

Proposed amendment to the LTCCP to update capital expenditure (capex) figures

1 Capital Expenditure Amendments

The development of a Development Contributions Policy requires an amendment to the 2003/04 Long Term Council Community Plan, so that it reflects updates to capital expenditure forecasts contained in the 2004/05 Annual Plan and 2005/06 Draft Annual Plan. These changes are summarised in the table below.

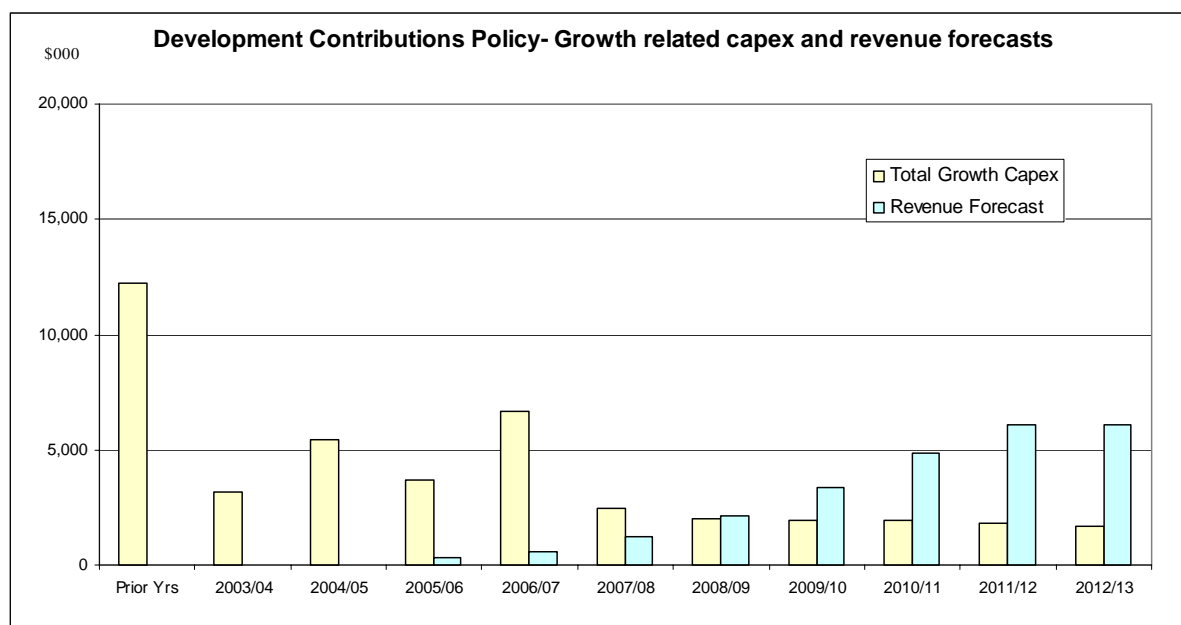
CAPITAL EXPENDITURE AMENDMENT TO 2003/04 LTCCP		2003/04 Budget \$000	2004/05 Budget \$000	2005/06 Budget \$000	2006/07 Budget \$000	2007/08 Budget \$000	2008/09 Budget \$000	2009/10 Budget \$000	2010/11 Budget \$000	2011/12 Budget \$000	2012/13 Budget \$000
Built environment	2003/04 LTCCP	8,462	16,052	10,065	8,212	3,832	1,727	2,187	2,672	1,637	1,637
	Changes 04/05 & 05/06	(201)	(3,472)	1,618	7,571	1,062	(799)	58	58	13	(157)
	Amended LTCCP	8,261	12,580	11,683	15,783	4,894	928	2,245	2,730	1,650	1,480
Community, health and safety	2003/04 LTCCP	8,594	6,268	5,669	4,728	3,133	717	641	764	744	744
	Changes 04/05 & 05/06	(0)	(138)	(797)	1,442	(871)	1,779	7,325	6,898	5,833	1,666
	Amended LTCCP	8,594	6,130	4,872	6,170	2,262	2,496	7,966	7,662	6,577	2,410
Culture and arts	2003/04 LTCCP	4,870	175	25	25	25	25	25	25	25	25
	Changes 04/05 & 05/06	0	300	350	0	0	0	0	0	0	0
	Amended LTCCP	4,870	475	375	25	25	25	25	25	25	25
City economy	2003/04 LTCCP	595	1,382	1,259	618	571	829	544	579	438	804
	Changes 04/05 & 05/06	0	501	3,707	446	313	111	112	113	115	117
	Amended LTCCP	595	1,883	4,966	1,064	884	940	656	692	553	921
Natural environment	2003/04 LTCCP	3,342	2,980	2,777	2,805	2,875	2,500	2,525	2,525	2,525	2,525
	Changes 04/05 & 05/06	(0)	345	1,237	1,394	1,004	1,394	669	566	581	434
	Amended LTCCP	3,342	3,325	4,014	4,199	3,879	3,894	3,194	3,091	3,106	2,959
Resources and waste	2003/04 LTCCP	27,305	29,153	30,898	28,776	25,897	23,328	22,658	22,948	23,168	23,168
	Changes 04/05 & 05/06	(247)	673	(3,353)	5,062	5,880	10,051	9,539	4,969	1,069	1,069
	Amended LTCCP	27,058	29,826	27,545	33,838	31,777	33,379	32,197	27,917	24,237	24,237
Recreation and leisure	2003/04 LTCCP	6,766	8,593	6,580	7,441	6,672	5,374	6,072	5,860	6,610	3,660
	Changes 04/05 & 05/06	0	1,733	7,522	4,705	7,006	7,913	2,747	3,171	1,521	3,713
	Amended LTCCP	6,766	10,326	14,102	12,146	13,678	13,287	8,819	9,031	8,131	7,373
Transport	2003/04 LTCCP	17,710	20,414	21,048	20,720	20,400	20,070	20,540	20,540	17,850	17,850
	Changes 04/05 & 05/06	(2)	3,125	4,064	5,567	6,111	6,406	6,501	6,870	6,401	4,410
	Amended LTCCP	17,708	23,539	25,112	26,287	26,511	26,476	27,041	27,410	24,251	22,260
Governance and Citizen Information	2003/04 LTCCP	113	80	0	0	80	0	0	80	0	0
	Changes 04/05 & 05/06	(0)	20	0	0	0	0	0	0	0	0
	Amended LTCCP	113	100	0	0	80	0	0	80	0	0
Organisational (corporate)	2003/04 LTCCP	8,139	7,870	9,570	6,475	8,069	6,244	8,489	7,494	7,589	8,019
	Changes 04/05 & 05/06	(267)	(970)	2,449	435	1,302	775	449	(692)	2,089	742
	Amended LTCCP	7,872	6,900	12,019	6,910	9,371	7,019	8,938	6,802	9,678	8,761
Total per 2003/04 LTCCP		85,896	92,967	87,891	79,800	71,554	60,814	63,681	63,487	60,586	58,432
Total changes 04/05 and 05/06		(718)	2,117	16,798	26,622	21,808	27,630	27,401	21,954	17,622	11,994
Amended LTCCP (Draft) 05/06		85,178	95,084	104,689	106,422	93,362	88,444	91,082	85,441	78,208	70,426

2 Forecast Development Contribution Funding

Because there is not a direct correlation between the timing that growth related capital expenditure will be incurred by the Council and when new development actually occurs the level of development contribution funds actually received over the duration of the LTCCP is forecast to be lower than the actual Capex expended. The difference between growth related capital expenditure and the actual level of development contributions expected to be received in the initial years after the policy's introduction is exacerbated by the lead-in time for the policy (i.e. there are a number of consents already lodged for new developments, to which development contribution contributions will not apply).

APPENDIX D

The graph and table below summarise the level of development contributions revenue forecast to be received by the Council, against 2005/06 growth related capital expenditure incurred, over the duration of the current LTCCP. Note these forecasts are indicative only and are subject to change dependant on rate and geographical spread of development within the City over the next eight years.



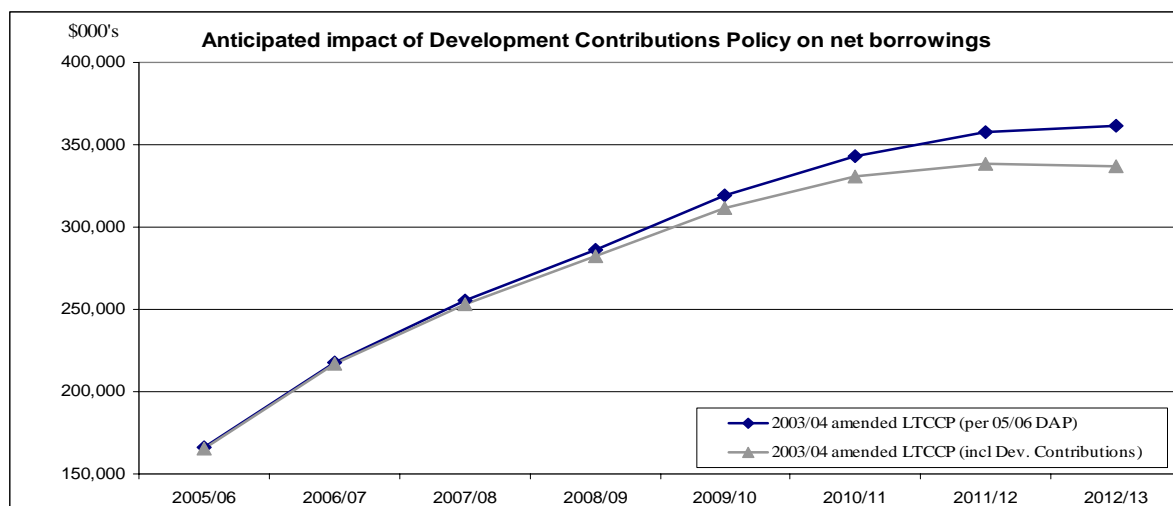
Growth related capex and revenue forecasts	Prior Yrs	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Total Growth Capex	12,255	3,146	5,425	3,674	6,639	2,480	2,014	1,947	1,938	1,827	1,688
Revenue Forecast	0	0	0	305	610	1,220	2,134	3,354	4,878	6,098	6,098

Development Contributions Policy Revenue Forecast 2005/06 to 2012/13

KAA		Prior Capex Included \$000	2003/04 Budget \$000	2004/05 Budget \$000	2005/06 Budget \$000	2006/07 Budget \$000	2007/08 Budget \$000	2008/09 Budget \$000	2009/10 Budget \$000	2010/11 Budget \$000	2011/12 Budget \$000	2012/13 Budget \$000	Total Budget \$000
Built Environment	Total Capex	1,400	8,261	12,580	11,683	15,783	4,894	928	2,245	2,730	1,650	1,480	14,984
	Growth Capex	184	492	2,574	1,078	4,244	433	25	25	25	25	25	9,132
Community, Health and Safety	Total Capex	-	8,594	6,130	4,872	6,170	2,262	2,496	7,966	7,662	6,577	2,410	55,141
	Growth Capex	-	-	-	-	-	-	-	-	-	-	-	-
Culture and Arts	Total Capex	-	4,870	475	375	25	25	25	25	25	25	25	5,895
	Growth Capex	-	-	-	-	-	-	-	-	-	-	-	-
City Economy	Total Capex	-	595	1,883	4,966	1,064	884	940	656	692	553	921	13,154
	Growth Capex	-	-	-	-	-	-	-	-	-	-	-	-
Natural Environment	Total Capex	1,000	3,342	3,325	4,014	4,199	3,879	3,894	3,194	3,091	3,106	2,959	36,004
	Growth Capex	232	230	194	214	217	199	193	173	169	169	163	2,153
Resources and Waste	Total Capex	16,945	27,058	29,826	27,545	33,838	31,777	33,379	32,197	27,917	24,237	24,237	308,955
	Growth Capex	11,839	1,672	1,874	1,496	1,248	941	930	880	886	891	891	23,549
Recreation and Leisure	Total Capex	-	6,766	10,326	14,102	12,146	13,678	13,287	8,819	9,031	8,131	7,373	103,658
	Growth Capex	-	76	80	213	86	76	67	67	59	69	59	853
Transport	Total Capex	-	17,708	23,539	25,112	26,287	26,511	26,476	27,041	27,410	24,251	22,260	246,597
	Growth Capex	-	676	704	674	843	832	798	801	799	672	549	7,348
Governance and Citizen Information	Total Capex	-	113	100	-	-	80	-	-	80	-	-	373
	Growth Capex	-	-	-	-	-	-	-	-	-	-	-	-
Organisational Capital Projects	Total Capex	-	7,872	6,900	12,019	6,910	9,371	7,019	8,938	6,802	9,678	8,761	84,270
	Growth Capex	-	-	-	-	-	-	-	-	-	-	-	-
Council	Total Capex	19,345	85,178	95,084	104,689	106,422	93,362	88,444	91,082	85,441	78,208	70,426	917,680
	Growth Capex	12,255	3,146	5,425	3,674	6,639	2,480	2,014	1,947	1,938	1,827	1,688	43,035
	Revenue Forecast	-	-	-	305	610	1,220	2,134	3,354	4,878	6,098	6,098	24,695

3. Impact on net borrowing

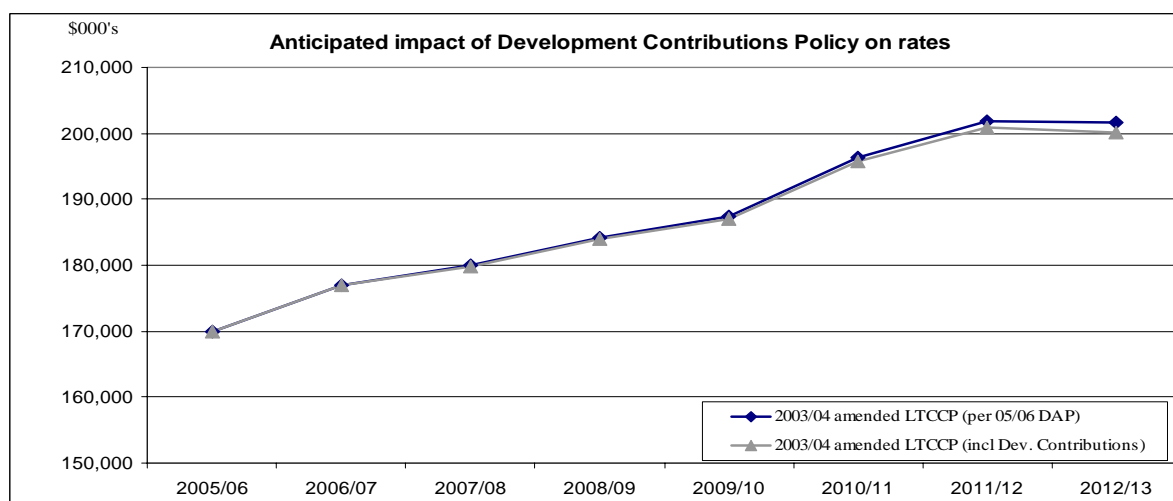
The introduction of a development contributions policy is forecast to result in a reduction in net borrowings equivalent to the cumulative value of development contributions actually received over the duration of the LTCCP.



Impact on net borrowings	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
2003/04 amended LTCCP (per 05/06 DAP)	166,010	218,071	255,235	286,466	319,168	343,085	357,435	361,707
Development contribution impact (cumulative)	(305)	(915)	(2,135)	(4,269)	(7,623)	(12,501)	(18,599)	(24,697)
2003/04 amended LTCCP (incl Dev. Contributions)	165,705	217,156	253,100	282,197	311,545	330,584	338,836	337,010

4. Impact on rates

As development contributions will fund capital expenditure that would otherwise be funded through borrowings, the impact on rates is limited to the reduction in interest that the Council will have to pay as a result of lower net borrowing levels.



Impact on rates	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
2003/04 amended LTCCP (per 05/06 DAP)	169,918	176,988	179,949	184,120	187,496	196,339	201,812	201,552
Development contribution impact	(10)	(40)	(99)	(208)	(386)	(654)	(1,011)	(1,407)
2003/04 amended LTCCP (incl Dev. Contributions)	169,908	176,948	179,850	183,912	187,110	195,685	200,801	200,145