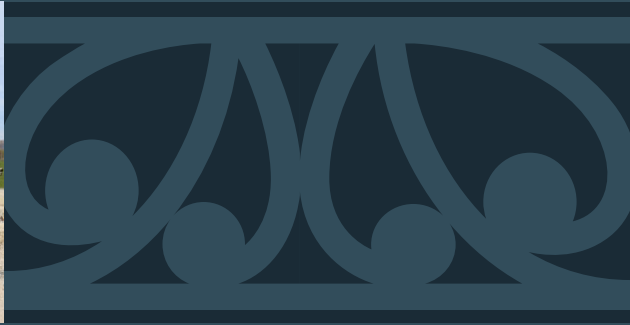


ANNUAL PLAN 2026/2027

Year 3 of Tasman's 10-Year Plan 2024–2034



Community Consultation Document



Submissions close 5.00 pm
on Sunday 3 May 2026.
You can submit online at
shape.tasman.govt.nz



Te Kaunihera o
te tai o Aorere

MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE



Welcome to Tasman District Council’s draft Annual Plan and budget for 2026/2027.

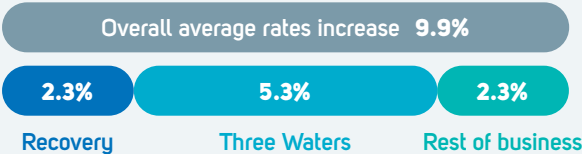
The coming year represents a time of significant change for local government. Councils everywhere are navigating new expectations, major sector reforms, and increasing financial pressures. The Tasman District also continues to recover from the June/July 2025 weather events, which placed added strain on our communities, infrastructure, and on the Council’s work programmes and budgets.

The Council is facing considerable financial challenges arising from interest rates, depreciation requirements (due to updated asset valuations), insurance costs, the impacts of the 2025 weather events, Government-mandated compliance changes to the supply of water and resource management, and increased costs to maintain the Three Waters and roading networks and our parks and reserves.

These cost escalations since the adoption of Tasman’s 10-Year Plan 2024 – 2034 continue to affect the cost of business operations and service delivery. Last year’s Annual Plan signalled a 7.2% rates increase for 2026/2027 and we saw a challenge to this figure in November 2025, when a forecast rate rise of 11.2% was identified.

In response, we undertook a thorough review of our work programme and budgets for 2026/2027. The Mayor and Councillors have been working with staff to minimise the cost to ratepayers. A range of changes and efficiencies have been identified enabling us to propose a rates increase of 9.9% while maintaining our current service levels and business operations.

Councils are now providing two rates figures – ‘Three Waters’ and ‘Rest of Council Business’ – to reflect the changes to water delivery services. This distinction could become more important in coming years, as the Government’s proposed rates cap applies to non-water rates. Recovering the costs from the June/July 2025 weather events in Tasman also adds a ‘Recovery’ rate figure to our total rates breakdown.



We acknowledge that as we address these economic pressures, they are also impacting households and businesses within our District. We are dedicated to finding an approach that balances affordability with the need to keep delivering the important services you expect and value. As we’ve heard from our residents already, doing the basics well is a good benchmark.

PROPOSED CHANGES AND OPTIONS

This Annual Plan is about managing the immediate pressures and adapting our plans and budgets accordingly. The review process aimed to find ways of minimising the increase to rates, while continuing to deliver on our obligations and the expectations of our residents and ratepayers. We also considered the services and capital improvements needed by our Tasman community and recovery of some costs through user-paid fees and charges.

To address the financial pressures, we are proposing several changes including:

- A new rate to recover the costs of the June/July 2025 weather events
- Adjusting operating budgets and rephasing parts of the capital work programme
- Slowing the funding of depreciation for our roading network
- Increasing most fees and charges by 7%

To ensure we are delivering value, restoring confidence, and reflecting the different needs of different places, we believe that the inclusion of local voices and community connection is essential to this process. This document outlines the changes we are proposing to reduce the impact of a higher rates increase and we invite you to read it and share your views.



LOOKING FURTHER AHEAD

Elected members and staff remain committed to moving the organisation towards greater financial sustainability over this triennium and maintaining current levels of service into the future may not achieve this.

Planning for our future requires some serious discussions with our community, as the Council will make decisions over the next year that will shape tomorrow's Tasman – how we fund and deliver essential services, respond to environmental pressures, and foster communities that are liveable, sustainable, and future-ready.

Work is well underway on the 10-Year Plan 2027–2037, which provides the opportunity for a deeper, more comprehensive look at our services, assets, and financial settings. This process will be informed by community input, and we encourage you to participate and share your views to help shape Tasman's future.

Thank you for engaging with this Annual Plan, we look forward to your contribution.

Tim King
Mayor

Leonie Rae
Chief Executive Officer

“

**OUR VISION IS
TO CREATE A**

**Thriving
Resilient
Tasman**

**We work to nurture a
Tasman District that
has a healthy environment,
a strong economy, and a
vibrant community.**

WHAT IS AN ANNUAL PLAN AND WHY DOES IT MATTER?



The Annual Plan is our programme and budget for the year. It sets out the activities, services, and capital projects we intend to deliver and how we will fund them, including the rates required. It also highlights any significant changes from what we agreed in Tasman's 10-Year Plan 2024–2034.

The Council will make final decisions on the Annual Plan 2026/2027 in June 2026 and the final plan will be available at tasman.govt.nz in July 2026.

Under the Local Government Act, councils must consult on an Annual Plan when proposed changes are significant or materially different from what is in the 10-Year Plan. Because the proposed changes for 2026/2027 are substantial, we want to be transparent about them and give you the opportunity to provide feedback on the things that affect you.



The purpose of this document is to:

- Explain how we calculated the rates revenue increase and how we plan to fund our work.
- Outline the key challenges the Council is currently facing.
- Ask for your feedback on the proposed changes that may affect you.

THE COUNCIL'S PLANNING CYCLE



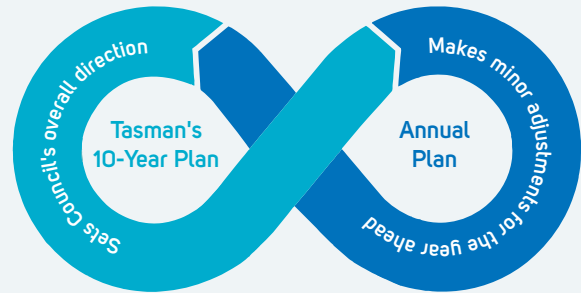
WHAT IS THE 10-YEAR PLAN AND HOW DOES THIS ANNUAL PLAN RELATE?

This Annual Plan represents Year 3 of Tasman's 10-Year Plan 2024–2034. Annual Plans allow councils to adjust activities, budgets, and priorities set in the 10-Year Plan without changing the overall strategic direction.

Tasman's 10-Year Plan is formally reviewed every three years to ensure it remains relevant and financially sustainable. The current plan is now being reviewed and the draft 10-Year Plan 2027–2037 will be consulted on in early 2027.

The 10-Year Plan provide a multi year view of the Council's work programme. This long-term approach reflects the lifespan of infrastructure, the complexity of environmental and economic planning, and the need to coordinate community outcomes over time. Because of their broader scope, 10-Year Plan reviews are where more fundamental changes to strategy, priorities, or levels of service are made.

The Annual Plan is used to make adjustments based on what has changed since the 10-Year Plan was adopted. This Annual Plan is a clear example of this process. It proposes modest changes to Tasman's 10-Year Plan 2024–2034 to respond to the 2025 weather events, current economic challenges and legislative changes. Any major shifts will be considered through the 10-Year Plan 2027–2037 process.



SUPPORTING INFORMATION



We have used the following list of supporting documents to inform this consultation document.

These are available online at shape.tasman.govt.nz/annual-plan.

- Prospective financial statements
- Full set of rates example properties
- Prospective funding impact statement
- Analysis of the options for the 2025 Weather Events Recovery Rate
- Proposed changes to the Revenue and Financing Policy, to include the 2025 Weather Events Recovery Rate
- Draft schedule of fees and charges for 2026/2027

BEYOND THE ANNUAL PLAN SHAPING TASMAN'S FUTURE, TOGETHER

Tasman is a special place – valued for its natural beauty, thriving communities, and strong spirit of innovation and resilience. Like many regions, we are facing a growing set of complex challenges including climate adaptation, ageing infrastructure, housing pressures, regional growth, and a changing landscape of central Government reform.

Looking beyond the Annual Plan 2026/2027, our challenge is to navigate these shifts while planning for Tasman's long term future. The choices we make now will influence the wellbeing of our communities, our economy, and our environment for many years.

LOOKING FURTHER AHEAD

Over the coming year, a number of key strategic discussions will help shape Tasman's future.

These include work on regional transport planning, our long-term water services strategy, Tasman's regional spatial plan and the development of our 10-Year Plan 2027 – 2037.

Elected members will guide this work and community input will be essential. To help inform these conversations, we want to understand your aspirations for Tasman's future and what you see as priorities for services, investment and community wellbeing.

As we plan for the future, the Tasman District faces several important and interrelated challenges and opportunities:

- Managing growth while protecting our natural environment
- Funding and maintaining essential infrastructure
- Responding to climate change and natural hazards
- Navigating national reforms in water, planning and local government
- Strengthening community engagement and trust in decision-making

The choices we face and how we respond to these challenges will remain central to our planning and decision making and will shape the legacy we leave for future generations.

These are significant discussions and your voice will help shape the decisions that guide Tasman for the next decade and beyond.

What does a sustainable, vibrant and prosperous future look like for Tasman?

Over the coming years we will be making important choices about:

- Spatial planning, growth and land-use
- Infrastructure needs
- Resilience and climate adaptation
- Investment priorities
- Our role and direction within the wider local government context

As we begin updating our guiding strategies, we want to hear your views on what matters most for Tasman's future and what Council could keep doing or stop doing to support this.

Want to join the conversation?

Share your aspirations for Tasman's future and where Council should focus its efforts at shape.tasman.govt.nz/lets-talk-tasman.



WHAKATAUKI

Kia whakatōmuri te haere whakamua.
I walk backwards into the future
with my eyes fixed on my past.



PART ONE OUR OPERATING ENVIRONMENT

The Annual Plan 2026/2027 focuses on finding the right balance – continuing progress towards our long-term vision for future generations, while keeping rates fair and as affordable as possible.

We are preparing this budget in a challenging environment. Key pressures include the District's ongoing recovery from the June/July 2025 weather events, new national expectations and sector reforms (including potential rates capping requirements), and increasing financial constraints across the organisation.

This Annual Plan responds to these immediate pressures by adjusting our work programme and budget accordingly. Current economic conditions are affecting households and businesses across the District, and we remain mindful of the need to balance essential investment with an equitable approach to rates.

OUR PROPOSED PLAN

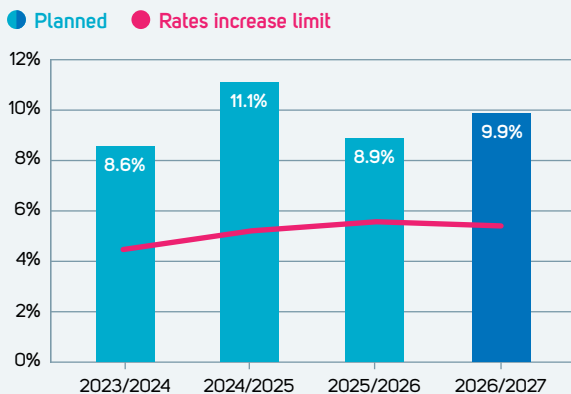
In our 10-Year Plan 2024–2034, we projected a 5.2% rates revenue increase in Year 3.

After reviewing our work programme, responding to cost pressures and reassessing what is needed for the year ahead, the Annual Plan 2026/2027 now proposes an average rates revenue increase on 9.9% across all ratepayers – including residential, business and rural properties. See page 2 for a breakdown of the rates increase.

RATES INCOME INCREASE

Tasman is a diverse District with urban, rural, and commercial properties. Because of these differences, the proposed rates changes vary significantly – from 1.91% to 13.28% – depending on where you live, the services you receive, and whether your property is connected to water and wastewater services.

For more detail on how these changes affect different types of properties, see pages 10 and 11 which outline the impact on a selection of example properties.



How our rates compare against other councils in New Zealand

Rates per capita

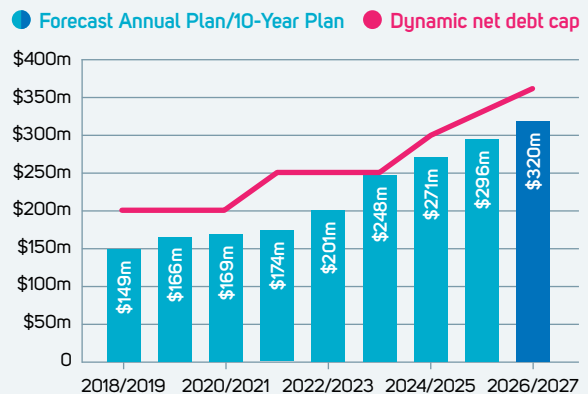
Tasman: \$1,673 > Total revenue difference: \$13,451,400
Average: \$1,898

Rates per rating unit

Tasman: \$3,668 > Total revenue difference: \$5,668,900
Average: \$3,876

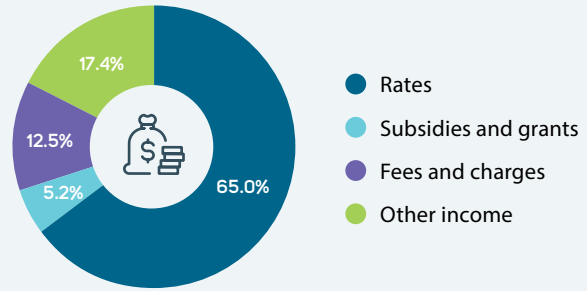
COUNCIL DEBT

The Annual Plan changes are forecast to increase our debt level to \$320 million by the end of 2026/2027. This remains within the Councils' dynamic debt ratio, but is \$14.0 million higher than planned in Tasman's 10-Year Plan.



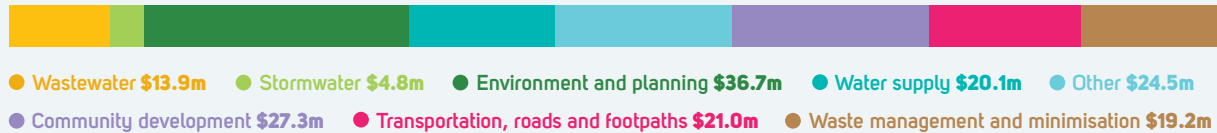
HOW THE COUNCIL IS FUNDED

Councils fund operations through a combination of rates, fees and charges, subsidies and grants from central Government, and our investments.



WHERE THE MONEY GOES

Operational expenditure (the costs of providing ongoing services)



Capital expenditure (to purchase or create assets)



WHAT'S IMPACTING RATES?



Our plans for the 2026/2027 financial year were originally set out in Tasman's 10-Year Plan 2024–2034, adopted in mid-2024. At that time, we forecast a rates revenue increase of 5.2% for 2026/2027.

Since then, rising costs and reduced external funding have continued to affect the cost of delivering services and running Council operations. During the Annual Plan 2025/2026 process, the indicative rates increase for 2026/2027 was signalled at 7.2% and by November 2025 it had further increased to a forecast rate rise of 11.2%.

Over the past two years we have undertaken a thorough review of our work programmes and budget for 2026/2027. The Mayor and Councillors have worked closely with staff to identify savings and efficiencies that reduce costs to ratepayers, while still meeting our obligations and community expectations.

This work has shifted the dial considerably on operational costs. Last year's Annual Plan introduced several changes to lower rates, including reprioritising our asset insurance saving \$700,000, reducing external consultancy budgets by \$794,000, reducing staff costs by \$1.4 million, and selling surplus Council property to reduce debt.

We have continued to focus on opportunities to avoid or reduce costs, while managing the impacts of the June/July 2025 weather events.

The Civil Defence Emergency Management Act 2002 requires councils to provide resourcing for emergency events. Our staff contributed approximately 15,000 hours at the Emergency Operations Centre to support the response to the June/July 2025 weather events.

Further changes include bringing several externally contracted consulting services in-house, slowing digital asset replacement, maintaining a freeze on non-critical recruitment and undertaking an organisational restructure.

As a result of this work, we are now proposing a 9.9% rates revenue increase for 2026/2027, while maintaining current service levels and core business operations.

To see what these changes mean for your rates, see the example properties breakdown on pages 10 and 11 or visit tasman.govt.nz/rates-search.



7.2%
WHERE WE STARTED

Council property sales of \$1m resulting in \$100,000 savings on rates
Inflationary pressures \$1.2m

THIS TOOK THE FORECAST INCREASE TO
11.2%

Impacts of the June/July 2025 weather events
\$14.6m

Central Government water levies
\$325,000

Professional fees relating to Three Waters compliance requirements
\$1.1m

Three Waters maintenance
\$4.1m

Reserves and facilities maintenance
\$1.5m

Higher RSBU* costs due to growth and wet weather events
\$700,000

Additional funding for future asset renewals (depreciation) as a result of their increased valuation
\$3.9m

These increases contributed to higher-than-expected costs

What have we done to bring rates down?

Rephasing \$14.2m of water supply and wastewater projects

Increasing most fees and charges by 7%

Slowing the funding of depreciation for our roading network by 3% saving \$650,000 on rates

Selling Emission Trading Scheme (ETS) carbon credits \$350,000

9.9%
WHERE WE LANDED



*Regional Sewerage Business Unit

EXAMPLE PROPERTIES

The Council uses example properties with different rating mixes and a range of property values to provide a general indication of the impact of the proposed rates across the District under our proposal.

A selection of 15 properties is shown here to demonstrate rates changes between the 2025/2026 year and the rates for the 2026/2027 year. The overall rates change for these example properties ranges from 1.91% to 13.28%.



COMMERCIAL AND RURAL RATES EXAMPLES

COMMERCIAL HIGH STREET, MOTUEKA

% change for 2026/2027 **+9.36%**

CV: \$1,750,000
2025/2026 Actual rates: \$8,764
2026/2027 Proposed rates: \$9,584

No metered water

Weekly increase **\$15.77**

HORTICULTURAL RICHMOND

% change for 2026/2027 **+6.19%**

CV: \$1,335,000
2025/2026 Actual rates: \$5,333
2026/2027 Proposed rates: \$5,663

Metered water – uses 177m³ (not affiliated with Dam)

Weekly increase **\$6.35**

LIFESTYLE WAKEFIELD

% change for 2026/2027 **+8.79%**

CV: \$2,970,000
2025/2026 Actual rates: \$9,970
2026/2027 Proposed rates: \$10,845

Eighty-Eight Valley rural water supply –
3m³/day restrictor

Weekly increase **\$16.84**

LIFESTYLE HOPE

% change for 2026/2027 **+3.93**

CV: \$1,460,000
2025/2026 Actual rates: \$6,725
2026/2027 Proposed rates: \$6,990

Affiliated with Dam*

Weekly increase **\$5.08**

*Waimea Community Dam affiliated water consent holders

DAIRY FARM COLLINGWOOD, BAINHAM

% change for 2026/2027 **+4.09%**

CV: \$7,020,000
2025/2026 Actual rates: \$17,527
2026/2027 Proposed rates: \$18,245

No metered water

Weekly increase **\$13.80**

INDUSTRIAL CARGILL PLACE, RICHMOND

% change for 2026/2027 **+10.33%**

CV: \$1,290,000
2025/2026 Actual rates: \$6,265
2026/2027 Proposed rates: \$6,912

Metered water – uses 51m³

Weekly increase **\$12.44**

PASTORAL FARMING WAKEFIELD

% change for 2026/2027 **+1.91%**

CV: \$3,210,000
2025/2026 Actual rates: \$11,205
2026/2027 Proposed rates: \$11,419

Wai-iti Dam supply

Weekly increase **\$4.12**

RESIDENTIAL RATES EXAMPLES



RESIDENTIAL MURCHISON

% change for 2026/2027 **+13.28%**

CV: \$420,000

2025/2026 Actual rates: \$4,002

2026/2027 Proposed rates: \$4,533

Metered water – uses 131m³

Weekly increase **\$10.22**

RESIDENTIAL TĀKAKA

% change for 2026/2027 **+12.31%**

CV: \$620,000

2025/2026 Actual rates: \$3,851

2026/2027 Proposed rates: \$4,325

No metered water

Weekly increase **\$9.12**

RESIDENTIAL WAKEFIELD

% change for 2026/2027 **+10.90%**

CV: \$780,000

2025/2026 Actual rates: \$5,343

2026/2027 Proposed rates: \$5,925

Metered water – uses 185m³

Weekly increase **\$11.20**

RESIDENTIAL MOTUEKA

% change for 2026/2027 **+12.99%**

CV: \$640,000

2025/2026 Actual rates: \$4,273

2026/2027 Proposed rates: \$4,828

Metered water – uses 87m³

Weekly increase **\$10.67**

RESIDENTIAL MĀPUA (with water services)

% change for 2026/2027 **+11.00%**

CV: \$720,000

2025/2026 Actual rates: \$5,173

2026/2027 Proposed rates: \$5,741

Metered water – uses 153m³

Weekly increase **\$10.94**

RESIDENTIAL MĀPUA (without water services)

% change for 2026/2027 **+7.38%**

CV: \$940,000

2025/2026 Actual rates: \$3,178

2026/2027 Proposed rates: \$3,413

No metered water or Council wastewater connection

Weekly increase **\$4.51**

RESIDENTIAL BRIGHTWATER

% change for 2026/2027 **+10.57%**

CV: \$750,000

2025/2026 Actual rates: \$5,262

2026/2027 Proposed rates: \$5,818

Metered water – uses 117m³

Weekly increase **\$10.70**

RESIDENTIAL RICHMOND

% change for 2026/2027 **+11.09%**

CV: \$880,000

2025/2026 Actual rates: \$5,352

2026/2027 Proposed rates: \$5,946

Metered water – uses 103m³

Weekly increase **\$11.41**

To see how these changes impact your property, see our rates calculator at tasman.govt.nz/rates-search.

PART TWO HOW TO HAVE YOUR SAY

This proposal document sets out how we have responded to the context in which we are operating and the decisions we have made to balance affordability with delivering the essential, important services you expect and value.



We welcome your feedback.

- What is your preferred option for the 2025 Weather Events Recovery Rate?
- Do you have any feedback on any of the proposed budget movements outlined on pages 14–17 (numbered 1 to 4)? Each includes a brief description of what it is and the associated budget increase or decrease.

See the submission form on page 18.



OUR PROPOSED CHANGES

NEW 2025 WEATHER EVENTS RECOVERY RATE

Severe weather in June and July 2025 caused significant damage across parts of the District. The Council has been running an extensive response and recovery programme, which is still underway. The current estimated net recovery cost is approximately \$14.6 million, although this figure is not yet final.

Most recovery costs sit within our transportation, waste management and minimisation, rivers, Three Waters, and parks and reserves activities. Funding contributions have been received or are expected from New Zealand Transport Agency/Waka Kotahi, the Ministry for the Environment, Ministry of Business, Innovation and Employment, Department of Internal Affairs, National Emergency Management Agency, and AON insurers.

Tasman's 10-Year Plan 2024–2034 and Council's Financial Strategy provide that emergency events will be paid for through borrowing and that it may be necessary to increase rates in subsequent years to service the loans used to fund the recovery.

Non-rates funding sources for the 2025 weather events recovery have now been exhausted and the Council must recover its share of the remaining costs through rates.

There are a wide range of options for the Council to consider in establishing a rate to fund these recovery costs, including:

- Increasing selected existing rates;
- Creating a new targeted rate;
- Charging specific parts of the District or all ratepayers;
- Choosing the duration over which to fund the recovery costs; and
- Deciding how liability is calculated (e.g. uniform amount, capital value, land value).

The Council has also considered whether to take the opportunity to establish an ongoing rate that would initially fund the 2025 weather event costs and then provide a funding source for future natural hazard events.

We have shortlisted four options, outlined on the following page. These are called a targeted rate, as they are for a specific purpose. The rate is proposed to apply District-wide, so it will be paid by all ratepayers.

1 Targeted District-wide Recovery Rate for five years to repay the costs of the 2025 weather events only, charged at a uniform amount (\$125)

This is the Council's preferred option.

Benefits and weaknesses of this option

- Transparency: Simple to understand and ensures funds are used solely for recovery.
- Fairness: All ratepayers contribute evenly, weather events are District-wide risks.
- Equity: Residents in the most affected areas will not pay more than others, supporting community wellbeing.
- Affordability: High-value property owners do not face disproportionately higher rates. Lower-value property owners may have less ability to pay the new rate but face the same level of rates as other property owners.
- Time limited impact: Rates will increase from 2026/2027, but the rate will end after five years once the recovery costs are fully repaid.

2 Targeted District-wide Recovery Rate for five years to repay the costs of the 2025 weather events only, charged by capital value

Benefits and weaknesses of this option

- The transparency, equity and time limited benefits and weaknesses are similar to Option 1.
- Fairness: All ratepayers contribute, recognising that weather events are District-wide risks. But ratepayers contribute in proportion to the capital value of their property.
- Affordability: High-value property owners, who may have more ability to pay the new rate, face higher rates. Lower-value property owners, who may have less ability to pay the new rate, pay at lower levels.

The rating impacts of Options 1 and 2 are demonstrated on the representative properties from page 19 of the Recovery Rate Options Analysis, which can be accessed at shape.tasman.govt.nz/annual-plan.

3 Targeted District-wide Recovery and Emergency Event Financial Resilience Rate – ongoing to repay the costs of the weather events initially and then be used to build a fund to respond to future natural hazard events charged at a uniform amount

Benefits and weaknesses of this option

- The transparency, fairness, equity and affordability benefits and weaknesses are similar to Option 1.
- Ongoing impact: Rates will increase from 2026/2027 and the new level will be ongoing. After the first five years the revenue will be used to create a fund for recovery from future natural hazard events.

4 Targeted District-wide Recovery and Emergency Event Financial Resilience Rate – ongoing to repay the costs of the weather events initially and then be used to build a fund to respond to future natural hazard events charged by capital value

Benefits and weaknesses of this option

- The transparency, fairness, equity and affordability benefits and weaknesses are similar to Option 2.
- Ongoing impact: Rates will increase from 2026/2027 and the new level will be ongoing. After the first five years the revenue will be used to create a fund for recovery from future natural hazard events.

Extending the period over which we repay the debt for recovery from the 2025 weather events would reduce the level of the rate each year, but it would also increase the number of years that the rate is charged for and increase the total costs to both the Council and the community higher than a shorter period. A longer repayment period would also increase the risk that another natural hazard events could occur before the debt for the 2025 weather events is fully paid off, requiring additional borrowing and further recovery costs.

The following material about the proposed 2025 Weather Events Recovery Rate has been prepared to support this consultation document and can be accessed at shape.tasman.govt.nz/annual-plan.

- Consideration of options and Local Government Act 2002 provisions (including rating impact modelling information).
- The Council's Revenue and Financing Policy showing changes to introduce the proposed new rate.

PROPOSED BUDGET MOVEMENTS

The Council is facing financial challenges. These cost pressures or reductions in funding since the adoption of Tasman's 10-Year Plan 2024 – 2034 in July 2024 continue to affect the cost of business operations and service delivery.

A thorough review of work programmes and budgets for 2026/2027 has taken place to manage the immediate financial pressures and identify changes and initiatives to minimise the cost to ratepayers. The significant changes are set out below.

1 Operating budget movements

Operational expenditure for the draft Annual Plan is proposed to increase by \$10.2m to \$102.6m, compared with Year 3 of Tasman's 10-Year Plan 2024 – 2034.

Indicative key changes (increases and decreases) are shown in this table and outlined below. Minor changes are not listed.



Expenditure and revenue	10-Year Plan Year 3 (\$000)	Draft Annual Plan 2026/2027 (\$000)	Variance (\$000)
Maintenance	34,912	41,880	6,968
General operating costs	26,733	30,045	3,312
Fees and recoveries	(41,545)	(44,665)	(3,120)
Professional fees	9,094	10,420	1,326
Operations	7,395	8,121	726
Employee benefits	3,170	3,915	745
Loan repayment (funded depreciation)	36,584	39,810	3,226
Sale of assets	(400)	(3,075)	(2,675)
Share of joint venture	3,540	2,729	(811)
Net interest costs	12,919	13,454	535
Total	92,403	102,635	10,232

Maintenance

Maintenance budgets have increased by \$7.0m. Of this, \$4.1m relates to Three Waters, driven by new central Government regulatory requirements. Some maintenance budgets that were reduced in Tasman's 10-Year Plan 2024 – 2034 now need to be reinstated due to actual demand, particularly for reactive maintenance.

Additional increases relate to roading (slip response and tree work), Kingsland Forest (following the end of DIA funding), and management of Council's reserves and ageing facilities.

General operating costs

New central Government levies – Taumata Arowai (\$250,000) and the Commerce Commission (\$75,000) – were not known when Tasman's 10-Year Plan 2024 – 2034 was prepared.

The cost to Council of using the Regional Sewerage Business Unit scheme has increased by \$700,000 due to ongoing growth in areas connected to the system, including parts of Richmond, and higher wastewater flows during wet weather events.

The planned \$3m museum grant for a new facility has been rephased from 2025/2026 to 2026/2027, as the work was delayed last year.

Fees and recoveries

Higher revenue is expected than forecast due to increased activity following the 2025 weather events – particularly in rivers and roading activities – and greater gravel extraction volumes. Building and resource consent revenue is also tracking above earlier assumptions.

Professional fees

Professional fees have increased by \$1.3m, with \$1.1m relating to Three Waters compliance activity. An additional \$500,000 is sought to support the development of strategic plans required under new legislation. Further funding is included to respond to resource management system changes, including preparation for a Regional Spatial Plan.

Operations

Council-wide insurance has risen above the assumed level in Tasman's 10-Year Plan 2024 – 2034. Although some recent reductions in premiums have been reflected in the draft Annual Plan, overall costs remain higher than previously planned. This has also been felt in both the commercial and private sector.

Employee benefits

Inflation and higher-than-expected premiums for staff health insurance, along with associated Fringe Benefit Tax, have contributed to increased employee benefit costs of \$745,000.

Loan repayments (unfunded depreciation)

There has been an increase of \$3.2m. Council continues to move towards fully funding depreciation; however, asset revaluation impacts were underestimated in the 10-Year Plan. Higher valuations, particularly for roading and Three Waters assets, have materially increased depreciation funding requirements and associated rates impacts. We are looking to be more conservative in Tasman's 10-Year Plan 2027 – 2037.

Sale of assets

The draft Annual Plan includes \$2.5m of asset sales, consistent with decisions made during the Annual Plan 2025/2026 process. This is \$1m higher than planned for in Tasman's 10-Year Plan 2024 – 2034.

Net interest costs

Net interest costs have increased by \$500,000. Higher borrowing has increased the level of liquid assets required under our Treasury policy, generating more interest revenue than assumed in Tasman's 10-Year Plan 2024 – 2034. The interest we receive offsets the below interest costs.

Overall interest rates have risen since adopting Tasman's 10-Year Plan 2024 – 2034, increasing interest expenses above earlier expectations.

2a The three community facilities projects

Progressing three community facilities projects was planned and budgeted for in Year 3 of Tasman's 10-Year Plan 2024 – 2034, as well as the current financial year (2025/2026). The Council has considered the next steps for each project, the rating impacts and its preferences.

We are seeking feedback on progressing or pausing these projects.

Tapawera Community Hub

Should we continue the project as planned, OR pause and defer to Tasman's 10-Year Plan 2027 – 2037 discussions?

The facility needs of the Tapawera community are not yet clear. As a consequence, the Council's proposal is to pause this project and defer it to Tasman's 10-Year Plan 2027 – 2037 discussions to further explore how best to support the Tapawera community's ambitions for a new Community Hub.

2026/2027 rating impact: 0.02% or \$34k.

Potential ongoing annual operating costs: \$156k*

Waimea South Facilities

The proposed Wakefield Hub

Should we continue the project as planned, OR pause and defer to Tasman's 10-Year Plan 2027 – 2037, with further investigation to support discussions?

The Brightwater facilities upgrades

Should we continue the project as planned, OR undertake weatherproofing work this financial year then pause and defer to Tasman's 10-Year Plan 2027 – 2037 discussions?

The Councils' proposal is to continue these projects.

2026/2027 rating impact: 0.03% or \$45k.

Potential annual operating costs for Wakefield Hub: \$408k*

Motueka Pool

Should we continue the project as planned, progressing through the design stage, OR pause and defer to Tasman's 10-Year Plan 2027 – 2037 discussions?

The Council's proposal is to continue this project.

2026/2027 rating impact: 0.16% or \$204k.

Potential ongoing operational costs: \$862k*

**The operating costs provided are indicative estimates and subject to change following future council decisions on individual projects. They are included to show the potential ongoing annual costs of each facility.*

2b Changes to the capital programme

Capital expenditure in the draft Annual Plan is proposed to increase by \$7m to \$80.6m, compared with Year 3 of Tasman's 10-Year Plan 2024 – 2034, reflecting project rephasing and updated priorities.

Several projects have been deferred beyond 2026/2027 and the upcoming 10-Year Plan 2027 – 2037 process will further manage timing and prioritisation.

Indicative key changes to the capital programme (increases and decreases) are shown in this table and outlined below. Joint Venture capital expenditure is not included and minor changes are not listed.



Capital expenditure	10-Year Plan Year 3 (\$000)	Draft Annual Plan 2026/2027 (\$000)	Variance (\$000)
Environmental Management	718	710	(8)
Public Health and Safety	19	932	913
Transportation, Roads and Footpaths	14,803	15,729	926
Coastal Structures	5	–	(5)
Water Supply	20,222	22,239	2,017
Wastewater	14,351	9,452	(4,899)
Stormwater	6,714	6,615	(99)
Solid Waste	7,610	8,369	759
Flood Protection and River Control Works	6,129	13,357	7,228
Community Development	15,764	17,522	1,758
Council Enterprises	1,531	2,231	700
Support Services	1,297	855	(442)
Total	73,622	80,641	7,019

Water supply

- Reticulation upgrades, growth projects and compliance work **(+\$14.4m)**
- Lower Queen Street upgrade deferred, other growth projects rescheduled **(-\$8.8m)**

Wastewater

- Growth projects, sludge disposal upgrades and renewals **(-\$5.4m)**
- Motueka Wastewater Treatment Plant membrane replacement **(+\$1m)**

Waste management

- Upgrades to ensure the facilities are fit for purpose **(+\$2.3m)**

Community facilities

- Motueka Community Pool **(+\$2.1m)**
- Saxton Green play space **(+\$1.2m)**

Rivers

- Rebuilding riverbanks washed out from the 2025 weather events and additional flood protection for Motueka **(+\$7.2m)**

3 Slowing planned funding of depreciation for roading assets

We have been progressively moving toward fully funding depreciation (i.e. the cost of the assets wearing out over time) and this impacts our ability to achieve a balanced budget, and plan to have completed this by 2030. Fully funding depreciation means that we do not need to borrow to replace existing assets when they reach the end of their life.

We are transitioning towards funding our roading/transport assets and had planned to reach 24% funding in 2026/2027. To help reduce the rates increase, we are proposing to slow this transition and instead reach 21% by the end of 2026/2027. This will reduce the rates increase by 0.5% (approximately \$650,000), but it would also increase net debt by a similar amount from 2026/2027.

Alternatively, we could continue to move to fully funding the roading/transport depreciation at the planned increase to 24% in 2026/2027 (which would increase rates by a further 0.5% and reduce debt by \$650,000), or to move more quickly or more slowly.

4 Changes to Council's fees and charges

Council sets fees and charges to recover some of the costs of delivering functions, services, and activities where there are private benefits, in accordance with our Revenue and Financing Policy.

A standard increase of approximately 7% has been applied where appropriate to reflect inflation and service cost pressures. Some fees differ from the standard increase due to legislative settings, affordability considerations, or the need to achieve appropriate cost recovery.

Overall, we forecast raising \$35m from fees and charges in 2026/2027. This revenue helps reduce the amount we need to collect through rates.

The Council's proposed Schedule of Fees and Charges for 2026/2027, along with the Statement of Proposal, sets out all the proposed changes.

Specific proposed changes to charges of note

Staff charge-out rates increasing by 3.5%

Staff charge-out rates are proposed to increase by 3.5% from \$226 to \$234, reflecting updated service delivery costs.

Building assurance: Project Information Memorandum fee

The Project Information Memorandum (PIM) fee is proposed to change from \$544 to \$1,000, an increase of 87% to fully recover costs and reduce the subsidy from rates.

Property information: Property files

Property information files are proposed to be charged at \$60 per file with a 50% reduction for homeowners. A bulk user discount of 60 files for \$3,000 will also be available.

Building assurance: Section 72 and section 75 decision and removal fees

19% increases to these fees are proposed to reflect higher costs associated with delivering this service (including a 35% increase in Land Information New Zealand lodgement fees).

Animal control: Stock impounding fees

The six stock impounding fees are proposed to increase above the standard 7%. The increased fees align with other councils and account for the actual cost of impounding these animals.

Environmental health: Ministry of Primary Industries (MPI) Domestic Food Business Levy

The Council collects the Domestic Food Business Levy for MPI. This fee is proposed to increase by 40%, from \$80 to \$111.80 reflecting changes from MPI.

More information on these changes can be found in the Summary of Key Changes in the Statement of Proposal, along with the entire draft Schedule of Fees and Charges, at shape.tasman.govt.nz/annual-plan.

It is important that you have your say on these proposals so please take the opportunity to share your views with us.

A short-term option to further reduce the rates increase in 2026/2027 would be for the Council to borrow to fund some of the day-to-day costs of providing services. This approach is not included in the proposal because it would require deeper expenditure reductions and/or collecting more revenue from rates in the future. This would have to be planned for in the 10-Year Plan 2027 – 2037.

HOW TO GIVE FEEDBACK



Complete the submission form online at shape.tasman.govt.nz/annual-plan



Email us at haveyoursay@tasman.govt.nz



Post the submission form back to us using Freepost (included within the form)



Deliver the submission form to any Tasman District Council office or library

Regardless of the method you use to give feedback, your submission must include your full name, email address and/or postal address.

Submissions can be made from Thursday 2 April 2026 until 5.00 pm Sunday 3 May 2026.

TALK TO YOUR MAYOR OR A COUNCILLOR

Your Mayor and Councillors are available during the time we're consulting on the Annual Plan. If you'd like to talk directly with the Mayor or a Councillor you can find details at tasman.govt.nz/your-mayor-and-councillors.

SUBMISSION FORM

YOUR DETAILS

Name _____ Organisation (if applicable) _____

Address _____

Email _____ Phone _____

We are collecting submitters' demographic information to help understand who in our community is participating in this consultation and to help us improve our processes in the future. If you do not feel comfortable providing these details, leave them blank.

What gender do you identify as? Female Male Gender diverse Prefer not to say

What year were you born? _____ What ethnicities do you identify with? _____

PRIVACY

As part of the submission process, we are asking for some personal information about you. We collect this information so that you can have a say on the Annual Plan 2026/2027 and so we can contact you about your submission and the Council's final decisions. We also ask for demographic information to help us understand who is engaging with us. This helps us understand if we are hearing from a diverse range of our community.

Submissions will only be accepted if a name and contact details are supplied. This is so we can contact you and so we can make sure we don't have duplicate submissions. The other demographic information is not compulsory.

Your full submission, including your name, will be made available to the Mayor and Councillors and the public on our website. Your contact details and demographic information will only be accessed by Council staff.

A summary of submissions may also be made publicly available and posted on our website.

All information will be held by the Tasman District Council with submitters having the right to access and correct personal information. If you have any questions about the Council's privacy practices or would like to gain access to your personal information, you can contact the Legal and Democracy Services Team at LGOIMA@tasman.govt.nz.





Attach extra pages if you need more space to write.

OPTIONS FOR A NEW RECOVERY RATE

Which is your preferred option for a new 2025 Weather Events Recovery Rate?
Please share any feedback you wish to provide.

1 2 3 4 Comments: _____

PROPOSED BUDGET MOVEMENTS

Do you have feedback on the proposed budget movements (see pages 14–17)?

1. Operating budget movements

2a. Progressing or pausing the community facilities projects

Please state which community facility your feedback relates to.

2b. Changes to the capital programme



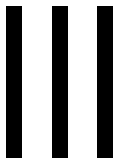
3. Slowing planned funding of depreciation for roading assets

1. Fold here

4. Changes to Council's fees and charges

2. Fold here

Freepost Authority 172255



Tasman District Council
Private Bag 4
Richmond 7050

Attention: Annual Plan 2026/2027



Tape here