

Date: Thursday 19 March 2026
Time: Extraordinary -to follow Strategy, Finance and
Meeting Room: Performance Committee
Venue: Council chambers

Tasman District Council

Kaunihera Katoa

MINUTES ATTACHMENTS

ITEM	PAGE
RCN26-03-14 Annual Plan 2026/2027 Changes from the Long Term Plan - updated	
Attachment 1 Annual Plan Rates Options and Impacts Presentation.....	2

PUBLIC FORUM: Council provides the opportunity for public forum input at its ordinary meetings. The views and opinions expressed in public forum do not necessarily reflect the position of the Tasman District Council, Council officers or elected members

Annual Plan Rates options and impacts | extraordinary presentation 19 March 2026



Status

- Annual Plan 2026/2027 consultation document draft was not approved for consultation.
- Staff were asked to come back with an amended draft Annual Plan 2026/2027 consultation document for reconsideration.
- Elected members were requesting the amended draft to consider;
 - a reduced rates number showing
 - Options able to be exercised within AP boundaries
 - Subsequent flow on of those options to ratepayers either through revised rates figures or community impact

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LT1

Opex Pre work

Over the last 2 years in the lead up to the LTP Y3, management and staff have shifted the dial considerably on operational costs. There are multiple instances of avoided costs, shifting costs or absorbing demand.

From Annual Report 2025 :-

“we conducted an organisation wide business review 2024/2025 to reduce operating expenses and keep rates affordable”

- Reprioritised Asset Insurance saving \$700k
- Reduced external consultancy budgets by \$794k
- Sold surplus property to reduce debt

We also faced increased Opex pressures such as...

- Increased software licensing
- Increased remuneration budgets to meet legislative process
- Increased infrastructure and delivery costs

Reminder : we are obligated under the emergency management act to provide resourcing into EOC for emergency events

2025 Weather Event ~15,000 hrs |~ 9 pax

During 2025/2026 we continued momentum to reduce Opex expenditure, led by the TDC Management Team



- Restructure | Redesign TDC
 - **Reduced** staff salary budget by 1.4m
 - **Froze** non critical hiring – maintained
 - **Postponed** FMIS replacement



- Reduced business budgets
 - **Reduced** consultancy budgets further
 - **Reduced** digital asset replacement (slowed)
 - **Reduced** training spend earmarked for staff growth and capability
 - **Reduced** travel spend and subsequent expenses
 - **Reduced** public communication budgets
 - **Reduced** Kaihautū resourcing and service expectations



- Cost avoidance by bringing several external contracted consulting services inhouse
 - **Reduced** reliance on legal external parties by filling delayed recruitment
 - **Reduced** project delivery costs on low risk design services by bringing design tasks inhouse with experienced inhouse capability
 - **LR2**ed new service (LIM team) increasing service levels, reducing legal challenge, with no increase to salary budgets

Slide 3

- LT1** The legal roles weren't frozen - we just struggled to recruit. I suggest this one is removed.
Leith Townshend, 2026-03-16T23:15:57.464
- SM1 0** Can I say delayed?
Sue McLean, 2026-03-16T23:40:42.681
- SM1 1** Reduced reliance on legal external parties by filling delayed recruitment
Sue McLean, 2026-03-16T23:41:10.755
- LT1 2** Perfect!
Leith Townshend, 2026-03-17T00:18:56.230
- LR2** We should have how many hours our staff coded to the emergency events last year. This materially affected Councils work pogram
Leonie Rae, 2026-03-17T19:23:37.463

How we compare

- In an Annual Plan workshop with Elected Members (November 2025), staff shared statistics on how TDC rates compares against councils in NZ
 - Here's a recap of the comparative analysis....

Rates per Rating Unit

★ **Tasman District Council:** \$3668

● **Average:** \$3876

Total revenue difference between TDC and average: \$5,668,900

Rates per Capita

★ **Tasman District Council:** \$1,673

● **Average:** \$1,898

Total revenue difference between TDC and average: \$13,451,400

Rates as a % of GDP

★ **Tasman District Council:** 2.92%

● **Average:** \$2.88%

Personnel Cost per Capita

★ **Tasman District Council:** \$638

● **Average:** \$780

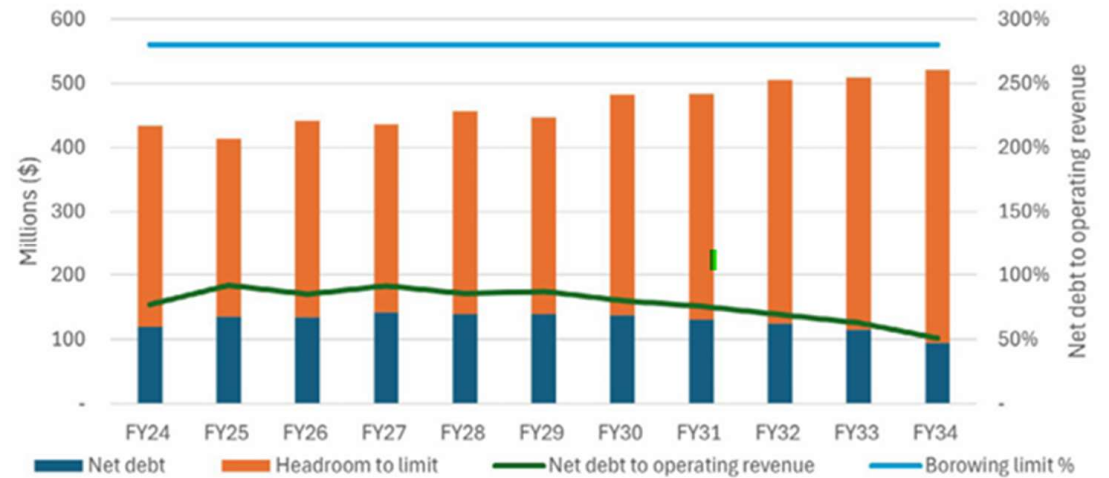
Total cost difference between TDC and average: \$8,491,600

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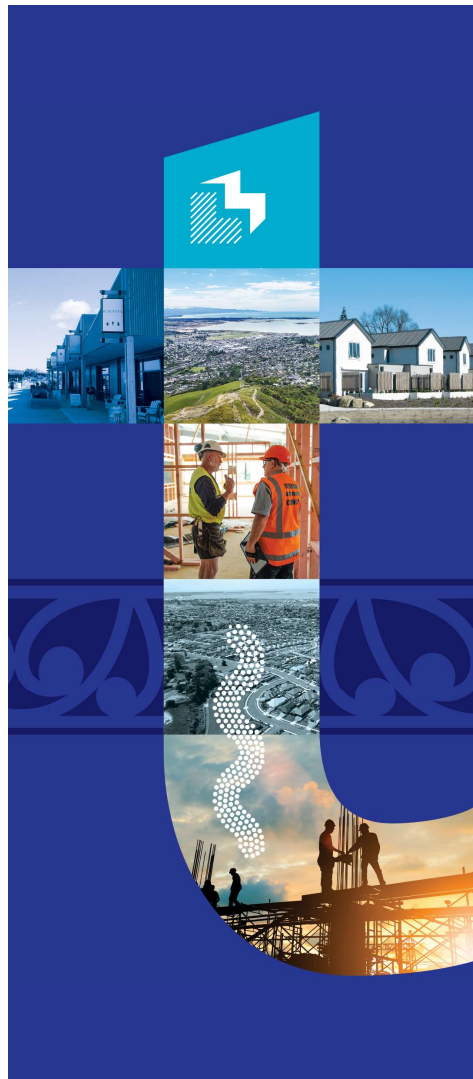
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Net Debt over time



- Majority of debt growth is Three Waters
- Dark Blue is rest of council debt



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Option | AP Re/cut

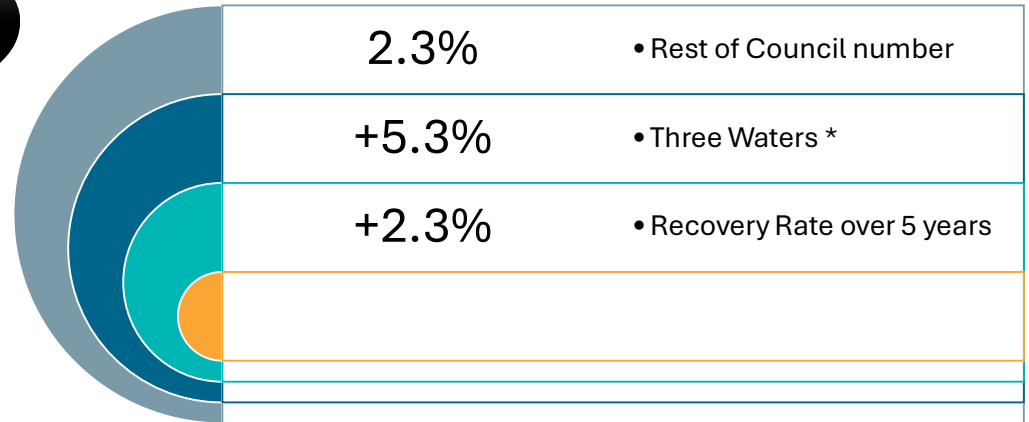


Te Kaunihara o
te tai o Aorere

Original AP

Annual Plan draft numbers baseline

9.9

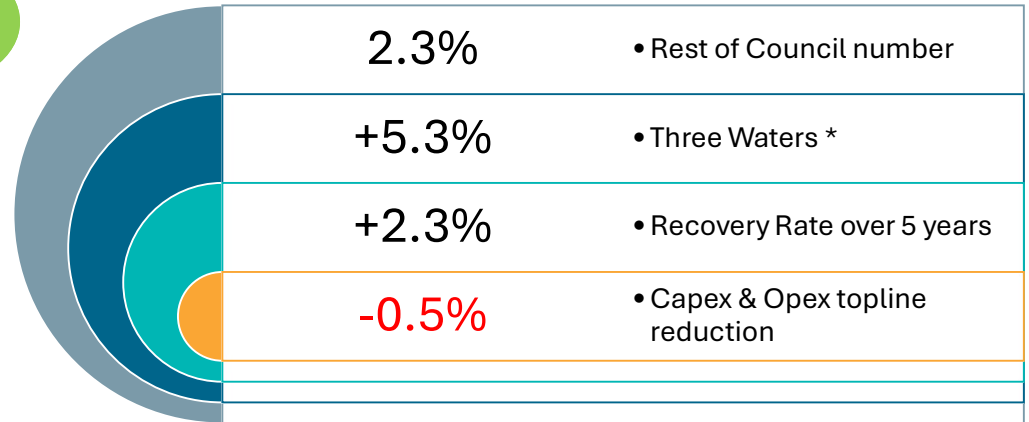


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Option AP.1

Annual Plan draft numbers baseline
 Maintain recovery rate of 5 years
 Topline Capex/Opex reduction %

- Consultation is on the **Weather Event Recovery Rate**, which in Option AP.1 is a period of 5 years.
- Consultation on Community Project/s
- Reduce overall capital and operational LR1 spend across multiple activity groups to limit borrowing and manage rates impacts.
 - *Project approvals will re-test merit, funding source, community impact and risk reduction.*
 - *Increased risk to council's service delivery and community infrastructure needs*



Benefits

Trade-Offs

- Reduced 26/27 rate number

- **Increased** 27/28 rate number to 10.8% from projected 10.4%
- Reduced capital spend could mean **increased risk** depending on prioritisation

*Three waters is included in the capex topline reduction if applicable



Slide 8

LR1 How will this materially impact next years rates? Are we consulting on pausing or removal from the LTP ?? Would that not require consultation?

Leonie Rae, 2026-03-17T19:28:48.974

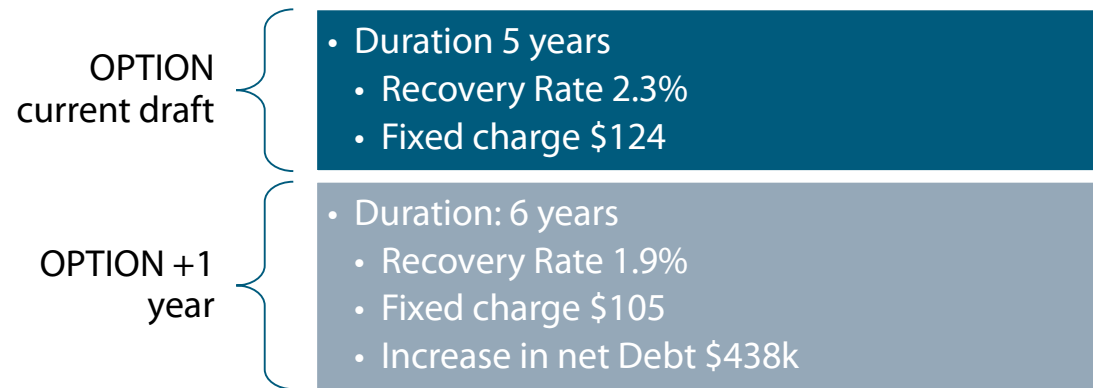
SM1 0 That is the three community projects that we would consult on - as proposed in the AP consultation document. I think the rates impact is super minimal.

So we just kept that in as an assumption.

Sue McLean, 2026-03-17T21:03:36.476

Recovery Rate Duration

- The Draft Annual Plan 2026/2027 includes a targeted recovery rate to help repay the costs of repairing damage from the June–July 2025 weather events, spreading those costs fairly over a 5 years.
- This application of the recovery rate duration is to be used in the further options.



Recovery Rate

Weather event damage figure circa \$46m*
 Expect \$32m through insurance and Waka Kotahi
 Remainder \$14.6m recovered at 2.3%

*subject to change as the Council continue to work through the damage to rivers and AON/NEMA assessments.

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Option AP.2

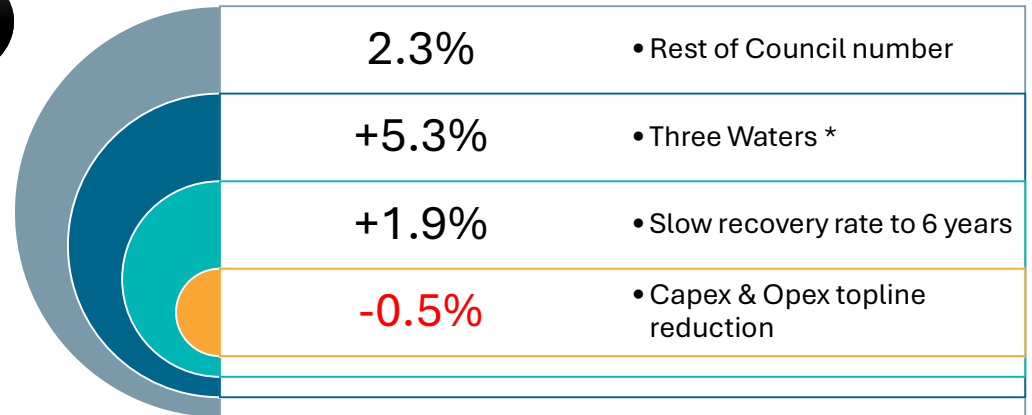
Annual Plan draft numbers baseline

Slow recovery rate to 6 years

Topline Capex/Opex reduction %

- Consultation is on the **Weather Event Recovery Rate**, which in Option AP.2 is a period of 6 years.
- Consultation on Community Project/s
- Reduce overall capital and operational spend across multiple activity groups to limit borrowing and manage rates impacts.
 - *Project approvals will re-test merit, funding source, community impact and risk reduction.*
 - *Increased risk to council's service delivery and community infrastructure needs*

*Three waters is included in the capex topline reduction if applicable



Benefits

Trade-Offs

- Reduced 26/27 rate number
- Debt funding reduction on capex

- **Increased** 27/28 rate number to 10.7%
- Reduced capital spend could mean **increased risk** depending on prioritisation – risk to the community
- Takes longer to pay off recovery rate debt (extra 1yr interest and principal)



Funded Depreciation options

Proposal will impact other resolutions

6 notes that the net impact of cost increases and other changes to the Annual Plan results in a rate revenue increase of 9.9% (excluding growth) and end of year net debt of \$320m for 2026/2027; and

7 *noting that the adjustment to depreciation will also affect the figures

9 agrees to consult on a proposed reduction to the planned increase in funding depreciation from roading by 3.0%, i.e. from 24.0% to 21.0% for 2026/2027; and

Starting Point

- Maintain Depreciation at 24%
- Rates Result: ~11.2%

Draft Annual Plan

- Maintain recovery rate
- Slow funded depreciation to 18%
- Rates Result 9.9%

Or.....

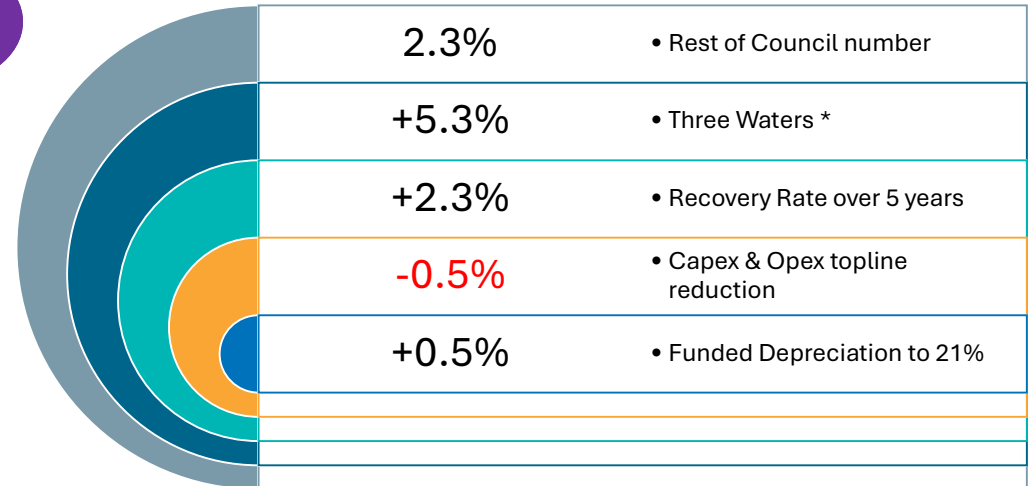
- Maintain recovery rate
- Reduce topline and use that to...
- **Funded depreciation 21% → Rates result: \$9.9%**

9.9

Option AP.3

Annual Plan draft numbers baseline
 Slow Recovery rate of 5 years
 Topline Capex/Opex reduction %
 Funded Depreciation at 21%

- Consultation is on the **Weather Event Recovery Rate**, which in Option AP.1 is a period of 5 years.
- Consultation on Community Project/s
- Reduce overall capital and operational LR1 spend across multiple activity groups to limit borrowing and manage rates impacts.
- Reapply topline reduction back to depreciation



Benefits +

Trade-Offs -

- | | |
|---|--|
| <ul style="list-style-type: none"> • Reduced 26/27 rate number • Depreciation is closer to LTP forecast • Moves closer towards financially sustainable position (Balance Budget Benchmark) | <ul style="list-style-type: none"> • Increased 27/28 rate number to 10.8% from projected 10.4% • Reduced capital spend could mean increased risk depending on prioritisation |
|---|--|

*Three waters is included in the capex topline reduction if applicable



Slide 12

LR1 How will this materially impact next years rates? Are we consulting on pausing or removal from the LTP ?? Would that not require consultation?

Leonie Rae, 2026-03-17T19:28:48.974

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Recovery Rate Funding basis

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