

OIR: 2223/438

7 February 2023

[REDACTED]

[REDACTED]

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

Thank you for your email of 21 December 2022 requesting the following information:

We write further to the pending request concerning the Gateway. These questions relate to the actual finalised costings and budget to date.

- 1. Please refer us to the Council resolution to that KCDC Capital involvement would exceed the 50 % contribution it had state in writing and was a fundamental term of the application for Government funding. As you will be aware this fund was set up to stimulate regions at no extra burden to ratepayers.***

There has been no resolution as referenced by you, for Council to exceed the 50% contribution, on that basis I must decline this part of your request as the documents alleged to contain the information requested do not exist, despite reasonable efforts to locate them, they cannot be found, section 17(e) of the LGOIMA refers.

- 2. It says that due to urgent infrastructure needs and the needs to stop rate rises "we are unable to commit more funding to this project".***

Please provide you documentation showing that you can now commit drastically more funding to the extent of \$3.5 million (as at May this year).

Additional funding was allocated through in the 2022/2023 Annual Plan, which you can access via the link shown on this page of our website: [Annual Plan - Kāpiti Coast District Council \(kapiticoast.govt.nz\)](https://www.kapiticoast.govt.nz/annual-plan).

- 3. You made a binding statement to the PGF of "our commitment to our constituents to keep rate rises as low as possible " and could not commit more but despite Covid and a downturn your staff has advised KCDC that none of there statements are any longer true. Please produce the accounting details upon which you are advising Councillors to go against their contractual commitments that made KCDC eligible for the funds.***

Councillors were not provided with any accounting details regarding the increased capital requirements. Council does not accept that the Council was contractually required to cap its contribution at 50%. Whilst the PGF contribution is capped at a specified amount Council is able to increase their contribution.

- 4. You asserted heavy indebtedness precluded KCDC from further borrowings for this project stating KCDC has "the highest rate of indebtedness in the Wellington region". What was the level of debt as at 30.4.20 and what is it today.**

The net debt (gross debt after cash, term deposit and borrowers' notes) was \$160m as of 30 April 2020 and was \$185m on 31 December 2022.

- 5. Your website indicates it is now intended for ratepayers to fund 75% of the costs of operating the Gateway. Upon what legal basis can the ratepayer be required to fund a project whose primary aim is facilitating tours by a monopoly company for visitors to Kapiti Island.**

Council has yet to develop and sign off the operating model and financial business plan for the operation of Te Uruhi (Kapiti Gateway). These models will inform the level of ratepayer funding that will be required for operating Te Uruhi.

- 6. Your application to the PGF emphasised the minimal costs to ratepayers, with visitors paying up to \$10.00 for use of the facility. Is it now intended to drop any charge? What is the latest draft budget for operational expenses?**

As noted above, the final operating model and financial business plan are still to be developed and approved. The indicative business case of May 2020 identified a charge of \$10 for adults and \$5 for children. This was reviewed following feedback from stakeholders and the community, and reflecting the impact of COVID-19 on tourism. The proposed biosecurity fee has been reset at \$4 for adults and \$0 for children, increasing \$2 every second year until it reaches \$10 and \$5 in 2028, subject to visitor growth. The operation model and budget are being drafted and are subject to other inputs prior to being completed.

- 7. In the Giblin Report, annexed to your application, showing the business case it categorically states that the maximum exposure of rate payers would be \$297,600.00 over 6 years. Then all ratepayer support would stop (see p62). That is \$49,600.00 a year.**

- a) Is this still the commitment?**

The operating model is yet to be finalised and confirmed. This is a decision that would be made by Councillors. On that basis I must decline this part of your request as the documents alleged to contain the information requested do not exist, despite reasonable efforts to locate them, they cannot be found, section 17(e) of the LGOIMA refers.

- b) If not when were ratepayers advised of increased exposure?**

Please refer to our response at Q7(a).

- c) What is that exposure?**

Please refer to our response at Q7(a).

d) Are you able to make any indication on the basis of the current state of the business model?

As per our response to Q7(a), the operating model is still to be confirmed and therefore we cannot make an indication at this time. On that basis I must decline this part of your request as the documents alleged to contain the information requested do not exist, despite reasonable efforts to locate them, they cannot be found, section 17(e) of the LGOIMA refers.

e) Does the agreement to pay a subsidy of up to 75% come within the limit of ratepayer exposure of a maximum of \$297,000.00?

Please refer to our response at Q7(a).

8. Please list all the income streams you have gotten on board in the past three years, and the amount each will bring in.

There are no other secured income streams for Te Uruhi other than PGF and Council.

You have the right to request the Ombudsman to review this decision. Complaints can be sent by email to info@ombudsman.parliament.nz, by fax to (04) 471 2254, or by post to The Ombudsman, PO Box 10152, Wellington 6143.

Ngā mihi



Sean Mallon

Group Manager Infrastructure Services
Te Kaihautū Ratonga Pakiaka