

Dear,

I refer to your official information request we received on 6 November 2024 requesting the following:

“Please provide:

The liabilities the Council has in its role as a BCA?

The total financial exposure the Council faces in its role as a BCA?

The insurance coverage, or any other form of liability cover such as insurance bonds, if any, the Council maintains for BCA-related liabilities.

The annual cost to ratepayers to maintain BCA related liability cover.

The portion of rates allocated to cover potential BCA liabilities.

The reserves maintained specifically for BCA related claims.

The details of any excess or similar that is required to be covered by the Council before any insurance or other liability cover is paid out.

The amount the Council has spent on BCA liability related claims in the past 3 financial years, including but not limited to, legal fees, settlements, negligence costs, etc.”

Release of information

The information you have requested is as below.

The liabilities the Council has in its role as a BCA?

Kaikōura District Council have one matter under the Building Act indicating potential liabilities of estimated \$70,000.

The total financial exposure the Council faces in its role as a BCA?

If the question seeks to know the total capital value of work that the Kaikōura District Council is processing through its BCA, that figure is estimated to be \$20-\$30 million annually.

If the question is about known potential liabilities then the answer is \$70,000 as per Q1.

The insurance coverage, or any other form of liability cover such as insurance bonds, if any, the Council maintains for BCA-related liabilities.

Kaikōura District Council holds public liability cover, which in 2024-2025 provides up to \$15 million cover for claims in the aggregate, plus \$2 million claim defence costs.

The annual cost to ratepayers to maintain BCA related liability cover.

The Public Liability policy covers all of Kaikōura District Council's activities and does not split out BCA related cover.

The portion of rates allocated to cover potential BCA liabilities.

No rates are allocated to cover potential BCA liabilities, other than an expectation to top up Kaikōura District Council's legal challenges fund (estimated less than 0.2% of rates annually) – this is to cover all legal challenges, not solely BCA-related.

The reserves maintained specifically for BCA related claims.

As above, Kaikōura District Council has a legal challenges fund (expected to be kept at \$100k) however this is for all legal challenges, not solely BCA related.

The details of any excess or similar that is required to be covered by the Council before any insurance or other liability cover is paid out.

General liability claims have an excess of \$25k, however BCA related claims have an excess of \$250k

The amount the Council has spent on BCA liability related claims in the past 3 financial years, including but not limited to, legal fees, settlements, negligence costs, etc.

Kaikōura District Council has not spent any amount on BCA related claims in the past 3 financial years.

Publication of responses to LGOIMA requests

Please note: our LGOIMA responses may be published on the Kaikōura District Council website a month after they have been responded to, with requesters' personal details withheld. If you have any concerns about this please contact the Official Information team on officialinformation@kaikoura.govt.nz

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

Yours sincerely



Will Doughty
Chief Executive Officer