

8 June 2021

[REDACTED]

[REDACTED]

Request for Official Information responded to under the Local Government and Official Information and Meetings Act 1987 (LGOIMA) – reference: 8407343 (OIR: 2021-270)

I refer to your information request we received on 26 May 2021 for the following:

[REDACTED]

In February this year the ratepayers of our little settlement, made up of everything from young new parents and the unemployed, disabled to very old retirees living in 2 bedroom cottages, and everything in between, received a letter from the Rotorua Lakes Council regarding a proposed Sewage Scheme which would be charged out to the ratepayers at \$33,000 (or more now) rather than us paying for the work from our rates over many years as all the other Rotorua lakes ratepayers have had a choice to do.

If the scheme is approved next week at the LTP meeting, we will be required to find the money within 4 years or be "debt funded" (as was mentioned in a newspaper article recently) whatever that means.

So what I'm doing is writing to the mayors of other districts to find out how common this is. It might have become a "usual" and acceptable activity?

My questions therefore are:

- 1. When has your council ever not saved for such a large, expensive project but rather has charged the ratepayers for the project, with a due date deadline for what might be life savings for some of the ratepayers?***

The Local Government Act 2002 requires that councils follow robust planning processes in consultation with their communities. Councils must prepare long-term plans (LTP) every three years and annual plans in the other two years. Kāpiti Coast District Council (Council) are working through the LTP process now.

For new services, which I interpret the proposed Tarawera scheme will be, Council would generally borrow to fund the initial project and then recover costs, mainly depreciation (which is the cost of the asset spread over its useful life) and interest through rates over the life of the asset. This may be what is proposed under the "debt funded" option you have mentioned.

2. What was the project and how much did each ratepayer have to pay?

This would depend on the cost of the project, the life of the asset created and council rating policies which determine how the cost should be shared across ratepayers, for example, targeted to the community benefiting from the service, or shared across all ratepayers.

3. What was the timeframe given?

Please refer to the response to questions 1 and 2 above.

4. If the project was funded in a debt funding scheme or n rates, how did your council arrange for the payment?

Please refer to the response to questions 1 and 2 above.

5. Did a letter such as the one attached, go out to the ratepayers informing them of what was likely to be happening, and asking for 75% agreement from the community before it went ahead?

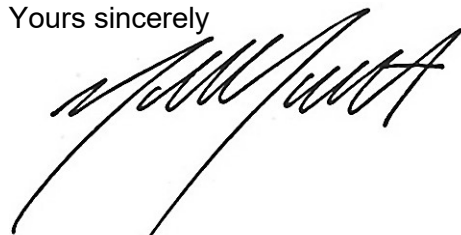
Councils are required to establish consultative processes around their policy-making activities which reflect the intent and the purpose of the Local Government Act 2002. The LTP must include information on activities, goods or services provided by a council, and specific funding and financial management policies and information.

There are a range of methods by which councils can choose to consult with their communities, including direct communication. Please note that the letter referred to was not attached for our consideration.

6. If you didn't get the 75% approval did you do the infrastructure work on a committee vote anyway?

Please refer to the response to questions 1 and 2 above.

Yours sincerely



Mark de Haast
Group Manager Corporate Services
Te Kaihautū Ratonga Tōpū