

**Council Member**  
Councillor Henry Davis

Public

**Contact Officer:**  
Anthony Spartalis, Acting Chief  
Operating Officer

## QUESTION ON NOTICE

**Councillor Henry Davis will ask the following Question on Notice:**

- '1. As per the report presented to the Finance and Governance Committee on 21 May 2024 at page 69:
  - 1.1 What is the total rate increase required to meet a continuing budget of a 15Mil spend on New Capital?
  - 1.2. What is the total rate increase required to pay for the bridge, weir and Rundle UPark within 10 years?
  - 1.3. What is the total rate increase required to meet a minimum renewal target of 100% across all asset classes?
  - 1.4. What total rate increase in the 2024/25 financial year is required to achieve \$0 in borrowings in the 2033 financial year?'

\*Note that the Rundle UPark replacement was not included in the 315Mil estimated debt in the 2033 year per the report presented to the finance committee on 21 May 2024 on page 69.

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## REPLY

1. As per the report presented to the City Finance and Governance Committee on 21 May 2024 at page 69:
  - 1.1. Required rate increase for \$15m new capital spend
    - 1.1.1. The proposed assumption of aligning the future new capital spend within the prudential limits allows for approximately \$3m per annum (not \$15m as per the 21 May 2024 report).
    - 1.1.2. This reduced figure would on average, over the last 6 years of the LTFP, equate to a 1.6% annual rate increase, if Council decided not to adhere to its adopted principle of funding new capital from debt, and instead decided to use rates to fund this.
  - 1.2. Total rate increase (hypothetically) required to pay for the Bridge, Weir and Rundle UPark within 10 years:
    - 1.2.1. Assuming rates of approximately \$140m per year rounded up, a total cost of \$160m to fund the 3 assets is 114% of the total rates base, or on average per year 8.8% compounded (that is, rates revenue base increases annually by the 8.8% over 10 years).

- 1.3. Total rate increase required to meet a minimum renewal target of 100% across all asset classes
  - 1.3.1. 10.5% as per the presentation provided to City Finance and Governance Committee workshop on 6 August 2024 (excluding Significant Renewals which were assumed to be funded via debt).
- 1.4. Total rate increase in the 2024/25 financial year required to achieve \$0 in borrowings in the 2033 financial year
  - 1.4.1. This question can be answered once the 2024/25 LTFP assumptions and expected level of borrowings have been agreed and finalised by Council.
- 2. Each figure above is estimated based on holding all other items constant – that is, they are subject to changes in other related assumptions. Council agreement and firming of each related assumption at the conclusion of the 2024/25 LTFP process will enable LTFP estimates based on the agreed set of assumptions adopted by Council.

Staff time in receiving and preparing this reply	To prepare this reply in response to the question on notice took approximately 5 hours.
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