

Forecasting assumptions

Significant forecasting assumptions and risks

Schedule 10, section 17, of the Local Government Act 2002 (the Act) requires that Council identifies the significant forecasting assumptions (assumptions) and risks underlying the financial estimates in its Long Term Plan. Where there is a high level of uncertainty surrounding the assumptions, Council is required to state the reason for that level of uncertainty and provide an estimate of the potential effects of the uncertainty on the financial estimates provided.

Council has made a number of assumptions in preparing this 2024-2034 Long-Term Plan. These assumptions are necessary as the

planning term covers 10 years and the assumptions ensure that all estimates and forecasts are made on the same basis.

The prospective financial information contained in this 2024-2034 Long-Term Plan is underpinned by the assumptions that the Council reasonably expected to occur as of 27 June 2024. The assumptions are made on the basis that there is an average of 21,649 ratepayers in the district.

Actual results are likely to vary from the information presented and these variations may be material. This financial information should not be used for any other purpose.

Forecasting assumptions

Forecasting assumptions	Risk	Level of uncertainty	Financial materiality	Reasons and financial effect of uncertainty														
Resource consents – Conditions of resource consents held by Council will not be altered significantly.	Work is not performed in accordance with the conditions of the consent.	Medium	Medium	Breaches of resource consent conditions may result in increased costs and/or legal action taken against Council; however, the specific extent of any breaches or legal actions cannot be accurately quantified prior to their occurrence.														
	Conditions of Council held resource consents are reviewed and altered.	Low	Medium	Council’s ocean outfall wastewater discharge consents expire in 2026. Renewing the consents may result in changes in consent conditions which could affect the treatment process and require further capital investment.														
Inflation – The financial information is based on the following adjustments for inflation. Council has used the BERL forecasts of price level changes to calculate a weighted average inflation rate for each year of the plan. Where expenditure is subject to inflation, the following rates have been applied: <table style="margin-left: 20px; border: none;"> <tr><td>2024/25</td><td>0%</td></tr> <tr><td>2025/26</td><td>2.7%</td></tr> <tr><td>2026/27</td><td>2.0%</td></tr> <tr><td>2027/28</td><td>2.2%</td></tr> <tr><td>2028/29</td><td>2.2%</td></tr> <tr><td>2029/30</td><td>2.1%</td></tr> <tr><td>2030/31</td><td>2.1%</td></tr> </table>	2024/25	0%	2025/26	2.7%	2026/27	2.0%	2027/28	2.2%	2028/29	2.2%	2029/30	2.1%	2030/31	2.1%	That actual inflation will be significantly different from the assumed inflation.	Low (Years 1-3) Medium (Years 4-10)	Low (Years 1-3) Medium (Years 4-10)	<p>Inflation is affected by external economic factors.</p> <p>Council’s costs and the income required to fund those costs will increase by Council’s average rate of inflation.</p> <p>While individual cost indices will at times vary from what has been included in this plan, the Council has relied on the Reserve Bank use of monetary controls to keep inflation within the 1 to 3% range.</p>
2024/25	0%																	
2025/26	2.7%																	
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2031/32 2.0% 2032/33 2.0% 2033/34 1.9%				Where the actual inflation differs from the assumed inflation the cost of the activity will differ. Lower inflation may result in Council reducing its funding requirement. Higher inflation may increase Council's funding requirement.
Interest – Interest paid on term debt is calculated at an average rate of 5.4% for year 1 and 5.0% per annum thereafter, with the exception of the wastewater treatment plant debt (opening balance of \$23 million) which has an interest rate of 4.5% per annum	That interest rates will change from those used in the calculations over the period of the Long Term Plan.	Medium	Medium	Interest rates on borrowed funds are largely influenced by factors external to the New Zealand economy. Council mitigates interest rate uncertainty through the use of interest rate swaps and other derivatives. Based on Council projected debt levels, interest costs will increase or decrease annually by \$1.6M - \$2.7M per year for every 1% movement in interest rates. A significant change in interest rates could affect the amount of funds available to provide Council services or increase rates rises.
Interest rate risk management Council continues to manage interest rate risk with a neutral effect by effectively fixing a large portion of its debt portfolio.	Interest rates move in a downward direction with Council unable to take full	Medium	Low	As Council's policy is to effectively fix its interest rate on a large portion of its debt portfolio, a movement in

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	advantage of this movement.			interest rates would have a minimal impact in interest costs or savings.
<p>Raising debt Council can raise debt at any time.</p>	That Council cannot raise debt as and when required.	Medium	Medium	<p>Council funds debt from bank credit lines and from issuing local authority stock, either through private placement or through the New Zealand Local Government Funding Agency. Market conditions may impact on lenders' ability to continue to fund Council debt.</p> <p>New Zealand local authority stock market is dominated by a small number of significant purchasers. Overseas markets are prone to fluctuations in demand for investment in a given Country's securities. Market conditions may result in purchasers of local authority stock withdrawing from the market for a period. This means that in the short term Council may have to use cash reserves or investments in place of debt. In the medium term Council may have to delay/suspend current projects. In the long term additional funding sources would have to be found or the Council budget would have to be reduced to what could be funded from current revenues.</p>

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				<p>The effect on projects would depend on the value involved and the extent to which Council could not fund from internal sources.</p>
<p>New Zealand Transport Agency – Waka Kotahi requirements and specifications for the granting of subsidised work will not alter, and that all subsidised roading works in the Long-Term Plan will be approved.</p> <p>Council’s NZTA Waka Kotahi Funding Assistance Rate (FAR) is 62% and this rate has been assumed to continue throughout the Long-Term Plan period.</p>	<p>Changes in subsidy rate and in criteria for inclusion in subsidised works programme.</p> <p>Not all work in the programme submitted to NZTA will be approved resulting in that work not proceeding.</p>	<p>Medium</p>	<p>Medium</p>	<p>Timing of Waka Kotahi’s confirmation of the National Land Transport Programme is problematic as Council does not receive confirmation of its approved (subsidised) programme until after the LTP is consulted upon, and sometimes even after it has been adopted.</p> <p>NZTA funding priorities may change as a result of the Land Transport Management Act 2003 and its focus on delivering the key outcomes of integration, safety, sustainability and value for money.</p> <p>Variations in subsidy are possible through implementation of the New Zealand Transport Strategy and Government Policy Statement on NZTA funding.</p> <p>A 1% change in subsidy rate in the future would impact Council’s costs</p>

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				by \$170,000 on average over 10 years. Alternatively there may be a changes in levels of service.
<p>Dublin Street bridge replacement We have assumed that the replacement of the Dublin Street bridge will cost \$66.4 million and consenting and design costing an additional \$2.6 million, a total cost of \$69 million. We have assumed that this cost will be 62 percent externally funded by NZTA and/or other external non-Council funding sources.</p>	<p>That the cost of the project exceeds the \$69 million budgeted</p> <p>That we cannot secure 62 percent NZTA or other external non-Council funding for replacing the Dublin Street bridge</p>	<p>High</p> <p>High</p>	<p>Medium</p> <p>Medium</p>	<p>The cost of the Dublin Street bridge replacement has been estimated as we do not yet know the design or location of the replacement bridge. The bridge's location over the Whanganui River also adds complexity to the design and consenting process with the unique legislation relating to Te Awa Tupua (Whanganui River Claims Settlement) Act 2017.</p> <p>NZTA funding priorities and the level of oversubscription of available NZTA funding may affect the likelihood of securing our standard 62 percent NZTA Funding Assistance Rate for this project.</p> <p>Other central government funding support and external funding e.g. grants may be available.</p> <p>Every \$1 million extra that council has to borrow for the project will add \$4 per year to average rates for the next 25 years.</p>

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<p>Whanganui District Council Holdings Limited dividends</p> <p>Council is forecasting to receive \$500k in dividends in years 1-3 and \$1M for each year thereafter.</p>	<p>That Council will not achieve the forecast rates of return.</p>	<p>High</p>	<p>Medium</p>	<p>We have forecast lower investment income in years 1 - 3 of the plan to enable Holdings subsidiaries to invest in their infrastructure.</p>
<p>Funding sources</p> <p>Council has assumed it will receive certain levels of user charges and grants in addition to loan funding as sources of funds for significant assets.</p>	<p>Projected revenue from user charges and external financial assistance is not achieved.</p> <p>Levels and sources of funding differ from those forecast.</p>	<p>Medium</p> <p>Low</p>	<p>Medium</p> <p>Low</p>	<p>A significant impact from changes in funding or funding sources may result in a revised capital work programme, or changes in the level of user fees and charges, borrowing or rating requirements.</p> <p>Council has secured loan facilities in addition to a strong credit rating from an international credit rating agency. It is unlikely that it will be unable to source loan funding for future replacement of significant assets.</p> <p>User charges and grants have generally been increased by the assumed rate of inflation over the 10 year period of the plan. Some price increases may affect the demand for services and adversely impact on Council forecast user charge income.</p>

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<p>Asset life Assets do not necessarily fail at the end of their design life. An asset is considered to have failed if its performance does not meet expected serviceability requirements.</p>	Earlier than planned asset failure.	Low	Medium/High	<p>Assets are assessed on their criticality and likelihood of failure and risk ratings are established to prioritise and optimise investment programs.</p> <p>Capital replacements may need to be brought forward in the event of asset failure affecting interest costs and levels of debt.</p>
<p>Asset data knowledge Council has an accurate record of assets to enable good decision making.</p>	Incorrect asset data resulting in incorrect expenditure and loss of service potential.	Low/Medium	Medium/High	<p>Over the past few years Council has been undertaking extensive modelling of its infrastructure networks to improve data information on the condition of its assets.</p> <p>A project is now underway to improve asset management data and practices and data for our property assets.</p> <p>Where data information remains incomplete, or is inaccurate, there is potential for over-investment or under-investment in assets.</p>
<p>Timing of capital projects and accuracy of cost estimates That capital projects will be completed within the projected timeframes and budget cost estimates.</p>	Capital projects are delayed or take longer to complete than estimated.	Medium Medium	Medium Medium	Delay in completing projects could result in an escalation of costs in addition to Council not being able to deliver required levels of services.

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	Actual capital project costs are significantly under or over budget.			<p>Significant variances of actual capital costs to budgeted capital costs may result in either:</p> <ul style="list-style-type: none"> • Over-collecting revenue from various sources, such as development contributions, fees and rates; or. • Funding shortfall, placing additional pressure on Council resources, such as borrowings and rates. 														
<p>Revaluation of non-current assets From time to time we revalue our assets to understand how much they are worth. Through our planning, we make assumptions about how much we think the assets will be worth when they are revalued. Council has used the BERL forecasts of price level change adjustors for each year of the plan. The following rates have been applied to the appropriate asset types:</p> <table> <thead> <tr> <th>Year applied</th> <th>Water</th> </tr> </thead> <tbody> <tr> <td>2024/25</td> <td>14.8%</td> </tr> <tr> <td>2027/28</td> <td>8.0%</td> </tr> <tr> <td>2030/31</td> <td>7.3%</td> </tr> <tr> <td>2033/34</td> <td>6.5%</td> </tr> </tbody> </table> <table> <thead> <tr> <th>Year applied</th> <th>Buildings</th> </tr> </thead> <tbody> <tr> <td>2026/27</td> <td>7.1%</td> </tr> </tbody> </table>	Year applied	Water	2024/25	14.8%	2027/28	8.0%	2030/31	7.3%	2033/34	6.5%	Year applied	Buildings	2026/27	7.1%	Price level changes may not be in line with BERL forecasts resulting in a big difference between how much we thought the asset would be worth and how much it is actually worth.	Medium	Low	Revaluations are impacted by information available on asset conditions. As better information on asset condition is obtained revaluations may differ from those calculated in this Plan.
Year applied	Water																	
2024/25	14.8%																	
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2029/30 6.5% 2032/33 6.0% Year applied Roading 2025/26 8.9% 2028/29 7.0% 2031/32 6.2% Year applied Investment properties 2024/25 2.7% 2025/26 2.0% 2026/27 2.2% 2027/28 2.2% 2028/29 2.1% 2029/30 2.1% 2030/31 2.0% 2031/32 2.0% 2032/33 1.9% 2033/34 1.9%				
Depreciation Asset condition is as per Council's detailed asset register. Refer to the full depreciation accounting policy for specific depreciation rates and useful.	Actual wear and tear of assets will not mirror current depreciation rates.	Low	Low	Council has an asset management planning and improvement programme in place. Asset capacity and condition is monitored, with replacement works being planned in accordance with standard asset management and professional practices. Depreciation is calculated

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				in accordance with normal accounting and asset management practices.
<p>Changes in society – Based on the projected demographic profile of the district provided by Infometrics this plan assumes:</p> <ul style="list-style-type: none"> • an aging population, • an increase in ethnic diversity, although at a lower rate than the rest of New Zealand, • an increase in the Maori population, • the district’s ethnic make-up will remain predominantly European and Maori. 	<p>The expected demographic changes do not transpire in the predicted areas, impacting on the provision of services for the area and the district as a whole.</p>	Low	Low	<p>The district’s projected demographic profile was taken into account in preparing the asset management plans, service plans and activity plans. A significant change in the projected profile could impact on the provision of age specific service delivery and infrastructure, which may become obsolete or underutilised sooner than anticipated.</p>
<p>Potential climate change impacts</p> <p>In line with our Climate Change Strategy, Whanganui expects:</p> <ul style="list-style-type: none"> • Average temperatures to rise by 0.8 C between 1986-2005 and 2031-2050 with some seasonal variations; and by 1.8 C between 1986-2005 and 2081-2100. • Wetter conditions with annual precipitation up 1% between 1986-2005 and 2031-2050 and winter rainfall up 6%; and by 4% between 1986-2005 and 2081-2100 and winter rainfall up 11%. • Sea Level Rise of 0.2m-0.5m by 2060 and 0.3m-1.0m rise by 2100. 	<p>Planning has not adequately accounted for climate change impacts and the associated cost.</p>	High	High	<p>Accretion, sedimentation of the river, greater flooding, impacts on coastal environment and settlements, increased stormwater flooding, higher river levels, increased groundwater levels and hill side erosion and impact on resources to manage events. Infrastructure damage may affect the levels of maintenance in any one year or replacement timeframes may be varied as a result.</p> <p>These climate change projections are based on an RCP6 scenario. Updated climate change projections for New Zealand are expected to be released</p>

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<ul style="list-style-type: none"> This will increase the frequency and magnitude of storm-related coastal flooding and erosion. 				<p>by NIWA in 2024. Council will need to review the impacts of these in future planning.</p>
<p>Shared services Council partners with other agencies to deliver services in a cost effective manner.</p>	<p>Partnerships do not deliver the desired outcomes.</p> <p>The desired outcomes are delivered at an increased cost.</p>	<p>Low</p> <p>Low</p>	<p>Low</p> <p>Medium</p>	<p>External factors may impact on provider’s ability to deliver services at the expected level.</p> <p>There are existing agreements between Council and other agencies for the delivery of services. Non delivery could result in an increased cost to Council or an unexpected drop in service levels.</p>
<p>Central government Council is unable to confidently predict any Government statutory or policy changes. Therefore this plan assumes Council is operating under the current regime of statutory and policy provision.</p>	<p>There are unexpected changes that alter the services provided by Council.</p> <p>Changes in Central Government Policy occur and place additional compliance requirements on councils and communities to comply.</p>	<p>Medium/High</p>	<p>Medium/High</p>	<p>Could have significant financial impact on resources to meet legislative requirements and require changes to service delivery/organisational form.</p> <p>Council’s response to legislative changes would be consulted upon during future annual and long term planning.</p>
<p>Three waters reform This plan assumes Council continues to provide three water services to the community for the full period of the plan.</p>	<p>Uncertainty about the future model of delivery remains until there is clarity on the</p>	<p>High</p>	<p>High</p>	<p>Levels of uncertainty exist in the medium and longer term due to the uncertainty about the detail of the Government’s future policy requirements for delivery and the</p>

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<p>The recent change of Government has resulted in the repeal of the Water Services Entities Act 2022 which aimed to reform three waters services (water, wastewater and stormwater).</p>	<p>Government's replacement policy and its requirements.</p> <p>Rising costs for delivery and the expected introduction of new quality standards mean there is a long-term risk of financial sustainability if the delivery model of water services remains unchanged.</p> <p>Any future shift to regionalised water service provision arrangements has the potential to be significant in scale, impact core role and functions of the Council and our finances.</p>			<p>financial sustainability of funding water services through rates. Until there is clarity on this it is challenging to determine the scale of change and level of impact.</p>
<p>Water Services Regulator Taumata Arowai was created by the Water Services Act 2021 and became the water services regulator from 15 November 2021, taking over from the Ministry of Health.</p> <p>Taumata Arowai is currently focusing on drinking water and we are seeing additional requirements to increase levels of service.</p>	<p>There is a greater level of service expected to be provided by Council than is provided for in the plan</p>	<p>High</p>	<p>Medium</p>	<p>Any changes to legislation and/or standards will require Council response and potentially investment during future annual and long term planning.</p> <p>Levels of uncertainty remains until implementation at central government has progressed further.</p>

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<p>As of late 2023 Taumata Arowai is now also responsible for wastewater and stormwater regulation and we expect to see increasing levels of service in these areas over time too.</p> <p>This plan accounts for known water supply requirements under the Drinking Water Quality Assurance Rules issued by Taumata Arowai as known at February 2024. We expect that an increasing level of service will be required for all three water services over time. Scale and timing of service level changes are yet to be determined.</p>				
<p>Insurance It is assumed Council's assets are adequately covered for loss, and that premiums increase in line with local government inflation.</p>	<p>That the insurance market continues to suffer as a result of recent natural disaster events and that the cost of insurance continues to rise.</p>	<p>Medium</p>	<p>Low</p>	<p>Insurance premiums have been significantly impacted through recent natural disaster events, leading to substantial cost increases over and above the rate of inflation. Council has adopted an insurance strategy with the purpose of ensuring that any risk transfer, through the purchase of insurance, is carried out in a cost effective and prudent manner.</p>
<p>COVID-19 Pandemic We do not anticipate any further disruption due to COVID-19 moving forward. It is likely that small spikes of the virus may resurge intermittently, though this is unlikely to have any major impact on our district. Due to Whanganui's limited reliance on tourism there is no foreseen ongoing impacts from COVID-19.</p>	<p>That the ongoing impacts on Whanganui community economy and unemployment are greater than anticipated and that impacts are longer term than expected.</p>	<p>Low</p>	<p>Low</p>	<p>An event of this nature has not been experienced in recent history and further implications may be difficult to predict. Although the economic impact in Whanganui may not be as great as in other parts of the country, there is likely a contracting of the economy and higher unemployment.</p>

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<p>Natural hazard events There will be natural hazard events e.g. flooding, landslides, severe winds that cause localised damage about every 3-5 years which will be funded from a combination of debt, rates and insurance.</p>	<p>There are natural hazard events more often than expected risk assessments.</p>	<p>Medium</p>	<p>High</p>	<p>Although Council has faced natural disaster events in the past, and coped adequately, climate change predictions are that some events could become more frequent and more intense. The potential effect of a natural disaster on Council's financial position is dependent upon the scale, duration and location of the event. Central government assistance and insurance contracts would reduce some of the Council's financial risk. Emergency Management plans and legislation allow for Government assistance where communities are unable to cope with the emergency relief and recovery works.</p>
<p>Earthquakes The risk of a significant earthquake in the period of this Long Term Plan that causes damage to Council assets is considered low. However, the risk within the next 20 years is considered moderate to high.</p>	<p>A significant earthquake strikes that causes major damage to Council and community assets.</p>	<p>Low</p>	<p>High</p>	<p>Although the likelihood of Whanganui experiencing a significant earthquake that causes major damage is low, recent earthquakes in Christchurch and Kaikoura have highlighted the extent of damage that can occur. As with all natural hazard events Emergency Management plans and legislation allow for Government assistance where communities are unable to cope with the emergency relief and recovery works.</p>

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				Emerging research is focussing on the increased risk of a very large regional earthquake off the coast of the lower North Island, as well as the overdue Alpine Fault event.
<p>Development contributions Growth will occur at the projected rate and in the projected order.</p>	Development contributions are not recovered to match expenditure of network upgrades.	Medium	Medium	<p>Council has undertaken careful planning of growth demand projects so that expenditure and recovery match predicted market demand.</p> <p>However if growth projections are inaccurate budgets may be insufficient or inappropriate for the level of actual growth, or expected development contributions revenue may not be gathered.</p> <p>Growth-related capital projects are funded initially via debt, and any development contributions received are used to repay debt. This mitigates any rates impact of growth differing from projections.</p>
<p>Waste levy income The plan assumes \$680,000 per annum of central government waste levy income to Council as a result of increased landfill levies. It is assumed that \$560,000 per annum of this levy income is used to offset the cost of the kerbside recycling</p>	That waste levy income to Council is not received as forecast	Low	Medium	The amount of waste levy income that Council receives depends on the amount of waste sent to landfill. Waste levies have increased progressively from \$20 per tonne from July 2021 up to \$60 per tonne from July 2024. It is possible that the

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<p>and food waste services, with the remainder used to fund other waste minimisation activities.</p>				<p>increased levies achieve the objective of reducing waste to landfill over time and that this consequently reduces the levy income we receive.</p> <p>Every \$100,000 difference in waste levy income available to Council will alter the targeted rate for the kerbside recycling and food waste services by around \$7.</p>
<p>Resource Management Act 1991 (RMA) Reform The plan assumes that Council will need to undertake a review of the District Plan under the current planning framework.</p>	<p>Council is not yet aware of the timing or full nature of the RMA reforms.</p>	<p>High</p>	<p>Low</p>	<p>The Government has stated that they intend to undertake reforms to the RMA.</p> <p>Until the content of the reform becomes clear Council will need to fund the review of the current District Plan or future planning document framework.</p>
<p>External funding for capital projects We have assumed significant external funding contributions from Central Government, corporate and philanthropic organisations and individuals for the following projects:</p> <ul style="list-style-type: none"> • Royal Whanganui Opera House upgrade (\$8.9M) • Davis Library extension (\$950,000) • North Mole redevelopment (\$925,000) 	<p>The financial targets for fundraising from external sources may not be met</p>	<p>High</p>	<p>Medium</p>	<p>Council looks to maximise external funding opportunities for community projects. However the risk remains that the financial targets for fundraising cannot be met which could result in either a redesign of the project, additional costs to Council, or the projects not proceeding.</p> <p>If the project proceeds, every additional \$1M that Council has to</p>

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				fund will add \$4 on average per property per annum to rates for the next 25 years.
<p>Investment projects We have provided for a number of investment projects in our Long-Term Plan as part of our plan to make Whanganui more liveable. These projects will be subject to detailed business cases providing greater certainty around the costs and potential returns of the projects, and some or all of these projects may not proceed if the detailed business case does not demonstrate their financial viability.</p> <p><i>Hotel and carpark</i> We have assumed that Council will build a hotel and carpark in the central business district, subject to a detailed business case demonstrating viability of the project.</p> <p>We have provided \$1M in 2024/25 to develop the detailed business case for the hotel and carpark. \$32M is budgeted for construction of the hotel over 2025/26 – 2026/27, with a net income stream of \$1.8M per annum once operational. We have assumed that the carpark will cost \$21.8M over 2027/28 – 2028/29 and will return net income of \$1M per year to Council once complete.</p>	That the costs of construction and the net income projections of the investment projects differ from those forecast once the detailed business cases are developed	High	Medium	<p>Further planning and development of the detailed business cases and financials for the investment projects will provide greater certainty around the costs and potential returns of the projects.</p> <p>Some or all of the projects may not proceed if the detailed business case does not demonstrate their financial viability.</p>

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<p><i>Advanced aviation hub</i> We have assumed that Council will invest \$530k in 2027/28 on updating the business case for the advanced aviation hub project.</p> <p>We have provided \$22.5M across 2029/30 – 2030-31 for construction of the hub, with a return of \$2M per annum once operational.</p> <p><i>GasNet business development</i> We have assumed that Council will invest \$580k in 2031/32 on undertaking a business case for the future of GasNet and its development. We have provided for \$11.9M of investment in 2032/33.</p>				
<p>Cutting council services We have assumed that Council cuts \$2.0M of services from 2024/25 in order to achieve the rates increases set out in this plan.</p>	<p>That we do not achieve \$2.0M of service level cuts following community feedback</p>	<p>Medium</p>	<p>Low/Medium</p>	<p>Community feedback may recommend that service levels are not cut to the degree proposed.</p> <p>Every \$100k reduction in service cuts will add \$5 per annum on average to rates.</p>
<p>Operational efficiencies We have assumed \$1M per annum of operational efficiencies. Taking into account the cumulative effect, this equates to \$51 million of operational efficiencies over the ten years of the plan. We have also allowed \$250,000 per annum in Years 1-4 and \$100k per annum thereafter for invest to save projects where a small upfront investment is able to provide efficiencies or ongoing savings to operational costs.</p>	<p>That we do not achieve \$1M of operational efficiencies each year</p>	<p>High</p>	<p>High</p>	<p>Efficiencies may not be able to be realised to the degree forecast.</p> <p>Every \$100k reduction in efficiency savings will add \$5 per annum on average to rates.</p>

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<p>Sale of assets We have assumed asset sales of \$16M in Year 1 of the Long-Term Plan (2024/25). The proceeds of the asset sales are assumed to repay debt.</p>	<p>That the forecast level of asset sales are unable to be realised and debt is not reduced to the level expected</p>	<p>High</p>	<p>Medium</p>	<p>Asset sales will need to follow a process depending on the particular asset, and this may involve public consultation.</p> <p>There is a risk that public feedback and objections mean we can't achieve the level of asset sales we have forecast.</p> <p>Every \$1M of asset sales that does not occur will add \$3 on average to rates per property.</p>
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