

OIR: 2526/278

12 February 2026



Tēnā koe ,

**Request for Information under the Local Government Official Information and Meetings Act 1987 (the Act) (the LGOIMA)**

Thank you for your email of **26 February 2026** requesting the following information:

- The Council's own Significance and Engagement Policy 2024 is more specific. It requires community consultation if there is an unbudgeted financial impact on net operational expenditure greater than 5 percent of the annual budget. We consider this threshold was met for both last financial year, and this financial year, as set out in the table below:***

Year ending 30 June \$millions	2025	2026
Operating expenses ex LTP	82.884	106.538
Less: provision for write off of Older Persons Housing, now not proceeding in 2025/26		-21.5
Underlying operating expenses	82.884	85.038
Out-turn/estimated out-turn	89.317	92.103
Variance	6.433	7.065
% variance from LTP budget	7.76%	8.31%
Source for Budgeted operating expenses:		
Long Term Plan, page 160		
Sources for out-turn:		
Year ending 30 June 2025: Annual report page 111		
Year ending 30 June 2026: KCDC performance report December 2025, page 76		

In relation to the \$21.5m budgeted provision for the write-down of Older Persons Housing (OPH) assets, the significance threshold is met only where an *unbudgeted* financial impact on net operational expenditure exceeds 5% of the Council's annual budget. Note that the threshold relates to the impact of a single change, not a total variance.

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

The \$21.5m write-down was budgeted in the Long-term Plan (LTP) in the *Prospective Statement of Comprehensive Revenue and Expense* (page 160). Operating expenditure of \$106,538,000 for Year 2 (2025/26) includes the budgeted write-down. The LTP was consulted with the community.

In reality, the Council has yet to make any decisions regarding the future of the OPH assets and therefore no accounting adjustments have been made to the value of those assets.

2. ***In addition, the financial position of the Council will be materially affected (relative to the Long Term Plan) by the implementation of Local Water Done Well, as well as the need to plan for the expected passage of the Local Government (Systems Improvement) Amendment Bill, especially the intended limitation on the scope of Council activities (for example, in the area of Economic Development).***

We do not expect any significant movement in the Council's financials as a result of this change. The Council consulted the community prior to making the decision to proceed with an Internal Business Unit (IBU). This decision was widely supported by the community.

Establishing an IBU is not expected to have any material financial impact on the Council, as we continue to own and operate the assets and deliver water services.

The impact of local government legislative changes will be addressed during the development of the 2027-37 LTP.

3. ***As discussed with yourself and other Councillors at our meeting of 17 December, we need to find better ways to engage with the community. Once the Council has confirmed that consultation is required under both the Act and its own policy, we would be pleased to discuss with you how we could work with you to maximise the effectiveness of the Council's consultation on the draft 2026/27 Annual Plan.***

The Council has determined that it will not formally consult the community on the 2026/27 Annual Plan as none of the changes made triggered significance in accordance with the Significance and Engagement Policy.

This decision followed an assessment of each of the changes included in the Annual Plan. The results of that assessment are available in the slide deck from the 18 December 2025 Council briefing. The slides can be accessed here [Annual Plan presentation](#).

The Council will, however, undertake a communications campaign to inform the community about the Annual Plan and the variations to year three of the LTP. This will include an information brochure to all ratepayers, along with social media and Everything Kapiti messaging. Two drop-in sessions are being planned to enable members of the public to talk to councillors about the Annual Plan and provide feedback if they wish. The dates have not yet been confirmed but this is likely to be mid-May.

- 4. If the Council determines that it will not consult, we would like to understand how such a decision was assessed and how such a decision meets the Council's engagement obligations as set out in the Act and in KCDC's Significance and Engagement Policy.**

Please refer to response at Question 3.

I trust this explains the points you raised and thank you for your ongoing engagement with the Council.

Ngā mihi,



**Mark de Haast**

Group Manager Corporate Services  
Te Kaihautū Ratonga Tōpū