

From: [BDC Lgoima](#)
To: [REDACTED]
Subject: Official Information Request for BDC Rates Increase Information Ref: OIA 028/24
Date: Wednesday, 10 April 2024 4:08:04 pm
Attachments: [image006.png](#)

Dear [REDACTED]

We refer to your official information request dated 13 March 2024 regarding BDC rates increases and associated queries re water services and infrastructure.

Please see your questions below, with BDC responses marked in red:

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

19.7% total rates increase for the district– It will depend on what part of the region people live as to what their % is overall. Our total General rates movement is 16.7%

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

The breakdown for the water rates increases and infrastructure are as follows:
Stormwater 0.9%, wastewater, 2.1% and water supplies is 6.9% total 10%

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

Stormwater 0.2%, Wastewater 0%, Water Supplies 0.4%, total 0.6% - this reflects the impact to rates for the incremental interest forecast to be paid on both internal and external borrowings for these activities in 2024/2025 compared to 2023/2024, BDC rates for depreciation for 2024/2025 any net cost of capital being capex + loan repayments less external and depreciation funding is budgeted to be funded by borrowings so forecast increases in loan repayments does not directly impact rates.

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

This would be the same answer as 1b

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

	Internal Debt	External Debt	Total Debt
Stormwater	\$196,566	\$0	\$196,566
Wastewater	\$2,529,586	\$0	\$2,529,586
Water Supplies	\$1,443,630	\$12,804,000	\$14,247,630
Total 3 Waters	\$4,169,783	\$12,804,000	\$16,973,783

Note this does not include external loans to be raised for projects spent not yet completed, as at 31 December 2023 these project costs totalled \$3.72m.

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

Ten year loan servicing costs on existing three waters debt at forecast interest rates

	10YR Interest	10YR Repayments	Total
Stormwater	\$19,406	\$160,396	\$179,801
Wastewater	\$258,949	\$2,132,431	\$2,391,381
Water Supplies	\$7,270,054	\$2,416,438	\$9,686,492
Total 3 Waters	\$7,529,004	\$4,548,869	\$12,257,674

Ten year loan servicing costs on all three waters forecast debt

	10YR Interest	10YR Repayments	Total
Stormwater	483,191	673,043	1,156,233
Wastewater	2,500,640	4,831,308	7,331,948
Water Supplies	10,834,855	4,263,710	15,098,565
Total	13,818,686	9,768,061	23,586,747

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

If you wish to discuss this decision with us, please feel free to contact the Buller District Council by return email to lgoima@bdc.govt.nz.

Please note that it is our policy to proactively release our responses to official information requests where possible. Our response to your request may be published at <https://bullerdc.govt.nz/district-council/your-council/request-for-official-information/responses-to-lgoima-requests/> with your personal information removed.

Kind regards

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