

# Annual Plan FY2020/21

## Budget Update



# Purpose of today



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- Where we have come from
- Updated assumptions
- Possible further changes



Average rates increase as per planned expenditure in LTP **6.3%**

## Council decisions in FY2018/19

- Accommodation (Cuba Street and Masterton) 2.0%
- Additional EV buses (1.4% *pa* ) 0.7%
- Snapper charges 1.1%

**10.1%**

# Budget pressures 2020/21



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Average rates increase with decisions made to date	<b>10.1%</b>
<ul style="list-style-type: none"><li>• Public Transport Operational costs</li><li>• Natural Resource Plan</li><li>• Riverlink</li><li>• Lets Get Wellington Moving (LGWM)</li></ul>	<p>5% - 7%</p> <p>0.4%</p> <p>0.4%</p> <p>1%-2%</p>

# Where that leaves us



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Current projected rates increase in FY2020/21	11.1%
Public transport costs	7.0%
Reduction in reserves usage	2.7%
Accommodation	2.0%
Debt servicing costs	0.8%
Wages movements	0.8%
Natural resource plan	0.4%
Riverlink	0.4%
LGWM	0.4%
BAU savings	(3.4%)

# Updated assumptions – FY2020/21



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Current forecast increase	11.1%
Changes to budget assumptions	1.3%
Bus network review – costs lower than allowed	
Project NEXT – transfer to NZTA	
Further rephased capital	
Other savings	
Updated forecast increase	9.8%



# Key scenarios from here

## Increase revenue

e.g. PT fares, user charges, NLTF FAR rate

## Rephase key programmes/decisions

e.g. speed of EV bus fleet, Riverlink

## Stop/reduce activities or levels of service

e.g. bus schedules, travel choice activities,  
environmental science

# Increase revenue



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Increase public transport fare revenue by  
2% above inflation

0.3%

No other significant user charges that would move rates requirement significantly



# Rephase



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Delay RS1 implementation	0.9%
Delay EV bus implementation	0.7%
Delay BNR implementation	0.4%

# Stop/Reduce



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Reduce levels of service in Environment Science	0.4%
Reduce levels of service in Sustainable Transport	0.4%

# Order of priority/further savings



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1. Increase fare revenue by 2% above inflation	0.3%
2. Delay RS1 implementation	0.9%
3. Delay EV bus implementation	0.7%
4. Delay BNR implementation	0.4%
5. Reduce levels of service in Environment Science	0.4%
6. Reduce levels of service in Sustainable Transport	0.4%

# Emerging issue



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## Funding for Wairarapa Water