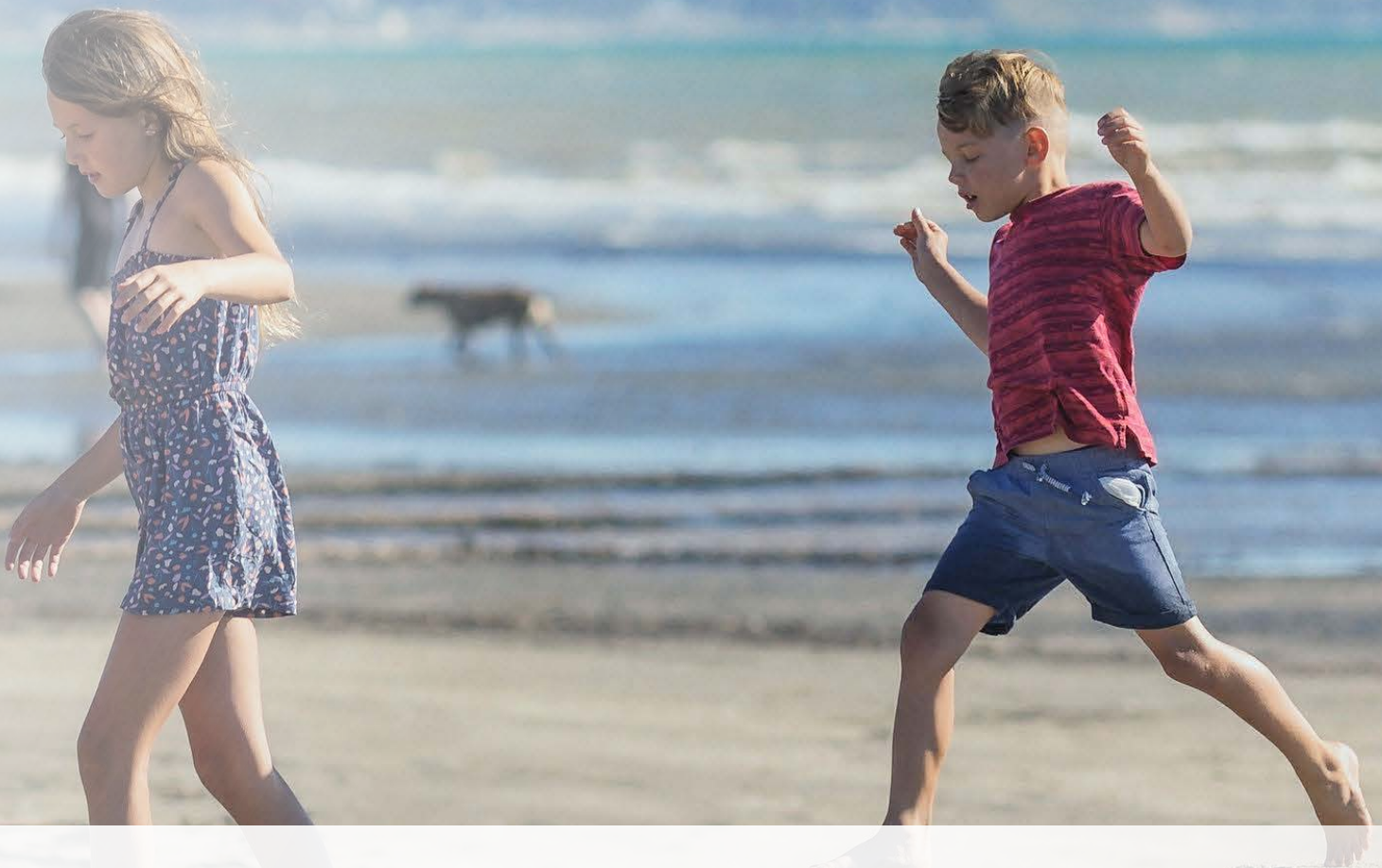


OUR PLAN FOR 2026/27



COUNCIL WILL ADOPT THE ANNUAL PLAN 2026/27 ON THURSDAY 11 JUNE

The Annual Plan 2026/27 is Year 3 of the Long-term Plan 2024-34 (LTP). Our LTP sets out Council's priorities and spending for the years ahead, including the proposed rates required for each of those years. In the current LTP, we planned a rates increase of 7 percent for the 2026/27 year. We've worked hard to keep the rates rise below this despite additional costs totalling \$10.4 million (8.9 percent) driven by a combination of operational, regulatory and financing pressures.

Most of these factors are beyond our control so we've taken deliberate action to offset these pressures by removing \$1.9 million from our operating costs and adjusting our fees and charges. **We have landed on a proposed rates revenue increase of 6.5 percent for 2026/27.**

Reducing the burden on ratepayers is a key concern for our community and Council alike. While the Government's core services and rates capping proposals are yet to be legislated, we continue to focus on what projects, programmes and budgets we need to prioritise over others. These conversations will form part of the Long-term Plan 2027-37 and community engagement starting this year ahead of formal consultation with you early next year.

WHERE WE'VE FOUND SAVINGS

Around 72 percent of our day-to-day costs are funded by rates, so careful financial management is essential. We know that, especially in the current environment, it's important every dollar is spent on what matters most to our community.

To reduce our costs, we removed approximately \$1.9 million from our operating costs as follows:

- Reduced staff costs due to both organisational and project delivery changes (\$660,000)
- Reduced funding for the Social Investment Fund (\$150,000)
- Increased fees for private plan changes (\$200,000)
- Reduced economic development budget (\$325,000)
- Reduced cultural capacity funding (\$150,000)
- Stopped our planned rates-funded debt reduction for one year (\$400,000).

We've also increased fees and charges to reflect the impact of inflation, generating an additional \$300,000.

WE'RE WORKING ON SOME BIG PROJECTS

In 2025/26 we kicked off several major projects, and in the coming year we'll focus on advancing these and starting new work. We will invest up to \$75 million in assets across the district. Reducing this spend will not have a big impact on rates as major infrastructure projects are debt funded over the longer term.

Major projects include:

- Complete stage one and commence stage two of replacing the Paekākāriki seawall to improve road and infrastructure protection
- Upgrades to the Paraparaumu Wastewater Treatment Plant to support a growing district
- Complete the upgrade of the Waikanae Water Treatment Plant, improving reliability and water quality
- Begin the second Ōtaki water reservoir, strengthening local water supply
- Install a new bore to secure an additional water source for Ōtaki.
- Complete Te Ara Whetū, the new Waikanae Library, creating a modern, welcoming community hub
- Complete upgrades to Waikanae Park, a key destination park for Kāpiti.

HOW DOES THIS IMPACT YOUR RATES?

The draft overall rates revenue increase is 6.5% (after growth), but what this means for you will vary depending on your property's value, type and location.

The figures below show the estimated increase for median properties in 2026/27, including GST and excluding Greater Wellington Regional Council rates.

Median urban properties are connected to the water network and include a fixed water charge plus volumetric water charges based on average residential water use per year.

Visit www.kapiticoast.govt.nz/rates to use our property search and find out the estimated rates for your property for 1 July 2026 to 30 June 2027. Staff at our services centres and our rates team are available to help.

MEDIAN PROPERTY VALUES*	URBAN PAEKĀKĀRIKI	URBAN PARAPARAUMU	URBAN RAUMATI	URBAN WAIKANAĒ	URBAN ŌTAKI	RURAL †	COMMERCIAL ‡
Capital value	\$860,000	\$720,000	\$760,000	\$780,000	\$560,000	\$1,200,000	\$770,000
Land value	\$540,000	\$410,000	\$450,000	\$425,000	\$300,000	\$660,000	\$485,000
Current rates	\$4,919	\$4,854	\$5,045	\$4,976	\$4,275	\$3,103	\$6,513
Proposed rates	\$5,091	\$5,263	\$5,451	\$5,377	\$4,700	\$2,947	\$6,898
Increase / (decrease)	\$172.16	\$408.87	\$405.33	\$400.83	\$425.16	(\$156.51)	\$385.12
Increase / (decrease) per week	\$3.31	\$7.86	\$7.79	\$7.71	\$8.18	(\$3.01)	\$7.41

* Median property refers to the middle value when all properties in an area are ranked by their value.
















† We've assumed that the rural median property is not connected to the water network and is outside the stormwater rating area so excludes water, wastewater and stormwater rates.

‡ The median commercial property is connected to the water network and includes a fixed water charge plus a volumetric water charge based on average commercial water use per year.

In 2025/26 Council changed how it distributes interest costs to activities to better align with where debt is incurred. The share of interest assigned to roading is lower, while other areas attract more. As a result, rural properties which pay for roading but not all other services receive a lower rates increase for 2026/27 compared to other properties.

HOW RATES ARE SPENT

The information below highlights what Council delivers and what ratepayers actually pay for these services.

COUNCIL SERVICES PROVIDED	A TOTAL OPERATING COSTS [⊕]	B INCOME TO OFFSET OPERATING COSTS	A - B = C	
			NET OPERATING COST [⊖]	AVERAGE COST PER RATING UNIT PER WEEK [□]
 Wastewater Management	\$18.8m	\$0.3m	\$18.5m	\$13.47
 Water Management	\$16.4m	\$0.4m	\$16.0m	\$11.65
 Stormwater Management	\$9.1m	\$0.1m	\$9.0m	\$6.55
Three Waters Total	\$44.3m	\$0.8m	\$43.5m	\$31.67
 Access & Transport	\$23.3m	\$9.4m	\$13.9m	\$10.12
 Recreation & Leisure	\$18.2m	\$2.1m	\$16.1m	\$11.72
 Parks & Open Spaces	\$10.0m	\$0.7m	\$9.3m	\$6.77
 Community Facilities	\$11.6m	\$1.9m	\$9.7m	\$7.06
 Districtwide Planning	\$7.7m	\$0.2m	\$7.5m	\$5.46
 Regulatory Services	\$12.9m	\$7.1m	\$5.8m	\$4.22
 Governance	\$4.1m	-	\$4.1m	\$2.98
 Sustainability & Resilience	\$3.3m	\$0.8m	\$2.5m	\$1.82
 Economic Development	\$2.6m	\$0.4m	\$2.2m	\$1.60
 Community Support	\$2.3m	-	\$2.3m	\$1.67
 Tangata Whenua	\$3.0m	-	\$3.0m	\$2.18
 Coastal Management	\$1.5m	-	\$1.5m	\$1.09
Total rest of Council	\$100.5m	\$22.6m	\$77.9m	\$56.69
TOTAL	\$144.8m	\$23.4m	\$121.4m	\$88.36

- ⊕ Costs include day-to-day expenses including staff costs, overheads, utilities, maintenance, supplies, interest on debt, and asset depreciation.
- ⊖ Net operating costs are those funded only by rates. Costs covered by Government subsidies and user fees and charges are excluded.
- Number of rating units is 26,418 as at 28 February 2026.

TALK TO US

While we've updated the Annual Plan 2026/27 to reflect additional cost pressures to what was forecast when we prepared the LTP, the changes we've made don't affect service levels. Because of this, we're not formally consulting on this Annual Plan. However, we still value hearing from the community.

We're holding two public sessions to provide an opportunity for you to talk directly to Councillors about the decisions we've made when forming this Annual Plan.

Tuesday 26 May
10–12 noon and 5–6pm

In the foyer of the Council building at 175 Rimu Road, Paraparaumu.

You can also share your views at any time by emailing annualplan@kapiticoast.govt.nz

HELP PAYING YOUR RATES

You may be eligible for help with your rates through a Government rates rebate or a Council rates remission, depending on your household income. To find out what support you may qualify for, visit **Help with your rates** on our website, or call our rates team to talk through your options.

CONTACT US

Phone 0800 486 486 or email:

- Rates enquiries: rates@kapiticoast.govt.nz
- Feedback: annualplan@kapiticoast.govt.nz

For more information about our Annual Plan visit www.kapiticoast.govt.nz/annualplan

THE LONGER TERM

An LTP sets out a Council's priorities and spending for the years ahead, including the proposed rates required for each of those years. These are refreshed every three years.



We've started to develop our next LTP which will set the direction for the district over the next decade, 2027-37.

We know reducing the burden on ratepayers is a key concern for our community. The LTP 2027-37 will focus on what we need to do to keep any future rates increases as low as possible.

To achieve lower rates increases, we may need to consider significant changes to current levels of service, including stopping or changing some activities.

Our new in-house business unit for delivering our district's stormwater, wastewater and drinking water (three waters) services under Local Water Done Well will be established on 1 July 2027.

This means our 2027-37 LTP will look a little different and we will see the introduction of a Water Services Strategy.

We'll let you know how you can get involved in the development of the LTP 2027-37, with community engagement starting this year ahead of formal consultation with you next year.

CHANGES TO LOCAL GOVERNMENT

Local government is going through a period of sustained change, with central government looking at how councils plan, fund, and deliver services. These changes are aimed at easing pressure on rates, improving transparency, and making sure councils stay focused on the services communities rely on most.

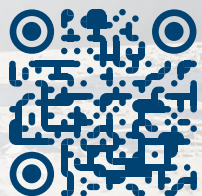
There are several reform streams currently being worked on:

- Local Government Systems Improvements - refocusing councils on core services, cost-effective delivery, and clearer accountability.
- Rates capping - explores placing limits on annual rates increases from 2029.
- Simplifying Local Government - signals possible changes to how councils are structured and how they work together regionally.
- Resource Management reform - new Natural Environment and Planning legislation is being developed to replace the current resource management system, with the aim of making planning simpler and more efficient over time.

The impacts of these reform streams are expected to shape the next LTP and beyond, not the Annual Plan 2026/27. This gives time for us, other councils, communities, and central government to work through what the changes mean in practice and how best to respond.

BUILDING A RESILIENT FUTURE FOR KĀPITI

Te whakatupu i te anamata manawaroa mō Kāpiti



www.kapiticoast.govt.nz/annualplan

