

Long-term Plan 2024–34



Respondent No. 131

Response ID 5655264

Date of contribution Apr 17 24 07:06:19 am

Personal information

First name John

Last name Andrews

I'm providing a submission (choose one): as an individual

Please let us know what ward you live in Paekākāriki

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

Submission

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

With reference to the 17% rates increase as described below
<https://www.kapiticoast.govt.nz/proposedrates> and
<https://www.thepost.co.nz/nz-news/350224854/scrapping-three-waters-adds-kapiti-coast-rates-burden>

This communication is a plea for Equity and Fairness by KCDC for the rating calculation applied to Valuation reference 15400/3700

As a self –sustaining rural property with a request to obtain an Undertaking from Council that you will not increase rates to rural properties who are self sufficient and provide their own water services at their own cost ,and confirm that you will not charge the eco self – sufficient and self sustaining rural properties for cost increases due to water services that KCDC cannot provide.

Included in this Undertaking by Council is to : not increase the rating levies beyond the rate of inflation.

For your information the New Zealand official inflation for the past year was 5%, it was not 12 %, and it was not 17% nor was it 24% .

The “cost increase “figures put forward by KCDC in the LTP have not been substantiated, nor has the detail been verified by independent audit. The detail underpinning the estimates has not been published.

I have already requested as an RFI the following :-

1. To obtain via the Official Information Request a break down of the cost increases that inflated the rating levies to increase by 12% as decided by Council 16/11/23
2. To also obtain via the OIR a break down of the cost increases that inflated the rating levies to increase by a further 5% to 17%

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% based on a blanket charge of the recovery of \$4.7 Million across ALL ratepayers regardless of whether they use these services or not.

This is inequitable.

This \$4.7M is a Capital Cost, it should be allocated over the useful life of the asset, and should not be on charged to ratepayers who have already paid for the funding of these Water Services assets.

These Assets are not owned by KCDC they are owned collectively by the ratepayers.

These water services assets comprise the bulk of KCDC core services and are listed as :

- Stormwater
- Coastal
- Water
- Rooding

It is further noted from Page 23 of LTP Consultation Document that Stormwater and Water represent 65% of the \$1 Billion infrastructure budget;

While as a ratepayer I am totally willing to fund via rates the truly shared Core KCDC services comprising Rooding, Municipal functions, parks, libraries sports grounds and activities like the aquatic centre etc, this latest LTP is a step too far in that it is actively discriminating against self sufficient ratepayers by continuing to charge for services that KCDC cannot, and will not provide to them.

Furthermore from the Draft Fin Strategy 2024-34 the ratepayers net worth is \$1.9 Billion. KCDC does not 'own' the residential or business units nor the ratepayer funded infrastructure assets supporting them. Please do not overlook this.

The repealed debt repayment by central government was a Capital Cost and should NOT be expensed in one income year as you are now proposing. It should be spread over the life of the assets on which it is based – KCDC's policy goes against XRB accounting principles and was not addressed in the statement by Sam Nicolle, Ernst & Young On behalf of the Auditor-General that ..." [that the LTP] fairly represents the matters proposed..." this is a misrepresentation and needs to be corrected.

KCDC never had the right to mortgage Ratepayer Funded assets [Water infrastructure assets etc.] to any external loan or debenture provider without democratic approval or via a referendum.

Furthermore the principles outlined in the LTP requests that ratepayers bear the cost of funding these THREE times over , namely –

1. The original ratepayer capital funded in the past for water infrastructure whether by past rating levies or past private residential building services set up costs [KCDC water actually being in pretty good shape compared to the rest of the country]
2. This new LTP initiative to refinance and capitalise \$700 M out of \$1 Billion that penalises self sufficient ratepayers who cannot use the "new" water services.
3. Further by expecting the ratepayers to fund the water services Depreciation provisions long term out of yearly rating levies.

Please Note:-

The rating differentials you claim benefit rural properties in actuality do not, as shown below in the rating discrimination calculation.

The 2024-2034 LTP has not been updated for any allowance for these true, actual and appropriate differentials to be applied.

KCDC claim to support Eco – Self Sustainability – in our case this is not true , you actively discriminate against us and this very principle, and penalise us for being self sustainable with regard to our own collection of rainwater, bio -disposal of sewerage, and self management of flooding and Stormwater.

No where in LGR Act 2002 does it state that rating levies are a tax or a property tax, rating levies are clearly a charge for services [stormwater, Coastal, Water Services and Rooding etc] provided by KCDC The words water service(s) appear 74 times in the Local Government Rating Act 2002

references to the words "property tax" in the Ratings Valuations Act 1998 does not occur anywhere in that legislation, nor do the words "tax on property".

So the justification for the charging of services that KCDC do not provide is non-existent and needs acknowledgement and correction.

Particular working calculations taken from KCDC's own data to show how KCDC actively discriminate and penalise us for overcharged rating services that you cannot and do not provide.

Rating discrimination calculation workings :

Average residential rates [ARR] <https://www.kapiticoast.govt.nz/media/l5hisy0z/2223-456-council-rates.pdf>

we [Val Ref 15400/3700] already pay higher than this average and cannot use or a barred from using these services.

Projected rates for 15400/3700 =

According to page 5 of https://s3-ap-southeast-2.amazonaws.com/ehq-production-australia/d9d6cdfbce2c888fa4e7a6dcba0bc1f220116a/original/1711598509/1c83f106e2916809b2d67cc7f5071f8c_KCDC_LTP_2024-34_Consultation_Document.pdf?1711598509 the 4.7 M shortfall that KCDC needs to fund due to Govt withdrawing from 10 Waters amounts to \$215 per household Rating Unit [RU] \$ 4,700,000/ 21856 RU's = 215 p.a. per rating levy year 2024 -2025

using the average Residential Rates [ARR] of \$3263 this amounts to an extra funding requirement of approx 5%

workings [increased by the November 16th 2023 agreement : $3263 \times 1.12 = 3654$, then $215/3654 = 5.9\%$ hence $12\% + 5 = 17\%$

whether the Rating units used to calculate the \$4.7.M over charge is 21856, or 24888, or 26493 does not detract from the fact the KCDC have used a blanket charge over all RU's and not correctly assessed the detail use of the water assets – by urban residential, urban businesses , or rural non-users.

This report from 2023 states 21856 residential household rating units

<https://www.kapiticoast.govt.nz/media/l5hisy0z/2223-456-council-rates.pdf>

Whereas this one states 25465 <https://ratepayersreport.nz/kapiti-coast-district-council/>

The 2018 census states 24888 [being 21906+2892+90] <https://www.stats.govt.nz/tools/2018-census-place-summaries/kapiti-coast-district> but this is superceded by the 2023 census which are not to be released until May 29th 2024 and are estimates only.

Using the 2021-41 LTP as a rating base 2021-41 LTP Rating units base page 316 - the total of 26493 is the total RU's with no distinction for urban residential , business, rural or self –sufficient rural.

Furthermore the rural rating differentials on page 321 do not allow for the eco self-sufficiency of those RU's who cannot or are barred from using KCDC water services. The so called "differentials" has the effect of increasing the rating levies to well in excess of the of the average rural rating which this property value [15400 / 3700] is less than at \$1,190,000 [capital and improvements] and KCDC rates only are \$2740 NOT the 2418 as misrepresented in the above published "median " we are BELOW the median and yet our existing KCDC rates are higher than what you are misleading the public with.

How it perceived that KCDC calculated the extra 5% increase in rating levies from 12% to 17 %

See:

No where in <https://www.kapiticoast.govt.nz/council/forms-documents/annual-and-long-term-plans/what-are-annual-and-long-term-plans/> is it clear or publicised that KCDC have issued a Rating Impact Statement where it sets the rating levies that self sufficient rural ratepayers are to be charged on water services [for incoming piped clean uncontaminated water and outgoing sewerage] for which the Council cannot provide, and cannot demonstrate any proof that those services have been provided in the past or in the future.

The one minute 40 second video is childish, contains no detail of any substance and is a disgrace to ratepayer intelligence.

Likewise the 2021 -2041 LTP 2021-2041 LTP does not contain this referenced levy overcharge in an impact statement.

25465 households according to <https://ratepayersreport.nz/kapiti-coast-district-council/>

Please may I have the KCDC rates on our property corrected to \$2418 p.a. as our gross valuation is \$1190000 and below the benchmark \$1200000 ...

We currently pay 2740

As per your own published figures :-

This chart is a total fiction.

Our total property valuation is \$1,190,000 [capital and improvements] and KCDC rates only are \$2740 NOT the 2418 as misrepresented in the above "median " we are BELOW the median and yet our existing KCDC rates are higher than what you are misleading the public with.

Proposed [as above chart increase of 26.5%] 3058 / 2418 as an increase over existing actual 2740.47 x 26.5 % will become = \$3465.82 + GWRC rates of 881.91 x 1 + 19.8% =1055.53

Total \$4524.12

Expressed as :

A projected increase of 4487/3622.38 = 23.9 % including GWRC rates or

Solely KCDC rates ex http://eservices.kapiticoast.govt.nz/rates/properties/1540003700?current_new=new

3409 + 215 / 2418 corrected = 49.9% increase

3409 / 2418 excl \$4.7M levy = 41.0%

3409 / 2740 uncorrected = 24.4 %

Disregarding what ever RU unit numbers are used and disregarding whether the \$4.7 M is expenses or not out increase in rates has a minimum start point of 24.4 % increase

As per <https://www.kapiticoast.govt.nz/ProposedRates> for 1540003700 = 3409 being 3409 / 2740

existing = 24.4 % increase NOT the advertised 17%.

Page 281 of 2021-41 LTP 2021-41 LTP specifies user charges but does not account for the water service charges as used by those urban and business ratepayers who use them. This logic used by KCDC is inconsistent with Equity and Fairness.

The users who use the Water Services should pay for them and not be subsidised by others who have no possibility of using them, or barred by council to use them.

I will further communicate a full response and presentation re the LTP prior to the closing date of 28/4/2024 of which this ratings element is only a part of.

Upload any related files



https_s3-ap-so..._pdf_1713301512