



PAPAIOEA
PALMERSTON
NORTH
CITY

PALMERSTON NORTH CITY COUNCIL

AGENDA

COUNCIL

9:00 AM, WEDNESDAY 11 FEBRUARY 2026

COUNCIL CHAMBER, FIRST FLOOR
CIVIC ADMINISTRATION BUILDING
32 THE SQUARE, PALMERSTON NORTH

MEMBERS

Grant Smith (Mayor)

Debi Marshall-Lobb (Deputy Mayor)

Mark Arnott

Brent Barrett

Rachel Bowen

Vaughan Dennison

Lew Findlay (QSM)

Hayden Fitzgerald

Leonie Hapeta

Lorna Johnson

Bonnie Kuru

Billy Meehan

Orphée Mickalad

Karen Naylor

William Wood

Kaydee Zabelin

AGENDA ITEMS, IF NOT ATTACHED, CAN BE VIEWED AT

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City Library | Ashhurst Community Library | Linton Library

Waid Crockett

Chief Executive | PALMERSTON NORTH CITY COUNCIL

COUNCIL MEETING

11 February 2026

ORDER OF BUSINESS

1. Karakia Timatanga

2. Apologies

3. Notification of Additional Items

Pursuant to Sections 46A(7) and 46A(7A) of the Local Government Official Information and Meetings Act 1987, to receive the Chairperson's explanation that specified item(s), which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded, will be discussed.

Any additions in accordance with Section 46A(7) must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.

Any additions in accordance with Section 46A(7A) may be received or referred to a subsequent meeting for further discussion. No resolution, decision or recommendation can be made in respect of a minor item.

4. Declarations of Interest (if any)

Members are reminded of their duty to give a general notice of any interest of items to be considered on this agenda and the need to declare these interests.

5. Public Comment

To receive comments from members of the public on matters specified on this Agenda or, if time permits, on other Committee matters.

- 6. Presentation - New Year's Honours 2026** Page 7
 Presentation, by Mayor Grant Smith.

- 7. Confirmation of Minutes** Page 11
 That the minutes of the ordinary Council meeting of 3 December 2025 Part I Public be confirmed as a true and correct record.

- 8. Confirmation of Minutes** Page 19
 That the minutes of the ordinary Council meeting of 10 December 2025 Part I Public be confirmed as a true and correct record.

REPORTS

- 9. Fees and Charges Review** Page 35
 Report, presented by Steve Paterson, Manager - Financial Strategy.

- 10. Funding and City Support Request from Squash NZ to host the 2027 New Zealand Squash Open** Page 115
 Report, presented by Luke McIndoe, Manager Venues + Events Partnerships.

- 11. Annual Budget (Plan) 2026/27 - Adoption of Consultation Document and Supporting Information** Page 125
 Memorandum, presented by Steve Paterson, Manager - Financial Strategy and Scott Mancer, Manager - Finance.

- 12. Quarterly Performance and Financial Report - period ending 31 December 2025** Page 161
 Memorandum, presented by Scott Mancer, Manager - Finance, Glenn Bunny, Manager - Property and Project Management and Stephanie Velvin, Manager - Organisational Planning and Performance.

- 13. Treasury Report - Six months ending 31 December 2025** Page 231
 Memorandum, presented by Steve Paterson, Manager - Financial Strategy.
- 14. Local Water Done Well - Initiating the Shareholders Committee for the joint Water Services Council-Controlled Organisation known as Central Districts Water** Page 243
 Report, presented by Chris Dyhrberg - Executive Director Central Districts Water, Mike Monaghan - Manager Three Waters and Julie Keane - Transition Manager.
- 15. Manawatū Regional Freight Ring Road Indicative Business Case - Update** Page 261
 Memorandum, presented by James Miguel, Senior Transport Planner and Olivia Wix, Manager Communications.
- 16. Linklater Reserve - Disposal of woolshed** Page 267
 Memorandum, presented by Bill Carswell, Activities Manager - Property.
- 17. Development Subsidy Fund Application: Te Ranga Maro Charitable Trust** Page 271
 Memorandum, presented by Keegan Aplin-Thane, Senior Planner.
- 18. Government Reform affecting Local Government: Council Submissions** Page 277
 Memorandum, presented by David Murphy, General Manager Strategic Planning and Jono Ferguson-Pye, Manager City Planning.
- 19. Wastewater Treatment Plant - Nature Calls; Quarterly Update** Page 347
 Memorandum, presented by Mike Monaghan - Manager 3 Waters.
- 20. Council Work Schedule** Page 351
- 21. Karakia Whakamutunga**
- 22. Exclusion of Public**

That the public be excluded from the following parts of the proceedings of this meeting listed in the table below.

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 are as follows:

General subject of each matter to be considered		Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for passing this resolution
23.	Confirmation of the minutes of the ordinary Council meeting of 10 December 2025 Part II Confidential	For the reasons set out in the Council meeting of 10 December 2025, held in public.	
24.	Extension of Contract 4059 - Three Waters and Waste Mechanical and Electrical Maintenance and Minor Capital Works	Commercial sensitivity ensures value to Council can be maximised.	s7(2)(b)(ii)THIRD PARTY COMMERCIAL Disclosing the information could harm a company's commercial position and s7(2)(i)NEGOTIATIONS: This information needs to be kept confidential to ensure that Council can negotiate effectively, especially in business dealings

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 the relevant part of the proceedings of the meeting in public as stated in the above table.

PRESENTATION

TO: Council

MEETING DATE: 11 February 2026

TITLE: Presentation - New Year's Honours 2026


RECOMMENDATION(S) TO COUNCIL

- 1. That Council note that congratulations have been conveyed on behalf of the Council to the local recipients of the New Year's Honours 2026.**
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SUMMARY

The Mayor will refer to the local recipients of the New Year's Honours.

ATTACHMENTS

1. New Year's Honours 2026 - Palmerston North Recipients [↓](#) 

NEW YEAR'S HONOURS LIST – 2026 - Palmerston North Recipients

Name	Type of Honour	Reason	Details
Mr Brian Rex Davies	Officer of the New Zealand Order of Merit:	For services to motorsport	<p>Mr Brian Davies has contributed to motorsport for 60 years and remains involved with the Manawatu motorsport community as a car enthusiast.</p> <p>As a Member of the Manawatū Car Club since 1964 Mr Davies has held various roles, including as Assistant Clerk of the Course of the Manfield Racetrack Circuit since inception in 1973. He has been the Clerk of the Course for the Wellington Street Race and race meetings held in Taupō, Pukekohe and Cromwell since the 1980s. As Clerk he is the designated Official who holds responsibility of conduct and control of each event, in accordance with the Regulations, Programme and Organising Permit. The Wellington Street Race attracted international drivers, with global live coverage of cars driving at more than 200 kilometres per hour through Wellington's streets. He dispatches safety and rescue teams, has oversight of the tracks conditions and holds authority on imposing penalties in accordance with regulations. Since 1986 he has served as Chief Steward of Motorsport New Zealand, responsible for enforcing the National Sporting Code, rules and regulations, and governance of meetings and events. He was appointed by the Federation Internationale del l'Automobile as the Official Observer in 1995. Mr Davies has been Patron of the Manawatū Car Club since 2019 and was inducted into Motorsport New Zealand's Honours Roll in 2023.</p>
Professor Tracie Ailong Mafile'o,	Officer of the New Zealand Order of Merit	For services to Pacific and tertiary education.	<p>Professor Tracie Mafile'o is an internationally recognised academic involved in the fields of social work, Pacific education, and community development for more than 30 years.</p> <p>Professor Mafile'o is Co-Founder and Director of Mana Pacific Consultants, a New Zealand company amplifying Pacific voices through Pacific-led research and consultancy. Since 2023, she has been Associate Dean (Research and Research Training), supporting Pacific research capacity building at Avondale University in</p>

Name	Type of Honour	Reason	Details
			<p>New South Wales, Australia. Her scholarship includes more than 50 publications, spanning Pacific-Indigenous social work theory, decolonising research methodologies, and cultural frameworks for practice. From 2011 to 2014 she was Deputy Vice-Chancellor at Pacific Adventist University in Papua New Guinea, and later Associate Professor in the Massey University School of Social Work. She has influenced national frameworks that guide social services, including co-leading development of the 'Cultural Humility Framework', guiding culturally responsive practice amongst the children's workforce. She has volunteered with the Seventh-day Adventist Church since 1991, locally and in church governance as a member of the New Zealand Pacific Union Conference Executive Committee, the South Pacific Union Executive Committee and the International Board of Education. Professor Mafile'o has contributed broadly to governance and advisory roles, including membership on the New Zealand Child and Youth Mortality Review Committee and as a founding member of Manawatū Pasifika Fusion secondary schools festival.</p>
<p>Senior Constable Grant William Watts,</p>	<p>Member of the New Zealand Order of Merit</p>	<p>For services to the New Zealand Police and youth.</p>	<p>Senior Constable Grant Watts has worked for the New Zealand Police since 2007, serving as a Youth Aid Officer since 2010 and working to improve youth services in the Manawatū.</p> <p>Senior Constable Watts has built lasting relationships with many organisations to support rangatahi, implementing effective processes with Youth Court, Youth Advocates, Oranga Tamariki and social services. He has been instrumental in escorting high-risk youth around the country in collaboration with Palmerston North's Youth Justice facility, often planning and supporting these transports in his own time. He has been on the Ministry of Education's National Attendance Advisory Group and leads multiple initiatives, including the Rock On Attendance Initiative truancy programme, alternative education and Alternative Action plans. He mentors Police colleagues on youth-related matters and mentored a newly formed Police Youth Services team in the Wairarapa, coaching staff through complex court proceedings and Family Group Conferences. He regularly volunteers to support frontline staff and Police partners needing assistance to</p>

Name	Type of Honour	Reason	Details
			<p>ensure young people receive the best support and outcomes. He is the Presiding Member of the Palmerston North Boys' High School Board and presents educational and safety programmes to high schools regionally. Senior Constable Watts has coached at the SquashGym Squash Academy since 2005 and has supported the Central District Squash Representative Programme at both junior and senior levels.</p>

PALMERSTON NORTH CITY COUNCIL

Minutes of the Council Meeting Part I Public, held in the Council Chamber, First Floor, Civic Administration Building, 32 The Square, Palmerston North on 03 December 2025, commencing at 9.02am.

- Members Present:** Councillor Debi Marshall-Lobb (in the Chair) and Councillors Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Hayden Fitzgerald, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.
- Apologies:** The Mayor (Grant Smith) (for lateness) and Councillors Bonnie Kuru and Leonie Hapeta (Council Business).

Karakia Timatanga

Councillor Kaydee Zabelin opened the meeting with karakia.

191-25 Apologies

The Mayor (Grant Smith) entered the meeting at 9.05am.

Moved Debi Marshall-Lobb, seconded Vaughan Dennison.

RESOLVED

1. That Council receive the apologies from The Mayor (Grant Smith) (for lateness), Councillors Bonnie Kuru and Leonie Hapeta (Council Business).

Clause 191-25 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Hayden Fitzgerald, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

192-25 Confirmation of Minutes – 5 November and 12 November 2025

Moved Debi Marshall-Lobb, seconded Vaughan Dennison.

RESOLVED

That the minutes of the ordinary Council meeting of 5 November 2025 Part I Public be confirmed as a true and correct record.

That the minutes of the ordinary Council meeting of 12 November 2025 Part I Public and Part II Confidential be confirmed as a true and correct record.

Clause 192-25 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Hayden Fitzgerald, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

DECISION REPORTS

193-25 Draft Waste Management and Minimisation Bylaw - Further Advice on Construction and Demolition Waste Diversion Options
Memorandum, presented by Peter Ridge, Acting Manager Strategy and Policy.

The Officer corrected the following error in the Policy: that the date of adoption be amended in clauses 3.1 and 4.1 to 3 December 2025.

Elected Members moved two motions (4 and 5) for further information reports on:

- (1) the result of the construction and demolition waste diversion trial, and
- (2) the options for trialling the collection of soft plastics in the City.

Motion 5 was amended to seek a report which outlined the options and costs of a soft plastic trial, rather than agreeing a trial without full knowledge of cost.

Moved Debi Marshall-Lobb, seconded Vaughan Dennison.

RESOLVED

1. That Council lift the report titled 'Draft Waste Management and Minimisation Bylaw 2025 – deliberations on submissions' from the 20 August 2025 Strategy & Finance Committee agenda and resume the deliberations on submissions.

Clause 193-25 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Hayden Fitzgerald, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

Moved Debi Marshall-Lobb, seconded Vaughan Dennison.

2. That Council confirm, pursuant to s.155 of the Local Government Act 2002, Council has determined that:
 - a. a bylaw is the most appropriate way of addressing the perceived problems of maximising the diversion of waste to beneficial uses; regulating and managing the operation of kerbside waste and recycling collection activities; and minimising the potential for waste to create a nuisance in public places; and
 - b. a standalone bylaw is the most appropriate form of bylaw; and

c. the Palmerston North Waste Management and Minimisation Bylaw 2025 does not give rise to any implications under the New Zealand Bill of Rights Act 1990.

3. That Council adopt the Palmerston North Waste Management and Minimisation Bylaw 2025 (as amended) and the Palmerston North Waste Management and Minimisation Bylaw Administration Manual 2025 which will come into effect on 1 February 2026 (Option 1).

Clause 193-25 above was carried 14 votes to 1, with 1 abstention, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Hayden Fitzgerald, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor and William Wood.

Against:

Councillor Kaydee Zabelin.

Abstained:

Councillor Bonnie Kuru.

Moved Lorna Johnson, seconded Vaughan Dennison.

4. That the Chief Executive report back to the Council on the results of the Construction & Demolition waste diversion trial, including an assessment of the effectiveness of waste diversion, potential next steps and options for any further amendments to the Waste Management and Minimisation Bylaw 2025.

Moved Brent Barrett, seconded Grant Smith.

5. That the Chief Executive report back in February 2026 on the scope (options and costs) of a trial of soft plastics collection at Awapuni, Ferguson Street and supermarkets.

Clause 193-25 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Hayden Fitzgerald, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

Moved Rachel Bowen, seconded Lorna Johnson.

On an amendment to motion '5. ~~That Council~~ That the Chief Executive report back in February 2026 on the scope (options and costs) of a trial of soft plastics collection at Awapuni, Ferguson Street and supermarkets ~~and report outcomes to Council.~~'

the amendment was passed 16 votes to 0.

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Hayden Fitzgerald, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

194-25

Appointment of Council Representatives to External Bodies

Memorandum, presented by Hannah White, Manager - Governance.

Officers made the following corrections to the External Bodies list (Attachment 1):

- Add Palmerston North Medical Museum to the Palmerston North Defence Heritage Advisory Group – Cr Mark Arnott;
- Square Edge representative should be Cr Debi Marshall-Lobb (lead), Cr Kaydee Zabelin (support);
- Horizons Regional Transport Committee (pg 104) – not two positions, add substitute Cr Debi Marshall-Lobb.

An amendment to recommendation 5 was moved to remove Age Friendly from the list of bodies Council would **not** be appointing a representative to this term. In effect, Council will now appoint a representative to this body following a request from Age Friendly for a representative.

Moved Debi Marshall-Lobb, seconded Vaughan Dennison.

RESOLVED

1. That Council approve the Mayor's recommendations for the appointment of Council representatives to external bodies (as amended) (Attachment 1).
2. That Council approve the amended Terms of Reference (Attachment 2) for the Steering Groups for the 2025-28 Council term.
4. That Council note it will reconsider a housing steering group alongside the committee structure review.
5. That Council note it will not appoint council representative(s) to the following bodies for the 2025-28 term.
 - Hoffman Kiln Trust
 - Manawatū Lesbian and Gay Rights Association (MALGRA)
 - Manawatū People's Radio

Clause 194-25 above was carried 15 votes to 1, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

Against:

Councillor Hayden Fitzgerald.

Moved Debi Marshall-Lobb, seconded Rachel Bowen.

RESOLVED

3. That Council approve the Terms of Reference for the International Partnership Steering Group (Attachment 3).

Clause 194-25 above was carried 13 votes to 3, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Leonie Hapeta, Bonnie Kuru, Billy Meehan, Orphée Mickalad, William Wood and Kaydee Zabelin.

Against:

Councillors Hayden Fitzgerald, Lorna Johnson and Karen Naylor.

Moved Lorna Johnson, seconded Rachel Bowen.

On an amendment to recommendation 5: 'That the Council note it will not appoint council representative(s) to the following bodies for the 2025-28 term.

- ~~Age-Friendly Palmerston North~~
- Hoffman Kiln Trust
- Manawatū Lesbian and Gay Rights Association (MALGRA)
- Manawatū People's Radio'

the amendment was passed 16 votes to 0.

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Hayden Fitzgerald, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

The meeting adjourned at 10.34am.

The meeting resumed at 10.50am.

195-25 Meeting Calendar February 2026- June 2027

Memorandum, presented by Hannah White, Governance Manager.

Moved Debi Marshall-Lobb, seconded Vaughan Dennison.

RESOLVED

1. That Council adopt the Meeting Calendar February 2026- June 2027 (Attachment 1).

Clause 195-25 above was carried 13 votes to 3, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Lorna Johnson, Bonnie Kuru, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

Against:

Councillors Hayden Fitzgerald, Leonie Hapeta and Billy Meehan.

196-25 Transport Funding Update - NZTA-Funded Budget Adjustment for SH3 Detour Route Works

Report, presented by Glen O'Connor - Acting General Manager Infrastructure.

Moved Debi Marshall-Lobb, seconded Vaughan Dennison.

RESOLVED

1. That Council increase the budget of Programme 139 Sealed Road Resurfacing by \$705,519.73 to carry out resealing works on local roads used as detour routes during the construction of the new Te Ahu a Turanga Manawatū Tararua Highway, State Highway 3 (SH3).
2. That Council note the works will be 100% funded from NZTA subsidies.

Clause 196-25 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Hayden Fitzgerald, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

INFORMATION REPORTS

197-25

Caccia Birch In-House Delivery Review

Memorandum, presented by John Lynch, Manager Venues + Events.

Councillor Vaughan Dennison left the meeting at 12:10pm.

An additional motion was moved for an annual report on Caccia Birch to ensure Elected Members had oversight over the performance of the venue.

Moved Debi Marshall-Lobb, seconded William Wood.

RESOLVED

1. That Council receive the memorandum titled 'Caccia Birch In-House Delivery Review' presented on 3 December 2025.
2. That an annual report on the performance of Caccia Birch be added to the Arts Culture & Heritage Committee work schedule.

Clause 197-25 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Lew Findlay, Hayden Fitzgerald, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

198-25

KeyResearch Annual Report and Benchmarking Report 2024/2025

Memorandum, presented by Grace Nock, Manager Organisational Planning

Councillor Vaughan Dennison returned to the meeting at 12:53pm.

Councillor Leonie Hapeta left the meeting at 1:00pm.

Moved Debi Marshall-Lobb, seconded Vaughan Dennison.

RESOLVED

1. That Council receive the 2024/25 Residents' Survey Annual Report and the 2024/25 Key Research Benchmarking Report.

Clause 198-25 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Hayden Fitzgerald, Lorna Johnson, Bonnie Kuru, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

The meeting adjourned at 1.21pm.

The meeting resumed at 4.09pm.

Councillor Leonie Hapeta was present when the meeting resumed at 4:09pm.

Councillors Vaughan Dennison, Lorna Johnson and Kaydee Zabelin were not present when the meeting resumed at 4.09pm.

199-25 Road Maintenance Contract - 6 Monthly Update

Memorandum, presented by Glen O'Connor - Acting General Manager Infrastructure.

Moved Debi Marshall-Lobb, seconded Leonie Hapeta.

RESOLVED

1. That the Council receive the memorandum titled 'Road Maintenance Contract - 6 Monthly Update' presented on 3 December 2025.

Clause 199-25 above was carried 13 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Lew Findlay, Hayden Fitzgerald, Leonie Hapeta, Bonnie Kuru, Billy Meehan, Orphée Mickalad, Karen Naylor and William Wood.

200-25 Council Work Schedule

Moved Debi Marshall-Lobb, seconded William Wood.

RESOLVED

1. That Council receive its Work Schedule dated 3 December 2025

Clause 200-25 above was carried 13 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Lew Findlay, Hayden Fitzgerald, Leonie Hapeta, Bonnie Kuru, Billy Meehan, Orphée Mickalad, Karen Naylor and William Wood.

Karakia Whakamutunga

Councillor Debi Marshall-Lobb closed the meeting with karakia.

The meeting finished at 4.37pm

Confirmed 11 February 2026

Deputy Mayor

PALMERSTON NORTH CITY COUNCIL

Minutes of the Council Meeting Part I Public, held in the Council Chamber, First Floor, Civic Administration Building, 32 The Square, Palmerston North on 10 December 2025, commencing at 9.00am

Members Present: Grant Smith (The Mayor) (in the Chair) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Hayden Fitzgerald, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Billy Meehan, Karen Naylor, William Wood and Kaydee Zabelin.

Apologies: Councillor Bowen (early departure, on Council business).

10 December 2025

Councillor Orphée Mickalad entered the meeting at 9.06am. He was not present for clause 201.

During consideration of clause 208 Councillor Rachel Bowen left the meeting at 3.10pm and entered the meeting again at 3.20pm. She left the meeting at 3.24pm and entered the meeting again at 3.46pm. She was not present for clauses 208.4, 208.5, 208.7 and 208.12.

During consideration of clause 208 Councillor Kaydee Zabelin left the meeting at 3.16pm and entered the meeting again at 3.27pm. She was not present for clauses 208.4 and 208.6.

During consideration of clause 208 Councillor Billy Meehan left the meeting at 4.10pm. He was not present for clauses 208.11 to 208.14 inclusive.

17 December 2025

During consideration of clause 212 Councillor Karen Naylor left the meeting at 9.48am. She entered the meeting again at 10.28am during consideration of clause 214. She was not present for clauses 212 and 213.

The Mayor (Grant Smith) was not present when the meeting resumed at 11.31am. He was not present for clauses 215 and 216.

Councillor William Wood was not present when the meeting resumed at 11.31am. He entered the meeting again at 11.35am after consideration of clause 215. He was not present for clause 215.

Karakia Timatanga

Councillor Debi Marshall-Lobb opened the meeting with karakia.

201-25

Apologies

Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

1. That Council receive the apologies.

Clause 201-25 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Hayden Fitzgerald, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Billy Meehan, Karen Naylor, William Wood and Kaydee Zabelin.

Declarations of Interest

Councillor Vaughan Dennison declared a conflict of interest in Item 10 (Travel approval for Councillor Vaughan Dennison to attend the 2026 Taipei Smart City Summit and Expo) (clause 206) and took no further part in discussion or debate on that item and sat in the gallery.

Councillor Debi Marshall-Lobb declared a conflict of interest in Item 11 (Annual Budget 2026/27), G2: Economic Development (Programme 2563 to provide civic support for the PNBHS Hockey Turf project of \$33.5k) and took no further part in discussion or debate and sat in the gallery.

Councillor Leonie Hapeta declared a conflict of interest in Item 17 (Tuere Place – Land Acquisition for Road Reserve) (clause 215) and took no further part in discussion or debate on that item and sat in the gallery.

202-25

Response to Notice of Motion: Public Health and the District Plan

Memorandum, presented by Jono Ferguson-Pye, Manager City Planning.

Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

1. That Council receive the memorandum titled 'Response to Notice of Motion: Public Health and the District Plan'.

Clause 202-25 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Hayden Fitzgerald, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

203-25 Notice of Motion: Public Health and the District Plan

Moved Brent Barrett, seconded Mark Arnott.

RESOLVED

1. That Council assess the Palmerston North District Plan for gaps in relation to public health, including but not limited to consideration of safe separation between petrol stations and childcare, school, health and residential land use.

Clause 203-25 above was carried 15 votes to 1, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Lew Findlay, Hayden Fitzgerald, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

Against:

Councillor Vaughan Dennison.

REPORTS

204-25 Development Subsidy Fund Application: Menzshed Building Improvements
Memorandum, presented by Keegan Aplin-Thane, Senior Planner.

Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

1. That Council approve the allocation of \$7,000 from the Development Subsidy Fund to support building consent fees for the Menzshed.

Clause 204-25 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Hayden Fitzgerald, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

205-25 Local Water Done Well - Constitution and Shareholders' Agreement
Report, presented by Chris Dyhrberg, Executive Director Central Districts Water, Mike Monaghan, Manager Three Waters and Julie Keane, Transition Manager.

Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

3. That Council, as shareholder of Central Districts Water, approve the attached Shareholders' Agreement for Central Districts Water, and delegate to the Chief Executive to sign the Shareholders' Agreement on behalf of Palmerston North City Council.
5. That Council approve the establishment of a joint committee made up of

representatives from across the Shareholding councils and Mana Whenua partners and endorse the terms of reference included in Schedule 3 of the Shareholders' Agreement.

Clause 205.1-25 above was carried 10 votes to 6, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Lorna Johnson, Bonnie Kuru, Billy Meehan and Kaydee Zabelin.

Against:

Councillors Mark Arnott, Hayden Fitzgerald, Leonie Hapeta, Orphée Mickalad, Karen Naylor and William Wood.

Moved Grant Smith, seconded Debi Marshall-Lobb.

1. That the report 'Local Water Done Well – Constitution and Shareholders' Agreement' for the joint Water Services Council-Controlled Organisation known as Central Districts Water be received.
2. That Council, as shareholder of Central Districts Water, approve the attached Constitution for Central Districts Water, and delegate to the Chief Executive to sign any documents required to approve the Constitution on behalf of Palmerston North City Council.
4. That Council delegate to the Chief Executive the ability to agree any minor, non-material amendments to the Constitution and Shareholders' Agreement prior to final approval, and to report back to Council on any changes made under this delegation.
6. That Council note, as the next step in establishing Central Districts Water as a joint Water Services Council-Controlled Organisation, that it will be required to appoint its representative(s) to the Shareholders' Committee and delegate the power to make the decisions recorded in Section 2 of Schedule 3 of the Shareholders' Agreement.
7. That Council delegate to the Chief Executive the authority to sign documentation on behalf of Council to complete the incorporation and registration of Central Districts Water with the Companies Office and all related formalities.

Clause 205.2-25 above was carried 15 votes to 1, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

Against:

Councillor Hayden Fitzgerald.

The meeting adjourned at 11.03am.

The meeting resumed at 11.24am.

- 206-25 Travel Approval for Councillor Vaughan Dennison to attend the 2026 Taipei Smart City Summit and Expo**
Memorandum, presented by Gabrielle Loga, Manager International Relations.

Officers noted an update to clause 2.9 of the report – Councillor Dennison will

be able to attend the Finance, Performance & Audit Committee meeting on 4 March 2026.

Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

1. That Council grant approval for Councillor Vaughan Dennison to travel to Taipei from 17 March to 20 March 2026 to lead a small delegation attending the 2026 Taipei Smart City Summit and Expo.

Clause 206-25 above was carried 11 votes to 4, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Brent Barrett, Rachel Bowen, Lew Findlay, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Billy Meehan, William Wood and Kaydee Zabelin.

Against:

Councillors Mark Arnott, Hayden Fitzgerald, Orphée Mickalad and Karen Naylor.

Note:

Councillor Vaughan Dennison declared a conflict of interest and took no further part in discussion or debate and sat in the gallery.

207-25 Council Work Schedule

Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

1. That Council receive its Work Schedule dated 10 December 2025.

Clause 207-25 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Hayden Fitzgerald, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

208-25 Annual Budget 2026/27 Memorandum, presented by Scott Mancer, Manager Finance and Cameron McKay, Chief Financial Officer.

The meeting adjourned at 1.30pm.

The meeting resumed at 2.45pm.

CAPITAL PROGRAMMES – RENEWAL

A1 Moved Karen Naylor, seconded Hayden Fitzgerald.

RESOLVED

Reduce Programme 2495 – Council Chambers refresh from \$313K to \$0K in the 26/27 budget and refer the programme to the 2027/37 Long-Term Plan.

Clause 208.1-25 above was carried 14 votes to 2, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Rachel Bowen, Vaughan Dennison, Lew Findlay, Hayden Fitzgerald, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

Against:

Councillors Brent Barrett and Bonnie Kuru.

A2

Moved Kaydee Zabelin, seconded Lorna Johnson.

RESOLVED

That the budget for Programme 213 – Cultural Facilities Renewals remains as proposed in the Long-Term Plan (\$522K).

Clause 208.2-25 above was carried 11 votes to 5, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Orphée Mickalad and Kaydee Zabelin.

Against:

Councillors Mark Arnott, Hayden Fitzgerald, Billy Meehan, Karen Naylor and William Wood.

A3

Moved Kaydee Zabelin, seconded Lorna Johnson.

RESOLVED

That the budget for Programme 1786 – Recreational Buildings, Sports Pavilion and Changing Rooms remain as proposed in the Long-Term Plan (\$209K).

Clause 208.3-25 above was carried 14 votes to 2, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Billy Meehan, Orphée Mickalad, William Wood and Kaydee Zabelin.

Against:

Councillors Hayden Fitzgerald and Karen Naylor.

1b

Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

1. That Council instruct the Chief Executive to prepare a draft of the Consultation Document and supporting information for the Annual Budget 2026/27 for consideration by Council at its meeting on 11 February 2026 and that it contains:

b. Renewal capital programmes as outlined in Attachment 5, including the agreed motions above.

Clause 208.4-25 above was carried 12 votes to 2, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Vaughan Dennison, Lew Findlay, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Billy Meehan, Orphée Mickalad and William Wood.

Against:

Councillors Hayden Fitzgerald and Karen Naylor.

CAPITAL PROGRAMMES – NEW AND GROWTH

A5

Moved William Wood, seconded Grant Smith.

RESOLVED

That the consultation document include options to increase the footpath renewal budget by \$1.47M to align with the depreciation cost, \$1M, or \$500K, and the rating impact of these options.

Clause 208.5-25 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Vaughan Dennison, Lew Findlay, Hayden Fitzgerald, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

A6

Moved Vaughan Dennison, seconded Leonie Hapeta.

RESOLVED

Programme 2361 – That CET Arena replacement roof be moved forward into the draft 2026/2027 Annual Budget (\$2.131M).

Clause 208.6-25 above was carried 12 votes to 3, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Billy Meehan and William Wood.

Against:

Councillors Hayden Fitzgerald, Orphée Mickalad and Karen Naylor.

B

Moved Hayden Fitzgerald, seconded Karen Naylor.

RESOLVED

Arts & Heritage

Reduce Programme 902 - Seismic Strengthening from \$2,089K to \$1M in the 26/27 budget, to provide additional time for consideration of new legislative framework and how this applies to our portfolio and refer the programme to the 2027/37 Long-Term Plan.

Councillor Kaydee Zabelin entered the meeting again at 3.27pm.

Clause 208.7-25 above was carried 9 votes to 6, the voting being as follows:

For:

Councillors Vaughan Dennison, Lew Findlay, Hayden Fitzgerald, Bonnie Kuru, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

Against:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Leonie Hapeta and Lorna Johnson.

C1

Moved Karen Naylor, seconded Hayden Fitzgerald.

Note:

On a motion that:

'Recreation & Play

Reduce the following programme to \$0 for the 26/27 budget and refer the programme to the 2027/37 Long-Term Plan:

- Programme 1194 – CET Arena - \$8,878K – Masterplan redevelopment.'

the motion was lost 4 votes to 12, the voting being as follows:

For:

Councillors Brent Barrett, Hayden Fitzgerald, Orphée Mickalad and Karen Naylor.

Against:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Rachel Bowen, Vaughan Dennison, Lew Findlay, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Billy Meehan, William Wood and Kaydee Zabelin.

C2 (i)

Moved Hayden Fitzgerald, seconded Karen Naylor.

RESOLVED

Reduce the following programmes to \$0 for the 26/27 budget and refer the programmes to the 2027/37 Long-Term Plan:

- Programme 1846 - \$192K – City reserves – walkway extension.
- Programme 1845 - \$102K – Te Marae o Hine – The Square.

Clause 208.8-25 above was carried 9 votes to 7, the voting being as follows:

For:

Councillors Debi Marshall-Lobb, Lew Findlay, Hayden Fitzgerald, Leonie Hapeta, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

Against:

The Mayor (Grant Smith) and Councillors Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lorna Johnson and Bonnie Kuru.

C2 (ii)

Moved Hayden Fitzgerald, seconded Karen Naylor.

Note:

On a motion that:

'Reduce the following programme to \$0 for the 26/27 budget and refer the programmes to the 2027/37 Long-Term Plan:

- Programme 1851 - \$235K – Sports field improvement.'

the motion was lost 3 votes to 13, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Hayden Fitzgerald and Karen Naylor.

Against:

Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Billy Meehan, Orphée Mickalad, William Wood and Kaydee Zabelin.

1c

Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

1. That Council instruct the Chief Executive to prepare a draft of the Consultation Document and supporting information for the Annual Budget 2026/27 for consideration by Council at its meeting on 11 February 2026 and that it contains:
 - c. Capital New and Growth programmes outlined in Attachment 6, which includes programme 1681 (Kikiwhenua Transport) highlighted in clause 9.2; and including the motions above.

Clause 208.9-25 above was carried 14 votes to 2, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Billy Meehan, Orphée Mickalad, William Wood and Kaydee Zabelin.

Against:

Councillors Hayden Fitzgerald and Karen Naylor.

1g

Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

1. That Council instruct the Chief Executive to prepare a draft of the Consultation Document and supporting information for the Annual Budget 2026/27 for consideration by Council at its meeting on 11 February 2026 and that it contains:
 - g. Bringing forward Programme 2366 (Hydroslides) from 2029/30 to 2026/27 and updating the associated budgets as identified in Attachment 7.

Clause 208.10-25 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Hayden Fitzgerald, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

Councillor Billy Meehan left the meeting at 4.10pm.

OPERATING PROGRAMMES

F

Moved Karen Naylor, seconded Hayden Fitzgerald.

Note:

On a motion that:

'Recreation & Play

1 (f) - That new Programme 2559 to provide civic support for Massey's Te Waimana o Turitea Botanical Gardens project \$50k is not included in the draft 26/27 budget, and that this is made explicit in the consultation material.'

the motion was lost 7 votes to 8, the voting being as follows:

For:

Councillors Lew Findlay, Hayden Fitzgerald, Lorna Johnson, Orphée Mickalad, Karen Naylor,

William Wood and Kaydee Zabelin.

Against:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Leonie Hapeta and Bonnie Kuru.

G1

Moved Karen Naylor, seconded Hayden Fitzgerald.

Note:

On a motion that:

'Economic Development

That the following new programmes are not included in the draft 26/27 budget, and that this is made explicit in the consultation material:

- Programme 2560 to provide support for Manawatū Rugby in Community Rugby and towards Cyclones and Turbos teams of \$25k.'

the motion was lost 4 votes to 11, the voting being as follows:

For:

Councillors Brent Barrett, Hayden Fitzgerald, Orphée Mickalad and Karen Naylor.

Against:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Rachel Bowen, Vaughan Dennison, Lew Findlay, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, William Wood and Kaydee Zabelin.

G2

Moved Karen Naylor, seconded Hayden Fitzgerald.

Note:

On a motion that:

'Economic Development

That the following new programmes are not included in the draft 26/27 budget, and that this is made explicit in the consultation material:

- Programme 2563 to provide civic support for the PNBHS Hockey Turf project of \$33.5k.'

the motion was lost 5 votes to 9, the voting being as follows:

For:

Councillors Brent Barrett, Hayden Fitzgerald, Lorna Johnson, Orphée Mickalad and Karen Naylor.

Against:

The Mayor (Grant Smith) and Councillors Mark Arnott, Rachel Bowen, Vaughan Dennison, Lew Findlay, Leonie Hapeta, Bonnie Kuru, William Wood and Kaydee Zabelin.

Note:

Councillor Debi Marshall-Lobb declared a conflict of interest and took no further part in discussion or debate and withdrew from the table.

H

Moved Karen Naylor, seconded Hayden Fitzgerald.

Note:

On a motion that:

'Biodiversity and the Manawatū River

That new Programme 2561 to fund the Te Ahu a Turanga gateway carpark at \$20K is not included in the draft 26/27 budget, and that this is made explicit in the consultation material.'

the motion was lost 6 votes to 9, the voting being as follows:

For:

Councillors Mark Arnott, Hayden Fitzgerald, Leonie Hapeta, Orphée Mickalad, Karen Naylor and William Wood.

Against:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Lorna Johnson, Bonnie Kuru and Kaydee Zabelin.

1a

Moved Grant Smith, seconded William Wood.

RESOLVED

1. That Council instruct the Chief Executive to prepare a draft of the Consultation Document and supporting information for the Annual Budget 2026/27 for consideration by Council at its meeting on 11 February 2026 and that it contains:

- a. Operating programmes as outlined in Attachment 4, which continue to include those highlighted in clause 9.2.

Clause 208.11-25 above was carried 13 votes to 2, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Orphée Mickalad, William Wood and Kaydee Zabelin.

Against:

Councillors Hayden Fitzgerald and Karen Naylor.

OPERATING BUDGETS

A4

Moved William Wood, seconded Grant Smith.

That Council increase the footpath maintenance budget by \$200k for the draft 2026/2027 Annual Budget.

Clause 208.12-25 above was carried 14 votes to 1, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Vaughan Dennison, Lew Findlay, Hayden Fitzgerald, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Billy Meehan, Orphée Mickalad, William Wood and Kaydee Zabelin.

Against:

Councillor Karen Naylor.

I

Moved Hayden Fitzgerald, seconded Karen Naylor.

Note:

On a motion that:

‘That the International Relations expense is reduced by 10% (\$52K) and that there is a corresponding reduction of activity.’

the motion was lost 4 votes to 11, the voting being as follows:

For:

Councillors Lew Findlay, Hayden Fitzgerald, Orphée Mickalad and Karen Naylor.

Against:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, William Wood

and Kaydee Zabelin.

1e

Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

1. That Council instruct the Chief Executive to prepare a draft of the Consultation Document and supporting information for the Annual Budget 2026/27 for consideration by Council at its meeting on 11 February 2026 and that it contains:

- e. Operating budgets as outlined in Attachments 1-3 including the motion above.

Clause 208.13-25 above was carried 13 votes to 2, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Orphée Mickalad, William Wood and Kaydee Zabelin.

Against:

Councillors Hayden Fitzgerald and Karen Naylor.

1d

Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

ASSUMPTIONS

1. That Council instruct the Chief Executive to prepare a draft of the Consultation Document and supporting information for the Annual Budget 2026/27 for consideration by Council at its meeting on 11 February 2026 and that it contains:

- d. Significant budget assumptions as outlined in Section 5.

Clause 208.14-25 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Hayden Fitzgerald, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

Karakia Whakamutunga

Councillor Debi Marshall-Lobb closed the meeting with karakia.

The meeting adjourned at 4.35pm until Wednesday 17 December at 9.00am.

The meeting resumed on Wednesday 17 December at 9.01am.

Members Present: Grant Smith (The Mayor) (in the Chair) and Councillors Debi Marshall-Lobb, Mark Arnott, Vaughan Dennison, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Billy Meehan, Orphée Mickalad, Karen Naylor and Kaydee Zabelin.

Members Present Online: Councillors Rachel Bowen, Lew Findlay and William Wood.

Apologies: Councillors Brent Barrett and Hayden Fitzgerald; Councillors Vaughan Dennison, Karen Naylor and William Wood (early departure).

Karakia Timatanga

Councillor Debi Marshall-Lobb opened the meeting with karakia.

209-25 Apologies

Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

1. That Council receive the apologies.

Clause 209-25 above was carried 14 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Rachel Bowen, Vaughan Dennison, Lew Findlay, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

210-25 Notification of Additional Items

Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

That Council accept the late item as follows:

Grant of licence and easements for a communications station in the Turitea Reserve (confidential)

Reason for lateness:

Commercial negotiations were completed after the Agenda was published.

Reason for urgency:

Palmerston North City Council have committed to the provider that the licence will be finalised as soon as possible, so as not to delay their project.

Clause 210-25 above was carried 14 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Rachel Bowen, Vaughan Dennison, Lew Findlay, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

EXCLUSION OF PUBLIC

211-25 Recommendation to Exclude Public

Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

That the public be excluded from the following parts of the proceedings of this meeting listed in the table below.

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 are as follows:

General subject of each matter to be considered		Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for passing this resolution
19.	Grant of licence and easements for a communications station in the Turitea Reserve	It is to the greater public interest that Council acts in confidence at this stage of the negotiations.	s7(2)(b)(ii) THIRD PARTY COMMERCIAL Disclosing the information could harm a company's commercial position. s7(2)(c)(i) PREJUDICE THE SUPPLY OF SIMILAR INFORMATION Releasing this information could negatively affect similar confidential information or discourage people from sharing such information. s7(2)(i) NEGOTIATIONS This information needs to be kept confidential to ensure that Council can negotiate effectively, especially in business dealings. s7(2)(j) PREVENT IMPROPER GAIN OR ADVANTAGE This information needs to be kept confidential to prevent its improper use for personal gain or advantage.
15.	Tender Award - Stoney Creek Road Upgrade	Agreeing the tender confidentially allows Council to get best value for these public works.	s7(2)(b)(ii)THIRD PARTY COMMERCIAL Disclosing the information could harm a company's commercial position.
16.	Digital Transformation Programme Update	This programme of work is currently	s7(2)(b)(ii)THIRD PARTY COMMERCIAL Disclosing

		under commercial contract negotiations. Commercial aspects, specifically pricing, offered to Palmerston North City Council are done so only with the strict proviso that they remain under a non-disclosure agreement due to their significant favourability. This is a global 'bring-to-market' offering and details must remain confidential until product release.	the information could harm a company's commercial position. s7(2)(i)NEGOTIATIONS This information needs to be kept confidential to ensure that Council can negotiate effectively, especially in business dealings.
17.	Tuere Place – Land Acquisition for Road Reserve	The report contains commercially sensitive information which, if released at this stage, could prejudice Council's position in the ongoing settlement process.	s7(2)(h)COMMERCIAL ACTIVITIES: This information needs to be kept confidential to allow Council to engage in commercial activities without prejudice or disadvantage
18.	Appointment of Directors to Central Economic Development Agency	A candidate's right to privacy outweighs the public's interest to know who has applied to the CEDA Trust Board until the appointment has been confirmed.	s7(2)(a)PRIVACY This information needs to be kept private to protect personal information that is confidential or sensitive. This includes people who are no longer alive

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 the relevant part of the proceedings of the meeting in public as stated in the above table.

Also that Yvonne Evans, Senior Property Consultant / Manager (The Property Group) be permitted to remain after the public has been excluded for Item 19 Grant of licence and easements for a communications station in the Turitea Reserve, assisting the meeting in speaking to the report and answering questions, noting that she will be present at the meeting only for item 19.

Clause 211-25 above was carried 14 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Rachel Bowen, Vaughan Dennison, Lew Findlay, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

The public part of the meeting finished at 9.07am, 17 December 2025.

Confirmed 11 February 2026

Mayor

REPORT

TO: Council

MEETING DATE: 11 February 2026

TITLE: Fees and Charges Review

PRESENTED BY: Steve Paterson, Manager - Financial Strategy

APPROVED BY: Cameron McKay, General Manager Corporate Services

RECOMMENDATION(S) TO COUNCIL

1. That Council receive the report titled 'Fees and Charges Review', presented on 11 February 2026, and note the current status of fees and charges.

Trade Waste

2. That Council agree for consultation the proposal of updated fees and charges for Trade Waste services effective from 1 July 2026 as attached in Appendix 2 and authorise the Chief Executive to undertake the necessary consultative process under sections 82 and 150 of the Local Government Act 2002;

Planning & Miscellaneous

3. That Council agree for consultation the Statement of Proposal (and the associated summary) of updated fees and charges for Planning Services and Miscellaneous Services effective from 1 July 2026 as attached in Appendix 3, and authorise the Chief Executive to undertake the necessary consultative process under sections 83 and 150 of the Local Government Act 2002.

Building

4. That Council agree the fees and charges for Building Services, as proposed in Appendix 4 for public notification to take effect from 1 July 2026.

Environmental Health

5. That Council agree the fees and charges for Environmental Health Services (in terms of regulation 7 of the Health (Registration of Premises) Regulations 1966) as proposed in Appendix 5 for public notification to take effect from 1 July 2025.

Animal Management

6. That Council agree the fees and charges for the Impounding of Animals (in terms of section 14 of the Impounding Act 1955) and for Dog Registration and Dog Impounding (in terms of sections 37 and 68 of the Dog Control Act 1996) as proposed in Appendix 6 for public notification to take effect from 1 July 2026.

Burial & Cremation

7. That Council agree the fees and charges for Burial and Cremation, as proposed in Appendix 7 for public notification to take effect from 1 July 2026.

Service Connections

8. That Council agree the fees and charges for Service Connections, as proposed in Appendix 8 to take effect from 1 July 2026.

Resource Recovery

9. That Council agree the fees and charges for Resource Recovery, as proposed in Appendix 9 to take effect from 1 July 2026.

OR

That Council agree the fees and charges for Resource Recovery, as proposed in Appendix 9, and amended to incorporate option 1 for the Ashhurst Transfer Station charges as outlined in section 3.4 of Appendix 9, to take effect from 1 July 2026.

Parks and Reserves

10. That Council agree the fees and charges for Parks and Reserves (including the maximum charges for swimming pools) as proposed in Appendix 10 to take effect from 1 July 2026.

Backflow Prevention

11. That Council agree the fees and charges for Backflow Prevention testing and maintenance as proposed in Appendix 11 to take effect from 1 July 2026.

Corridor Access Request

12. That Council agree the fees and charges for Corridor Access Requests as proposed in Appendix 12 to take effect from 1 July 2026.

Parking

13. That Council agree there be no change to fees and charges for Parking, as proposed in Appendix 13.

SUMMARY OF OPTIONS ANALYSIS

Problem or Opportunity	Fees and charges need to be reviewed annually to ensure they adequately meet the Revenue & Financing policy, budgetary and other objectives
OPTION 1:	Approve fee increases as proposed
Community Views	Each of the different types of fees requires a different process for community engagement. Where this is legislatively controlled it is identified in the report
Benefits	More likely to comply with funding proportions contained in Revenue & Financing Policy
Risks	Public criticism of increases Increased charges for some activities may discourage compliance or reduce volumes
Financial	Budgeted revenue targets more likely to be achieved
OPTION 2:	Approve fee amendments for some of those proposed at greater or lesser levels
Community Views	As above
Benefits	Lower fees than recommended likely to mean policy targets will not be achieved Higher fees than recommended in some instances will increase likelihood of policy user fee target being achieved
Risks	Higher fees than recommended may increase the risk of public criticism
Financial	If lower increases are approved for some fees likely that budgeted revenue will not be achievable
OPTION 3:	Do not approve any fee increases
Community Views	As above
Benefits	Lower fees than recommended likely to mean policy targets will not be achieved
Risks	When increases eventually are made (to reduce the pressure on rates increases) the extent of the increase required will be publicly and politically unacceptable The budget assumptions for fees and charges in the Long-term Plan or Annual Budget would need to be revisited which would result in an increase in rates requirement
Financial	If no increases are approved likely that budgeted revenue will not be

	achievable
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RATIONALE FOR THE RECOMMENDATIONS

1. OVERVIEW OF THE PROBLEM OR OPPORTUNITY

- 1.1 The purpose of this report is to provide an overview of the current status of fees and charges made by the Council and to recommend the adoption of updated fees for some of them.
- 1.2 At its meeting on 10 December 2025 Council considered the first draft of the 2026/27 Annual Budget and endorsed the revenue assumptions outlined in the covering report.
- 1.3 It is important that fees and charges be regularly reviewed. There are a variety of reasons for this including:
 - Compliance with legislative requirements – many fees and charges made by the Council are governed by specific legislation.
 - Consistency with Council’s Revenue and Financing policy – for each activity the Council has adopted targets for the funding mix, i.e. the proportion of costs to be funded from fees and charges.
 - Transparency – in some instances it is important to be able to demonstrate that the charge being made represents a fair and reasonable recovery of the costs of providing a particular service.
 - Market comparability – for some services the Council operates in a contestable market and it is important that fees and charges are responsive to market changes.
 - However, as a review process is sometimes very time-consuming the depth of the review for each type of fee or charge may vary depending on the circumstances. Additional material relating to regulatory fees and charges was circulated in December in advance of a planned briefing.
- 1.4 Attached as Appendix 1 is a schedule listing, in broad terms, the various types of fees and charges made by the Council. The schedule is ordered by activity (consistent with the 2024-34 Long-term Plan (LTP)) and within that by function (consistent with the Revenue & Financing Policy). Comments are made within the schedule outlining the reasons for there being no change recommended to a particular fee or charge. In cases where changes are recommended more detail is provided in the appendices.

2. BACKGROUND AND PREVIOUS COUNCIL DECISIONS

- 2.1 Council has previously indicated that as a matter of policy it wishes all fee and charge revisions to be encapsulated in a single report to the Council early each year.
- 2.2 Council's current Revenue & Financing Policy (Long-term Plan 2024-34 pages 276-311) describes how the Council goes about deciding who should pay for the provision of each activity and in what proportions. The policy should be the foundation for decisions about the levels of fees and charges.
- 2.3 For some activities (such as swimming pools) only a portion of the operating costs is borne by the Council and none of the revenue is received directly by the Council. The Council does have the right under the agreement with CLM to set the maximum fees charged for the services. The Revenue & Financing Policy addresses only that portion of the net operating costs funded by the Council and therefore makes no reference to user charges for swimming pools.
- 2.4 In some of the activities shown above it is not practical to charge users through a separate charge specifically related to use. An example of this is water where large consumers are metered but the majority of users are charged through the rating system by way of a fixed targeted rate as the best proxy for direct user charge.
- 2.5 In some activities a combination of charging mechanisms is used. Resource recovery is an example. Users are responsible for their own rubbish disposal. The Council does provide a collection and disposal service which is funded from the sale of rubbish bags. Recycling activity is funded from the sale of recyclables and the balance through the rating system by way of fixed targeted rates.

3. DESCRIPTION OF OPTIONS

- 3.1 With a few exceptions (being cemeteries, social housing, Conference and Function Centre), draft revenue budgets for 2026/27 have been set at levels which aim to meet the Revenue & Financing Policy proportion targets. Achieving these revenue levels is dependent not only on the level of fee or charge set but also the actual volumes of activity by comparison with budget assumptions.
- 3.2 The timing of this review is scheduled to fit into the annual planning timetable in a way which ensures appropriate revenue assumptions are made in the proposed Annual Budget and changes to fees and charges can be implemented as soon as practicable.
- 3.3 Much of this report is focused on providing an overview of Council's fees and charges. However, the report does include specific proposals for change for a number of fees and charges as explained in more detail in the following appendices:

Appendix	Activity	Proposed action
2	Trade Waste	Proposal for public consultation
3	Planning & Miscellaneous	Proposal for public consultation
4	Building	Proposed increases
5	Environmental Health	Proposed increases
6	Animal Management	Proposed increases
7	Burial & Cremation	Proposed increases
8	Service Connections	Proposed increases
9	Resource Recovery	Proposed increases
10	Parks and Reserves (including swimming pools)	Proposed increases
11	Backflow Prevention	Proposed increases
12	Corridor Access Requests	Proposed increases
13	Parking	No change

3.4 Whilst the background to, and rationale for, the recommendations is made in each of the appendices, attention is drawn to the following:

- Many of the charges are being proposed to be increased by 3.5-4% (rounded) to reflect the level of operational cost increase being experienced and thereby ensure an appropriate proportion of the increase is incurred by the user rather than the general ratepayer.
- Proposed increases in the volume-based charges for trade waste vary but will lead to increases in overall charges of approx. 15% for some tradewaste users. These charges are based on a long-standing formula associated with the Council's tradewaste bylaw. They reflect the increasing costs of tradewaste disposal over the last two years. Last year it was agreed the increases would be spread over 2025/26 and 2026/27.
- Following a review of two years of actual charges for Planning Services it has been noted that the indicative charges provided in the fee schedule are unrealistically low in a number of instances. The fee schedule has been updated so it shows a more realistic and transparent picture of the likely charges. These are shown in Appendix 3.

- Although an increase of \$50 is being proposed for cremation fees to cover increasing gas costs these fees are still comparatively low compared to some other centres. If the Council wishes to get closer to its revenue %age policy target then an increase, further than current recommended could be considered. Refer to Appendix 7.
- A range of increases are proposed for charges related to resource recovery. Although small in total revenue terms some significant increases are proposed for some of the fees for the Ashhurst transfer station. Given the size of the increases an option to stage these over two years is provided. These are outlined in Appendix 9.
- An increase is being proposed to the maximum entry fees that CLM is able to charge for swimming pools. Details are outlined in Appendix 10 – section 3.3.
- As outlined in the report to the Council meeting on 10 December 2025 no change is proposed to metered parking fees – these were increased from 1 July 2025 - see Appendix 13 of this report.

4. ANALYSIS OF OPTIONS

- 4.1 Analysis of each of the fee types for individual activities is contained in the appendices.

5. CONCLUSIONS

- 5.1 A broad review of fees and charges has been undertaken. Revenue from these is an important part of the funding mix. There are two elements to achieving revenue budgets. The first is the actual level of the fee or charge. The second is the volume of sales or use. A change to the level of fee or charge can influence demand. Achieving revenue targets is sometimes more about volumes than the level of the charge. There is a fine balance between the two. This report recommends increases in charges for a number of services and many of these are reflective of revenue assumptions made in the proposed Annual Budget for 2026/27.

6. NEXT ACTIONS

- 6.1 There is a series of procedural steps to be followed to enable some of the revised fees and charges to be implemented. In some cases (as specifically identified in the recommendations) this involves a period of public consultation and a report back to the Council for final confirmation (taking into account any public submissions).
- 6.2 Staff will action messaging appropriate to the rates and fee changes not otherwise formally notified.

7. OUTLINE OF COMMUNITY ENGAGEMENT PROCESS

- 7.1 The Revenue & Financing Policy incorporates the Council’s current views on what portion of each activity should be directly funded from users. This policy forms part of the 2024-34 Long-term Plan which was the subject of public consultation in 2024.

7.2 There are varying types of public consultation required to enable changes to be made to fees and charges. For some the special consultative process or a process consistent with the principles of section 82 of the Local Government Act is to be used. More detail about each is provided in the detailed appendices.

8. COMPLIANCE AND ADMINISTRATION

Does the Council have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	Yes
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council’s policies or plans? There are some activities as mentioned in this report that do not meet the Revenue and Financing Policy funding band targets for Fees and Charges. The Council has previously acknowledged these and for the time being proposes to operate outside the policy expectations.	Yes
The recommendations contribute to the achievement of objective/objectives in: 14. Mahere mana urungi, kirirarautanga hihiri 14. Governance and Active Citizenship Plan The objective is: Base our decisions on sound information and advice	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	The process for setting fees and charges depends on the nature of the activity and the particular requirements of the relevant bylaw, legislation or Council policy. The recommendations take account of Council’s Revenue & Financing Policy that in turn reflects Council’s strategic direction.

ATTACHMENTS

1. Appendices 1 - 13

Appendix 1

Activity	Revenue & Financing Policy function	Fees / Charges	Last Implementation / Date of revised fee	Next Review Scheduled for	Assumption for draft 2026/27 Budget	Comments
Economic development	Conference & Function Centre	Venue rental Percentage of catering revenue			Increased revenue	Charges depend on market conditions. Revenue very volume dependent
Housing	Building Services	Building Services Fees	1 Jul 2025	1 Jul 2026	Increased fees & revenue	Increases recommended. Refer Appendix 4 & recommendations.
Housing	Planning Services - Private	Services Fees & Charges	1 Jul 2025	1 Jul 2026	Increased fees & revenue	Increases recommended. Refer Appendix 3 & recommendations.
Roading	Parking enforcement	<ul style="list-style-type: none"> • Registration • WOF • Fines (Stationary vehicles) 	1 Oct 2024	Next Statutes/Regulations Revision	No change	Charges are set and changed by legislation/regulation. A number of infringement fees were increased significantly from 1 October 2024.
Roading	Metered Parking	Metered Parking Fees – on street & off-street	1 Jul 2025	1 Jul 2026	No change to charges	Increases implemented from 1 July 2025. No change processed this year as monitoring parking behaviour since significant increases in parking infringement fees from 1 October 2024.
Roading	Off-street parking – leased carparks	Long term lease	1 Jul 2021	1 Jul 2026	No change	No change proposed.
Roading	Road corridor access	Corridor access request	1 Jul 2025	1 Jul 2026	No change	Increase proposed. Refer Appendix 12 & recommendations.

Appendix 1

Activity	Revenue & Financing Policy function	Fees / Charges	Last Implementation / Date of revised fee	Next Review Scheduled for	Assumption for draft 2026/27 Budget	Comments
Recreation & Play	Central Energy Trust Arena	Venue Rentals - Commercial	1 Jan 2025	1 Jan 2026	Increased revenue & increased charges	Charges reviewed under delegated authority.
		- Community & Schools	1 Jan 2025	1 Jan 2026		
Recreation & Play	Sportsfields	Sportsfield Rental/Charges	1 Jul 2025	1 Jul 2026	Increase in revenue & charges	Increases recommended. Refer Appendix 10 & recommendations
Recreation & Play	Swimming Pools	Admission charges	1 Jul 2024	1 Jul 2026		The contract for pool operations provides for the Council to approve maxima for charges able to be made by the contractor. In June 2024 Council approved increased maxima for casual admission and concession charges effective from 1 July 2024. Further increases are recommended. Refer Appendix 10 & recommendations
Community Support	Cemeteries	<ul style="list-style-type: none"> • Burial • Cremation 	1 Jul 2025	1 Jul 2026	Increased revenue & increased charges	Increases recommended. Refer Appendix 7 & recommendations.
Community Support	Community Centres	Community halls & facilities	1 Jul 2025	1 Jul 2026	CPI increase	Rentals are adjusted annually by the CPI.

Appendix 1

Activity	Revenue & Financing Policy function	Fees / Charges	Last Implementation / Date of revised fee	Next Review Scheduled for	Assumption for draft 2026/27 Budget	Comments
City Library	Libraries	<ul style="list-style-type: none"> • Membership Subscription (non-residents) • Interloan charges • Lost material • Blueprint materials 	1 July 1999 (non-residents)	1 Jul 2026	No change in revenue	No changes proposed.
Housing	Social Housing	Rental	Jul 2025	Jul 2026	Minor Increase in revenue (2.8%)	<p>As per the Social Housing Guidelines, former 'public housing' rentals will be set at market rates.</p> <p>The remaining housing will be subsidised, with rent to be set at no more than 25% of superannuation, supported/living payment, job seeker support or other relevant benefit).</p> <p>Revenue will not meet Revenue & Financing Policy targets.</p>
Community Safety & Health	Animal Management	<ul style="list-style-type: none"> • Registration Fees • Impounding Fees 	1 Jul 2025 1 Jul 2025	1 Jul 2026 1 Jul 2026	Increased revenue & increased charges	<p>Dog Control Act 1996 Section 37 requires Council to give public notice of fees annually prior to 1 July.</p> <p>Refer to Appendix 6 & recommendations.</p>

Appendix 1

Activity	Revenue & Financing Policy function	Fees / Charges	Last Implementation / Date of revised fee	Next Review Scheduled for	Assumption for draft 2026/27 Budget	Comments
Community Safety & Health	Public Health	Health Inspection, Verification & Monitoring Fees	1 Jul 2025	1 Jul 2026	Minor increase in revenue & some fees	With introduction of Food Act 2014 Council no longer issues health licences. Role is now inspection, verification, monitoring & registration for templated food control plans. Increase proposed - Refer to Appendix 5 & recommendations. Council has chosen to use the default liquor licensing fees set by regulation.
		Liquor licensing fees	18 Dec 2013		No change	
Resource Recovery	Waste Management	Rubbish Bag Sales	1 Jul 2025	1 Jul 2026	No change	Policy is that full costs of collection are to be covered by bag sales. Significant increases in bag prices implemented from 1 Jul 24. Increase proposed. Refer to Appendix 9
Resource Recovery	Waste Minimisation	Resource Recovery Park – Green waste	1 Jul 2024	1 Jul 2026	No change	Landfill now closed. However still accept green waste. No change proposed.
		Resource Recovery Park – bulk compost	1 Jul 2023	1 Jul 2026	No change	No change proposed.
		Transfer Station – Ashhurst	1 Jul 2023	1 Jul 2026	No change	Change proposed. Refer to Appendix 9 for discussion.
		E-waste – Ferguson St	1 Jul 2018	1 Jul 2026	No change	Changes proposed. Refer to Appendix 9 for discussion.
		Event Recycling	1 Jul 2024	1 Jul 2026	No change	No change proposed.

Appendix 1

Activity	Revenue & Financing Policy function	Fees / Charges	Last Implementation / Date of revised fee	Next Review Scheduled for	Assumption for draft 2026/27 Budget	Comments
Stormwater	Stormwater	Connection fees	1 Jul 2025	1 Jul 2026	Minor increase in revenue	Increase proposed. Refer to Appendix 8 & recommendations.
Wastewater	Wastewater	Trade waste charges	1 Jul 2025	1 Jul 2026	Fee based on cost-based formula. Increase in revenue	Formula for determining charges based on Council's Trade Waste By-Law. 2025/26 charges approved by Council in June 2025. Refer to Appendix 2 & recommendations
		Connection fees	1 Jul 2025	1 Jul 2026		Increase proposed. Refer to Appendix 8 & recommendations.
Water Supply	Water Supply	Water by meter tariff	1 Jul 2025	1 Jul 2026	Any change is related to change in level of targeted fixed rate- increased tariff assumed.	Water by meter tariffs are deemed to be targeted rates & are set as part of annual rates resolution.
		Tanker filling station fees	1 Jul 2025	1 Jul 2026	Changes proposed	Set under terms of Water Supply Bylaw. Related in part to level of water by meter tariff.
		Connection fees	1 Jul 2025	1 Jul 2026	Minor increase in revenue	Refer to Appendix 8 & recommendations.
		Backflow preventer fees	1 Jul 2025	1 Jul 2026	Minor increase in revenue	Refer Appendix 11 & recommendations.
Governance & Active Citizenship	Direction Setting	District Plan changes	1 Jul 2008	1 Jul 2026	No change	Policy is to recover costs relating to private plan change applications from applicants. Present charges achieve this aim.
		District Plan documents & updates	1 Jul 2012	1 Jul 2026	No change	Changed from a specific charge to charge at cost from 1 Jul 2012.

Note - Amounts for Development contributions (for water, wastewater, stormwater, roading & reserves) are increased annually on 1 July in accordance with the movement in the Producers Price Index – Construction or through an amendment to the Development Contributions Policy. Proposed changes to descriptions and specific fees and charges are highlighted in the appendices in red.

PROPOSED AMENDMENTS TO FEES AND CHARGES FOR TRADE WASTE

1. INTRODUCTION

It is Council's policy to review its fees and charges for trade waste each year in accordance with the Palmerston North Trade Waste Bylaw.

Changes to these fees and charges are required to be approved using the consultation principles of the Local Government Act.

2. BACKGROUND

2.1 Revenue & Financing Policy Requirements

As part of Council's financial framework it has in place a Revenue and Financing Policy that was last adopted in 2024.

The policy defines how operating expenditure for each activity will be funded. In summary the funding sources are from either, user charges or targeted rates (private), rates (public), or based on the exacerbator principle whereby the cost of an activity can be attributed to an individual or a group of individuals.

Some of the discharges of trade waste into the sewerage system use up more of the sewerage systems capacity than normal domestic discharges.

Council's Revenue and Financing policy states "volumes of trade waste are capable of being measured so those who discharge trade waste should be charged based on the nature and volume of discharge". The setting of the charges is regulated under Council's Trade Waste Bylaw 2022 and a specific charging mechanism has been established to recover the extra costs imposed on the Council's system.

These costs are incurred in the following way;

- Compliance Monitoring – the inspection, sampling and analysis of trade waste discharges
- Trade Waste Application – the processing of new or renewal applications
- Consent Processing – when the cost of processing the consent exceeds the normal application fee
- Re-inspection – for re-inspection of premises when a notice served by the Council has not been complied with

REPORT

TO: Council

MEETING DATE: 11 February 2026

TITLE: Funding and City Support Request from Squash NZ to host the 2027 New Zealand Squash Open

PRESENTED BY: Luke McIndoe, Manager Venues + Events Partnerships

APPROVED BY: Danelle Whakatihi, General Manager Customer & Community

RECOMMENDATION(S) TO COUNCIL

1. That Council establish an operating programme in 2026/27 of \$50,000 for one year to partner with Squash NZ to host the NZ Squash Open 2027. (Option 1)

OR

That Council establish an operating programme in 2026/27 of \$30,000 for one year AND direct the Chief Executive to allocate \$20,000 from the Major Events Fund in 2026/27 to partner with Squash NZ to host the NZ Squash Open 2027. (Option 2)

OR

That Council decline the funding request (Option 3)

SUMMARY OF OPTIONS ANALYSIS FOR

Problem or Opportunity	Palmerston North has been offered the opportunity to host the NZ Squash Open in February 2027, following an agreement between Squash NZ and the PSA World Squash Tour. To host this event, the Council would need to provide cash funding that is not permitted under the current Support and Funding Policy. A Council decision is required to accept this opportunity so the City can realise economic and social benefits.
OPTION 1:	Approve new funding of \$50,000 to support NZ Squash Open 2027
Benefits	Palmerston North will host NZ Squash Open 2027 and realise economic and social benefit.
Risks	Further additional requests from similar events that will fall outside officer delegations and request for additional funding outside of

	approved funding.
Financial	New spending above LTP of \$50,000.
OPTION 2:	Approve new funding of \$30,000 and use the existing grant programmes of \$20,000 to support NZ Squash Open 2027
Benefits	Palmerston North will host NZ Squash Open 2027 and realise economic and social benefit.
Risks	Current funds are heavily subscribed. Use of these funds for this opportunity would negatively affect officer’s ability to support existing and new events in 2027. Further additional requests from similar events that will fall outside officer delegations and request for additional funding outside of approved funding.
Financial	New spending above LTP of \$30,000.
OPTION 3:	Decline funding request and do not host the NZ Squash Open 2027
Benefits	No additional spend.
Risks	Palmerston North may not host the NZ Squash Open 2027 and not realise the economic and social benefit. Potential reputational risk to the city and relationships with external parties such as Squash NZ and local sporting community
Financial	None.

RATIONALE FOR THE RECOMMENDATIONS

1. OVERVIEW OF OPPORTUNITY

- 1.1 Palmerston North has been identified as a potential host city for the 2027 NZ Squash Open in February 2027. This hosting arrangement is dependent on funding and support from corporate sponsors and Palmerston North City Council. Council support, if approved, could include an operational cash grant and the provision of marketing and promotional support.
- 1.2 Council consideration of this event is time-sensitive, with host city confirmation required within the current month to enable event planning. A decision is therefore required imminently.
- 1.3 The required funding and support falls outside the current Support and Funding Policy, therefore it requires a Council decision. This is due to the requested amount being higher than the funding limits of the policy for the Major Events Fund.

2. BACKGROUND OF THE EVENT

- 2.1 The New Zealand Squash Open is an internationally significant annual event. The event has a strong history of being held in larger cities such as Auckland and Christchurch.
- 2.2 Squash NZ and the delivery model of the event were restructured in 2022 to a joint venture model between NZ Squash, local clubs and the international Squash body, which provides a solid financial structure to drive sponsorship and underwriting of the NZ Squash Open.
- 2.3 Squash will be included in the 2028 Summer Olympic Games in Los Angeles for the first time. Squash NZ have developed a focused series of events leading up to the Olympics, which they have called “The Road to LA”. This increased status of the sport provides an opportunity to maximise hosting opportunities in the lead up to the Olympics and has seen an increase in quality and quantities of players in attendance from New Zealand and overseas.

3. BENEFIT FOR PREVIOUS HOST CITIES

- 3.1 The NZ Squash Open attracts international media attention and exposure for the host region with global broadcast arrangements in place annually to over 100 countries and in excess of 3,000,000 viewers.
- 3.2 Economic modelling from previous events shows host cities benefit from this event. Squash NZ delivers parallel events in conjunction with the open and will include other age group tournaments during the week such as under 19 or senior open classes. These bring additional players and large support groups, increasing hospitality and accommodation spend. Squash NZ have indicated that the Junior Open would be included in 2027 if Palmerston North were to host the event.
- 3.3 Past events have attracted over 5,000 visitors and gross benefit exceeding \$1,200,000 and net benefit of approximately \$300,000 for the host city.

4. PROPOSED HOSTING ARRANGEMENT FOR PALMERSTON NORTH

- 4.1 Palmerston North to host the New Zealand Squash Open from 15 February to 21 February 2027.
- 4.2 The event would be hosted primarily at The Regent on Broadway with support from local squash clubs across the city. A temporary glass show court would be installed on stage at The Regent on Broadway (as demonstrated below from the Christchurch event in 2025) with public seating in the auditorium with VIP and corporate hosting space surrounding the court on the stage.



- 4.3 Squash NZ is engaging with a range of national and local sponsors to support the event by Squash NZ and provide the majority of operational funding. Other support organisations have also aligned to partner with the event, such as the new Tryp Hotel, which will be the official hotel for the event. Others have supported in principal, contingent on Council partnership such as Central Energy Trust, Sport Manawatu, Marist Sport, CEDA, Palmy BID and the Manawatū Business Chamber.
- 4.4 The event has an indicative budget of approximately \$650,000.
- 4.5 An appropriate funding level from the council should include a \$50,000 cash grant alongside city marketing and event support delivered by existing budgets.
- 4.6 Current funding avenues of Major Events Fund and Sports Partnership Fund are both heavily subscribed and committed at present with limited scope to utilise these funds minimising opportunities in the next year.

5. ADDITIONAL MARKETING SUPPORT

- 5.1 If Council approves funding, the Marketing team will align a City marketing campaign to support the event. We have successfully taken this approach with events such as the Davis Cup, using the opportunity to promote Palmerston North to visitors already travelling for another purpose. That campaign highlighted things to see and do in the city alongside the event and attracted over 1,500 entries, largely from Auckland and Wellington, increasing national awareness of the city and the wider



visitor offer. A similar approach would be taken here, targeting key flight and drive markets nationwide.


At the local level, we would create a visible, welcoming atmosphere in the city through flags, banners, and potential business involvement (to be confirmed as we get closer to the event). Both the City marketing campaign and local activations would be delivered within existing budgets. This is possible because the budgets are flexible, allowing us to leverage timely opportunities like this as they arise.

6. COMPLIANCE AND ADMINISTRATION

Does the Council have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these objectives?	No
Are the recommendations inconsistent with any of Council’s policies or plans?	No
<p>The recommendations contribute to: Whāinga 1: He tāone auaha, he tāone tiputipu Goal 1: An innovative and growing city</p> <p>Whāinga 2: He tāone whakaihiihi, tapatapahi ana Goal 2: A creative and exciting city</p>	
<p>The recommendations contribute to this plan:</p> <ol style="list-style-type: none"> 1. Mahere hoahoa tāone 2. Economic Development Plan <p>The objective is: Attract, fund and manage events which bring significant economic benefit to the city (through the Major Events, Art Event Fund and Sports Event Partnership Fund)</p>	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	The Major Events Fund prioritises events that promote the economic wellbeing of the city, but which also contribute to social, environmental and cultural wellbeing.

ATTACHMENTS

1. Invitation to Host the NZ Squash Open 2027 in Palmerston North [!\[\]\(71dda00aec73e238c336110941bb717f_img.jpg\)](#) 
2. Sport Manawatu Letter of Support [!\[\]\(0e1b9250571632e30556f1e2c5084dbf_img.jpg\)](#) 

3. CEDA Letter of Support [↓](#) 

MEMORANDUM

TO: Council

MEETING DATE: 11 February 2026

TITLE: Annual Budget (Plan) 2026/27 - Adoption of Consultation Document and Supporting Information

PRESENTED BY: Steve Paterson, Manager - Financial Strategy & Scott Mancer, Manager - Finance

APPROVED BY: Cameron McKay, General Manager Corporate Services

RECOMMENDATION(S) TO COUNCIL

1. That Council adopt the Supporting Information for the proposed 2026/27 Annual Budget (Attachment 1), as the material relied upon to prepare the Consultation Document.
 2. That Council adopt the Consultation Document for the proposed 2026/27 Annual Budget (Attachment 2).
-

1. ISSUE

1.1 At its meeting on 10 December 2025 Council resolved to:

“... instruct the Chief Executive to prepare a draft of the Consultation Document and Supporting Information for the Annual Budget 2026/27 for consideration by the Council at its meeting on 11 February 2026 and that it contains:

- a. Renewal capital programmes as outlined in Attachment 5, subject to the following:
 - Reduce Programme 2495 – Council Chambers refresh from \$313K to \$0K in the 26/27 budget and refer the programme to the 2027/37 Long-Term Plan
 - That the budget for Programme 213 – Cultural Facilities Renewals remains as proposed in the Long-Term Plan (\$522K).
 - That the budget for Programme 1786 – Recreational Buildings, Sports Pavilion and Changing Rooms remain as proposed in the Long-Term Plan (\$209K).

- That the consultation document include options to increase the footpath renewal budget by \$1.47M to align with the depreciation cost, \$1M, or \$500K, and the rating impact of these options.
- b.** Capital New and Growth programmes outlined in Attachment 6, which includes programme 1681 (Kikiwhenua Transport) highlighted in clause 9.2; subject to the following:
- Programme 2361 – That CET Arena replacement roof be moved forward into the draft 2026/2027 Annual Budget (\$2.131M)
 - Reduce Programme 902 - Seismic Strengthening from \$2,089K to \$1M in the 26/27 budget, to provide additional time for consideration of new legislative framework and how this applies to our portfolio and refer the programme to the 2027/37 Long-Term Plan
 - Reduce the following programmes to \$0 for the 26/27 budget and refer the programmes to the 2027/37 Long-Term Plan:
 - Programme 1846 - \$192K – City reserves – walkway extension.
 - Programme 1845 - \$102K – Te Marae o Hine – The Square.
 - Bringing forward Programme 2366 (Hydroslides) from 2029/30 to 2026/27 and updating the associated budgets as identified in Attachment 7
- c.** Operating programmes as outlined in Attachment 4, which continue to include those highlighted in clause 9.2.
- d.** Operating budgets as outlined in Attachments 1-3 subject to increasing the footpath maintenance budget by \$200K.
- e.** Significant budget assumptions as outlined in Section 5.”
- 1.2 This report provides the information required in response to the resolutions above and seeks adoption of the content of the draft Consultation Document and Supporting Information.
- 1.3 Following the 10 December 2025 meeting it was confirmed that the full budget for transition to Central Districts Water could be funded from debt which is a consistent approach amongst the shareholding councils. This reduced the rates requirement by \$400K and means the increase in total rates is now 4.9% (compared with the provisional figure of 5.2% following debate decisions on 10 Dec).

2. BACKGROUND

General

- 2.1 Council’s 2026/27 Annual Budget timetable schedules the budget will be adopted on 3 June 2026 and that to meet this objective the Consultation Document and Supporting Information will be adopted on 25 February 2026. Material in this report is based on decisions made at the Council meeting of 10 December 2025. Given the progress made at the December meeting it is now proposed the Consultation Document and Supporting Information be adopted at this meeting.
- 2.2 A draft of the proposed Consultation Document is attached. It highlights what changes there are from Year 3 of the Long-Term Plan, primarily due to changed circumstances and updated timelines for some programmes. It also highlights proposed rates levels for (average) properties.
- 2.3 A strategy for public engagement has been developed. This will include provision of the Consultation Document and Supporting Information on Council’s website and at the Customer Service Centre and libraries. There will be opportunities for group meetings and for information to be provided through social media channels. It is intended that a brief document will be delivered to all households.
- 2.4 We plan to have proposed rates for each property available to be viewed on the Council’s website.
- 2.5 The public will have the option of making a submission and being heard by Council.
- 2.6 Following the consultation period and hearings, the Council will be required to adopt its final Annual Budget (Plan) prior to 30 June 2026 (currently scheduled for 3 June following a deliberations meeting on 6/7 May 2026).
- 2.7 Attached are the following:

Attachment 1– drafts of the supporting information, including changes to capital and operating budgets as resolved at the 10 December 2025 meeting:

- Financial overview and forecast financial statements
- Annual Budget (Plan) Disclosure Statement
- Groups of Activities information, including financial forecasts and programme schedules
- Significant forecasting assumptions
- Descriptions of the proposed rating system, rates and funding impact statements
- Levels of service and performance measures

Attachment 2 – draft of the proposed Consultation Document

Attachment 3 – draft of the submission form

Attachment 4 – depreciation budgets changes

Budget Update

- 2.8 The budget is based on Year 3 of the Long-Term Plan updated to reflect subsequent decisions of Council. Key matters influencing the preparation of the annual budget were outlined in the report to the meeting on 10 December 2025. The current proposed rates increase for 2026/27 is lower than that included in Year 3 of the Long-Term Plan.
- 2.9 Tables 1-3 below provide the latest summary of the draft budget compared to the Long-Term Plan.

Table 1: Funding of Operating Expenses (\$M)	Adopted Annual budget 2025/26	Long-Term Plan 2026/27	Annual Budget 2026/27 (Dec draft)	Annual Budget 2026/27 (Feb draft)
Personnel	63.3	64.8	65.7	65.7
Depreciation	49.6	54.3	49.9	48.2
Finance (interest)	14.1	20.5	14.5	14.5
All Other Operating Expenses	80.9	81.2	84.3	84.7
Total operating expenses	207.8	221.1	214.4	213.1
Operating subsidies & grants	(6.5)	(5.5)	(5.5)	(5.5)
Finance revenue	(0.5)	(0.4)	(0.6)	(0.6)
Other revenue	(40.2)	(41.4)	(42.4)	(42.7)
Total operating revenue	(47.2)	(47.4)	(48.5)	(48.8)
Net operating expenses	160.6	173.8	165.9	164.3
Less:				
Depreciation	(49.6)	(54.3)	(49.9)	(48.2)
Operating expenses funded from debt	(5.1)	(2.0)	(4.8)	(5.1)

Plus:				
Renewals (3-year rolling average)	30.8	32.2	29.7	30.0
Debt repayment	9.1	11.7	12.3	12.3
Total rates requirement	145.9	161.7	153.2	153.1

Table 2: Components of increased rates requirement	Adopted Annual budget 2025/26	Long-term Plan¹ 2026/27	Annual budget² 2026/27 (Dec draft)	Annual budget³ 2026/27 (Feb draft)
Interest Costs on Debt	(0.3%)	2.3%	0.3%	0.2%
Debt Repayment	1.0%	1.4%	2.2%	2.2%
Rolling Average Renewal increase	1.6%	0.9%	(0.8%)	(0.6%)
Labour Costs – Market Movement	3.0%	1.6%	1.6%	1.6%
Utilities and Insurance	0.3%	0.1%	0.0%	0.0%
Software Licenses	0.1%	0.6%	0.8%	0.8%
All other (Contractors, Prof Services, Materials)	2.2%	1.0%	1.8%	1.8%
Revenue (excluding rates)	(1.3%)	0.6%	(0.9%)	(1.1%)
Increase in total rates requirement	6.6%	8.5%	5.0%	4.9%

¹ The LTP assumed there would be a rate increase of 8.9% in 2025/26 rather than the final outcome of 6.6%. Noting this, the percentages in the “Long-term Plan 2026/27” column are against the published LTP figures for 2025/26 rather than the adopted annual budget of 25/26.

² The percentages shown represent the change compared with the 2025/26 Annual Budget.

³ The percentages shown represent the change compared with the 2025/26 Annual Budget.

Table 3: Funding of Capital Expenditure (\$M)	Adopted Annual budget 2025/26	Long-term Plan 2026/27	Annual Budget 2026/27 (Dec draft)	Annual Budget 2026/27 (Feb draft)
Renewals	34.3	35.9	33.3	35.6
Capital for growth	9.9	25.0	13.3	13.3
Capital new	53.1	97.2	50.4	49.9
Total capital expenditure	97.4	158.1	97.1	98.6
Funding from external sources	12.5	38.1	9.0	9.0
Funding from rates (renewals)	30.8	32.2	29.7	30.0
Funding from additional debt	54.1	87.8	58.4	59.8

Depreciation & Renewals especially related to Footpaths

- 2.10 As part of the preparation of the supporting information we have reviewed the reasonableness of the budgets for depreciation. Earlier in the budget preparation process this has not been a focus as the Council’s financial strategy is to fund the rolling three-year average of the forecast capital renewal requirements rather than depreciation. Depreciation budgets have typically been updated later in the process and were scheduled to be completed as part of finalising the budget for the May deliberations meeting. As part of normal process, the depreciation budget will continue to be reviewed prior to the adoption of the final Annual Budget.
- 2.11 The funding of depreciation is a topic that will be reconsidered as the updated financial strategy is developed through the next LTP process. It has also come into focus when considering the response to the government’s proposed rates funding cap regime.
- 2.12 Our review has highlighted the need to amend the depreciation figures for the 2026/27 budget for a number of activities. The effect of this is to either increase or decrease the budgeted operating cost for those activities but it does not impact on the rates required for them. The changes to the depreciation budgets are shown in the table in **Attachment 4**.

- 2.13 One of the activities impacted is footpaths. Our original draft included a budget of \$2.67m for depreciation for this activity and as a consequence there was discussion at the December Council meeting about the difference between that figure and the planned renewal figure of \$1.15m. This culminated in a resolution to seek public feedback (through the consultation document for the budget) on options to increase the level of renewals expenditure by \$500k, \$1m or \$1.47m.
- 2.14 As the depreciation figures for footpaths has now been updated to \$1.39m, the difference between the planned renewals and depreciation is not as large as first thought. The difference of \$230k is not so significant compared with the Council's overall budget.
- 2.15 The most recent assessment of footpath condition however indicates there is a significant backlog of renewal work to be done to footpaths to meet the desired level of service. At the present time that backlog is assessed as taking about 16 years to clear. An additional \$500k p.a. could enable the backlog to be cleared by 11 years, \$1m by eight years and \$1.5m by seven years. In light of this, a section of the draft Consultation Document focuses on this issue.

3. RATES ISSUES

- 3.1 The budget assumes total rates revenue will need to increase by 4.9%.

Assumptions

- 3.2 The following key assumptions relate to the rates system for 2026/27:
 - The latest city revaluation was in 2024 so the rating values, used as the base to set and assess rates, will remain the same as for 2025/26.
 - The Uniform Annual General Charge (UAGC) will remain at \$300.
 - Targeted rates for services will be changed to reflect the updated costs for 2026/27 as incorporated in the budget.
 - There will be no change to the rating differentials applied to the land value based general rate and the capital value based targeted rate.
 - The third stage of the implementation of the increased share of the rates based on the capital value will mean the targeted rate will not only fund the economic development, transport, urban design and housing activities but also a significant portion of the recreation and play activities.

Targeted rates

3.3 The targeted rates for services are proposed to be as follows:

	Actual for 2025/26 (\$ GST incl.)	Draft for 2026/27 (\$GST incl.)
Water	487	479
Wastewater	397	433
Kerbside recycling	188	134
Rubbish & public recycling	69	128
Metered water:		
Fixed charge for connections (<= 25mm)	253	266
Fixed charge for connections (> 25mm)	540	567
Variable charge per cubic metre	1.96305	2.0612

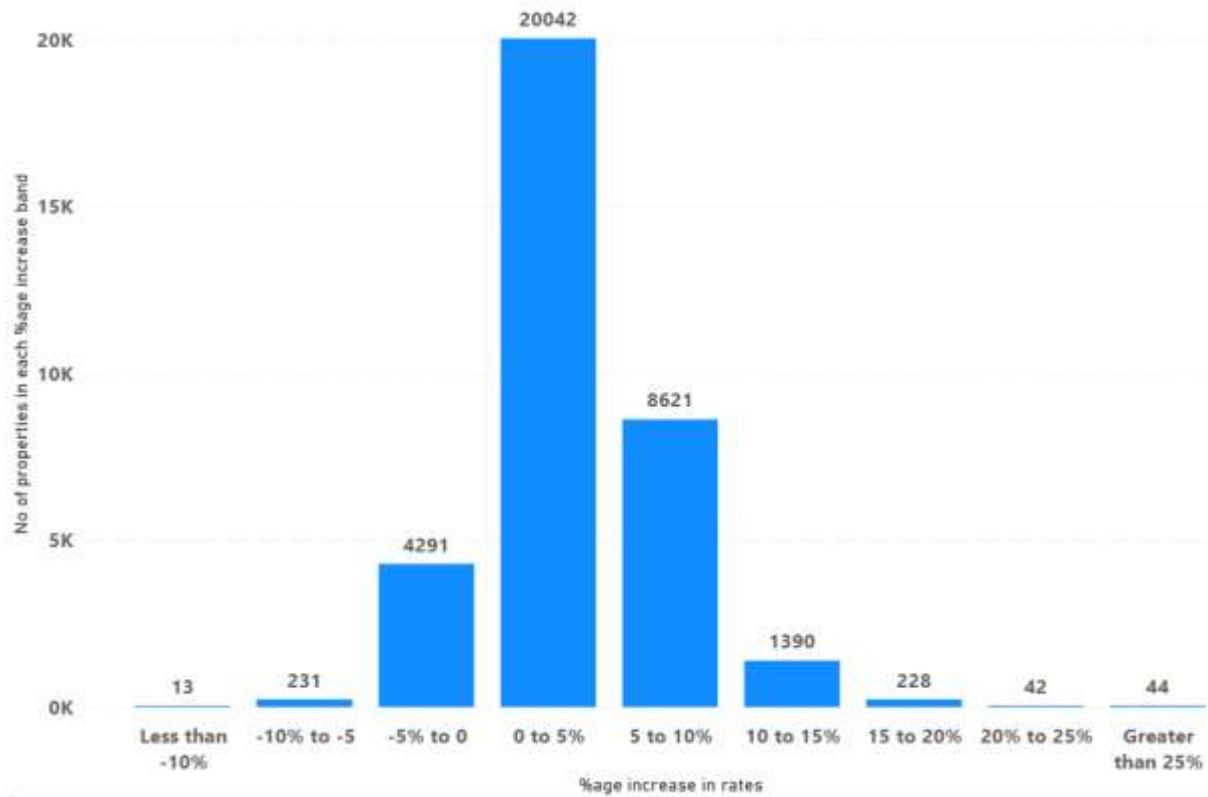
Resource Recovery targeted rates

3.4 During a detailed review of the underlying calculations for the split of the resource recovery costs into kerbside recycling and rubbish and public recycling it has been realised that the costs allocated to kerbside recycling have been overstated for 2025/26. This has been adjusted for 2026/27 and means there will be a reduction in the kerbside recycling rate and an increase in the rubbish and public recycling rate. Properties that are on the kerbside recycling route will experience an overall increase of \$5 (for the combined rates). However, properties that are not on this route, which have been undercharged in recent years, will experience an increase of \$59. The rationale for having two targeted rates for the resource recovery activity is that ratepayers outside of the kerbside recycling route should also contribute to the costs of providing transfer stations, disposing of rubbish from public areas, addressing fly tipping etc.

Rates Incidence

- 3.5 As is always the case, the change in the level of rates for individual properties will not be the same as the movement in the total rates but will vary depending on the ratio of capital to land value and whether or not they are charged all of the targeted rates.
- 3.6 As the rateable values used for the rates calculations for 2026/27 are the same as those used for 2025/26 (i.e. the 2024 city revaluation) there will be more predictable rates movements for 2026/27 than was the case for 2025/26.
- 3.7 Properties with a higher than average ratio of capital to land value will experience higher than average rates increases whilst those with a lower than average ratio will experience lower increases, or in some cases reductions.

3.8 The following chart shows, at a high level, the range of movements in the level of rates for individual properties



3.9 Charts showing proposed movement in rates for properties in each differential rating category are appended in **Attachment 5**.

4. NEXT STEPS






4.1 Officers will make any changes resulting from the Council’s decisions then proceed with the consultation process.

4.2 The consultation period is scheduled for 11 March to 10 April, with hearings 22/23 April and deliberations by the Council on 6/7 May. At the May meeting, Council will consider not only the submissions received, but also updates from officers on progress with the capital programme for 2025/26. This will allow Elected Members to assess deliverability for 2026/27.

5. COMPLIANCE AND ADMINISTRATION

Does the Council have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these objectives?	Yes
Are the recommendations inconsistent with any of Council’s policies or plans?	No
<p>The recommendations contribute to the achievement of objective/objectives in:</p> <p>14. Mahere mana urungi, kirirarautanga hihiri</p> <p>14. Governance and Active Citizenship Plan</p> <p>The objective is: Base our decisions on sound information and advice</p>	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	The Annual Budget process is an essential procedural step to enable the Council to fulfil its legislatively prescribed planning and reporting accountability obligations.

ATTACHMENTS

1. Annual Budget 2026-27 Draft Supporting Information (attached separately) 
2. Draft Consultation Document [↓](#) 
3. Annual Budget 2026-27 Draft Submission Form [↓](#) 
4. Depreciation Budget Changes [↓](#) 
5. Rates increase graphs by differential rating category [↓](#) 

MEMORANDUM

TO: Council

MEETING DATE: 11 February 2026

TITLE: Quarterly Performance and Financial Report - period ending 31 December 2025

PRESENTED BY: Scott Mancer, Manager - Finance, Glenn Bunny, Manager - Property and Project Management, Stephanie Velvin, Manager - Organisational Planning and Performance

APPROVED BY: Cameron McKay, General Manager Corporate Services

RECOMMENDATION(S) TO COUNCIL

1. That Council receive the report titled ‘Quarterly Performance and Financial Report – period ending 31 December 2025’, and related attachments, presented on 11 February 2026.
2. That Council approve an increase to Professional Services budget of \$1,300,000 and a corresponding increase to Operational Revenue of \$1,300,000.
3. That Council approve an increase to Programme 2345 – Property – Solar Panel Installations budget of up to \$420,000 and an increase to Capital New Revenue budget of up to \$420,000 subject to funding being confirmed.

1. ISSUE

To provide an update on the performance and financial achievements of the Council for the period ending 31 December 2025.

2. BACKGROUND

Details of operating, capital and non-financial performance are included in the attached report, with further information provided through the appendices to the report.

Budget Change Requests

Planning Services

Planning Services is currently below full staffing capacity, and although recruitment is ongoing, it continues to be challenging. To maintain delivery of the Private and Public

Planning Activity, professional services are being used in the interim to fill internal capacity gaps, with these costs recovered from applicants. As a result, professional services expenditure and corresponding operating revenue are forecast to be approximately \$1,300,000 higher than anticipated.

Therefore, an increase of \$1,300,000 in the Planning Services professional services budget and a matching \$1,300,000 increase in operating revenue is requested.

Property – Solar Panel Installation

Council is applying to the Energy Efficiency & Conservation Authority (EECA) for co-funding through the Community Renewable Energy Fund to install solar and battery systems at six civil defence centres. The total project cost is estimated at \$750,000 (to be confirmed). We currently expect EECA to contribute \$70,000 per site (\$420,000 total), with the remaining cost funded from the existing Low Carbon Fund (LCF).

We are requesting that Programme 2345 – Property – Solar Panel Installations be increased by up to \$420,000, and that capital revenue be increased by the same amount, subject to EECA funding being secured.

3. NEXT STEPS





The 9-month results are expected to be presented to the relevant Committee in May 2026.

4. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these objectives?	Yes
Are the recommendations inconsistent with any of Council’s policies or plans?	No
<p>The recommendations contribute to:</p> <p>Whāinga 1: He tāone auaha, he tāone tiputipu Goal 1: An innovative and growing city</p> <p>Whāinga 2: He tāone whakaihiihi, tapatapahi ana Goal 2: A creative and exciting city</p> <p>Whāinga 3: He hapori tūhonohono, he hapori haumaruru</p>	

<p>Goal 3: A connected and safe community</p> <p>Whāinga 4: He tāone toitū, he tāone manawaroa</p> <p>Goal 4: A sustainable and resilient city</p>	
<p>The recommendations contribute to this plan:</p> <p>14. Mahere mana urungi, kirirarautanga hihiri</p> <p>14. Governance and Active Citizenship Plan</p> <p>The objective is: The objective is: Oversee Council operations and communicate outcomes and decisions to our communities</p>	
<p>Contribution to strategic direction and to social, economic, environmental and cultural well-being</p>	<p>To enable Council to exercise governance by reviewing financial performance and operating performance and provide accountability for these to the public.</p>

ATTACHMENTS

1. Council Dashboard December 2025 [↓](#) 
2. Quarterly Performance and Financial Report December 2025 [↓](#) 
3. Quarterly Performance and Financial Report December 2025 Appendix 1 [↓](#) 
4. Quarterly Performance and Financial Report December 2025 Appendices 2-11 [↓](#) 

MEMORANDUM

TO: Council

MEETING DATE: 11 February 2026

TITLE: Treasury Report - Six months ending 31 December 2025

PRESENTED BY: Steve Paterson, Manager - Financial Strategy

APPROVED BY: Cameron McKay, General Manager Corporate Services

RECOMMENDATION TO COUNCIL

1. That Council note the performance of Council’s treasury activity for the six months ending 31 December 2025.
-

1. ISSUE

- 1.1 To provide an update on the Council’s treasury activity for the six months ending 31 December 2025.

2. BACKGROUND

- 2.1 The Council’s 2025/26 Annual Budget forecast additional debt of \$48.2m would need to be raised during the 2025/26 year to fund the \$63.1m of new and growth capital expenditure programmes (including assumed carry forwards from 2024/25). On 4 June 2025 Council authorised the Chief Executive to borrow up to an additional \$49m for its purposes during 2025/26.
- 2.2 Council’s Financial Strategy (adopted 26 June 2024) contains the following ratios which the Council has determined to be prudent maxima:
 - Net debt as a percentage of total assets not exceeding 20%
 - Net debt as a percentage of total revenue not exceeding 250%
 - Net interest as a percentage of total revenue not exceeding 15%
 - Net interest as a percentage of annual rates income not exceeding 20%
- 2.3 The Treasury Policy (embracing the Liability Management and Investment Policy), an updated version of which was adopted by the Council on 14 February 2024, also contains a number of other criteria regarding debt management.

3. PERFORMANCE

- 3.1 The Council’s credit rating from S&P Global Rating (AA- stable) confirmed on 7 May 2025 remains unchanged.
- 3.2 **Schedule 1** attached shows the details of Council’s debt as at 31 December 2025. Debt levels were within the policy parameters outlined in section 2 of this report.
- 3.3 The summarised **term debt** movements are shown in the following table:

	Annual Budget 2025/26 \$m	Actual – 3 months 2025/26 \$m	Actual – 6 months 2025/26 \$m	Actual – 9 months 2025/26 \$m	Actual – 12 months 2025/26 \$m
Debt balance at 1 July 2025:					
• Core Council debt	296.8	293.3	293.3		
• Debt on behalf of PNAL	12.0	12.0	12.0		
<u>Plus:</u> new debt #2	48.2	24.0	31.9		
<u>Less:</u> debt repayments #2	0	(1.9)	(1.9)		
Closing gross debt balance	357.0	327.4	335.3		
<u>Comprising:</u>					
Bank advance (on call)	0	0	0		
LGFA stock	357.0	327.4	335.3		
<u>Less:</u>					
Deposits held for debt repayment	0	0	0		
Sum advanced to PN Airport Ltd	0	(16.0)	(23.5)		
Net Council related term debt	\$345.0	\$311.4	\$311.8		
<u>Less:</u>					
Cash & short-term deposits		(13.3)	(16.5)		
Net Council related debt	\$345.0	\$298.1	\$295.3		

#1 The Council’s LTP & AB do not currently include the debt related to PNAL.

#2 A portion of the Council’s debt is drawn on a daily basis – daily drawdowns and repayments are not included in these figures but the net draw or repayment for the year to date is shown as part of new debt or debt repayment as appropriate.

3.4 Gross debt at 31 December 2025 was \$335.3m compared with \$305.3m at 1 July 2025.

3.5 The debt raised in the six months to 31 December 2025 is explained further in the following table:

	Position as at 1 July 2025 \$m	Position as at 31 December 2025 \$m	Change YTD \$m
Gross debt	305.3	335.3	30.0
<u>Less:</u> portion relating to PNAL	(12.0)	(23.5)	(11.5)
Gross debt relating to Council	293.3	311.8	18.5
<u>Less:</u> term deposit held to repay maturing debt	0	0	0
Net Council related term debt	293.3	311.8	18.5
<u>Less:</u> Cash & short-term deposits	(0.9)	(16.5)	(15.6)
Net Council related debt	\$292.4	\$295.3	\$2.9

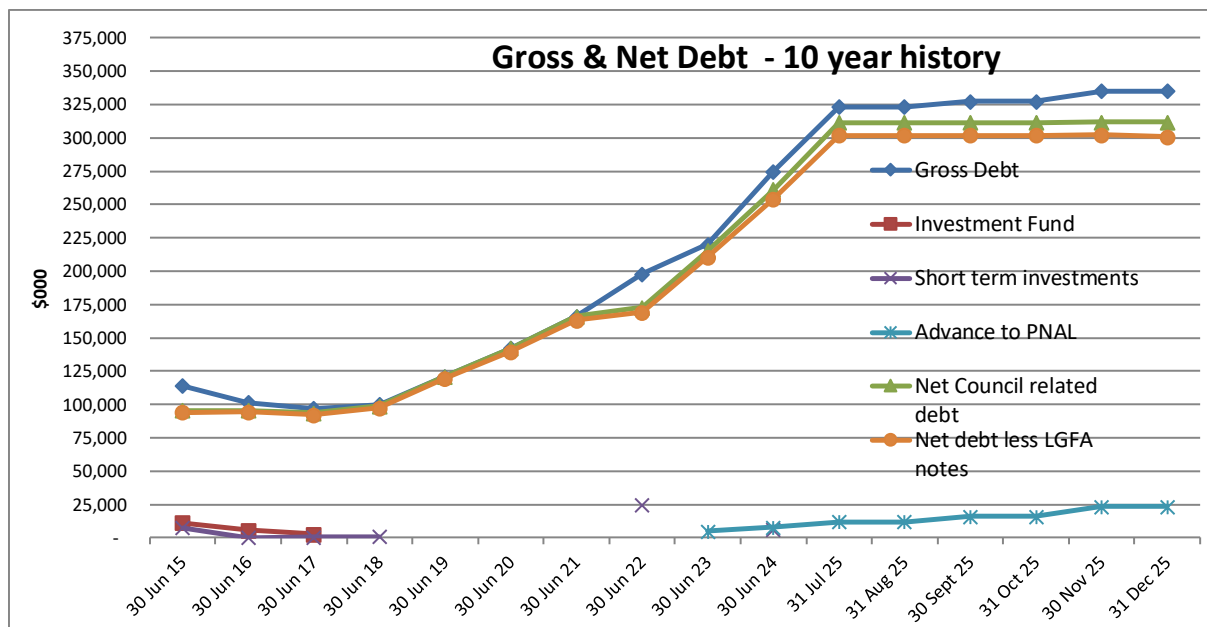
3.6 This shows Council related net additional term debt of \$18.5m was raised during the six months. This compares with the authorised total sum for the year of \$49m mentioned in clause 2.1.

3.7 In addition to deducting any liquid deposits from the gross debt when determining the net debt LGFA also deducts the value of the LGFA borrower notes that the Council is required to invest in each time it borrows from the LGFA. At the present time this investment is required to be 2.5% of the sum borrowed. For example, it means that if the Council borrows \$10m it receives \$9.5m in cash and \$0.5m as an investment in notes. The notes have the same maturity date as the underlying borrowing and interest is paid to the Council on maturity at the borrowing rate less 0.2%.

3.8 The net debt after deducting the value of borrower notes is shown in the following table:

	Position as at 1 July 2025 \$m	Position as at 31 December 2025 \$m
Net Council related debt (as above)	292.4	295.3
Value of Council investment in LGFA borrower notes	(9.5)	(11.0)
Net Council related term debt after deducting value of borrower notes	\$282.9	\$284.3

3.9 A 10-year history of the gross & net debt is shown in the following graph:



3.10 Actual finance costs incurred by the Council depend on the actual debt levels and the interest rate. During the six months gross finance costs (including interest, line fees and the effects of payments relating to swaps) amounted to \$6.2m compared with the budget for the year of \$14.1m.

3.11 The net finance cost (after considering the interest income from the advance to Palmerston North Airport Ltd) is \$5.48m compared with the budget for the year of \$13.76m.

3.12 The effective weighted average interest rate for the year is 3.8% compared with the budgetary assumption of 4.4%.

- 3.13 The Council has entered financial instruments related to its debt portfolio utilising swap trading lines established with Westpac, ANZ and BNZ. The details of these are shown in **Schedule 2 attached**.

To maintain policy compliance two new \$10m five-year swaps were entered during December at fixed rates of 3.73% and 3.77%.

The value of swap instruments is measured in terms of its 'mark-to-market', i.e. the difference between the value at which the interest rate was fixed and the current market value of the transaction. Each of these transactions was valued at the date they were fixed and again at the reporting date. Financial reporting standards require the movement in values to be recorded through the Council's Statement of Comprehensive Income (Profit & Loss Account). They have been revalued as at 31 December 2025. The latest valuation is a net liability of \$0.54m compared with a net asset of \$1.02m as at 30 June 2025. The reduction in asset value of \$1.56m is a consequence of reducing market interest rates.

- 3.14 The Council's Treasury Policy contains guidelines regarding the measurement of treasury risk as follows:
- Funding and liquidity risk is managed by the Council maintaining a pre-set portion of its debt in a range of maturity periods, e.g. < 3 years, 3 - 7 years, 7 years +.
 - Interest rate risk is managed by the Council maintaining the ratio of debt that is subject to floating versus fixed interest rates within pre-set limits.
- 3.15 The position compared to the policy is illustrated in the graphs in **Schedule 3 attached**.
- 3.16 The funding and liquidity risk position can be summarised as follows:
- Council's liquid position complies with policy.
 - Since 1 July 2025 \$31.9m of term debt has been raised and \$1.9m of bank debt has been repaid.
 - Council's policy is that between 15-60% of the loans and committed facilities can mature within the period of up to three years. At 31 December 2025 63% of the maturities fall within the three-year period. The portfolio is being kept marginally shorter than policy expectations at present to provide flexibility for debt transfer to Central District's Water on 1 July 2027.
- 3.17 The interest rate risk position describes the portion of the overall forecast debt that is fixed versus floating and can be summarised as follows:
- There is uncertainty about forecast levels of future debt – this very much depends on a number of factors including future Council decisions on the proposed capital expenditure programme, the debt transfer arrangements for

the new three waters entity, and the extent of external funding able to be organised from other arrangements.

- Policy compliance at 31 December 2025 is based on the debt forecasts in the adopted Long-term Plan updated by the 2025/26 Annual Budget.

3.18 The Treasury Policy also contains requirements in relation to counterparty credit risk – this relates to investments and financial risk management instruments.

The position as at 31 December 2025 is shown in **Schedule 4 attached**.

3.19 Council’s credit lines with the banks include a \$20m three-year credit facility with Westpac Bank (maturing 31 October 2028) and a revolving \$25m three-year facility with ANZ Bank (maturing 31 March 2028). In March 2025 a new revolving 15 month \$10m standby line was arranged with LGFA.

4. CONCLUSION AND NEXT STEPS

4.1 Gross finance costs for the six months to 31 December (including interest, line fees and the effect of swaps) was \$6.2m compared with budget for the year of \$14.1m. The net finance cost (after considering the interest income from term investments and the advance to Palmerston North Airport Ltd) is \$5.48m compared with the budget for the year of \$13.76m.

4.2 In conjunction with Council’s treasury advisors hedging instruments are regularly reviewed in an effort to ensure the instruments are being utilised to best advantage as market conditions change. The level of hedging cover is also reviewed as the forecasts of future debt levels are revised.

4.3 Council’s borrowing strategy is continually reviewed, in conjunction with Council’s treasury advisors, to ensure best advantage is taken of Council’s quality credit rating.


4.4 A further performance report will be provided after the March 2026 quarter.

5. COMPLIANCE AND ADMINISTRATION

Does the Council have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these objectives?	Yes
Are the recommendations inconsistent with any of Council’s policies or plans?	No

<p>The recommendations contribute to: Not Applicable</p>	
<p>The recommendations contribute to this plan: 14. Mahere mana urungi, kirirarautanga hihiri 14. Governance and Active Citizenship Plan The objective is: To enable the Council to exercise governance by reviewing and monitoring Council's treasury performance.</p>	
<p>Contribution to strategic direction and to social, economic, environmental and cultural well-being</p>	<p>Managing the Council's treasury activity is a fundamental component of day to day administration of the Council.</p>

ATTACHMENTS

- Schedules 1 - 4 [↓](#) 

REPORT

TO: Council

MEETING DATE: 11 February 2026

TITLE: Local Water Done Well - Initiating the Shareholders Committee for the joint Water Services Council-Controlled Organisation known as Central Districts Water

PRESENTED BY: Chris Dyhrberg - Deputy CEO / Executive Director Central Districts Water, Mike Monaghan - Manager Three Waters and Julie Keane - Transition Manager

APPROVED BY: Waid Crockett, Chief Executive Officer
Glen O'Connor, Acting General Manager Infrastructure

RECOMMENDATION(S) TO COUNCIL

1. That, subject to confirmation by the Horowhenua District and Rangitikei District Councils, the Palmerston North City Council *initiate* the Shareholders Committee for Central Districts Water under clause 30(1)(b) of Schedule 7 to the Local Government Act 2002, having regard to the terms of reference set out in the Shareholders Agreement approved by Council at its meeting on 10 December 2025, and *determines* (in terms of clause 30(7) of Schedule 7 to the Local Government Act 2002) that the Committee will not be discharged following the triennial local elections.
2. That Council agree (in terms of clause 30(7) of Schedule 7 to the Local Government Act 2002) that the Shareholder Committee will not be discharged following the triennial local elections.
3. That Council *notes* the roles and responsibilities of the Shareholders Committee, as stated in Schedule 3 of the Shareholders' Agreement and, in terms of clause 30A(2)(d) of Schedule 7 in the Local Government Act 2002, *delegate* to the Shareholders Committee and the members of that committee those roles and responsibilities.
4. That Council *appoint* with the delegated power to make decisions in accordance with the Committee's terms of reference the following persons as the Council's representatives on the Shareholders Committee for Central Districts Water:
 - Mayor Grant Smith
 - Kaydee Zabelin
 - Brent Barrett (alternate)
5. That, subject to confirmation of the Horowhenua District and Rangitikei District Councils, Council confirm the appointment of the following persons nominated by Ngā Tapuwāe o Hau as the Mana whenua representatives on the Shareholders Committee

for Central Districts Water with the delegated power to make decisions in accordance with the Committee’s terms of reference:

- Kurahaupo Confederation: Danielle Harris
- Alternate for Danielle Harris: Di Rump
- Tainui Confederation: Hayden Turoa
- Alternate for Hayden Turoa: Tiwana Tibble
- Iwi of the greater Rangitīkei Region: Marj Heeney
- Alternate for Marj Heeney: Suze Hepi

6. That, subject to confirmation of the Horowhenua District and Rangitīkei District Councils, Council *delegate* to the Council’s representatives on the Shareholders Committee for Central Districts Water the power to confirm any replacement iwi members nominated in writing by Ngā Tapuwāe o Hau.

1. ISSUE

- 1.1 This report proposes the appointments and confirms delegations to the Shareholders Committee for the joint Water Services Council-Controlled Organisation known as Central Districts Water.
- 1.2 Once these appointments and delegations are confirmed, the Committee is able to meet and confirm the appointment of an Independent Chairperson and the Board of Directors.
- 1.3 These decisions mean the governance structure for Central Districts Water has been established.

2. BACKGROUND AND PREVIOUS COUNCIL DECISIONS

- 2.1 At their December 2025 meetings, the Shareholding Councils approved the Constitution and Shareholders’ Agreement for the joint Water Services Council-Controlled Organisation known as Central Districts Water.
- 2.2 Clause 6.2 of the [Shareholders’ Agreement](#) established the Shareholders Committee as a joint committee under clause 30(1)(b) of Schedule 7 to the Local Government Act 2002. This means that the Board of Directors will have their principal relationship with the Shareholding Councils through the Committee rather than with the Councils individually.
- 2.3 Section 30A(2)(d) in Schedule 7 to the Local Government Act 2002 requires councils establishing a joint committee to specify what responsibilities (if any) are to be delegated to the joint committee by each local authority.
- 2.4 The councils have undertaken a recruitment process managed by Propero for the appointment of the Directors. Such appointments must be made by the Shareholders Committee.

2.5 On 22 December 2025, Simpson Grierson provided advice on the role and responsibilities of the Shareholders Committee, and approach to appointments. This is included as Attachment A.

3. ROLE AND RESPONSIBILITIES OF THE SHAREHOLDERS COMMITTEE

3.1 The role and responsibilities of the Shareholders Committee are set out in the Terms of Reference in clause 2 of Schedule 3 of the [approved](#) Shareholders’ Agreement (as noted above in para 2.1). They all relate to water services activities to be delivered by Central Districts Water, as an arms-length commercial entity. These roles and responsibilities include:

- a. The appointment of Directors, as well as monitoring those Directors and determining the Board skills matrix and appointment policy for any new Directors;
- b. Developing a role description for any Independent Chair, and appoint that role;
- c. Developing and adopting the statement of expectations on behalf of the Shareholders, and approving the significance and engagement policy developed by the Company;
- d. Considering and providing comment on the Water Services Strategy developed by the Company; and
- e. Undertaking all other performance monitoring, as well as providing recommendations on various matter to the Company.

3.2 Since the Councils intend that the Shareholders Committee will be a decision-making body (rather than merely advising each individual Council), it is necessary for each Council to delegate relevant responsibilities, duties and powers conferred on shareholding Councils by the Local Government (Water Services) Act 2025. This delegation is made in terms of clause 30A(2)(d) of Schedule 7 in the Local Government Act 2002, as noted above [section 2.2]

3.3 It is preferable that the Committee is not discharged following the triennial local elections (as is the case for most Council committees) so that there is no impediment to the operational effectiveness of Central Districts Water. This would have no impact on changing representatives. Clause 31(5) of Schedule 7 in the Local Government Act allows for this. Clause 31(5) of Schedule 7 in the Local Government Act allows for this

4. RELATIONSHIP BETWEEN THE SHAREHOLDERS COMMITTEE AND THE BOARD OF DIRECTORS

4.1 Central Districts Water is a water organisation and company to be incorporated under the Companies Act 1993, as provided in sections 44-45 of the Local Government (Water Services) Act 2025. The Board of Directors, appointed by the

Shareholders Committee, provides the governance for the company. Elected members of the Shareholder Councils may not be appointed to the Board.

- 4.2 However, the Shareholders Committee also has an important governance role – but it needs to respect the operational independence of the Board and the shared intentions of the Shareholders for the Company, which is that the Company deliver water services on behalf of the wider community in a way that satisfies not only the Shareholders’ expectations but meets the legislative requirements upon it.
- 4.3 The key document for the relationship between the Shareholders Committee and the Board is the Statement of Expectations, a statutory requirement for shareholders of a water organisation. Section 224 of the Local Government (Water Services) Act 2025 notes that the purpose of this Statement is ‘to inform and guide the decisions and actions of the water organisation; and specifically, ‘the water organisation’s preparation of its water services strategy...including its strategic priorities’.
- 4.4 While section 226 of that Act requires water organisations like Central Districts Water to give effect to the Statement of Expectations delivered through the Shareholders Committee, it is the role of the Board of Directors to make the water organisation’s decisions. Central Districts Water is an arms-length commercial entity.
- 4.5 Clause 3.2 of the Constitution for Central Districts Water is explicit about the limited nature of Shareholder input.

The Shareholders are entitled to comment on the Company’s draft Water Services Strategy and draft Water Services Annual Budget, and the Company must consider those comments. However, the Shareholders will not have the power to require changes or approve the final Water Services Strategy or final Water Services Annual Budget.

- 4.6 Section 227(1) of the Local Government (Water Services) Act 2025 Act specifies the mandatory content for the Statement of Expectations, including the shareholders’ expected outcomes from the Board. In addition, Schedule 1 of the Shareholders Agreement provides that the Statement of Expectations will address the Board’s relationship with ‘Shareholders, the communities of each Shareholder, and customers’.
- 4.7 This relationship is emphasised in the statutory requirement for water organisations like Central Districts Water to adopt its own Significance and Engagement policy. Section 35(3) of the Local Government (Water Services) Act specifies the purpose of this policy, including a flexible and locally appropriate approach to engagement which recognises and accommodates the preferences and expectations of its shareholders, its consumers and its shareholders’ communities’. Section 37(3)(b) of that Act requires the Shareholders Committee to approve the proposed policy.

5. APPOINTEES TO THE SHAREHOLDERS COMMITTEE

- 5.1 Clause 6.2 of the Shareholders Agreement sets out the relevant requirements for appointing and replacing Shareholders Committee representatives:

Each Shareholder must appoint three members to the Shareholders Committee, of which one must be an elected member of that Shareholder, and one must be a representative for mana whenua. In addition, each Shareholder is to appoint two Alternates, one for its representative for mana whenua and one for the other Shareholder Committee members appointed by it. Each Shareholder's appointed Shareholders Committee Representative and/or Alternates may be replaced from time to time by that Shareholder providing written notice to the Shareholders Committee and the other Shareholders.

- 5.2 Each Council has conducted an Expression of Interest process for its two representatives and will confirm the appointments (including the alternate) at this meeting. Collectively, the intention is to ensure the Committee has the collective skills, knowledge and experience in relation to water services decision-making. (The mana whenua selection process is addressed below, in section 6.)
- 5.3 Given the delegation to the Committee (explained above, section 3.2), representatives are expected to generally make decisions under the authority delegated to them by the appointing Council. As a joint Committee, meetings are subject to the provisions of LGOIMA and will therefore typically be held in public, with agendas publicly available.
- 5.4 The report to the three Councils on adopting the Constitution and Shareholders' Agreement for Central Districts Water considered the question whether Shareholders Committee members should be required to consult with their respective Councils and gain their endorsement before approving the Statement of Expectations. The agreed position was that there would be no specific requirement: this is a matter for the delegation given by each Council to its appointed representatives on the Shareholders Committee (so could be an instruction in that delegation), along with a general expectation that the representatives would keep the Council informed of progress by the Committee. This principle applies to all proposals being considered by the Shareholders Committee.

6. APPOINTMENT OF MANA WHENUA REPRESENTATIVE TO THE SHAREHOLDERS COMMITTEE

- 6.1 Clause 6.2 of the Shareholders Agreement sets out the relevant requirements for appointing and replacing Shareholders Committee representatives, including that each Council must appoint a "representative for mana whenua" and an alternate. The collective effect of the provisions addressing the composition of the Shareholders Committee is that there must be three representatives for mana whenua appointed by the Shareholder Councils, and three alternates for those mana whenua representatives.

- 6.2 This provision reflects the legal position (in clause 31(3) of Schedule 7 to the Local Government Act 2002), that membership of the Shareholders Committee must be determined by the Councils represented on that Committee. However, it does not preclude the three Councils making a collective decision: there is no reference or implication in clause 6.2 of the Shareholders Agreement that the mana whenua representatives are representatives for a particular Council or mana whenua for a particular area, district or rohe.
- 6.3 Ngā Tapuwāe o Hau, established last year by iwi across the three Council districts to liaise with the three Councils over the establishment of Central Districts Water, has proposed that it provide its nominated representatives and alternates as a collective group and that the appointment be confirmed on that basis and that, as with the other representatives of the Councils, they are delegated the power to make decisions in accordance with the Committee’s terms of reference.
- 6.4 The letter from Ngā Tapuwāe o Hau containing the nominations is included as Attachment B. The report recommends that this arrangement continues for any replacement iwi representatives, with the Council representatives being delegated the power to confirm such nominations, without reference back to the individual Councils.
- 6.5 This approach makes explicit that the accountability of the iwi representatives is to Ngā Tapuwāe o Hau (and through that Roopū to the iwi and hapū across the area serviced by Central Districts Water) rather than to the Councils. This independence for iwi contributing their perspectives to the Committee’s decision-making reflects a partnership between the Councils and iwi under Te Tiriti o Waitangi.
- 6.6 Discussion at Horowhenua District Council’s meeting on 4 February 2026 queried whether the proposed nominations of iwi representatives as a collective group was inconsistent with the requirements set out in clause 30A(2)(a) in Schedule 7 of the Local Government Act 2002. That requires the three Councils to have reached agreement on the number of members each of them would appoint to the Shareholders Committee. That ‘agreement’ is the Shareholders’ Agreement approved by all three Councils in December 2025. As noted above (section 5.1), clause 6.2 provides that ‘Each Shareholder must appoint three members to the Shareholders Committee, of which one must be an elected member of that Shareholder, and one must be a representative for mana whenua...’
- 6.7 Clause 6.2 means that the effect of resolutions by the three Councils is that there will be three iwi representatives (with alternates) on the Committee. The point of the question at Horowhenua’s meeting was not about the total number of iwi representatives: it is whether each Council may legally resolve to appoint the collective nomination by Nga Tapūwae o Hau of three iwi representatives.
- 6.8 As a result, Horowhenua moved an additional resolution: “That Council notes it will, following conversations with Nga Tapuwāe o Hau, need to retrospectively ensure

Council has satisfied clause 30A(2)(a), Schedule 7 of the LGA requirements (technical compliance) and resolve its specific appointee as per the terms of the Shareholding Agreement, further noting that at this time Council is not able to confirm its direct appointment as that relies on further conversations with Nga Tapuwae o Hau.”

- 6.9 Accepting the collective nomination of the iwi representatives is a technical non-compliance with the Shareholders’ Agreement. This can be remedied when the new version is prepared for when the Central Districts Water Board becomes a signatory.

7. MEMORANDUM OF UNDERSTANDING

- 7.1 As noted in the report to Council in December, it is proposed that a Memorandum of Understanding (MoU) be negotiated and entered into between Ngā Tapuwae o Hau, the three Councils and Central Districts Water that records the mechanism to make recommendations and any other relevant matters relating to the Shareholders Committee or the relationship between the four parties. This will include any specific expectation relating to the process that Ngā Tapuwae o Hau will follow to make their recommendations on the appointment or replacement of Mana whenua representatives.

- 7.2 It is anticipated that the process for the replacement of Mana whenua representatives, over time, would include that the confirmation of the nominations from Ngā Tapuwae o Hau would be made by the Council Members on the Shareholders’ Committee on behalf of the Shareholding Councils. Recommendation 6 is the mechanism for the Shareholding Councils to formalise this process.

- 7.3 The MoU could also cover matters relating to the relationship between the Central Districts Water Board and the Shareholders Committee, the Shareholding Councils and Ngā Tapuwae o Hau.

8. FINANCIAL IMPLICATIONS

- 8.1 The costs of the Shareholders Committee will be shared evenly by the three Councils. These costs will include:

- The remuneration for the Independent Chairperson,
- the reimbursements to the iwi representatives on the Committee (being an agreed meeting fee plus reimbursement for vehicle travel for representatives traveling more than 30 km to a meeting),
- the secretarial costs incurred by the Council nominated to administer the Committee (for example its meetings, publications, and responding to LGOIMA queries)
- any additional advice or reports commissioned by the Committee.

Until 1 July 2027, these costs will be treated as transition costs for establishing Central Districts Water and will be debt funded, for recovery from Central Districts Water.

8.2 Each Council will meet the costs of the representatives it individually appoints. This will include any representative who is not an elected member of the Council.

8.3 Clause 7.2 of Schedule 1 to the Shareholders’ Agreement provides that the Shareholders agree that, at the required or desirable time before ‘Day One’ (i.e. 1 July 2027), each Shareholder will take all steps necessary, including providing any guarantee (in amounts proportionate to their shareholdings, or otherwise as may be agreed with the Local Government Funding Agency), to enable the Company to access funding through the Local Government Funding Agency.

9. DECISION MAKING PROCESS

9.1 This report is being considered by all three Shareholding Councils. Prior to it being included in the Council agendas, it has been reviewed by the Project Oversight Group (ie the three Mayors and Chief Executives) and the Mana whenua representative.

9.2 No further community consultation or engagement is required to make the decisions recommended in this report

10. APPOINTMENT OF THE INDEPENDENT CHAIRPERSON

10.1 The Shareholders Committee Terms of Reference sets out that there is to be an Independent chairperson, who will be non-voting. It is the role of the Shareholders Committee to make the Independent Chairperson appointment and set their remuneration.

10.2 To expedite the Independent Chairperson’s appointment, the Project Oversight Group has been running an Expression of Interest process to identify suitable candidates and make a recommendation to the Shareholders Committee. It is anticipated this process will be completed in time for a recommendation on the appointment to be considered at the Committee’s inaugural meeting.

11. NEXT ACTIONS

11.1 The first meeting of the Shareholding Committee will be convened by the Chief Executive of Horowhenua District Council as the Lead Council as noted in the Collaboration Agreement signed by the three Councils on 17 September 2025.

11.2 The agenda for this first meeting will include:

- election of the Independent Chairperson and Deputy Chairperson (in accordance with clause 25 of Schedule 7 to the Local Government Act 2002)
- approval of the remuneration for the Independent Chairperson,
- approval of the reimbursement to iwi representatives on the Committee,
- ratification of the skills matrix for the Directors,
- update on the appointment of the Directors; and

- determining the total sum available during 2026/27 for remuneration to the Directors.

11.3 The appointment of the Board of Directors allows the Board to:


- to be added as a party to the Constitution and the Shareholders’ Agreement, and
- to hold its first meeting, elect a Chair, and authorise their remuneration (in accordance with the overall sum agreed by the Shareholders Committee).

12. COMPLIANCE AND ADMINISTRATION

Does the Council have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these objectives?	Yes
Are the recommendations inconsistent with any of Council’s policies or plans?	No
The recommendations contribute to: Whāinga 4: He tāone toitū, he tāone manawaroa Goal 4: A sustainable and resilient city	
The recommendations contribute to this plan: 13. Mahere wai 13. Water Plan The objective is: Plan, develop, maintain, upgrade and provide stormwater infrastructure to manage capacity and accommodate growth; Plan, develop, maintain, upgrade and renew water infrastructure; Plan, develop, maintain, upgrade and provide wastewater infrastructure to manage capacity and accommodate growth.	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Council has resolved to form a joint WS-CCO with Palmerston North City Council, Horowhenua District Council and Rangitikei District Council, which will be able to borrow funds without affecting councils balance sheet. A WS-CCO is a more affordable delivery model for delivering 3 Waters services to the community. The jointly submitted WSDP, which details the strategic direction for the establishment of the WS-CCO has

	been approved by the DIA.
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ATTACHMENTS

1. Attachment A - HDC, PNCC, RDC Shareholders Committee structure and processes [↓](#) 
2. Attachment B - Shareholder Committee Appointment letter from Ngā Tapuwāe o Hau [↓](#) 

MEMORANDUM

TO: Council

MEETING DATE: 11 February 2026

TITLE: Manawatū Regional Freight Ring Road Indicative Business Case - Update

PRESENTED BY: James Miguel, Senior Transport Planner
Olivia Wix, Manager Communications

APPROVED BY: David Murphy, General Manager Strategic Planning
Danelle Whakatihi, General Manager Customer & Community

RECOMMENDATION(S) TO COUNCIL

1. That the Council receive the memorandum titled ‘Manawatū Regional Freight Ring Road Indicative Business Case – Update presented on 11 February 2025.
-

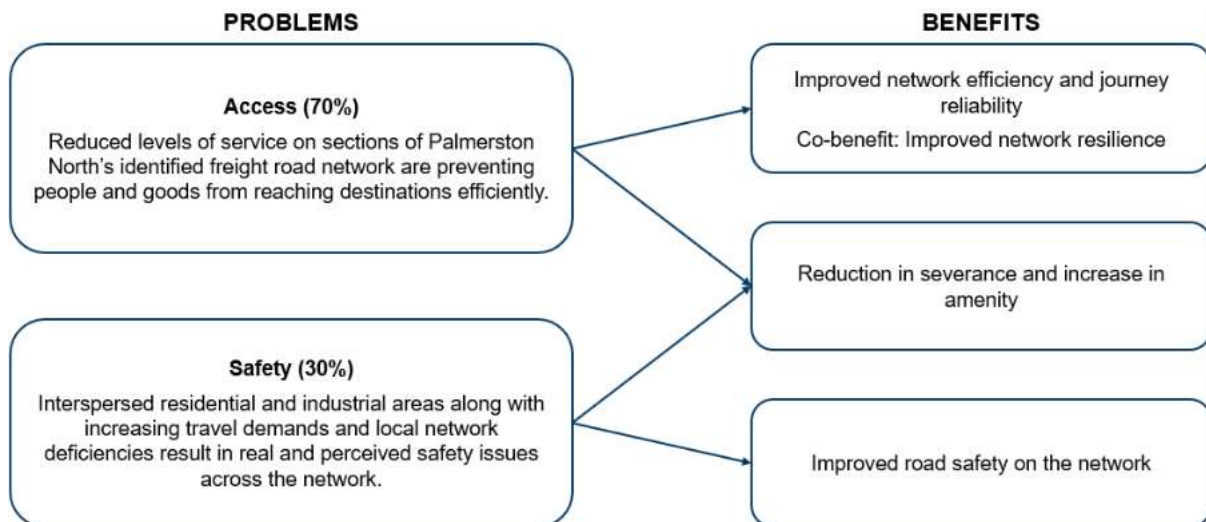
1. ISSUE

- 1.1 The Manawatū Regional Freight Ring Road (‘the Ring Road’) is a significant strategic project for the city. It is a key part of the Palmerston North Integrated Transport Initiative (PNITI) and a catalyst project for Te Utanganui, Central New Zealand Distribution Hub.
- 1.2 Work is ongoing on ‘the Ring Road’ Indicative Business Case (IBC).
- 1.3 A previous update report was provided to the [27 August 2025 Economic Growth Committee](#).

2. STRATEGIC CASE UPDATE

- 2.1 The project team has now completed the ‘Do Minimum’ modelling assumptions using the Palmerston North Strategic Transport Model. The model is a tool that allows us to forecast traffic patterns in future years. The ‘Do Minimum’ modelling assumptions are a scenario with no major changes to the existing roading network which help to contextualise the business case. With this completed the project team have extracted information from the model to use in the strategic case to support the problem statement evidence.
- 2.2 Changes have been made to the problem statements in the investment logic map (ILM). A decision was by made by the PNITI Management Group to move the Maintenance and Resilience problem statement under the Access problem

statement. The view was that Maintenance and Resilience was not best placed as an individual problem statement. The update ILM can be seen below.



2.3 The project team is currently reviewing feedback on the draft received from PNCC and NZTA officers. Once this feedback has been addressed, the Strategic Case will go through an external peer review.

3. ECONOMIC CASE UPDATE AND PUBLIC ENGAGEMENT

3.1 Work has progressed on the Economic Case with a long list of options being developed. This long list of options has been assessed using a multi-criteria analysis (MCA). The long list MCA scored the options using the following criteria:

- Investment Objectives (Efficiency and Reliability, and Safety)
- Indicative Cost Range
- Deliverability
- Affordability

3.2 The options were also presented to the community to seek feedback. This feedback will be assessed against the technical assessment to identify the options for shortlisting.

3.3 A thorough public engagement process took place between mid-November and Christmas. Information about the project and engagement opportunities was provided on the Council website and shared directly with people living on or owning property along roads identified as potential options. Information was also provided to schools, community groups, major businesses, and the freight sector. Engagement activities and the project itself were promoted to the wider city through a range of communication channels.

- 3.4 Four community expos were held in Ashhurst, Linton, Bunnythorpe, and Longburn. These expos provided opportunities for attendees to have in-depth conversations with Council staff and technical consultants about the proposed options. The expos were designed as a walk-through experience, with multiple information stations. Station 1 was an introduction to the Ring Road and the purpose of developing a business case, Stations 2-6 then covered the options for each section of the proposed route.
- 3.5 Each option segment included large-format maps to support discussion, along with smaller printed copies that outlined what could occur under each option. Attendees were also able to take these printed materials home. This approach enabled people to gain a detailed understanding of the alternatives, encouraged discussion with staff, and supported informed views. Attendees could record what they liked or did not like about each option directly on the maps for others to see. Each segment also included individual voting cards, allowing people to indicate their level of support and provide comments. A summary of the [community feedback](#) is available on the Council website.
- 3.6 Approximately 72 people attended the Ashhurst expo, 75 attended in Linton, 250 in Bunnythorpe, and 78 in Longburn. People who attended the expos stayed for an average of 30 minutes to one hour, which demonstrates a high level of interest and that many detailed conversations took place with the project team. The majority of attendees signed in at the events and provided their email addresses so they can be kept informed as the project progresses.
- 3.7 Community expos were held in the four communities most likely to be affected by the Ring Road options. However, the sessions were open to the wider city and were not specific to the location in which they were held. This meant attendees could discuss all route options at any expo, regardless of where they lived. A small number of people from other parts of the city also attended out of general interest.
- 3.8 An online feedback form complemented the community expos. This provided an opportunity for people who were unable to attend an event to share their views. It also allowed attendees additional time to consider the information before providing feedback after the sessions.
- 3.9 A separate engagement session was held with the freight and business sector. This was conducted independently to better understand how these groups currently use the road network, what their needs are, and what factors might influence their use of a future route. Participants scored the options and provided qualitative feedback. 38 people attended this session.
- 3.10 Feedback from both the online forms and the engagement events has been reviewed by the project team. This feedback has been compiled into the community engagement report, available on the [council website](#).

- 3.11 The feedback will be considered as part of the wider Multi-Criteria Analysis to assess and shortlist the options.
- 3.12 Following this meeting, the engagement report will be published on the Council website and shared with those who attended the community expos or the freight/business sector session. This will keep participants informed and allow them to see the range of views expressed by the wider community. Stakeholders will continue to be updated at key stages of the project.

4. NEXT STEPS

- 4.1 The Strategic Case once completed will be peer reviewed by an external provider.
- 4.2 The feedback from the community, stakeholders and partners will be reviewed alongside the technical assessment to identify a recommended short list of options, to be reported to Council for approval.
- 4.3 Once a short list is selected, the options will undergo more detailed analysis to identify a preferred option for Council approval, as part of the overall business case.

5. COMPLIANCE AND ADMINISTRATION

Does the Council have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these objectives?	Yes
Are the recommendations inconsistent with any of Council’s policies or plans?	No
<p>The recommendations contribute to: Whāinga 1: He tāone auaha, he tāone tiputipu Goal 1: An innovative and growing city</p> <p>Whāinga 4: He tāone toitū, he tāone manawaroa Goal 4: A sustainable and resilient city</p>	
<p>The recommendations contribute to this plan:</p> <p>3. Mahere tūnuku</p> <p>3. Transport Plan</p> <p>The objective is: 1 Provide a safe, low carbon, integrated and multi-modal transport network.</p>	

<p>Contribution to strategic direction and to social, economic, environmental and cultural well-being</p>	<p>This project will enable the efficient and safe movement of freight around the city. This will help to relieve the impact that these movement have on the city.</p>
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ATTACHMENTS

Nil

MEMORANDUM

TO: Council

MEETING DATE: 11 February 2026

TITLE: Linklater Reserve - Disposal of woolshed

PRESENTED BY: Bill Carswell, Activities Manager - Property

APPROVED BY: Glen O'Connor, Acting General Manager Infrastructure

RECOMMENDATION(S) TO COUNCIL

- 1. That Council approve a contract with Central House Movers to remove the woolshed and yards located at Linklater Reserve, at a cost of \$3,500 plus GST.**
-

1. ISSUE

- 1.1 The woolshed and yards were retained post reserve development in case an operational or a recreation community use were identified. The reserve is now fully developed and no viable use for the woolshed has come forward or is planned.
- 1.2 The woolshed has been vandalised in the past, and officers consider it prudent to remove the wool shed and yards now, to avoid the risk that it will be vandalised or suffer from arson, and to avoid health and safety risks to the public.

2. BACKGROUND

- 2.1 Council purchased the 29.9 ha Linklater Reserve in 1995. In 2006, Council approved the sale of 4.4 ha in order to fund the initial development of the 5.5 ha closest to Kelvin Grove.
- 2.2 Included in the purchase was a woolshed, yards and a loading ramp, as shown in Figure 1 and Figure 2. The woolshed was retained in case it became useful for operational purposes or to meet a recreation need.

Movers intend to salvage building materials arising from the demolition. The cost will be met within the operational budget Facilities Management – City Reserves.

OPTIONS

OPTION 1:	Council signs the agreement authorising Central House movers to demolish and remove the demolition material at a cost of \$3500 plus GST.
Benefits	The demolition of the building and yards will remove the opportunity of vandalism and will tidy the area.
Financial	Council will reinstate the area in grass.
OPTION 2:	Do not contract to demolish the building and yards.
Benefits	The buildings and yards will remain for other possible future uses.
Financial	There is a risk of repair costs to maintain the safety and security of the building if it is retained.

2. COMPLIANCE AND ADMINISTRATION

Does the Council have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant, do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these objectives?	No
Are the recommendations inconsistent with any of Council’s policies or plans?	No
The recommendations contribute to this plan:	
6. Mahere rēhia	
6. Recreation and Play Plan	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Ongoing amenity of Linklater Reserve.

ATTACHMENTS

Nil

MEMORANDUM

TO: Council

MEETING DATE: 11 February 2026

TITLE: Development Subsidy Fund Application: Te Ranga Maro Charitable Trust

PRESENTED BY: Keegan Aplin-Thane, Senior Planner

APPROVED BY: David Murphy, General Manager Strategic Planning

RECOMMENDATION(S) TO COUNCIL

1. That Council approve the allocation of \$6,273 from the Development Subsidy Fund to support consent fees and development contributions for Te Ranga Maro Charitable Trust.
-

1. ISSUE

An application for funding support toward consent fees and development contributions for housing developed by Te Ranga Maro Charitable Trust has been lodged under Council's [Development Subsidy Fund](#).

The [Support and Funding Policy](#) directs funding recommendations from this fund to be reported to the appropriate Council committee.

The Te Ranga Maro application meets all six eligibility criteria. Officers recommend that the application be approved on this basis.

2. BACKGROUND

Te Ranga Maro Charitable Trust is the housing and development arm of Te Tihi o Ruahine Whānau Ora Alliance. set up in 2019, Te Ranga Maro delivered their first urban papakainga development on Botanical Road, Palmerston North in 2021. See here for an explanation of their housing pathways programme - [20240509 Te Ranga Maro Registration & information pamphlet v1 pk](#).

The Development Subsidy Fund was created in response to the need to lower barriers for facility development led by community groups. Support from this fund can cover building consent, resource consent, and development contribution fees.

\$13,273 is budgeted in 2025-26 for the Development Subsidy Fund. One application has been received for the current financial year and \$7,000 has been allocated to date.

Section 9, page 18 of the [Support and Funding Policy 2022](#) outlines the priorities and process for allocating the fund.

Te Ranga Maro Charitable Trust has applied to the Development Subsidy Fund for support for their development fees toward 14 dwellings this financial year.

Their application to the Development Subsidy Fund is included as Attachment 1.

3. ELIGIBILITY

Applications to the fund must meet the following criteria:

- a. *Payment of development subsidy, resource consent or building consent has been triggered;*
- b. *Applicant is an eligible community group (charitable trust, incorporated society or social enterprise);*
- c. *The community group is based in Palmerston North;*
- d. *The services or activities of this community group primarily benefit Palmerston North residents;*
- e. *The community group owns the land, building or facility which is the subject of the development subsidy, resource consent or building consent;*
- f. *The land, building or facility which is the subject of the development subsidy, resource consent or building consent is integral to the community group's operations.*

The application meets all criteria above. Further information requested has confirmed that 14 dwellings were built in Palmerston North in the 2025-26 financial year. The applicant is set up as a charitable trust, so while the dwellings developed are available to purchase through their housing pathways for whānau, the revenue and costs incurred impact on their ability to continue to deliver more housing to target housing insecurity issues in the city.

Te Ranga Maro Charitable Trust is a subsidiary to Te Tihi o Ruahine Whānau Ora Alliance, who are funding recipients for Sector Lead/Strategic Priority Grants funding, Community Led Initiatives Funding, and a Housing Insecurity Pilot contract. A review of existing funding has confirmed that no other funding sources from Council are within the scope of subsidising development fees or contributions. For this reason, officers suggest that this application is mutually exclusive to broader funding received by Council.

While the Development Subsidy Fund was unlikely to have been established with social housing development outcomes in mind (compared to development of community facilities), this application meets the eligibility criteria set out for the Fund.

Due to the proportion of funding available this financial year (\$6,273) relative to the amount of development fees paid by the applicant (\$82,641.74), officers recommend using the full balance of the fund to support this application.

4. NEXT STEPS

Officers will notify the applicant of the decision.

5. COMPLIANCE AND ADMINISTRATION

Does the Council have delegated authority to decide?	Yes
Are the decisions significant?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these objectives?	Yes
Are the recommendations inconsistent with any of Council’s policies or plans?	No
The recommendations contribute to: <u>Whāinga 3: He hapori tūhonohono, he hapori haumarū</u> Goal 3: A connected and safe community	
The recommendations contribute to this plan: 7. Mahere tautāwhi hapori 7. Community Support Plan The objective is: Support for-purpose organisations, local communities, and communities of interest, and deliver programmes to promote community wellbeing.	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Funding towards the applicant will enable further social and economic impact to be delivered by the Trust.

ATTACHMENTS

1. Development Subsidy Fund Application Te Ranga Maro Charitable Trust



MEMORANDUM

TO: Council

MEETING DATE: 11 February 2026

TITLE: Government Reform affecting Local Government: Council Submissions

PRESENTED BY: David Murphy, General Manager Strategic Planning and Jono Ferguson-Pye, Manager City Planning

APPROVED BY: David Murphy, General Manager Strategic Planning

RECOMMENDATION(S) TO COUNCIL

1. That Council approve the following submissions on Government reform processes:
 - a. Planning Bill
 - b. Building (Earthquake prone Buildings) Amendment Bill
 - c. Simplifying Local Government: A draft proposal (Discussion Document)
 - d. Supporting Growth Through a Development Levies System (Discussion Document)
 2. That Council note the following submissions on Government reform processes:
 - a. Emergency Management Bill (No 2)
 - b. Rates Target Model for New Zealand
-

1. ISSUE

- 1.1 The Government released a broad package of reform affecting Local Government in late 2025. Some of this reform is formal bills (proposed laws) introduced to Parliament, while other parts of the reform are consultation documents intended to inform future bills.
- 1.2 A range of submissions have been prepared for Council consideration. Two submissions have already been lodged and approved under delegation, given the submission closing dates.
- 1.3 The individual submission closing dates vary, but all processes required significant attention of officers over the Christmas and New Year period.

2. BACKGROUND

- 2.1 The Mayor has delegation to approve submissions to a Parliamentary Select Committee (submissions on a Bill) where there has been insufficient time to gain Council's approval. Where this Delegation is used, the submission must be subsequently reported to the next available Council meeting held in public.
- 2.2 Depending on the time available to prepare draft submissions and the significance of the matter, other Council submissions, such as submissions on consultation documents, are also reported to Council for approval or for information from time-to-time.
- 2.3 Council submissions have been prepared on a range of Government reform proposals affecting Local Government. A short summary of each proposal is provided below to provide context to the Council submission.
- 2.4 The general approach to the drafting of the Council submissions has been to signal support where possible and / or provide constructive feedback, given that in most cases the broad course of action has largely been determined by Government.

Planning Bill

The Government is currently overhauling the resource management system, replacing the Resource Management Act (RMA) with two new pieces of legislation: the Planning Bill and the Natural Environment Bill. Both Bills will fundamentally change the planning and resource management system and the functions of Local Government. There is a close relationship between this reform and the Simplifying Local Government discussion document.

The Planning Bill aims to establish a framework that delivers a more enabling planning system that supports housing, infrastructure, and economic growth while still protecting key environmental and cultural values. To achieve this the Bill proposes a set of foundational goals that underpin the new system, national instruments that set out the requirements and technical direction to deliver these goals, mandatory regional spatial plans and standardised land use plans aggregated at a regional level and a simplified consent regime requiring fewer consents based on a more limited range of effects. With its increased emphasis on protection of private property rights, a regulatory relief regime is also proposed to offset the effect of specific regulation on these rights (e.g. significant historic heritage, outstanding natural landscapes).

An overview of key features of the Bill can be found [here](#).

Building (Earthquake prone Buildings) Amendment Bill

The Building (Earthquake prone Buildings) Amendment Bill proposes a more proportionate, risk-based approach to seismic strengthening by focusing regulatory

requirements on higher risk buildings, extending compliance timeframes, and reducing triggers for additional Building Code upgrades. The Bill aims to ease the financial burden on building owners by removing lower risk structures from the earthquake prone system and enabling more flexibility in how seismic upgrades are prioritised.

The factsheet summarising the proposed bill can be found [here](#).

Simplifying Local Government: A draft proposal (Discussion Document)

The Government is proposing to simplify local government in two steps:

Step 1: Instead of electing separate regional councillors, the mayors you already vote for will collectively lead regional issues and govern the regional council. We also want to know what you think about the appointment of Crown Commissioners (appointed by the Government) to lead or join the board.

Step 2: This board of mayors will develop future-focussed plans for how the councils in your region can work together more effectively and efficiently. These plans will be developed in consultation with you, examined independently, and be approved by the Government.

The consultation document can be found [here](#).

Supporting Growth Through a Development Levies System (Discussion Document)

The Government has made policy decisions to replace development contributions under the Local Government Act 2002 (LGA02) with a development levies system that will ensure that development pays an appropriate amount towards the infrastructure required for growth. The consultation package comprises a consultation document and an exposure draft of Local Government (Infrastructure Funding) Amendment Bill (the Bill). The Bill will also repeal sections of the LGA02 relating to development contributions. It will contain powers to make regulations to give effect to the detailed requirements around the proposed development levies.

The proposed changes provide Council with greater flexibility to respond to market led development and contribute to the easing of barriers for developers. There are, however, some risks to Council associated with the changes as well as the resourcing required to enact the proposed changes. The consultation document can be found [here](#).

Emergency Management Bill (No 2)

In 2023 the Minister for Emergency Management established a Government Inquiry into the response to the North Island severe weather events. The inquiry found that New Zealand's emergency management system was not fit for purpose and lacked

the capacity and capability to deal with significant emergencies that affect multiple regions at once.

The Bill would replace the Civil Defence Emergency Management Act 2002 and give effect to the Government’s response to the inquiry. It builds on the legislative framework established by the Act. The proposed changes seek to:

- Strengthen the role of communities and iwi Māori in emergency management
- provide clear responsibilities at the national, regional, and local levels
- enable a higher minimum standard of emergency management
- minimise disruption to essential services
- ensure agencies have the tools to do their jobs effectively during an emergency.

Further background and a copy of the Bill can be found [here](#).

Rates Target Model for New Zealand

Reflecting ongoing concerns about the cost of living and the Government's drive to require councils to focus on "core services", the Government has recently announced its plan to introduce a rate cap system by 2029 (with the transition to the new system commencing on 1 January 2027). As the name suggests, a rate cap system would prohibit councils from increasing rates above a specified maximum percentage (subject to some exceptions).

A key feature of the rate cap system is a target range for annual rates. According to Local Government Minister Simon Watts in his announcement, “analysis suggests a target range of 2-4% per capita, per year”.

The target range will be based on the following:

- Inflation at the lower end.
- GDP growth at the higher end.

2.5 Council is also supporting a regional submission on the Natural Environment Bill and is leading the preparation of a regional submission on the Planning Bill.

2.6 The submissions are included as Attachments 1-6.

3. NEXT STEPS

3.1 Complete minor formatting to ensure consistency, lodge the submissions and present those to the relevant Select Committee, where appropriate.



3.2 Prepare for change and to participate in further consultation as further detail is developed.

4. COMPLIANCE AND ADMINISTRATION

Does the Council have delegated authority to decide?	Yes
Are the decisions significant?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these objectives?	Yes
Are the recommendations inconsistent with any of Council’s policies or plans?	No
<p>The recommendations contribute to:</p> <p>Whāinga 1: He tāone auaha, he tāone tiputipu Goal 1: An innovative and growing city</p> <p>Whāinga 2: He tāone whakaihiihi, tapatapahi ana Goal 2: A creative and exciting city</p> <p>Whāinga 3: He hapori tūhonohono, he hapori haumaruru Goal 3: A connected and safe community</p> <p>Whāinga 4: He tāone toitū, he tāone manawaroa Goal 4: A sustainable and resilient city</p>	
<p>The recommendations contribute to this plan:</p> <p>14. Mahere mana urungi, kirirarautanga hihiri</p> <p>14. Governance and Active Citizenship Plan</p> <p>The objective is: Provide leadership and advocacy for Palmerston North</p>	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Advocating to Government to influence change to ensure Council is in the best position possible to deliver on its strategic direction development in partnership with the local community.

ATTACHMENTS

1. Planning Bill Submission [↓](#)
2. Building (Eathquake-prone Buildings) Amendment Bill Submission [↓](#)
3. Simplifying Local Government Submission [↓](#)
4. Development Levies System Submission [↓](#)

5. Emergency Management Bill (No 2) Submission [↓](#) 
6. Rates Target Model Submission [↓](#) 

MEMORANDUM

TO: Council

MEETING DATE: 11 February 2026

TITLE: Wastewater Treatment Plant - Nature Calls; Quarterly Update

PRESENTED BY: Mike Monaghan - Manager 3 Waters

APPROVED BY: Glen O'Connor, Acting General Manager Infrastructure

RECOMMENDATION(S) TO COUNCIL

- 1. That Council receive the report titled 'Wastewater Treatment Plant – Nature Calls; Quarterly Update' presented on 11 February 2026**
-

1. ISSUE

- 1.1 The Nature Calls Project Team completed the concept design and development of the resource consent application to Horizons Regional Council (Horizons) in late 2022. This was the culmination of four years of work developing the Best Practicable Option (BPO), which comprises highly treated wastewater being discharged to the Manawatū River or to land.
- 1.2 Due to public feedback at the last LTP regarding affordability, and the changing compliance environment, the consent application was placed on hold, and the CE was instructed to carry out a review of the BPO options.
- 1.3 Quarterly Updates for the project were requested by Council. This report provides an update on the project for the period September to December 2025.

2. FINAL WASTEWATER ENVIRONMENTAL PERFORMANCE STANDARDS (WEPS)

- 2.1 The Government released the final version of the Wastewater Environmental Performance Standards (the Standards, or WEPS) in late November 2025.
- 2.2 The project team have completed a review of the standards and the implications to the Nature Calls project. The findings from this review are:
 - Additional clarity has been provided in the final standards on matters that Council included in the submission to Taumata Arowai earlier in the year, including:

- Dual discharges (i.e. land and to water),
- The periphyton risk assessment requirements for discharge in hard bottomed rivers
- The land-based discharge risk assessment requirements.

The standards have confirmed that a consent will be required for discharges even if the discharge quality standards are met.

- The government have made the following legislation changes to support the release of the Standards:
 - Changes to RMA section 104(2D) ensures that any wastewater discharge consent granted by a regional council must align to the Standards.
 - Changes to sections 105 and 107 of the RMA exclude the requirement for wastewater discharges to be assessed on an adverse effect's basis, for the contaminants outlined by the Standards, so long as they meet the criteria outlined.
 - Other discharge effects not noted by the Standards will still require an effects assessment. This may include, cultural effects, odour, discharge structures, and other contaminants.

2.3 The following outlines the effects of the Standards on PNCC's current options:

Option A: 100% to River at Opiki

The option, as previously proposed, will meet the WEPS. This is based off the high level of treatment of the proposed WWTP.

Option B1: 100% to River at Totara Road

The option, as previously proposed, will meet the WEPS. This is based off the high level of treatment of the proposed WWTP.

Noting that a conservative assumption of high periphyton risk is being used until this can be quantified after shortlisting.

Option B2: 100% to River at Totara Road, with Adaptive Management Framework

The option, as previously proposed, will meet the WEPS. This is based off the high level of treatment of the proposed WWTP.

Noting that a conservative assumption of high periphyton risk is being used until this can be quantified after shortlisting.

Option C: Dual River Discharges at Totara Road and Opiki

The option, as previously proposed, will meet the WEPS. This is based off the high level of treatment of the proposed WWTP.

Noting that a conservative assumption of high periphyton risk is being used (for Totara Road discharge) until this can be quantified after shortlisting.

Option E: 75% ADWF to Land, the Remainder to River at Totara Road

The WEPS now outlines guidance for dual discharges and has clarified how to calculate discharge quality when discharging to water at different volumes and discharge periods throughout the year.

The dilution ratio and required land area need to be re-calculated, and river discharge quality compared to the periphyton risk assessment limits to determine whether Option E meets the WEPS. The project team are undertaking this work at present.

3. IWI ENGAGEMENT

3.1 For Options B1, B2, C, a river discharge is required at Totara Road. The project team and Iwi partners have been working collaboratively to compare options for discharge methods to ensure effective mixing and best alignment to cultural values. Mixing at the discharge point is important to maintain good ecological river health and mitigate periphyton growth downstream of the discharge location. The existing discharge structure at Totara Road is currently not meeting design conditions due to a gravel bank formation (from flooding) which stops the main river flowing into the discharge zone and therefore lowering the river flow where mixing should be occurring.

3.2 The team have been examining several options and working towards a recommended option which will be the basis of cost for the options after shortlisting occurs.

4. NEXT ACTIONS

4.1 The team are currently working on a paper to bring to Council in March 2026 to decide which options will be shortlisted. Once the shortlist has been decided, further technical review work will continue, and a public engagement methodology brought to Council to agree.

4.2 Now that the WEPS have been finalised, the team are firming up the delivery timeline. This timeline will be shared with the Project Oversight Group and Nature Calls Steering Group at the next meetings, this will be shared with Councillors when finalised.

5. COMPLIANCE AND ADMINISTRATION

Does the Council have delegated authority to decide?	Yes
Are the decisions significant?	Yes
If they are significant do they affect land or a body of water?	Yes
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative	No

procedure?		
Is there funding in the current Annual Plan for these objectives?		Yes
Are the recommendations inconsistent with any of Council’s policies or plans?		No
<p>The recommendations contribute to;</p> <p>Whāinga 4: He tāone toitū, he tāone manawaroa Goal 4: A sustainable and resilient city</p>		
<p>The recommendations contribute to this plan:</p> <p>13. Mahere wai 13. Water Plan</p> <p>The objective is; Lodge resource consent application for future discharge of Wastewater Treatment Plant.</p>		
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Lodging for resource consent allows Council to continue to provide its wastewater services and allows for future proofing the city.	

ATTACHMENTS

Nil

COMMITTEE WORK SCHEDULE

TO: Council

MEETING DATE: 11 February 2026

TITLE: Council Work Schedule

RECOMMENDATION TO COUNCIL

1. That Council receive its Work Schedule dated 11 February 2026.

COUNCIL WORK SCHEDULE FEBRUARY 2026

#	Report Date	Subject	Officer Responsible	Current Position	Date of Instruction & Clause
1	11 Feb 2026	Review draft Consultation Document and supporting information—Annual Budget 2026/27—	Chief Executive	-	Terms of Reference
2	11 Feb 2026	Quarterly Performance Report (Q2)	GM Corporate Services		
3	11 Feb 2026	Quarterly Treasury Report (Q2)	GM Corporate Services		
4	11 25 Feb 2026	Appointment of Elected Members to the District Licensing Committee List	GM Corporate Services	Appointment for March 2026 for community members	1 November 2023 Clause 190-23
5	11 Feb 2026	Wastewater Treatment Plant—Nature Calls: Quarterly Report	GM Infrastructure	-	-
	11 Feb 2026	Establish Shareholders Committee for Central District's Water	Deputy Chief Executive		
6	11 Feb 2026	Manawatū Ring Road Business Case	GM Strategic Planning	-	-
7	11 25 Feb 2026	Arena 5 Development Six Monthly Update	GM Infrastructure		Council 12 Feb 2025 Clause 24-25

#	Report Date	Subject	Officer Responsible	Current Position	Date of Instruction & Clause
8	25 Feb 25 March 2026	Appointment of Community Members to the District Licensing Committee List.	GM Corporate Services		Terms of Reference
9	25 Feb 2026	Appointment to Age Friendly Palmerston North	GM Corporate Services		3 Dec 2025 Clause 194-25
10	25 Feb 2026	Agree the Triennial Agreement	GM Corporate Services		Terms of Reference
11	25 March 2026	Remits from PNCC for consideration	GM Corporate Services		Terms of Reference
12	25 March 2026	Nature Calls – Shortlist Options and Public Engagement	GM Infrastructure		Terms of Reference
13	25 March 2026	Civic and Cultural Precinct Master Plan Steering Group - 6-monthly update	GM Strategic Planning		Terms of Reference of the CCMP Steering Group
14	25 March 2026	Review of PNCC Appointment of Directors Policy.	GM Corporate Services		2 Oct 2024 Clause 172
15	22 April 2026	Hearings for the Annual Budget 2026	Chief Executive		Terms of Reference
16	6 May 2026	Deliberations on the Annual Budget 2026-27	Chief Executive	Including Fees and Charges (consulted on)	Terms of Reference
17	27 May 2026	Remits received from other Territorial Authorities	GM Corporate Services	None received	Terms of Reference
19	3 June 2026	Adopt Annual Plan (Budget) 2026-27	Chief Executive		Terms of Reference
20	3 June 2026	Adoption of Fees and Charges following consultation (Trade Waste/ Planning)	GM Corporate Services	Consider alongside Annual Budget 12 Feb	Terms of Reference
21	3 June 2026	Approve Borrowing for 2026-27	GM Corporate Services		Terms of Reference
22	3 June 2026	Set the Rates for 2026-27	GM Corporate Services		Terms of Reference
23	24 June 2026	Effectiveness of Civics Education Initiatives – Annual progress report	GM Customer & Community	Moved to Community Resilience	29 May 2024 Clause 95.29–24

#	Report Date	Subject	Officer Responsible	Current Position	Date of Instruction & Clause
24	24 June 2026	Aokautere Business Case	GM Strategic Planning		3 Sept 2025 Clause 168-25
25	24 June 2026	Parking Contract Review Update - Frog Parking	GM Infrastructure	Following specialist staff recruitment	Council 4 Sept 2024 Clause 156-24
18	24 June 2026	Agree draft Future Development (FDS) Strategy 2026 for consultation	GM Strategic Planning		Council 28 June 2023 Clause 109-23
26	26 August 2026	Appointment of Trustees on Council Controlled Organisations	GM Corporate Services		Terms of Reference
27	30 Sept 2026	Hearings Commissioners List 2027-2030 - Appointment of external commissioners	GM Corporate Services	Appoint before 30 Nov 2026	6 Dec 2023 Clause 204-23
28	30 Sept 2026	Adopt Annual Report 2026/27	GM Corporate Services		Terms of Reference
29	30 Sept 2026	2026 Residents Survey Results	GM Corporate Services		Terms of Reference
30	28 Oct 2026	Adopt Future Development Strategy (FDS) 2026	GM Strategic Planning		Terms of Reference
31	25 Nov 2026	Appointment of CEDA Directors	GM Corporate Services		Terms of Reference
32	TBC	Nature Calls – Agree revised BPO	GM Infrastructure		Council 29 May 2024 Clause 95.11 - 25 (rec 2)
33	TBC	Local Water Done Well - Assets and Liability Assessment	GMs Infrastructure and Corporate Services.		Terms of Reference

Proactive Release of Confidential Decisions

Date of meeting	Report Title	Released	Withheld
6 Aug 2025	Options for Ruahine Street Property	Report (redacted), decision & division	Attachment
13 Aug 2025	All of Government Gas Contract	Report (redacted), decision & division	N/A
20 Aug 2025	Small Vehicle Fleet Review	Report (redacted),	Attachment 1

Date of meeting	Report Title	Released	Withheld
		decision & division	
8 October 2025	Wyndham Street Upgrade - Programme Budget and Tender Award	Report (redacted), Attachment (redacted), Decision & division	N/A
8 October 2025	Trustee Appointment to Te Manawa Museums Trust Board	Report, decision & division	Attachment 1
8 October 2025	Civic Honours	Report, decision & division	N/A
12 Nov 2025	Pasifika Community Centre Construction Phase	Report (redacted), Attachment 2, decision and division	Attachment 1
12 Nov 2025	Sale of Ruahine Street Property	Report, decision & division	N/A