



Notice of Council Workshop Briefing Session

A workshop briefing session of the Tararua District Council will be held in the Council Chamber, 156 High Street, Dannevirke on **Wednesday 25 February 2026** commencing at **1:00pm**.

Malcolm Alexander
Chief Executive

Agenda

- 1. Welcome and Workshop Opening**
- 2. Briefing Papers**
 - 2.1 Forecasting Assumptions** **2**
- 3. Closure**

Note: This workshop briefing session meeting is being held solely for the purpose of information and discussion, and no resolutions or decisions shall be made.



LONG TERM PLAN 2027-37
Forecasting Assumptions & Risks
Workshop

WEDNESDAY, 25 FEBRUARY 2026

LTP 2027 Workshop Reader

[Forecasting Assumptions - EM Workshop Presentation \(25th February 2025\) Draft 3.pptx](#)

TARARUA
DISTRICT COUNCIL

Photograph: June Vermeer

Timing – where does this discussion sit in the context of the wider project?

[20260210 - LTP 2027 - Bird's Eye View 10 Feb 2026.jpg](#)

This workshop is the first review of the draft Forecasting Assumptions (FAs).
Two further workshops are scheduled, and the assumptions will continue to be refined over the year as the environment becomes clearer.

Workshop purpose:

The purpose of this workshop is to:

- Present the first draft review of the Forecasting Assumptions and Risks underpinning the LTP.
- Explain the starting point (2024–34 LTP assumptions), and how they were reviewed by SMEs and Activity Managers.
- Provide a shared understanding of the direction of travel before detailed modelling begins.

This discussion will feed into:

- LTP financial forecasts (inflation, interest, funding, depreciation)
- Infrastructure and activity planning (growth, climate resilience, delivery do-ability)
- Required risk narrative and uncertainty disclosures under the LGA

Guidance needed from Elected Members

At this stage **no specific guidance is required**.

However, staff welcome feedback on:

- Materiality of the assumptions
- Risk appetite across themes
- Any assumptions that require deeper analysis before the next workshop

Process notes (for reader only, not covered in the presentation)

- The 2024–34 LTP assumptions were used as the initial base.
- Assumptions have been reviewed and updated, and new ones drafted as required.
- They will continue to evolve through 2026 as the planning environment shifts.
- The assumptions remain **draft** until they are approved for Audit (expected December 2026).
- They will then be consulted on and adopted in **June 2027**.

Strategic alignment

17 Significant forecasting assumptions

A long-term plan must clearly identify—

- (a) all the significant forecasting assumptions and risks underlying the financial estimates;
- (b) without limiting the generality of paragraph (a), the following assumptions on which the financial estimates are based:
 - (i) the assumptions of the local authority concerning the life cycle of significant assets; and
 - (ii) the assumptions of the local authority concerning sources of funds for the future replacement of significant assets;
- (c) in any case where significant forecasting assumptions involve a high level of uncertainty,—
 - (i) the fact of that uncertainty; and
 - (ii) an estimate of the potential effects of that uncertainty on the financial estimates provided.

Schedule 10 clause 17(b)(i): amended, on 8 August 2014, by section 72 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

Relevant legislation, strategies, policies

- Local Government Act 2002
- Schedule 10, Part 1, Section 17 — Significant Forecasting Assumptions
- Taituara guidance on Forecasting Assumptions

These set the requirement for assumptions to be:

- Realistic and reasonable
- Evidence-based
- Internally consistent
- Quantified or quantifiable
- Transparent about uncertainty and risk

Related forecasting assumptions and risk

There are currently **20 forecasting assumptions**, grouped into three key themes:

Theme 1: Governance & Legislative Change

- Central government policy direction
- Local government reform
- Funding and regulatory changes

Theme 2: Growth, Climate & Natural Hazards

- Population growth



- Land use and development patterns
- Climate change adaptation
- Extreme weather/natural hazard frequency

Theme 3: Financial Drivers & Delivery Capacity

- Inflation (CPI/LGCI)
- Interest rates
- Waka Kotahi funding
- Contractor/market capacity
- Asset lifecycle and depreciation assumptions

Discussion

What are Forecasting Assumptions?

Forecasting Assumptions are the **significant underlying expectations** used to prepare long-term financial and infrastructure estimates.

They explain:

- The trends and conditions expected over the 2027–37 period
- What is assumed when preparing budgets and forecasts
- The evidence base for those assumptions

Risks

Risks describe:

- The **uncertainty level** associated with each assumption
- The **potential impact** if the assumption proves incorrect
- The possible financial, service level, or affordability consequences
- The degree of sensitivity (e.g., inflation $\pm 1\%$, growth $\pm 0.5\%$)

Why risks matter

Incorrect assumptions can lead to:

- Over/under-investment in infrastructure



- Incorrect rating levels
- Challenges to financial sustainability
- Misalignment between services and community needs

Management recommendation

Management recommends that Council:

- **Notes** the updated assumptions and high-impact risk themes
- **Provides feedback** on materiality and risk appetite

Allows staff to refine assumptions for the LTP modelling and narrative

Next steps

Date	Action	Who
Ongoing	Monitoring of the planning environment	Management
6 th May 2026	Forecasting Assumptions Workshop 2	Council
19 th Aug 2026	Forecasting Assumptions Workshop 3	Council
Dec 2026	Assumptions approved for Audit	Council
June 2027	LTP adopted	Council



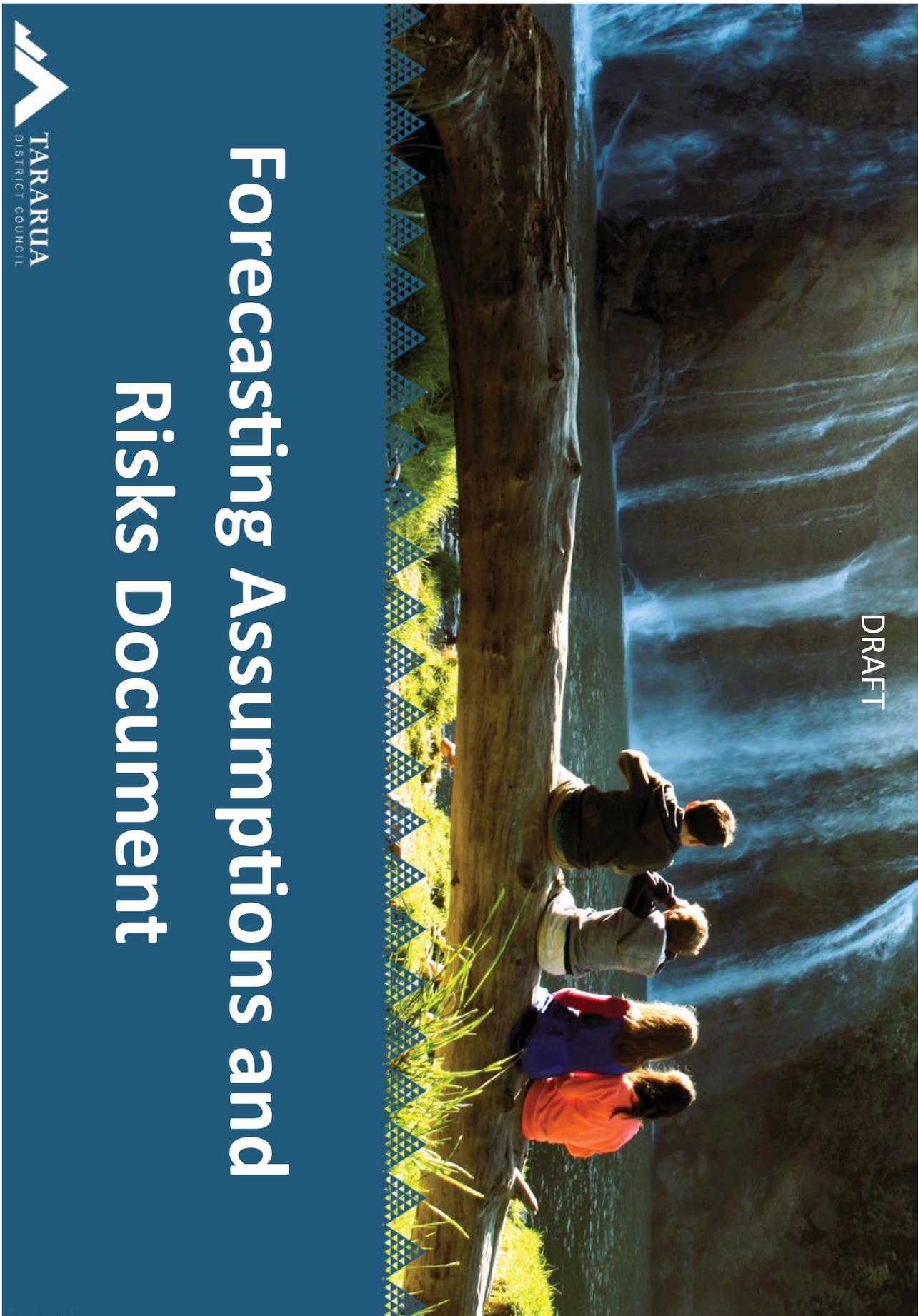


Dannevirke Service Centre
26 Gordon Street, Dannevirke
PO Box 115, Dannevirke 4942
Monday - Friday
8:00am - 5:00pm
Phone: 06 374 4080 (24 hours)
Email: info@tararua.govt.nz

Pahiatua Service Centre
136 Main Street, Pahiatua
Monday - Friday
8:00am - 4:30pm
Phone: 06 376 0110 (24 hours)
Email: info@tararua.govt.nz

Eketāhuna Service Centre & Library
31 Main Street, Eketāhuna
Monday - Friday
10:30am - 12:30pm & 1:00pm - 4:30pm
Phone: 06 376 0110 (24 hours)
Email: info@tararua.govt.nz

Woodville Service Centre, Library & site
45 Vogel Street, Woodville
Monday - Friday
9:00am - 5:00pm
Phone: 06 376 0200 (24 hours)
Email: info@tararua.govt.nz



DRAFT

Forecasting Assumptions and Risks Document



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FORECASTING ASSUMPTIONS & RISKS – SUBJECT MATTER EXPERT REVIEW INSTRUCTIONS (LTP 2027)

Purpose

This working document consolidates all forecasting assumptions from the current LTP (2024-2034). Your review will ensure assumptions remain accurate, complete, and fit-for-purpose for the upcoming LTP, including identifying new assumptions and key risks.

What you need to do (within your area of expertise)

1) Review existing assumptions

- ✓ Confirm whether each remains valid for the next LTP.
- ✓ Identify assumptions that need updating due to changes in legislation, policy, service levels, market conditions, or best practice.

2) Update assumptions where circumstances, evidence, or best practice have changed

- ✓ Edit wording to improve accuracy and clarity.
- ✓ Ensure assumptions are sufficiently specific to support forecasting decisions (avoid vague or overly general wording).

3) Add any new assumptions and/or risks

- ✓ Identify and draft any new forecasting assumptions that should be included - where there are gaps or emerging issues.
- ✓ Note any material risks, uncertainties, or dependencies that could affect forecasts.

How to provide feedback (required)

- ✓ Turn **ON Track Changes** and keep it **ON for all edits**.
- ✓ Use Comments to explain context, evidence, or rationale (especially for material changes).
- ✓ Do NOT accept or reject other people's changes.
- ✓ If you are unsure or clarification is required, add a comment such as: "Query – requires discussion/clarification."

Where to focus

Please prioritise assumptions that are:

- ✓ **Material** (could change costs, revenue, demand, timing, or level of service)
- ✓ **High uncertainty** (subject to external variables)
- ✓ **New or changing** (policy, legislation, funding, contracts, inflation drivers, growth, climate impacts, etc.)

Quality expectations (what “good” looks like)

A good assumption is:

- ✓ **Clear** – expressed in concise, plain language, avoiding unnecessary jargon
- ✓ **Specific** – clearly states what is assumed to happen, and when
- ✓ **Relevant** – directly linked to forecasting drivers (cost, demand, timing, deliverability)
- ✓ **Transparent** – acknowledges uncertainty, dependencies, or limitations where relevant

Timeframes

A Council workshop on this first review of assumptions is scheduled for **25 February**. The workshop material is due to elected members on **11 February**. In order to get it ready in time, please observe the following deadlines:

- ✓ **Document issued:** 29th January 2026
- ✓ **Initial Review period:** [29th Jan – 04th Feb 2026]
- ✓ **Deadline for feedback:** [4th February 2026]
- ✓ **Review by Exec Team:** 9 February 2026

We recognise that this is a tight turnaround. If you may miss the deadline, please notify Brenda as early as possible.

Document Access and Editing

This document is saved in Teams under the Forecasting Assumptions folder: [Forecasting Assumptions and Risks Document \(Updated\).docx](#). Please work directly within this document and do not download or edit a local copy. As the document is stored on SharePoint, all changes and comments will be visible to the project team in one central location.

What happens next?

The LTP team will consolidate all SME feedback, resolve overlaps/conflicts, and finalise the assumptions to inform forecasting and risk assessment for the LTP.

Thank you for your expertise – your input is critical to a robust and credible LTP.

SME Quick Checklist (tick of before signing off)

- Track Changes was ON for all edits
- I reviewed all assumptions relevant to my area
- I updated assumptions that are no longer accurate and provided evidence where necessary
- I added any missing assumptions (marked “New Assumption”)
- I added comments for material changes/new assumptions explaining why
- I identified key risks/uncertainties/dependencies that may affect forecasts
- I did not accept/reject other users' changes

Assumption	Owner	Description of Risk	Level of Uncertainty	Potential Effects of Uncertainty on Financial Estimates
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Local Government (System Improvements) Amendment Bill	Chief Executive		High	
<p>That the System Improvements Bill will be enacted during the LTP period, and that any changes to local government planning, accountability, service delivery or performance frameworks can be accommodated within existing organisational structures and baseline resourcing, unless otherwise signalled by central government through funding, mandates, or transitional support.</p>		<p>The Bill proposes changes to the local government system that may affect governance arrangements, service delivery expectations, performance measurement, planning processes, and regulatory or accountability requirements. As the Bill is still subject to Parliamentary process, select committee consideration, and potential amendment, there is uncertainty regarding its final scope, timing, and implementation requirements.</p> <p>Risk</p> <p>There is a risk that the enacted legislation will introduce new obligations, reporting requirements, structural changes, or service delivery expectations that require additional staff capacity, specialist expertise, system changes, or process redesign. If these impacts are more significant than anticipated, Council may face unplanned operational and capital costs,</p>	<p>This reflects:</p> <ul style="list-style-type: none"> • The Bill's incomplete legislative pathway at the time of LTP preparation • The potential for material amendment through the Parliamentary process • Uncertainty around commencement dates, transitional arrangements, and the extent of any central government funding support • Limited clarity on how changes will be operationalised at a council level 	<p>If the scope or implementation requirements of the System Improvements Bill differ materially from the current assumption, potential impacts include:</p> <ul style="list-style-type: none"> • Operating expenditure increases due to: <ul style="list-style-type: none"> ○ Additional staffing, training, or specialist advisory support ○ Increased reporting, compliance, or engagement requirements ○ Change management and organisational development costs • Capital expenditure impacts if: <ul style="list-style-type: none"> ○ New or modified systems, digital platforms, or infrastructure are required to support changed service delivery or reporting frameworks

Assumption	Owner	Description of Risk	Level of Uncertainty	Potential Effects of Uncertainty on Financial Estimates
		Implementation pressures, or reprioritisation of work programmes.		<ul style="list-style-type: none"> • Timing and reprioritisation effects, where: <ul style="list-style-type: none"> ○ Planned projects or initiatives may need to be deferred, re-scoped, or accelerated to accommodate legislative requirements <p>At this stage, no specific cost provision has been included in the LTP for System Improvements Bill implementation beyond existing baselines. Depending on the timing of the Bill receiving royal assent, any material financial impacts arising from the enactment or implementation of the legislation will be addressed through future Annual Plan processes, LTP amendments, or reallocation of budgets once legislative requirements, timing, and cost implications are clearer.</p>

<p>Whanaketanga Taupori POPULATION GROWTH</p> <p>Population growth for the 10 years to 2034:</p>	<p>GIM – Operations</p>	<p>Total population 20,357 (+5.7% or 1,096 residents)</p> <p>Total households 8,520 (+7.5% or 594 households) Additional households will be split 70% urban and 30% rural.</p> <p>The forecasts are based on Infometrics data and factor in historic growth forecasts and the accumulating positive impact of the Te Ahu a Tūrangā Highway. The assumptions are similar to growth forecast in the 2024 Long Term Plan.</p> <p>Risk</p> <p>The risk is that population or household growth are significantly different than forecast, and decisions made in the Long Term Plan anticipating forecast growth are not correct.</p> <p>The location of population or commercial growth could also be significantly different to that forecast.</p>	<p>Possible</p> <p>Risk Mitigation Factors</p> <p>The District Strategy, and the Growth Strategy and District Plan review are tools Council will use to ensure growth is sustainable and will consider Council's capacity to provide resilient and reliable services. The Infrastructure Capacity assumption has more detail about managing infrastructure for growth.</p> <p>The Financial Strategy outlines how Council manages its finances in a sustainable way that provide sufficient capacity to meet unanticipated changes to population. Council continues to improve the</p>	<p>High – Very High</p> <p>Providing quality facilities and infrastructure in the face of unexpected growth comes at a higher cost. Council and the community would need to decide to either meet the increased cost or lower the level of some services</p> <p>(many Council services must meet minimum mandatory requirements).</p> <p>Lower than expected growth may mean Council has spent on infrastructure and services that are not required.</p>
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Assumption	Owner	Description of Risk	Level of Uncertainty	Potential Effects of Uncertainty on Financial Estimates
		<p>Migration driven by international factors, government policy, economic conditions, climate change, or natural disasters may impact on growth predictions. Changes to household occupancy or birth and death rates may also impact predicted growth.</p> <p>Significantly higher population growth or density may occur in an unsustainable way. It may make it difficult for Council to maintain the quality of community facilities and infrastructure, and to ensure they meet the needs of future generations. The impact of growth on water infrastructure capacity is covered in the</p>	<p>understanding of its infrastructure. .</p> <p>In the medium to long term, some costs from unexpected growth would be offset by an increase in ratable properties and rates income.</p> <p>Council is a member of the rural sector group of Local Government New Zealand (LGNZ) and proactively lobbies government on issues that impact population growth.</p>	

Assumption	Owner	Description of Risk	Level of Uncertainty	Potential Effects of Uncertainty on Financial Estimates
		Infrastructure Capacity assumption. A significant decrease in population may mean a smaller ratepayer base will be expected to meet increasing costs or face reduced the levels of service to keep rates at an affordable level.		

<p>Taupouri Pakeke Haeretanga</p> <p>AGING POPULATION</p> <p>The number of older residents in the district will increase from an estimated 21% at June 2023 to a forecast 26% by 2034.</p>	<p>Chief Advisor</p>	<p>The number of older residents in the district will increase significantly over the long term leading to changes in the way Council delivers services. The number of residents aged over sixty-five increased by 17.3% (583 people) from June 2018 to June 2023. Older people at June 2023 made up 20.6% of the estimated resident population (up from 19% in the March 2018 census). Council forecasts this to increase to 26.2% of the population in 2034.</p> <p>This is an increase of 1,231 people aged over sixty-five to 5,333 residents for the 10 years, against a total population forecast increase of 1,096 residents to 20,357.</p> <p>Risk</p>	<p>Probable</p> <p>Risk Mitigation Factors</p> <p>Council manages changes in demand for services through its regular long term and annual planning processes and will account for demographic change.</p> <p>This Long Term Plan considers changes in demand for services for example by placing a greater emphasis on recreational activities and upgrading of reserve amenities through the 2023 Play, Active Recreation and Sport Strategy, and the development of Reserve Management Plans.</p> <p>The District Strategy, and the Growth Strategy and a replacement process to the Resource Management Act, including Regional Spatial</p>	<p>Low</p>
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Assumption	Owner	Description of Risk	Level of Uncertainty	Potential Effects of Uncertainty on Financial Estimates
		<p>The risk is that the population will age significantly faster or slower than forecast.</p> <p>Migration driven by international factors, government policy, economic conditions, climate change, or natural disasters may impact on ageing population predictions. Changes to household occupancy or birth and death rates may also impact predictions.</p> <p>A faster ageing population may leave Council services not sufficiently meeting older people's needs. Rates affordability has a greater impact on ratepayers with fixed incomes and presents a challenge for Council to fund forecast levels of service.</p>	<p>Planning to supersede the operative District Plan are tools Council consider demographic change</p>	

<p>Ngā Aitua māori NATURAL DISASTERS</p> <p>Hazard events including flood, storm, drought, earthquake and associated secondary effects will occur during the period of this Long Term Plan.</p> <p>No single event is assumed to result in infrastructure damage exceeding 5–10% of Council's total asset base, or prolonged loss of critical services beyond defined levels of service</p> <p>Central government cost-sharing arrangements broadly consistent</p>	<p>Chief Advisor</p>	<p>There may be natural hazard events during the period of this plan. It is assumed that any single event will have a lesser financial and service impact than the most severe historic events, including the 2004 Manawatu-Whanganui flood, Cyclone Gabrielle, or the Kaitiaki earthquake.</p> <p>Council recognises the low-frequency but high-consequence seismic risk associated with the Hikurangi Subduction Zone and does not assume that a catastrophic regional-scale event will occur within the LTP period.</p> <p>Council will maintain readiness to respond to flood, storm, earthquake, volcanic activity, and other hazard events through its civil defence and business continuity arrangements.</p>	<p>Possible</p> <p>Risk Mitigation Factors</p> <p>Council plans for civil defence emergencies and coordinates with iwi and other local and regional organisations. Council will continue to improve its business continuity arrangements, including the development of a corporate business continuity plan, during this Long Term Plan.</p> <p>Council assets are insured, and government continues to provide support to Councils to reinstate underground assets and roads in a civil defence emergency.</p> <p>Council maintains the Tararua Emergency Roading special funded reserve to provide funds for the reestablishment of</p>	<p>High – Very High</p> <p>A significant natural disaster requires immediate funding for the response and recovery including the repair of infrastructure and the potential buy out of private properties for managed retreat.</p> <p>For example, a severe earthquake on the Hikurangi Subduction Zone that caused the destruction of ten percent of Council assets could cost more than \$100 million to repair. Council staff and resources would likely be overwhelmed in the initial response and recovery. The event would disrupt the Tararua economy and interrupt critical Council services such as water and roads for a considerable period.</p> <p>Council would need to borrow to support the response and recovery, potentially severely</p>
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Assumption	Owner	Description of Risk	Level of Uncertainty	Potential Effects of Uncertainty on Financial Estimates
with current policy settings will be accessible.		<p>Council assumes continued access to insurance cover and central government response and recovery cost-sharing arrangements broadly consistent with current policy settings.</p> <p>Risk</p> <p>New Zealand is experiencing increasing frequency and intensity of severe weather events. There is a risk that the District is impacted by a significant hazard event, or a series of cumulative events, that severely damages infrastructure and disrupts services.</p> <p>There is a risk that council may not be adequately prepared or resourced to respond to a significant</p>	<p>infrastructure following a disaster and maintains depreciation reserves that could be utilised to assist with shortfalls from insurance and government support.</p> <p>The Growth Strategy and District Plan review will consider hazard avoidance and additional conditions for areas with high natural hazard risk.</p> <p>The Financial Strategy outlines how Council manages its finances in a sustainable way that has capacity to meet the costs of sudden unexpected events such as natural disasters.</p>	<p>impacting its financial capacity to respond to future unforeseen events and requiring rates increases.</p>

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		disaster without reprioritising planned capital works or increasing borrowing. Insurance premiums and coverage terms may change materially over the LTP period. Central government financial support arrangements, including support for infrastructure reinvestment and managed retreat, may also change.		

<p>Āhuarangi Hurihuri</p> <p>CLIMATE CHANGE</p> <p>Climate change will occur in line with government forecasts.</p>	<p>Chief Advisor</p>	<p>The national climate change risk assessments (NCCRA) help identify adaptations to the impacts of climate change. The NZ Climate Commission is currently working on the 2026 National Climate Change Risk Assessment.</p> <p>The 2020 National Climate Change Risk Assessment and the 2021 Manawatu-Whanganui Regional Climate Risk Assessment form the basis of Council's current climate change forecasts. The forecasts are through to 2040 and 2090 and project an increase in events that bring heavy rain, strong winds, and longer dry periods, as well as sea level rise.</p> <p>"Climate change is one of humanity's greatest challenges. The impacts of climate change are already being felt within the</p>	<p>Probable</p> <p>Risk Mitigation Factors</p> <p>The Long Term Plan incorporates climate resilience into budgets and projects. For example, preventing infiltration of stormwater into wastewater, stormwater model development, higher capacity road culverts, new water storage, investigation of new water sources, water demand management and leak detection, and generally improved maintenance programmes.</p> <p>Council is a member of the Manawatu-Whanganui Climate Action Joint Committee which has completed a Regional Climate Change Risk Assessment and Joint Climate Action Plan.</p>	<p>High</p> <p>Over time the District economy will be challenged by increasing severe weather events such as storm and drought, and by changes to normal seasonal cycles, pests, and diseases.</p> <p>Significant impacts are expected to increase in the next few years to decades. The cost of damage associated with extreme weather is likely to rise as the frequency and intensity of events increase.</p> <p>The global effect of climate change may make New Zealand an attractive place to immigrate, and the resulting overflow from cities into Tararua, increasing demand for Council services and housing (also refer the Population Growth assumption).</p> <p>Council faces funding pressure to build infrastructure that is climate resilient over the life of the asset, is safe, and meets community needs. Climate change risk is expected to</p>
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Assumption	Owner	Description of Risk	Level of Uncertainty	Potential Effects of Uncertainty on Financial Estimates
		<p>communities, businesses, native ecosystems, and infrastructure within the region. Climate change, and its associated impacts will have significant social, economic, environmental, and cultural implications for the region's communities." 2021 Manawatu-Whanganui Regional Climate Risk Assessment</p> <p>There remains a high level of uncertainty in forecasting climate change especially at a local level and the science continues to rapidly develop. Council overlays the long-term changes with an expectation there will be short-term climatic variations where change will occur with more</p>	<p>The Financial Strategy outlines how Council manages its finances in a sustainable way that has capacity to meet the costs of sudden unexpected events such as natural disasters.</p> <p>Council is developing its insurance strategy with further consideration given to climate risk.</p> <p>Council will continue to monitor climate change impacts in respect of its Growth Strategy and how it will be able to influence Spatial Planning. Council processes requests for electric vehicle related electricity infrastructure and increasing renewable</p>	<p>impact to the way Council allocate resources and the type of proactive projects undertaken. For example:</p> <p>Transport – More intense and frequent rainfall causes landslides and soil erosion resulting in damage to roads. Improved drainage is required to reduce long-term maintenance costs.</p> <p>Facilities, parks and reserves – Higher maintenance and renewals from storm damage, erosion, and flooding. Improved drainage, erosion control, and more resilient design standards will be required to reduce long term maintenance and renewal costs.</p>

Assumption	Owner	Description of Risk	Level of Uncertainty	Potential Effects of Uncertainty on Financial Estimates
		<p>intensity and variability, potentially in a non-linear way i.e. in step changes.</p> <p>Risk</p> <p>The risk is that climate change will not occur as predicted and change may be more rapid and have a higher impact with more frequent storm and flood damage, greater fire risk, storm surge, and erosion.</p> <p>Increasing climate related events may require emergency work that cannot be funded from normal budget provisions.</p> <p>Climate change will impact the global economy and drive social change (see the Population Growth assumption for migration risks) and will likely result in</p>	<p>energy related consents, both wind and solar.</p>	

Assumption	Owner	Description of Risk	Level of Uncertainty	Potential Effects of Uncertainty on Financial Estimates
		<p>supply chain constraints and reduced access to affordable insurance.</p> <p>Council may be faced with unexpected pressure on infrastructure that requires additional investment to build resilience for roads and drainage, stormwater control and drinking water supply and storage. There is a risk that Council infrastructure decision making will not adequately account for climate impacts and that will contribute to worsening environmental and community resilience.</p>		

<p>Te Whakature me ngā Panonitanga Mahere Taui</p> <p>LEGISLATING AND ONE PLAN CHANGES</p> <p>Legislative changes will have a modest but ongoing impact on Council finances and levels of service.</p>	<p>Chief Executive</p>	<p>Legislative changes will have a significant ongoing impact on Council finances and levels of service.</p> <p>Existing governance arrangements will continue and there will be no changes to District boundaries. Shared services and collaboration with other Councils will continue, and additional collaboration is increasingly likely.</p> <p>Specifically, the following legislative assumptions are made:</p> <ul style="list-style-type: none"> • Council will continue to deliver infrastructure within the existing legislative framework. • Legislated minimum levels of service or minimum standards (such as roads and community buildings) will not be changed. 	<p>Probable</p> <p>Risk Mitigation Factors</p> <p>Council makes submissions on relevant national and regional legislative and policy change, promoting the Tararua District and its aspirations. It considers how it will respond to change as part of regular planning processes.</p> <p>Council has effective partnerships with iwi, and works closely with neighbouring councils, and Horizons Regional Council at the governance and officer level. The relationship with iwi and Horizons is particularly important for working closely together to meet the requirements of the One Plan.</p>	<p>Medium</p> <p>A Council amalgamation process would result in resources being diverted to the restructure and could significantly interfere with the planned work programme.</p> <p>Commercial buildings classified as earthquake prone may impact on the ongoing viability of their associated businesses. Council buildings classified as earthquake prone, or yet to have seismic assessments, may require substantial remedial work.</p> <p>There is uncertainty about potential changes to resource management legislation and this could have a positive or negative financial impact for Council. There will potentially be a positive financial impact on resource consent requirements if freshwater standards are relaxed while allowing to continue to</p>
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Assumption	Owner	Description of Risk	Level of Uncertainty	Potential Effects of Uncertainty on Financial Estimates
		<ul style="list-style-type: none"> • Earthquake prone building assessments will not require expenditure outside already budgeted costs. <p>The Horizons Regional Council One Plan will have some impact on farm profitability, particularly dairy farms, although freshwater regulations are being reviewed by the new government with a stated intent to reduce compliance costs. Overall, there is likely to be reduced profitability on some farm types and locations as consent requirements result in restrictions on stocking rates. Farmers may see higher costs to comply with freshwater regulations.</p>		<p>work towards environmental protection objectives.</p> <p>Reduced farming profitability will impact on rates affordability and become a significant governance issue. Council would be under pressure to limit rates increases for rural properties and levels of service might be reduced.</p>

Assumption	Owner	Description of Risk	Level of Uncertainty	Potential Effects of Uncertainty on Financial Estimates
		<p>Risk</p> <p>The risk is that legislative change could increase the levels of service or number of activities Council is required to deliver.</p> <p>The new government has signalled reviews that may impact Council including transport, resource management, water, wastewater, and stormwater. The reviews could change how these services are delivered including through a regional service delivery model.</p> <p>Although the government has stated that forced Council amalgamations will not occur, there is a risk that this may change if reforms leave</p>		

Assumption	Owner	Description of Risk	Level of Uncertainty	Potential Effects of Uncertainty on Financial Estimates
		<p>Council with reduced activities.</p> <p>The review of the Horizons Regional Council One Plan and compliance with government freshwater regulations could result in some forms of intensive farming becoming unprofitable in Tararua, and a lead to a general reduction in farming income. This would have a major impact on the local economy, and landowners' ability to pay rates over time. This is now considered less likely as the new government has signalled a review of freshwater regulations with the intent to reduce compliance costs.</p>		

<p>Ngā Āheinga Tūhanga INFRASTRUCTURE CAPABILITY</p> <p>Forecast growth can be partly met by the current and planned capacity of infrastructure assets.</p>	<p>GM - Operations</p>	<p>Forecast population, household, and commercial growth is partly catered for by the current and planned capacity of infrastructure assets.</p> <p>In the longer term the Council controlled business unit established under the government Local Water Done Well process will need to make the required upgrades to ensure the forecast growth is done in a sustainable way.</p> <p>This includes additional investment in extensions and improvements to existing drinking water, wastewater, and stormwater networks to enable development in existing undeveloped residential zoned land, and significant upgrades to support intensification of existing urban areas.</p>	<p>Probable</p> <p>Risk Mitigation Factors</p> <p>In this Long Term Plan Council will continue to improve its knowledge of 3waters networks and the specific locations that require renewals and upgrades.</p> <p>The Growth Strategy and District Plan review will seek to align with infrastructure capacity to ensure sustainable growth.</p> <p>Renewals are funded from depreciation reserves and in this Long Term Plan Council will increase reserves to provide improved renewal and maintenance programmes with a focus on infiltration and leak detection.</p> <p>The Financial Strategy outlines how Council</p>	<p>High</p> <p>Maintaining quality fit for future infrastructure and ensuring capacity and network reach for forecast growth will require Council to fund significant 3waters investment.</p> <p>Higher growth puts greater demand on community facilities and would require Council to invest in upgrades (particularly library and recreation activities) to ensure our towns have outstanding facilities.</p>
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Assumption	Owner	Description of Risk	Level of Uncertainty	Potential Effects of Uncertainty on Financial Estimates
		<p>To ensure sustainable growth the Growth Strategy and District Plan review will consider rezoning some urban land unsuitable for development due to infrastructure constraints.</p> <p>There is considerable capacity in roads, footpaths, libraries, and most community buildings however significant renewals are required to bring community facilities to modern acceptable standards that meet the strategic objective that our towns have outstanding facilities for all to enjoy.</p> <p>Risk</p>	<p>manages its finances in a sustainable way that has capacity to meet unexpected infrastructure capacity requirements.</p> <p>Other factors that will have a positive influence include that higher property density generates higher rates revenue, introduction of development contributions during this long term plan, and Council is improving its demand management practices.</p>	

Assumption	Owner	Description of Risk	Level of Uncertainty	Potential Effects of Uncertainty on Financial Estimates
		<p>With existing and planned infrastructure partly meeting planned growth, the risk is that household or commercial growth significantly above forecast, coupled with climate change impacts, will put pressure on 3 waters infrastructure (also refer to the Climate Change and Population Growth assumptions).</p> <p>While there is generally considerable existing land capacity in urban zones, some areas are constrained by infrastructure capacity.</p>		

<p>Hauāpū Moni nā Waka Kotahi</p> <p>WAKA KOTAHI FUNDING</p> <p>Waka Kotahi requirements for the performance of subsidised work will not alter to the extent they adversely impact operating costs.</p>	<p>GM - Operations</p>	<p>Waka Kotahi requirements and specifications for the performance of subsidised work will not alter to the extent they adversely impact operating costs. The current subsidy level of 73% (2024-27 for maintenance and renewal costs within the approved NZTA Roading Programme) will continue for the period of the period of the Long Term Plan.</p> <p>The One Network Road Framework will continue to support Councils current level of service for transport. The 73% FAR will apply to the current eligible road and footpath maintenance budget.</p> <p>This Long Term Plan Council has opted to apply an inflationary increase (using the Local Government Cost Index – Appendix 1) to it's roading program for each of</p>	<p>Probable</p> <p>Risk Mitigation Factors</p> <p>Council manages changes in transport levels of service through its regular long term and annual planning processes and this will account for Waka Kotahi funding changes. Council has the option to undertake projects outside the Waka Kotahi approved 2024-27 work programme with costs met by rates or depreciation.</p> <p>The Financial Strategy outlines how Council manages its finances in a sustainable way that has capacity to meet unexpected transport infrastructure costs.</p> <p>The Tararua Alliance aims to fully meet process requirements to comply</p>	<p>High</p> <p>Variations in the Waka Kotahi subsidy rate will increase or decrease Council's revenue by \$142,000 for every 1% change in subsidy.</p> <p>Council could increase rates to continue the planned maintenance programme or reduce the level of service provided that may impact on the strategic objective to have resilient and reliable infrastructure that connects our communities.</p>
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Assumption	Owner	Description of Risk	Level of Uncertainty	Potential Effects of Uncertainty on Financial Estimates
		<p>the subsequent 3 year funding blocks that are contained within this plan. These budgets will be reviewed and updated within the relevant Annual Plan/Long Term Plan to align with the each if the funding block applications Council will make.</p> <p>However as historic funding requests have shown Council will likely need to request an increase to the existing approved program to account for inflationary cost changes. By applying this within this Long Term Plan this enables Council to ensure an appropriate level of funding has been budgeted for its roading program for the duration of this Long Term Plan.</p>	<p>with the ONRC system, and working with Waka Kotahi as funding partner, will ensure early identification of any major issues with funding for the roading programme. Council engages with regional transport partners through the Regional Land Transport Committee.</p>	

Assumption	Owner	Description of Risk	Level of Uncertainty	Potential Effects of Uncertainty on Financial Estimates
		<p>Also contained within this Long Term Plan is budgets aligned to a funding application</p> <p>Council has made with Waka Kotahi for Cyclone Gabrielle Recovery support as Council continues to repair the roading network after the Cyclone. This project is scheduled over years 1 – 3 of this plan and Council has applied a FAR for this of 93%.</p> <p>Note – the FAR will be reviewed within the existing New Zealand wide formula during 2026/27 and will apply for the 2027 – 2030 National Land Transport Programme (NLTP) that will allocate funding to Council.</p> <p>Risk</p>		

Assumption	Owner	Description of Risk	Level of Uncertainty	Potential Effects of Uncertainty on Financial Estimates
		<p>The risk is that the level of subsidy could change as part of annual updates and medium-term revisions.</p> <p>There is pressure on the Land Transport Fund across New Zealand Across New Zealand because transport projects are facing higher costs, government decisions to limit fuel tax increases, and vehicles are more fuel efficient. The risk is currently weighted toward reductions in inflation adjusted overall funding available through Waka Kotahi at the FAR. However, the overall level of funding may be reduced due to Waka Kotahi funding shortfalls.</p> <p>There is a risk the criteria for inclusion in the subsidised works programme could</p>		

Assumption	Owner	Description of Risk	Level of Uncertainty	Potential Effects of Uncertainty on Financial Estimates
		change. This may reduce or increase the roading programme eligible for subsidy (the FAR may be applied to a reduced approved roading programme budget). New emergency works criteria may reduce the level of subsidy to repair flood damages depending on the size of the event.		

<p>Pikiutu Tukipū</p> <p>INFLATION</p> <p>The Long Term Plan is adjusted for inflation using the Local Government Cost Index (Appendix One). This inflation index is applied from year 1.</p>	<p>Chief Financial Officer</p>	<p>The Long Term Plan financial projections reflect the estimated impact of inflation. Council use the Local Government Cost Index (LGCI) forecasts of price level changes to calculate a weighted average inflation rate for each year of the Plan. The forecasts are prepared by BERL, and Appendix one contains the BERL inflation adjusters (commissioned by Taituarā). The forecasts were issued in October 2026. These statistics are to be updated during 2026 calendar year</p>	<p>Possible</p> <p>Risk Mitigation Factors</p> <p>While individual indices will at times vary from the Long Term Plan, over the longer term this will tend to average out.</p> <p>The Government may not accept industry level inflation levels if they result in council exceeding the proposed rate cap.</p> <p>The Financial Strategy outlines how Council manages its finances in a sustainable way that has capacity to meet unexpected cost increases. Council manages unexpected high inflation through its regular long term and annual planning processes by adjusting spending, allowing for inflation to be applied to</p>	<p>Medium</p> <p>Significantly higher or lower inflation may lead to misstatement in some costs in the budgeted financial statements. Council is particularly susceptible to changes in the price of imported plastics, capital equipment, petrol, and diesel as about fifty percent of Council business is roading related.</p>
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Assumption	Owner	Description of Risk	Level of Uncertainty	Potential Effects of Uncertainty on Financial Estimates
		<p>Economic forecasts are now projecting that cost increases will ease (but not reduce) and become more stable at around 2 - 2.5% a year in the medium to longer term.</p> <p>Risk</p> <p>The risk is that actual inflation will be significantly different to that forecast.</p> <p>Council is exposed to cost increases related to international oil prices (for example, pipes, bitumen, and fuel), and staff and other operating costs driven by domestic economic trends.</p> <p>Council has no control on these prices, and these are</p>	<p>year 1 budgets and reviewing the capital works programme.</p>	

Assumption	Owner	Description of Risk	Level of Uncertainty	Potential Effects of Uncertainty on Financial Estimates
		<p>often volatile due to shifts in government policy, exchange rates, and international oil prices.</p> <p>In the last 10 years the LGCI forecasts were usually above the Consumer Price Index and this builds in some buffer for any price increases.</p> <p>However, the reverse can occur as New Zealand is subject to imported inflation with limited options to avoid sudden price increases caused by overseas trends or a major devaluation of the New Zealand Dollar.</p>		

Assumption	Owner	Description of Risk	Level of Uncertainty	Potential Effects of Uncertainty on Financial Estimates
<p>Ngā Rirongia Tangata ASSET LIVES</p> <p>The actual useful lives of Council assets are in line with predictions.</p>	<p>Chief Financial Officer</p>	<p>The actual useful lives of assets reflect those recorded in asset registers and these are based on evidence from condition assessments or professional advice .</p> <p>Refer to the Accounting Policies section for Depreciation Rates, and to the Infrastructure Strategy for the cost of renewal and operating costs for the transport activity.</p> <p>Risk</p> <p>The risk is that assets wear out earlier or later than predicted.</p>	<p>Possible</p> <p>Risk Mitigation Factors</p> <p>In this Long Term Plan Council will continue to improve its knowledge of assets and includes budgets for additional infrastructure and community facilities and condition assessments.</p> <p>The impact of increased depreciation or interest costs through early asset expiry can be mitigated through regular long term and annual planning processes by reprioritising capital projects or by utilising internal borrowing.</p>	<p>Medium</p> <p>The financial effect of the uncertainty is likely to be immaterial unless asset lives for significant assets such as bridges or network structures change significantly. Depreciation and interest costs would increase or decrease if capital expenditure were required earlier or later than anticipated.</p>

<p>Ngā Wāriutanga Auautanga o ngā Huarawa Ōkiko</p> <p>REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</p> <p>Assets will be regularly revalued to reflect their fair value price.</p>	<p>Chief Financial Officer</p>	<p>Assets are valued as stated in the Accounting Policies section and a regular Audit NZ approved revaluations process.</p> <p>The following assumptions apply to asset revaluations:</p> <ul style="list-style-type: none"> land, building and other asset revaluations will reflect price changes predicted by BERL. transport revaluations will reflect price changes predicted by BERL. the depreciation impact of inflation will be in the year following revaluation. technology improvements will deliver improvements but will not materially change the unit price. <p>Risk</p>	<p>Unlikely</p> <p>Risk Mitigation Factors</p> <p>The fair value price of assets is reviewed every year through the annual and long term planning process.</p>	<p>High</p> <p>An incorrect increase fair value prices or asset revaluations are higher than anticipated will increase depreciation and affect funding levels.</p> <p>Valuation changes that result in a 1% change in total depreciation would increase rates requirement by estimated \$xxx a year.</p>
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Assumption	Owner	Description of Risk	Level of Uncertainty	Potential Effects of Uncertainty on Financial Estimates
		<p>The risk is that inflation forecasts will be materially incorrect, leading to misstatements in Council's financial accounts. This will have an impact where forecast asset values result in changes to depreciation and hence rates levied.</p> <p>There is a risk that the Tararua Alliance based unit prices do not reflect fair asset values.</p>		

<p>Ngā Kiriimana CONTRACTS</p> <p>Contracts prices will increase in line with inflation forecasts.</p>	<p>Legal Counsel</p>	<p>The renewal price of operational, maintenance, goods supply and service contracts will increase in line with inflation forecasts and there will be no other significant variation in price.</p> <p>Risk</p> <p>The risk is that there is a significant unbudgeted variation in cost or change in terms when retendering contracts and service agreements.</p> <p>Causes for this include inflation significantly higher than forecast, lack of competition, national and international supply chain shortages, shorter contract terms for water services contracts due to LWDW novation to Wairarapa Tararua CCO transition and/or</p>	<p>Possible</p> <p>Risk Mitigation Factors</p> <p>Council monitors the economic environment, regularly reviews contract and level of service requirements through the long term and annual plan processes and is usually able to build inflation indexing into contract pricing.</p>	<p>Low</p> <p>As Council has many contracts across different activities and markets, in most cases, overall changes to contract costs and terms even out.</p>
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Assumption	Owner	Description of Risk	Level of Uncertainty	Potential Effects of Uncertainty on Financial Estimates
		uncertainty around impact of legislative changes on Council's core services.		

Assumption	Owner	Description of Risk	Level of Uncertainty	Potential Effects of Uncertainty on Financial Estimates
<p>Ngā Puna Haupū Moni hei Whakakapi Huarawa Hiranga</p> <p>SOURCES OF FUNDS FOR THE REPLACEMENT OF SIGNIFICANT ASSETS</p> <p>Council will have adequate resources to replace significant assets when due.</p>	<p>Chief Financial Officer</p>	<p>The Revenue and Finance Policy, Financial Strategy, and Infrastructure Strategy set out how Council will fund the replacement of significant assets from depreciation and borrowing through to 2057.</p> <p>Risk</p> <p>The risk is that there will be a shortfall in depreciation funds to replace assets if they require replacing earlier than forecast, or if Council has not funded sufficient depreciation over the longer term.</p>	<p>Highly Probable</p> <p>Risk Mitigation Factors</p> <p>Council has built its depreciation reserves over time to fund the long-term renewals of assets.</p> <p>The Financial Strategy outlines how Council manages its finances in a sustainable way that has capacity to meet unexpected costs such as the early replacement of significant assets.</p>	<p>Medium</p> <p>The impact of the uncertainty on rating levels is likely to be immaterial in the short term as there is sufficient depreciation reserves across the asset types (2026/27 opening balance \$xx million and a forecasted balance of \$xx million at the end of the 10 year period June 2037). Continued unfunding of depreciation reserve builds will have a long term effect on asset renewal. The assumptions on Inflation, Asset Lives, and Revaluation of Property, Plant and Equipment will have an impact on depreciation funding levels over the medium to long term.</p>

Assumption	Owner	Description of Risk	Level of Uncertainty	Potential Effects of Uncertainty on Financial Estimates
<p>Ngā Whakawhanake Pāmu Hau, Kōmaru</p> <p>WIND AND SOLAR FARM DEVELOPMENTS</p> <p>Wind and solar farm developments will not significantly impact roading renewals expenditure.</p>	<p>Chief Advisor</p>	<p>Wind and solar farm developments will not significantly impact roading renewals expenditure.</p> <p>Risk</p> <p>Wind and solar farm developments will not significantly impact roading renewals expenditure.</p>	<p>Highly Probable</p> <p>Risk Mitigation Factors</p> <p>Council participation in the resource consent application process will ensure development conditions mitigate adverse impacts on existing infrastructure and the environment.</p> <p>Council will also consider bringing forward some renewals to take advantage of any upgrades required for wind or solar farm developments.</p> <p>The District Plan review will consider resource management rules for wind and solar farms.</p>	<p>Low</p> <p>The resource consents for solar and wind farm developments are expected to fully cover the full cost of the development.</p>

<p>Whakaitipu Rākau FOREST HARVESTING</p> <p>The forest harvesting impacts on roads are correctly forecast in transport budgets.</p>	<p>GM - Operations</p>	<p>Forest harvesting the Northeast of the District are creating issues with maintaining roading levels of service and impacting on maintenance requirements, and these impacts have been correctly forecast in transport budgets.</p> <p>Many new plantings of exotic forest are for carbon forestry and will not be harvested.</p> <p>Risk</p> <p>Significant increases in forestry harvesting volumes are certain in the medium term, and more exotic forestry is currently being planted and the risk is this will cause major damage to some arterial roads.</p>	<p>Highly Probable</p> <p>Risk Mitigation Factors</p> <p>The Tararua Alliance works with the main forest owners to identify likely volumes and routes and plans for targeted road capability upgrades to maintain levels of service, while basic renewals are programmed after harvest traffic when possible.</p> <p>The Route 52 upgrade will lower ongoing maintenance costs as it is designed to cater for forestry truck volumes.</p> <p>Council plans to introduce a heavy vehicle component to its roading rates to ensure everyone who uses the road, especially those benefiting from heavy vehicle use, pays their fair share.</p>	<p>Medium</p> <p>Forest harvesting activities will cause damage to some arterial roads resulting in higher renewals and increasing operational costs.</p> <p>The impact is reduced when new plantings are for carbon forestry that will not be harvested.</p>
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Assumption	Owner	Description of Risk	Level of Uncertainty	Potential Effects of Uncertainty on Financial Estimates
			<p>Council has increased depreciation funding for transport to enable higher levels of renewals.</p> <p>The government has reviewed the policy settings for production and carbon exotic forestry (NES-CF) and the land use regulatory framework for forestry. Council can now require resource consents for land use change to forestry in certain locations.</p>	

<p>Ngā Whakahoutanga Whakaetanga Rawa Taiao</p> <p>RESOURCE CONSENT RENEWALS</p> <p>All existing and renewing resource consent requirements will be met from forecast budgets.</p>	<p>GM - Operations</p>	<p>The cost of complying with the conditions of current resource consents will not alter significantly from that budgeted.</p> <p>The cost of resource consents due for renewal during the 10-year period will be renewed as budgeted.</p> <p>Resource consents issued for new or upgraded infrastructure will not contain significantly different conditions or standards to those anticipated in the project.</p> <p>Risk</p> <p>Conditions for new or existing resource consents are altered significantly requiring major unbudgeted investment to meet conditions.</p> <p>The term of renewed resource consents could be</p>	<p>Unlikely</p> <p>Risk Mitigation Factors</p> <p>Council has effective partnerships with iwi, and works closely with Horizons Regional Council, on resource consents and monitoring. Working with Horizons ensures Council has sufficient notice of and is well placed to manage any change required. Council works closely with iwi and Horizons to ensure that infrastructure and services are developed with environmental protection as a key consideration.</p> <p>The government has in the past recognised the financial impacts on smaller communities and contestable funding has been available for water and wastewater upgrades.</p>	<p>Medium – High</p> <p>The financial effect of changes to resource consent requirements depends on the extent of the change. A significant change in requirements could result in the Council needing to spend additional funds to enable compliance. If there were changes to conditions or consents were not renewed or issued, Council would face additional costs to meet consents or to continue a process to apply for new consents. Council can fund additional consent requirements however there would be an opportunity cost of not undertaking other infrastructure works or services. Affordability of services in small communities could become increasingly difficult.</p>
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Assumption	Owner	Description of Risk	Level of Uncertainty	Potential Effects of Uncertainty on Financial Estimates
		<p>reduced to 10 years or less requiring additional budget for renewal.</p> <p>Council may be unable to renew expiring wastewater resource consents requiring consideration of alternative systems such as piping wastewater to another treatment plant, or more expensive land-based disposal systems.</p> <p>The major project risk is the Dannevirke wastewater discharge consent that expires in 2027.</p> <p>The new government has signalled that it will review current resource management legislation and replacement legislation could change the resource consent processes and increase costs.</p>	<p>Council will continue to lobby for more funding and will actively apply for funding where available.</p> <p>The Financial Strategy outlines how Council manages its finances in a sustainable way that has capacity to meet unexpected costs that could arise from resource consent requirements.</p>	

Assumption	Owner	Description of Risk	Level of Uncertainty	Potential Effects of Uncertainty on Financial Estimates
<p>Ngā Take Hareti INTEREST RATES Council will budget for interest rate forecasts in the long-term plan</p>	<p>Chief Financial Officer</p>	<p>Council will budget for this long-term plan that interest on loans raised will in line with the market interest rate forecasts Risk The risk is that actual interest rates will be significantly different to forecast.</p>	<p>Probable Risk Mitigation Factors Interest rates are largely driven by factors external to the New Zealand economy. Council has in place an interest rate strategy to deliver greater certainty over the interest rate cost for the duration of the Long Term Plan. Council is currently within the borrowing covenant levels specified by the Local Government Funding Agency. Council receives external professional advice on the direction of future interest rates.</p>	<p>High Based on Council projected borrowing levels, interest costs will vary between approx \$xxx and \$xxx per annum for every 1% movement in interest rates.</p>

Assumption	Owner	Description of Risk	Level of Uncertainty	Potential Effects of Uncertainty on Financial Estimates
<p>Tomonga ki ngā Haupū Mori Ā-Waho</p> <p>ACCESS TO EXTERNAL FUNDING</p> <p>Council will be able to borrow to the required level.</p>	<p>Chief Financial Officer</p>	<p>Council will be able to borrow at the required level for asset renewal and budgeted strategic level of services and growth</p> <p>Risk</p> <p>If unable to borrow, Council will not be able to fund services or capital investment. While it is likely Council will be able to secure loans, it cannot be guaranteed.</p>	<p>Unlikely</p> <p>Risk Mitigation Factors</p> <p>Council has access to the New Zealand Local Government Funding Agency markets in New Zealand and overseas. It has a strong relationship with its bankers with a history of meeting loan covenants.</p> <p>The Financial Strategy outlines how Council manages its finances in a sustainable way that has capacity to meet unexpected costs from borrowing or alternative sources if required.</p>	<p>High</p> <p>Non compliance to the LTP, Annual Plan and If rates were necessary as an alternative source of funding for capital projects, rates requirements would rise and forecast levels of service would come under review.</p>

Assumption	Owner	Description of Risk	Level of Uncertainty	Potential Effects of Uncertainty on Financial Estimates
AFFORDABILITY	Chief Financial Officer	<p>Maintaining affordability for rate payers while generating sufficient revenue for asset and service delivery and supporting growth in the infancy of development</p> <p>Risk</p> <p>Legislative capping will control the affordability factor for the rate payer, however there is a uncertainty to what level Level of service, growth and asset management will be affected.</p>	<p>Medium in the short term</p> <p>The simplification bill will address this issue in part</p>	<p>Asset management, growth and levels of services will not deliver to the recommended level</p>

Assumption	Owner	Description of Risk	Level of Uncertainty	Potential Effects of Uncertainty on Financial Estimates
DELIVERY OF COUNCIL REQUIREMENTS	Chief Financial Officer	here is a risk that financial constraints limit Council's ability to maintain infrastructure, respond to shocks, or meet rising regulatory and service expectations.	Medium in the short term The simplification bill will address this issue in part	Asset management, growth and levels of services will not deliver to the recommended level

<p>Āheinga Himongā Haupū Rawa CAPITAL PROJECTS DO-ABILITY</p> <p>Council will deliver on its capital projects programme.</p>	<p>GM - Operations</p>	<p>Council will deliver on its capital projects programme as outlined in the Long Term Plan.</p> <p>Risk</p> <p>The risk is that Council is unable to deliver the work programme as outlined, especially for 3Waters and Cyclone Gabrielle Recovery projects for Roading. This creates a backlog of work and increased costs, resulting in continued delays to the delivery of the planned capital programme. This could impact on the achievement of proposed levels of service, potential increased costs from delays, Council not meeting agreed consent conditions, and increases the risk of assets failing before they can be replaced leading to a disruption.</p>	<p>Probable</p> <p>Risk Mitigation Factors</p> <p>Council has been purposely raising the level of project management sophistication and rigor in the organisation over the last four years to deliver the major increases in capital expenditure this Long Term Plan includes. These are mainly:</p> <ul style="list-style-type: none"> Established a project management office (PMO) and introduced standardised project processes and framework. Using a standardised framework has provided much needed guidance for those projects that are not directly led by the PMO, but by other departments within the organisation, Robust scoping and cost estimation are being 	<p>Medium</p> <p>Cost increases due to delay or deferring capital projects, interest rate increases and borrowing forecasts, along with debt servicing costs being different than planned. If additional resources are required to plan, project manage and deliver capital projects, rates requirements would rise.</p>
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Assumption	Owner	Description of Risk	Level of Uncertainty	Potential Effects of Uncertainty on Financial Estimates
		<p>The level of capital projects forecast will be challenging to deliver.</p>	<p>completed for capital projects in Years 1–3 of the Long Term Plan, resulting in full and complete project concepts and briefs.</p> <p>Procurement strategy is in place in the Alliance, while a Procurement Policy applies across the organisation.</p> <p>Council works collaboratively with supply partners, has longer term contracts, building capacity and capability with local contractors and providing certainty of contracts so supply partners can commit to investments in training, development, and equipment.</p> <p>If the projects do fall behind the schedule contained in the Long Term</p>	

Assumption	Owner	Description of Risk	Level of Uncertainty	Potential Effects of Uncertainty on Financial Estimates
			Plan, Council has the ability to revise the speed of delivery in future annual plans and alter rating, development contributions, and borrowing assumptions at that time. Any money already collected can be carried forward to a later year to be used at the point of construction.	

Version Control Table

Version	Date Issued	Review Stage	Submitted to	Status	Comments
1.0	09/02/2026	Initial review by SMEs	SMEs	Draft	Submitted to SMEs for initial review using Track Changes – copy of the changes kept on Teams
2.0	18/02/2026	Reviewed by SMEs	Council	Draft	Submitted to Council through Democracy Services

