

Notice is given that an ordinary meeting of the Tasman District Council will be held on:

Date: Thursday 12 March 2026
Time: 9.30am
Meeting Room: Tasman Council Chamber
Venue: 189 Queen Street, Richmond
Livestream link: [Tasman District Council - YouTube](#)

Tasman District Council

Kaunihera Katoa

AGENDA

MEMBERSHIP

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

(Quorum 8 members)

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AGENDA

1 OPENING, WELCOME, KARAKIA

2 APOLOGIES AND LEAVE OF ABSENCE

Recommendation

That the apology from Councillor K Ferneyhough be accepted.

3 PUBLIC FORUM

3.1 Howard Valley Forest recreational stakeholder group 4

3.2 Ross Loveridge-Chair of Motueka Aquatic Centre Fundraising Committee 5

4 DECLARATIONS OF INTEREST

5 LATE ITEMS

6 CONFIRMATION OF [MINUTES](#)

That the minutes of the Tasman District Council meeting held on Thursday, 12 February 2026, be confirmed as a true and correct record of the meeting.

That the confidential minutes of the Tasman District Council meeting held on Thursday, 12 February 2026, be confirmed as a true and correct record of the meeting.

7 REPORTS

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8.3 Property Asset Sales Update 85

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9 CLOSING KARAKIA

3 PUBLIC FORUM

3.1 HOWARD VALLEY FOREST RECREATIONAL STAKEHOLDER GROUP

Report To: Tasman District Council
Meeting Date: 12 March 2026
Report Number: RCN26-03-2

1. Public Forum / Te Matapaki Tūmatanui

Ange van der Laan – Regional Field Advisor/Outdoor Access Commission, Graeme Ferrier – Nelson Tramping Club and Liz Eskrick – MTB Trails Trust, will speak in public forum regarding advocating for Tasman District Council to legalise a MTB and tramping trail in the Howard Forest, prior to the sale of the forest.

2. Attachments / Tuhinga tāpiri

Nil

3.2 ROSS LOVERIDGE-CHAIR OF MOTUEKA AQUATIC CENTRE FUNDRAISING COMMITTEE

Report To: Tasman District Council

Meeting Date: 12 March 2026

Report Number: RCN26-03-10

1. Public Forum / Te Matapaki Tūmatanui

Ross Loveridge will speak in public forum regarding reporting on fundraising progress for the Motueka Aquatic Centre project and ensuring momentum is maintained, proceeding with the Reserve Financial Contributions process and completing planning approvals.

2. Attachments / Tuhinga tāpiri

Nil

7 REPORTS

7.1 AMENDMENTS TO THE TASMAN DISTRICT COUNCIL DELEGATIONS REGISTER 2025 - 2028

Decision Required

Report To:	Tasman District Council
Meeting Date:	12 March 2026
Report Author:	Robyn Byrne, Governance Manager
Report Authorisers:	Steve Manners, Chief Operating Officer
Report Number:	RCN26-03-5

1. Purpose of the Report / Te Take mō te Pūrongo

- 1.1 To update the Tasman District Council Delegations Register to include membership of joint committees, remove an operational advisory group and appoint a member to Golden Bay Pae Ora Alliance Partnership.

2. Summary / Te Tuhinga Whakarāpotō

- 2.1 At its meeting on 11 December 2025, Council adopted the Delegations Register for the current triennium. Following this adoption some administrative updates required.
- 2.2 Updated sections of the Delegations Register are included in Attachments 1 and 2.

3. Recommendation/s / Ngā Tūtohunga

That the Tasman District Council

1. **receives the Amendments to the Tasman District Council Delegations Register 2025 - 2028 RCN26-03-5; and**
2. **appoints Councillor Celia Butler as the representative to the Golden Bay Pae Ora Alliance Partnership; and**
3. **approves the proposed additions and changes as set out in Attachments 1 and 2 to the agenda report, to reflect the following changes:**
 - 3.1 **Update membership and representative appointments (Attachment 1).**
 - 3.2 **Remove Waimea South Community Facility Project Advisory Group (Attachment 2).**

4. Background / Horopaki

- 4.1 Appointments have been made to membership of joint committees with Nelson City Council and have been included to the Register.

- 4.2 Golden Bay Community Health would like to formally request that Tasman District Council appoint Golden Bay Ward Councillor Celia Butler as a member of the Golden Bay Pae Ora Alliance Partnership. A recommendation has been included and proposed to be updated in the Register.
- 4.3 Staff have reviewed and determined that the Waimea South Community Facility Project Advisory Group is operational and it is proposed that this be removed from the Register. This Advisory Group continues to have two Councillor representatives.

5. Attachments / Tuhinga tāpiri
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- | | | |
|----------------------|---|----|
| 1. ↓ | Updates to Delegations Register 2025-2028 - Mar2026 - membership and representation | 8 |
| 2. ↓ | Updates to Delegations Register 2025-2028 - Mar2026 - remove Advisory Group.pdf | 13 |

Part Two - Governance

	<ul style="list-style-type: none"> • Councillor Paul Morgan • Councillor Dave Woods • Councillor Timo Neubauer • Councillor Celia Butler <p>1 x appointed independent member:</p> <ul style="list-style-type: none"> • Analisa Elstob
<p>Chief Executive Officer Review Subcommittee (reporting to Council)</p>	<p>Chairperson - Mayor Tim King Deputy Mayor Brent Maru Councillor Jo Ellis</p>
<p>Council Contracts and Procurement Committee (reporting to Strategy Finance and Performance Committee)</p>	<p><i>Mayor Tim King (ex-officio)</i> Chairperson – Councillor Mike Kininmonth Councillor Dean McNamara Councillor John Gully</p>
<p>District Licensing Committee Operates under the Sale and Supply of Alcohol Act 2013</p>	<p>Chairperson – Councillor Jo Ellis Councillor Trindi Walker 3 x appointed independent members</p>
JOINT COMMITTEES OF NELSON AND TASMAN COUNCILS	
<p>Joint Committee of Tasman District and Nelson City Councils (Joint Committee)</p>	<p><u>Mayor</u> <u>Deputy Mayor</u> <u>All other Councillors</u></p>
<p>Joint Shareholders Committee (JSC)</p>	<p><u>Mayor</u> <u>Deputy Mayor</u> <u>Councillor Jo Ellis</u></p>

Part Two - Governance

	Councillor Kit Maling Councillor Mike Kininmonth Councillor Paul Morgan
Joint Regional Transport Committee (JRTC) Operates under the Land Transport Management Act 2003 and its Amendments	Mayor (ex-officio) Deputy Mayor Maru Councillor Jo Ellis Alternates Councillor Celia Butler Councillor John Gully 1 x Waka Kōtahi representative – Emma Speight (with voting rights)
Joint Regional Sewerage Committee (JRSC)	Mayor (ex-officio) Councillor Kit Maling (Chairperson) Councillor Dave Woods
Joint Regional Landfill Committee (JRLC)	Mayor (ex-officio) Councillor Dean McNamara Councillor Trindi Walker
Joint Saxton Field Committee (JSFC)	Councillor Mike Kininmonth Councillor Kit Maling Councillor Timo Neubauer
Nelson-Tasman Civil Defence and Emergency Management Group (CDEM Group) <i>Please note s.12 (2) of the Civil Defence and Emergency Management Act 2002 states that a Civil Defence and Emergency Management Group is not deemed to be discharged following a triennial election.</i> <i>This Committee is included for completeness.</i>	Mayor Deputy Mayor (alternate)

Part Two - Governance

Joint Building Authority Advisory Group (JBAAG)	<u>Terms of reference to be confirmed</u>
Joint Climate Change Advisory Group (JCCAG)	<u>Terms of reference to be confirmed</u>
Waimea Inlet Coordinating Group	Councillor Mike Kininmonth Alternate: Councillor Timo Neubauer
SUBCOMMITTEES	
Golden Bay Recreation Park Management Committee	<i>Mayor Tim King (ex-officio)</i> Chairperson – Councillor Mark Hume Deputy Chairperson – Councillor Celia Butler 4 x external representatives
Animal Control Subcommittee (Reporting to Environment Regulatory and Operations Committee)	<i>Mayor Tim King (ex-officio)</i> Chairperson – Deputy Mayor Brent Maru Councillor Trindi Walker Councillor Mike Kininmonth
Community Awards Subcommittee (Reporting to Strategy Finance and Performance Committee)	<i>Mayor Tim King (ex-officio)</i> Chairperson – Cr Mike Kininmonth Councillor Mark Hume Councillor Timo Neubauer Councillor Kerryn Ferneyhough
Community Grants Subcommittee	<i>Mayor Tim King (ex-officio)</i>

Part Two - Governance

(Reporting to Strategy Finance and Performance Committee)	Chairperson – Cr John Gully Councillor Celia Butler Councillor Trindi Walker Councillor Kit Maling Councillor Mike Kininmonth
Creative Communities Subcommittee (Reporting to Strategy Finance and Performance Committee)	<i>Mayor Tim King (ex-officio)</i> Chairperson – Councillor Celia Butler Councillor Kerryn Ferneyhough
REPRESENTATIVES AND APPOINTMENTS	
Local Government New Zealand Zone 5	Chairperson – Mayor Tim King Chief Executive Officer
Regional Sector Group	Chairperson – Mayor Tim King Chief Executive Officer
Rural & Provincial	Deputy Mayor Brent Maru
Project Kōkiri Leadership Group	Mayor Tim King
Nelson Tasman Climate Forum	Councillor Timo Neubauer Councillor Kerryn Ferneyhough
Friendly Towns	Motueka appointment: <ul style="list-style-type: none"> • Councillor Walker – Kiyosato Richmond appointment:

Part Two - Governance

	<ul style="list-style-type: none"> • Councillor Ellis – Fujimi Machi
<u>Golden Bay Pae Ora Alliance Partnership</u>	<u>Councillor Celia Butler</u>
Iwi Liaison	Mayor Tim King Chief Executive Officer
Motueka Aerodrome Health & Safety and Operational Group	Councillor Trindi Walker 1 x Community Board member
Positive Ageing	Councillor Mike Kininmonth
Port Tarakohe Health & Safety and Operational Group	Councillor Celia Butler 1 x Golden Bay Ward Liaison
Regional Accessibility Forum	Councillor Timo Neubauer
Tākaka Aerodrome Health & Safety and Operational Group	Councillor Mark Hume 1 x Golden Bay Ward Liaison
Tasman Bays Heritage Trust Appointments Committee	Mayor Tim King Chief Executive Officer
Tasman Environmental Trust	Councillor Celia Butler
Tasman Youth Council	Councillor Trindi Walker Councillor Kerryn Ferneyhough
Waimea South Community Facility Project Advisory Group	Councillor Mike Kininmonth Councillor Timo Neubauer

Part Two - Governance

Advisory groups are not decision making groups, they are the conduit for users to provide advice/recommendations to the Council in their area of interest. These interests are outlined in each Advisory Groups terms of reference.

The Council retains the right of autonomous strategic and operational management and is not bound by any Advisory Group process outcome.

Council currently has no governance Advisory Groups.

5.5.1. Waimea South Community Facility Project Advisory Group

1. Background

The project is to develop a multi-purpose community facility to serve Brightwater & Wakefield communities. The Tasman District Council 10-Year Plan 2021-2031 assigns the project to a 2026-29 timeframe and allows a nominal sum of \$8.6m to fund the work. Early engagement on the review of the 10-Year Plan indicates the communities expect an earlier project delivery date.

Work to date has focused on early community engagement and the completion of a Needs Analysis, conducted in 2022 by Global Leisure Group. Community engagement has included the establishment of the Waimea South Community Facility Charitable Trust in 2022, consultation meetings with the Wakefield Community Council, the Brightwater Community Association, Wanderers Sports Club and wider community groups and individuals. The Needs Analysis report is to be adopted by the Council and its recommendations progressed through a feasibility study, or studies.

2. Objectives

The objective of the current phase of the project is to assist and inform Council to conduct a feasibility study.

In the likelihood that the project will proceed as two separate pieces of work in Brightwater and Wakefield, as recommended in the Needs Analysis report and supported at a meeting of key partners in June 2023, we agree to establish an advisory group to bring together key community partners and the Tasman District Council, to oversee the feasibility study (or studies). We believe input from this group into the feasibility study, and beyond, is critical for maintaining a strong community-driven focus that better engages with people and their needs.

3. Scope

The scope of the advisory group's work will be:

- a. To establish a working partnership between community stakeholders and Tasman District Council staff, including clear lines of responsibility and reporting between the community partners in Brightwater and Wakefield, the advisory group and the Tasman District Council.

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- b. ~~To confirm the status of the project as a single or split provision, and to assist and inform the Council in commissioning and conducting a feasibility study (or studies). With the funding obtained through the government's Better Off Fund, this phase of the project/s may extend to design and costings of preferred facility options.~~
- e. ~~To explore options for the future governance of the completed facilities, aligned with community hub models, as recommended in the Needs Analysis report.~~

~~4. Advisory Group Structure~~

~~The advisory group will comprise:~~

- ~~— Two members from the Waimea South Community Facility Charitable Trust~~
 - ~~— Two members from the Brightwater Community Association~~
 - ~~— Three members from the Tasman District Council~~
- ~~The group may co-opt other members by unanimous agreement.~~

~~5. Advisory Group Process~~

~~The advisory group will establish an operational framework suitable to fulfilling its objectives, including:~~

- a. ~~Meetings: frequency, procedures, venues~~
- b. ~~Roles: chair, secretary or other roles as considered desirable~~
- e. ~~Reporting: meeting minutes and resolutions, standards of reporting, recipients of reports, procedures for media releases and other public communications. As a guideline, it is recommended that no media or social media messaging is published under this group's name; any releases will be written and published by the Tasman District Council as the major stake holder/financer.~~
- d. ~~Disputes: agree on a Code of Conduct and a resolution procedure for disputes/disagreements within the group~~

~~6. Deliverables~~

- a. ~~Advisory group structure. The advisory group is established and functioning well to fulfil all its objectives.~~
- b. ~~Project status. The project's status as a single or split provision between Brightwater and Wakefield is decided, and is approved by the Tasman District Council.~~
- e. ~~Feasibility study. The feasibility study is completed to an agreed timeframe and standard.~~

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~~d. — Future options. Options for future governance of completed facilities have been fully scoped, and recommendations presented to stakeholders.~~

~~7. — Timeframe~~

~~Timeframes to deliver the advisory group's functions are:~~

~~a. — Group Structure and operations established: July 2023~~

~~b. — Project status confirmed: July 2023~~

~~c. — Feasibility Study:~~

~~• Commissioning: July – September 2023~~

~~• Undertaking the study: September – December 2023~~

~~• Initial reporting to stakeholders: December 2023 – January 2024~~

~~• Final report: February 2024~~

~~• Inclusion in revised Tasman District Council 10-Year Plan: June 2024~~

~~d. — Future options:~~

~~• Scoping exercise: September – December 2023~~

~~• Recommendations to stakeholders: February 2024~~

~~• Preferred option agreed: June 2024~~

~~• Preferred option established: At a future date~~

~~8. — Costs~~

~~Advisory group members may incur costs in fulfilling their role. These will be pre-approved and reimbursed by the Tasman District Council.~~

~~9. — Reporting~~

~~The advisory group will report to the Tasman District Council, the Waimea South Community Facility Charitable Trust and Brightwater Community Association at regular intervals, by agreed report.~~

7.2 ANNUAL PLAN 2026/2027 CHANGES FROM THE LONG TERM PLAN**Decision Required**

Report To:	Tasman District Council
Meeting Date:	12 March 2026
Report Author:	Amy Smith, Community Policy Advisor; Dwayne Fletcher, Strategic Planning & Enterprise Manager; Matthew McGlinchey, Financial Strategy & Planning Manager
Report Authorisers:	Sue McLean, Kaiwhakahaere ā Rōpū – Te Pae Rautaki Ahumoni Group Manager - Strategy & Finance
Report Number:	RCN26-03-4

1. Purpose of the Report / Te Take mō te Pūrongo

- 1.1 This report is to seek decisions affecting the Annual Plan 2026/2027, including:
- 1.1.1 The sale of unencumbered Emission Trading Scheme (ETS) credits, reducing debt for 2026/2027;
 - 1.1.2 The introduction of a 2025 Weather Events Recovery rate and amendment of the Council's Revenue and Financing Policy to enable the setting of a new rate;
 - 1.1.3 Proposed changes from the Long Term Plan 2024-2034 for 2026/2027; and
 - 1.1.4 Consultation on the Annual Plan.

2. Summary / Te Tuhinga Whakarāpototo

- 2.1 The Long Term Plan ('LTP') 2024-2034 establishes the Council's plan for the services it intends to provide, projects it intends to undertake, the costs of carrying these out and how they will be funded for the period 2024/2025 to 2033/2034.
- 2.2 The LTP anticipated an overall rates revenue increase of 5.2% (excluding growth) and net debt of \$307m for 2026/2027. The rates revenue increase was revised up to 7.2% following last year's Annual Plan process.
- 2.3 Since then, a range of factors have further increased expected costs for 2026/2027. The primary drivers of these increased costs are:
- 2.3.1 The impacts of the June/July 2025 weather events;
 - 2.3.2 New costs resulting from water supply and resource management regulation from central government;
 - 2.3.3 Higher than anticipated interest rates, loan repayment and depreciation funding (as a result of increased asset valuations);
 - 2.3.4 Higher than anticipated operating costs for the Regional Sewerage Business Unit, resulting from Council's increased use (capacity) of the network to support growth;

- 2.3.5 Higher than anticipated reactive maintenance costs in Three Waters, Transportation and Reserves and Facilities activities; and
- 2.3.6 Increased Waimea Community Dam costs re settlement \$3.8m.
- 2.4 Expenditure forecasts for the 2025/2026 year indicated that the Council will have a larger net operating deficit than planned (i.e more unfavourable) because of the impact of the weather event (net impact \$14.6m). This affects the financial starting position for the 2026/2027 Annual Plan year.
- 2.5 We are unable to maintain our current Levels of Service within the planned (LTP) rates increase or indicative rates increase identified in the last Annual Plan process. A forecast rates rise of 11.2% (excluding growth) for the Annual Plan 2026/2027 was identified in November 2025.
- 2.6 Staff presented opportunities to limit the impact of the increasing costs on rate increases for 2026/2027 at workshops on 17 December 2025 and 18 February 2026. Feedback from these workshops indicated that the Council was interested in:
- 2.6.1 Selling approximately \$350,000 of unencumbered ETS credits to reduce the rates requirement for 2026/2027 by -0.3%.
- 2.6.2 Reducing planned increases in funding depreciation from operating revenues (i.e. 'cash funding' depreciation) for roading by 6%, from 24% to 18% from our target of 49% by 2030. This will reduce the rates requirement for 2026/2027 by -1.27% or \$1,181m.
- 2.6.3 A new targeted 2025 Weather Event Recovery Rate to fund the recovery costs (debt) of \$14.6m resulting from the 2025 weather events (\$2.8m in 2026/2027 rating year).
- 2.6.4 Pausing and deferring the Tapawera Community Hub project to the next Long Term Plan process.
- 2.6.5 Increasing most fees and charges by 7.0%.
- 2.6.6 Adjusting operational and capital budgets.
- 2.7 This report enables the Council to make decisions about these changes to include in the proposed Annual Plan 2026/2027 for community consultation.
- 2.8 The net outcome of these changes is that the rates increase will be 9.9% (excluding growth) for 2026/2027 and net debt will be \$328m. This increase can be broken down to:
- 2.8.1 2.3% for the costs of the June/July 2025 weather events.
- 2.8.2 5.3% for Three Waters cost increases.
- 2.8.3 2.3% for cost increases to the rest of Council business (i.e. non-Three Waters).
- 2.9 Changes from the LTP for the 2026/2027 year must be detailed in the Annual Plan. The Council must consult on these changes unless they are not significant or material. Given the proposed changes from Year 3 in the LTP 2024-2034, staff consider that the Council is required to consult on the Annual Plan before making final decisions.
- 2.10 This report provides advice about how the consultation could be carried out over a 35-day period. If accepted, a consultation document will be submitted for approval on 26 March 2026.

3. Recommendation/s / Ngā Tūhunga
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That the Tasman District Council

- 1. receives the Annual Plan 2026/2027 Changes from the Long Term Plan RCN26-03-4; and**
- 2. approves selling approximately \$350,000 of unencumbered Emission Trading Scheme credits to help reduce the rates requirement for the Annual Plan year 2026/2027, subject to market conditions; and**
- 3. authorises the Chief Executive Officer or her delegate to take all steps required to give effect to Councils' decision to sell the unencumbered Emission Trading Scheme credits; and**
- 4. notes the variance between the proposed Annual Plan 2026/2027 budgets, compared with Year 3 of the Long Term Plan 2024-2034, listed in Sections 8 of the agenda report; and**
- 5. approves the proposed budget changes for 2026/2027 set out in Attachment 2 to the agenda report; and**
- 6. notes that the net impact of cost increases and other changes to the Annual Plan results in a rate revenue increase of 9.9% (excluding growth) and end of year net debt of \$328m for 2026/2027; and**
- 7. agrees to consult on the proposed Annual Plan 2025/2026 changes, because the changes from Year 3 of the Long Term Plan 2024-2034 are significant or material; and**
- 8. agrees to consult on a proposed reduction to the planned increase in funding depreciation from roading by 6%, i.e. from 24% to 18% for 2026/2027; and**
- 9. agrees to consult on the introduction of a 2025 Weather Event Recovery Rate; and**
- 10. agrees that the proposed 2025 Weather Event Recovery Rate will be:**
 - 10.1 a District-wide targeted rate;**
 - 10.2 assessed as a uniform fixed amount per rating unit;**
 - 10.3 set at a level to fund the Council's 2025 weather event recovery costs over five years; and**
- 11. agrees to consult on amendments to the Council's Revenue & Financing Policy to enable the setting of a new rate; and**
- 12. agrees that in accordance with section 23(2) of the Local Government (Rating) Act 2002, that the proposed 2025 Weather Event Recovery Rate is in accordance with the Long Term Plan 2024-2034, which provides that rates may be increased to service loans used to fund emergency event recovery in the years following an emergency event; and**
- 13. agrees to consult on the next steps options for the three community facilities projects, including a preferred option of pausing and deferring the Tapawera Hub project to the next Long Term Plan; and**

OR

agrees to consult on the next steps options for the Tapawera Community Hub project, with a preference option of pausing and deferring this project to the next Long Term Plan; and

14. agrees to consult on the draft Schedule of Fees and Charges 2026/2027; and

15. notes that staff will bring an Annual Plan consultation document for consideration at the Council meeting on 26 March 2025

4. Background / Horopaki

- 4.1 The Long Term Plan ('LTP') 2024-2034 established the Council's plan for the services it intends to provide, projects it intends to undertake, the costs of carrying these out and how they will be funded in for the period 2024/2025 to 2033/2034.
- 4.2 The Council adopted an LTP 2024-2034 that contained a higher level of financial risk than in the past. This was done to keep rates increases in the first three years (in particular) at a manageable level for Tasman ratepayers at a time of general cost increases and cost of living pressures.
- 4.3 The LTP anticipated an overall rates revenue increase of 5.2% (excluding growth) and for net debt at \$306m for Year 3 (2026/2027).
- 4.4 Since the adoption of the LTP 2024-2034 there have been some substantial upward cost pressures, which directly impacted last year's Annual Plan and continue to affect Council's business operations and increase costs.
- 4.5 Some of these are driven externally and are largely outside the Council's control. The primary drivers of these increased costs are:
- 4.5.1 The impacts of the June/July 2025 weather events;
 - 4.5.2 New costs resulting from water supply and resource management regulation from central government;
 - 4.5.3 Higher than anticipated interest rates, loan repayment and depreciation funding (as a result of increased asset valuations);
 - 4.5.4 Higher than anticipated operating costs for the Regional Sewerage Business Unit, resulting from Council's increased use (capacity) of the network to support growth;
 - 4.5.5 Higher than anticipated reactive maintenance costs in Three Waters, Transportation and Reserves and Facilities activities; and
 - 4.5.6 Increased Waimea Community Dam costs re settlement \$3.8m.
- 4.6 These pressures challenged the previously signalled rates increases (5.2% in the LTP or 7.2% indicated in the last Annual Plan process). Budgets continue to be under intense pressure and carry a high level of risk. Tight programme and financial management remains essential, as there is little to no capacity to absorb unexpected costs or new requests.
- 4.7 We are unable to maintain our current Levels of Service within the planned (LTP) rates increase or indicative rates increase identified in the last Annual Plan process. A forecast rates rise of 11.2% (excluding growth) for the Annual Plan 2026/2027 was identified in November 2025.

- 4.8 Staff were request to present opportunities to limit the impact of the increasing costs on rate increases for 2026/2027 at workshops on 17 December 2025 and 18 February 2026. Feedback from these workshops indicated that the Council was interested in:
- 4.8.1 Selling \$350,000 of unencumbered ETS credits to reduce debt.
- 4.8.2 Reducing the planned increase funding depreciation for roading by 6%, from 24% to 18% from our target of 49% by 2030. This to reduce the rates requirement for 2026/2027 by -1.27% or \$1,181m.
- 4.8.3 A new targeted rate for recovery/emergency events, to recover the costs (debt) of \$14.6m resulting from the 2025 weather events and improve Council's financial resilience for future recovery from similar events.
- 4.8.4 Pausing and deferring the Tapawera Community Hub project to the next Long Term Plan process.
- 4.8.5 Increasing most fees and charges by 7%.
- 4.9 The net outcome of these changes is that the rates revenue increase will be 9.9% (excluding growth) for 2026/2027 comprising:
- 2.3% for the costs of the June/July 2025 weather events.
 - 5.3% for Three Waters cost increases.
 - 2.3% for cost increases to the rest of Council business (i.e. non-Three Waters).
- 4.10 The proposed rates increase of 9.9% reflects the resulting cost to maintain current business operations and service levels. Net debt will be \$328m.
- 4.11 The Council is conscious of balancing service delivery with affordability and intends to progress towards greater financial sustainability over this triennium. The LTP 2027-2037 will provide an opportunity to consider more fundamental changes to services, costs, and funding approaches and a better ability to engage the community on these changes

5. Emission Trading Scheme (ETS) Credits

- 5.1 The Council has an estimated \$350,000 in unencumbered ETS credits. Unencumbered ETS credits are not needed to offset future forest harvest ETS obligations and the Council is free to sell them.
- 5.2 The Council resolved to sell \$3.0m of these to help establish a Diversified Resilience Fund on 27th March 2025. Another \$3.0m of these credits were sold through the Annual Plan 2025/2026 to help reduce the operating deficit for the 2024/2025 financial year, particularly in infrastructure areas, and reduce the rates revenue increase required for 2025/2026.
- 5.3 There continues to be considerable volatility in the ETS market and less certainty in global climate change policy. It is difficult to know the medium to long term market trajectory.
- 5.4 At the Annual Plan workshops, the Council indicated its interest in selling another \$350,000 of ETS credits. In turn, this reduces the required rates revenue increase for next year by approximately -0.3%.
- 5.5 Staff support this action and are seeking a formal decision to give effect to it in this report.

6. Funding Depreciation

- 6.1 At the 18 February Annual Plan workshop, the Council indicated it was interested in reducing the planned increase in funding depreciation for roading by 6%. i.e. from 24% to 18% for 2026/2027.
- 6.2 This will reduce the rates requirement for 2026/2027 by -1.27% or \$1,181m, but effectively means increasing net debt by the same amount.
- 6.3 Council still expects to fully fund depreciation in the roading space by June 2030. Waka Kotahi fund 51% of our replacement costs for roading assets, so the depreciation target that Council needs to fund for roading equates to 49% (rather than 100%).
- 6.4 A Council decision to reduce the planned increase in funding depreciation for roading means funding 18% of the roading depreciation at the end of the 2026/2027 financial year, with a further 31% required to fund through till June 2030 to achieve the 49% target.
- 6.5 Staff are seeking a formal decision to include this proposal in the Annual Plan 2026/2027 consultation.

7. Funding the 2025 Weather Events Costs

- 7.1 Severe weather events in June and July 2025 caused significant damage across parts of the District. The Council has been undertaking an extensive response and recovery programme, which remains ongoing. The current estimated net recovery cost is approximately \$14.6m, although this figure is not yet confirmed.
- 7.2 These recovery costs are primarily in the Transportation, Waste Management and Minimisation, Rivers, Three Waters, and Parks and Reserves activities. Funding contributions are expected from New Zealand Transport Agency/Waka Kotahi, the Ministry for the Environment, NEMA, and AON insurers.
- 7.3 While staff have recently updated the cost estimates, there remains considerable uncertainty, particularly for Rivers work, regarding the final costs and level of external revenue. A further update will be provided at the 28 April Information Only meeting, including more detail on the emergency event and recovery progress.
- 7.4 The proposed 2025 Weather Event Recovery Rate will be in accordance with the LTP 2024-2034 and Council's Financial Strategy, which provide that emergency events will be paid for by borrowing and that it may be necessary to increase rates to service the loans used to fund the recovery in the years following an emergency event.
- 7.5 Council now needs to determine how to service the debt incurred for this purpose. Non-rates funding sources for the 2025 weather events recovery have now been exhausted. Staff therefore propose that Council recover its share of the costs through rates.
- 7.6 There are a wide range of options for the Council to consider in establishing a rate to fund these recovery costs. These options include:
 - 7.6.1 Increasing selected existing rates;
 - 7.6.2 Creating a new targeted rate;
 - 7.6.3 Charging specific parts of the District or all ratepayers;
 - 7.6.4 The duration over which to fund the recovery costs; and

- 7.6.5 The factors to be used in calculating liability for the rate (e.g. uniform amount, capital value, land value).
- 7.7 In addition, the Council should consider whether to take the opportunity to establish an ongoing rate to initially fund the 2025 weather event costs and subsequently to fund recovery from future natural hazard events.
- 7.8 Following an initial options assessment, staff further analysed and presented four shortlisted options:
- 7.8.1 Targeted District-wide Recovery Rate for five years to repay the costs of the 2025 weather events only, charged at a uniform amount.
- 7.8.2 Targeted District-wide Recovery Rate for five years to repay the costs of the 2025 weather events only, charged by capital value.
- 7.8.3 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.
- 7.8.4 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.
- 7.9 The assessment of the options (including rates modelling) is provided in Attachment 1 and all four shortlisted options will be presented for community consultation.
- 7.10 Staff recommend that the Council proposal for consultation be a targeted district-wide 2025 Weather Events Recovery Rate for five years to repay the costs of the 2025 weather events only, charged at a uniform amount of \$125.
- 7.11 The recommendation in 7.10 is consistent with the Council's Financial Strategy 2024, which includes maintaining net debt headroom (above the self-imposed debt cap but within LGFA debt limits) to be able to borrow for the recovery costs from emergency events. The Financial Strategy plans for this additional borrowing to be funded by increasing rates in the years following an emergency event.
- 7.12 Benefits of the proposed recommendation described in 7.10 include:
- 7.12.1 Transparency: A dedicated rate is simple to understand and ensures funds are used solely for recovery.
- 7.12.2 Fairness: All ratepayers contribute evenly, recognising that weather events are district wide risks.
- 7.12.3 Equity: Residents in the most affected areas will not pay more than others, supporting their community wellbeing.
- 7.12.4 Affordability: High-value property owners (particularly those unaffected by the weather events) do not face disproportionately higher rates.
- 7.12.5 Time limited impact: Rates will increase from 2026/2027, but the rate will end after five years once the recovery costs are fully repaid.
- 7.13 Staff recommend that the consultation material for the Annual Plan 2026/2027 present all four shortlisted options, giving the community the opportunity to provide feedback on these.
- 7.14 With the separation of finance for the Three Waters in accordance with Local Waters Done Well, there is an outstanding question about whether a portion of the rates collected to fund

the 2025 weather event recovery costs can be provided to the Three Waters. Staff will further research this and amend the proposal based on the results of this research.

8. Proposed Budget Changes to the Annual Plan

- 8.1 The Council is facing financial challenges. These cost pressures or reductions in funding since the adoption of the LTP 2024-2034 continue to affect the cost of business operations and service delivery.
- 8.2 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.
- 8.3 Today, approval is sought for the suggested budget adjustments so they can be incorporated into the draft Annual Plan 2026/2027 for public consultation. An overview of the main modifications is outlined below.

Proposed budget movements

- 8.4 Under the Local Government Act 2002, the purpose of the Annual Plan is to:
 - 8.4.1 contain the proposed annual budget and funding impact statement for the year to which the annual plan relates; and
 - 8.4.2 identify any variation from the financial statements and funding impact statement included in the local authority's long-term plan in respect of the year; and
 - 8.4.3 provide integrated decision making and co-ordination of the resources of the local authority; and
 - 8.4.4 contribute to the accountability of the local authority to the community.

Operational budget movements

- 8.5 Operational expenditure for the draft Annual Plan is proposed to increase by \$10.2m to \$102.6m, compared with Year 3 of the LTP. The table below sets out the significant operational budget movements (excluding capital expenditure), showing variances between:
 - 8.5.1 The 2025/2026 budget (A) and the draft Annual Plan 2026/2027 (B), and
 - 8.5.2 Year 3 of the 2024-2034 LTP (C) and the draft Annual Plan 2026/2027 (B).

Expenditure Type	A	B	(B-A)	C	(C-B)
	2025/26 Budget	Draft AP 2026/27	Var	LTP 2026/27	Var
	\$m	\$m	\$m	\$m	\$m
Fees and Recoveries	-45,770	-44,665	1,106	-41,545	3,120
Maintenance	41,126	41,880	755	34,912	-6,968
General Operating Costs	29,097	30,045	948	26,733	-3,312
Professional Fees	9,952	10,420	468	9,094	-1,326
Operations	5,882	8,121	2,239	7,395	-727
Employee Benefits	3,340	3,915	575	3,170	-745
Loan Repayment (Funded Depreciation)	35,845	39,810	3,965	36,584	-3,226
Sale of Assets	-400	-3,075	-2,675	-400	2,675
Share of Joint Venture	3,824	2,729	-1,095	3,540	812
Net Interest Costs	11,417	13,454	2,037	12,919	-534
Total	94,312	102,635	8,323	92,403	-10,232

8.6 The main drivers are detailed in **Attachment 2** and some are summarised below:

- 8.6.1 Fees and recoveries: Higher revenue than expected, particularly in Rivers and Roothing, along with increased gravel extraction and higher building and resource consent volumes
- 8.6.2 Maintenance: Some budgets that were cut in the LTP now need to be reinstated due to actual demand, particularly for reactive maintenance. New government compliance requirements are also contributing to increased costs.
- 8.6.3 General operating costs and operations: Rising insurance costs, new government levies, and increased Regional Sewerage Business Unit charges.
- 8.6.4 Professional fees: Professional services are needed to support Three Waters compliance activity, the development of strategic plans under new legislation and to respond to resource management system changes.
- 8.6.5 Depreciation funding: Asset revaluations have significantly increased depreciation requirements.
- 8.6.6 Asset Sales: the draft Annual Plan includes \$2.5m in asset sales, consistent with the previous Annual Plan.

Capital budget movements

- 8.7 Capital expenditure in the draft Annual Plan is proposed to increase by \$7m to \$80.6m, compared with Year 3 of the LTP, reflecting project rephasing and updated priorities. Several projects have been deferred beyond 2026/2027, with the upcoming Long Term Plan process to manage timing and prioritisation.
- 8.8 The table below sets out the significant capital budget movements, showing variances between:
- 8.8.1 The 2025/2026 budget (A) and the draft Annual Plan 2026/2027 (B), and
- 8.8.2 Year 3 of the 2024-2034 LTP (C) and the draft Annual Plan 2026/2027 (B).

Joint Venture budgets are excluded and scope adjustments are included.

Capital Expenditure	A	B	(B-A)	C	(C-B)
	2025/26 Budget	Draft AP 2026/27	Var	LTP 2026/27	Var
	\$m	\$m	\$m	\$m	\$m
Environmental Management	570	710	140	718	9
Public Health and Safety	57	932	875	19	-913
Transportation, Roads and Footpaths	13,694	15,729	2,035	14,803	-926
Coastal Structures	15	0	-15	5	5
Water Supply	16,833	22,239	5,406	20,222	-2,017
Wastewater	16,422	9,452	-6,970	14,351	4,899
Stormwater	13,881	6,615	-7,265	6,714	99
Solid Waste	5,510	8,369	2,859	7,610	-760
Flood Protection and River Control Works	7,291	13,357	6,065	6,129	-7,228
Community Development	11,595	17,522	5,927	15,764	-1,757
Governance	0	0	0	0	0
Council Enterprises	1,384	2,231	847	1,531	-700
Support Services	1,464	855	-609	1,297	442
Total	74,396	80,641	6,245	73,622	-7,018

8.9 The key changes are detailed in **Attachment 2** and summarised below:

8.9.1 Water Supply: Significant increases for reticulation upgrades, compliance work, and growth projects; some growth projects deferred including Lower Queen St upgrade.

8.9.2 Wastewater: Reduced budgets for growth and renewals, funding for the Motueka WWTP membrane replacement.

8.9.3 Solid Waste Management: Increased investment to ensure facilities are fit for purpose.

8.9.4 Community Facilities: Funding for the Motueka Community Pool and Saxton Green play space.

8.9.5 Rivers: New investment in flood related riverbank repairs and enhanced protection for Motueka.

Community Facilities

8.10 Progressing three community facilities projects was planned and budgeted for in Year 3 of the LTP, as well as the current financial year (2025/2026). At the 18 February Annual Plan workshop, elected members discussed the next steps for these projects:

8.10.1 Tapawera Community Hub: continue the project as planned OR pause and defer to LTP discussions. Elected members indicated they wished to pause this project.

8.10.2 Waimea South Facilities: For the Wakefield Hub, continue the project as planned OR pause and defer to the LTP with further investigation to support discussions. For the Brightwater Facilities, continue the project as planned OR undertake some weatherproofing work this financial year then paused and defer to LTP discussions. Elected members indicated they wished to continue this project.

8.10.3 Motueka Pool: Continue the project as planned, progressing through the design stage OR pause and defer to LTP discussions. Elected members indicated they wished to continue this project.

8.11 A decision is sought today on whether the Council wants to consult the community (via the proposed Annual Plan consultation) on the options for all three projects and its preference to

pause the Tapawera Community Hub project, or just the options/preference for the Tapawera Community Hub project.

Review of Council's Fees and Charges for 2026/2027

- 8.12 Council sets fees and charges to help recover some of the costs associated with delivering its functions, services, and activities where there are private benefits, in accordance with the Revenue and Financing Policy.
- 8.13 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 where legislative settings, affordability considerations, or existing cost recovery levels apply. Overall, \$35m is forecast to be raised from fees and charges for 2026/2027.
- 8.14 The proposed 2026/2027 waste fees are set out in **Attachment 3** and are provided today so that indicative rubbish bag prices can be calculated by the contractor and included with all other charges in the draft Schedule of Fees and Charges 2026/2027 for consultation.
- 8.15 At the 18 February Annual Plan workshop, elected members discussed waste fees and requested clarification on the following matters:
- 8.15.1 Rubbish bag charges: Wholesale bag prices cannot be confirmed until proposed disposal fees are publicly released and shared with the contractor. Indicative prices could be consulted on, but cost recovery cannot be guaranteed and changes may be required. Proposed disposal fees are included in Attachment 3.
- 8.15.2 Proposed 5% increase to waste fees: Waste activities are intended to be funded through user charges. Waste fees are calculated by dividing total operating costs (including routine and reactive maintenance, transport of waste, site staffing, and landfill disposal fees) by expected tonnage. Increases in operational costs and the Landfill Disposal Levy paid by Regional Landfill Business Unit to the Council have resulted in a required 5% increase to most waste fees to achieve cost recovery.
- 8.15.3 Tyre limits: A limit of five tyres per transaction is required under the Council's agreement with Tyrewise. Truck tyres were unintentionally not capped at five in the Draft Schedule discussed at the 18 February workshop. This has been amended.
- 8.15.4 Clean concrete: The Council does not currently accept clean concrete, but plans to do so in the coming year, particularly for households and small customers unable to access commercial facilities. As the Council currently lacks the ability to sort clean concrete, it is charged at the mixed refuse rate. This will be reviewed once appropriate handling and processing capability is in place.
- 8.16 Elected members also discussed the Frequent User Discount for Property Files. At the time of preparing this report, staff were still assessing pricing options for this charge. Options will be tabled at the meeting.

9. Financial or Budgetary Implications / Ngā Ritenga ā-Pūtea

- 9.1 The key changes to budgets are outlined in the previous section of this report.
- 9.2 The financial model assumes inflation rates as follows:

- 9.2.1 Operating costs 2.2%
- 9.2.2 Capital costs 2.3%.
- 9.3 These are based on the BERL figures provided in October 2025.
- 9.4 The average interest rate we are using for the 2026/2027 Annual Plan model is 4.23%. This was provided by our Treasury advisors, Price Waterhouse Coopers.
- 9.5 The model assumes \$350k in ETS credits.
- 9.6 The proposed rates increase is 9.9% (excluding growth). Without 1.3% growth in the rating base, the increase would have been higher. This figure represents the total increase in all rates revenue across all rates sources/types. Individual ratepayers may experience higher or lower increases depending on the types of rates they pay and the services they use. Substantial cost pressures in Water Supply and Wastewater mean those rates have risen considerably higher than the average.
- 9.7 The proposed rates increase is above the rates cap of 5.2% for 2026/2027 in the Council's Financial Strategy 2024 (i.e for Year 3 of the LTP).
- 9.8 Forecast net debt at the end of 2026/2027 is \$328m. This is below our debt limit as specified in the Financial Strategy.

10. Options / Kōwhiringa

10.1 The options in relation to the proposed Annual Plan 2026/2027 are outlined in the following table:

Option		Advantage	Disadvantage
1.	Accept all recommended changes	<p>Retains the Council's service levels.</p> <p>Reflects the cost to maintain current business operations.</p> <p>Enables Annual Plan process to progress and strike rates by 1 July 2026.</p> <p>Strikes balance between preserving and delivering the services that the community value and affordability.</p>	<p>Results in a 9.9% rates revenue increase (after growth), a relatively high increase for our community to bear.</p>

Option	Advantage	Disadvantage
2.	Accept some of the recommended changes	<p>Depends on changes rejected – could increase or decrease rates and net debt.</p> <p>Depends on the changes rejected.</p> <p>May compromise Annual Plan timeline, risking striking the rates by 1 July 2026.</p> <p>Not striking the rates by 1 July 2026 would have a very significant impact on the Council's Finances for 2026/2027, as our system would require expensive and difficult changes to enable retrospective application of rates increases.</p> <p>This process would likely impact the Council's reputation.</p>

10.2 Option 1 is recommended. Note that the advantages and disadvantages of the rating options to recover the costs of the 2025 weather events are set out in **Attachment 1**.

10.3 Major changes to our activities and operations would be required to reset Council's underlying costs and minimise the proposed rate increase. The Council has limited practical ability to make comprehensive changes during the Annual Plan process, and no scope in our timeline. The development of the Long Term Plan 2027-2037 will provide the Council an opportunity to consider major changes, informed by community input.

11. Legal / Ngā ture

Requirements for the Annual Plan

11.1 Under section 95 of the Local Government Act 2002 ('the LGA') the Council must prepare an Annual Plan for each financial year and consult in a way that meets the requirements of section 82 before adopting the Annual Plan.

11.2 The general presumption is that the Council will consult on its Annual Plan. This requirement does not apply if the Annual Plan does not include significant or material differences from the content of the LTP for the year in question.

11.3 For a difference to be considered significant it has a high significance, applying the Council's Significance and Engagement Policy.

11.4 Section 95A (5) of the LGA states that a difference, variation or departure is material if it could, itself or in conjunction with other differences, influence the decisions or assessments of those reading or responding to the consultation document.

11.5 Section 82 (1) contains several principles for consultation that the Council is required to meet summarised below:

11.5.1 Interested or affected persons should be provided with reasonable access to relevant information in a form that is appropriate for their preferences.

- 11.5.2 Interested or affected persons should be encouraged to present their views.
 - 11.5.3 Interested or affected persons should be given clear information about the purpose of the consultation and scope of decisions.
 - 11.5.4 Persons invited or encouraged to present their views should be given a reasonable opportunity to do so in a manner and format that meets their preferences and needs
 - 11.5.5 The views presented should be received by the Council with an open mind and should be given due consideration.
 - 11.5.6 Persons who present views should be given access to a description of relevant decisions and explanatory material relating to the decisions
- 11.6 Section 82 (3) provides discretion to the Council about how it observes these principles.
- 11.7 Section 97 of the LGA identifies specific decisions that can only be taken if provided for in an LTP, meaning that in this case an LTP amendment would have to be made. Decisions that alter significantly the intended level of service provision for any significant activity undertaken by the Council can only be made through an LTP.
- 11.8 In this case, several of the proposed changes will have an impact on services but don't affect levels of service that are formally stated in the LTP 2024-2034. At least some of these will be in significant activities but staff do not consider them to be significant changes and therefore do not trigger the need to amend the LTP.

Requirements for setting a new rate

- 11.9 The Council has the authority to set a new targeted rate under the Local Government (Rating) Act 2002. Rates set by Council must relate to a financial year and be in accordance with the relevant provisions of the local authority's long-term plan and funding impact statement for that financial year.
- 11.10 The proposed 2025 Weather Events Recovery Rate is not currently enabled by the existing Revenue and Financing Policy; the policy must be amended in accordance with section 102 of the Local Government Act 2002 and consulted on in accordance with section 82.
- 11.11 Section 102(4)(a) requires consultation before adopting or amending a Revenue & Financing Policy
- 11.12 Section 102(4)(b) allows a council to amend its Revenue & Financing Policy at any time, provided it consults in accordance with section 82 of the LGA before adopting the amendment
- 11.13 When deciding to introduce a new rate and amend the Revenue & Financing Policy, Council must comply with section 101(3) of the LGA.
- 11.14 Section 101 (3) (a) of the Local Government Act 2002 requires the Council to consider:
 - 11.14.1 the community outcomes to which the activity primarily contributes; and
 - 11.14.2 the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
 - 11.14.3 the period in or over which those benefits are expected to occur; and
 - 11.14.4 the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and

- 11.14.5 the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and

11.15 Followed by Section 101 (3) (b):

- 11.15.1 the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.

Requirements for fees and charges

11.16 The Council can set charges and fees:

- 11.16.1 under section 12 of the LGA, which is a global empowering provision that enables the Council to make decisions and undertake acts and activities in pursuit of its functions;
- 11.16.2 under section 150 of the LGA for certain functions provided for in bylaws or in enactments that do not already explicitly provide for fees to be charged;
- 11.16.3 under section 36 of the Resource Management Act 1991; and
- 11.16.4 under other government legislation.

11.17 The Council is required to consult on most fees in a manner that meets the general requirements of section 82 of the LGA, which grants the Council flexibility in choosing the most effective way to engage with the community. However, the Council must consult on some charges using the Special Consultative Procedure (SCP) as set out in section 83 of the LGA. This includes Resource Consent fees (section 36(3) of the RMA 1991).

12. Iwi Engagement / Whakawhitiwhiti ā-Hapori Māori

12.1 Staff will approach Iwi directly to discuss the changes in the Annual Plan and will provide any feedback they have to Council at its deliberations meeting.

13. Significance and Engagement / Hiranga me te Whakawhitiwhiti ā-Hapori Whānui

13.1 Staff have assessed the significance of most of the changes proposed in this report for the Annual Plan. The significance of the combined set of changes, including the change to the rates revenue increase, is assessed in the table below. Overall the significance is considered high.

13.2 In this case we also have to consider the materiality of the changes. Staff consider that the changes collectively are material. As the significance of the changes is high and the changes are material, consultation is required.

13.3 The Council must consult on some fees and charges using the SCP, as set out in section 83 of the LGA. Previously, the Council has chosen to consult on all its fees and charges using the SCP to ensure all legal obligations are met in a single process. Staff recommend continuing with this approach and the recommended consultation for the Annual Plan (proposed below) enables this.

13.4 Staff recommend a 35-day public consultation period, running from 30 March to 3 May 2026, noting this includes Easter and ANZAC holidays, carried out as follows:

- 13.4.1 A consultation document will be prepared and published online and in hardcopy version in Council offices and libraries.

- 13.4.2 A Shape Tasman page will be developed where people can access the consultation document and other related information.
- 13.4.3 People will be encouraged to make their submission via Shape Tasman, but submissions will also be accepted via email, post, or hand delivered to Council offices.
- 13.4.4 The Annual Plan consultation will be publicised via Newline, newspaper advertising and online channels.
- 13.4.5 Hearings and deliberations meetings are planned for May
- 13.5 Staff propose that consultation feedback is sought on:
- 13.5.1 Council's approach to the financial pressures and the resulting proposed rates increase
- 13.5.2 Funding the costs of the 2025 weather events (options and preference)
- 13.5.3 Proposed significant budget movements
- 13.5.4 Community facilities projects (options and preferences)
- 13.5.5 Draft Schedule of Fees and Charges 2026/2027

	Issue	Level of Significance	Explanation of Assessment
1.	Is there a high level of public interest, or is decision likely to be controversial?	High	There are multiple changes proposed in the Annual Plan relating to different topics; it is likely that one or more of them will be of higher public interest to a reasonable proportion of the community, particularly the proposed 2025 Weather Event Recovery Rate. The rates revenue increase level is also likely to be of high public interest, particularly those receiving Three Waters services.
2.	Are there impacts on the social, economic, environmental or cultural aspects of well-being of the community in the present or future?	Medium	There are multiple changes in the Annual Plan that could have a range of wellbeing impacts; in general the scale of the changes are not considered likely to have high impact on wellbeing.
3.	Is there a significant impact arising from duration of the effects from the decision?	Medium	For most of the changes proposed in the Annual Plan the Council could choose to reverse them at any point. There are a minority of changes that once implemented, reversing them would be very difficult e.g. selling property or ETS credits.

	Issue	Level of Significance	Explanation of Assessment
			The proposed 2025 Weather Event Recovery Rate is a five year commitment.
4.	Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	Low	A number of the proposed changes impact strategic assets, but there is no proposal to change the control or ownership of these assets.
5.	Does the decision create a substantial change in the level of service provided by Council?	Low	The changes have minor or negligible impacts on current levels of service.
6.	Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	High	The proposed changes are designed to reduce the rates revenue requirement by several percent for the 2026/2027 year. The proposed rates increase of 9.9% is higher than planned for Year 3 of the LTP. Funding the costs of the 2025 Weather Event over five years means borrowing and servicing the loan over this period.
7.	Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	N/A	
8.	Does the proposal or decision involve entry into a private sector partnership or contract to carry out the deliver on any Council group of activities?	N/A	
9.	Does the proposal or decision involve Council exiting from or entering into a group of activities?	N/A	
10.	Does the proposal require particular consideration of the obligations of Te Mana O Te Wai (TMOTW)?	N/A	

14. Communication / Whakawhitiwhiti Kōrero

14.1 The Annual Plan consultation will have a dedicated Shape Tasman page to access the consultation document and related information. It will be publicised in Newsline, newspaper advertising and through online channels.

- 14.2 The Community Boards and Community Associations will be contacted directly and informed about the Annual Plan consultation.

15. Risks / Ngā Tūraru

- 15.1 The recommendation to carry out a 35-day consultation period, with provisions for hearings, helps moderate the legal risk that the Council's decisions on the Annual Plan will be challenged through a judicial review.
- 15.2 There is potential reputational risk regarding Council's preference to pause the Tapawera Community Hub project and defer it to LTP discussions. The two options considered by the Council – to either continue the project as planned, or to pause and defer the project – will be presented in the Annual Plan consultation document, so that people can share their views for elected members to consider and deliberate on in May.

16. Climate Change Considerations / Whakaaro Whakaaweawe Āhuarangi

- 16.1 The overall impact on climate resilience and adaptation of the decisions regarding proposed budgets for 2026/2027 will be minimal.

17. Alignment with Policy and Strategic Plans / Te Hangai ki ngā aupapa Here me ngā Mahere Rautaki Tūraru

- 17.1 The Council is attempting to deliver on its vision Thriving and Resilient Tasman and the strategic priorities in the LTP 2024-2034, whilst avoiding the cost of rates being unaffordable.
- 17.2 The Council has considered some changes to help reduce the burden on ratepayers. Some of these are not proposed for inclusion in the Annual Plan because of the perceived substantial impact they will have on this vision and strategic priorities.
- 17.3 The proposed method of funding the costs of the 2025 weather events is consistent with the Council's current Financial Strategy and approach to unplanned events. Setting a new targeted rate requires an amendment to the Council's Revenue and Financing Policy, which will be consulted on with the Annual Plan.

18. Conclusion / Kupu Whakatepe

- 18.1 The Council has had to confront considerable cost increases in the development of the Annual Plan 2026/2027. A range of changes and initiatives have been identified to provide some savings, but these have not been enough to offset the cost increases. As a result, the rates revenue requirement and debt for 2026/2027 is higher than planned in the LTP.
- 18.2 To keep the Annual Plan process progressing in time to strike rates by 30 June 2026, Council is asked to formally agree to the proposed budgets today. This will enable the Council to progress to the next step in the process – preparing a consultation document for approval on 26 March 2026. Any delays in the process from here will impact on the Council's ability to strike rates by 30 June 2026.

19. Next Steps and Timeline / Ngā Mahi Whai Ake

- 19.1 Staff will draft a consultation document for adoption at the Council meeting on 26 March 2026 and plan the consultation process in more detail.

19.2 Submissions will be accepted between 30 March 2026 and 3 May 2026, with hearings to be held on 14 May 2026. The Council will meet to deliberate on the consultation feedback on 28 May 2026. The final Annual Plan 2026/2027 is due to be adopted on 25 June 2026.

20. Attachments / Tuhinga tāpiri

1. ↓	Recovery Rate Options and Local Government Act Analysis	35
2. ↓	Proposed Budget Movements for Draft Annual Plan 2026/2027	62
3. ↓	Proposed Waste Management Fees 2026/2027	65

Recovery or Emergency Event Financial Resilience Rate – Options and S101(3) Analysis

Executive Summary and Recommendations

Staff Recommendation: Introduce a new District-wide targeted rate to fund the Council’s costs of the 2025 weather event

1. Develop a new, specific rate

We recommend creating a new targeted rate to fund the recovery from the 2025 weather event rather than changing existing rates.

A new, clearly defined rate is more transparent for ratepayers. It makes it clear what the money is for, ensures the funding is only used for this purpose, and helps explain the overall rates increase shown in the Annual Plan 2026/2027.

Current targeted rates are structured around established activities, not recovery from major weather events, so they do not align well with the pattern of benefits. A new rate avoids trying to fit the funding into existing categories that don’t match the situation.

2. Apply the rate district-wide

Although the largest benefits of the 2025 recovery work are in specific locations, there are wider benefits for the District as a whole.

Asking all ratepayers to contribute is consistent with a community-wide approach to emergency recovery, where collective responsibility helps ensure that those most affected are not left to shoulder the burden alone.

Future natural hazard events could affect different areas of the District and ratepayers.

Targeting the rate only to the most affected areas would place extra financial pressure on those already dealing with significant impacts from the 2025 weather events. Under section 101(3)(b) of the Local Government Act, we consider that this would negatively affect the social, economic, environmental, and cultural wellbeing of those communities.

For these reasons, we recommend that all ratepayers across the District contribute to the rate.

3. Create a recovery rate to solely fund the recovery costs of the 2025 weather events, rather than it also to function as an ongoing emergency event financial resilience rate.

The Council’s current Financial Strategy is to maintain available debt headroom to be able to borrow for the costs of recovery from emergency events. This Strategy identifies that rates revenue would need to increase to service this additional debt. Creating a recovery rate to solely fund the recovery costs of the 2025 weather events is consistent with this direction in the Financial Strategy.

4. Levy the rate as a fixed amount per property

1

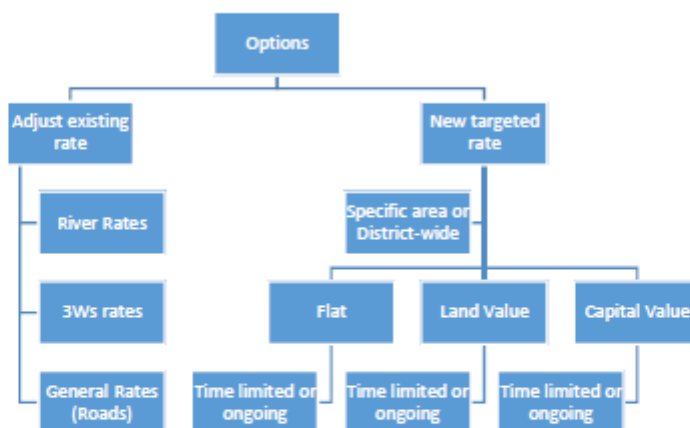
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Modelling shows that charging a flat rate per rateable property would equate to around \$124 per year— a modest annual cost that is easy to explain and apply consistently.

Using capital value instead would mean that some high-value properties would pay several hundred dollars more each year. This is difficult to justify particularly for high value properties not receiving the greatest benefit in the shorter term at least and does not align with the shorter term distribution of benefits.

However, we also need to consider the impact of other rates changes in this Annual Plan which may be considered to fall disproportionately on properties with lower value.

Options Analysis



Adjust General Rates (either Uniform Annual General Charge (UAGC) or based on capital value)

Advantages	Disadvantages
<ul style="list-style-type: none"> • Procedurally simple – no/limited change to Revenue and Financing Policy (RFP) • Lower costs to administer • Costs of recovery shared by all ratepayers – recognises that these events can hit a wide range of areas in the District¹. • Lower financial impact on any individual ratepayer as costs shared by all ratepayers. • The UAGC can be used as a lever to moderate rates movements 	<ul style="list-style-type: none"> • Doesn't send any economic signals about the costs of living in riskier areas • Less transparent – increased rates for this purpose harder for public to identify.

Adjust one or more Targeted Rates

Advantages	Disadvantages
<ul style="list-style-type: none"> • Procedurally simple – no/limited change to RFP • Costs of recovery borne by those paying the targeted rates for the activities affected and aligns with the principle of beneficiaries/exacerbators pay² 	<ul style="list-style-type: none"> • Costs shared by fewer ratepayers resulting in higher impact on a subset of ratepayers. • Some of the targeted rates concerned may not closely match those ratepayers receiving disproportionate benefits from the weather events recovery.

¹ More justifiable for an ongoing Emergency Event Financial Resilience Rate than a rate specific to the 2025 weather events recovery.

² Only applies to a rate specific to the 2025 weather events recovery.

<ul style="list-style-type: none"> • Sends economic signals about the costs of living in riskier areas³. 	<ul style="list-style-type: none"> • Some of those paying the increased targeted rates will disproportionately also be those directly affected by the weather events⁴. • Less transparent – increased rates for this purpose harder for public to identify • May require a review of rating map boundaries
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Introduce New Targeted Rate – regardless of rating basis

Advantages	Disadvantages
<ul style="list-style-type: none"> • Transparent – increased rates for this purpose easier for public to identify. 	<ul style="list-style-type: none"> • More procedurally complex – change to RFP and additional admin to collect new rate.

Introduce New District-Wide Targeted Rate – Uniform targeted⁵ rate for all ratepayers

Advantages	Disadvantages
<ul style="list-style-type: none"> • Transparent – increased rates for this purpose easier for public to identify. • Costs of recovery shared evenly across all ratepayers. • Those in areas affected by the weather event don't have to pay disproportionately more than other ratepayers. • Natural hazard events are likely to hit multiple areas in the District in the future and sets precedent that recovery costs will be shared by all ratepayers. • Lower financial impact on any individual ratepayer as costs shared by all ratepayers – (than targeted rate not applied District wide) 	<ul style="list-style-type: none"> • Procedurally complex requiring a change to RFP. • Doesn't send any economic signals about the costs of living in riskier areas. • Disproportionately impacts ratepayers in lower value properties – who are generally less able to pay. • Those ratepayers that receive little or no benefit from the recovery expenditure pay the same as those who receive substantial benefits. • More administratively intense to implement than adding to existing rates

Introduce New District-Wide Targeted Rate – based on capital value

Advantages	Disadvantages
<ul style="list-style-type: none"> • Transparent – increased rates for this purpose easier for public to identify. • The impact on ratepayers is proportionate to the value of their property – arguable that those with higher value properties get more benefit. 	<ul style="list-style-type: none"> • Procedurally complex requiring a change to RFP. • Doesn't send any economic signals about the costs of living in riskier areas. • Those ratepayers that receive little or no benefit from the recovery expenditure pay

³ But note potential mismatch between targeted rates areas and riskier areas.

⁴ Applies more directly to a rate specific to the 2025 weather events recovery.

⁵ See consideration of rates liability factors for the recovery rate [Recovery Rate - liability factor options.docx](#)

<ul style="list-style-type: none"> • Does not disproportionately impact ratepayers in lower value properties – who may generally be less able to pay. • Those in areas affected by the weather event don't have to pay disproportionately more than other ratepayers. • Natural hazard events are likely to hit multiple areas in the District in the future and sets precedent that recovery costs will be shared by all ratepayers. • Lower financial impact on any individual ratepayer as costs shared by all ratepayers (than targeted rate not applied District wide). • Capital value more appropriate than land value because it takes account of how large the level of investment of the ratepayer on the land is, as well as value of the land 	<p>the same as those who receive substantial benefits – particularly for those with higher property values in urban areas.</p> <ul style="list-style-type: none"> • More administratively intense to implement than options than to add to existing rates • Any potential volatility in property revaluations will impact the distribution of the rate • Higher CV in urban areas may be perceived as cross-subsidising rural areas, even when hazard exposure differs.
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Introduce New District-Wide Targeted Rate – based on land value

Advantages	Disadvantages
<ul style="list-style-type: none"> • Transparent – increased rates for this purpose easier for public to identify. • The impact on ratepayers is proportionate to the value of their property – arguable that those with higher value properties get more benefit with having more to protect • Does not disproportionately impact ratepayers in lower value properties – who may generally be less able to pay. • Those in areas affected by the weather event don't have to pay disproportionately more than other ratepayers. • LV can resonate where the hazard/event relates to location rather than improvements • Natural hazard events are likely to hit multiple areas in the District in the future and sets precedent that recovery costs will be shared by all ratepayers. • Lower financial impact on any individual ratepayer as costs shared by all ratepayers – than targeted rate not applied District wide). 	<ul style="list-style-type: none"> • Procedurally complex requiring a change to RFP. • Doesn't send any economic signals about the costs of living in riskier areas. • Those ratepayers that receive little or no benefit from the recovery expenditure pay the same as those who receive substantial benefits – particularly for those with higher property values particularly in urban areas. • Land value less appropriate than capital value because it does not take account of the level of investment of the ratepayer on the land. • More administratively intense to implement than options than to add to existing rates • High-land-value but low-income ratepayers (e.g., some rural/farm properties) can face heavier burdens. • Ratepayers with lower land value but high capital investment have more to protect but will pay less.

Time Limited Rate

Advantages	Disadvantages
<ul style="list-style-type: none"> • Clear and transparent that this rate is to fund the known costs of recovery from the 2025 weather events only. • Ratepayers know the period over which the rate will apply. • Potential for a lower % rates increase in the year after this rate finishes. • No risk that the relative interest and inflation rates means that funds collected for future recovery lose real value over time. • Our recent direction uses dynamic rates caps and acknowledges emergency recovery may sit outside normal caps; a time-limited rate dovetails with that policy stance. • Consistent with the Council’s Financial Strategy. 	<ul style="list-style-type: none"> • Risk of further natural hazard events that require rates funding for recovery before the time period for this rate is complete. • No opportunity for proactive build-up of funds for recovery prior to future natural hazard events. • Makes applying the rate to all ratepayers less justifiable as (arguably) they don’t all benefit equally from the effects of future natural hazard events. • When the rate ends, we may still have residual costs

Ongoing Recovery and Emergency Event Financial Resilience – used to fund recovery from the 2025 weather events and then build a fund for resilience and recovery work in the future.

Advantages	Disadvantages
<ul style="list-style-type: none"> • Makes applying the rate to all ratepayers more justifiable as (arguably) they all could benefit in the future. • A one-time only increase in rates to fund recovery costs and future financial resilience – and before rates capping is introduced (although recovery rates may be an exclusion from the cap). • Provides opportunity for proactive build-up of funds for recovery prior to future natural hazard events. • Makes applying the rate to all ratepayers more justifiable as (arguably) they could all benefit equally through recovery from the effects of future natural hazard events. 	<ul style="list-style-type: none"> • Use of the funds are less transparent. • Leads to a permanent increase in the amount of rates people pay. • Risk that the relative interest and inflation rates means that funds collected for future recovery lose real value over time. • Over time, scope creep can erode clarity on “what the rate pays for” unless we lock in ring-fencing and annual reporting. • Not consistent with the Council’s Financial Strategy.

Period over which to fund the recovery costs of the weather event:

Longer recovery period

Advantages	Disadvantages
<ul style="list-style-type: none"> • Lower rates increase/lower rates in the next few years 	<ul style="list-style-type: none"> • Rates stay at increased level to fund the weather event for a longer period (by the end

<ul style="list-style-type: none"> • Cost of living pressures may be lower in the future 	<p>of this it may have dropped out of public consciousness).</p> <ul style="list-style-type: none"> • Increases the likelihood that there will be other natural hazards events that require funding before the weather event recovery has been fully funded.
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Shorter recovery period

Advantages	Disadvantages
<ul style="list-style-type: none"> • Costs of weather event recovery get funded more quickly (while it is in public consciousness) • Reduces the likelihood that there will be other natural hazards events that require funding before the weather event recovery has been fully funded. 	<ul style="list-style-type: none"> • Higher rates increase at a time of cost of living increases.

From the options available we have focused on four for further analysis, being:

1. Targeted Recovery Rate District-wide for five years to repay the costs of the weather events only - Flat rate
2. Targeted Recovery Rate District-wide for five years to repay the costs of the weather events only - Capital value
3. Targeted Recovery and Emergency Event Financial Resilience Rate - District-wide 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 – Flat rate
4. Targeted Recovery and Emergency Event Financial Resilience Rate - District-wide 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 – Capital value

The options involving adjusting existing rates, rather than creating a new recovery or resilience rate have not been analysed further because we consider there to be a strong case for the transparency of a separate rate. This will make communication with the public clearer, and the intended use of the funds will be transparent – both when they are collected and when they are utilised.

Consideration of RFP Principles for Options 1-4

RFP Principle	Application to Recovery/Recovery and Emergency Event Financial Resilience Rate
<p>Non rates funding: Subsidies, grants and other income options are fully explored prior to rates funding being used.</p>	<p>The Council has fully explored and exhausted the options for non-rates funding for the weather events recovery. External funding has been received from NZTA, MfE, MBIE, DIA, and MPI. This has reduced the recovery costs that need to be funded through rates.</p>
<p>Fees and charges: An activity should be funded by users or exacerbators if an individual or group of individuals directly receives the benefits of the activity or causes the action, and the costs of the activity can easily be attributed and charged to that individual or group of individuals.</p>	<p>Fees and charges are not an appropriate funding source for the 2025 weather-event recovery. This is because there are no identifiable “users” who created the need for the recovery work or who receive solely private benefit from it. While some residents and businesses were more affected than others and may benefit more directly from specific recovery projects, the benefits are not limited to clearly identifiable individuals or properties.</p>
<p>Targeted Rates: Where it is appropriate for users or exacerbators to fund an activity because they receive the benefit, but the Council cannot easily attribute or charge the costs individually and the costs are significant enough to warrant separate charging, it may set targeted rates. Other than for volumetric water, there are limited legal mechanisms for charging for true “user pays” through rates. Proxies are often used.</p>	<p>Some communities located close to damaged areas will experience greater benefits from the recovery work than the wider District. However, the wider population will also benefit. This means targeted rates could be used to fund some recovery costs because they can reflect different levels of benefits for different ratepayers.</p> <p>Existing targeted rates could be increased, or a new targeted rate could be created. The challenge with using existing targeted rates, however, is that the boundaries of these targeted rating areas may not align well with the areas that benefit most.</p> <p>Some of the damaged assets—such as roads—are normally funded through general rates.</p> <p>If a targeted rate were introduced to fund both the 2025 recovery and future resilience work, it would be difficult to accurately identify who will benefit from the resilience component in the future. This makes targeted rates (other than a targeted rate applied District-wide) less suitable for resilience funding unless applied District-wide.</p>
<p>General Rates: An activity should be collectively funded using general rates if the benefits of the activity are largely received by the broader community and the costs of the activity cannot easily be attributed to an individual or group of</p>	<p>General rates are a suitable funding option for part of the recovery costs because the benefits of recovery work are shared to some extent across the District. This is particularly relevant where the assets involved (such as roads) are funded from general rates.</p>

<p>individuals, or where it is uneconomic to collect via user charges or targeted rates. The Council may also use general rates when it determines it is appropriate considering the overall impact of any allocation of liability for revenue in terms of affordability and the current and future social, economic, environmental, and cultural well-being of the community.</p>	<p>General rates may also be more appropriate for an ongoing Emergency Event Financial Resilience Rate, as future beneficiaries could be located anywhere in the District.</p> <p>However, this approach may reduce transparency for the public because the funding purpose is less visible.</p>
<p>District-wide targeted rates: In some cases, the Council will set district-wide targeted rates that are set at a fixed amount per rating unit. This mechanism is used when the Council determines that the benefit of the activity is a public benefit, but the benefits are similar whether the property is developed or undeveloped.</p>	<p>A District-wide targeted rate has similar advantages and disadvantages to using general rates with the advantage (over general rates) that it makes the funding more transparent. Both District-wide targeted rates and area-specific targeted rates would be consistent with the principles of the Revenue and Financing Policy for funding recovery from the 2025 weather events, given that some benefits are local and some District-wide.</p> <p>However, this may result in unacceptable consequences for affordability and the current and future social, economic, environmental, and cultural well-being of parts of the community.</p> <p>A district-wide targeted rate would be particularly suitable for an Emergency Event Financial Resilience Rate as it is transparent, and the future beneficiaries could be located anywhere in the District.</p> <p>The Policy currently describes a District-wide targeted rate as a <i>fixed charge per rating unit</i>. This remains an option. Another option is a District-wide targeted rate based on capital value. If this option is selected, a minor amendment to the Policy’s definition of District-wide targeted rates would be needed.</p>
<p>Club approach targeted rates: The whole District should contribute funds to a range of key infrastructure assets irrespective of their location and the population they serve, although targeted rate differentials can still be set to reflect differing levels of costs and benefit under this approach. Through a “club” approach, all members will share in the costs and benefits of paying for each other’s infrastructure and services,</p>	<p>Recovery costs associated with the club approach relate mainly to the three-waters activities. If the club approach is used for these costs, all ratepayers within the relevant “club” should contribute in line with the way that rate is normally levied. However, it may be less justified to charge other users of three waters services who were unaffected by the weather events and rather than ratepayers in the District as a whole.</p> <p>River rates currently operate in a way that resembles a club.</p>

<p>which helps provide more certainty and affordability to rates and helps ensure more consistent levels of service across the district. The club approach implicitly incorporates a level cross-subsidisation. Once in a “club”, areas cannot opt out in the future. Before an area first joins a “club”, the Council will review its assessment of who pays for the associated activity and why. In making this assessment, the Council will consider factors including the future capital works programme and its timing. The Council may determine that the area should pay more, temporarily, to ensure an appropriate distribution of costs relative to benefits in the event of significant planned capital works in the area. The “club” approach is a general principle used by the Council for utility infrastructure and the Urban Water Club is one such example. At the moment, the Motueka community has not opted to join the Urban Water Club.</p>	<p>Some assets damaged in the weather events—such as road structures —are funded through general rates.</p>
<p>Intergenerational equity: Each generation of ratepayers should pay for the services they receive. Therefore, for assets which have long term benefit, debt funding will typically be undertaken. Generally, where loans are used to fund capital expenditure, they will normally be limited to a term of 20 years, or the life of the asset, whichever is the shorter. In some cases, where capital expenditure will benefit residents for a long period into the future, it may be more equitable to have a longer-term loan, to ensure those who benefit contribute to the costs.</p>	<p>A resilience fund reduces the need for Council to rely on debt to fund emergency repairs or early renewals. This improves intergenerational equity by ensuring today’s ratepayers contribute to the emergency risks they are exposed to and to the assets they currently benefit from. Without a resilience fund, the cost of replacing assets destroyed in an event is often passed to a future rating base that did not experience the event and did not receive the full benefit of the original asset.</p> <p>In general, debt funding emergency reinstatement is not appropriate when assessed against principles of intergenerational equity, as it shifts the cost of past events to future ratepayers. There may be specific circumstances in which a small portion of reinstatement could theoretically qualify for borrowing, such as where the repair work results in a material extension of an existing asset life, but these situations are uncommon in practice. The resilience fund therefore provides a more equitable and stable mechanism than relying on borrowing for most emergency reinstatement activity.</p>

	<p><i>Note: This discussion is based on an idealised asset lifecycle and funding model. In practice, historical financial decisions, legacy depreciation approaches, and earlier policy settings mean that actual funding treatment has varied across assets and time. Policy can only establish a consistent forward-looking approach and cannot retrospectively correct historical differences.</i></p>
<p>Dividend Income: the Council’s dividend income from sources including Infrastructure Holdings Ltd (which owns Port Nelson and Nelson Airport) is allocated between activities based on the activities total operating cost and will be a source of “local authorities fuel tax, fines, infringement fees, and other receipts” income. The Council Enterprises activity does not receive this dividend allocation.</p>	<p>The Council’s dividend income is already fully allocated. If the Council was to use dividend income to help fund the recovery costs, it would have to reduce the dividend funding of other activities.</p>
<p>Income from Enterprise activity: Income received from the Council's Enterprise activities is used to support re-investment and a range of Council activities. This is set out in the Enterprise Activity Distribution Rules and Principles section of its business plan adopted by the Council.</p>	<p>Similarly, as for dividends, income from the Enterprise activity is already allocated to other activities.</p>
<p>Major asset sales: Funds received by the Council from major asset sales will be used to repay any debt associated with that asset, and any funds remaining will be used as determined by the Council. The original source of funds, restrictions and the use of related income will be recognised in the use of proceeds from asset sales. It is also noted that where there is a legal responsibility associated with any property that may be sold, that responsibility will be managed accordingly.</p>	<p>Funding from the sale of major assets could potentially be used to repay debt associated with the recovery costs. Note the Council already has a programme to selling surplus property to fund costs not associated with recovery from the weather events.</p>

LGA s101(3) Consideration

The application of S101(3) is applied to each of the four options below.

(a)(i) the community outcomes to which the activity primarily contributes

The analysis in the table below applies to all four options equally.

The costs that are being funded are roading/transport, waste collection and disposal, three waters repairs and parks and reserves.

Our unique natural environment is healthy, protected and sustainably managed	Repair of wastewater assets protect the environment. Waste disposal recovery work has biosecurity and pollution reduction benefits.
Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed	Recovery work will contribute to our rural environments being accessible through the clearing and repair of roads and Great Taste Trail.
Our infrastructure is efficient, resilient, cost effective and meets current and future needs	The following recovery activities all contribute to meeting current and future needs through infrastructure: <ul style="list-style-type: none"> • Roads – Clearing roads and repairing roads, repairing bridges and bridge approaches • Three waters – Restoring services and minor repairs to assets • Rivers - Repairing and replacing stopbanks and other river works • Parks and reserves – repairing parks and assets located on them.
Our communities are healthy, safe, inclusive and resilient	Cleared and repaired roads provide for safe travel and enable people to access healthcare. River works – provide protection to people, buildings and land which contributes to communities that are safe, healthy and resilient. Three waters services provide safe and healthy drinking water and disposal of wastewater.
Our communities have opportunities to celebrate and explore their heritage, identity and creativity	
Our communities have access to a range of social, cultural, educational and recreational facilities and activities	Repaired roads enable access to social, cultural, educational and recreational facilities and activities not located in the immediate vicinity of people’s homes.

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Our Council provides leadership and fosters partnerships, including with iwi, fosters a regional perspective, and encourages community engagement	
Our region is supported by an innovative and sustainable economy	<p>Repaired roads enable parts of the economy to get up and running again – in a timely manner. They enable produce to get to market and supplies to be received.</p> <p>Repaired or replaced river assets help protect productive land and businesses from river flooding.</p>

1. Targeted Recovery Rate District-wide for five years to repay the costs of the weather events only - Flat rate

(a)(ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals;

The degree to which the recovery benefits individual residents and businesses is broadly proportional to the proximity of those residents and businesses to the areas affected by the weather events. Those in close proximity, directly benefit from cleared and/or repaired roads or stopbanks rebuilt to replace those washed away to a higher degree than those who visit these areas regularly (for work or other reasons), who in turn benefit more from those who visit these areas less frequently. In very general terms the frequency of visitation is related to the distance from the area.

There are some benefits for people across the District as a whole from being able to visit these locations and benefit from the characteristics and opportunities they provide. Similarly, there are benefits to the efficient operation of businesses in the area which flows down to the wider population in the District through multiplier effects. Some of these broader benefits apply even if people do not visit the areas affected by the weather events.

(a)(iii) the period in or over which those benefits are expected to occur

The funds will be applied to carry out operations, repairs and replacement of assets in the short term in the areas affected by the 2025 weather events.

Some of the recovery activities provided immediate benefits e.g. collection and disposal of waste and silt.

However, some of the recovery activity involves the replacement of assets. The renewed assets will have useful lives that cover several years so ratepayers in the future, as well as current ratepayers, will benefit from them.

(a)(iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity

People who have chosen to build homes or operate businesses close to rivers could be considered to be contributing to the need to undertake the recovery activity. Generally, these homes and businesses have been consented by the Council.

(a)(v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities

It is helpful for the public to understand the Council's costs of recovering from these weather events and being able to see them separately and transparently. This will mean ratepayers can get an understanding of what proportion of their rates are related to these events and outside Council control, as well as other drivers of rates increases which the Council may have more influence over. The Council can clearly show the revenue received though a separate rate is used to pay for the weather events recovery.

There are costs in creating a separate rate (changes to the Revenue and Financing Policy) and setting up a new rate that would not be present if the recovery was not funded distinctly from other activities. However, the majority of these costs are from the process of identifying and analysing the funding options available, developing a proposal, consulting on it and making the final decision. Consequently, these costs will exist whichever option the Council selects.

The costs of implementing a new rate are small.

S101(3)(b) the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well being of the community.

This consideration is a separate and subsequent step once the section 101(3)(a) considerations have been made.

While a rate for recovery from the 2025 weather events alone could be targeted to the individuals and groups that, it could be argued, contributed to the need to undertake the activity by living or operating close to these hazards, it could potentially have very negative impact on the well being of these individuals. They are likely to have been adversely affected by the weather events, have personal and/or business costs for recovery and be recovering from the events for an extended period. If the full or majority of the costs of the recovery fall on these individuals it could have a disproportionate impact on their current and future social, economic, environmental, and cultural well being.

If all ratepayers in the District contribute to the funding for the weather events recovery through a fixed amount, the financial cost for each ratepayer will be equal. The impact on the current and future social, economic, environmental, and cultural well being of individual ratepayers will vary depending on their personal circumstances. Those on lower incomes are likely to be disproportionately impacted by a flat rate compared with those on higher incomes. However, the Council does not have a ready means of differentiating rates liability based on income. The only real proxy available to the Council is the rateable values of properties owned by different ratepayers. In this option the amount people pay does not vary with the capital value of their property.

Borrowing to fund recovery and repaying the debt over an extended period (as we generally do for asset renewal) runs the risk of Council’s debt to fund recovery becoming cumulatively large over time. If natural hazard events take place at a frequency higher than the pace at which the recovery debt is repaid, then over time the Council’s capacity to borrow for other purposes could become eroded. This erosion of the Council’s borrowing capacity for other purposes would have negative impacts on the future well being of the community. This is a strong argument for funding recovery costs, including those for renewal of assets, over a relatively short period.

Modelling a flat rate indicates that size of the rate increase is modest c\$124 per rateable property per annum for the five years. Across the year this will in many cases not have a substantial impact on ratepayers’ current and future well being.

Summary

Advantages	Disadvantages
<ul style="list-style-type: none"> • Transparent – increased rates for this purpose easier for public to identify. • Costs of recovery shared evenly across all ratepayers. • Those in areas affected by the weather event don’t have to pay disproportionately more than other ratepayers so their future well being is not further negatively affected. • Lower financial impact on any individual ratepayer (as costs are shared by all ratepayers) than targeted rate not applied District wide. • Doesn’t lead to ratepayers unaffected by the weather events and in properties with high values paying large amounts for the recovery. • Rates will increase in 2026/2027 but there should be a similar reduction in rates in five years’ time when the recovery from the 2025 weather event has been repaid. 	<ul style="list-style-type: none"> • Relatively procedurally complex requiring a change to RFP. • Doesn’t send any economic signals about the costs of living in riskier areas • Disproportionately impacts ratepayers in lower value properties – who are generally less able to pay. • Those ratepayers that receive little benefit from the recovery expenditure pay the same as those who receive substantial benefits. • More administratively intense to implement than adjusting existing rates. • There may be further natural hazard events with recovery costs before the 2025 weather event costs have been fully funded, so the planned reduction in rates in five years may be delayed or never happen.

2. Targeted Recovery Rate District-wide for five years to repay the costs of the weather events only - Capital value

(a)(ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals;

The degree to which the recovery benefits individual residents and businesses is broadly proportional to the proximity of those residents and businesses to the areas affected by the weather events. Those in close proximity, directly benefit from cleared and/or repaired roads or stopbanks rebuilt to replace those washed away to a higher degree than those who visit these areas regularly (for work or other reasons), who in turn benefit more from those who visit these areas less frequently. In very general terms the frequency of visitation is related to the distance from the area.

For people across the District as a whole there are some benefits from being able to visit these locations and benefit from the characteristics and opportunities they provide. Similarly, there are benefits to the efficient operation of businesses in the area which flow down to the wider population in the District through multiplier effects. Some of these broader benefits apply even if people do not visit the areas affected by the weather events.

(a)(iii) the period in or over which those benefits are expected to occur

The funds will be applied to carry out operations, repairs and replacement of assets in the short term in the areas affected by the 2025 weather events.

Some of the recovery activities provided immediate benefits e.g. collection and disposal of waste and silt.

However, some of the recovery activity involves the replacement of assets. The renewed assets will have useful lives that cover several years so ratepayers in the future, as well as current ratepayers, will benefit from them.

(a)(iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity

People who have chosen to build homes or operate businesses close to rivers could be considered to be contributing to the need to undertake the recovery activity. Generally, these homes and businesses have been consented by the Council.

(a)(v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities

It is helpful for the public to understand the Council's costs of recovering from these weather events and being able to see them separately and transparently. This will mean ratepayers can get an understanding of what proportion of their rates are related to these events and outside Council control, as well as other drivers of rates increases which the Council may have more influence over. The Council can clearly show the revenue received though a separate rate is used to pay for the weather events recovery.

There are costs in creating a separate rate (changes to the Revenue and Financing Policy) and setting up a new rate that would not be present if the recovery was not funded distinctly from other activities. However, the majority of these costs are from the process of identifying and analysing the funding options available, developing a proposal, consulting on it and making the final decision. Consequently, these costs will exist whichever option the Council selects.

The costs of implementing a new rate are small.

S101(3)(b) the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well being of the community.

This consideration is a separate and subsequent step once the section 101(3)(a) considerations have been made.

While a rate for recovery from the 2025 weather events alone could be targeted to the individuals and groups that, it could be argued, contributed to the need to undertake the activity by living or operating close to these hazards, it could potentially have very negative impact on the well being of these individuals. They are likely to have been adversely by the weather events, have personal and/or business costs for recovery and be recovering from the events for an extended period. If the full or majority of the costs of the recovery fall on these individuals it could have a disproportionate impact on their current and future social, economic, environmental, and cultural well being.

If all ratepayers in the District contribute to the funding for the weather events recovery based on the capital value of their property, the financial impact will vary widely (see rates modelling information) but the impact proportional to the value of the property will be the same.

The impact on the current and future social, economic, environmental, and cultural well being of individual ratepayers will vary depending on their personal circumstances. Those with lower property values will pay less. Lower property value is the best proxy the Council has to differentiate people on lower incomes for rating purposes. Those with higher value properties will pay more and using the property value as a proxy for income level, are arguably able to pay more.

Borrowing to fund recovery and repaying the debt over an extended period (as we generally do for asset renewal) runs the risk of Council's debt to fund recovery becoming cumulatively large over time. If natural hazard events take place at a frequency higher than the rate at which the recovery debt is repaid, then over time the Council's capacity to borrow for other purposes could become eroded. This erosion of the Council's borrowing capacity for other purposes would have negative impacts on the future well being of the community. This is a strong argument for funding recovery costs, including those for renewal of assets, over a relatively short period.

The modelling indicates that the size of the rate increase based on capital value will range widely. In our example properties the lowest level of the rate would be \$48 per annum and the highest is \$15,000 per annum for the five years. For those with higher value properties there is a substantial rates increase in this option and many of these ratepayers are not based in areas directly affected by the weather events. The higher rates charged to those with higher value properties could have a substantial impact on these ratepayers' current and future well being. However, if higher property values equate to higher incomes, these ratepayers may be better able to withstand the increased rates without negative well being impact.

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Summary

Advantages	Disadvantages
<ul style="list-style-type: none"> • Transparent – increased rates for this purpose easier for public to identify. • Costs of recovery shared more equitably across all ratepayers. • Those in areas affected by the weather event don't have to pay disproportionately more than other ratepayers – and current and future well being not further negatively affected. • Those paying higher rates may be better placed to withstand these without negatively impacting their well being. • Rates will increase in 2026/2027 but there should be a similar reduction in rates in five years' time when the recovery from the 2025 weather event has been repaid. 	<ul style="list-style-type: none"> • Procedurally complex requiring a change to RFP. • Doesn't send any economic signals about the costs of living in riskier areas • Those ratepayers that receive little benefit from the recovery expenditure pay proportionately the same as those who receive substantial benefits. • Some ratepayers with high value properties who were unaffected by the weather events pay substantially higher rates. • More administratively intense to implement than adjusting existing rates. • There may be further natural hazard events with recovery costs before the 2025 weather event costs have been fully funded, so the planned reduction in rates in five years may be delayed or never happen.

3. Targeted Emergency Event Financial Resilience Rate District-wide 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 – Flat rate

(a)(ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals;

Under this option the funding from the new rate would be used to fund the costs of recovery until those costs are fully funded (estimated 5 years). After that period the funding from the rate would form a balance/fund to be used in future natural hazard events to help fund the recovery. These future natural hazard events could affect any part of the District, so that ratepayers in any part of the District could benefit from the funds. Similarly future natural hazard events could damage assets that provide benefits beyond the local area.

Under this option those affected by the 2025 weather events will definitely benefit disproportionately in the short term (first five years) but ratepayers in other locations could benefit disproportionately at a later date depending on the locations and assets impacted by future natural hazard events.

(a)(iii) the period in or over which those benefits are expected to occur

The funds will be applied to carry out operations, repairs and replacement of assets in the short term in the areas affected by the 2025 weather events.

Some of the recovery activities provided immediate benefits e.g. collection and disposal of waste and silt.

However, some of the recovery activity involves the replacement of assets. The renewed assets will have useful lives that cover several years so ratepayers in the future benefit from them, as well as current ratepayers.

Beyond the recovery from the 2025 weather events, the funds would be applied to pay for recovery from future natural hazard events. Generally, following natural hazard events the benefits will be a mix of short term benefits via relief from the immediate issues, and longer term benefits through the repair or replacement of assets with long useful lives.

(a)(iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity

In the case of the 2025 weather events people who have chosen to build homes or operate businesses close to rivers could be considered to be contributing to the need to undertake the recovery activity. However, in future natural hazard events those who could be considered to have contributed to the need for recovery could be different e.g. people who have chosen to live close to the coast, on top of hills, beneath hills.

With this option it is not possible to say in advance of future natural hazard events where the fund will be used, and which actions or individuals will have contributed to the need for the recovery activity.

(a)(v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities

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It is helpful for the public to understand the Council's costs of recovering from these weather events and future natural hazard events and be able to see them separately and transparently. As the new rate would be separately identified on the rates bill ratepayers can clearly see what proportion of their rates are related to these events (both in 2025 and in the future) and outside Council control, as well as other drivers of rates increases which the Council may have more influence over. The Council can clearly show the revenue received though a separate rate is used to pay for the recovery from natural hazard events. The collection of funds on an ongoing basis for recovery from natural hazard events may help public confidence that the Council is prepared for such events.

There are costs in creating a separate rate (changes to the Revenue and Financing Policy and setting up a new rate) that would not be present if the recovery was not funded distinctly from other activities. However, the majority of these costs are from the process of identifying and analysing the funding options available, developing a proposal, consulting on it and making the final decision. Consequently, these costs will exist whichever option the Council selects.

The costs of implementing a new rate are small.

(b) the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well being of the community.

This consideration is a separate and subsequent step once the section 101(3)(a) considerations have been made.

There is much less potential justification in targeting an ongoing Emergency Event Financial Resilience Rate on those ratepayers it could be argued contributed to the need to undertake recovery activities for the 2025 weather events by living or operating close to these hazards. This is because, while the revenue from the rate will be used to fund the recovery work from this event over the next five years, it will be applied to other natural hazard events affecting other parts of the District in the future. Those adversely affected by the 2025 weather events are less likely to have their well being affected negatively as all ratepayers will share the costs. In the longer term those adversely affected by the 2025 weather events will have to continue to pay the rate to contribute to the funding of the recovery costs of other natural hazard events. Potentially, their well being could be negatively affected by having to continue to pay this rate, but this effect may be lessened by having had time to recover from the 2025 events.

If all ratepayers in the District contribute to the funding for the 2025 weather events recovery and future natural hazard events recovery through a fixed amount, the financial cost for each ratepayer will be equal. The impact on the current and future social, economic, environmental, and cultural well being of individual ratepayers will vary depending on their personal circumstances. Those on lower incomes are likely to be disproportionately impacted by a flat rate compared with those on higher incomes. However, the Council does not have a ready means of differentiating rates liability based on income. The only real proxy available to the Council is the rateable values of properties owned by different ratepayers.

Borrowing to fund recovery and repaying the debt over an extended period (as we generally do for asset renewal) runs the risk of Council's debt to fund recovery becoming cumulatively large over time. If natural hazard events take place at a frequency higher than the rate at which the recovery debt is repaid, a positive balance in the emergency event recovery resilience fund will never be reached. Over

time the Council’s debt for recovery could erode the capacity to borrow for other purposes. This erosion of the Council’s borrowing capacity for other purposes would have negative impacts on the future well being of the community. This is a strong argument for funding recovery costs, including those for renewal of assets, over a relatively short period.

Modelling a flat rate indicates that size of the rate increase is modest c\$123 per rateable property per annum for the five years. Across the year this will in many cases not have a substantial impact on ratepayers’ current and future well being.

The Council may choose to alter the level of this rate in the future based on the costs of recovering from future natural hazards or other factors.

Summary

Advantages	Disadvantages
<ul style="list-style-type: none"> • Transparent – increased rates for this purpose easier for public to identify. • Costs of recovery from the 2025 weather event and future natural hazard events shared evenly across all ratepayers. • Those in areas affected by the weather event don’t have to pay disproportionately more than other ratepayers – and their current and future well being not further negatively affected during the five years after the events. • Lower financial impact on any individual ratepayer (as costs shared by all ratepayers) than targeted rate not applied District wide. • Ratepayers in any location in the District could benefit from the funding at some point in the future. 	<ul style="list-style-type: none"> • Procedurally complex requiring a change to RFP. • Doesn’t send any economic signals about the costs of living in riskier areas • Disproportionately impacts ratepayers in lower value properties – who are generally less able to pay. • Rates will increase in the 2026/2027 year and there will not be a similar decrease in rates when the 2025 weather event costs have been funded. • More administratively intense to implement than adjusting existing rates

4. Targeted Emergency Event Financial Resilience Rate District-wide 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 – Capital value

(a)(ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals;

Under this option the funding from the new rate would be used to fund the costs of recovery until those costs are fully funded (estimated 5 years). After that period the funding from the rate would form a balance/fund to be used in future natural hazard events to help fund their recovery. These future natural hazard events could affect any part of the District, so that ratepayers in any part of the District could benefit from the funds. Similarly future natural hazard events could damage assets that provide benefits beyond the local area.

Under this option those affected by the 2025 weather events will definitely benefit disproportionately in the short term (first five years) but ratepayers in other locations could benefit disproportionately at a later date depending on the locations and assets impacted by future natural hazard events.

(a)(iii) the period in or over which those benefits are expected to occur

The funds will be applied to carry out operations, repairs and replacement of assets in the short term in the areas affected by the 2025 weather events.

Some of the recovery activities provided immediate benefits e.g. collection and disposal of waste and silt.

However, some of the recovery activity involves the replacement of assets. The renewed assets will have useful lives that cover several years so ratepayers in the future benefit from them, as well as current ratepayers.

Beyond the recovery from the 2025 weather events, the funds would be applied to pay for recovery from future natural hazard events. Generally, following natural hazard events the benefits will be a mix of short term benefits via relief from the immediate issues, and longer term benefits through the repair or replacement of assets with long useful lives.

(a)(iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity

In the case of the 2025 weather events people who have chosen to build homes or operate businesses close to rivers could be considered to be contributing to the need to undertake the recovery activity. However, in future natural hazard events those who could be considered to have contributed to the need for recovery could be different e.g. people who have chosen to live close to the coast, on top of hills, beneath hills.

With this option it is not possible to say in advance of the natural hazard events where the fund will be used, and which actions or individuals contributed to the need for the recovery activity.

(a)(v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities

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It is helpful for the public to understand the Council's costs of recovering from these weather events and future natural hazard events and be able to see them separately and transparently. As the new rate would be separately identified on the rates bill ratepayers can clearly see what proportion of their rates are related to these events (both in 2025 and in the future) and outside Council control, as well as other drivers of rates increases which the Council may have more influence over. The Council can clearly show the revenue received though a separate rate is used to pay for the recovery from natural hazard events. The collection of funds on an ongoing basis for recovery from natural hazard events may help public confidence that the Council is prepared for such events.

There are costs in creating a separate rate (changes to the Revenue and Financing Policy and setting up a new rate) that would not be present if the recovery was not funded distinctly from other activities. However, the majority of these costs are from the process of identifying and analysing the funding options available, developing a proposal, consulting on it and making the final decision. Consequently, these costs will exist whichever option the Council selects.

The costs of implementing a new rate are small.

(b) the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well being of the community.

This consideration is a separate and subsequent step once the section 101(3)(a) considerations have been made.

There is much less potential justification in targeting an ongoing Emergency Event Financial Resilience Rate on those ratepayers it could be argued contributed to the need to undertake recovery activities for the 2025 weather events by living or operating close to these hazards. This is because, while the revenue from the rate will be used to fund the recovery work from this event over the next five years, it will be applied to other natural hazard events affecting other parts of the District in the future. Those adversely affected by the 2025 weather events are less likely to have their well being affected negatively as all ratepayers will share the costs. In the longer term those adversely affected by the 2025 weather events will have to continue to pay the rate to contribute to the funding of the recovery costs of other natural hazard events. Potentially, their well being could be negatively affected by having to continue to pay this rate, but this effect may be lessened by having had time to recover from the 2025 events.

If all ratepayers in the District contribute to the funding for the weather events recovery based on the capital value of their property, the financial impact will vary widely (see rates modelling information) but the impact proportional to the value of the property will be the same.

The impact on the current and future social, economic, environmental, and cultural well being of individual ratepayers will vary depending on their personal circumstances. Those with lower property values will pay less. Lower property values is the best proxy the Council has to differentiate people on lower incomes for rating purposes. Those with higher value properties will pay more and using the proxy of property value for income level, are arguably able to pay more.

Borrowing to fund recovery and repaying the debt over an extended period (as we generally do for asset renewal) runs the risk of Council's debt to fund recovery becoming cumulatively large over time. If natural hazard events take place at a frequency higher than the rate at which the recovery debt is repaid, a positive balance in the emergency event recovery resilience fund will ever be reached. Over

time the Council’s debt for recovery could erode the capacity to borrow for other purposes. This erosion of the Council’s borrowing capacity for other purposes would have negative impacts on the future well being of the community. This is a strong argument for funding recovery costs, including those for renewal of assets, over a relatively short period.

The modelling indicates that size of the rate increase based on capital value will range widely. In our example properties the lowest level of the rate would be \$48 per annum and the highest is \$15,000 per annum for the five years. For those with higher value properties there is a substantial rates increase in this option and many of these ratepayers are not based in areas directly affected by the weather events. The higher rates charged to those with higher value properties could have a substantial impact on these ratepayers’ current and future well being. However, if higher property values equate to higher incomes, these ratepayers may be better able to withstand the increased rates without negative impact on their well being. These ratepayers with higher value properties also potentially stand to gain more if the fund is used to recover from a future natural hazard that affects their property.

Advantages	Disadvantages
<ul style="list-style-type: none"> • Transparent – increased rates for this purpose easier for public to identify. • Those in areas affected by the weather event don’t have to pay disproportionately more than other ratepayers – and their current and future well being not further negatively affected during the five years after the events. • Costs of recovery shared more equitably across all ratepayers. • Ratepayers in any location in the District could benefit from the funding at some point in the future. • May avoid having to introduce a new recovery rate in the future following another natural hazard event. 	<ul style="list-style-type: none"> • Procedurally complex requiring a change to RFP. • Doesn’t send any economic signals about the costs of living in riskier areas • Rates will increase in the 2026/2027 year and there will not be a similar decrease in rates when the 2025 weather event costs have been funded. • Some ratepayers with high value properties who were unaffected by the weather events pay substantially higher rates. • More administratively intense to implement than adjusting existing rates. • There may be further natural hazard events with recovery costs before the 2025 weather event costs have been fully funded, so the planned reduction in rates in five years may be delayed or never happen.

Rates Modelling of the Short-Listed Options

Rating Property Description	CV as at 2023	LV as at 2023	Capital Value Rate	Land Value Rate	Fixed Fee
Residential - Takaka	\$620,000	\$255,000	\$ 70.40	\$ 53.03	\$ 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 - Mapua (no Council supplied wastewater/metered water)	\$940,000	\$570,000	\$ 106.74	\$ 118.53	\$ 124.01
Residential - Mapua, with 153m ³ of water, Urban Metered Water Supply	\$720,000	\$500,000	\$ 81.75	\$ 103.98	\$ 124.01
Residential - Kaiteriteri, with 149m ³ of water, Urban Water Supply Metered Connections	\$1,330,000	\$560,000	\$ 151.02	\$ 116.46	\$ 124.01
Residential - Brightwater, with 117m ³ of water, Urban Water Supply Metered Connections	\$750,000	\$380,000	\$ 85.16	\$ 79.02	\$ 124.01
Residential - Wakefield, with 185m ³ of water, Urban Water Supply Metered Connections	\$780,000	\$350,000	\$ 88.57	\$ 72.78	\$ 124.01
Residential - Motueka, with 87m ³ of water, Motueka Water Supply Metered Connections	\$640,000	\$430,000	\$ 72.67	\$ 89.42	\$ 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 - Richmond, with 103m ³ of water, Urban Water Supply Metered Connections	\$880,000	\$445,000	\$ 99.92	\$ 92.54	\$ 124.01

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Rates Modelling of the Short-Listed Options

Rating Property Description	CV as at 2023	LV as at 2023	Capital Value Rate	Land Value Rate	Fixed Fee
Residential - Takaka	\$620,000	\$255,000	\$ 70.40	\$ 53.03	\$ 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 - Mapua (no Council supplied wastewater/metered water)	\$940,000	\$570,000	\$ 106.74	\$ 118.53	\$ 124.01
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Residential - Wakefield, with 185m ² of water, Urban Water Supply Metered Connections	\$780,000	\$350,000	\$ 88.57	\$ 72.78	\$ 124.01
Residential - Motueka, with 87m ³ of water, Motueka Water Supply Metered Connections	\$640,000	\$430,000	\$ 72.67	\$ 89.42	\$ 124.01
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Residential - Richmond, with 103m ³ of water, Urban Water Supply Metered Connections	\$880,000	\$445,000	\$ 99.92	\$ 92.54	\$ 124.01

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Lifestyle - Bronte, with 3m ³ /day restrictor, Redwood Valley Rural Water Supply	\$2,140,000	\$1,480,000	\$ 242.99	\$ 307.78	\$ 124.01
Commercial - Queen St, Richmond, with 343m ³ of water, Urban Water Supply Metered Connections	\$1,630,000	\$930,000	\$ 185.08	\$ 193.40	\$ 124.01
Commercial - High St, Motueka	\$1,750,000	\$600,000	\$ 198.71	\$ 124.77	\$ 124.01
Industrial - Cargill Place, Richmond, with 51m ³ of water, Urban Water Supply Metered Connections	\$1,290,000	\$500,000	\$ 146.48	\$ 103.98	\$ 124.01
Utility	\$133,210,000	\$0	\$ 15,125.74	\$ -	\$ 124.01

Draft Annual Plan 2026/2027: Proposed Budget Movements

Under the Local Government Act 2002, the purpose of the Annual Plan is to:

1. contain the proposed annual budget and funding impact statement for the year to which the annual plan relates; and
2. identify any variation from the financial statements and funding impact statement included in the local authority's long-term plan in respect of the year; and
3. provide integrated decision making and co-ordination of the resources of the local authority; and
4. contribute to the accountability of the local authority to the community.

This document sets out the proposed significant operational and capital budget variations from Year 3 of the LTP, being the 2026/2027 year.

Operational budget movement

Operational expenditure for the draft Annual Plan is proposed to increase by \$10.2m to \$102.6m, compared with Year 3 of the LTP. The table below summarises significant operational budget movements (excluding capital expenditure), showing variances between:

- 2025/2026 (A) and the draft 2026/2027 Annual Plan for 2026/2027 (B), and
- Year 3 of the 2024-2034 LTP (C) and the draft 2026/2027 Annual Plan (B).

Expenditure Type	A	B	(B-A)	C	(C-B)
	2025/26 Budget \$m	Draft AP 2026/27 \$m	Var \$m	LTP 2026/27 \$m	Var \$m
Fees and Recoveries	-45,770	-44,665	1,106	-41,545	3,120
Maintenance	41,126	41,880	755	34,912	-6,968
General Operating Costs	29,097	30,045	948	26,733	-3,312
Professional Fees	9,952	10,420	468	9,094	-1,326
Operations	5,882	8,121	2,239	7,395	-727
Employee Benefits	3,340	3,915	575	3,170	-745
Loan Repayment (Funded Depreciation)	35,845	39,810	3,965	36,584	-3,226
Sale of Assets	-400	-3,075	-2,675	-400	2,675
Share of Joint Venture	3,824	2,729	-1,095	3,540	812
Net Interest Costs	11,417	13,454	2,037	12,919	-534
Total	94,312	102,635	8,323	92,403	-10,232

The key changes (increases and decreases) compared with Year 3 of the LTP adopted in June 2024, are outlined below. Minor changes are not listed.

- *Fees and recoveries*: Higher revenue is expected than forecast in the LTP due to increased activity following the 2025 weather events—particularly in Rivers and Roding—and greater gravel extraction volumes. Building and resource consent revenue is also tracking above earlier assumptions.

- *Maintenance:* Maintenance budgets have increased by \$7.0 m. Of this, \$4.1 m relates to Three Waters, driven by new central government regulatory requirements. Some maintenance budgets reduced in the LTP now need to be reinstated due to actual demand, particularly reactive maintenance.

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

- *General Operating Costs:* New central government levies – Taumata Arowai (\$250k) and the Commerce Commission (\$75k) – were not known when the LTP was prepared.

Regional Sewerage Business Unit costs have continued to rise. TDC has had to increase its capacity or used of the network as a result of capital work undertaken, partly due to increased network demand associated with Richmond West development.

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.

- *Professional Fees:* Professional fees have increased by \$1.3 m, with \$1.1 m relating to Three Waters compliance activity. An additional \$500k 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 LTP assumptions. 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 (introduced in December 2022), along with associated Fringe Benefit Tax, have contributed to increased employee benefit costs.
- *Loan Repayments (Unfunded Depreciation):* There has been a \$3.2m adverse movement. Council continues to move towards fully funding depreciation; however, asset revaluation impacts were underestimated in the LTP. 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 the next LTP.
- *Sale of Assets:* The draft Annual Plan includes \$2.5 m of asset sales, consistent with decisions made during the 2025/2026 Annual Plan process, which is an increase of \$1m than planned for in the LTP.
- *Net Interest Costs:* Net interest costs have increased by \$500k. Higher borrowing has increased the level of liquid assets required under our Treasury policy, generating more interest revenue than assumed in the LTP. The interest we receive offsets the below interest costs.

Overall interest rates have risen since LTP adoption, increasing interest expenses above earlier expectations.

Capital budget movement

Capital expenditure for the draft Annual Plan is proposed to increase by \$7m, compared to Year 3 of the LTP adopted in June 2024, bring the total capital programme to \$80.6m.

Reforecasting and project deferrals have shifted a number of projects beyond 2026/2027. The upcoming LTP process will be used to prioritise and manage timing. Several projects in the draft Annual Plan represent early stages of larger programmes planned for the first years of the next LTP.

The table below summarises significant capital budget movements between Year 3 of the 2024-2034 Long Term Plan (2026/2027) and the draft 2026/2027 Annual Plan. Joint Venture budgets are excluded, and scope adjustments are included.

Capital Expenditure	A	B	(B-A)	C	(C-B)
	2025/26 Budget \$m	Draft AP 2026/27 \$m	Var \$m	LTP 2026/27 \$m	Var \$m
Environmental Management	570	710	140	718	9
Public Health and Safety	57	932	875	19	-913
Transportation, Roads and Footpaths	13,694	15,729	2,035	14,803	-926
Coastal Structures	15	0	-15	5	5
Water Supply	16,833	22,239	5,406	20,222	-2,017
Wastewater	16,422	9,452	-6,970	14,351	4,899
Stormwater	13,881	6,615	-7,265	6,714	99
Solid Waste	5,510	8,369	2,859	7,610	-760
Flood Protection and River Control Works	7,291	13,357	6,065	6,129	-7,228
Community Development	11,595	17,522	5,927	15,764	-1,757
Governance	0	0	0	0	0
Council Enterprises	1,384	2,231	847	1,531	-700
Support Services	1,464	855	-609	1,297	442
Total	74,396	80,641	6,245	73,622	-7,018

The key changes (increases and decreases) from Year 3 of the LTP are outlined below. Joint Venture capital expenditure is not included and minor changes are not listed.

Water Supply:

- Reticulation upgrades, growth projects and compliance work (+\$14.4m)
- Lower Queen St 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 floods and additional flood protection for Motueka (+\$7.2m)

Proposed Waste Management Fees for the Draft Schedule of Fees and Charges 2026/2027

Most waste fees are proposed to increase by 5%. Waste fees are calculated by dividing total operating costs (including routine and reactive maintenance, transport of waste, site staffing, and landfill disposal fees) by expected tonnage. Increases in operational costs and the Landfill Disposal Levy paid by Regional Landfill Business Unit to the Council have resulted in a required 5% increase to most waste fees to achieve cost recovery.

Waste activities are intended to be funded through user charges. The range of services that can be offered by Resource Recovery Centres (RRCs) has changed, and the costs for Class 3, 4, and 5 materials, as well as clean concrete, brick, and rubble, have been updated to reflect these changes, as outlined in the table below. In addition, two new charges are proposed for the York Valley and Eves Valley landfills, in line with the NTRLBU business plan, comprising a minimum charge and an administration fee.

Waste Management	Charges from 1 July 2025 incl. GST	Proposed Charges from 1 July 2026 incl. GST
<i>Fees and charges set under S46 WMA and S12 LGA</i>		
Kerbside Collection Rubbish bags (Tasman District Council sale price)		
Small bags (45 litres)	\$6.40 ea	TBA
Big bags (60 litres)	\$6.70 ea	TBA
Mixed refuse		
Weight-based charge – Richmond, Māiri, Tākaka, Murchison	\$414.00/tonne	\$436.00/tonne
Volume-based charge Collingwood or where weighbridge not available	\$83.00 per m ³	\$100.00 per m ³
60 litre bag (a maximum of two bags, at 10 kg each can be charged at this rate where a weighbridge is available)	\$4.20 ea	\$4.40 ea
Light wastes surcharge (polystyrene and other similar wastes, where >25% of load)	\$343.85/m ³ of light waste	\$362.25/m ³ of light waste
Fee to recover unacceptable and undeclared materials	\$36.30	\$37.90
Minimum domestic weighbridge transaction (10 kg)	\$4.20	\$4.40
Minimum commercial transaction	\$25.00	\$26.50
Greenwaste, cleanfill, scrap metals and recyclable materials when combined with other waste will be charged at mixed refuse rate when site constraints do not allow for separate measurement and unloading.		

Waste Management	Charges from 1 July 2025 incl. GST	Proposed Charges from 1 July 2026 incl. GST
Greenwaste (not accepted at Richmond)		
Weight-based charge – Mariri, Takaka, Murchison	\$149.27/tonne	\$157.55/tonne
Volume based charge, Collingwood or where weighbridge not available	\$22.00/m ³	\$23.20/m ³
Minimum domestic greenwaste charge (10 kg)	\$2.20	\$2.30
Minimum commercial transaction	\$25.00	\$26.50
Classes 3, 4 and 5 fill material (where accepted)		
The source location must be declared on request and the Council retains the right to refuse loads or recover costs for disposal of material.		
Weight based charge – Richmond, Mariri	\$220.00/tonne	\$198.95/tonne
Volume-based charge - where weighbridge is not available	\$330.00/m ³	\$298.43/m ³
Minimum domestic charge (20kg)	\$10.00	\$10.00
Minimum commercial transaction	\$25.00	\$26.45
Clean concrete, brick and rubble (where accepted)		
All material must be clean and free of contamination, including asbestos, wood and steel reinforcing		
Weight based charge – where accepted	\$55.00/tonne	\$198.95/tonne
Volume based charge - where weighbridge is not available	\$120.00/m ³	\$298.43/m ³
Minimum domestic charge (20kg)	\$10.00	\$3.50
Minimum commercial transaction	\$25.00	\$26.50
Weighbridge charge		
Weighbridge docket for public and commercial vehicles (when site operational constraints allow)	\$18.00/vehicle	\$19.00/vehicle
Scrap metals (where accepted)		
Scrap steel (sheet and heavy gauge by arrangement)-	No charge	No charge
Refrigerating Whiteware (including fridges, freezers & dehumidifiers)		
Weight based charge – Richmond, Mariri, Tākaka, Murchison (at mixed refuse rate)	At mixed refuse charge	At mixed refuse charge
Per item – Collingwood or where weighbridge is not available	\$18.00 ea	\$19.00 ea
Non-refrigerating Whiteware	No charge	No charge

Waste Management	Charges from 1 July 2025 incl. GST	Proposed Charges from 1 July 2026 incl. GST
Recyclables (where accepted) Domestic customers (quantities less than 1.0m ³)		
Glass (bottles) – clean, colour sorted	No charge	No charge
Clean paper and cardboard	No charge	No charge
Clean, plastic bottles and containers (Grades 1, 2, 5 only)	No charge	No charge
Clean cans	No charge	No charge
Unsorted or contaminated materials	At mixed refuse charge	At mixed refuse charge
Commercial customers or domestic customers greater than 1.0m³		
Mixed paper, cardboard, plastic (grades 1,2,5), steel and aluminium cans meeting specification	\$300.00/tonne	\$316.25/tonne
Clean corrugated cardboard	\$300.00/tonne	\$316.25/tonne
Colour sorted glass bottles and jars meeting specification	\$45.00/tonne	\$48.30/tonne
Recyclable material outside of specification	\$450.50/tonne	At mixed refuse charge
Tyres (where accepted)		
Car and motorcycle (maximum 5 per transaction)	No Charge	No Charge
Car tyres on rims	\$34.24	\$36.00
Truck (truck tyres on rims and other large tyres not accepted) (maximum 5 per transaction)	No Charge	No Charge
Paint (where accepted)		
Resene branded	No charge	No charge
Other brands: containers 4 litres or smaller	\$2.00 ea	\$2.10 ea
Other brands: containers greater than 4 litres	\$4.50 ea	\$4.75 ea
Hazardous waste (where accepted)		
Automotive Oil	No charge	No charge
Gas cylinders	No charge	No charge
Batteries (automotive and small household)	No charge	No charge

Waste Management	Charges from 1 July 2025 incl. GST	Proposed Charges from 1 July 2026 incl. GST
Household hazardous wastes – up to 20kg annually (The source location must be declared, and the Council retains the right to refuse some materials; Commercial or agricultural hazardous waste not accepted)	No charge	No charge
Commercial customer services		
Dallas tags for commercial waste customer (up to one per product per vehicle)	No charge	No charge
Replacement tags	\$27.50 ea	\$29.50 ea
Kerbside Recycling Services		
Additional kerbside recycling services - annual fee	\$156.00	\$142.00
Additional kerbside recycling services - part year (per month)	\$13.00	\$12.00
Replacement mobile recycling bin (from Resource Recovery Centre)	\$115.00	\$118.50
Additional or replacement glass recycling crate (from Council or RRC)	\$22.00	\$20.00
Recycling Bin Delivery and Collection Fees		
Charge to deliver a replacement mobile recycling bin or collect a mobile recycling bin if an invoiced service is cancelled	\$63.00	\$40.00
Exchange fee to deliver a smaller or larger recycling bin (This fee is waived for customers with genuine mobility problems)	\$63.00	\$40.00
York Valley and Eves Valley landfill charges (operated by the Nelson Tasman Regional Landfill Business Unit)		
General refuse (Municipal Solid Waste)	\$305.90/tonne	\$357.65/tonne
Polystyrene	\$3,910.00/tonne	\$3,910.00/tonne
Light wastes and sawdust (treated and untreated) Light wastes, Sawdust, and Asbestos requiring NTRLBU management	\$431.25/tonne	\$431.25/tonne
Minimum charge	New fee	\$115.00
Administration fee	New fee	\$172.50
HAIL and Hazardous waste*		

Waste Management	Charges from 1 July 2025 incl. GST	Proposed Charges from 1 July 2026 incl. GST
York Valley – after Eves Valley begins accepting HAIL waste-	\$305.90/tonne	Deleted
Eves Valley- Only if tested, within specified limits (to be confirmed), and able to be blended- Class 3 waste – Eves Valley	\$188.60/tonne	\$109.25/tonne
Notes on landfill charges from Nelson Tasman Regional Landfill Draft Business Plan 2026/2027:		
<p>This charging table has changed to reflect increased rates associated with general waste, and a continuation of the rate for contaminated soil disposal at Eves Valley landfill.</p> <p>The fee table also include escalated charges for light waste and polystyrene.</p> <p>An additional fee category has been added for a minimum load to compensate for the administrative cost associated with very small loads being discharged. This minimum load charge equates to a load approximately 300 kg. It is anticipated that this will reduce the number of very small loads, as some loads will be aggregated. NTRLBU expect this to result in a small reduction in traffic at the landfill.</p> <p>An administration fee has also been added to reflect the costs associated with activities such as fixing mistakes that have been created by the customer or replacing key fobs that have been lost by customers. The fee will incentivise companies to take responsibility for their actions rather than relying on NTRLBU to fix issues.</p> <p>A separate charge is maintained is maintained for Sawdust and Light wastes (not including loads of polystyrene) at York Valley landfill. This rate has been expanded to include asbestos loads that require management by NTRLBU in their disposal. This will predominantly relate to plastic wrapped asbestos loads being tipped from trucks.</p> <p>Light wastes are wastes that - in the opinion of the NTRLBU and its operators - are significantly less dense than general waste. For example, wastes that contain more than 25% polystyrene by volume.</p> <p>Asbestos disposed in Haz bags which is lifted off and placed in the landfill by the company disposing of the waste will remain at general waste disposal rates.</p>		

Waste Management	Charges from 1 July 2025 incl. GST	Proposed Charges from 1 July 2026 incl. GST
<p>The intended outcome of this higher fee for Asbestos is to cover the additional costs incurred by NTRLBU associated with digging asbestos disposal pits, monitoring disposal, and for managing the safe compaction of asbestos material.</p> <p>This budget is based on the Ministry for the Environment, Waste Disposal Levy increase to \$70 per ton for the 2026/27 year. The budget is based on an annual demand of 70,000 tonnes. The waste mass has been based on the 2024/2025 annual mass of waste received at York Valley excluding the Tahunanui Beach Contaminated sawdust, with the assumption that some improvement in economic activity will occur, but not back to 2023/2024 levels.</p> <p>The landfill charges are based on an assumed Local Disposal Levy (LDL) of \$3.9M to both NCC and TDC for the 2026/27 year.</p> <p>This budget is based on an Emissions Trading Scheme UEF of 0.20 for 2026/27 years.</p> <p>The result of the above is an increase in the Waste Disposal Cost of \$45 per tonne. This equates to an increase in the landfill cost of 17% in landfill charges from 2025/26 to 2026/27.</p> <p>This increase is higher than indicated in the NTRLBU 2024 – 2033 AMP because the NZ government has increased the Waste Disposal Levy by an additional \$5 which was not included in the AMP budgets, and the Councils Local Disposal Levy has also increased from \$6 million in 2025/2026 business plan to \$7.8 Million in 2026/2027.</p> <p>The costs associated with the Operations and Maintenance of the landfill have increased by approximately 2.5%.</p> <p>The only change to the operating costs within the control of NTRLBU associated with this Business Plan when compared to the AMP is the additional of one additional staff member to the NTRLBU team.</p> <p>The role is considered necessary to ensure that NTRLBU has sufficient resource to support the development and administration of the gas system, and the administration of the gas sales and asset management associated with the system.</p> <p>NTRLBU is conscious that the compliance requirements associated with operating an increasingly complex gas system with commercial sales of gas will likely exceed the available capacity of the current NTRLBU staff.</p>		

Waste Management	Charges from 1 July 2025 incl. GST	Proposed Charges from 1 July 2026 incl. GST
<p>This increase in Landfill fee is due to:</p> <ul style="list-style-type: none"> • Increases in the Waste Minimisation Levy. (\$5/tonne) • Local disposal levy increases by \$1.8 million (\$28/tonne) • Reduced tonnes expected due to reduced economic activity. • Increased financing and depreciation costs associated with capital upgrades. • An additional staff member dedicated to gas management within the NTRLBU • Inflation allowance for 2.5% increase on the 2025/2026 costs. <p>The separate fee for HAIL, hazardous material and contaminated soil requiring disposal to York Valley Landfill has been removed and this material is included in the general waste fee.</p>		

7.3 RETROSPECTIVE APPROVAL - EXPOSURE DRAFT OF LOCAL GOVERNMENT (INFRASTRUCTURE FUNDING) AMENDMENT BILL DEVELOPMENT LEVIES SYSTEM CONSULTATION SUBMISSION

Decision Required

Report To:	Tasman District Council
Meeting Date:	12 March 2026
Report Author:	Anna Gerraty, Senior Community Policy Advisor
Report Authorisers:	Dwayne Fletcher, Strategic Planning & Enterprise Manager
Report Number:	RCN26-03-11

1. Purpose of the Report / Te Take mō te Pūrongo

- 1.1 This report seeks retrospective approval for Council's submission on the Exposure Draft of the Local Government (Infrastructure Funding) Amendment Bill – Development Levies System Consultation.
- 1.2 The submission was lodged to ensure Tasman's interests were represented within the consultation timeframe.

2. Summary / Te Tuhinga Whakarāpoto

- 2.1 Council's submission supports the introduction of a development levies system and agrees that reform is necessary to improve cost recovery from growth, strengthen pricing signals, and enable timely infrastructure provision. However, the submission raises concerns that several provisions in the exposure draft—particularly those relating to reserves and community infrastructure—may unintentionally narrow the scope of infrastructure eligible for levy funding when compared with the current statutory framework.
- 2.2 If enacted without amendment, the Bill could shift growth-related costs to ratepayers, constrain Council's statutory responsibilities, reduce flexibility to deliver infrastructure needed to service growth, and create potential legal uncertainty. The submission seeks amendments to clarify the scope of reserves and community infrastructure, ensure consistency with existing legislation, and provide practical implementation certainty.

3. Recommendation/s / Ngā Tūtohunga

That the Tasman District Council

1. **receives the Retrospective Approval - Exposure Draft of Local Government (Infrastructure Funding) Amendment Bill Development Levies System Consultation Submission RCN26-03-11; and**
2. **approves retrospectively the Tasman District Council submission on the Exposure Draft of the Local Government (Infrastructure Funding) Amendment Bill – Development Levies System Consultation.**

4. Background / Horopaki

- 4.1 The Government is consulting on a development levies system to replace existing funding tools for growth-related infrastructure. Council staff prepared and lodged a submission within the consultation period. The submission aligns with sector feedback (Taituarā and the Development Contributions Working Party) and reflects Council’s operational experience in delivering infrastructure to service growth.

5. Analysis and Advice / Tātaritanga me ngā tohutohu

Key Issues Raised in the Submission

- 5.1 **Narrowing of Reserves and Community Infrastructure Definitions:** The draft provisions (clauses 211Q–211S) may significantly reduce the scope of infrastructure eligible for levy funding compared with current statutory reserve classifications. The submission highlights that the Reserves Act provides a wide range of reserve purposes (historic, scenic, recreation, nature, scientific, local purpose, cemetery, etc.). Using new, non-statutory terms such as “conservation purposes” risks excluding many growth-related assets.
- 5.2 **Operational Implications:** Common Council functions could be excluded from levy funding, including:
- stormwater and flood management land
 - esplanade reserves and hazard corridors
 - cemetery land
 - regional/destination open space
- This could shift costs from developers to ratepayers.
- 5.3 **Relationship With Existing Statutory Obligations:** A non-derogation clause is needed to ensure that levy provisions do not constrain Council’s obligations under other legislation (e.g., Reserves Act, land vesting requirements).
- 5.4 **Transitional Arrangements:** The submission supports extending transitional authority for existing financial contributions under the Resource Management Act until full implementation of the new system, consistent with sector advice.
- 5.5 **Summary of Amendments Sought:** The submission requests changes that would:
- confirm that levies may fund the full range of reserve and community infrastructure recognised in existing law
 - replace ambiguous terminology with statutory reference points
 - clarify cross-boundary infrastructure funding criteria
 - improve transparency for bespoke levy areas
 - include transitional provisions for financial contributions.

6. Financial or Budgetary Implications / Ngā Ritenga ā-Pūtea

- 6.1 There are no direct financial impacts from approving the submission. However, the submission’s recommended amendments seek to avoid future cost-shifting from developers

to ratepayers by ensuring broad eligibility for levy funding. This is intended to reduce potential long-term financial risks to Council.

7. Options / Kōwhiringa

7.1 The options are outlined in the following table:

Option		Advantage	Disadvantage
1.	Approve the submission retrospectively (recommended)	Ensures Council's views are formally recorded; protects Council's future funding ability; aligns with sector positions.	None identified.
2.	Do not approve the submission	None	Council's views would not be formally endorsed; loss of opportunity to influence legislation.

7.2 Option 1 is recommended.

8. Legal / Ngā ture

8.1 The submission relates directly to legislative reform of development levies. Retrospective approval ensures Council's endorsement is properly recorded. The submission specifically seeks clarification of legal definitions, non-derogation provisions, and transitional arrangements to maintain compliance with existing statutes.

9. Iwi Engagement / Whakawhitiwhiti ā-Hapori Māori

9.1 This retrospective approval does not trigger specific iwi engagement requirements. Any future implementation of levy systems or associated planning processes may require engagement consistent with LGA 2002 obligations.

10. Significance and Engagement / Hiranga me te Whakawhitiwhiti ā-Hapori Whānui

10.1 This decision has low significance because it relates to retrospective approval of a submission already lodged and does not change Council services, budgets, or strategic assets. Broader implications of the Bill itself will be subject to future reporting once legislative changes are confirmed.

11. Communication / Whakawhitiwhiti Kōrero

11.1 No further communication is required beyond notifying relevant staff and updating Council records.

12. Risks / Ngā Tūraru

12.1 If approved: Low risk.

12.2 If not approved: Moderate risk that Council's views may not be clearly represented in legislative reform, affecting future infrastructure funding.

12.3 The submission itself aims to mitigate future financial, legal, and operational risks.

13. Climate Change Considerations / Whakaaro Whakaaweawe Āhuarangi

13.1 The submission indirectly supports climate resilience by seeking clarity that development levy funding can apply to stormwater, hazard mitigation, and coastal buffer land—assets increasingly required to manage climate-related risks.

14. Alignment with Policy and Strategic Plans / Te Hangai ki ngā aupapa Here me ngā Mahere Rautaki Tūraru

14.1 The submission supports Council's strategic objective that growth should fund growth and aligns with long-term planning for infrastructure provision.

15. Conclusion / Kupu Whakatepe

15.1 The submission was prepared and lodged to ensure Tasman District Council's perspectives were considered in the development levies reform process. Retrospective approval is sought to formally endorse the submission.

16. Next Steps and Timeline / Ngā Mahi Whai Ake

16.1 Staff will monitor progress of the Bill and provide further advice as amendments are proposed or finalised.

16.2 Updates will be included in future strategy and planning work programmes.

17. Attachments / Tuhinga tāpiri

1. [↓](#) Submission - Exposure Draft of Local Government (Infrastructure Funding) Amendment Bill Development Levies System Consultation

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Tasman District Council submission on the Exposure draft of Local Government (Infrastructure Funding) Amendment Bill Development Levies System Consultation

Submitted to: Department of Internal Affairs

Supporting and complementing sector submissions from Taituarā and the Development Contributions Working Party

1. Introduction

Tasman District Council supports the introduction of a development levies system as a more effective and flexible mechanism for funding growth-related infrastructure in an increasingly permissive planning environment.

We agree that reform is necessary to:

- improve cost recovery from growth
- strengthen pricing signals
- enable timely infrastructure provision
- support housing and urban development objectives

However, we are concerned that several provisions of the exposure draft — particularly those relating to reserves and community infrastructure — may unintentionally narrow the scope of infrastructure that can be funded through development levies when compared with the current statutory framework.

If enacted without amendment, the Bill may:

- shift growth-related costs from developers to ratepayers
- constrain councils' ability to meet statutory obligations
- create inconsistency across established legislative regimes
- reduce flexibility to deliver infrastructure required to service growth
- create uncertainty and litigation risk regarding lawful expenditure

These outcomes would undermine the core policy objective that growth should fund growth. This submission focuses on clarifying the scope of reserves and community infrastructure, ensuring consistency with existing statutory duties, and providing practical implementation certainty.

2. Strategic concern: unintended narrowing of community infrastructure

The draft provisions relating to reserves and community infrastructure (particularly clauses 211Q–211S and associated definitions) risk redefining the scope of eligible infrastructure in a way that is materially narrower than the existing statutory framework under which territorial authorities operate.



In practice, councils acquire and manage a wide range of land and associated works to support growth, including:

- scenic reserves
- historic reserves
- recreation reserves
- local purpose reserves (esplanades, walkways, accessways, community facilities, war memorials, stormwater, utilities, access, parking, hazard mitigation)
- cemetery land
- coastal and river margin protection land
- strategic open space networks
- regional destination reserves outside district boundaries

These assets are essential infrastructure that enables development and protects communities. They are not limited to recreation or generalised “conservation”, as inferred by s211R. The Reserves Act 1977 does not use the loose, single label “conservation purposes” – no such definition is included in that Act. Instead, it creates **a range of reserve classifications and statutory purposes** (e.g. recreation reserves, scenic reserves, nature reserves, scientific reserves, historic reserves, local purpose reserves, esplanade reserves, government purpose reserves, etc.). Using “conservation purposes” collapses and mis-labels these categories and risks narrowing the permitted uses of levy revenue and creating legal ambiguity.

If development levies cannot fund these assets, councils will either be unable to provide them in a timely way or must fund them from general rates — directly contradicting the purpose of the levy regime.

3. Operational consequences of the current drafting

The drafting creates practical risks in several common growth scenarios:

Stormwater and flood management

Land required for attenuation, overland flow paths, or coastal buffers is often held as local purpose reserve land. Narrow definitions may prevent levy funding despite these being essential to enable development.

Urban expansion and cemetery provision

Population growth requires additional cemetery land. This is a standard growth cost but may fall outside recreation-focused wording.

Esplanade and hazard corridors

Land required for access, ecological connectivity, or hazard management is often acquired as reserve land. These are infrastructure costs attributable to growth.

Regional or destination open space

Some reserves serving growing populations are not located within the district that benefits from them.



Without clarification, these routine infrastructure investments may become legally uncertain or excluded.

4. Relationship to existing statutory obligations

Territorial authorities must continue to comply with multiple statutory regimes requiring land acquisition, vesting, protection, and management for public purposes.

The development levy framework is a funding mechanism, not a redefinition of substantive duties.

Without explicit confirmation, there is a real risk that the levy regime could be interpreted as limiting the scope of infrastructure that councils may lawfully fund in connection with growth. This could create tension between funding rules and statutory obligations.

A non-derogation provision is therefore essential.

5. Requested legislative outcomes (summary)

We request amendments that would:

1. Confirm that development levies may fund the full range of reserve and community infrastructure functions recognised in existing law.
2. Replace narrow or ambiguous terminology with statutory reference points.
3. Clarify that levy provisions do not limit obligations under other enactments.
4. Provide clear tests for cross-boundary expenditure.
5. Improve transparency of bespoke levy areas and first-mover arrangements.
6. Provide transitional provisions for financial contributions under existing planning frameworks.

6. Proposed consolidated replacement provision (reserves funding)

We recommend replacing clauses 211R–211S with a consolidated provision structured as follows.

Proposed clause — Use of development levies for reserves and community infrastructure

(1) Permitted use

Development levies for reserves may be used for land or works that are necessary to service growth and that provide public community infrastructure functions.

(2) Definition of reserves

For the purposes of this subpart, “reserves” means land or interests in land that may be held, acquired, vested, protected, or administered for any purpose authorised under the statutory reserve framework, including but not limited to scenic, historic, recreation, nature, scientific, or cemetery purposes, or local purpose of various types (e.g. esplanade, access, utility, hazard management, ecological, and cultural).

(3) Eligible activities

Levy revenue may be applied to acquisition, development, enhancement, restoration, or long-term protection of such land or associated works.

(4) Cross-boundary infrastructure

Levy revenue may be applied outside the territorial authority's district where:

- the infrastructure is necessary or more efficient to provide in that location;
- the benefits to levy-paying areas are demonstrable and proportionate; and
- a formal inter-authority funding agreement is in place and publicly disclosed.

(5) Payments to administering bodies

Levy revenue may be paid to administering bodies or other public entities responsible for delivering the infrastructure.

7. Specific submission points

7.1 Replace non-statutory terminology

Remove references to “conservation purposes” and instead refer to the full range of statutory reserve purposes, i.e. “including but not limited to scenic, historic, recreation, nature, scientific, or cemetery purposes, or local purpose of various types (e.g. esplanade, access, utility, hazard management, ecological, and cultural)”.

7.2 Clarify that reserves include local purpose infrastructure

Explicitly include stormwater, utilities, access, hazard mitigation, cemetery, and similar infrastructure.

7.3 Replace “public recreation purposes”

This phrase is too narrow. Replace with reference to lawful public infrastructure purposes that service growth.

7.4 Insert non-derogation clause

Confirm that levy provisions do not limit powers or duties arising under other enactments relating to land acquisition, vesting, or protection.

7.5 Require transparency for bespoke levy areas

Where levy areas do not align with standard boundaries, require:

- published infrastructure nexus statement
- proportional benefit assessment
- cost allocation methodology
- public register of agreements
- review provisions

7.6 Transitional arrangements for financial contributions

Provide explicit transitional authority to continue collecting financial contributions under existing planning instruments until the new system is fully operational. This avoids revenue gaps and stranded infrastructure funding.

We strongly support the recommendation from Taituarā on this point: **“That the Government extend the transitional arrangements on development contributions to include financial contributions under the Resource Management Act 1991. This will also require the insertion**

of a transitional provision empowering the collection of financial contributions to 1 July 2030 into either the Planning Bill or the Natural Environment Bill.”

8. Additional clarification sought

We also request clarification regarding:

- definition of “community infrastructure”
- treatment of ecological restoration and climate adaptation works
- interaction with land vesting requirements arising from subdivision
- treatment of jointly administered reserves
- treatment of infrastructure serving regional populations

9. Implementation and system integrity

Development levies are intended to deliver efficient infrastructure investment through clear and predictable pricing signals. This requires that the scope of infrastructure eligible for levy funding reflects real infrastructure demand.

Artificially narrowing that scope would:

- weaken cost recovery
- distort investment decisions
- transfer costs to ratepayers
- reduce infrastructure provision certainty

This would undermine the reform’s objectives.

10. Conclusion

Tasman District Council supports the development levies framework and its policy direction. However, to ensure the system functions as intended, the legislation must clearly recognise the full range of infrastructure required to service growth and must preserve alignment with existing statutory frameworks.

We therefore request that the Bill be amended to clarify the scope of reserves and community infrastructure, confirm consistency with other enactments, and provide implementation certainty.

We would welcome the opportunity to discuss these matters further.



Dwayne Fletcher
Strategic Planning and Enterprise Manager, Strategy & Finance
Tasman District Council

7.4 MAYORAL UPDATE

Information Only - No Decision Required

Report To:	Tasman District Council
Meeting Date:	12 March 2026
Report Author:	Tim King, Mayor
Report Number:	RCN26-03-8

1. Summary / Te Tuhinga Whakarāpoto

- 1.1 One of the “feel good” aspects of the Mayoral role is the opportunity to acknowledge people in our community who do good things that mostly go under the radar. This month I was very pleased to present a Mayoral certificate to Wakefield resident, Eric Appleton prior to a meeting of the Wakefield Community Council. Eric has a long history in the forestry industry and opened his own nursery in 1968 growing a range of tree species to encourage diversity in the landscape. And he’s still actively involved in the nursery business at the tender age of 91. Great stuff Eric.



Nathan Dunn (Chair of Wakefield Community Council) with Eric and me

- 1.2 On 7 February 2026, I was invited to help judge the trucks at the annual Kids and Rigs show at the Richmond A&P Showgrounds. I have never seen so many “pristine” clean and tidy trucks in one place – a credit to the proud drivers who all enjoy participating in this great community event.



So many clean and shiny trucks

- 1.3 On 24 February 2026, I had the honour of opening the new Mahitahi Colab in Māpua. This facility is the result of a partnership between the Nelson Marlborough Institute of Technology, the Nelson Regional Development Agency and the Nelson-Tasman Chamber of Commerce – a great asset for the community which I understand is already being well used.
- 1.4 We were very pleased to host the Mayoral delegation from our “friendly town” Westerkwartier (the Netherlands) recently. The delegation was very busy during their time here including a pōwhiri at Onetahua Marae and visits to Cawthron Institute (Aquaculture Centre), Nelson Marlborough Institute of Technology, Nelson Regional Development Agency, Nelson-Tasman Chamber of Commerce and various local businesses (Vailima Orchards, JS Ewers and Tasman Bay Foods). They also spent time in Golden Bay with the local Museum trustees and took a tour of the Anaweka Waka. The group also met with staff to share our perspectives on water issues that affect both Tasman and Westerkwartier. A special thank you to my predecessor, Richard Kempthorne who accompanied the delegation on their various visits.
- 1.5 The Murchison A&P Show is another successful community event held on 21 February 2026.
- 1.6 Thank you to Deputy Mayor, Brent Maru who represented the Council at some recent events including the opening of Whenua Iti’s new climbing wall on 11 February 2026 and the Tasman Asian Night Food Fair on 21 February 2026. Thanks also to Councillors Ellis and Walker who represented the Council at the annual Nelson Business Awards on 27 February 2026.

2. Recommendation/s / Ngā Tūtohunga

That the Tasman District Council

- 1. receives the Mayoral Update RCN26-03-8.**

3. Summary

- 3.1 The Local Government Reference Group focusing on the new RMA met on 2 February and again on 20 February 2026.

- 3.2 I recorded an episode of Tim Time on 4 February 2026 with FreshFM.
- 3.3 I was interviewed on Stuff on 4 February 2026 regarding the traffic issues at the intersection of SH60 and McShane Road following a recent accident. The Council has advocated for safety upgrades at this intersection, and in 2022 it was specifically identified in the Richmond Transport Programme Business Case (which was a study completed jointly by NZTA and the Council) in the preferred short-term programme of improvements. We understand from NZTA that there is limited funding for these kinds of safety improvements, with a large number of similar projects across New Zealand all competing for the same limited funding. The Council will continue to advocate to NZTA for safety upgrades at this intersection, and I expect that this latest crash will provide additional evidence that this intersection should be considered a priority for funding.
- 3.4 Waitangi celebrations were held at the Whakatū Marae on 6 February 2026.
- 3.5 The monthly Kaiteriteri Recreation Reserve Board meeting was held on 10 February 2026.
- 3.6 Minister for the South Island, James Meager met with Nelson City Mayor, Nick Smith and I on 25 February 2026 to discuss our regional priorities.
- 3.7 I met with the Nelson Marlborough Institute of Technology Students Association representative on 25 February 2026.
- 3.8 Our Civil Defence Manager, Joe Kennedy met with me to discuss the opportunity to consider a newly available CDEM preparedness model developed in Australia on 25 February 2025.
- 3.9 In his role as a Trustee, Bruno Simpson met with our Chief Executive, Leonie Rae and I on 25 February 2026 to discuss funding for the Suter Art Gallery.
- 3.10 Our first citizenship ceremony for 2026 was held on 25 February 2026. Once again, we have a waiting list for new citizens, so we have included a seventh ceremony for 2026 to be held on 31 March 2026.
- 3.11 The Local Government New Zealand “All-of-local-government” and “Regional Sector” meetings were held in Wellington on 26 and 27 February 2026.
- 3.12 Leonie Rae and I met with the Office of the Auditor-General on 3 March to discuss the upcoming annual audit.
- 3.13 I recorded a video in support of Hands Up for Hospice on 3 March 2026.

4. Attachments / Tuhinga tāpiri

Nil

8 CONFIDENTIAL SESSION

8.1 Procedural motion to exclude the public

The following motion is submitted for consideration:

That the public be excluded from the following part(s) of the proceedings of this meeting. The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

8.2 Property Sale - Tapawera

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

8.3 Property Asset Sales Update

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

8.4 Recommendation from Joint Regional Landfill Committee - Iwi Representative Appointment

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.