

3c New Items/Other Adjustments - Operating Expenditure

Department	Description	Expenditure \$	Explanation	Funding Implications
Public Transport	Inflation adjustment on rail and bus service contracts.	965,000	Inflation of 4.7% in the year to December 1999 will flow to contract prices for 2000/01.	Regional rate impact \$479k per year. Balance funded by Transfund.
Investment Management	Increased revenue expected for bank deposit investment	-330,000	Projected interest rates for the 2000/01 year have been reassessed with more current information. Interest rate assumed now 6.75%.	Reduces regional rate requirement by 330k.
Investment Management	Increased revenue from treasury management as assumptions revised given more current information.	-574,000	With WRCH group capital restructure of 15 June 2000 interest paid to the WRCH group will reduce as the current account owed by WRC to WRCH group is reduced. Offsetting this, dividend revenue received from the WRCH group will reduce (see next item). In addition, Council external borrowing requirement has been reviewed in the light of current year surpluses and other projected cash flow requirements.	Reduces regional rate requirement by 574k.
Investment Management	Reduced revenue from WRCH group as assumptions revised given more current information.	304,000	With WRCH group capital restructure of 15 June 2000 interest received from WRC will reduce as the current account owed by WRC to WRCH group is reduced.	Increases regional rate requirement by 304k.
Wairarapa Operations	Decrease in funding requirement for Wairarapa river schemes	-41,000	General rate funding for flood protection in the Wairarapa has decreased by a total of \$41,000 after some minor changes to river scheme maintenance budgets following a review of each Scheme's Asset Management Plan requirement.	No impact on 2000/01. Total decreased general rate requirement of \$41 k over the 10 years.