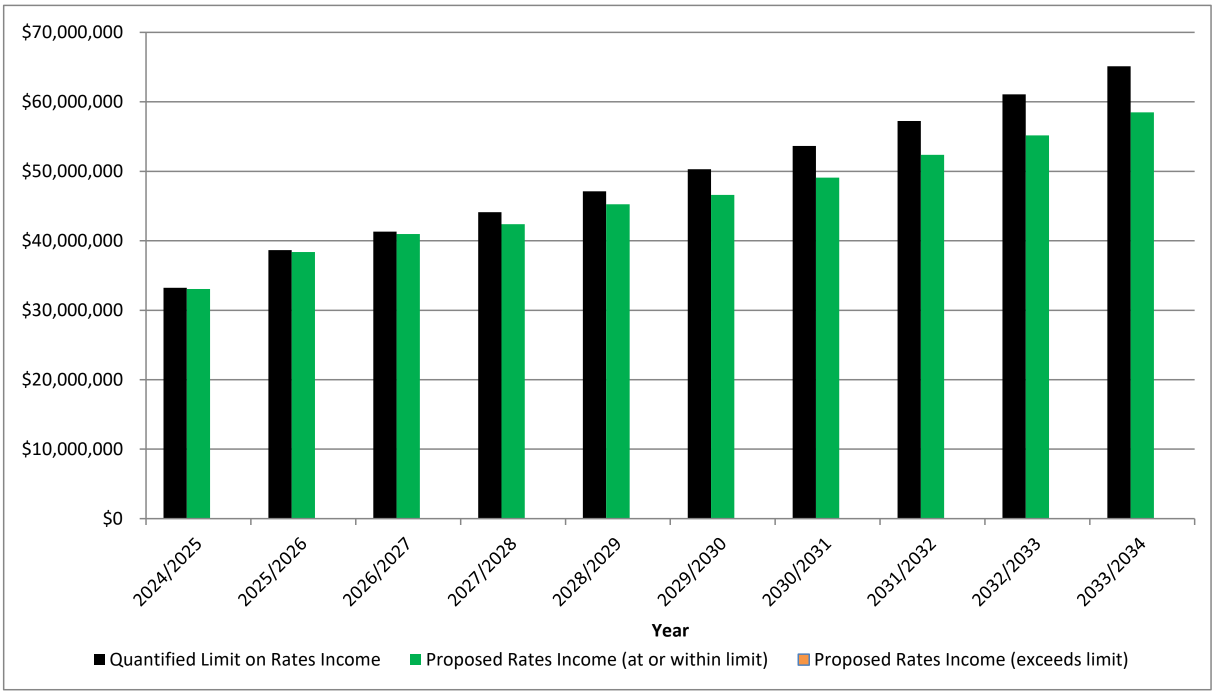
Local Government (Financial Reporting and Prudence) Regulations 2014
Long-term plan disclosure statement for period commencing 1 July 2024.

What is the purpose of this statement?
The purpose of this statement is to disclose the council's planned financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.
The council is required to include this statement in its long-term plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

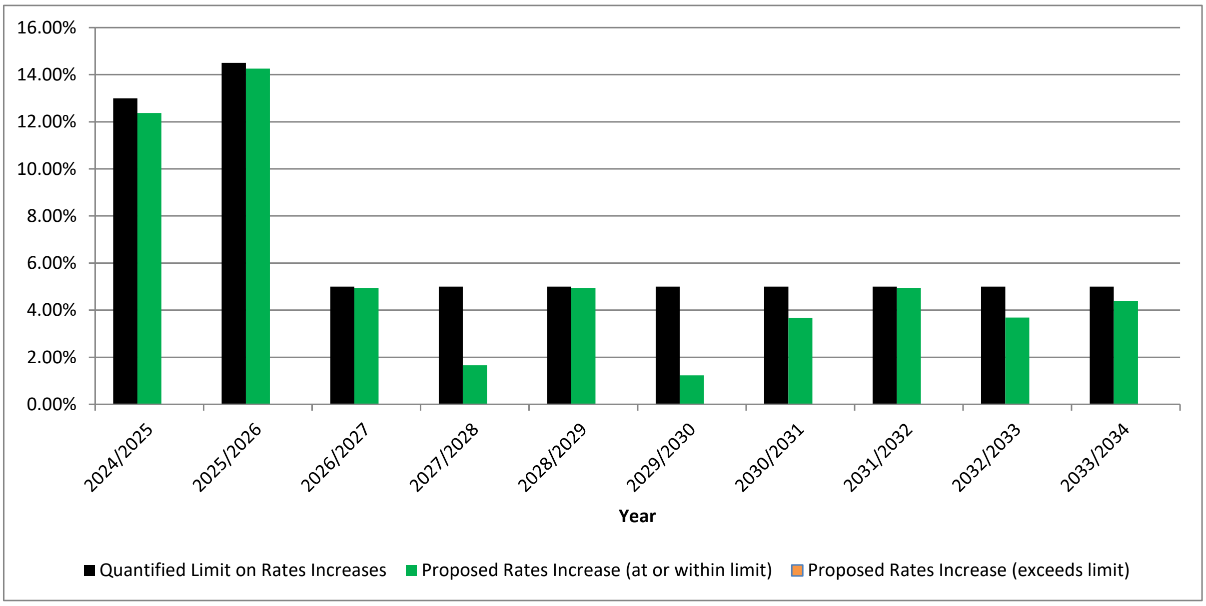
Rates affordability benchmark
The council meets the rates affordability benchmark if—
- its planned rates income equals or is less than each quantified limit on rates; and
- its planned rates increases equal or are less than each quantified limit on rates increases.

Rates (income) affordability
The following graph compares the council's planned rates income with a quantified limit on rates contained in the financial strategy included in the council's long-term plan. The quantified limits were based on a growth adjusted increase from the prior year of 13.00% for 2024/25 (Year 1); 14.50% for 2025/26 (Year 2) and 5.00% for the remaining years of the long-term plan.
This is scheduled as follows:
- 2024/2025 - 13.00% growth adjusted increase from prior year - $28,906,275 x 13.00% increase x 1.91% growth factor = $33,216,200
- 2025/2026 - 14.50% growth adjusted increase from prior year - $33,216,200 x 14.50% increase x 1.88% growth factor = $38,657,014
- 2026/2027 - 5.00% growth adjusted increase from prior year - $38,657,014 x 5.00% increase x 1.84% growth factor = $41,301,154
- 2027/2028 - 5.00% growth adjusted increase from prior year - $41,301,154 x 5.00% increase x 1.81% growth factor = $44,113,762
- 2028/2029 - 5.00% growth adjusted increase from prior year - $44,113,762 x 5.00% increase x 1.78% growth factor = $47,104,675
- 2029/2030 - 5.00% growth adjusted increase from prior year - $47,104,675 x 5.00% increase x 1.75% growth factor = $50,284,241
- 2030/2031 - 5.00% growth adjusted increase from prior year - $50,284,241 x 5.00% increase x 1.72% growth factor = $53,663,342
- 2031/2032 - 5.00% growth adjusted increase from prior year - $53,663,342 x 5.00% increase x 1.69% growth factor = $57,253,419
- 2032/2033 - 5.00% growth adjusted increase from prior year - $57,253,419 x 5.00% increase x 1.66% growth factor = $61,066,497
- 2033/2034 - 5.00% growth adjusted increase from prior year - $61,066,497 x 5.00% increase x 1.63% growth factor = $65,155,206



Rates (increases) affordability

The following graph compares the council's planned rates increases with a quantified limit on rates increases included in the financial strategy included in the council's long-term plan. The quantified limits were based on a growth adjusted increase from the prior year of 13.00% for 2024/25 (Year 1); 14.50% for 2025/26 (Year 2) and 5.00% for the remaining years of the long-term plan.

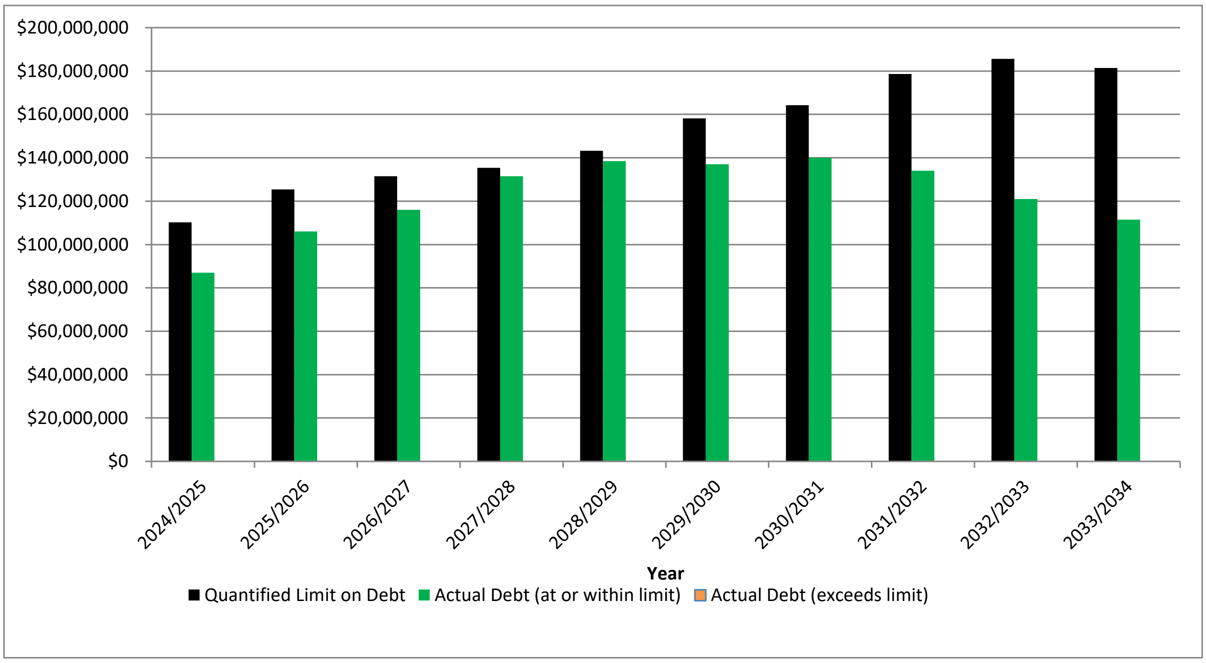


Debt affordability benchmark

The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

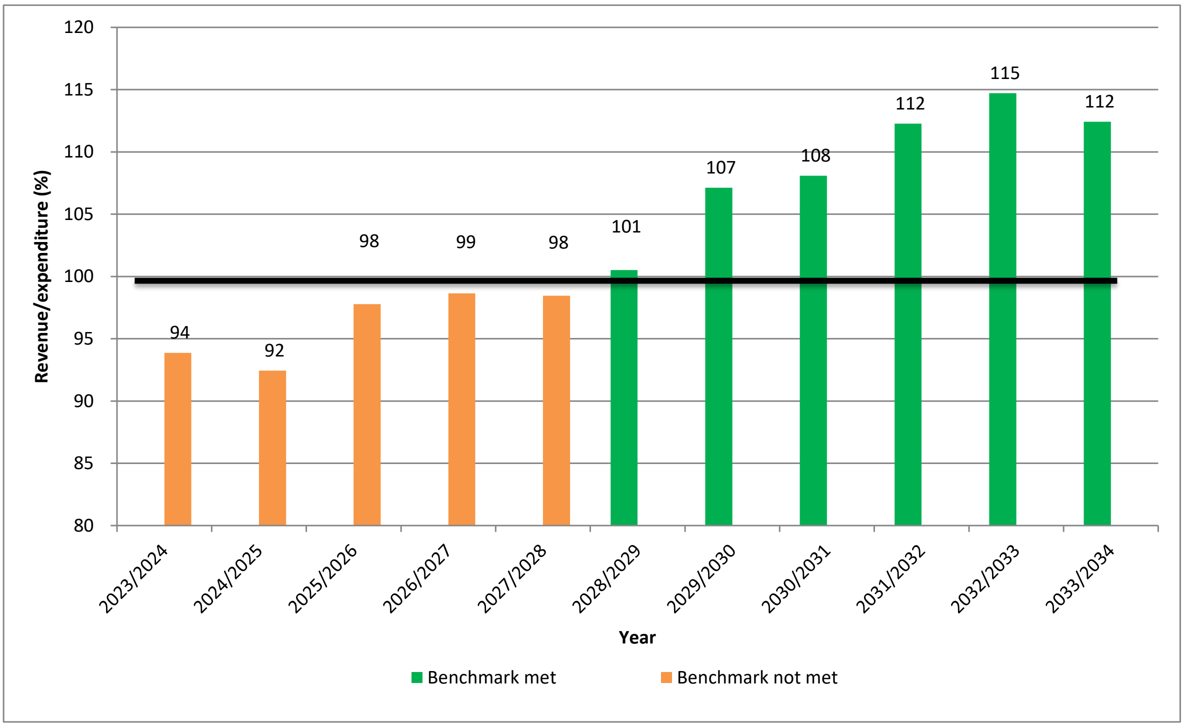
The following graph compares the council's planned debt with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limits were set based on debt being no more than 165% of total revenue (excluding devlopment contributions and vested assets income). The resulting limits were:

- 2024/2025 $110.5 million
- 2025/2026 $125.7 million
- 2026/2027 $131.7 million
- 2027/2028 $135.6 million
- 2028/2029 $143.5 million
- 2029/2030 $158.4 million
- 2030/2031 $164.4 million
- 2031/2032 $179.0 million
- 2032/2033 $185.9 million
- 2033/2034 $181.7 million



Balanced budget benchmark

The following graph displays the council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment). The council meets this benchmark if its planned revenue equals or is greater than its planned operating expenses.

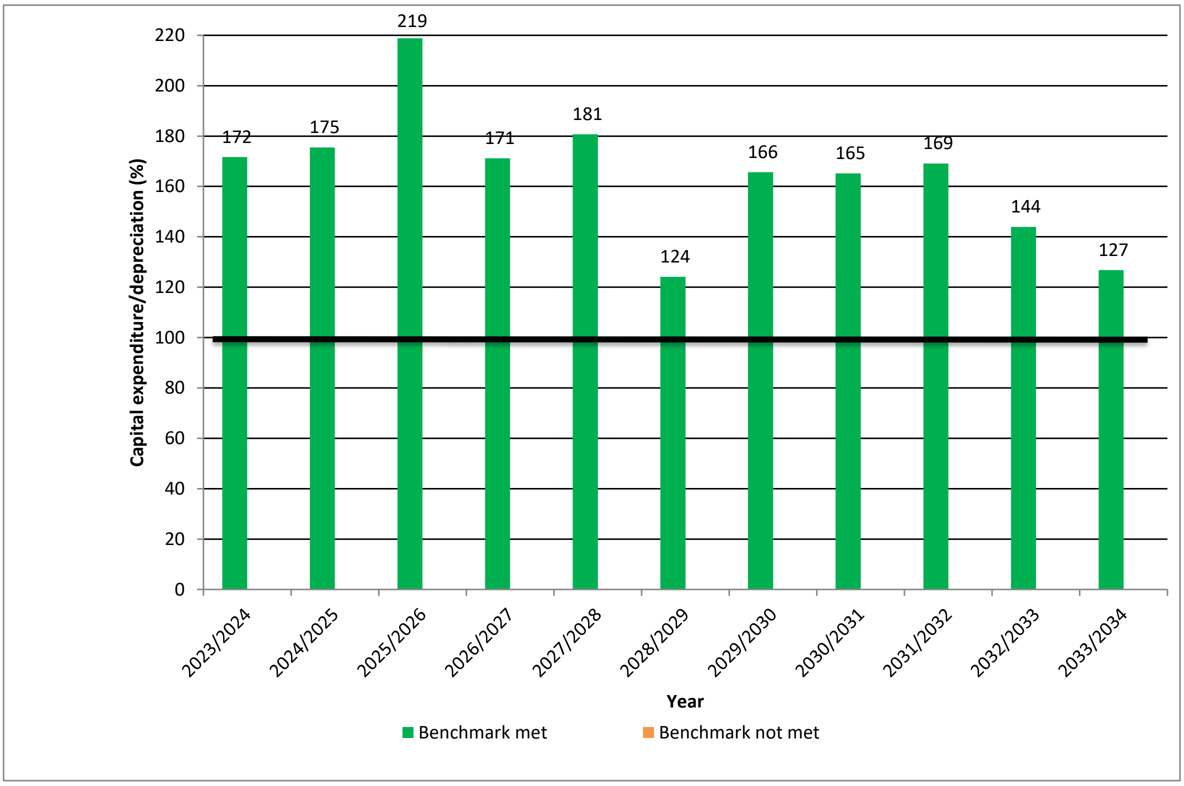


Note: Council is not meeting the balanced budget benchmark in the first four years of the LTP as it is only partially through the staging process to ensure 100% funding of depreciation on Three Waters by the end of the LTP Period.

Essential services benchmark

The following graph displays the council's planned capital expenditure on network services as a proportion of expected depreciation on network services.

The council meets this benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



Debt servicing benchmark

The following graph displays the council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the council's population will grow as fast as the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.