Long-term Plan 2024–34

Respondent No. 272

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Kāpiti Coast DISTRICT COUNCIL
Me Huri Whakamuri, Ka Titiro Whakamua

Personal information

First name	Gordon
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I'm providing a submission (choose one):	as an individual
Please let us know what ward you live in	Ōtaki
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:	My name can be published with my feedback

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Submission

Proposal 1: Three waters funding
Which option should we choose? (select one option)

Option 1: Fund $4.7 million shortfall with an additional 5% rates increase in Year 1.

Would you like to expand on your answer for option 1?

Had 3 Waters been implemented, ratepayers (with a water supply) would be paying something, somehow, to the new entity. This equation is missing from the information supplied. The total operating cost needs to be collected each year from those who benefit.

Proposal 2: Proactively reduce Council's debt
Which option should we choose? (select one option)

Option 3: Apply average rates increases of 6% per year from 2025/26 to 2033/34

Would you like to expand on your answer for option 3?

I always advocate for spreading the rates burden over future years, where this is justified. The rating base changes each year, as people upsize/downsize, move in/out of the district, and die. That way they will be paying the true cost at that time.

I would like to see a more scientific approach to debt repayment, based on the life of the asset funded. Major assets such as Aquatic Centre, Council building, libraries, could be on a 30 year repayment like most first home lending is nowdays. Likewise for new roading and pipes. I believe different councillors have lurched from proactively paying down debt (The Ross Church era) to letting it rise again (Guru) - let's be consistent !

Proposal 3: Transfer Council's housing for older people
Which option should we choose? (select one option)

Option 2: Older persons' housing is delivered by an existing Community Housing Provider with less influence from Council

Would you like to expand on your answer for option 2?

I agree Council should get out of housing for older people, to a separate entity focused on this, that can seek external funding and grow the portfolio.

I support using an existing entity, that already knows what it is doing. Why set up another entity (and isn't there a residual risk to Council if it fails ?) Council can still negotiate how they are involved with an existing entity (though I question why they need to if they are getting out of this activity - are they any different to any other category of ratepayer?).

Selection of the entity (and could be more than one) will be interesting.

There will be Council interaction regarding rating policy; these units will of course be rated to the same extent as owner-occupied units.

New climate action rate
Which option should we choose? (select one 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

Would you like to expand on your answer for option 1?

This makes sense, though I can see the impact will increase rates for commercial ratepayers (Coastlands, retirement villages) with high capital improvements. Good luck getting that through ! I am mindful that this may become an "extra" rate over time.

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

I was interested to look back at the 2012 LTP, where the forecast KCDC rates income for 2022/23 was $86.9 million. This was the 4th LTP we did; and the 3rd one with an attempt at indexing (inflation). The actual 2022/23 rates were $81.4 million (LESS than projected earlier). This is a credit to your forecasting team, and a reflection of the swings and roundabouts in local govt planning !
A major difference is the annual budget for capital expenditure (higher annual budgets going forward than forecast earlier) and the consequential effects. Interestingly debt was forecast to be $172m back then (and decreasing each year as all the known capex items were ticked off), vs the $221m debt today, while interest was budgeted to be $14m vs the current $11m (they were forecasting average interest rates of 7-8% back in 2012).
I would like to see some analysis of how accurate/meaningful these long term budgets are; it would help justify (or not) the effort made every 3 years. It would be a relatively simple exercise to track some key metrics - e.g. Rates, Total Assets, Debt, Rating base every 5 years or so vs previous LTP's.

You should be aware that some of us will keep this LTP too, and look back in the years to come at how realistic this exercise turns out to be ! And finally, well done; the plan gets more readable with each iteration.