

19 January 2021

Kapiti Grey Power

Request for Official Information responded to under the Local Government and Official Information and Meetings Act 1987 (LGOIMA) – reference: 7810207 (OIR 2021-148)

I refer to your information request we received on 5 December 2020 and the clarification we sought on 7 and 11 December 2020 for the following:

- 1. In response to a proposal to rate those beachfront properties south of Marine Parade for benefit the response was that it was not an economic exercise (or words to that effect). How was this determined?**

The proposal was a suggestion in our submission to the last LTP that those properties on the beach front south of Marine Parade that had their seawall maintained by the Council because it protected Council assets should be rated for the benefit that they also received.

It is our understanding that you are referring to the submission received from Grey Power Kapiti on the 2018-38 LTP, which states:

“That property owners, where the Council has established a sea wall to protect public assets, also receive benefit, should be rated for that benefit. Previous LTP’s have said: “Where public intervention to protect public assets also creates private benefit via protection of private assets, Council may seek contribution to the cost of the works based on the specific analysis of the private benefit created.” The works south of Marine Parade are protecting significant private assets as is the maintenance work at Raumati. KCGP asks that this policy be revived and implemented. A statement in a previous LTP that this work (determining benefit) will cost more than the revenue received does not stand over the 30 year lifetime of the structures.”

The Local Government Act 2002 requires Council to undertake a two-step consideration process when determining who benefits from a Council activity and who should contribute to paying for it. This includes consideration of:

- community outcomes to which the activity primarily contributes;
- the distribution of benefits between the community as a whole, and any identifiable parts of the community and individuals;
- period over which benefits occur;
- the extent to which actions or inactions of particular individuals or groups contribute to a need to undertake the activity;
- the costs and benefits of funding the activity distinctly from other activities; and

- f. weighing up the impact of rates on the current and future community's social, economic, environmental, and cultural well-being.

These considerations are outlined in Council's Revenue and Financing Policy which can be found at <https://www.kapiticoast.govt.nz/media/22310/final-203-revenue-and-financing-policy-2018-38-ltp-web-version.pdf>

As part of our Revenue and Financing Policy, the Coastal Management activity is 100% funded from general rates. It is also part of our current policy that where public intervention to protect public assets along the coast also creates a private benefit, Council assesses whether to seek contribution to the cost of works based on analysis of the private benefit created. This assessment needs to demonstrate that a sufficient level of benefit is created and is guided by the Coastal Strategy.

In regards to the works south of Marine Parade and the Paekakariki seawall, Council identified that the main intention of the activity is to protect public assets and not private assets. The whole community and all users of public assets benefit from the protection of these public assets, and restoration of coastal character and systems. Private beneficiaries were a consequence of an action to protect a public asset.

The task associated with identifying all private beneficiaries along each seawall (which may include private properties and sections of commercial power lines, underground pipes, train tracks etc.) for the purposes of cost recovery is significant. This also needs to factor in the tasks associated with keeping this information regularly updated as changes to private assets occur or more seawalls are added, and administrative costs of charging. The cost of these activities will add to the existing rating impost.

Identifying the level of benefit attributable to each beneficiary group is also complex due to a number of factors. For example:

1. The Council recognises that along the coastline, there are seawalls that are privately constructed and maintained, which indirectly benefit Council and the whole community through protection of public assets. Council currently do not make any contributions towards these private costs. If Council were to seek contribution from private property owners for public works that protect private assets, then Council should also consider contributing towards private works that protect public assets.
2. The Council has also considered the end effects of seawalls, where the coastline situated at the ends of seawalls may experience more erosion and beach displacement than other areas. The level of benefit received by private properties towards the ends of the coastal wall therefore, are less than those situated in the middle. Council does not think it is fair to rate these properties the same as others along the wall. Setting up different rating categories within these properties to reflect the different levels of benefits received would add more complexity to an already complex rating system, and require more resources to administer. In addition, the public intervention to protect public assets may in some instances exacerbate the problem, which requires more seawalls to be constructed in these areas.

After careful consideration of all factors including those above, it is concluded that the benefits gained from recovering a portion of the coastal works on the south of Marine Parade and the Paekakariki seawall (or any other coastal defence structure publicly funded) from private beneficiaries, offset the costs of separately identifying and charging these beneficiaries. Therefore, it is Council's view that it is appropriate to fund 100% of this activity from districtwide general rates.

- 2. KCGP believes that properties on the seafront at Paekakariki also receive benefit that other properties on the seafront do not receive. The Council response to Grey Power's submission was that the benefit from the income was less than the cost of determining the rate. However, we now believe that the proposed seawall at Paekakariki falls into the same category. Other beachside properties meet the full cost of maintenance**

Please refer to the response for question one.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mark de Haast', written in a cursive style.

Mark de Haast
Group Manager Corporate Services
Te Kaihautū Ratonga Tōpū