

**Proposed Rate
Increases for LTP 2021 -
2031**

Detailed \$ comparison

Rate	LTP 24/25 Total Rates (Excl GST)	LTP 25/26 Total Rates (Excl GST)	LTP 26/27 Total Rates (Excl GST)	LTP 27/28 Total Rates (Excl GST)	LTP 28/29 Total Rates (Excl GST)	LTP 29/30 Total Rates (Excl GST)	LTP 30/31 Total Rates (Excl GST)	LTP 31/32 Total Rates (Excl GST)	LTP 32/33 Total Rates (Excl GST)	LTP 33/34 Total Rates (Excl GST)
District General	26,338,453	27,161,758	28,313,477	30,782,882	31,672,784	32,339,063	32,957,750	33,410,687	34,031,610	33,790,665
Roading	21,245,283	24,070,824	25,191,759	23,910,820	24,446,209	24,969,817	25,463,890	25,974,182	26,548,488	26,997,892
Stormwater	1,159,821	1,328,410	1,605,433	1,915,813	2,166,764	2,429,849	2,688,337	3,012,149	3,334,514	3,612,636
Regional Heritage	711,283	725,034	739,673	754,649	769,303	783,598	797,499	811,678	825,417	839,417
Total District Rates	49,454,840	53,286,026	55,850,342	57,364,164	59,055,060	60,522,327	61,907,476	63,208,696	64,740,029	65,240,610
Rate Increase from Prior Period	13.38%	7.75%	4.81%	2.71%	2.95%	2.48%	2.29%	2.10%	2.42%	0.77%
District Wastewater	7,762,227	8,790,048	12,193,743	13,888,337	16,617,940	19,167,559	20,894,417	22,166,509	22,222,917	22,380,989
District Water	6,184,240	6,372,598	8,302,812	8,991,616	9,706,135	10,000,637	10,498,980	10,699,033	11,044,982	11,232,972
Rubbish Bin Collection	4,129,171	4,287,172	4,394,462	4,489,560	4,405,395	4,514,322	4,699,128	4,795,829	4,892,189	4,981,166
Total Service Rates	18,075,638	19,449,818	24,891,017	27,369,513	30,729,470	33,682,518	36,092,525	37,661,371	38,160,088	38,595,127
Rate Increase from Prior Period	17.45%	7.60%	27.98%	9.96%	12.28%	9.61%	7.16%	4.35%	1.32%	1.14%
Total Local Rates	4,844,710	5,194,286	5,738,458	6,293,937	7,078,791	7,551,647	8,055,185	8,508,526	9,065,657	9,378,015
Rate Increase from Prior Period	7.17%	7.22%	10.48%	9.68%	12.47%	6.68%	6.67%	5.63%	6.55%	3.45%
Total Rates	72,375,188	77,930,130	86,479,817	91,027,613	96,863,320	101,756,492	106,055,186	109,378,593	111,965,774	113,213,752
Rate Increase from Prior Period	13.93%	7.68%	10.97%	5.26%	6.41%	5.05%	4.22%	3.13%	2.37%	1.11%
Increase in rates \$	8,846,832	5,554,942	8,549,687	4,547,796	5,835,707	4,893,172	4,298,693	3,323,407	2,587,181	1,247,978

**Proposed Rate
Increases for LTP 2021 -
2031**

Detailed % comparison

Rate	LTP 21/22 Total Rates (Excl GST)	LTP 22/23 Total Rates (Excl GST)	LTP 23/24 Total Rates (Excl GST)	LTP 24/25 Total Rates (Excl GST)	LTP 25/26 Total Rates (Excl GST)	LTP 26/27 Total Rates (Excl GST)	LTP 27/28 Total Rates (Excl GST)	LTP 28/29 Total Rates (Excl GST)	LTP 29/30 Total Rates (Excl GST)	LTP 30/31 Total Rates (Excl GST)
District General	4.44%	3.13%	4.24%	8.72%	2.89%	2.10%	1.91%	1.37%	1.86%	-0.71%
Roading	26.74%	13.30%	4.66%	-5.08%	2.24%	2.14%	1.98%	2.00%	2.21%	1.69%
Stormwater	20.97%	14.54%	20.85%	19.33%	13.10%	12.14%	10.64%	12.05%	10.70%	8.34%
Regional Heritage	5.10%	1.93%	2.02%	2.02%	1.94%	1.86%	1.77%	1.78%	1.69%	1.70%
Total District Rates	13.38%	7.75%	4.81%	2.71%	2.95%	2.48%	2.29%	2.10%	2.42%	0.77%
District Wastewater	23.72%	13.24%	38.72%	13.90%	19.65%	15.34%	9.01%	6.09%	0.25%	0.71%
District Water	26.66%	3.05%	30.29%	8.30%	7.95%	3.03%	4.98%	1.91%	3.23%	1.70%
Rubbish Bin Collection	-2.48%	3.83%	2.50%	2.16%	-1.87%	2.47%	4.09%	2.06%	2.01%	1.82%
Total Service Rates	17.45%	7.60%	27.98%	9.96%	12.28%	9.61%	7.16%	4.35%	1.32%	1.14%
Total Local Rates	7.17%	7.22%	10.48%	9.68%	12.47%	6.68%	6.67%	5.63%	6.55%	3.45%
Total Rates	13.93%	7.68%	10.97%	5.26%	6.41%	5.05%	4.22%	3.13%	2.37%	1.11%

Detailed Changes to Rates for 2024-2034 LTP

District General Rate

- 1 The proposed increase in the District General rate from 2023/2024 is \$1.1million (4.44%).
- 2 The proposed UAGC for 2024/2025 is \$805.62 (GST inclusive) per rating unit, which is an increase of \$145.52 on 2023/2024 rate of \$780.82.
- 3 The capital value portion of the general rate is also increasing. For every \$100,000 of capital value a properties general rate increases around \$26.
- 4 The table below shows the movement in the rates for the 10 years of the LTP.

Mvmt 24/25	Mvmt 25/26	Mvmt 26/27	Mvmt 27/28	Mvmt 28/29	Mvmt 29/30	Mvmt 30/31	Mvmt 31/32	Mvmt 32/33	Mvmt 33/34
\$1.1M	\$0.8M	\$1.2M	\$2.5M	\$0.9M	\$0.7M	\$0.6M	\$0.5M	\$0.6M	(\$0.2M)
4.44%	3.13%	4.24%	8.72%	2.89%	2.0%	1.91%	1.37%	1.86%	(0.71%)

- 5 The 23/24 to 24/25 is \$1.1million. The majority of the increases are due to an allowance for inflation allowances and contractual changes such as software license costs. Additionally, Council is beginning its remediation of its closed landfills and undertaking some district plan changes. These is offset by decreases in general projects and cleaning costs etc.
- 6 In the remaining years of the LTP, at least \$0.7million per annum is forecasted inflation on operating costs and wages. Additionally every three years election costs are incorporated and are either increased or decreased by the planned landfill remediation works for that year along with Repayments on the building loan are staged over 25/26,26/27 and 27/28.

Roading Rate

- 7 The roading rate is collected from a uniform targeted rate (UTR) and a differential rate in the dollar based on land use and capital value.
- 8 More detail about the changes to the roading rate can be found in the explanation of targeted rating changes in attachment S.
- 9 The table below shows the movement in the rates (GST exclusive) in millions for the 10 years of the LTP. Significant increases are explained in more detail below:

Mvmt 24/25	Mvmt 25/26	Mvmt 26/27	Mvmt 27/28	Mvmt 28/29	Mvmt 29/30	Mvmt 30/31	Mvmt 31/32	Mvmt 32/33	Mvmt 33/34
\$4.5M	\$2.8M	\$1.1M	(\$1.2M)	\$0.5M	\$0.5M	\$0.5M	\$0.5M	\$0.5M	\$0.4M
26.74%	13.30%	4.66%	(5.08)%	2.24%	2.14%	1.98%	2.00%	2.21%	1.69%

- 10 In 24/25 there has been an increase in the roading rate of \$4.5million. This is an increase of 26.74% from 23/24. The primary reason for the increase is the work programme being reset to adjust for inflationary increases over the last three years. This has been offset by funding \$1.4million of Councils share of pavement rehabilitations and bridges by way of a three-year short-term loan. Due to a funding increase from NZTA Waka Kotahi, cost increases are 3% less than they would have been.
- 11 The increased roading programme in 24/25 includes allowance for bridge assets reaching the end of life and additional quantities of resurfacing and rehabilitations required to roads. There is an allowance for the preparation of roads on Stewart Island before they are resealed in 25/26.
- 12 The increase in 25/26 relates to inflation and an allowance of \$1.5million to resurface the roads on Stewart Island. The increase in rates in 26/27 allows for inflation to the roading programme itself and the repayment of the \$1.4million loan drawn down in year 1. The rates increase from 27/28 onwards are the annual allowances for inflation.

Stormwater Rate

- 13 The increase in the costs associated with stormwater from 23/24 is \$201,048 (20.97%). The proposed full rate for 24/25 is \$121.81 (GST inclusive) per rating unit which is an increase of \$19.80 on 23/24 rate of

\$102.01.

- 14 The table below shows the movement in the rates for the 10 years of the LTP. Increases as a result of factors other than inflation are noted in more detail below:

Mvmt 24/25	Mvmt 25/26	Mvmt 26/27	Mvmt 27/28	Mvmt 28/29	Mvmt 29/30	Mvmt 30/31	Mvmt 31/32	Mvmt 32/33	Mvmt 33/34
\$0.20M	\$0.17M	\$0.28M	\$0.31M	\$0.25M	\$0.26M	\$0.26M	\$0.32M	\$0.32M	\$0.28M
20.97%	14.54%	20.85%	19.33%	13.10%	12.14%	10.64%	12.05%	10.70%	8.34%

- 15 The primary reason for the increase from 23/24 to 24/25 is an increase in interest and loan repayment costs of \$139thousand. Interest and loan repayments continue to increase over the 10 year period due to the capital works programmed, which are primarily funded by way of loan. From 26/27, an annual planned maintenance programme for general drain and ditch clearing has been included (\$100thousand). A budget for electricity (\$50thousand) has been included from 27/28 as projects for pumped stormwater have been included for Lumsden and Riverton.

Regional Heritage Rate

- 16 The Southland District Council currently makes a significant contribution to regional heritage on an annual basis through its contribution to the Southland Regional Heritage Committee (SRHC), which is a joint committee of Invercargill City Council (ICC), Gore District Council (GDC) and Southland District Council (SDC or Council). The SRHC annually recommend the level of rate to fund regional heritage activities which is uniform across the three councils and is collected on a rating unit basis. The SRHC have requested to increase the rate collected by inflation per annum. Council's contribution to the regional and SMAG cataloguing projects are proposed to be held constant for the ten years of the plan (\$1.00 and \$4.35 respectively).
- 17 The proposed regional heritage rate per rateable property (GST exclusive) for the 10 years of the plan is:

24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34
\$49.42	\$50.37	\$51.39	\$52.43	\$53.45	\$54.44	\$55.41	\$56.39	\$57.34	\$58.32

- 18 The table below shows the movement in the total rate proposed to be collected for the 10 years of the LTP:

Mvmt 24/25	Mvmt 25/26	Mvmt 26/27	Mvmt 27/28	Mvmt 28/29	Mvmt 29/30	Mvmt 30/31	Mvmt 31/32	Mvmt 32/33	Mvmt 33/34
\$35K	\$14K	\$15K	\$15K	\$15K	\$14K	\$14K	\$14K	\$14K	\$14K
5.10%	1.93%	2.02%	2.02%	1.94%	1.86%	1.77%	1.78%	1.69%	1.70%

District Wastewater

- 19 There has been an increase in the district wastewater rate of \$1.5million equating to 23.72% from 23/24. The proposed full rate for 24/25 is \$857.35 (GST inclusive) per connection, which is an increase of \$157.12 from 2023/2024 rate of \$700.23
- 20 The table below shows the movement in the rates for the 10 years of the LTP. Increases as a result of factors other than inflation are explained in more detail below:

Mvmt 24/25	Mvmt 25/26	Mvmt 26/27	Mvmt 27/28	Mvmt 28/29	Mvmt 29/30	Mvmt 30/31	Mvmt 31/32	Mvmt 32/33	Mvmt 33/34
\$1.5M	\$1.0M	\$3.4M	\$1.7M	\$2.7M	\$2.5M	\$1.7M	\$1.3M	\$56K	\$158K
23.72%	13.24%	38.72%	13.90%	19.65%	15.34%	9.01%	6.09%	0.25%	0.71%

- 21 The increase from 23/24 is driven by the increased funding of depreciation and higher interest costs. From 23/24, 65% of depreciation is funded by rates, this is budgeted to increase by 5% per annum every

year until 31/32 when depreciation will be fully funded by rates. In the first two years of the long term plan the depreciation funding is offsetting some of the interest costs, the removal of this in 26/27, causes a further increase in the rates for that year.

- 22 There is an extensive capital programme for wastewater over the long term plan, funded from loans. The cost of repayments on these loans are significantly impacting rates.
- 23 The capital programme for wastewater ranges from \$9million to \$27million per annum over the life of the plan, all of which is funded from loans or reserves (including accumulated depreciation reserves).

District Water Rate

- 24 There has been an increase in the district water rate of \$1.3million equating to 26.66% from the 23/24 Annual Plan. The proposed full rate for 24/25 is \$831.56 (GST inclusive) per connection, which is an increase of \$168.65 from 23/24 rate of \$662.91.
- 25 The table below shows the movement in the rates for the 10 years of the LTP. Significant increases as a result of factors other than inflation are explained in more detail below:

Mvmt 24/25	Mvmt 25/26	Mvmt 26/27	Mvmt 27/28	Mvmt 28/29	Mvmt 29/30	Mvmt 30/31	Mvmt 31/32	Mvmt 32/33	Mvmt 33/34
\$1.3M	\$188K	\$1.9M	\$689K	\$715K	\$295K	\$498K	\$200K	\$346K	\$188K
26.66%	3.05%	30.29%	8.30%	7.95%	3.03%	4.98%	1.9%	3.23%	1.70%

- 26 The increase from 23/24 is driven by the increased funding of depreciation and higher interest costs. From 23/24, 65% of depreciation is funded by rates, this is budgeted to increase by 5% per annum every year until 31/32 when depreciation will be fully funded by rates. In the first two years of the long term plan the depreciation funding is offsetting some of the interest costs, the removal of this in 26/27 causes an increase in the rates in that year.
- 27 As part of the options proposed for water supply the capital programme has been smoothed, resulting in the inclusion of maintenance projects instead of some of the capital renewal projects. In 24/25, planned maintenance increases by \$164thousand with planned maintenance projects in the majority of the years following.

Rubbish Bin Collection Rate

- 28 There has been a decrease in the rubbish bin collection rate of \$105thousand equating to 2.48% from 23/24. The proposed rate for 24/25 is \$220.00 (GST inclusive) per bin (recycling or rubbish), which is a decrease of \$8.22 from the 23/24 rate of \$228.22.
- 29 The table below shows the movement in the rates for the 10 years of the LTP. Increases as a result of factors other than inflation explained in more detail below:

Mvmt 24/25	Mvmt 25/26	Mvmt 26/27	Mvmt 27/28	Mvmt 28/29	Mvmt 29/30	Mvmt 30/31	Mvmt 31/32	Mvmt 32/33	Mvmt 33/34
(\$1.05K)	\$158K	\$107K	\$95K	(\$84K)	\$109K	\$185K	\$97K	\$96K	\$89K
(2.48%)	3.83%	2.50%	2.16%	(1.87%)	2.47%	4.09%	2.06%	2.01%	1.82%

- 30 In 24/25 increases have been budgeted for kerbside collection (for both rubbish and recycling), recycling sorting and waste disposal costs. The increase in the budget (\$180thousand) are in line with the current contracts (with CPI adjustments) and volumes of waste being disposed of. These costs have been offset by an increase in the waste minimisation levy received to contribute the cost of recycling (\$150thousand).
- 31 A third recycling bin (to separate glass) has been included for purchase in year one (\$808thousand), these are to be funded by a loan, increasing interest and loan repayments from year two. The current budget includes moving to a monthly collection for glass and a monthly collection for other recyclables thereby not increasing the cost of collection for this service (with the exception of the CPI adjustment each year).
- 32 An allowance for capital expenditure in relation to an organic collection has been made in 29/30. Potential solutions for Southland are currently being investigated.

Local Rates

- 33 There has been an increase in the total local rates of \$324thousand equating to 7.17% from the 23/24 Annual Plan.
- 34 The table below shows the movement in the rates for the 10 years of the LTP.

Mvmt 24/25	Mvmt 25/26	Mvmt 26/27	Mvmt 27/28	Mvmt 28/29	Mvmt 29/30	Mvmt 30/31	Mvmt 31/32	Mvmt 32/33	Mvmt 33/34
\$324K	\$350K	\$544K	\$555K	\$785K	\$473K	\$504K	\$453K	\$557K	\$312K
7.17%	7.22%	10.48%	9.68%	12.47%	6.68%	6.67%	5.63%	6.55%	3.45%

- 35 Although there are increases and decreases in each community area, the key reasons for the movements annually is inflation allowances and increases in interest and principal repayment on projects planned in each community area over the term of the plan.