

Draft Annual Plan 2023-24



Council briefing

7 December 2022

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High level plan and timeline

Date	Activity	Status
3 & 4 Nov	Councillors hui	Complete
22 Nov	Council agrees high-level plan and approach, key assumptions	Complete
20 Dec	Key decisions progressed by Council to inform DAP	Planning underway
22 Feb 2023	Initial DAP and draft consultation material reviewed by Council	
28 March	Council adopts DAP and consultation material ahead of public consultation	
31 Mar to 30 Apr	Public consultation	
17-19 May	Hearings of submissions and related advice	
7 June	Council meets to make final decisions	
30 June	Council adopts the Annual Plan 2023-24 and sets the rates	

Further details on budget review process

Date	Activity
Early October	CLT agreed budget review approach. Training for budget managers.
Late October	Detailed budget review process by Business unit managers and Directors
10 Nov	Review by CLT and consideration of advice to go to Council
17 Nov	Council briefing
11- 30 Nov	Further reviews by CLT of advice for Council, together with review of options to incorporate budget reductions/offsets <ul style="list-style-type: none">- Reprioritisation and deferrals- Service level cuts- Savings and budget cuts- Non-rates revenue offsets
22 Nov	Council meeting to agree direction re. high level plan and approach
28 Nov	Briefing to Mayor and Chairs
7 Dec	Council briefing

Context of this Annual Plan

- This Annual Plan is being prepared in a challenging economic climate
- New Zealand like other countries is facing sharp inflation. Reserve Bank is working to ease inflation through OCR increases
- We're preparing this annual plan at a time of high construction and wage costs, increased cost of transport, and a higher cost of borrowing (compared with when the LTP was agreed)
- There are also ongoing supply chain issues, and a tight labour market with record low unemployment rates and high wage growth
- All of this is having a significant impact on our capital investment programme and means Council will need to prioritise and consider what it is prepared to ask our community to pay for in current economic climate
- This will require difficult decisions across our programme – re-phasing projects, looking at priority of spend, and making savings.
- In light of inflationary pressures and the need to lessen the impact of significant rates rises on our community council has reduced its own budget by \$6.5 million over 8 years The savings have been found by reducing expenditure in a range of areas including travel, accommodation, legal, promotion and publicity, cleaning costs, equipment purchases.
- For example we are holding a 6% vacancy assumption rate, i.e. the budget presented is not a fully staffed budget.

Communications and engagement approach

- We will need to prioritise effective communications and engagement
- Effective communications and engagement provides accurate and timely information, and will need to demonstrate awareness of the challenges facing our community
- Our approach will be multi-channel:
 - Digital
 - In person (through Hubs/Libraries and other in-person engagement)
 - Providing material for elected members' supporting engagement
- The three-yearly rates revaluation process will also come into effect at the same time as this Annual Plan, which can potentially make this process more confusing

Early findings after initial budget review process (incl. adjusting for cost pressures)

Assumes no change to rates revenue increase per LTP

Debt limits

	HCC limit	Scenario 1 – 5.9% rates + growth
Net debt to revenue	250%	256%
Net interest to rates revenue	20%	21%
Net interest to revenue	10%	13%

The estimated savings target at this point was **\$5.5M cumulatively each year** of the DAP. This would bring the balanced budget back to 2028-29 and ensure debt projections are within limits.

Other financial strategy considerations

	HCC limit	Scenario 1
Rates affordability	n/a	
Balanced budget target 2028-29	n/a	4 years later 2032-33

Finding solutions:

Further budget reviews and cuts completed by CLT

A wide range of proposed options for consideration by Council

- No changes to timing of key projects with partner funding (IAF, RiverLink, Naenae pool, Tupua Horo Nuku)
- Micro-mobility partial deferral
- Cross valley Connections partial deferral
- Petone wharf renewal deferral
- Petone Collecting Sewer renewal stage 1 only and balance deferred
- Three Waters reactive maintenance budget increase request included for one year only
- Transport cost escalations – higher risk position taken re. upcoming tender in early 2023
- Reduction in libraries collection capex budget and deferral of Petone and Moera Library capex.
- Deferral of Fraser Park Sportsville artificial turf
- Service level options re. Parks contracts for Horticulture and other misc. Contracts
- Removal of Capital Projects Funding and administration funding for Community Funding Panels in this triennium.
- Petone grandstand deferred
- Savings in staff costs and other operational savings incorporated
- Parking revenue increase
- Landfill fee increases to offset cost pressures
- Rubbish and recycling charges adjusted to reflect unavoidable higher disposal & collection costs. This includes cost increases as per the contract with the supplier which provides for annual inflation rises (PPI and LCI) and the waste levy increasing and higher ETS costs at the Silverstream Landfill.

[Further details available in Appendix 1](#)

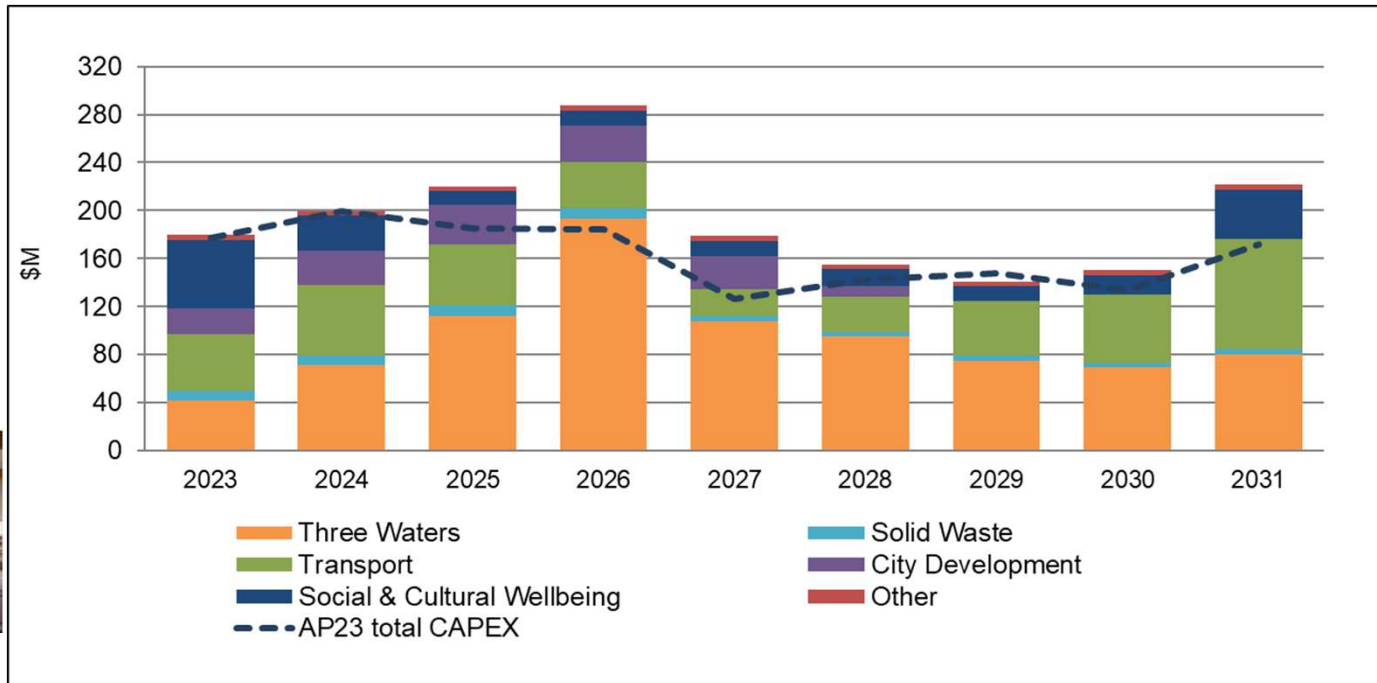
Capital investment plans

Total capital investment programme of \$1.7B over 9 years

- renewals 38% \$637M, improvements 46% \$776M, growth 16% \$276M



Three waters



RiverLink



Tupua Horo Nuku



Naenae pool

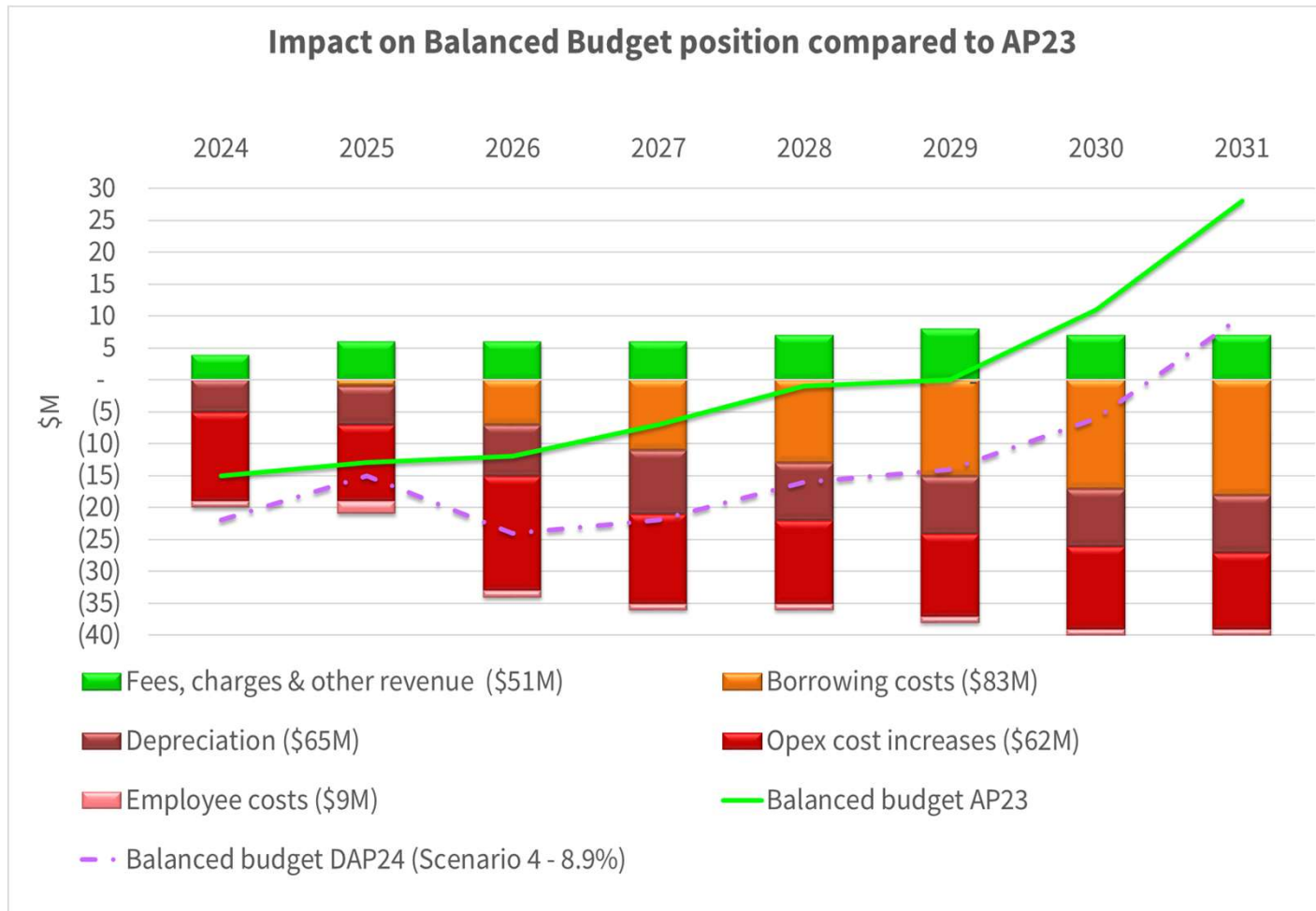
An increase of \$313M compared to the Annual Plan 2022-23
(8 years comparison)

Capital investment

– high level overview of changes proposed compared to AP23

Comparison over 8 years of DAP	Annual Plan 2022-23 \$M	Draft Annual Plan 2023-24 \$M	Difference \$M	Commentary
Total Capital investment	1,291	1,604	313	
<u>Key projects/initiative</u>				
Infrastructure Acceleration Fund	57	174	117	Wastewater and Stormwater capital projects
Tupua Horo Nuku NOT RELEASED TO PUBLIC AS YET	27	77	50	Additional Budget for Bays 2-6.
Naenae Reservoir upgrade	40	66	26	
Petone Collector Sewer	23	68	45	Partly funded by UHCC subsidy.
Eastern Hutt Road	5	27	22	Road resilience investment, partly funded by "Better off" funding and WK subsidy.
Silverstream landfill	38	52	14	Acceleration of capital works driven by demand.
Reserve development projects	-	15	15	Projects included to offset additional Reserve Financial Contribution revenue added into budgets.

Net operating position vs AP23 (Excluding capital contributions)



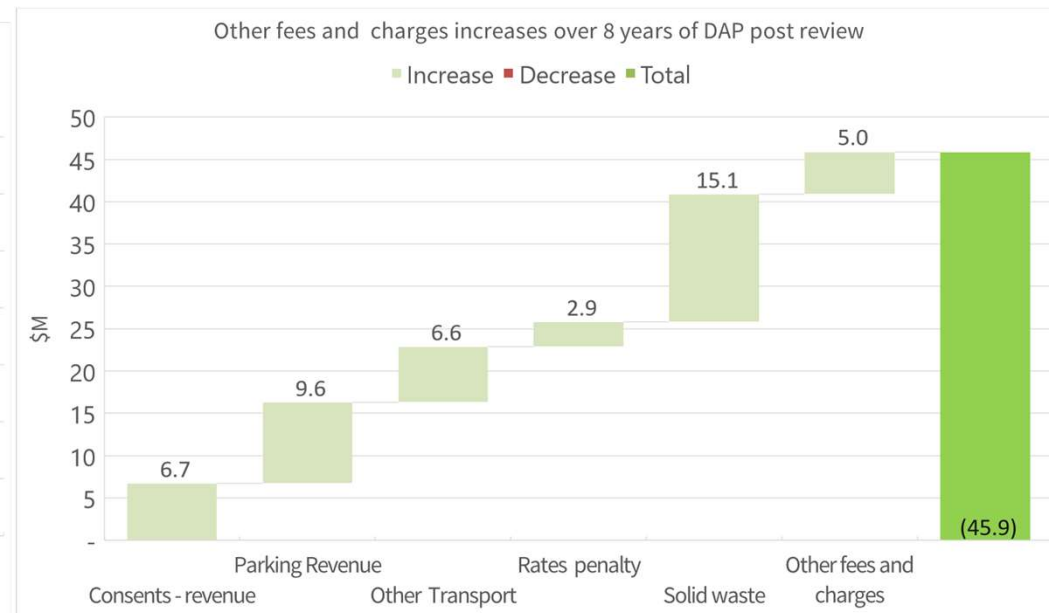
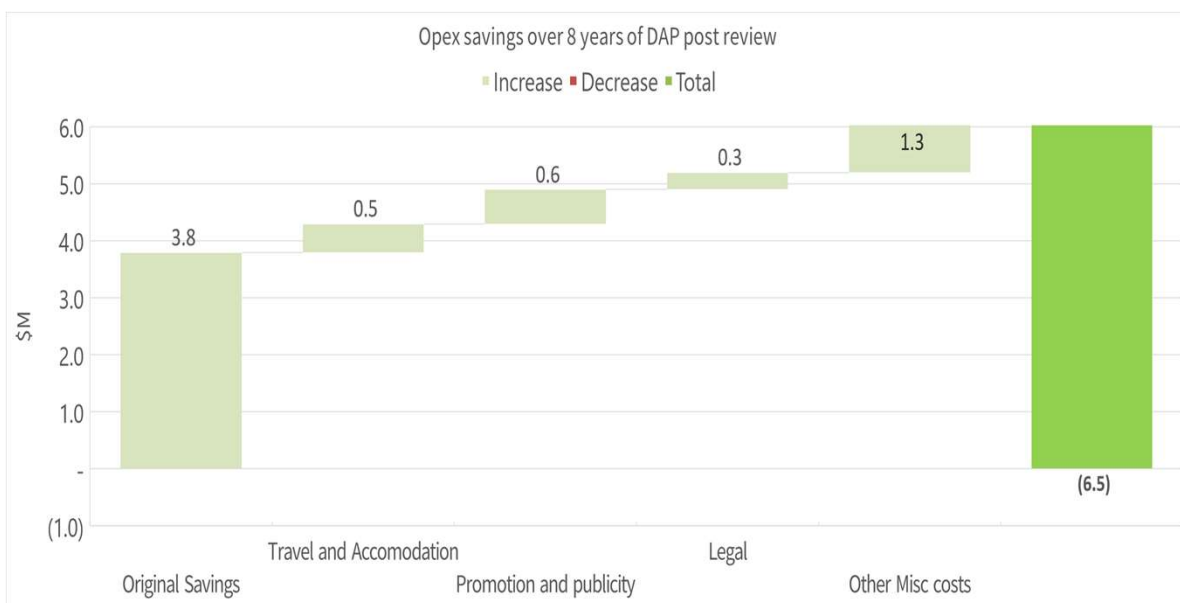
Borrowing cost \$83M and depreciation \$65M linked to the higher capital program and higher cost of funds.

Operating costs \$62M: WWL Opex budget increase; higher Landfill costs (e.g. MFE levy); higher collection and disposal costs for R&R; Transport Opex budget increases etc (refer Appendix 1).

Employee costs \$9M: Higher market related salaries offset by higher vacancy assumption and role reductions.

Higher fees, charges and other revenue \$51M to offset increased costs of service delivery.

Savings and higher revenue charges (8 years of DAP)



Commentary on Opex:

The original savings compared to AP23 for these groups of expenditure was \$3.8M. Through the recent review process additional savings and budget cuts were made resulting in a

total saving of \$6.5M over the 8 years of the DAP.

Commentary on fees and charges:

Review work undertaken to ensure fees and charges reflect projected costs, together with historical revenue over the past two years.

Financial strategy projections after adjusting for proposed solutions

Assumes no change to rates revenue increase per LTP

Debt limits

	LGFA limit	HCC limit	Scenario 1 5.9% rates + growth
Net debt to revenue	280%	250%	236% Headroom \$46M
Net interest to rates revenue	30%	20%	18.4%
Net interest to revenue	20%	10%	11.7%

These tables outline the financial position against the benchmarks set out per the financial strategy after savings, deferral of several capital projects and higher fees and charges in some areas. The preceding slides summarise these changes.

Other financial strategy considerations

	HCC limit	Scenario 1
Rates affordability (average residential increase per week)	n/a	\$2.77 per week, 4.7%
Balanced budget target 2028-29	n/a	4 years later 2032-33

Adding other rates revenue scenarios

Appendix 2 includes graphical presentation

Debt limits

	LGFA limit	HCC limit	Scenario 1 5.9% rates + growth	Scenario 2 7.9% for 3 years + growth	Scenario 3 8.9% for 2 years + growth	Scenario 4 9.9% rates + growth
Net debt to revenue	280%	250%	236% Headroom \$46M	224% Headroom \$89M	219% Headroom \$108M	221% Headroom \$101M
Net interest to rates revenue	30%	20%	18.4%	17.4%	16.9%	17.1%
Net interest to revenue	20%	10%	11.7%	11%	10.7%	10.8%

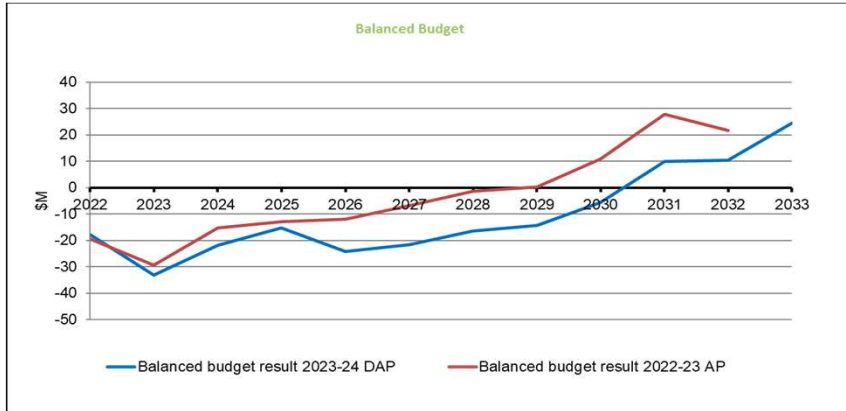
Other financial strategy considerations

	LGFA limit	HCC limit	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Rates affordability (average residential increase per week)	n/a	n/a	\$2.77 per week 4.7%	\$3.89 per week 6.5%	\$4.44 per week 7.5%	\$5.02 per week 8.5%
Balanced budget target 2028-29	n/a	n/a	4 years later 2032-33	2 years later 2030-31	2 years later 2030-31	2 years later 2030-31

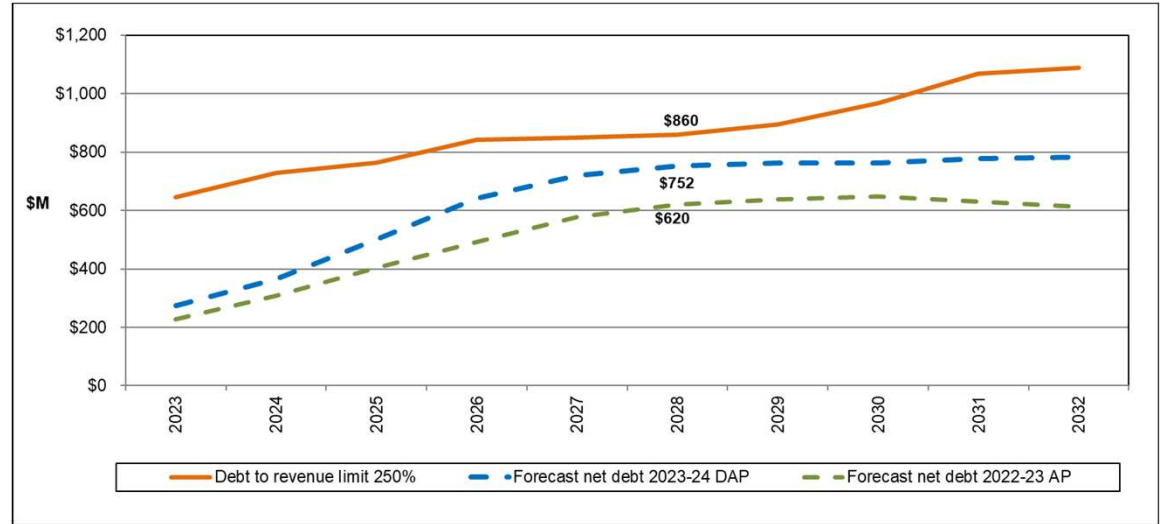
Scenario 3

- 8.9% for two years and then 7.2% onwards

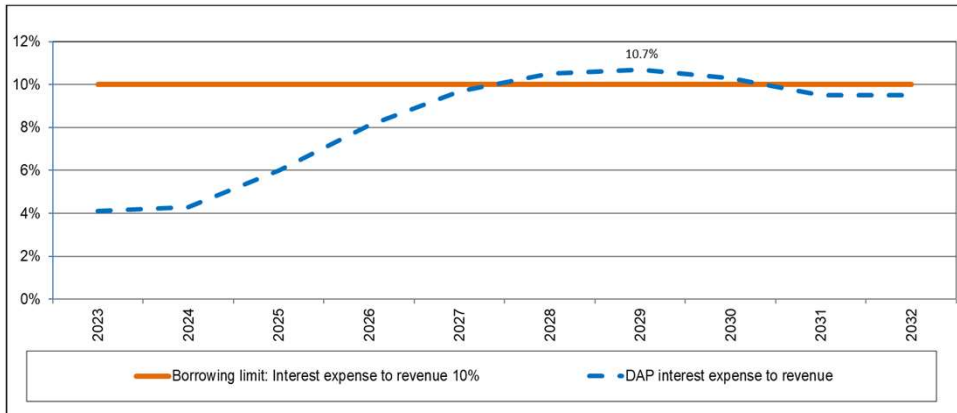
Balanced budget pushed out to 2030/31 (2 years)



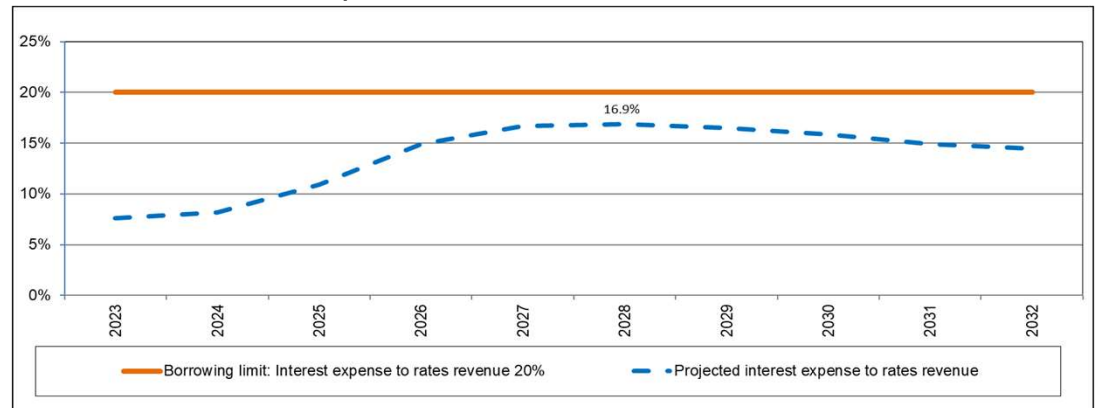
Net debt to revenue 219% (\$108M head room)



Net interest expense to revenue 10.7%

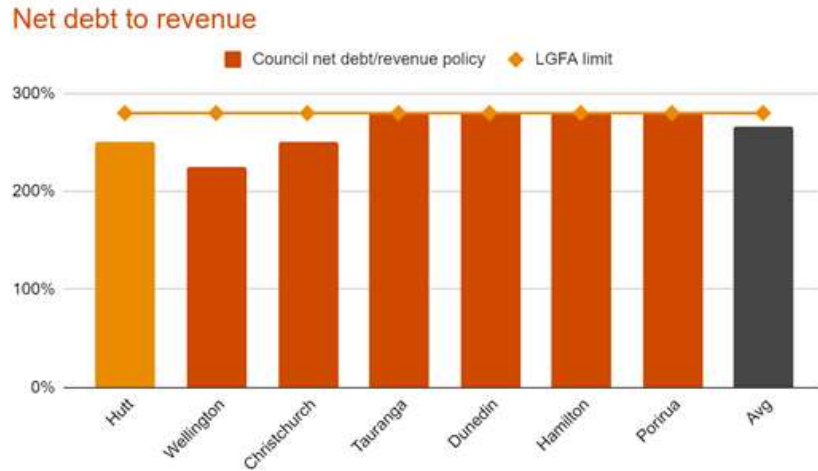


Net interest expense to rates revenue 16.9%

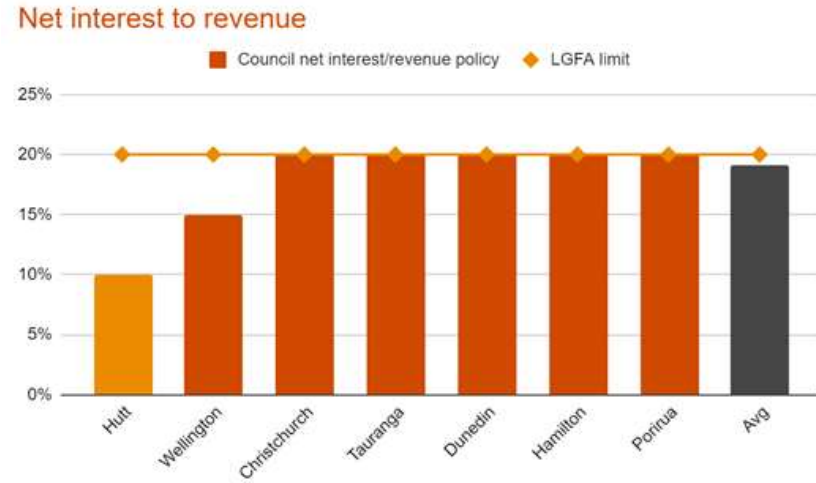


Debt limits - Comparison to other Councils

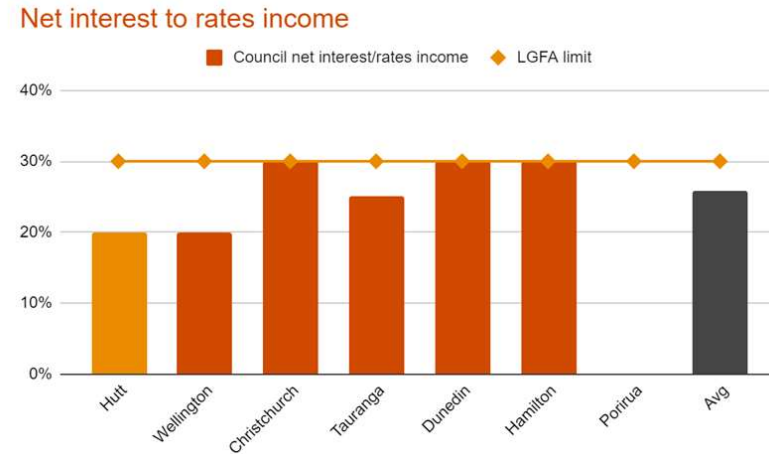
No proposed change to HCC net debt to revenue limit



Potential to change net interest to revenue to better align with other councils – recommend 15%.



Potential to change net interest to rates income to better align with other councils – recommend 25%.



Projected rating impact

Based on recent property revaluation results prior to objection process changes. Appendix 3 includes further details re. rating impact

Property category	Ave. CV July 2022	Ave. CV July 2023	Scenario 1 5.9% rates + growth		Scenario 2 7.9% rates + growth		Scenario 3 8.9% rates + growth		Scenario 4 9.9% + growth	
			\$ change per week/per annum	% change	\$ change per week/per annum	% change	\$ change per week/per annum	% change	\$ change per week/per annum	% change
Ave. residential property	\$630k	\$815k 29% increase	\$2.77 \$144	4.7%	\$3.89 \$202	6.5%	\$4.44 \$231	7.5%	\$5.02 \$261	8.5%
Ave. commercial central	\$1,782k	\$2,350k 32% increase	\$36.86 \$1,916	11.7%	\$44.17 \$2,297	14.1%	\$47.83 \$2,487	15.2%	\$51.52 \$2,679	16%
Ave. commercial suburban	\$1,644k	\$2,418k 47% increase	\$23.49 \$1,221	8.5%	\$29.75 \$1,547	10.7%	32.88 \$1,710	11.9%	\$36.03 \$1,874	13%
Ave. rural	\$866k	\$1,247k 44% increase	\$4.26 \$221	10.9%	\$5.05 \$262	12.9%	\$5.44 \$283	14%	\$5.84 \$304	15%

Queensgate property: The property has been assessed at a value of \$320M which is the same value on which the rates were assessed for 1 July 2022. It is part of the commercial central property category. It is projected to pay a lower rates charge for 2023-24 – in scenario 1: 14.7% reduction of \$397,078 for the year and \$7,636.12 per week.

Parking fees – possible solution

Costs to maintain roads, footpaths and services to keep our transport network safe have significantly increased due to inflationary pressures. Additional revenue is needed to help deliver the basics and progress vital projects in the transport network.

Proposal for Hutt City Centre:

- Increase of hourly rate from between \$0.70 - \$1.50 (depending on parking zones) to a flat rate of \$3.00 an hour at all paid parking zones
- Increase of daily rate from between \$4.00 - \$7.00 (depending on parking zones) to a flat rate of \$10.00 across all paid parking zones

Any revenue received through parking fees will be applied to supporting the delivery of our significant transport infrastructure programme.

Proposal for Petone:

- Introduction of paid parking in Petone at all car parks which are currently time restricted, 20 minutes free
- Introduce a flat rate of \$3.00 an hour in all parking zones
- For any daily rate parking spaces (if applicable), we propose introducing a flat rate of \$10.00
- Option will require parking infrastructure and additional staff.

Estimated additional revenue of \$1.2M per annum.

- \$200K of new revenue to go into supporting and enhancing public transport

Impacts/commentary

- Increased funding through parking fees rather than rates is more equitable, as it spreads the cost across users, including those who don't live in Lower Hutt.
- RiverLink will disrupt parking in the CBD, so there will be increased demand for less supply of car parks.
- We will also do a wider parking policy review in 23/24 which will look at the parking system as a whole.

Note that the budget projections presented assume a net increase in revenue of \$1M.

Landfill fees – proposed changes to meet cost pressures, waste levy, ETS, investment etc.

TABLE 2: Silverstream charges (commercial refuse) in comparison to other cities, in \$/t (incl GST)

	Actual 2022/23	Proposed / Estimated 2023/24	Comment
Silverstream Landfill	\$190	\$233	
Southern Landfill (Wellington)	\$196	\$233	A further \$30/t applies to domestic users.
Spicer Landfill (Porirua)	\$189	\$226	
Kapiti Coast transfer station	\$228	\$253	
EcoCentral (Christchurch)	\$324	\$349	

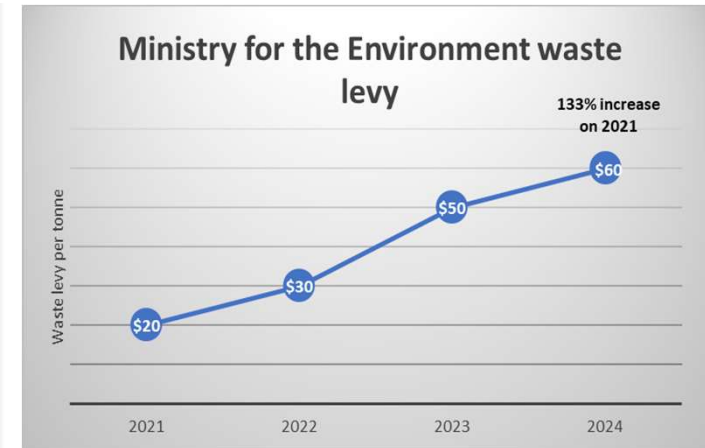


TABLE 1: Current and proposed charges, incl GST

	2022/2023	2023/2024
General waste (any mixed rubbish loads)		
All Vehicles – cost per tonne	\$189.75	\$233.00
All light vehicles (cars, vans, utilities, including those with trailers) – minimum charge	\$25.00	\$25.00
All other vehicles - minimum charge	\$95.00	\$116.50
Special Waste (prior approval required)		
All vehicles – cost per tonne	\$270.25	\$318.00
All vehicles – minimum charge	\$135.00	\$159.00

Carbon spot price



Rates – rubbish, recycling and green waste

TABLE 2: Annual rubbish collection costs in comparison (as at 17 Nov 2022)

	Current 2022/23	Proposed 2023/24
80l bin, weekly collection		
Hutt City Council	\$105	\$115
WMNZ (Porirua)	\$278	
WMNZ (Kapiti)	\$210	unknown
Low Cost Bins (Porirua)	\$249	
Low Cost Bins (Kapiti)	\$230	
120/140l bin, weekly collection		
Hutt City Council	\$148	\$175
WMNZ (Porirua)	\$339	
WMNZ (Kapiti)	\$280	unknown
Low Cost Bins (Porirua)	\$313	
Low Cost Bins (Kapiti)	\$310	
240l bin, weekly collection		
Hutt City Council	\$296	\$350
WMNZ (Porirua)	\$495	
WMNZ (Kapiti)	\$400	unknown
Low Cost Bins (Porirua)	\$455	
Low Cost Bins (Kapiti)	\$420	

TABLE 1: Proposed targeted rates

Service stream	Current 2022/23	Weekly cost	Proposed 2023/24	Weekly cost	Annual % change change
Rubbish 80l bin	\$105	\$2.02	\$115	\$2.21	+\$10 10%
Rubbish 120l bin	\$148	\$2.85	\$175	\$3.37	+\$27 18%
Rubbish 240l bin	\$296	\$5.69	\$350	\$6.73	+\$54 18%
Recycling 120/240l	\$111	\$2.13	\$128	\$2.46	+\$17 15%
Green waste 240l	\$101	\$1.94	\$105	\$2.02	+\$4 4%

Proposed targeted rates for rubbish collection compare very favourably to alternative private collection services in the Wellington region.

Financial risks and mitigations

	Risk	Mitigation
1.	Borrowing costs could increase further depending on financial market conditions. Standard and Poors credit rating could be down graded which would also result in higher borrowing costs.	Regular engagement and advice from our external specialist treasury advisers re. treasury strategy and risk position. Officer advice to Council to support decisions which reduce risks of S&P down grade.
2.	RiverLink project- procurement processes underway currently. Risk that costs are higher than budgeted.	Commercial expertise of Alliance. Peer review process. Value engineering and contingency built into budget.
3.	Tupua Horo Nuku increased funding from CIP and WK assumed but not approved.	They are current co-funding partners and have been kept fully abreast of the processes for revising the cost estimates.
4.	Eastern Hutt slips – early preliminary cost estimates which require further assessment and could result in higher costs.	Best available information has been used. Further prioritisation within the transport program may need to be carried out should these cost estimates be higher.
5.	Three Waters Reform Better Off funding – requires approval by DIA, some risk it may not be approved.	Projects have been identified which best meet the eligibility criteria of the fund which reduced risk of non-approval.
6.	Transport operational contracts – uncertainty of costs due to tender process in March 2023.	Best available estimate has been used. Further prioritisation within the transport program may need to be carried out should these cost estimates be higher.
7.	Three waters opex risks – reactive maintenance budget not approved at the requested level with a risk of increased backlog and complaints.	Clear and early communication with WWL on the need to reprioritise the program and the works carried out to reduce impact on communities.
8.	Parks – proposed reduced level of service with risks of community satisfaction being low and increased complaints.	Reprioritisation of work programs within the activity will be required to offset additional costs to reduce impact on communities.

Appendix 1

Early indicative information on proposed draft Annual Plan 2023-24 decisions for Council
This includes cost pressure budget increases as well as proposed budget offsets (such as rephasing, reprioritisation, budget savings, non-rates revenue solutions).



Indicates unfavourable movement in budget (e.g. project cost increase)



Indicates favourable movement in budget (e.g. savings, service cut, revenue increase)



Indicates that the initial unfavourable budget change has been adjusted by proposed offsets






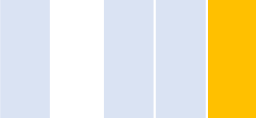
Neutral impact

Proposed budget changes

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Three waters

Priority	
	Investing in infrastructure
	Increasing housing supply
	Caring for and protecting our environment
	Supporting an innovative, agile economy and attractive city
	Connecting communities







Priority	Project/initiative	Commentary	Budget
	Infrastructure Acceleration Fund allocation of \$98.9M agreed by government in October 2022.	AP23 includes \$57.5M capex and assumed IAF funding of \$47.5M due to uncertainties. DAP24 – update capex costs to \$174.4M and revised funding.	Wastewater and Stormwater capex \$174.4M funded by IAF \$98.9M and debt funding. DCs of \$44.9M projected assuming Council updates the DC policy to add project (in LTP 2024). Assumed DC revenue from 2024-25, estimated \$12.2M over DAP period.
	Naenae Reservoir	New reservoir to be built on Eastern Hills to meet growth on the valley floor. Cost escalation following detailed design work, risk assessment and market considerations. No timing change proposed – with delivery planned over 2024/25 and 2025/26.	Current budget \$40.1M. Revised estimate of \$66.3M (increase \$26.2M).
	Petone Collecting Sewer renewal	Costs escalation across this project. Proposed response to do stage 1A as priority being the renewal of asbestos/cement section of pipe only, with remaining part of the project pushed out to 2030.	Proposed budget for stage 1A of \$33M (increase of \$10.M) scheduled for 2024-25 and 2025-26.
	Bulk water cost increases from GWRC	Early advice received re. indicative increase of 11.7% for 2023-24.	Increase of \$0.2M p.a.; \$1.9M over DAP

Proposed budget changes

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Three waters

Priority	
	Investing in infrastructure
	Increasing housing supply
	Caring for and protecting our environment
	Supporting an innovative, agile economy and attractive city
	Connecting communities






Priority	Project/initiative	Commentary	Budget
	Three Waters – growth study 	Briefing from WWL re. growth study presented to Council October 2022. Sets out 30 year work programme. Has been included in unconstrained asset management plans for new Three Waters Entity. Proposed that this will be not be included in DAP but rather dealt with via Three Waters Reform process. Will be revisited in LTP if reform does not proceed.	Projected increase in additional funding over the 30 years of \$1.2B.
	Three Waters capex – further proposed increased investment 	Advice from WWL recommends further increases to three waters capex investment largely to address poor asset condition of network. Due to Three Waters Reform changes 1 July 2024 and affordability constraints in current economic context, officer advice is for no further budget increases in 2023-24. Will be revisited in LTP if reform does not proceed.	Officer advice – no change to budgets due to affordability constraints.
	Three Waters opex budgets 	Advice from WWL requesting additional budget across a range of factors. Due to affordability considerations and also pending Three Waters Reform, officers recommend limited increases.	Recommend approval of additional funding for cyber security \$75k p.a. and management fee \$0.4M p.a. Recommend additional reactive maintenance budget of \$1.02M for 2023-24 only.

Proposed budget changes

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Solid Waste

Priority
Investing in infrastructure
Increasing housing supply
Caring for and protecting our environment
Supporting an innovative, agile economy and attractive city
Connecting communities


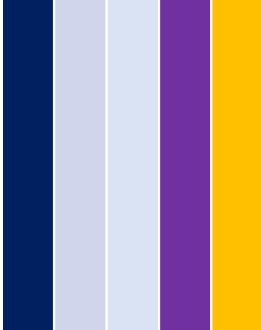


Priority	Project/initiative	Commentary	Budget
Investing in infrastructure	Silverstream landfill capex 	Acceleration of capex works and additional works (replacement of stormwater drain at back of landfill, infrastructure for pumping of leachate, reseal of Reynolds road) plus increased costs estimates for construction.	Increase in capex of \$13.6M over period of DAP, which includes additional \$5.4M in 2023-24.
Investing in infrastructure	Silverstream landfill opex and revenue  	Cost pressures largely due to inflationary impacts, higher waste levy and carbon prices/ETS costs. Refer separate slide re. proposed fees.	Opex increase of \$12.9M over DAP. Higher fees result in offset of these higher costs.
Investing in infrastructure	Rubbish and recycling services  	Collection and processing costs have increased beyond previous projections due to inflationary pressures. Costs for alternative collection have increased where Council pays per lift. Disposal costs have also increased. Refer separate slide re. proposed targeted rates.	Increase opex \$14.4M over DAP offset by equivalent revenue. Per annum increase is \$1.8M.

Proposed budget changes

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Transport

Priority
Investing in infrastructure
Increasing housing supply
Caring for and protecting our environment
Supporting an innovative, agile economy and attractive city
Connecting communities







Priority and	Project/initiative	Commentary	Budget
	Tupua Horo Nuku Eastern Bays shared path	<p>Work approved for Windy Point and Sunshine Bay at cost of \$16.8M. Cost for remaining four bays recently estimated at \$63M. Progressing additional funding from CIP \$15M and Waka Kotahi \$18.3M.</p> <p>NOT RELEASED TO THE PUBLIC AS YET</p>	Project budget increase from \$29M to \$79.8M (increase of \$50.8M). After adjusting for CIP and WK funding the net cost to Council increase of \$17.6M (from \$6.8M to \$24.4M)
	Network resilience - Eastern Hutt Road	<p>Severe weather events more frequent resulting in Eastern Hutt Road becoming increasingly susceptible to slips, both above and below the road carriageway. Stage 1 initial response costs of \$5.6M in 2022-23 approved by Council Nov 22. Awaiting confirmation re. WK funding of 51%.</p> <p>Longer term response estimated at \$27.9M investment for resilience and assumed \$10.3M WK subsidy. Three Waters Reform “Better Off” funding of \$7.75M to be allocated to this project, with focus on resilience aspects.</p>	Longer term Capex \$27.9M. LTP had budget of \$5M so net increase is \$22.9M. Further offset of “Better off” funding and assumed WK funding would result in net HCC cost increase of \$4.9M.
	Coast Road Wainuiomata Rehabilitation	Significant erosion issues. Severe weather event risk that road damage makes properties inaccessible. Risk of access issues for approximately 70 properties.	Proposed budget of \$1.5M Capex increase in 2023-24.
	Transport Streetlighting contract	Streetlighting contract cost escalation assumed to be around 100%. Contract is being tendered. This includes an element of reduced subsidy from Waka Kotahi where the program was previously funded at 90% subsidy. Additional budget is not subsidised for 2023-24.	Proposed addition of \$0.8M Opex budget with assumed subsidy of \$0.4M per annum (\$6.9M and \$3.56M total respectively over DAP).

Proposed budget changes

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Transport

Priority
Investing in infrastructure
Increasing housing supply
Caring for and protecting our environment
Supporting an innovative, agile economy and attractive city
Connecting communities











Priority	Project/initiative	Commentary	Budget
Investing in infrastructure	Transport Street maintenance contract 	Street maintenance contract cost escalation assumed to be around 34%. Contract is due to be tendered in Mar 2023. Additional budget is not subsidised for 2023-24.	Proposed addition of \$1.05M Opex budget with assumed subsidy of \$0.55M per annum (\$9.2M and \$4.69M total respectively over DAP).
Investing in infrastructure	Transport Graffiti removal contract 	Graffiti removal contract cost escalation assumed to be around 15%. Contract is due to be tendered in Mar 2023. Additional budget is not subsidised for 2023-24.	Proposed addition of \$0.06M Opex budget with assumed subsidy of \$0.03M per annum (\$0.5M and \$0.25M total respectively over DAP).
Investing in infrastructure	Transport Road Marking contract 	Road Marking contract cost escalation assumed to be around 15%. Contract is due to be tendered in Mar 2023. Additional budget is not subsidised for 2023-24.	Proposed addition of \$0.11M Opex budget with assumed subsidy of \$0.05M per annum (\$0.92M and \$0.57M total respectively over DAP).
Investing in infrastructure	Transport Sign Maintenance contract 	Sign Maintenance contract cost escalation assumed to be around 15%. Contract is due to be tendered in Mar 2023. Additional budget is not subsidised for 2023-24.	Proposed addition of \$0.05M Opex budget with assumed subsidy of \$0.03M per annum (\$0.43M and \$0.22M total respectively over DAP).
Investing in infrastructure	Micro-mobility 	Rephasing of parts of the project to later years due prioritisation of other projects. Proposed projects to continue incl. Waterloo station to city centre, Magic Triangle, CBD cycle connection, Wainuiomata connection.	Rephasing of \$19M capex and \$9.7M subsidy to 2028-29 and later years.
Investing in infrastructure	Cross Valley Connections 	Rephasing of parts of the project to later years due prioritisation of other projects.	Rephasing of \$33M capex and \$16.8M subsidy to 2030-31 and later years.

Proposed budget changes

DRAFT

Transport

Priority
Investing in infrastructure
Increasing housing supply
Caring for and protecting our environment
Supporting an innovative, agile economy and attractive city
Connecting communities



Priority	Project/initiative	Commentary	Budget
   	Parking revenue 	Aim to <ul style="list-style-type: none"> • Decongest city centre • Reduce carbon footprint • Create a more attractive and useable city centre • Increase attractiveness of public transport. 	Increase hourly rate from between \$0.70 - \$1.50 to a flat rate of \$3.00 an hour at all paid parking zones Increase daily rate from between \$4.00 - \$7.00 to a flat rate of \$10.00 across all paid parking zones. Increase the monthly pass for Riverbank from \$62.00 per month (reduced to \$46.00 for December and January) to \$100.00 per month (reduced to \$75.00 for December and January). Introduction of paid parking in Petone: <ul style="list-style-type: none"> • a flat rate of \$3.00 an hour in all parking zones; • flat rate of \$10.00 at daily rate parking spaces (if applicable); • introduction of paid parking at all car parks which are currently time restricted. Proposed increase in revenue of \$1.2M per annum.
   	Integrated transport strategy (ITS) 	ITS approved May 2022. Proposed next stage is an implementation plan which includes a high level vision for the city's transport system, identifies priorities and trade-offs, identifies focus areas and strategic interventions. Plan will inform next LTP.	Increased budget of \$0.13M for 2023-24 proposed to fund this work.

Proposed budget changes

DRAFT

Regulatory services

Priority
Investing in infrastructure
Increasing housing supply
Caring for and protecting our environment
Supporting an innovative, agile economy and attractive city
Connecting communities








Priority	Project/initiative	Commentary	Budget
	Consent income	Work is being carried out around the review of the consenting process and improvement which includes work around the fee recovery and charges and other key process improvements.	This is expected to yield a minimum of \$0.5M additional revenue per annum (total \$4M over the DAP) – this number will be confirmed in February once the improvement work is complete.
	Building Consents – Go Gets income	Addition of a new charge to building consent applications for the use of Go Gets which is currently supplied for free and is charged for by most other councils.	Estimated additional \$50k consent income per annum, \$0.4M over the DAP.

Proposed budget changes

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Parks and Reserves






Priority
Investing in infrastructure
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Supporting an innovative, agile economy and attractive city
Connecting communities




























Priority	Project/initiative	Commentary	Budget
	Parks - Reserves Contract 	Result of retender of contract – cost escalations on materials, fuel and equipment	Increase of \$0.3M p.a. totalling \$3.15 over the DAP.
	Parks - Horticulture contract  	Indicative market indications for upcoming tender process. Options presented re. potential service cuts to offset projected cost increases.	Increase of \$0.4M p.a. (\$3.69M DAP) No funding included in budget projections.
	Parks – Miscellaneous contracts  	Some workstreams previously covered by contractors but not charged and some activities no longer covered by the reduced reserves contract.	Increase of \$0.24M p.a. (\$2.09M DAP). No funding included in budget projections.
	Point Howard wharf 	Initial budgets were included under capex as a building would be retained. The intention has since changed and complete demolition is planned for wharf starting in February 2023 with relocation of the third party assets.	Transfer budget from capex to opex \$1.3M.
	Reserve financial contributions and associated capex 	Update LTP assumption re. projected revenue to reflect faster development and growth in city. Assume offsetting capex investment and use of the extra funds whilst work underway on Reserves Investment Strategy.	Increase revenue by \$1.9M p.a. (from \$0.6M to \$2.5M) with assumed offsetting capex.

Proposed budget changes

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Parks and Reserves






Priority	
	Investing in infrastructure
	Increasing housing supply
	Caring for and protecting our environment
	Supporting an innovative, agile economy and attractive city
	Connecting communities





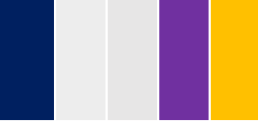

Priority in 2025-26	Project/initiative	Commentary	Budget
   	Memorial park synthetic turf and changing rooms 	An independent assessment was carried out in early July 2022. Report expected the repaired surface to last an additional three years and not the 5 years as first thought by Capital Football, who have requested a repair now and renew in 25/26 approach which is supported.	Requesting \$0.05M transfer from capex to opex. \$0.25M capital to be rephased to 2025 - 2026.
   	Hutt Recreation Ground Sand Carpet Renewal 	Renewing the sand turf in 2023 is not necessary due to recent works. So long as operational inputs remain consistent, renewal should be deferred to 2025/26.	Rephasing of \$0.3M project budget to 2025-26 instead of 2023-24 is proposed.
  	Petone grandstand 	Rephasing of spend to later than previously anticipated	Rephasing of \$6.5M project start to 2026-27 instead of 2023-24.
  	Petone Wharf 	Rephasing of spend to later than previously anticipated	Rephasing of \$20M project start at 2022-23 to be 2029-30 at \$23.9M.
  	Light Boxes 	Officers propose discontinuing the light box memorial program and more cost-effective projects to recognise significant people to be reconsidered in the future	Reduction of \$0.1M over the DAP.
   	Percy Reserve SH2 Development 	Security and Weathertightness for building renewal work at Percy Scenic Reserve in 2025-26 is not considered urgent and could be reduced.	Reduction of \$0.1M over the DAP.

Proposed budget changes

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Parks and Reserves






Priority	
	Investing in infrastructure
	Increasing housing supply
	Caring for and protecting our environment
	Supporting an innovative, agile economy and attractive city
	Connecting communities













Priority	Project/initiative	Commentary	Budget
	Avalon Park Development 	Further development is planned for Avalon Park in keeping with Council’s reserve management plan to establish it as a ‘destination park’ and to respond to residential growth in the area. Proposal to shift project out four years as a part of the reprioritisation process.	Deferral of budgets out by 1 year, overall, \$0.07M reduction over the DAP.
	Car Park Development 	Project could be phased out to 2027-28 as a part of reprioritisation.	Rephasing of \$0.1M project start to 2027-28 instead of 2024-25.
	Fraser Park Sportsville Artificial surface 	Project could be phased out to 2027-28 as a part of reprioritisation.	Rephasing of \$2.2M project start to 2027-28 instead of 2025-26.

Proposed budget changes

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Connectivity, Creativity Learning & Recreation

Priority	
	Investing in infrastructure
	Increasing housing supply
	Caring for and protecting our environment
	Supporting an innovative, agile economy and attractive city
	Connecting communities

		Project/initiative	Commentary	Budget
		Naenae pool bring forward	Rephasing of spend to earlier than previously anticipated	\$9.3M brought forward into FY23 from FY24 And FY25
		McKenzie Pool Decarbonisation bringing forward	Bringing forward of McKenzie Bath baths boiler decommissioning and Heat Pump replacement which is expected to have early delivery and has partial funding from EECA.	Bringing forward of \$0.1M project budget and the same amount of revenue into 2022-23 from 2023-24.
		Petone Library	Rephasing of spend to later than previously anticipated	Rephasing of \$1.6M project start to be 2025-26 instead of 2022-23.
		Library capex to opex	Transfer of budget from capex to opex to increase digital offering based on demand data.	Transfer of \$1.2M from capex to opex over period of DAP.
		Other Pool Projects	Funds miscellaneous minor capital works across the pool network.	Rephasing of \$0.4M project budget to 2024-25 instead of 2023-24 is proposed.
		Library stock replacement budget reduction	Reduction in library collections capex budget is being proposed as a saving option.	Reduction in budget of \$40k per annum, total of \$0.4M over the DAP.

Proposed budget changes

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Connectivity, Creativity Learning & Recreation

Priority
Investing in infrastructure
Increasing housing supply
Caring for and protecting our environment
Supporting an innovative, agile economy and attractive city
Connecting communities


	Project/initiative	Commentary	Budget
	Refurbishment or renewal of the Moera Library ↓	The existing budget will be insufficient based on current estimates due to the poor condition of the building and the need to re-clad and re-roof. Options around staying on track, rephasing the work or retiring the asset need to be considered.	Rephasing of \$0.5M project budget to 2026-27 instead of 2022-23 is proposed.
	Civic Events Centre Improvements ↓	This site has been open for 4 years and doesn't currently require any significant maintenance. At this stage, budget could be reduced without an impact on service/delivery.	Reduction in budgets across the DAP of \$0.6M is proposed.
	Stokes Valley Fitness Suite Equipment Replacement ↓	To assist in managing the current financial challenges, the equipment replacement budget can be pushed out a further year. Existing equipment will be monitored in the interim.	Rephasing of \$0.1M project budget to 2025-26 instead of 2024-25 is proposed.
	Petone Settlers Museum ↓	Propose not updating the furniture and lighting at this site in 2023-24 as planned at this time.	Reduction in budget of 0.1M in 2023-24 is proposed.

Proposed budget changes

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Community Partnering/Governance

Priority
Investing in infrastructure
Increasing housing supply
Caring for and protecting our environment
Supporting an innovative, agile economy and attractive city
Connecting communities





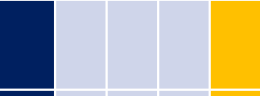

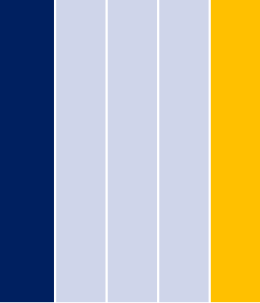

Priority	Project/initiative	Commentary	Budget
	Community panel funding 	Removal of capital projects funding for community funding panels in this triennium as assets review is underway and there should be a focus on delivering the projects from previous panels. Reduction also in some administration costs for the projects. Community engagement fund (total \$49k) proposed to remain in budgets and not impacted.	\$0.5M decrease in capital budget is proposed. \$0.1M opex budget reduction is proposed.

Proposed budget changes

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Corporate Services

Priority	
	Investing in infrastructure
	Increasing housing supply
	Caring for and protecting our environment
	Supporting an innovative, agile economy and attractive city
	Connecting communities








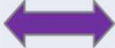
Priority	Project/initiative	Commentary	Budget
	Parking policy review 	Last policy review adopted 2017. Linkages to multiple other work across council – e.g. Integrated Transport Strategy. Proposed “light-touch” parking fee increases for 2023-24 ahead of comprehensive parking policy review as part of LTP. Extra funding request	One-off extra budget of \$60k
	Representation review 	Legislative requirement under the Local Electoral Act 2001. This budget will support an independent review process and the external expertise and advice which will be required.	One-off cost of \$150k
	Insurance costs 	Market driven - comments provided by Aon is that this is increasing due to the impact of climate change and severe weather events.	\$0.3M p.a. \$2.4M over DAP
	Cost of borrowings 	Financial market driven impacts. Average cost of 4.6% through DAP versus 3.6% assumed in AP23. Proposed rephasing of capital works have reduced this cost from a peak of \$118M when initial cost pressures were added.	@5.9% rates increase - Increase of \$86.2M over DAP, average \$10.8M p.a. @8.9% rates increase - Increase of \$83.5M over DAP, average \$10.4M p.a.

Proposed budget changes

DRAFT

Corporate Services

Priority	
	Investing in infrastructure
	Increasing housing supply
	Caring for and protecting our environment
	Supporting an innovative, agile economy and attractive city
	Connecting communities


Priority	Project/initiative	Commentary	Budget
	Information technology 	Response to growing organisation and the increased risk of cyber-attacks to ensure information management practices, technology infrastructure and applications are fit for purpose and provide the appropriate protection.	Increase of \$0.32M p.a. opex
	Information technology - CCTV 	Review and improvement of the CCTV network	One off capex of \$0.2M
	Activity based working savings 	Project looks at re-designing our workspace at Laings Road to better enable a more modern and flexible working environment. Option will still allow move of staff from Market Grove to Laings road.	Propose scaling down the project from \$1M to approximately \$250k in 2022-23.
	Facilities Seismic Strengthening 	Proposed change in War Memorial Library project timing as work requires the site to be closed for 9 to 12 months. Improvement works at other Neighbourhood Hubs are to be completed before this, to ensure we can still provide services to the community	No change in overall project costs, rephasing of \$1.7M from 2022-23 to 2023-24 is being proposed.

Proposed budget changes

DRAFT

CCOs

Priority
Investing in infrastructure
Increasing housing supply
Caring for and protecting our environment
Supporting an innovative, agile economy and attractive city
Connecting communities

Priority	Project/initiative	Commentary	Budget
	Urban Plus Ltd	Enable increased volume of activity to supply housing via higher loan facilities from HCC	Increase of \$20M to current loan facility of \$43M. Fixed period of two years.



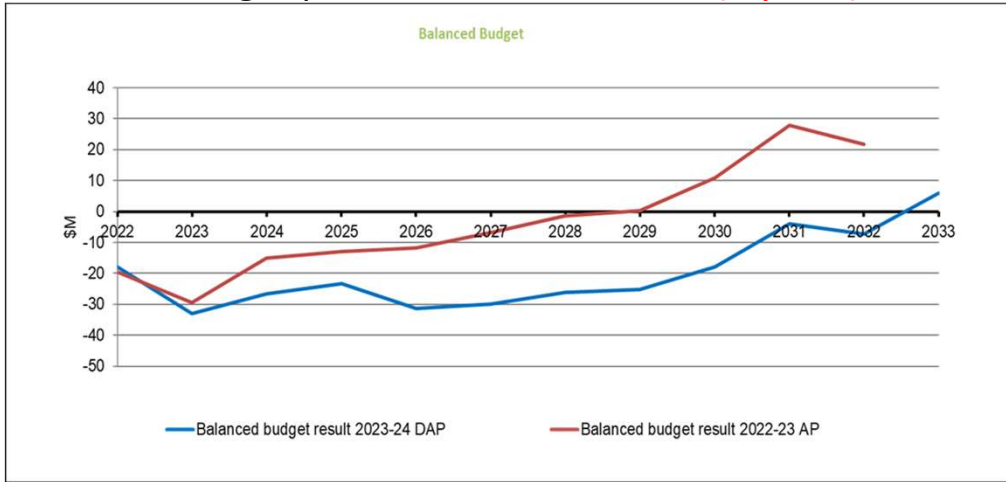
Appendix 2 – Financial strategy projections

- Financial strategy projections based on rates revenue increases for scenario 1, 2, 3 and 4
- Operating changes

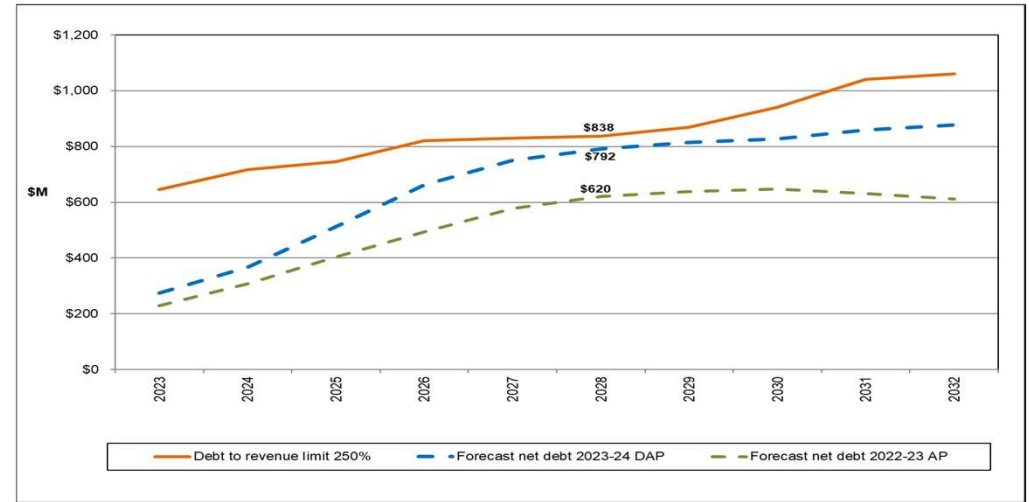
Scenario 1

5.9% and then 7.2% onwards (plus growth assumption)

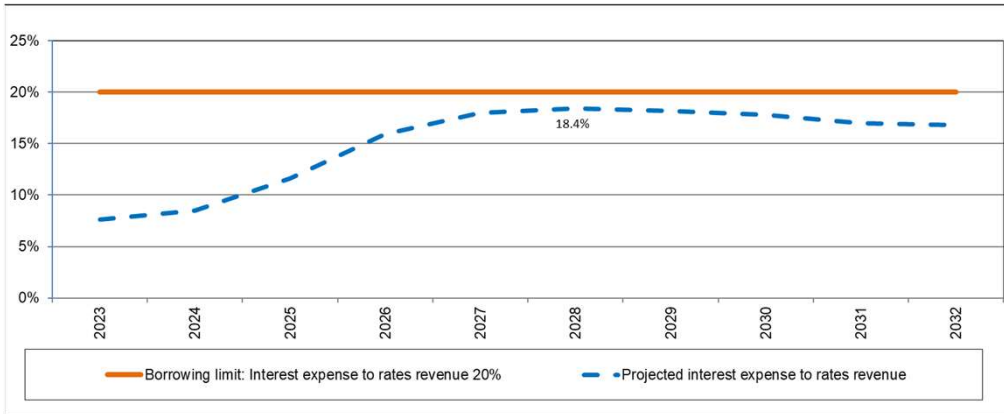
Balanced budget pushed out to 2032/33 (4 years)



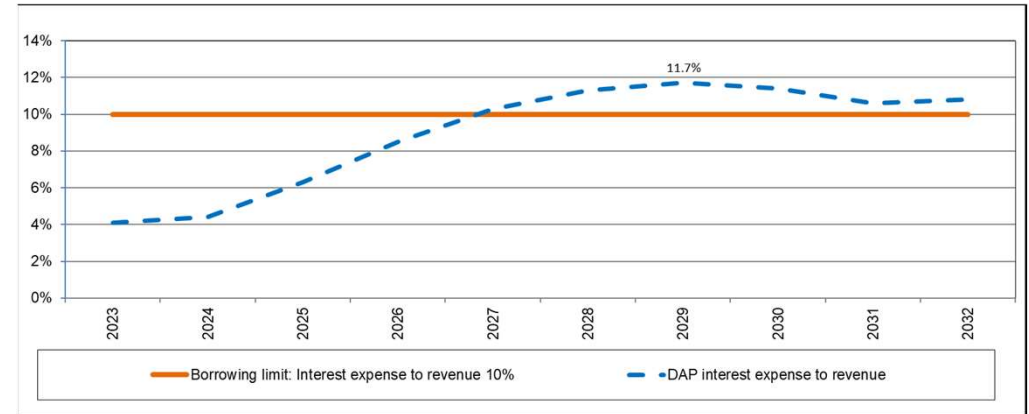
Projected net debt to revenue, 236% (\$46M headroom)



Projected net interest to rates revenue 18.4%



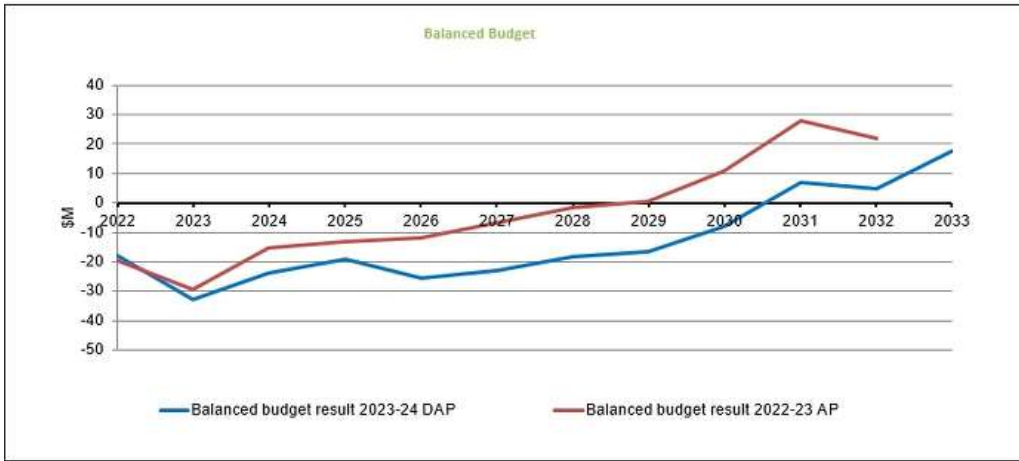
Projected net interest to revenue 11.7%



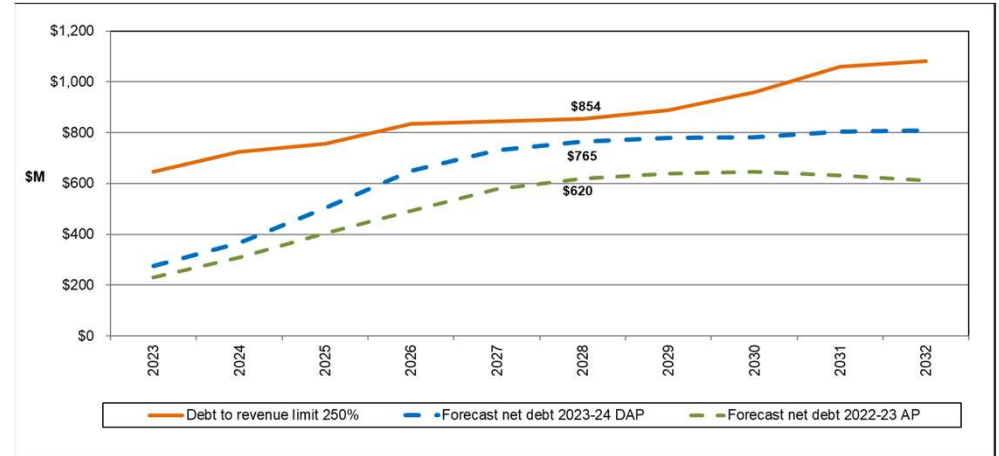
Scenario 2

7.9% for three years and then 7.2% onwards (plus growth assumption)

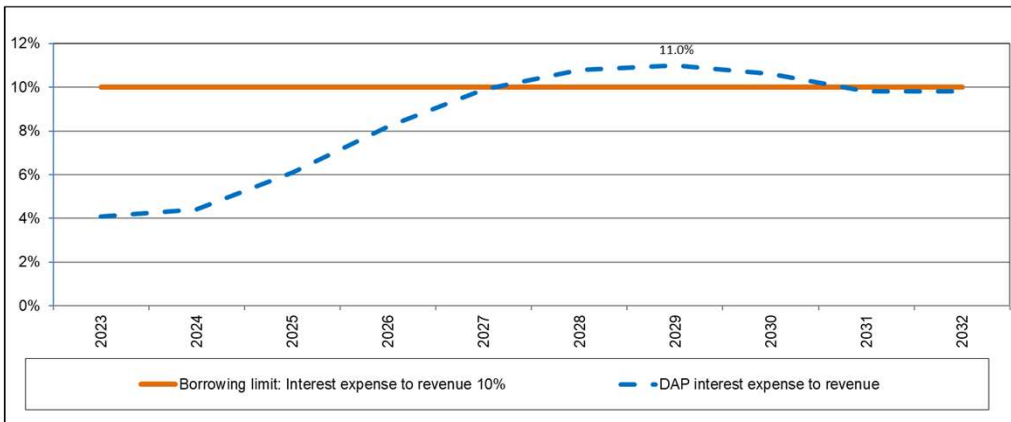
Balanced budget pushed out to 2030/31 (2 years)



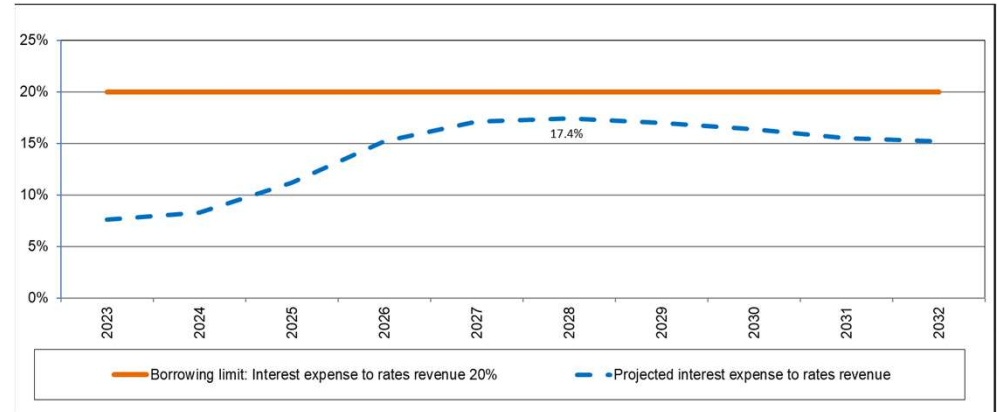
Net debt to revenue 224% (\$89M head room)



Net interest expense to revenue 11%



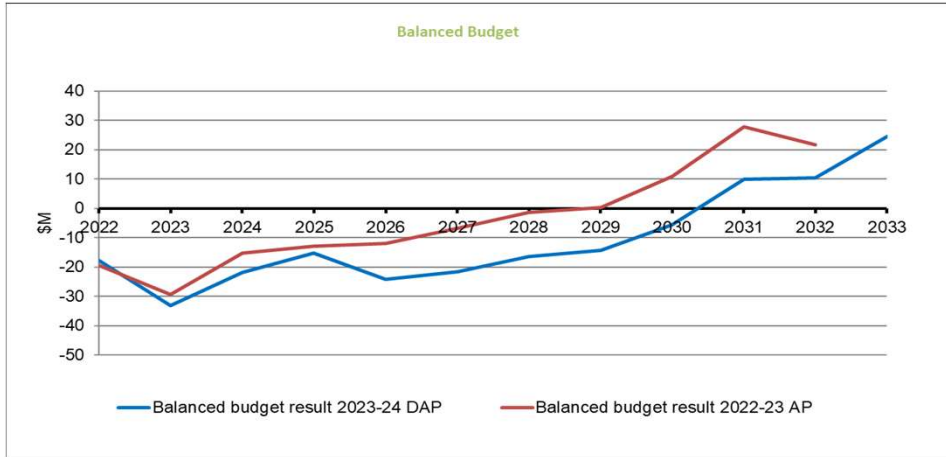
Net interest expense to rates revenue 17.4%



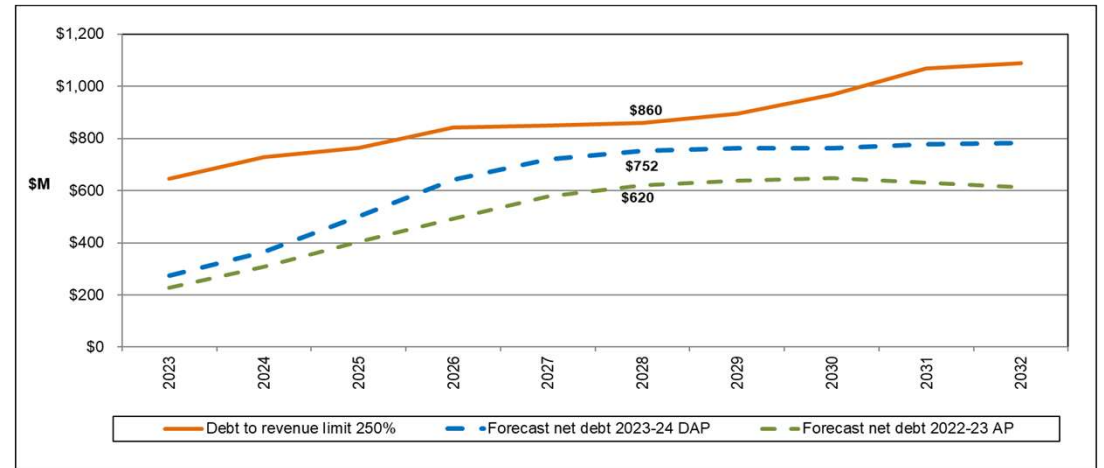
Scenario 3

8.9% for two years and then 7.2% onwards (plus growth assumption)

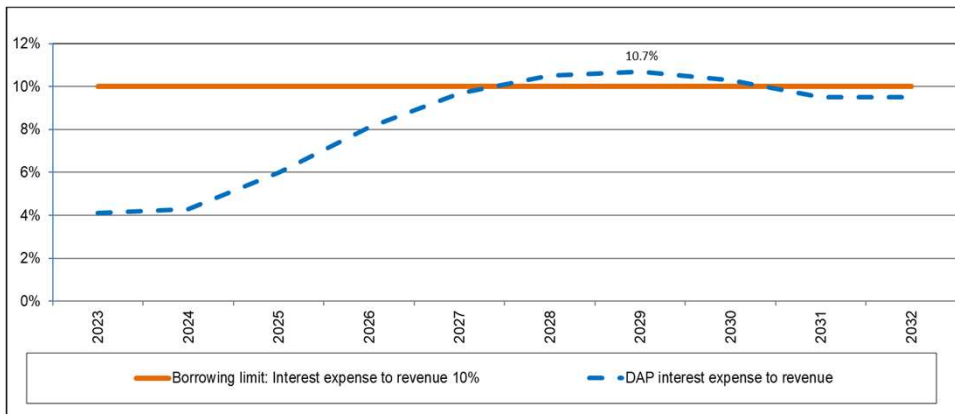
Balanced budget pushed out to 2030/31 (2 years)



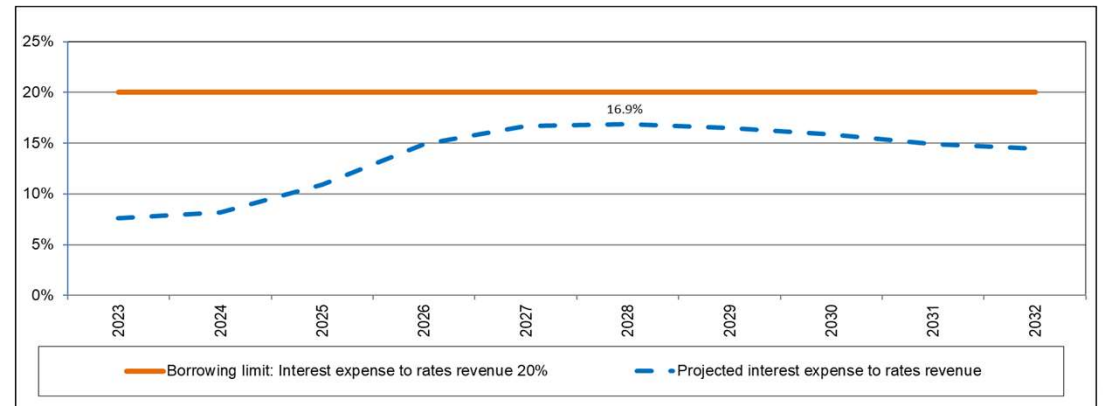
Net debt to revenue 219% (\$108M head room)



Net interest expense to revenue 10.7%



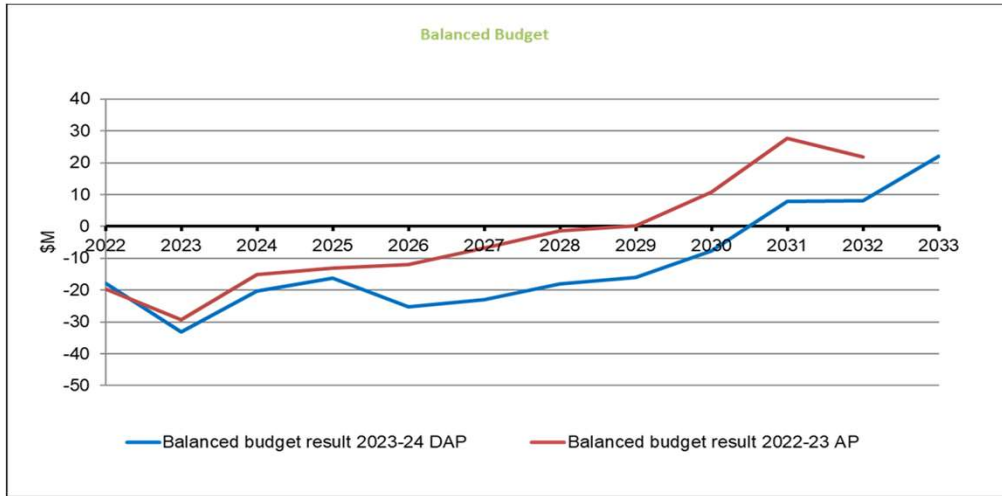
Net interest expense to rates revenue 16.9%



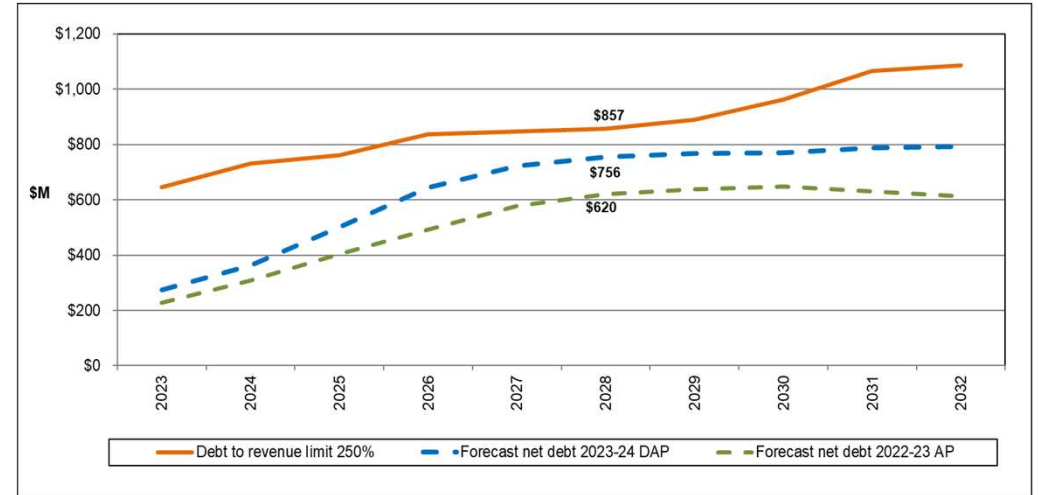
Scenario 4

9.9% for one year and then 7.2% onwards (plus growth assumption)

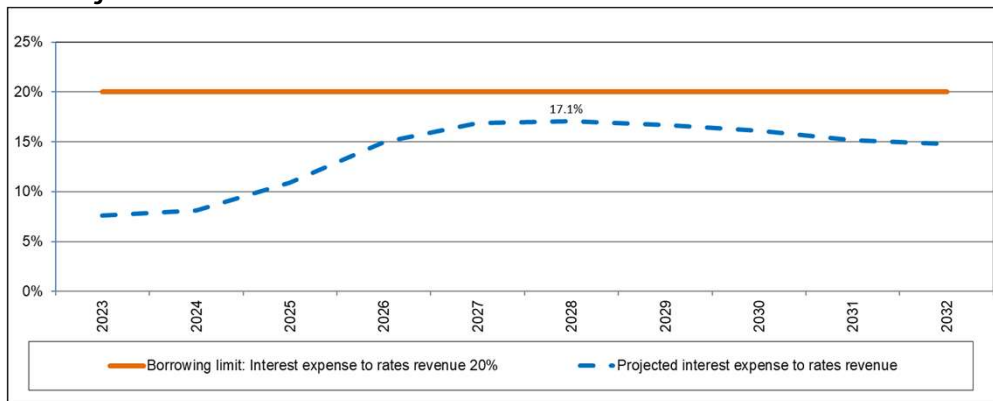
Balanced budget pushed out to 2030/31 (2 years)



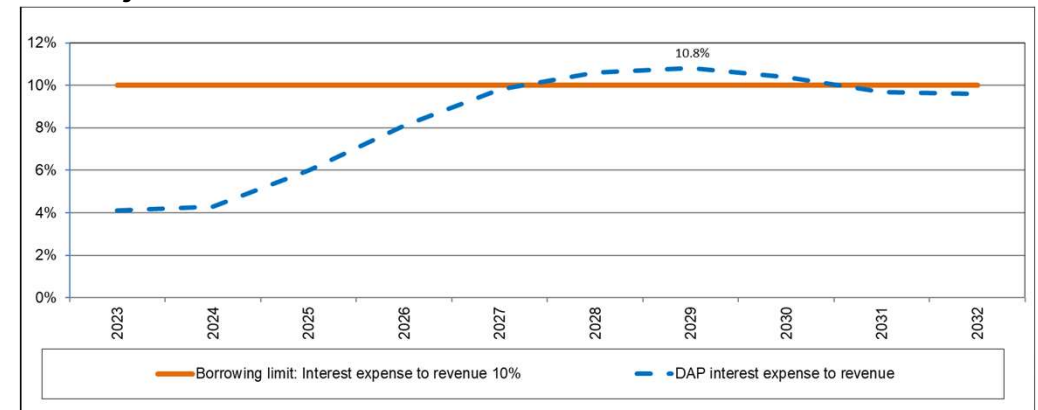
Projected net debt to revenue, 221% (101M headroom)



Projected net interest to rates revenue 17.1%



Projected net interest to revenue 10.8%



Operating changes

- high level overview of changes proposed - Scenario 3 (8.9% rates) compared to AP23

\$M – Comparison over 8 years of DAP	Annual Plan	Draft Annual Plan	Difference	Commentary
	2022-23	2023-24		
Net Deficit for Balanced budget	(9.2)	(109.0)	(100)	
<u>Key aspects</u>				
Employee costs	393	402	(9)	Some higher market related salaries offset by higher vacancy assumptions and role reductions.
Operating costs	1,094	1,156	(62)	WWL Opex budget increase; Higher Landfill costs (e.g. MFE levy); Parks Opex budget increases; Transport Opex budget increases; IT budget increases, Insurance increase.
Depreciation and amortisation	654	719	(65)	Linked to higher capital investment.
Finance costs	171	254	(83)	Higher capex and cost of funds
Fees and charges	(532)	(570)	38	Increases to Consent fees; Landfill charges; Corridor Access fees, Subdivision engineering fee.
Operating subsidies and other revenue	(165)	(178)	13	Linked to Transport Opex increases.
Rates Income	(1,606)	(1,675)	69	5.9% in AP23 vs 8.9% in DAP

Appendix 3 – Projected rating impact

Further details re. rating impact. Note subject change due to rating revaluation objection process

Scenario 1

5.9% and then 7.2% onwards (plus growth assumption)

Property Category	1 July 2022 Capital Value	2022-2023 Rates	1 July 2023 Capital Value	2023-2024 Rates	\$ Change Amount annual	\$ Change Amount Weekly	Change Amount %
Average Residential	\$630,000	\$3,086	\$815,000	\$3,230	\$144	\$2.77	4.7%
Average Commercial Central	\$1,782,000	\$16,321	\$2,350,000	\$18,238	\$1,916	\$36.86	11.7%
Average Commercial Suburban	\$1,644,000	\$14,414	\$2,418,000	\$15,635	\$1,221	\$23.49	8.5%
Commercial Queensgate*	\$320,000,000	\$2,696,507	\$320,000,000	\$2,299,429	(\$397,078)	(\$7,636.12)	(14.7%)
Average Rural (no water or wastewater)	\$886,000	\$2,027	\$1,247,000	\$2,249	\$221	\$4.26	10.9%
Utilities	\$2,630,700	\$21,063	\$3,262,068	\$22,224	\$1,161	\$22.33	5.5%

*Note Queensgate is part of the Commercial central property category and not a separate category.

Scenario 1

5.9% and then 7.2% onwards
(plus growth assumption)

Residential Suburb	Rateable value as at 1 July 2022	2021-2022 Rates	Capital Value July 2023	% Change in Property Value	2023-2024 Rates	\$ Change Annual	\$ Change Weekly	% Change Amount
ALICETOWN	\$662,500	\$3,173	\$899,500	36%	\$3,407	\$234	\$4.49	7%
AVALON	\$600,500	\$3,007	\$760,000	27%	\$3,115	\$108	\$2.08	4%
BELMONT	\$716,000	\$3,316	\$972,500	36%	\$3,559	\$243	\$4.68	7%
BOULCOTT	\$732,500	\$3,360	\$922,500	26%	\$3,455	\$95	\$1.82	3%
DAYS BAY	\$996,800	\$4,066	\$1,294,500	30%	\$4,232	\$166	\$3.18	4%
EASTBOURNE	\$934,700	\$3,900	\$1,217,800	30%	\$4,072	\$171	\$3.29	4%
EPUNI	\$661,900	\$3,172	\$834,900	26%	\$3,272	\$100	\$1.93	3%
FAIRFIELD	\$637,900	\$3,107	\$818,300	28%	\$3,237	\$130	\$2.50	4%
HARBOUR VIEW	\$690,800	\$3,249	\$912,100	32%	\$3,433	\$184	\$3.55	6%
HAYWARDS	\$451,100	\$2,608	\$632,500	40%	\$2,849	\$241	\$4.63	9%
HUTT CENTRAL	\$850,900	\$3,676	\$1,080,800	27%	\$3,786	\$109	\$2.10	3%
KELSON	\$654,100	\$3,151	\$879,600	34%	\$3,365	\$215	\$4.13	7%
KOROKORO	\$789,500	\$3,512	\$1,023,900	30%	\$3,667	\$154	\$2.97	4%
LOWRY BAY	\$1,283,100	\$4,831	\$1,661,600	29%	\$4,999	\$167	\$3.22	3%
MANOR PARK	\$620,900	\$3,062	\$896,400	44%	\$3,400	\$338	\$6.51	11%
MAUNGARAKI	\$689,900	\$3,246	\$932,800	35%	\$3,476	\$230	\$4.42	7%
MELLING	\$548,200	\$2,868	\$766,900	40%	\$3,130	\$262	\$5.04	9%
MOERA	\$518,000	\$2,787	\$648,200	25%	\$2,882	\$95	\$1.82	3%
NAENAE	\$495,700	\$2,727	\$659,200	33%	\$2,905	\$177	\$3.41	7%
NORMANDALE	\$669,000	\$3,190	\$896,200	34%	\$3,400	\$209	\$4.03	7%
PETONE	\$744,400	\$3,392	\$950,800	28%	\$3,514	\$122	\$2.35	4%
POINT HOWARD	\$908,200	\$3,830	\$1,185,100	30%	\$4,003	\$174	\$3.34	5%
STOKES VALLEY	\$489,000	\$2,710	\$648,800	33%	\$2,883	\$174	\$3.34	6%
TAITĀ	\$487,000	\$2,704	\$661,400	36%	\$2,909	\$205	\$3.95	8%
WAINUIOMATA	\$463,900	\$2,642	\$630,100	36%	\$2,844	\$202	\$3.88	8%
WAIWHETU	\$621,300	\$3,063	\$802,800	29%	\$3,205	\$142	\$2.73	5%
WATERLOO	\$694,300	\$3,258	\$887,700	28%	\$3,382	\$124	\$2.39	4%
WOBURN	\$955,000	\$3,955	\$1,283,900	34%	\$4,210	\$255	\$4.91	6%
YORK BAY	\$859,100	\$3,698	\$1,128,100	31%	\$3,884	\$186	\$3.58	5%

Scenario 2

7.9% for three years and then 7.2% onwards (plus growth assumption)

Property Category	1 July 2022 Capital Value	2022-2023 Rates	1 July 2023 Capital Value	2023-2024 Rates	\$ Change Amount annual	\$ Change Amount Weekly	Change Amount %
Average Residential	\$630,000	\$3,086	\$815,000	\$3,288	\$202	\$3.89	6.5%
Average Commercial Central	\$1,782,000	\$16,321	\$2,350,000	\$18,618	\$2,297	\$44.17	14.1%
Average Commercial Suburban	\$1,644,000	\$14,414	\$2,418,000	\$15,961	\$1,547	\$29.75	10.7%
Commercial Queensgate*	\$320,000,000	\$2,696,507	\$320,000,000	\$2,347,948	(\$348,559)	(\$6,703.05)	(12.9%)
Average Rural (no water or wastewater)	\$886,000	\$2,027	\$1,247,000	\$2,290	\$262	\$5.05	12.9%
Utilities	\$2,630,700	\$21,063	\$3,262,068	\$22,694	\$1,631	\$31.36	7.7%

*Note Queensgate is part of the Commercial central property category and not a separate category.

Scenario 2

7.9% for three years and then 7.2% onwards
(plus growth assumption)

Residential Suburbs Average CV	Rateable value as at 1 July 2022	2021-2022 Rates	Capital Value July 2023	% Change in Property Value	2023-2024 Rates	\$ Change Annual	\$ Change Weekly	% Change Amount
ALICETOWN	\$662,500	\$3,173	\$899,500	36%	\$3,469	\$295	\$5.68	9%
AVALON	\$600,500	\$3,007	\$760,000	27%	\$3,171	\$164	\$3.15	5%
BELMONT	\$716,000	\$3,316	\$972,500	36%	\$3,624	\$308	\$5.93	9%
BOULCOTT	\$732,500	\$3,360	\$922,500	26%	\$3,518	\$157	\$3.03	5%
DAYS BAY	\$996,800	\$4,066	\$1,294,500	30%	\$4,311	\$245	\$4.71	6%
EASTBOURNE	\$934,700	\$3,900	\$1,217,800	30%	\$4,147	\$247	\$4.75	6%
EPUNI	\$661,900	\$3,172	\$834,900	26%	\$3,331	\$159	\$3.06	5%
FAIRFIELD	\$637,900	\$3,107	\$818,300	28%	\$3,295	\$188	\$3.61	6%
HARBOUR VIEW	\$690,800	\$3,249	\$912,100	32%	\$3,495	\$247	\$4.74	8%
HAYWARDS	\$451,100	\$2,608	\$632,500	40%	\$2,899	\$291	\$5.59	11%
HUTT CENTRAL	\$850,900	\$3,676	\$1,080,800	27%	\$3,855	\$179	\$3.44	5%
KELSON	\$654,100	\$3,151	\$879,600	34%	\$3,426	\$275	\$5.30	9%
KOROKORO	\$789,500	\$3,512	\$1,023,900	30%	\$3,734	\$221	\$4.26	6%
LOWRY BAY	\$1,283,100	\$4,831	\$1,661,600	29%	\$5,094	\$263	\$5.05	5%
MANOR PARK	\$620,900	\$3,062	\$896,400	44%	\$3,462	\$400	\$7.69	13%
MAUNGARAKI	\$689,900	\$3,246	\$932,800	35%	\$3,540	\$293	\$5.64	9%
MELLING	\$548,200	\$2,868	\$766,900	40%	\$3,186	\$318	\$6.12	11%
MOERA	\$518,000	\$2,787	\$648,200	25%	\$2,933	\$146	\$2.80	5%
NAENAE	\$495,700	\$2,727	\$659,200	33%	\$2,956	\$229	\$4.40	8%
NORMANDALE	\$669,000	\$3,190	\$896,200	34%	\$3,462	\$271	\$5.21	8%
PETONE	\$744,400	\$3,392	\$950,800	28%	\$3,578	\$186	\$3.58	5%
POINT HOWARD	\$908,200	\$3,830	\$1,185,100	30%	\$4,078	\$248	\$4.77	6%
STOKES VALLEY	\$489,000	\$2,710	\$648,800	33%	\$2,934	\$224	\$4.31	8%
TAITA	\$487,000	\$2,704	\$661,400	36%	\$2,961	\$256	\$4.93	9%
WAINUIOMATA	\$463,900	\$2,642	\$630,100	36%	\$2,894	\$251	\$4.84	10%
WAIWHETU	\$621,300	\$3,063	\$802,800	29%	\$3,262	\$199	\$3.83	7%
WATERLOO	\$694,300	\$3,258	\$887,700	28%	\$3,443	\$185	\$3.56	6%
WOBURN	\$955,000	\$3,955	\$1,283,900	34%	\$4,288	\$334	\$6.42	8%
YORK BAY	\$859,100	\$3,698	\$1,128,100	31%	\$3,956	\$258	\$4.96	7%

Scenario 3

8.9% for two years and then 7.2% onwards (plus growth assumption)

Property Category	1 July 2022 Capital Value	2022-2023 Rates	1 July 2023 Capital Value	2023-2024 Rates	\$ Change Amount annual	\$ Change Amount Weekly	Change Amount %
Average Residential	\$630,000	\$2,951	\$815,000	\$3,317	\$231	\$4.44	7.5%
Average Commercial Central	\$1,782,000	\$16,321	\$2,350,000	\$18,809	\$2,487	\$47.83	15.2%
Average Commercial Suburban	\$1,644,000	\$14,414	\$2,418,000	\$16,124	\$1,710	\$32.88	11.9%
Commercial Queensgate*	\$320,000,000	\$2,696,507	\$320,000,000	\$2,372,215	(\$324,293)	(\$6,236.40)	(12.0%)
Average Rural (no water or wastewater)	\$886,000	\$2,027	\$1,247,000	\$2,310	\$283	\$5.44	14.0%
Utilities	\$2,630,700	\$21,063	\$3,262,068	\$22,929	\$1,866	\$35.88	8.9%

*Note Queensgate is part of the Commercial central property category and not a separate category.

Scenario 3

8.9% for two years and then 7.2% onwards
(plus growth assumption)

Residential Suburb	Rateable value as at 1 July 2022	2021-2022 Rates	Capital Value July 2023	% Change in Property Value	2023-2024 Rates	\$ Change Annual	\$ Change Weekly	% Change Amount
ALICETOWN	\$662,500	\$3,173	\$899,500	36%	\$3,499	\$326	\$6.27	10%
AVALON	\$600,500	\$3,007	\$760,000	27%	\$3,199	\$191	\$3.68	6%
BELMONT	\$716,000	\$3,316	\$972,500	36%	\$3,657	\$341	\$6.55	10%
BOULCOTT	\$732,500	\$3,360	\$922,500	26%	\$3,549	\$189	\$3.63	6%
DAYS BAY	\$996,800	\$4,066	\$1,294,500	30%	\$4,351	\$284	\$5.47	7%
EASTBOURNE	\$934,700	\$3,900	\$1,217,800	30%	\$4,185	\$285	\$5.48	7%
EPUNI	\$661,900	\$3,172	\$834,900	26%	\$3,360	\$189	\$3.63	6%
FAIRFIELD	\$637,900	\$3,107	\$818,300	28%	\$3,324	\$217	\$4.17	7%
HARBOUR VIEW	\$690,800	\$3,249	\$912,100	32%	\$3,527	\$278	\$5.34	9%
HAYWARDS	\$451,100	\$2,608	\$632,500	40%	\$2,924	\$316	\$6.07	12%
HUTT CENTRAL	\$850,900	\$3,676	\$1,080,800	27%	\$3,890	\$214	\$4.11	6%
KELSON	\$654,100	\$3,151	\$879,600	34%	\$3,457	\$306	\$5.88	10%
KOROKORO	\$789,500	\$3,512	\$1,023,900	30%	\$3,767	\$255	\$4.90	7%
LOWRY BAY	\$1,283,100	\$4,831	\$1,661,600	29%	\$5,142	\$310	\$5.97	6%
MANOR PARK	\$620,900	\$3,062	\$896,400	44%	\$3,493	\$431	\$8.28	14%
MAUNGARAKI	\$689,900	\$3,246	\$932,800	35%	\$3,571	\$325	\$6.25	10%
MELLING	\$548,200	\$2,868	\$766,900	40%	\$3,214	\$346	\$6.65	12%
MOERA	\$518,000	\$2,787	\$648,200	25%	\$2,958	\$171	\$3.29	6%
NAENAE	\$495,700	\$2,727	\$659,200	33%	\$2,982	\$254	\$4.89	9%
NORMANDALE	\$669,000	\$3,190	\$896,200	34%	\$3,492	\$302	\$5.80	9%
PETONE	\$744,400	\$3,392	\$950,800	28%	\$3,610	\$218	\$4.19	6%
POINT HOWARD	\$908,200	\$3,830	\$1,185,100	30%	\$4,115	\$285	\$5.49	7%
STOKES VALLEY	\$489,000	\$2,710	\$648,800	33%	\$2,959	\$250	\$4.80	9%
TAITĀ	\$487,000	\$2,704	\$661,400	36%	\$2,986	\$282	\$5.43	10%
WAINUIOMATA	\$463,900	\$2,642	\$630,100	36%	\$2,919	\$276	\$5.31	10%
WAIWHETU	\$621,300	\$3,063	\$802,800	29%	\$3,291	\$228	\$4.38	7%
WATERLOO	\$694,300	\$3,258	\$887,700	28%	\$3,474	\$216	\$4.15	7%
WOBURN	\$955,000	\$3,955	\$1,283,900	34%	\$4,328	\$373	\$7.18	9%
YORK BAY	\$859,100	\$3,698	\$1,128,100	31%	\$3,992	\$294	\$5.65	8%

Scenario 4

9.9% and then 7.2% onwards (plus growth assumption)

Property Category	1 July 2022 Capital Value	2022-2023 Rates	1 July 2023 Capital Value	2023-2024 Rates	\$ Change Amount annual	\$ Change Amount Weekly	Change Amount %
Average Residential	\$630,000	3,086.28	\$815,000	\$3,347	\$261	\$5.02	8.5%
Average Commercial Central	\$1,782,000	\$16,321	\$2,350,000	\$19,000	\$2,679	\$51.52	16.4%
Average Commercial Suburban	\$1,644,000	\$14,414	\$2,418,000	\$16,288	\$1,874	\$36.03	13.0%
Commercial Queensgate*	\$320,000,000	\$2,696,507	\$320,000,000	\$2,396,495	(\$300,012)	(\$5,769.46)	(11.1%)
Average Rural (no water or wastewater)	\$886,000	\$2,027	\$1,247,000	\$2,331	\$304	\$5.84	15.0%
Utilities	\$2,630,700	\$21,063	\$3,262,068	\$23,164	\$2,101	\$40.40	10.0%

*Note Queensgate is part of the Commercial central property category and not a separate category.

Scenario 4

9.9% and then 7.2% onwards
(plus growth assumption)

Residential Suburb	Rateable value as at 1 July 2022	2022-2023 Rates	Capital Value July 2023	% Change in Property Value	2023-2024 Rates	\$ Change Annual	\$ Change Weekly	% Change Amount
ALICETOWN	\$662,500	\$3,173	\$899,500	35.77%	\$3,531	\$358	\$6.89	11%
AVALON	\$600,500	\$3,007	\$760,000	26.56%	\$3,228	\$220	\$4.23	7%
BELMONT	\$716,000	\$3,316	\$972,500	35.82%	\$3,690	\$374	\$7.19	11%
BOULCOTT	\$732,500	\$3,360	\$922,500	25.94%	\$3,581	\$221	\$4.25	7%
DAYS BAY	\$996,800	\$4,066	\$1,294,500	29.87%	\$4,391	\$325	\$6.25	8%
EASTBOURNE	\$934,700	\$3,900	\$1,217,800	30.29%	\$4,224	\$324	\$6.23	8%
EPUNI	\$661,900	\$3,172	\$834,900	26.14%	\$3,391	\$219	\$4.21	7%
FAIRFIELD	\$637,900	\$3,107	\$818,300	28.28%	\$3,354	\$247	\$4.75	8%
HARBOUR VIEW	\$690,800	\$3,249	\$912,100	32.04%	\$3,559	\$310	\$5.96	10%
HAYWARDS	\$451,100	\$2,608	\$632,500	40.21%	\$2,950	\$342	\$6.57	13%
HUTT CENTRAL	\$850,900	\$3,676	\$1,080,800	27.02%	\$3,926	\$249	\$4.80	7%
KELSON	\$654,100	\$3,151	\$879,600	34.47%	\$3,488	\$337	\$6.49	11%
KOROKORO	\$789,500	\$3,512	\$1,023,900	29.69%	\$3,802	\$290	\$5.57	8%
LOWRY BAY	\$1,283,100	\$4,831	\$1,661,600	29.50%	\$5,190	\$359	\$6.91	7%
MANOR PARK	\$620,900	\$3,062	\$896,400	44.37%	\$3,525	\$463	\$8.90	15%
MAUNGARAKI	\$689,900	\$3,246	\$932,800	35.21%	\$3,604	\$357	\$6.87	11%
MELLING	\$548,200	\$2,868	\$766,900	39.89%	\$3,243	\$375	\$7.21	13%
MOERA	\$518,000	\$2,787	\$648,200	25.14%	\$2,984	\$197	\$3.79	7%
NAENAE	\$495,700	\$2,727	\$659,200	32.98%	\$3,008	\$281	\$5.40	10%
NORMANDALE	\$669,000	\$3,190	\$896,200	33.96%	\$3,524	\$334	\$6.42	10%
PETONE	\$744,400	\$3,392	\$950,800	27.73%	\$3,643	\$251	\$4.83	7%
POINT HOWARD	\$908,200	\$3,830	\$1,185,100	30.49%	\$4,153	\$323	\$6.22	8%
STOKES VALLEY	\$489,000	\$2,710	\$648,800	32.68%	\$2,985	\$276	\$5.31	10%
TAITĀ	\$487,000	\$2,704	\$661,400	35.81%	\$3,013	\$309	\$5.94	11%
WAINUIOMATA	\$463,900	\$2,642	\$630,100	35.83%	\$2,945	\$302	\$5.81	11%
WAIWHETU	\$621,300	\$3,063	\$802,800	29.21%	\$3,321	\$258	\$4.96	8%
WATERLOO	\$694,300	\$3,258	\$887,700	27.86%	\$3,506	\$247	\$4.76	8%
WOBURN	\$955,000	\$3,955	\$1,283,900	34.44%	\$4,368	\$413	\$7.95	10%
YORK BAY	\$859,100	\$3,698	\$1,128,100	31.31%	\$4,029	\$331	\$6.36	9%

Summary of different scenarios for average residential property

Indicative impact of scenarios on the average residential property

Scenario	Rates 2022/23	Indicative Rates 2023/24	% Change	Amount per annum	Amount per week	Compare to scenario 1
Scenario 1: 5.9%	\$3,086	\$3,230	4.7% Higher	\$144	\$2.77	
Scenario 2: 7.9%	\$3,086	\$3,288	6.5% Higher	\$202	\$3.89	\$58 p.a. Higher
Scenario 3: 8.9%	\$3,086	\$3,317	7.5% Higher	\$231	\$4.44	\$87 p.a. Higher
Scenario 4: 9.9%	\$3,086	\$3,347	8.5% Higher	\$261	\$5.02	\$117 p.a. Higher

The above amounts are inclusive of the wastewater, water supply, 120L rubbish and recycling targeted rates.

Summary of different scenarios for commercial central

Indicative impact of scenarios on the average commercial central rates



Scenario	Rates 2022/23	Indicative Rates 2023/24	% Change	Amount per annum	Amount per week	Compare to scenario 1
Scenario 1: 5.9%	\$16,321	\$18,238	11.7% Higher	\$1,916	\$36.86	
Scenario 2: 7.9%	\$16,321	\$18,618	14.1% Higher	\$2,297	\$44.17	\$381 Higher
Scenario 3: 8.9%	\$16,321	\$18,809	15.2% Higher	\$2,487	\$47.83	\$571 Higher
Scenario 4: 9.9%	\$16,321	\$19,000	16% Higher	\$2,679	\$51.52	\$763 Higher

Summary of different scenarios for commercial suburban

Indicative impact of scenarios on the commercial suburban property category



Scenario	Rates 2022/23	Indicative Rates 2023/24	% Change	Amount per annum	Amount per week	Compare to scenario 1
Scenario 1: 5.9%	\$14,414	\$15,635	8.5% Higher	\$1,221	\$23.49	
Scenario 2: 7.9%	\$14,414	\$15,961	10.7% Higher	\$1,547	\$29.75	\$326 Higher
Scenario 3: 8.9%	\$14,414	\$16,124	11.9% Higher	\$1,710	\$32.88	\$489 Higher
Scenario 4: 9.9%	\$14,414	\$16,288	13% Higher	\$1,874	\$36.03	\$653 Higher

Summary of different scenarios for queengate

Indicative impact of scenarios on the Queensgate shopping centre

Scenario	Rates 2022/23	Indicative Rates 2023/24	% Change	Amount per annum	Amount per week	Compare to scenario 1
Scenario 1: 5.9%	\$2.69M	\$2.29M	(14.7%) Lower	(\$397K) Lower	(\$7.6K)	
Scenario 2: 7.9%	\$2.69M	\$2.34M	(12.9%) Lower	(\$348K) Lower	(\$6.7K)	\$49K p.a. higher
Scenario 3: 8.9%	\$2.69M	\$2.37M	(12%) Lower	(\$324K) Lower	(\$6.2K)	\$73K p.a. higher
Scenario 4: 9.9%	\$2.69M	\$2.39M	(11%) Lower	(\$300K) Lower	(\$5.7K)	\$97K p.a. higher