

8 September 2023

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Kia ora Chris

Total Interest Cost to Ratepayers

Thank you for your request made under the Local Government Official Information and Meetings Act 1987 (the Act), received 15 August.

Wellington City Council has **granted** your request for information.

1. Total Interest Costs (Estimate) - For years 2023, 2024, 2025 and 2026 - can provide a range best estimate to worst estimate.

Per our Annual plan for 23/24 – Interest paid on borrowings is forecast to be \$60,972m (refer to page 26 [Mahere ā-Tau Annual Plan 2023/24: Part C \(wellington.govt.nz\)](#))

It is reasonable to infer that our interest costs for the remaining years you have requested information for will escalate from there (noting recent increases in base interest rates). A high-level estimate of the outyears, based on the current long term plan forecasts is below:

- 2024/25 – Low \$54m – High \$75m
- 2025/26 – Low \$45 – High \$62m

Please note, these are estimates only and the next debt and interest cost forecasts will be available in the 2024-34 Long term plan which we are preparing now.

2. When do the ratepayers have a say on the debt ceiling?

The next opportunity for Wellington ratepayers to provide feedback on our financial metrics will be through the consultation on the 2024/34 Long term plan. We are expecting to open consultations on our 2024/34 Long term plan during April 2024. Please note that the debt ceiling is beyond the control of the Council, this is set by our funding providers.

3. Please confirm that the council has paid down zero debt in the last ten years.

Our balance sheet is funded on a net basis. We are continuously recycling debt through the mechanism of depreciation and redeploying capacity to new capital projects across the city.

Right of review

If you are not satisfied with the Council's response, you may request the Office of the Ombudsman to investigate the Council's decision. Further information is available on the Ombudsman website, www.ombudsman.parliament.nz.

Please note, we may proactively release our response to your request with your personal information removed.

Thank you again for your request, if you have any questions, please feel free to contact me.

Kind regards

Amber Smith

Senior Advisor Official Information