Kāpiti Coast
DISTRICT COUNCIL
Me Huri Whakamuri, Ka Titiro Whakamua

OIR: 2425/1281

22 April 2025

[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 **21 February 2025** requesting the following information:

Can you please provide the calculations, industry based cost increase inflationary based costings and documentation made by external roading parties [e.g. by NZTA] to prove, and provide financial justification for the 37.8% increase across all of Kapiti, and also to provide the anticipated total $dollar roading expenditure of the capital and maintenance budget/ and actual to date expenditure for the current rating year 2024-2025 to which that 38% increase was collected. i.e advise the total sum of the 37.8% increase collected and on the opposite side of the ledger where that total is being spent? [this 37.8% increase cannot be based on internal 'estimates' by the KCDC financial executive].

The districtwide roading capital value rate was set at $19.454 million plus GST for 2024/25 [refer LTP page 208]. This compares with $12.171 million for 2023/24.

The increase is driven by higher operations and maintenance costs ($1.55 million) depreciation ($2.1 million) and interest expense ($3.6 million).

It is noted that the basis for allocating interest to activities was changed for the 2024/25 year, from a debt-based approach previously to one based on asset value. The effect of this change was to increase the amount of interest allocated to the Access and Transport activity in particular, which is funded by the Roading Rate, with offsetting reductions to other rates. This increase to the Roading Rate due to allocated interest is noted in the response above.

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

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Upon further consideration, applying interest based on gross asset value is thought to be less appropriate than a debt-based approach in the Council setting, due to the effect of (for example) non-cash revaluations and NZTA subsidies – both of which increase asset value without increasing debt, and significantly impact the Roading area. It is intended therefore to revert to a debt-based approach for the coming financial year, which will reverse much of the increase relating to interest seen in 2024/25.

Overall, it is noted that this change in interest allocation approach is fiscally neutral for the Council.

Ngā mihi,

Darren Edwards
Chief Executive
Te Tumuaki