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Mr Don Mackay

Senior Advisor

Local Government Commission

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Dear Don

**INFORMATION ON FORECASTCAPITAL EXPENDITURE FOR THE LTP PERIOD 2012-22 FOR THE WAIRARAPA**

Further to our recent discussions I have now undertaken an analysis of the three Wairarapa councils and the Greater Wellington Regional Council LTPs to identify the forecast capital expenditure for the period 2012-22 to be spent in the Wairarapa area.

For GWRC I have received a package of information yesterday although this largely comprised information previously supplied to the Commission.

**Table 1 – Wairarapa related forecast capex; 2012-22**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Council | Capex per LTP 2012-22 ($millions) | | | | |
| Growth Capex | Levels of Service Capex | Renewal  Capex | Total Council Capex | Council % of collective capex |
| Carterton | 2.3 | 3.0 | 37.1 | 42.4 | 17% |
| Masterton | 1.3 | 31.1 | 88.6 | 121.0 | 48% |
| South Wairarapa | 0.4 | 10.9 | 40.2 | 51.5 | 21% |
| GWRC – Wairarapa Flood Protection | nil | 14.5 | 0.6 | 15.1 | 6% |
| GWRC – Wairarapa Rail Capex | nil | nil | 20.6 | 20.6 | 8% |
| **Totals** | **$4.0** | **$59.5** | **$187.1** | **$250.6** |  |

Notes;

1. GWRC Wairarapa Flood Protection – advice from GWRC to the Commission in November 2013 indicates that forecast major flood protection projects collectively amount to $13.2m. The 2012-22 LTP forecasts $15.1m so this amount has been used. In the absence of specific information in the LTP, the categorisation of forecast capex has been based on past capex expenditure.

2. GWRC Wairarapa Rail Capex – this is taken from GWRC advice to the Commission dated November 2013. The forecast period is10 years from 2013/14 to 2023/24. From the information supplied the capex appears to be predominantly renewals in nature.

Pie Chart 1 – Forecast Wairarapa capex 2012-22 by Council

Pie Chart 2 – Forecast Wairarapa Capex 2012-22 by Capex category

**Major Features of Wairarapa Forecast Capex**;

* In total 10 year forecast capex in the Wairarapa area is about $250m or a quarter of a billion dollars
* Masterton District Council accounts for nearly half of the forecast capex
* There is minimal growth related capex forecast – only $4million or 2% of the total. Interestingly Carterton’s forecast growth capex is more than Masterton’s.
* Nearly three quarters of forecast capex is related to the renewal and replacement of existing asset stocks

I hope this information is of assistance to the Commission.

Yours faithfully

Brian Smith

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