

10.6 LONG-TERM PLAN 2024-34 DIRECTION

Author: Mia Matheson, Manager Strategy & Policy
Kaiwhakahaere Rautaki me te Kaupapahere

Authoriser: Nicola Etheridge, General Manager Policy Planning and Regulatory Services
Pouwhakahaere Whakamahere Kaupapahere me ngā Raton

WHAKARĀPOPOTOTANGA EXECUTIVE SUMMARY

KAUPAPA PURPOSE

The purpose of this paper is to seek approval of the indicative rate levels, key focus areas, and the consultation items that will be used to inform the basis of the consultation document for the Long-term Plan 2024-34 (LTP).

NGĀ TŪTOHUTANGA RECOMMENDATIONS

That the Council | Te Kaunihera o Porirua:

1. Receive the report.
2. Approve the base financials (as per Attachment 1) as the basis for preparing the LTP 2024-34.
3. Approve the indicative rate levels for the first ten years of the LTP 2024-34, as detailed in the table in Paragraph 44.
4. Agree the key focus areas of the LTP 2024-34 as:
 - a. **Three waters**

Balance future investment alongside immediate affordability constraints without losing gains we have made towards our long-term harbour aspirations.
 - b. **Affordability**

Balance our long-term community outcomes for the city with what Council and residents can afford now.
 - c. **Getting our balance sheet right**

Minimise Council's debt levels and maintain financial capacity for emergencies and investments in the future.
 - d. **Climate resilience and sustainability**

Continue with the emissions reduction programme and prepare for our approach to adaptation.
5. Agree the following items for consultation as part of the LTP 2024-34:
 - a. That Council implement a new kerbside waste collection service in 2027/28.
 - b. That Council provide funds to build an organic waste facility in partnership with Hutt City Council and Wellington City Council if the private market decides not to invest.
 - c. That Council explains its approach for the ongoing management of three waters assets, including the funding of water meters.

6. Agree that further topics for consultation could emerge and that these will be considered for inclusion in early 2024.
7. Note the proposed increase for fees and charges is based off five per cent for regulatory fees and two per cent for non-regulatory fees.
8. Note the detailed financials at an activity level will be provided to Council to approve as part of supporting information for the formal consultation in March 2024.

Reports contain recommendations only. Refer to the meeting minutes for the final decision.

HE WHAKAMĀRAMA BACKGROUND

Pressures on Porirua

1. There is no disputing that the rising cost of living is putting immense pressure on households and businesses across New Zealand. Over the last two years, the cost of living for the average household has increased by almost 14 per cent⁶. A large component of the jump in prices is attributed to high interest payments and the flow on effects of these.
2. Porirua City, like all councils across the country, is also feeling the sharp increase in costs. This means that just providing our core services like rubbish, roading and pipes is costing more than it ever has.
3. Councils budget is being significantly impacted by several non-negotiable expenses that is beyond its control. Increases in the cost of energy, water supply, insurance, and interest rates have a major impact on the overall expense to deliver our basic services, resulting in rates increase.
4. In addition, there is a rising expectation from the community and central government to address community inequity, improve water quality, plan for adverse weather, and to prepare the City for a low-carbon future. A careful balance is required to meet these expectations and to minimise the financial impacts on the ratepayer.
5. During the Annual Plan 2023/24, Council acknowledged that by deferring some hard decisions and choosing to limit rate increases through taking on additional debt, the costs would need to be addressed through the upcoming LTP.

Water reform

6. Many of the decisions that Council has made over the last few years have been based on the central government's direction that the ownership of water assets and services will transfer to a new water entity in 2024 (the first year of the LTP). This is relevant as water makes up a significant amount of Council's costs. Specifically, Council made decisions to continue to prioritise investment in water services to establish an ongoing programme of much needed renewals and upgrades that would be continued by the new entity. This was undertaken with the guidance from central government that water costs, and associated debt, would be handed over to a new water provider that had the scale and debt headroom to deliver water services.
7. While Council was preparing the LTP there was a change in government. This has created uncertainty and a budgeting challenge as the current coalition has stated that it will repeal the water reform – with the shape and timing of any future water ownership unclear. This has meant that Council needs to fundamentally re-think its investment in water moving forward.

⁶ Stats NZ – June 2023

8. With the information that we have currently, we are operating on the assumption that Council will remain responsible for the management of the community's 3 water assets and functions for the foreseeable future.
8. Retaining water puts significant pressure on the ability of Council to maintain its debt headroom so that it does not breach the 280% of cash revenue limit set by the New Zealand Local Government Funding Agency. Council cannot invest in water at the same rate as in recent years, maintain the projected capital programme, and keep the rates starting base low without breaching the limit.
9. Maintaining this level of investment in water would create a major affordability concern for communities, on top of a cost-of-living crisis and increasing costs across all core services. As a result, Council has agreed to reduce the capital programme over the 10 years of the LTP.
10. The focus within the agreed fiscal envelope for water will be on looking after the assets that support our city, including installing universal water metres which helps us identify leaks and maintain the system overall.
11. These challenges are not specific to Porirua City Council alone. Many Councils are experiencing significant increases to the indicative rates starting point for the first year of the LTP as a result of similar challenges that Porirua City is facing.

Progress to date

12. The development of the LTP has been underway for the majority of 2023. The approach has focused on understanding and transparently describing Council's situation, preparing the financial policies, and working through the multiple factors involved in setting the overall rates levels.
13. Council has confirmed the current strategic decision-making priorities with minor changes. The strategic direction for the city was founded on the key issues the community is facing and what elected members considered the most important areas to focus on for the city:
 - a. Commit to the health of Te Awarua-o-Porirua Harbour and its catchment through investment, advocacy and regulation.
 - b. Build towards a low carbon city and proactively address the challenges of climate change.
 - c. Create thriving communities where everyone can be safe and healthy – at home, work or play.
 - d. Keep tamariki and rangatahi at the heart of our city.
14. Following that direction, workshops were held on the fiscal envelope for key asset areas, funding options, and finance related policy updates, all of which continue to inform the focus of the LTP.
15. Council has also adopted the refreshed Growth Strategy which will form the basis of our growth projections.
16. Council has provided input on the options to consult with the community on the financial and non-financial policies. These draft policies were agreed to be consulted on at Te Puna Kōrero (TPK) on 19 October. Consultation was held between 20 October to 20 November and there were 20 submissions.
17. Throughout 2023 there have been several workshops held with elected members to work through Council's fiscal situation and challenges. These workshops also included discussions about Council's focus in line with strategic priorities, and how best to prioritise projects considering the affordability challenges ahead and the uncertainty around water reform.

18. There were a number of key financial decisions that were made at Te Puna Kōrero (TPK) on 16 November 2023 which have informed the recommendations and information in this report. It was agreed to:
 - a. Reduce the capital spend on the capital programme by \$60m in the current year (2023/24) and a further \$60m in the first year of the LTP (2024/25).
 - b. Reduce spending in water from a requested (by WWL) \$115m to \$62m for the 24/25 year.
 - c. Change from a 30-year Long-term Plan to a 10-year Long-term Plan (which still meets statutory requirements).
19. These decisions helped inform the rates starting point, which was indicated to be around 18 per cent in the first year of the plan. Without these significant reductions, the average rates increase would be 24 percent or more in the first year.
20. By agreeing to the financial envelope Council will operate within, elected members were then able to begin the challenging process of providing guidance on prioritising projects within the agreed parameters.
21. As part of the financial planning process for the LTP officers have been working through the constraints of the current fiscal envelope and highlighting the need for strategic prioritisation of all asset management plans.
22. At a workshop on 30 November, elected members discussed the possibility of reducing the capital spend and project prioritisation for all five of Council's key activities (water, transport, parks, resource recovery and waste and property). By limiting the capital budget to reduce the rates impact, not all planned projects are able to start in the same year in which they were originally planned. Subsequently a revised project list has been developed that indicates what projects could be included and excluded from the proposed LTP, and the indicative timings. These lists are shown in Attachment 2.
23. The overall financial approach, and decisions made to date, aim to support the development of an LTP that can deliver the priorities of Council within affordable parameters and limit rates increases in the early years of the plan.

NGĀ MATAPAKI ME NGĀ KŌWHIRINGA

DISCUSSION AND OPTIONS

24. The pressure coming from the management of water services for longer than expected, including the increased costs to deliver core services, has forced reductions in our planned work across Council. The recommendations and guidance given to date have focused on prioritising the Council's balance sheet, sticking to the basics and using the next five years to work towards a better fiscal situation. This involves reducing and smoothing the capital programme over the next five years, delaying existing initiatives to the outer years of the LTP (years five to ten) and reassessing when the direction of water reform becomes clearer.
25. Even with significant reductions already made in the capital programme, the rates increase starting point is higher than in recent years. Much of the increase is a result of non-negotiable cost increases, including high inflation and high interest rates. Essentially, it is costing Council much more to run the same services as it has previously.
26. Council is acutely aware of the cost of living pressures faced by the community and as part of the setting of the current budget (23/24) council has already imbedded cost savings of \$3m into our base cost structure. This lower cost structure flows through into 24/25 budget.
27. Despite the challenges ahead, Council is still committed to making Porirua City a great place to live, work, and raise a family. The LTP is an important vehicle for setting the city up for success in the future. The focus areas and recommended consultation items support this

vision and seek to balance future priorities with immediate financial pressures on both Council and the community.

FINANCIALS

28. Following the TPK decisions relating to the LTP on 16 November, officers have prepared the attached financial statements (Attachment 1) and the proposed rate increases for the 10 years of the LTP.
29. The key inflation assumptions in the development of year one of the proposed LTP are.
 - General 4%
 - Major contracts 6%
 - Bulk Water Levy 27.3% (see para 40 .9 below)
 - Insurance 20%
30. The capital programme is the prime driver of rate and debt levels. With the proposed reduced and reshaped capital programme, we have been able to calculate the financial implications including the timing and resulting impact that both interest costs and depreciation charges on major projects have on our operating costs each year and therefore rate levels.

The major drivers in determining the projected rate increases include:

 - a. Agreement with Kāinga Ora on the timing of our capital contributions for the two major infrastructure projects in the East.
 - b. Rescheduling a number of large projects within the WWL programme.
 - c. Finalising the capital programme associated with the Wastewater Treatment Plant to determine the operating cost to on-charge to Wellington City Council.
 - d. Revaluations of assets thereby increasing depreciation.
 - e. Vested assets from development, particularly from Kāinga Ora in the East.
 - f. Capitalising interest costs on significant projects spanning more than 1-year e.g., Waste Water Storage Tank.
 - g. Depreciation on significant projects spanning more than 1 year not starting until the project is completed.
31. Officers have further reviewed opportunities for increased revenue and for savings in how we deliver our services and projects. It is believed that we can reduce costs by a further \$1m and increase revenue by \$750k. This is in addition to the \$3m cost reductions that have been made in the current financial year. These savings have been factored into the projected rate numbers. To make further meaningful savings would require significant reductions in the levels of service Council offers the community.
32. Another major impact on rate levels has been the recent advice from Greater Wellington Regional Council of an increase in their water levy. They have advised of an upcoming 27% increase in the price of water. This is on top of a 23% increase for the current year. The impact of this on rates for Porirua's residential sector is a 1.5% increase. We have factored into year 2 and 3 a further 15% and 10% increase to the levy. There is a risk that our predictions of further increases in the levy may be insufficient and years 4 – 10 could also be understated.
33. The vested asset numbers are still being reviewed as we try to determine the impact of "retired assets" from the East as Kāinga Ora roll out their development. As vested assets are non cash they do not impact debt levels, however there could be some changes to depreciation which may have a flow on effect. These changes can be considered before finalising the LTP in June.

34. Growth has slowed over the past 18 months so we have adjusted the growth rate and resulting contribution from new ratepayers down from 1% to 0.75% for the first 3 years of the LTP.

Our depreciation estimates increase from \$38m in year 1 of the LTP to \$72m in year 10. Our earlier estimation of debt levels did not account for these items as the detail was not available. The impact of reduced growth and revised depreciation estimates is positive from a debt perspective.

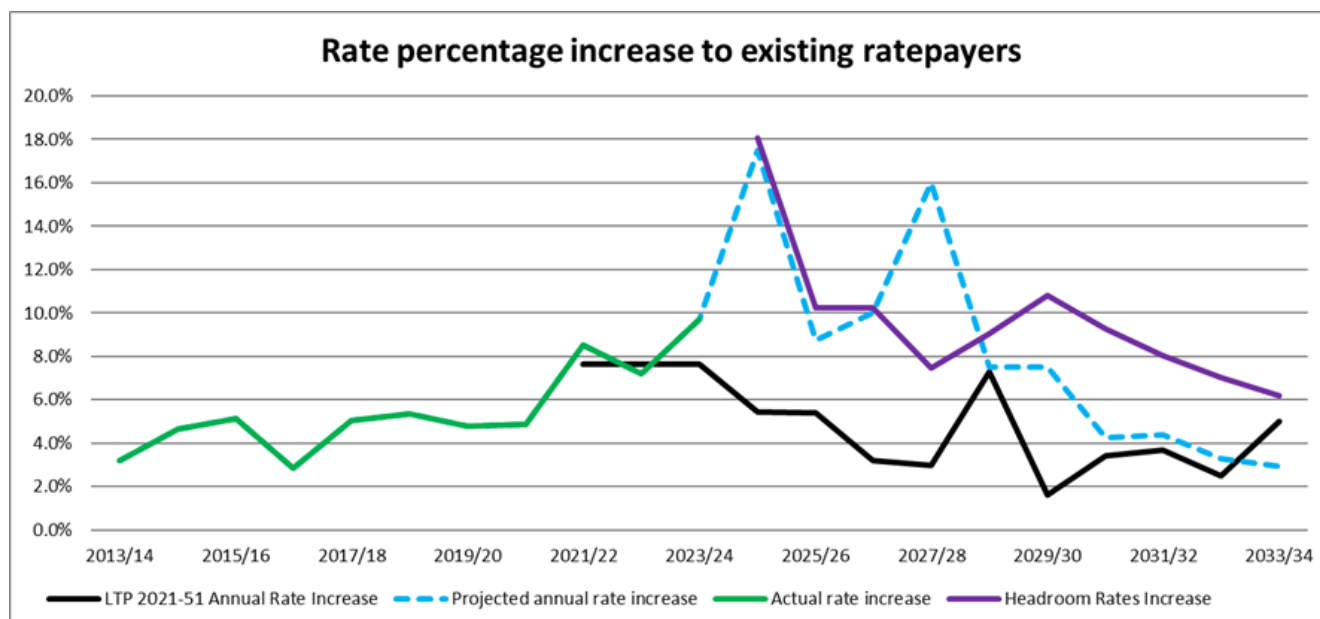
LTP Financials

35. The impact of all these revisions and assumptions are detailed in the attached 10-year, Financial Statements, Balances Sheets and Cash Flows (Attachment 1). The projected impact on rates is summarised in the table below.

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Rates In P&L	113,248	124,007	137,337	160,685	174,343	189,162	199,566	210,841	220,435	230,244
Rate Increase to Existing Ratepayers	17.50%	8.75%	10.00%	16.00%	7.50%	7.50%	4.25%	4.40%	3.30%	2.95%
New ratepayer growth	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%	1.50%
Total rate dollar increase	18.25%	9.50%	10.75%	17.00%	8.50%	8.50%	5.50%	5.65%	4.55%	4.45%

Debt levels and borrowing limits											
Year		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
		1	2	3	4	5	6	7	8	9	10
Debt (\$ million)		321.0	403.5	495.5	568.5	631.5	673.5	704.5	731.5	763.0	791.5
Ratio of debt to operating income	Limit 280%	200%	232%	266%	269%	278%	276%	273%	269%	269%	266%
External interest as a % of operating income	Limit 20%	9.5%	10.4%	11.9%	13.1%	14.5%	15.1%	15.4%	15.5%	15.7%	15.7%

36. The proposed rate increase to existing ratepayers, compared to the forecasts prepared in November are shown below:



37. The most significant change in the proposed rates from previous forecasts is the inclusion of the impact of the Kerbside Waste Collection Service proposal in the 2027/28 year. This proposal will be one of our focus areas in our consultation document.

Debt Levels

38. Under the proposed budgets, we are predicted to get very close to the 280% debt headroom limits in year 5 and 6 of the LTP. In considering our debt headroom constraints it is important to note:
- The totals are gross debt numbers as per our Treasury policy.
 - Our gross debt total includes 100% of the Wastewater Treatment Plant debt, as required by Audit.
 - Our current approach to our cash management and S&P rating level is at financial year end to prefund the following years debt due to be repaid. This preserves a positive rating position for S&P.
 - This means that our net debt position is lower than our gross debt position which is important because it is the net debt position that the Local Government Funding Agency use to determine the prudential ratio of 280%. This means that we have between \$20-\$30m freeboard in debt cover - difference between gross and net debt.

Wellington Water Ltd Requests

39. The capital programme still sees a significant spend in 3 Waters over the first 3 years of the LTP - \$204m - but only \$165m of this is delivered through Wellington Water Ltd (WWL).

At the November 16 TPK meeting it was proposed to reduce the capex programme for WWL for the first 3 years of the LTP to \$50m 24/25; \$55m 25/26 and \$60m 26/27. A total of \$165m over these 3 years. The attached financials reflect this position (Attachment 3).

WWL has advised that meeting this programme would be extremely difficult and has requested a programme that still meets the first 3 year \$165m envelope but spreads this as \$70m 24/25; \$40m 25/26; \$47m 26/27. This programme has an overall 3 year rate impact almost the same as what is proposed but does increase the rate level for year 1 of the proposed LTP.

30. The WWL preferred capital programme is attached as Attachment 3. The rate impact of the requested WWL programme is compared to the base case in the table below:

WWL Proposed Budget	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Rate Increase to Existing Ratepayers	18.10%	8.75%	9.70%	15.60%	7.50%	7.50%	4.25%	4.40%	3.30%	2.95%

Base Case	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Rate Increase to Existing Ratepayers	17.50%	8.75%	10.00%	16.00%	7.50%	7.50%	4.25%	4.40%	3.30%	2.95%

41. WWL have advised it will be very difficult to reduce spend under Council's proposed \$50m Year 1 envelope, because of the committed contracts that are under construction. This would result in almost no essential renewals to be undertaken. They have advised that a \$50m Year 1 would look as follows:

- Waste Water Storage Tank \$38m
 - Prosser Street Watermain Renewals \$0.5m
 - Titahi Bay Trunk Main Renewal \$5m
 - Porirua Waste Water Treatment Plant JV Odour Treatment \$7m
 - Karehana Bay \$0.8m
 - Water Metres \$0.7m
42. WWL preferred programme will enable an additional \$11m, \$9m \$10m for renewals in the first 3 years of the LTP.

WWL have also provided detail regarding how they propose to allocate the \$12.3m Opex budget we are proposing and the impact of not increasing the budget to their requested \$15.8m. This is set out in Attachment 4.

Key Focus Areas

43. This LTP is attempting to maintain affordability while delivering on the Council's vision and the community outcomes it aims to progress long-term. Considering these somewhat competing priorities, and how Council will respond to them, has been an important factor in developing the key focus areas of this LTP.
44. Given the challenging environment that this LTP is operating in, Council is using these focus areas as the basis for what it hopes to achieve over the next ten years. The focus areas help guide the actions Council needs to take to keep Porirua as a great place to live, work and raise a family – now and into the future. As such, the key focus areas recommended for approval are:
- a. **Three waters**
Balance future investment alongside immediate affordability issues while not losing the gains we've made.
 - b. **Affordability**
Balancing our long-term aspirations for the city with what Council and residents can afford – now and into the future.
 - c. **Getting our balance sheet right**
Minimise Council's debt levels and maintain financial capacity for emergencies and investments in the future.
 - d. **Climate resilience and sustainability**
Continue with the emissions reduction programme and prepare our approach to adaptation. These four key focus areas form the basis of this LTP and consequently what actions Council will take in the next ten years.
45. Attachment 5 (page 2) broadly outlines the Council vision and key focus areas driving the 2024-34 LTP.

Key Consultation Items

46. The Council does not need to consult on everything it does. Our consultation document instead focuses on key priorities and areas of change. It is important to note that a proportion of our work is considered core, which we are required to undertake by law and therefore there is no real opportunity to change them. The consultation document asks for specific feedback on significant new proposals and also serves to inform the community about other initiatives Council is pursuing in line with its priorities but are not significant enough to require targeted feedback.

47. Given the financial challenges above, and how Council resources are utilised over the term of this LTP, Council will be minimising any new initiatives in the next three years.
48. Despite this, Council does want to ensure that there is a focus on climate resilience and sustainability. We know that dealing with climate change is a long-term project and a priority Council must address now so that we are better prepared for the future. We do not want future Council's to be dealing with more difficult climate issues because this Council did not take appropriate actions now.
49. With those considerations in mind, Council is recommending three items for consultation. The three items are focused on changes to our water and waste management.
50. The proposed LTP contains a significant refocus of the management of our water assets. The new focus includes the renewal of failing assets and reducing leaks by installing water meters.
51. The two waste initiatives have is a clear link to our focus on climate and sustainability. Although they will not come into effect until the latter years of the LTP, there is a considerable amount of planning and procurement involved in the proposals becoming operational which is why we are seeking feedback now.
52. Attachment 5 (pages 3 - 5) provides a broad summary of the three items as a reference until the consultation document is finalised before formal consultation in March 2024.
53. The following topics are recommended for consultation:
- a. That Council provides a new and improved rates-funded kerbside waste collection service in 2027/28.
 - A review of the existing kerbside service identified several issues, including that:
 - the current service is not equitable for all households;
 - too much organic waste and recyclables are ending up in landfill; and
 - removing organic waste from rubbish collections could reduce carbon emissions.

A new service would be more cost-effective for most households in Porirua City, and meets councils aim of reducing waste contamination in the recycling service. The outcomes sought through this item has direct links to our climate resilience and sustainability priorities, as well as providing an affordable service to the whole community and setting our community up well for the future.

 - The consultation document would take a high-level approach through this LTP by asking whether Council should provide a rates-funded kerbside waste collection service, based on a model requiring a bin for each of rubbish, recyclable material, and organics, and a crate for glass. Once feedback on implementing a new service is received, we will look to consult at a later date on the specifics of the service.
 - b. That Council provides funding for the building of a regional organic processing facility in partnership with Hutt City Council and Wellington City Council should the private market not invest.
 - There are currently no large-scale organic waste processing facilities in the region, with the closest facilities being located as far away as Ohakune, Hawke's Bay and Waikato. Consequently, Council has been exploring the idea of building an organic processing facility funded in partnership with neighbouring councils Wellington City and Hutt City. A high amount of organic waste currently ends up in Spicer Landfill where it is decomposing unnaturally and creating high amounts of methane making it one of the main contributors to our city's greenhouse gas emissions. Diverting organic waste to a dedicated facility will reduce the amount of methane produced, extend the life of the landfill, and mitigate the odour that emanates from the landfill, all contributing to a more

sustainable Porirua City now and in the future. It will also help reduce costs relating to the Emissions Trading Scheme and consequently contribute to a more affordable future overall.

- c. Porirua is refocusing its 3 Waters plan in the 2024 LTP. The new priorities are to deliver what is currently being built and to focus on maintaining what we have. Porirua is planning and budgeting for 3 Water services to stay in our Long-term Plan. This means we will need to defer new upgrades and some initiatives. We will focus on renewal of failing assets and reducing leaks by installing water meters. We are budgeting \$33m to implement water meters for the district over the first 6 years of the LTP.
54. The rating impact of these proposals are outlined in the graph associated with paragraph 47.
 55. Further material on the details of the proposals will be provided to Council for consideration in February 2024 as officers continue to prepare the material for consultation.

Next Steps

56. The decisions made through this report will be use to enable officers to prepare further information to support the development of the consultation document. This document and the underlying financials will be externally audited.
57. Council will meet in February to discuss the draft consultation document, proposals, and supporting information. Council will also discuss the engagement approach and activities to facilitate discussions with their communities on the key issues and proposals.
58. Across December and January, Council will continue to roll out a general communications campaign aimed at education and awareness of Council business and long-term planning.
59. Council will consult formally with the city from 23 March 2024 to 23 April 2024.
60. The long-term planning process continues through to the end of June 2024.

KŌRERO WHAKAKAPI

CONCLUSION

61. The key focus areas and consultation items will be tested with our community formally through the consultation document and through community engagement in March 2024. The attachments provided with this report summarise the challenges we are facing, our key focus areas and the consultation items ahead of the final consultation document that will be presented to Council in early 2024.
62. Council has already agreed to the fiscal envelope in which it plans to operate within. The proposed consultation items are included in this envelope and could change following feedback from the community during consultation.
63. Even with the proposed heavy reductions in our planned projects, the indicative rates starting point is close to 18 per cent in the first year of the plan. This number is largely as a result of cost increases across all of Council's core services, many of these are non-negotiable, or a result of interest on previous debt.

NGĀ MŌHIOHIO TAUTOKO SUPPORTING INFORMATION

E TINO WHAI WĀHI ANA KI TE AHUNGA RAUTAKI A TE KAUNIHERA CONTRIBUTION TO COUNCIL'S STRATEGIC DIRECTION

This LTP review will achieve the community outcomes and the revised strategic priorities by putting into action a plan for the next ten years.

- Commit to the health of Te Awarua-o-Porirua Harbour and its catchment, through investment, advocacy and regulation.
- Build towards a low carbon city and proactively address the challenges of climate change.
- Create thriving communities where everyone can be safe and healthy – at home, work or play.
- Keep tamariki and rangatahi at the heart of our city.

The LTP provides integrated decision-making and coordination of resources for the Council, including setting the strategic direction and priorities.

NGĀ WHIRIWHIRINGA Ā-PŪTEA FINANCIAL CONSIDERATIONS

Financial Implications

There are no direct cost implications associated to this report, however decisions made through this report will inform the development of the Long-term Plan which has a direct impact on budgets and rates setting.

NGĀ WHAKARITENGA Ā-TURE STATUTORY REQUIREMENTS

The Local Government Act 2002 governs the requirements relating to the LTP.

1. Pursuant to section 93 of the Act, Council is always required to have an LTP.
2. The LTP is reviewed every three years.
3. Council must use the special consultative procedure in adopting its LTP.
4. The purpose of the LTP is to:
 - a. Describe the activities of Council; and
 - b. Describe the community outcomes of Council; and
 - c. Provide integrated decision-making and co-ordination of the resources of Council; and
 - d. Provide a long-term focus for the decisions and activities of Council; and
 - e. Provide a basis for accountability of Council to the community.

The Council is required to produce a Consultation Document for the Long-term Plan 2024-2034. It will not only outline the budget for Council but identify the strategic direction, focus for Council over the next 10 years and consultation topics that Council is seeking feedback on from the community. This document is audited by independent auditors.

NGĀ ORANGA E WHĀ FOUR WELL-BEINGS

This paper contributes to the social, economic, environmental, and cultural well-beings because the strategic priorities that form the focus of this LTP work towards maintaining these well-beings for the community.

TE WHAKAMANA I NGĀ MĀTĀPONO O TE TIRITI RECOGNITION OF TREATY PRINCIPLES

We have received the key focus areas and priorities from Te Rūnanga o Toa Rangatira which have assisted the development of the LTP. Key themes, priorities, and areas of focus of the LTP will be discussed with Te Rūnanga o Toa Rangatira prior to the public consultation as well as during the formal consultation phase. The compilation of the consultation document will also consider alignment with the strategic priorities of Te Rūnanga o Toa Rangatira.

HIRANGA SIGNIFICANCE

The LTP sets the Councils budget for the foreseeable future and is therefore a significant document requiring the use of the Special Consultative Procedure. More detail is to come on the engagement and consultation approach in February 2024.

TE KŌRERORERO TAHI ME NGĀ WHAKAWHITIWHITI KŌRERO ENGAGEMENT AND COMMUNICATIONS

- A high-level, phased communications approach has been presented to Council.
- A summer series to raise awareness around Council and its processes will help establish a base level understanding among residents and communities.
- This will support the formal LTP submission period in 2024. A detailed comms and engagement calendar of activities/events will be presented to Council at the first meeting in 2024.

NGĀ ĀPITIHINGA ATTACHMENTS

1. LTP Financials
2. LTP Capex
3. WWL Preferred Capex Programme
4. WWL Preferred Opex Programme
5. LTP Preliminary Overview and Consultation items

**Statement of Comprehensive Income
For the Year ended 30 June**

	Actual 2022/23 \$000	Annual Plan 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000	LTP 2028/29 \$000	LTP 2029/30 \$000	LTP 2030/31 \$000	LTP 2031/32 \$000	LTP 2032/33 \$000	LTP 2033/34 \$000
Income												
Rate revenue	86,782	95,770	113,248	124,007	137,337	160,685	174,343	189,162	199,566	210,841	220,435	230,244
Fees and charges	27,479	28,154	30,675	32,275	33,868	34,292	35,775	37,143	38,718	40,308	41,974	43,735
Development and financial contribution	1,151	2,849	2,001	2,161	2,377	2,615	2,876	3,164	3,796	4,594	5,558	6,670
Subsidies and grants	13,870	32,352	13,648	14,089	11,878	12,407	12,557	13,490	14,892	15,189	14,841	15,845
Income from vested assets	1,345	9,680	1,916	8,966	29,173	36,126	43,385	52,408	49,443	45,044	44,802	42,594
Total Income	130,627	168,805	161,488	181,496	214,633	246,125	268,935	295,366	306,415	315,976	327,610	339,087
Expenditure												
Personnel costs	35,193	39,576	42,772	44,545	46,781	48,679	51,073	53,137	55,266	58,288	60,581	63,278
Depreciation and amortisation	31,708	32,008	36,110	38,130	40,224	44,972	49,573	54,190	57,789	61,956	66,014	70,451
Other expenses	56,790	59,501	62,502	65,953	68,407	78,976	82,219	87,800	91,126	94,680	97,406	99,681
Total Expenditure	123,691	131,085	141,383	148,628	155,412	172,627	182,865	195,127	204,182	214,925	224,001	233,410
Net finance costs	6,789	10,893	14,706	17,181	21,280	26,735	31,806	35,797	38,785	41,088	43,459	45,777
Operating surplus/(deficit)	147	26,827	5,399	15,687	37,941	46,763	54,264	64,442	63,447	59,963	60,151	59,900
Other net gains/(losses)	12,911	660	565	577	590	602	615	628	641	654	667	680
Net surplus/ (deficit)	13,058	27,487	5,963	16,263	38,530	47,366	54,879	65,070	64,088	60,617	60,818	60,580
Other Comprehensive Income												
Revaluation of Property, Plant and Equipment	329,813	28,407	22,004	52,386	23,543	40,956	52,079	40,037	51,208	60,994	37,781	39,382
Total Comprehensive Income	342,871	55,894	27,967	68,649	62,073	88,322	106,958	105,107	115,296	121,611	98,599	99,962

**Statement of Financial Position
For the Year ended 30 June**

	Actual 2022/23 \$000	Estimate 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000	LTP 2028/29 \$000	LTP 2029/30 \$000	LTP 2030/31 \$000	LTP 2031/32 \$000	LTP 2032/33 \$000	LTP 2033/34 \$000
Total Current Assets	36,452	45,010	42,012	44,131	45,674	47,782	49,370	51,250	52,997	54,376	55,368	56,646
Total Non-Current Assets	2,162,150	2,346,433	2,440,996	2,599,380	2,755,897	2,914,676	3,085,407	3,229,788	3,378,233	3,529,128	3,663,196	3,790,976
Total Assets	2,198,602	2,391,443	2,483,008	2,643,511	2,801,571	2,962,458	3,134,777	3,281,038	3,431,230	3,583,504	3,718,564	3,847,622
Current Liabilities												
Current Liabilities excluding borrowings	28,048	45,304	45,914	54,207	57,216	55,610	56,128	52,888	53,750	55,149	58,722	59,125
Non-Current Liabilities												
Non-Current Liabilities - excluding borrowings	16,708	21,823	20,810	21,871	22,849	24,020	25,864	28,257	31,292	33,555	34,944	35,137
Borrowings current and non current	196,500	257,000	321,000	403,500	495,500	568,500	631,500	673,500	704,500	731,500	763,000	791,500
Total Non-Current Liabilities	213,208	278,823	341,810	425,371	518,349	592,520	657,364	701,757	735,792	765,055	797,944	826,637
Total Liabilities	241,256	324,127	387,724	479,578	575,565	648,130	713,491	754,645	789,542	820,205	856,666	885,762
Total equity	1,957,346	2,067,316	2,095,283	2,163,933	2,226,006	2,314,328	2,421,286	2,526,392	2,641,688	2,763,300	2,861,898	2,961,860
Total liabilities and equity	2,198,602	2,391,443	2,483,008	2,643,511	2,801,571	2,962,458	3,134,777	3,281,038	3,431,230	3,583,504	3,718,564	3,847,622

**Statement of Cashflows
For the Year ended 30 June**

	Actual 2022/23 \$000	Estimate 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000	LTP 2028/29 \$000	LTP 2029/30 \$000	LTP 2030/31 \$000	LTP 2031/32 \$000	LTP 2032/33 \$000	LTP 2033/34 \$000
Net Increase in Cash from Operating Activities	26,985	63,788	42,730	52,934	51,716	52,676	61,265	63,629	74,329	79,192	85,207	87,052
Net (Decrease) in Cash from Investing Activities	(56,992)	(134,817)	(106,282)	(134,680)	(143,529)	(126,152)	(124,307)	(105,572)	(105,008)	(106,217)	(116,880)	(115,616)
Net Increase in Cash from Financing Activities	25,000	70,000	64,000	82,500	92,000	73,000	63,000	42,000	31,000	27,000	31,500	28,500
Net Increase / (Decrease) in cash	(5,007)	(1,029)	448	754	187	(476)	(42)	57	320	(25)	(173)	(64)
Cash Resources at the beginning of the year	21,408	19,471	18,442	18,890	19,643	19,831	19,355	19,313	19,370	19,691	19,665	19,492
Cash Resources at the end of the year	16,401	18,442	18,890	19,643	19,831	19,355	19,313	19,370	19,691	19,665	19,492	19,428

LTP 2024 Capex – Revised 2023/24 & first 10 Years Capital Budgets

	AP 2023/24	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	Total	10 Years LTP
Budget Capped \$000		120,000	100,000	110,000	110,000	110,000	110,000	90,000	90,000	90,000	90,000	90,000	1,110,000	
Total Capex \$000	184,244	100,000	98,000	121,000	121,000	110,000	110,000	90,000	90,000	90,000	90,000	90,000	1,110,000	
WWL \$000	78,918	50,000	50,000	55,000	60,000	60,000	60,000	50,000	50,000	50,000	50,000	50,000	585,000	
Rest Of Council \$000	105,326	50,000	48,000	66,000	61,000	50,000	50,000	40,000	40,000	40,000	40,000	40,000	525,000	
		50,000	48,000	66,029	64,627	50,000	45,981	40,000	38,493	37,587	43,772	40,512	525,000	
3 Waters Council Projects	24,200	4,200	5,000	19,000	11,000								39,200	
Waitangirua Link Roads		3,000	5,000										8,000	
Bothamley Park Wastewater				11,000									11,000	
High Level Reservoir					11,000								11,000	
Thompson Grove		1,200											1,200	
Plimmerton Farms Reservoir				8,000									8,000	
Arena, Pools and Events	525	525	525	525	525	525	525	525	525	525	525	525	5,775	
Community Libraries	518	518	518	518	518	518	518	518	518	518	518	518	5,698	
Economic Development	4,566	3,500	3,500	3,500	3,500	3,500	2,500	2,500	2,500	2,500	2,500	2,500	32,500	
Emergency Management	239	239	239	239	239	239	239	239	239	239	239	239	2,629	
Management Groups														
BTG	1,184	1,184	1,184	1,184	1,184	1,184	1,184	1,184	1,184	1,184	1,184	1,184	13,024	
Property	16,969	6,000	4,830	7,592	9,943	12,902	12,828	3,810	5,000	7,251	5,979	2,500	78,635	72,635
Infrastructure	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	12,474	
Parks and Reserves	4,696	4,696	2,265	5,016	7,547	9,055	4,711	4,807	5,705	4,840	4,347	5,566	58,554	53,858
Pataka	87	87	87	87	87	87	87	87	87	87	87	87	957	
Regulatory Standards	156	156	156	156	156	156	156	156	156	156	156	156	1,716	
Resource Recovery and Waste	15,013	5,761	7,469	6,732	12,892	4,191	7,241	7,441	1,141	2,741	11,691	11,691	78,991	73,230
Te Awarua-o-Porirua Harbour and Catchments		-												
Transport	36,039	22,000	20,089	20,346	15,902	15,059	14,858	15,958	15,658	16,412	15,412	14,412	186,106	164,106
Unallocated			1,004	-		1,450		1,641	4,646				8,741	

LTP 2024 Capex - Property

Property Budget	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Budget	4,834	5,583	11,913	10,924	13,457	5,124	5,124	5,124	5,124	5,124	72,331
Projects Included:											
Emissions reductions (boiler replacements and solar) 2024-2027	2,180	1,930	670								4,780
Kenepuru Toilets 2025-26	50	650									700
Eastern Hub 2027-2030 (original start 2026)		2,000	7,000	7,000	4,000						20,000
Bothamley Park Toilets 2025-2027 (original start 2024/25)	100	900									1,000
Cannons Creek Clubrooms Upgrade 2026-2028		50	250								300
Adventure Park facility upgrades 2027			50	750							800
Te Rauparaha asset renewal (pumps, extracts, electrical, finishes etc.) 2026-2029				1,000	823	1,310					3,133
Te Rauparaha Seating replacement 2030							1,500				1,500
Northern Hub incl. land purchase 2031 start							1,000	3,000	3,000		7,000
Renewals	2,500	2,062	1,973	4,152	8,005	2,500	2,500	4,251	2,979	2,500	33,422
Total	4,830	7,592	9,943	12,902	12,828	3,810	5,000	7,251	5,979	2,500	72,635
Under / Over Budget	4	-2,009	1,970	-1,978	629	1,314	124	-2,127	-855	2,624	-304
Projects excluded:											
Western Hub \$4 million - programmed 2035 - 2037											
Te Rauparaha extension \$8 million - programmed 2034-2036											
Administration Building \$10 million- major refit of windows not yet included											

LTP 2024 Capex – Parks & Reserves

Parks & Reserves	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Budget	2,265	5,016	7,547	10,096	5,228	6,045	6,045	6,045	6,045	6,045	60,377
Projects included											
Renewals	2,110	2,902	1,761	4,180	1,605	1,288	1,372	1,953	2,282	3,601	23,054
Growth											
Titahi Bay Community Park existing land						100	0	1,800	1,800	0	3,700
Ascot Park Postgate Link		420									420
Whitby Community Park					120	1,400	1,500				3,020
New Artificial Turf									50	1,750	1,800
New Cemetery		929	1,006	1,010	1,446	929	1,744	872			7,936
Whenua Tapu Cemetery Beams	30	40	40	40	40	40	40	40	40	40	390
Level of Service											
Green Asset Restoration	125	125	40	25	50	50	50	175	175	175	990
Porirua Stream Naturalisation					1,000	1,000	1,000				3,000
Arotahi Titahi Bay Beach South		300	2,500	3,000	450						6,250
Wi Neera Reserve Development		300	2,200	800							3,300
Total projects	2,265	5,016	7,547	9,055	4,711	4,807	5,706	4,840	4,347	5,566	53,860
Under / Over Budget	0	0	0	1,041	517	1,238	339	1,205	1,698	479	6,517
Projects excluded											
Aotea Lagoon Stormwater Wetland							100	400	5,000	5,000	10,500
Added \$2.2M to Aotea Lagoon Renewals 2032/34											

LTP 2024 Capex – Resource Recovery and Waste

Resource Recovery and Waste	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	Total	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Budget	7,445	7,066	8,197	3,791	9,973	7,488	7,488	7,488	7,488	7,488	73,912	
Projects included (Net costs including external funding)												Plus external funding
C&D Facility	1,562	0	0	0	0	0	0	0	0	0	1,562	
Organics Processing Facility	0	550	2,540	2,350	0	0	0	0	0	0	5,440	64,560
Resource Recovery Park	0	0	0	0	0	0	0	0	0	0	0	20,527
Resource Recovery Hubs	0	0	1,000	1,000	0	0	0	0	0	0	2,000	
Expand recycling facility	0	360	0	0	0	0	0	0	0	0	360	
Trash Palace buildings refurbishment	0	0	0	0	0	200	900	900	0	0	2,000	
	0	0	0	0	0	0	0	0	0	0	0	
Recycling collections (current service)	60	50	50	50	50	50	50	50	50	50	510	
Kerbside Services - Refuse bin	0	0	2,145	0	0	0	0	0	0	0	2,145	
Kerbside Services - Glass crate	0	0	318	0	0	0	0	0	0	0	318	
Kerbside Services - Organics	0	0	1,568	0	0	0	0	0	0	0	1,568	1,269
	0	0	0	0	0	0	0	0	0	0	0	
Landfill offices relocation	580	0	0	0	0	0	0	0	0	0	580	
Spicer Landfill Stage 3 Development (consent project)	800	500	0	0	0	0	0	0	0	0	1,300	
Spicer Landfill Cell 3A design & construction	4,276	5,081	5,081	0	0	0	0	0	0	0	14,438	
Spicer Landfill Development - (cells 4a, 4b, 4c and 3b)	0	0	0	600	7,000	7,000	0	1,600	11,450	11,450	39,100	
Landfill Improvements	191	191	191	191	191	191	191	191	191	191	1,910	
Total projects	7,469	6,732	12,892	4,191	7,241	7,441	1,141	2,741	11,691	11,691	73,230	86,356
Under / Over Budget	-24	334	-4,695	-400	2,732	47	6,347	4,747	-4,203	-4,203	682	
Note:	External funding includes for amounts assumed will be contributed by MfE (Waste Minimisation Fund) and other councils. There is a high risk that 100% external funding for the Resource Recovery Park will not be achieved.											
Projects excluded												
New weighbridge												
Final capping of landfill												
The New weighbridge project is planned for completion in 2023/24 Timing for final capping of the landfill is assumed to be outside of the 2024 LTP period in 2051 - 2053												

LTP 2024 Capex - Transport

TRANSPORT		24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	Total
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Projects included (Net costs including external funding)	Budget	20,000	20,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	160,000
Projects included:												
Access Kenepuru 3 x intersections			1,500	6,656								8,156
Access Kenepuru Shared paths					2,000							2,000
Access Kenepuru Raiha/Prosser Street Corridor						2,000						2,000
Stage 2 Wi Neera to Onepoto Shared Path		9,143	4,445									13,588
Stage 3 and 4 CBD to Titahi Bay Shared Path												0
Whitford Brown intersection			3,000									3,000
James Cook/Discovery Drive intersection			1,555									1,555
Local Roads - Safety Improvements										2,000	2,000	4,000
Active Transport										1,000	1,000	2,000
Papakowhai to Paramata Station Connection							4,000	4,000	6,000			14,000
Low Cost Low Risk Programme - Local Roads and resilience		3,100	2,000	1,900	5,000	5,000	4,100	4,000	2,000	4,000	3,000	34,100
Resilience Programme		2,000	2,000	1,500	1,400	1,200	1,200	1,000	1,000	1,000	1,000	13,300
TG Link Roads pavement reseal				1,200								1,200
Renewals		5,846	5,846	5,846	6,658	6,658	6,658	6,658	7,412	7,412	7,412	66,403
TOTAL		20,089	20,346	15,902	15,058	14,858	15,958	15,658	16,412	15,412	14,412	164,102
Under / Over Budget		-89	-346	-902	-58	142	-958	-658	-1,412	-412	588	-4,102

Projects excluded or deferred:

Whitford Brown intersection	Deferred from 23/24 to 25/26 due to increasing costs and need to rescope
James Cook/Discovery Drive intersection	Deferred from 23/24 to 25/26
Access Kenepuru 3 x intersections	Titahi Bay Road intersection descope to do-minimum option
Access Kenepuru Shared paths	Deferred from 23/24 to 27/28 and rescope to fit within budgets
Access Kenepuru Raiha/Prosser Street Corridor	Deferred to 2028
Low Cost Low Risk programme	Predominantly safety projects - significantly reduced to fit within budget - can be adjusted up or down accordingly
Papakowhai to Paramata Station Connection	Replacement of two ped/cycle bridges that require significant maintenance in next two years or replacement (recommended in business case) as they do not meet current standards for a walking and cycling bridge
Stage 3 and 4 CBD to Titahi Bay Shared Path	Continuation of Wi Neera to Onepoto shared path - deferred to later years

PCC summarised programme

	Sum of 2024/25	Sum of 2025/26	Sum of 2026/27	Sum of Triennium	Sum of 2027/28	Sum of 2028/29	Sum of 2029/30	Sum of 2030/31	Sum of 2031/32	Sum of 2032/33	Sum of 2033/34	Sum of LTP
GWRC driven Global Stormwater Consent & Wastewater Network Discharge Consent	1,890	1,890	2,960	6,740	1,560	2,367	2,577	11,480	12,250	11,950	12,050	60,974
Karehana SW Catchment	800	0	0	800	0	0	0	0	0	0	0	800
Level of service driven projects	100	100	715	915	124	0	0	0	0	0	0	1,039
Modelling	280	655	1,055	1,990	880	880	880	580	580	580	580	6,950
Ongoing programmes of work (control systems, H&S improvements etc)	855	933	1,300	3,088	1,338	1,291	1,334	1,157	800	804	808	10,620
Other consenting	20	20	0	40	0	0	0	0	0	500	1,000	1,540
Pipe Network Planned Renewals	11,239	8,820	9,968	30,026	14,511	18,812	25,244	22,700	25,379	16,737	17,375	170,785
Pipe Network Reactive Renewals	3,482	4,387	5,527	13,396	6,964	8,777	11,058	13,933	17,554	22,118	27,869	121,668
Planned renewals (excluding network and WWTP JV)	965	2,420	203	3,587	687	4,496	310	553	952	5,493	2,016	18,094
Porirua Central City Wastewater Storage Tank	38,000	14,000	2,000	54,000	0	0	0	0	0	0	0	54,000
Porirua Wastewater Treatment Plant JV Projects	2,300	1,600	1,500	5,400	1,575	2,575	4,625	4,625	2,475	975	975	23,225
Porirua WWTP JV Odour Treatment	7,200	800	0	8,000	0	0	0	0	0	0	0	8,000
Porirua WWTP JV Reactive Renewals	450	450	450	1,350	225	225	225	225	225	225	225	2,925
Porirua WWTP JV Solids Handling Upgrade	1,000	7,000	15,000	23,000	2,300	0	0	0	0	0	0	25,300
Reactive renewals	204	329	315	848	325	264	288	264	288	224	158	2,660
Reservoir renewals and LOS improvements	650	1,040	3,195	4,885	2,744	230	241	252	265	278	292	9,187
Universal Residential Smart Metering	694	1,169	2,922	4,785	15,071	11,506	2,150	0	0	0	0	33,512
Grand Total	70,128	45,613	47,110	162,850	48,304	51,423	48,931	55,769	60,769	59,884	63,348	551,278
PCC Budget	50,000	55,000	60,000	165,000	60,000	50,000	50,000	50,000	50,000	50,000	50,000	525,000

Operating Expenditure (OPEX)



	23/24 Budget	WWL Recommended 24/25	Option 1: Council LTP Baseline Budget	Option 2: Baseline + \$1M	Option 3: Baseline + \$2M	Option 4: Baseline + \$3M
Monitoring & Investigations	\$2.6M	\$4.1M	\$2.7M	\$2.7M	\$2.8M	\$3.6M
Operations	\$0.2M	\$0.2M	\$0.2M	\$0.2M	\$0.2M	\$0.2M
Planned Maintenance	\$2.1M	\$2.4M	\$1.4M	\$1.8M	\$2.3M	\$2.4M
Reactive Maintenance	\$5.2M	\$4.7M	\$3.7M	\$4.2M	\$4.7M	\$4.7M
Treatment Plant	\$2.2M	\$2.9M	\$2.9M	\$2.9M	\$2.9M	\$2.9M
Management & Advisory Services	\$1.6M	\$1.6M	\$1.5M	\$1.5M	\$1.5M	\$1.5M
TOTAL	\$13.8M	\$15.9M	\$12.3M	\$13.3M	\$14.3M	\$15.3M

OPEX budget allocated to leak detection and repair:

Budget	\$2.8M	\$3.2M	\$3.1M	\$3.2M	\$3.2M	\$3.2M
Proportion of budget	20%	20%	25%	24%	22%	21%

Our water, our future.

Long-term Plan 2024-34

Preliminary messages for the consultation document



Our LTP vision: Ensure Porirua is a great place to live, work and raise a family - now and in the future

Our challenges



3 Water costs represent the most significant rate increase in council long-term plans across Aotearoa, including Porirua City.



The 3 Waters reform would've removed 3 Water services from Councils core business, however they will remain with us under the new Government - this is not what we've been preparing for.



A large capital programme, combined with high interest rates, on top of high debt, is unsustainable and we must consider significant trade offs.



To meet our current level of service, there will be an average rates rise of 18% because of significant increase in costs.



Council is acutely aware that our communities are facing significant cost-of-living challenges.

Key focus areas



3 waters



- Deliver what is currently being built and ensure renewals continue where possible.
- Plan and budget for 3 Water services to stay in our long-term plan. This includes installing water meters.

Affordability



Balance our long-term goals for Porirua City with what Council and residents can afford - now and into the future.

Get our balance sheet right



Take urgent action to reduce Council's debt level and maintain our financial resources for future investments and emergencies.

Climate resilience and sustainability



Continue to reduce Council's emissions, adapt to climate hazards and improve how we reduce and recycle.

What we're doing about it



Reduce spend on our capital programme over the first two years of our plan

- Push out non-essential projects to start in 3-4 years of the LTP.
- This means changes to projects, deferring some things, and re-allocating resources.

Focus on ways to manage our overall debt

- This is important as it gives us more room to borrow for unseen emergencies. If we reach our debt limit, we breach legislation and it leaves us vulnerable and exposed.

Re-prioritise spending in 3 Waters

- Advocate to Government on future water ownership and funding.
- Reduce spending in water from a planned \$100m to \$50m but continue to prioritise renewals.

Build resilience for the future impact of climate change

- Start to work with communities to adapt to climate hazards.
- Upgrade and future-proof key infrastructure to reduce emissions.
- Transform the city's rubbish, recycling and waste programme for a more sustainable future.

Kerbside Waste Bin Collections

Introduce new and improved Council-led waste collection services from 2027/28 (LTP year 4)

Key focus areas

- **Climate resilience and sustainability**
- **Affordability**



Outcomes

- Increase sustainable use of resources by increasing recycling rates.
- More equitable, accessible, and affordable service overall to whole of community.
- Reduce health and safety risks for our collectors caused by rubbish bags.
- Reduce methane emissions by removing kerbside organic waste from landfill.

The problem

- Unaffordable for some households to pay for their rubbish collection which leads to contamination and illegal dumping.
- High contamination in our recycling, 60% of collected recycling is actually general waste.
- Too much organic (food and garden) waste and recyclables are going to landfill.
- Carbon emissions could be reduced from our current service.
- The proposed rubbish collection service is a more affordable service overall.
- We have an illegal dumping issue.

Why do it?

- We want our recycling to be clean enough to be recycled (if it's not, it goes to landfill).
- On average, this will reduce each property's cost of waste service (note key info).
- Illegal dumping of household waste contributes to harbour pollution.
- Supports long-term behaviour change – let's encourage reduce, reuse and recycle.
- Already an existing shift away from rubbish bags due to health and safety concerns.

The proposal

Should we provide a rates-funded kerbside waste collection service (organics collection and recycling)?



We could do this by..

- Replacing Council-branded rubbish bags with rubbish bins (re-using the current glass bin).
- Replacing the glass bin with a glass crate.
- Introduce organic collection sooner than the legal requirement (2030).

Key information

- New service is likely to cost \$427 per household per year, which should save most households money from their rubbish collections. Private collection equivalent is \$534 per household per year.
- Approximately 19% of households use Council rubbish bags.
- A number of mixed recycling bins have been removed by Council due to high rates of contamination, which means that less recycling can occur.
- Contractors lift on average 1000 bags per weekday and the average weight of a bag is 7 kg.
- About 50 bags per month are overweight (more than 15kg).

Organic Processing Facility

Build a regional processing facility for organic waste, funded in partnership with others

Key focus areas

- **Climate resilience and sustainability**
- **Affordability**



Outcomes

- By partnering with others, we will help maintain affordability for Porirua City through economies of scale (for Government-led initiatives).
- More sustainable use of resources and extend the life of the landfill.
- Creation of useful materials (resources) from diverted organic waste.
- Cost beneficial to Council by reducing waste levy and ETS charges.

The problem

- A high amount (26.4%) of organic waste is currently going to landfill.
- Breakdown of organic materials using unnatural decomposition methods creates high amounts of methane being released. Methane has roughly 30 times the impact of carbon dioxide on the environment and Council incurs ETS charges for this.
- The gas created by decomposing organic waste is a big contributor to landfill odours.
- The impacts of climate change are already being felt through increased severe weather events and this will only increase.

Why do it?

- It will help to save space at Spicer Landfill.
- If there isn't a suitable collection facility, it will end up going to the landfill.
- It will help reduce our Emissions Trading Scheme charges and the landfill.

The proposal



Should we part-fund the building of a regional processing facility for organic waste along with Hutt City and Wellington City?

Further detail

- Council would need to provide \$5.44m out of the approximately \$70m necessary to construct a processing plant/facility.
- This is a three-year total between 2026/27 and 2028/29.

Key information

- The three landfills in the Wellington region owned by Porirua, Hutt, and Wellington City councils collectively receive approximately 70-80,000 tonnes of food and green waste per year.
- The closest organics processing facilities that could take the amount of waste needed to be processed are in Ohakune, Waikato, Hawke's Bay, and Reporoa.
- The Ministry of the Environment could fund around half of the total \$70m needed to build the facility. The remaining \$35m would be split between the three councils, with Porirua City contributing around \$5.44m (15%).

3 waters story – Porirua City

Quick facts

- Wellington Water provide 3 water services for Porirua City.
- For drinking water they service and maintain:
 - 17 reservoirs
 - 344 km pipeline
 - 15 pump stations.
- For wastewater they service and maintain:
 - 1 Treatment plant
 - 67 pump stations
 - 427 km of pipeline.
- They service and maintain 294 km of stormwater pipeline.

3 water reform key facts:

- The reform recognised that all New Zealanders need safe, dependable, and affordable water services.
- Leaking water pipes, safe drinking water shortages and restrictions, and raw sewage overflows into streets, rivers, and beaches are a common occurrence.
- There are major challenges for water service delivery across the country and costs to improve water infrastructure is unaffordable for most people.
- The cost of addressing these challenges for New Zealand is estimated to be between \$120 billion and \$185 billion over the next 30 years, which is out of reach for local governments to manage on their own*
- To face the problems such as ageing infrastructure, growing populations, climate change, and natural disasters, the 3 Waters reform would've created financial independence between water service entities and local government, allowing those entities to gain higher levels of funding than local governments can.
- Porirua City would've received a \$21.4 million support package as part of the 3 water reforms that was expected to begin in July 2024 (press release 29 Apr 2022)

Porirua City's 3 waters plan for 2024 LTP

- Deliver what is currently being built and ensure renewals continue where possible.
- Plan and budget for 3 Water services to stay in our long-term plan.
- Defer new upgrades and some initiatives.
- Focus on renewal of failing assets and reducing leaks by installing water meters.
 - Council is budgeting \$33m to implement water meters for the district over the first 6 years of the LTP.
 - In the first 3 years of the rollout, Council will consult with residents on what this will mean for them and to provide more information.

- Drinking water means water that flows from our taps, from water sources and council supply networks.
- Wastewater is water that has been used for cooking, bathing, washing, or flushing our toilets.
- Stormwater is rainwater that is collected in pipes, drains, green infrastructure, or overland flow paths to manage flooding and pollution of streams, rivers, and coastal waters.

*Source: DIA Government commissioned an analysis from Water Industry Commission for Scotland (WICS)

