Kāpiti Coast
DISTRICT COUNCIL
Me Huri Whakamuri, Ka Titiro Whakamua

OIR: 2627/5

22 July 2026

[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 **7 July 2026** requesting the following information:

1. ***What actions are being taken by Kapiti Council to reduce the excessive debt level?***

   The Council's approach to managing and reducing debt is set out in the Financial Strategy adopted as part of the 2024-34 Long-term Plan (LTP), both of which are available on the Council's website.

   The Financial Strategy provides a pathway for debt levels to reduce over time. While the planned debt repayment programme was paused in 2025/26 to help manage rates increases, the Council continues to manage debt within its Financial Strategy and will review and refine its debt reduction pathway as part of the 2027-37 LTP.

2. ***What limits have been set on the maximum amount to be borrowed in the next financial year?***

   The Council's Financial Strategy includes a limit that net debt must not exceed 280% of revenue. The 2026/27 Annual Plan is forecast to remain well within this limit, with net debt projected to increase from $303 million at 30 June 2026 to $324.5 million at 30 June 2027 (213% of revenue).

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

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3. ***What percentage of the principle loan repayments has been set to be paid back by the Council for 2027 and future years?***

The Council does not set a fixed percentage of principal debt to be repaid each year. Instead, debt is managed through the Financial Strategy, which includes a planned reduction in debt levels over time. As part of the 2024-34 LTP, Council adopted a debt reduction pathway that included fully funding depreciation and introducing active debt repayments. While the goal to achieve fully funding depreciation has been achieved, the planned debt repayment in 2026/27 was deferred to help reduce rates increases. The overall debt reduction pathway will be reviewed and refined as part of the development of the 2027-37 LTP.

4. ***What "non-essential" projects have been/are planned to be cancelled/ postponed to reduce debt?***

The Council does not maintain a separate list of "non-essential" projects. Capital projects are prioritised through the LTP and Annual Plan processes based on legislative requirements, asset condition, service levels, growth, risk, and community outcomes. As part of this process, projects may be deferred, re-scoped, or reprioritised to balance affordability, infrastructure needs and debt levels. No specific projects have currently been identified for cancellation, although future capital investment is being reviewed through development of the 2027-37 LTP.

5. ***What other cost saving ideas have been identified?***

The development of the 2026/27 Annual Plan included a review of the Council's operating and capital budgets to identify opportunities to reduce the rates increase while maintaining essential services and planned levels of investment.

As part of this process, the Council implemented a range of rates reduction options, including:

- Reducing staffing and project delivery costs through organisational and project changes ($660,000)
- Reducing funding for the Social Investment Fund ($150,000)
- Increasing fees for private plan changes ($200,000)
- Reducing the economic development budget ($325,000)
- Reducing cultural capacity funding ($150,000)
- Pausing the planned rates-funded debt reduction programme for one year ($400,000)
- Adjusting fees and charges to reflect inflation, generating approximately $300,000 in additional revenue.

Identifying efficiency improvements and opportunities to manage costs is a standard part of the Council's annual budgeting process. A similar review was undertaken during development of the 2025/26 Annual Plan.

Identifying efficiency improvements and opportunities to manage costs is a standard part of the Council's annual budgeting process. Rates affordability has been identified as a key consideration for the 2027-37 LTP and the Council will continue to explore options to improve efficiency and prioritise expenditure. To support this work, the Mayor has established a Councillor-led Finance Focus Group which will consider key financial issues and options through a series of public briefings later in 2026.

6. ***What is the estimated financial benefit of combining Councils?***

The potential for savings through amalgamation of local government functions has not yet been quantified.

7. ***How is the Council going to reduce rates in line with inflation?***

The Council cannot yet determine whether future rates increases can be reduced to inflation levels. Rates affordability is a key objective of the 2027–37 LTP process. Through the Prioritise Kāpiti engagement programme, the Council is seeking community feedback on priorities and trade-offs, which will help inform decisions on future budgets, debt levels and rates. Councillors will consider these matters through a series of public briefings later in 2026 before any proposals are developed for consultation.

Ngā mihi,

Sheryl Gavin
Acting Group Manager Corporate Services
Te Kaihautū Ratonga Tōpū