



KAPITI COAST ASSN (Inc)

P O Box 479
Paraparaumu 5254
Phone: 04 902 5680
Email: kapitigreypower@paradise.net.nz

1 May 2017

The Mayor and Councillors
Kapiti Coast District Council
P O Box 6061
PARAPARAUMU 5254

Submission on the 2017/2018 Annual Plan

Kapiti Coast Grey Power Assn (KCGP) has 4,500 members living within the District and it submits that its views also apply to beneficiaries and the low income group within Kapiti.

Introduction

In KCGP's view in seeking a 5.9% average rates increase **which unlike neighbouring TLA's excludes user pays solid waste**, the Council has given little consideration to the ability of those on fixed incomes to meet its demand. This is at odds with some candidates' hyperbole during the election meetings and to add salt to the wound it exceeds the limit of 5.7% established in the current LTP.

Affordability

It is disappointing to see that the Council does not appear to have given consideration of the demographics of the District and the household level of income.

The Local Government Act does not provide a curb on Councillor's ability to demand whatever they decide Council should have, rather than what the Council needs. Nothing could demonstrate this more than the fact that it will meet the loan cap early in the next LTP period. Council does not display the same will to control expenditure that the Government displays.

Kapiti's median **household** income for 2016 was \$41,907 versus \$56,030ⁱ for New Zealand ie 75% of the median. In 2012 the figures were \$38,850 versus \$49,900 ie 78% of the New Zealand median. While an improvement has occurred, Kapiti is still a low income area as indicated above. The published comparisons with other TLA's would be much more damning if income levels had been considered and it was known the solid waste was collected on a user pays basis.

The Retirement Villages Association, in its submission to the Local Body and Environment Select Committee considering the Rates Rebate (Retirement Village Residents) stated that a significant number of their resident's only income was Government Superannuation.

The Councils ever increasing demands are occurring when household incomes are lowering.

4,677 households have income of less than \$30,000 pa (see included table below)

17.9% of households are rented

At 31 December median and upper quartiles house rents wereⁱ

1 bedroom	\$235 p/w	\$280
2 bedroom	\$320 p/w	\$350

As there are no one or two bedroom rentals available, currently the effect of a 5.9% rate increase is not difficult to imagine. The pass on effect of the increase in rates will cause substantial difficulties for those relying solely on Government Superannuation. The general financial collapse and low income structures over many years, and marital separations have greatly increased these numbers.

Continued ...

Dataset: Total household income for households in occupied private dwellings, 2013 Census

Area	Kapiti Coast District
Total household income	
Total households	20469
Loss	45
Zero income	99
\$1-\$5,000	117
\$5,001-\$10,000	177
\$10,001-\$15,000	537
\$15,001-\$20,000	1038
\$20,001-\$25,000	1443
\$25,001-\$30,000	1266
\$30,001-\$35,000	1437
\$35,001-\$40,000	876
\$40,001-\$50,000	1557
\$50,001-\$60,000	1317
\$60,001-\$70,000	1173
\$70,001-\$100,000	2895
\$100,001-\$150,000	2361
\$150,001 or more	1734
Total households stated	18066
Not stated	2406

data extracted on 19 Apr 2017 21:31 UTC (GMT) from NZ.Stat

Affordability is becoming more and more difficult for the **4,677** households whose income is below \$30,000.

The attached graph shows the disparity between rate increases and the CPI over the last 10 years. This year's CPI adjustment is 1.3%.

Town Centres Project

I cannot remember a discussion about the Town Centres Project at the Workshops other than an assurance from the CE that staff had pruned activities to a minimum. KCGP is unaware of any economic analysis of this project that one would expect, especially in the face of changing traffic flows following the completion of the Expressway. KCGP is concerned that these are 'build and hope' projects and should at least be slowed. Their viability should be reviewed by a consultancy with appropriate skills.

Depreciation

Despite the Mayor's public statement about the increase in value of the underground piping, we understand that earlier piping still has a remaining life of around 40 years, so there is no need to recover all the depreciation at this stage. Depreciation funding could be reduced by \$500,000 without serious consequences for the 20 year LTP.

Strategic Land Purchase

This is a relatively new activity which KCGP suggests could be put on hold. A google search of the Council's website did not reveal a written strategy which begs the question. *What are the guide lines for such purchases?*

Staffing Level

Prior to the 2016 local body campaign, candidates were asked if they would initiate a review of staffing levels by an independent body. The universal response was that they would!!!

Options

The total proposed operational expenditure is \$76.8m and the options offered are not only miniscule and do not indicate the monetary value. The implications of the options offered will not be understood by many ratepayers. KCGP is opposed to any increase which is not Government mandated.

Seawall

KCGP is concerned that there is no cost sharing agreement with the owners of the beach properties south of Marine Parade, where protective works have been reinstated. While these works are protecting Council infrastructure, they are also protecting valuable property. Other sea front properties which do not carry infrastructure are at a disadvantage.

Encroachment

For some years Council has been aware of private property owners encroaching on Council land and it has shirked its responsibility to charge a rental. It is incumbent on Council to ensure that all legitimate income is recovered.

Economic Development

KCGP has long criticised the KPIs for this activity and was consulted on possible new measures. It is disappointing to see that they are not included in this plan which after all, is a special consultation in terms of the legislation

Recommendations

KCGP requests that the Council:

- reduces the rate increase to an affordable level below that set in the current LTP;
- defers some expenditure on the Town Centres Projects;
- Seeks an evaluation of the town centre projects by an appropriate consultant;
- Reduces the allocation for depreciation;
- Institute a review of staffing requirements;
- Approve the option for funding the NPS work but none of the other options;
- Negotiate cost sharing benefits where expenditure on the seawall benefits both the Council and the land owner;
- Negotiate rentals for encroachments.

We wish to be heard.

Trevor Daniell
(signed)

T.J Daniell
Local Body Affairs Spokesperson.

ⁱ Infometrics 2016

ⁱ MBIE