

KCDC MEETING 12 MARCH 2026

Thank you, Mayor Holborrow for the opportunity to speak today.

I am here to speak on behalf of Concerned Ratepayers Kapiti to item 11.8 of the agenda, regarding the Economic Development programme.

We previously provided feedback about the Economic Development Strategy on 7 March 2025. At that time, we highlighted our overall concern about the level of rates rises signalled in the current Long-Term Plan and how the projected spend on economic development activities over this period was contributing to those rises. KCDC is still forecasting to spend a very large sum of money on this Strategy – some \$30+m- the vast majority of this will be a cost on general ratepayers. CRK does not support this activity.

Since last year, we have heard many times about the difficulties residents of Kapiti have in managing their family's budgets as costs keep rising. Despite this, excessive rates increases seem to be accepted norm for this Council.

We DO think that KCDC has a key role in supporting economic growth in the region. We see that the role of Council is to provide quality infrastructure and services for the community, including efficient and effective regulatory and planning processes that support business growth.

We DON'T see that KCDC's role in economic development activities should extend beyond that. As we outlined in our feedback last year, the proposed Strategy for Economic Development is not a core function of local government. It is not the Council's role to support small businesses, especially when no assessments of business risk or business viability are done. Moreover, the economic development programme has no meaningful performance measures (that can realistically be measured for impact benefit for Kapiti residents) that would allow decision-makers to discriminate between good and bad uses of programme funding.

CRK was pleased to see a halt in decision making about the future of the Economic Development Strategy in December 2025 and we were pleased to see the detailed questions asked by Councillor Laracy.

And we have read with interest responses made in the briefing papers for today. After reading them carefully, we remain unconvinced about the proposed structure and strategy and hope you are too.

Councillor Laracy asked wide ranging questions, but the responses to them deal only with processes and institutional matters from other similar programmes (using Horowhenua and Wellington as examples). From what we are allowed to see, they do not respond in any detail to the critical financial ones.

The responses don't elucidate with any compelling certainty:

- what we can learn from other regions about areas of highest return
- the best ways of structuring funding arrangements
- how best to monitor and manage risk
- the mistakes that may have been made and how KCDC could avoid repeating them
- how programmes were evaluated
- and so on.

In short, we cannot see how the papers answer Councillor Laracy's questions at all – because all of the financial aspects of his questions remain unanswered. The papers attempt to outline the rationale and design of the proposed Economic Development structure that starts from the premise that its continuation is a given. The premise of whether an economic development strategy is the right thing to do, right now, is not analysed. Maybe that's because there is no rational justification for the strategy as a whole.

We find this incomprehensible especially as the Local Government (Systems Improvement) Amendment Bill is set to repeal 'well-being' clauses and redirect local councils to focus on core services. This Bill is likely to be law by the end of June, before the 2026/27 financial year starts. And rates capping has also been muted.

Both of these pieces of legislation should be underpinning the decisions taken by Council now. We do not subscribe to the argument that they are not law yet and so, Council should not have to take notice of them. We don't think KCDC should be developing something that is expected to be illegal soon. We do not think it is a good use of ratepayers' dollars.

Our view is that Council needs better information to guide its decisions on what to do and what not to do before final decisions are taken.

We recommend that implementation is not given the green light. And we don't think it ever should. Not proceeding with the current economic development strategy will give the Council room to significantly reduce the proposed rate increase of 6.4%.

But if you are determined to go ahead, as a group of elected members, you need a better information than you have now.

If ultimately you decide to proceed, then we say:

- the economic development strategy should be funded by a targeted business rate so that the substantive costs are not borne by residential ratepayers
- if external revenue is raised, then the level of ratepayer spend should be reduced dollar for dollar for every dollar of external revenue raised by the new structures.

And we most strongly recommend that the Council undertakes full consultation about this and other aspects of the proposed annual plan. if you do not, then this will be the third year in a row you have not and we think your community deserves to be better served by you, their elected representatives.

Thank you.

Chris Harwood

Chair- Concerned Ratepayers Kapiti