


OIR: 2425-1343

OIR: 2425-1344

16 May 2025



Tēnā koe ,

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

Thank you for your emails of **15 April 2025** (OIR 2425-1343) in regard to our response to your OIR 2425-1311, and your email of **24 April 2025** (OIR 2425-1344) in regard to our response to your OIR 2425-1317.



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

Responses to your requests (2425-1342 and 2425-1344) are set out below:

**OIR 2425-1343**

**Question 1**

***Thank you for this, since the question was made it is established that KCDC provides security to LGFA over the rating levy income only [see DIA in 2425-1228 16 January 2025] the question of 'ownership' or title to the land underneath the assets is somewhat irrelevant as these are Publicly owned assets [land] and as you state in the case of some roads, jointly administered by NZTA.***

**Question 2**

***I fully understand the difficult position KCDC is in, and again verbally Sean Mallon has agreed the new legislation will be complied with, and the 'ring fencing' will be done. This request in terms of the consultation was made to ensure KCDC had done its due diligence, and was meant to be a constructive prompt. It is clear now that KCDC may have not fully complied with [Local Government \(Water Services\) Bill 2024](#) 108-1 so it may present future complications for KCDC in compliance and in meeting its WS delivery, disclosure and reporting obligations that is all?***

Please refer to our response to OIR 2425-1311, question 2.

**Question 3**

***Since the request was made discussions have been with Sean Mallon who is assuring the ratepayers that under the new LWDW delivery model cross subsidisation of water services [WS] from the General Districtwide and Community rates will cease.***

***So this is accepted bona fide but still does not answer the questions as to why 4340 self-sufficient ratepayers [OIR 2324-933] with no WS connections have been historically charged for services that they cannot receive and KCDC cannot provide?***

Please refer to our response to OIR 2425-1311, question 6(b).

**Question 4**

**Regarding the Debt allocation 'agreement' with DIA, the latter did not actually agree the logic of the 'estimate' projection as related in the correspondence, as this depends entirely on which Three Waters Services assets the debt had been incurred upon. To clarify this and using the attached spreadsheet can you please be so kind as to show which three waters assets [just the three main asset types] the debt has actually been incurred upon and the dates that happened, this will have some direct correlation to my unanswered request made 3/3/2025 Question 5? that is repeated here to assist you.**

**I trust you will understand this is important to establish as it allows the final reconciliation of the three waters debt attribution over those years concerned. The spreadsheet is accurate and was prepared by [REDACTED] so I am sure he will be able to assist you in this.**

Please refer to our response to OIR 2425-1311, question 4.

**Question 5 [3/3/2025] Please supply the Net Capex costs [excluding Opex which cannot be capitalised] incurring GST p.a. declared for the GST returns for the Water Services Assets purchased or added, grouped by the balance sheet asset type categories of Water, Waste-water and Storm-water for the 2023-2024 and preceding six years back to 2017-2018? [seven years being the IRD requirement for record holding]  
Just the Balance Sheet category Annual Report asset type totals will be sufficient.**

**This is not new information**

**It is not commercially sensitive**

**This is information that KCDC already possesses in its public sector accounting responsibility of paying GST on public ratepayer fixed assets to IRD.**

GST returns are transactional reports that will not provide the information sought.

Capital expenditure by asset category is detailed in note 11 to the 2023/24 Annual report. Earlier Annual Reports contain similar information.

**Question 5 [17/3/2025]**

**I understand this cannot be answered until the debt workings in the earlier version of Question 5 [3/3/2025] are provided, so I am happy to wait until this is met.**

**With regards to NZTA funding 50% of KCDC roading that is true but**

- This is for the main state highways only, not the arterial suburban or rural roads**
- Does not explain why KCDC increased the Districtwide roading levy by 37.8% from 1/17/2024 but this is the subject of another enquiry**

NZTA subsidies apply to most local road works.

### **Question 6**

**Can you please answer this question, as it is clear that KCDC finance staff knew fully well in the third quarter 2023 that the then Labour government could not honour “Three Waters” and was abandoning the scheme this was widely publicised by LGFA and the government and yet this extra rating increase has been levied upon all ratepayers for the next ten years and furthermore on the self sufficient rural ratepayers with no Water Services connections?**

Please refer to our response to OIR 2425-1311, question 6.

### **OIR 2425-1344**

#### **Question 1**

**Thank you for the admission by KCDC that the water connections model denominator supplied by Morrison Low is incorrect. Unfortunately the LWDW Consultation document is a public document and has now had the effect of misleading the Kapiti Coast Ratepayer public.**

**Morrison Low used an average of 24663 water connections [page 30 LWDW CD]  
The average stated on page 1 of the KCDC response to OIR 2425-1317 is 21514  
[(22572 + 20103 + 21869) / 3 = 21514]**

**In my request 21/3/2025 I stated :**

**Total KCDC rating base [OIR 2324-940] 25763**

**No water connection or -3142**

**Self sufficient rural properties under  
[OIR 2324-933] -4340**

**Water services RU User base 21423 Not the 24663 stated by Morrison.**

**It is assumed that by using the term ‘residential’ KCDC means urban RU’s connected to town supply and mains? please confirm**

**It is further assumed by the term ‘non-residential’ KCDC means rural RU’s not connected to any of the three water services? Please confirm**

**The Rural RU’s with no connections has not been correctly stated by KCDC in OIR 2425-1317**

	<b>OIR 2425-1317</b>	<b>OIR 2324-933</b>
<b>Water Management</b>	<b>1427</b>	<b>3142</b>
<b>Wastewater management</b>	<b>953</b>	<b>4340</b>
<b>Stormwater</b>	<b>1298</b>	<b>4340</b>

**Can KCDC please correct the response and re-issue OIR 2425-1317? And amend the Consultation Document?**

Our response to OIR 2425/1317 question 1 outlined the approach taken to Local Water Done Well modelling, which is considered appropriate to understand the relative cost differences between options. Your suggestion that this is incorrect or misleading is rejected.

**KCDC state that “the cost of each water service is recovered from properties that benefit or have the potential to benefit from the service in accordance with approved rating policies”...**

**Can KCDC please define what is mean by the term “potential to benefit” as this is unclear - a self sufficient rural property [under OIR 2324-933] does not have any of the three water connections and does not have any ‘possibility ‘of connection to town supply or waste. For example this requesting ratepayer’s rural property has existed for 165 years with no three waters connections to council services, and no possibility of that occurring. It is suspected that by far the majority of all rural properties will also fall into this category?**

**KCDC does not have the right under any legislation to charge rating levies for services it cannot provide. Nor to “agree an approved rating policy” that has the same effect.**

Council rating policies are set out in the Long-term Plan. Water and wastewater services are charged to connected properties, or those serviceable by those networks.

**This matter is currently under investigation by two Government agencies that KCDC is accountable to.**

**b) OIR 2425-1292 did not specifically address this, can you kindly please answer the question?**

**c) OIR 2425-1292 did not specifically address this, can you kindly please answer the question?**

**d) –**

**e) –**

**f) OIR 2425-1292 did not specifically address this, can you kindly please answer the question? The Commerce Commission guidelines are critical to the effective, transparent and equitable ring fenced charging for the new water services delivery model.**

Please refer to our response to OIR 2425/1317, question 1.

## **Question 2**

**The supplied statement “the in-house business unit option [ option 1] has no setup costs ..” may not be correct.**

**It is my understanding that the in-house business unit option will incur costs of \$1.4 Million can KCDC please confirm this and itemise? e out what those costs are?**

**It is understood that Water Industry levies to governing or supporting agencies [e.g. DIA, MfE, ComCom , Water Services.govt, Te Taumata Arowai, WaterNZ, and possibly LGFA] will be in the order of only \$300,000 p.a.?**

**Can KCDC please advise what the remainder of \$1.1M is for?**

As it already exists, the in-house business unit has no set up costs.

The in-house business unit is estimated to have additional ongoing operating costs of \$1.4 million per annum. This includes Taumata Arowai and Commerce Commission levies, and additional costs associated with compliance activities and management (e.g. planning, monitoring, and reporting), development of stormwater catchment plans, and additional water chemical and operations costs.

### **Question 3**

**Thank you for confirming that 'Council will comply with any legislative and information disclosure requirements'**

**May I please clarify the question that may not have been totally clear – if under the option 1 the water services assets are not transferred because they remain in house then will the ring fencing provisions and the S.432 Consequential Amendments Schedule 1 be complied with?**

As previously advised, Council will comply with any legislative and information disclosure requirements.

### **Question 4**

**Thank you, but It is noted from comments made by Councillors recently in the LWDW briefing meeting that KCDC CR's by voting as a 75% majority would overturn any decision made by public referendum.**

**As in the previous case of the Maori Ward this is an entirely unacceptable over ruling of the public majority voting wishes under so called democratic rights by representation, or should I correctly say misrepresentation?**

Please refer to our response to OIR 2425/1317, question 4.

### **Question 5**

**Unfortunately Note 11 on page 126 of**

**<https://www.kapiticoast.govt.nz/media/lk4joca3/kcdc-annual-report-2023-24.pdf>**

**Items Under Construction - under the Additions Column does not give the specific detail analysis requested by the Three Waters Categories as it is the summary of all operational assets [ including roads, and bridges etc...]**

**Yes, you are correct in stating the GST returns are transactional [assets purchased or installed at cost] returns to IRD that Do in fact provide the information sought to verify the Three Waters assets being ring fenced under LWDW.**

**You will no doubt understand this information is critical to establishing the correctness and verification needed to implement LWDW under the Public Consultation, and required not just for this purposes but also to the external government agencies overseeing LWDW.**

**This is not new information**

**It is not commercially sensitive**

**This is information that KCDC already possesses in its public sector accounting responsibility of paying GST on public ratepayer assets to IRD.**

***Can KCDC please answer the question as made and supply the information from 2017-18 to 2023-24?***

***Please supply the Net Capex costs [excluding Opex which cannot be capitalised] incurring GST p.a. declared for the GST returns for the Water Services Assets grouped by the three balance sheet categories of Water, Waste-water and Storm-water for the 2023-2024 and preceding six years back to 2017-2018? [ seven years being the IRD requirement for record holding]***

Please refer to our response to OIR 2425/1317, question 5.

You have the right to request the Ombudsman to review this decision. Complaints can be sent by email to [info@ombudsman.parliament.nz](mailto:info@ombudsman.parliament.nz), or by post to The Ombudsman, PO Box 10152, Wellington 6143.

Ngā mihi,



**Mark de Haast**

Group Manager Corporate Services  
Te Kaihautū Ratonga Tōpū