in collaboration with Nga Hapu o Ōtaki.

Kāpiti Gateway (Te Uruhi)

Council agreed at a meeting on 2 March 2023, not to proceed with the Te Uruhi project due to significant cost escalations. Council also resolved to explore alternative ways to achieve the project objectives. In 2020, the estimated construction cost of the Te Uruhi facility was \$4.4million. The 2023 estimate with construction costs still rising, stood at \$8.4 million. Combined with related increases in projected operating costs, Council agreed the project was unaffordable.

Kāpiti Airport

Council remains open to discussions with relevant parties about the airport, including discussions with Puketapu ki Paraparaumu Trust (hapū) about their aspirations for the future of the airport and surrounding land. There has been no decision made about the Council's role in relation to the airport.

Council-controlled Organisation

Council has progressed work on the formation of an independent community land trust. This included consultation following a review of options for establishing an affordable housing entity, including the establishment a CCO. Although the CCO was not the preferred option for this purpose, we will consider establishing a CCO for other purposes in the future. The results of the consultation, as well as any decision to establish a community land trust, will be made during the long-term plan process.

Council is also supporting the Economic Development Kotahitanga Board (EDKB) to undertake an initial assessment of potential operational models. The EDKB is looking to establish an operational capability that maximises opportunities to secure investment, funding, and grants from a variety of public, private, and philanthropic organisations to support the delivery of economic development outcomes.

Work with iwi and the business community to implement the Kāpiti Coast Economic Development Strategy and develop a destination management plan and workforce plan

The Economic Development Kotahitanga Board reported to the Strategy, Operations and Finance Committee on the progress in the implementation of the Economic Development Strategy on 13 July 2023.

Whakawhanake umanga – Economic development performance measures

| Performance measures | Target | Result | Status | Comment and previous years result |
|--|---------|----------|----------|-----------------------------------|
| The actions in the Kāpiti Coast Economic Development Strategy and Implementation Plan 2020–23 are delivered. | Achieve | Achieved | Achieved | The 2021/22 result was achieved. |

delivered



↓ 17% from last year

Planning and regulatory services

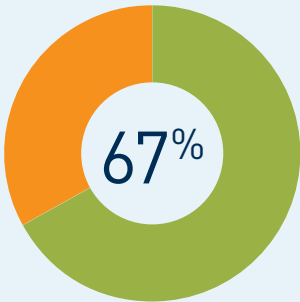


Mahere ā-rohe – Districtwide planning

Purpose

Contributing to providing access to suitable housing through efficient and effective development of policies and plans to encourage development and preserve the District’s unique character and natural environment.

Districtwide planning as at 30 June 2023

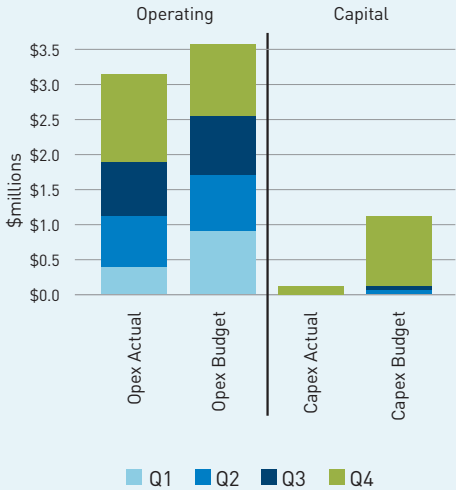


Achieved 67% Not achieved 33%

2021/22: 67%

2 Achieved 1 Not achieved 3 Total

Operating and capital expenditure 2022/23



Full year capital underspend due to strategic land purchase for housing not eventuating.

Key highlights for the year

Support and enable increased supply and development of housing including land acquisition

Plan Change 2 to the Operative District Plan was publicly notified for submissions in August 2022, hearings were held in March/April 2023. Decisions on this Plan change were made by Council in August 2023. This plan change has been designed to enable more housing supply in urban areas throughout the District.

Develop and implement our District growth strategy

The implementation of Te Tupu Pai is being progressed through broader work on a Kāpiti blueprint – a long term vision and strategic direction. This includes work on the development of a monitoring framework, which had initially been progressed as part of the implementation of Te Tupu Pai.

Review our District Plan particularly to reflect National Policy Statement on Urban Development (NPS-UD) and medium density residential standards (MDRS)

Plan Change 2 to the Operative District Plan is intended to meet Council’s requirements to give effect to the intensification policies of the NPS-UD, and to include the MDRS in its District Plan. It was publicly notified

for submissions in August 2022, hearings were held in March/April 2023, and Council’s decision was made in August 2023.

Rolling review of the District Plan, including notification of changes to: Omnibus plan changes

The table below describes progress in 2022/2023 on omnibus plan changes.

| Omnibus plan change | Status on 1st July 2022 | Status on 30 June 2023 |
|--|---|---|
| Proposed plan change 1A: Accessible car parking provisions | Public notification completed | Submissions and further submissions completed. |
| Proposed plan change 1B: Managing liquefaction risk for new buildings | Submissions and further submissions completed | All remaining steps completed (plan change operative). |
| Proposed plan change 1C: Cycle parking provisions | Public notification completed | Submissions and further submissions completed. |
| Proposed plan change 1D – Reclassification of Arawhata Road, Tutanekai Street and Ventnor Drive | Consultation on draft completed | Public notification, submissions and further submissions completed. |
| Plan change 1E – Rural Indigenous Biodiversity Incentives | Scoping and initial analysis completed | Consultation on draft completed. |
| Proposed plan change 1F – Modification of indigenous vegetation and update to key indigenous tree species list | Consultation on draft completed | Public notification, submissions and further submissions completed. |
| Proposed plan change 1K – Electoral signage | Consultation on draft completed | Public notification, submissions and further submissions completed. |

delivered

Policy work programme: submissions made

- Submission to NZTA on He tohu huarahi Māori bilingual traffic signs programme.
- Submission to Climate Change Commission on 2023 draft advice to inform the strategic direction of the government's second emissions reduction plan.
- Submission to the Ministry of Business, Innovation, and Employment on the Proposed Amendments to National Policy Statement for Renewable Electricity Generation and Electricity Submission.
- Submission to Transport and Infrastructure Select Committee on the Land Transport Management (Regulation of Public Transport) Amendment Bill.

- Submission to MBIE on the Review of the Electricity (Hazards from Trees) Regulations 2003 Submission to Ministry of Health on Smoked Tobacco Regulatory Regime.
- Submission on review into the Future for Local Government.
- Submission on the Water Services Legislation Bill and the Water Services Economic Efficiency and Consumer Protection Bill.
- Submission on Natural and Built Environment Bill and Spatial Planning Bill – submission to Environment Committee.
- Submission on the Sale and Supply of Alcohol (Community Participation) Amendment Act.

- Proposed Change 1 to the Regional Policy Statement for the Wellington Region – submission to Greater Wellington Regional Council Inquiry into the future of inter-regional passenger rail in New Zealand – submission to Transport and Infrastructure Committee.
- Self-contained Motor Vehicles Legislation Bill – submission to Economic Development, Science and Innovation Committee.
- Biological Control of Sydney Golden Wattle – submission to Environmental Protection Agency.
- Local Government Electoral Legislation Bill – submission to Governance and Administration Committee.
- Review of the Building Consent System – submission to MBIE.
- Submission on the Water Services Entities Bill.
- Exposure draft of National Policy Statement for Indigenous Biodiversity (NPSIB) to Ministry for the Environment.
- Draft Regional Policy Statement Change 1 to Greater Wellington.
- Exposure draft of proposed changes to the National Policy Statement for Freshwater Management (NPS-FM) and the Resource Management (National Environmental Standards for Freshwater) Regulations 2020 (NES-F) to Ministry for the Environment.
- Greater Wellington Regional Council 2022 Revenue and Financing Policy.
- Metlink: Future Fares Review – submission to Greater Wellington Regional Council.

Have your say is our web portal where we invite you to have your say on projects and initiatives that affect you.



Mahere ā-rohe – Districtwide planning performance measures

| Performance measures | Target | Result | Status | Comment and previous years result |
|---|---------------|----------|----------|---|
| <p>A forward programme of District Plan changes (dependent on timely completion of founding policies, strategies, and technical work) is developed and monitored.</p> <ul style="list-style-type: none"> • Omnibus plan change • Urban development plan • Flood-risk plan change • Coastal plan change • Urban development plan change • Mana whenua plan change. | Notified 2023 | Achieved | Achieved | <p>Omnibus plan change (target: notified 2021/2022): in October 2021, the Council approved work on 13 omnibus plan change topics. As of 30 June 2023, of those 13 potential plan changes, eight have now progressed past public notification, and a further one has been subject to consultation on a draft version of a plan change with Council likely to make a decision regarding public notification in 2023/2024. The remaining five are likely to be the subject of Council decisions determining their future in 2023/2024.</p> <p>Urban development (target: notified 2022): Plan Change 2 (Intensification) was publicly notified in August 2022. Hearings were completed in March/April 2023, and Council received the Independent Hearing Panel's report in June 2023. Decisions on this plan change were made by Council in August 2023.</p> <p>Flood risk plan change (target: notified 2023): notification of this plan change has been delayed pending completion of the flood risk map modelling updates. Council will be making decisions regarding the scope of this plan change in 2023/2024, and a new notification target date is likely to be established by Council in its next LTP 2024 – 2034.</p> <p>Coastal plan change (target: notified 2023): notification of this plan change has been delayed pending completion of the Takutai Kāpiti process. Council will be making decisions regarding the scope of this plan change in 2023/2024, and a new notification target date is likely to be established by Council in its next LTP 2024 – 2034.</p> <p>Urban development plan change and mana whenua plan changes (target: notified 2024): work on these plan changes has been delayed while iwi and Council focussed on Plan Change 2. Council will be making decisions regarding the scope of these plan changes in 2023/2024, and if any change to notification target dates are required these will be established by Council in its next LTP 2024 – 2034.</p> |

delivered

| Performance measures | Target | Result | Status | Comment and previous years result |
|---|-------------|-------------|--------------|--|
| All policies and bylaws are reviewed according to their statutory timeframes | 100 percent | 100 percent | Achieved | The 2021/22 result was 100 percent (achieved). |
| We efficiently and effectively develop policies and plans to encourage economic development in Kāpiti and preserve our District's unique character and natural environment. | 75 percent | 68 percent | Not achieved | <p>This result is derived from the Residents' Opinion Survey of 800 residents.</p> <p>Our growth strategy gives us a framework for where, when, how, and how dense we want growth to be in our District. It helps us shape land development and manage activities across our town centres and urban, rural and business areas, to support our District's needs now, and in the future.</p> <p>Our new growth strategy is a key tool in how we respond to climate change impacts while working within the physical constraints of the District, and for protecting our environment as we adapt to a low-carbon future.</p> <p>Our growth strategy will complement existing policies and strategies like the Climate Emergency Action Framework, and the Economic Development and Sustainable Transport strategies, and is being developed beside others, like the Open Spaces and Stormwater strategies.</p> <p>The 2021/22 result was 65 percent (not achieved).</p> |

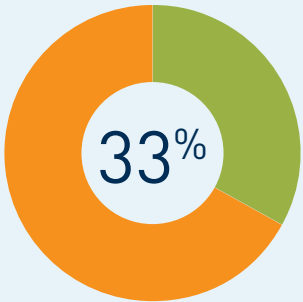


Ratonga whakaritenga – Regulatory services

Purpose

Contributing to communities’ safety and health through consenting, permitting, and enforcement of policies, regulations, and bylaws.

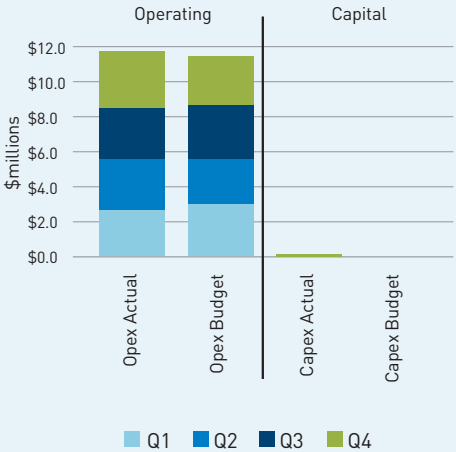
Regulatory services as at 30 June 2023



Achieved 33% Not achieved 67%
2021/22: 67%

1 Achieved 2 Not achieved 3 Total

Operating and capital expenditure 2022/23



delivered

Key highlights for the year

- **1,366** service requests responded to for noise
- **405** service requests responded to for wandering dogs
- **2,213** service requests responded to for building enquiries
- **1,399** service requests responded to for land use.

Resource consents and compliance

We received 260 requests for resource consent in 2022/2023, and the team made 278 decisions. According to statistics, the number of applications has decreased by 33 percent when compared to 2021/2022, and this trend is also visible in the quantity of building consent applications that have been submitted. Sixty percent of the decisions made related to land use, twenty-four percent to subdivisions, and sixteen percent to miscellaneous applications.

This also demonstrates a change in the types of applications we received this year, since there were much fewer requests for authorisation for boundary activities and marginal exemptions. This could be directly related to the intensification process included in Plan Change 2, which aimed to reduce the requirement for resource consents for marginal activities.



A big shout out to our Depot and Regulatory team members who installed our new toxic algae water safety signs.

The processing time for resource consents gradually decreased in 2022/2023, with the longest length of 42 days occurring in the first quarter of the year. Like 2021/22, this may be explained by the substantial staff turnover at the time and the volume of resource consent requests that were submitted during this time.

This had significantly improved by Q4 to an average of 20 processing days, which met the RMA's statutory deadlines and represented the best processing time ever observed over the previous three years.

Throughout the year, monitoring the progress of the conditions of the Resource Consent continued. 853 monitoring inspections were recorded by the Compliance team during the course of the year, in line with the various stages of development.

Working with our customers, operators, and partner groups, we continue our programme of education, encouragement, and monitoring to support compliance and address non-compliance

One of the initiatives being undertaken involves analysing how pre-application meeting processes can be improved, thereby supporting the improved quality of applications. An outreach event in May 2023 with participating planning organisations was successful in re-opening dialogue with these key stakeholders.

Building Consents Authority (BCA) accreditation

The two-year International Accreditation New Zealand (IANZ) accreditation was confirmed October 2021 with our next accreditation audit scheduled October 2023. These audits are the culmination of a significant effort by council staff who coordinate a programme of quality assurance and business improvement over the intervening two-year period.

Building consents

In 2022/2023, we issued 1,110 building consents at a projected \$241.6 million. Additionally, we conducted 8,286 inspections and issued 790 certificates of code compliance. Like 2021/2022, we saw an increase in amendments and consents, product substitutions owing to material shortages, and scope reductions since it was difficult to recruit contractors and construction prices were greater than anticipated. Building consents may decline in the weeks coming up to Christmas because the sector is not currently as brisk as in years past.



Customer journey mapping

In late 2022, a position dedicated to customer experience was established and filled; the lessons learned from the customer journey mapping exercise later served as the inspiration for several projects. These included updating the Council website's consenting information, evaluating the pre-application procedures for resource consent, implementing a cycle of customer satisfaction surveys across regulatory activities, and creating a schedule of sector outreach events starting in 2023.

Animal management public spaces team

2,841 service requests were handled by the Public Spaces Animal Management team in total, which is down from 3,240 the year before. Customer service requests for lost dogs (405), dog noise complaints (397), and dogs found (317) were the three categories with the most requests.

With the appointment of Freedom Camping Ambassadors and support from MBIE, implementation of the Beach Bylaw and freedom camping in the District remain top priorities for the team.

delivered

Environmental health, licensing and compliance team

Like the previous year, there were 226 renewals and 45 new Food Act registrations made during the year (the bulk of which were a change of owner rather than a new business). In order to confirm that business owners are controlling risk, 164 food control plans were verified. The group issued 201 managers' certificates, 156 special licences, and 67 alcohol licences (for premises). All essential inspections, including 220 trade waste customers, 65 health-registered premises, and 141 linked to alcohol licences, were carried out.

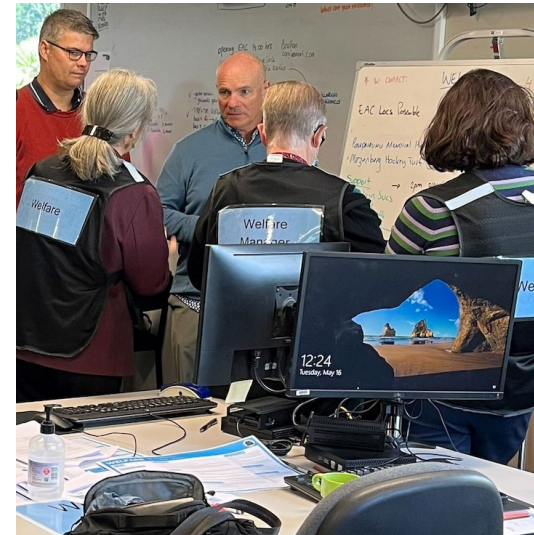
The team kept responding to reports of health nuisances, bylaw violations, and District Plan violations while observing an increase in aggressive behaviour from some community members. The staff's priority continues to be health and safety issues.

Emergency management

The Wellington Regional Emergency Management Office (WREMO) runs regular training for the community to practise setting up and running community hubs in a disaster. Council and regional emergency staff collaborated with government and volunteer agencies to turn up the tempo for their latest emergency response training exercise. Alongside their day-to-day jobs, Council staff regularly train to activate and run Kāpiti Coast's emergency operations centre (EOC) to manage a disaster response in the District.

As far as incidents in the reporting period, there were a few that went above and beyond regular operations, such as a mini-tornado and heavy rain events. Additionally, we sent staff to help with the cyclone response in Auckland and Hawkes Bay, and we incorporated the lessons we learned from those events into our operating procedures and planning. In response to the flooding issue, we also dispatched personnel to Gisborne.

Compared to five to ten years ago, there are more weather-related problems that we are dealing with now. Civil defence emergency management is becoming a vital component of business as usual.



Our EOC champions helping the Auckland flood response.

Ratonga whakaritenga – Regulatory services performance measures

| Performance measures | Target | Result | Status | Comment and previous years result |
|--|-------------|--|--------------|---|
| Average working days to process building consents will not exceed 17 days. | Achieve | Achieved | Achieved | The 2021/22 result was average processing time of 11 days (achieved). |
| Average working days to process non-notified resource consents will not exceed 17 days, (excluding Resource Management Act s.37 extensions). | Achieve | 75% of the non-notified resource consents were processed within the 20 working days statutory timeframe required by the RMA. | Not achieved | Timeframes have improved over the course of the year, with the fourth quarter marking the first instance in which the 20-day statutory limit was reached. The annual results were significantly impacted by staff turnover and large volumes. The 2021/22 result was average 25 working days (not achieved). |
| All dog attack and threatening behaviour requests for service (classified as urgent) are responded to within one hour of notification. | 100 percent | 69 percent | Not achieved | Staff advise that service requests are responded to on time but records are not being accurately updated to reflect this. This issue is being worked on. The 2021/22 result was 100 percent (achieved). |

delivered



↑ 100% from last year

Corporate



Paheko rangapū – Corporate

Purpose

Contributing to our communities’ resilience, safety, health, and connectedness by enabling operational delivery of support functions to both internal and external customers and stakeholders to satisfy their resource and service needs.

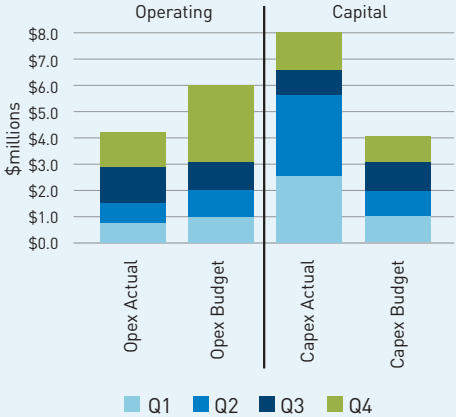
Corporate as at 30 June 2023



Achieved 100%
Not achieved 0%
2021/22: 100%

1 Achieved 0 Not achieved 1 Total

Operating and capital expenditure 2022/23



Capital overspend relates to unbudgeted strategic land purchases.

Key highlights for the year

Digital Enablement Project

Initial planning and engagement for a digital enablement project have started. The project incorporates enhancements to three crucial elements of our online services that are available to customers; modernising online forms, growing online payment options, and examining digital signatures.

Risk and Assurance

We held the inaugural meeting of the Te Komiti Whakamauru Tūraru (Risk and Assurance Committee) for this triennium. This committee membership includes two independent members.

Annual Plan adoption

Council adopted its 2023/24 Annual Plan and confirmed rates for the 2023/24 financial year.

Gallup reports

We made some progress on putting our new People and Culture Strategy into practice. Several Gallup studies on workplaces and culture are worth reading:

- State of the Global Workplace, an annual report, has regional insights for Australia and New Zealand.
- Gallup on Culture: Even though some of the wording may not be familiar, focus on the meanings itself.

Supplier portal

The Procurement team has introduced a new supplier portal, accessed from our website, to improve interactions with suppliers outside of a formal tender process. The supplier portal will make it easy for suppliers to see examples of work coming up and learn about working with Council, register interest in working with Council, and tell Council about themselves and their capabilities.

Paheko rangapū – Corporate performance measures

| Performance measures | Target | Result | Status | Comment and previous years result |
|--|--|--------------------------|----------|---|
| Staff have the materials and equipment they need to do their work right. | Improved result from previous engagement survey. | 3.97 out of a total of 5 | Achieved | The 2021/22 result was 3.96 (not achieved). |

Residents' Opinion Survey

Council surveys Kāpiti Coast residents throughout the year to assess how satisfied residents are with our services and the perceptions they have about progress towards outcomes and service delivery. Actual service delivery results may vary from perceptions.

Overall satisfaction

The annual overall adjusted satisfaction score for 2022/23 is 64 percent. This represents a decrease in overall adjusted satisfaction compared to last year's annual result of 70 percent.

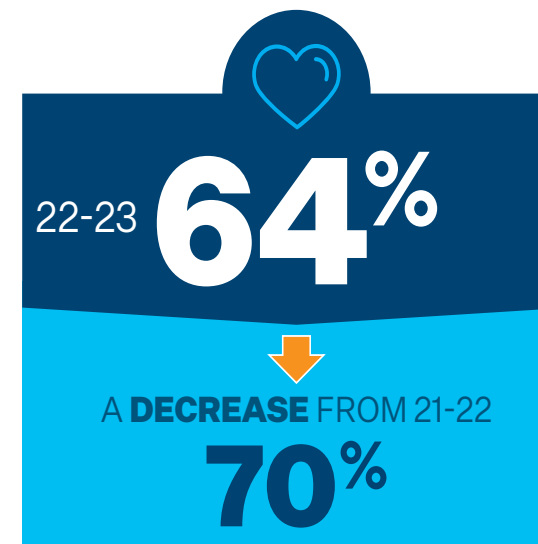
In the second year of monitoring against the 2021-41 Long Term Plan outcomes, three out of four outcomes were found to be perceived highly. Community, the economy, and environmental outcomes ranged between 71 and 85 percent. The housing outcome, however, rated substantially lower at 42 percent although this result was an improvement from 2021/22.

Three key drivers were identified as contributing to overall satisfaction throughout 2022/23, an improvement in these aspects will likely result in an increase in overall satisfaction. The three aspects include the perception that the Council is making good decisions, the district is heading in the right direction and value for money. These drivers are all trending downwards compared to 2021/22.

Consistent with 2021/22, three of the five infrastructure services failed to meet resident satisfaction targets. These were street lighting, condition of roads, and ease of movement on roads. It is worth noting that satisfaction with the condition of footpaths has decreased 8 percent since last year to 66 percent. Furthermore, residents dissatisfied with infrastructure services asked to comment on issues they had experienced over the past 12 months, the two main issues were traffic flow issues, and poor road maintenance.

Council performed well against all other service delivery targets, with 70 percent exceeded. Targets not met were walkways, cycleways and bridleways, emergency preparedness, and natural environment development.

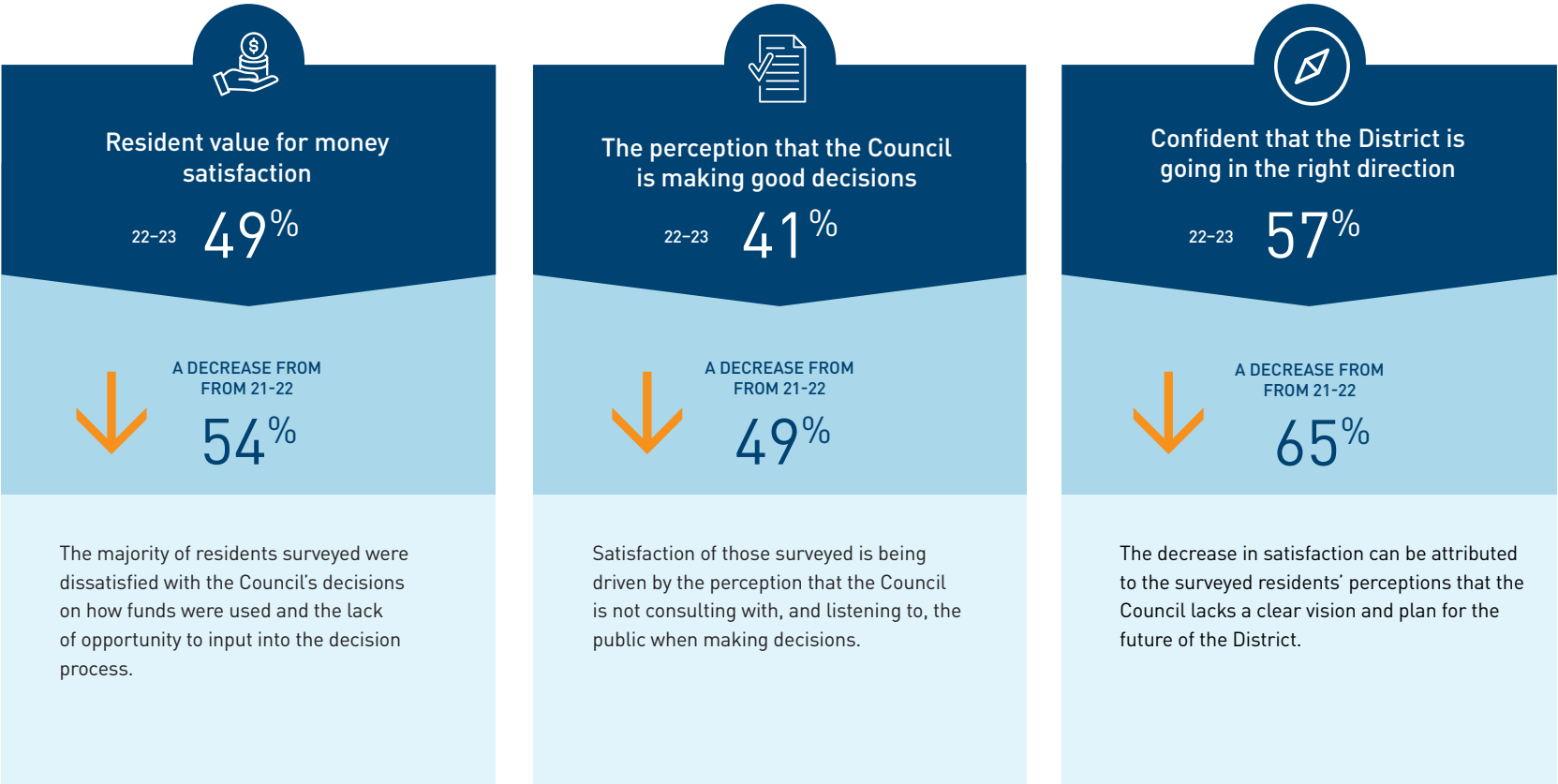
Overall Satisfaction

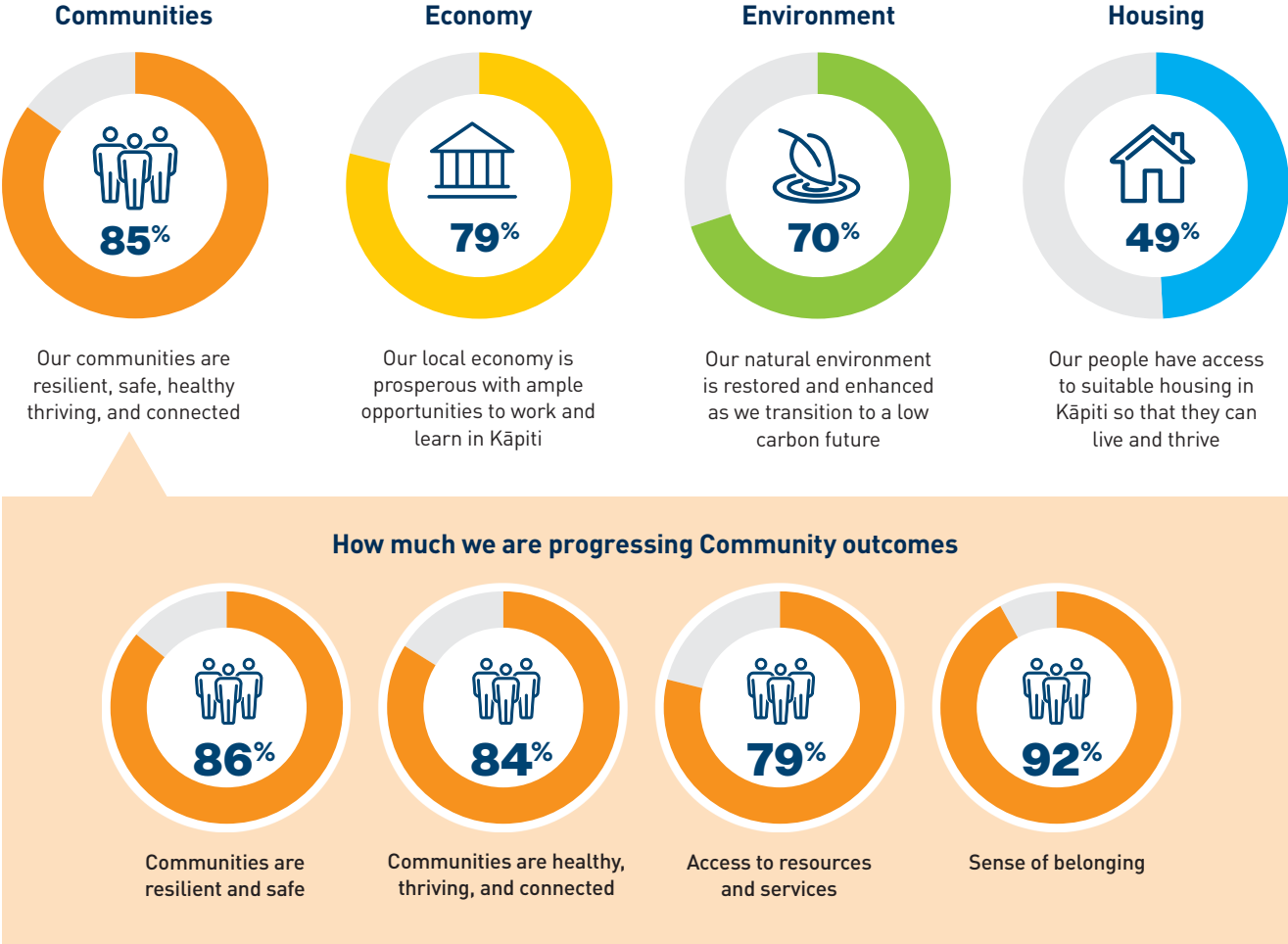


800 residents were surveyed during the year. This is considered to be a statistically valid sample size.

Drivers for change in satisfaction

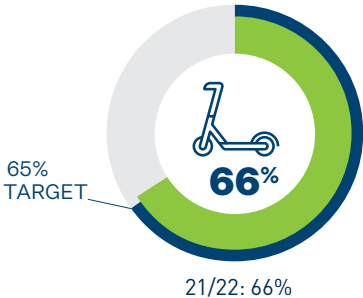
Quarterly surveys throughout the year indicate that the below drivers had the most influence on opinions during 2022/23.



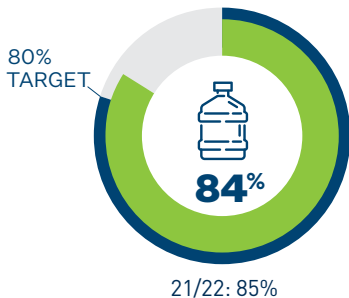


Infrastructure services

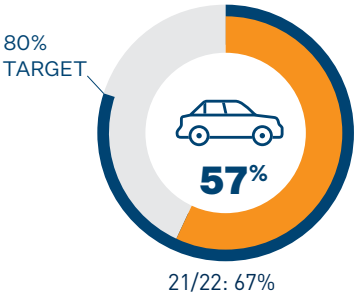
Condition of footpaths



Quality of water supply

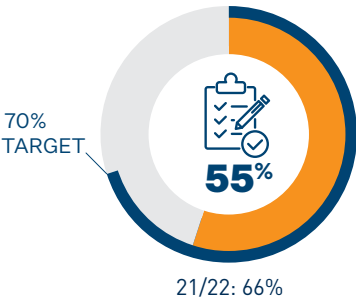


Roads allow for easy movement



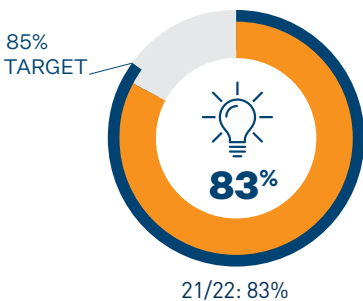
31% of residents who had an issue with an infrastructure service explained it was due to traffic flow issues.

Condition of roads

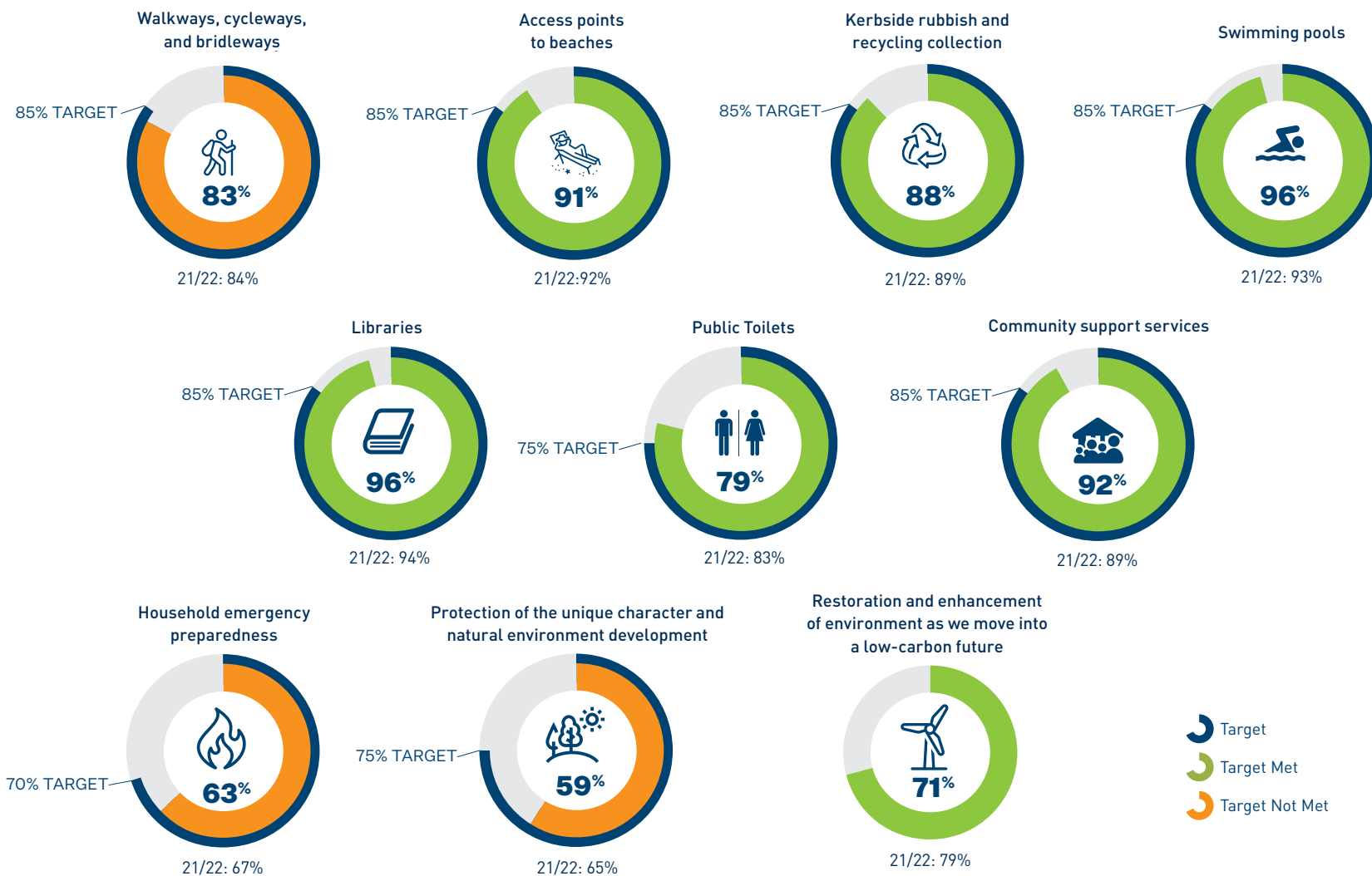


48% of residents who had an issue with an infrastructure service explained it was due to poor road maintenance.

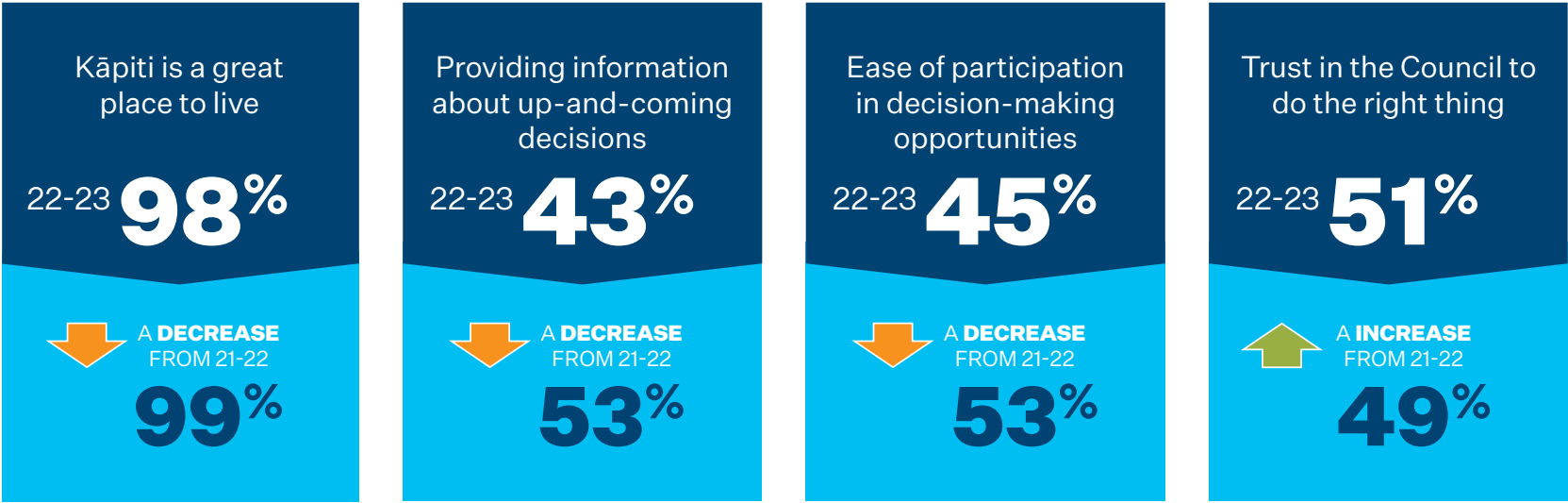
Street lighting



- Target
- Target Met
- Target Not Met



Perceptions of life in Kāpiti and Council intent

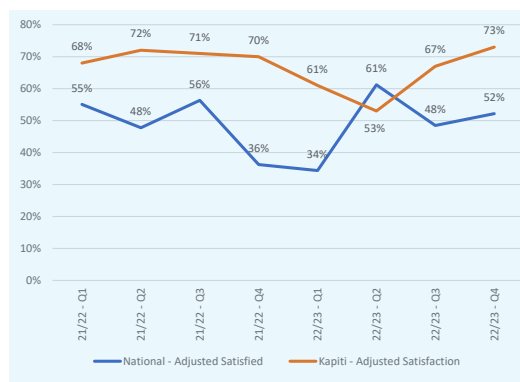


National comparisons¹

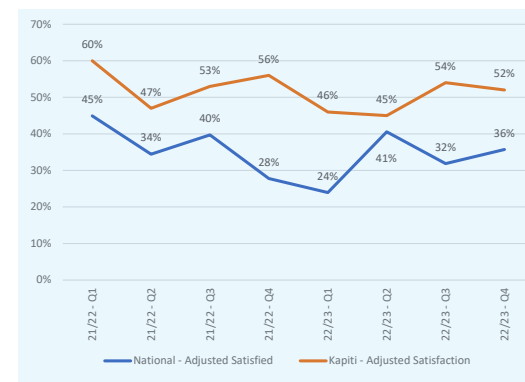
Overall satisfaction and value for money satisfaction in Kapiti are trending higher than national satisfaction results measured by quarter

However, whilst we are improving in these areas, we are still trending lower than the national average in terms of opportunities to have a say and information on decisions that may affect people, measured by quarter.

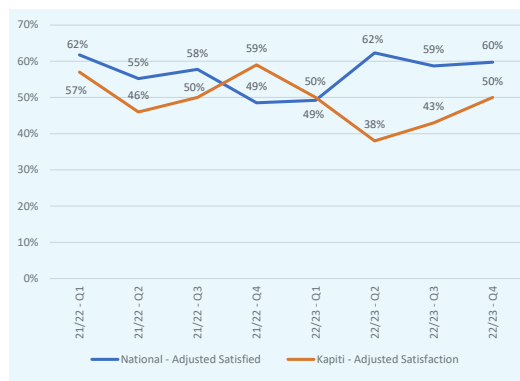
Adjusted satisfaction – Overall satisfaction



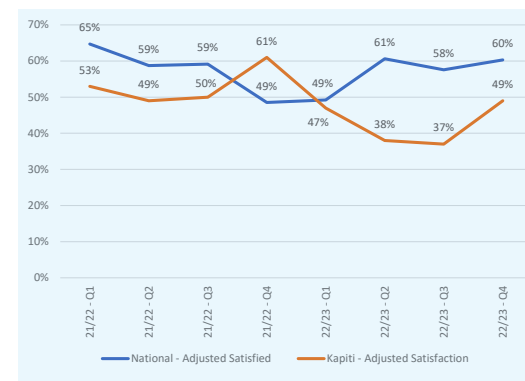
Adjusted satisfaction – Value for money



Adjusted satisfaction – Opportunities to have my say



Adjusted satisfaction – Information on decisions that affect your area



¹ Source: What is driving perceptions of Local Government? Research First, 2023.

Our finances

| | |
|--|-----|
| Statement of comprehensive revenue and expense | 108 |
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| Funding impact statements per activity | 158 |



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 2022/23 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 2023

| 2021/22 Actual \$000 | | Note | 2022/23 Actual \$000 | 2022/23 Budget \$000 |
|--|---|-------|----------------------------|----------------------------|
| <i>Revenue</i> | | | | |
| 75,673 | Rates | 2 | 81,366 | 81,735 |
| 10,521 | Fees and charges | 3 | 11,182 | 11,862 |
| 10,796 | Grants and subsidies | 4 | 10,886 | 16,837 |
| 4,363 | Development and financial contributions | | 9,088 | 3,949 |
| 3,475 | Other operating revenue | 5 | 4,308 | 51,879 |
| 104,828 | Total revenue excluding gains | | 116,830 | 166,262 |
| <i>Expenses</i> | | | | |
| 67,280 | Operating expenses | 6 | 74,576 | 74,356 |
| 23,421 | Depreciation and amortisation | 11,12 | 26,153 | 25,772 |
| 90,701 | Total expenses | | 100,729 | 100,128 |
| <i>Interest</i> | | | | |
| 1,346 | Interest income | | 2,570 | 1,500 |
| 8,543 | Interest expense | | 10,137 | 8,983 |
| 7,197 | Net interest expense | | 7,567 | 7,483 |
| 6,930 | OPERATING SURPLUS/(DEFICIT) | | 8,534 | 58,651 |
| <i>Unrealised gains/(losses)</i> | | | | |
| 23,370 | Unrealised gain/(loss) on revaluation of financial derivatives | | 2,947 | 7,210 |
| 23,370 | Total unrealised gains/(losses) | | 2,947 | 7,210 |
| 30,300 | NET OPERATING SURPLUS/(DEFICIT) | | 11,481 | 65,861 |
| <i>Other comprehensive revenue and expense</i> | | | | |
| 117,071 | Unrealised gain/(loss) from revaluation of property, plant, and equipment | 11 | 221,945 | 36,633 |
| 117,071 | Total other comprehensive revenue and expense | | 221,945 | 36,633 |
| 147,371 | TOTAL COMPREHENSIVE REVENUE AND EXPENSE | | 233,426 | 102,494 |

Statement of changes in net assets/equity for the year ended 30 June 2023

| | Accumulated funds Actual \$000 | Reserves and special funds Actual \$000 | Revaluation reserve Actual \$000 | Total equity Actual \$000 | Total equity Budget \$000 |
|---|--------------------------------------|---|--|---------------------------------|---------------------------------|
| Opening balance at 1 July 2021 | 596,246 | 7,507 | 922,112 | 1,525,865 | 1,527,206 |
| Net operating surplus/(deficit) | 30,300 | - | - | 30,300 | 45,595 |
| Unrealised gain/(loss) from revaluation of property, plant, and equipment | - | - | 117,071 | 117,071 | - |
| Total comprehensive revenue and expense for the year | 30,300 | - | 117,071 | 147,371 | 45,595 |
| Transfer from revaluation reserve | 174 | - | (174) | - | - |
| Transfers from reserves and special funds | 1,163 | (1,163) | - | - | - |
| Transfers to reserves and special funds | (3,288) | 3,288 | - | - | - |
| Closing balance at 30 June 2022 | 624,595 | 9,632 | 1,039,009 | 1,673,236 | 1,572,801 |
| Opening balance at 1 July 2022 | 624,595 | 9,632 | 1,039,009 | 1,673,236 | 1,601,823 |
| Net operating surplus/(deficit) | 11,481 | - | - | 11,481 | 65,861 ¹ |
| Unrealised gain/(loss) from revaluation of property, plant, and equipment | - | - | 221,945 | 221,945 | 36,633 ¹ |
| Total comprehensive revenue and expense for the year | 11,481 | - | 221,945 | 233,426 | 102,494 |
| Transfers from revaluation reserve | 789 | - | (794) | (5) | - |
| Transfers from reserves and special funds | 2,013 | (2,013) | - | - | - |
| Transfers to reserves and special funds | (5,633) | 5,633 | - | - | - |
| CLOSING BALANCE AT 30 JUNE 2023 | 633,245 | 13,252 | 1,260,160 | 1,906,657 | 1,704,317 |

¹ As per 2022/23 Annual Plan.

The accounting policies and accompanying notes on pages 111 to 153 form part of these financial statements. Explanation of the major variances against budget are provided in note 27.

Statement of financial position as at
30 June 2023

| 2021/22 Actual \$000 | | Note | 2022/23 Actual \$000 | 2022/23 Budget \$000 |
|--------------------------------|--|------|----------------------------|----------------------------|
| Current Assets | | | | |
| 15,274 | Cash and cash equivalents | 7 | 14,084 | 15,596 |
| 14,085 | Trade and other receivables | 8 | 20,542 | 14,552 |
| 158 | Inventories | | 159 | 157 |
| - | Non-current assets held for sale | | 2,212 | - |
| 45,765 | Other financial assets | 10 | 56,150 | 51,150 |
| 52 | Loans | 9 | 43 | 58 |
| 113 | Derivative financial instruments | 22 | 94 | 174 |
| 75,447 | Total Current Assets | | 93,284 | 81,687 |
| Non-Current Assets | | | | |
| 1,844,621 | Property, plant and equipment | 11 | 2,102,547 | 1,912,796 |
| 28 | Forestry assets | | 28 | 29 |
| 3,120 | Intangible assets | 12 | 3,267 | 5,089 |
| 24,620 | Other financial assets | 10 | 5,093 | 30,720 |
| 269 | Loans | 9 | 234 | 706 |
| 9,996 | Derivative financial instruments | 22 | 12,510 | 16,079 |
| 1,882,654 | Total Non-Current Assets | | 2,123,679 | 1,965,419 |
| 1,958,101 | TOTAL ASSETS | | 2,216,963 | 2,047,106 |
| Current Liabilities | | | | |
| 21,930 | Trade and other payables | 14 | 26,151 | 34,345 |
| 3,267 | Employee benefits | 15 | 3,945 | 2,724 |
| 1,692 | Deposits | 16 | 2,465 | 1,568 |
| 45,000 | Borrowings | 17 | 55,000 | 55,000 |
| 409 | Provisions | 18 | 725 | 75 |
| 55 | Derivative financial instruments | 22 | - | 125 |
| 72,353 | Total Current Liabilities | | 88,286 | 93,837 |
| Non-Current Liabilities | | | | |
| 109 | Employee benefits | 15 | 147 | 177 |
| 210,000 | Borrowings | 17 | 220,000 | 245,000 |
| 2,007 | Provisions | 18 | 1,873 | 3,627 |
| 396 | Derivative financial instruments | 22 | - | 148 |
| 212,512 | Total Non-Current Liabilities | | 222,020 | 248,952 |
| 284,865 | TOTAL LIABILITIES | | 310,306 | 342,789 |
| Public Equity | | | | |
| 624,595 | Accumulated funds | | 633,245 | 688,847 |
| 9,632 | Reserves and special funds | 20 | 13,252 | 8,306 |
| 1,039,009 | Revaluation reserve | 19 | 1,260,160 | 1,007,164 |
| 1,673,236 | TOTAL PUBLIC EQUITY | | 1,906,657 | 1,704,317 |
| 1,958,101 | TOTAL LIABILITIES AND PUBLIC EQUITY | | 2,216,963 | 2,047,106 |

Statement of cash flows for the year ended
30 June 2023

| 2021/22 Actual \$000 | | Note | 2022/23 Actual \$000 | 2022/23 Budget \$000 |
|---|---|------|----------------------------|----------------------------|
| Cash flows from operating activities | | | | |
| <i>Cash was provided from:</i> | | | | |
| 75,724 | Kāpiti Coast District Council rates | | 81,247 | 80,800 |
| 15,725 | Greater Wellington Regional Council rates collected | | 18,025 | - |
| 3,379 | Grants and subsidies | | 3,108 | 2,854 |
| 1,183 | Interest received | | 1,639 | 1,487 |
| 13,217 | Fees and charges | | 21,515 | 17,968 |
| [65] | GST (net) | | [676] | 977 |
| 109,163 | | | 124,858 | 104,086 |
| <i>Cash was applied to:</i> | | | | |
| 65,099 | Payments to employees and suppliers | | 74,307 | 62,539 |
| 15,725 | Rates paid to Greater Wellington Regional Council | | 18,025 | - |
| 80,824 | | | 92,332 | 62,539 |
| 28,339 | Net cash flow from operating activities | 21 | 32,526 | 41,547 |
| Cash flows from investing activities | | | | |
| <i>Cash was provided from:</i> | | | | |
| 45,024 | Proceeds from loan repayments/term deposit maturities | | 45,792 | 45,823 |
| 3,064 | Proceeds from sale of assets held for sale, property, plant and equipment and intangibles | | 2,271 | - |
| 7,417 | Proceeds from capital grants | | 7,778 | 13,346 |
| 55,505 | | | 55,841 | 59,169 |
| <i>Cash was applied to:</i> | | | | |
| 45,442 | Construction and purchase of property, plant and equipment and intangibles | | 63,732 | 79,889 |
| 51,029 | Purchase of investments | | 36,623 | 57,292 |
| 96,471 | | | 100,355 | 137,181 |
| [40,966] | Net cash flow from investing activities | | [44,514] | [78,012] |
| Cash flows from financing activities | | | | |
| <i>Cash was provided from:</i> | | | | |
| 70,000 | Proceeds from long-term borrowing | | 65,000 | 90,000 |
| 70,000 | | | 65,000 | 90,000 |
| <i>Cash was applied to:</i> | | | | |
| 8,232 | Interest paid | | 9,202 | 8,968 |
| 45,000 | Repayment of long-term borrowing | | 45,000 | 45,000 |
| 53,232 | | | 54,202 | 53,968 |
| 16,768 | Net cash flow from financing activities | | 10,798 | 36,032 |
| 4,141 | Net increase/(decrease) in cash and cash equivalents | | [1,190] | [433] |
| 11,133 | Total cash and cash equivalents at 1 July | | 15,274 | 16,029 |
| 15,274 | TOTAL CASH AND CASH EQUIVALENTS AT 30 JUNE | 7 | 14,084 | 15,596 |

Funding impact statement for the year ended 30 June 2023

| | 2021/22 Budget \$000 | 2021/22 Actual \$000 | 2022/23 Budget \$000 | 2022/23 Actual \$000 |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
| Source of operating funding | | | | |
| General rate, uniform annual general charge, rates penalties | 26,445 | 25,940 | 29,718 | 30,332 |
| Targeted rates | 49,909 | 50,336 | 52,664 | 51,760 |
| Grants and subsidies for operating purposes | 2,958 | 3,378 | 2,845 | 3,108 |
| Fees and charges | 9,579 | 9,816 | 11,057 | 10,423 |
| Interest and dividends from investments | 611 | 1,346 | 1,500 | 2,570 |
| Vested asset, Local authorities fuel tax, fines, infringement fees, and other | 36,970 | 2,264 | 52,037 | 2,625 |
| Total operating funding | 126,472 | 93,080 | 149,821 | 100,819 |
| Applications of operating funding | | | | |
| Payments to staff and suppliers | 64,501 | 67,179 | 74,356 | 74,437 |
| Finance costs | 8,150 | 8,543 | 8,983 | 10,137 |
| Total applications of operating funding | 72,651 | 75,721 | 83,339 | 84,574 |
| SURPLUS/DEFICIT OF OPERATING FUNDING | 53,821 | 17,359 | 66,482 | 16,245 |
| Source of capital funding | | | | |
| Grants and subsidies for capital expenditure | 14,185 | 7,417 | 13,992 | 7,778 |
| Development and financial contributions | 3,564 | 4,363 | 3,949 | 9,088 |
| Increase (decrease) in debt | 31,361 | 19,881 | 36,376 | 32,536 |
| Gross proceeds from sale of assets | – | 3,022 | – | 2,271 |
| Total source of capital funding | 49,110 | 34,683 | 54,317 | 51,672 |
| Applications of capital funding | | | | |
| Capital expenditure | | | | |
| > to meet additional demand | 7,837 | 2,077 | 5,914 | 2,131 |
| > to improve the level of service | 43,032 | 27,562 | 47,086 | 40,035 |
| > to replace existing assets | 22,595 | 15,814 | 31,700 | 19,353 |
| Increase (decrease) in reserves | 29,467 | 6,588 | 36,099 | 6,397 |
| Total applications of capital funding | 102,931 | 52,042 | 120,799 | 67,917 |
| SURPLUS/DEFICIT OF CAPITAL FUNDING | (53,821) | (17,359) | (66,482) | (16,245) |
| FUNDING BALANCE | – | – | – | – |

The purpose of the Funding Impact Statement is to identify the amount of funds produced from each source of Council funding, and how the funds were applied. Refer to Note 27 (major variances from budget) for more detail. The deficit for capital funding represents the operating surplus used for capital funding from rates funded depreciation.

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 2023. The financial statements were adopted and authorised for issue by the Council on 26 October 2023.

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

There have been no accounting standards issued that have not been adopted in the year ended 30 June 2023.

Other changes in accounting standards

Financial instruments

In January 2017, the XRB issued PBE IPSAS 41 Financial instruments. This replaced PBE IPSAS 29 Recognition and Measurement and introduces into PBE standards the reforms introduced by NZ IFRS 9 in the for-profit sector. The Council was required to adopt PBE IPSAS 41 in the preparation of the 2022-23 Annual Report, whereby the main changes under this new standard relevant to the Council are;

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

For more information regarding the changes between PBE IPSAS 29 and PBE IPSAS 41 are disclosed within Notes 8 and 22.

Service performance reporting

The 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 reporting requirements for the public benefit entities (PBE's) to select and present service performance information. PBE's will need to provide users with;

- Sufficient contextual information to understand why the entity exists, what it intends to achieve in broad terms over the medium to long term, and how it goes about this; and
- Information about what the entity has done during the reporting period in working towards its boarded aims and objectives.

The Council was required to adopt PBE FRS 48 in the preparation for the 2022-23 Annual Report, which has resulted in more comprehensive disclosures within the non-financial section.

In addition to the application of PBE FRS 48, on 15 November 2022 Taumata Arowai (the New Zealand water services regulator), introduced new drinking water quality assurance rules replacing the previous "Drinking water standards for New Zealand 2005" issued by the Ministry of Health. For the 2022-23 year, Council reported against the former Ministry of Health's bacteria and protozoa measures for the period 01 July 2022 to 14 November 2022 and thereafter against Taumata Arowai's new Drinking Water Quality Assurance Rules from 15 November 2022 to 30 June 2023.

Other changes in accounting policies

There have been no changes in the accounting policies in the year ended 30 June 2023.

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.

The 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 tāngata 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 2022/23 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

| 2021/22 Actual \$'000 | | 2022/23 Actual \$'000 |
|-----------------------------|--|-----------------------------|
| | Revenue from exchange transactions: | |
| | Targeted rates | |
| 4,634 | Districtwide water supply volumetric rate | 4,365 |
| 4,634 | Total rates from exchange transactions | 4,365 |
| | Revenue from non-exchange transactions: | |
| | General rates | |
| 25,337 | Districtwide | 29,606 |
| | Targeted rates | |
| 19,741 | Community facilities rate | 21,158 |
| 217 | Hautere/Te Horo water supply rate | 275 |
| 69 | Ōtaki community rate | 74 |
| 45 | Paekākāriki community rate | 51 |
| 79 | Paraparaumu/Raumati community rate | 187 |
| 10,221 | Districtwide roading rate | 9,501 |
| 2,704 | Districtwide stormwater rate | 2,983 |
| 90 | Waikanae community rate | 93 |
| 8,963 | Districtwide wastewater disposal rate | 9,543 |
| 4,833 | Districtwide water supply fixed rate | 5,008 |
| 563 | Commercial rate | 564 |
| (1,209) | Less internal rates | (1,325) |
| (614) | Less rates remitted | (717) |
| 71,039 | Total rates from non-exchange transactions | 77,001 |
| 75,673 | Total rates from exchange and non-exchange transactions | 81,366 |
| 93,553 | Total rates levied | 101,949 |
| (1,209) | Less internal rates | (1,325) |
| (614) | Less rates remitted | (717) |
| (16,057) | Less Greater Wellington Regional Council rates | (18,541) |
| 75,673 | Total revenue from rates | 81,366 |

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 the 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 are not recognised in the Statement of comprehensive revenue and expense as the Council acts as an agent for Greater Wellington.

Rates remissions

| 2021/22 Actual \$000 | | 2022/23 Actual \$000 |
|----------------------------|--|----------------------------|
| 60 | Council community properties, sporting, recreational and other community organisations | 63 |
| 93 | Residential rating units containing two separately habitable units | 102 |
| 252 | Financial hardship | 271 |
| 30 | Conservation Remission | 28 |
| 179 | Residential water leak remission | 253 |
| 614 | Total rates remissions | 717 |

Rate remissions granted during the year in accordance with the Council's rates remission and postponement policies total \$0.72 million (2022: \$0.61 million). Total rates levied on council-owned properties were \$1.33 million (2022: \$1.21 million).

Summary of rates funding surplus

| | 2022/23 Actual \$000 |
|---|----------------------------|
| Operating surplus/(deficit) | 8,534 |
| Adjustments for non-rates funded revenue and expenditure | |
| Add: unfunded depreciation | 3,095 |
| Add: Expenditure funded by reserves and special funds | 261 |
| Add: (Gain)/Loss on Sale of Assets | (1,708) |
| Less: Capital subsidies | (5,229) |
| Less: Development and Financial Contributions | (9,088) |
| Less: Vested Assets | (1,325) |
| Underlying rates deficit | (5,460) |
| Represented by: | |
| Water account surplus | (832) |
| Net overspend across the organisation | (4,628) |
| Underlying rates deficit | (5,460) |

The underlying rates funding deficit of \$5.46 million is different to the operating surplus of \$8.53 million as per the statement of comprehensive revenue and expense due to the following:

- Operating surplus/(deficit) covers all 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 rates funding deficit ended with \$5.5m against a budgeted deficit of \$1.3m. The budgeted deficit was intended and was funded by water activity surplus. The deficit for the year was \$4.2m higher than budget mainly due to:

- \$0.9m less revenue from fees and charges,
- \$1.8m grants from Waha Kotahi (due to less spend for renewal access and transport capital projects),
- \$0.4m lower than budgeted growth (actual growth 0.74% against budget growth 0.8%),
- \$0.4m higher than budgeted depreciation (resulted from high revaluation of assets on 30 June 2022), and
- \$0.9m unbudgeted leave provision.

Rating base information

| Year | Rating units | Total capital value of rating units \$000 | Total land value of rating units \$000 |
|--------------------|---------------|--|---|
| 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 | 378,913 |
| Total | 26,121 | 15,872,373 | 7,556,731 |
| 2021/22 | | | |
| Rateable units | 25,465 | 19,663,160 | 10,604,392 |
| Non-rateable units | 816 | 743,365 | 379,834 |
| Total | 26,281 | 20,406,525 | 10,984,226 |
| 2022/23 | | | |
| Rateable units | 25,592 | 19,818,958 | 10,624,712 |
| Non-rateable units | 845 | 750,718 | 390,025 |
| Total | 26,437 | 20,569,676 | 11,014,737 |

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

| 2021/22 Actual \$000 | | 2022/23 Actual \$000 |
|----------------------------|--|----------------------------|
| | Revenue from exchange transactions: | |
| 1,394 | Sale of goods and services | 1,489 |
| 1,971 | Rent from lease of council-owned properties | 2,281 |
| 3,365 | Total fees and charges from exchange transactions | 3,770 |
| | Revenue from non-exchange transactions: | |
| 6,451 | Sale of goods and services | 6,653 |
| 705 | Fines and penalties | 759 |
| 7,156 | Total fees and charges from non-exchange transactions | 7,412 |
| 10,521 | Total fees and charges | 11,182 |

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 \$0.73 million (2022: \$0.60 million) and traffic infringements of \$0.02 million (2022: \$0.02 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 which 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, 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

| 2021/22 Actual \$000 | | 2022/23 Actual \$000 |
|----------------------------|--|----------------------------|
| | Revenue from non-exchange transactions | |
| 7,417 | Capital grants | 7,778 |
| 3,379 | Operating grants | 3,108 |
| 10,796 | Total grants and subsidies from non-exchange transactions | 10,886 |

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 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 \$3.16 million (2022: \$3.34 million) were used to subsidise the construction or renewal of new and existing local roading and operating grants of \$2.58 million (2022: \$2.63 million) was use towards the cost of maintaining existing local roading.

Mahara Gallery

The Council and the Mahara Gallery Trustees have a Memorandum of Understanding to work together, to establish the Mahara Gallery as the District Gallery for Kāpiti. The project involves rebuilding the current gallery on its existing site situated within Mahara Place, Waikanae. During the 2022-23 year the Ministry for Culture & Heritage contributed an additional \$0.432m as contingency funding in addition to their initial \$1.733m grant, of which \$0.480m had carried over from 30 June 2022. During 2022-23 the Council has also received \$1.747m from the Mahara Gallery Trust as a capital contribution to offset the incurred project expenditure.

The project received \$0.100m as an operating grant during 2022-23, from the "Better off Funding" (BoF) agreement between the Department of Internal Affairs and the Council as part of the Three Waters Reform programme. The project is due to be completed and open to the public on 28 October 2023.

Infrastructure Acceleration Fund

In June 2021, the New Zealand Government announced the Infrastructure Acceleration Fund (IAF) initiative as part of the Housing Acceleration Fund. The IAF is designed to allocate funding to enable a meaningful contribution to housing outcomes in areas of need. The Council and Kāinga Ora-Home and Communities have subsequently entered into an agreement to accelerate infrastructure projects that will help improve resiliency in Ōtaki. The agreement will support the development of a mixture of papakāinga, affordable and market housing projects to meet current and future housing needs in the community. These are forecasted to be delivered between 2023-29.

During 2022-23, the Council received a capital grant of \$1.627m which was to compensate the Councils expenditure in potable water supply and the land acquisition as per the terms of the agreement.

5. Other operating revenue

| 2021/22 Actual \$000 | | Note | 2022/23 Actual \$000 |
|----------------------------|---|------|----------------------------|
| | Revenue from exchange transactions | | |
| 1,313 | Realised gain on disposal of property, plant and equipment | | 1,715 |
| 433 | Other Revenue | | 116 |
| 1,746 | Total other operating revenue from exchange transactions | | 1,831 |
| | Revenue from non-exchange transactions | | |
| 732 | Vested assets | 11 | 1,325 |
| 20 | Donations and sponsorships | | 20 |
| 281 | Local government petrol tax | | 245 |
| 696 | Other revenue | | 887 |
| 1,729 | Total other operating revenue from non-exchange transactions | | 2,477 |
| 3,475 | Total other operating revenue | | 4,308 |

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.

Water Services Reform Programme

The New Zealand Government is currently undertaking a reform programme for Three Waters (drinking water, wastewater, and stormwater) service delivery. During 2022-23 the Council received transitional funding of \$0.406m which has been classified as Other Revenue "non-exchange" funding.

6. Operating expenses

| 2021/22 Actual \$000 | | 2022/23 Actual \$000 |
|----------------------------|--|----------------------------|
| | Ernst & Young | |
| 197 | Audit of financial statements | 242 |
| - | Audit of long-term plan | - |
| 3 | Audit of debenture trust deeds | 3 |
| | Impairments and unrealised losses | |
| 102 | Loss on disposal of property, plant and equipment | 7 |
| 36 | Unrealised loss on fair value of forestry assets | - |
| 443 | Impairment of loans to community organisations | 17 |
| (22) | Net increase/(decrease) of impairment of receivables | 107 |
| | Governance | |
| 812 | Councillor fees and costs | 896 |
| | Personnel costs | |
| 24,005 | Staff remuneration | 27,664 |
| 2,087 | Other personnel costs | 2,405 |
| 2,614 | Fixed term resourcing | 2,582 |
| 1,008 | Employer superannuation (including KiwiSaver) | 1,132 |
| 342 | Staff training | 616 |
| | Other | |
| 134 | Transport costs | 148 |
| 819 | Grants and sponsorships | 1,048 |
| 994 | Legal costs | 775 |
| 1,936 | Insurance | 2,328 |
| 2,448 | Operating projects | 4,001 |
| 692 | Operating lease rentals | 707 |
| 2,710 | Heat, light, power (energy) | 2,814 |
| 314 | Communications | 352 |
| 1,255 | Professional services | 1,032 |
| 279 | Printing and stationery | 321 |
| 43 | Bank charges | 52 |
| 20,569 | Facility operations and maintenance | 21,907 |
| 3,460 | Other | 3,420 |
| 67,280 | Total other operating expense | 74,576 |

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

| 2021/22 Actual \$'000 | | 2022/23 Actual \$'000 |
|-----------------------------|--|-----------------------------|
| 9 | Cash on hand | 10 |
| 5,265 | Cash at bank | 4,074 |
| 10,000 | Short term deposits | 10,000 |
| 15,274 | Total cash and cash equivalents | 14,084 |

8. Trade and other receivables

| 2021/22 Actual \$'000 | | 2022/23 Actual \$'000 |
|-----------------------------|--|-----------------------------|
| 14,085 | Current | 20,542 |
| - | Non-Current | - |
| 14,085 | Total trade and other receivables | 20,542 |
| | Trade and other receivables | |
| - | Opening Balance adjustment due to adoption of PBE IPSAS 41 | (27) |
| 10,295 | Trade receivables | 14,074 |
| 3,248 | Rates receivable | 3,494 |
| 419 | Prepayments | 2,576 |
| 643 | GST Receivable | 1,025 |
| (520) | Less allowance for credit losses | (600) |
| 14,085 | Total trade and other receivables | 20,542 |

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, 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 allowance for credit losses. 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 expected credit loss provision has been calculated based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment. Individually impaired receivables are determined to be impaired if the debtor has significant financial difficulties.

Allowance for expected credit loss of trade and other receivables

| 2021/22 Actual \$000 | | 2022/23 Actual \$000 |
|----------------------------|---|----------------------------|
| - | Opening Balance adjustment due to adoption of PBE IPSAS 41 | (27) |
| 467 | Individual impairment ¹ | 571 |
| 53 | Collective impairment | 56 |
| 520 | Allowance of doubtful debts for trade receivables at 30 June | 600 |

¹2022-23 year includes \$24,382 of debt provided in accordance with section 90A of the Local Government (Rating) Act 2023.

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

Movement in the allowance for credit losses

| 2021/22 Actual \$000 | | 2022/23 Actual \$000 |
|----------------------------|--|----------------------------|
| 542 | Balance at 1 July measured under PBE IPSAS 29 | 520 |
| - | ECL adjustment due to adoption of PBE IPSAS 41 ² | (27) |
| 542 | Opening balance for expected credit losses at 1 July | 493 |
| (75) | Provision Utilised | (27) |
| 97 | Increase in provision | 184 |
| (44) | Released unused provisions | (50) |
| 520 | Closing balance for expected credit losses at 30 June | 600 |

²ECL (Expected Credit Loss) is a new concept introduced under the standard PBE IPSAS 41, please refer to the standard for the comprehensive definition of this.

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

| Trade and other receivables (excluding property rates) | | | | | | |
|--|---------------------------|-------------------------------|-------------------------|---------------------------|-------------------------------|-------------------------|
| | 2022/23 Gross \$000 | 2022/23 Provision \$000 | 2022/23 Net \$000 | 2021/22 Gross \$000 | 2021/22 Provision \$000 | 2021/22 Net \$000 |
| Not past due | 12,295 | 2 | 12,293 | 7,999 | - | 7,999 |
| 1-30 days | 350 | - | 350 | 407 | - | 407 |
| 31-60 days | 137 | - | 137 | 836 | - | 836 |
| > 90 days | 6,320 | 228 | 6,092 | 3,605 | 196 | 3,409 |
| Total | 19,102 | 230 | 18,872 | 12,847 | 196 | 12,651 |

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

| Rates receivables | | | | | | |
|-------------------|---------------------------|-------------------------------|-------------------------|---------------------------|-------------------------------|-------------------------|
| | 2022/23 Gross \$000 | 2022/23 Provision \$000 | 2022/23 Net \$000 | 2021/22 Gross \$000 | 2021/22 Provision \$000 | 2021/22 Net \$000 |
| Not past due | 1,641 | - | 1,641 | 1,374 | - | 1,374 |
| Up to 2 years | 216 | 187 | 29 | 199 | 139 | 60 |
| 2 to 5 years | 86 | 86 | - | 88 | 88 | - |
| Over 5 years | 97 | 97 | - | 97 | 97 | - |
| Total | 2,040 | 370 | 1,670 | 1,758 | 324 | 1,434 |

9. Loans

| 2021/22 Actual \$000 | | 2022/23 Actual \$000 |
|----------------------------|----------------------------------|----------------------------|
| Current | | |
| 44 | Water conservation loans | 35 |
| 8 | Loans to community organisations | 8 |
| 52 | Total current loans | 43 |
| Non-current | | |
| 102 | Water conservation loans | 75 |
| 610 | Loans to community organisations | 619 |
| (443) | Impairments | (460) |
| 269 | Total non-current loans | 234 |
| 321 | Total loans | 277 |

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.

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.

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% has been applied to this loan.

Air Chathams

Council agreed to provide a \$0.5m concessionary loan to Air Chatham's during September 2020 to maintain a minimum level of air services between the Kāpiti Coast airport and Auckland airport. The loan is interest-free with a repayment term of up to 5 years. To determine the discounted fair value of the loan as at 30 June 2023, an effective market interest rate of 3.86% has been applied.

Given the significant challenges faced by the airline industry in the post COVID-19 environment, the Council elected to fully impair this loan during the 2021-22 financial year and has continued this impairment assessment rationale for the 2022-23 year. This does not alter Air Chathams' obligations under the loan agreement.

Loans movement

| 2021/22 Actual \$000 | | 2022/23 Actual \$000 |
|----------------------------|-------------------------------|----------------------------|
| 788 | Opening balance | 321 |
| 14 | Additions | 10 |
| (54) | Repayments | (54) |
| (443) | Impairments | (17) |
| 16 | Effective interest adjustment | 17 |
| 321 | Total loans | 277 |

10. Other financial assets

| 2021/22 Actual \$000 | | 2022/23 Actual \$000 |
|----------------------------|---|----------------------------|
| | Current Deposits | |
| 45,000 | Term deposits | 55,000 |
| 765 | NZ Local Government Funding Agency | 1,150 |
| 45,765 | Total current other financial assets | 56,150 |
| | Non-current Shares | |
| 100 | NZ Local Government Funding Agency | 100 |
| 15 | Civic Financial Services | 14 |
| 4,485 | NZ Local Government Funding Agency | 4,959 |
| 20 | Fonterra perpetual | 20 |
| | Deposits | |
| 20,000 | Term deposits | - |
| 24,620 | Total non-current other financial assets | 5,093 |
| 70,385 | Total other financial assets | 61,243 |

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), 14,909 shares.

Notes

The LGFA Borrower Notes are subordinated convertible debt instruments which each council that borrows from LGFA must subscribe for, this is currently set at 2.5% of the amount borrowed. LGFA will redeem Borrower Notes when the councils' related borrowings are repaid or no longer owed to LGFA or may be converted into equity under specific circumstances. There is no active market for the trade of borrower notes nor has there been any reported default that would trigger an equity conversion event, the Council therefore values these notes at their redeemable value.

11. Property, plant, and equipment

| 2022/23 | 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 | 63,457 | - | - | (144) | (3,888) | - | 9,463 | 68,888 | (4,528) | (2,655) | 144 | 6,929 | 111 | 1 | 58,929 | 68,889 |
| Computers and office equipment | 3,064 | 86 | - | (1,001) | - | - | 638 | 2,787 | (2,142) | (511) | 1,001 | - | - | (1,652) | 922 | 1,135 |
| Furniture and chattels | 2,808 | - | - | (239) | - | - | 657 | 3,226 | (1,401) | (401) | 239 | - | (57) | (1,620) | 1,407 | 1,605 |
| Land | 38,518 | - | - | (510) | 35,726 | - | 2,288 | 76,022 | - | - | - | - | - | - | 38,518 | 76,022 |
| Library collections | 3,762 | - | - | (213) | - | - | 432 | 3,981 | (1,896) | (349) | 213 | - | - | (2,032) | 1,866 | 1,949 |
| Motor vehicles | 3,455 | - | - | (427) | - | - | 597 | 3,625 | (2,148) | (248) | 380 | - | - | (2,016) | 1,307 | 1,609 |
| Plant and machinery | 3,507 | - | - | (139) | - | - | 172 | 3,540 | (2,567) | (197) | 133 | - | - | (2,631) | 940 | 909 |
| Items under construction | 7,524 | 17,831 | - | - | - | - | (19,776) | 5,579 | (2) | - | - | - | 2 | - | 7,522 | 5,579 |
| Total operational assets | 126,095 | 17,917 | - | (2,673) | 31,838 | - | (5,529) | 167,648 | (14,684) | (4,361) | 2,110 | 6,929 | 56 | (9,950) | 111,411 | 157,697 |
| <i>Infrastructural assets</i> | | | | | | | | | | | | | | | | |
| Bridges | 18,308 | - | - | - | 6,860 | - | (1,467) | 23,701 | (214) | (543) | - | 757 | - | - | 18,094 | 23,701 |
| River flood protection and control works | 1,280 | - | - | - | - | - | - | 1,280 | - | (22) | - | - | - | (22) | 1,280 | 1,258 |
| Roading – land under road | 767,738 | - | - | - | 10,342 | - | 95 | 778,175 | - | - | - | - | - | - | 767,738 | 778,175 |
| Roading and footpaths | 413,677 | - | 675 | (34) | 39,473 | - | 9,409 | 463,200 | (2,081) | (7,462) | 34 | 9,544 | (35) | - | 411,596 | 463,200 |
| Seawalls | 9,119 | - | - | - | - | - | 111 | 9,230 | 1 | (650) | - | - | - | (649) | 9,120 | 8,581 |
| Stormwater drainage | 80,005 | - | 235 | - | 6,336 | - | - | 86,576 | - | (1,246) | - | - | - | (1,246) | 80,005 | 85,330 |
| Wastewater – other assets | 136,817 | - | 228 | (11) | 12,697 | - | - | 149,731 | (6) | (3,177) | 11 | - | (5) | (3,177) | 136,811 | 146,554 |
| Wastewater treatment plants and facilities | 27,012 | - | - | - | - | - | 7 | 27,019 | (48) | (1,412) | - | - | - | (1,460) | 26,964 | 25,559 |
| Water – other assets | 111,453 | - | 187 | (13) | 10,349 | - | 81 | 122,057 | (13) | (2,698) | 13 | - | - | (2,698) | 111,440 | 119,359 |
| Water treatment plants and facilities | 29,226 | - | - | - | - | - | - | 29,226 | - | (1,349) | - | - | - | (1,349) | 29,226 | 27,877 |
| Items under construction | 47,992 | 40,382 | - | - | - | - | (6,713) | 81,661 | (36) | - | - | - | 35 | (1) | 47,956 | 81,660 |
| Total infrastructural assets | 1,642,627 | 40,382 | 1,325 | (58) | 86,057 | - | 1,523 | 1,771,856 | (2,397) | (18,559) | 58 | 10,301 | (5) | (10,602) | 1,640,230 | 1,761,254 |
| <i>Restricted assets</i> | | | | | | | | | | | | | | | | |
| Buildings and improvements | 37,065 | - | - | (1) | (3,167) | - | 3,507 | 37,404 | (4,879) | (2,548) | 1 | 7,476 | (51) | (1) | 32,186 | 37,403 |
| Land | 58,927 | - | - | - | 82,512 | - | 2,295 | 143,734 | - | - | - | - | - | - | 58,927 | 143,734 |
| Items under construction | 1,868 | 3,176 | - | - | - | - | (2,584) | 2,460 | - | - | - | - | - | - | 1,868 | 2,460 |
| Total restricted assets | 97,860 | 3,176 | - | (1) | 79,345 | - | 3,218 | 183,598 | (4,879) | (2,548) | 1 | 7,476 | (51) | (1) | 92,981 | 183,597 |
| TOTAL PROPERTY, PLANT AND EQUIPMENT | 1,866,582 | 61,475 | 1,325 | (2,732) | 197,240 | - | (788) | 2,123,102 | (21,960) | (25,468) | 2,169 | 24,706 | - | (20,553) | 1,844,621 | 2,102,547 |

11. Property, plant, and equipment (continued)

| 2021/22 | 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 | 58,609 | - | - | (113) | - | - | 4,961 | 63,457 | (2,084) | (2,462) | 12 | - | 6 | (4,528) | 56,525 | 58,929 |
| Computers and office equipment | 2,971 | - | - | - | - | - | 93 | 3,064 | (1,626) | (516) | - | - | - | (2,142) | 1,345 | 922 |
| Furniture and chattels | 2,724 | - | - | - | - | - | 84 | 2,808 | (1,029) | (374) | - | - | 2 | (1,401) | 1,695 | 1,407 |
| Land | 37,907 | - | - | (1,715) | - | - | 2,326 | 38,518 | - | - | - | - | - | - | 37,907 | 38,518 |
| Library collections | 3,419 | - | - | - | - | - | 343 | 3,762 | (1,507) | (389) | - | - | - | (1,896) | 1,912 | 1,866 |
| Motor vehicles | 3,205 | - | - | (113) | - | - | 363 | 3,455 | (2,047) | (222) | 113 | - | 8 | (2,148) | 1,158 | 1,307 |
| Plant and machinery | 3,436 | - | - | (79) | - | - | 150 | 3,507 | (2,450) | (192) | 78 | - | (3) | (2,567) | 986 | 940 |
| Items under construction | 2,804 | 13,780 | - | - | - | - | (9,060) | 7,524 | - | - | - | - | (2) | (2) | 2,804 | 7,522 |
| Total operational assets | 115,075 | 13,780 | - | (2,020) | - | - | (740) | 126,095 | (10,743) | (4,155) | 203 | - | 11 | (14,684) | 104,332 | 111,411 |
| <i>Infrastructural assets</i> | | | | | | | | | | | | | | | | |
| Bridges | 16,446 | - | - | - | 1,805 | - | 57 | 18,308 | (154) | (506) | - | 444 | 2 | (214) | 16,292 | 18,094 |
| River flood protection and control works | 1,148 | - | - | - | 132 | - | - | 1,280 | (19) | (19) | - | 38 | - | - | 1,129 | 1,280 |
| Roading – land under road | 767,738 | - | - | - | - | - | - | 767,738 | - | - | - | - | - | - | 767,738 | 767,738 |
| Roading and footpaths | 363,199 | - | 151 | - | 43,814 | - | 6,513 | 413,677 | (1,762) | (7,115) | - | 6,760 | 36 | (2,081) | 361,437 | 411,596 |
| Seawalls | 7,578 | - | - | - | 782 | - | 759 | 9,119 | (476) | (504) | - | 981 | - | 1 | 7,102 | 9,120 |
| Stormwater drainage | 71,634 | - | 150 | - | 5,405 | - | 2,816 | 80,005 | (1,068) | (1,096) | - | 2,164 | - | - | 70,566 | 80,005 |
| Wastewater – other assets | 114,884 | - | 276 | - | 22,225 | - | (568) | 136,817 | (2,632) | (2,618) | - | 5,234 | 10 | (5) | 112,252 | 136,811 |
| Wastewater treatment plants and facilities | 22,839 | - | - | - | 3,257 | - | 916 | 27,012 | (1,144) | (1,183) | - | 2,289 | (10) | (48) | 21,695 | 26,964 |
| Water – other assets | 99,735 | - | 155 | - | 8,114 | - | 3,449 | 111,453 | (2,330) | (2,325) | - | 4,611 | 31 | (13) | 97,405 | 111,440 |
| Water treatment plants and facilities | 22,143 | - | - | - | 7,083 | - | - | 29,226 | (967) | (966) | - | 1,933 | - | - | 21,176 | 29,226 |
| Items under construction | 32,332 | 29,542 | - | - | - | - | (13,882) | 47,992 | - | - | - | - | (36) | (36) | 32,332 | 47,956 |
| Total infrastructural assets | 1,519,676 | 29,542 | 732 | - | 92,617 | - | 60 | 1,642,627 | (10,552) | (16,332) | - | 24,454 | 33 | (2,397) | 1,509,124 | 1,640,230 |
| <i>Restricted assets</i> | | | | | | | | | | | | | | | | |
| Buildings and improvements | 36,030 | - | - | - | - | - | 1,035 | 37,065 | (2,481) | (2,430) | - | - | 32 | (4,879) | 33,549 | 32,186 |
| Land | 58,884 | - | - | - | - | - | 43 | 58,927 | - | - | - | - | - | - | 58,884 | 58,927 |
| Items under construction | 774 | 2,117 | - | - | - | - | (1,023) | 1,868 | - | - | - | - | - | - | 774 | 1,868 |
| Total restricted assets | 95,688 | 2,117 | - | - | - | - | 55 | 97,860 | (2,481) | (2,430) | - | - | 32 | (4,879) | 93,207 | 92,981 |
| TOTAL PROPERTY, PLANT AND EQUIPMENT | 1,730,439 | 45,439 | 732 | (2,020) | 92,617 | - | (625) | 1,866,582 | (23,776) | (22,917) | 203 | 24,454 | 76 | (21,960) | 1,706,663 | 1,844,621 |

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 which 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% 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 2023 | 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. | 30 June 2026 |
| Infrastructural assets | | | |
| Roading, footpaths, bridges, and culverts | 30 June 2023 | 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. | 30 June 2025 |
| Land under roads | 30 June 2023 | 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% to reflect its restricted nature. The most recent independent valuation was performed by AON Valuation Services. | 30 June 2026 |
| Water, wastewater, stormwater, seawall, river control | 30 June 2023 | 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. | 30 June 2024 |
| Restricted assets | | | |
| Parks and reserves structures | 30 June 2023 | 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. | 30 June 2026 |

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) | 30 June 2024 | Every two years thereafter |
| Roading and bridges (excluding land under roads) | 30 June 2025 | Every two years thereafter |
| Land and buildings (including land under roads revaluations) | 30 June 2026 | Every three years thereafter |
| Parks and reserves structures | 30 June 2026 | Every three years thereafter |

| Property, plant, and equipment (continued) | | | |
|---|-------------------------|-----------------------|---------------------------|
| Summary of gains/(losses) on disposal of property, plant, and equipment 2022/23 | Net sale proceeds \$000 | Carrying amount \$000 | 2022/23 gain/(loss) \$000 |
| Buildings | 2,094 | 510 | 1,584 |
| Land | - | - | - |
| Plant and machinery | 6 | 5 | 1 |
| Motor vehicles | 170 | 47 | 123 |
| Closing balance | 2,270 | 562 | 1,708 |

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.

Water services reform programme

The New Zealand Government is implementing a water services reform programme that is intended to ensure all New Zealanders have safe, clean and affordable water services. The Government believes this will be achieved by establishing new public entities to take on the delivery of drinking water, wastewater and stormwater services across New Zealand. The reform will be enacted by three pieces of legislation:

- The Water Services Entities Act 2022, which (as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023) establishes ten publicly owned water services entities and sets out their ownership, governance and accountability arrangements. A water services entity is established (for transitional purposes) on the date on which the appointment of the entity’s establishment board takes effect, and its establishment date (operational date) will be a date between 1 July 2024 and 1 July 2026.
- The Water Services Legislation Act 2023, which amended the Water Services Entities Act 2022 on 31 August 2023 to provide for the transfer of water services assets and liabilities to the water services entities.
- The Water Services Economic Efficiency and Consumer Protection Act 2023, which provides the economic regulation and consumer protection framework for water services. The consumer protection framework will come into force on 1 July 2024 and the rest of the Act came into force on 31 August 2023.

| 12. Intangible assets | | |
|----------------------------|----------------------------------|----------------------------|
| 2021/22 Actual \$000 | | 2022/23 Actual \$000 |
| | Computer Software | |
| 2,492 | Opening balance | 3,050 |
| - | Assets repointed during the year | 729 |
| 9 | Additions | 44 |
| 549 | Transfers during the year | 24 |
| - | Disposals during the year | (582) |
| 3,050 | Closing balance | 3,265 |
| | Amortisation | |
| (1,063) | Opening balance | (1,513) |
| - | Assets repointed during the year | (19) |
| (450) | Amortisation during the year | (623) |
| - | Disposals during the year | - |
| (1,513) | Closing balance | (2,155) |
| 1,537 | Carrying Value | 1,110 |
| | Right of Use asset | |
| 1,702 | Opening Balance | 1,702 |
| - | Additions | - |
| - | Transfers during the year | 54 |
| 1,702 | Closing balance | 1,756 |
| | Amortisation | |
| (65) | Opening Balance | (119) |
| (54) | Amortisation during the year | (62) |
| - | Disposals during the year | 582 |
| (119) | Closing balance | 401 |
| 1,583 | Carrying Value | 2,157 |
| 3,120 | Total carrying value | 3,267 |

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
- Right of use Paraparaumu sports hall 6 years

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 cease 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 2023 | Maximum limit of insurance cover available to the Council under those arrangements as at 30 June 2023 |
|--|---|---|---|
| Property, plant and equipment and above- ground infrastructural assets | Material damage and business interruption | \$275 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 | Included with the material damage and business interruption policy above. Earthquake Commission (EQC) and material damage | \$31 million | First \$0.1 million for each loss event per property to be recovered from the EQC. All other losses as per the material damage and business interruption policy above. |
| Motor vehicles | Comprehensive motor vehicle cover | \$4.348 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 | \$883 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 an \$130 million sub-limit for Kāpiti Coast District Council. |

14. Trade and other payables

| 2021/22 Actual \$000 | | 2022/23 Actual \$000 |
|----------------------------|---|----------------------------|
| | Trade and other payables | |
| 14,575 | Trade creditors | 16,225 |
| 1,000 | Contract retentions | 1,935 |
| 2,354 | Greater Wellington Regional Council rates payable | 2,829 |
| 1,413 | Interest payable | 2,935 |
| 1,367 | Rates received in advance | 1,475 |
| 1,221 | Sundry payables | 752 |
| 21,930 | Total trade and other payables | 26,151 |

Accounting policy

Trade and other payables are initially recognised at fair value as they are non-interest bearing and are normally settled on 30-day terms. Those with maturities beyond 12 months are subsequently measured at amortised cost using the effective interest rate method.

15. Employee benefit liabilities

| 2021/22 Actual \$000 | | 2022/23 Actual \$000 |
|----------------------------|---|----------------------------|
| | Current | |
| 54 | Long service leave | 137 |
| 564 | Salaries | 805 |
| 110 | Sick leave | 96 |
| 2,539 | Annual leave | 2,907 |
| 3,267 | Total current employee benefit liabilities | 3,945 |
| | Non-current | |
| 55 | Long service leave | 88 |
| 54 | Retirement gratuities | 59 |
| 109 | Total non-current employee benefit liabilities | 147 |
| 3,376 | Total employee benefit liabilities | 4,092 |

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
- the 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 | | |
|-----------------------------|---------------------------------|-----------------------------|
| 2021/22 Actual \$'000 | | 2022/23 Actual \$'000 |
| | Deposits | |
| 15 | Hall deposits | 20 |
| 16 | Miscellaneous deposits | 17 |
| 670 | Resource consent planning bonds | 1,445 |
| 991 | Road damage deposits | 983 |
| 1,692 | Total deposits | 2,465 |

Accounting policy

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

| 17. Borrowings | | |
|-----------------------------|-------------------------|-----------------------------|
| 2021/22 Actual \$'000 | | 2022/23 Actual \$'000 |
| 45,000 | Short-term borrowings | 55,000 |
| 210,000 | Long-term borrowings | 220,000 |
| 255,000 | Total borrowings | 275,000 |
| | Maturity | |
| 45,000 | 2022/23 | - |
| 55,000 | 2023/24 | 55,000 |
| 50,000 | 2024/25 | 60,000 |
| 50,000 | 2025/26 | 60,000 |
| 25,000 | 2026/27 | 40,000 |
| 25,000 | 2027/28 | 25,000 |
| 5,000 | 2028/29 | 25,000 |
| - | 2029/30 | - |
| - | 2030/31 | 10,000 |
| 255,000 | Total borrowings | 275,000 |

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, \$275 million (2022: \$255 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 3.95% (2022: 3.37%).

| Net borrowings at 30 June | | |
|----------------------------|---|----------------------------|
| 2021/22 Actual \$000 | | 2022/23 Actual \$000 |
| 255,000 | Total gross borrowings | 275,000 |
| | Less | |
| (15,274) | Cash and cash equivalents (note 7) | (14,084) |
| (65,000) | Term deposits > 3 months (note 10) | (55,000) |
| (5,250) | Borrow notes – NZ Local Government Funding Agency (note 10) | (6,109) |
| 169,476 | Net borrowings | 199,807 |

| 18. Provisions | | |
|----------------------------|----------------------------------|----------------------------|
| 2021/22 Actual \$000 | | 2022/23 Actual \$000 |
| | Landfill aftercare | |
| 2,505 | Opening balance | 2,075 |
| (18) | Increase/(decrease) in provision | 31 |
| (412) | Expenditure | (154) |
| 2,075 | Closing balance 30 June | 1,952 |
| | Other provisions | |
| 91 | Opening balance | 341 |
| 289 | Increase/(decrease) in provision | 613 |
| (39) | Expenditure | (308) |
| 341 | Closing balance 30 June | 646 |
| 2,416 | Total provisions | 2,598 |

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 classifications | | |
|----------------------------|-------------------------------------|----------------------------|
| 2021/22 Actual \$000 | | 2022/23 Actual \$000 |
| | Current | |
| 101 | Provision for landfill aftercare | 79 |
| 308 | Other provisions | 646 |
| 409 | Total current provisions | 725 |
| | Non-current | |
| 1,974 | Provision for landfill aftercare | 1,873 |
| 33 | Other provisions | - |
| 2,007 | Total non-current provisions | 1,873 |
| 2,416 | Total provisions | 2,598 |

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 2021, 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 2024.

The annual cost for monitoring and maintenance of the Otaihanga landfill site is estimated to be \$92,583 for the first year, \$83,303 for the following two years after closure and then an annual monitoring and maintenance cost of between \$83,303 - \$97,846 for the remaining 26 years.

The annual cost for monitoring and maintenance of the closed landfill in Waikanae is \$5,974 and will be required until 2030.

The annual cost for monitoring and maintenance of the closed landfill in Ōtaki is \$5,835 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 continued to apply the discount rate of 100% 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 two years as well as more certainty around the estimated future cost.

The average government risk free rate at 30 June 2023 was 4.83% (4.03% in 2021/22).

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 Otaihangā 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 | Transfer Actual \$000 | Closing balance 2022/23 Actual \$000 |
|----------------------------------|---------------------------------------|-----------------------------|-----------------------------|-----------------------------|---|
| Land and buildings | 64,051 | 124,832 | – | 8 | 188,891 |
| Roading and bridges | 778,613 | 66,975 | – | (8) | 845,580 |
| Water | 41,453 | 6,336 | – | (12,238) | 35,551 |
| Wastewater | 107,696 | 12,713 | – | – | 120,409 |
| Stormwater and river control | 47,196 | 10,295 | – | 12,238 | 69,729 |
| Total revaluation reserve | 1,039,009 | 221,151 | – | – | 1,260,160 |

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 2022/23 Actual \$000 |
|---|---------------------------------------|---|---|---|
| Restricted reserves | | | | |
| Plant purchase and renewal fund | 1,167 | 544 | (656) | 1,055 |
| Waikanae property fund | 171 | 7 | - | 178 |
| Waikanae capital improvements fund | 913 | 42 | (25) | 930 |
| Total restricted reserves | 2,251 | 593 | (681) | 2,163 |
| Council-created reserves | | | | |
| Contingency fund | 744 | - | (226) | 518 |
| Paekākāriki Campe Estate | 107 | 5 | - | 112 |
| Roading reserve | 787 | - | - | 787 |
| Election reserve | (22) | 270 | (248) | - |
| LTP Reserve | (113) | - | 113 | - |
| Financial contribution reserve | 5,878 | 4,765 | (971) | 9,672 |
| Total council-created reserves | 7,381 | 5,040 | (1,332) | 11,089 |
| Total reserves and special funds | 9,632 | 5,633 | (2,013) | 13,252 |

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. As from the financial year 2022/23, the Council has decided to no longer operate this reserve.

LTP reserve

The purpose of the reserve is to fund the three yearly Long-term Plan. As from the financial year 2022/23, the Council has decided to no longer operate this reserve.

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.

Financial contributions will generally only be required where the Development Contributions Policy does not apply or where the Development Contributions Policy does not address the type of adverse effects generated by the land use activity or subdivision.

21. Reconciliation of operating surplus/(deficit) to cash flow from operating activities

| 2021/22 Actual \$000 | | 2022/23 Actual \$000 |
|----------------------------|--|----------------------------|
| 30,300 | Net operating surplus/(deficit) for the year | 11,481 |
| | Add/(less) non-cash items | |
| 23,421 | Depreciation and amortisation expense | 26,153 |
| (732) | Vested assets | (1,325) |
| (23,370) | Unrealised loss/(gain) on revaluation of financial derivatives | (2,947) |
| 443 | Impairment of loans | 17 |
| (238) | Total non-cash items | 21,898 |
| | Add/(less) items classified as investing or financing activities | |
| (1,211) | Loss/(gain) on disposal of property, plant and equipment and intangibles | (1,708) |
| (7,417) | Proceeds from capital grants | (7,778) |
| 8,232 | Interest on borrowings | 9,202 |
| (396) | Total investing or financing activities | (284) |
| | Add/(less) movements in working capital items | |
| (2,810) | (Increase)/decrease in receivables | (6,459) |
| (9) | (Increase)/decrease in inventory | (2) |
| 1,082 | Increase/(decrease) in payables | 4,221 |
| 323 | Increase/(decrease) in employee entitlements | 716 |
| 267 | Increase/(decrease) in deposits | 773 |
| (180) | Increase/(decrease) in provisions | 182 |
| (1,327) | Total movement in working capital | (569) |
| 28,339 | Net cash inflow/(outflow) from operating activities | 32,526 |

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

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) amortised cost, (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 Instruments – Adoption of PBE IPSAS 41

In accordance with the transitional provisions in PBE IPSAS 41, the Council have elected not to restate the comparative information. The comparative information continues to be reported under PBE IPSAS 29. Adjustments arising from the adoption of PBE IPSAS 41 are recognised in opening equity at 1 July 2022 (the date of initial application). The accounting policies for the year ended 30 June 2023 have been updated to comply with PBE IPSAS 41. The main changes to the Council's accounting policies are:

- Note 8 – Receivables – this policy has been updated to reflect that the impairment of short-term receivables is now determined by applying the simplified expected credit loss model.
- Note 22 – Financial instruments – this policy has been updated to reflect:
 - The new classification categories;
 - The measurement and recognition of loss allowances based on the new expected credit loss (ECL) model; and
 - The removal of impairment loss considerations for equity investments at fair value through other comprehensive revenue and expenses (FVTOCRE).

The derivatives accounting policies in Note 22 – Derivatives remain unchanged as Council has no hedged instruments and therefore do not need to apply the hedging requirements of PBE IPSAS 41.

LGFA Borrower Notes in Note 10 – Other financial assets, remain unchanged even through the measurement category has changed from “Loans and Receivables” to “FVTSD”. This is reflective that there is no active market for the trade of these notes nor has there been any reported default that would trigger an equity conversion event as disclosed in the “Notes Subscription Agreement” between the LGFA and subscribed Council's. The Council therefore values these notes at their specified redeemable value.

On the date of initial application of PBE IPSAS 41, the classification and carrying amounts of financial assets under PBE IPSAS 41 and PBE IPSAS 29 is outlined in the following table.

Measurement Classification – PBE IPSAS 41

| 2021/22 | Measurement Category | | Carrying Amount | |
|--|--------------------------|--------------------------|---------------------|---------------------|
| | PBE IPSAS 29 | PBE IPSAS 41 | PBE IPSAS 29 \$'000 | PBE IPSAS 41 \$'000 |
| Financial Assets | | | | |
| Cash and cash equivalents | Loans and Receivables | Amortised Cost | 15,274 | 15,274 |
| Trade and other receivables | Loans and Receivables | Amortised Cost | 13,023 | 13,050 |
| Loan Receivables | Loans and Receivables | Amortised Cost | 321 | 321 |
| Term Deposits | Loans and Receivables | Amortised Cost | 65,000 | 65,000 |
| LGFA Borrower Notes | Loans and Receivables | FVTSD | 5,250 | 5,250 |
| Derivative financial instruments | FVTSD | FVTSD | 10,109 | 10,109 |
| Fonterra perpetual notes | FVTOCRE | FVTOCRE | 20 | 20 |
| Shares in NZ Local Government Funding Agency | FVTOCRE | FVTOCRE | 100 | 100 |
| Shares in Civic Financial Services | FVTOCRE | FVTOCRE | 15 | 15 |
| Total | | | 109,112 | 109,139 |
| Financial Liabilities | | | | |
| Accounts Payable | FVTOCRE / Amortised Cost | FVTOCRE / Amortised Cost | 20,563 | 20,563 |
| Total | | | 20,563 | 20,563 |

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.

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

Financial instruments categories

| 2021/22 Actual \$000 | | 2022/23 Actual \$000 |
|----------------------------|---|----------------------------|
| | Financial assets | |
| | Amortised Cost (2022/23: Loans and receivables) | |
| 15,274 | Cash and cash equivalents | 14,084 |
| 13,023 | Trade and other receivables | 16,941 |
| 321 | Loans | 277 |
| 65,000 | Term deposits | 55,000 |
| 93,618 | Total amortised cost | 86,302 |
| | Fair value through other comprehensive revenue and expense (2022/23: Available-for-sale) | |
| 20 | Fonterra perpetual notes | 20 |
| 5,250 | NZ Local Government Funding Agency borrower notes | 6,109 |
| 100 | Shares in NZ Local Government Funding Agency | 100 |
| 15 | Shares in Civic Financial Services | 14 |
| 5,385 | Total fair value through other comprehensive revenue and expenses | 6,243 |
| | Fair value through surplus or deficit | |
| | Derivative financial instruments | |
| 113 | Current | 94 |
| 9,996 | Non-current | 12,510 |
| 10,109 | Total fair value through surplus or deficit | 12,604 |
| | Financial liabilities | |
| | Fair value through other comprehensive revenue and expense | |
| | Derivative financial instruments | |
| 55 | Current | - |
| 396 | Non-current | - |
| 451 | Total fair value through comprehensive revenue and expense | - |
| | Financial liabilities at amortised cost | |
| 20,563 | Trade and other payables | 24,036 |
| 255,000 | Borrowings | 275,000 |
| 275,563 | Total financial liabilities at amortised cost | 299,036 |

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 | 2022/23 | | | | 2021/22 | | | |
| | Quoted market price | Valuation technique – market observable inputs | Valuation technique – non-market observable inputs | Total | Quoted market price | Valuation technique – market observable inputs | Valuation technique – non-market observable inputs | Total |
| | (level 1) | (level 2) | (level 3) | | (level 1) | (level 2) | (level 3) | |
| Financial assets | | | | | | | | |
| Perpetual notes | – | 20 | – | 20 | – | 20 | – | 20 |
| Shares in LGFA | – | 100 | – | 100 | – | 100 | – | 100 |
| Shares in Civic Financial Services | – | 14 | – | 14 | – | 15 | – | 15 |
| Derivative financial instruments | – | 12,604 | – | 12,604 | – | 10,109 | – | 10,109 |
| Total | – | 12,738 | – | 12,738 | – | 10,244 | – | 10,244 |
| Financial liabilities | | | | | | | | |
| Derivative financial instruments | – | – | – | – | – | 451 | – | 451 |
| Total | – | – | – | – | – | 451 | – | 451 |

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.

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.

| Contractual maturity analysis | | | | | | |
|----------------------------------|-----------------|----------------------------|---------------|---------------|----------------|-------------------|
| | Carrying amount | Total contractual cashflow | 0-12 months | 1-2 years | 2-5 years | More than 5 years |
| 2022/23 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Financial Assets | | | | | | |
| Cash and cash equivalents | 14,084 | 14,084 | 14,084 | - | - | - |
| Derivative financial instruments | 12,604 | 13,244 | 3,584 | 3,100 | 5,205 | 1,355 |
| Trade and other receivables | 15,841 | 15,841 | 15,841 | - | - | - |
| Loan receivables | 754 | 859 | 56 | 49 | 585 | 169 |
| Term deposits | 55,000 | 58,274 | 58,274 | - | - | - |
| LGFA borrow notes | 6,109 | 7,496 | 1,266 | 1,389 | 3,621 | 1,220 |
| Total | 104,392 | 109,798 | 93,105 | 4,358 | 9,411 | 2,744 |
| Financial Liabilities | | | | | | |
| Deposits | 2,465 | 2,465 | 2,465 | - | - | - |
| Trade and other payables | 24,036 | 24,036 | 24,036 | - | - | - |
| Derivative financial instruments | - | - | - | - | - | - |
| Borrowings | 275,000 | 321,189 | 70,498 | 71,871 | 141,554 | 37,266 |
| Total | 301,501 | 347,690 | 96,999 | 71,871 | 141,554 | 37,266 |

| Contractual maturity analysis | | | | | | |
|----------------------------------|-----------------|----------------------------|---------------|---------------|----------------|-------------------|
| | Carrying amount | Total contractual cashflow | 0-12 months | 1-2 years | 2-5 years | More than 5 years |
| 2021/22 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Financial Assets | | | | | | |
| Cash and cash equivalents | 15,274 | 15,274 | 15,274 | - | - | - |
| Derivative financial instruments | 10,109 | 9,985 | 1,833 | 1,713 | 4,426 | 2,013 |
| Trade and other receivables | 13,023 | 13,023 | 13,023 | - | - | - |
| Loan receivables | 764 | 895 | 60 | 51 | 606 | 178 |
| Term deposits | 65,000 | 67,329 | 46,271 | 21,058 | - | - |
| LGFA borrow notes | 5,250 | 5,787 | 836 | 1,216 | 2,878 | 857 |
| Total | 109,420 | 112,293 | 77,297 | 24,038 | 7,910 | 3,048 |
| Financial Liabilities | | | | | | |
| Deposits | 1,692 | 1,692 | 1,692 | - | - | - |
| Trade and other payables | 20,563 | 20,563 | 20,563 | - | - | - |
| Derivative financial instruments | 451 | 614 | 349 | 168 | 97 | - |
| Borrowings | 255,000 | 272,836 | 50,868 | 59,722 | 131,641 | 30,605 |
| Total | 277,706 | 295,705 | 73,472 | 59,890 | 131,738 | 30,605 |

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 | | |
|---|------------------|------------------|
| | 2022/23 \$000 | 2021/22 \$000 |
| Cash and cash equivalents and term deposits – registered banks | | |
| AA- | 69,084 | 80,274 |
| LGFA borrower notes | | |
| AA+ | 6,109 | 5,250 |
| | 75,193 | 85,524 |

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 \$5 million credit line facility with Westpac Banking Corporation, plus a standby facility of \$5 million with LGFA. 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.

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 swap 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 2023, 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 \$186 million (2022: \$202 million).

The fixed interest rate range for Council's interest rate swaps are 0.31% to 5.05%. The net fair value of the interest rate swaps as at 30 June 2023 was \$13.2 million net liability (2022: \$9.4 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.

The tables on the following page 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 | 2022/23 | | 2021/22 | |
| | +100 BPS | -100 BPS | +100 BPS | -100 BPS |
| Interest rate risk | | | | |
| Financial assets | | | | |
| Cash and cash equivalents | - | - | - | - |
| Other financial assets – term deposits | 550 | (550) | 650 | (650) |
| Derivative financial instruments | 4,792 | (4,997) | 5,705 | (6,104) |
| Financial liabilities | | | | |
| Derivative financial instruments | - | - | 717 | (754) |
| Borrowings | - | - | - | - |
| Gain/(loss) | 5,342 | (5,547) | 7,072 | (7,508) |

Cash flow sensitivity

| \$'000 | 2022/23 | | 2021/22 | |
|-------------------------------------|--------------|------------|--------------|------------|
| | +100 BPS | -100 BPS | +100 BPS | -100 BPS |
| Interest rate risk | | | | |
| Financial assets | | | | |
| Cash and cash equivalents | 141 | (141) | 153 | (153) |
| Other financial assets – LGFA notes | 61 | (61) | 53 | (53) |
| Derivative financial instruments | 1,860 | (1,860) | 1,600 | (1,600) |
| Financial liabilities | | | | |
| Derivative financial instruments | - | - | 470 | (470) |
| Borrowings | (2,750) | 2,750 | (2,550) | 2,550 |
| Gain/(loss) | (688) | 688 | (274) | 274 |

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 | | |
|---|----------------------|----------------------|
| Members | Full Year 2022/23 | Full Year 2021/22 |
| Councillors and elected members | 31 | 28 |
| Senior Management Team, including Chief Executive Officer | 9 | 9 |
| Total Members | 40 | 37 |

| | 2022/23 Actual \$000 | 2021/22 Actual \$000 |
|---|----------------------------|----------------------------|
| Remuneration | | |
| Councillors and elected members | 896 | 812 |
| Senior Management Team, including Chief Executive Officer | 1,802 | 1,901 |
| Total remuneration key management personnel | 2,698 | 2,713 |

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 2023 is summarised as follows.

| Remuneration of councillors and elected members July 2022 to October 2022 (previous triennium) | |
|---|---------------------------------------|
| 2022/23 | Total remuneration Actual \$000 |
| Name | |
| Councillors | |
| K Gurunathan – Mayor | 41 |
| Janet Holborow (Deputy Mayor) | 26 |
| Angela Buswell | 17 |
| Bernie Randall | 15 |
| Gwynn Compton | 18 |

Remuneration of councillors and elected members July 2022 to October 2022 (previous triennium)

| 2022/23 | Total remuneration Actual \$000 |
|--|---------------------------------------|
| Name | |
| Jackie Elliott | 17 |
| James Cootes | 16 |
| Jocelyn Prvanov | 16 |
| Martin Halliday | 17 |
| Rob McCann | 17 |
| Sophie Handford | 16 |
| Paekākāriki community board members | |
| Holly Ewens (Chair) | 4 |
| Tina Pope (Deputy Chair) | 3 |
| Dan O'Connell | 4 |
| Jess Hortop | 3 |
| Paraparaumu – Raumati community board members | |
| Kathy Spiers (Chair) | 9 |
| Guy Burns (Deputy Chair) | 5 |
| Grace Lindsay | 5 |
| Jonny Best | 5 |
| Ōtaki community board members | |
| Christine Papps (Chair) | 6 |
| Marilyn Stevens (Deputy Chair) | 5 |
| Shelly Warwick | 6 |
| Cam Butler | 4 |
| Waikanae community board members | |
| James Westbury (Chair) | 6 |
| Richard Mansell | 5 |
| Tonchi Begovich | 5 |
| Michelle Lewis – elected 22 December 2022 | 4 |
| Total | 295 |

Remuneration of councillors and elected members November 2022 to June 2023 (current triennium)

| 2022/23 | Total remuneration Actual \$000 |
|--|---------------------------------------|
| Name | |
| Councillors | |
| Janet Holborow – Mayor | 96 |
| Lawrence Kirby (Deputy Mayor) | 47 |
| Rob Kofoed | 35 |
| Glen Cooper | 36 |
| Jocelyn Prvanov | 39 |
| Kathy Spiers | 33 |
| Liz Koh | 40 |
| Martin Halliday | 39 |
| Nigel Wilson | 38 |
| Shelly Warwick | 33 |
| Sophie Handford | 41 |
| Paekākāriki community board members | |
| Sean McKinley (Chair) | 5 |
| Kelsey Lee (Deputy Chair) | 3 |
| Christian Judge | 3 |
| Sorcha Ruth | 3 |
| Paraparaumu community board members | |
| Glen Olsen (Chair) | 13 |
| Guy Burns (Deputy Chair) | 6 |
| Bernie Randall | 6 |
| Karl Webber | 7 |
| Ōtaki community board members | |
| Cameron Butler (Chair) | 9 |
| Simon Black (Deputy Chair) | 5 |
| Christine Papps | 5 |
| Jackie Elliott | 5 |

Remuneration of councillors and elected members November 2022 to June 2023 (current triennium)

| 2022/23 | Total remuneration Actual \$000 |
|---|---------------------------------------|
| Name | |
| Waikanae community board members | |
| Richard Mansell (Chair) | 11 |
| Michael Moore (Deputy Chair) | 6 |
| Michelle Lewis | 6 |
| Tonchi Begovich | 6 |
| Raumati community board members | |
| Bede Laracy (Chair) | 10 |
| Jonny Best (Deputy Chair) | 5 |
| Tarn Sheerin | 5 |
| Tim Sutton | 5 |
| Total | 601 |

Chief Executive Officer's Remuneration

For the period 1 July 2022 until 10 October 2022 Acting Chief Executive Gary Simpson had a fixed remuneration of \$328,500 p.a which was pro rated to the hours worked and period of acting. From 10 October 2022 Darren Edwards was appointed under Section 42(1) of the Local Government Act 2002 and commenced the role as Chief Executive at a fixed remuneration of \$310,000 p.a.

Employee staffing levels and remuneration

| Number of employees | | | | |
|--------------------------------------|------------------------|---|--------------------------------------|------------------------|
| 2021/22 (full-time equivalent) | 2021/22 (headcount) | | 2022/23 (full-time equivalent) | 2022/23 (headcount) |
| 317 | 365 | Permanent employees | 347 | 397 |
| 44 | 48 | Temporary employees | 50 | 57 |
| 361 | 413 | Total full time equivalent employees | 397 | 454 |

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 employees (headcount) 2021/22 | | Number of employees (headcount) 2022/23 |
| 156 | Less than \$60,000 | 137 |
| 95 | \$60,000 – \$79,999 | 108 |
| 68 | \$80,000 – \$99,999 | 89 |
| 42 | \$100,000 – \$119,999 | 53 |
| 26 | \$120,000 – \$139,999 | 29 |
| 15 | \$140,000 – \$159,999 | 25 |
| 3 | \$160,000 – \$179,999 | 6 |
| 6 | \$180,000 – \$259,999* | 5 |
| 2 | \$260,000 – \$310,000* | 2 |
| 413 | Total remuneration | 454 |

*If the number of employees for any band was 5 or less we are legally required to combine it with the next highest band.

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.

Included in Staff remuneration is severance payment made to one employee (2022: six) totalling \$10,288 (2022: \$149,901).

25. Commitments and operating leases

| Capital commitments | | |
|----------------------------|---|----------------------------|
| 2021/22 Actual \$000 | | 2022/23 Actual \$000 |
| 36,575 | Contracted capital commitments at 30 June but not yet completed | 35,507 |
| 36,575 | Total capital commitments | 35,507 |

| Non-cancellable operating leases (as lessee) | | |
|--|---|----------------------------|
| 2021/22 Actual \$000 | | 2022/23 Actual \$000 |
| | Remaining payables under leases | |
| 515 | Not later than one year | 477 |
| 1,164 | Later than one year and not later than five years | 1,157 |
| 46 | Later than five years | 46 |
| 1,725 | Non-cancellable operating leases (council as lessee) | 1,680 |

The numbers for 2021/22 were incorrectly disclosed. This note has been updated with the correct figures

Council leases commercial premises in Ōtaki, Waikanae and Paraparaumu.

| Non-cancellable operating leases (as lessor) | | |
|--|--|----------------------------|
| 2021/22 Actual \$000 | | 2022/23 Actual \$000 |
| | Remaining receivables under leases | |
| 628 | Not later than one year | 588 |
| 807 | Later than one year and not later than five years | 1,573 |
| 787 | Later than five years | 3,985 |
| 2,222 | Total operating lease commitments (council as lessor) | 6,146 |

The numbers for 2021/22 were incorrectly disclosed. This note has been updated with the correct figures

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% 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% 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% 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 \$65 million from the LGFA and repaid \$45 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

Grants and Subsidies

Grants and subsidies were \$6.1 million lower than budget due to only \$0.5 million Better Off Funding from the Water Reform received for the year against the budget of \$5.26 million. The remaining will be received once the project milestones are reached in 2023/24 and 2024/25. In addition, \$0.9 million of central government funding for Te Uruhi was not received as planned as Council decided to stop this project.

Other Operating Revenue

Other operating revenue was \$47.5 million below budget, mainly because Old State Highway 1, the section from Mackays crossing to Peka-Peka, was not vested to Council in 2022/23 at a fair value of \$49 million, as planned. This is expected to eventuate in 2023/24.

Other Operating Expenses

Operating expenses were \$1.8 million lower than budget as a result of:

- personnel costs were \$2.1 million higher than budget, mainly annual leave and recruitment expenses running higher than budgeted.
- maintenance expenses \$1.4 million above budget, mainly due to additional roading (\$0.5 million) and community facilities (\$0.4 million) and water services (\$0.4 million).
- The overspending has been offset by underspend for water and wastewater assets planning and other investigations (\$0.7 million) and managing projects due to resource issue (\$0.7 million).

Unrealised gain on financial derivatives

The Council's unrealised gain on revaluation of financial derivatives was \$4.3 million lower than budget, reflecting that interest payable under our fixed swap contracts is lower than current market rates, which rose significantly during the year.

Unrealised gain from revaluation of property, plant and equipment

Unrealised gain from revaluation of property, plant and equipment was \$184.5 million higher than budget. To ensure assets were stated at fair value, during the year the Council revalued its land and buildings (\$124.8 million), roading and bridges including land under roads (\$67 million), and three waters (\$29.3 million) to reflect current replacement costs, depreciated to account for the age of the assets.

Statement of financial position

Non-current assets:

Property, plant and equipment

Property, plant and equipment was \$189.7 million higher than budget at 30 June 2023 mainly due to higher than expected revaluations (\$184.5 million).

Derivative financial instruments

Derivative financial instruments (assets) were \$12.6 million at 30 June, \$3.6 million lower than budgeted reflecting that although the interest payable under our fixed swap contracts were lower than current market rates, those interest rates did not increase to the levels that were forecast.

Non-current liabilities

Borrowings

The non-current portion of borrowings were \$25 million lower than budget, mainly due to capital expenditure being lower than budgeted during the year.

Derivative Financial instruments

Derivative financial instruments (liabilities) were \$0.1 million lower than budget at 30 June, reflecting that interest payable under our fixed swap contracts is lower than current market rates, and creating a net asset (refer note under non-current assets).

Public Equity

Total public equity was \$202.3 million higher than budget assets due to unbudgeted revaluations of property, plant, and equipment (\$184.5 million), but lower than budgeted liability resulted less borrowings (\$25 million) and trade and other payables (\$7.8 million).

28. Contingent liabilities

Guarantees and uncalled capital

The Council is one of 30 local government shareholders of the LGFA (2022: 30) in addition to the Crown, and uncalled capital of \$100,000 as at 30 June 2023. When aggregated with the uncalled capital of the other shareholders, \$20m is available in the event that an imminent default is identified. Also together with the other shareholders, the Council is a guarantor of all LGFA's borrowings. At 30 June 2023, LGFA had borrowings totalling \$17.7 billion (2022: \$15.8 billion).

Financial reporting standards require the Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of LGFA defaulting on repayment of interest or capital to be very low on the basis that;

- We are not aware of any local authority debt default events in New Zealand; and
- Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

Legal claims

The Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The Scheme is in wind down, however the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme.

The likelihood of any call in respect of historical claims diminishes with each year as limitation periods expire. However, as a result of the Supreme Court decision on 1 August 2023 in Napier City Council v Local Government Mutual Funds Trustee Limited, it has been clarified that Riskpool has a liability for that member's claim in relation to non-weather-tight defects (in a mixed claim involving both weather-tight and non-weather-tight defects). Riskpool has advised that it is working through the implications of the Supreme Court decision. At this point any potential liability is unable to be quantified.

29. Events after the end of the reporting period

There are no material non-adjusting events after the reporting date.

Disclosure statement for the year ending 30 June 2023

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:

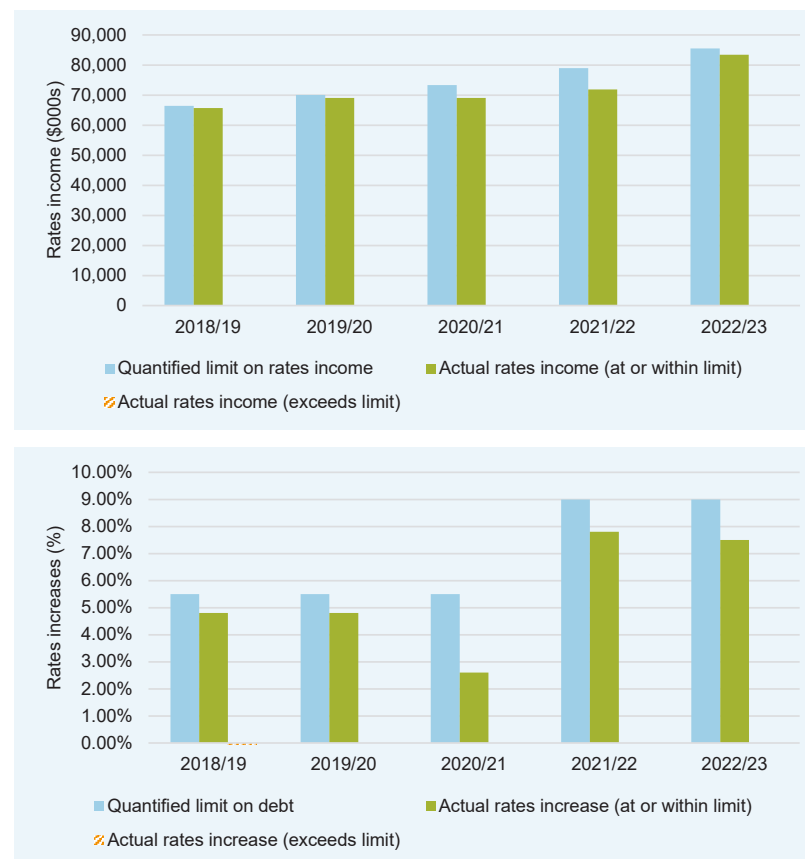
- its actual rates income equals or is less than each quantified limit on rates, and
- its actual rates increases equal or are less than each quantified limit on rates increases.

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 Plans.

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 Plans.

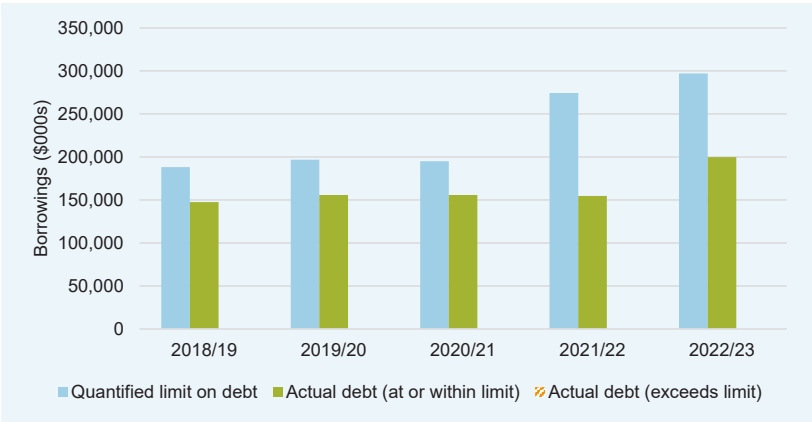


Debt affordability

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 \$275 million at 30 June 2023 which includes total prefunding of \$55 million. Excluding prefunding, borrow notes and cash investments Council’s borrowings at year end are \$199.8 million (refer to Note 17.), which is within the borrowings limit.

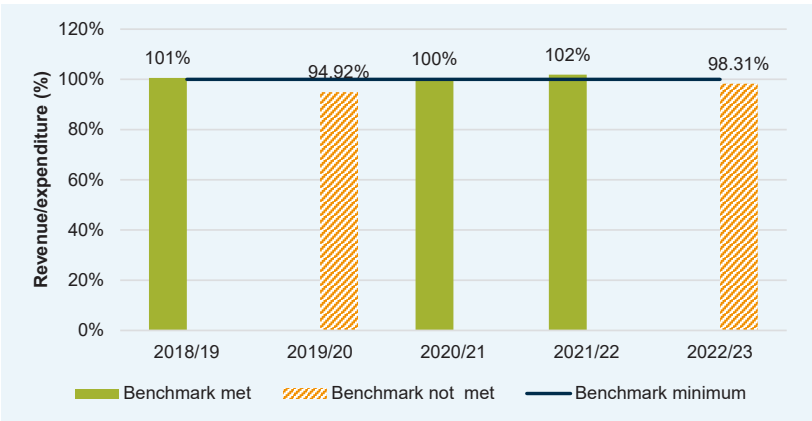


Balanced budget

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.

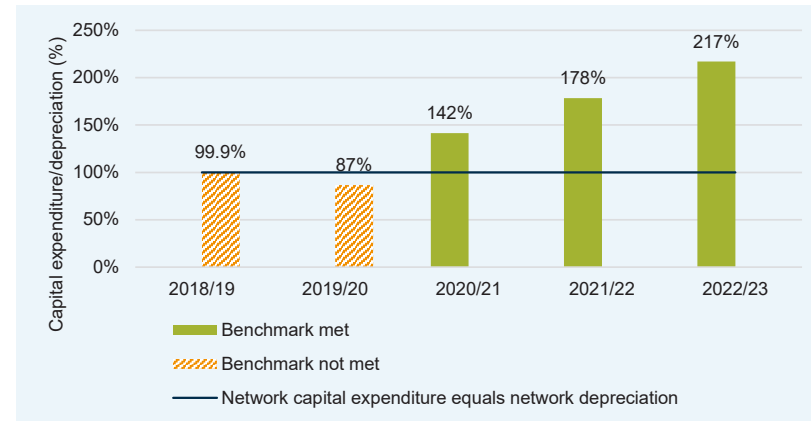
The Balanced Budget benchmark was not met because grant revenue from Waka Kotahi was down due to less spending on renewal access and transportation capital projects. The overall inflation effect on Council expenditure was higher than forecast which has also impacted on this benchmark.



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.

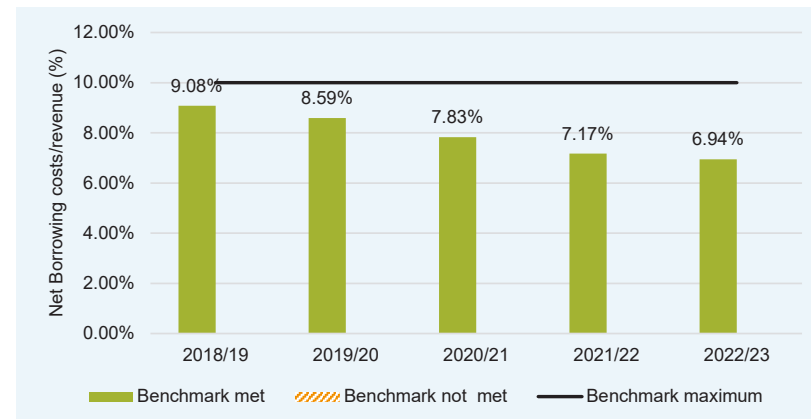


Debt servicing

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% of its revenue.

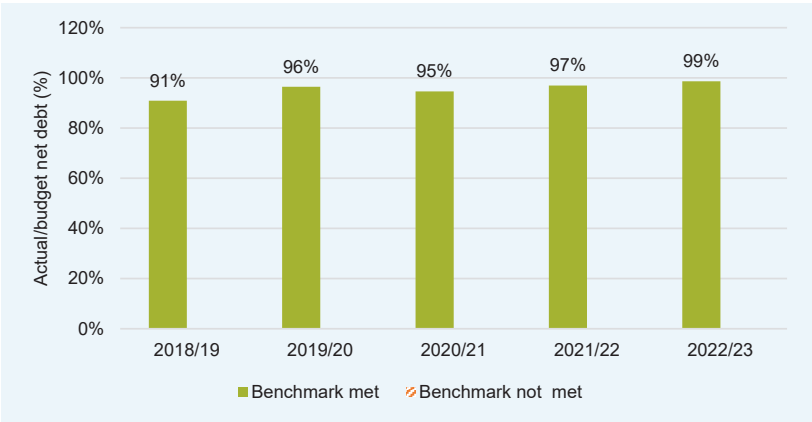
Council has started meeting this benchmark through our green-line strategy (reducing borrowings) and our careful treasury management. This was recognised by Standard and Poor's maintaining Council's credit rating at AA.



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.

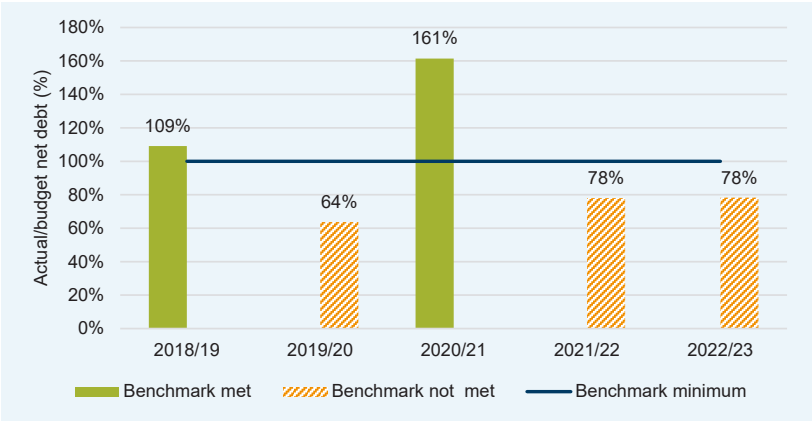


Operations control

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.

The Operations Control benchmark was not achieved as the Council has increased the regularity of payments to suppliers as encouraged by central Government. This has resulted in an increase in the actual amount paid during the financial year and a corresponding decrease in Accounts Payable at year end when compared to the respective budgeted amounts. Payments were also generally higher than forecast due to inflationary cost pressures incurred by the Council during the year as noted throughout the Annual Report.



Funding impact statements per activity

| Water Management funding impact statement for the year ended 30 June 2023 | | | |
|--|----------------------------|----------------------------|----------------------------|
| | 2021/22 Budget \$000 | 2022/23 Budget \$000 | 2022/23 Actual \$000 |
| Sources of operating funding | | | |
| General rate, uniform annual general charge, rates penalties | - | - | (406) |
| Targeted rates | 8,802 | 9,559 | 10,909 |
| Grants and subsidies for operating purposes | - | - | - |
| Fees and charges | 42 | 44 | 30 |
| Internal charges and overheads recovered | - | - | - |
| Local authorities fuel tax, fines, infringement fees and other | - | - | 530 |
| Total operating funding | 8,844 | 9,603 | 11,063 |
| Applications of operating funding | | | |
| Payment to staff and suppliers | 3,713 | 4,096 | 4,609 |
| Finance costs | 1,003 | 850 | 1,721 |
| Internal charges and overheads applied | 959 | 1,081 | 1,046 |
| Other operating funding applications | - | - | - |
| Total applications of operating funding | 5,675 | 6,026 | 7,376 |
| SURPLUS/DEFICIT OF OPERATING FUNDING | 3,169 | 3,576 | 3,688 |
| Sources of capital funding | | | |
| Grants and subsidies for capital expenditure | 3,212 | - | 1,627 |
| Development and financial contributions | 902 | 1,000 | 2,250 |
| Increase (decrease) in debt | 8,906 | 16,728 | 4,504 |
| Gross proceeds from sale of assets | - | - | - |
| Lump sum contributions | - | - | - |
| Other dedicated capital funding | - | - | - |
| Total sources of capital funding | 13,020 | 17,728 | 8,381 |
| Applications of capital funding | | | |
| Capital expenditure | | | |
| > to meet additional demand | 3,435 | 2,417 | 587 |
| > to improve the level of service | 12,118 | 16,728 | 6,131 |
| > to replace existing assets | 1,154 | (399) | 1,177 |
| Increase (decrease) in reserves | (518) | 2,558 | 4,174 |
| Increase (decrease) in investments | - | - | - |
| Total applications of capital Funding | 16,189 | 21,304 | 12,069 |
| SURPLUS/DEFICIT OF CAPITAL FUNDING | (3,169) | (3,576) | (3,688) |
| FUNDING BALANCE | - | - | - |

| Access and Transport funding impact statement for the year ended 30 June 2023 | | | |
|--|----------------------------|----------------------------|----------------------------|
| | 2021/22 Budget \$000 | 2022/23 Budget \$000 | 2022/23 Actual \$000 |
| Sources of operating funding | | | |
| General rate, uniform annual general charge, rates penalties | 202 | 172 | 10 |
| Targeted rates | 10,155 | 9,301 | 10,348 |
| Grants and subsidies for operating purposes | 2,235 | 2,509 | 2,577 |
| Fees and charges | 191 | 151 | 145 |
| Internal charges and overheads recovered | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other | 35,658 | 49,720 | 358 |
| Total operating funding | 48,441 | 61,852 | 13,437 |
| Applications of operating funding | | | |
| Payment to staff and suppliers | 5,118 | 5,656 | 6,323 |
| Finance costs | 2,233 | 2,215 | 907 |
| Internal charges and overheads applied | 1,094 | 649 | 641 |
| Other operating funding applications | - | - | - |
| Total applications of operating funding | 8,445 | 8,520 | 7,871 |
| SURPLUS/DEFICIT OF OPERATING FUNDING | 39,996 | 53,332 | 5,566 |
| Sources of capital funding | | | |
| Grants and subsidies for capital expenditure | 6,899 | 10,932 | 3,259 |
| Development and financial contributions | 442 | 490 | 752 |
| Increase (decrease) in debt | 6,132 | 3,811 | 8,538 |
| Gross proceeds from sale of assets | - | - | - |
| Lump sum contributions | - | - | - |
| Other dedicated capital funding | - | - | - |
| Total sources of capital funding | 13,473 | 15,233 | 12,550 |
| Applications of capital funding | | | |
| Capital expenditure | | | |
| > to meet additional demand | 1,570 | 1,009 | 208 |
| > to improve the level of service | 10,517 | 10,522 | 9,248 |
| > to replace existing assets | 5,112 | 7,424 | 4,804 |
| Increase (decrease) in reserves | 36,270 | 49,609 | 3,856 |
| Increase (decrease) in investments | - | - | - |
| Total applications of capital Funding | 53,469 | 68,565 | 18,116 |
| SURPLUS/DEFICIT OF CAPITAL FUNDING | (39,996) | (53,332) | (5,566) |
| FUNDING BALANCE | - | - | - |

Coastal Management funding impact statement for the year ended 30 June 2023

| | 2021/22 Budget \$000 | 2022/23 Budget \$000 | 2022/23 Actual \$000 |
|---|----------------------------|----------------------------|----------------------------|
| Sources of operating funding | | | |
| General rate, uniform annual general charge, rates penalties | 2,235 | 2,139 | 2,378 |
| 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 | 2,235 | 2,139 | 2,378 |
| Applications of operating funding | | | |
| Payment to staff and suppliers | 995 | 784 | 1,083 |
| Finance costs | 251 | 310 | 244 |
| Internal charges and overheads applied | 531 | 380 | 401 |
| Other operating funding applications | - | - | - |
| Total applications of operating funding | 1,777 | 1,473 | 1,728 |
| SURPLUS/DEFICIT OF OPERATING FUNDING | 458 | 666 | 650 |
| Sources of capital funding | | | |
| Grants and subsidies for capital expenditure | - | - | - |
| Development and financial contributions | - | - | - |
| Increase (decrease) in debt | 217 | 531 | 9 |
| Gross proceeds from sale of assets | - | - | - |
| Lump sum contributions | - | - | - |
| Other dedicated capital funding | - | - | - |
| Total sources of capital funding | 217 | 531 | 9 |
| Applications of capital funding | | | |
| Capital expenditure | | | |
| > to meet additional demand | - | - | - |
| > to improve the level of service | 217 | 531 | 9 |
| > to replace existing assets | 3,043 | 4,601 | 1,144 |
| Increase (decrease) in reserves | (2,586) | (3,935) | (494) |
| Increase (decrease) in investments | - | - | - |
| Total applications of capital Funding | 675 | 1,197 | 659 |
| SURPLUS/DEFICIT OF CAPITAL FUNDING | (458) | (666) | (650) |
| FUNDING BALANCE | - | - | - |

Wastewater Management funding impact statement for the year ended 30 June 2023

| | 2021/22 Budget \$000 | 2022/23 Budget \$000 | 2022/23 Actual \$000 |
|---|----------------------------|----------------------------|----------------------------|
| Sources of operating funding | | | |
| General rate, uniform annual general charge, rates penalties | - | - | - |
| Targeted rates | 8,727 | 9,159 | 10,074 |
| Grants and subsidies for operating purposes | - | - | - |
| Fees and charges | - | - | 42 |
| Internal charges and overheads recovered | 1,439 | 1,481 | 1,316 |
| Local authorities fuel tax, fines, infringement fees, and other | - | - | 4 |
| Total operating funding | 10,166 | 10,640 | 11,435 |
| Applications of operating funding | | | |
| Payment to staff and suppliers | 4,781 | 5,429 | 5,341 |
| Finance costs | (6) | 21 | 1,003 |
| Internal charges and overheads applied | 1,763 | 1,827 | 1,740 |
| Other operating funding applications | - | - | - |
| Total applications of operating funding | 6,538 | 7,277 | 8,085 |
| SURPLUS/DEFICIT OF OPERATING FUNDING | 3,628 | 3,363 | 3,350 |
| Sources of capital funding | | | |
| Grants and subsidies for capital expenditure | - | - | - |
| Development and financial contributions | 176 | 195 | 385 |
| Increase (decrease) in debt | 350 | 3,104 | 1,163 |
| Gross proceeds from sale of assets | - | - | - |
| Lump sum contributions | - | - | - |
| Other dedicated capital funding | - | - | - |
| Total sources of capital funding | 526 | 3,299 | 1,548 |
| Applications of capital funding | | | |
| Capital expenditure | | | |
| > to meet additional demand | 447 | 1,908 | 301 |
| > to improve the level of service | 350 | 3,104 | 1,163 |
| > to replace existing assets | 3,181 | 2,633 | 4,651 |
| Increase (decrease) in reserves | 176 | (984) | (1,217) |
| Increase (decrease) in investments | - | - | - |
| Total applications of capital Funding | 4,155 | 6,661 | 4,898 |
| SURPLUS/DEFICIT OF CAPITAL FUNDING | (3,629) | (3,363) | (3,350) |
| FUNDING BALANCE | - | - | - |

Stormwater Management funding impact statement for the year ended 30 June 2023

| | 2021/22 Budget \$000 | 2022/23 Budget \$000 | 2022/23 Actual \$000 |
|---|----------------------------|----------------------------|----------------------------|
| Sources of operating funding | | | |
| General rate, uniform annual general charge, rates penalties | 1,589 | 1,922 | 2,949 |
| Targeted rates | 2,581 | 2,726 | 2,212 |
| 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 | 4,169 | 4,648 | 5,161 |
| Applications of operating funding | | | |
| Payment to staff and suppliers | 1,877 | 2,414 | 2,559 |
| Finance costs | 902 | 1,100 | 1,807 |
| Internal charges and overheads applied | 292 | 367 | 387 |
| Other operating funding applications | - | - | - |
| Total applications of operating funding | 3,071 | 3,882 | 4,753 |
| SURPLUS/DEFICIT OF OPERATING FUNDING | 1,098 | 767 | 409 |
| Sources of capital funding | | | |
| Grants and subsidies for capital expenditure | - | - | - |
| Development and financial contributions | 150 | 166 | 364 |
| Increase (decrease) in debt | 4,823 | 5,790 | 11,050 |
| Gross proceeds from sale of assets | - | - | - |
| Lump sum contributions | - | - | - |
| Other dedicated capital funding | - | - | - |
| Total sources of capital funding | 4,973 | 5,956 | 11,414 |
| Applications of capital funding | | | |
| Capital expenditure | | | |
| > to meet additional demand | 536 | 598 | 1,056 |
| > to improve the level of service | 4,823 | 5,790 | 11,050 |
| > to replace existing assets | 864 | (9) | (551) |
| Increase (decrease) in reserves | (151) | 344 | 268 |
| Increase (decrease) in investments | - | - | - |
| Total applications of capital Funding | 6,072 | 6,723 | 11,823 |
| SURPLUS/DEFICIT OF CAPITAL FUNDING | (1,099) | (767) | (409) |
| FUNDING BALANCE | - | - | - |

Sustainability & Resilience funding impact statement for the year ended 30 June 2023

| | 2021/22 Budget \$000 | 2022/23 Budget \$000 | 2022/23 Actual \$000 |
|---|----------------------------|----------------------------|----------------------------|
| Sources of operating funding | | | |
| General rate, uniform annual general charge, rates penalties | 1,258 | 1,283 | 1,155 |
| Targeted rates | - | - | (6) |
| Grants and subsidies for operating purposes | - | - | - |
| Fees and charges | 611 | 760 | 1,107 |
| Internal charges and overheads recovered | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other | - | - | - |
| Total operating funding | 1,869 | 2,044 | 2,257 |
| Applications of operating funding | | | |
| Payment to staff and suppliers | 1,049 | 1,300 | 1,274 |
| Finance costs | 88 | 92 | 49 |
| Internal charges and overheads applied | 588 | 488 | 555 |
| Other operating funding applications | - | - | - |
| Total applications of operating funding | 1,725 | 1,880 | 1,878 |
| SURPLUS/DEFICIT OF OPERATING FUNDING | 144 | 163 | 379 |
| 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 | 132 | 631 | 551 |
| Increase (decrease) in reserves | 12 | (467) | (172) |
| Increase (decrease) in investments | - | - | - |
| Total applications of capital Funding | 144 | 163 | 379 |
| SURPLUS/DEFICIT OF CAPITAL FUNDING | (144) | (163) | (379) |
| FUNDING BALANCE | - | - | - |

Economic Development funding impact statement for the year ended 30 June 2023

| | 2021/22 Budget \$000 | 2022/23 Budget \$000 | 2022/23 Actual \$000 |
|---|----------------------------|----------------------------|----------------------------|
| Sources of operating funding | | | |
| General rate, uniform annual general charge, rates penalties | 1,572 | 2,571 | 3,351 |
| Targeted rates | 565 | 565 | 564 |
| Grants and subsidies for operating purposes | 449 | 285 | 155 |
| Fees and charges | 10 | 176 | - |
| Internal charges and overheads recovered | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other | 31 | - | - |
| Total operating funding | 2,627 | 3,598 | 4,069 |
| Applications of operating funding | | | |
| Payment to staff and suppliers | 2,307 | 3,119 | 3,707 |
| Finance costs | 85 | 80 | (19) |
| Internal charges and overheads applied | 297 | 396 | 468 |
| Other operating funding applications | - | - | - |
| Total applications of operating funding | 2,689 | 3,595 | 4,155 |
| SURPLUS/DEFICIT OF OPERATING FUNDING | (62) | 3 | (87) |
| Sources of capital funding | | | |
| Grants and subsidies for capital expenditure | 865 | 1,115 | 233 |
| Development and financial contributions | - | - | - |
| Increase (decrease) in debt | 1,950 | 1,996 | (791) |
| Gross proceeds from sale of assets | - | - | - |
| Lump sum contributions | - | - | - |
| Other dedicated capital funding | - | - | - |
| Total sources of capital funding | 2,815 | 3,111 | (558) |
| Applications of capital funding | | | |
| Capital expenditure | | | |
| > to meet additional demand | - | - | - |
| > to improve the level of service | 2,815 | 3,111 | (558) |
| > to replace existing assets | - | - | - |
| Increase (decrease) in reserves | (62) | 3 | (87) |
| Increase (decrease) in investments | - | - | - |
| Total applications of capital funding | 2,754 | 3,114 | (644) |
| SURPLUS/DEFICIT OF CAPITAL FUNDING | 62 | (3) | 87 |
| FUNDING BALANCE | - | - | - |

Community Facilities and Community Support funding impact statement for the year ended 30 June 2023

| | 2021/22 Budget \$000 | 2022/23 Budget \$000 | 2022/23 Actual \$000 |
|---|----------------------------|----------------------------|----------------------------|
| Sources of operating funding | | | |
| General rate, uniform annual general charge, rates penalties | 1,021 | 958 | 1,011 |
| Targeted rates | 3,515 | 4,465 | 4,857 |
| Grants and subsidies for operating purposes | - | - | - |
| Fees and charges | 1,358 | 1,360 | 1,497 |
| Internal charges and overheads recovered | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other | 5 | 5 | 5 |
| Total operating funding | 5,899 | 6,788 | 7,369 |
| Applications of operating funding | | | |
| Payment to staff and suppliers | 2,688 | 3,058 | 3,780 |
| Finance costs | 395 | 377 | 88 |
| Internal charges and overheads applied | 1,155 | 1,268 | 1,234 |
| Other operating funding applications | - | - | - |
| Total applications of operating funding | 4,239 | 4,703 | 5,102 |
| SURPLUS/DEFICIT OF OPERATING FUNDING | 1,660 | 2,085 | 2,267 |
| Sources of capital funding | | | |
| Grants and subsidies for capital expenditure | 3,210 | 1,945 | 2,659 |
| Development and financial contributions | 361 | 400 | 572 |
| Increase (decrease) in debt | 2,986 | 3,790 | 2,145 |
| Gross proceeds from sale of assets | - | - | - |
| Lump sum contributions | - | - | - |
| Other dedicated capital funding | - | - | - |
| Total sources of capital funding | 6,557 | 6,135 | 5,376 |
| Applications of capital funding | | | |
| Capital expenditure | | | |
| > to meet additional demand | - | - | - |
| > to improve the level of service | 6,196 | 5,735 | 4,804 |
| > to replace existing assets | 6,084 | 4,383 | 3,768 |
| Increase (decrease) in reserves | (4,062) | (1,898) | (929) |
| Increase (decrease) in investments | - | - | - |
| Total applications of capital funding | 8,218 | 8,220 | 7,643 |
| SURPLUS/DEFICIT OF CAPITAL FUNDING | (1,660) | (2,085) | (2,267) |
| FUNDING BALANCE | - | - | - |

Parks and Open Spaces funding impact statement for the year ended 30 June 2023

| | 2021/22 Budget \$000 | 2022/23 Budget \$000 | 2022/23 Actual \$000 |
|---|----------------------------|----------------------------|----------------------------|
| Sources of operating funding | | | |
| General rate, uniform annual general charge, rates penalties | 167 | 201 | 188 |
| Targeted rates | 6,912 | 6,812 | 6,683 |
| Grants and subsidies for operating purposes | - | - | - |
| Fees and charges | 467 | 509 | 470 |
| Internal charges and overheads recovered | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other | - | - | - |
| Total operating funding | 7,576 | 7,522 | 7,341 |
| Applications of operating funding | | | |
| Payment to staff and suppliers | 4,008 | 3,422 | 3,727 |
| Finance costs | 231 | 260 | (142) |
| Internal charges and overheads applied | 1,752 | 1,900 | 1,837 |
| Other operating funding applications | - | - | - |
| Total applications of operating funding | 5,991 | 5,582 | 5,422 |
| SURPLUS/DEFICIT OF OPERATING FUNDING | 1,585 | 1,939 | 1,920 |
| Sources of capital funding | | | |
| Grants and subsidies for capital expenditure | - | - | - |
| Development and financial contributions | 1,533 | 1,698 | 4,765 |
| Increase (decrease) in debt | 1,328 | 3,143 | 641 |
| Gross proceeds from sale of assets | - | - | - |
| Lump sum contributions | - | - | - |
| Other dedicated capital funding | - | - | - |
| Total sources of capital funding | 2,861 | 4,841 | 5,406 |
| Applications of capital funding | | | |
| Capital expenditure | | | |
| > to meet additional demand | 1,848 | - | - |
| > to improve the level of service | 1,328 | 3,143 | 641 |
| > to replace existing assets | 1,072 | 3,389 | 1,748 |
| Increase (decrease) in reserves | 198 | 248 | 4,937 |
| Increase (decrease) in investments | - | - | - |
| Total applications of capital funding | 4,446 | 6,780 | 7,326 |
| SURPLUS/DEFICIT OF CAPITAL FUNDING | (1,585) | (1,939) | (1,920) |
| FUNDING BALANCE | - | - | - |

Recreation and Leisure funding impact statement for the year ended 30 June 2023

| | 2021/22 Budget \$000 | 2022/23 Budget \$000 | 2022/23 Actual \$000 |
|---|----------------------------|----------------------------|----------------------------|
| Sources of operating funding | | | |
| General rate, uniform annual general charge, rates penalties | 649 | 796 | 766 |
| Targeted rates | 9,009 | 10,084 | 10,478 |
| Grants and subsidies for operating purposes | 274 | 50 | 277 |
| Fees and charges | 1,703 | 1,803 | 1,815 |
| Internal charges and overheads recovered | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other | 75 | 25 | 68 |
| Total operating funding | 11,709 | 12,757 | 13,404 |
| Applications of operating funding | | | |
| Payment to staff and suppliers | 7,551 | 7,663 | 7,989 |
| Finance costs | 550 | 883 | 941 |
| Internal charges and overheads applied | 2,127 | 2,608 | 2,581 |
| Other operating funding applications | - | - | - |
| Total applications of operating funding | 10,228 | 11,154 | 11,511 |
| SURPLUS/DEFICIT OF OPERATING FUNDING | 1,482 | 1,603 | 1,893 |
| Sources of capital funding | | | |
| Grants and subsidies for capital expenditure | - | - | - |
| Development and financial contributions | - | - | - |
| Increase (decrease) in debt | 89 | 86 | 300 |
| Gross proceeds from sale of assets | - | - | - |
| Lump sum contributions | - | - | - |
| Other dedicated capital funding | - | - | - |
| Total sources of capital funding | 89 | 86 | 300 |
| Applications of capital funding | | | |
| Capital expenditure | | | |
| > to meet additional demand | - | - | - |
| > to improve the level of service | 89 | 86 | 300 |
| > to replace existing assets | 766 | 2,194 | 938 |
| Increase (decrease) in reserves | 715 | (591) | 955 |
| Increase (decrease) in investments | - | - | - |
| Total applications of capital funding | 1,570 | 1,690 | 2,193 |
| SURPLUS/DEFICIT OF CAPITAL FUNDING | (1,481) | (1,603) | (1,893) |
| FUNDING BALANCE | - | - | - |

| Districtwide Planning funding impact statement for the year ended 30 June 2023 | | | |
|---|----------------------------|----------------------------|----------------------------|
| | 2021/22 Budget \$000 | 2022/23 Budget \$000 | 2022/23 Actual \$000 |
| Sources of operating funding | | | |
| General rate, uniform annual general charge, rates penalties | 3,114 | 3,687 | 3,214 |
| 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 | 3,114 | 3,687 | 3,214 |
| Applications of operating funding | | | |
| Payment to staff and suppliers | 2,558 | 2,991 | 2,477 |
| Finance costs | - | - | - |
| Internal charges and overheads applied | 556 | 578 | 737 |
| Other operating funding applications | - | - | - |
| Total applications of operating funding | 3,114 | 3,569 | 3,214 |
| SURPLUS/DEFICIT OF OPERATING FUNDING | - | 118 | - |
| Sources of capital funding | | | |
| Grants and subsidies for capital expenditure | - | - | - |
| Development and financial contributions | - | - | - |
| Increase (decrease) in debt | 1,027 | 974 | 202 |
| Gross proceeds from sale of assets | - | - | - |
| Lump sum contributions | - | - | - |
| Other dedicated capital funding | - | - | - |
| Total sources of capital funding | 1,027 | 974 | 202 |
| Applications of capital funding | | | |
| Capital expenditure | | | |
| > to meet additional demand | - | - | - |
| > to improve the level of service | 1,027 | 1,091 | 202 |
| > to replace existing assets | - | - | - |
| Increase (decrease) in reserves | - | - | - |
| Increase (decrease) in investments | - | - | - |
| Total applications of capital funding | 1,027 | 1,091 | 202 |
| SURPLUS/DEFICIT OF CAPITAL FUNDING | - | (118) | - |
| FUNDING BALANCE | 1,027 | - | - |

| Regulatory Services funding impact statement for the year ended 30 June 2023 | | | |
|---|----------------------------|----------------------------|----------------------------|
| | 2021/22 Budget \$000 | 2022/23 Budget \$000 | 2022/23 Actual \$000 |
| Sources of operating funding | | | |
| General rate, uniform annual general charge, rates penalties | 4,894 | 5,173 | 6,432 |
| Targeted rates | - | - | - |
| Grants and subsidies for operating purposes | - | - | 100 |
| Fees and charges | 4,878 | 5,959 | 5,010 |
| Internal charges and overheads recovered | 449 | 893 | 1,353 |
| Local authorities fuel tax, fines, infringement fees, and other | 147 | 154 | 31 |
| Total operating funding | 10,368 | 12,179 | 12,927 |
| Applications of operating funding | | | |
| Payment to staff and suppliers | 6,385 | 7,705 | 8,235 |
| Finance costs | 11 | 9 | 13 |
| Internal charges and overheads applied | 3,943 | 4,441 | 4,635 |
| Other operating funding applications | - | - | - |
| Total applications of operating funding | 10,339 | 12,156 | 12,883 |
| SURPLUS/DEFICIT OF OPERATING FUNDING | 29 | 23 | 44 |
| Sources of capital funding | | | |
| Grants and subsidies for capital expenditure | - | - | - |
| Development and financial contributions | - | - | - |
| Increase (decrease) in debt | 11 | - | 26 |
| Gross proceeds from sale of assets | - | - | - |
| Lump sum contributions | - | - | - |
| Other dedicated capital funding | - | - | - |
| Total sources of capital funding | 11 | - | 26 |
| Applications of capital funding | | | |
| Capital expenditure | | | |
| > to meet additional demand | - | - | - |
| > to improve the level of service | 11 | - | 26 |
| > to replace existing assets | - | - | - |
| Increase (decrease) in reserves | 29 | 23 | 44 |
| Increase (decrease) in investments | - | - | - |
| Total applications of capital funding | 40 | 23 | 70 |
| SURPLUS/DEFICIT OF CAPITAL FUNDING | (29) | (23) | (44) |
| FUNDING BALANCE | - | - | - |

Community Support funding impact statement for the year ended 30 June 2023

| | 2021/22 Budget \$000 | 2022/23 Budget \$000 | 2022/23 Actual \$000 |
|---|----------------------------|----------------------------|----------------------------|
| Sources of operating funding | | | |
| General rate, uniform annual general charge, rates penalties | 2,721 | 3,070 | 2,353 |
| 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 | 2,721 | 3,070 | 2,353 |
| Applications of operating funding | | | |
| Payment to staff and suppliers | 2,070 | 2,270 | 1,738 |
| Finance costs | 10 | 10 | 12 |
| Internal charges and overheads applied | 641 | 790 | 602 |
| Other operating funding applications | - | - | - |
| Total applications of operating funding | 2,721 | 3,070 | 2,353 |
| 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 | - | - | - |

Governance funding impact statement for the year ended 30 June 2023

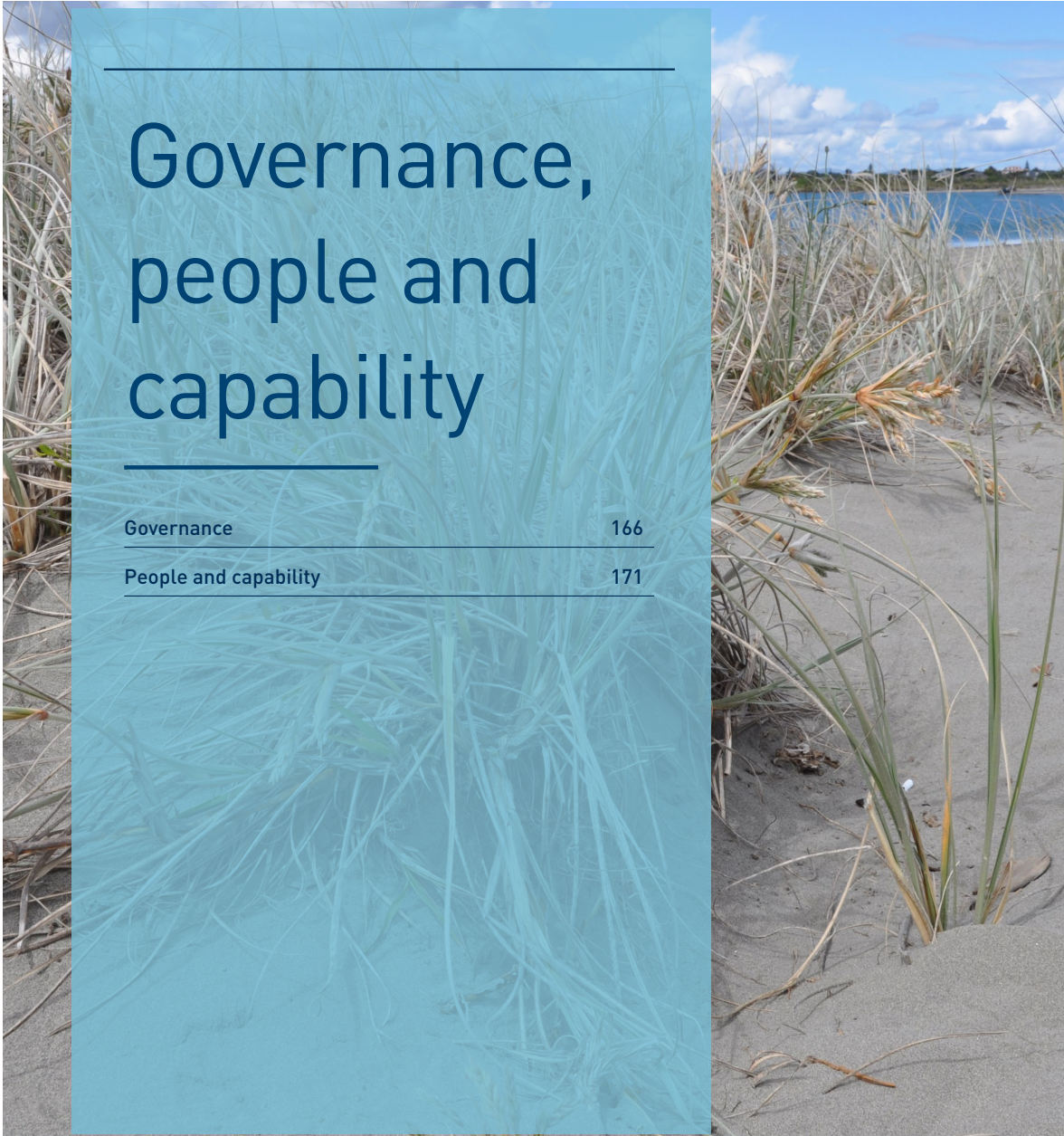
| | 2021/22 Budget \$000 | 2022/23 Budget \$000 | 2022/23 Actual \$000 |
|---|----------------------------|----------------------------|----------------------------|
| Sources of operating funding | | | |
| General rate, uniform annual general charge, rates penalties | 3,256 | 4,236 | 4,055 |
| Targeted rates | 339 | 579 | 447 |
| Grants and subsidies for operating purposes | - | - | - |
| Fees and charges | - | - | - |
| Internal charges and overheads recovered | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other | - | 41 | 65 |
| Total operating funding | 5,595 | 4,856 | 4,567 |
| Applications of operating funding | | | |
| Payment to staff and suppliers | 2,175 | 3,265 | 3,217 |
| Finance costs | 5 | 6 | 7 |
| Internal charges and overheads applied | 1,459 | 1,834 | 1,556 |
| Other operating funding applications | - | - | - |
| Total applications of operating funding | 3,639 | 5,104 | 4,780 |
| SURPLUS/DEFICIT OF OPERATING FUNDING | (44) | (248) | (213) |
| Sources of capital funding | | | |
| Grants and subsidies for capital expenditure | - | - | - |
| Development and financial contributions | - | - | - |
| Increase (decrease) in debt | - | - | (2,271) |
| Gross proceeds from sale of assets | - | - | 2,271 |
| 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 | - | 57 | 90 |
| Increase (decrease) in reserves | (44) | (305) | (303) |
| Increase (decrease) in investments | - | - | - |
| Total applications of capital funding | (44) | (248) | (213) |
| SURPLUS/DEFICIT OF CAPITAL FUNDING | 44 | 248 | 213 |
| FUNDING BALANCE | - | - | - |

Tāngata Whenua funding impact statement for the year ended 30 June 2023

| | 2021/22 Budget \$000 | 2022/23 Budget \$000 | 2022/23 Actual \$000 |
|---|----------------------------|----------------------------|----------------------------|
| Sources of operating funding | | | |
| General rate, uniform annual general charge, rates penalties | 911 | 1,067 | 557 |
| 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 | - | - | 4 |
| Total operating funding | 911 | 1,067 | 562 |
| Applications of operating funding | | | |
| Payment to staff and suppliers | 760 | 864 | 404 |
| Finance costs | - | - | - |
| Internal charges and overheads applied | 191 | 203 | 158 |
| Other operating funding applications | - | - | - |
| Total applications of operating funding | 911 | 1,067 | 562 |
| SURPLUS/DEFICIT OF OPERATING FUNDING | - | - | - |
| Sources of capital funding | | | |
| Grants and subsidies for capital expenditure | - | - | - |
| Development and financial contributions | - | - | - |
| Increase (decrease) in debt | 3 | 3 | - |
| Gross proceeds from sale of assets | - | - | - |
| Lump sum contributions | - | - | - |
| Other dedicated capital funding | - | - | - |
| Total sources of capital funding | 3 | 3 | - |
| Applications of capital funding | | | |
| Capital expenditure | | | |
| > to meet additional demand | - | - | - |
| > to improve the level of service | 3 | 3 | - |
| > to replace existing assets | - | - | - |
| Increase (decrease) in reserves | - | - | - |
| Increase (decrease) in investments | - | - | - |
| Total applications of capital funding | 3 | 3 | - |
| SURPLUS/DEFICIT OF CAPITAL FUNDING | - | - | - |
| FUNDING BALANCE | - | - | - |

Corporate funding impact statement for the year ended 30 June 2023

| | 2021/22 Budget \$000 | 2022/23 Budget \$000 | 2022/23 Actual \$000 |
|---|----------------------------|----------------------------|----------------------------|
| Sources of operating funding | | | |
| General rate, uniform annual general charge, rates penalties | 2,048 | 3,573 | 1,637 |
| Targeted rates | - | - | - |
| Grants and subsidies for operating purposes | - | - | - |
| Fees and charges | 289 | 296 | 307 |
| Internal charges and overheads recovered | 21,879 | 23,129 | 22,629 |
| Local authorities fuel tax, fines, infringement fees, and other | 1,666 | 3,593 | 4,130 |
| Total operating funding | 25,881 | 30,591 | 28,703 |
| Applications of operating funding | | | |
| Payment to staff and suppliers | 16,506 | 20,319 | 17,976 |
| Finance costs | 2,391 | 2,770 | 3,505 |
| Internal charges and overheads applied | 6,420 | 6,693 | 6,719 |
| Other operating funding applications | - | - | - |
| Total applications of operating funding | 25,318 | 29,782 | 28,199 |
| SURPLUS/DEFICIT OF OPERATING FUNDING | 564 | 809 | 503 |
| Sources of capital funding | | | |
| Grants and subsidies for capital expenditure | - | - | - |
| Development and financial contributions | - | - | (1) |
| Increase (decrease) in debt | 3,539 | 2,803 | 7,019 |
| Gross proceeds from sale of assets | - | - | - |
| Lump sum contributions | - | - | - |
| Other dedicated capital funding | - | - | - |
| Total sources of capital funding | 3,539 | 2,803 | 7,018 |
| Applications of capital funding | | | |
| Capital expenditure | | | |
| > to meet additional demand | - | - | - |
| > to improve the level of service | 3,539 | 2,803 | 7,019 |
| > to replace existing assets | 1,186 | 1,215 | 1,013 |
| Increase (decrease) in reserves | (621) | (406) | (512) |
| Increase (decrease) in investments | - | - | - |
| Total applications of capital funding | 4,104 | 3,612 | 7,521 |
| SURPLUS/DEFICIT OF CAPITAL FUNDING | (565) | (809) | (503) |
| FUNDING BALANCE | - | - | - |



Governance, people and capability

| | |
|-----------------------|-----|
| Governance | 166 |
| People and capability | 171 |

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.

Elected members

The Kapiti Coast District Council consists of a Mayor and 10 Councillors. Three Kāpiti District Councillors are elected from across the district and seven are elected from four wards.



Janet Holborow

Mayor, Kāpiti Coast District Council
janet.holborow@Kapiticoast.govt.nz



Glen Cooper

Paraparaumu Ward Councillor
glen.cooper@Kapiticoast.govt.nz



Kathy Spiers

Paraparaumu Ward Councillor
kathy.spiers@Kapiticoast.govt.nz



Lawrence Kirby

Deputy Mayor and Districtwide Councillor
lawrence.kirby@Kapiticoast.govt.nz



Martin Halliday

Paraparaumu Ward Councillor
martin.halliday@Kapiticoast.govt.nz



Shelly Warwick

Ōtaki Ward Councillor
shelly.warwick@Kapiticoast.govt.nz



Rob Kofoed

Districtwide Councillor
rob.kofoed@Kapiticoast.govt.nz



Sophie Handford

Paekākāriki-Raumati Ward Councillor
sophie.handford@Kapiticoast.govt.nz



Nigel Wilson

Waikanae Ward Councillor
nigel.wilson@Kapiticoast.govt.nz



Liz Koh

Districtwide Councillor
liz.koh@Kapiticoast.govt.nz



Jocelyn Prvanov

Waikanae Ward Councillor
jocelyn.prvanov@Kapiticoast.govt.nz

Community boards

Supporting the Council are five district community boards: Ōtaki, Paraparaumu, Raumati, Waikanae and Paekākāriki. Community boards are the grassroots 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. Council is represented at Community Boards through ward Councillor representation which sees two Paraparaumu ward Councillors sitting on the Paraparaumu Community Board, one Waikanae ward Councillor sitting on the Waikanae Community Board and the ward Councillors for Paekākāriki-Raumati and Ōtaki sitting on their respective community boards. As far as practicable, local issues are referred to community boards for consideration, comment or recommendations before decisions are made.

Community Board representatives are also nominated as representatives to Council and committees where they can contribute to the debate, helping ensure that the interests of the whole district are considered. Community board representatives do not have voting rights at Council meetings but have voting rights at Council's two subcommittees. A Community Board's role is mainly advocacy, but it also has powers to make some decisions about issues within its boundaries. Boards make submissions to the Council and other statutory agencies.

Community Board's control local funds for making grants to individuals and groups for community purposes.

Community board members

Ōtaki Community Board

The area covered by the Ōtaki Community Board includes north of Marycrest, Te Horo, Ōtaki and north to Forest Lakes.

Cam Butler, Chair
cam.butler@kapiticoast.govt.nz

Simon Black, Deputy Chair
simon.black@kapiticoast.govt.nz

Jackie Elliott
jackie.elliott@kapiticoast.govt.nz

Chris Papps
Christine.Papps@kapiticoast.govt.nz

Waikanae Community Board

The Waikanae Community Board covers an area from Waikanae Downs in the south through to Te Horo Beach Road and School Road in the north.

Richard Mansell, Chair
richard.mansell@kapiticoast.govt.nz

Michael Moore, Deputy Chair
michael.moore@kapiticoast.govt.nz

Tonchi Begovich
tonchi.begovich@kapiticoast.govt.nz

Michelle Lewis
michelle.Lewis@kapiticoast.govt.nz

Paraparaumu/Raumati Community Board

The Paraparaumu Community Board covers an area up to the Waikanae River in the north (excluding Waikanae Downs), and bounding Mannson Lane, the southern boundary of the Kāpiti Coast Airport, Rata Road/Conifer Street, and the old State Highway One in the south.

Glen Olsen, Chair
glen.olsen@kapiticoast.govt.nz

Guy Burns, Deputy Chair
guy.burns@kapiticoast.govt.nz

Karl Webber
karl.webber@kapiticoast.govt.nz

Bernie Randall
bernie.randall@kapiticoast.govt.nz

Raumati Community Board

The Raumati Community Board covers an area from Whareroa Stream in the south, bounding Mannson Lane, the southern boundary of the Kāpiti Coast Airport, Rata Road/Conifer Street, and the old State Highway One.

Bede Laracy, Chair
bede.laracy@kapiticoast.govt.nz

Johnny Best, Deputy Chair
johnny.best@kapiticoast.govt.nz

Tarn Sheerin
tarn.sheerin@kapiticoast.govt.nz

Tim Sutton
tim.sutton@kapiticoast.govt.nz

Paekākāriki Community Board

The Paekākāriki Community Board covers an area up to Whareroa Stream in the north, down to Fisherman's Table in the south.

Sean McKinley, Chair
sean.mckinley@kapiticoast.govt.nz

Kelsey Lee, Deputy Chair
kelsey.lee@kapiticoast.govt.nz

Christian Judge
christian.judge@kapiticoast.govt.nz

Sorcha Ruth
sorcha.ruth@kapiticoast.govt.nz

Council meetings

Council meetings are generally scheduled monthly with additional meetings arranged as required. These meetings are publicly advertised in local newspapers and on Council's website. The Council has delegated some of its powers to committees, sub-committees, and hearing commissioners (standing committees) to meet regularly to discuss matters within their delegation and/or make recommendations to the Council.

For the new triennium beginning in October 2022 there were 11 Council meetings, 10 committee meetings and 8 subcommittee meetings.

Committees for the 2022-25 triennium

As well as Council and community boards, committees are established with each new triennium to better channel the Council's resources for an efficient governance structure. For the 2022–25 triennium these are:

- Strategy, Operations and Finance Committee
Chair Councillor Sophie Handford
- Risk and Assurance Committee
Independent Chair David Shand

- Social Sustainability Subcommittee
Chair Councillor Martin Halliday
- Climate and Environment Subcommittee
Chair Councillor Jocelyn Prvanov
- Chief Executive Performance and Employment Committee
Chair Mayor Janet Holborow
- Appeals Hearing Committee
Chair Mayor Janet Holborow
- Campe Estate Committee
Chair Mayor Janet Holborow
- Grants Allocation Committee
Chair Councillor Nigel Wilson

Te Whakaminenga o Kāpiti

Te Whakaminenga o Kāpiti is the independent advisory to Council representing Council's partnership with the three iwi and hapū on the Kāpiti Coast: Ātiawa ki Whakarongotai Charitable Trust, Ngā Hapū o Ōtaki, Ngāti Toa Rangatira and Ngāti Haumia. Council's Memorandum of Understanding with iwi and hapū is one of the longest-lasting partnerships between mana whenua and local government in New Zealand. During the new triennium which began in October 2022, there were four Te Whakaminenga o Kāpiti meetings held.

Mana whenua Representatives

As part of its governance structure for the 2022–2025 triennium, Council has invited mana whenua to nominate governance representatives from each iwi to participate in Council, committee, and subcommittee meetings to represent its partnership with mana whenua. Since the start of the 2022 – 2025 triennium, all three iwi have nominated representatives to attend Council and its committees, with the ability to participate and contribute to debate at Council and to vote on committees and subcommittees.

Council's mana whenua representatives are:

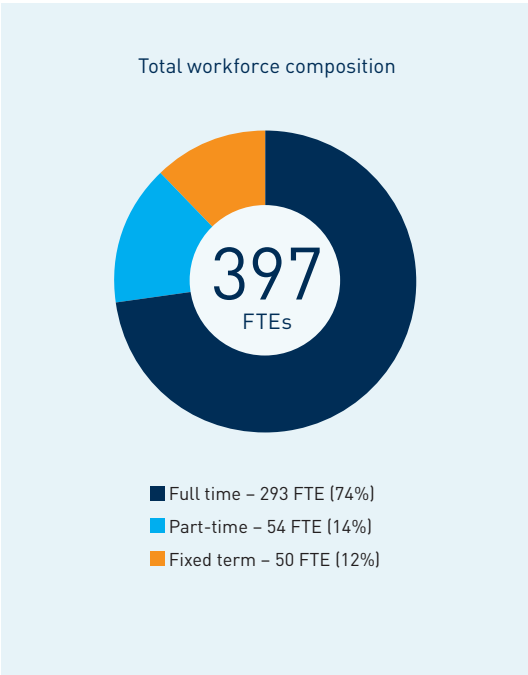
André Baker, Chair

- representatives from Ātiawa ki Whakarongotai
– André Baker, Chair of Te Whakaminenga, Christopher Gerretzen and Janine Huxford
- representatives from Ngā Hapū o Ōtaki
– Denise Hapeta, Kirsten Hapeta and Kim Tahiwi
- representative from Ngāti Toa Rangatira
– Huriwai Paki

People and capability

Workforce profile

At the end of June 2023, our workforce comprised 397 full time equivalent (FTE) employees. This figure is made up both full time and part time employees but excludes casual employees. This equated to a headcount of 454 people (excluding casual employees).



Our employees were spread across eight business groups with the following headcount per Group:

- Chief Executive Office - includes Group Managers and Organisational Development – 20
- Corporate Services - 54
- Infrastructure Services – 111
- People and Partnerships – 42
- Place and Space – 125 (includes seasonal fixed term workers)
- Regulatory Services – 70
- Strategy and Growth – 32

Staff Turnover for the 1 July 2022 – 30 June 2023 was 17.5%, down from 27% for the previous financial year.

The annual organisation-wide Gallup Staff Survey was undertaken in February 2023. Results saw an increase in levels of staff participation, engagement, and satisfaction.

capability



Statement of compliance and responsibility

Statement of compliance and responsibility

1 July 2022 to 30 June 2023

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 2023 fairly reflect the financial position and operations of the Council.



Janet Holborow
Mayor, Kāpiti Coast District
26/10/2023



Darren Edwards
Chief Executive
26/10/2023





INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF KĀPITI COAST DISTRICT COUNCIL'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

The Auditor-General is the auditor of Kāpiti Coast District Council (the District Council). The Auditor-General has appointed me, Sam Nicolle, 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 26 October 2023. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 109 to 167:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2023;
 - 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 112, 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 Long-term plan.
- the statement of service provision referred to as 'Activities & Services' on pages 26 to 108:
 - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2023, 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 160 to 167, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's long-term plan; and
- the funding impact statement for each group of activities on pages 160 to 167, 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 long-term 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 156 to 159, 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.

The basis for our opinion is explained below and we draw attention to other matters. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

Emphasis of matter – uncertainty over the water services reform programme

Without modifying our opinion, we draw attention to Note 11 on page 133, which outlines developments in the Government's water services reform programme.

The Water Services Entities Act 2022, as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023 and the Water Services Legislation Act 2023 on 31 August 2023, establishes ten publicly owned water services entities to carry out responsibilities for the delivery of three waters services and related assets and liabilities currently controlled by local authorities. Water services entities' establishment dates are staggered, with all the water services entities becoming operational between 1 July 2024 and 1 July 2026. The financial impact of the water services reform on the Council remains uncertain until the relevant water services entity's establishment date is known, and the allocation schedule of assets, liabilities, and other matters to be transferred is approved.

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.

Our responsibilities arise from the Public Audit Act 2001.

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 25, 109, and 168 to 175, 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, and we do not express any form of audit opinion or assurance conclusion thereon.

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 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.



Sam Nicolle
Ernst & Young
Chartered Accountants
On behalf of the Auditor-General
Wellington, New Zealand





Securing our future

Summary Annual Report 2022/23

TOITŪ KĀPITI



Introduction



Mayor and Chief Executive message



Mayor of the Kāpiti Coast District, Janet Holborow (left) and Chief Executive of the Kāpiti Coast District Council, Darren Edwards (right).

**Paiahahā! Tēnā rawa atu koutou,
e hāpori o Kāpiti. Nau mai! Nau mai!
Arohia ki tō tatou rautaki ā tau 2022/23.
Welcome to the Kāpiti Coast District
Council's Annual Report for 2022/23.**

This is the second Annual Report against the Kāpiti Coast District Council's Long-term Plan for 2021–2041.

It's a snapshot of how we performed against the goals we set in the plan, including how well we managed our finances, and delivered our core services and other initiatives to enhance and futureproof the District.

A lot has changed since we adopted the Long-term Plan 2021–41 amid pandemic lockdowns and Ukrainian conflict. Sharp inflation and interest rate increases drove up the cost of the materials and skills we need to deliver our work programmes. Like households and businesses, we've had to re-prioritise, slowing down some work in favour of a sharper focus on other areas, such as building the resilience of the District's core infrastructure and services.

We're hopeful of a more settled economy and improved affordability in a few years. When that day comes, we'll be ramping up our plans to invest in the future – one that aligns with what our community wants and needs. Right now we are asking our residents what they think through Vision Kāpiti, which is exploring the community's aspirations for how future generations might live, work, and play in Kāpiti. The outcomes from this will help guide Council decision-making for many years to come, so thank you in advance for talking to us.



In the meantime, we had our AA credit rating reaffirmed by S&P Global. This means we have a very strong capacity to meet our financial obligations. It's fantastic news, especially given some of the challenges we've faced over the past few years. Council's rating was adjusted from stable to negative in recognition of the rising costs of essential materials and skills for all councils.

We achieved 76 percent of our non-financial performance measures this year – an improvement from the 68 percent recorded in 2021/22 – but we didn't do quite so well on the residents' opinion survey, with overall satisfaction down from 70 percent to 64 percent.

In the survey, 800 residents told us we can do better in a few specific areas, such as traffic flow, and road and footpath conditions. Other areas for improvement are perceptions of how well Council is making decisions, guiding the District, and demonstrating value for money. We're taking this feedback on board. This is where the insights from Vision Kāpiti will be so important for both lifting resident satisfaction, and for our short and long-term planning.

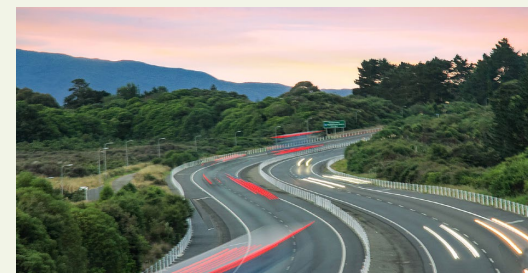
Now let's talk about some of the big wins from the past year

In roading, the McKays to Peka Peka portion of the Old SH1 is now almost complete. This separates local and expressway traffic, helping to make travelling through the District safer and shorter. The transport hub at Paraparaumu, which aims to improve people's experience of public transport and connections to our retail area, is also receiving its finishing touches.



Lorna Irene playground.

It's been a big year for stormwater renewals and upgrades, with completed works in Paraparaumu, Waikanae and Ōtaki and progress on the multi-stage Amohia catchment upgrade in Paraparaumu. In Ōtaki the site of the new water reservoir has been confirmed so we can start construction later this year. The reservoir is a huge asset for the community as it will improve firefighting capability and provide secure water supply for existing and future homes in Ōtaki.



Kāpiti expressway.

Highlights in our community spaces include completing the new Toi Mahara Gallery, introduction of an Open Space Strategy and implementation plan to deliver on the aspirations of our communities as our District grows, and planting of more than 20,000 plants, shrubs, and trees. The Lorna Irene Drive Reserve playground in Raumati South was upgraded to cater for all abilities, with a bonus win of the Playground of the Year award at the Recreation Aotearoa NZ Parks Awards.

We've achieved a lot despite a challenging year and we're looking forward to the economy picking up so we can get back to some of the projects and initiatives that had to be put on hold or slowed down. In the meantime, our priorities will be to safeguard our essential infrastructure and strengthen community wellbeing with the knowledge and support of the people of Kāpiti.

Toitū te whenua, toitū te wai, toitū te tāngata – toitū Kāpiti.



Janet Holborow
Mayor



Darren Edwards
Chief Executive



Kāpiti road planting.



Exterior of the new Toi Mahara Gallery.



6 | Kāpiti Coast District Council Annual Report Summary 2022/23

We've had a big year

- 13,459 service requests received
- 28,140 front counter customers welcomed
- Over 42,000 customer calls answered
- 1,110 voicemails responded to
- 17,511 e-mail and website submissions received
- 48.8 kilometres of open waterways cleaned
- 11.6 kilometres of local roads re-sealed
- 5 kilometres of new footpaths constructed
- 6,000,000 m3 litres of treated potable water delivered to households
- 18 new or upgraded street lights across the District
- 12,000,000 m3 of wastewater treated at Paraparaumu and Otaki treatment plants
- Registered 8,324 dogs
- 284,000 visits to our libraries
- 12,000 visitors to the Kāpiti Coast Art Trail
- Hosted 3000 people at Movies in the Park
- 20,000 plants, shrubs and trees planted
- 6,231 hours weed eating and 8,625 hours on mowers and tractors
- 312,000 visitors to our aquatics centres.

More about what we delivered can be found in Section 3 of this report.

Mihimihi greetings from tangata whenua

Ka rere tāwhangawhanga te au o te kupu
ki te Toi o Ngā Rangi, ki ngā pou tiriao o te
ao wairua ōtira o te waahi ngaro e poipoia
ana ngā tāonga kāmehameha no tua
whakarere nei ra te mihi matakuikui nā
te mana, nā te tapu o te whenua e hōrapa
ana te mihi tēna koutou katoa!



The tangata whenua of the district are Te Ātiawa
ki Whakarongotai, Ngāti Raukawa represented
through Ngā Hapū o Ōtaki and Ngāti Toa Rangatira,
including whānau and hapū. In the 1820s–1830s
they were firmly established in the district and
were signatories to Te Tiriti o Waitangi at various
locations on the Kāpiti coast. We recognise and affirm
their whakapapa and their 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.

TE ĀTIAWA KI KĀPITI



Ngā Hapū o Ōtaki

Te moemoeā o te tangata whenua

The vision of tangata whenua

Te Harakeke, Te Kōrari
The flax plant, the flax flower

Ngā taonga whakarere iho
Treasures left down here

O te rangi. O te whenua. O ngā tūpuna
Of the sky. Of the land. Of the ancestors

Homai he oranga mō mātou
Give wellness to us all.

Tīhei Mauri Ora
Sneeze the breath of life

In developing the Long-term Plan 2021-41 (LTP), tangata whenua of the district agreed to use Te Pā Harakeke (the flax bush) as a metaphor for their vision of the relationship between mana whenua and Kaunihera (the Council).

In the graphic representation used in the LTP, the roots of the Pā Harakeke are the principles and values agreed by iwi representatives and the councillors to guide our work together:

Kaitiakitanga – Guardianship. Sustaining the environment and people.

Ūkaipōtānga – Identity. Having a place where one belongs, where one counts, where one is important, and where one can contribute.

Whanaungatanga – Connectedness. A system of 'kinship', including rights and reciprocal obligations that underpin the social organisation of family, and community.

Pūkengatanga – Wisdom. Preserving, creating, teaching in building knowledge and understanding.

Manaakitanga – Support. Supporting each other through generosity, care, respect and reciprocity towards others.

Pā Harakeke is about protection of our most vulnerable, and collective strength. It fosters connection to the whenua (land) and to Papatūānuku (Earth Mother), as well as our connection to family (including extended family) and people – past, present and future.

Our principles and vision remain the same as we navigate another year working to establish the means to achieve our moemoeā (vision).

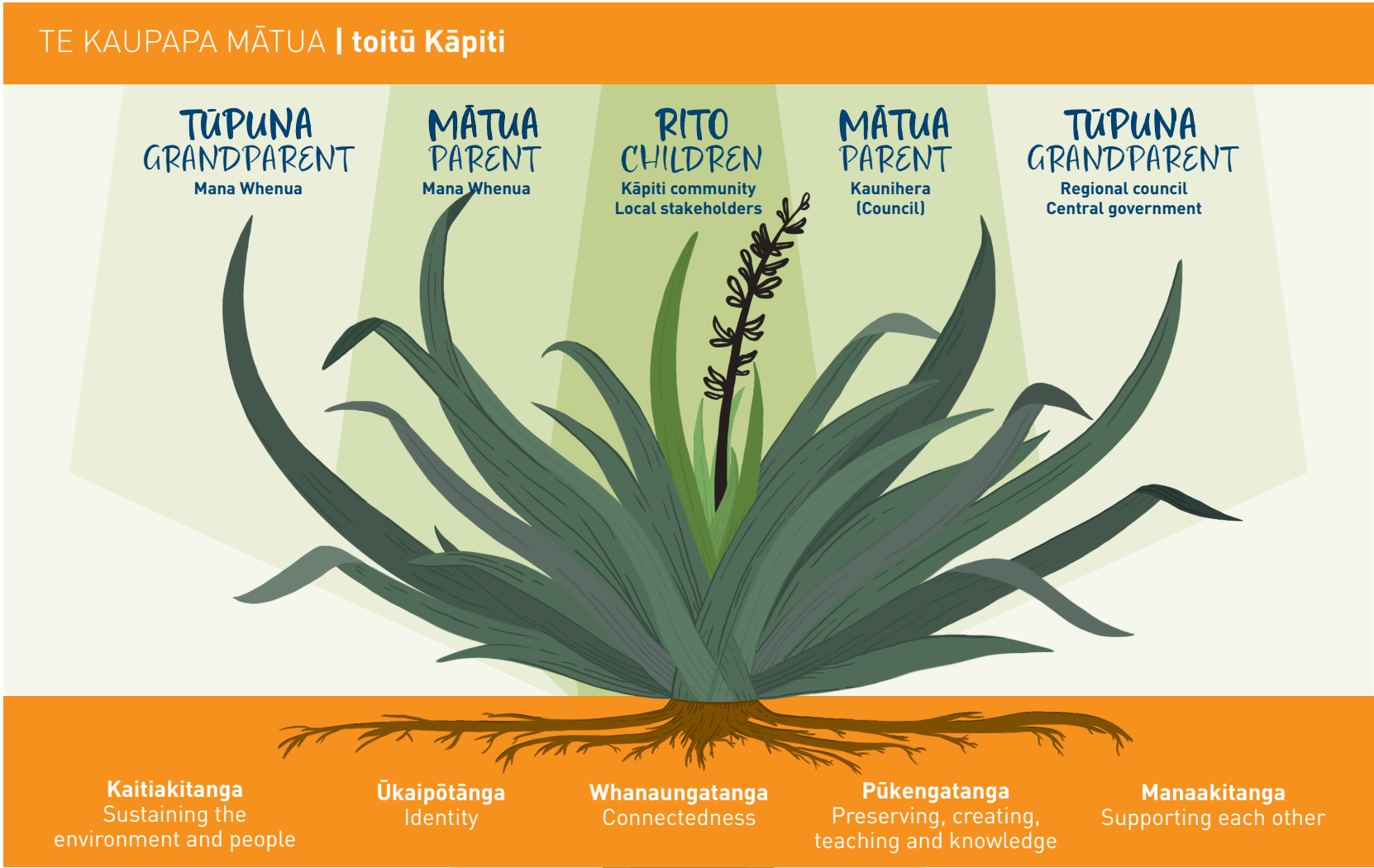
It has been a great year which has seen the elevation of the Iwi Partnerships function within Council to its own group – Honongā a-Iwi.

Mana whenua continue to be directly involved in governance through the Council and its committees – increasing capability within iwi and the Council. These developments reflect the mana-enhancing partnership we strive for.

There is still much to be done, but we are heading in the right direction, with the refresh and review of our Partnership Agreement being a priority.

Nāku noa nei

André Baker
Kaihautu Te Whakaminenga o Kāpiti



Performance summary



Snapshot of the Council's performance for the year

Financial performance/position

\$8.5m

Surplus is mainly due to external funding for capital works. This does not represent a cash surplus.

70%

Total income is derived from rates.

7.5%

Average rates increase 2022/23.

\$81.4m

Actual rates revenue for the year.

\$1.9b

The Council's net value as at 30 June 2023.

\$199.8m

Net debt at 30 June 2023.

AA/A-1+

credit rating from S&P Global.

Capital projects

\$61.5m

Despite supply and resource shortages we achieved our highest capital spend.

73%

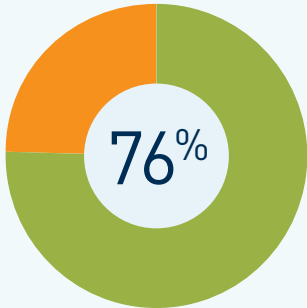
Capital expenditure budget spent.

\$23.2m

Carried over to 2023/24 and outyears.



Service performance



Achieved 76%

Not achieved 24%

63

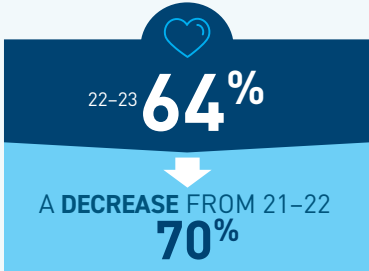
Achieved

21

Not achieved

Out of 84 performance measures.

Residents' satisfaction



Compared to the previous year:

• overall adjusted **satisfaction** ↓ 6 %

• satisfaction with **value for money** ↓ 5%

The three drivers of change in satisfaction relate to the Council:

• Making good decisions

• Guiding the District in the right direction

• Value for money.

Item 10.1 - Appendix 2

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Financial overview

Revenue for the year was
\$116.8 million

Council's mainstream revenue includes rates, fees and charges and external grants and subsidies. This made up 89% of Council's total revenue for the year and was in line with budget. Old State Highway 1, the section from Mackays crossing to Peka-Peka, was planned to be vested to Council in 2022/23 at a fair value of \$49 million, which is accounted for as revenue. This did not eventuate and explains why Council's total revenue was \$49.5 million below budget for the full year.

Total expenses for the year were
\$108.3 million

Total operating expenses, including personnel, depreciation and finance costs were in line with budget for the year.

Operating surplus for the year was
\$8.5 million

Council's total revenue less total expenses has resulted in a surplus of \$8.5 million for the year. This mainly reflects external subsidies received for Council's capital works programme and does not represent a permanent cash surplus.



Unrealised gain on derivatives

\$2.9 million

This represents the difference between the current market value of the derivatives, compared to their original cost when acquired.

Unrealised gain from revaluation of property, plant and equipment

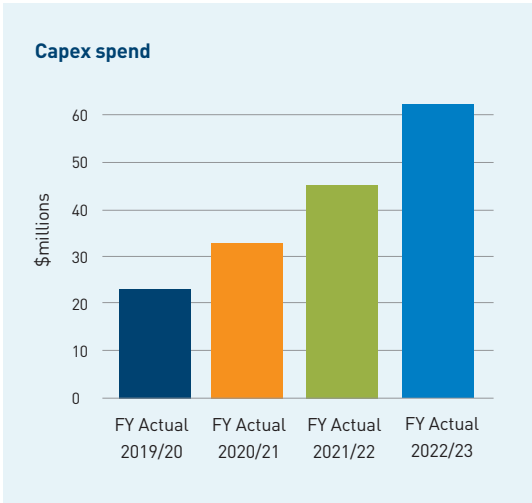
\$221.9 million

All assets were revalued this year and the assets' values have increased for land and buildings (\$124.8 million), roading and bridges including land under roads (\$67 million) and three waters (\$29.3 million) to reflect fair value, being current replacement costs less depreciation to account for the age of the assets. \$128.7 million (58% of total revaluation increase) relates specifically to Council-owned land, which was last revalued in 2020. These land valuations have no impact on Council rates. Land valuation movements depend on zoning and location.

Capex spend this year was

\$61.5 million

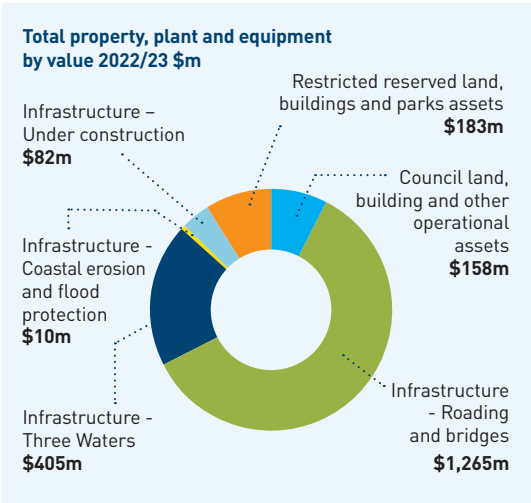
Delivering capital projects has proved challenging due to materials and labour shortages combined with changing circumstances and community preferences. A few projects were not completed as planned. \$23.2 million has been carried over to 2023/24 and out years.



Financial position

Council assets at 30 June 2023
\$2.2 billion

95 percent of the Council's assets is property, plant and equipment (PPE). The PPE value is \$189.8 million higher than the budget due to the significant increase resulted from revaluation.



Council liabilities at 30 June 2023
\$310.3 million

Gross borrowing of \$275 million made up 89 percent of total liabilities. The remainder is mainly trade creditors (8 percent of council liabilities).

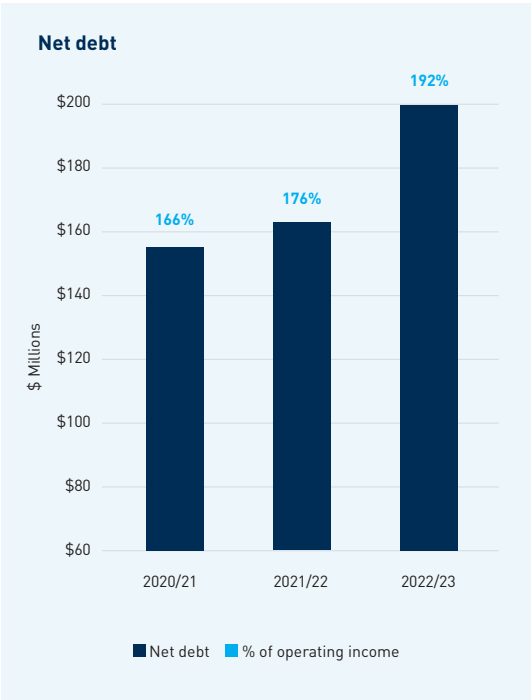
Public equity at 30 June 2023
\$1.9 billion

Ratepayers' equity being the difference between total assets and liabilities, stood at \$1.9 billion, \$0.2 billion more than budget due to higher than budgeted revaluation increases of PPE.

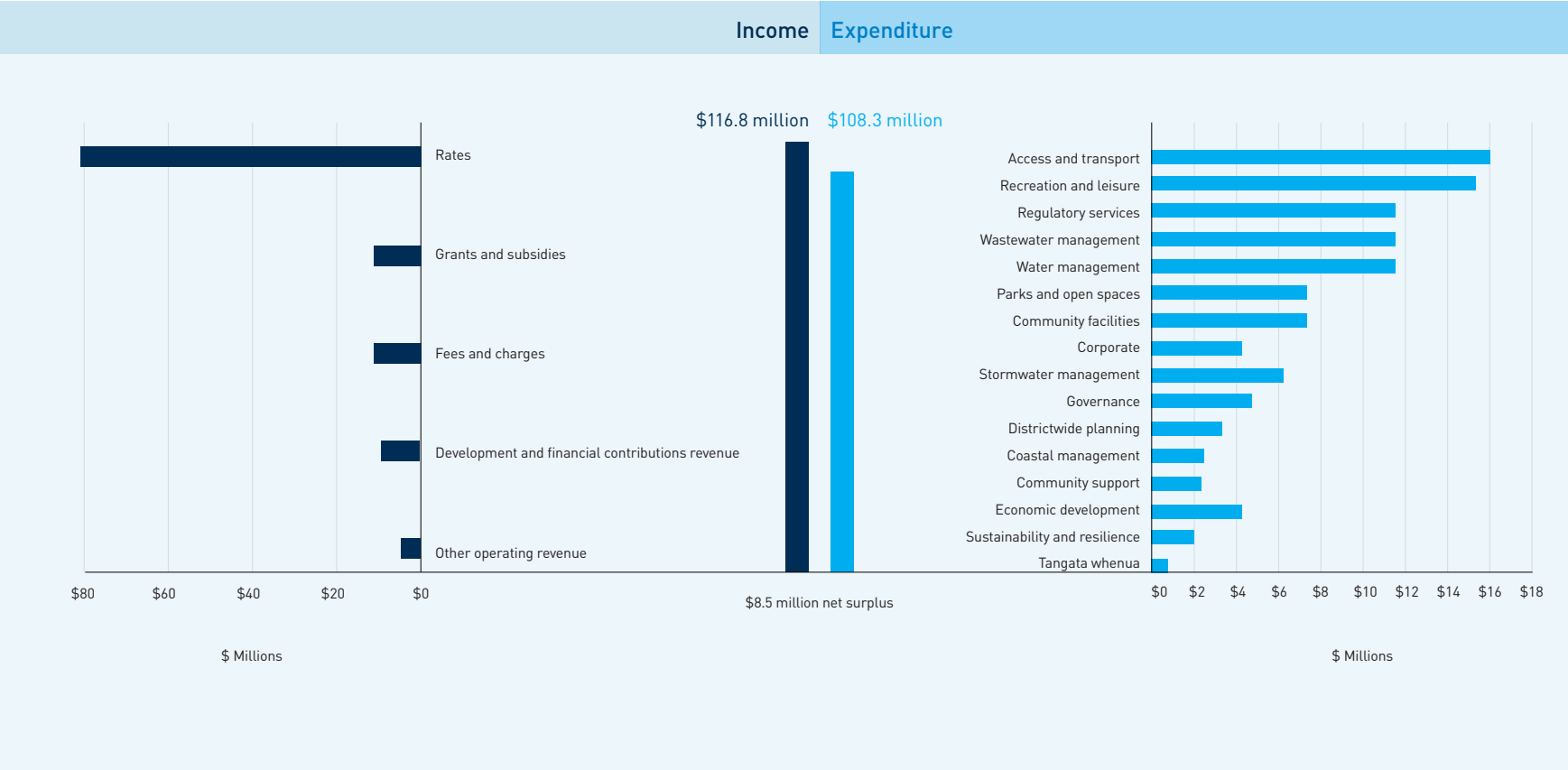
Cash and debt management

Net debt was
\$199.8 million
192.4 percent of operating income

Net debt (total borrowings less term deposits, borrower notes and cash) is well below the upper limit of 280 percent and preferred limit of 250 percent as set out in the LTP.



Financial performance (\$ millions)



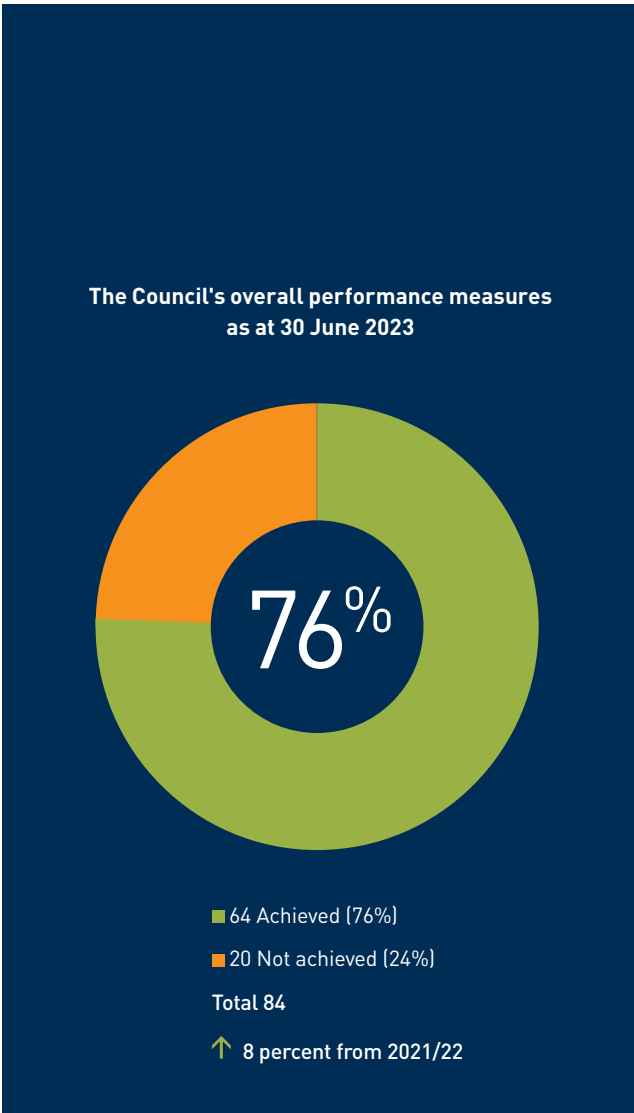
summary

Service performance overview

Council achieved 76 percent of the 84 performance targets that support the delivery of levels of service.

This result is higher than the previous year when 68 percent of performance measures were achieved.

While the 2022/23 year has seen improved performance in many areas, opportunities to improve are apparent.



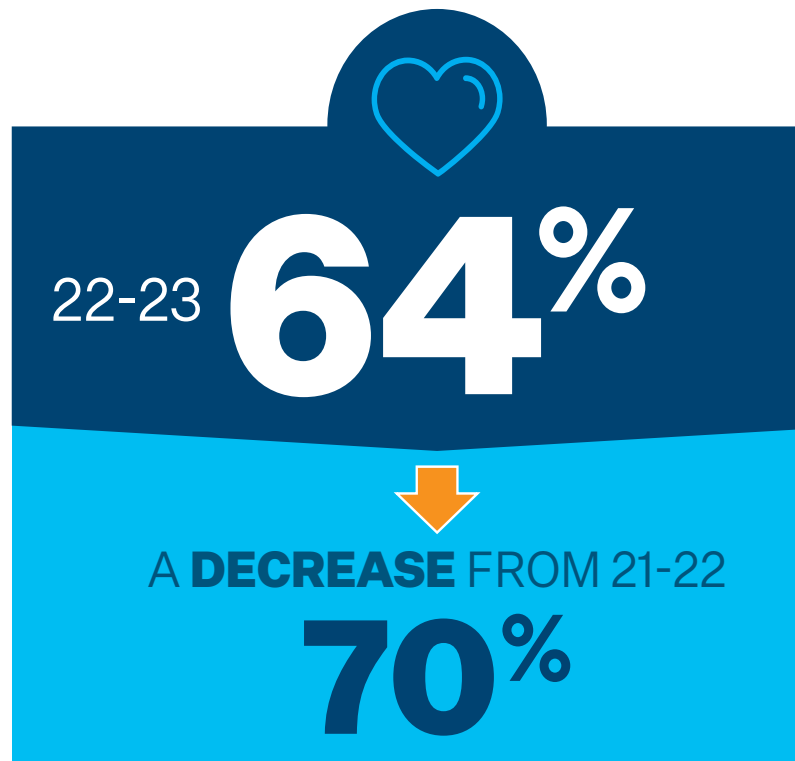
| <p>Community services performance measures as at 30 June 2023</p>  <p> 20 Achieved (83%) 4 Not achieved (17%) Total 24 ↑ 16 percent from 2021/22 </p> | <p>Partnerships performance measures as at 30 June 2023</p>  <p> 6 Achieved (60%) 4 Not achieved (40%) Total 10 No change from 2021/22 </p> | <p>Planning and regulatory performance measures as at 30 June 2023</p>  <p> 3 Achieved (50%) 3 Not achieved (50%) Total 6 ↓ 17 percent from 2021/22 </p> | <p>Corporate performance measures as at 30 June 2023</p>  <p> 1 Achieved (100%) 0 Not achieved Total 1 No change from 2021/22 </p> |
|--|--|--|--|
| <p>Outcomes</p> | | | |
| <ul style="list-style-type: none"> Our communities are resilient, safe, healthy, thriving and connected. Everyone has a sense of belonging and can access the resources and services they need. Our natural environment is restored and enhanced as we transition to a low-carbon future. Mana whenua and the Council have a mutually mana-enhancing partnership. | <ul style="list-style-type: none"> Mana whenua and the Council have a mutually mana-enhancing partnership. Our local economy is prosperous with ample opportunities for people to work and learn in Kāpiti. | <ul style="list-style-type: none"> People have access to suitable housing in Kāpiti so that they can live and thrive. Our communities are resilient, safe, healthy, thriving and connected. Everyone has a sense of belonging and can access the resources and services they need. Our natural environment is restored and enhanced as we transition to a low-carbon future. Mana whenua and the Council have a mutually mana-enhancing partnership. | <ul style="list-style-type: none"> Corporate activity supports other Council activities to deliver against outcomes. |

summary

Residents' Opinion Survey results

Results that informed 2022/23 performance measures

Overall Satisfaction

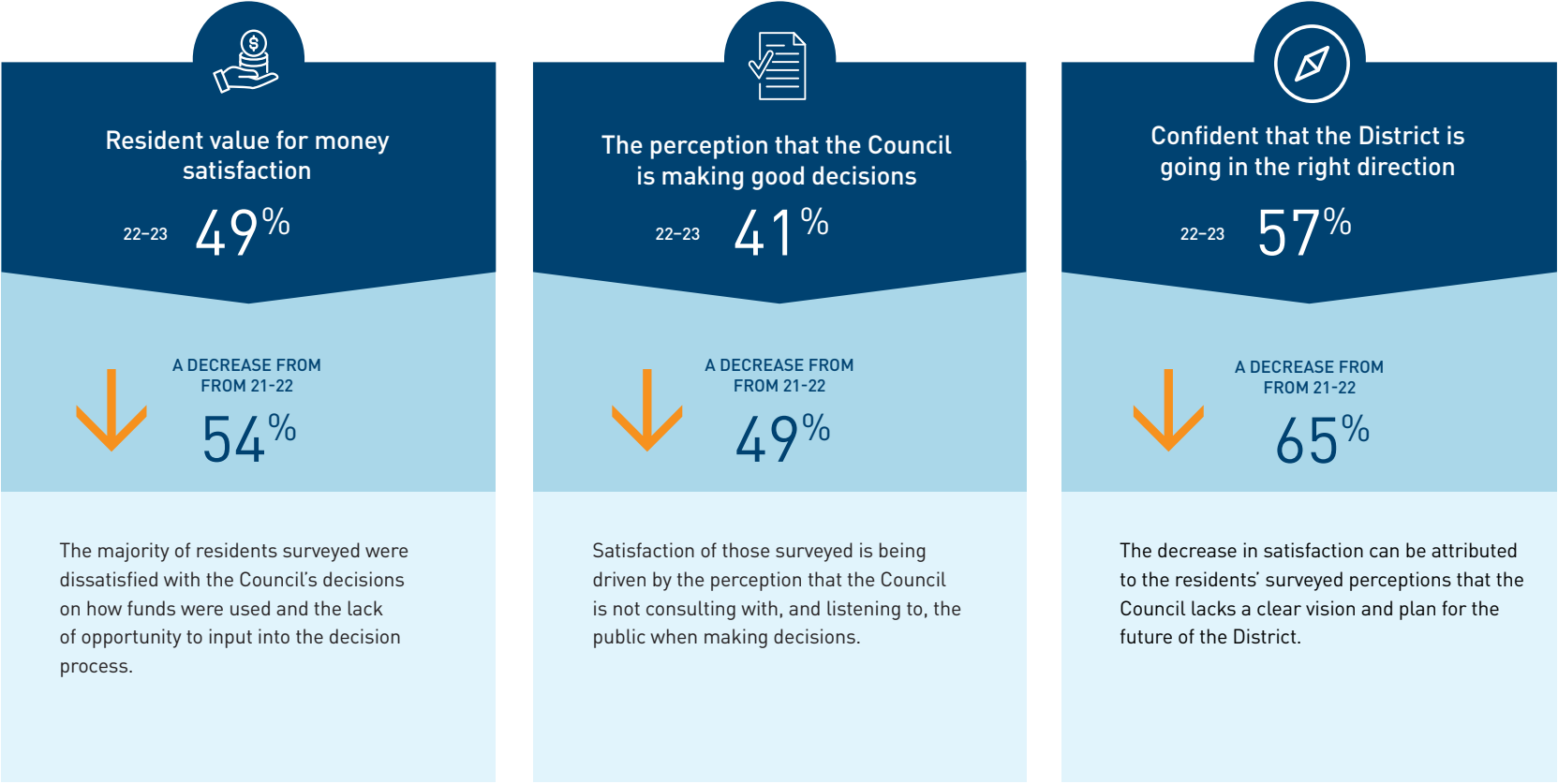


800 residents were surveyed during the year. This is considered to be a statistically valid sample size.

Drivers of change in satisfaction

Quarterly surveys throughout the year indicate that the below drivers have influenced opinions during 2022/23.

Improving these aspects may improve residents’ perceptions of the Council and ultimately raise overall satisfaction with the Council.

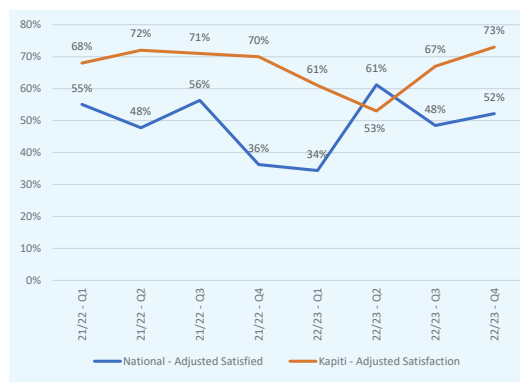


National comparisons¹

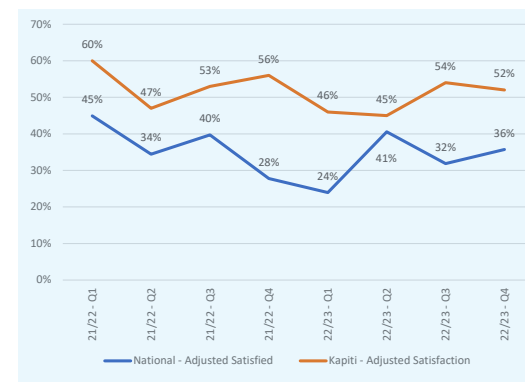
Overall satisfaction and value for money satisfaction in Kapiti are trending higher than national satisfaction results measured by quarter

However, whilst we are improving in these areas, we are still trending lower than the national average in terms of opportunities to have a say and information on decisions that may affect people, measured by quarter.

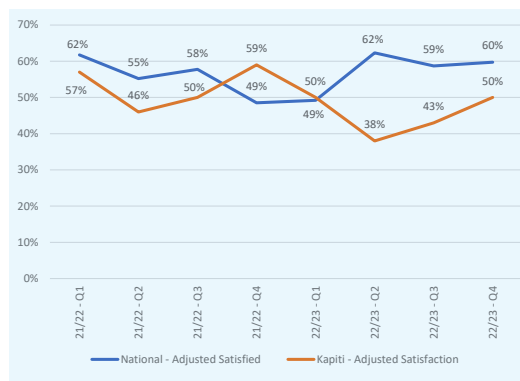
Adjusted satisfaction – Overall satisfaction



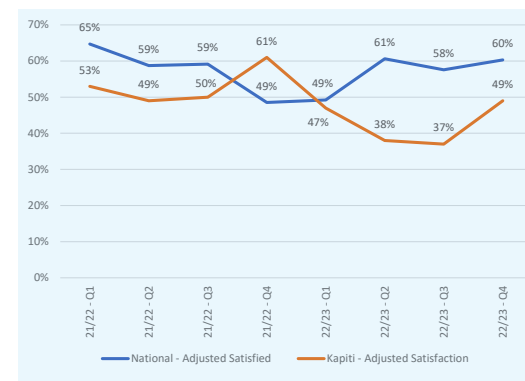
Adjusted satisfaction – Value for money



Adjusted satisfaction – Opportunities to have my say



Adjusted satisfaction – Information on decisions that affect your area



¹ Source: What is driving perceptions of Local Government? Research First, 2023.



Our finances

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

It includes the summary financial statements that show our actual expenditure and income, changes in our equity, total assets and liabilities and our cash flows for the 2022/23 financial year against budget.

Summary statement of comprehensive revenue and expense for the year ended 30 June 2023

| 2021/22 Actual \$000 | | 2022/23 Actual \$000 | 2022/23 Budget \$000 |
|--|--|----------------------------|----------------------------|
| Revenue | | | |
| 75,673 | Rates | 81,366 | 81,735 |
| 29,155 | Other operating revenue | 35,464 | 84,527 |
| 104,828 | Total revenue excluding gains | 116,830 | 166,262 |
| Expenses | | | |
| 90,701 | Operating expenses | 100,729 | 100,128 |
| 90,701 | Total expenses | 100,729 | 100,128 |
| Interest | | | |
| 1,346 | Interest income | 2,570 | 1,500 |
| 8,543 | Interest expense | 10,137 | 8,983 |
| 7,197 | Net interest expense | 7,567 | 7,483 |
| 6,930 | OPERATING SURPLUS/(DEFICIT) | 8,534 | 58,651 |
| Unrealised gains/(losses) | | | |
| 23,370 | Unrealised gain/(loss) on revaluation of financial derivatives | 2,947 | 7,210 |
| 30,300 | NET OPERATING SURPLUS/(DEFICIT) | 11,481 | 65,861 |
| Other comprehensive revenue and expense | | | |
| 117,071 | Revaluation of property, plant, and equipment | 221,945 | 36,633 |
| 147,371 | TOTAL COMPREHENSIVE REVENUE AND EXPENSE | 233,426 | 102,494 |

Summary statement of financial position as at 30 June 2023

| 2021/22 Actual \$000 | | 2022/23 Actual \$000 | 2022/23 Budget \$000 |
|----------------------------|-------------------------------------|----------------------------|----------------------------|
| 75,447 | Current Assets | 93,284 | 81,687 |
| 1,882,654 | Non-Current Assets | 2,123,679 | 1,965,419 |
| 1,958,101 | TOTAL ASSETS | 2,216,963 | 2,047,106 |
| 72,353 | Current Liabilities | 88,286 | 93,837 |
| 212,512 | Non-Current Liabilities | 222,020 | 248,952 |
| 284,865 | TOTAL LIABILITIES | 310,306 | 342,789 |
| 1,673,236 | TOTAL EQUITY | 1,906,657 | 1,704,317 |
| 1,958,101 | TOTAL LIABILITIES AND EQUITY | 2,216,963 | 2,047,106 |

Summary statement of changes in net assets/equity for the year ended 30 June 2023

| 2021/22 Actual \$000 | | 2022/23 Actual \$000 | 2022/23 Budget \$000 |
|----------------------------------|---|----------------------------|----------------------------|
| 1,525,865 | Equity at 1 July 2022 | 1,673,236 | 1,601,823 |
| 30,300 | Net operating surplus/(deficit) | 11,481 | 65,861 |
| 117,071 | Revaluation of property, plant, and equipment | 221,945 | 36,633 |
| 147,371 | Total comprehensive revenue and expense | 233,426 | 102,494 |
| - | Transfers from revaluation reserve | (5) | - |
| 1,673,236 | CLOSING EQUITY AT 30 JUNE | 1,906,657 | 1,704,317 |
| <i>Equity is represented by:</i> | | | |
| 624,595 | Accumulated funds | 633,245 | 688,847 |
| 9,632 | Reserves and special funds | 13,252 | 8,306 |
| 1,039,009 | Revaluation reserve | 1,260,160 | 1,007,164 |
| 1,673,236 | CLOSING EQUITY AT 30 JUNE | 1,906,657 | 1,704,317 |

Summary statement of cash flows for the year ended 30 June 2023

| 2021/22 Actual \$000 | | 2022/23 Actual \$000 | 2022/23 Budget \$000 |
|----------------------------|--|----------------------------|----------------------------|
| 28,339 | Net cash flow from operating activities | 32,526 | 41,547 |
| (40,966) | Net cash flow from investing activities | (44,514) | (78,012) |
| 16,768 | Net cash flow from financing activities | 10,798 | 36,032 |
| 4,141 | Net increase/(decrease) in cash and cash equivalents | (1,190) | (433) |
| 11,133 | Total cash and cash equivalents at 1 July | 15,274 | 16,029 |
| 15,274 | TOTAL CASH AND CASH EQUIVALENTS AT 30 JUNE | 14,084 | 15,596 |

Notes

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

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

The summary financial statements do not provide as complete an understanding as the full financial statements in the Annual Report 2022/23.

There have been no changes in the accounting policies in the year ended 30 June 2023.

Water services reform programme

The New Zealand Government is implementing a water services reform programme that is intended to ensure all New Zealanders have safe, clean and affordable water services. The Government believes this will be achieved by establishing new public entities to take on the delivery of drinking water, wastewater and stormwater services across New Zealand. The reform will be enacted by three pieces of legislation:

- The Water Services Entities Act 2022, which (as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023) establishes ten publicly owned water services entities and sets out their ownership, governance and accountability arrangements. A water services entity is established (for transitional purposes) on the date on which the appointment of the entity's establishment board takes effect, and its establishment date (operational date) will be a date between 1 July 2024 and 1 July 2026.
- The Water Services Legislation Act 2023, which amended the Water Services Entities Act 2022 on 31 August 2023 to provide for the transfer of water services assets and liabilities to the water services entities.
- The Water Services Economic Efficiency and Consumer Protection Act 2023, which provides the economic regulation and consumer protection framework for water services. The consumer protection framework will come into force on 1 July 2024 and the rest of the Act came into force on 31 August 2023.

Compliance

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

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

Events after the end of the reporting period

There are no material non-adjusting events after the reporting date.

This summary has been extracted from the Annual Report 2022/23, which was adopted by the Council on 26 October 2023. It contains detailed information about Council's service and financial performance for the year ending 30 June 2023.

The full annual report can be viewed on the Council website www.kapiticoast.govt.nz. Printed copies of the annual report are available at the district's libraries and service centres.

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INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF KĀPITI COAST DISTRICT COUNCIL'S SUMMARY OF THE ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

The summary of the annual report was derived from the annual report of the Kāpiti Coast District Council (the District Council) for the year ended 30 June 2023.

The summary of the annual report comprises the following summary statements on pages 16 to 17 and pages 22 to 23:

- the summary statement of financial position as at 30 June 2023;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended 30 June 2023;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service provision (referred to as service performance overview).

Opinion

In our opinion:

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

Summary of the annual report

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

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

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2023 in our auditor's report dated 26 October 2023. Our opinion included an emphasis of matter drawing readers' attention to the disclosures about the Government's three waters reform programme.

District Council's responsibility for the summary of the annual report

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

Auditor's responsibility

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

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

In addition to our audit of the audited information and our report on the disclosure requirements, we have performed a limited assurance engagement related to the District Council's debenture trust deed. Other than this engagement, we have no relationship with, or interests in, the District Council.

Sam Nicolle

Ernst & Young
Chartered Accountants
On behalf of the Auditor-General
Wellington, New Zealand
26 October 2023



Kāpiti Coast
DISTRICT COUNCIL
Me Huri Whakamuri, Ka Titiro Whakamua

Contact information

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