

OIR: 2425/1311

11 April 2025

[REDACTED]  
[REDACTED]

Tēnā koe [REDACTED],

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

Thank you for your email of **17 March 2025** requesting the following information:

- 1. Can KCDC produce LINZ certificate of title ownership links to the full \$499M worth of revalued three Water Services [WS] assets on the KCDC Annual Report Balance sheet 2024, showing that these WS Assets are fully legally owned by KCDC as a TA? i.e. and not by the Ratepayers paid for by the latter's monetary consideration? See footnote re the meaning of "Vested interest" vs certificate of Title "Ownership" paid by monetary consideration - this may represent a significant legal distinction?***

LINZ certificates of title relate to land parcels rather than assets. A search can be made of LINZ through Landonline. If you are seeking to view certificates of title for particular parcels of land, I recommend that you contact LINZ or provide instructions to a person with access to land online to conduct such searches for you. There is a charge for the production of each certificate of title.

Currently, water services assets are owned by Kāpiti Coast District Council.

- 2. Considering the [KCDC - LWDW Public Consultation Doc](#) is based on the earlier passed legislation, does KCDC intend to honour and comply with the new Legislation [ not yet passed] as to the ring fencing of all water services income and expenses, assets and debt liabilities including WS overhead required by the new [New Schedule 7 Commerce act 1986](#) as under the In-house business unit preferred option?***

The Council is required to comply with legislation that is currently in force. If a bill is passed into law and becomes an Act, the Council will comply with the provisions of new legislation relevant at the time.

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

3. ***Will all cross subsidisation of water services charges, interest on WS debt, WS policy, WS planning, WS governance, operational WS staffing, and anything related to WS cease to be charged to ratepayers who do not and cannot use the three waters services as is done currently?***

The Council is currently consulting on its future water services delivery model as required by legislation. No decisions have yet been made as to the model that will be adopted by the Council. Any future decisions will need to be considered once the decision on the model is made.

4. ***Why are KCDC representing the WS Debt of \$167M to the Kapiti public when DIA have denied this agreement was made 5/2/25 and confirmed this again 7/3/25?***

The Department of Internal Affairs (DIA) which administers the water reforms agreed on a method for determining the opening three waters debt for each council in the country, as at 30 June 2022. The methodology uses past investment in three waters infrastructure, less funding received through depreciation, capital subsidies and development contributions.

For the Kāpiti Coast District Council, the June 2022 amount agreed with DIA was \$110 million and that figure has been projected forward using the same methodology to \$167 million as at June 2024.

5. ***Why is 68% of all KCDC net debt being attributed to Water Services assets when historically for the past six years WS assets have averaged only 20% of the total operating assets of KCDC?***

Water assets (drinking water, wastewater and stormwater) make up over two thirds of the Council's debt because of high levels of investment in these assets over the years. We invest to:

- create world-class water supply and treatment facilities
- cope with the growth of our district
- make us more resilient to water shortages and have enough on hand for firefighting, or
- keep up levels of service by carrying out maintenance due to the assets' age and deterioration.

We fund these improvements through debt so the costs are spread across everyone who will benefit from them, including future generations.

We don't have the same level of debt for other big-ticket items, for example roading, largely because roading investment is subsidised by the New Zealand Transport Agency (NZTA) (generally about 51%).

In addition, fixed assets (i.e. property, plant and equipment) are regularly revalued to give us an understanding of what it would cost if they had to be replaced at today's value (rather than what we paid for them when we took on the debt). The [Annual Report 2023/24\(External link\)](#) shows the Council's fixed

assets are valued at about \$2.3 billion, but \$1.3 billion of that is through revaluations, which has no bearing on debt.

6. ***Why did KCDC ‘frontload’ all Kapiti ratepayers with a compounding increased rating levy of + 7.3% for the next ten years compounding accumulatively [see OIR 2324-839] with the full knowledge in 2023 that a new ‘Three Waters’ – LWDW would be split off, i.e. that the 7.3% surcharge would still be recovered and in the bank for each of the next ten years by the entire rating RU base? Will this be removed/ reduced from the general, district wide, and community rates for***
- a) ***All ratepayers when the water services regime is implemented 2026-2027? And***

The 2024 Long-term Plan was prepared on the assumption that water services would remain part of the Council portfolio. If, through the Local Water Done Well (LWDW) reforms, the Council chooses to transfer water services to another entity, that entity will charge consumers for water services while the Council will continue to charge for non-water services. LWDW changes are not expected to come into effect before 1 July 2027 at the earliest.

- b) ***All self sufficient rural ratepayers under [OIR 2324-933] immediately as they cannot access these and KCDC cannot provide them and yet they were still charged the rating increase across the board from 2024-2025?***

The Council costs are allocated to activities, including the activities to administer the three waters, and rates are set with the objective of funding those activities.

The cost of each water service (water supply, wastewater and stormwater) is recovered from properties that benefit or have the potential to benefit from the service, in accordance with approved rating policies.

7. ***When the new WS legislation is passed and the Commerce Commission has issued its ID requirements will KCDC comply fully with this legislation? And the new Commerce Commission’s ID reporting regime under [https://comcom.govt.nz/ data/assets/pdf file/0026/364418/Economic-Regulation-of-Water-Services-Information-Disclosure-Technical-Working-Paper-on-the-Accounting-Basis-for-Regulatory-Reporting-February-2025.pdf](https://comcom.govt.nz/data/assets/pdf_file/0026/364418/Economic-Regulation-of-Water-Services-Information-Disclosure-Technical-Working-Paper-on-the-Accounting-Basis-for-Regulatory-Reporting-February-2025.pdf) Being:***

***<https://comcom.govt.nz/regulated-industries/water-wai/economic-regulation-of-water-services-information-disclosure?target=documents&root=364409>***

***[https://comcom.govt.nz/ data/assets/pdf file/0023/364415/Economic-Regulation-of-Water-Services-Information-Disclosure-Discussion-Paper-February-2025.pdf](https://comcom.govt.nz/data/assets/pdf_file/0023/364415/Economic-Regulation-of-Water-Services-Information-Disclosure-Discussion-Paper-February-2025.pdf)***

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Ngā mihi,

A handwritten signature in blue ink, appearing to read 'Steffi Haefeli'.

**Steffi Haefeli**

Acting Group Manager Corporate Services  
Te Kaihautū Ratonga Tōpū