



# Annual Plan Financials

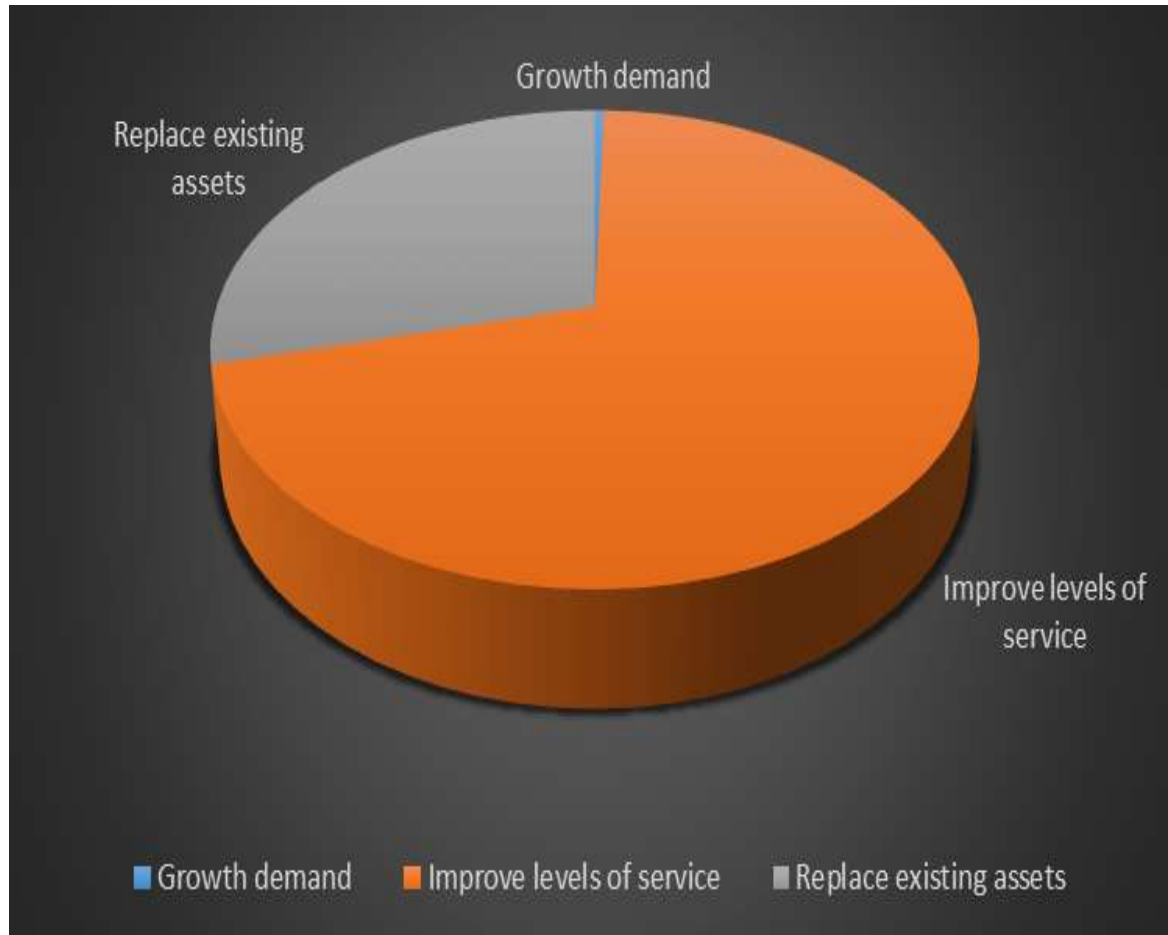
# Long Term Plan Financial Strategy

- Achieving the Vision 2030 in a financially prudent and sustainable way
- Maintaining existing infrastructure so it is fit for purpose
- Providing infrastructure to accommodate a growing district
- Investing in the future of the district
- Keeping rates affordable and managing debt

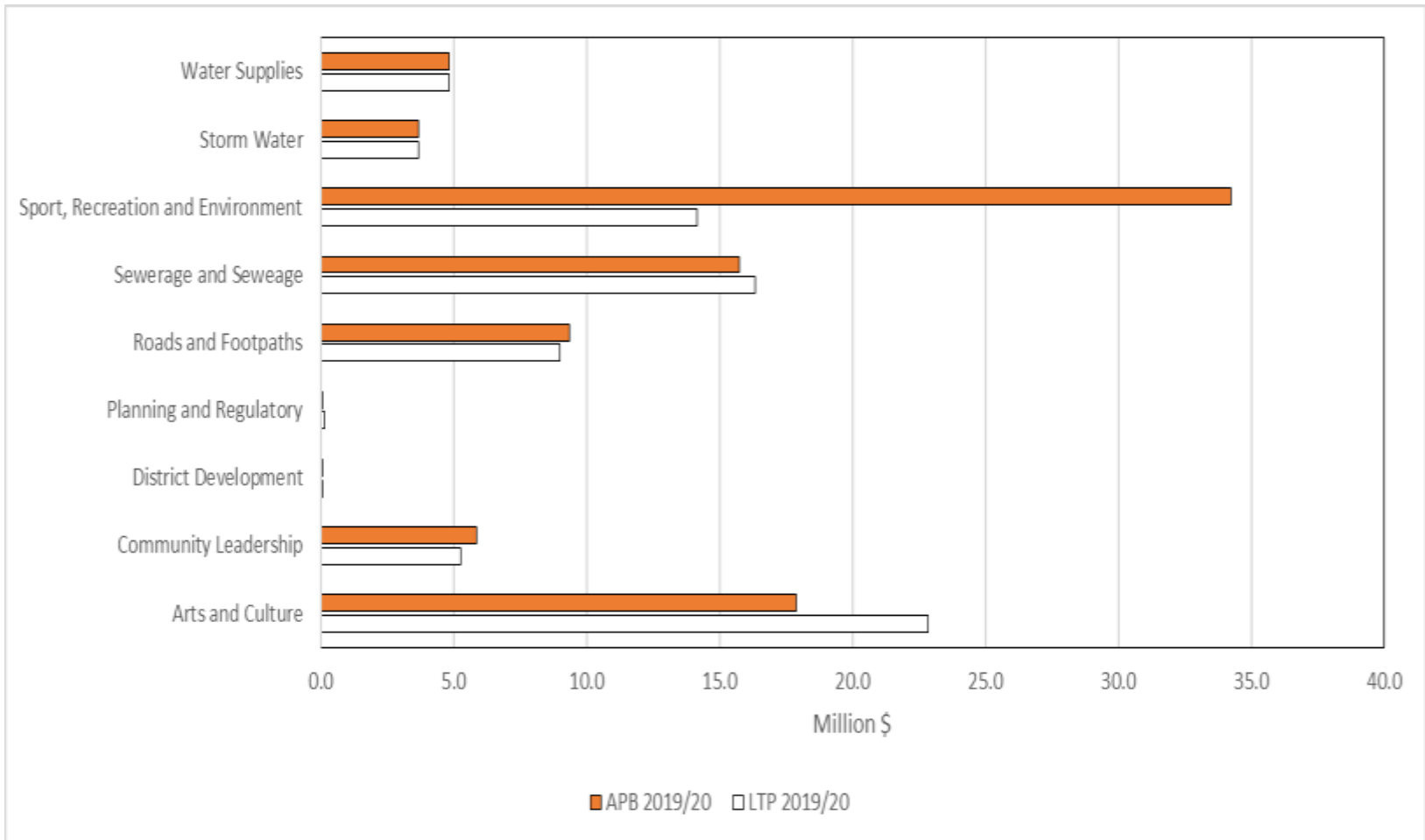
# Proposed changes from CD Financials

- Reviewed capex, rephased a number of key projects
- Brought in PGF funded component for Lake Front and Whakarewarewa forest projects
- Updated projects to be carried forward from 2019 into 2020
- Reviewed timing of rates for Rotoiti Rotoma sewerage scheme
- Reviewed allocation of rates increase against the three category of pan charges

# Capital expenditure by activity



# Capital expenditure by activity



# Proposed changes to rates

- Timing of rates for Rotoiti Rotoma sewerage scheme
- Allocation of rates increase against the three category of pan charges

# Rotoiti Rotoma Sewerage scheme

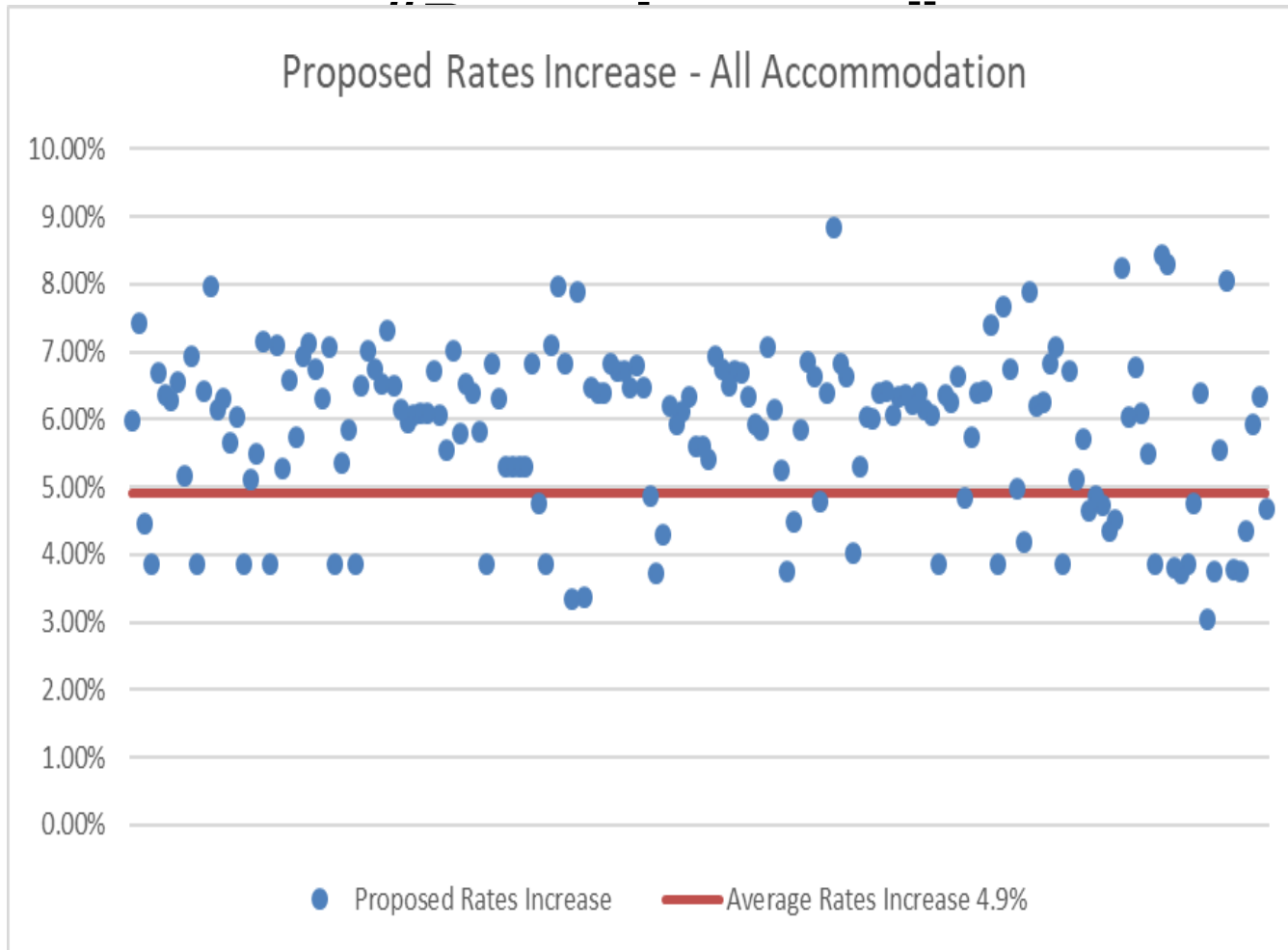
- Properties in Rotoma will be gradually connected from 1 July 2019
- Treatment plant likely to be fully operational September 2019
- Propose to rate the connected properties the following year for both operational (pan charge) and capital rate
- Deferral will have minimal impact to Councils financial strategy but significant benefit to the Rotoma community

## Increase to the Sewage targeted rate

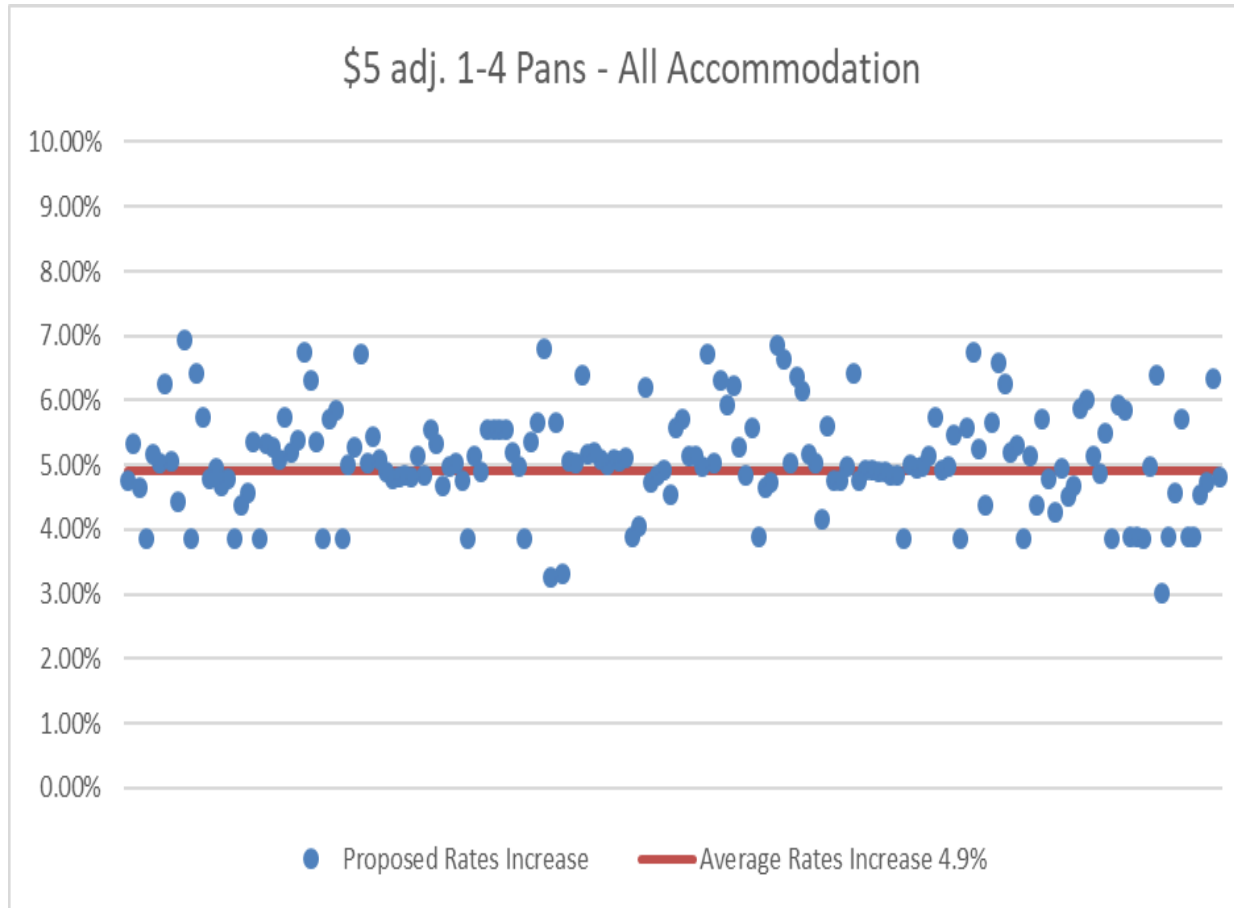
- 12% increase predominately from the new operational cost of the Rotoiti Rotoma treatment plant
- Rate is collected on a differential basis (referred to as Pan charges)
  - Category 1 – Rating units with 1 to 4 toilets
  - Category 2 – Rating units with 5 to 10 toilets



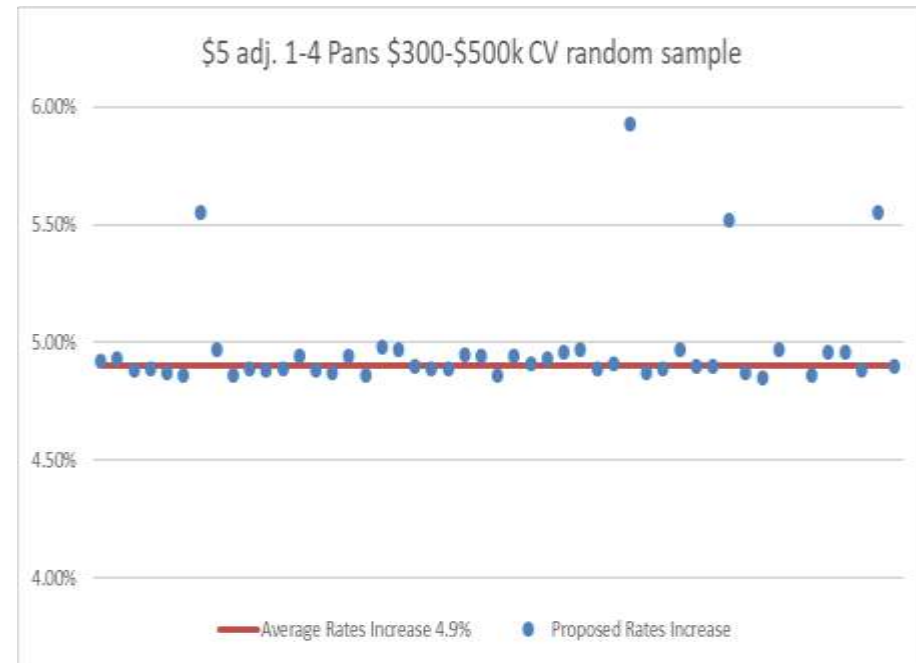
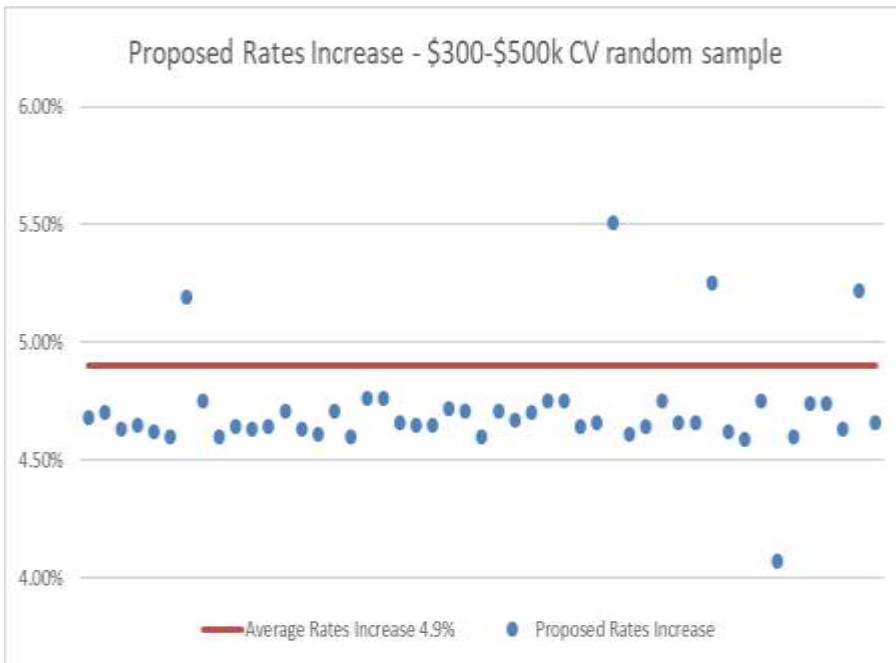
# Understanding the impact of the 12% the



# Impact of amendment to “Pan Charges”



# Impact of amendment to “Pan Charges” on residential



# Amended Sewage differentials

Pans	% Increase	\$ rate charge
1-4	13.36%	\$469.25
5-10	12.03%	\$394.17
11+	7.70%	\$356.63

# Sample ratepayers

Category	Capital Value 2017	Total Rates current	Total Rates model	Increase/ (decrease)	% Increase/ (decrease)	sector % increase
<b>Business</b>						
Lower CV	323,000	3,491	3,637	146	4.2%	
Medium CV	540,000	5,139	5,347	208	4.1%	4.8%
Upper CV	2,430,000	18,809	19,624	815	4.3%	
Upper CV	4,940,000	42,713	44,489	1,776	4.2%	
<b>Farming</b>						
Lower CV	515,000	1,837	1,905	68	3.7%	
Medium CV	895,000	2,788	2,907	119	4.3%	4.8%
Upper CV	7,190,000	19,260	20,236	977	5.1%	
<b>Residential Rural</b>						
Lower CV	293,000	1,380	1,424	44	3.2%	
Medium CV	570,000	2,032	2,111	80	3.9%	4.5%
Upper CV	1,875,000	5,102	5,352	250	4.9%	
<b>Residential Urban</b>						
Lower CV	288,000	2,032	2,131	98	4.8%	
Lower CV	325,000	2,119	2,223	103	4.9%	
Med CV	447,000	2,406	2,526	119	5.0%	5.0%
Upper CV	685,000	2,966	3,117	150	5.1%	
Upper CV	750,000	3,119	3,278	159	5.1%	
Upper CV	1,000,000	3,708	3,899	191	5.2%	
					overall	4.9

# Proposed Annual Plan

	<b>LTP</b>	<b>Draft AP</b>	<b>Proposed</b>
Rates	5.1%	4.9%	4.9%
Capex	\$76.2m	\$89.9m	\$91.5m
Borrowings	\$25.6m	\$41.6m	\$36.2m



**Questions?**