



**PAPAIOEA**  
PALMERSTON  
NORTH  
CITY

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# **PALMERSTON NORTH CITY COUNCIL**

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AGENDA

## **COUNCIL**

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**9:00 AM - ANNUAL BUDGET DELIBERATIONS,  
WEDNESDAY 6 MAY 2026**

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

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# MEMBERS

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**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

[pncc.govt.nz](http://pncc.govt.nz) | Civic Administration Building, 32 The Square  
City Library | Ashhurst Community Library | Linton Library

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**Waid Crockett**

**Chief Executive | PALMERSTON NORTH CITY COUNCIL**

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## **COUNCIL MEETING**

6 May 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. Confirmation of Minutes**

Page 5

That the minutes of the ordinary Council meeting of 25 March 2026 Part I Public be confirmed as a true and correct record.

**6. Confirmation of Minutes**

Page 19

That the minutes of the ordinary Council meeting of 22 April 2026 Part I Public be confirmed as a true and correct record.

**REPORTS**

**7. Fees and Charges - Confirmation following consultation**

Page 43

Memorandum, presented by Steve Paterson, Manager - Financial Strategy.

**8. 2026/27 Annual Budget - Deliberations**

Page 95

Memorandum, presented by Steve Paterson, Manager Financial Strategy & Scott Mancer, Manager - Finance.

**9. Karakia Whakamutunga**

**10. 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
11.	Confirmation of the minutes of the ordinary Council meeting of 25 March 2026 Part II Confidential	For the reasons set out in the Council meeting of 25 March 2026, held in public.	

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.

## **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 25 March 2026, commencing at 9.02am.**

**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, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

**Apologies:** Cr Lew Findlay (early departure)

#### **Karakia Timatanga**

Councillor Debi Marshall-Lobb opened the meeting with karakia.

#### **16-26 Apologies**

Moved Grant Smith, seconded Debi Marshall-Lobb.

#### **RESOLVED**

1. That Council receive the apologies.

Clause 16-26 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.

#### **Declarations of Interest**

Councillor Kaydee Zabelin declared a conflict of interest in Item 17 Extension of term of Trustee on Regent Theatre Trust Board (clause 24-26) and Item 27 District Licensing Committee Appointments (clause 30-26) and took no further part in discussion or debate.

Councillor Orphée Mickalad declared a conflict of interest in Item 27 District Licensing Committee Appointments (clause 30-26) and took no further part in discussion or debate.

**17-26 Public Comment**

Bernice Adlam, Co-Chair of Palmy BID spoke on Item 7 Urban Bus Terminal Waiting Room.

Palmy BID has serious concerns around inner city homeless people being attracted to a new urban city bus terminal. Palmy BID requested that all decisions be put on hold.

Moved Grant Smith, seconded Debi Marshall-Lobb.

**RESOLVED**

That Council receive the public comment.

Clause 17-26 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.

**18-26 Confirmation of Minutes**

Moved Grant Smith, seconded Debi Marshall-Lobb.

**RESOLVED**

That the minutes of the ordinary Council meeting of 11 February 2026 Part I Public and Part II Confidential be confirmed as a true and correct record.

Clause 18-26 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.

**REPORTS**

**19-26 Urban Bus Terminal Waiting Lounge and Bus Drivers' Lounge**

Memorandum, presented by David Murphy, General Manager Strategic Planning, Glenn Bunny, Manager Property & Mark Read, Manager Transport Services, Horizons Regional Council.

Moved Grant Smith, seconded Debi Marshall-Lobb.

## RESOLVED

1. That Council refer an annual operational budget of \$82,000 to the 2026/27 Annual Budget deliberations to lease space in the Tryp Wyndham Hotel development for an Urban Bus Terminal Waiting Lounge and Bus Drivers Lounge, subject to confirmed co-funding, with the net cost to Palmerston North City Council estimated to be \$10,746 per annum.
2. That Council refer a capital new budget of \$200,000 to the 2026/27 Annual Budget deliberations to support the fit-out and establishment of the Urban Bus Terminal Waiting Lounge and Bus Drivers' Lounge, subject to 50% of the capital costs being co-funded by Horizons Regional Council.

Clause 19-26 above was carried 10 votes to 5, with 1 abstention, the voting being as follows:

**For:**

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

**Against:**

Councillors Mark Arnott, Hayden Fitzgerald, Leonie Hapeta, Billy Meehan and William Wood.

**Abstained:**

Councillor Lew Findlay.

**Note:**

Moved William Wood, seconded Leonie Hapeta.

On a procedural motion that under SO 2.14.1 (e) That the item of business being discussed lie on the table until further information can be provided.

The procedural motion was lost 6 votes to 10, the voting being as follows:

**For:**

Councillors Mark Arnott, Lew Findlay, Hayden Fitzgerald, Leonie Hapeta, Billy Meehan and William Wood.

**Against:**

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

The meeting adjourned at 10.25am

The meeting resumed at 10.44am

## 20-26 **Implication of the Wastewater Environmental Performance Standards (WEPS) on the Nature Calls Project**

Report, presented by Mike Monaghan - Manager 3 Waters and Anna Lewis - Nature Calls Project Manager, and Francis xx Stantec.

Moved Grant Smith, seconded Kaydee Zabelin.

## RESOLVED

That Council instruct the Chief Executive to **continue to investigate** Option C, with the addition of a \$1M per annum Adaptive Management Strategy and Plan, as a Nature Calls discharge option for the following reasons: compliance with wastewater environmental performance standards; alignment with project objectives and cost.

Clause 20-26 above was carried 12 votes to 4, the voting being as follows:

### For:

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

### Against:

Councillors Mark Arnott, Leonie Hapeta, Billy Meehan and Karen Naylor.

Moved Grant Smith, seconded Kaydee Zabelin.

## RESOLVED

That Council instruct the Chief Executive to **discard** Option A from the Nature Calls discharge options for the following reasons: compliance with wastewater environmental performance standards; alignment with project objectives.

That Council instruct the Chief Executive to **discard** Option E from the Nature Calls discharge options for the following reasons: compliance with wastewater environmental performance standards; alignment with project objectives and cost.

That Council instruct the Chief Executive to **continue to investigate** Option B, with the addition of a \$1M per annum Adaptive Management Strategy and Plan, as a Nature Calls discharge option for the following reasons: compliance with wastewater environmental performance standards; alignment with project objectives and cost.

Clause 20-26 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.

## 21-26

### **Proposed Amendments to the Signs and Use of Public Places Bylaw 2015 (Election Signs) - Approval for Consultation**

Report, presented by Ann-Marie Mori, Policy Analyst and Peter Ridge, Manager Strategy & Policy.

The meeting adjourned at 12.15pm.

The meeting resumed at 2.35pm.

Councillor Rachel Bowen returned to the meeting online.

Councillor Lew Findlay was not present when the meeting resumed at 2:35pm.

Councillor Wood moved six amendments to the draft bylaw for the following reasons:

1. proposed increase of signage to 1.5m<sup>2</sup> creates a financial barrier to new candidates, and provides a visual nuisance due to the large number of candidates contesting the local body election. For practicality, for national elections it would be better for the bylaw to adhere to the guidance from the Electoral Commission, as political parties tend to print in bulk signs of the same size;
2. current wording in draft bylaw suggests that consented non-luminated signs are not permissible. Proposed amendment will allow all signs/ consented or not to be allowed;
3. requiring written consent from property owners before putting a sign on a fence is unenforceable and is therefore redundant. Prefer status quo of no written request required;
4. having a 9 week period forces officers to interpret what is an election sign is – and the only way to enforce a bylaw is through legal action. Prefer status quo of no time limit imposed by bylaw;
- 5 and 6 . clarifies wording in draft bylaw after new definitions added – to allow one party sign, and one candidate sign per fence (status quo).

Councillor Lew Findlay returned to the meeting at 3.01pm

Moved William Wood, seconded Lorna Johnson.

## **RESOLVED**

That the draft bylaw be amended in the following ways prior to consultation:

1. Be amended to include a 0.6 m<sup>2</sup> limit for residential election signs for local government elections, and 3m<sup>2</sup> for residential election signs for central government elections.

Clause 21-26 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 William Wood, seconded Lorna Johnson.

## **RESOLVED**

That the draft bylaw be amended in the following ways prior to consultation:

4. Remove clauses 10.12 and 10.13 from the proposed bylaw,

Clause 21-26 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.

Moved William Wood, seconded Lorna Johnson.

## **RESOLVED**

That the draft bylaw be amended in the following ways prior to consultation:

2. Clause 10.9 be amended to allow Election Signs or Advertisements to be displayed on any Illuminated, Digital or other Sign which is either permitted under the District Plan rules for an Advertising Sign or holds a resource consent.

3. Remove clause 10.5 from the proposed bylaw,

5. Amend clause 10.3 to read "No site may display more than one candidate advertisement election sign per candidate.

6. Amend clause 10.4 to read "No site may display more than one party advertisement election sign per political party.

Clause 21-26 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, Hayden Fitzgerald, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

**Against:**

Councillor Lew Findlay.

Moved Grant Smith, seconded Debi Marshall-Lobb.

## RESOLVED

1. That the Statement of Proposal – Amendments to the Signs and Use of Public Places Bylaw 2015 (election signs) (as amended above), in Attachment 1, is approved for public consultation.

Clause 21-26 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 Orphée Mickalad, seconded Hayden Fitzgerald.

**NOTE:** On an amendment to Amendment 1: Be amended to include a ~~0.6~~ **1.5** m2 limit for residential election signs for local government elections, and 3m2 for residential election signs for central government elections.

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

### For:

Councillors Mark Arnott, Hayden Fitzgerald, Leonie Hapeta and Orphée Mickalad.

### Against:

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

Moved Vaughan Dennison, seconded Debi Marshall-Lobb.

**NOTE:** On an amendment to Amendment 4: **That** clauses 10.12 and 10.13 from the proposed bylaw, **apply for local body elections only.**

The amendment was lost 2 votes to 14, the voting being as follows:

### For:

Councillors Debi Marshall-Lobb and Vaughan Dennison.

### Against:

The Mayor (Grant Smith) and Councillors 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.

## 22-26

**465B Church Street – Fire Damage Reinstatement (Insurance Claim)**  
Memorandum, presented by Glenn Bunny, Manager Property and Project Management.

Councillor Billy Meehan left the meeting at 3:25pm

Moved Grant Smith, seconded Debi Marshall-Lobb.

### **RESOLVED**

1. That Council approve an increase to Programme 180 – Social Housing – Renewals by up to \$252,000 (GST inclusive) and an increase to Capital Revenue budget of up to \$252,000 (GST inclusive) subject to funding being confirmed.

Clause 22-26 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.

Councillor Billy Meehan returned to the meeting at 3.28pm

### **23-26**

#### **Adoption of Triennial Agreement**

Memorandum, presented by Hannah White, Manager - Governance.

Councillor Orphée Mickalad left the meeting at 3:30pm

Moved Grant Smith, seconded Debi Marshall-Lobb.

### **RESOLVED**

1. That Council adopt the Triennial Agreement for the Manawatū-Whanganui Region 2025-2028.

Clause 23-26 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, Rachel Bowen, Vaughan Dennison, Lew Findlay, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Billy Meehan, Karen Naylor, William Wood and Kaydee Zabelin.

**Against:**

Councillor Hayden Fitzgerald.

Councillor Orphée Mickalad returned to the meeting at 3:33pm

### **24-26**

#### **Extension of term of Trustee on Regent Theatre Trust Board**

Memorandum, presented by Hannah White, Manager Governance.

Moved Grant Smith, seconded Debi Marshall-Lobb.

### **RESOLVED**

1. That Council extend Simon Ferry's term on the Regent Theatre Trust Board until 30 June 2026.

Clause 24-26 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, Orphée Mickalad, Karen Naylor and William Wood.

**Note**

Councillor Kaydee Zabelin declared a conflict of interest, withdrew from the discussion and sat in the gallery.

## RECOMMENDATIONS FROM COMMITTEE MEETINGS

### 25-26 **Community Resilience & Sustainability Committee Part I Public - 18 February 2026 and 11 March 2026**

Councillor Lorna Johnson presented the recommendations below:

Moved Lorna Johnson, seconded Brent Barrett.

#### **RESOLVED**

1. That Council adopt the recommendations from the Community Resilience & Sustainability Committee of 18 February 2026:

#### **Soft Plastics Trial - Options and Costs (clause 3-26)**

Report, presented by Natasha Hickmott, Acting Manager Resource Recovery.

#### The **COMMITTEE RECOMMENDS**

1. That Council approve a soft plastics recycling drop off trial at both Ferguson Street Recycling Centre and Supermarkets commencing Quarter 1 2026/27 for a period of twelve months (Option 1).
2. That Council establish a new Capital Programme called 'Recycling – Soft Plastics Storage Shelter' for the purposes of building a storage shelter at Awapuni to facilitate implementation of a trial for soft plastics recycling.
3. That Council transfer \$82,600 from Programme 727 – Recycling – Materials Recovery Facility Development to new programme 'Recycling – Soft Plastics Storage Shelter' in the current Financial Year.
4. That Council refer to the Annual Budget 2026/27 deliberations additional operating expenditure of \$43,000 and additional operating revenue of \$15,000.

2. That Council adopt the recommendation from the Community Resilience & Sustainability Committee of 11 March 2026:

#### **Resource Recovery Section 17A Review (clause 11-26)**

Memorandum, presented by Natasha Hickmott, Acting Manager Resource

Recovery.

The **COMMITTEE RECOMMENDS**

1. That Council note a Section 17A review has determined that the current model of in-house service delivery for the Resource Recovery Activity is cost effective and agree responsibility for governance, funding and delivery continue to be exercised by Council.

Clause 26-26 above was carried 15 votes to 0, 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, Bonnie Kuru, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

**Abstained:**

Councillor Billy Meehan.

**26-26**

**Joint Shareholders Committee - Central Districts Water Part I Public - 13 February 2026**

Mayor Grant Smith presented the recommendations below:

Moved Grant Smith, seconded Debi Marshall-Lobb.

**RESOLVED**

1. That Council adopt the recommendations from the Joint Shareholders Committee - Central Districts Water of 13 February 2026:

**Initial Shareholders' Committee Policies (clause 3-26)**

Memorandum, presented by Chris Dyhrberg - Executive Director and Julie Keane - Executive Support.

The **COMMITTEE RECOMMENDS**

2. That the Committee recommend to the respective shareholder councils that the Shareholder Agreement Terms of Reference for the Committee are amended:
  - a. Clause 2 – add (t) Engaging with the Company on behalf of the Shareholders' Committee in relation to how the Company shall engage with mana whenua to give effect to te Tiriti o Waitangi and its principles and establish and implements its Te Ao Māori framework
  - b. Clause 6 – adjust 6(a) Quorum to remain at 5 members, but now require a member from each of the shareholder councils and Ngā Tapuwāe o Hau

Clause 26-26 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, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Billy Meehan, Orphée Mickalad, Karen Naylor and Kaydee Zabelin.

**Against:**

Councillor Hayden Fitzgerald.

**Abstained:**

Councillor William Wood.

**27-26**

**Finance, Performance & Audit Committee Part I Public - 4 March 2026**

Councillor Vaughan Dennison presented the recommendations below:

Moved Vaughan Dennison, seconded Grant Smith.

**RESOLVED**

1. That Council adopt the recommendations from the Finance, Performance & Audit Committee of 4 March 2026:

**Setting Council's Risk Management Appetite and Tolerance Levels (clause 4-26)**

Memorandum, presented by Stephen Minton, Risk Management Advisor and Desiree Viggars, Manager Legal, Risk and Assurance.

The **COMMITTEE RECOMMENDS**

1. That Council re-confirm the risk appetite and risk tolerance levels as noted in section 4.1 and 4.2 of the memorandum titled 'Setting Council's Risk Management Appetite and Tolerance Levels' presented on 4 March 2026.
2. That Council agree to review risk appetite and tolerance levels triennially hereafter.

Clause 27-26 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, Bonnie Kuru, Billy Meehan, Orphée Mickalad, Karen Naylor and William Wood.

**Against:**

Councillors Brent Barrett and Kaydee Zabelin.

Moved Karen Naylor, seconded Kaydee Zabelin.

**RESOLVED**

2. That Council adopt the recommendation below:

### **New Zealand Food Awards - Annual Report (clause 5-26)**

Report, presented by Jessica Papple, Manager Marketing.

#### **The COMMITTEE RECOMMENDS**

1. That the Council decline the request to sponsor the New Zealand Food Awards.

Clause 27-26 above was carried 13 votes to 3, the voting being as follows:

#### **For:**

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

#### **Against:**

The Mayor (Grant Smith) and Councillors Rachel Bowen and Vaughan Dennison.

Moved Vaughan Dennison, seconded Grant Smith.

**NOTE:** On the recommendation: That Council **not adopt** the recommendation below:

### **New Zealand Food Awards - Annual Report (clause 5-26)**

Report, presented by Jessica Papple, Manager Marketing.

#### **The COMMITTEE RECOMMENDS**

1. That the Council decline the request to sponsor the New Zealand Food Awards.

The motion was lost 5 votes to 11, the voting being as follows:

#### **For:**

The Mayor (Grant Smith) and Councillors Rachel Bowen, Vaughan Dennison, Bonnie Kuru and Billy Meehan.

#### **Against:**

Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Lew Findlay, Hayden Fitzgerald, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

## **EXCLUSION OF PUBLIC**

### **28-26 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
26.	696 Roberts Line - Land Exchange with Kiwi Rail (Crown Land) for the purpose of Water Bore Development	The report contains commercially sensitive financial information and Council's negotiation position relating to the matter. Public disclosure would likely prejudice Council's ability to carry out its commercial activities without disadvantage.	s7(2)(h)COMMERCIAL ACTIVITIES: This information needs to be kept confidential to allow Council to engage in commercial activities without prejudice or disadvantage
27.	District Licensing Committee Appointments	The privacy of the individuals overrides public interest in knowing who the DLC list members are until appointments have 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.

Clause 28-26 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.

The following items were deferred to the April Council meeting:

- Strategy and Policy Work Programme 2026/27
- 48 Cambridge Ave, Ashhurst - Interim management decision pending completion of Property Portfolio Review
- Local Government Elections 2025
- Inquiry into the 2025 Local Elections- Submission Approved Under Mayoral Delegation
- Appointment of Council Representatives (Age Friendly and Food HQ)
- Council Work Schedule

The public part of the meeting finished at 4.01pm.

The meeting adjourned at 4.01pm

Confirmed 6 May 2026

**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 22 April 2026, commencing at 9.04am**

**Members Present:** Grant Smith (The Mayor) (in the Chair) and Councillors Mark Arnott, Brent Barrett, Vaughan Dennison, Lew Findlay, Hayden Fitzgerald, Lorna Johnson, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

**Members Present Online:** Councillor Bonnie Kuru.

**Apologies:** Councillors Rachel Bowen (absent on Council business), Leonie Hapeta, Debi Marshall-Lobb (late arrival, on Council business) and Billy Meehan.

#### **Karakia Timatanga**

Councillor Kaydee Zabelin opened the meeting with karakia.

#### **31-26 Apologies**

Moved Grant Smith, seconded Brent Barrett.

#### **RESOLVED**

1. That Council receive the apologies.

Clause 31-26 above was carried 12 votes to 0, the voting being as follows:

**For:**

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

#### **Declaration of Interests**

Councillor Kaydee Zabelin declared a conflict of interest in Item 15 Reappointment of Trustees/Directors on Council Controlled Organisations (clause 46-26), and took no further part in discussion or debate.

**32-26 Appointment of Chairs for following sessions**

Moved Grant Smith, seconded Brent Barrett.

**RESOLVED**

1. That Council agree the Chairs for the remaining sessions as follows:

Date	Timeslot		Chair
22 April 2026	11.00am – 12.30pm	am	Councillor Kaydee Zabelin
	4.00pm – 5.30pm	pm	Councillor Hayden Fitzgerald
23 April 2026	9.00am – 10.30am	am	Councillor Orphée Mickalad
	11.00am – 12.30pm	am	Councillor Mark Arnott
	4.00pm – 5.30pm	pm	Councillor Debi Marshall-Lobb

Clause 32-26 above was carried 12 votes to 0, the voting being as follows:

**For:**

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

**33-26 Extension of meeting time**

Moved Grant Smith, seconded Brent Barrett.

**RESOLVED**

1. That Council resolve, as per Standing Order 2.1.7, to extend the meeting until 6.00pm on Thursday 23 April 2026.

Clause 33-26 above was carried 12 votes to 0, the voting being as follows:

**For:**

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

**34-26 Hearing of Submissions – Annual Budget 2026-27 and Planning and Miscellaneous Services Fees & Charges 2026-27**

Councillor Debi Marshall-Lobb entered the meeting at 10.03am.

Moved Grant Smith, seconded Brent Barrett.

**RESOLVED**

1. That Council receive the submissions and hear submissions from

presenters who indicated their wish to be heard in support of their submission.

2. That Council note the Procedure for Hearing of Submissions, as described in the procedure sheet.

Clause 34-26 above was carried 12 votes to 0, the voting being as follows:

**For:**

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

Council considered submissions on the Annual Budget with supporting oral statements including additional tabled material (appended to these Minutes).

The following persons appeared before Council and made oral statements in support of their submissions and replied to questions from Elected Members.

**Mike Clement (10)**

Mike spoke to his submission and made the following additional comments:

- Prioritise maintenance and renewal over new and aspirational projects - fix what we have before we build what we want.
- Choices reflect priorities, and priorities reflect values.

**Takaro AFC (Netra Ghimire & Sam Burney) (118)**

Netra and Sam spoke to their submission, provided additional material (appended to these Minutes), and made no additional comments.

**Environment Network Manawatū (Jean Hera & Di Koch) (158)**

Jean and Di spoke to their submission and made no additional comments.

**Property Task Force – Palmerston North (Phil Hindrup & Grant Higgins) (188 – Annual Budget) (2 – Planning & Miscellaneous Services Fees & Charges)**

Phil & Grant spoke to their submissions and made the following additional comment:

- Directed Elected Members to Comparison of Planning Fees spreadsheets in Geoworks' submission.

**Peter Crawford (192) on behalf of Crown Financial Ministries**

Peter spoke to his submission on behalf of Crown Financial Ministries, which offers a range of financial courses that are mostly delivered through churches, and made the following additional comments:

- Proposes the introduction of a daily parking charge for the blocks around the outside of the CBD where parking is currently free (at least one block out); \$5 per day would be a good starting point.
- If the increase in parking revenue is used to offset some of the rates increase, overall households would not be facing any increase in costs;

it would be a redistribution of revenue to encourage behavioural change.

**Palmy BID (Matthew Jeanes & Verne Wilson) (302)**

Matthew & Verne spoke to their submission, provided additional material (appended to these Minutes), and made no additional comments.

**Manawatū Gymsports Incorporated (Kim Fenn, Kylan Taylor & Nick McNeill) (304)**

Kim, Kylan and Nick spoke to their submission, provided additional material (appended to these Minutes), and made no additional comments.

**J P McCartin (354)**

The Manager - Governance read a statement on behalf of J P McCartin (appended to these Minutes).

The meeting adjourned at 10.42am.

The meeting resumed at 11.02am.

Councillor Bonnie Kuru was not present when the meeting resumed.

## SESSION 2

**Members Present:** Councillor Kaydee Zabelin (in the Chair), Grant Smith (The Mayor) and Councillors Mark Arnott, Brent Barrett, Vaughan Dennison, Hayden Fitzgerald, Lorna Johnson, Debi Marshall-Lobb, Orphée Mickalad, Karen Naylor and William Wood.

**Members Present Online:** Councillor Lew Findlay.

**Apologies:** Councillors Rachel Bowen (absent on Council business), Leonie Hapeta, Bonnie Kuru and Billy Meehan.

Councillor Kaydee Zabelin took the Chair.

**35-26 Apologies**

Moved Kaydee Zabelin, seconded Debi Marshall-Lobb.

**RESOLVED**

1. That Council receive the apologies.

Clause 35-26 above was carried 12 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, Lorna Johnson, Orphée Mickalad, Karen

Naylor, William Wood and Kaydee Zabelin.

### **Hearing of Submissions – Annual Budget 2026-27 and Planning and Miscellaneous Services Fees & Charges 2026-27 (continued)**

Councillor Bonnie Kuru entered the meeting at 11.03am and left the meeting at 11.25am.

Councillor Rachel Bowen entered the meeting at 11.27am and left the meeting at 11.44am.

Council considered submissions on the Annual Budget with supporting oral statements including additional tabled material (appended to these Minutes).

The following persons appeared before Council and made oral statements in support of their submissions and replied to questions from Elected Members.

#### **Palmerston North Heritage Trust (Geoff Watson) (216)**

Geoff spoke to their submission and made the following additional comments:

- Digitisation is a useful resource which democratises history, but electronic formats vary and change over time and can become corrupted; fit for purpose storage of paper records is essential also.
- There is considerable demand for community archives across the city as these are the records of local community groups, shops, etc. A lot of this material is currently stored offsite.
- Te Manawa – would be good to see opportunities for more interactive story-telling, more frequent special exhibits to coincide with anniversaries/events in the city.
- Any centralised archive would need to be a specialist facility with appropriate temperature control, electronic facilities to enable easy access, access to community history, etc.

#### **Age-Friendly Palmerston North (Russell Hallam & Kerry Hocquard) (189)**

Russell and Kerry spoke to their submission and made the following additional comment:

- One word – accessibility!

#### **Simon Barnett (238)**

Simon spoke to his submission and made the following additional comments:

- Spoke about his role as the founder and CEO of Obo – a proud local company that exports hockey goal-keeping gear for field hockey to 74 countries. At the Paris Olympics, 75% of all the goal-keepers were wearing Obo gear. Palmerston North is a great place to be based, and our people enable us to thrive on a global stage. Working smarter and thinking creatively got them to the place they are now.
- Long term success is around being able to attract and retain really good people in this city. Cannot afford not to continue to invest in, maintain and develop city branding, Te Manawa, Sculpture Trust and public art and Massey University, etc. and making the city family-

friendly.

**Sharon Sandgathe (278)**

Sharon spoke to her submission, provided additional material (appended to these Minutes) and made no additional comments.

**Queen Elizabeth College (Chris Moller) (308)**

Chris spoke to their submission and made the following additional comments:

- As well as being the Principal of Queen Elizabeth College, he chairs the Regional Principals' Secondary Group which represents the colleges in this region. Palmerston North is a dynamic centre for sport, and if costs for sports facilities were to increase this cost would be passed on to families.
- Recently developed an international student market at QEC, and acknowledge the support of Council and other directors of international education in the city. Directly supporting a number of families; charging \$350/week per student to go into local houses. It is important to keep this international provision going in the city.
- Numbers of students increasing in the city which will impact on court space facilities; it is likely a different model will be required.
- Important to keep sports accessible, not elite.

**Renee & Hugh Dingwall (329)**

Renee and Hugh spoke to their submission and made the following additional comments:

- Some people have difficulty seeing value in things they are not directly impacted by.
- Supports more investment in raised pedestrian crossings, additional accessible carparks and more social housing.
- Continuation of support for Lido swimming pool and libraries, events like Festival of Cultures, Pasifika Fusion, Summer Shakespeare, etc. which add to the positive vibe in the city.
- Noted these services and events make a massive impact on the quality of her life; thanked Council for making the city a great place to live, particularly for vulnerable people. Would be prepared to pay increased rates for their continuation.

**Globe Theatre Trust (John Adams) (221)**

John spoke to their submission and made the following additional comments:

- In his opinion Palmerston North has an unrivalled performing arts scene when compared to similar sized centres throughout New Zealand. The Council's contribution to performing arts is a key component in this.
- In 2023 a joint project between Massey and Canterbury universities

identified that for every dollar spent on live performance, there was a \$3.20 return to benefit the wider community. It stated that 62% of New Zealanders feel that the arts should receive public funding, and 67% agree that arts facilities are important to create a vibrant place to live.

- Has noticed a decline in attendances at performances over recent months across some sectors – music performances are a hard sell at present (in common with other operators in the city). Attempting to coordinate with other organisations so there are less clashes.

The meeting adjourned at 12.16pm.

The meeting resumed at 1.33pm.

Councillors Rachel Bowen and Leonie Hapeta were present when the meeting resumed.

Councillor Lew Findlay was not present when the meeting resumed.

The Mayor (Grant Smith) returned to the Chair.

## REPORTS

### 36-26 **Strategy and Policy Work Programme 2026/27**

Memorandum, presented by Peter Ridge, Manager Strategy and Policy.

Councillor Johnson moved a motion requesting the prioritisation of the development of the Local Alcohol Policy, as it is of greater importance than other less urgent policies.

Councillor Lew Findlay entered the meeting at 2.02pm.

Moved Lorna Johnson, seconded Mark Arnott.

### RESOLVED

1. That Council receive the memorandum titled 'Strategy and Policy Work Programme 2026/27' presented on 22 April 2026.
2. That the Chief Executive prioritise the development of the Local Alcohol Policy.

Clause 36-26 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, Rachel Bowen, Vaughan Dennison, Lew Findlay, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, Karen Naylor and Kaydee Zabelin.

#### **Against:**

Councillors Hayden Fitzgerald and William Wood.

Councillors Rachel Bowen and Lew Findlay left the meeting at 2.14pm.

**37-26 48 Cambridge Ave, Ashhurst - Interim management decision pending completion of Property Portfolio Review**

Report, presented by Perene Green, Property Officer.

Moved Hayden Fitzgerald, seconded Karen Naylor.

**RESOLVED**

3. That Council agree to:

- b. Demolish the existing building at 48 Cambridge Avenue, Ashhurst and include in the Strategic Property Review.

Clause 37-26 above was carried 12 votes to 0, the voting being as follows:

**For:**

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

Moved Grant Smith, seconded Orphée Mickalad.

**Note:**

On a motion:

‘1. That Council agree to:

- a. Seek Expressions of Interest for a community lease for 48 Cambridge Avenue, Ashhurst (located on part of Works Pit Park) on a tenant-led works basis;
2. That if Council agrees to progress option 1(a), that Council endorse the intention to dispose of the building for \$1 to any future Ashhurst community group or organisation that has entered into a community occupancy agreement.’

the motion was lost 4 votes to 8, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Vaughan Dennison, Orphée Mickalad and William Wood.

**Against:**

Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Hayden Fitzgerald, Leonie Hapeta, Lorna Johnson, Karen Naylor and Kaydee Zabelin.

**38-26 Local Government Elections 2025**

Memorandum, presented by Hannah White, Manager Governance.

Councillor Lew Findlay entered the meeting at 3.14pm.

Moved Grant Smith, seconded Debi Marshall-Lobb.

**RESOLVED**

1. That Council receive the memorandum titled ‘Local Government Elections 2025’, presented on 22 April 2026.

Clause 38-26 above was carried 12 votes to 0, with 1 abstention, the voting being as follows:

**For:**

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

**Abstained:**

Councillor Lew Findlay.

**39-26**

**Central Districts Water - Updated Shareholders' Agreement**

Report, presented by Chris Dyhrberg - Executive Director Central Districts Water.

Councillor Leonie Hapeta left the meeting at 3.25pm.

Councillor Mark Arnott left the meeting at 3.26pm.

Moved Grant Smith, seconded Debi Marshall-Lobb.

**RESOLVED**

1. That Council, as a shareholder of Central Districts Water, approve the attached Shareholders' Agreement with the recommended amendments, and delegate to the Chief Executive to sign any documents required to approve the Shareholders' Agreement on behalf of Palmerston North City Council.
2. That Council delegate to the Chief Executive the ability to agree any minor, non-material changes to the Shareholders' Agreement prior to the final approval, and to report back to Council on any changes made under this delegation.

Clause 39-26 above was carried 8 votes to 2, with 1 abstention, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Brent Barrett, Lew Findlay, Lorna Johnson, Orphée Mickalad, Karen Naylor and Kaydee Zabelin.

**Against:**

Councillors Hayden Fitzgerald and William Wood.

**Abstained:**

Councillor Vaughan Dennison.

**40-26**

**Inquiry into the 2025 Local Elections - Submission Approved Under Mayoral Delegation**

Memorandum, presented by Hannah White, Manager Governance.

Councillor Rachel Bowen entered the meeting again at 3.31pm.

Councillor Leonie Hapeta entered the meeting again at 3.32pm.

Moved Grant Smith, seconded Debi Marshall-Lobb.

## RESOLVED

1. That Council receive the report titled 'Inquiry into the 2025 Local Elections - Submission Approved Under Mayoral Delegation,' presented on 22 April 2026.

Clause 40-26 above was carried 13 votes to 0, the voting being as follows:

**For:**

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

The meeting adjourned at 3.35pm.

The meeting resumed at 3.59pm.

Councillor Mark Arnott was present when the meeting resumed.

Councillors Rachel Bowen, Leonie Hapeta and Lew Findlay were not present when the meeting resumed.

## SESSION 3

**Members Present:** Councillor Hayden Fitzgerald (in the Chair), Grant Smith (The Mayor) and Councillors Mark Arnott, Brent Barrett, Vaughan Dennison, Lorna Johnson, Debi Marshall-Lobb, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

**Members Present:** Councillor Lew Findlay.

**Online:**

**Online:**

**Apologies:** Councillor Rachel Bowen (absent on Council business), Leonie Hapeta, Bonnie Kuru and Billy Meehan.

Councillor Hayden Fitzgerald took the Chair.

### 41-26 Apologies (session 3)

Moved Hayden Fitzgerald, seconded William Wood.

## RESOLVED

1. That Council receive the apologies.

Clause 41-26 above was carried 12 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, Lorna Johnson, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

## **Hearing of Submissions – Annual Budget 2026-27 and Planning and Miscellaneous Services Fees & Charges 2026-27 (continued)**

Cr Findlay left the meeting at 3.15pm.

The Mayor left the meeting at 4.58pm.

Councillor Rachel Bowen entered the meeting again at 5.00pm.

Council considered submissions on the Annual Budget with supporting oral statements including additional tabled material (appended to these Minutes).

The following persons appeared before Council and made oral statements in support of their submissions and replied to questions from Elected Members.

### **Seniors Reference Group (Joan Spencer & Russell Hallam) (166)**

Joan and Russell spoke to their submission, provided additional material (appended to these Minutes), and made the following additional comments:

- Noted their concern about the expected increase in the cost of living as a result of the ongoing Iran war and the subsequent rises in fuel prices.
- Amidst ongoing economic challenges and rising cost pressures, seniors continue to bolster the local economy by supporting a wide range of businesses. They volunteer for numerous organisations, offering their time and skills to strengthen community services and networks. Many seniors also assist with grandparent duties, providing vital support to families.
- Appreciates the ongoing efforts to make Palmerston North a vibrant and welcoming place to live.
- Would like to see prioritisation of seniors housing, including requirements that will enhance their enjoyment of life; for example egress to and from sections, parking and storage facilities for vehicles/mobility scooters, wider door frames to accommodate wheelchairs, accessible bathrooms, etc.
- Supports ongoing work towards the accreditation of Palmerston North as an age friendly city.
- Supports Council lobbying central government to upgrade the rates rebate system.

### **Sport Manawatū (Carl Johnstone & Kelly Shanks) (176)**

Carl and Kelly spoke to their submission and made the following additional comment:

- Noted one of the challenges with Arena is that use of indoor courts space needs to be balanced with commercial and community sport.

### **Manawatū Rugby League (Lawrence Erihe & Sam Maniapoto) (193)**

Lawrence and Sam spoke to their submission and made the following additional comments:

- Have 78 junior teams playing on Coronation Park on a Sunday – ground and facilities are becoming very congested.
- Rugby league whanau extends from Dannevirke, Otaki, Whanganui, as far north as Ruapehu and southern boundary is Masterton. Need quality grounds and facilities.
- Considering use of other grounds within the city as membership continues to grow.

### **Cancer Society Manawatū (Josephine Gutry) (223)**

Josephine spoke to their submission and made the following additional comments:

- Central government has put forward the Sale and Supply Amendment Bill for Alcohol which has multiple changes that would negatively affect health and wellbeing of communities, as well as how local Councils can protect and support their local communities. The community wants stronger limits on places that can sell alcohol. People in politics can reduce the influence of the alcohol industry on politicians by changing the rules about access to the politicians, and demanding that communities, health researchers and alcohol harm reduction agencies meet with the Ministry of Health more often than members of the alcohol industry do.
- Decision makers (Councils) need to make it easier for communities to keep alcohol outlets out of their neighbourhoods, because reducing the consumption and availability of alcohol reduces the incidence of alcohol attributable cancer.
- Younger generation are more informed and aware of harms associated with alcohol and are doing a lot more advocacy in their own spaces, which could be contributing to their lower level of alcohol consumption.

### **Niuvaka Trust (Aaron Freeman) (256)**

Aaron spoke to their submission and made no additional comments.

- Part of partnering with Ora Konnect Alliance provides them with hard data and statistics specific to 4412 suburb which indicate of 30k population 76% of people are at a lower deprivation level of 6-10, aged 25-45 years there are 3,200 people at a deprivation 9 level and aged 65-74 years there are 504 people still working 40-49 hours per week for a median annual individual income of around \$39,055.
- Focus on programmes that might enable people to achieve better economic outcomes for themselves.

### **Malcolm Frith (336)**

Malcolm spoke to his submission and made the following additional comments:

- Our method of footpath construction needs addressing.
- Don't remove perfectly good infrastructure and replace it with another bit of infrastructure, for example sections of footpath on Pioneer Highway that were removed and replaced with concrete. Budget could be reallocated.
- Not sure why rose beds were removed and replaced with natives, which don't always grow well in the local climate.
- Routes that buses take are problematic.
- Suggest selling the Awapuni site.

### **Richard Woolgar (240)**

Richard spoke to his submission and made the following additional comments:

- Infrastructure rarely fails all at once; it wears down over time until the cost is no longer manageable and replacement is unavoidable.
- Under-investment in maintenance does not save money, it creates disruption and cost that is a larger, more difficult burden to future generations.
- The current state of our footpath network does not encourage walking over other means of transport; if we want to reduce pressure on our roads one of the simplest and most affordable places to start is footpaths.

### **Karakia Whakamutunga**

Councillor Kaydee Zabelin adjourned the meeting and closed the day with karakia.

The meeting adjourned at 5.10pm, Wednesday 22 April 2026

The meeting resumed at 9.02am Thursday 23 April 2026

## **SESSION 4**

**Members Present:** Councillor Orphee Mickalad (in the Chair), Mayor Grant Smith, and Councillors Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Hayden Fitzgerald, Leonie Hapeta, Lorna Johnson, Debi Marshall-Lobb, Karen Naylor and Kaydee Zabelin.

**Apologies:** The Mayor Grant Smith (early departure on Council Business), Councillors Lew Findlay (late arrival), Bonnie Kuru, Billy Meehan and William Wood.

Councillor Orophée Mickalad took the Chair.

## **Karakia Timatanga**

Councillor Orphée Mickalad opened the day with karakia.

**42-26**

### **Apologies**

Moved Orphée Mickalad, seconded Leonie Hapeta.

### **RESOLVED**

1. That Council receive the apologies.

Clause 42-26 above was carried 12 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, Hayden Fitzgerald, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, Karen Naylor and Kaydee Zabelin.

### **Hearing of Submissions – Annual Budget 2026-27 and Planning and Miscellaneous Services Fees & Charges 2026-27 (continued)**

Council considered submissions on the Annual Budget with supporting oral statements including additional tabled material (appended to these Minutes).

The following persons appeared before Council and made oral statements in support of their submissions and replied to questions from Elected Members.

#### **Julia Manssen (209)**

Julia spoke to her submission and made no additional comments.

#### **Te Manawa Art Society (David Crowley) (268)**

David spoke to their submission and made the following additional comments:

- Not a request for funding but to encourage Council to consider the future of the art gallery.
- Combined PNCC and Art Society collection is valued at \$30M.
- Current resource constraints restrict the ability of the art gallery to display their entire collection.
- Sees an opportunity to unlock art collection for tourism, which would strengthen economic development in the city.
- There is strong expatriate community willing to gift their entire collections to their local New Zealand towns. Where they chose to gift is dependent on whether a museum can display their collection to the public.

**Palmerston North City Council Heritage Reference Group (Margaret Tennant and Peter Te Rangi) (285)**

Margaret and Peter spoke to their submission and made the following additional comments:

- Despite the current financial restraints, Council needs to be mindful of the cultural and heritage environment of the city.
- Heritage can attract tourism too. Development of cultural sites eg Te Motu o Poutoa, would advance tourism offer for the city.

**Manawatū Tenants Union – (185), Cameron Jenkins (331), and Manawatū Lesbian & Gay Rights Association Incorporated (MaLGRA) (355) (Cameron Jenkins and Kirsty Henderson)**

Cameron and Kirsty spoke to their submissions and made the following additional comments:

- Reducing rates doesn't stop rents from increasing but does restrict Council's ability to invest in housing, as Council has a role to deliver affordable housing when the market fails to do so.
- Social housing funding has not kept pace with demand and the capacity to provide a service is reaching its limit.
- Community funding is not optional it reduces demand on higher costs systems such as health and emergency housing.
- Questioned whether Council had the capacity to deliver footpath improvements or build more footpaths if we increase rates for them.
- MaLGRA has deliberately chosen not to seek additional Council funding this year, as they want funding decisions to reflect the full need of the city.

The meeting adjourned at 9.54am

The meeting resumed at 10.12am

Councillor Lew Findlay was present when the meeting resumed at 10.12am

**Kia Toa Rugby Football Club Inc. (Ray Swadel) (340)**

Ray spoke to their submission, he provided additional material (appended to these Minutes) but made no additional comments.

**David Chapple (352)**

David spoke to his submission and made no additional comments.

The meeting adjourned at 10.31am, Thursday 23 April 2026.

The meeting resumed at 11.00am, Thursday 23 April 2026.

## SESSION 5

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

Councillor Mark Arnott took the Chair.

Councillor Orphée Mickalad was not present when the meeting resumed at 11:00am

### 43-26 Apologies

Moved Mark Arnott, seconded Rachel Bowen.

#### RESOLVED

1. That Council receive the apologies.

Clause 43-26 above was carried 11 votes to 0, the voting being as follows:

**For:**

Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Hayden Fitzgerald, Leonie Hapeta, Lorna Johnson, Karen Naylor and Kaydee Zabelin.

### Hearing of Submissions – Annual Budget 2026-27 and Planning and Miscellaneous Services Fees & Charges 2026-27 (continued)

Council considered submissions on the Annual Budget with supporting oral statements including additional tabled material (appended to these Minutes).

The following persons appeared before Council and made oral statements in support of their submissions and replied to questions from Elected Members.

Councillor Orphée Mickalad returned to the meeting at 11:07am.

### Ian Staples (345)

Ian spoke to his submission and made the following additional comments:

- He discussed his concern with the potential lack of diesel being available in New Zealand. He asked if Council has a contingency plan for how it would continue to run its services (eg rubbish collection) if the country was to run out of diesel.

**Christine Staples (346)**

Christine spoke to her submission, she provided additional material (appended to these Minutes) and made the following additional comments:

- Discussed Government high debt levels and interest cost, noted that interest repayment are higher than the budgets of several government agencies.
- Supported Council deferring several projects until 2028, until global security improves.
- Thought International Relations is a central government responsibility, as it is already funded by several government agencies. Sees no need for Council to duplicate these efforts.
- Would like more transparency over Council's budget for full staffing and consultancy costs.
- Urged Members to consider the people struggling to pay their rates when they come to setting the budget.

**Marianne Poole (349)**

Marianne spoke to her submission and made the following additional comments:

- Residents need to trust that Elected Members understand the Council's accounts.

The Mayor (Grant Smith) returned to the meeting at 11:30am

**Alcohol Healthwatch (Andrew Galloway, Executive Director) (4 – Planning & Miscellaneous Services Fees & Charges)**

Andrew spoke to their submission and made no additional comments.

**Resonant (Kevin Judd) (6 – Planning & Miscellaneous Services Fees & Charges)**

Kevin spoke to their submission and made no additional comments.

**Truebridge Associates Limited (Ross Bidlake) (7 – Planning & Miscellaneous Services Fees & Charges)**

Ross spoke to their submission and made no additional comments.

**Federated Farmers of New Zealand (Ian Strahan, Hayden Easton & Peter Matich) (218)**

Ian, Hayden and Peter spoke to their submission and made the following additional comments:

- Urged caution around inflation assumptions as it now appears inflation is going to increase.
- Would like to see Palmerston North becoming a unitary authority.

**Ora Konnect (Pauline Hiroti, and Matoroa Mar) (128)**

Pauline and Matoroa spoke to their submission and made no additional comments.

**MASH Trust (John Fowke, Chair and Karleen Edwards, Chief Executive) (234)**

John and Karleen spoke to their submission, provided additional material (appended to these Minutes), and made no additional comments.

The meeting adjourned at 12.35pm.

The meeting resumed at 1.54pm.

The Mayor (Grant Smith) returned to the Chair.

Councillor Vaughan Dennison entered the meeting online.

**44-26 Appointment of Council Representatives (Age Friendly and Food HQ)**

Memorandum, presented by Hannah White, Manager Governance.

Moved Grant Smith, seconded Debi Marshall-Lobb.

**RESOLVED**

1. That Council appoint Councillor Bonnie Kuru as Council's representative on Age Friendly until October 2028.
2. That Council appoint David Murphy, GM Strategic Planning from 1 July 2026 as Council's nominated director for Food HQ Innovation Limited, with Waid Crockett, Chief Executive as his proxy, effective from 1 July 2026.

Clause 44-26 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, Vaughan Dennison, Lew Findlay, Hayden Fitzgerald, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, Karen Naylor and Kaydee Zabelin.

**45-26 Manawatū Regional Freight Ring Road Indicative Business Case: Short List Programme Options and Sub-options**

Memorandum, presented by James Miguel, Senior Transport Planner.

Officer opening comments and Elected Members questions for the first 20 minutes of this item are appended to the Minutes.

Councillor Vaughan Dennison left the meeting at 3:18pm after the amendment.

Councillor Zabelin moved an amendment to recommendation 1 to ensure that options (2A and 2C) were dismissed from the short list to address the concerns of the Bunnythorpe community with regard to severance, and to include option 1G to explore whether mitigations are possible and provide a comparison against other options.

Mayor Smith moved a motion seeking officer advice on how advocacy might be realised if the Ring Road were to be approached independent of the PNITI programme.

Moved Grant Smith, seconded Hayden Fitzgerald.

### RESOLVED

1. That Council approve the ten short list programme options and five sub-options detailed in section 4 and Attachment Two of the memorandum titled 'Manawatū Regional Freight Ring Road Indicative Business Case: Short List Programme Options and Sub-options' presented on 22 April 2026, subject to the options being amended to omit Options 2A and 2C and substitute with 2E, and to include 1G.

Clause 45-26 above was carried 8 votes to 3, with 1 abstention, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Brent Barrett, Rachel Bowen, Lew Findlay, Hayden Fitzgerald, Orphée Mickalad and Kaydee Zabelin.

**Against:**

Councillors Mark Arnott, Leonie Hapeta and Karen Naylor.

**Abstained:**

Councillor Lorna Johnson.

Moved Grant Smith, seconded Debi Marshall-Lobb.

### RESOLVED

2. That the Chief Executive report back on whether the Manawatū Regional Freight Ring Road Indicative Business Case project stay within PNITI programme or be separated.

Clause 45-26 above was carried 12 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, Orphée Mickalad, Karen Naylor and Kaydee Zabelin.

Moved Kaydee Zabelin, seconded Karen Naylor.

On an amendment: That Council approve the ten short list programme options and five sub-options detailed in section 4 and Attachment Two of the memorandum titled 'Manawatū Regional Freight Ring Road Indicative Business Case: Short List Programme Options and Sub-options' presented on 22 April 2026, **subject to the options being amended to omit Section Options 2A and 2C and substitute with 2E, and to include 1G.**

The amendment was carried 12 votes to 0, 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, Orphée Mickalad, Karen Naylor and Kaydee Zabelin.

**Abstained:**

Councillor Lorna Johnson.

Councillor Mark Arnott left the meeting at 2:45pm

**46-26 Reappointment of Trustees/Directors on Council Controlled Organisations**  
Memorandum, presented by Hannah White, Manager Governance.

Councillor declared an interest and sat in the gallery.

Moved Grant Smith, seconded Debi Marshall-Lobb.

**RESOLVED**

1. That Council extend Murray Georgel's term on the Palmerston North Airport Ltd Board until 31 December 2027.
2. That Council reappoint Sarah Everton to the Palmerston North Airport Ltd Board for a term of up to three years until August 2029, to support the terminal redevelopment project and continuity of board knowledge at the retirement of the Chair.
3. That Council advertise for up to two roles for the Regent Theatre Trust Board and one role for the Globe Theatre Trust Board.

Clause 46-26 above was carried 9 votes to 1, 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, Orphée Mickalad and Karen Naylor.

**Against:**

Councillor Hayden Fitzgerald.

**Note:** Councillor Kaydee Zabelin declared a conflict of interest, withdrew from the discussion and sat in the gallery.

**47-26 Council Work Schedule**

Moved Grant Smith, seconded Debi Marshall-Lobb.

**RESOLVED**

1. That Council receive its Work Schedule dated April 2026.

Clause 47-26 above was carried 11 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Brent Barrett, Rachel Bowen, Lew Findlay, Hayden Fitzgerald, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, Karen Naylor

and Kaydee Zabelin.

## RECOMMENDATIONS FROM COMMITTEE MEETINGS

### 48-26 Finance, Performance & Audit Committee Part I Public - 1 April 2026

Councillor Karen Naylor presented the recommendations below:

Moved Karen Naylor, seconded Grant Smith.

#### RESOLVED

1. That Council adopt the recommendations from the Finance, Performance & Audit Committee of 1 April 2026:

#### **Draft Speed Management Plan - deliberations on submissions and adoption (clause 18-26)**

Report, presented by Peter Ridge, Manager Strategy and Policy.

#### The COMMITTEE RECOMMENDS

1. That Council adopt the Final Draft Palmerston North Speed Management Plan 2026 (Attachment 1).
2. That the Chief Executive is given delegated authority to approve the Final Draft Palmerston North Speed Management Plan 2026 (Attachment 1), to include the revised technical maps and text descriptions of the proposed speed limit changes, as described in the document in Attachment 1.
3. That Council endorse the analysis of issues raised in submissions (Attachment 2), to be used as the basis for providing responses to submitters.
4. That the Palmerston North Speed Limits Bylaw 2020 is revoked.

#### **Traffic situation and calming options for Ascot and Pahiatua Streets (clause 23-26)**

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

#### The COMMITTEE RECOMMENDS

1. That Council install a mid-block pedestrian refuge island on Ascot Street near the intersection with Pahiatua Street (option 2).

Clause 48-26 above was carried 10 votes to 0, with 1 abstention, the voting being as follows:

#### **For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Rachel Bowen, Lew Findlay, Hayden Fitzgerald, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, Karen Naylor and Kaydee Zabelin.

#### **Abstained:**

Councillor Debi Marshall-Lobb.

**49-26 Arts, Culture & Heritage Committee Part I Public - 15 April 2026**

Councillor Rachel Bowen presented the recommendation below:

Moved Rachel Bowen, seconded Kaydee Zabelin.

**RESOLVED**

1. That Council adopt the recommendations from the Arts, Culture & Heritage Committee of 15 April 2026:

**Caccia Birch Masterplan (clause 11-26)**

Memorandum, presented by John Lynch, Manager Venues + Events and Kris Herman / James Marsh, Local Collective Architects.

The **COMMITTEE RECOMMENDS**

1. That Council adopt the Caccia Birch Masterplan to guide future development of the grounds and inform future Long-term Plan processes.

Clause 49-26 above was carried 10 votes to 0, with 1 abstention, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Rachel Bowen, Lew Findlay, Hayden Fitzgerald, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, Karen Naylor and Kaydee Zabelin.

**Abstained:**

Councillor Debi Marshall-Lobb.

The meeting adjourned at 3.31pm

The meeting resumed at 4.00pm

**SESSION 6**

**Members Present:** Councillor Debi Marshall-Lobb (in the Chair), Mayor Grant Smith and Councillors Mark Arnott, Brent Barrett, Rachel Bowen, Lew Findlay, Hayden Fitzgerald, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

**Apologies:** Councillors Vaughan Dennison (late arrival), Bonnie Kuru and Billy Meehan.

Councillor Debi Marshall-Lobb took the Chair.

50-26

## **Apologies**

Moved Hayden Fitzgerald, seconded Leonie Hapeta.

## **RESOLVED**

1. That Council receive the apologies.

Clause 50-26 above was carried 12 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, Karen Naylor, William Wood and Kaydee Zabelin.

Councillor Orphee Mickalad returned to the meeting at 4.03pm

## **Hearing of Submissions – Annual Budget 2026-27 and Planning and Miscellaneous Services Fees & Charges 2026-27 (continued)**

Council considered submissions on the Annual Budget with supporting oral statements including additional tabled material (appended to these Minutes).

The following persons appeared before Council and made oral statements in support of their submissions and replied to questions from Elected Members.

### **IPU New Zealand (Hiroyasu Tsumakura) (241)**

Hiroyasu spoke to their submission and made no additional comments:

### **Greater Bunnythorpe Community Inc. (Rebekah and Mike Mudford) (245)**

Rebekah spoke to their submission and made no additional comments.

### **Palmerston North Youth Council – Scarlett & Connor (246)**

Scarlett and Connor spoke to their submission and made the following additional comments:

- Keen to see more places for youth to go, especially at night. More investment in lighting around bus shelter to make them safer.
- Youth spaces needs more investment; under investment in youth services now set a precedent for under investment in services in the future.
- Recognised the need to keep rates low, due to the current cost of living crisis but decisions made during this budget, will have a larger long term impact on youth than other groups in society.
- Maintaining good youth services in the city is important for retaining youth in the city.

**Bioeconomy Science Institute (Mark Piper) (265)**

Mark spoke to their submission and made no additional comments.

Councillor Vaughan Dennison returned to the meeting at 4:41pm

**Unions Manawatū (Ben Schmidt) (279)**

Ben spoke to their submission and made the following additional comments:

- Satellite libraries are vital for ensuring people in the community have access to IT services.
- Council services are not there to run a profit, cutting services merely passes costs on to individual people.
- Advocate for central government investment to relieve the burden on local government.

**Karakia Whakamutunga**

Councillor Debi Marshall-Lobb closed the meeting with karakia.

The meeting finished at 4.55pm, Thursday 23 April 2026.

Confirmed 6 May 2026

**Mayor**

## MEMORANDUM

**TO:** Council

**MEETING DATE:** 6 May 2026

**TITLE:** Fees and Charges - Confirmation following consultation

**PRESENTED BY:** Steve Paterson, Manager - Financial Strategy

**APPROVED BY:** Cameron McKay, General Manager Corporate Services

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### RECOMMENDATION(S) TO COUNCIL

1. That Council

**EITHER**

- (a) Approve the fees and charges for Planning & Miscellaneous Services, as scheduled in Attachment 2, effective from 1 July 2026.

**OR**

- (b) Approve the fees and charges for Planning & Miscellaneous Services, as scheduled in Attachment 2, effective from 1 July 2026 with the exception of the Indicative Charges for Planning Services which will remain unchanged from 2025/26.

**OR**

- (c) Approve the fees and charges for Planning & Miscellaneous Services, as scheduled in Attachment 2, effective from 1 July 2026 with the exception of the Indicative Charges for Planning Services and the Flat Charges for Planning Services which will remain unchanged from 2025/26.

**OR**

- (d) Approve the fees and charges for Planning & Miscellaneous Services, as scheduled in Attachment 2, effective from 1 July 2026 with the exception of the Indicative Charges for Planning Services, the Flat Charges for Planning Services and the hourly rates for officers for Planning & Miscellaneous Services which will remain unchanged from 2025/26.

**OR**

- (e) Approve the fees and charges for Planning & Miscellaneous Services, as scheduled in Attachment 2, effective from 1 July 2026 but at levels that are unchanged from those applying for 2025/26 with the exception of the Domestic Food Business Levy which will increase to \$99.19.

- 2. That Council approve the fees and charges for Trade Waste Services, as scheduled in Attachment 3, effective from 1 July 2026.**
- 

## **1. ISSUE**

### **Confirmation following public consultation**

- 1.1 At its meeting on 11 February 2026 Council approved fees and charges for planning and miscellaneous services and for trade waste services for public consultation. This memorandum advises that seven submissions were received through the public consultation process and received by the Council at its meeting on 22 April. A copy is attached for information (**Attachment 1**).
- 1.2 These submissions were all focused on the Planning fees. Five of the submitters were heard at hearings on 22 & 23 April.
- 1.3 This memo acknowledges the issues raised by the submitters and provides alternative options should elected members wish to consider this.

## **2. BACKGROUND**

### **Previous Council Decisions**

- 2.1 On 11 February Council adopted recommendations approving a schedule of fees and charges for planning and miscellaneous services and trade waste services for public consultation.

### **Public Consultation**

- 2.2 Public consultation was carried out over the period from 11 March to 10 April 2026. It involved public notices in local media and on Council's website and social media platforms and ran concurrently with the consultation period for the Annual Budget.
- 2.3 Seven submissions relating to planning and miscellaneous fees and charges were received (**Attachment 1**). Five submitters reinforced their submissions by presenting orally to the hearings meeting on 22 and 23 April.
- 2.4 There were no submissions on the trade waste charges.

### **Submission themes (Planning & Miscellaneous fees)**

- 2.5 The submissions generally recognised the Council's right to recover costs of processing resource consent applications but expressed a number of concerns about the way Council does this.

2.6 The main themes of the submissions are as follows:

- **Scale and justification of fee increases**  
 Concern about the perceived size of proposed increases (mentioning figures such as 250–700%+), with submitters stating these are disproportionate and not adequately justified.
- **Fees not aligned with “actual and reasonable” costs**  
 View that proposed fixed/indicative fees may exceed actual processing costs, conflicting with RMA cost-recovery principles and embedding inefficiencies.
- **Loss of accountability due to higher fixed fees**  
 Concern that increasing fixed charges reduces applicants’ ability to object to costs, undermining statutory transparency and accountability mechanisms.
- **Lack of transparency and weak benchmarking**  
 Submitters seek clearer explanation of charge-out rates, overheads, assumed staff hours, and more robust benchmarking against comparable councils.
- **Impacts on development, affordability, and growth**  
 Elevated fees are seen as discouraging development (especially small-scale projects), affecting housing supply, investment decisions, and broader economic outcomes.

**Policy and Budget assumptions (Planning & Miscellaneous fees)**

2.7 The Council’s approach is to allocate planning staff time between what is considered to be chargeable (private) and what is considered public good (public) and to recover 100% of what has been allocated to chargeable time. This is outlined in the Council’s Revenue & Financing Policy.

2.8 The public good component funds the free advice given at front of house, over the phone and by email. This ‘free’ advice tends to benefit ‘mum and dad’ developers who are doing smaller developments. It is possible for those with more complex developments to have, at their option, a pre-app meeting at a flat fee.

2.9 The most recent draft budget for 2026/27 assumes the following:

	Revenue (\$k)	Expenses (\$k)	Net cost (\$k)	Percentage recovery
Private	2,291	2,408	117	95%
Public	0	1,849	1,849	0%
Total	2,291	4,257	1,966	54%

- 2.10 This budget relies on assumptions about the nature and volume of activity to be undertaken for the planning services activity. The actual activity could vary from these assumptions. The revenue also assumes the adoption of the fees and charges as proposed in February. The increases in fees and charges is assumed to generate additional revenue of approx. \$60k for the year.
- 2.11 The rationale for the fees and charges and the proposed increases was canvassed in the report to the February meeting.

### **3. CONSIDERATION OF SUBMISSIONS (PLANNING & MISCELLANEOUS FEES)**

#### **Scale and justification of fee increases**

- 3.1 Although a few of the fees are set as a flat sum the majority are based on hourly rates for the staff involved in processing the applications. The movements proposed for the flat fees were outlined in the February report whilst the hourly rate-based charges are proposed to increase by between 3.5% and 4.5% to reflect underlying movements in operating costs.
- 3.2 The fee schedule also includes a number of what are termed indicative charges. These indicative charges are provided for two reasons:
- As an attempt to provide customers with an indication of what might be the average charge for the type of work/application being processed;
  - To represent what the legislation terms a 'fixed charge' meaning the customer cannot formally appeal any charges for this amount or below.
- 3.3 Some submitters felt what is being proposed by changing the indicative charges would mean a significant increase to what is actually charged. The reality is that is not the case. In many instances the present indicative charges materially understate what customers are actually charged leading to complaints that the Council are misrepresenting the costs they might incur.
- 3.4 The main reason for the proposed increase in these indicative charges is to be more transparent about the charges.
- 3.5 Some submitters considered the higher indicative charges would mean customers would be charged more than they would be if the present indicative charges were retained. That is not the case. Customers are charged for the actual time spent processing their application and this will mean that in some cases they will be charged less than what is shown as the indicative charge.

### **Fees not aligned with “actual and reasonable” costs**

- 3.6 The costs of operating the planning activity are a combination of direct and indirect costs. The direct costs are the actual costs. The Council operates a standard system of distributing indirect costs amongst the various Council activities using appropriate criteria. The allocation methodology is reviewed from time to time to ensure it remains appropriate.

### **Loss of accountability due to higher fixed fees.**

- 3.7 Apart from the few flat fees all charges are made on the basis of time spent on the particular application. Although technically the indicative fees become the fixed fees (for the purposes of the RMA) staff do not accept higher indicative fees will lead to a loss of accountability or inhibit customers rights to query sums being charged.

### **Lack of transparency and weak benchmarking.**

- 3.8 In previous reports it has been acknowledged the Council’s fees and charges for many of the planning activities are at the higher end of those nationally. Some detailed comparisons were provided in the supporting information for the planned workshop that did not proceed and recirculated to elected members prior to the 11 February meeting. Our previous advice has been that there are a range of reasons why there might not be direct comparability between Councils, and this has been acknowledged by a number of the submitters. However, improving systems and processes has been a particular staff focus in recent years and remains so.

### **Impacts on development, affordability, and growth**

- 3.9 The concern expressed by submitters is acknowledged. Planning fees are one of many components in considering development feasibility. One of our key aims is to provide customers with a reasonable estimate of possible fees and charges rather than have unrealistically low indicative figures listed in the fee schedules. Council’s policy expectations are that those undertaking development should pay for the costs involved in assessing applications. In a complex environment the challenge is to be able to provide this service in a timely way and at a reasonable cost. Staff remain focused on achieving this.

## **4. OPTIONS FOR CONSIDERATION (PLANNING & MISCELLANEOUS FEES)**

- 4.1 Officers believe the fees and charges proposed fairly reflect the cost incurred by the Council to provide the service and are consistent with the Revenue and Financing Policy.
- 4.2 However, should Council wish to respond to submissions on Planning & Miscellaneous fees there are a number of options ranging from no change to the current fees and charges to a change in some components of the charges. A number

of possible options are shown below. There are additional possibilities including increases at levels lower than currently proposed.

- 4.3 Submitters were concerned about the proposed levels of the indicative charges for Planning Services. Although it would not influence the actual charges made to applicants the indicative charges could remain in the schedule at the levels shown for 2025/26. This outcome is provided for in recommendation 1.2
- 4.4 An extension of this (which also leaves flat fees for Planning Services at current levels) is provided for in recommendation 1.3
- 4.5 A further extension of this (providing for no increase in hourly rates for Planning & Miscellaneous Services) is provided for in recommendation 1.4 which would result in a reduction of assumed revenue of \$60k.
- 4.6 Recommendation 1.5 assumes all fees and charges for Planning & Miscellaneous Services (except for the Domestic Food Business Levy) would remain unchanged from 2025/26. The Domestic Food Business Levy is prescribed by regulation. Like the option in 3.3 above, this would reduce assumed revenue by \$60k.

**5. NEXT STEPS**




- 5.1 Once approved the fees and charges for planning and miscellaneous and trade waste will be published on Council’s website and in all other relevant places and implemented from 1 July 2026.

**6. COMPLIANCE AND ADMINISTRATION**

Does the Council have delegated authority to decide?	<b>Yes</b>
Are the decisions significant?	<b>No</b>
If they are significant do they affect land or a body of water?	<b>No</b>
Can this decision only be made through a 10 Year Plan?	<b>No</b>
Does this decision require consultation through the Special Consultative procedure?	<b>Yes</b>
Is there funding in the current Annual Plan for these actions?	<b>Yes</b>
Are the recommendations inconsistent with any of Council’s policies or plans?	<b>No</b>
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	The process for setting fees and charges depends on the nature

<p>direction and to social, economic, environmental and cultural well-being</p>	<p>of the activity and the particular requirements of the relevant bylaw, legislation or Council policy.</p> <p>The recommendations take account of Council’s Revenue &amp; Financing Policy that in turn reflects Council’s strategic direction.</p>
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**ATTACHMENTS**

1. Submissions on Planning & Miscellaneous fees & charges [↓](#) 
2. Planning & Miscellaneous fees and charges for 2026/27 [↓](#) 
3. Tradewaste fees and charges for 2026/27 [↓](#) 

**Index of Submissions**  
**– Proposed Fees for Planning & Miscellaneous Services 2026**

<b>1</b>	<b>Les Fugle</b>
<b>2</b>	<b>Property Task Force</b> – Palmerston North (PTF) - Phil Hindrup
<b>3</b>	<b>Survey and Spatial New Zealand</b> - Brian Curtis - Manawatū Whanganui Branch Chair, Kat Salm - Advocacy Manager
<b>4</b>	<b>Alcohol Healthwatch</b> - Jennifer Lamm - Policy Advisor
<b>5</b>	<b>Geoworks</b> - Ryan Patterson, Senior Planner
<b>6</b>	<b>Resonant</b> - Oliver Harper-Quayle, Senior Planner
<b>7</b>	<b>Truebridge Associates Limited</b> - Ross Bidlake

# 1-1

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**From:** Les Fugle s7(2)(a) Privacy  
**Sent:** Wednesday, 8 April 2026 2:15 pm  
**To:** Submission  
**Subject:** Submission: Proposed Planning Fees and Charges - closing date 10 April 2026

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Submission: Proposed Planning Fees and Charges

**From:** Les Fugle s7(2)(a) Privacy

**Date:** April 8, 2026

## 1. Value for Money and Economic Impact

While it is acknowledged that the Council incurs legitimate costs in administering planning services, the fundamental concern is whether these services represent 'fair value for money'. Excessive fees act as a direct disincentive to investment and local development.

To ensure sustained regional growth, the Council must minimise costs, particularly as the current fee levels already act as a development barrier. Development is the engine of the local economy; it creates jobs and maintains a market for product suppliers. The Council must recognise that the city operates in a competing market - capital and talent will migrate to regions where the cost of doing business is fair, affordable and transparent.

## 2. Fee Structure and Cost Recovery

Planning fees should be designed strictly for **cost recovery**, not as a mechanism for profit generation or for subsidising other Council services. To ensure transparency and fiscal fairness, I propose that fee structures be pegged directly to:

- Standard officer hourly salary rates.
- A maximum **10%** administrative overhead.
- Noting Council pass-through exterior or third-party consultancy charges.

## 3. Accountability and Rights of Objection

There must be a formal mechanism for applicants to object to, or seek a review of, specific fees and charges. A "one-size-fits-all" billing approach is inappropriate and lacks accountability, particularly in the following instances:

- **Professional Error:** Where inaccurate or contradictory advice from officers has led to unnecessary work or forced redesigns.
- **Process Inefficiency:** Where excessive processing times are incurred due to internal Council delays rather than the complexity of the application.

Applicants must not be financially penalised for administrative delays or errors on the part of the Council. A robust review process is essential to ensure departmental accountability and equitable outcomes for the community.

## 4. Opportunities for Overhead Reduction

**1-2**

I further wish to highlight that the Council has significant opportunities to reduce its overheads through innovation. For example, the city currently faces a substantial "footpath problem," with large areas requiring replacement due to cracking.

Rather than relying on traditional concrete and ongoing maintenance, the Council should open the door to consider possible alternatives, such as recycled compound liftable slabs. While a production plant would require establishing (in conjunction with Council) - these slabs are lightweight, environmentally friendly and quicker to install, resulting in considerably lower cost. Adopting such efficiencies would reduce the overall financial burden on the Council, ultimately allowing for more competitive planning fees.

## 2-1

Property Task Force – Palmerston North (PTF)

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Submission on Fees and Charges for Planning & Miscellaneous Services 2026-27

8 April 2026

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Property Task Force – Palmerston North (PTF) | Annual Budget Submission 2026–27

s7(2)(a) Privacy

8 April 2026

## 2-2

### 1. Summary

The Property Task Force – Palmerston North (“PTF”) welcomes the opportunity to provide feedback on the proposed Fees and Charges for Planning & Miscellaneous Services 2026–27 (“the Schedule”).

PTF seeks further clarification and targeted amendments to the Schedule, as outlined in this submission.

The proposed Schedule presents an important opportunity to enhance transparency, accountability, and consistency in PNCC’s regulatory functions. While PTF is generally supportive of this direction, it has some reservations regarding aspects of the Schedule as currently drafted.

In particular, the Schedule should provide greater certainty and transparency of costs to applicants, including a clear, fair, and lawful process for the review and, where appropriate, inquiry of costs. In PTF’s view, the proposed Schedule does not yet fully achieve this outcome.

### 2. Introduction to Property Task Force

The PTF has been established to represent significant property professionals, funders, developers, owners and managers (“Industry Leaders”) in the Manawatū-Whanganui Region, including but not limited to Palmerston North. The PTF’s objectives are to:

- i. **Advocate for sustainable and efficient growth** in Palmerston North and the wider region, supporting residential, commercial, and industrial development.
- ii. **Represent and promote the interests of the property sector**, including optimising land supply and enabling development outcomes.
- iii. **Provide leadership and constructive input to central and local government** on matters relating to growth, planning, and the property sector.
- iv. **Engage in plan-making and policy processes** to ensure the perspectives of Industry Leaders are appropriately considered.
- v. **Support and contribute to strategic planning and investment**, including infrastructure, housing, transport, and community facilities.
- vi. **Advocate for appropriate funding and investment** from central and local government to enable growth.
- vii. **Foster collaboration between the private sector and government** to address regional challenges and deliver coordinated outcomes.
- viii. **Promote high-quality planning, strategic decision-making, and targeted investment** to achieve positive and enduring outcomes for Palmerston North.

### 3. Submission

The PTF has reservations with the proposed Fees and Charges Schedule and overall oppose as currently drafted. In particular:

- i. The overall quantum of the proposed fees, and the methodology used to calculate them.
- ii. The increased “fixed” amounts for non-notified subdivision and land use consents (324% increase), and non-notified non-residential land use consents (250% increase).

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Property Task Force – Palmerston North (PTF) | Annual Budget Submission 2026–27

s7(2)(a) Privacy

8 April 2026

**2-3**

- iii. The extent to which the overall increase in fees may limit the practical ability for applicants to fairly and transparently enquire into, and where appropriate challenge, the reasonableness of those costs.
- iv. The increased “fixed” amount for a private plan change (\$250,000).
- v. The \$1,000 Pre-application meeting fee.

**General Comment**

PTF is concerned that the proposed fixed charges, which we understand to be based on an average of all consent costs over the past 12 months, will likely exceed the actual costs incurred by Council for the processing of an application. For example, a simple two-lot infill subdivision with a minor site coverage non-compliance would typically incur processing costs in the order of \$5,000–\$6,000. Under the proposed Schedule, the applicant would be charged a “fixed” fee of \$12,000.

PTF considers that the level of fixed charges should be reviewed to ensure they remain proportionate and consistent with the cost-recovery framework under the Act.

Section 36AAA of the Act sets out the statutory framework for fixing administrative charges, including requirements relating to reasonableness and cost recovery. PTF considers it important that the Schedule, and any associated processes, give full effect to these principles.

<p><b>36AAA Criteria for fixing administrative charges</b></p> <p>(1) When fixing charges under <a href="#">section 36</a>, a local authority must have regard to the criteria set out in this section.</p> <p>(2) The sole purpose of a charge is to recover the reasonable costs incurred by the local authority in respect of the activity to which the charge relates.</p> <p>(3) A particular person or particular persons should be required to pay a charge only—</p> <ul style="list-style-type: none"> <li>(a) to the extent that the benefit of the local authority’s actions to which the charge relates is obtained by those persons as distinct from the community of the local authority as a whole; or</li> <li>(b) where the need for the local authority’s actions to which the charge relates results from the actions of those persons; or</li> <li>(c) in a case where the charge is in respect of the local authority’s monitoring functions under <a href="#">section 35(2)(a)</a> (which relates to monitoring the state of the whole or part of the environment),—             <ul style="list-style-type: none"> <li>(i) to the extent that the monitoring relates to the likely effects on the environment of those persons’ activities; or</li> <li>(ii) to the extent that the likely benefit to those persons of the monitoring exceeds the likely benefit of the monitoring to the community of the local authority as a whole.</li> </ul> </li> </ul> <p>(4) The local authority may fix different charges for different costs it incurs in the performance of its various functions, powers, and duties under this Act—</p> <ul style="list-style-type: none"> <li>(a) in relation to different areas or different classes of applicant, consent holder, requiring authority, or heritage protection authority; or</li> <li>(b) where any activity undertaken by the persons liable to pay any charge reduces the cost to the local authority of carrying out any of its functions, powers, and duties.</li> </ul>
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Section 36AAA(2) of the Resource Management Act 1991 provides that “*the sole purpose of a charge is to recover the reasonable costs incurred by the local authority in respect of the activity to which the charge relates.*”

It is acknowledged that Council retains the ability under section 36(5) of the Act to recover its actual and reasonable costs where these exceed the fixed fee. Accordingly, where a more complex application incurs higher costs, Council is not constrained by the fixed charge and can recover the full reasonable costs associated with processing the application.

## 2-4

In this context, setting fixed fees at a level that significantly exceeds typical costs for standard applications does not appear necessary to ensure cost recovery, and risks being inconsistent with the intent of section 36, which is to recover actual and reasonable costs.

### *Additional charges*

- (5) Except where regulations are made under [section 360F](#), if a charge fixed under this section is, in any particular case, inadequate to enable a local authority to recover its actual and reasonable costs in respect of the matter concerned, the local authority may require the person who is liable to pay the charge to also pay an additional charge to the local authority.

While Council retains the ability under section 36(5) of the Act to recover additional actual and reasonable costs where these exceed the fixed charge, the converse situation, where actual costs are lower than the fixed charge, is not clearly addressed.

### **Relief sought**

Set the fixed fees for each consent activity type to be proportionate to the actual and reasonable costs typically incurred by Council in processing those applications, consistent with section 36AAA of the Act.

### **Cost objections**

PTF is concerned that the structure of the proposed fee schedule may have the effect of reducing the ability for applicants to utilise the cost objection provisions under section 357B of the Resource Management Act 1991. In PTF's view, this risks undermining the intent of the Resource Management Act ("the Act"), which anticipates that administrative charges can be subject to scrutiny where appropriate.

More broadly, the proposed Schedule does not appear to provide a clear or formal mechanism for applicants to seek review of the reasonableness of charges, other than through informal engagement with Council officers. PTF considers that a clear, fair, and transparent process for reviewing and, where appropriate, challenging costs should be available and accessible.

As currently structured, the Schedule appears to limit the ability for applicants to seek a formal review of costs where the fixed charge exceeds the actual and reasonable costs incurred. This creates a risk that charges may not align with the statutory purpose set out in section 36AAA(2).

Although the Schedule notes that actual costs may be higher or lower than the indicative charges, greater clarity and certainty is required as to how this will be applied in practice. In particular, it should be clear that where the actual costs of processing an application are lower than the stated charge (whether described as an indicative charge or fixed fee), the amount charged will reflect those lower, actual and reasonable costs.

### **Private Plan Changes**

The proposed increase in the fixed fee for a private plan change to \$250,000 (from \$30,000) is significant. PTF acknowledges that where a private plan change proceeds through all stages of the First Schedule process, the associated costs are likely to be substantial and may approach the level of the proposed fixed fee.

However, greater clarity is required regarding how costs will be applied in circumstances where a private plan change does not proceed through the full process (for example, where it is

## 2-5

withdrawn at an early stage). In such cases, it would be appropriate that only the actual and reasonable costs incurred are recovered, rather than the full fixed fee.

**Relief sought:**

PTF seeks clarification on the administration of private plan change costs, including confirmation that charges will reflect actual and reasonable costs incurred where a proposal does not proceed through all stages of the process.

**Pre-Application Meetings**

The Schedule proposed that a fee of \$1,000 is charged for standard pre-application services, applied where staff provide professional advice prior to lodgement of a resource consent application. Additional charges may apply where specialist or technical input is required.

PTF considers that a fixed fee of this amount will act as a barrier to early engagement between applicants and Council officers (PTF is aware that this is the current practice and has multiple examples where this does not achieve the intended outcome) .

While PTF acknowledges that more complex proposals may appropriately incur charges, particularly where specialist input is required, it considers that a more customer-focused approach would be to enable an initial, short-form discussion (for example, 15–30 minutes) at no cost. This would support collaborative engagement and better outcomes.

PTF therefore seeks that the proposed \$1,000 fixed fee for standard pre-application meetings be reconsidered, with provision for a tiered or scaled approach. This could include a no-cost initial meeting, with the ability for Council to recover costs where more detailed input or ongoing engagement is required.

**Relief sought:**

Remove the \$1000 fee for pre-application meetings.

## 4. Recommendations

The PTF recommends that Council:

1. Review and amend fixed fees to ensure they are proportionate to the typical actual and reasonable costs incurred for each activity type, consistent with section 36AAA of the Resource Management Act 1991.
2. Provide clear guidance and processes confirming that where actual costs are lower than any stated fixed or indicative fee, applicants will only be charged those lower, actual and reasonable costs.
3. Reconsider the proposed fee for private plan changes, including provision for a staged or actual-cost-based approach where a proposal does not proceed through all stages of the First Schedule process.
4. Amend the pre-application meeting fee structure to support early engagement, including the introduction of a no-cost initial meeting and a tiered approach for more detailed or specialist input.

## 2-6

For more information and further queries regarding this submission, please contact

Phil Hindrup

s7(2)(a) Privacy

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Property Task Force – Palmerston North (PTF) | Annual Budget Submission 2026–27

s7(2)(a) Privacy

8 April 2026



## 3-1

Survey and Spatial New Zealand  
Tātai Whenua  
PO Box 5304  
Lambton Quay  
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Website: [www.surveyspatialnz.org](http://www.surveyspatialnz.org)

10 April 2026

Manager Governance  
Palmerston North City Council

[submission@pncc.govt.nz](mailto:submission@pncc.govt.nz)

Kia Ora,

### **Submission on Proposed Fees and Charges for Planning and Miscellaneous Services - Palmerston North City Council (PNCC).**

Thank you for the opportunity to provide feedback on the proposed changes to fees and charges for Planning and Miscellaneous Services for 2026/2027.

#### **Who are we?**

Survey and Spatial New Zealand (S+SNZ - the trading name of the New Zealand Institute of Surveyors) represents surveyors and spatial professionals. Surveyors and spatial professionals are actively involved in the design and delivery of infrastructure and development projects across New Zealand. Our members typically oversee projects from initial concept to final clearance. They work across multiple Territorial Authorities on various developments, including residential, rural, and industrial projects. The work undertaken by surveyors is also essential in supporting the land and property development activity which is vital for New Zealand's growth.

#### **Submission overview**

This submission is made on behalf of our members in the Manawatu Whanganui branch, who regularly engage with the resource consent system administered by Palmerston North City Council (PNCC), including planners, surveyors, and development professionals.

We acknowledge that under section 36 of the Resource Management Act 1991 (RMA), Council is entitled to recover the reasonable costs of carrying out its statutory functions. We support the principle of cost recovery. However, the Act is clear that such charges must be fair, reasonable, and proportionate to the cost of delivering services efficiently.

Our submission is intended to be constructive. While we recognise recent improvements in some aspects of processing, our members have concerns that the proposed fee increases may not fully reflect an efficient cost base and could benefit from further review to ensure alignment with statutory requirements, market expectations, and long-term development outcomes.

Importantly, members have consistently indicated that the proposed fee levels are not currently considered acceptable or viable, and that a reassessment - with a view to reducing fees to more reasonable and proportionate levels - is necessary.

#### **Summary of Key Themes**

Member feedback has been reviewed and consolidated into the following key themes:

## 3-2

### 1 Efficiency and Cost Justification

A central theme across feedback is the opportunity to more clearly demonstrate how proposed fees reflect efficient service delivery, rather than current cost levels.

While the consultation document references benchmarking, further detail would assist in understanding:

- Which councils were used for the comparison
- The basis for comparability
- Any adjustments made for local differences

Industry experience suggests that, in some cases, PNCC fees are materially higher than those of comparable councils operating under the same legislative framework. While variation is expected, the scale of difference indicates there may be value in further examining underlying cost drivers.

Members have also observed that processing effort for relatively straightforward applications can be higher than expected. We acknowledge that plan complexity and local context play a role; however, this may indicate an opportunity to improve consistency and efficiency over time.

**Recommendation:**

Undertake further analysis of process efficiency and cost drivers to ensure fees reflect an optimised delivery model.

### 2 Transparency and Cost Clarity

We support PNCC's intent to improve transparency by aligning fees with actual costs. There is an opportunity to strengthen this by providing greater visibility of how those costs are derived.

Additional clarity would be beneficial in relation to:

- The basis for hourly charge-out rates
- Assumptions underpinning base fees
- Typical allocation of time across application types

When translated into implied staff hours (based on stated rates of approximately \$255-\$270/hour), some proposed fees suggest relatively high levels of effort compared to typical expectations across the sector. For example:

- \$13,000 for a non-notified non-residential consent (implies approx. 48-51 hours effort)
- \$12,000 for combined land use and subdivision (implies approx. 44-47 hours effort)
- \$3,200 for section 224(c) certification (implies approx. 12-13 hours effort)

Providing context for these assumptions would help build confidence that fees are proportionate and grounded in typical processing requirements.

**Recommendation:**

Enhance transparency by clearly articulating the assumptions and methodologies underpinning fee calculations.

### 3 Scale of Fee Increases

The magnitude of some proposed increases is notable, including substantial changes across several application types.

- District plan changes: From approx. \$33,000 to \$250,000 (over 700%)
- Non-notified subdivision and land use consents: From approx. \$3,700 to \$12,000 (over 300%)
- Non notified non-residential land use consents: From approx. \$5,200 to \$13,000 (over 250%)
- Subdivision certificates (section 224) fees (over 600%).

### 3-3

While we recognise that historical fees may not have fully reflected actual costs, increases of this scale would benefit from clearer explanation of:

- Key cost drivers
- Changes in service delivery or complexity
- Any transitional considerations

A phased or moderated approach may also support smoother adjustment for applicants.

More fundamentally, the scale of the proposed increases contributes to a broader concern across our membership that the resulting fee levels are not currently reasonable or sustainable. This reinforces the need for a reassessment of the proposed fees, with a particular focus on ensuring they are proportionate to efficient service delivery and aligned more closely with market expectations.

**Recommendation:**

Provide further justification for significant increases and consider phasing where appropriate.

#### 4. Alignment with Peer Councils

Feedback from our members consistently highlights differences between PNCC fees and those of neighbouring and comparable councils. It is hard to understand how there can be such large variations between PNCC and other similar councils in the proposed fees.

We acknowledge that direct comparisons are not always straightforward. However, for more standardised processes - such as certifications - variation in effort is typically more limited. In these areas, benchmarking can provide a particularly useful reference point.

**Recommendation:**

Strengthen benchmarking analysis and clearly demonstrate how PNCC aligns with, or differs from, peer councils.

#### 5 Fee Structure and Incentives

The structure of fees plays an important role in supporting both cost recovery and system performance. The use of indicative (fixed) fees provides certainty; however, under section 357B of the RMA, objections can generally only be made where costs exceed the indicative amount. This places importance on ensuring indicative fees are set at appropriate levels.

If set too high, indicative fees may:

- Limit visibility of actual effort
- Reduce opportunities to assess efficiency
- Weaken incentives for ongoing cost discipline

**Recommendation:**

Review fee structures to ensure PNCC balance certainty with transparency and accountability.

#### 6 Use of External Contractors

We recognise that external contractors can support capacity and timeliness.

To support transparency and confidence, it would be helpful to clarify:

- How contractor costs are passed through to applicants
- The relationship between contractor rates and Council charge-out rates
- Any additional overheads applied

Ensuring a clear link between actual costs incurred and charges applied will reinforce perceptions of fairness and alignment with cost recovery principles.

## 3-4

**Recommendation:**

Provide greater clarity on contractor cost allocation and charging methodology.

### 7 Process Improvements and Consistency

Members have noted that, more recently, there have been improvements in:

- Adherence to statutory timeframes
- Reduced reliance on time extensions
- More consistent application of fee adjustments

These improvements are positive and demonstrate responsiveness.

There remains an opportunity to continue strengthening:

- Consistency of cost outcomes
- Predictability for applicants
- Alignment between estimated and final costs

**Recommendation:**

Continue to embed process improvements and enhance consistency in cost assessment.

### 8 Economic and Development Considerations

Planning fees and timeframes are key inputs into development feasibility.

Higher costs and uncertainty can:

- Influence investment decisions
- Affect project viability
- Shape perceptions of the regulatory environment

Ensuring fees are aligned with efficient service delivery supports not only applicants, but also broader district outcomes, including growth and housing supply.

**Recommendation:**

Consider the wider economic implications of fee settings alongside cost recovery objectives.

### 9 Future Legislative Context

We note the ongoing reform of New Zealand's resource management system, including the transition from the Resource Management Act 1991 to the proposed Planning Act and related legislation.

These reforms are expected to place increased emphasis on:

- System efficiency
- Streamlined processes
- Greater consistency across jurisdictions

In this context, there is an opportunity for PNCC to position its fee structure and service delivery model in a way that aligns with emerging national expectations.

Taking a forward-looking approach now may help:

- Avoid future recalibration
- Support smoother transition to the new system
- Demonstrate alignment with central government direction

**Recommendation:**

Consider how proposed fee structures align with anticipated legislative reform and future system expectations.

## 3-5

### Recommendation Summary

S+SNZ recommends that PNCC considers the following recommendations to their proposal:

- **Recommendation 1: Undertake further analysis of process efficiency and cost drivers to ensure fees reflect an optimised delivery model**, including:
  - Assessing workflows, processing times, and cost drivers
  - Ensuring fees reflect an efficient delivery model
- **Recommendation 2: Enhance transparency by clearly articulating the assumptions and methodologies underpinning fee calculations**, including:
  - Clarifying charge-out rates and assumptions
  - Providing greater visibility of cost drivers
- **Recommendation 3: Provide further justification for significant increases and consider phasing where appropriate**, including:
  - Where increases are significant, considering staged implementation
- **Recommendation 4: Strengthen benchmarking analysis and clearly demonstrate how PNCC aligns with, or differs from, peer councils**, including:
  - Clearly identifying comparable councils
  - Providing like-for-like analysis
  - Explaining key differences
- **Recommendation 5: Review fee structures to ensure PNCC balance certainty with transparency and accountability**, including:
  - Ensuring indicative fees reflect fair and efficient costs
  - Maintaining appropriate accountability mechanisms
- **Recommendation 6: Provide greater clarity on contractor cost allocation and charging methodology**, including:
  - Aligning charges with actual costs incurred
  - Clearly communicating any overheads applied
- **Recommendation 7: Continue to embed process improvements and enhance consistency in cost assessment**, including:
  - Building on recent gains in timeliness and consistency
  - Improving predictability of cost outcomes
- **Recommendation 8: Consider the wider economic implications of fee settings alongside cost recovery objectives**, including:
  - Considering the impact of substantial fee increases on growth and development outcomes.
- **Recommendation 9: Consider how proposed fee structures align with anticipated legislative reform and future system expectations.**

### Summary

We support the principle of cost recovery and acknowledge the complexity of delivering planning services.

Notwithstanding this, our members consider that the proposed fee levels are not reasonable in their current form. The scale of the increases, and the resulting cost burden, are not viewed as acceptable and are out of

**3-6**

step with market expectations and comparable councils. Such large increases risk creating unintended barriers to development and investment within the district.

We consider that there is a clear need for further work to ensure fees are aligned with efficient service delivery, market expectations, and transparent cost structures. This should include a concerted effort to review and, where appropriate, reduce proposed fee levels so that they more accurately reflect reasonable and proportionate costs.

Taking a holistic approach - addressing both cost structures and the underlying drivers of those costs - will support a system that is:

- Fair and proportionate
- Transparent and accountable
- Efficient and future-focused

We encourage PNCC to continue engaging with industry and to build on recent improvements and to continue working collaboratively with industry to ensure a system that is fair, transparent, and supports positive outcomes for all parties.

Survey and Spatial New Zealand appreciate the opportunity to provide feedback on PNCC’s proposed updates to fees and charges for Planning and Miscellaneous Services, and we welcome any further engagement and discussion with the Council around our submission and recommendations.



**Brian Curtis**  
**Manawatu Whanganui Branch Chair**  
**Survey and Spatial NZ**



**Dr Kat Salm**  
**Advocacy Manager**  
**Survey and Spatial NZ**

4-1



**Submission on  
Palmerston North District Council – Te Papaioea  
Draft Fees and Charges 2026-2027  
Alcohol Licensing Fees  
10 April 2026**

Tēnā koutou

Thank you for the opportunity to provide feedback on the proposed fees and charges for 2026-2027. We are submitting specifically on alcohol licensing fees.

We would like the opportunity to speak to our submission.

If you have any questions on the comments we have included in our submission, please contact:

Jennifer Lamm  
Policy Advisor  
Alcohol Healthwatch  
s7(2)(a) Privacy  
s7(2)(a) Privacy

**About Alcohol Healthwatch**

Alcohol Healthwatch is an independent national charity working to reduce alcohol-related harm and inequities. We provide a range of regional and national health promotion services such as providing evidence-based information and advice on policy and planning matters, supporting community action projects and coordinating networks to address alcohol-related harm such as the Cross-council Local Alcohol Policy Network.

**Specific Comments**

1. The alcohol licensing fees listed on the Council’s website<sup>1</sup> are those set by the Sale and Supply of Alcohol (Fees) Regulations 2013<sup>2</sup>. However, while full cost recovery was envisaged by the Sale and Supply of Alcohol Act 2012, the nationally fixed fees set under the 2013 Regulations have not kept pace with the costs incurred by the Council, and it is anticipated that these fees will not adequately reflect costs till at least 2027.<sup>3</sup>
2. We acknowledge that an increase in the fee for the Town Planning Certificate (in addition to the fee charged for Certificate of Compliance Building Code) is proposed<sup>4</sup>. However, we



























































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## **MEMORANDUM**

**TO:** Council

**MEETING DATE:** 6 May 2026

**TITLE:** 2026/27 Annual Budget - Deliberations

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

**APPROVED BY:** Cameron McKay, General Manager Corporate Services

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### **RECOMMENDATION(S) TO COUNCIL**

1. That Council instruct the Chief Executive to prepare a draft Annual Budget 2026/27 for consideration and adoption by the Council at its meeting on 3 June 2026 and that it incorporates the following:
    - a. Changes to the operating budgets as outlined (Attachment 3);
    - b. Operating programmes (including carry forwards relating to Programme 1520 & Programme 2519 as outlined in Annual Budget 2026/27 – Schedule of Proposed Operating Programmes (Attachment 5);
    - c. Capital new programmes including carry forwards and amendments as outlined in Annual Budget 2026/27 – Schedule of Proposed Capital New Programmes (Attachment 6);
    - d. Capital growth programmes including carry forwards and amendments as outlined in Annual Budget 2026/27 – Schedule of Proposed Capital Growth Programmes (Attachment 7);
    - e. Capital renewal programmes including carry forwards and amendments as outlined in Annual Budget 2026/27 – Schedule of Proposed Capital Renewal Programmes (Attachment 8);
  2. That the draft Annual Budget 2026/27 include the following rating assumptions:
    - a. Uniform Annual General Charge of \$300
    - b. Differential surcharges unchanged from those included in the draft for public consultation
    - c. Targeted rates for services adjusted as necessary to reflect changes to the budgets for the activities concerned.
-

## 1. ISSUE

This report is the vehicle through which the Council formally considers submissions to the Annual Budget. It is the mechanism by which Council provides direction to enable officers to finalise the budget for adoption on 3 June.

The report also collates referrals to the budget deliberations and brings Elected Member attention to updated information identified since the draft budget went out for consultation to ensure that the final budget is based on current data.

## 2. BACKGROUND

### Community Engagement

2.1 Council consulted on the Annual Budget and in doing so sought feedback on the direction, budget and programmes proposed.

2.2 The consultation document prompted feedback by posing the following questions:

- What are your thoughts on our proposed Annual Budget 2026/27?
- What, if anything, would you like to see changed?
- Are there any specific activities or services we should be considering more or less of, and why?
- Should we spend more money on renewing footpaths, even if it means a small increase to rates?

2.3 **Attachment 1** is the Consultation Summary. 360 submissions were received (311 online, 26 emails, 23 forms and 2 partner submission from Rangitāne o Manawatū). 44 of the submitters signalled they wished to present orally to one of the four hearings sessions held by the Council. Minutes of those hearings on 22-23 April are included in this agenda.

2.4 Elected members have received copies of all submissions and they have also been published on [Council's website](#).

2.5 **Attachment 2** is the Summary of Submissions. As outlined in the summary some of the key issues/topics raised by submitters were:

- Affordability
- Core services prioritisation
- Continued investment in renewals and infrastructure
- Support for investment in community groups, recreation and cultural facilities

There was some reasonable support for additional investment in footpaths, but others supported status quo.

Comments made in relation to user charges for trade waste, planning and miscellaneous services will be considered by Council at this same meeting.

### **3. KEY ASSUMPTIONS**

- 3.1 A number of key assumptions were made when developing the draft Annual Budget for consultation, including interest rates, inflation and opening debt levels.
- 3.2 Given the prevailing volatile global geo-political and economic climate there was risk that budgetary assumptions would not reflect the actual position in due course. No changes are recommended to either interest or inflation rates for the 2026/27 budget. If the position changes throughout the year, then any matters that are material in nature will be brought to the Council for consideration.
- 3.3 Since the adoption of the draft budget for consultation at the Council meeting on 11 February, there has been significant increase to the cost of oil, globally. This in turn is having an immediate impact on the cost of fuel, particularly diesel, which is now priced higher at the pump compared to 91 petrol. While this is having an impact to all of our community, Council itself is not immune to these increases, given the large volume of diesel we use, particularly for our recycling & rubbish trucks, as well as our trucks and plant for our Three Waters and Parks operational crews. Based on our daily consumption rate of fuel, officers have increased the fuel budgets by \$1M, to accommodate these increased prices. The global conflict and its impact in particular of oil is highly volatile meaning that there is significant uncertainty on when/if oil prices might reduce and stabilise, or if prices may escalate further.
- 3.4 Other impacts on the general increase to goods and services have not been adjusted for as these are not able to be quantified with certainty at this point in time. Officers will continue to monitor the situation, noting that this could impact the quantum of work that can be delivered for the available budget. Impacts may need to be presented back to Council on a case by case basis.
- 3.5 Of particular note, the Transport activity is one of the most at-risk activities from the on-going fuel crisis. The nature of spend in Transport activities has many more products that require oil/fuel as an input cost – such examples are bitumen and asphalt materials for resealing/rehabilitating and maintaining our roading network. By maintaining the current budgets already provided for, officers are expecting less will be able to be delivered to remain within the budget. Officers will provide an update when further information is known.
- 3.6 Some early estimates on potential increases to prices for some key items:

- Transport reseals and resurfacing – circa 25% increase
  - Transport construction, rehabilitations and other renewals – circa 15% increase
  - Transport maintenance work – circa 15% increase
  - 3 Waters pipe renewals – circa 15% increase
  - Parks operational costs – circa 10% increase
  - 3 Waters mechanical upgrades – circa 5% increase
  - Property renewals – circa 5% increase
  - Parks renewals – circa 5%
- 3.7 While the above list is infrastructure based, there are likely to be impacts in other areas of Council as suppliers adjust prices in response to the inflationary environment. As previously mentioned, no further adjustment to the inflationary assumption has been made but any impacts will be monitored and reported as part of Councils monthly and quarterly reporting process.
- 3.8 Later sections in this report contain information about proposed carry forwards for incomplete 2025/26 programmes.
- 3.9 The assumed opening debt balance has been reduced from \$337M to \$325M. The assumed carry forwards set out in Table 2 reduce the proposed interest expense and debt repayment for 2026/27, as shown in Table 5. Further reductions to the capital programme, as shown in Table 3 also reduce the proposed interest expense budget. As noted in Table 5, the debt repayment has reduced since the consultation period. The 2025/26 year is forecasting an underspend in capital and needing to carry programmes forward, as well as an operating surplus mainly due to lower interest costs than planned. Councils position is that any operating surplus is used to reduce debt. This means the assumed opening debt balance has been reduced resulting in less additional debt repayment than in the draft budget. Debt Repayment is only made in the year following the drawdown of debt.
- 3.10 The development of the 2027-37 LTP is now underway, and as PNCC has resolved to create Central Districts Water Limited, the associated Transfer Agreement will move a portion of PNCC’s debt to Central Districts Water Limited. As a result, repayment budgets, debt profiles and appropriate interest budgets will look comparatively different into the LTP.

**4. UPDATE TO OPERATING PROGRAMME AND OPERATING BUDGET**

- 4.1 **Attachment 5** is an updated schedule of all operating programmes. Where changes to a programme budget has been included, commentary is provided. Other than the carry forwards below there have been no changes made to proposed operating programmes.
- 4.2 A recent Elected Member workshop covered the Elected Member Expense policy, which now has the ability for Elected Members to claim a security allowance under new guidelines from the Remuneration Authority. Should this allowance be agreed in the policy and taken up by all Elected Members, officers forecast this to be a one-off cost of up to \$72,000 for security system installation and \$16,000 annually for the maintenance (\$88,000 for the 2026/27 budget). Whilst officers’ best estimates are that this full sum may not be required, a resolution would need to be provided to include this amount as it is not currently included in the budget. Alternatively, officers can continue to manage budgets within the current provisions as requests for installation are made, and should there be pressures on these budgets, will bring an update back to Council.

**Operating Programme carry forwards**

- 4.3 Officers have included carry forwards from 2025/26 for the following loan-funded operating programmes:
- Programme 1520 – Digital Transformation – \$300,000
  - Programme 2519 – Sportsfields – Artificial Football Field (subject to external funding) – \$433,500.
- 4.4 It should be noted that in carrying forward part of Programme 1520, the carry forward is for the professional services budget. This is reflective of the inputs required to deliver this programme. It was also identified during the processing of this carry forward that the allocated budget for cybersecurity (\$300k) was incorrectly included into the Digital Transformation Programme at the time of consultation. This has subsequently been moved to the operational budget for Digital Solutions. This results in Programme 1520 – Digital Transformation having the budget as was consulted on despite the additional carry forward, while the operational budget has increased by \$300k.
- 4.5 Programme 2519 is a grant that to an external party to build the turf, subject to all parties’ agreement, and will be paid as the timing in the contract specifies. Given the estimated payment dates, this carry forward has been made to the 2027/28 Financial Year. Should the construction and milestones be achieved quicker than planned, a request will be brought to Council to bring this loan funding forward.

**Operational items referred to debate**

4.6 Elected Members have resolved that several items are to be considered when finalising the annual budget. Council should consider the items listed below and determine whether there is to be any budgetary adjustment.

<b>Table 1: Operational Items referred to Annual Budget Deliberations</b>		
Item	Referred from	Comment
Soft Plastics Trial	Community, Resilience & Sustainability Committee	Operating Expenses - \$46,000 Operating Revenue - \$15,000
Urban Bus Terminal Waiting Lounge and Bus Drivers' Lounge	Council	Operating Programme - \$82,000 (Funded via PNCC, Horizons Regional Council, NZTA & Tranzit)

**5. UPDATE TO 2026/27 CAPITAL PROGRAMME**

5.1 **Attachments 6, 7 and 8** are up to date schedules of capital new, capital growth and capital renewal programmes. There are several updates from the draft Annual Budget released for consultation, for which key commentary has been included.

**Capital Renewals**

5.2 While total renewal in investment is unchanged, due to the on-going Middle Eastern conflicts, some cost increases are expected. This will mean that less will be able to be delivered with the budgets available. There have been some increases already experienced to the pricing of some of our products we require to complete works, with early estimates on potential increases to some key items as noted in 2.12.

5.3 In parallel with the consultation period, Infrastructure Group officers reviewed the current anticipated delivery for the 2025/26 year. While the draft 2026/27 Annual Budget had no initial provision for carry forward of capital programmes from 2025/26, \$9.5M has been identified for carry forward into 2026/27, with a further \$5.2M proposed to be carried forward to Year 1 of the 2027-37 Long-term Plan. These carry forwards are itemised in Table 2 below, and full details are also available in the attached schedules.

<b>Table 2: Capital Carry Forwards from 2025/26 to 2026/27 &amp; 2027/28<sup>1</sup></b>			
<b>Programme Number &amp; Name</b>	<b>Programme Type</b>	<b>2026/27 Carry Forward \$'000s</b>	<b>2027/28 Carry Forward \$'000s</b>
1194 - CET Arena - Masterplan Redevelopment*	Capital New	4,135	922
1371 - Closed Landfills and Transfer Stations - Safety, Security and Development	Capital New	67	
1617 - Totara Road Wastewater Treatment Plant - Biogas System Improvements	Capital New	300	
1708 - City-wide - Stormwater Flood Mitigation	Capital New	90	
1888 - Low Carbon Fund	Capital New	450	
1895 - City Reserves - Manawatu River Park - Te Motu o Poutoa Development Plan - Implementation	Capital New		1,321
2239 - City Reserves - Te Motu o Poutoa - Design and Consenting	Capital New		1,104
2343 - Citywide - New Community Hubs	Capital New	448	
2440 - Community Centres - Pasifika Centre Expansion	Capital New	2,314	
2456 - Cliff Road Upgrade - Te Motu O Poutoa	Capital New		1,847
2501 - City Library- Creative Interpretive Heritage Markers for Cuba Street Area	Capital New	35	
2554 - School Speed Limit Signs	Capital New	100	
2555 - Low Cost/Low Risk - Electronic Safety Signage	Capital New	200	
1242 - Central Energy Trust Arena - Replacement for Arena Big Screen	Capital Renewal	594	
20 - City-wide - Stormwater Pump Station	Capital Renewal	150	

<sup>1</sup> See Attachments 6,7,8 for detailed reasons.

<b>Table 2: Capital Carry Forwards from 2025/26 to 2026/27 &amp; 2027/28<sup>1</sup></b>			
<b>Programme Number &amp; Name</b>	<b>Programme Type</b>	<b>2026/27 Carry Forward \$'000s</b>	<b>2027/28 Carry Forward \$'000s</b>
Renewals			
2411 - Renewal of Oxidation Ponds and Sludge Lagoons	Capital Renewal	300	
58 - Network Additions and Upgrades	Capital Renewal	77	
1972 – CET Wildbase Recovery Digital Capacity	Capital Renewal	81	
<b>Total</b>		<b>9,541</b>	<b>5,194</b>

\* Programme 1194 - CET Arena - Masterplan Redevelopment has both a carry forward and a deferral, as this programme has been rephased for the updated project timelines.

5.4 Officers have been considering the deliverability of the programme based on progress of the current (2025/26) year programme. As such, officers have identified several deferrals and reductions for the 2026/27 capital programme to offset the level of carry forwards proposed and to better reflect what is deliverable. There is not a direct relationship between a carry forward and a deferral/reduction. These deferrals and adjustments are itemised in Table 3 below, and full details are also available in the attached schedules.

<b>Table 3: Capital Deferrals &amp; Reductions for 2026/27<sup>2</sup></b>		
<b>Programme Number &amp; Name</b>	<b>Programme Type</b>	<b>2026/27 programme reductions \$'000s</b>
1194 - CET Arena - Masterplan Redevelopment*	Capital New	(7,013)
1388 - Palmerston North - District Metering Areas for Water Supply	Capital New	(79)
1389 - City-wide - Water Supply Resilience - Security of Supply	Capital New	(32)
1459 - Social Housing - Additional Social Housing Units	Capital New	(500)
1616 - City-wide - Wastewater Pump Station - Capacity Upgrade	Capital New	(1,050)
1712 - City-wide Wastewater reticulation wet weather overflow mitigation	Capital New	(328)
1804 - City-wide - Road Drainage - Additional Drainage Upgrades	Capital New	(60)
1821 - City-wide Wastewater Pipeline Realignment of critical at-risk mains	Capital New	(220)
1857 - Kikiwhenua Cultural Historic - Reserve Purchase and Development	Capital New	(986)
2042 - Turitea WTP - Raw Water Main Duplicate	Capital New	(349)
2048 - City-wide - Water Toby and Manifold enhancements	Capital New	(92)
2257 - Citywide - Discharge Smart Meters for Large Tradewaste Customers	Capital New	(20)
2322 - Bunnythorpe - Wastewater Network Upgrades	Capital New	(317)

<sup>2</sup> See Attachments 6,7,8 for detailed reasons.

<b>Table 3: Capital Deferrals &amp; Reductions for 2026/27<sup>2</sup></b>		
<b>Programme Number &amp; Name</b>	<b>Programme Type</b>	<b>2026/27 programme reductions \$'000s</b>
2330 - 3 Waters Telemetry Upgrades	Capital New	(468)
2347 - Wastewater Trunk Main - Infill Upgrades	Capital New	(100)
2426 - CET Arena - Upgrade of lighting to LED	Capital New	(400)
2509 - Bunnythorpe - Stormwater Asset Improvement	Capital New	(100)
2529 - Citywide - Data Collection Devices for Stormwater Monitoring and Planning	Capital New	(86)
2548 - City-wide - Shared Pathways - Slip Prevention (no Cofunding)	Capital New	(117)
2564 - Whakarongo & Aokautere - Intersection - Safety Improvements (state highway roads)	Capital New	(1,798)
651 - City-wide - Water Supply Resilience - Seismic Strengthening	Capital New	(211)
657 - Urban Growth - Recycling - City-wide Wheelie Bins and Crates	Capital New	(40)
66 - Totara Road Wastewater Treatment Plant - Resilience Programme	Capital New	(122)
1681 - Urban Growth - Kikiwhenua - Transport	Capital Growth	(4,686)
1859 - Urban Growth - Whakarongo - Reserves Purchase and Development	Capital Growth	(1,684)
2511 - Urban Growth - Kikiwhenua – Wastewater	Capital Growth	(1,667)
1700 - City-wide - Water Meter Renewals	Capital Renewal	(211)
1701 - City-wide - Water Supply Valve & Hydrant Renewals	Capital Renewal	(64)

<b>Table 3: Capital Deferrals &amp; Reductions for 2026/27<sup>2</sup></b>		
<b>Programme Number &amp; Name</b>	<b>Programme Type</b>	<b>2026/27 programme reductions \$'000s</b>
214 - City-wide - Water Toby and Manifold Renewals	Capital Renewal	(22)
2279 - Longburn - Water Asset Renewals	Capital Renewal	(317)
2530 - Bunnythorpe - Wastewater Reticulation Renewals	Capital Renewal	(402)
<b>Total</b>		<b>(23,541)</b>

\* Programme 1194 - CET Arena - Masterplan Redevelopment has both a carry forward and a deferral, as this programme has been rephased for the updated project timelines.

### Growth Programmes

5.5 With the changes that are identified above, predominantly from deferrals and reductions, it is important to highlight that the updated capital programme for 2026/27 has little to no support for growth infrastructure to support new greenfield development at Whakarongo, Kikiwhenua and Aokautere. External factors, such as developers not advancing subdivisions, the requirement for a business case to inform investment at state highway intersections and increasing costs, combined with internal factors such as the capacity to deliver the capital work programme have led to this outcome. Should this change, and a particular need to provide a particular growth programme, officers will bring a paper back to Council requesting this.

### Safety Programme

5.6 At the Finance, Performance & Audit Committee meeting on 1 April, the committee approved safety improvements for Ascot & Pahiatua Streets, and asked officers if these could be delivered in the current (2025/26) financial year. It has subsequently been confirmed that this is unable to be delivered by 30 June 2026. A new programme of \$36,000 would need to be put forward to enable addressing this issue.

**Capital items referred to debate**

5.7 Elected Members resolved one additional item that is to be considered when finalising the annual budget. Council should consider the capital items listed below and determine whether there is to be any budgetary adjustment.

<b>Table 4: Capital Item referred to Annual Budget Deliberations</b>		
Item	Referred from	Comment
Urban Bus Terminal Waiting Lounge and Bus Drivers' Lounge	Council	Capital New Programme - \$200,000 (funded via PNCC & Horizons Regional Council)

**6. SUMMARY BUDGET TABLES**

6.1 Tables 5–8 below provide the updated summary of the proposed draft Annual Budget 2026/27 compared to the Long-Term Plan. Items referred for debate are not incorporated at this stage.

<b>Table 5: Funding of Operating Expenses (\$M)</b>	<b>Adopted Annual budget 2025/26</b>	<b>Long-Term Plan 2026/27</b>	<b>Annual Budget 2026/27 (Feb draft)</b>	<b>Annual Budget 2026/27 (May draft)</b>
Personnel <sup>3</sup>	63.3	64.8	65.7	65.9
Depreciation	49.6	54.3	48.2	47.9
Finance (interest)	14.1	20.5	14.5	13.7
All Other Operating Expenses <sup>4</sup>	80.9	81.2	84.7	88.2
<b>Total operating expenses</b>	<b>207.8</b>	<b>221.1</b>	<b>213.1</b>	<b>215.7</b>
Operating subsidies & grants	(6.5)	(5.5)	(5.5)	(5.6)
Finance revenue	(0.5)	(0.4)	(0.6)	(0.6)
Other revenue <sup>5</sup>	(40.2)	(41.4)	(42.7)	(45.3)
<b>Total operating revenue</b>	<b>(47.2)</b>	<b>(47.4)</b>	<b>(48.8)</b>	<b>(51.5)</b>
<b>Net operating expenses</b>	<b>160.6</b>	<b>173.8</b>	<b>164.3</b>	<b>164.2</b>
Less:				
Depreciation	(49.6)	(54.3)	(48.2)	(47.9)
Operating expenses funded from debt	(5.1)	(2.0)	(5.1)	(5.5)
Plus:				
Renewals (3-year rolling average)	30.8	32.2	30.0	30.1
Debt repayment	9.1	11.7	12.3	11.5
<b>Total rates requirement</b>	<b>145.9</b>	<b>161.7</b>	<b>153.1</b>	<b>152.4</b>

<sup>3</sup> An opportunity to employ planners has arisen and as such has increased the remuneration budget while reducing the professional services budget by the same amount.

<sup>4</sup> Please refer to Attachment 4 for a breakdown of Other Expenses

<sup>5</sup> Please refer to Attachment 4 for a breakdown of Other Revenue

6.2 An additional table has been provided below to show the movements in the rates increases, as a result of the above changes in Sections 3-5.

<b>Table 6: Total Rate Increase movement as outlined in Section 3 - 5</b>	Total Rates Increase
Adoption for Consultation	4.9%
Fees & Charges Updates (as resolved on 11 February)	4.9%
Minor Budget Updates (as shown in Attachment 3	4.9%
Carry Forwards (reduction of opening debt position)	4.1%
Deferrals & Reductions from 26/27 Capital Programme	3.8%
Increase of Fuel budget by \$1M (including additional capitalisation of Fleet & Plant costs)	4.4%

<b>Table 7: Components of increased rates requirement</b>	<b>Adopted Annual budget 2025/26</b>	<b>Long-term Plan<sup>6</sup> 2026/27</b>	<b>Annual budget <sup>7</sup> 2026/27 (Feb draft)</b>	<b>Annual budget <sup>8</sup> 2026/27 (May draft)</b>
Interest Costs on Debt	(0.3%)	2.3%	0.2%	(0.3%)
Debt Repayment	1.0%	1.4%	2.2%	1.6%
Rolling Average Renewal increase	1.6%	0.9%	(0.6%)	(0.5%)
Labour Costs – Market Movement	3.0%	1.6%	1.6%	1.8%
Utilities and Insurance	0.3%	0.1%	0.0%	0.1%
Software Licenses	0.1%	0.6%	0.8%	0.8%
Fuel Expense	0.1%	0.0%	0.0%	0.6%
All other (Contractors, Prof Services, Materials)	2.1%	1.0%	1.8%	1.6%
Revenue (excluding rates)	(1.3%)	0.6%	(1.1%)	(1.3%)
<b>Increase in total rates requirement</b>	<b>6.6%</b>	<b>8.5%</b>	<b>4.9%</b>	<b>4.4%</b>

<sup>6</sup> 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 2025/26.

<sup>7</sup> The percentages shown represent the change compared with the 2025/26 Annual Budget.

<sup>8</sup> The percentages shown represent the change compared with the 2025/26 Annual Budget.

6.3 The resulting updates to the capital programme, including carry forwards, reduced the rates increase from 4.9% down to 3.8%. The additional fuel expense that has been included has increased this to a total proposed rate increase of 4.4%.

<b>Table 8: Funding of Capital Expenditure (\$M)</b>	<b>Adopted Annual budget 2025/26</b>	<b>Long-term Plan 2026/27</b>	<b>Annual Budget 2026/27 (Feb draft)</b>	<b>Annual Budget 2026/27 (May draft)</b>
Renewals	34.3	35.9	35.6	36.0
Capital for growth	9.9	25.0	13.3	5.3
Capital new	53.1	97.2	49.9	44.5
<b>Total capital expenditure</b>	<b>97.4</b>	<b>158.1</b>	<b>98.6</b>	<b>85.8</b>
Funding from external sources	12.5	38.1	9.0	10.9
Funding from rates (renewals)	30.8	32.2	30.0	30.1
Funding from additional debt	54.1	87.8	59.8	44.8

6.4 An updated set of financial statements has been included in **Attachment 10**, for information.

## 7. RATING INCIDENCE

7.1 The Consultation Document and Supporting Information contained several assumptions about the rating system for 2026/27. No changes are proposed to those assumptions other than recognising the fixed charges for services (water, wastewater and rubbish/recycling) will need to be adjusted to reflect any changes to underlying activity budgets.










## 8. NEXT STEPS

8.1 Direction provided by the Council will assist officers to prepare a draft of the final Annual Budget 2026/27. It is intended this will be adopted at the Council meeting on 3 June 2026.

## 9. 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 all four goals	
The recommendations contribute to this Plan:	
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	<p>Adopting an annual budget/plan each year is a fundamental legislative requirement and without this in place the Council will not be able to set rates for the year and therefore fund any of its actions, plans or strategies.</p> <p>Palmerston North City Council consults on its annual budget to ensure public awareness of any proposed changes since the Long-Term Plan was agreed.</p>

## ATTACHMENTS

1. Consultation Summary [↓](#) 
2. Submissions Summary [↓](#) 
3. Operating Budget Changes [↓](#) 
4. Breakdown of Other Expenses and Revenue [↓](#) 
5. Schedule of Proposed Operating Programmes [↓](#) 
6. Schedule of Proposed Capital New Programmes [↓](#) 
7. Schedule of Proposed Capital Growth Programmes [↓](#) 
8. Schedule of Proposed Capital Renewal Programmes [↓](#) 
9. Activity Statements [↓](#) 
10. Financial Statements [↓](#) 