

Council

Meeting of 17 June 2026

Business Unit: Finance

Date Created: 11 May 2026

Adoption of the Annual Plan for the Financial Year 2026/27

Purpose Te Aronga o te Pūrongo

To present the Annual Plan 2026/27 to Council for adoption.

Recommendations Ngā Tūtohinga

1. That in accordance with Section 95 of the Local Government Act 2002, the Council adopts the Annual Plan 2026/27 (Annex A).
2. That the Chief Executive be authorised to approve any final edits required to the Annual Plan 2026/27 in order to finalise the document.

Report prepared by:

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Approved for submission by:

Shayne Harris

Chief Executive

1 Background Ngā Kōrero o Muri

- 1.1 According to section 95(5) of the Local Government Act 2002 (the Act), the purpose of the Annual Plan is to:
- (a) contain the proposed annual budget and funding impact statement for the year [of the long term plan] to which the annual plan relates; and
 - (b) 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
 - (c) provide integrated decision making and co-ordination of the resources of the local authority; and
 - (d) contribute to the accountability of the local authority to the community.
- 1.2 The 2026/27 Annual Plan is year 3 of the 2024-34 Long-term Plan (LTP). The average rates increase forecast for year 3 of the LTP was 7.27%, excluding growth of 1.5%.
- 1.3 The base budget for the Annual Plan was presented at the 19 November 2025 Council workshop, along with a total of 18 internal and external initiative requests for consideration by elected members. This workshop provided elected members with an opportunity to request additional information that would aid in their decision-making. The additional information sought was then incorporated into initiative templates that were included in the agenda for the 3 December 2025 Council meeting.
- 1.4 At the 3 December 2025 Council meeting, Council passed resolutions supporting ten capital budget initiatives and seven operational budget initiatives. Council also resolved to support the Feilding Aerodrome by way of a loan of up to \$185k for up to five years. Council also agreed to remove the resilience reserve and self-insurance reserve (\$744k) from the draft Annual Plan 2026/27. Following this meeting, the proposed rates increase for the 2026/27 financial year was 6.52% (excluding growth of 1.5%).
- 1.5 At the 17 December 2025 Council meeting council determined that the Annual Plan 2026/27 does not contain any significant or material differences from year 3 of the Long-term Plan 2024-34. In accordance with section 95(2A), Council resolved that consultation was not required, and that following adoption of the Annual Plan 2025/26 Council would inform the community of the outcome through its normal engagement channels.
- 1.6 In March 2026, elected members requested that the proposed rates increase be revisited before final decisions are made. This reflected concerns about the affordability of the proposed increase in the context of rising fuel costs and broader cost-of-living pressures. Consideration was also given to alignment of the proposed rates increase with rates increases being signalled by other councils in the region. Officers were directed to reassess the proposed rates requirement and to identify opportunities to reduce the overall increase, while maintaining agreed levels of service.

- 1.7 At the 1 April 2026 Council workshop, officers outlined proposed budget adjustments to achieve a proposed rates increase of 5.8%. The outcome of this workshop was a directive to achieve a rates increase of 4.9% (excluding growth), to be achieved by considering the following:
- Revising of discretionary budgets
 - Reconsidering new initiatives
 - Rephrasing of planned projects.
- 1.8 At the 15 April 2026 Council workshop, elected members were presented with two options to achieve a rates increase of 4.9%. being:
- To delay the Feilding Freight Movement and Intersection Demand Business Case for consideration as part of the 2027-37 Long-term Plan; and
 - To reduce the budget for the District Plan, Growth and Strategic Planning reviews by \$100k.
- 1.9 These proposed changes were supported by elected members. The combined effect of the changes made to the draft budget as a result of elected member direction at the 1 April and 15 April 2026 Council workshops, is a total rates increase for the 2026/27 Annual Plan (Annex A) of 4.9% (excluding growth of 1.5%). Council was satisfied that the changes made to the budget to achieve this rates increase were not significant or material and therefore did not trigger the need for public consultation.
- 1.10 Also of relevance to the Annual Plan 2026/27 is Council's review of fees and charges. Council consulted on Planning, Environmental Health and Development Contributions fees and charges from 6 March to 6 April 2026. No submissions were received. Decisions on fees and charges are relevant to the Annual Plan as the public component of funding split for these activities is recovered through rates. Council's fees and charges were adopted by Council at the 15 April 2026 Council meeting, subject to corrections tabled at the meeting. Council also delegated authority to the Chief Executive to approve any minor edits to the Fees and Charges prior to publication.
- 1.11 A copy of the designed Annual Plan 2026/27 is attached as Annex A to this report and is now ready for adoption by Council. The Annual Plan is required to be adopted by 30 June 2026.

2 Strategic Fit Te Tautika ki te Rautaki

- 2.1 All of Council's strategic priorities (community outcomes) are relevant to this decision on the Annual Plan 2026/27. Of particular relevance are Council's priorities of "Value for money and excellence in local government," and "A future planned together." The

decision concerns how Council will prudently manage its financial resources and remain accountable to the community.

3 Discussion and Options Considered Ngā Matapakinga me ngā Kōwhiringa i Wānangahia

3.1 The draft Annual Plan 2026/27 requires a total increase in rates of 6.4% compared to the Annual Plan 2025/26. However, due to anticipated growth across the District of 1.5%, the total rates required will be distributed across more ratepayers, making the total rates increase for existing ratepayers 4.9%.

3.2 This is the third year of the roading differential change as agreed in the 2024-34 Long Term Plan. In general, the change to the roading differential results in increased rates for rural properties and a reduction in rates for Feilding residential properties, industrial/commercial properties, Feilding CBD properties and utilities. As this is the final year of the rebalancing the roading differential is now equal under all rating categories.

4 Risk Assessment Te Arotake Tūraru

4.1 The key risks associated with the adoption of the Annual Plan include:

- A risk of the Annual Plan including inaccurate information.
- A risk that the proposed rates increase may be unaffordable for certain members of the Community and may result in poor publicity for Council.

4.2 Council has an “averse-minimalist” approach to legal compliance risk and adopts a cautious approach to financial risk. Council mitigates the risk of inaccurate information through its quality assurance processes. This includes internal peer review, particularly of financial information, as well as careful checking by the Executive Leadership Team prior to being presented to Council for adoption. In addition, following adoption, the 2026/27 Annual Plan document will be reviewed by an external professional proofreader prior to being published on Council’s website.

4.3 The proposed rates increase is less than the increase that was forecast for year 3 of the Long-term Plan 2024-34. However, any increase to rates has affordability impacts can be viewed unfavourably by the community, particularly given the current financial climate.

4.4 As outlined in paragraph 1.11, the Annual Plan 2026/27 must be adopted by 30 June 2026. Any delay in the adoption of the plan impacts on Council’s ability to strike rates for the new financial year. Should Council identify any errors in the contents of the Annual Plan or agree to make any minor edits to the plan prior to its publication, recommendation 2 of this report delegates authority to the Chief Executive to make these on Council’s behalf. This means that the adoption of the Annual Plan does not need to be delayed for the sake of minor edits.

5 Engagement Te Whakapānga

Significance of Decision

- 5.1 The Council's Significance and Engagement Policy is not triggered by matters discussed in this report. No stakeholder engagement is required.

Māori and Cultural Engagement

- 5.2 There are no known cultural considerations associated with the matters addressed in this report. No specific engagement with Māori or other ethnicity groups is necessary.

Community Engagement

- 5.3 As there were no material changes from year 3 of the Long-term Plan 2024-34 public consultation was not required. As outlined in paragraph 1.5 above, following adoption of the Annual Plan 2026/27 Council will inform the community of the outcome through its normal engagement channels.

6 Operational Implications Ngā Pānga Whakahaere

- 6.1 The operational implications of this decision are outlined throughout the Annual Plan. Approval of the proposed budget amendments will enable the delivery of the work programme as planned. Should any amendments not be approved, the relevant activities and projects may need to be deferred, re-prioritised, or delivered within existing budgets.
- 6.2 If those capital initiatives seeking to bring forward budget from later years are not approved, this will have operational implications in terms of loss of continuity as works will not be able to continue as planned.

7 Financial Implications Ngā Pānga Ahumoni

- 7.1 The financial implications for Council are detailed in the Annual Plan 2026/27 document.
- 7.2 Capital projects approved as part of the 2026/27 Annual Plan have ongoing operational budget, including depreciation and interest costs, from the time of capitalisation. However, these costs are not considered to be significant. These impacts will occur from the time of capitalisation.
- 7.3 Operational budget items approved as part of the 2026/27 Annual Plan will have no significant operational impact. However, some new initiatives, such as free WiFi for community libraries, legal budget for water services bylaw reviews, and rural community limestone footpath maintenance, do have an expectation of ongoing financial budget.

8 Statutory Requirements Ngā Here ā-Ture

- 8.1 The sections of the Local Government Act 2002 related to the Annual Plan are:
- Section 76 - Decision-making
 - Section 77 - Requirements in relation to decisions

- Section 78 - Community views in relation to decisions
- Section 79 - Compliance with procedures in relation to decisions
- Section 80 – Identification of inconsistent decisions
- Section 82 - Principles of consultation
- Section 82A - Information requirements for consultation required under this Act
- Section 95 - Annual Plan
- Section 95A - The purpose and content of consultation document for the Annual Plan
- Section 96 - Effect of resolution adopting long-term plan or Annual Plan

9 Next Steps Te Kokenga

- 9.1 Following the adoption of the 2026/27 Annual Plan, information about the plan will be disseminated to the public through Council’s normal engagement channels.

10 Attachments Ngā Āpitihanga

- Annex A - Annual Plan 2026/27