

Reference Number: 2024/1071

2 April 2024

[REDACTED]

Tēnā Koe [REDACTED]

Thank you for email of 13 March 2024 requesting under the Local Government Official Information and Meetings Act 1987 (LGOIMA), information relating to Council's proposed rates increase. Please see outlined below a response to each part of your request.

What is your Council's proposed rates increase this year?

Horowhenua District Council is proposing an average rates increase of 17.4% for the 2024/25 financial year.

What proportion of that is for water services and water infrastructure?

6.9% of the proposed 17.4% average rates increase for the 2024/25 financial year is for the three waters activities (Water Supply, Wastewater and Stormwater activities).

What proportion of any proposed rates increase is to service the debt for water infrastructure?

Approximately \$0.9m (1.6% of the proposed 17.4% average rates increase) is attributed to the increased cost of debt servicing for the three waters activities (Water Supply, Wastewater and Stormwater activities) for the 2024/25 financial year.

What proportion of any proposed rates is to service debt for water infrastructure?

Response per above.

How much debt is your Council currently servicing for water infrastructure?

Graph below shows Council's three waters borrowings forecast for the draft 2024-44 long term plan:



What is your Council's current projected costs of servicing this debt over the next 10 years?

Council’s projected cost of servicing three waters debt over the next 10 years are shown in the draft activity statements of the draft 2024-44 long term plan from this link:
<https://letskorero.horowhenua.govt.nz/LTP2024-44-SupportingDocs>

This information is extracted below:

Forecast Funding Impact Statement for Water Supply

| Horowhenua District Council Funding impact statement for the years 2024/25 to 2043/44 for Water Supply Group of Activities | AP 23/24 \$000 | Yr 1 24/25 \$000 | Yr 2 25/26 \$000 | Yr 3 26/27 \$000 | Yr 4 27/28 \$000 | Yr 5 28/29 \$000 | Yr 6 29/30 \$000 | Yr 7 30/31 \$000 | Yr 8 31/32 \$000 | Yr 9 32/33 \$000 | Yr 10 33/34 \$000 |
|---|----------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|
| Sources of Operating Funding | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties | - | - | - | - | - | - | - | - | - | - | - |
| Targeted rates | 6,833 | 8,251 | 9,994 | 12,049 | 13,803 | 14,931 | 16,071 | 17,774 | 19,356 | 19,806 | 20,965 |
| Subsidies and grants for operating purposes | - | 400 | - | - | - | - | - | - | - | - | - |
| Fees and charges | 94 | 94 | 95 | 97 | 99 | 101 | 102 | 104 | 106 | 107 | 109 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | - | - | - | - | - | - | - | - | - | - |
| Internal charges and overheads recovered | - | - | - | - | - | - | - | - | - | - | - |
| Total Operating Funding (A) | 6,927 | 8,745 | 10,089 | 12,146 | 13,902 | 15,032 | 16,173 | 17,878 | 19,462 | 19,913 | 21,074 |
| Applications of Operating Funding | | | | | | | | | | | |
| Payments to staff and suppliers | 3,798 | 4,247 | 3,876 | 4,014 | 4,136 | 4,240 | 4,337 | 4,437 | 4,535 | 4,632 | 4,728 |
| Finance costs | 555 | 820 | 747 | 720 | 671 | 1,001 | 1,335 | 1,465 | 1,448 | 1,135 | 918 |
| Internal charges and overheads applied | 1,054 | 1,045 | 1,126 | 1,380 | 1,384 | 1,499 | 1,497 | 1,551 | 1,611 | 1,670 | 1,732 |
| Other operating funding applications | - | - | - | - | - | - | - | - | - | - | - |
| Total applications of operating funding (B) | 5,407 | 6,112 | 5,749 | 6,114 | 6,191 | 6,740 | 7,169 | 7,453 | 7,594 | 7,437 | 7,378 |

Forecast Funding Impact Statement for Wastewater Treatment (Including operating expenditure and loans (where applicable))

| Horowhenua District Council Funding impact statement for the years 2024/25 to 2043/44 for Wastewater Treatment Group of Activities | AP 23/24 \$000 | Yr 1 24/25 \$000 | Yr 2 25/26 \$000 | Yr 3 26/27 \$000 | Yr 4 27/28 \$000 | Yr 5 28/29 \$000 | Yr 6 29/30 \$000 | Yr 7 30/31 \$000 | Yr 8 31/32 \$000 | Yr 9 32/33 \$000 | Yr 10 33/34 \$000 |
|---|----------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|
| Sources of Operating Funding | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties | - | - | - | - | - | - | - | - | - | - | - |
| Targeted rates | 7,494 | 9,421 | 11,342 | 14,202 | 17,458 | 19,452 | 20,714 | 22,685 | 22,900 | 22,399 | 23,280 |
| Subsidies and grants for operating purposes | - | - | - | - | - | - | - | - | - | - | - |
| Fees and charges | 1,309 | 1,479 | 1,383 | 1,419 | 1,455 | 1,490 | 1,523 | 1,557 | 1,591 | 1,623 | 1,656 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 120 | 90 | 92 | 95 | - | - | - | - | - | - | - |
| Internal charges and overheads recovered | - | - | - | - | - | - | - | - | - | - | - |
| Total Operating Funding (A) | 8,923 | 10,990 | 12,817 | 15,716 | 18,913 | 20,942 | 22,237 | 24,242 | 24,491 | 24,022 | 24,936 |
| Applications of Operating Funding | | | | | | | | | | | |
| Payments to staff and suppliers | 4,572 | 4,353 | 4,475 | 4,562 | 4,679 | 4,797 | 4,907 | 5,020 | 5,132 | 5,238 | 5,349 |
| Finance costs | 1,663 | 2,135 | 2,107 | 2,676 | 3,476 | 4,083 | 4,170 | 3,707 | 3,113 | 2,488 | 1,912 |
| Internal charges and overheads applied | 1,012 | 1,247 | 1,344 | 1,659 | 1,661 | 1,798 | 1,797 | 1,863 | 1,935 | 2,007 | 2,081 |
| Other operating funding applications | - | - | - | - | - | - | - | - | - | - | - |
| Total applications of operating funding (B) | 7,247 | 7,735 | 7,926 | 8,897 | 9,816 | 10,678 | 10,874 | 10,590 | 10,180 | 9,733 | 9,342 |

Forecast Funding Impact Statement for Stormwater (Including operating expenditure and loans (where applicable))

| Horowhenua District Council Funding impact statement for the years 2024/25 to 2043/44 for Stormwater Group of Activities | AP 23/24 \$000 | Yr 1 24/25 \$000 | Yr 2 25/26 \$000 | Yr 3 26/27 \$000 | Yr 4 27/28 \$000 | Yr 5 28/29 \$000 | Yr 6 29/30 \$000 | Yr 7 30/31 \$000 | Yr 8 31/32 \$000 | Yr 9 32/33 \$000 | Yr 10 33/34 \$000 |
|---|----------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|
| Sources of Operating Funding | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties | - | - | - | - | - | - | - | - | - | - | - |
| Targeted rates | 1,816 | 2,539 | 2,975 | 3,267 | 3,810 | 3,840 | 3,810 | 3,866 | 3,860 | 3,827 | 4,017 |
| Subsidies and grants for operating purposes | - | - | - | - | - | - | - | - | - | - | - |
| Fees and charges | - | - | - | - | - | - | - | - | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | - | - | - | - | - | - | - | - | - | - |
| Internal charges and overheads recovered | - | - | - | - | - | - | - | - | - | - | - |
| Total Operating Funding (A) | 1,816 | 2,539 | 2,975 | 3,267 | 3,810 | 3,840 | 3,810 | 3,866 | 3,860 | 3,827 | 4,017 |
| Applications of Operating Funding | | | | | | | | | | | |
| Payments to staff and suppliers | 836 | 511 | 528 | 543 | 557 | 571 | 584 | 597 | 610 | 623 | 636 |
| Finance costs | 520 | 967 | 1,065 | 1,242 | 1,366 | 1,347 | 1,304 | 1,230 | 1,205 | 1,181 | 1,178 |
| Internal charges and overheads applied | 432 | 301 | 324 | 389 | 391 | 424 | 422 | 437 | 454 | 470 | 488 |
| Other operating funding applications | - | - | - | - | - | - | - | - | - | - | - |
| Total applications of operating funding (B) | 1,788 | 1,779 | 1,917 | 2,174 | 2,314 | 2,342 | 2,310 | 2,264 | 2,269 | 2,274 | 2,302 |

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

Horowhenua District Council publishes responses to Local Government Official Information and Meetings Act 1987 (LGOIMA) requests that we consider to be of wider public interest, or which relate to a subject that has been widely requested. To protect your privacy, we will not generally publish personal information about you, or information that identifies you. We will publish the LGOIMA response along with a summary of the request on our website. Requests and responses may be paraphrased.

If you would like to discuss this decision or any of the information provided as part of this request, please contact Jacinta Straker (Group Manager Organisation Performance) on jacintas@horowhenua.govt.nz.

Ngā mihi



Monique Davidson
Chief Executive