

Internal Submission – Capex Reduction

NOTE: Our total rating base has moved to \$202.9 million, meaning every \$2 million operational spend now represents 1% of the total.

Review of Capital Program: Following a review of the current capital plan, a \$30M reduction in capital expenditure and a \$425k operational reduction have been made to lower the rates requirement. These adjustments result from a refinement of Levels of Service (LoS) and Renewal projects.

Programme	Project Name	Existing AP 26/27 Budget	Proposed 26/27 Budget	Variance	Comments & Consequences	Growth %	Renewal %	LOS %	Growth (via DC's)	Renewals (via Reserves and Rates)	Level of Service (via Rates)
Buildings	516 Ladies Mile Stage 1	3,286,720	-	(3,286,720)	Deferring the 26/27 budget to 29/30 allows for site analysis and consenting, though it delays the community facility; options will be reviewed at the 23 June Workshop.	0.5	0.0	0.5	(32,867)	-	(32,867)
Venues & Facilities	Ballantyne Rd Site Remediation Works	2,508,178	508,178	(2,000,000)	Deferring \$2.0M to 30/31 allows legal outcomes to be finalized before progressing works, with a full discussion scheduled for the July Council meeting.	0.5	0.0	0.5	(20,020)	-	(19,980)
Venues & Facilities	QEC Indoor Courts, Carpark, Sports Field	4,108,400	1,108,000	(3,000,400)	Deferring \$3.0M to 27/28 aligns with the current design programme without affecting delivery outcomes; options will be discussed at the 19 May Workshop.	0.5	0.0	0.5	(30,004)	-	(30,004)
Parks & Reserves	Wildfire Mitigation Programme	995,958	530,000	(465,958)	A \$466k reduction is proposed as program rescoping and an updated business case indicate lower costs than planned, with no impact on delivery outcomes.	0.0	0.0	1.0	-	-	(9,319)
Parks & Reserves	Glenorchy Playground	359,485	-	(359,485)	Deferring \$359k to 27/28 may temporarily decrease Glenorchy's play service levels if the school playground is removed early; timing is being coordinated with the BoT/MoE.	0.2	0.0	0.8	(1,438)	-	(5,752)
Wastewater	Kingston New Scheme (WW)	12,669,289	9,501,967	(3,167,322)	Deferring \$3.17M to 27/28 accounts for land acquisition delays and a revised wastewater plant construction schedule.	1.0	0.0	0.0	(63,346)	-	-
Water Supply	Quail Rise Reservoir (WW)	7,500,000	5,000,000	(2,500,000)	Deferring \$2.5M to 27/28 aligns the budget with a late-2026 procurement and a six-month construction window for the 26/27 year.	0.4	0.0	0.6	(17,700)	-	(32,300)
Water Supply	Frankton Road Watermain (WS)	1,900,000	1,000,000	(900,000)	A \$900k reduction is proposed as works are contracted to begin in late 2026.	0.3	0.7	0.0	(5,400)	(12,600)	-
Solid Waste	New Waste Facilities (WM)	13,831,189	1,000,000	(12,831,189)	Deferring \$12.83M to 29/30 reflects a revised delivery approach for the new MRF, allowing for \$1M in 26/27 costs; final figures are being verified by 8 May	0.0	0.5	0.5	-	(128,312)	(128,312)
Solid Waste	Organic Waste Management (WM)	1,701,007	150,000	(1,551,007)	Deferring \$1.55M to 27/28 accounts for delays in CODC's organics facility development; the amount is being verified by 8 May.	0.2	0.0	0.8	(6,204)	-	(24,816)
Total Reduction		48,860,226	18,798,145	(30,062,081)	35				(176,980)	(140,912)	(283,350)

Internal Submission – Rating Units

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Property Growth \$0.4m: Between the adoption of the 2026/27 Annual Plan and the final "striking of the rates," we anticipate a further increase in the rateable land base as new developments receive final compliance. By projecting a conservative addition of 100 properties at an average rate of \$4,000, we can account for an incremental revenue of \$0.4m. The funds can be allocated against the General Rate and distributed across the most current valuation roll, effectively helping to manage the 11.7% average increase for existing ratepayers.

Fuel Impact: Due to heightened volatility in local fuel costs and the budgetary impact of global oil price fluctuations—driven largely by ongoing international conflicts we are evaluating a potential rate increase. Final cost estimates are currently being completed.

Three Waters Transition: Interest costs of \$142k associated with the establishment of the Water Services CCO must be incorporated into the budget. These additional outlays are projected to be offset by revenue gains.