Long-term Plan 2024–34

Respondent No. 366

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Kāpiti Coast DISTRICT COUNCIL
Me Huri Whakamuri, Ka Titiro Whakamua

Personal information

First name	Anonymous
Last name	Anonymous
I'm providing a submission (choose one):	as an individual
Do you want to speak to Council about your submission at our public hearings on 2 May?	No
Are you happy for your name to be published with your feedback:	I do not want my name published with my feedback

Submission

Is there anything else you'd like to tell us about this LTP?

The financial aspects of the consultation document were hard to follow. Context was missing for the decision process outlined, suspect that in the process of making it a simple document it lost the ability for the reader to have a better understanding on what is being proposed and why.

PROPOSAL 1: HOW SHOULD COUNCIL FUND THE INCREASED COST TO DELIVER THREE WATERS SERVICES?
Now that the three waters legislation has been repealed, we need to fund the $4.7 million operating cost shortfall for three waters services in Year 1 of the LTP.
Which option should we choose? (select 1 option).
Option 1: Fund $4.7 million shortfall with an additional 5% rates increase in Year 1.
Option 2: Fund $4.7 million shortfall by taking on debt each year.
Would you like to expand on your answer?

Not Supported

Current economic times find people in hardship. Maximum affordability of rates according to The Shand Report is capped at 5%. KCDC's LTP Consultation Document page 8 references this report and dismisses the validity of this due to the report being 17 years old. They use the age of the report as their reasoning to self-impose a new rates affordability proxy of 7%.

Yet, median household income has increased significantly since 2007, which in turn allows for council to increase rates within the 5% affordability threshold.

On page 12 of KCDC's Draft Financial Strategy 2024 it determines what the impact average rate increases would look like using 6%-8% for Year's 2-10. It assumes a 17% increase for 2024/25 or Year 1. Yet to stay within the rates affordability of 5% this would allow for a maximum of 10.3% for Year 1 and then mirroring the estimated salary increase at 3% per year.

The proposed increase as presented versus keeping within 5% affordability in dollar terms at Year 10

Rates Affordability 2033/34 rates pa
2024/25 Proposed increase 17% then 7% $10,183
2024/25 Within 5% affordability 10.3% then 3% $ 6,811
Difference $ 3,372
Or an additional per week $65.00

It is not clear if the Median Household income is specific to the Kapiti region, or that the overall pre-tax median income for NZ has been used. Recent publication from KCDC based on the Census 2018 data reported that 26% of Kapiti Coast District's population is over 65 versus 16% nationally. Kapiti region being 10% higher in the over 65's.

Annualising the 2023/24 NZ Super gross weekly rate of $879.58 for two people living in the same household equals $45,738.16 pa (after tax at 'M' $39,709.28 pa). This represents only 45.12% of the median income $101,362 as shown in the Affordability table for 2023/24. (refer Draft Financial Strategy 2024 pg.12)

Benefit rates at 1 April 2023 - Work and Income

Median annual rates shown at $5,539 pa represent 14% of disposable income ($106.52 per week) for two people in the same household where both receive NZ Super and rely solely on this for income.

My understanding is that Council have four core deliverables to ratepayers, I will refer to them as front-line services.
o Water
o Stormwater
o Waste water
o Roading
What would a "no frills" budget focussing on front-line services only, look like? Central government have been tasked with reducing expenditure by as much as 7.5% per agency. Has council followed the same austerity measures when reviewing their LTP?

KCDC need to regain ratepayer confidence in their fiscal management. Expenditure on vanity projects such as the Paraparaumu Town Centre aka as the Transport Hub has not been transparent, reported on social media at circa $8.6 million, an OIA necessary to get this information. McLean Park upgrade another example. The existing toilet block was demolished last week. Used on occasion, these facilities were adequate and functional. The park including a revamp of the skateboard facility has a $3.2 mil budget. The cost of this project alone would have covered the shortfall of the "Better Off Funding".

It's time to stop using ratepayers' pockets as an extendable credit facility. The draft Financial Strategy indicates that borrowings have increased by $40 mil since June 2022/23.

Stepping back to last year, the KCDC Annual Report 2022/23 reported an operating surplus of $8.5 mil. This included non-cash depreciation and amortisation expense of $26.2 mil. There is always an option to defund the depreciation shortfall for the 2024/25 year while council works on belt tightening and reducing expenditure for future years.

PROPOSAL 2: PROACTIVELY REDUCE COUNCIL'S DEBT | PAGES 28-32PAGES 32
To build a resilient future for Kāpiti we want to proactively reduce Council's debt through annual rate increases.
Which option should we choose? (select 1 option).

Option 1: Apply average rates increases of 8% per year from 2025/26 to 2033/34.
Option 2: Apply average rates increases of 7% per year from 2025/26 to 2033/34.
Option 3: Apply average rates increases of 6% per year from 2025/26 to 2033/34.
Would you like to expand on your answer?

All three options are not supported.

Please refer to my response in Proposal 1, time to show restraint.

Restraint = removing all expenditure on nice to have items and focus on essential repairs only. Defer capital works programs where the existing facility/asset is deemed fit for purpose.

Accepting the rising costs as just the way things are does not cut it. Some hard choices need to be made to curtail expenditure.

Chart 16 – Planned Capital works program reports as estimated $172M in Other activities. Suspect this contains some "nice to have" items, so suggest KCDC start here.

PROPOSAL 3: PROVIDING MORE SUSTAINABLE COUNCIL HOUSING FOR OUR OLDER PEOPLE | PAGES 34-39PAGES 39
With a growing housing need across our district, we need to ensure our older people have access to quality, affordable housing now and in the future.
Which option should we choose? (select 1 option).
Option 1: Transfer our older persons' housing assets to a new Community Housing Provider.
Option 2: Older persons' housing is delivered by an existing Community Housing Provider with less influence from Council.
Option 3: Older persons' housing continues to be deliver by Council with no option to grow the portfolio.
Would you like to expand on your answer?
The documents provided for community consultation do not provide the market valuation for this portfolio. These form part of ratepayer's assets which offset liabilities. Sale of these assets to an existing Community Housing Provider is an opportunity to reduce debt as well as cost of ongoing maintenance.

Council involvement in the provision of housing should be limited to…. supportive through consenting functions and through the provision of infrastructure.

INTRODUCING A CLIMATE ACTION RATE | PAGE 41PAGE 41
We want to consolidate our climate action activities and track the associated funding through a targeted rate. This new rate won't increase the amount we currently collect from rates.
Which option should we choose? (select 1 option).
Option 1: Introduce a new targeted climate action rate based on a property's capital value rather than the current land-value based general rate.
Option 2: Make no change to how we allocate funding our climate change activities.
Would you like to expand on your answer?

I support Option 2 leave in general rates

Council has already spent in the region of $4-$5 million on the Takutai Kapiti project. The outcome of this will be "recommendations" from the Coastal Adaptation Panel on preferred pathways, optional thresholds for adaptation planning and recommendations on the District Plan Change. This was touted as a "community led" initiative, but the majority of the ratepayers in Kapiti had little to no understanding of it until recently. A flyer arriving in our letterbox from CALM was the first I'd heard about the project and alerted to its implications.
KCDC have declared a Climate Emergency, fearmongering at its best which has resulted in expenditure on "predictions" and "modelling". Ridiculous to even contemplate the ability to predict sea level rise in the next 10 years, let alone 50 or 100 years. There has never been and never will be such a thing as settled science. NZ is earthquake prone, lets take Kaikoura earthquake for example, the seabed rose by over 1 metre. Meteorologists are challenged in forecasting the next 10 days weather with any accuracy. We should be focussing on real things and not planning for something that may or may not happen.

We are told time and time again that the science is settled around the climate emergency. This is absolute nonsense, and no independent scientist should ever agree that it is settled. Even the CAP scientist has stated that “we dont know what will happen in the future”.

Why did Kapiti Council opt to stray away from traditional methods of protecting our coastline. The money spent and committed to this project would have been better directed to seawall projects which I believe have been delayed, awaiting for recommendations of preferred pathways. People that have lived on the coast for decades, observe that if anything land has increased. I’ve read an open letter recently where it suggested that Sustained Wet Pegs could be used to identify when the sea level has risen to a point where the peg is affected and action required. A practical solution, something tangible that cannot be disputed. Another concern is that this alarmist approach to rising sea levels is likely to deter people considering moving to the Kapiti Coast. I already know of people talking about moving out of the area, as they see the impact on rising rates and debt, not to mention the hazard report noted on all property LIMs!

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