


OIR: 2425/1372

30 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 email of 21 May 2025 where you made the following comments:

***Kapiti council current debt is stated as \$ 282.1m. We had ridiculously high rates in 2024 (17.5%) to address these high debt levels but the debt has increased this year. Also you stated in the report that expenditure is estimated to be \$55m over budget. This is clearly unacceptable and very poor budget control Mismanagement by the Council. No wonder the government is stepping in to get Councils to focus on core activities only.***

I believe you are referring to the Council's Performance Report for the eight months to February 2025. Operating costs in that report were forecast to be \$5.5 million over budget (not \$55 million) and management commented in the meeting that they expect to bring that result closer to budget by year end.

You have also requested the following information:

**1. Please explain why the debt level was allowed to get so high**

Debt is an appropriate method of funding long life assets, spreading the cost over the generations that gain the benefit of those assets.

The overall level of debt is a function of investment in community infrastructure and services and the level of rates charged to the current generation. The Long-term Plan (LTP) is refreshed every three years and sets council priorities together with parameters for operating and capital expenditure, rates and debt.

As set out in recent LTPs, the Council has invested for resilience and growth with the result that assets are generally of good quality, however debt levels are correspondingly high.

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

**2. Please tell me the detailed plan to reduce the high debt (and the solution is NOT keeping rates high).**

The 2024 Long-term Plan includes a financial strategy that aims to reduce debt over time. The LTP can be found on the council website.

Consistent with the LTP financial strategy, for the first time in many years depreciation will be fully funded through rates in 2025-26, an important step towards ensuring current ratepayers fund their fair share of asset costs and excess debt is not accumulated.

**3. Why was this not given priority and a special section in the annual plan**

The Annual Plan follows the direction of the LTP and is consistent with the financial strategy set out in that document. It was not considered necessary to repeat LTP material in the Annual Plan.

Ngā mihi,



**Mark de Haast**

Group Manager Corporate Services  
Te Kaihautū Ratonga Tōpū