

# Draft Annual Plan 2026-27

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**Council meeting**  
27 February 2026

# High level approach

- LTP 2024-2034 – focus on significant investment, growing population, housing outcomes
- Annual Plan 2026-27 – year 3 delivery of current LTP
- LTP 2027-2037 – opportunity to review and reset strategic priorities

## Some big changes

Local Water Done Well  
– transfer to Tiaki Wai  
on 1 July 2026.

Requires an LTP  
amendment and  
shifting all water  
budgets, assets, debt.

Rates capping &  
target operating  
model

## Rates affordability

Rates increases in the  
future are  
unsustainable.

Significant cost of  
living challenges  
for many in  
community.

2015  
Rates

2025  
Rates

## Annual Plan 2026-27

Reflects updated  
assumptions, cost  
pressures and existing  
savings, with further  
savings opportunities  
identified.

Council direction and  
decisions are needed  
to reduce future rates  
increases.

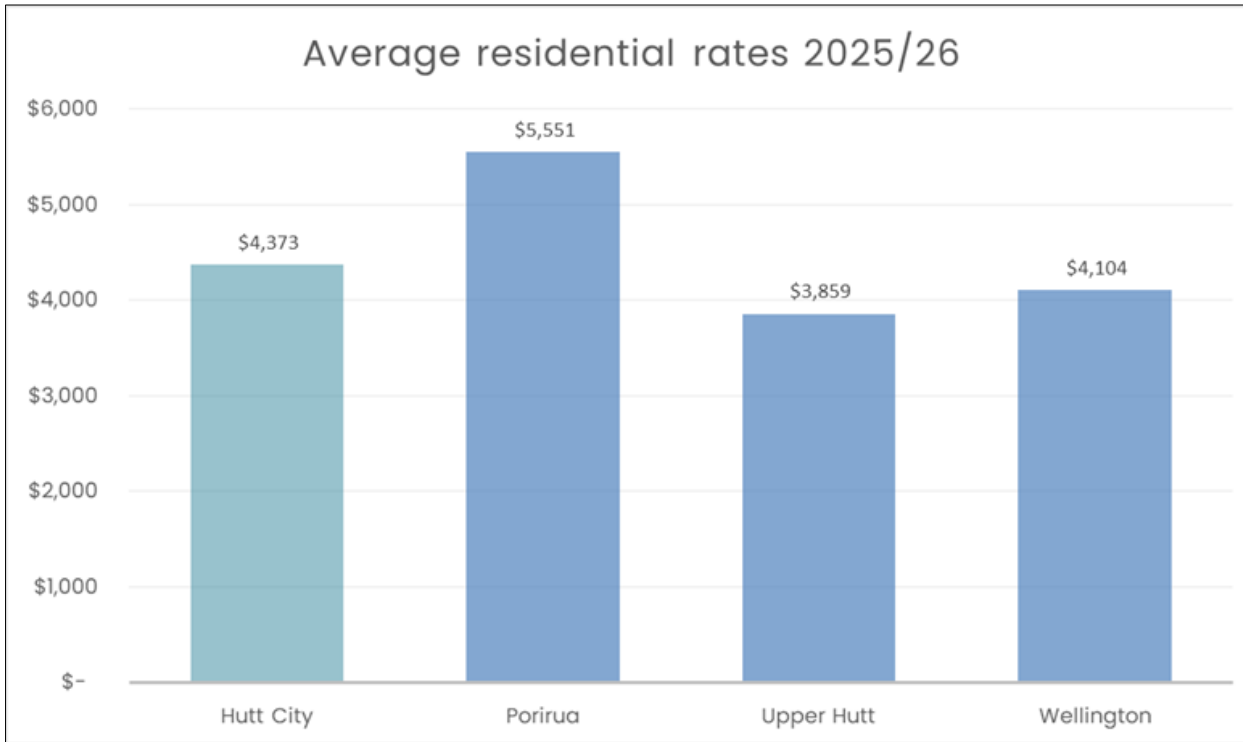
# High level timeline

Activity	Dates	Status
Council Hui	10/11 Nov 2025	Complete
Council briefing - direction, challenges, priorities	4 Dec 2025	Complete
Council provided initial decisions and direction on the approach to draft plan (budgets, rates, water services transition, Revenue & Financing Policy etc)	16 Dec 2025	Complete
Council briefing - direction on final decision items and TOM	4 Feb 2026	Complete
Council agrees final decisions for draft plan ahead of public engagement, including proposed rates increase.	27 Feb 2026	Today
Council adopt draft plan, LTP amendment and consultation material	24 Mar 2026	Not Started
<b>Community engagement</b>	<b>April 2026</b>	Not Started
Council receives feedback analysis from community engagement.	13 May 2026	Not Started
Council provides initial direction off the back of feedback	13 May 2026	Not Started
Council meets to make final decisions	3 Jun 2026	Not Started
Council adopts Annual Plan 2026-27 & LTP amendment, sets rates	30 Jun 2026	Not Started

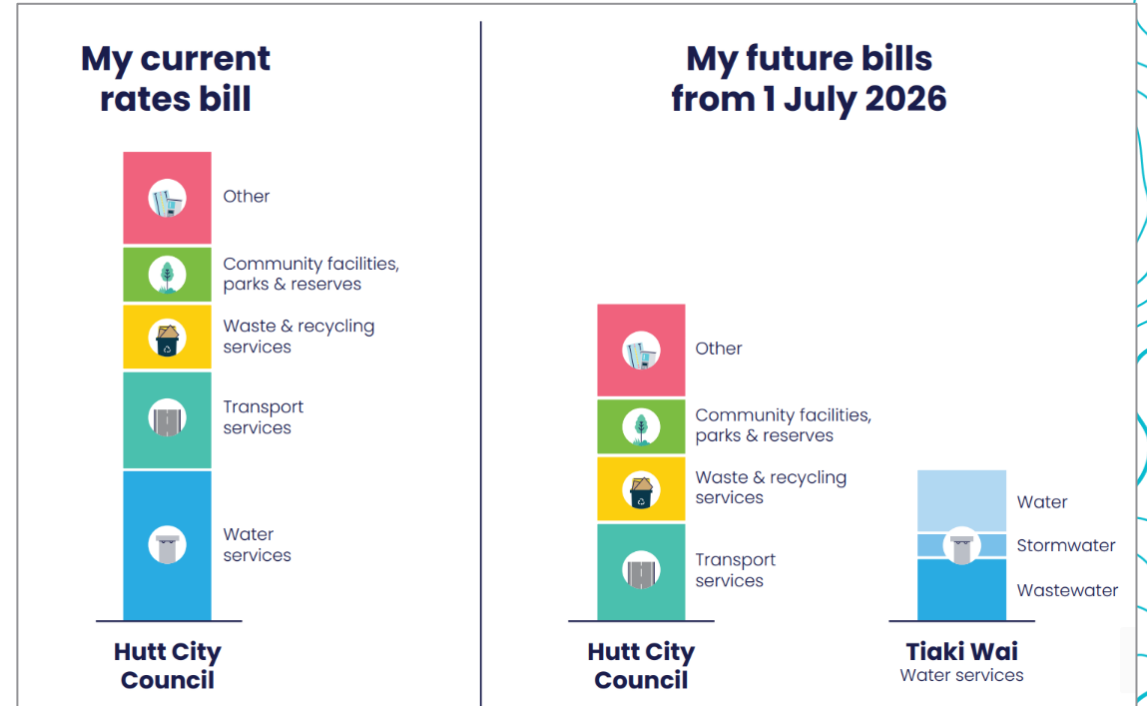
Plus a range of briefings throughout process

# Rates affordability

- Average residential rates have more than doubled in the last 10 years (from \$2,102 to \$4,373)
- Over the last five years unpaid rates have increased from 2% of rates revenue to 5%.

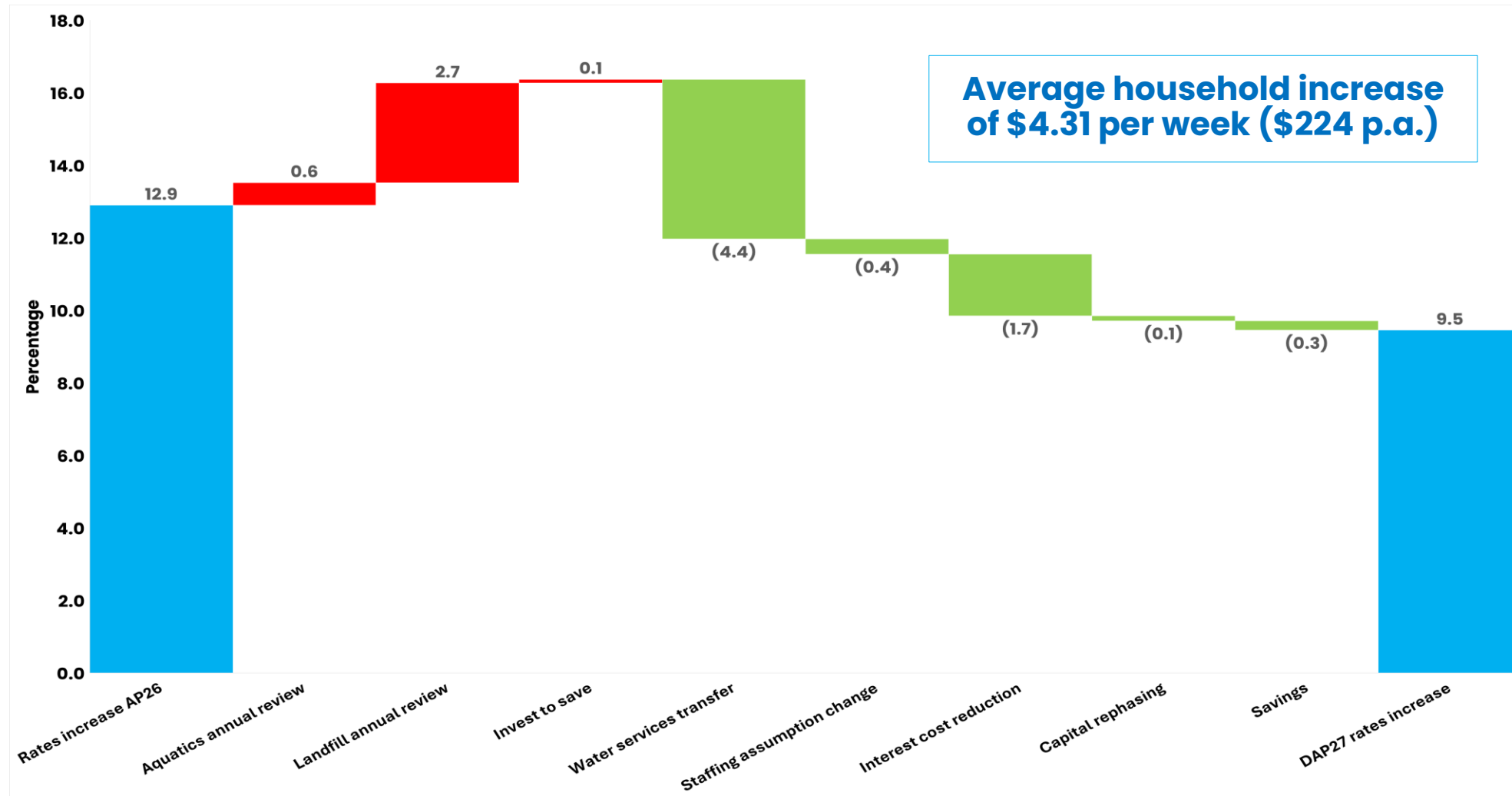


- Average household rates for property with value \$815,000
- HCC kerbside waste collection service included, but paid separately in other councils



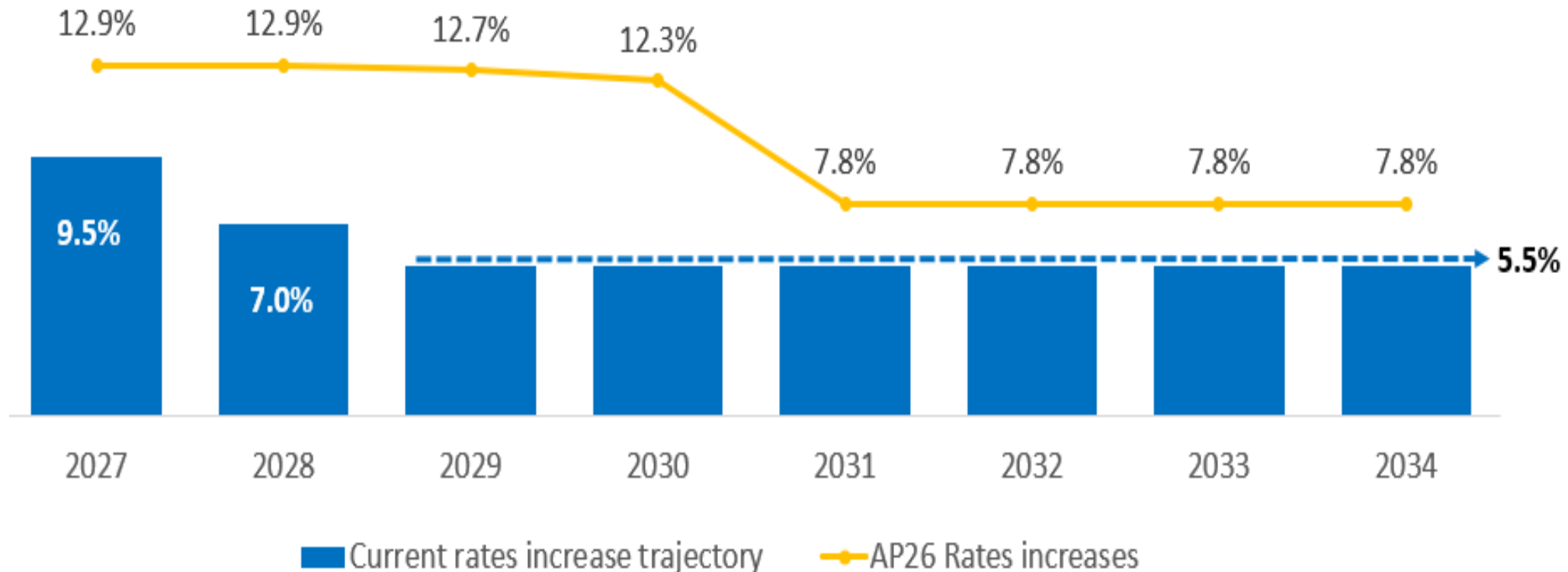
# Draft Annual Plan 2026-27 rates increase

Based on all the decisions to date, the rates increase for 2026-27 has **reduced from 16.2% to 9.5%**



## Rates revenue increase by year

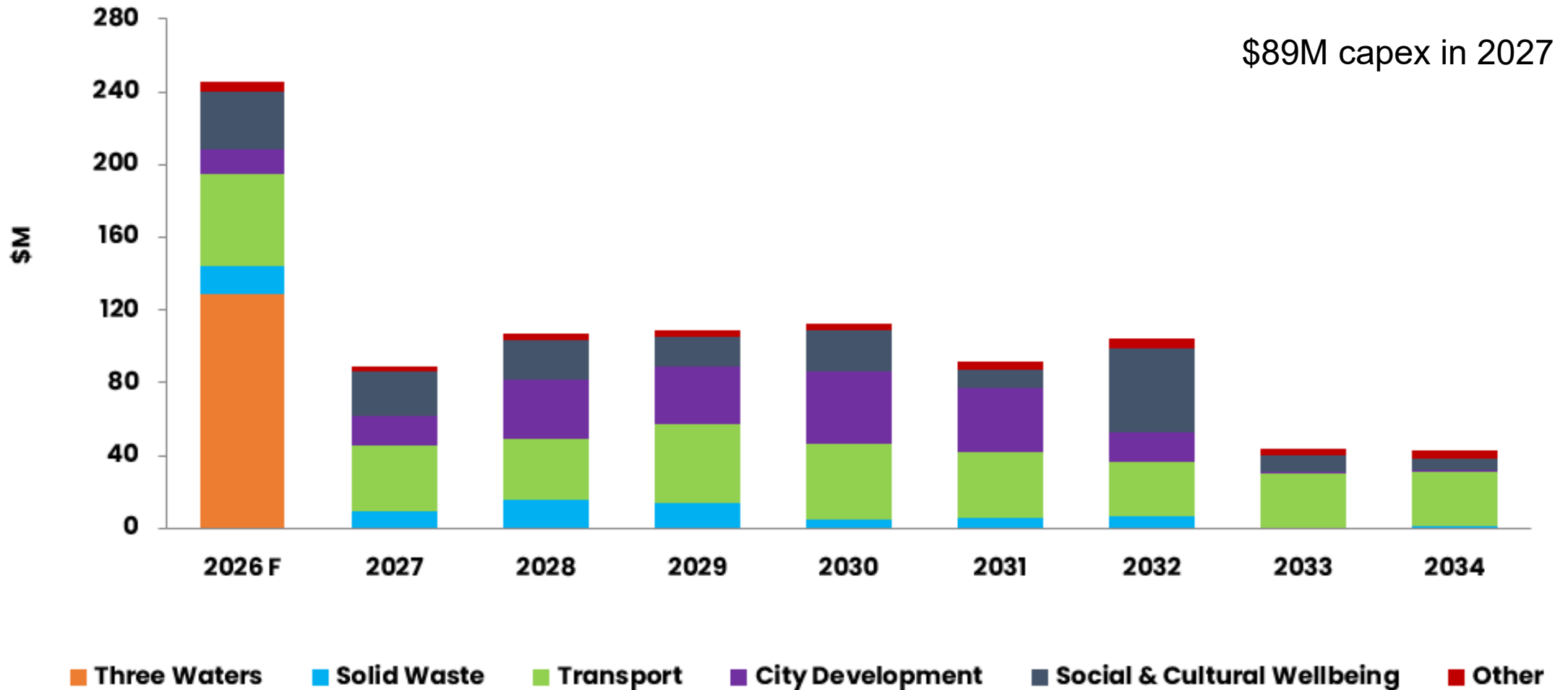
Agenda today includes range of options to reduce the rates increase lower than 5.5% from 2029 onwards – Council decisions required to achieve reductions from this point.



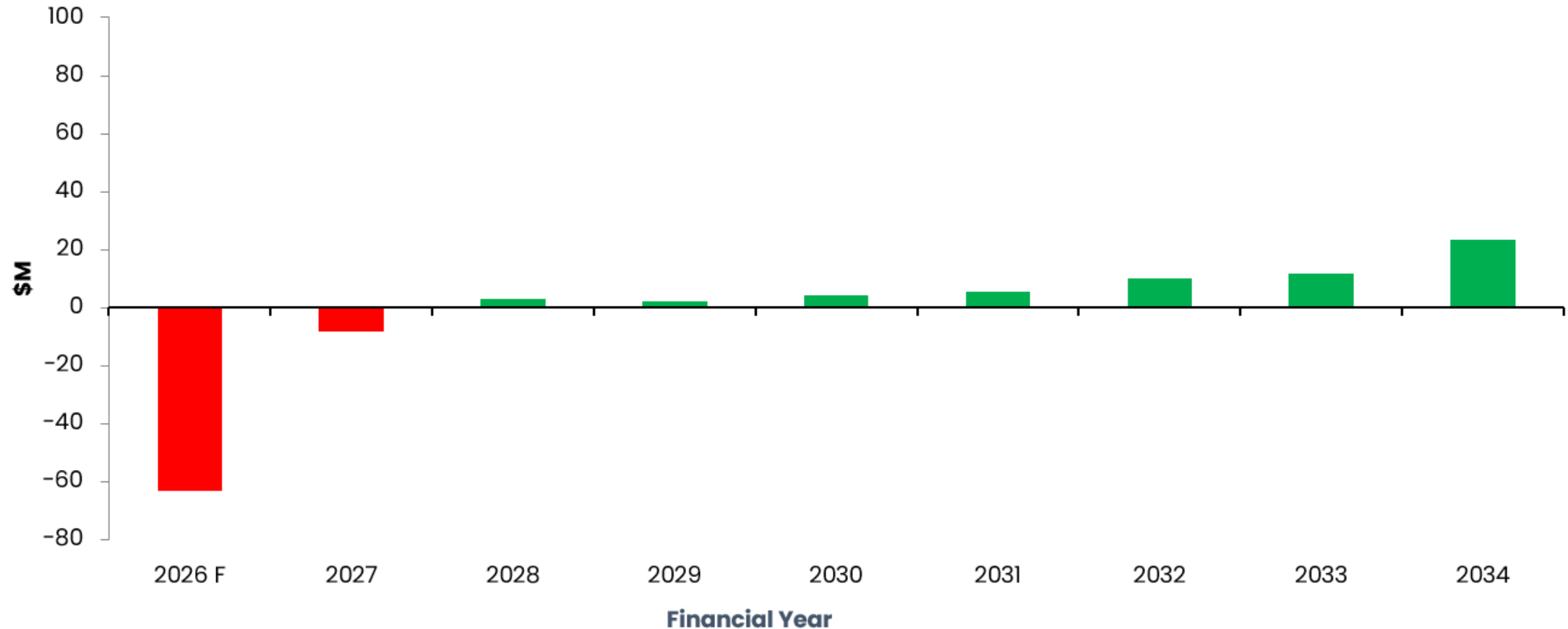
## Financial strategy considerations

Detail	HCC Limit / target	DAP 2026-27
Net debt to revenue Headroom at peak	250%	161% Headroom \$236M, peak debt at \$429M
Net interest to rates revenue	25%	14.6%
Net interest to revenue	15%	9.1%
Balanced operating budget metric HCC	Met from 2031 years	Met from 2028

# Capital spend projections

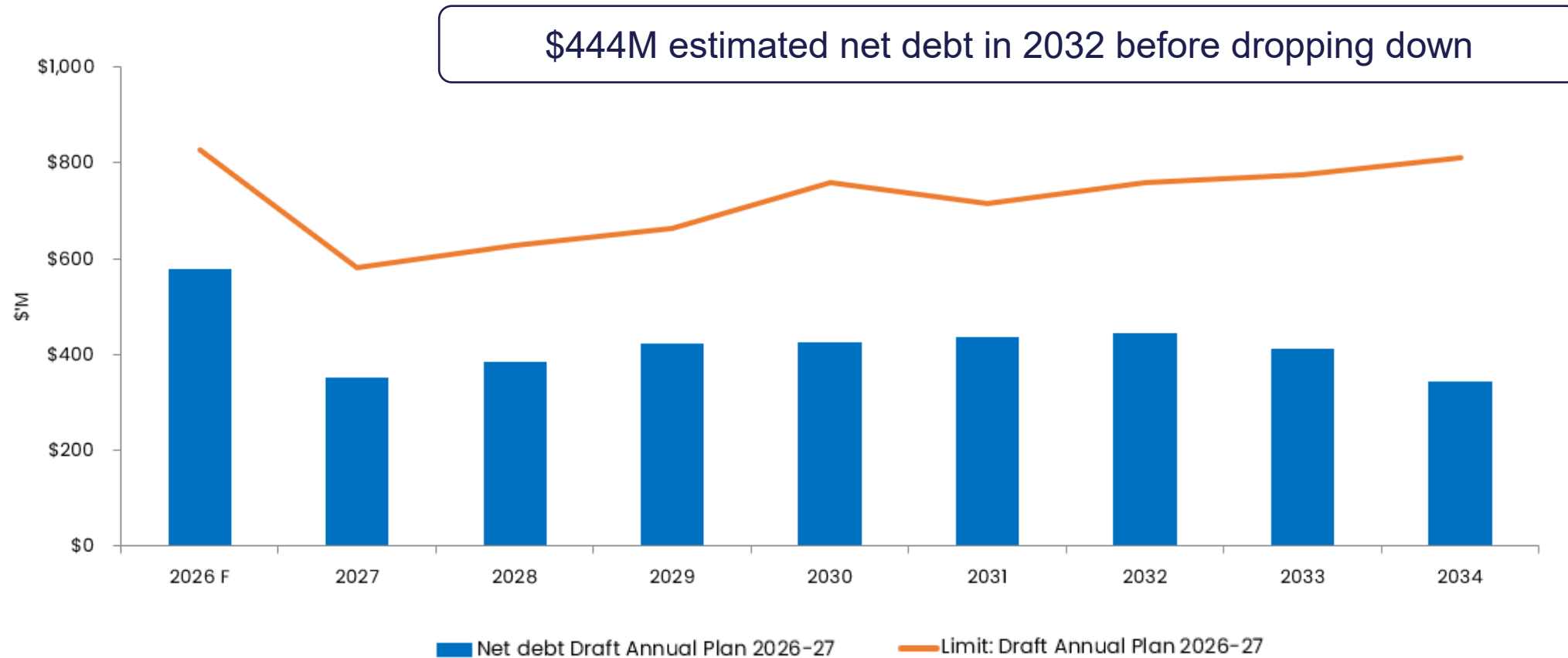


# Balanced operating budget projection



Projected deficit 2025-26 \$63M , then ~\$8M then balanced for the remaining period

# Projected net debt



# Indicative impacts on rates 2026–27

Assumes 9.5% rates revenue increase. Includes impact of the property revaluation changes. Water rates removed from 2025–26 to compare like for like.

Property Category	1 July 2025 Capital Value	2025–26 New Base	1 July 2026 Capital Value	2026–27 Indicative Rates	\$ Change Amount annual	\$ Change Amount weekly	Change Amount %
Average Residential	\$815,000	\$2,263	\$735,000	\$2,487	\$224.11	\$4.31	9.9%
Average Commercial Central	\$2,350,000	\$20,546	\$2,192,000	\$22,549	\$2,003.14	\$38.52	9.7%
Average Commercial Suburban	\$2,418,000	\$16,425	\$2,043,000	\$16,630	\$204.74	\$3.94	1.2%
Average Rural	\$1,247,000	\$2,536	\$1,116,500	\$2,774	\$237.37	\$4.56	9.4%

# Impacts on rates by suburb with 9.5%

<b>Residential Suburbs Average CV</b>	<b>1 July 2025 Capital Value</b>	<b>2025-26 Rates (waters removed)</b>	<b>1 July 2026 Capital Value</b>	<b>2026-27 Indicative Rates</b>	<b>% Change in Capital Value</b>	<b>\$ Change Rates</b>	<b>% Change Rates</b>
<b>ALICETOWN</b>	\$899,500	\$2,461	\$751,000	\$2,534	-17%	\$72	3%
<b>AVALON</b>	\$760,000	\$2,134	\$684,000	\$2,340	-10%	\$206	10%
<b>BELMONT</b>	\$972,500	\$2,633	\$862,000	\$2,855	-11%	\$222	8%
<b>BOULCOTT</b>	\$922,500	\$2,515	\$873,000	\$2,887	-5%	\$371	15%
<b>DAYS BAY</b>	\$1,294,500	\$3,388	\$1,091,500	\$3,519	-16%	\$131	4%
<b>EASTBOURNE</b>	\$1,217,800	\$3,208	\$1,042,500	\$3,377	-14%	\$169	5%
<b>EPUNI</b>	\$834,900	\$2,310	\$749,800	\$2,530	-10%	\$220	10%
<b>FAIRFIELD</b>	\$818,300	\$2,271	\$752,900	\$2,539	-8%	\$268	12%
<b>HARBOUR VIEW</b>	\$912,100	\$2,491	\$844,000	\$2,803	-7%	\$312	13%
<b>HAYWARDS</b>	\$632,500	\$1,835	\$608,400	\$2,121	-4%	\$286	16%
<b>HUTT CENTRAL</b>	\$1,080,800	\$2,887	\$939,700	\$3,080	-13%	\$193	7%
<b>KELSON</b>	\$879,600	\$2,415	\$778,700	\$2,614	-11%	\$199	8%
<b>KOROKORO</b>	\$1,023,900	\$2,753	\$935,150	\$3,066	-9%	\$313	11%
<b>LOWRY BAY</b>	\$1,661,600	\$4,249	\$1,418,950	\$4,466	-15%	\$217	5%



# Impacts on rates by suburb with 9.5%

Residential Suburbs Average CV	1 July 2025 Capital Value	2025-26 Rates (waters removed)	1 July 2026 Capital Value	2026-27 Indicative Rates	% Change in Capital Value	\$ Change Rates	% Change Rates
<b>MANOR PARK</b>	\$896,400	\$2,454	\$827,750	\$2,756	-8%	\$302	12%
<b>MAUNGARAKI</b>	\$932,800	\$2,539	\$801,200	\$2,679	-14%	\$139	5%
<b>MELLING</b>	\$491,300	\$1,504	\$406,500	\$1,537	-17%	\$33	2%
<b>MOERĀ</b>	\$648,200	\$1,872	\$577,230	\$2,031	-11%	\$159	8%
<b>NAENAE</b>	\$659,200	\$1,898	\$565,600	\$1,997	-14%	\$99	5%
<b>NORMANDALE</b>	\$896,200	\$2,454	\$827,700	\$2,756	-8%	\$302	12%
<b>PETONE</b>	\$950,800	\$2,582	\$791,500	\$2,651	-17%	\$69	3%
<b>POINT HOWARD</b>	\$1,185,100	\$3,131	\$978,350	\$3,191	-17%	\$60	2%
<b>STOKES VALLEY</b>	\$648,800	\$1,873	\$615,750	\$2,142	-5%	\$269	14%
<b>TAITĀ</b>	\$661,400	\$1,903	\$587,450	\$2,060	-11%	\$157	8%
<b>WAINUIOMATA</b>	\$630,100	\$1,830	\$603,055	\$2,106	-4%	\$276	15%
<b>WAIWHETŪ</b>	\$802,800	\$2,235	\$714,300	\$2,427	-11%	\$193	9%
<b>WATERLOO</b>	\$887,700	\$2,434	\$794,000	\$2,658	-11%	\$224	9%
<b>WOBURN</b>	\$1,283,900	\$3,363	\$1,109,580	\$3,571	-14%	\$208	6%
<b>YORK BAY</b>	\$1,128,100	\$2,997	\$913,000	\$3,002	-19%	\$5	0%

# Appendices



## Operational initiatives – decisions sought today

Detail	Indicative rates impact 2029	Total financial impact 2026-2034	Detail
Built Heritage Grant Fund	0% - 0.11%	Opex reduction \$0.21M 2026-27 (\$1.45M over 8 years)	Option 1: No change – 0% rates impact* Option 2: Discontinue fund – 0.11% rates reduction
Road Safety Campaigns and Activities	0% - 0.05%	Revenue reduction \$0.04M 2026-27 (\$0.63M over 8 years) Opex reduction \$0.10M 2026-27 (\$1.24M over 8 years)	Option 1: No change – 0% rates impact* Option 2: Discontinue programme of activities – 0.05% rates reduction
Target Operating Model investment	-	Opex increase \$2M in 2026-27 (\$6M over 3 years to 2028-29)  These are expected to be funded from future savings so are proposed to be debt funded in the interim.	In early 2025 the Corporate Leadership Team decided to develop a target operating model that is affordable and that can harness opportunities to reduce rates and improve efficiency. Implementation will be phased over the next three years. Phase 1 includes establishing a change programme with specialist capability and capacity to execute projects and capture benefits. This change initiative requires initial investment* to unlock savings in later years and lower the rates increases from FY29 onwards

\* Option included in financial modelling

# Capital projects/assets – decisions sought today

Detail	Indicative rates impact 2029	Total financial impact 2026–2034	Detail
Eastern Hutt Road Resilience rephasing	-	Revenue reduction \$5.26M 2025–26 (\$1.55M increase over 9 years) Capex reduction \$13.15M 2025–26 (\$0.20M over 9 years)	Revised budget and timing to reflect NZTA approval to subsidise Phase 1 and the pre-implementation of Phase 2*
Cross Valley Connections rephasing	0.11%	Revenue reduction \$0M 2026–27 (\$92.2M over 9 years) Opex increase \$0.4M 2026–27 (\$1.2M over 3 years) funded from capex reduction Capex reduction \$0.4M 2026–27 (\$159M over 9 years)	Budget and revenue rephasing to beyond 2034. Options paper to be considered through Infrastructure and Regulatory Committee meeting in March. Budgets will reflect rephasing aligned to option to be progressed*
Pito One Projects - Petone Wharf - Petone Grandstand - Petone Neighbourhood Hub	0% - TBD	\$0 - TBD	Option 1: No change – 0% rates impact* Option 2: Reconsider current allocation of funding against new Council and current community priorities needs
Community Funding Panel Projects	0% - 0.02%	Opex reduction \$0.1M 2026–27 (\$1M over 8 years) Capex reduction \$0.23M 2025–26 (\$1.91M over 9 years)	Option 1: No change – 0% rates impact* Option 2: Discontinue service – 0.02% rates reduction
Alicetown Community House	0% - 0.04%	Opex reduction \$0.06M 2026–27 (\$0.44M over 8 years) Capex reduction \$0.03M 2026–27 (\$0.11M over 8 years)	Option 1: No change, reinstate and lease – 0% rates impact* Option 2: Demolish – 0.04% rates impact

\* Option included in financial modelling

## Fees and charges – decisions sought today

Detail	Indicative rates impact 2027	Total financial impact 2026–2034	Detail
Petone paid parking	0% – 0.43%	<p><b>Option 1</b> – Status quo</p> <p><b>Option 2a:</b> 30 min free Revenue reduction \$0.37M 2026–27 (\$2.97M over 8 years)</p> <p><b>Option 2b:</b> 60 min free Revenue reduction \$0.58M 2026–27 (\$4.64M over 8 years)</p> <p><b>Option 2c:</b> 30 min free December only Revenue reduction \$0.04M 2026–27 (\$0.32M over 8 years)</p> <p><b>Option 2d:</b> 60 min free parking December only Revenue reduction \$0.08M 2026–27 (\$0.64M over 8 years)</p> <p><b>Option 3:</b> Reduce hourly rate to \$2 Revenue reduction \$0.23M 2026–27 (\$1.84M over 8 years)</p>	<p>Option 1: No change*</p> <p>Option 2a: 30 mins free – 0.28% rates increase</p> <p>Option 2b: 60 mins free – 0.43% rates increase</p> <p>Option 2c: 30 mins free – December only – 0.03% rates increase</p> <p>Option 2d: 60 mins free – December only – 0.06% rates increase</p> <p>Option 3: Reduce to \$2 per hour – 0.17% rates increase</p> <p>Option 4: Business Levy (JSP proposal) This option is complex and requires further extensive work before any financial impact can be modelled.</p>

\* Option included in financial modelling