

Kia takatū te ara ki tō tātou āpōpō

Preparing for our future

Annual Plan 2026/27 Consultation Document



MASTERTON
WHAKAORIORI
DISTRICT COUNCIL

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Delivering for our community

Every year, the Council takes a fresh look at costs and planned spending for the coming 12 months. This annual review provides an opportunity to test the thinking and planning we did for our 2024-34 Long-Term Plan (LTP) against what is happening now and allows us to adjust if we need to.

Despite continued global uncertainty and ongoing economic challenges, the Council has managed its finances carefully, and the 5.2 per cent rates increase required this year is below the 6.5 per cent forecast increase in the LTP. That is a direct reflection of the disciplined approach that has been taken to managing costs and spending.

We are mindful of the changing legislative environment in which local government operates, with current reforms making changes to the purpose of local government, and resource management, as well as the possibility of rates capping. We are also transitioning three water services following the reform of water supply and management. We will be working through the impacts of these changes on Council, and the services we deliver, as we progress work on our 2027-37 LTP.

This consultation document seeks your views on two proposals:

- increases to user fees and charges for Council services, primarily to bring them in line with inflation
- a new lease policy charging framework that will deliver a consistent and equitable approach to community leases.

In 2024, we called our Long-Term Plan “Your Place, Your Plan”, reflecting Council’s commitment to keeping the needs and aspirations of our community at the heart of everything we do. That commitment continues. We want our district to remain a great place to live, and for our people to be proud of what we are building together.

What we are delivering in 2026/27

Looking ahead to 2026/27, the Council has a number of significant projects underway that reflect our commitment to investing in infrastructure and facilities to support our community.

Work is progressing on the CBD Infrastructure Upgrade, which will see the replacement of water mains, reconstruction of footpaths, and resurfacing of the road on Queen Street between Jackson and Park Streets. This is an important investment in the heart of our town that began this month (March 2026) and is expected to take around eight months to complete.

Alongside this, the upgrade and expansion of the Masterton District Library is due to commence in mid-2026. The new library will include a community classroom, quiet workspaces, and more room for all of the great educational programming the library and our library team are known for.

Equally significant is the progress on the Masterton town hall site. After years of consultation and planning following its closure in 2016, demolition of the earthquake-prone building was completed in March 2026, and attention has turned to progressing towards the next stage – construction of a new multi-purpose events and performance space that the community can be proud of for generations to come. Conversations regarding the rebuild will be part of the 2027-37 LTP.

Work will commence this year on the upgrade of Kids Own Playground. The playground is one of the town's key attractions, popular with locals and visitors alike. However, now more than 20 years old, it has reached the end of its life. Like the original, the upgrade will be a partnership between the Council and the community.

Beyond bricks and mortar, we are also focused on the bigger picture. The Council is working with the community on Our Future, Our Story – Masterton's Vision Towards 2050, a plan that will shape what Masterton looks and feels like in the future. It will consider a range of topics in the context of the opportunities available to us here, and what it means to call this place home. We want to hear from you through all stages of the Plan's development, with engagement kicking off on Stage 2 of the planning process alongside consultation on this Annual Plan.

The Council is also focused on building resilience in the face of climate change, and the impacts it brings. As part of this, we are developing a plan for Mataikona Road, which has been impacted by weather events and erosion. We will be working with the local community to identify options for the future.

We will also start work on the 2027-37 LTP – a plan that will identify key projects and work programmes for the next 10 years. The LTP will need to consider the changes that are occurring in our operating environment, and our community's aspirations as expressed through the Development Plan process. See the section titled Facing the Future for more information.

Alongside these big-ticket projects, we will continue to deliver updates and renewals of our infrastructure. This includes investing in:

- Road renewals - \$7.66 million
- Wastewater upgrades and renewals - \$2.18 million
- Water supply renewals - \$10.48 million

Taken together, this work highlights how the Council is not just managing the present, but also preparing for our future.

Our kōrero for this Annual Plan

There are two key topics for consultation that we want your feedback on before we confirm our plan and budget for the year ahead (2026/27):

1. Proposed increases to user fees and charges (see page 8 for more details)

- User fees apply to services used by individuals rather than funded by all ratepayers.
- They help cover the cost of operating and maintaining facilities through charges to those members of the community who benefit directly through usage, so the wider community doesn't carry the full rates burden.
- The Council proposes increasing most fees to keep pace with rising service delivery costs and reduce unnecessary subsidising by ratepayers.
- Proposed fees are listed in the Fees and Charges Schedule. Proposed changes are on pages 8 and 9. Fees comparisons with previous years are available at: whatsup.mstn.govt.nz

2. Proposed lease charging framework (see page 12 for more details)

- The Council is introducing a lease charging framework to ensure consistent, fair, and transparent management of community facility leases.
- The current lack of a framework creates uncertainty in pricing and lease arrangements.
- This proposed framework uses a formula based on land area, building area and an admin fee to set lease rates.
- It ensures clarity, fairness and good community value, with rent concessions proposed to support affected groups.
- The proposed framework and charges are set out on pages 12-16.

What else?

The Masterton District is growing and changing. Planning ahead means growth happens thoughtfully, supporting our infrastructure, environment, and economy, and making sure Masterton stays a thriving, sustainable place for everyone.

While the 2026/27 Annual Plan shapes the upcoming year, we're also consulting on Our Future, Our Story - Masterton's Vision Towards 2050 (also known as our Development Plan). This Plan will provide a blueprint to guide how the Masterton District grows, regenerates, and develops over time and will inform future Long-Term and Annual Plans. It will also inform the Regional Spatial Plan, required as part of the resource management reforms.

As we move into Stage Two of the Development Plan project, we're testing what we heard in the visioning phase (stage one) of the project.

We want to know whether we've got it right so far. Do you agree with the key themes identified for:

- What you value about Masterton-Whakaoriori
- Areas you want to develop; and
- Principles/tikanga that will guide our plan.

Please take the time to visit whatsup.mstn.govt.nz and tell us what you think.

What about rates?

When we adopted the 2024-34 Long-Term Plan (LTP) we projected a 6.5 percent increase in rates required for the 2026/27 year, based on the projects and activities we had planned, as set out in the 2024-34 LTP. We are pleased to report that through prudent financial management and consideration of how the Council operationally delivers its services, that figure has reduced to an average increase of 5.2 percent. As the 5.2 percent figure is an average, the actual impact will vary depending on your property type. Full details on the rates increases for different property types are available on page 17.

What is influencing rates in 2026/27?

The key influences on rates for the coming year include:

- Insurance costs are forecast to increase, after a reduction in 2025/26. The impact of climate events, political and environmental risk will continue to place pressure on premiums.
- Higher asset valuations increase Council's depreciation costs and impact our ability to afford to renew the community's assets.
- Economic changes e.g. geo-political influences on the New Zealand economy and the corresponding impact on inflation.
- Responding to proposed legislative changes, such as preparing for the transition of water services under Local Water Done Well.
- Lower interest rates and lower rates of debt have reduced our debt servicing costs.

The Council has also taken actions to reduce costs, including:

- cancellation of the Waiata House extension (\$2.35m), and transfer station renewal (\$546k), resulting in a significant reduction in capital costs.
- reduced capital expenditure in the roading space (\$6.7m) than proposed in the LTP due to changes in timing and scope of significant upgrade work.

What does the rates increase include?

The average rates increase of 5.2 percent means we will keep delivering the same services that we have been delivering for the past two years, alongside progressing bigger projects like the CBD Upgrade, Library Refurbishment, and our plan for the future - Our Future Our Story – Masterton's vision towards 2050.

Your rates also continue to fund things like roading maintenance, renewing and improving our water infrastructure, maintaining our parks and community facilities, repairs due to weather events, community and economic development, and supporting the community through grants.



Topics for consultation

Proposal 1

Changes to fees and charges

Each year, the Council reviews its schedule of user fees and charges as part of the Annual Plan process. This ensures that the cost of delivering services is appropriately recovered and that charges remain fair and reflective of the effort and resources involved.

For 2026/27, the Council has reviewed all fees and charges and is proposing a mix of general inflation-based increases, targeted increases for specific services, and no change where fees are set externally or are already considered appropriate.

What is proposed

Inflation-based adjustment – 2.6 percent increase

The majority of fees and charges are proposed to increase by 2.6 percent, in line with the Business and Economic Research Limited (BERL) local government cost index forecasts for 2026/27. This is a standard adjustment to ensure Council's charges keep pace with the rising cost of delivering services. The current and new fees are listed in the User Fees and Charges Schedule, and a document that compares the changes. This is available at: whatsup.mstn.govt.nz

Targeted increases for specific services

A number of fees are proposed to increase by more than 2.6 percent. For these services, the current fee is not sufficient to cover the actual cost of delivering the service. These include:

- Consent and/or compliance fees for Resource Management Act (RMA) Section 127 and Section 139 applications. These fees have been revised to better reflect the costs of processing these applications. The increases are:

	2025/26	Change	2026/27	Change
Application for change/ cancellation of conditions RMA S127	\$825	+ \$175	\$1,000	21.2%
Request of certificate of compliance under RMA S139A	\$495	+ \$305	\$800	61.6%

- Infrastructure contributions (new connections to the urban network) – these increase in line with the new Wairarapa Combined District Plan, which became operative in November 2025. The increases are:

	2025/26	Change	2026/27	Change
Water	\$2,000	+ \$2,149	\$4,149	107%
Sewer	\$3,000	+ \$5,206	\$8,206	174%
Stormwater	\$0	+ \$2,186	+ \$2,186	n/a

- Rural rapid property numbering – fees have been revised to achieve full cost recovery. This increases the establishment cost from \$60 to \$160.
- Transfer Station gate charges – an average increase of 3.75 percent (including the 2.6 percent inflation adjustment) to account for the increase in the waste levy charge set by central government.

Please note, dog registration fees are set separately to the Annual Plan process. Early indications, based on 2026/27 Annual Plan numbers, suggest a 12 percent increase to dog registration fees may be required. Other animal services charges have increased by 2.6 percent, in line with inflation.



Other fees and charges

Some fees and charges are not increasing as part of the annual plan. This is because they are set by central government, determined through a separate process, or current fees are considered appropriate.

These include:

- RMA planning fees – set by central government (these are separate to the proposed fees changes above)
- Parking infringements – set by central government.
- Library fees – current fees are considered appropriate, so no uplift is proposed.

Encroachment Licenses

The Council is receiving an increasing number of requests from businesses to operate on Council land or extend activities into the footpath and road reserve outside their premises. A policy and associated procedures are being developed to give effect to the Wairarapa Consolidated Bylaw Part Two: Public Places (including Parks and Reserves). This work will include setting out the fees associated with encroachments.

Summary of changes

Fee/charge	Proposed change
Most fees and charges	+2.6% (BERL inflation rate)
RMA s127 and s139 fees	Increased to reflect cost of service (Other RMA planning fees are not increasing – see below)
Land infrastructure contributions	Increased in line with new Wairarapa Combined District Plan
Rural rapid property numbering	Increased for full cost recovery
Transfer station gate charges	+3.75% including inflation adjustment (the additional increase over inflation reflects the central government waste levy increase)

The full schedule of proposed fees and charges for 2026/27, as well as information setting out all the changes compared to 2025/26 is available at whatsup.mstn.govt.nz. We encourage you to review the schedule before making a submission.

Financial implications of change

The overall financial impact of the changes to user fees, excluding dog registration fees, is an increase in user charge revenue to the Council of approximately \$0.1 million. This reduced the proposed rates increase by 0.2 percent.

We want to hear from you

Council is seeking feedback from mana whenua, tangata whenua, community members, organisations, businesses and other stakeholders on the proposed fees and charges for 2026/27. See page 19 for how to have your say.

We are seeking your feedback on the following questions:

1. Do you support the general 2.6 percent increase to most fees and charges in line with the BERL inflation rate?
2. Do you agree with the targeted increases above inflation that are proposed for specific services? (RMA s127 and s139 consent fees, infrastructure contributions, rural property numbering, and Transfer Station charges)
3. Is there anything you would like to note as part of your feedback on fees and charges?



Proposal 2

Lease policy charging framework

The Council is consulting on a proposed charging framework as part of the development of a new Lease Policy. The policy aims to ensure the Council manages the leases of Council properties in a consistent, fair, and transparent way.

The key objectives for the provision of council facilities are to:

- support community wellbeing by providing accessible spaces for sport, recreation, and creative activities.
- ensure Council gets value from its buildings, land, and facilities.
- deliver a variety of services that reflect local needs and align with the Council's strategic plans.
- guarantee fair and equal access to community facilities.
- keep leasing processes open and transparent.
- give staff the flexibility to respond to community needs and preferences.
- maximise the use of Council properties.

Who the charging framework applies to

The charging framework will apply to all community leases. To be eligible for a community lease, a group must meet all the following criteria:

- 1. Not-for-profit status:** The group must be a registered not-for-profit organisation, such as an incorporated society, charitable trust, or similar entity. Any surplus revenue generated through the group's activities must be reinvested into those activities and not distributed to members or private individuals.
- 2. Community benefit:** The group must demonstrate that its primary purpose delivers meaningful benefit to the local community. This includes, but is not limited to, groups providing opportunities for sport and active recreation, social and community services, arts and cultural experiences, or other activities that strengthen community connection, wellbeing, or resilience.

- 3. Local reach:** The group's activities must primarily serve residents of the district. Where a group also serves a wider regional membership, it must be able to clearly demonstrate the benefit its activities provide locally.
- 4. Active and regular use:** The group must be actively operating and using the premises on a regular and ongoing basis for the delivery of its community activities. The Council may consider the frequency of use, the number of people served, and the nature of the activities when assessing this criterion.
- 5. Appropriate use of the premises:** The leased space must be used for the group's stated community purpose. Any sub-letting or use of the premises for commercial activity unrelated to the group's core purpose requires prior written approval from the Council.
- 6. Appropriate documentation is in place:** The group must be properly constituted with current governance documentation, such as a constitution or trust deed. It must also be up to date with any relevant registration or filing obligations, for example with the Charities Register or Companies Office.
- 7. Alignment with Council's strategic priorities:** The activities must support at least one of Council's strategic and operational priorities, such as embracing social and cultural inclusivity, valuing our community and open spaces, and embracing growth and development.

Commercial and grazing leases will be set at market rates. Existing arrangements with schools are exempt from lease charges.

Proposed fee structure

The objective of the fee structure is to ensure a consistent approach to how lease fees are set.

For community group leases, the proposed fee will be calculated based on:

Fee/charge	Proposed change
Component	Rate
Land component	\$0.10 per m ²
Building component	\$6.50 per m ²
Annual component	\$500 flat fee

This formula is designed to bring clarity and consistency to the leasing process for community organisations while remaining fair and transparent for all parties.

Any sub-leasing arrangements would need to be agreed with and approved by the Council, and subject to cost controls or revenue sharing arrangements.

An organisation leasing a 100m² building on 250m² parcel of land would pay \$1175.00 per year (\$650 for building + \$25 for land + \$500 annual component)

Rent concession for community groups

The Council recognises that for some community groups, the new fee structure may result in increased lease costs. To help manage this transition, the Council proposes a rent concession scheme, with concessions granted for a three-year period. After three years, the concession scheme will be reconsidered, with the potential opportunity to reapply for a concession.

The maximum concession would be no more than the difference between the group's last annual fee and the new fee applicable under the proposed charging framework. The intent is to support groups that are unable to immediately meet the increased charges.

If under the new charging framework a lease would increase from \$300 to \$1175, the community group leasing the facility would be able to apply for up to \$875.

Eligibility

To access the concession, groups will need to apply and demonstrate eligibility by providing:

- financial records (and audited accounts where appropriate) demonstrating financial status
- membership numbers, membership fee charges, and how membership fees are allocated to expenses
- a plan outlining how revenue will be increased over time to pay the assessed lease cost
- evidence of the impact an increase in lease charges would have on the group.

The Council believes this approach strikes the right balance between ensuring the long-term sustainability of the charging framework and continuing to support community groups that rely on Council facilities, while supporting them to become self-sufficient.

Financial impacts of the change

Council currently receives \$30,740.69 in revenue from the community leases. This is much less than the cost to the Council of owning and maintaining these spaces. Costs to the Council include maintenance, insurance, and loss of rates revenue.

Under the proposed charging framework, the Council's revenue from community leases would increase to \$52,195.65 per annum. This would be an increase of around 69 percent.

The proposed rental concession pool would be \$22,000. Any money not paid in concessions would be used to offset the costs associated with community leases.

We want to hear from you

The Council is seeking feedback from mana whenua, tangata whenua, community members, organisations, businesses and other stakeholders who use council facilities on the proposed Lease Policy Charging Framework. We are keen to hear your views on the questions below. See page 19 for how to have your say.

1. Do you think the proposed lease charging framework (land component, building component, and administration fee) is a fair and reasonable approach to setting community lease rates?
2. Do you support the proposed rent concession scheme for community groups that face increased charges?
3. Do you agree with the proposed eligibility criteria for the concession?
4. Is there anything you would like to note as part of your feedback on the proposed lease charging framework and concession scheme?



He aha te pānga ki a koe i te tau 2026/27

What it means for you in 2026/27

How much your rates bill increases depends on where your property is, and its value. For example, rural properties tend to pay more for roading costs but won't pay for water supply and treatment.

Property type



Urban residential

Rates up 5.2% (\$219 a year)

Extra \$18.25 a month

Value September 2023: Capital Value \$660,000

**Total monthly
rates: \$367**



Beach property

Rates up 3.8% (\$145 a year)

Extra \$12 a month

Value September 2023: Capital Value \$880,000

**Total monthly
rates: \$327**



Lifestyle block

Rates up 4.6% (\$140 a year)

Extra \$12 a month

Value September 2023: Capital Value \$1,180,000

**Total monthly
rates: \$264**



Rural dairy farm

Rates up 4.8% (\$494 a year)

Extra \$41 a month

Value September 2023: Capital Value \$3,880,000

**Total monthly
rates: \$902**

Please note: all examples are based on average value or typical properties and exclude movements due to variations from revaluation averages. Rates payable are rounded to the nearest dollar.

Facing the Future

This year's Annual Plan comes at an important time for Masterton. It sits within a period of significant change for local government in New Zealand.

Councils across the country are dealing with rising costs, increasing cost-of-living pressures for communities, and major national reforms - including proposed changes to resource management and local government systems, and the possibility of rates capping. Councils are also in the process of transitioning water services.

For several years, the Masterton community has been clear: affordability is a key concern, and rates increases must be carefully managed. At the same time, we need to make sure our district continues to grow and thrive.

The Council has taken steps to reduce costs and run our operations more efficiently through the 2026/27 Annual Plan process. This will continue as we develop the 2027-37 LTP, which will also need to consider how we respond to some big challenges ahead.

One of the key considerations is the transition of water services to the new Wairarapa Tararua entity. This transition is a major structural change in how the Council operates. From 1 July 2027, water services - and the revenue tied to them - will move to the new entity. The Council and our community will need to consider how the Council, in its new form, provides remaining services in a way that is affordable, and whether we continue to offer the same services to the same level of service.

This Annual Plan is an important stepping stone. It helps set the scene for the conversations we will need to have together over the coming year about priorities, services, and how we build a sustainable future for Masterton.

The Development Plan, Our Future, Our Story – Masterton's Vision Towards 2050, that we are also seeking feedback on, is equally important. The Development Plan will reflect the feedback we receive from our community. This Plan will help shape Council's strategic direction for the 2027-37 LTP. How we implement the Development Plan will also be considered as we develop the LTP.

The 2027-37 LTP will consider the changes that are occurring in our operating environment, and our community's aspirations for the future, as expressed through the Development Plan.

Te āhua o tō tuku kōrero

How you can have your say

The Council is inviting feedback from the community from Friday 27 March to Tuesday 28 April 2026.

You can make a submission in one of the following ways:



Complete our online submission form at: whatsup.mstn.govt.nz



Download a fillable pdf submission form from our website and email to: submissions@mstn.govt.nz.



Pick up a submission form from the Masterton District Library or Customer Service Centre at Waiata House, 27 Lincoln Road. You can also print out our printer-friendly form from the website above. Post it to Masterton District Council, Freepost 112477, PO Box 444, Masterton 5840, or drop it off to our Customer Service Centre.



Phone the Strategy Team on 06 370 6300 between 9am and 4pm Monday to Friday (excluding public holidays) and tell us what you think.

Hearing

For those wanting to formally present their views to the Council, a hearing will be held on Wednesday 13 and Thursday 14 May 2026. You will need to indicate on your submission form that you would like to participate in the hearing.

Submissions close Tuesday 28 April

Assistance with rates

Council has a number of ways in which we can assist people who are struggling to pay their rates. The important thing is to not leave things too late and to contact the Council as soon as there is an issue so we can discuss available options.

Direct debit

Making smaller, regular payments in weekly, fortnightly or monthly arrangements by Direct Debit avoids getting a large quarterly rates bill and makes staying on top of your rates a lot easier.

Rates postponement policy

This is for residential properties occupied by the ratepayer as their normal place of residence. This policy is designed to provide temporary rates relief in cases of extreme financial hardship.

Rates remission policy

This policy allows for the remission of rates for a range of specific situations for homeowners under circumstances of extreme financial hardship.

Māori freehold land rates remission policy

This policy allows for the remission of rates on Māori freehold land.

Rates rebate scheme

The Rates Rebate Scheme provides a subsidy to low-income homeowners on the cost of their rates. You must apply for the rebate every rating year even if you have successfully received a rebate in previous years.

More information

For more information on these options please call the Council on 06 370 6300 or visit: mstn.govt.nz

Phone

06 370 6300

Email

submissions@mstn.govt.nz

Call into

Masterton District Council
27 Lincoln Road, Masterton
9am - 4pm

Write to

Masterton District Council
PO Box 444, Masterton 5840

[whatsup.mstn.govt.nz](https://whatsapp.com/channel/00299a11111111111111)



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