

Building Our Budgets – Scenario 1

28 Sept 2026



Agenda

The environment has changed

Scenario 1: what drives the baseline

Consolidated rates increase

Consolidated water rates increase

Non-water rates increase

Rates split

What is not included in the baseline

The environment has changed

HOUSEHOLDS

Affordability pressure

Ratepayers are managing sustained cost-of-living pressure. Every increase needs a clear service and value rationale

COUNCIL COSTS

Inflation remains elevated

Annual CPI inflation was 4.1% in June 2026, above the Reserve Bank's 1–3% target band.

BORROWING

Interest-rate uncertainty

The OCR was 2.75% on 2 September 2026. Borrowing assumptions require ongoing sensitivity testing.

GOVERNMENT

Local reform & fiscal guardrails

The proposed rates-capping framework targets non-water rates increases of between 2-4% which if passed, will only take effect from 1 Jul 2029

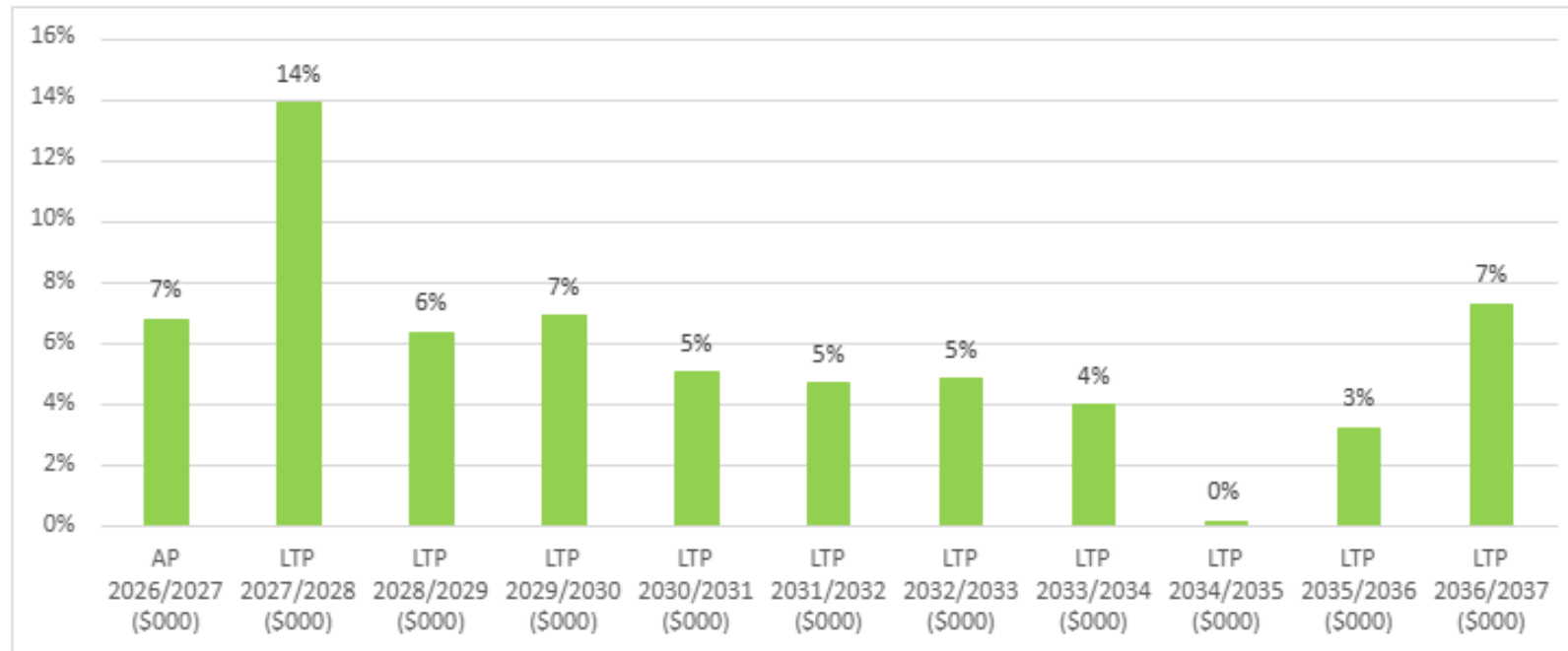
Affordability, value for money, infrastructure resilience and legislative changer are now central to LTP decisions

Scenario 1: what drives the baseline

The baseline moves from \$164m to \$187m, a 14% increase due to below key drivers.



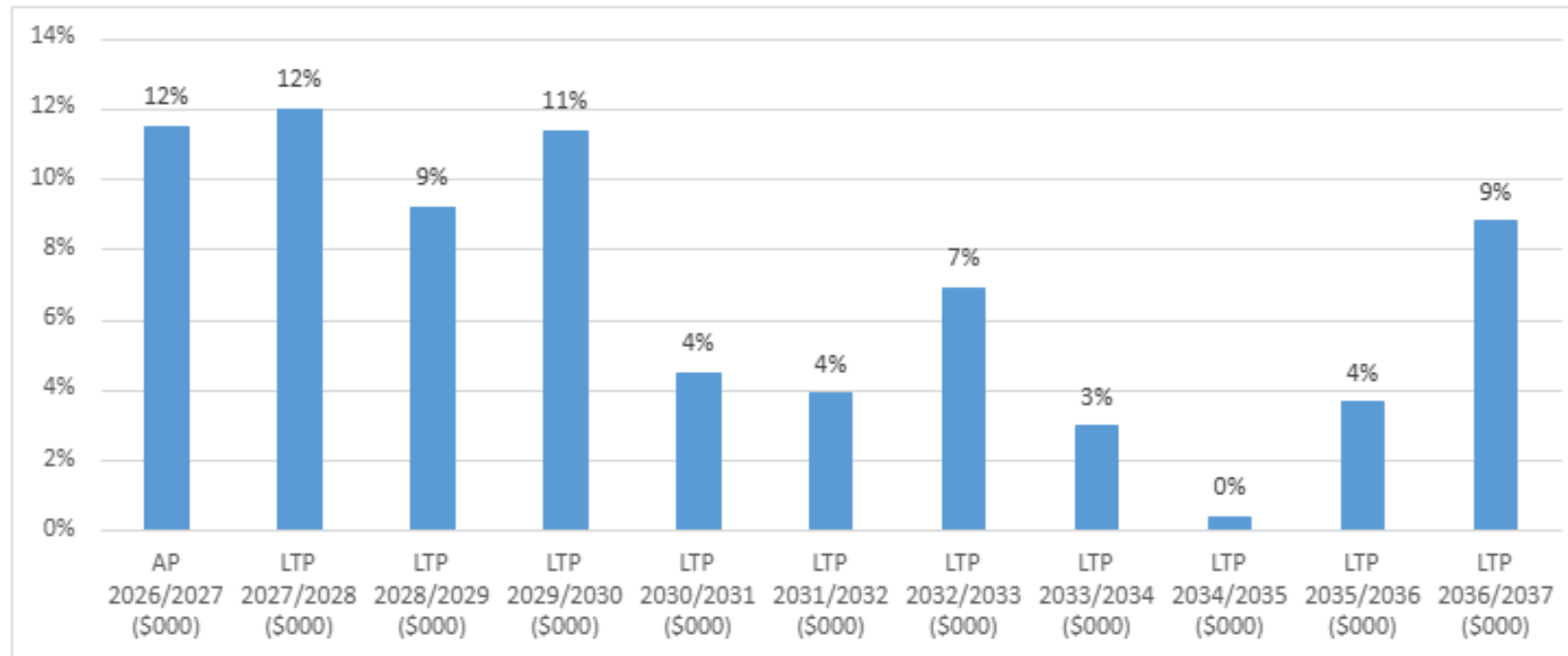
Consolidated rates increase



This graph shows where we end up if we take today's services at tomorrow's cost for the items we know are coming and make no significant changes.

Its not the destination, but does show the size of the challenge ahead of us.

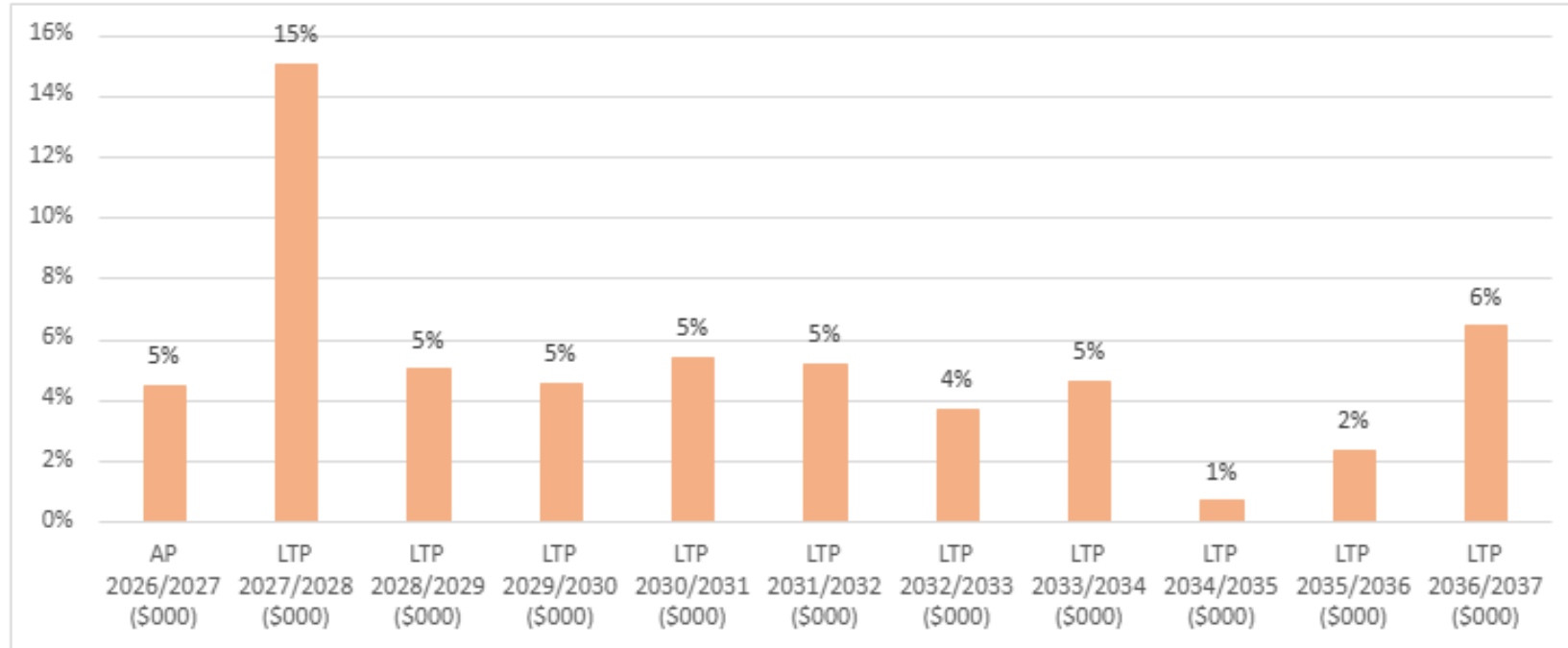
Water rates increase



Similar with the previous graph, this shows the trajectory for the cost of looking after and investing in our water network over the long term.

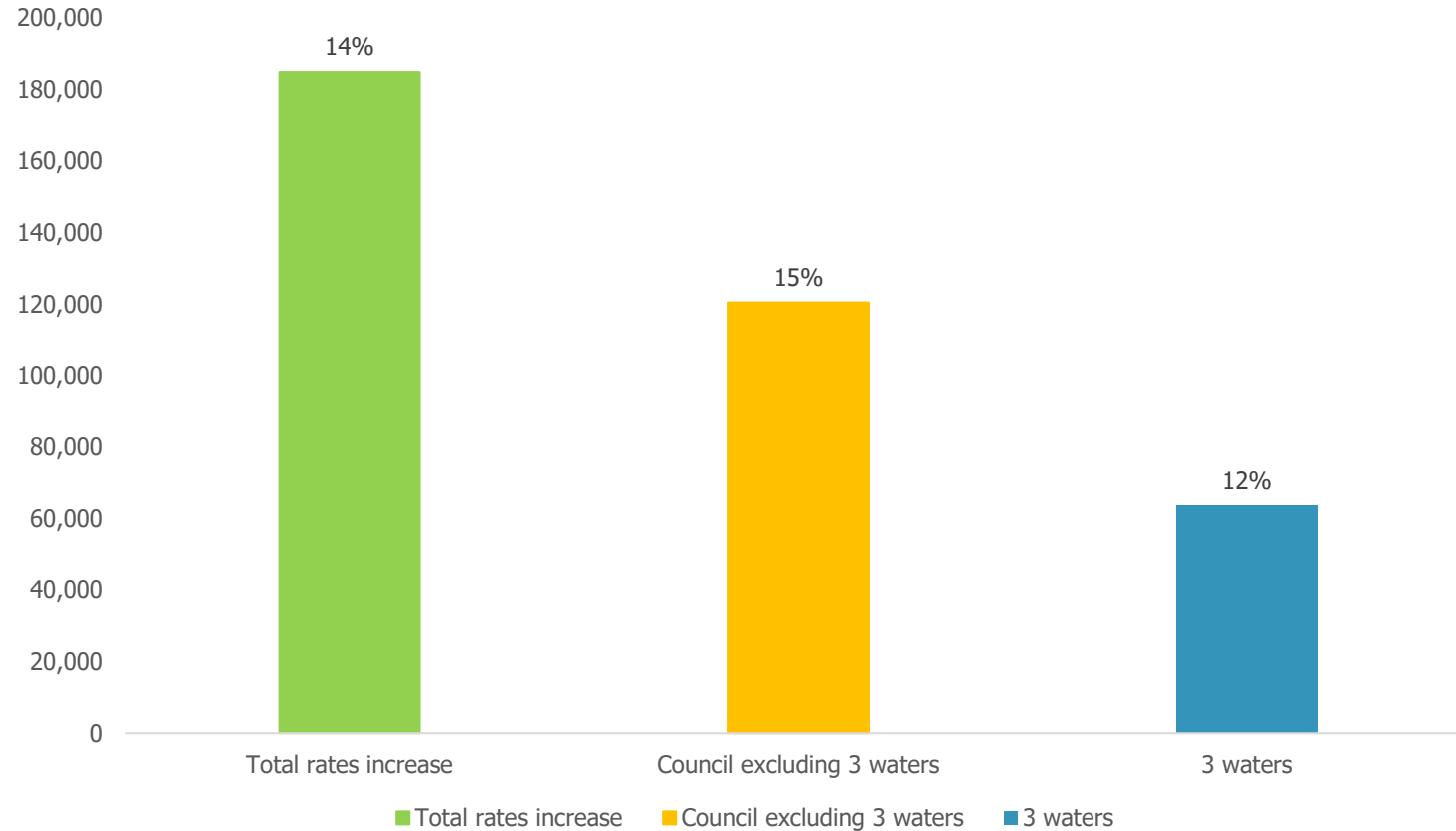
The INF strategy has not yet been fully incorporated so please note these indicative rates may change.

Non- water rates increase



This graph shows the trajectory for non-waters rates increase, you will notice post the spike in year 1 it generally settles to an average of 5%

Rates split



This graph demonstrates where the pressures are coming from, which areas are driving the increase and where the key choices and trade-offs may sit. It also provides transparency for the community to understand cost pressures.

What is not yet in the baseline

STRATEGIC

- Infrastructure strategy
- Recovered water solution
- PARSS strategy
- LOS review

EXTERNAL

- Insurance cost due to new asset values
- Regulatory and compliance change
- Local government reform
- Interest cost impact from INF strategy
- Emergency management act

OTHER

- Business budget changes not yet incorporated
- Excludes any new proposals or initiatives that may emerge through the LTP

The current baseline is a starting point only. Significant decisions relating to the above noted points are still to be incorporated and may materially impact operating costs, capital expenditure, and borrowing levels before the draft LTP is finalised.

Questions?