

Notice is given that Council Workshop will be held on:

Date: **Wednesday 18 February 2026**
Time: **9.30am - Annual Plan 2026/27**
Meeting Room: **Tasman Council Chamber**
Venue: **189 Queen Street, Richmond**

Workshop

WORKSHOP PROGRAMME

The public is welcome to attend and observe open workshops

Workshops are not meetings and **cannot be used to either make decisions or come to agreements** that are then confirmed without the opportunity for meaningful debate at a formal meeting. An outcome of a workshop is likely to be a report to Council or a committee.

ATTENDEES

Chairperson	Mayor T King	
Deputy Chairperson	Deputy Mayor B Maru	
Members	Cr C Butler	Cr D McNamara
	Cr J Ellis	Cr P Morgan
	Cr K Ferneyhough	Cr K Maling
	Cr M Greening	Cr T Neubauer
	Cr J Gully	Cr T Walker
	Cr M Hume	Cr D Woods
	Cr M Kininmonth	

No quorum for workshops

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Email: tina_marshall@tasman.govt.nz
Website: www.tasman.govt.nz

PROGRAMME

1	WELCOME
2	APOLOGIES
3	WORKSHOP MATERIAL
3.1	Annual Plan 2026/2027.....
	4

3 WORKSHOP MATERIAL

3.1 ANNUAL PLAN 2026/2027

Report To:	Workshop
Meeting Date:	18 February 2026
Report Author:	Amy Smith, Community Policy Advisor
Report Authorisers:	Sue McLean, Group Manager - Strategy & Finance
Report Number:	RCW26-02-1

1. Workshop

Workshop Organiser:	Amy Smith
Workshop Topic:	Annual Plan 2026/2027
Workshop Objective:	Seek direction from Elected Members on the Annual Plan 2026/2027

2. Workshop Material

This workshop will:

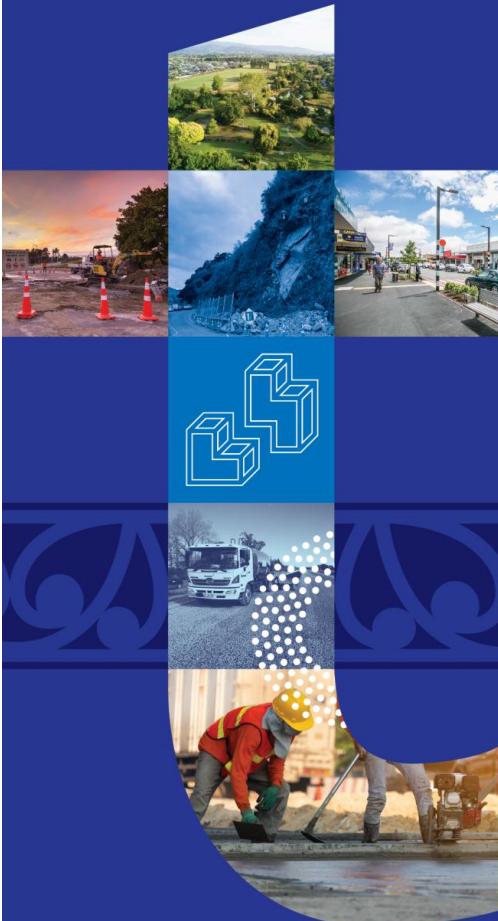
- Recap the direction provided in December 2025.
- Provide updated Annual Plan 2026/2027 financials, including representative properties.
- Discuss the options for funding (rating for) the costs of the 2025 weather events and preferences.
- Discuss the proposed changes to fees and charges, budget movements and the capital works programme.
- Provide direction on progressing the community facility projects.
- Discuss consultation preferences.

Workshop material is attached.

3. Attachments / Tuhinga tāpiri

1.  Council Workshop: Annual Plan 2026/2027 - 18 February 2026

5



Annual Plan 2026/2027

Elected Members Workshop

18 February 2026



Today's Objectives:

- Recap the direction you provided in December 2025
- Receive updated financials, including representative properties
- Discuss the options for funding (rating for) the costs of the 2025 weather events and your preferences
- Discuss the proposed changes to fees and charges, budget movements and the capital works programme
- Seek direction on progressing the community facility projects
- Understand your preferences for consultation

Whakataukī

He waka eke noa

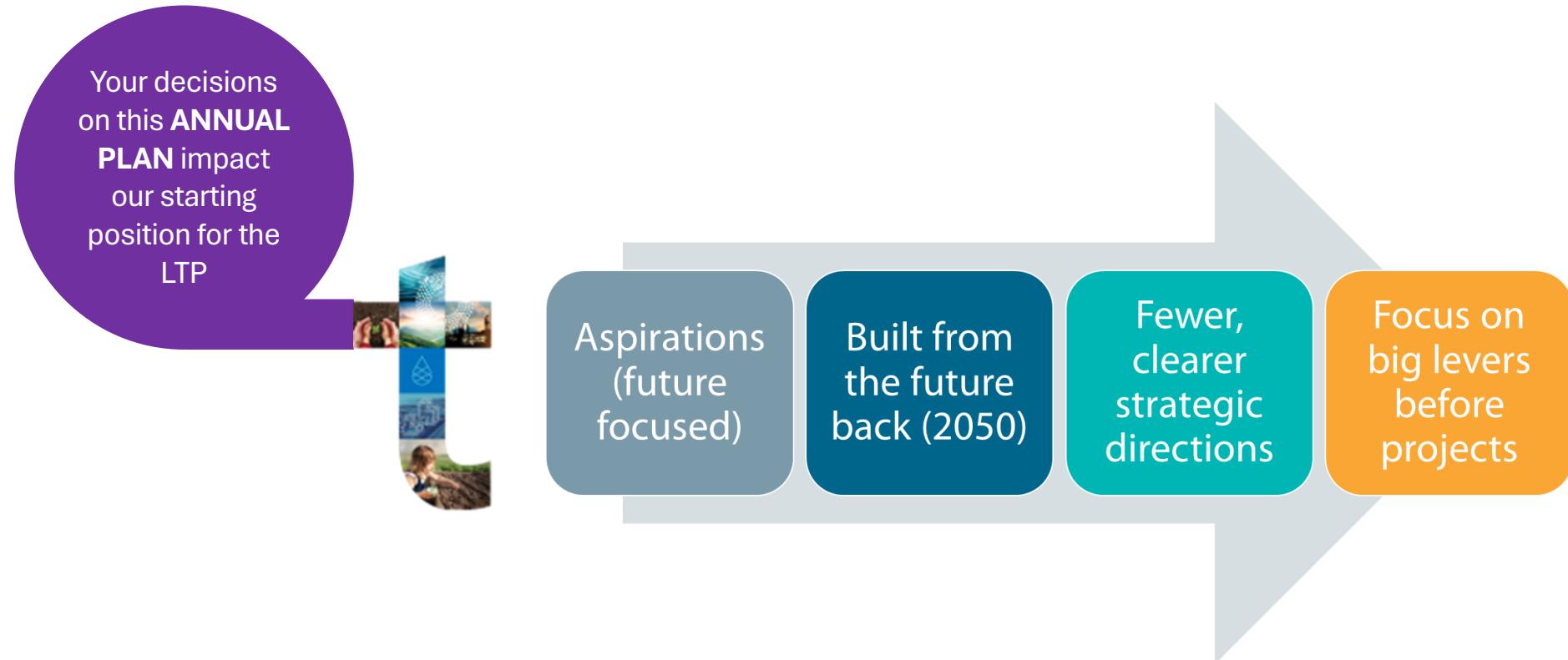
We are all in this together

2



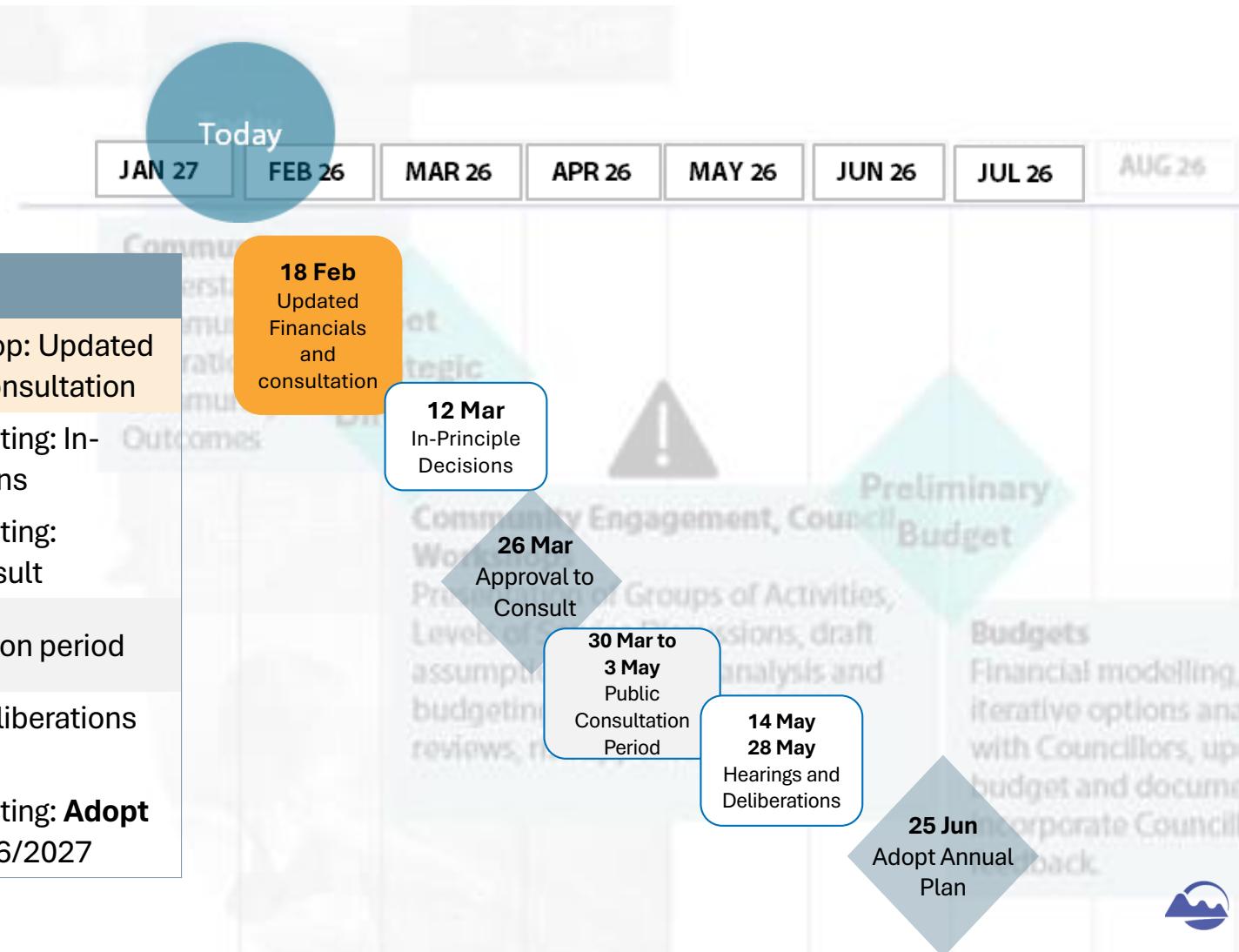
Long-Term Plan 2027-2037

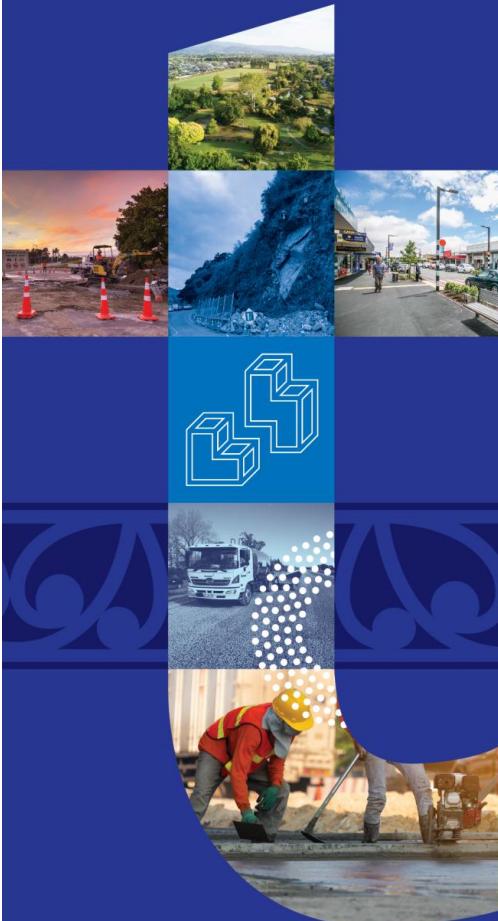
Your commitment to leading Tasman's future



Annual Plan Timeline

When	What
18 February	Council Workshop: Updated financials and consultation
12 March	Full Council Meeting: In-principle decisions
26 March	Full Council Meeting: Approval to consult
30 March to 3 May	Public consultation period
14 and 28 May	Hearings and Deliberations meetings
25 June	Full Council Meeting: Adopt Annual Plan 2026/2027





Recap: 17 December Workshop



The Big Choices

A

Accept the proposed 11.2% rate increase as the current cost of doing business.

B

Accept the proposed programme, agree a rate increase, and debt-fund the difference.

C

Make fundamental changes now and stop/reduce some service delivery to achieve a lower rate increase.



You largely landed on CHOICE A and the current cost of doing business, plus slowing funding depreciation.

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The Tactics

1 |

A new Recovery Levy (targeted rate)



Support for a new Recovery Rate over 5 years and explore the rating options.

2 |

Cease or reduce IHL dividend funding for 3 Waters activities



Cease IHL dividend funding for Three Waters activities from 2026/27, and look at the \$ impacts.

3 |

Pause or stop community facilities projects (capital and future opex)



Want to further explore the choices for pausing or stopping these projects.

4 |

Adjust fees & charges to match the rate increase or the revenue requirements



Increase most F&C by 7% and look at the change / details.

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The Tactics

5 |

Funding less depreciation



Delay / slow funding depreciation for roading, but apply this lever last.

6 |

Inflation options within the business



No changes to inflation.

7 |

Further land and/or asset sales



Want to further detail on the planned sales and achievability of further sales.

8 |

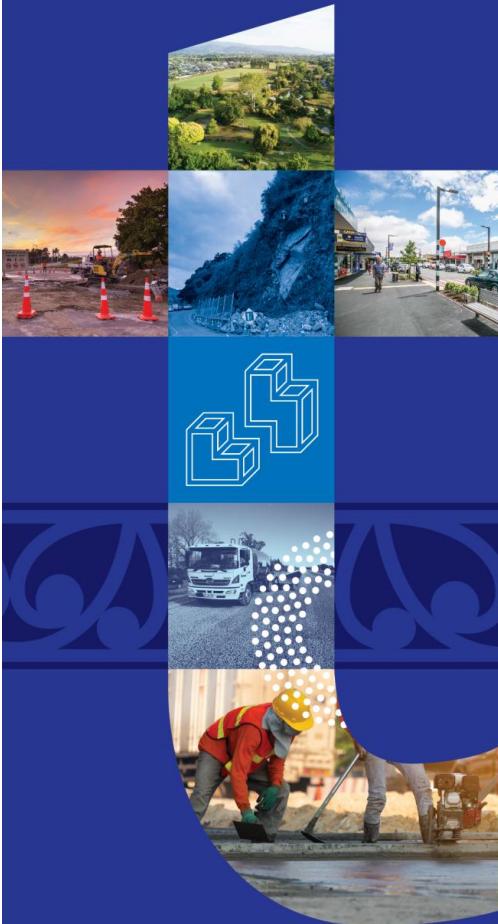
Selling remaining unencumbered ETS credits



Sell the remaining unencumbered ETS credits, noting market has dropped.

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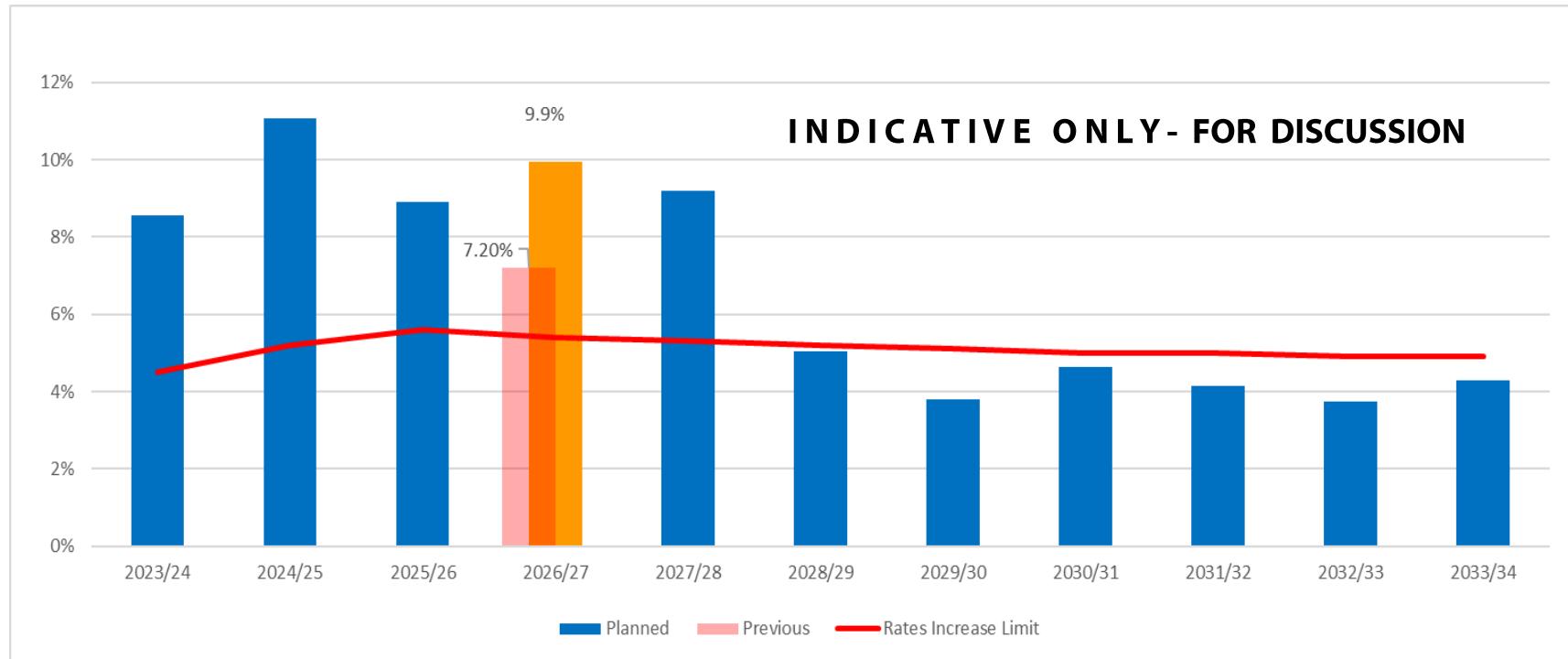


The Financials

18 Feb
Updated
Financials and
Consultation



Indicative Draft Rate Movement out to 2033/34

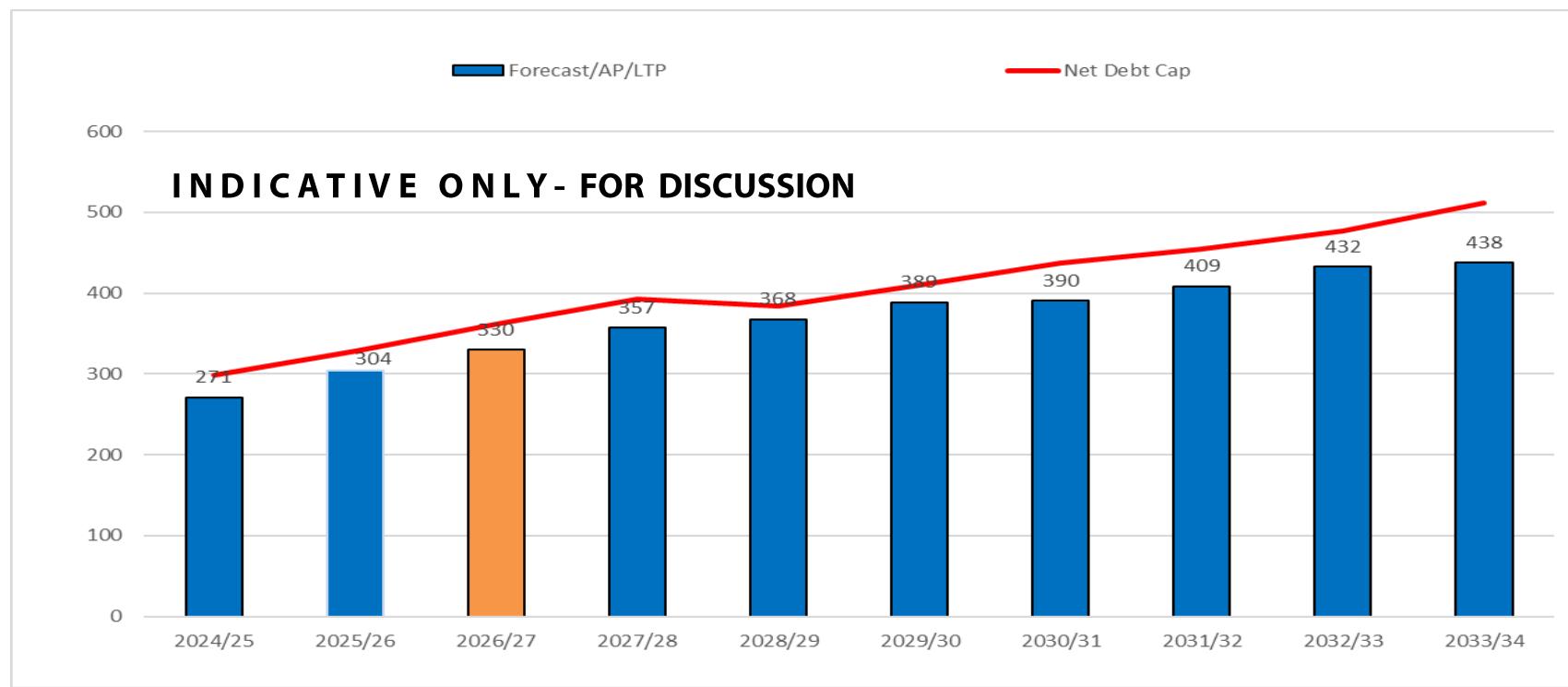


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11



Indicative Draft Net Debt out to 2033/34



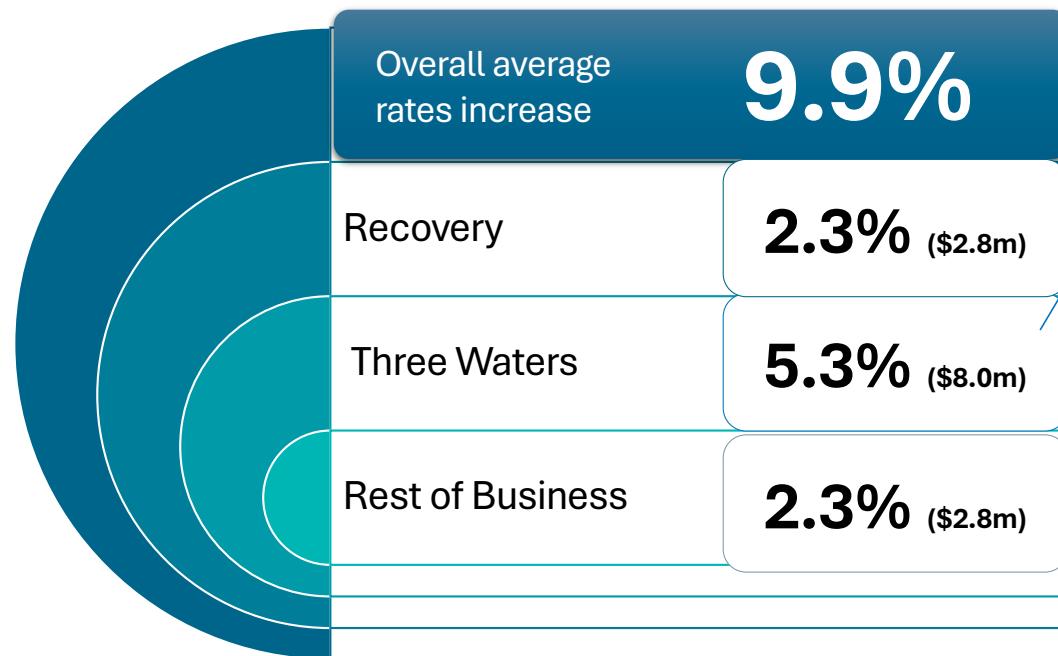
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12

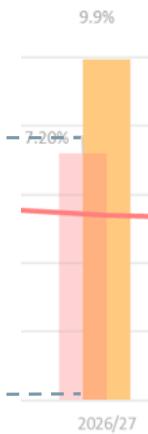


Rating Breakdown

What makes up the 9.9%



Three Waters movement is **15.7%** more than the previous year and contributes to 5.3% overall of the average rates increase.



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Inputs / Assumptions Included in 9.9%

- Recovery Rate to fund \$14.6m over 5 years (an increase)
- Stop IHL dividend funding to Three Waters
- Fees and charges increase of 7%
- Sell remaining unencumbered ETS credits \$350k
- No further land/asset sales to be realised 2026/27 (\$2.5m planned)
- No changes to Levels of Service
- No change to how inflation is applied across the business
- No changes regarding community facilities - *seeking direction today*

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Changes that Reduced 11.2% to 9.9%

1 | 

A new Recovery Levy (targeted rate)

Updated recovery costs:

- up by \$2.2m to **\$14.6m** with the rates impact increasing by 0.37% to **2.3%**

5 | 

Funding less depreciation

Slowing funding depreciation:

- reduce roading increase by 6%
- Rate savings of -\$1,181m
- Rate reduction of **-1.27%**

Result: Funded depreciation for roading will land at 18%, as opposed to 24% of our target of 49%

8 | 

Selling remaining unencumbered ETS credits

Sell ETS credits \$350k with a **-0.3%** reduction in rates

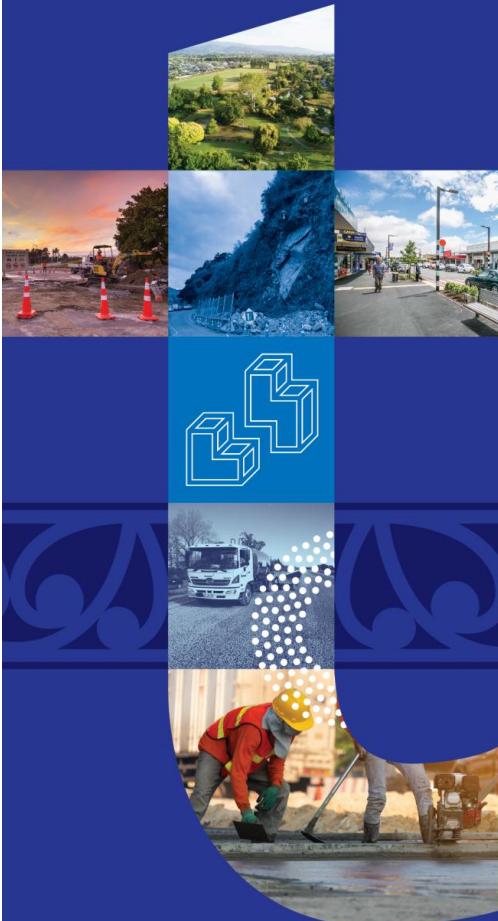
Do you want to further slow funding depreciation?

An **additional 3%** reduction would further reduce rates by 0.6% but **increase debt and push rates impact to 2027/2028**

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Representative Properties



What do you get for your rates?



Key variables



Property type

E.G. Residential, Commercial,
Lifestyle, Industrial



Location

E.G. Urban, Rural



Mix of services provided

E.G. Wastewater, Metered Water,
Rural Water Supply

Rates components:

- All properties pay the general rate and the Uniform Annual General Charge (UAGC)
- Targeted rates pay to fund specific activities

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Representative Properties – Highest Movements

Description	Capital Value	Rates 2025/26	Proposed Rates 2026/27	Dollar Increase	Percentage Increase
Lifestyle - Neudorf, with 2m ³ /day restrictor, Dovedale Rural Water Supply	\$680,000	\$4,792	\$5,529	\$737	15.37%
Residential - Richmond (Waimea Village), with 29m ³ of water, Urban Water Supply Metered Connections	\$430,000	\$3,794	\$4,334	\$540	14.23%
Residential - Murchison, with 131m ³ of water, Urban Water Supply Metered Connections	\$420,000	\$4,002	\$4,533	\$531	13.27%
Residential - Motueka, with 87m ³ of water, Motueka Water Supply Metered Connections	\$640,000	\$4273	\$4,831	\$558	13.07%

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19

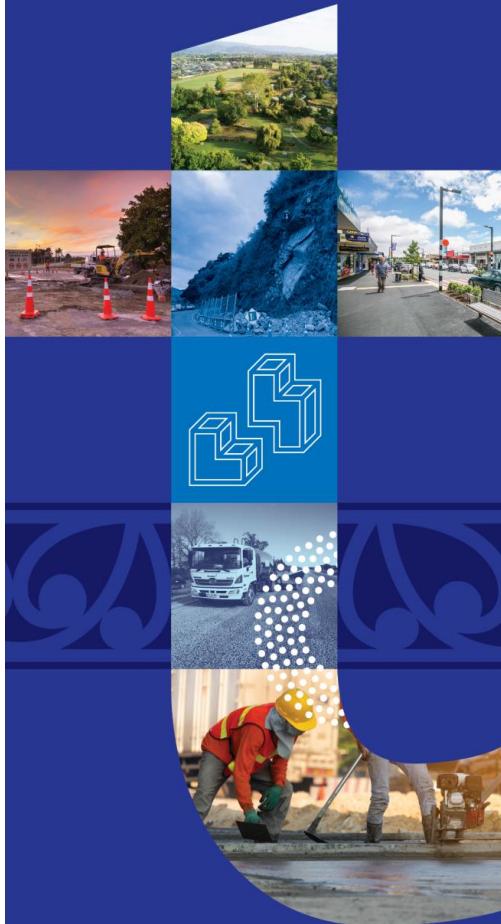


Representative Properties – Lowest Movements

Description	Capital value	Rates 2025/26	Proposed Rates 2026/27	Dollar Increase	Percentage Increase
Lifestyle- Hope in WCD EURA with 2m ³ /day restrictor, Rural Water Extension to Urban Water Scheme	\$1,460,000	\$6,725	\$6,978	\$252	3.75%
Lifestyle - Tasman with 2m ³ /day restrictor, Rural Water Extension to Urban Water Scheme	\$1,230,000	\$6,220	\$6,448	\$228	3.66%
Lifestyle - Hope in WCD EURA with 2m ³ /day restrictor, Rural Water Extension to Urban Water Scheme	\$1,350,000	\$6,517	\$6,755	\$238	3.65%
Pastoral Farming - Wakefield, with Water Supply Dams, Wai-iti Valley Community Dam	\$3,210,000	\$11,205	\$11,414	\$209	1.87%

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Funding the Costs of the 2025 Weather Events



A new Recovery or Emergency Event Financial Resilience Rate

Today, we **seek your preference** for how to fund/rate these costs for consultation:

- Who pays the rate
- How much they pay

This is required to fund the ~\$14m costs of the June / July 2025 weather events, to be repaid over 5 years.

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Local Government Act 2002 Requirements

Under section 101, the Council must consider:

- The contribution to community outcomes.
- Distribution of benefits – community as a whole vs identifiable parts of community and individuals.
- Period over which benefits occur.
- Extent to which actions/inactions contribute to the need.
- Costs and benefits (inc. transparency and accountability) of funding activity distinctly.

THEN

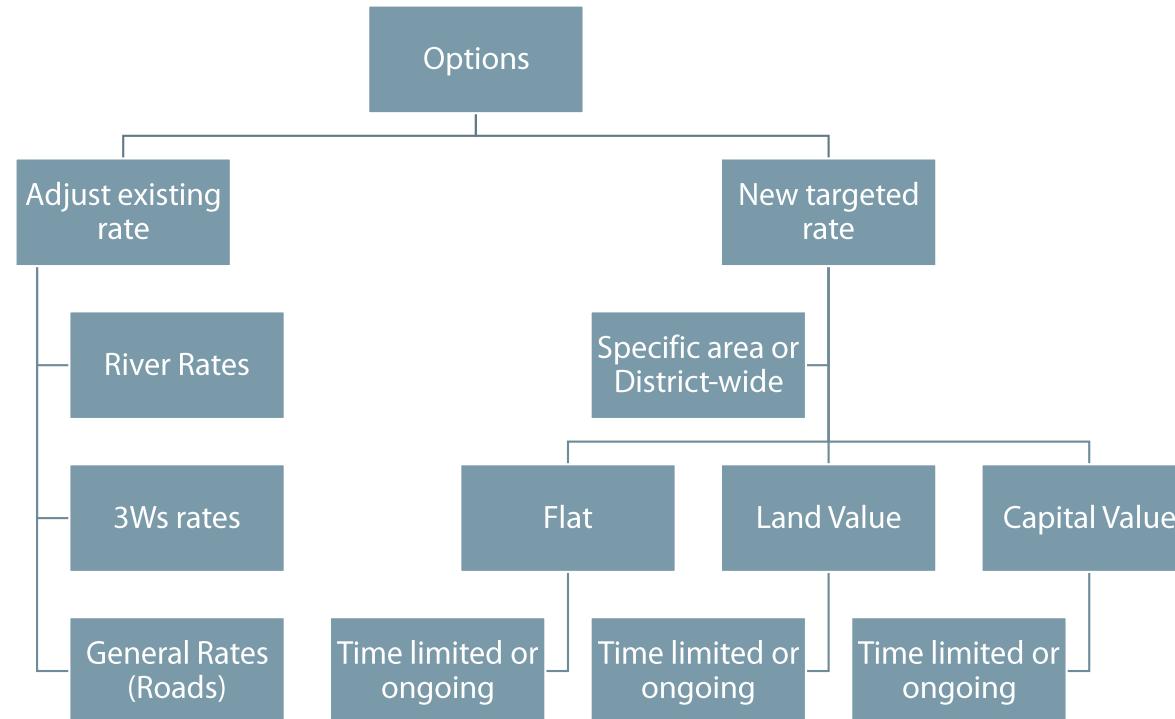
- Overall impact on current and future wellbeing of the community.

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Shortlisted Options Analysis



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24

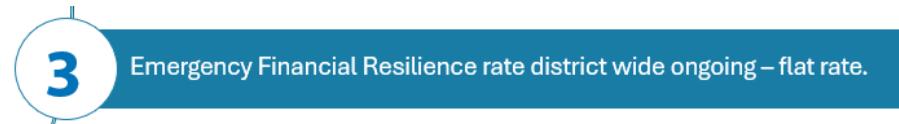


Shortlist of Options

- 1** Recovery rate district wide for five years – flat rate.
- 2** Recovery rate district wide for five years – capital value.
- 3** Emergency Financial Resilience rate district wide ongoing – flat rate.
- 4** Emergency Financial Resilience rate district wide ongoing – capital value.



Options Analysis



The following slides are an analysis of the outcomes if we opted for a....

- New **targeted** rate
- Through a **fixed** figure
- Across the **region**
- **Ongoing**

Note

- If councillors preference was to investigate alternative options to the one modelled in this presentation, staff would need to conduct similar analysis

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26



Key Information from Modelling

Note: These are the representative properties who are proposed to have the highest total percentage rates increases under the fixed fee rate

Description	Capital Value (2023)	Land Value (2023)	Capital Value Rate	Land Value Rate	Fixed Fee Rate
Lifestyle - Neudorf, with 2m ³ /day restrictor, Dovedale Rural Water Supply	\$680,000	\$455,000	\$77.21	\$94.62	\$124.01
Residential - Richmond (Waimea Village), with 29m ³ of water, Urban Water Supply Metered Connections	\$430,000	\$250,000	\$48.83	\$51.99	\$124.01
Residential - Murchison, with 131m ³ of water, Urban Water Supply Metered Connections	\$420,000	\$140,000	\$47.69	\$29.11	\$124.01
Residential - Motueka, with 87m ³ of water, Motueka Water Supply Metered Connections	\$640,000	\$430,000	\$72.67	\$89.42	\$124.01



Key Information from Modelling

Note: These are the representative properties who are proposed to have the lowest total percentage rates increases under the fixed fee rate

Description	Capital Value (2023)	Land Value (2023)	Capital Value Rate	Land Value Rate	Fixed Fee Rate
Lifestyle- Hope in WCD EURA with 2m3/day restrictor, Rural Water Extension to Urban Water Scheme	\$1,460,000	\$710,000	\$165.78	\$203.80	\$124.01
Lifestyle - Tasman with 2m ³ /day restrictor, Rural Water Extension to Urban Water Scheme	\$1,230,000	\$820,000	\$139.66	\$170.52	\$124.01
Lifestyle - Hope in WCD EURA with 2m3/day restrictor, Rural Water Extension to Urban Water Scheme	\$1,350,000	\$980,000	\$153.29	\$203.80	\$124.01
Pastoral Farming - Wakefield, with Water Supply Dams, Wai-iti Valley Community Dam	\$3,210,000	\$2,070,000	\$364.49	\$430.47	\$124.01



Staff Recommendation

New ongoing
district-wide
targeted rate for
emergency event
financial resilience

3

Emergency Financial Resilience rate district wide ongoing – flat rate.

- New rate – for transparency
- District-wide – wellbeing consideration
- Emergency Event Financial Resilience (ongoing), rather than recovery (time limited) – helps support district-wide application
- Flat rate charged to all rateable properties – based on modelling of options

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29



New Recovery Rate Consultation

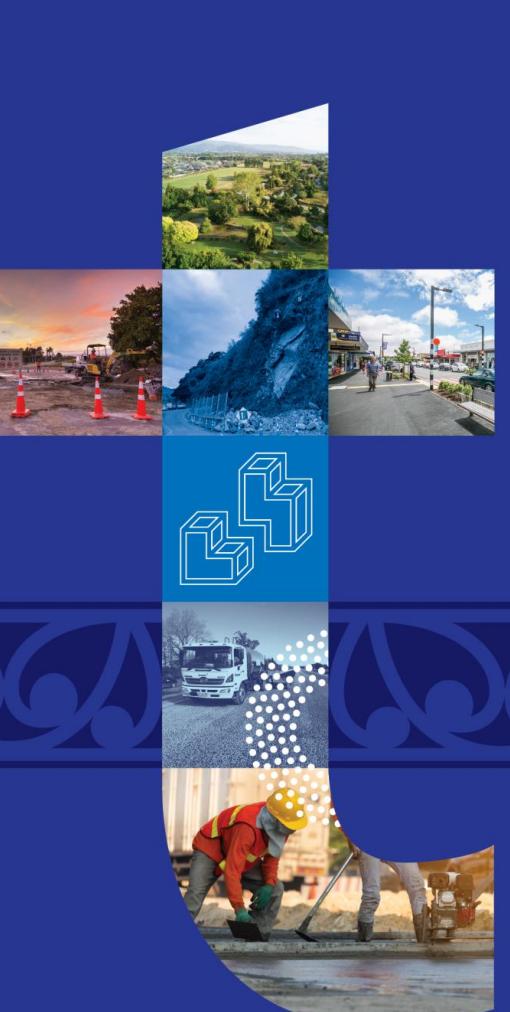
*What is your
preferred option
for consultation?*

- Explain the costs of recovery, external funding received and funding gap.
- Proposal – including summary from s101(3) analysis and rationale.
- Advantages and disadvantages of the shortlist of options.
- Rates \$ impact modelling.
- Opportunity to indicate your preferred option and reasons.

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30





Schedule of Fees and Charges Review



Council's Fees & Charges

Review process

The Council outlines its fees & charges through a ***Schedule of Fees & Charges*** adopted with the Annual Plan

- User pays approach
- Considerations and risks: fairness, affordability, cost recovery
- Approximately 600 fees and charges across 21 areas

- What is the required revenue increase by activity?
- Are fees appropriately charged and adequately cost-recovering?
- What are the rationales for changes?

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32



Adjusting Fees & Charges

We have modelled a standard **7% increase to most fees and charges.**

These changes are summarised on the following slides and set out in the **Draft Schedule.**

Note: A 1% increase is
~\$160-200k extra revenue, helping to offset the rates increase

The **Draft Schedule** of Fees and Charges 2026/2027 is provided as supporting material



33



Fees increasing above 7%

Some examples...



Fees increasing by less than 7% or not changing

Some examples...

Staff charge-out rates	Are only increasing by 3.5%.
Animal Control	Dog Registration fees are proposed to stay the same.
Waste Management	5% increase to most Waste fees.
Corporate and Library	Fees are not changing.
Gravel and Shingle Extraction	Charges are not changing.



New charges

Some examples...

Animal Control:	Call-out rates for Council Control officers and contractors.
Waste Management:	Minimum charge and administration charge for York Valley and Eves Valley landfill (as per the Regional Landfill business plan).
Collingwood Holiday Park:	“Extras” added (Linen and towel hire).
Building Assurance:	Minor Internal Alterations to a Residential Building, a three-tiered fee rather than time tracked.

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36



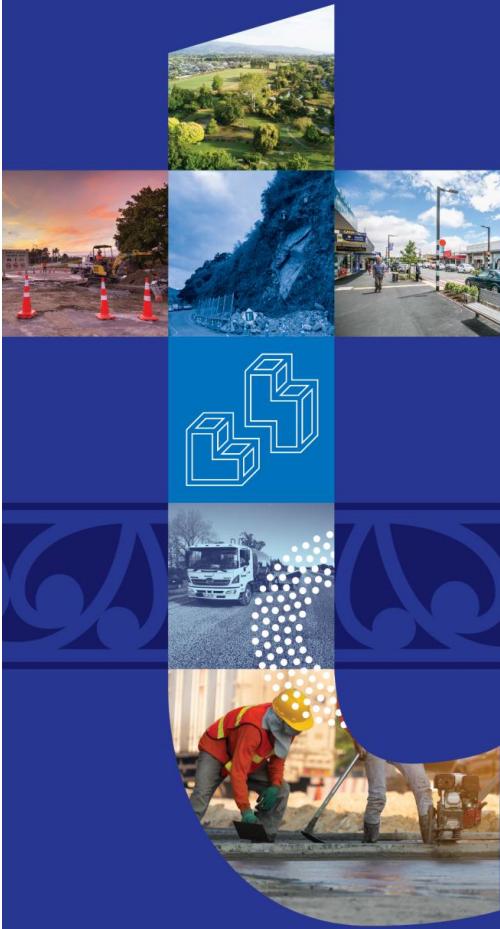
Consultation Fees & Charges

*Do you want to
consult on the
whole Schedule?*

- Consultation using the Special Consultative Procedure (SCP) is required for fees set under the Food Act 2014 and the Resource Management Act 1991.
- Significant changes to fees and charges can also trigger the need for an SCP.
- In previous reviews, we have consulted on all proposed changes in the Schedule as a whole. This ensures we meet our legislative requirements and allow public feedback.

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37



Other Matters



Context: Central government requirements

Significant new legislative and structural reforms

Reshaping the role and responsibilities of local councils

New demands on how we operate, plan and deliver services

The reforms all interact – challenging to understand the potential impacts

Substantial pressure on service delivery and costs

Don't address how new responsibilities will be funded

Important opportunity to update the local government system

The new requirements and proposed sector reform will continue to affect Tasman District Council and our communities

How will we adapt?

An indicative list of recent or proposed new requirements is provided as supporting material

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41

Annual Plan 2026/27

Rating Changes

Significant movement include:

Note that these are rating in nature.

In the **Consultation Document** we will show budget changes from the third year of the LTP vs the Draft Annual Plan. As such, the figures will be different from the above.

Key Driver	2025/26	Draft	Variance	Rate
	Adopted AP \$000	2026/27 AP \$000		
Council Operations	1,452	1,046	-406	-0.3%
Strategy & Finance	0	230	230	0.2%
Environmental Services	-5,760	-5,691	69	0.1%
Local Water Done Well/Waste	16,698	19,679	2,981	2.4%
Customer & Community	15,774	17,106	1,332	1.1%
Emergency Event	0	2,843	2,843	2.3%
Inflation	0	2,039	2,039	1.7%
Employee Remuneration	44,788	44,839	51	0.0%
Overheads	4,799	6,826	2,027	1.7%
Financial Reserves	-936	-285	651	0.5%
Loan Servicing	11,564	11,717	153	0.1%
Funded Depreciation/Loan Repayments	33,768	35,515	1,747	1.4%
Total	122,148	135,866	13,718	11.2%
Less growth in rating base				1.3%
Net % rates increase				9.9%

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Annual Plan 2026/27

Capital Changes

What's In		What's Out	
Water Supply	Reticulation upgrades, growth and compliance projects (+\$14.4m)	Wastewater	Growth projects, sludge disposal and renewals (-\$5.4m)
Waste Management	Making the facilities fit for purpose (+\$2.3m)		
Community Facilities	Motueka Community Pool and Saxton Green play space (+\$3.3m)	Water Supply	Lower Queen St upgrade deferred, growth projects pulled forward or deferred out (-\$8.8m)
Wastewater	Motueka WWTP membrane replacement (+\$1m)	Reserve Financial Contributions	Purchasing land in Richmond for Reserves (-\$1m)
Rivers	Rebuilding river banks washed out from the floods and additional flood protection for Motueka secured (+\$7.2m)		

Note: Key changes >\$1m are shown above, as compared to LTP Yr3. Many areas have had additions and subtractions to their capital programmes, resulting in little overall change.

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43

Direction needed for Community Facilities Projects

Progressing community facility projects is planned and budgeted for in LTP Year 3

An overview of each project and potential next steps is provided as supporting material

Facility	RFC	Loan	Community Contribution	Total
Tapawera Community Hub	1,314,276	466,550	919,174	2,700,000
Waimea South Facilities	7,966,991	2,651,988	3,081,021	13,700,000
Motueka Community Pool	11,791,715	3,930,572	4,277,713	20,000,000

*Do you want to **Pause/Defer** or **Continue** these projects?*

The 2026/2027 rating impact of pausing all of these projects:

Rate savings of **-\$283,731**
Rate reduction of **-0.21%**

An LTP amendment will not be required, if your preferences are consulted

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44



Direction needed for Community Facilities Projects

Potential next steps and rating impact

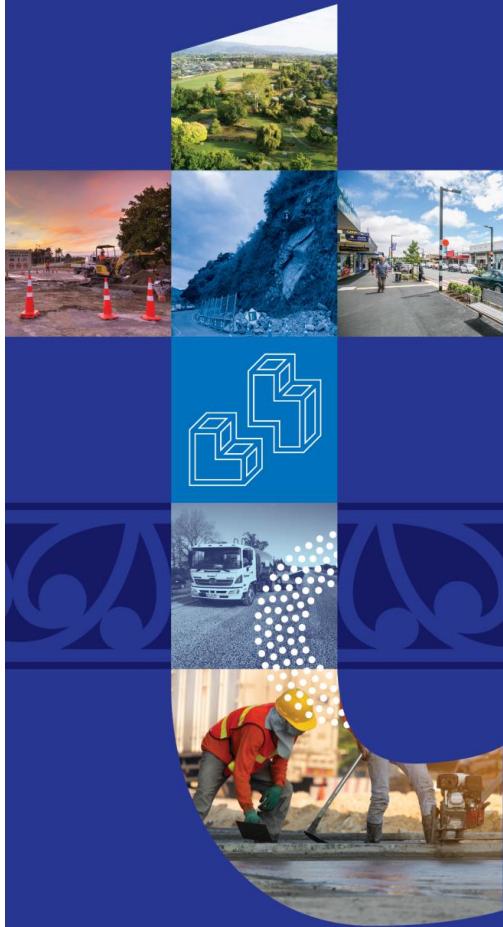
Project	Potential next steps	2026/2027 Rating Impact
Tapawera Hub	Pause and defer to LTP discussions.	Rate savings -\$34,384 Rate reduction -0.02%
Waimea South Facilities	Wakefield Hub: Pause and defer to the LTP; undertake further investigation to support discussions. Brightwater Facilities: Minimum this FY, then pause and defer to LTP discussions.	Rate savings -\$45,331 Rate reduction -0.03%
Motueka Pool	Progress through the design stage, then defer to LTP discussions.	Rate savings -\$204,016 Rate reduction -0.16%

*Do you want to **Pause/Defer** or **Continue** these projects?*

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45





Consultation and Communication



Consultation

Annual Plan 2026/2027

Consultation is required – some of the proposed changes are significant or material.

You can determine **what** to consult the community on, **how** to consult, and **key communication messages**.

When	What
26 March	Full Council Meeting: Approval to consult
30 March to 3 May	Public consultation period
14 and 28 May	Hearings and Deliberations meetings
25 June	Full Council Meeting: Adopt Annual Plan 2026/2027

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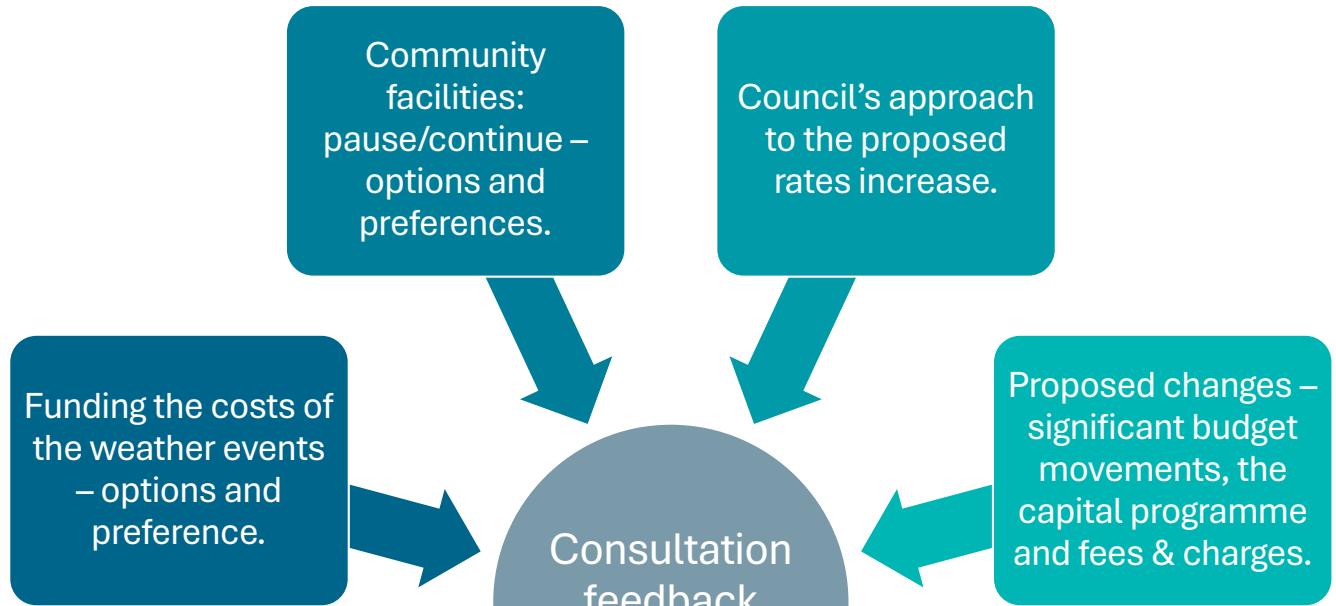
47



Consultation

What to consult on

We suggest the minimum consultation document includes....



*Is there **anything else** you would like to consult on?*

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48



Consultation

How we consult

We have allowed for a 35 day consultation period (inc. Easter and ANZAC holidays)

*Are there **any other methods** you would like to use?*

Public Consultation

- Separate hearings and deliberations meetings

Shape Tasman

- Dedicated Shape Tasman pages for Annual Plan and Fees & Charges



Key Document

- Consultation document

Channels

- Promote via Newsline and other channels



Submissions

- Submissions received online/email/post/hand delivered

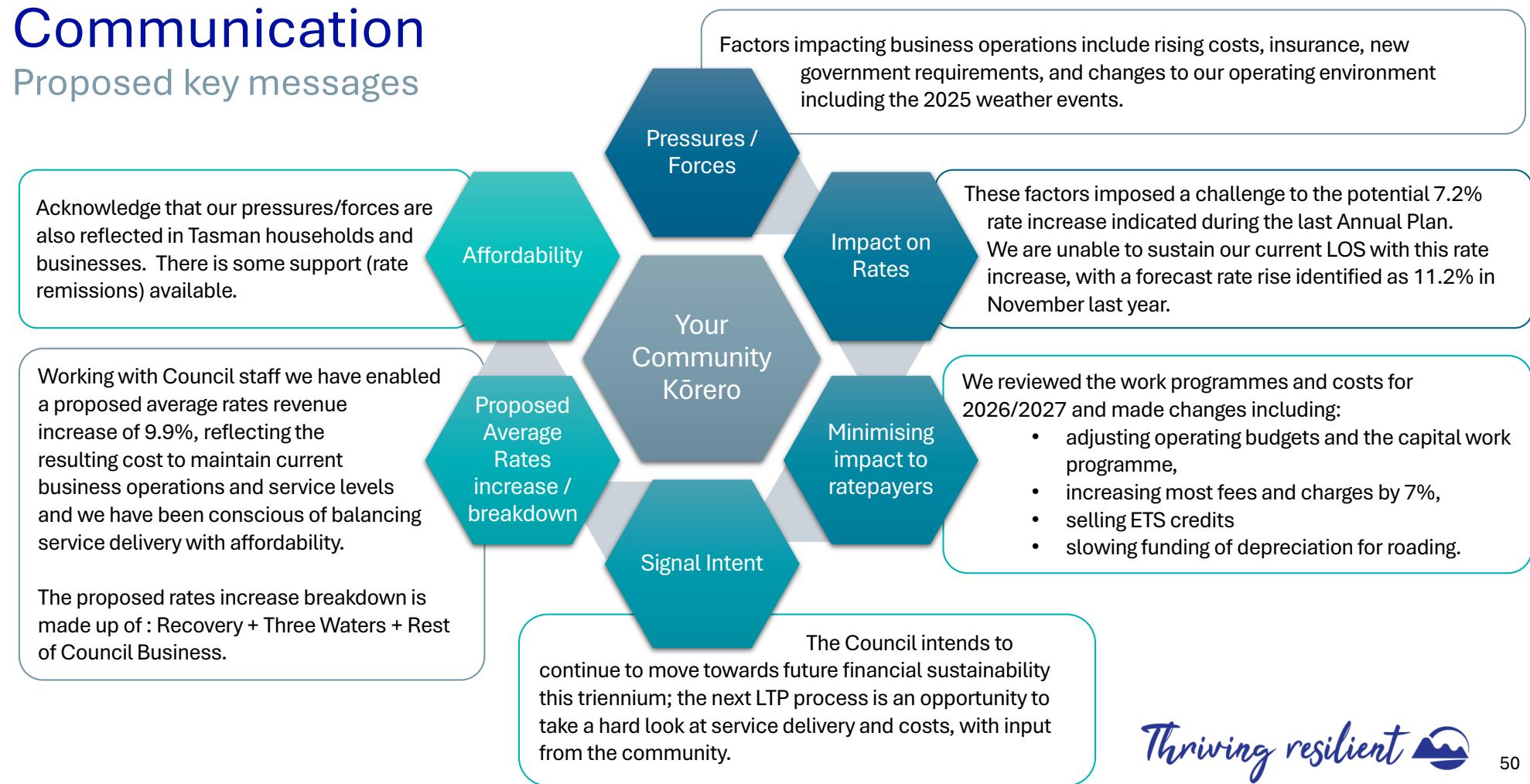
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49



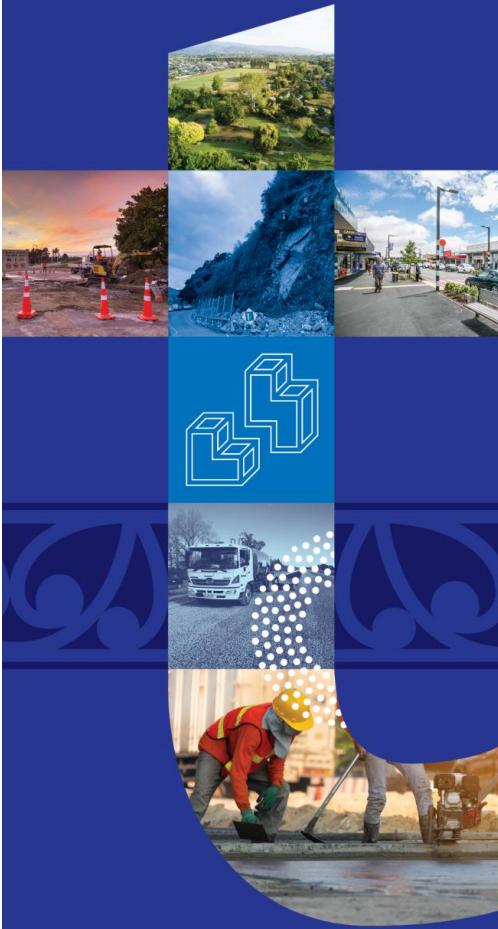
Communication

Proposed key messages



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50



Wrap Up



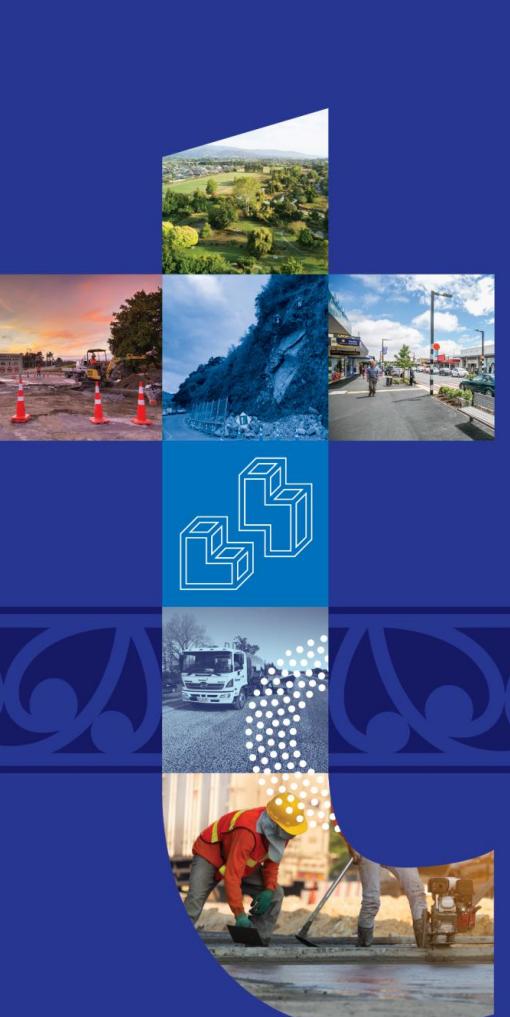
Next Steps Annual Plan 2026/2027

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52





Thank you Ngā mihi

