

OIR: 2324/872

19 April 2024

[REDACTED]
[REDACTED]

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 **3 April 2024** requesting the following information (in bold):

Referring back to the KCDC's council meeting 16/11/2023 it was decided that rating increases shall be increased 12% for the next rating year.

It has now been inflated to 17%.

Can you please be so kind as to describe in detailed budgetary financial terms the following:-

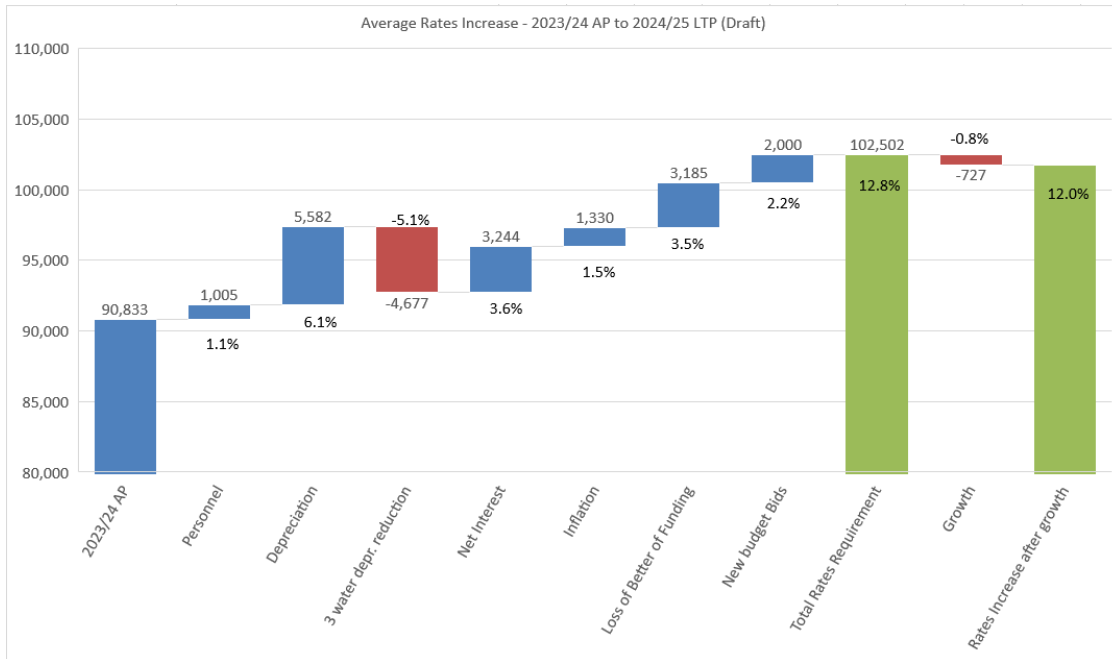
- 1. The projected breakdown of cost increases in terms of all KCDC components for the make up of the 12% rating levy cost increases as decided and agreed by Councillors in 16/11/2023***

Below is the graph showing the breakdown of the 12% in the council briefing 14 November 2023.

Please note the non-discretionary increase of 9.6% within the 12% total:

- Depreciation 1%
- Net interest 3.6%
- Inflation 1.5%
- Loss of better of funding 3.5%

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



2. The projected breakdown of cost increases in terms of all KCDC components for the make up of the extra 5% rating levy cost increases as now currently proposed by Councillors by the recent public notices.

The 5% rates increase is to fund the shortfall of \$4.7 million to fully cover the costs of our three waters services in 2024/25. Of the \$4.7 million, \$3.2 million was funded by one of “Better off funding” in 2023/24 to cover three waters operating costs, and \$1.5 million forecast depreciation increase resulted from planned asset revaluation as at 30 June 2024. The proposal is to fund the \$4.7 million by rates from 2024/25.

This is termed as an RFI simply because the information underpinning the proposed rating levy increases already exists, as you needed this in order to agree and make the recommended increases as stated publically.

I fully understand and realize the reasons for some of the increases but need to know the break down or analysis of the KCDC services to which these new budgetary requirements specifically relate to.

I have analysed the high level service budget summary in the LTP page 23 the total projected expenditure over the term of the LTP is close to \$1 Billion dollars made up of :-

Stormwater	\$188.8 M	9%
Coastal	\$ 55.2 M	5.6%
Water services	\$453.2 M	45.9%
Roading	<u>\$290.0 M</u>	<u>29.4%</u>
Total	<u>\$987.9 M</u>	<u>99.9%</u>

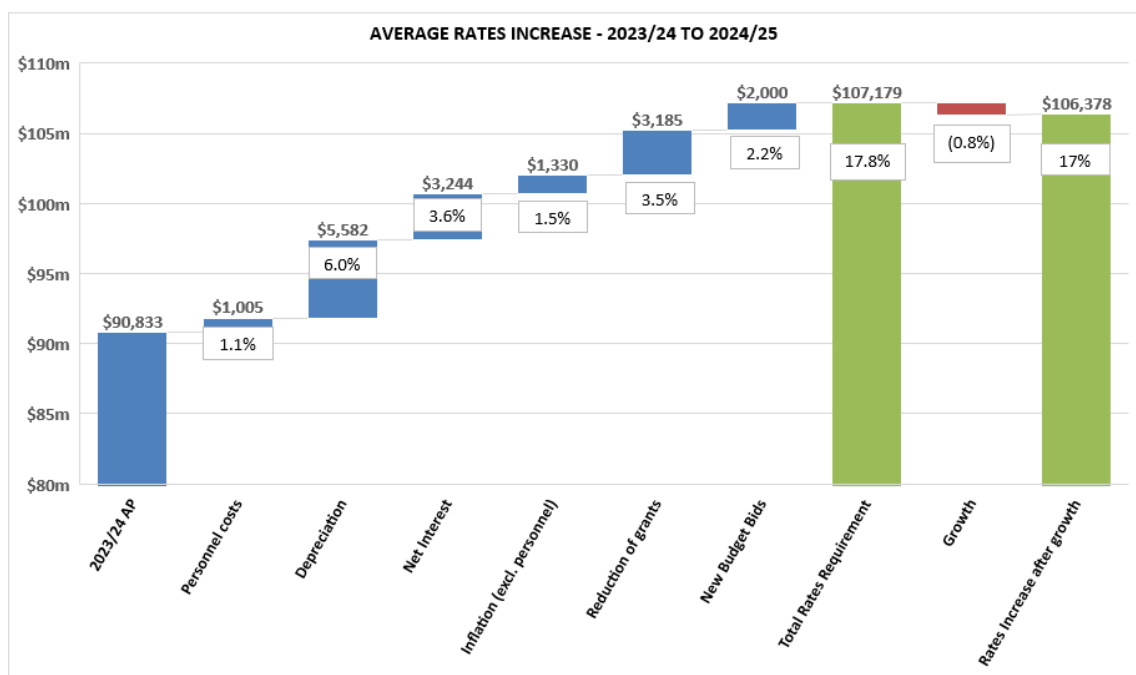
And based on projected Rating Levy revenue 2024 /2025 of \$107 M only a very small portion of this projected work can begin in that rating year.

3. So to further clarify my earlier budget breakout request can you please elucidate what proportion of the 17% increase relates specifically totalling in to the above four categories please?

The budget summary in the proposed LTP (the consultation document) page 23 is for the 30 years capital works programme of the five activities: stormwater, coastal, water services, wastewater and roading under our Infrastructure Strategy.

The capital expenditure does not impact on rates increase directly. Only the interest expenses and depreciation associated with the borrowing for those capital works programme impact on rates increase.

The 17% rates increase is broken down by cost drivers is as below:



4. Also where do the CAP, CALM and Managed Retreat budgets fit into the above?

There is no budget for CAP, CALM or Managed Retreat in the proposed LTP 2024-34.

Ngā mihi,

Mark de Haast
Group Manager Corporate Services
Te Kaihautū Ratonga Tōpū