

OIR: 2324/940

10 June 2024

Tēnā koe [REDACTED],

Request for Information under the Local Government Official Information and Meetings Act 1987 (the Act) (the LGOIMA)

Thank you for your email of **22 May 2024** requesting the following information:

- Please would you explain why Kapiti Rates are so high when compared with Hutt City, Upper Hutt and Wellington all of which have major water leaking problems.***

The high debt in Kapiti Council is not the ratepayers problem and should be managed so as to ensure only essential project spending is done in times when a lot of people are battling financially.

The new finance minister has set a good example to follow.

Comparing on the Council's average rates to another Council does not take into consideration differences in rating base, rates requirements, rating policies or individual area priorities and challenges.

Below is a comparison of each councils rating base and rates revenue requirement for 2023/24 as per each council's 2023/24 Annual Plan:

Council	Rating base	Rates Requirement (\$'000) for 2023/24 (excluding GST)
Kapiti	25,763	90,833
Hutt City	42,290	160,598
Upper Hutt	17,546	52,975
Wellington	81,656	479,859

Clearly the rates requirement and rating base are quite different so we could not compare councils with councils.

Please note that any information provided in response to your request may be published on the Council website, with your personal details removed.

Kapiti has invested heavily and continues to invest in maintaining its core infrastructure including water, wastewater and stormwater to increase our resilience to flood hazards and impacts from climate change.

In 2023/24, the cost of providing services (rates revenue required) is approximately \$90.8 million (excluding GST, rates remissions and including rates paid by us).

Below are the costs of providing services per resident per week based on our current estimated population of approximately 57,600.

Activity	Capital Spending (\$'000)	Net Operating Expenses (\$'000)	Cost per Resident per week (Operating)
Access and Transport	15,418	12,480	\$4.17
Coastal Management	7,463	3,426	\$1.14
Community Facilities	7,732	5,709	\$1.91
Community Support	-	3,162	\$1.06
Corporate	4,557	1,731	\$0.58
Districtwide Planning	1,000	4,019	\$1.34
Economic Development	-	3,284	\$1.10
Governance	-	4,635	\$1.55
Tangata Whenua	168	1,281	\$0.43
Parks and Open Spaces	9,036	7,750	\$2.59
Recreation and Leisure	2,657	11,945	\$3.99
Regulatory Services	41	5,839	\$1.95
Sustainability & Resilience	195	1,631	\$0.54
Stormwater Management	7,421	4,027	\$1.34
Wastewater Management	7,295	9,582	\$3.20
Water Management	24,145	10,333	\$3.45

2. I would like to see some examples of cost savings identified/achieved by Kapiti Council in the following areas:

- a. Efficiency improvements**
- b. Improved contract negotiations**
- c. Budget reviews, cost reductions**
- d. Staff vacancies/deductions**
- e. Procurement opportunities**
- f. Careful financial management**
- g. Postponement of projects that can be deferred**

We worked hard to get operating costs down so that the impact on rates is as low as possible without compromising service levels.

Some examples of how the Council continue to review operating costs, contracts, and projects:

- A new sustainable meadow will sprout in Raumati this spring as part of a trial to find new ways of managing open space on the Kāpiti Coast. Please refer to [‘low mow’ trial to reduce costs and emissions](#).
- When producing the Long-term Plan 2024-34, the Council reduced operating cost increases from \$5 million down to \$2 million by prioritising funding only for essential infrastructure and community facilities.
- The Chief Executive has capped permanent staffing numbers for the first three years of the Long-term Plan 2024-34 at 436, which reduced our personnel budget by \$1.7 million annually.
- As part of the draft Long-term Plan 2024-34, the Council has proposed to transfer the housing for older people to community housing providers to access to the central government funding in response to our growing housing need for our most vulnerable residents and they have access to quality, affordable housing. This would result in reducing the funding by rates for the shortfall of operating the housing for older people portfolio.
- In November 2023, the Council has decided to put the development of Otaraua Park on hold as costs have skyrocketed. The original allocated budget of \$5.9 million in previous long-term plans to build a pavilion and to work alongside sports codes to “develop an operating model to meet recreative outcomes” has risen to \$17.5 million due to further information about the site and cost escalations. The current assets management plan has been focused on looking after existing assets that are in poor condition before adding new assets. Please refer to the [report 7.3 for the Climate and Environment Subcommittee meeting](#).
- The Council prepares a Long-term Plan every three years and review plans annually. The Senior Leadership Team review financials monthly and the Council provides a performance report. Please refer to the performance report for more information on financial, non-financial and project performance [Council performance reports - Kāpiti Coast District Council \(kapiticoast.govt.nz\)](#).

Ngā mihi,



Mark de Haast

Group Manager Corporate Services
Te Kaihautū Ratonga Tōpū