



Progress Update on Early Engagement, Budgets and Strategy Long-Term Plan 2027-2037

Council Briefing: 23 September 2026



Te Kaunihera-ā-Rohe o Ngāmotu

**New Plymouth
District Council**

What's covered in this briefing

- Early Engagement Feedback (40 mins)
- Budget Building Update (60 mins)
- Project and Programme Prioritisation (40 mins)
- Infrastructure Strategy (40 mins)
- Development and Financial Contributions Policy (40 mins)
- Perpetual Investment Fund (40 mins)
- Next Steps



A child wearing a red helmet and a grey shirt is riding a blue bicycle on a wooden boardwalk. The boardwalk is made of wooden planks and has a wooden railing on the left side. The boardwalk curves to the right and leads towards a white building with a gabled roof. The building is surrounded by tall grass and some trees. The sky is blue with some white clouds. The overall scene is bright and sunny.

Early Engagement Update

13 July – 12 Aug

Early Engagement Purpose

To help shape the draft 10-year Plan, we asked the public for feedback on a range of topics, including:

- What Council services matter most
- Satisfaction with current Council Services
- Trade-off's between service levels, fees and charges and rates
- Investment priorities for the next 10 years

Remember – this is just one way to get feedback from the community to add to our understanding



Early Engagement Marketing

A marketing campaign encouraging feedback included traditional and digital media, across external and internal channels.



4 print ads. Daily News (x 3) and Moa Mail combined 56k readership.



8 Antenno posts, reaching just over 5000 people each

Stuff

4 week digital advertising campaign
Stuff (Taranaki target)
103k readers



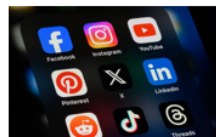
2 media releases
5 pieces of coverage
Across print, radio and online news



44 assets design
print/digital



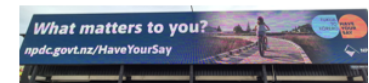
EDMs x3 to
PulseCheckers
(1400) and
Intouch (400)



8 posts on owned
socials(FB, Inst) mix
of organic and paid



Two week
campaign across
NZME and
Mediaworks
stations. Combined
potential weekly
listening audience
of **116,000**



Out of home
Around **200,000**
combined views a day



Early Engagement Respondents

Survey Respondents

- We heard from 673 respondents, 602 via online and hardcopy survey's
- The demographic skewed slightly older aged 65+, even split of male and female

District-wide Drop-in sessions

- Seven district-wide drop-in sessions held over two weeks
- Attendance was low, (41 total). Those who did attend had specific questions and took time to engage with staff
- This suggests drop-in's are not a high reach engagement tool
- Comparing past drop-in's for issue-specific topics, turnout slightly improves, but numbers remain modest

e.g. Water Meter Billing, 7 sessions, total of 66 people / Local Waters Done Well, 2 sessions, total of

68 people



Early Engagement Common Themes

Most common themes:

- Rates affordability, controlling debt and spending restraint
- Core services and infrastructure first
- Transparency, accountability and evidence of value
- User-pays, self-funding and limits of ratepayer subsidies
- Community wellbeing, access and local equity

Feedback will be used to guide cost-saving decisions by highlighting what is and what's not important to the community.



Early Engagement Summaries

- Details of community feedback is summarised for each service area. (Refer to appendix).
- Respondents were asked to rank most to least important for each of the services.
- The survey had open text boxes throughout for respondents to provide their own comments.
- The following slides provide graphs, reflecting the rankings.



Community Partnerships

What Community Partnerships services matter most to you?

Answered 596

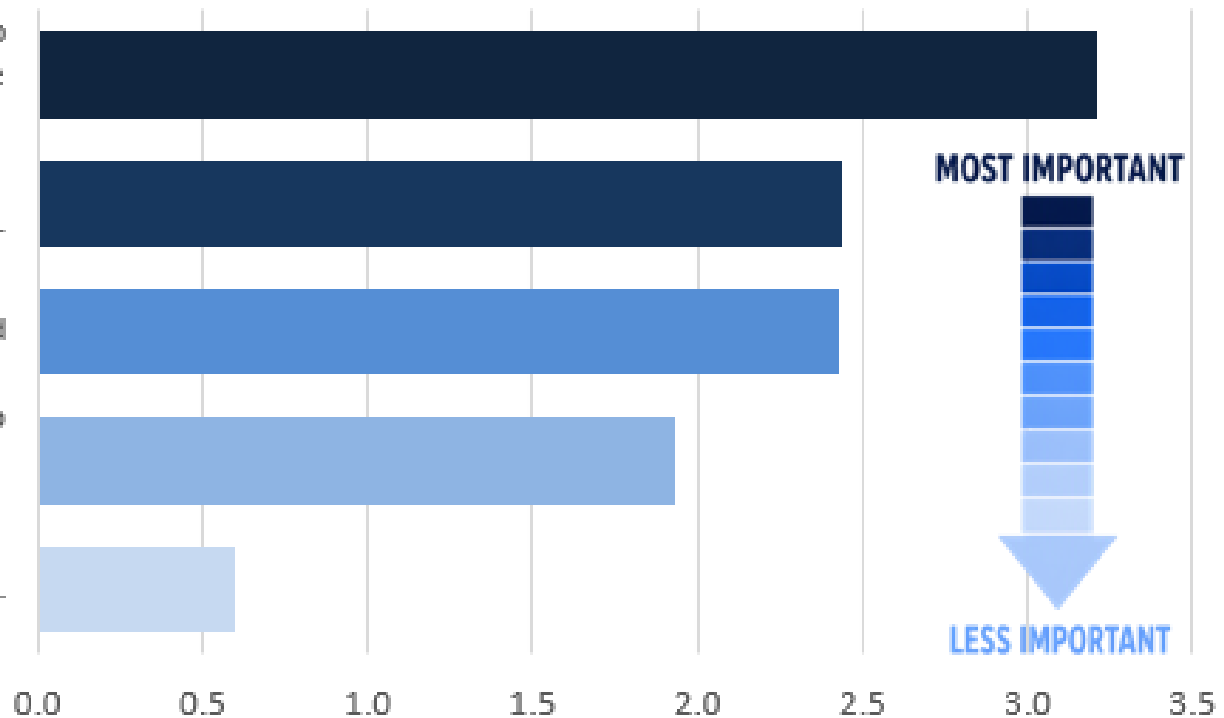
Working with community organisations to deliver services more efficiently to reduce demand on rates.

Funding and grants to community organisations to meet community needs.

Empowering community-led solutions through co-ordination, partnerships, and capability building.

Investing in initiatives that respond to homelessness until there is central government support.

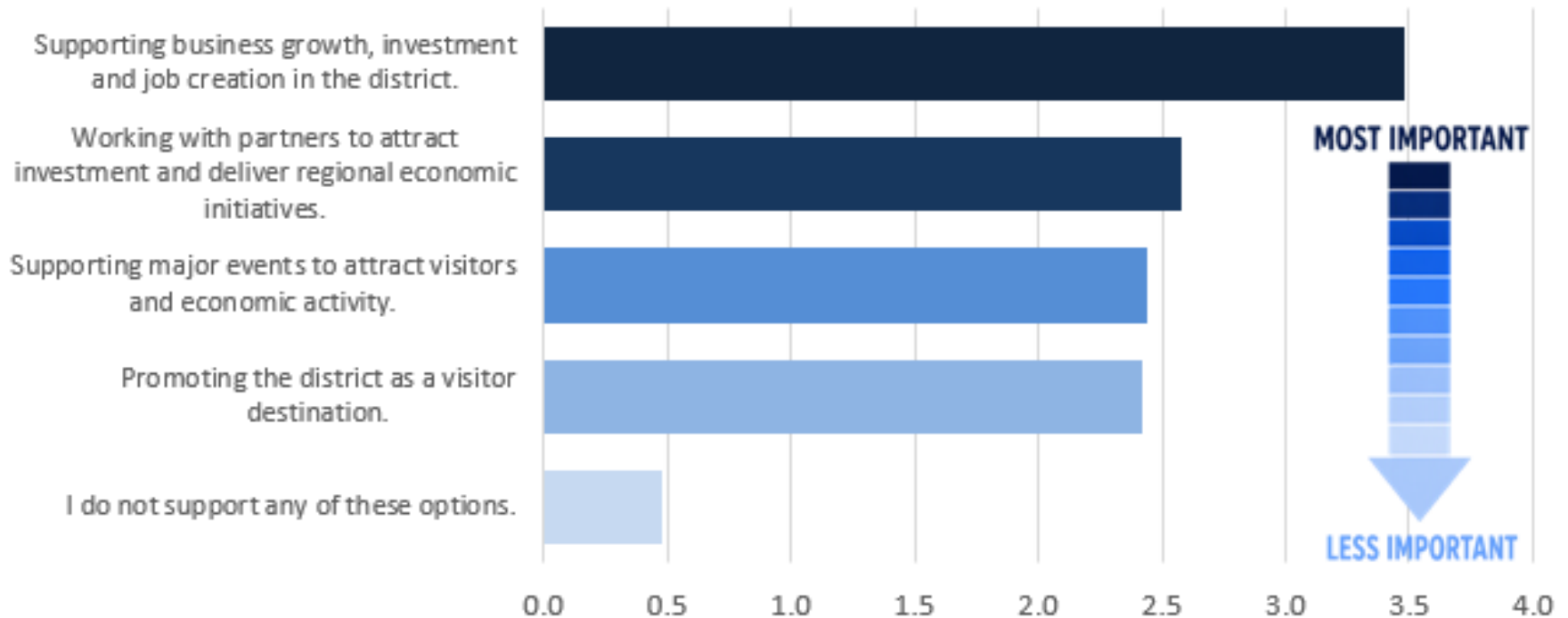
I do not support any of these options.



Economic Development

What Economic Development services matter most to you?

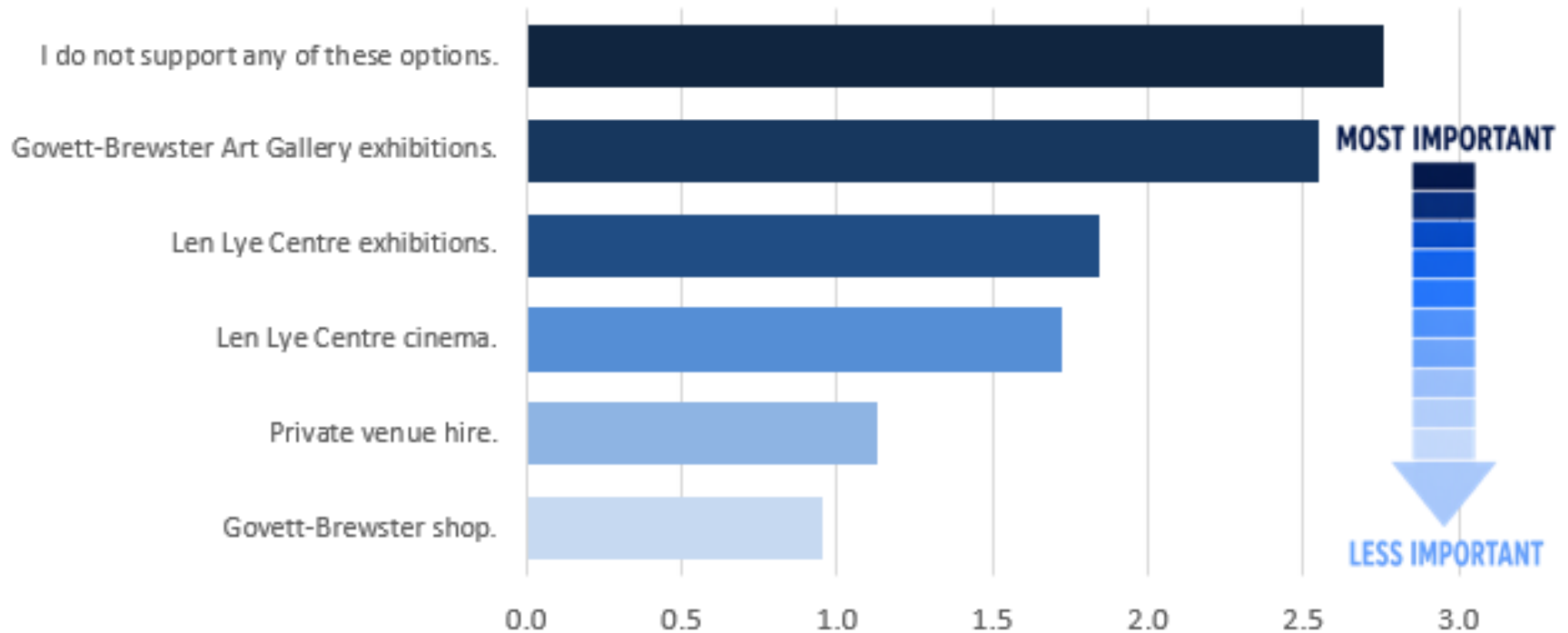
Answered 598



Govett Brewster Art Gallery / Len Lye Centre

What GBAG/Len Lye Centre services matter most to you?

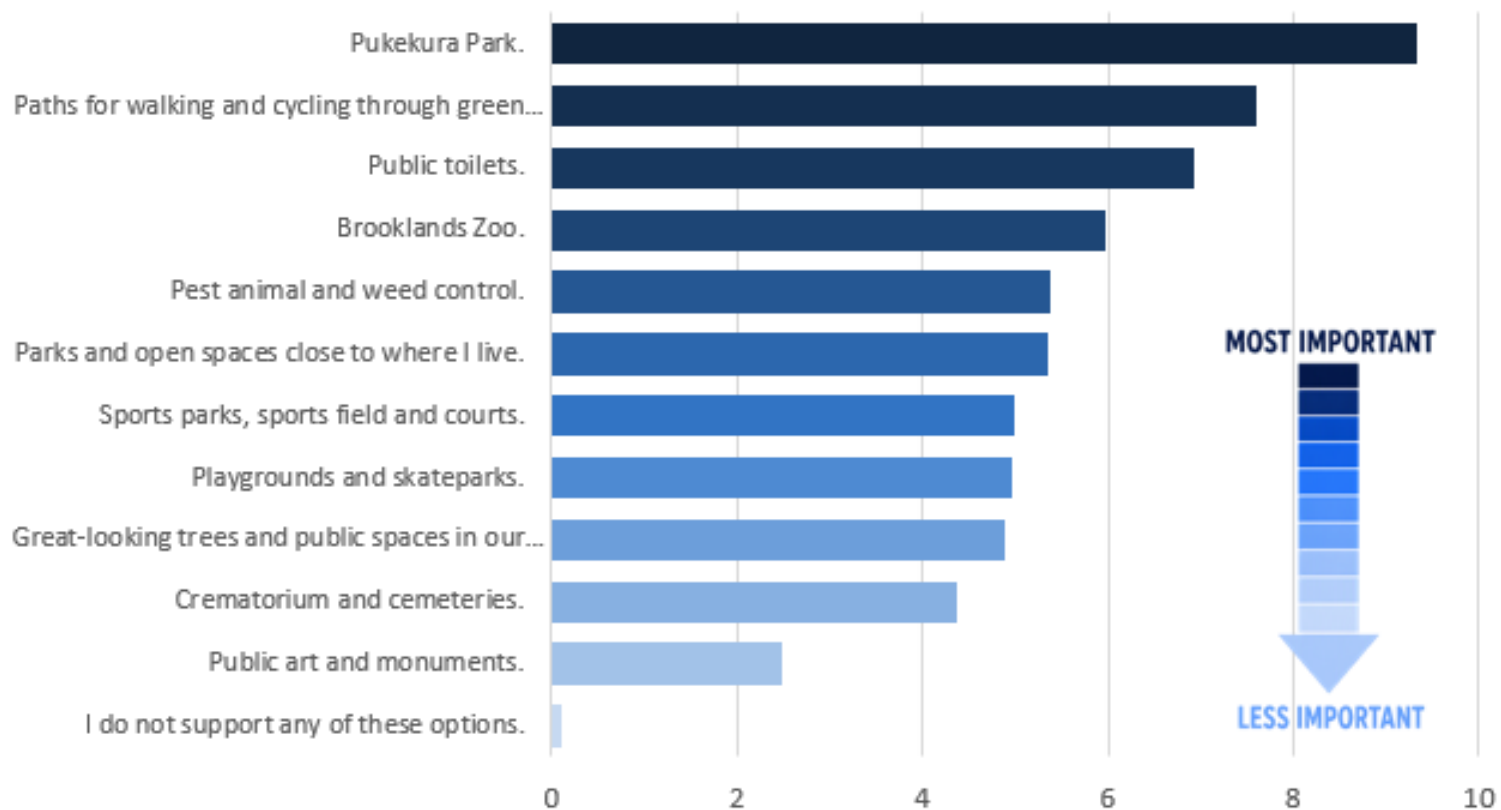
Answered 596



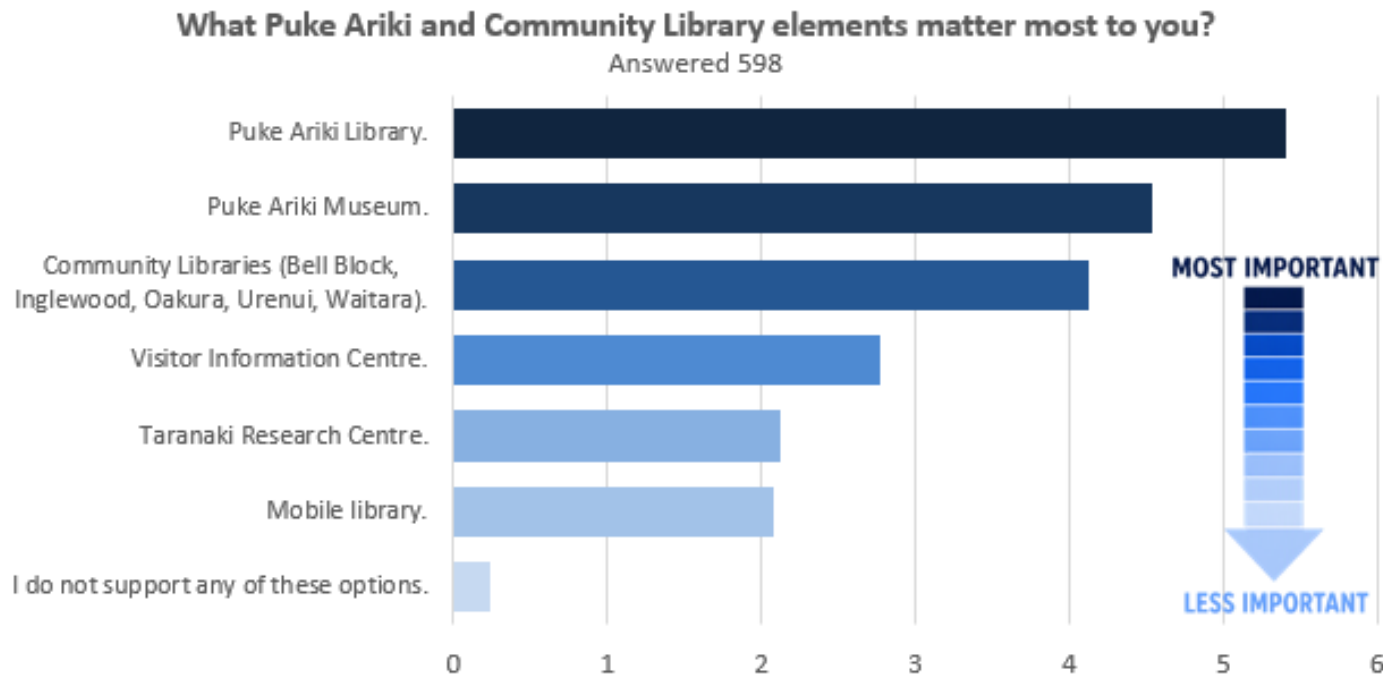
Parks and Open Spaces

What Parks and Open Spaces matter most to you?

Answered 598



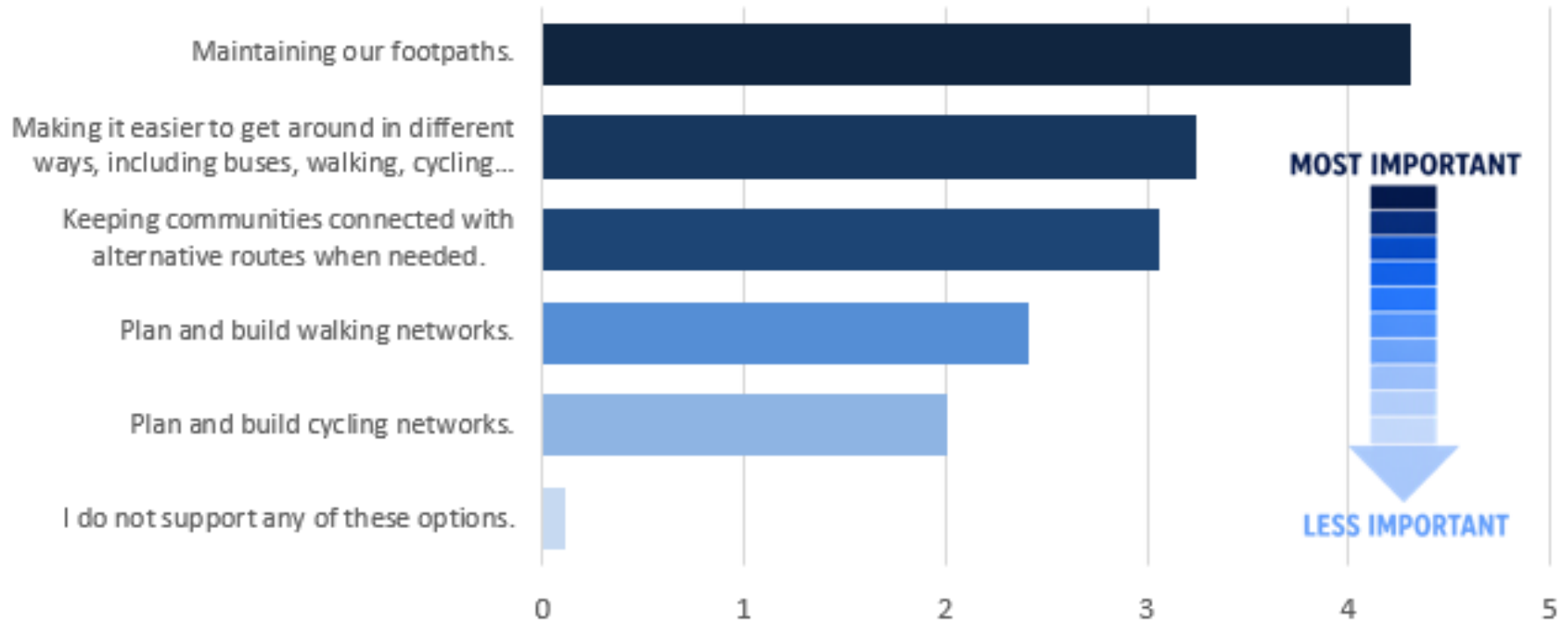
Puke Ariki and Community Libraries



Transportation

What Transportation services matter most to you?

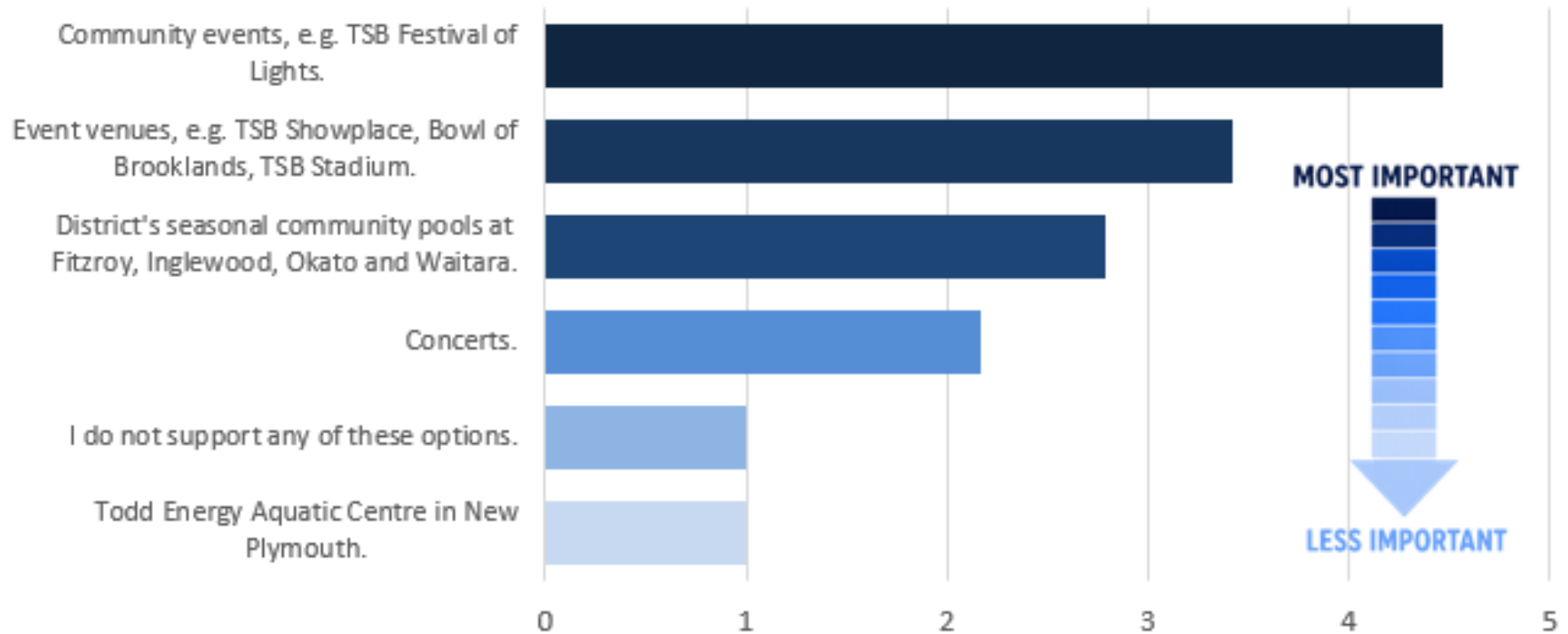
Answered 599



Venues and Events

What Venues and Events services matter most to you?

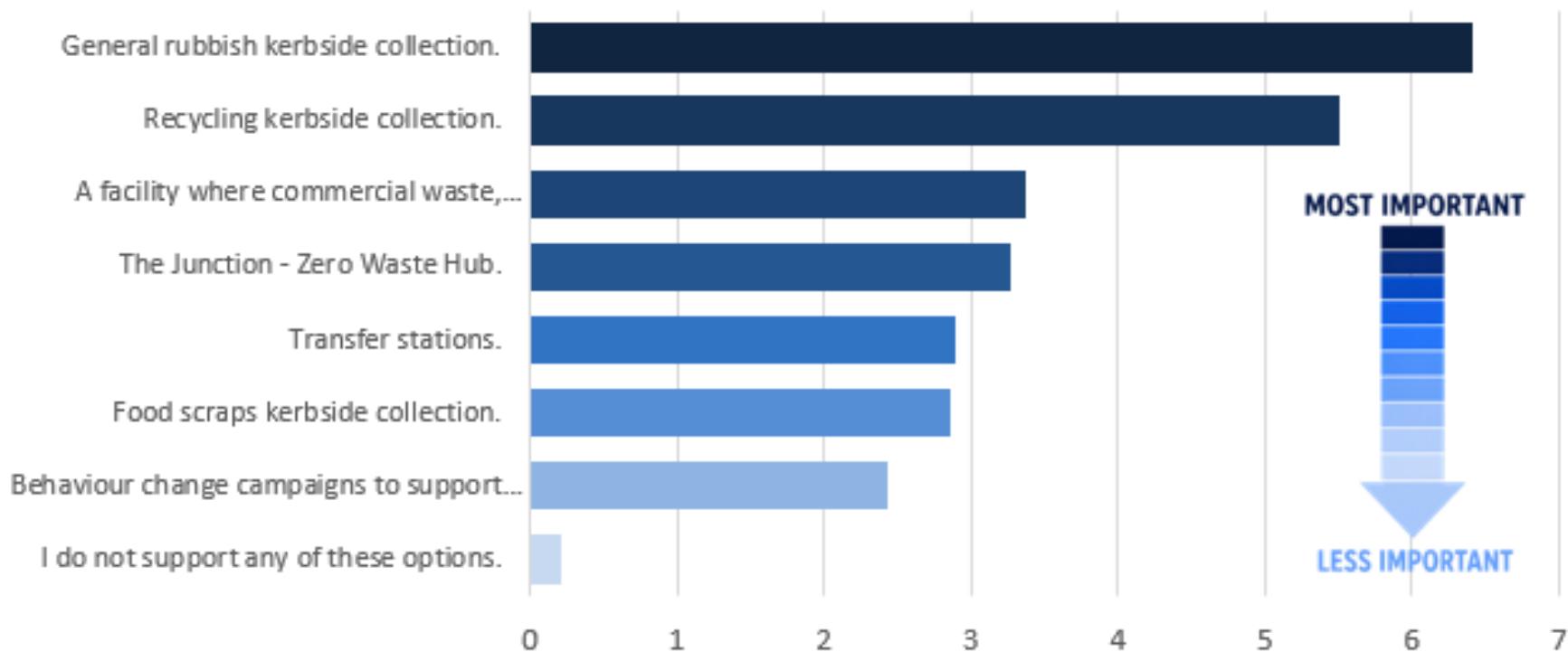
Answered 598



Waste Management and Minimisation

What Waste Management and Minimisation services matter most to you?

Answered 598



Fees and Charges

Animal control – 0% rates subsidy

Crematorium and cemeteries – 25% rates subsidy

Event Venues – 20% rates subsidy

Sports parks – 80% rates subsidy

Swimming pool entry fees – 50% rates subsidy

- Respondents generally favour clearer justification for subsidies, stronger transparency around costs and fairer allocation between user, ratepayer and private providers.
- Views emphasis user-pays for commercial venues and some essential services, targeted support for pools and swimming access.
- Better information needed to guide subsidy decisions.



Development Contributions

Should rates be used more to help fund development and growth in the district?

- A clear majority (57%) said no

Those who did think rates should be used to help fund development were closely split,

- 40% said use rates more, with little impact on overall rates
- 38% said use rates more for a limited time to support growth and the local economy

Feedback sentiment – keep rates affordable, protect core assets and ensure growth funds growth.



Community Board Discretionary Funding

52% of respondents want to keep the level of funding the same.

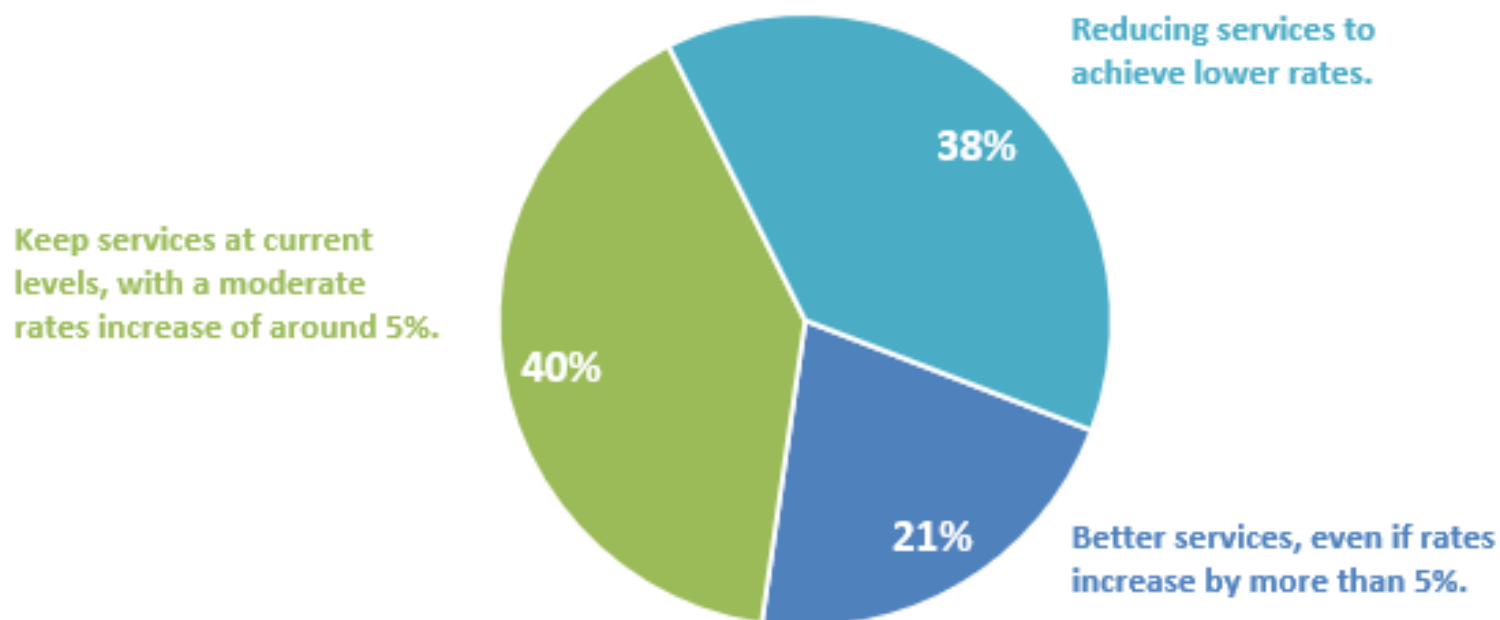
Feedback sentiment - respondents generally support local decision-making but want stronger accountability, clear reporting and better evidence of value.



Choices and Trade Offs

Choices and Trade-Offs - What would you prefer?

Answered 597



Final thoughts from open text comments



Next steps – draft LTP CD engagement (ideas)

- Previous LTP engagement feedback shows that the community values meeting Elected Members in person and speaking directly with decision-makers.
- However, attendance at in-person events continues to decline, and more people prefer to engage online. We will therefore explore how digital tools can complement our engagement approach. This may include videos and live online Q&A sessions on our existing channels.
- We will continue to use both traditional and digital media channels to raise awareness of the consultation topics in the Draft LTP Consultation Document and encourage the community to have their say.
- The final approach and engagement tools will be developed through the communications and engagement plan and will need to consider available resources.
- Heads-up: You will play an important role in leading the conversation and promoting the awareness campaign.



Budget Update





20 August Summary: Fiscal Prudence

- Debt Headroom
 - Funding Seesaw
 - Restated 2026-27 to Exclude 3x Waters
 - Presented the Funding Challenge
 - Borrowing Capacity
- Our Approach
 - Control Rates increase
 - Control Debt increase
 - To balance requires a “trade off” discussion:
 - : Business as usual / Services reduction
 - : Asset condition / Accepting more risk
 - : Project deliverability / Deferral and scope
- Our Tools
 - Project Prioritisation
 - Financial Model with Benchmarks

In the middle of Our Budget Process

Finance Strategy

- **Control Rates increase**
- **Control Debt increase**

Review Service Levels

- **OPEX savings**
- **Revenue adjustments**

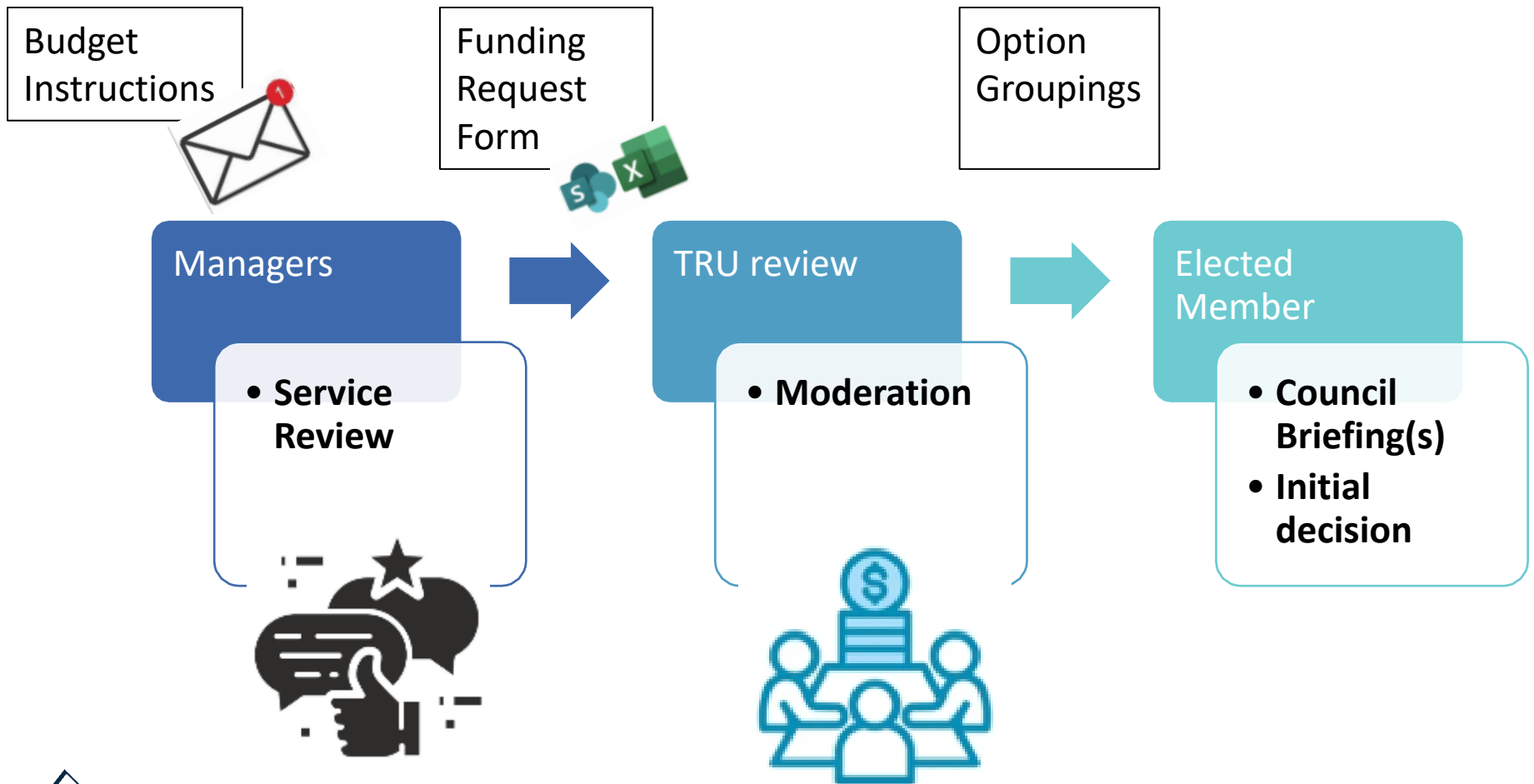
Project Prioritisation

- **AMP need**
- **Deferrals**

Rating impacts

- **Allocations**
- **Uniform Annual Charges**

Budget Meetings Journey



Budget Guidance

Our goal is to deliver a Long-Term Plan (LTP) that provides:

- Timely and transparent information to our community.
- Clear communication about rates impacts.
- A robust and credible consultation process.
- Practical, affordable decisions that balance community expectations with financial sustainability.

Are there better, more affordable ways to deliver the same outcomes?



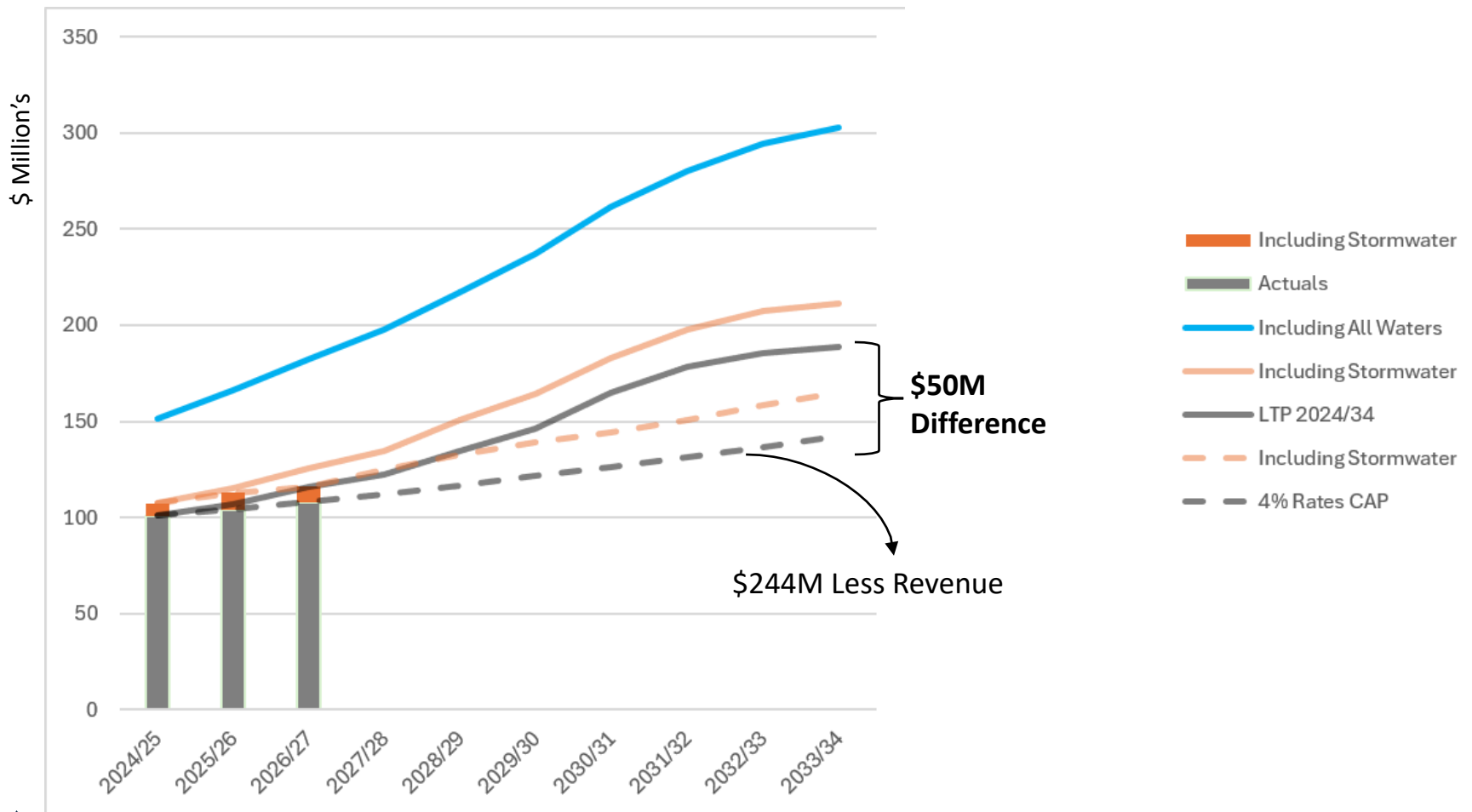
Why this is hard!



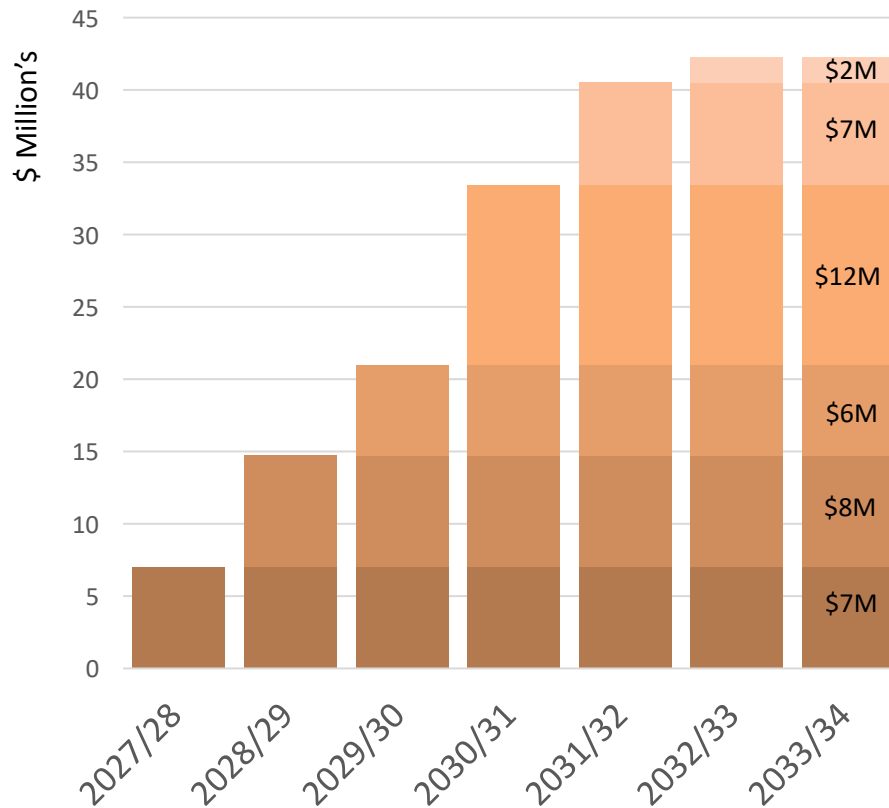
- Summary of previous Decisions
 - Increased spending to slow asset deterioration
 - Drawdown debt (from reserves) and pay back later
 - LTP deficits in early years hard to draw back now
 - ~8.8m off balance sheet still built into current operating model
- Macro economic headwinds
 - Inflation and ratepayer affordability
 - Reforms



Impact of Proposed Limit Rate Capping Amendment Bill



Revenue Cut



Staggered across 7 years
~\$40M in today's dollars

Plus revisiting 2026/27



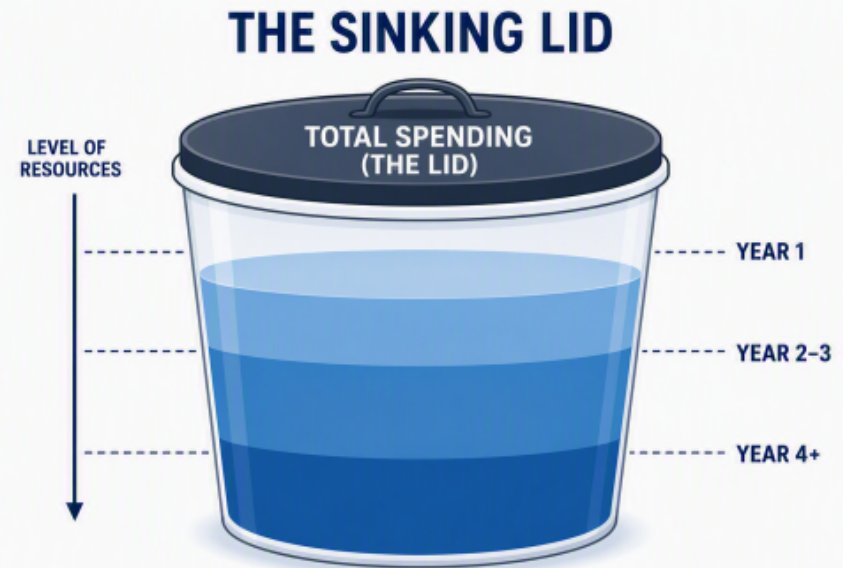
Sinking Lid Opportunities for Next LTP

We can't do it all immediately.

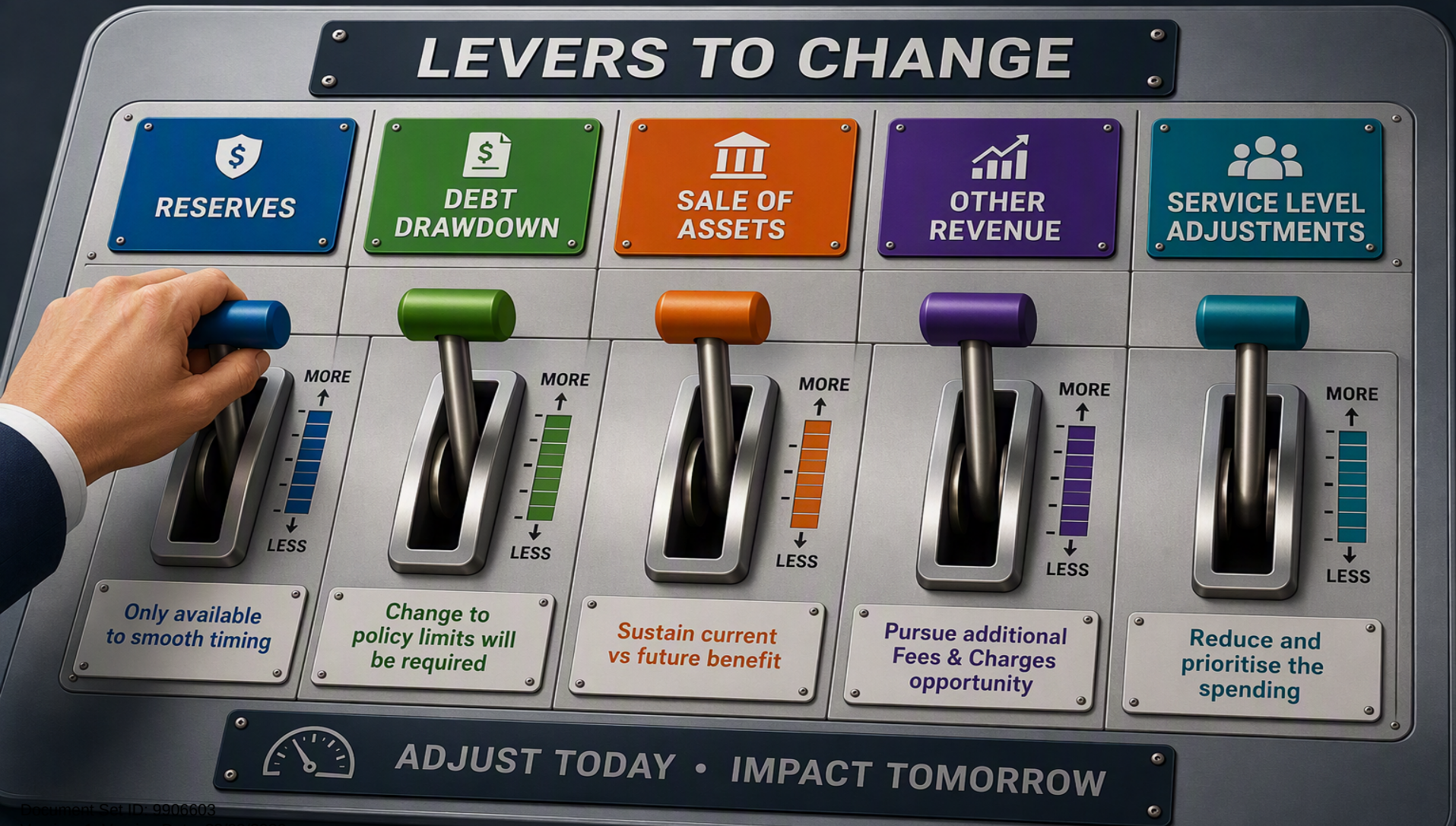
In order to maintain the sinking lid across the 10 years of the LTP – we will need to invest in planning work over the next 2 years to identify opportunities that could be considered and implement in the next LTP.

For example:

- Non-strategic property sales (e.g. halls)?
- Events and Venues pathway work?
- TEAC feasibility and future options?
- Airport shares sale?
- Additional CCO's and debt transfer?



Applying Prudence

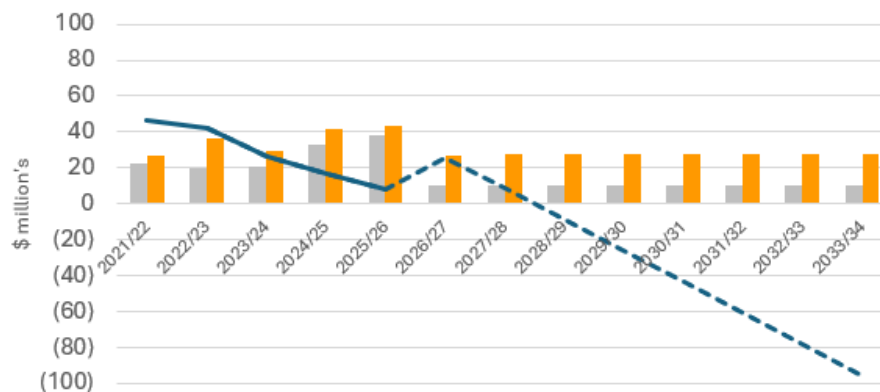


Reserves Limit

LTP 2024-34



Separating Wai Hononga



Projecting 2026/27

Rates funding into Reserve

\$10M per year



Debt Drawdown Limit

The Debt Limit means that our current net interest expense must not exceed 12.5 cents for every dollar of rates revenue.

Rule of thumb

\$1M Rates allows \$125k
interest ~\$3M debt

**Annual \$6M Rates Increase,
allows \$18M debt increase**

2026/27

\$110M Rates allows \$13.7M
interest ~\$330M Gross Debt

Gross Debt forecast

1 July 2027 ~\$310M

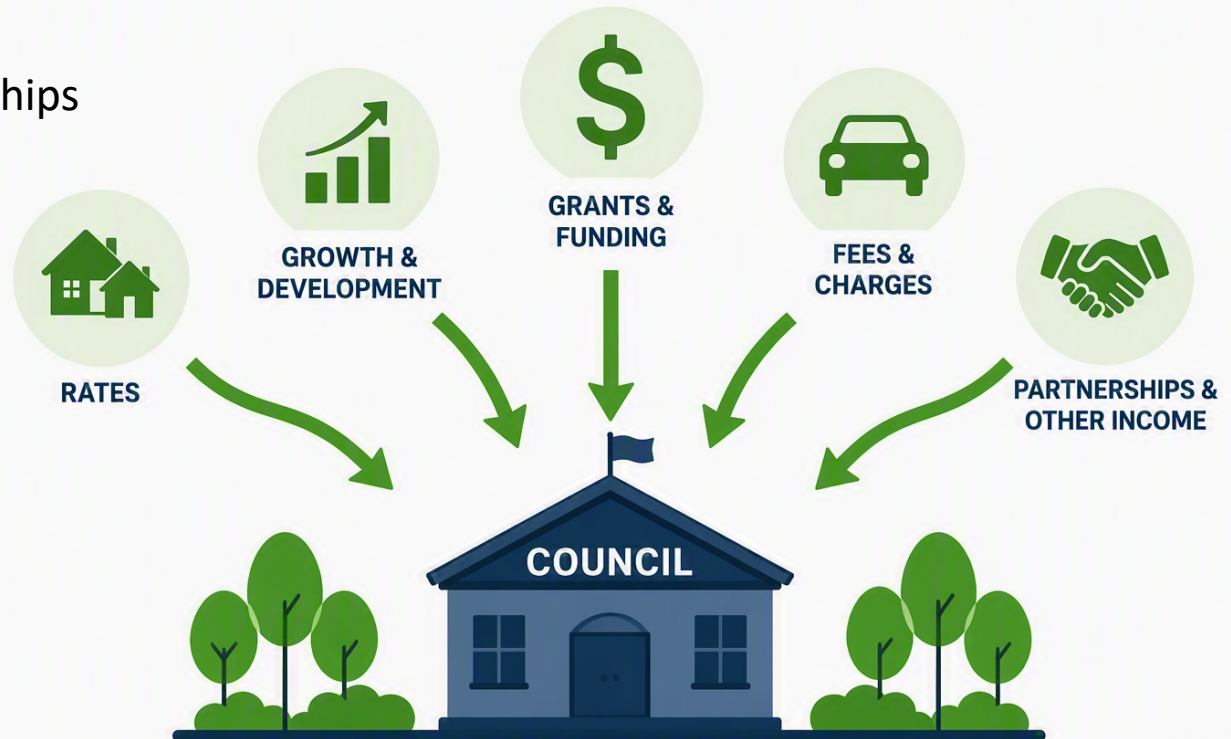


Increased Revenue

Explore other revenue opportunities

For example:

- Private/public partnerships
- PIF release
- PRIP dividend
- Targeted rates





Service Level Adjustments to Date

Service Level Adjustments for EM Consideration ~ \$3m

Examples include:

- Community grants
- Reduced exhibitions
- Marketing
- Subscriptions
- Mowing regularity
- Defer renewals on low volume roads
- Opening hours across Council Services
- Community Board discretionary fund

Service Level Adjustments (BAU) ~ \$3m

Examples include:

- Reduced maintenance across Council Services
- Deliver efficiencies across all Council Services
- User pays analysis across all Council Services



Other Considerations...

Reforms Costs
(Govt required
delivery)
~ \$1.8m

Will treat as an
opex project

- NPDC contribution to Regional Spatial Plan
- Fixed term resourcing for first 3 years

Wai Hononga
(Service Level Agreements)
~ \$7 - 8m

To Be Confirmed –
detailed work in
progress

Examples include:

- HR Services
- Digital Services
- Financial Services
- Fleet

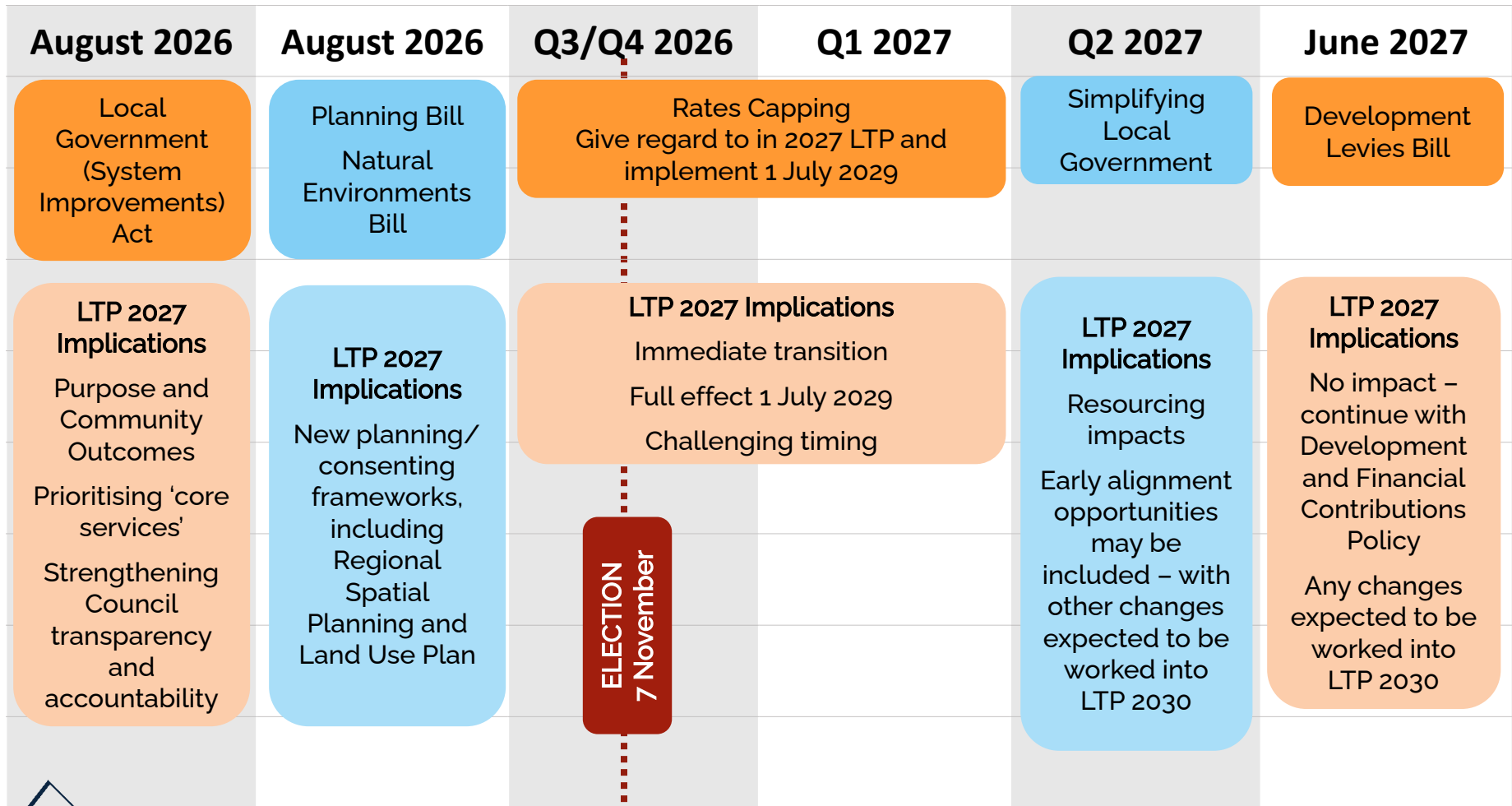
Stormwater Services
Strategy
(Govt requirement to be
separate to LTP)

Opex and Capex
programmes of work

Examples include:

- Stormwater modelling
- Catchment management plans
- Operational response
- Renewals
- Growth projects

Current expected legislative timeline



Next Steps



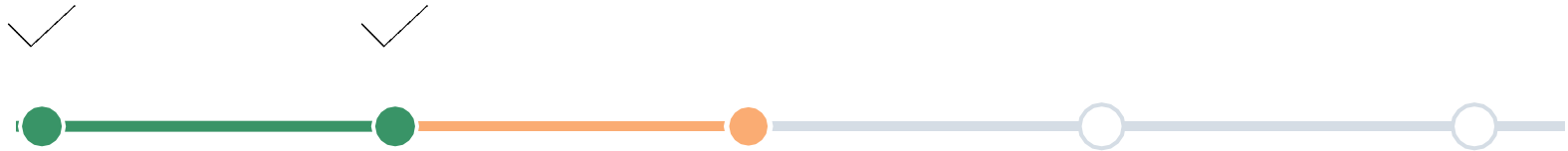
- Further detailed budget verifications
- Outer year (4 – 10) budget details and application of govt rates cap from year 3
- Inputting proposed options and budget reductions into budget model to generate rates %
- Further project review and prioritisation verification
- Separate stormwater services summary and rates %
- Details on service level options (impacts reductions)

22 October Briefing to Council — to show rates outcome, confirmed LOS options, projects, fees and charges, LTP supporting information

Project and Programme Prioritisation



Progress to Date



Programme Development

501 project lines, combining previous LTP and new proposals to form the initial programme for assessment

Prioritisation Scoring

Each project is scored from 0-100 against the prioritisation criteria

Assurance Review

Checks what can realistically be delivered, using recent delivery and spend performance to refine project timing and budgets.

October Briefing

Provides an overview of the prioritised programme, highlighting the big projects and any key considerations

Programme(s) for Consideration

Proposed programme(s) provided for consideration, with supporting information to enable Elected Members to review priorities and make changes



Prioritisation Framework – Initial Assessment

Funding Type	Criteria	Priority
Renewal / Level of Service	Failure or non-delivery would cause serious health and safety harm, service outage or serious environmental harm (high risk and above)	P1
Any	Contractually Committed (Construction)	P1
Renewal / Level of Service	Legislation/Regulatory/Resource Consent – Non-delivery would result in fines or enforcement	P2
Renewal / Level of Service	Consent compliance and critical and strategic asset renewal, governed by the asset management plans	P2
Any	Externally Funded under specific funding agreement with a set deadline (i.e. Te Pae o te Rangi)	P2
Growth	Planned growth approved by Council with agreements in place or planned	P3
Renewals	All remaining renewal projects including programmes and non critical assets	P3
Level of Service	All remaining projects	P4
Growth	Future Growth (Unplanned)	P4

Alignment to Strategic Framework

STRATEGIC FRAMEWORK

Te anga kōkiri o Te Kaunihera ā-Rohe o Ngāmotu



Te Kaunihera ā-Rohe o Ngāmotu
**New Plymouth
District Council**

Thriving Today, Resilient Tomorrow

Goals (Community Outcomes)

	People live well, now and into the future	Needs are met and people feel physically, socially and economically secure
	Core infrastructure is reliable and fit for purpose	Essential services are efficient, resilient and future-ready
	A strong, diverse economy that is agile in a changing world	Employment, innovation, private sector partnerships and enterprise support people and businesses to thrive
	Communities are connected, heard, and proud to live here	Our decisions reflect community voices, strong partnerships, and care for people, place and the natural environment

Matomato i te ao, Manawaroa i te pō

Ngā whāinga (Ngā putanga mō te hāpori)

	<i>Ka ora pai te iwi ināianei ā, haere ake nei</i>	E whakatutuki ana ngā hiahia kia ora ai te taha tinana, te taha hāpori me te ohangatanga hoki
	<i>He kaha, ā e hāngai ana ngā hanganga matua ki te pūtake</i>	He rawe, he aumangea ngā ratonga matua haere nei te wā, haere nei te wā
	<i>He ohanga kanorau e moruki ana i te ao hurihuri</i>	Nā te mahi, te auahatanga, ngā hinonga me te rāngai tūmataiti, e ora ai te tāngata me ngā pakihi
	<i>E honohono ana, e rangona ana, e whakahīhi hoki ana ngā hāpori o te rohe</i>	Ka whakaata ngā whakataunga i te reo o te hāpori, ngā ara tūhonohono me te manaakitanga o te tangata, te whenua me te taiao



Reminder: Overall Prioritisation Calculation

$$\text{Prioritisation Score} = [\text{Priority Rate} \times \sum (\frac{\text{Outcome Score}}{5}) \times \text{Outcome Weighting}] \times 100$$

Initial Assessment
based on criticality

Alignment to Strategic
Framework

Summary of Priority



- The initial assessment provides a strong indication of where each project is likely to sit, within the overall prioritisation framework
- Proposed budgets and prioritisation scores remain subject to change through the Assurance Review.
- The next slides focus on projects according to their current P1–P4 assessment.



Examples of P1–P4 Projects

P1

**Committed or
Immediate Risk**

Tūparikino Hub
TEMO ICT Equipment

P2

**Required based on
AMP or Compliance**

Resource Consent Renewals
Transfer Station Upgrades

P3

**Planned
Programmes**

TSB Showplace Renewals
Land Purchases in Confirmed Growth Areas

P4

**Discretionary or
future growth**

Transportation Intersection Improvements
Bell Block Library – New Build



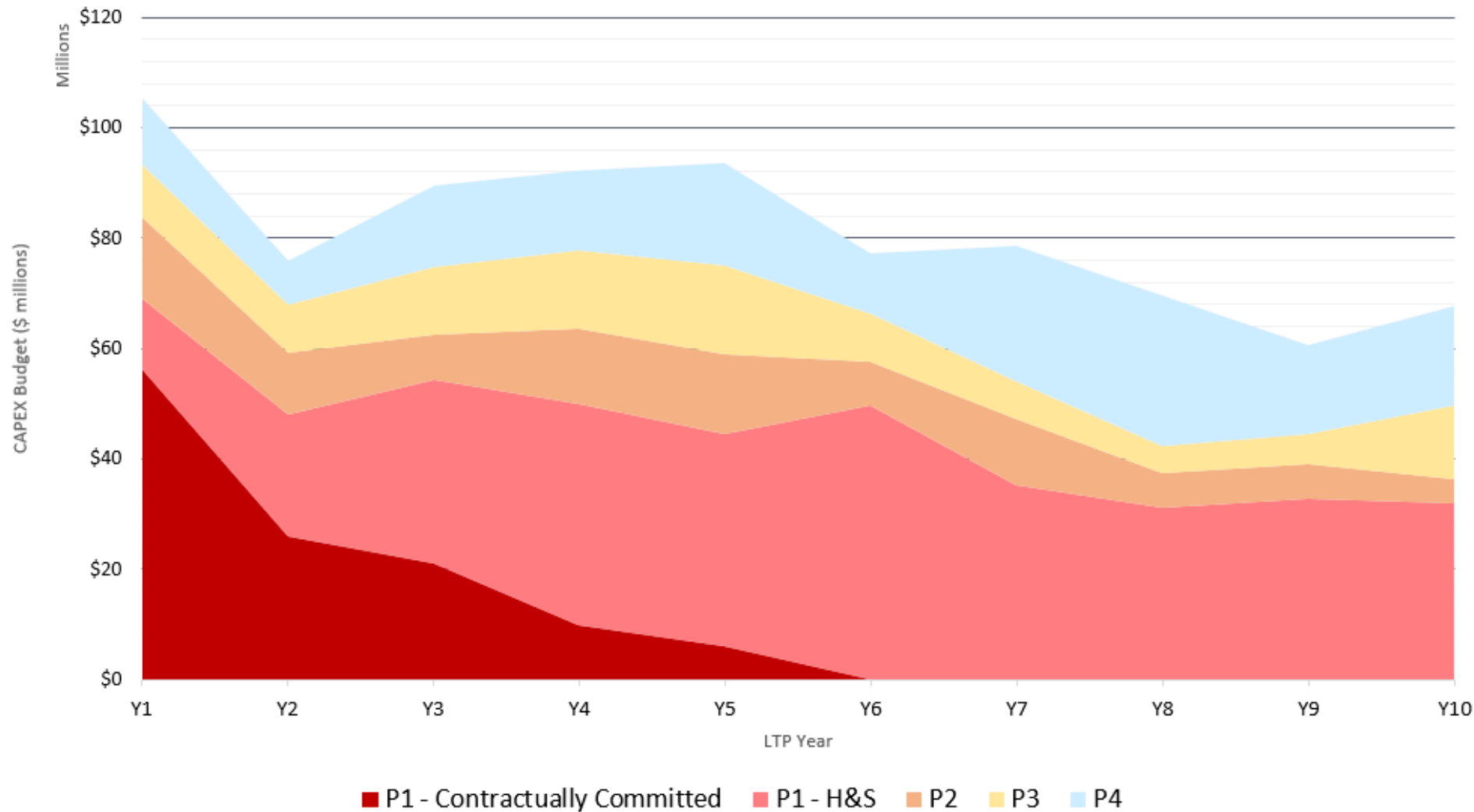
Contractually Committed Category

- Provides an initial view of P1A contractually committed projects and the impact on the LTP Year 1 budget.
- These projects represent significant committed expenditure, reducing funding available for other priorities.
- Once committed, there is limited ability to defer or change projects without financial or contractual implications.

Funding Type	Criteria	Priority
Any	Contractually Committed (Construction)	P1A
Renewal / Level of Service	Failure or non-delivery would cause serious health and safety harm, service outage or serious environmental harm (high risk and above)	P1B



Current overview of CAPEX programme P1 – P4



■ P1 - Contractually Committed ■ P1 - H&S ■ P2 ■ P3 ■ P4

Three Funding Scenarios



- Three funding scenarios will be developed based on constrained, moderate, and maximum affordable investment capacity.
- Each scenario will show which projects sit above and below the funding line, clearly illustrating the trade-offs required.
- This will support Elected Members to understand the implications of different investment choices and the projects that may need to be deferred under each scenario.
- Year 1 will have less flexibility due to the level of existing contractual commitments.



Stormwater Projects



- Stormwater projects will follow the same project prioritisation process as other Council activities.
- The prioritised programme will also need to align with the Water Services Delivery Plan.
- The assurance review will consider the balance between the investment identified in the Delivery Plan and what can realistically be delivered.



Te Tiriti Outcomes Prioritisation Update

The prioritisation process brings together different types of information to support informed decision-making.

- Statutory obligations, including those relevant to Te Tiriti, are recognised through the Initial Assessment.
- Te Tiriti Outcomes alignment is provided alongside the prioritisation score so that project contributions are visible and can be considered in context.
- This provides Elected Members with both the prioritisation assessment and broader outcomes information when considering the programme.
- Elected Members can then consider the relative priorities, outcomes and trade-offs when shaping the programme.



Example of Information to be Provided

Priority Rate	Prioritisation Score Outcome	Tiriti O Waitangi Outcome 1	Tiriti O Waitangi Outcome 2	Tiriti O Waitangi Outcome 3	Tiriti O Waitangi Outcome 4
P1	60	Rangatiratanga	nga Taiao, Oranga Tāng	Ōhanga puāwai	
P2	48	Rangatiratanga			
P1	60		nga Taiao, Oranga Tāng		
P4	12				
P1	60	Rangatiratanga	nga Taiao, Oranga Tāng	Ōhanga puāwai	
P2	52	Rangatiratanga	nga Taiao, Oranga Tāng	Ōhanga puāwai	hurea Tuakiri Kaha Raw
P4	14				
P2	48	Rangatiratanga	nga Taiao, Oranga Tāng		
P3	36			Ōhanga puāwai	
P3	15	Rangatiratanga			
P1	50	Rangatiratanga	nga Taiao, Oranga Tāng	Ōhanga puāwai	hurea Tuakiri Kaha Raw
P3	39				
P3	42				



What to Expect at the Next Briefing

- **Big Projects:** Key decisions and considerations across both CAPEX and OPEX projects.
- **Delivery and Planning:** Which Big Projects are proposed for delivery in **Years 1–3**, and which require planning during this LTP to enable delivery in future years.
- Further information will include:
 - Contractually committed projects
 - Future of the Aquatic Centre
 - Bell Block Library new build
 - CBD Strategy projects
 - ERP
 - Historic landfills – Battiscombe Terrace



What to Expect at the Next Briefing

- Further detail on the Stormwater programme and key considerations.
- Indicative programme costs and funding requirements.
- How the Assurance Review has informed and shaped the proposed programme.
- Projects included in the previous LTP that are not proposed to be removed or pushed to the Infrastructure Strategy.



Infrastructure Strategy

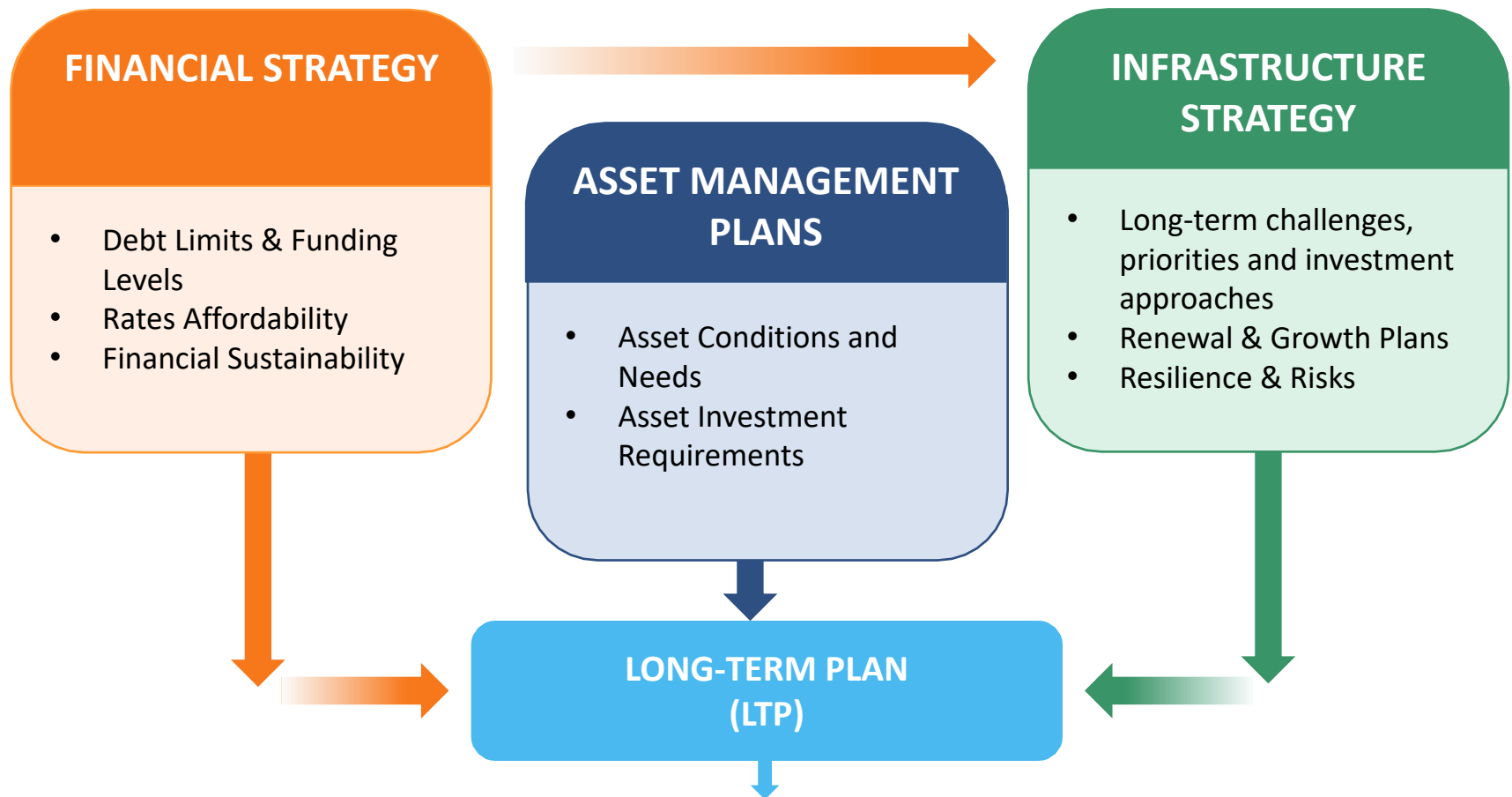


Purpose of the Infrastructure Strategy

- Our long term focus - 30 year horizon
- Required under the LGA to:
 - Identify significant infrastructure issues for the local authority in the long term (30 year period)
 - Identify the options for managing those issues and the implications of those options
- Water Services Entities Amendment Act provides that the IS does not need to include the Three Waters



How the Infrastructure Strategy Fits Together



What has changed since 2024?

Improved understanding of:

- Asset condition
- Renewal requirements
- Future investment needs

The strategic environment has evolved:

- Aging assets and increasing renewal demand
- New regulations
- Increasing cost pressures
- Community expectations



How these changes are shaping infrastructure decisions

Providing infrastructure for an evolving district

- Aligning infrastructure with growth and development patterns.
- Enabling housing, business, and industrial growth.
- Responding to changing demographics and community aspirations.



Delivering agreed service outcomes for our community

- Providing reliable and quality services.
- Maintaining sufficient network capacity and performance.
- Meeting agreed service standards and community expectations.

Maintaining asset performance, reliability, and value over time

- Protecting asset reliability and public safety.
- Managing asset condition and performance.
- Optimising whole-of-life costs and affordability.

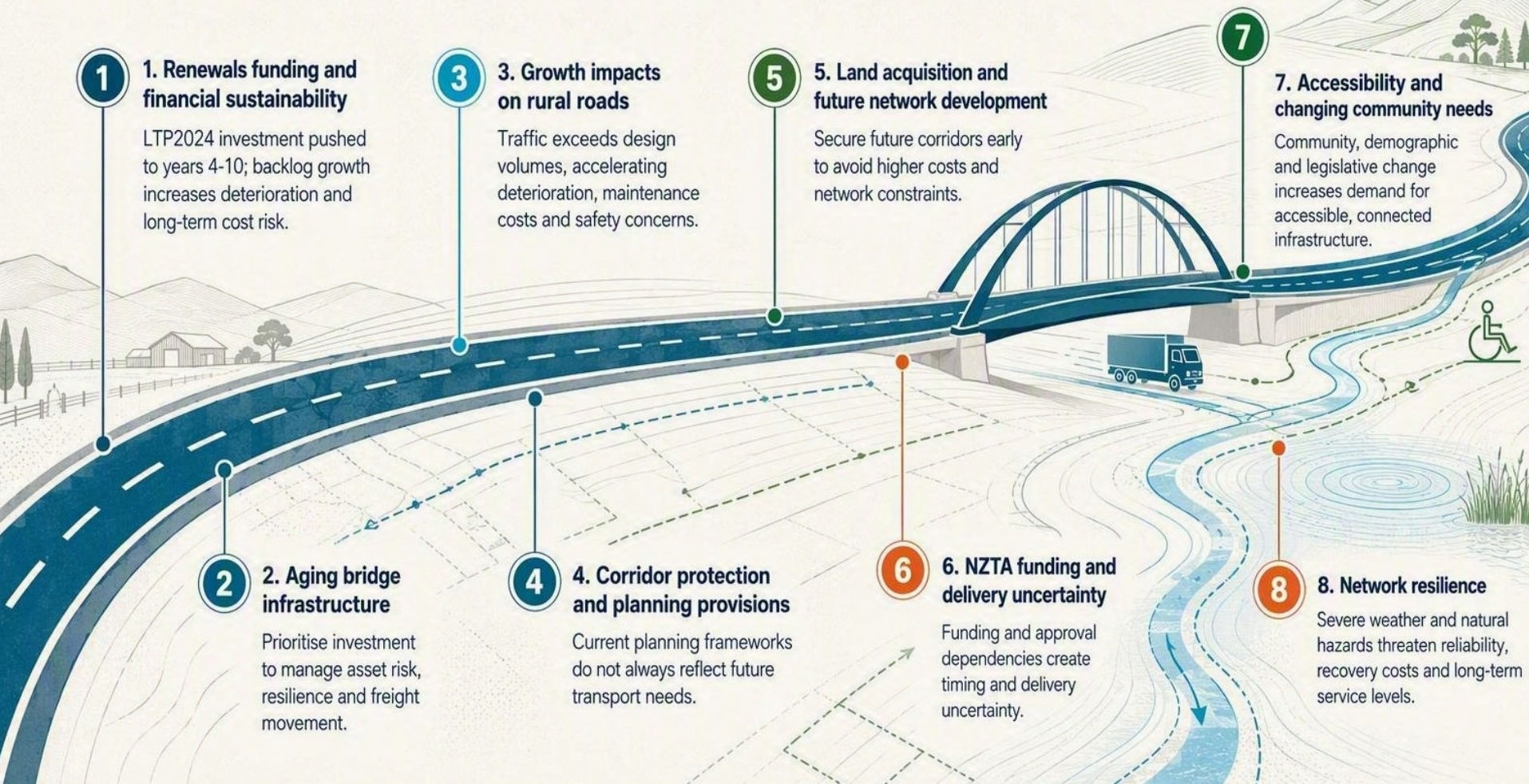




Common Infrastructure Challenges

Decision Driver	Key organisation-wide challenges
Renewals	• Aging infrastructure • Asset and condition knowledge • Inflation and cost pressures • Maintenance planning and resourcing
Growth	• Demographic shifts • Uncertainty about demand and growth patterns • Land acquisition • Ongoing affordability of growth • Planning quality
Levels of Service	• Evolving community expectations • Service level affordability • Natural hazards and forecast climate change • System and supply chain vulnerability

Transportation – Key issues



Flood Protection – Key Issues

1. Dam safety compliance and regulatory requirements

New regulations require detailed assessment of Council's flood protection dams; investigations indicate upgrades may be needed for future compliance.

2. Investment in ageing flood protection assets

Network assessments identify potential renewal or upgrades; ongoing monitoring and condition assessment will clarify long-term investment needs.

3. Future flood risks and community expectations

Increasing flood frequency and severity may challenge future levels of service; balance risk, resilience, compliance and affordability.



Parks & Open Spaces – Key Issues

1

Increasing renewal demand and ageing assets

- Renewal requirements are growing across the network, particularly for ageing structures, bridges, boardwalks, shelters and play equipment
- Limited funding requires careful prioritisation of renewals to manage safety, service and cost risks.

2

Affordability of premium community assets

- Premium parks and destination facilities provide significant community and visitor benefits, however have higher maintenance, operational and renewal costs than standard infrastructure.
- Council faces ongoing affordability challenges where asset design and materials increase whole-of-life costs.
- Council needs to make investment decision that consider the whole-of-life costs, and balance the benefits of premium facilities with their ongoing operational and maintenance costs

3

Growth is creating demand for new open space assets

- Growth is increasing demand for parks, recreational facilities, cemeteries and open space connections.
- Additional land acquisition and asset development will be required to meet future needs.
- Network expansion must be balanced against the long-term maintenance and renewal costs it creates.



Venues & Events – Key Issues

1

Future role of the network

- Changing demographics, recreation trends and community expectations are influencing how facilities are used.
- Council needs to determine the long-term role, scale and configuration of facilities to ensure investment aligns with future needs.

2

Ageing assets and renewal requirements

- Many facilities are approaching major renewal, refurbishment or replacement decision points.
- Improved asset information is needed to support investment prioritisation and ensure facilities remain safe, resilient and fit for purpose.

3

Affordability and value for money

- Operating, maintaining and renewing sporting, aquatic, cultural and events facilities requires significant ongoing investment.
- Council must balance community expectations and levels of service with affordability.



Waste Management – Key Issues

1 Historic landfill risks

- Historic landfill sites require ongoing management to address environmental risks, erosion and regulatory obligations.
- Battiscombe Terrace landfill presents the most significant risk due to coastal erosion and storm surge exposure.

2 Financial sustainability of resource recovery services

- Community demand for recycling, reuse and diversion services continues to grow, particularly in rural areas.
- Some services are operating at a cost that exceeds current revenue, creating affordability and funding pressures.

3 Future organics processing

- Organic waste is currently transported outside the region for processing, increasing costs and emissions.
- Identifying an affordable and scalable regional organics processing solution remains a key strategic challenge.

4 Closed landfill management

- Council has ongoing responsibility for the closed Colson Road Landfill.
- Continued investment is required to meet consent conditions, manage environmental risks and protect surrounding communities and ecosystems.



Cultural Experiences – Key Issues



1

CBD change

Cultural assets must adapt to changing city centre activity and support the long-term vision for a vibrant, connected CBD.

2

Evolving cultural facilities

Major cultural facilities need to evolve to meet changing community expectations, attract new audiences, and maximise social, cultural and economic value.

3

District library network

The future role and investment priorities of the library network need to be defined to meet changing community needs and population growth.

4

Financial constraints

Financial pressures risk delaying strategic investment and could lead to short-term decisions that compromise long-term cultural outcomes.

Council choices over the next 30 Years

Decision Driver	Key Questions
Renewals	• What level of asset deterioration and risk is Council willing to accept? • What facilities should be renewed, upgraded or reconfigured? • When should Council address renewal backlogs?
Growth	• How much infrastructure is needed to support future growth?
Levels of service	• What services can Council sustainably afford? • What services should be maintained, improved, or reduced? • What level of protection and resilience should be provided?



Development and Financial Contributions Policy

- Development Contributions (DCs) and Financial Contributions (FCs) are a source of funding available to Council
- Policy required by LGA to provide predictability and certainty about sources and levels of funding
- Sets how growth-related capital costs are funded
- Explains - who, what, why, when and how much \$



Development and Financial Contributions

Development Contributions (DCs)



Enable territorial authorities to recover from those persons undertaking development a **fair, equitable, and proportionate** portion of the total cost of capital expenditure necessary to service growth over the long term

Financial Contributions (FCs) – phasing out

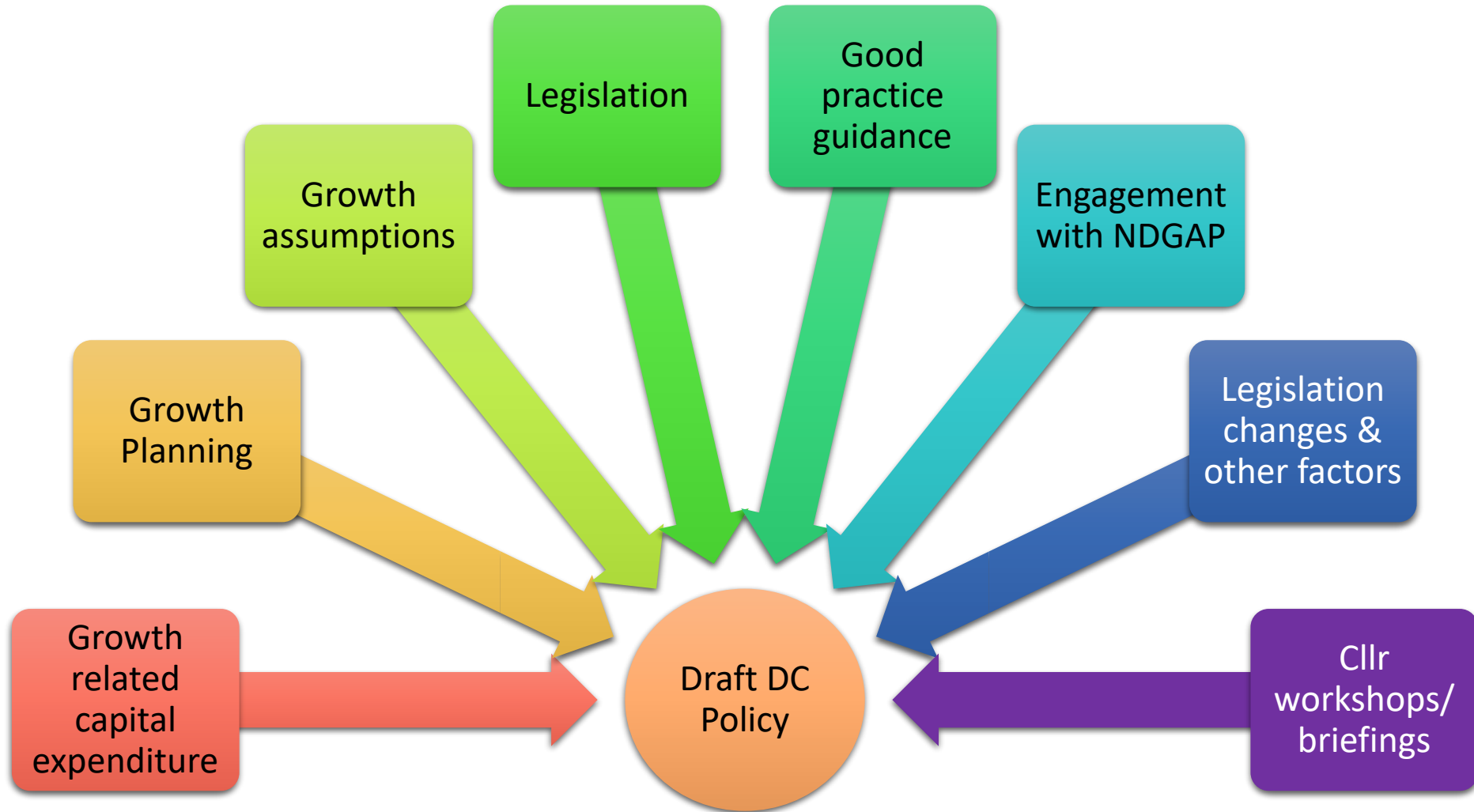


RMA and District Plan related

Address impacts of development on network infrastructure, areas of new open space

District Plan does not include provisions to require FCs as such Council does not currently use FCs as a funding source

Key inputs into DC Policy review



What we've been working on

- Clarity on credits
- Definition of bedrooms/charge for additional bedrooms
- Timing of invoice and payments
- Considering special assessment and GFA approach for non-residential
- Consideration of legislative changes – LGWSA (CCO with respect to Water and Wastewater)
- Watching brief on Development Levies and how it may impact us



What we've been working on

- Updating growth assumptions
- Update growth planning (location and type of future growth e.g. development areas, any changes to catchments etc)
- Update growth related capital expenditure (determination of growth projects) – subject to LTP project process
- Engagement with NDGAP.



Growth assumptions

The Population Projection for 2027-2037 has dropped significantly since the last LTP 2024

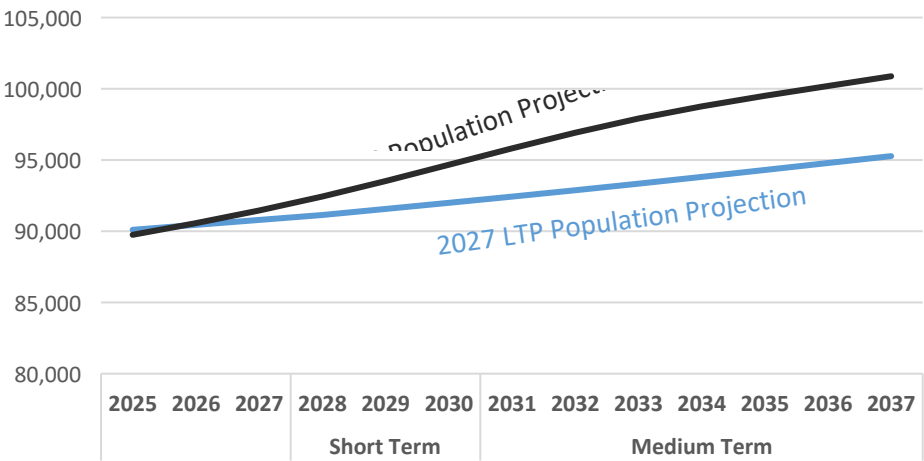
	Population	Households	Households + Margin
	10 Year Growth	10 Year Growth	10 Year Growth
2024 Long Term Plan	9,786	3,294	3,953
2027 Long Term Plan	4,480	2,812	3,374
Difference	-5,306	-482	-578



Than expected at time of LTP 24-34

This has a impact on development contribution costs, as the total project costs are now spread across a smaller amount of projected growth.

- No significant changes have been made to District Plan growth areas
- The large portion of medium term growth is expected to occur through intensification



Source: Growth Projections are supplied by Infometrics Population Tool

Inflation assumption and pressure

- Currently assumed 5% (was 2% in 2024) – OCR lifted last week, i.e. ongoing inflationary pressure.
- Inflation increase will result in increased costs for development.



Indicative DC charges for 2027 Policy

- Subject to LTP budget and project determination
- 2024, 26/27 and 27/28 DC charge comparison
- Based on updated:
 - Growth assumptions
 - Catchments and projects

CATCHMENT/DEVELOPMENT AREA	2024 LTP CHARGE PER HUE \$ (GST exclusive)	2026/27 DC Charge Excluding GST	2027/28 DRAFT Development contribution charge per HUE (excluding
Parks & Open Spaces Catchment			
District-Wide	257.10	266.53	337.39
Community Infrastructure Catchment			
District-Wide	1,173.53	1,216.55	1,539.99
Transportation Catchment			
All Networks	1,761.66	1,826.36	2,388.17
Wastewater Catchments			
Wastewater Network	8,896.77	9,263.92	14,861.65
Waimea	15,317.46	15,879.07	15,879.07
Water Supply Catchments			
All Networks	3,325.76	3,447.69	5,635.87
New Plymouth	3,408.73	3,533.72	5,778.48
Stormwater Catchments			
District-Wide	1,378.46	1,429.01	2,188.88
Urban	1,621.92	1,681.39	2,748.54
Waitara	2,248.16	2,330.58	2,330.58
Inglewood	25,500.16	26,435.12	26,435.12
Development Areas			
Puketapu	28,183.46	29,216.79	29,216.79
Carrington	36,974.30	38,329.94	38,329.94
Junction	36,319.63	37,651.28	37,651.28
Patterson Road	10,040.04	10,490.50	10,490.50
Sutherland/Patterson	23,919.90	24,917.56	24,917.56



Industry and community views

- Industry and NDGAP concerns at the current levels of DCs and the impacts on feasibility of development
- LTP early engagement community feedback.



What has the community said?

Development Contributions

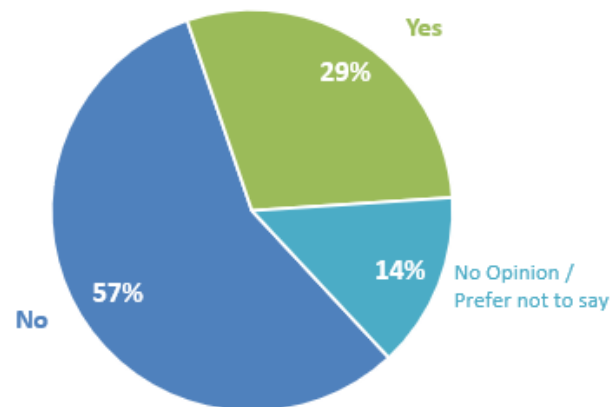
The purpose of the Development and Financial Contribution Policy is to ensure that a fair, equitable, and proportionate share of the cost of growth-related infrastructure is funded by development (i.e. subdivision, building work, changing land use or connecting to Council services). The development community has indicated that the current costs are too high and constraining development.

A clear majority oppose using rates more to fund development and growth.

Those who did think rates should be used to help fund development were closely split. Use rates more, with little impact on overall rates and use rates more for a limited time to support growth and the local economy.

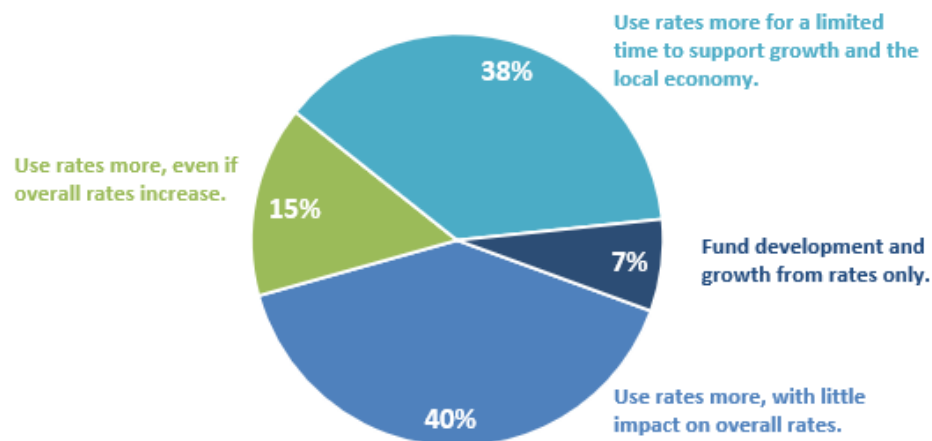
Development Contributions - Should rates be used more to help fund development and growth in the district?

Answered 596



Development Contributions - If Yes, Which option best reflects your views?

Answered 167





Comments summary and themes

- Protecting the ratepayers and core infrastructure dominate. Affordability, rates pressure, controlling debt and costs. Maintaining existing assets or completing basic infrastructure before funding additional growth.
- The strongest funding principle is growth should pay for growth. Developers, landowners, businesses or direct beneficiaries should cover new infrastructure rather than shifting costs onto everyone while benefits mainly go to private individuals or businesses.
- A counterview is that development contributions and processes may be too costly and deter housing and investment. Respondents seek efficient procurement, less red tape, transparent costings, targeted growth and a mix of government, private and long-term funding where wider benefits are proven.



NDGAP Feedback

- Agreement that there won't be consensus
- Request from some to shift parks and open spaces growth area projects to district wide
- Request to consider how essential all capex projects are and to look at the need and timing of these
- Indication that Waitara and Inglewood stormwater projects are due to historic underinvestment and that an unfair proportion is being put on the remaining HUE
- Support for Ratepayer Assistance Scheme
- Support for incentivising inner city development through remission



Options

- Progress rates assistance scheme.
- Retest growth capex projects to ensure correct balance and that they are fit for purpose.
- Pausing of DCs for service level driven projects – district wide and stopping DCs for Inglewood and Waitara Stormwater catchments.
- Moving Parks and Open Spaces in Development Areas to District Wide catchment.
- Incentive for central city living and business (Hamilton City).
- Direct rates offset.



Future Influences/considerations

Ratepayer Assistance Scheme (RAS)



- We are working with LGNZ and other councils to get the Government to agree to the RAS and we are expecting decisions shortly.
- One of the three RAS products is a DC/DLs postponement scheme, others include Rates postponement and energy impact loans.
- This would turn DCs/DLs into a targeted rate or levy over 30 years on properties *without* adding extra debt to councils (as a traditional targeted rate scheme would).
- This would reduce the upfront costs for developers.
- This would be cheaper for households than adding those charges to a mortgage due to the lower interest rate (around 1-2% lower).



Deferred Development Contributions

What:

NPDC charges Development Contribution fees (DCs) to developers to fund our infrastructure work required to support housing growth. The RAS would allow developers to finance this cost (approx. \$10-\$60K+ per property) and spread payment over 30 years.

Why:

NZers need about 19 years of disposable income to afford a house, against an OECD average of 10 years.

The shortage of housing is a major contributor.

Additionally, escalating construction and interest costs has created significant cost uncertainty related to residential development.

	Total DC charge per HUE (excl GST)
District Infill Areas	
New Plymouth (excl Waimea sewer catchment)	22,665.17
New Plymouth (within Waimea sewer catchment)	38,544.24
Bell Block	22,665.17
Inglewood	45,566.57
Oakura	19,131.45
Okato	9,867.53
Waitara	24,995.75
Rural	4,738.45
Development Areas	
Puketapu	58,073
Carrington	60,995.11
Junction	60,316.45
Patterson Road	33,155.67
Sutherland / Patterson	47,582.73

Infill Areas (excl rural)
\$10-45K

Development Areas
\$30-61K

Impact:

Upfront costs from councils for new development including **granny flats** will be able to be spread over 30 years at an affordable interest rate.

This reduces upfront investment for developers, mitigating financial risk associated with property development.

Strong uptake from developers is expected.

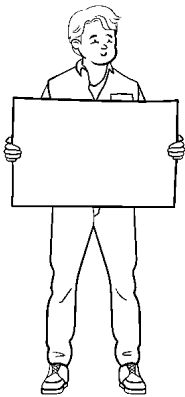
Deferred DCs – developer example

Jeremy is a developer planning a 10-lot subdivision in Puketapu Development Area

Jeremy intends to finance the project predominantly through bank loans.

Whilst he has secured sufficient funding for land acquisition and construction costs, financing the ten DCs at \$518,819 alongside these expenses would exceed his debt capacity.

The interest costs could be around \$70,000-\$100,000 from paying the DCs to when the first sections are sold two years later.



Jeremy could utilise the RAS Deferred DC product:

- He is not required to fund the DCs upfront
- By covering the DC costs, the Deferred DC enables Jeremy to proceed with the development where he may not have otherwise been able to
- The DC loan has a substantially lower interest rate than his development loan favourably impacting Jeremy's expected returns
- The RAS converts the DC into an annual levy secured against each property, repayable by Jeremy upon settlement **or** transferred to purchasers of the property
- Council receives the full DC payment upfront

Deferred DCs – household example

Simon and Amanda, with their children Rebecca and Josh, have a home with a large backyard in Bell Block

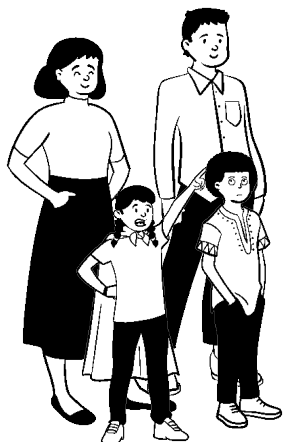
Simon and Amanda are considering building a granny flat on their section to initially provide accommodation for Amanda's parents and then, in time their children.

At some point they are likely to sell the property to help fund their own retirement.

The DC that would be triggered by their development is \$22,665 and represents a potential barrier to them developing the property.

Simon and Amanda would opt in to use the RAS Deferred DC product:

- The Deferred DC removes any potential disincentive of the material upfront cost to undertake the development.
- The RAS would convert the DC into an annual levy payment secured against the property.
- Council would receive the full DC payment upfront.
- Simon and Amanda would pay their 'share' of the DC while they own the property over a 30-year term (and could transfer to other owners in due course).



Impacts/implications of options

Pausing of DCs for service level driven projects – District-wide

Annual rates impact of \$2.6M ~ 2.4%

	Current District-Wide DC (excl Water and Wastewater)	Potential increase to District-Wide DC (excl Water and Wastewater)	Total
Per HUE	\$6,420	+\$2,780	\$9,200
Annual Contribution @309 HUE (to repay debt for CAPEX and Interest)	\$1.8m	+\$0.8m	\$2.6m
LTP Rates (indicative only)	\$110m	\$110m	
% of Rates	1.7%	+0.7%	2.4%



Impacts/implications of options

- Removing DCs for Inglewood and Waitara Stormwater projects.
- Annual rates impact of \$310k ~ 0.28%.

	DC Charge Per HUE		
Activity and project no.	Approved LTP 2024-34 DC's	AP 2026/27	Draft LTP 2027-37
Total Waitara Stormwater Catchment	2,248.16	2,330.58	2,330.58
Total Stormwater: Inglewood	25,500.16	26,435.12	26,435.12

Impacts/implications of options

- Moving Parks and Open Spaces projects from Development Areas to District- Wide catchment.
- Note that Development Area contributions below are excluding the District-Wide charges.
- Annual rates impact of \$1.48M ~ 1.34%.

DC Charge Per HUE			
Activity and project no.	Approved LTP 2024-34 DCs	AP 26/27 DCs	Draft LTP 2027-37 DCs
Parks and Open Spaces District-Wide	257.10	266.53	5,097.75
Total Development Area Puketapu	28,183.46	29,216.79	14,931.62
Total Development Area Carrington	36,974.30	38,329.94	36,977.82
Total Development Area Junction	36,319.63	37,651.28	34,210.23
Total Development Area Sutherland / Patterson	23,919.90	24,917.56	19,982.67

Ngāmotu City Centre Strategy

2 Promote and Facilitate City Living

Key moves from strategy:

- Promote and facilitate city living
- Reinforce the CBD core

Potential to promote and facilitate through:

- 50% DC remission for living/office/business activities in CBD
- Remissions for large scale retail developments (anchor tenants)
- Existing CCS implementation budgets could fund

Implications for DC Policy review

- Given some options to reduce NPDC DCs have potential rating implications they must be considered at the time of interim LTP decisions.
- Therefore intention is to align initial NPDC DC Policy decisions with December 2026 interim LTP 2027 decisions.



Next steps

- Next steps – finalise info with updated LTP projects.
- Present updated info back to Council Briefing with DC charges/impacts for various options.



Perpetual Investment Fund (PIF)



PIF history



- Scene setting – today is education for EMs based on recent questions; not advising a particular course of action.
- Background:
 - PowerCo sale (2004)
 - TIML (2004 – 2017)
 - Current structure (2017 – present)
- Intention behind the Fund (“Founding Principle”):
“Maintain the real capital of the PIF as a sustainable perpetual investment fund in the long term, whilst generating a sufficient return to maintain a sustainable release to the Council.”



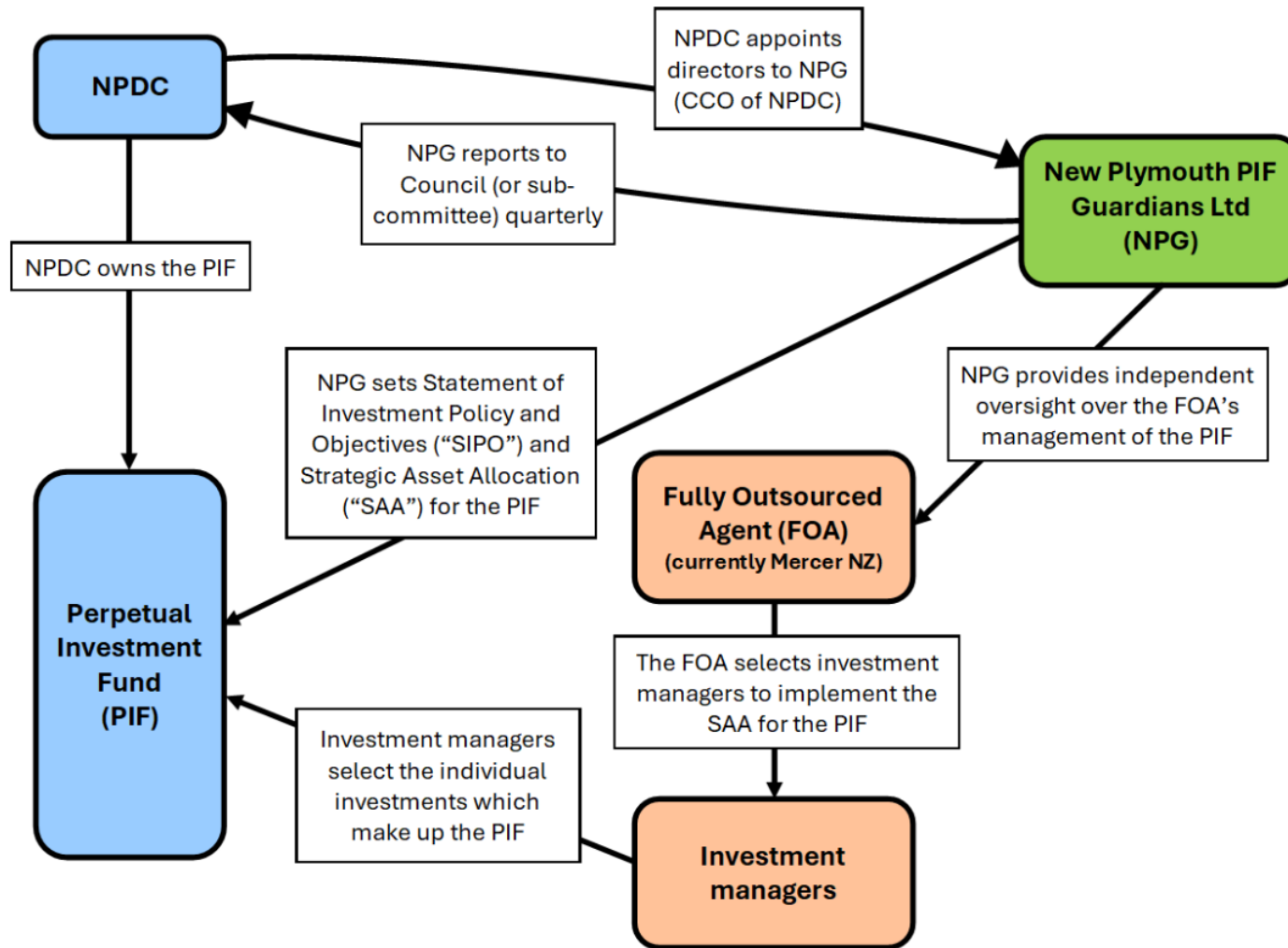
Roles and responsibilities

Current architecture:

1. NPDC owns the PIF
2. NP PIF Guardians (CCO) – implement and govern a structure which achieves the Founding Principle.
3. Mercer engaged as Fully-Outsourced Agent (FOA) to manage the PIF on behalf of NPDC.
4. Underlying fund managers are appointed by Mercer to buy and sell investments within the Fund.



Architecture summary



PIF Governance Deed

- Legally binding contract between NPDC and New Plymouth PIF Guardians.
- Outlines Founding Principle.
- Sets out delegation of authority to PIF Guardians.
- Any amendments require 75% Council majority AND agreement from PIF Guardians.





PIF legislation

New Plymouth District Council (Perpetual Investment Fund) Act 2023

- Purpose – ring fencing to NP District; introducing restrictions on management and use:

7 Principles for managing and applying PIF

- (1) The Council must manage and apply the PIF in accordance with the following principles:
 - (a) the PIF is a long-term fund which should be managed and applied for the social, economic, environmental, and cultural well-being of current and future communities of the New Plymouth District;
 - (b) the PIF should be managed and applied with the intent of maintaining or increasing the real value of its capital, unless the Council considers, on reasonable grounds, that—
 - (i) the PIF can be applied in a way that will achieve a benefit that is better for the well-being of current and future communities of the New Plymouth District than maintaining the real value of the capital of the PIF; and
 - (ii) reducing the real value of the capital of the PIF is the best available means of achieving that benefit.

- Legislative question as to how “best use” requirement may be met; high legal threshold, currently untested.

8 Investment decisions

- (1) The Council must ensure that investment decisions are made only by persons designated or appointed by the Council to make decisions on the investment of the PIF, acting independently of members and those members' personal or political interests.



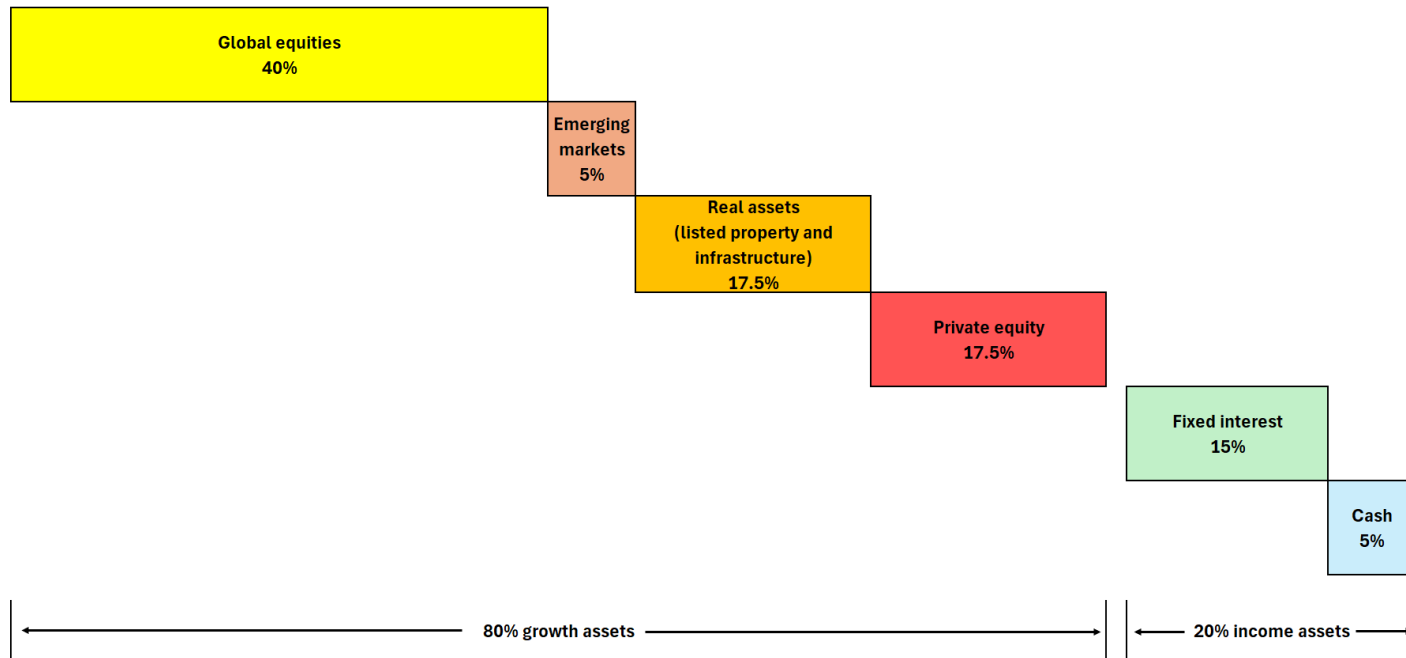
Return target

- Return target – CPI + 3.3%
 - Importance of meeting this:
 - 1) Maintain real value of Fund against inflation (CPI)
 - 2) Support release payments in perpetuity
 - Every year we don't meet this is a step backwards!
- Based on current structure:
 - Investment modelling forecasts losses ~1 in 4 years.
 - However, long-term nature of fund means gains over time are expected to outweigh short-term losses.



PIF structure

- Risk vs. reward ... no reward without risk
- Asset allocation: 80% growth / 20% income assets



- Current target requires high returns and/or low fees



Statement of Investment Policy and Objectives (SIPO)

- Key features:
 - Investment principles
 - Strategic Asset Allocation
 - Release rule/calculation

$$D_t = \underbrace{80\% \times D_{t-1} \times (1 + CPI_{t-1})}_{\text{Weight on previous year's payment}} + \underbrace{20\% \times 3.3\% \times PIF_{t-1} \times (1 + CPI_{t-1})}_{\text{Weight towards long-term 3.3\% pa target}}$$

where

- D_t = release payment in year t
- D_{t-1} = prior year's release payment
- CPI_{t-1} = prior year's inflation rate
- PIF_{t-1} = prior year's opening audited PIF value



Release rule – calculation for 2026/27

$$D_t = \underbrace{80\% \times D_{t-1} \times (1 + \text{CPI}_{t-1})}_{\text{Weight on previous year's payment}} + \underbrace{20\% \times 3.3\% \times \text{PIF}_{t-1} \times (1 + \text{CPI}_{t-1})}_{\text{Weight towards long-term 3.3\% pa target}}$$

Part A - Weight on previous year's payment:

$$80\% \times \$12,262,350 \times (1 + 4.1\%) = \$10,212,085$$

Part B - Weight towards long-term target:

$$20\% \times 3.3\% \times \$403,924,971 \times (1 + 4.1\%) = \$2,775,207$$

Total release (*Part A + Part B*) = **\$12,987,292**

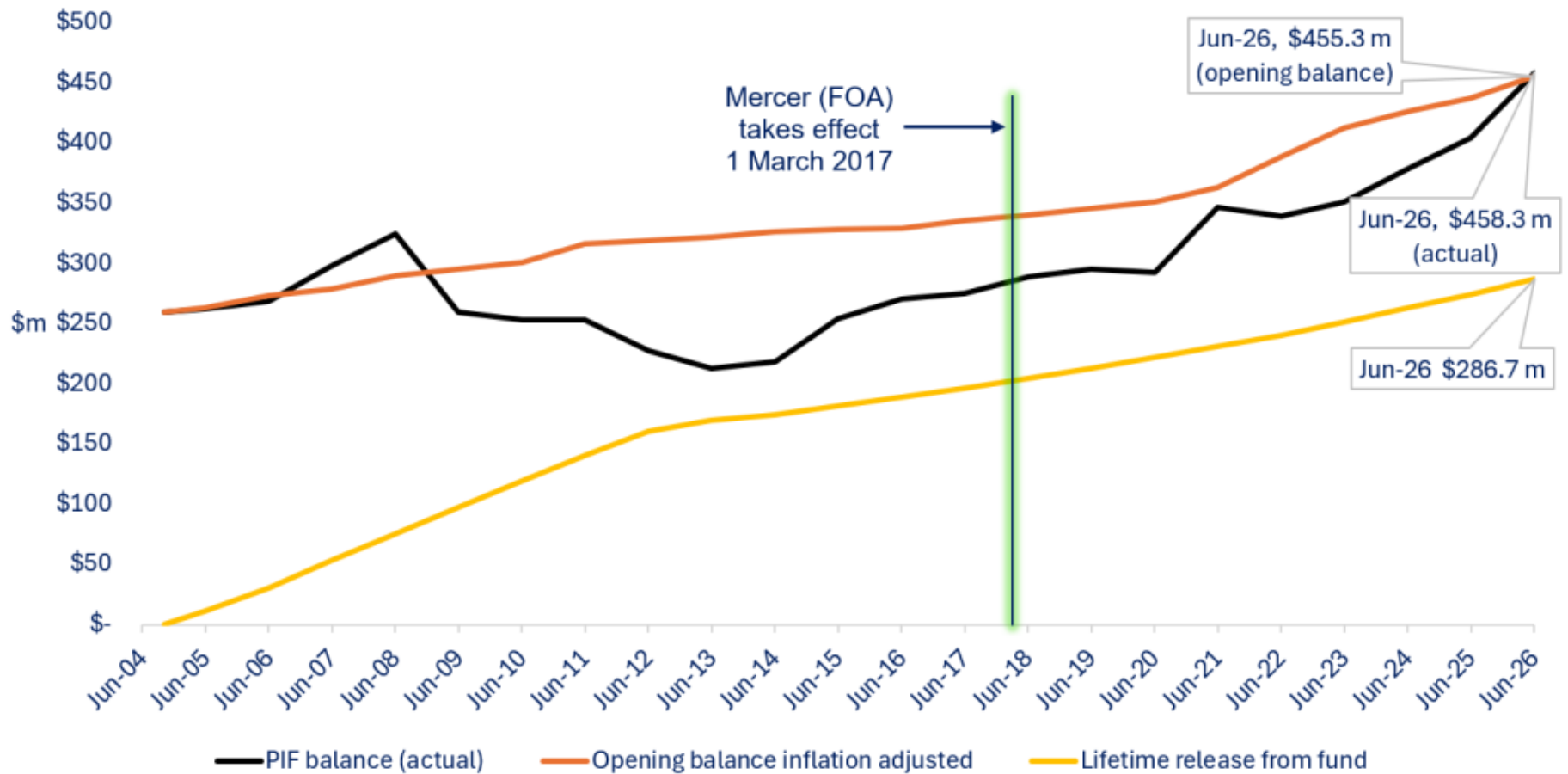
Release rule calculation



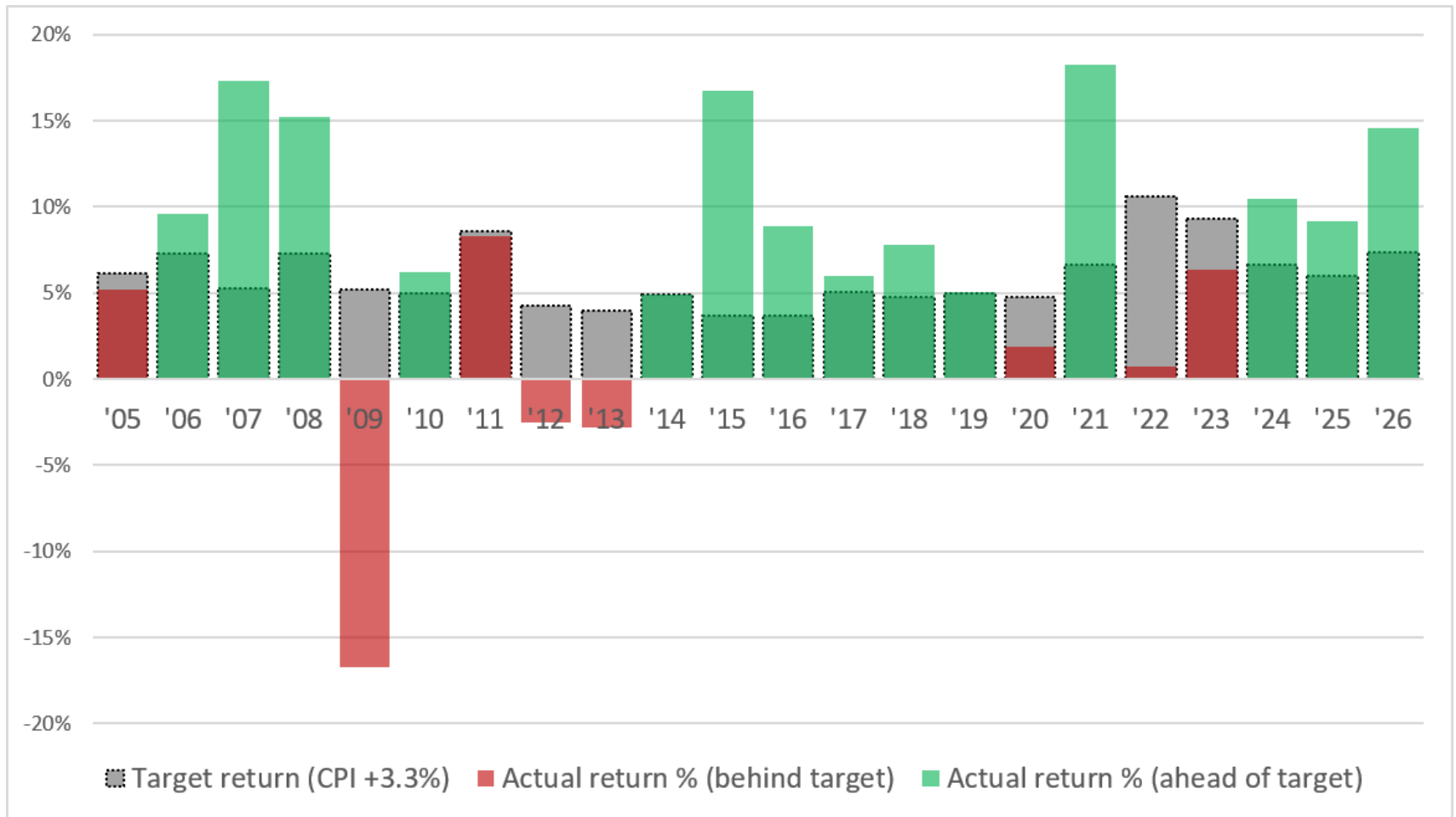
- Smoothing element/intention
 - If withdrawing more in good years, need to be prepared to withdraw less in bad years (will see impact of unsustainable releases shortly).
 - Since any given year may be a loss, this is intended to allow consistent releases over time.
 - Certainty is important for budgeting, particularly under rates capping.
- Council's decision how release payments are spent
 - Currently, PIF releases subsidise a portion of rates, plus contributions to accounting reserves.
 - Caveat – impact of PIF Act 2023.



PIF historical performance



PIF annual returns



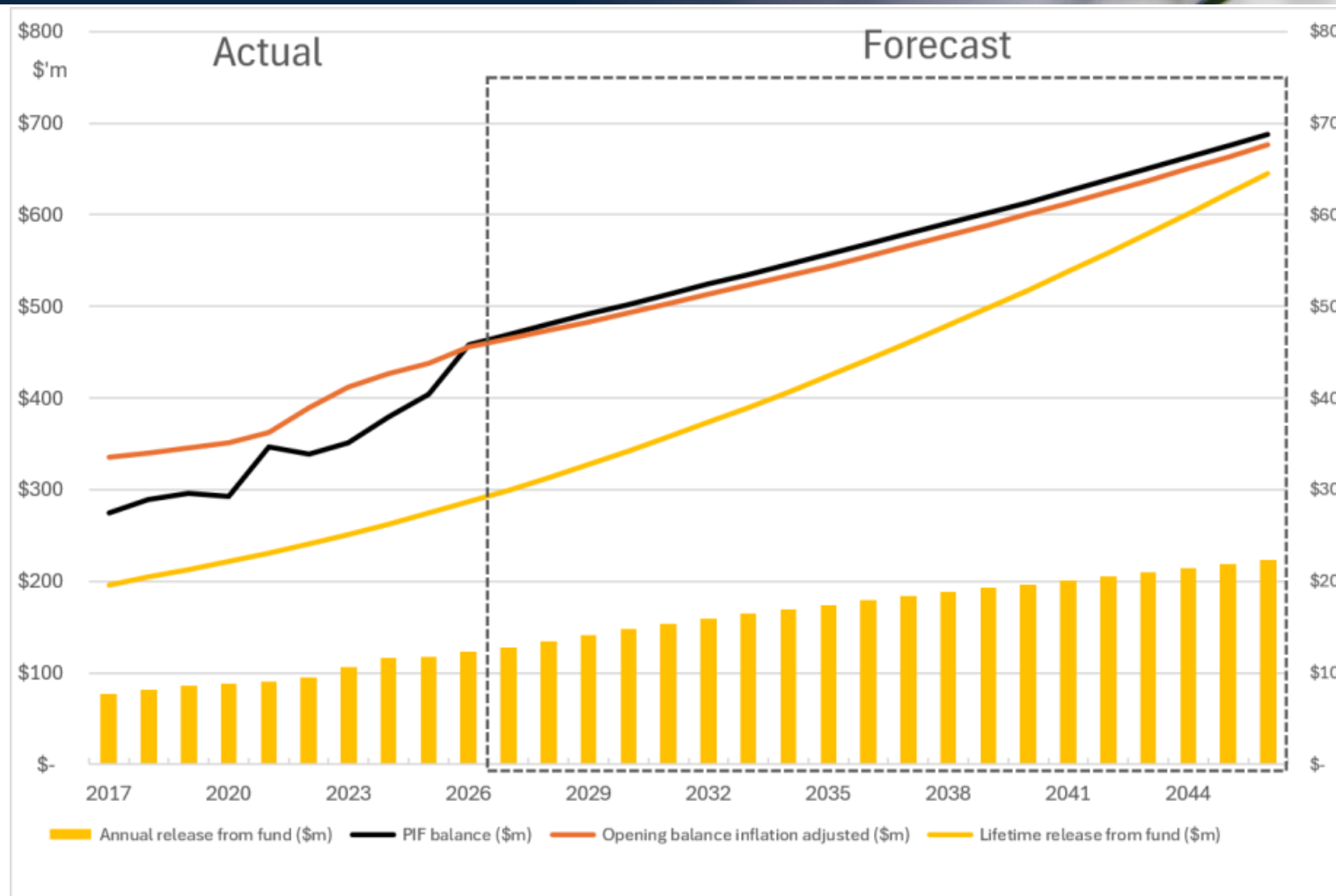
Hypothetical scenarios



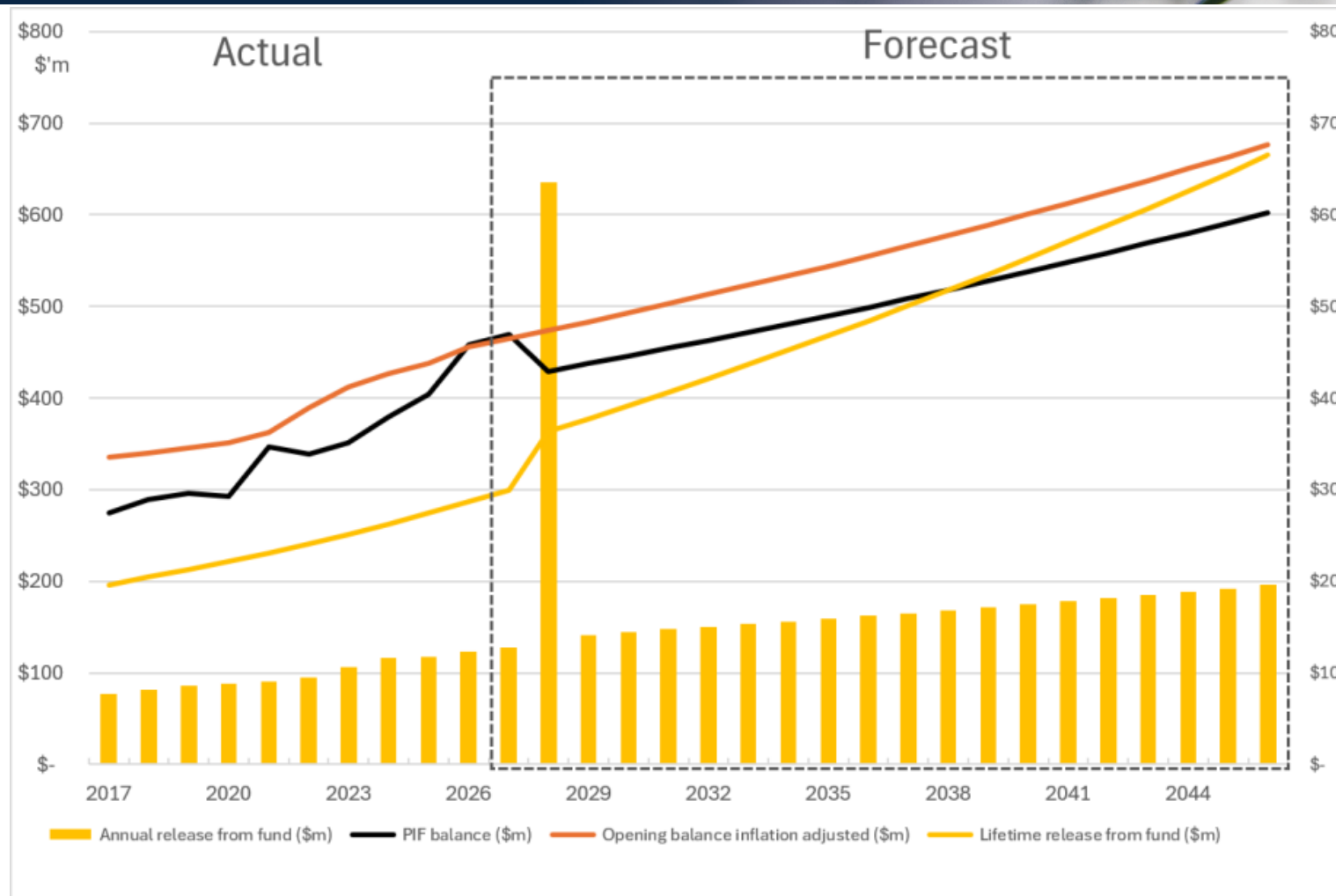
- Not based on any specific directive or rationale.
- Motivators for change:
 - Cost of living crisis
 - Impact of rates capping.
- Intended to show how PIF might behave under different constraints.
- Simplified assumptions (returns, volatility, inflation).
- No guarantees – investment returns require risk.



Existing scenario: Status quo

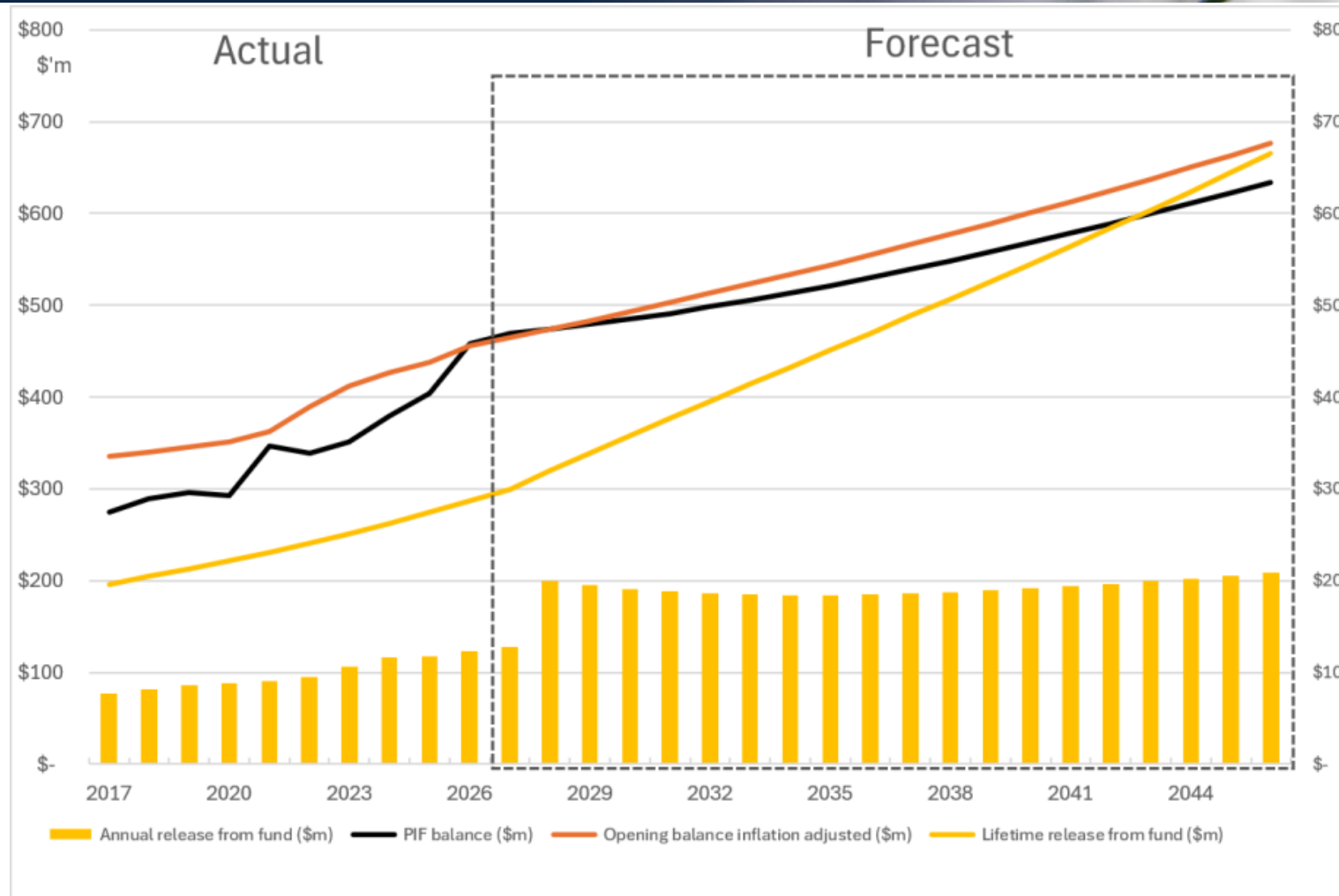


Scenario #1: One-off \$50m withdrawal



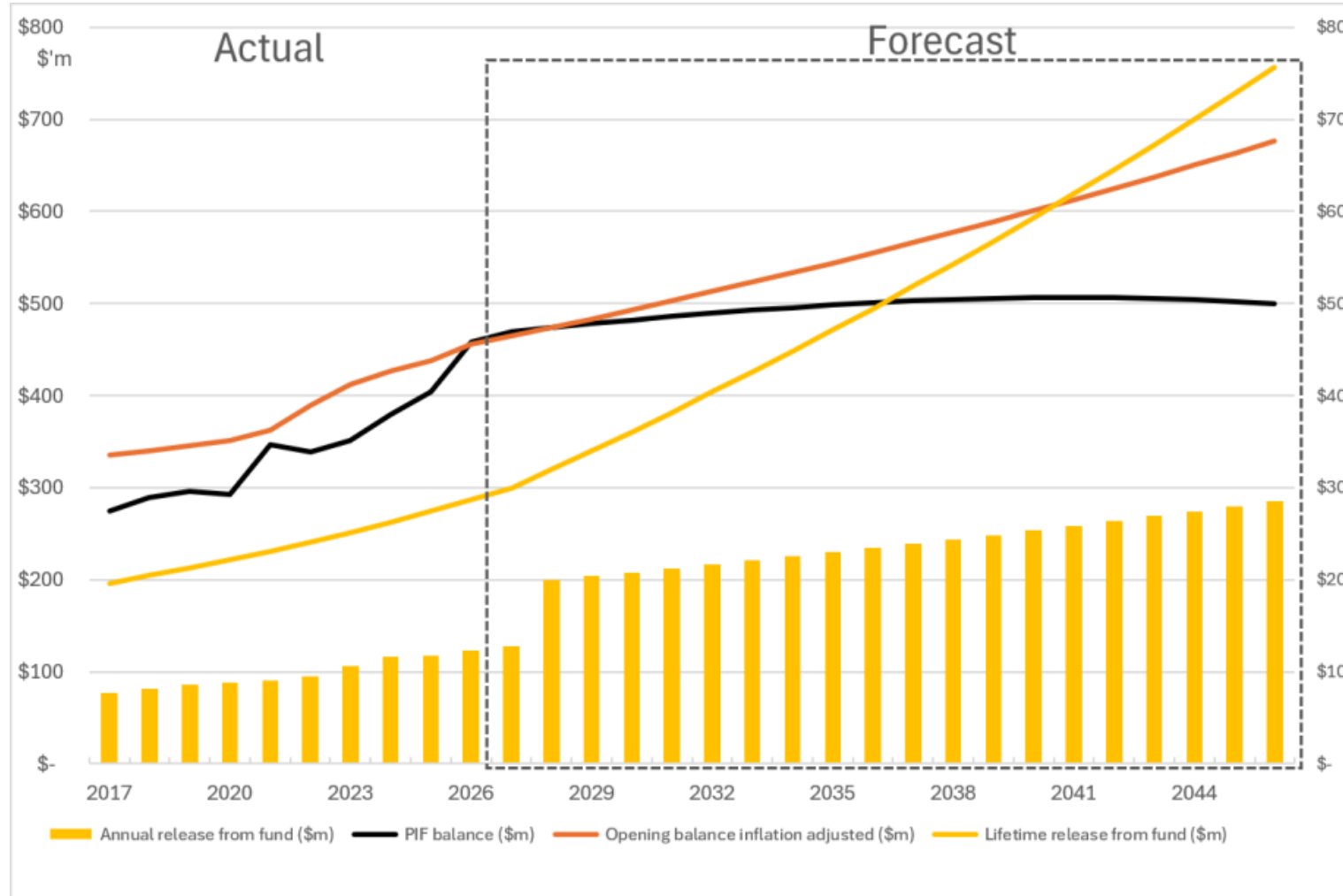
Annual release payments

Scenario #2: Increase release to \$20m, retain release rule



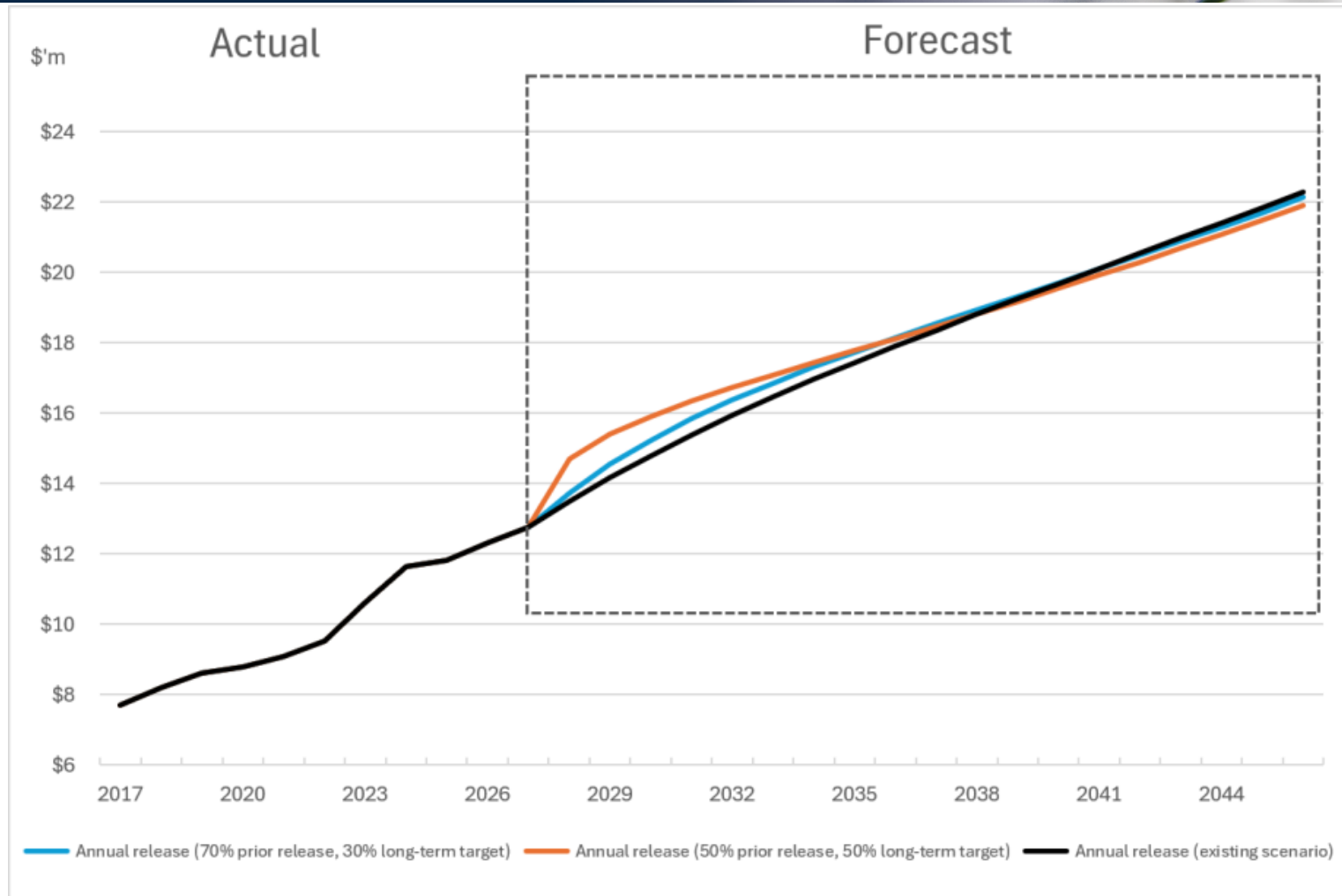
Annual release payments

Scenario #3: Increase release to \$20m, then inflate



Annual release payments

Alternative release payment formulas



Recap



- PIF structure, roles and responsibilities
- Target return and release rule formula
- Historic performance of the PIF
- Impact of PIF Act 2023
- Hypothetical scenarios



Other considerations

Fundamentally, same key questions as other financial decisions:

1) Who should benefit?

- Tension between needs of current vs. future ratepayers.
- Higher release payments now vs retaining capital invested for future generations.

2) What is Council's risk tolerance?

Reminder: Any potential changes to the PIF will require extensive policy and legal work, may not be successful.



What's Next



Indicative LTP Briefings & Topics

Additional Briefings will be added as needed

January to December 2026

LTP 101

Introduction and Overview

19 Mar

Setting the Scene

Forecasting assumptions, Financial & Infrastructure Strategies, Revenue and Financing Policy
(2½ hours)

21 May

Project Prioritisation

(2 hours)

23 Jul

24 Sept

Budget Building Updates, Infrastructure Strategy, Project/Programme Prioritisation, Early Engagement Feedback, DC Policy

(half day)

Draft Budgets and Proposed Projects

Preparation for key decisions, establish key issues for CD
(half day)

19 Nov

23 Apr

**Review of Significance & Engagement Policy
Overview of Council Services (2 hours)**

29 Apr

**Strategic Framework
Community Outcomes (2 hours)**

17 Jun

Levels of Service

Council Services, opex and capex budgets, potential or possible LOS reduction considerations
(6½ hours)

20 Aug

Financial Update

22 Oct

**Budget update, incl Fees & Charges
Financial & Infrastructure Strategies,
DC Policy**

(half day)

**9 Dec
18 Dec**

9 Dec – Mthly Council Briefing

Overview of Council Meeting 16 Dec

18 Dec – Extra Council Briefing

Overview of Draft CD (pre Audit)



LTP EARLY ENGAGEMENT

16 Dec - Council Meeting

Document Set ID: 9906603
Version: 1, Version Date: 23/09/2026
Initial decisions re LTP 2027 (for review by Audit)