



Regional Council Informal Workshop Pack

Annual Plan 2025/26 Workshop No. 3

DATE: TUESDAY 26 NOVEMBER 2024

COMMENCING AT TIME: 9.30 AM

VENUE: Council Chambers, Regional House, 1 Elizabeth
Street, Tauranga

Table of Contents

Informal Workshop Papers

1	2025/26 Draft Annual Plan	3
	Attachment 1 - Activity adjustments	7
	Attachment 2 - Example Property Rating	8

Informal Workshop Paper



To: Regional Council
26 November 2024

From: AJ Prinsloo, Finance Manager and Kumaren Perumal, Chief Financial Officer
Mat Taylor, General Manager, Corporate

2025/26 Draft Annual Plan

1. Purpose

The purpose of this report is to provide an update on the 2025/26 draft Annual Plan (draft AP) process, confirm direction provided at the Council workshop on 13 November 2024, and seek further guidance.

2. Guidance Sought from Councillors

Consider and provide guidance on the following:

- The proposed rates increases for general rates and the total of targeted rates for public transport
- Using the relevant reserves to smooth the rates increases.

3. Discussion

3.1 Background

The Long Term Plan 2024-2034 (LTP) year two (2025/26) signalled increases of 8.2% increase for general rates, and 6.3% for total targeted rates. At the first draft AP workshop held on 16 October, Council requested staff to review activity budgets to reduce the rates increases.

At the second draft AP workshop on 13 November 2024, potential savings were identified for Council to consider and provide direction. The activity budget adjustments (refer to Attachment 1) have been processed in response to the direction received.

3.2 Financial Envelope and Rates Impact

3.2.1 Proposed Rates Increases for the 2025/26 draft Annual Plan:

General Rate Increase: 3%

Budget adjustments of over \$3 million have been identified which will reduce the General Rates for 2025/26. They are made up of cost savings, deferrals, additional revenue, and operational efficiencies. Setting a target of 3% (0% real) General Rates increase is achievable through these measures, together with using the Regional Fund Reserve to smooth rates impacts.

Public Transport Targeted Rates Increase: 5%

In previous workshops, savings totalling over \$1 million for public transport have been identified that will reduce the total public transport targeted rate requirement for 2025/26. When combined with 2024/25 forecast budget underspends and use of reserves, 5% increase in total Public Transport Targeted Rates is achievable.

Regional Fund Reserve forecast

We are currently forecasting a closing balance of \$4.5 million for the Regional Fund Reserve for the 2024/25 period. While this forecast is subject to in-year financial performance and several other items currently under consideration that may impact the final balance, based on current known factors, there will be sufficient reserves available to smooth the rating impact as required.

Ongoing Work and other cost pressures

Staff will continue to work towards these targets and incorporate decisions made at the December Council meeting around the proposed budget for the draft AP. As part of this process, budgets are being refined to inform subsequent versions of the draft AP, which will be presented to Council in future workshops for review and direction.

3.2.2 Impact on Selected Property Types

To assist in understanding the potential impact of the proposed rates increases, we have compiled a list of sample properties and the indicative rates changes for each. These examples are provided to illustrate the potential effects on different property types; however, it is important to note that these are only indicative. A number of variables can influence the final rates calculation. The examples are intended as a guide to inform discussions and should not be considered definitive projections.

District and Property Area	2024/25 Rates (\$)	2025/26 Draft Rates (\$)	Variance (\$)	Percentage Increase %
Tauranga City				
Property A - Pāpāmoa	\$799	\$839	\$40	5%
Property B - Otumoetai	\$704	\$741	\$37	5%
Property C - Gate Pā	\$686	\$722	\$36	5%
Whakatane District				
Property D - Matatā	\$427	\$442	\$15	3%
Property E - Ōhope	\$417	\$431	\$14	3%
Property F - Whakatāne	\$974	\$1,063	\$89	9%
Property G - Edgcumbe	\$1,031	\$1,081	\$50	5%

Property H - Whakatāne, 7850ha, WT and RT River Schemes	\$58,893	\$64,314	\$5,421	9%
Property I - Murupara, 4762 ha, RT River scheme	\$17,000	\$17,932	\$933	5%
Property J - Whakatāne, 1400ha, WT river scheme and Rangitāiki Drainage	\$12,841	\$14,252	\$1,411	11%
Property K, Whakatāne RT River and Rangitāiki Drainage	\$56,726	\$59,291	\$2,565	5%
Western Bay of Plenty District				
Property L - Te Puke 50ha	\$19,627	\$20,620	\$993	5%
Property M - Te Puke residential	\$410	\$421	\$11	3%
Property N - Te Puke residential	\$486	\$500	\$14	3%
Rotorua District				
Property O - Residential	\$746	\$696	-\$50	-7%
Property P - Hamurana Rural	\$517	\$481	-\$36	-7%

3.3 Significant items that require further information/decisions

There are three items for consideration at future Council meetings. These are:

- Freshwater – potential savings from reset programme of work
- Ōhau Channel – possible costs not yet budgeted for
- Regional Park – Rotorua

Based on the direction provided on these topics, the draft AP will be updated and presented to Council in February 2025 for the next step of the process.

3.4 Inflation

The LTP inflation rate assumption of 2% for 2025/26 has been retained for the current version of the proposed budget for the draft Annual Plan. This assumption will be reviewed and updated following the release of the latest Business and Economic Research Limited (BERL) indicators in May 2025.

3.5 Public Transport

As advised at the workshop on 13 November 2024, further work has been completed on the Public Transport budgets and additional savings identified is represented in the estimates provided earlier in this report. Further, additional savings will be dependent on Council decisions still to be made on fare revenue, and expenditure options that will be discussed at future AP / PT workshops and meetings.

4. Next Steps

Staff will process the guidance received at this workshop and decisions made on the draft Annual Plan items at the December 2024 Council meeting. A revised version of the draft Annual Plan 2025/26 will be presented to Council in February 2025.

Attachments

Attachment 1 - Activity adjustments [↓](#)

Attachment 2 - Example Property Rating [↓](#)

Activity adjustments

Attachment 1

Summary of savings

Activity	Savings amount \$'000	General Rate \$'000	Targeted Rate \$'000
Climate Change	20	20	
Coastal Catchments	50	50	
Rotorua Catchments	50	34	16
Maritime Operations	20	20	
Flood Protection & Control	300	60	240
Rivers and Drainage Schemes	290	58	232
Freshwater	235	235	
Science	75	75	
Te Amorangi	126	126	
Public Transport	1,569	556	1,013
Community Engagement	67	67	
Corporate	627	597	30
Rotorua Catchments – Ōhau Channel	800	536	264
All	777	764	13
TOTAL	5,006	3,198	1,808

Summary of additional expenditure

Activity	Savings amount \$'000	General Rate \$'000	Targeted Rate \$'000
Biodiversity	280	280	
Governance	150	150	
TOTAL	430	430	

Impact on Selected Property Types

Attachment 2

Impact on Selected Property Types

District and Property Area	2024/25 Rates (\$)	2025/26 Draft Rates (\$)	Variance (\$)	Percentage Increase %
Tauranga City				
Property A - Pāpāmoa	\$799	\$839	\$40	5%
CDEM	\$41	\$42	\$1	2%
Land Value	\$222	\$230	\$8	4%
RSRS	\$7	\$7	\$0	3%
UAGC	\$225	\$231	\$6	3%
Passenger Transport	\$304	\$329	\$25	8%
Property B - Otumoetai	\$704	\$741	\$37	5%
CDEM	\$41	\$42	\$1	2%
Land Value	\$127	\$131	\$5	4%
RSRS	\$7	\$7	\$0	3%
UAGC	\$225	\$231	\$6	3%
Passenger Transport	\$304	\$329	\$25	8%
Property C - Gate Pā	\$686	\$722	\$36	5%
CDEM	\$41	\$42	\$1	2%
Land Value	\$109	\$113	\$4	4%
RSRS	\$7	\$7	\$0	3%
UAGC	\$225	\$231	\$6	3%
Passenger Transport	\$304	\$329	\$25	8%
Whakatane District				
Property D - Matatā	\$427	\$442	\$15	3%
CDEM	\$46	\$47	\$1	2%
Land Value	\$57	\$59	\$2	4%
RSRS	\$5	\$6	\$0	3%
UAGC	\$225	\$231	\$6	3%
Passenger Transport	\$47	\$50	\$3	6%
Rangitāiki-Tarawera River Scheme	\$47	\$50	\$3	6%
Property E - Ōhope	\$417	\$431	\$14	3%
CDEM	\$46	\$47	\$1	2%
Land Value	\$53	\$55	\$2	4%
RSRS	\$5	\$6	\$0	3%
UAGC	\$225	\$231	\$6	3%
Passenger Transport	\$47	\$50	\$3	6%
Rangitāiki-Tarawera River Scheme	\$41	\$43	\$2	6%
Property F - Whakatāne	\$974	\$1,063	\$89	9%
CDEM	\$46	\$47	\$1	2%
Land Value	\$93	\$96	\$3	4%
RSRS	\$5	\$6	\$0	3%
UAGC	\$225	\$231	\$6	3%
Passenger Transport	\$47	\$50	\$3	6%
Whakatāne-Tauranga River Scheme	\$558	\$634	\$75	14%

Impact on Selected Property Types

Attachment 2

Property G - Edgecumbe	\$1,031	\$1,081	\$50	5%
CDEM	\$46	\$47	\$1	2%
Land Value	\$44	\$45	\$2	4%
RSRS	\$5	\$6	\$0	3%
UAGC	\$225	\$231	\$6	3%
Passenger Transport	\$47	\$50	\$3	6%
Rangitāiki-Tarawera River Scheme	\$648	\$686	\$38	6%
Omeheu Adjunct Communal Pumped Drainage Scheme	\$16	\$16	\$0	0%
Property H - Whakatāne, 7850ha, WT and RT River Schemes	\$58,893	\$64,314	\$5,421	9%
CDEM	\$46	\$47	\$1	2%
Land Value	\$3,441	\$3,563	\$122	4%
RSRS	\$5	\$6	\$0	3%
UAGC	\$225	\$231	\$6	3%
Passenger Transport	\$47	\$50	\$3	6%
Rangitāiki-Tarawera River Scheme	\$28,492	\$30,179	\$1,687	6%
Whakatāne-Tauranga River Scheme	\$26,636	\$30,238	\$3,602	14%
Property I - Murupara, 4762 ha, RT River scheme	\$17,000	\$17,932	\$933	5%
Land Value	\$3,116	\$3,227	\$111	4%
Rangitāiki-Tarawera River Scheme	\$13,883	\$14,705	\$822	6%
Property J - Whakatāne, 1400ha, WT river scheme and Rangitāiki Drainage	\$12,841	\$14,252	\$1,411	11%
CDEM	\$46	\$47	\$1	2%
Land Value	\$674	\$698	\$24	4%
RSRS	\$5	\$6	\$0	3%
UAGC	\$225	\$231	\$6	3%
Passenger Transport	\$47	\$50	\$3	6%
Whakatāne-Tauranga River Scheme	\$9,833	\$11,163	\$1,330	14%
Rangitāiki Drainage Scheme	\$2,010	\$2,058	\$47	2%
Property K, Whakatāne RT River and Rangitāiki Drainage	\$56,726	\$59,291	\$2,565	5%
CDEM	\$46	\$47	\$1	2%
Land Value	\$1,936	\$2,004	\$69	4%
RSRS	\$5	\$6	\$0	3%
UAGC	\$225	\$231	\$6	3%
Passenger Transport	\$47	\$50	\$3	6%
Rangitāiki-Tarawera River Scheme	\$33,821	\$35,823	\$2,002	6%
Rangitāiki Drainage Scheme	\$20,645	\$21,129	\$485	2%
Western Bay of Plenty District				
Property L - Te Puke 50ha	\$19,627	\$20,620	\$993	5%
CDEM	\$41	\$42	\$1	2%
Land Value	\$563	\$583	\$20	4%
RSRS	\$5	\$6	\$0	3%
UAGC	\$225	\$231	\$6	3%
Passenger Transport	\$44	\$45	\$0	0%
Kaituna Catchment Control Scheme	\$18,748	\$19,714	\$966	5%

Impact on Selected Property Types

Attachment 2

Property M - Te Puke residential	\$410	\$421	\$11	3%
CDEM	\$41	\$42	\$1	2%
Land Value	\$70	\$72	\$2	4%
RSRS	\$5	\$6	\$0	3%
UAGC	\$225	\$231	\$6	3%
Passenger Transport	\$44	\$45	\$0	0%
Kaituna Catchment Control Scheme	\$25	\$26	\$1	5%
Property N - Te Puke residential	\$486	\$500	\$14	3%
CDEM	\$41	\$42	\$1	2%
Land Value	\$154	\$160	\$5	4%
RSRS	\$5	\$6	\$0	3%
UAGC	\$225	\$231	\$6	3%
Passenger Transport	\$44	\$45	\$0	0%
Kaituna Catchment Control Scheme	\$16	\$17	\$1	5%
Rotorua District				
Property O - Residential	\$746	\$696	-\$50	-7%
CDEM	\$44	\$45	\$1	2%
Lakes	\$158	\$111	-\$46	-29%
Land Value	\$78	\$80	\$3	4%
RSRS	\$5	\$6	\$0	3%
UAGC	\$225	\$231	\$6	3%
Passenger Transport	\$167	\$150	-\$17	-10%
Kaituna Catchment Control Scheme	\$69	\$72	\$4	5%
Property P - Hamurana Rural	\$517	\$481	-\$36	-7%
CDEM	\$44	\$45	\$1	2%
Lakes	\$158	\$111	-\$46	-29%
Land Value	\$76	\$79	\$3	4%
RSRS	\$5	\$6	\$0	3%
UAGC	\$225	\$231	\$6	3%
Kaituna Catchment Control Scheme	\$9	\$9	\$0	5%