

We have reached a tipping point: Kapiti Council Must Rethink Rates Rises

By Chris Harwood, Chair of Concerned Ratepayers Kapiti

Households have reached a tipping point. The proposed rate increases for 2026/27 on top of the impacts of rising fuel costs will be too much for many households to absorb. The situation demands an urgent rethink of the Kapiti Coast District Council's proposed rates increase for 2026/27.

We know that residents have already been under sustained financial pressure for the last two to three years. Everyday costs — groceries, insurance, power, and mortgages — have risen far faster than incomes. In recent years, rate increases of over 35% on average have added to that burden, becoming one of the most significant contributors to rising household costs.

At our public meetings, we hear real stories from Kapiti residents about the difficult trade-offs they are having to make. Households are reducing their insurance cover, delaying repairs, or putting discretionary spending, like holidays on hold, just to stay afloat. With fuel and transport costs rising rapidly across the whole economy, many Kapiti residents are facing even sharper financial constraints. What was already difficult is becoming, for some, impossible.

But while households are making hard choices, the Council is not. The Council's budgeting system shields it from the financial realities facing the community. It does not reassess spending from the ground up. Instead, the Council begins its process with last year's budget — \$116.3 million — and then adds on an additional sum of money to cover "cost pressures".

This way of working saw a projected rates increase of 8.4% for 2026/27 before possible savings were tabled for consideration by elected members. But even then, the scope of possible savings was limited. Discussions so far have focused on what Council staff describe as "low hanging fruit" — small grants or discretionary items affecting community groups and voluntary organisations— while the core structure and spending parameters of the core Council remains untouched. Protected spending includes things like the highly questionable \$3 million a year on "economic development" activities — in reality handouts to businesses — which is still planned to go ahead. The current proposed rate increase after those savings is still between 5.7% and 6.4%. Proposed rate increases of this magnitude are increasingly out of step with reality that you are facing.

The process used by Council to determine the level of rates is the fundamental problem.

At a time when households are making tough, sometimes painful decisions to balance their budgets, Council should be applying the same discipline to its own. Some costs have indeed gone up but no apparent effort has been made to absorb or offset those costs or to reconsider the timing or magnitude of the work it plans to undertake. Instead, the Council is planning to pass increased costs directly to ratepayers.

Our rate increases were too high before, but now they are simply unaffordable in the middle of the fuel crisis.

Concerned Ratepayers Kapiti is calling on Councillors to stop the level of planned rate increases for 1 July. We believe the Council to reassess its whole approach to setting rates - not just to trim around the edges. The Council needs to fundamentally reconsider how to set its budget with the best interest of its community front and centre. And it needs to start doing this now.

Concerned Ratepayers Kapiti is a voluntary local community group, formed in 2024, working for fair and sustainable rates on the Kapiti Coast. We also advocate for open and transparent Council processes, and for good Council governance and accountability. Our details can be found at www.concernedratepayerskapiti.org