

From: [LGOIMA](#)
To: [Redacted]
Subject: LGOIMA request - Council Debt - Reference: 1639 Thursday, 8
Date: February 2024 4:02:40 pm

Kia ora [Redacted],

I refer to your official information request dated 7 January 2024. The information you have requested is below:

1. **How much debt has the Council had at the end of the last financial year?**

Please find **below** debt, as at 30-Jun-23:

\$297,400,000 Total Debt (all borrowings)

\$217,735,676 Gross Debt (borrowings minus linked deposits and pass-through loans to affiliated entities)

\$201,205,266 Net Debt (borrowings minus all deposits and pass-through loans)

2. **What is the Council's current maximum limit for debt?**

Tasman District Council Treasury Risk Management Policy 2023 does not have a Total Debt, External Debt, Gross Debt, or Net Debt fixed amount limit; it has ratios that need to be kept below/above thresholds. These ratios are dynamic as you can see from the table below. Also under the current 2021-31 Long Term Plan Council has also set a self-imposed Net Debt Limit of \$250m (excluding pass through lending to CCO's). There is no penalty for breaching this \$250m net debt limit but such a breach would need to be reported in Councils Annual report along with the reasons.

Tasman District Council, as a co-signatory of the Local Government Funding Agency (LGFA) Multi-Issuer Deed also has to comply with equivalent LGFA ratios, which in all cases are equal or higher than current Tasman District Council Treasury Policy ratios. The lowest net debt amount under the ratios sets the current limit.

Ratio	TDC Limit	LGFA Limit	Dec-23	At 31 12/2023 Maximum borrowing permitted under Council policy
Net External Debt : Equity	≤20%		10.3%	\$436m
Net External Debt : Total Operating Income	≤225%	≤300%	138.7%	\$365m
Net Interest : Total Operating Income	≤15%	≤20%	5.4%	Max annual interest cost \$24m
Net Interest : Annual Rates	≤25%	≤25%	9.7%	Max annual interest cost \$22m
Available Financial Accommodation : Existing External Debt	≥110%	≥110%	110.6%	\$278m

3. Does the Council has intentions (for example plans, drafts, resolutions, discussions) to increase the amount of debt in the future? And if yes, by how much in what timeframe?

Please find below figures that were contained within a graph which was presented to Council on 13 December 2023. This information are publicly available on Councils website – [Agenda of Report to Tasman District Council Meeting - Wednesday, 13 December 2023 \(infocouncil.biz\)](#) The Long Term Plan (LTP) numbers are provisional and will be consulted on as part of the 2024-34 LTP consultation process.

Actual/Planned Net Debt	\$m's
2022/23	201
2023/24	238
LTP 2024/25	267
LTP 2025/26	283
LTP 2026/27	298
LTP 2027/28	314
LTP 2028/29	330
LTP 2029/30	332
LTP 2030/31	339
LTP 2031/32	372
LTP 2032/33	419
LTP 2033/34	447

4. How many people live in the area that the Council manages?

Stats NZ's latest population estimate for the Tasman District is 59,400 residents as at 30 June 2023.

5. From how many rating units does the Council collect rates?

Current rateable units, including service rates only assessments is 26,883.

If you are not satisfied with Council's response, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

If you wish to discuss this decision with us, please feel free to contact the Legal and Democracy Services team on lgoima@tasman.govt.nz.

Yours sincerely
Legal Services Officer
