



PAPAIOEA
PALMERSTON
NORTH
CITY

PALMERSTON NORTH CITY COUNCIL

AGENDA

COUNCIL

9:00 AM, WEDNESDAY 11 FEBRUARY 2026

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

MEMBERS

Grant Smith (Mayor)

Debi Marshall-Lobb (Deputy Mayor)

Mark Arnott

Lorna Johnson

Brent Barrett

Bonnie Kuru

Rachel Bowen

Billy Meehan

Vaughan Dennison

Orphée Mickalad

Lew Findlay (QSM)

Karen Naylor

Hayden Fitzgerald

William Wood

Leonie Hapeta

Kaydee Zabelin

AGENDA ITEMS, IF NOT ATTACHED, CAN BE VIEWED AT

pncc.govt.nz | Civic Administration Building, 32 The Square
City Library | Ashhurst Community Library | Linton Library

Waid Crockett

Chief Executive | PALMERSTON NORTH CITY COUNCIL



COUNCIL MEETING

11 February 2026

ORDER OF BUSINESS

1. Karakia Timatanga

2. Apologies

3. Notification of Additional Items

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

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

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

4. Declarations of Interest (if any)

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

5. Public Comment

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

6.	Presentation - New Year's Honours 2026	Page 7
	Presentation, by Mayor Grant Smith.	
7.	Confirmation of Minutes	Page 11
	That the minutes of the ordinary Council meeting of 3 December 2025 Part I Public be confirmed as a true and correct record.	
8.	Confirmation of Minutes	Page 19
	That the minutes of the ordinary Council meeting of 10 December 2025 Part I Public be confirmed as a true and correct record.	

REPORTS

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

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

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

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

13. **Treasury Report - Six months ending 31 December 2025** Page 231
Memorandum, presented by Steve Paterson, Manager - Financial Strategy.

14. **Local Water Done Well - Initiating the Shareholders Committee for the joint Water Services Council-Controlled Organisation known as Central Districts Water** Page 243
Report, presented by Chris Dyrberg - Executive Director Central Districts Water, Mike Monaghan - Manager Three Waters and Julie Keane - Transition Manager.

15. **Manawatū Regional Freight Ring Road Indicative Business Case - Update** Page 261
Memorandum, presented by James Miguel, Senior Transport Planner and Olivia Wix, Manager Communications.

16. **Linklater Reserve - Disposal of woolshed** Page 267
Memorandum, presented by Bill Carswell, Activities Manager - Property.

17. **Development Subsidy Fund Application: Te Ranga Maro Charitable Trust** Page 271
Memorandum, presented by Keegan Aplin-Thane, Senior Planner.

18. **Government Reform affecting Local Government: Council Submissions** Page 277
Memorandum, presented by David Murphy, General Manager Strategic Planning and Jono Ferguson-Pye, Manager City Planning.

19. **Wastewater Treatment Plant - Nature Calls; Quarterly Update** Page 347
Memorandum, presented by Mike Monaghan - Manager 3 Waters.

20. **Council Work Schedule** Page 351

21. **Karakia Whakamutunga**

22. **Exclusion of Public**

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

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

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

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public as stated in the above table.

PRESENTATION

TO: Council

MEETING DATE: 11 February 2026

TITLE: Presentation - New Year's Honours 2026

RECOMMENDATION(S) TO COUNCIL

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

SUMMARY

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

ATTACHMENTS

1. New Year's Honours 2026 - Palmerston North Recipients [!\[\]\(029651ce9ee64da8525b17c64e266edc_img.jpg\)](#)

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

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

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

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

PALMERSTON NORTH CITY COUNCIL

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

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

Apologies: The Mayor (Grant Smith) (for lateness) and Councillors Bonnie Kuru and Leonie Hapeta (Council Business).

Karakia Timatanga

Councillor Kaydee Zabelin opened the meeting with karakia.

191-25 Apologies

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

Moved Debi Marshall-Lobb, seconded Vaughan Dennison.

RESOLVED

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

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

For:

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

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

Moved Debi Marshall-Lobb, seconded Vaughan Dennison.

RESOLVED

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

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

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

For:

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

DECISION REPORTS

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

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

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

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

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

Moved Debi Marshall-Lobb, seconded Vaughan Dennison.

RESOLVED

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

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

For:

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

Moved Debi Marshall-Lobb, seconded Vaughan Dennison.

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

- c. the Palmerston North Waste Management and Minimisation Bylaw 2025 does not give rise to any implications under the New Zealand Bill of Rights Act 1990.
3. That Council adopt the Palmerston North Waste Management and Minimisation Bylaw 2025 (as amended) and the Palmerston North Waste Management and Minimisation Bylaw Administration Manual 2025 which will come into effect on 1 February 2026 (Option 1).

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

For:

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

Against:

Councillor Kaydee Zabelin.

Abstained:

Councillor Bonnie Kuru.

Moved Lorna Johnson, seconded Vaughan Dennison.

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

Moved Brent Barrett, seconded Grant Smith.

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

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

For:

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

Moved Rachel Bowen, seconded Lorna Johnson.

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

the amendment was passed 16 votes to 0.

For:

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

194-25

Appointment of Council Representatives to External Bodies

Memorandum, presented by Hannah White, Manager - Governance.

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

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

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

Moved Debi Marshall-Lobb, seconded Vaughan Dennison.

RESOLVED

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

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

For:

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

Against:

Councillor Hayden Fitzgerald.

Moved Debi Marshall-Lobb, seconded Rachel Bowen.

RESOLVED

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

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

For:

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

Against:

Councillors Hayden Fitzgerald, Lorna Johnson and Karen Naylor.

Moved Lorna Johnson, seconded Rachel Bowen.

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

• ~~Age Friendly Palmerston North~~

- Hoffman Kiln Trust
- Manawatū Lesbian and Gay Rights Association (MALGRA)
- Manawatū People's Radio'

the amendment was passed 16 votes to 0.

For:

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

The meeting adjourned at 10.34am.

The meeting resumed at 10.50am.

195-25 Meeting Calendar February 2026- June 2027

Memorandum, presented by Hannah White, Governance Manager.

Moved Debi Marshall-Lobb, seconded Vaughan Dennison.

RESOLVED

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

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

For:

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

Against:

Councillors Hayden Fitzgerald, Leonie Hapeta and Billy Meehan.

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

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

Moved Debi Marshall-Lobb, seconded Vaughan Dennison.

RESOLVED

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

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

For:

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

INFORMATION REPORTS

197-25

Caccia Birch In-House Delivery Review

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

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

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

Moved Debi Marshall-Lobb, seconded William Wood.

RESOLVED

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

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

For:

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

198-25

KeyResearch Annual Report and Benchmarking Report 2024/2025

Memorandum, presented by Grace Nock, Manager Organisational Planning

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

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

Moved Debi Marshall-Lobb, seconded Vaughan Dennison.

RESOLVED

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

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

For:

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

The meeting adjourned at 1.21pm.

The meeting resumed at 4.09pm.

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

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

199-25

Road Maintenance Contract - 6 Monthly Update

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

Moved Debi Marshall-Lobb, seconded Leonie Hapeta.

RESOLVED

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

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

For:

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

200-25

Council Work Schedule

Moved Debi Marshall-Lobb, seconded William Wood.

RESOLVED

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

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

For:

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

Karakia Whakamutunga

Councillor Debi Marshall-Lobb closed the meeting with karakia.

The meeting finished at 4.37pm

Confirmed 11 February 2026

Deputy Mayor

PALMERSTON NORTH CITY COUNCIL

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

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

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

10 December 2025

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

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

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

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

17 December 2025

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

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

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

Karakia Timatanga

Councillor Debi Marshall-Lobb opened the meeting with karakia.

201-25

Apologies

Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

1. That Council receive the apologies.

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

For:

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

Declarations of Interest

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

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

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

202-25

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

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

Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

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

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

For:

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

203-25

Notice of Motion: Public Health and the District Plan

Moved Brent Barrett, seconded Mark Arnott.

RESOLVED

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

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

For:

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

Against:

Councillor Vaughan Dennison.

REPORTS

204-25

Development Subsidy Fund Application: Menzshed Building Improvements

Memorandum, presented by Keegan Aplin-Thane, Senior Planner.

Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

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

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

For:

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

205-25

Local Water Done Well - Constitution and Shareholders' Agreement

Report, presented by Chris Dyhrberg, Executive Director Central Districts Water, Mike Monaghan, Manager Three Waters and Julie Keane, Transition Manager.

Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

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

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

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

For:

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

Against:

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

Moved Grant Smith, seconded Debi Marshall-Lobb.

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

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

For:

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

Against:

Councillor Hayden Fitzgerald.

The meeting adjourned at 11.03am.

The meeting resumed at 11.24am.

206- Travel Approval for Councillor Vaughan Dennison to attend the 2026 Taipei Smart City Summit and Expo

25

Memorandum, presented by Gabrielle Loga, Manager International Relations.

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

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

Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

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

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

For:

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

Against:

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

Note:

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

207-25 Council Work Schedule

Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

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

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

For:

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

208-25 Annual Budget 2026/27

Memorandum, presented by Scott Mancer, Manager Finance and Cameron McKay, Chief Financial Officer.

The meeting adjourned at 1.30pm.

The meeting resumed at 2.45pm.

CAPITAL PROGRAMMES – RENEWAL

A1

Moved Karen Naylor, seconded Hayden Fitzgerald.

RESOLVED

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

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

For:

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

Against:

Councillors Brent Barrett and Bonnie Kuru.

A2

Moved Kaydee Zabelin, seconded Lorna Johnson.

RESOLVED

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

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

For:

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

Against:

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

A3

Moved Kaydee Zabelin, seconded Lorna Johnson.

RESOLVED

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

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

For:

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

Against:

Councillors Hayden Fitzgerald and Karen Naylor.

1b

Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

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

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

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

For:

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

Against:

Councillors Hayden Fitzgerald and Karen Naylor.

CAPITAL PROGRAMMES – NEW AND GROWTH

A5

Moved William Wood, seconded Grant Smith.

RESOLVED

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

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

For:

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

A6

Moved Vaughan Dennison, seconded Leonie Hapeta.

RESOLVED

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

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

For:

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

Against:

Councillors Hayden Fitzgerald, Orphée Mickalad and Karen Naylor.

B

Moved Hayden Fitzgerald, seconded Karen Naylor.

RESOLVED

Arts & Heritage

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

Councillor Kaydee Zabelin entered the meeting again at 3.27pm.

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

For:

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

Against:

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

C1

Moved Karen Naylor, seconded Hayden Fitzgerald.

Note:

On a motion that:

'Recreation & Play'

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

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

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

For:

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

Against:

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

C2 (i)

Moved Hayden Fitzgerald, seconded Karen Naylor.

RESOLVED

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

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

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

For:

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

Against:

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

C2 (ii)

Moved Hayden Fitzgerald, seconded Karen Naylor.

Note:

On a motion that:

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

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

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

For:

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

Against:

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

1c

Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

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

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

For:

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

Against:

Councillors Hayden Fitzgerald and Karen Naylor.

1g

Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

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

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

For:

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

Councillor Billy Meehan left the meeting at 4.10pm.

OPERATING PROGRAMMES

F

Moved Karen Naylor, seconded Hayden Fitzgerald.

Note:

On a motion that:

'Recreation & Play'

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

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

For:

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

William Wood and Kaydee Zabelin.

Against:

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

G1

Moved Karen Naylor, seconded Hayden Fitzgerald.

Note:

On a motion that:

'Economic Development'

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

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

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

For:

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

Against:

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

G2

Moved Karen Naylor, seconded Hayden Fitzgerald.

Note:

On a motion that:

'Economic Development'

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

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

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

For:

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

Against:

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

Note:

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

H

Moved Karen Naylor, seconded Hayden Fitzgerald.

Note:

On a motion that:

'Biodiversity and the Manawatū River'

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

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

For:

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

Against:

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

1a

Moved Grant Smith, seconded William Wood.

RESOLVED

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

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

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

For:

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

Against:

Councillors Hayden Fitzgerald and Karen Naylor.

OPERATING BUDGETS

A4

Moved William Wood, seconded Grant Smith.

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

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

For:

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

Against:

Councillor Karen Naylor.

|

Moved Hayden Fitzgerald, seconded Karen Naylor.

Note:

On a motion that:

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

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

For:

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

Against:

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

and Kaydee Zabelin.

1e Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

1. That Council instruct the Chief Executive to prepare a draft of the Consultation Document and supporting information for the Annual Budget 2026/27 for consideration by Council at its meeting on 11 February 2026 and that it contains:
 - e. Operating budgets as outlined in Attachments 1-3 including the motion above.

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

For:

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

Against:

Councillors Hayden Fitzgerald and Karen Naylor.

1d Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

ASSUMPTIONS

1. That Council instruct the Chief Executive to prepare a draft of the Consultation Document and supporting information for the Annual Budget 2026/27 for consideration by Council at its meeting on 11 February 2026 and that it contains:
 - d. Significant budget assumptions as outlined in Section 5.

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

For:

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

Karakia Whakamutunga

Councillor Debi Marshall-Lobb closed the meeting with karakia.

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

The meeting resumed on Wednesday 17 December at 9.01am.

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

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

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

Karakia Timatanga

Councillor Debi Marshall-Lobb opened the meeting with karakia.

209-25 Apologies

Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

1. That Council receive the apologies.

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

For:

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

210-25 Notification of Additional Items

Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

That Council accept the late item as follows:

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

Reason for lateness:

Commercial negotiations were completed after the Agenda was published.

Reason for urgency:

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

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

For:

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

EXCLUSION OF PUBLIC

211-25 Recommendation to Exclude Public

Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

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

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

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

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

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public as stated in the above table.

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

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

For:

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

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

Confirmed 11 February 2026

Mayor

REPORT

TO: Council

MEETING DATE: 11 February 2026

TITLE: Fees and Charges Review

PRESENTED BY: Steve Paterson, Manager - Financial Strategy

APPROVED BY: Cameron McKay, General Manager Corporate Services

RECOMMENDATION(S) TO COUNCIL

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

Trade Waste

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

Planning & Miscellaneous

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

Building

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

Environmental Health

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

Animal Management

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

Burial & Cremation

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

Service Connections

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

Resource Recovery

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

OR

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

Parks and Reserves

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

Backflow Prevention

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

Corridor Access Request

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

Parking

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

SUMMARY OF OPTIONS ANALYSIS

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

	achievable
--	------------

RATIONALE FOR THE RECOMMENDATIONS

1. OVERVIEW OF THE PROBLEM OR OPPORTUNITY

1.1 The purpose of this report is to provide an overview of the current status of fees and charges made by the Council and to recommend the adoption of updated fees for some of them.

1.2 At its meeting on 10 December 2025 Council considered the first draft of the 2026/27 Annual Budget and endorsed the revenue assumptions outlined in the covering report.

1.3 It is important that fees and charges be regularly reviewed. There are a variety of reasons for this including:

- Compliance with legislative requirements – many fees and charges made by the Council are governed by specific legislation.
- Consistency with Council's Revenue and Financing policy – for each activity the Council has adopted targets for the funding mix, i.e. the proportion of costs to be funded from fees and charges.
- Transparency – in some instances it is important to be able to demonstrate that the charge being made represents a fair and reasonable recovery of the costs of providing a particular service.
- Market comparability – for some services the Council operates in a contestable market and it is important that fees and charges are responsive to market changes.
- However, as a review process is sometimes very time-consuming the depth of the review for each type of fee or charge may vary depending on the circumstances. Additional material relating to regulatory fees and charges was circulated in December in advance of a planned briefing.

1.4 Attached as Appendix 1 is a schedule listing, in broad terms, the various types of fees and charges made by the Council. The schedule is ordered by activity (consistent with the 2024-34 Long-term Plan (LTP)) and within that by function (consistent with the Revenue & Financing Policy). Comments are made within the schedule outlining the reasons for there being no change recommended to a particular fee or charge. In cases where changes are recommended more detail is provided in the appendices.

2. BACKGROUND AND PREVIOUS COUNCIL DECISIONS

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

3. DESCRIPTION OF OPTIONS

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

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

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

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

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

4. ANALYSIS OF OPTIONS

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

5. CONCLUSIONS

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

6. NEXT ACTIONS

6.1 There is a series of procedural steps to be followed to enable some of the revised fees and charges to be implemented. In some cases (as specifically identified in the recommendations) this involves a period of public consultation and a report back to the Council for final confirmation (taking into account any public submissions).

6.2 Staff will action messaging appropriate to the rates and fee changes not otherwise formally notified.

7. OUTLINE OF COMMUNITY ENGAGEMENT PROCESS

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

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

8. COMPLIANCE AND ADMINISTRATION

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

ATTACHMENTS

1. Appendices 1 - 13 

Appendix 1

Activity	Revenue & Financing Policy function	Fees / Charges	Last Implementation / Date of revised fee	Next Review Scheduled for	Assumption for draft 2026/27 Budget	Comments
Economic development	Conference & Function Centre	Venue rental Percentage of catering revenue			Increased revenue	Charges depend on market conditions. Revenue very volume dependent
Housing	Building Services	Building Services Fees	1 Jul 2025	1 Jul 2026	Increased fees & revenue	Increases recommended. Refer Appendix 4 & recommendations.
Housing	Planning Services - Private	Services Fees & Charges	1 Jul 2025	1 Jul 2026	Increased fees & revenue	Increases recommended. Refer Appendix 3 & recommendations.
Roading	Parking enforcement	• Registration • WOF • Fines (Stationary vehicles)	1 Oct 2024	Next Statutes/Regulations Revision	No change	Charges are set and changed by legislation/regulation. A number of infringement fees were increased significantly from 1 October 2024.
Roading	Metered Parking	Metered Parking Fees – on street & off-street	1 Jul 2025	1 Jul 2026	No change to charges	Increases implemented from 1 July 2025. No change processed this year as monitoring parking behaviour since significant increases in parking infringement fees from 1 October 2024.
Roading	Off-street parking – leased carparks	Long term lease	1 Jul 2021	1 Jul 2026	No change	No change proposed.
Roading	Road corridor access	Corridor access	1 Jul 2025	1 Jul 2026	No change	Increase proposed. Refer Appendix 12 & recommendations.

Appendix 1

Activity	Revenue & Financing Policy function	Fees / Charges	Last Implementation / Date of revised fee	Next Review Scheduled for	Assumption for draft 2026/27 Budget	Comments
Recreation & Play	Central Energy Trust Arena	Venue Rentals - Commercial - Community & Schools	1 Jan 2025 1 Jan 2025	1 Jan 2026 1 Jan 2026	Increased revenue & increased charges	Charges reviewed under delegated authority.
Recreation & Play	Sportsfields	Sportsfield Rental/Charges	1 Jul 2025	1 Jul 2026	Increase in revenue & charges	Increases recommended. Refer Appendix 10 & recommendations
Recreation & Play	Swimming Pools	Admission charges	1 Jul 2024	1 Jul 2026		The contract for pool operations provides for the Council to approve maxima for charges able to be made by the contractor. In June 2024 Council approved increased maxima for casual admission and concession charges effective from 1 July 2024. Further increases are recommended. Refer Appendix 10 & recommendations
Community Support	Cemeteries	• Burial • Cremation	1 Jul 2025	1 Jul 2026	Increased revenue & increased charges	Increases recommended. Refer Appendix 7 & recommendations.
Community Support	Community Centres	Community halls & facilities	1 Jul 2025	1 Jul 2026	CPI increase	Rentals are adjusted annually by the CPI.

Appendix 1

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

Appendix 1

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

Appendix 1

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

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

Appendix 2**PROPOSED AMENDMENTS TO FEES AND CHARGES FOR
TRADE WASTE****1. INTRODUCTION**

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

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

2. BACKGROUND**2.1 Revenue & Financing Policy Requirements**

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

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

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

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

These costs are incurred in the following way;

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

- Annual Trade Waste Charges – for administration and monitoring of individual consent holders
- Trade Waste Charges – these are for the impact of consented discharges on Council's system.

The following factors impact on the fees and charges;

- Costs to administer and monitor consents
- Cost of operating the Palmerston North sewerage system
- Flows within the Palmerston North sewerage system
- Loading on the Palmerston North Wastewater Treatment Plant.

These costs, flows and loadings vary from year to year.

2.2 Statutory Requirements

The Council adopted the latest version of the Palmerston North **Trade Waste** Bylaw in 2022 under its statutory powers contained in the Local Government Act 2002 (LGA). Accordingly, in terms of section 150 of the LGA the trade waste charges are required to be set in a manner giving effect to the requirements of the Act. Schedule 1 of the Bylaw contains a list of types of charges that may be imposed. In June 2025 the Council adopted the current schedule of charges following appropriate consultation.

2.3 Factors Impacting on Setting Fees and Charges

A number of other considerations are factored into the proposed fees. They are:

Transparency It is important that fees and charges are structured in a manner that clearly identifies the specific service being provided and the true cost of providing such services.

Fair and reasonable That the charges are demonstrated to be fair and reasonable.

Market comparable Where appropriate.

2.4 Outline of Proposed Fees and Charges

The proposed fees and charges are shown in detail below:

Palmerston North City Council

Trade Waste Charges

Pursuant to the Palmerston North Trade Waste Bylaw 2022

Category	2025/2026 Charge (GST Incl.)	2026/2027 Charge (GST Incl.)	Description
Administrative Charges (Table 2 – Schedule 1)			
2.2	Compliance Monitoring - Conditional Consents	\$270 per sampling & analysis	\$280 per sampling & analysis
2.2	Compliance Monitoring – Grease Trap Sampling Fee	\$140 per inspection	\$145 per inspection
2.4	Trade Waste Application Fee	\$1,820	\$1,890
2.5	Consent Processing Fee	\$225 per hour	\$235 per hour
2.6	Re-inspection Fee	\$225 per inspection	\$235 per inspection
2.9	Trade Waste Charge - Permitted Consents for Grease traps/Oil interceptors/Amalgam traps	\$140 per annum	\$145 per annum
2.9	All other premises (conditional) plus trade waste charges	\$1,510 per annum	\$1,570 per annum
2.9	Discharge administration fee	\$700 per annum	\$725 per annum
Trade Waste Charges (Table 3 – Schedule 1)			
3.1	Volume Charge (\$/m ³)	\$0.78/m ³	\$0.89/m ³
3.3	Suspended Solids Charge (SS) (\$/kg)	\$0.95/kg SS	\$1.31/kg SS
3.4	Organic Loading Charge (BOD) (\$/kg)	\$0.79/kg BOD	\$0.92/kg BOD
3.6	Phosphorous Charge (DRP) (\$/kg)	\$46.45 /kg DRP	\$63.16/kg DRP

Tankered Waste Charges (Table 4 – Schedule 1)				
4.1	Tankered Wastes Charge	\$50/1,000 litres	\$50/1,000 litres	Charge to recover administration, receiving and treatment costs of tankered wastes

The volume dependent charges are based on historic flows, strengths and costs. The proposed 2026/27 charges are based on flows over the two years to 31 December 2025 and costs for the year to 30 June 2025.

Because of the size of the increases being proposed Council approved increases for 2025/26 that were approx. 50% of what had been recommended, on the understanding that there would need to be further significant increases for 2026/27.

The updated calculations show that it is necessary not only to increase to the levels originally sought for 2025/26 but further to cover increasing costs.

The combination of these charges is anticipated to increase overall charges for tradewaste users by approx. 15%.

The fixed charges are set to recover direct costs of sampling, analysis and administration of tradewaste effluent charged from conditional consent holders under the provisions of the bylaw. Sampling is required to confirm compliance with the consent conditions and in conjunction with the measured flows used to determine the monthly charges. It is proposed that each of the administrative charges be increased by approx. 4% to reflect increasing operating costs.

2.5 Level of Service

As part of the process of preparing the Long-term Plan 2024-34 the level of service for all areas was considered. This determined that the current levels are appropriate.

3. DESCRIPTION OF OPTIONS

It is Council policy to review fees and charges on a yearly basis. This enables Council to be satisfied that they are transparent, fair and reasonable and market comparable. This does not necessarily mean that fees will be increased every year.

The options available include no change being made, proceeding with the recommendations or changing fees by a different amount. If no change is made or fees are increased by a lesser amount, the proposed budgeted revenue for 2026/27 cannot be met. This will result in the level of ratepayer funding having to be increased to make up the shortfall or the level of services being reduced.

The remaining option is to proceed with the recommended changes. This will ensure that the charges for providing the services are fair and reasonable. It will ensure that the revenue attained from fees and charges reflects the true cost to Council of providing such services.

4. FINANCIAL IMPLICATIONS

The proposed fees and charges will enable the budget targets for 2026/27 as defined in the proposed draft Annual Budget to be met based on the volume assumed. In particular it will enable the generation of \$1.2 million of revenue from trade waste charges.

5. MAKING A SUBMISSION

Submissions on the proposal are invited and must be received by the Council during the submission period which opens on Wednesday 11 March 2026 and closes at 5.00 pm on Friday 10 April 2026. Enquiries may be directed to the Manager – Three Waters on telephone 356 8199.

Submissions must be in writing and may be delivered, posted or emailed to:

Manager Governance
Palmerston North City Council
Private Bag 11-034
Palmerston North 4442

Email submission@pncc.govt.nz

Submissions should include the name and address of the person making the submission, including a daytime telephone contact number, and also advise if they wish to speak about their submission to a meeting of Councillors.

Waid Crockett
Chief Executive

Appendix 3a**PROPOSED AMENDMENTS TO FEES AND CHARGES FOR
PLANNING AND MISCELLANEOUS SERVICES****STATEMENT OF PROPOSAL****1. INTRODUCTION**

It is Council's policy to review its fees and charges every year. As a result of the most recent review the proposed change to fees and charges varies. Charges based on hourly rates are proposed to be increased by between 3.5% and 4.5%. Whilst there is no change to some flat fees will not change others are proposed to increase significantly as the present charges do not cover the time spent on the particular activity.

The changes to fees and charges are designed to ensure there is sufficient revenue to match the increase in operational costs and satisfy the requirements of Council's Revenue & Financing Policy. Changes to these fees and charges are required to be approved using the special consultative procedure or a similar procedure.

2. BACKGROUND**2.1 Revenue & Financing Policy Requirements**

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

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

For the fees and charges being considered funding is based on the following principles:

2.1.1 Planning Services

The entire community benefits from safe reliable infrastructure and resources and consistent transparent Council procedures. The entire community benefits from advice relating to potential resource consents or resource management as well as from resource consent monitoring and enforcement activities. Developers and property owners benefit from the resource consent advice, information and certainty provided by the Council.

The Revenue & Financing Policy outlines that the funding source for public services (namely planning advice, information, consent monitoring and enforcement) as compared to private

services (being resource consent processing) should be clearly separated to reflect those who benefit from the service, the period of benefit and those who create the need.

The Policy indicates that a “high” percentage of planning (public) services should be funded from rates with a “high” percentage of planning (private) services to be funded by fees and charges.

\$000	Actual 2023/24	Actual 2024/25	Budget 2025/26	Draft Budget 2026/27
Expenses – Private	2,407	2,365	1,970	2,497
Expenses – Public	860	718	1,696	1,679
Expenses – Total	3,267	3,083	3,666	4,176
Revenue	1,321	2,252	1,753	2,292
Revenue as % of Expenses	40%	73%	48%	55%

The proposed budget for 2026/27 compared to the funding policy is as follows:

Activity	Target Policy	Draft Budget 2026/27	Compliance with Policy?
Planning Services – Private	100% Fees and Charges	92% Fees and Charges	<i>Falls within 80-100% policy band however aim is to achieve 100% recovery</i>
Planning Services – Public	100% Rates	100% Rates	<i>Meets the policy</i>

2.2 Statutory Requirements

The setting of the fees and charges for the fee group entitled **Planning Services** is empowered by Section 36 of the Resource Management Act 1991 (RMA) and requires the Council to follow the special consultative procedure as set out in section 83 of the Local Government Act 2002 (LGA). This requires the fees and charges proposed for planning to be initially referred to Council and then notified for public consultation before they can be approved by Council.

The Council is required to have regard for the criteria outlined in section 36AAA of RMA when establishing fees and charges. The key purpose of such charges is required to be to recover the reasonable costs incurred by the Council in relation to the activity for which the charge is being made.

Most of the charges for the fee group entitled **Miscellaneous** (except for those set under the Food Act 2014) are empowered under the LGA. This authorises the Council to recover the costs it incurs for approvals, authorities and inspections not covered by the primary legislation under which the Council operates, e.g., RMA. Accordingly, in terms of section 150

of the LGA they are required to be set in a manner which gives effect to the consultation principles in section 82 of the LGA. However, as they are being reviewed in conjunction with the charges for planning services it is practical to use the special consultative procedure.

Those set under section 205 of the Food Act 2014 to cover the Council's activities relating to registration, verification and compliance and monitoring under the Act must be set using the special consultative procedure.

2.3 Factors Impacting on Setting Fees and Charges

A number of other considerations are factored into the proposed fees. They are:

Transparency

It is important that fees and charges are structured in a manner that clearly identifies the specific service being provided and the true cost of providing such services.

Fair and reasonable

That the charges are demonstrated to be fair and reasonable.

2.4 Outline of Proposed Fees and Charges

2.4.1 Planning Services

The proposed fees and charges are shown in detail in **Attachment A**.

The 'Indicative Charges' section in the Planning Fees has been updated to remove deposits as they are no longer used. In addition, all of the indicative charges for the different categories have been updated based on a review of a large sample of consents issued over the last two years.

The review has highlighted the present indicative charges significantly underestimate the likely actual totals being charged for most categories. As a consequence, it is appropriate to update these figures to more realistic levels to provide customers with better clarity. It is important to bear in mind that each case has its own features which can affect the final costs so ultimately the figures in the schedule are indicative only.

It should also be noted indicative charges are also required to be set out because under the Resource Management Act 1991, in the event of a customer lodging a formal objection to Council's costs (through a Hearing process for example), they can only object to costs *above* the relevant indicative charge identified. Hence it is important to set this amount at an appropriate level, which is the average cost, so that at a minimum these costs will be recovered.

Charges based on hourly rates are proposed to be increased by between 3.5% and 4.5% to reflect increased operating costs.

Time spent on attending to activities funded from flat fees over the past two years has been reviewed and following this it is proposed that though some flat fees remain unchanged others need to increase significantly.

2.4.2 Miscellaneous Services

The proposed fees and charges are shown in detail in **Attachment B**. Standard fees and those based on hourly rates are proposed to be increased by approximately 3.7% to reflect increased operating costs. No change is proposed for the LIM charge again this year as work continues to endeavour to streamline this process and reduce or hold the costs for Council. Food plan charges are proposed to be increased by 3.7%.

2.5 Level of Service

As part of the process of preparing the 2024-34 Long-term Plan the level of service for all areas was considered. This determined that the current levels are appropriate.

3. DESCRIPTION OF OPTIONS

It is Council policy to review fees and charges on a yearly basis. This enables Council to be satisfied that they are transparent, fair and reasonable and market comparable. This does not necessarily mean that fees will be increased every year.

The options available include no change being made, proceeding with the recommendations or changing fees by a different amount. If no change is made or fees are increased by a lesser amount, the proposed budgeted revenue for 2026/27 cannot be met. This will result in the level of ratepayer funding having to be increased to make up the shortfall or the level of services being reduced.

The remaining option is to proceed with the recommended changes. This will ensure that the charges for providing the services are fair and reasonable. It will ensure that the revenue attained from fees and charges reflects the true cost to Council of providing such services.

4. FINANCIAL IMPLICATIONS

The proposed fees and charges will enable the budget target of \$2.29 million for 2026/27 as defined in the draft Annual Budget to be met based on the volume assumed.

5. MAKING A SUBMISSION

Submissions on the proposal are invited and must be received by the Council during the submission period which opens on Wednesday 11 March 2026 and closes at 5.00 pm on Friday 10 April 2026. Enquiries may be directed to the Manager Planning Service on telephone 356 8199.

Submissions must be in writing and may be delivered, posted or emailed to:

Manager Governance
Palmerston North City Council
Private Bag 11-034
Palmerston North 4442
Email submission@pncc.govt.nz

Submissions should include the name and address of the person making the submission, including a daytime telephone contact number, and also advise if they wish to speak about their submission to a meeting of Councillors.

Waid Crockett
Chief Executive

Palmerston North City Council			Attachment A																		
Planning Services		Fees & Charges 2026/27																			
<p>Below are the fees charged for Planning Services, including applications for resource consents, subdivisions, and other activities related to the District Plan, National Policy Statements, and National Environmental Standards. The fees reflect the cost to Council of processing applications, monitoring consents, and managing Notices of Requirement, Designations, and Plan Changes.</p> <p>Please note: If the Resource Management Act is repealed or replaced during the 2026/2027 financial year, these fees and charges continue to apply under the replacement legislation without interruption unless the new legislation specifically prohibits this.</p>																					
<p>All fees and charges include GST unless indicated. Effective from 1 July 2026</p>																					
<h3>Legal Basis</h3> <p>Planning services charges listed in this schedule are imposed under the Resource Management Act 1991, and, once in force, any replacement or successor legislation, to recover the actual and reasonable costs incurred by Council in performing its statutory functions. This includes, but is not limited to, proposed legislation such as the Planning Act or the Natural and Built Environment Act.</p> <p>Where this schedule refers to a section of the Resource Management Act 1991, that reference should be read as including any equivalent, replacement or successor provision in any legislation that replaces or amends the Act.</p> <p>These charges cover costs related to:</p> <ul style="list-style-type: none"> *Receiving, processing, hearing and determining applications for resource consents and other planning approvals; *Permitted Activity Notices, Certificates of Compliance, and Existing Use Certificates (Section 36(1)(b)); *Administering, Monitoring and Supervising Consents; *Notices of Requirement, Heritage Orders, Designations and District Plan Changes (Private Plan Changes); *Gathering Information, Monitor, and Keep Records in accordance with resource management functions under Section 35(Section 36(1)(c)). 																					
<h3>How Fees Are Charged</h3> <p>*The Council's normal approach is to invoice charges progressively, month by month.</p> <p>*We reserve the right to require a deposit up to the amounts shown before any work begins. You will be advised at the time of application if a deposit is required.</p> <p>*The fees you pay for a resource consent application depend on the type, scope and quality of your proposal and application. To estimate costs, you may need to seek professional advice.</p> <p>*Unless specified as a Flat Fee, Final charges will be calculated based on staff hourly rates, planning contractor or technical specialist time, and any other relevant Council fees that apply.</p>																					
<h3>Flat Fees</h3> <table border="1"> <thead> <tr> <th>Activity Type</th> <th>Charge from 1 July 2025</th> <th>Charge from 1 July 2026</th> </tr> </thead> <tbody> <tr> <td>Small-scale resource consents</td> <td>\$ 810</td> <td>\$ 810</td> </tr> <tr> <td>Boundary Activity</td> <td>\$ 450</td> <td>\$ 590</td> </tr> <tr> <td>Temporary or Marginal Breaches</td> <td>\$ 680</td> <td>\$ 680</td> </tr> <tr> <td>Town Planning Certificate (Alcohol)</td> <td>\$ 450</td> <td>\$ 730</td> </tr> <tr> <td>Waiver for requirement for Outline Plan</td> <td>\$ 570</td> <td>\$ 750</td> </tr> </tbody> </table>				Activity Type	Charge from 1 July 2025	Charge from 1 July 2026	Small-scale resource consents	\$ 810	\$ 810	Boundary Activity	\$ 450	\$ 590	Temporary or Marginal Breaches	\$ 680	\$ 680	Town Planning Certificate (Alcohol)	\$ 450	\$ 730	Waiver for requirement for Outline Plan	\$ 570	\$ 750
Activity Type	Charge from 1 July 2025	Charge from 1 July 2026																			
Small-scale resource consents	\$ 810	\$ 810																			
Boundary Activity	\$ 450	\$ 590																			
Temporary or Marginal Breaches	\$ 680	\$ 680																			
Town Planning Certificate (Alcohol)	\$ 450	\$ 730																			
Waiver for requirement for Outline Plan	\$ 570	\$ 750																			

Indicative charges

These charges are payable by applicants for resource consents, for the local authority to carry out its functions in relation to receiving, processing and granting resource consents, including certificates of compliance and existing use certificates (RMA Section 36(1)(b)).

Section 36 of the RMA enables the Council to charge additional fees to recover actual and reasonable costs when the indicative charge (technically known as a 'fixed fee' under the RMA) is inadequate. This means that applications that exceed standard processing times and/or which involve a hearing may incur additional charges. Planning contractors, technical specialists' and solicitors' fees associated with all work types are also included.

We may refund part of the fee if the work required to process the application is minimal.

Activity Type	Charge from 1 July 2025	Charge from 1 July 2026	Deposit
Non notified residential land use consents	\$ 2,300	\$ 3,800	\$ 1,500
Non notified non-residential land use consent	\$ 5,200	\$ 13,000	\$ 3,000
Limited notified land use consents	\$ 76,000	\$ 76,000	\$ 48,000
Notified land use consents (full notification)	\$ 100,000	\$ 100,000	\$ 64,000
Non notified subdivision consents (controlled activity)	\$ 3,500	\$ 5,500	\$ 1,900
Non notified subdivision and land use consents (controlled activity)	\$ 3,700	\$ 12,000	\$ 2,400
Non notified subdivision consents (other)	\$ 7,100		\$ 4,500
Notified subdivision consents for up to and including 20 lots in total (full and limited notification)	\$ 29,000		\$ 18,000
Notified subdivision consents for more than 20 lots (full and limited notification)	\$ 59,000		\$ 31,000
Outline planning approval	\$ 1,500	\$ 2,650	\$ 900
Notified notice of requirements, heritage orders, designation alterations	\$ 21,000	\$ 76,000	\$ 13,000
Non notified notice of requirements, heritage orders, designation alterations	\$ 3,500	\$ 15,000	\$ 2,000
District Plan changes	\$ 33,000	\$ 250,000	\$ 20,000
Certificates of Compliance (permitted activity notice)	\$ 570	\$ 590	
Existing Use Certificates	\$ 1,300	\$ 1,350	

These charges are payable by resource consent holders for Council to carry out its functions relating to administering, monitoring and supervising resource consents, including certificates of compliance and existing use certificates, and for carrying out its resource management functions under Section 35 (Section 36(1)(c)).

Activity Type	Charge from 1 July 2025	Charge from 1 July 2026	Deposit
Variations to conditions (section 127 and 221 - subdivision and land use)	\$ 2,255	\$ 3,500	\$ 1,400
Extensions of time (section 125)	\$ 1,425	\$ 2,500	\$ 900
Cancellation of building line restrictions (under Local Government Act 1974)	\$ 1,425	\$ 1,600	\$ 900
Adjustment of easements	\$ 1,425	\$ 3,000	\$ 900
Subdivision certificates (including section 223, 224)	\$ 505	\$ 1,800	\$ 300
Subdivision certificates (section 224)	\$ 505	\$ 3,200	
Combined Subdivision certificates (including section 223, 224)	\$ 1,010	\$ 5,000	
Subdivision certificates (section 226)	\$ 1,780	\$ 3,000	\$ 1,100
Removal of designations	\$ 330	\$ 3,800	\$ 280
Purchase of District Plan & District Plan updates	At cost	At cost	N/A

Monitoring and inspection charges are based on staff hourly rates to complete the task. Dealing with compliance issues is based on the actual time spent by the officer, based on the hourly rate for the Monitoring and Enforcement Officer.		
Monitoring Charges	Charge from 1 July 2025	Charge from 1 July 2026
Monitoring of non notified resource consents	At cost of Officer's time per hour (minimum 2 hours)	
Monitoring of notified resource consents	At cost of Officer's time per hour (minimum 4 hours)	
Monitoring of permitted activities		At cost of Officer's time per hour

Charges payable by resource consent holders, for Council to carry out its functions relating to reviewing consent conditions.

Activity Type	Charge from 1 July 2025	Charge from 1 July 2026
Review at the request of the consent holder	\$ 2,135	\$ 2,215
Review pursuant to section 128(1)(a)	\$ 2,135	\$ 2,215
Review pursuant to section 128(1)(c)	\$ 6,290	\$ 6,525

Document charges
Charges for supply of documents payable by the person requesting the document. (Section 36(1)(f))
Replacement copies of certificates
Replacement copies of resource consents
Other documents
Additional copies of order papers

Other Charges			
General enquiries			
There is no cost for an individual enquiry up to 30 minutes (whether in person at our Customer Service Centre, by phone or in writing). Where an individual enquiry is for a period longer than 30 minutes, it will be charged at cost, based on the relevant officer's hourly rate. This includes initial scoping meetings.			
Pre-application advice			
A \$1,000 fee will be charged for use of the pre-application service (standard proposals). This applies where staff provide professional advice before you lodge a resource consent application. For additional advice, specialist or consultant planning contractor or technical specialist input or special circumstances , time will be charged at the relevant officer's/ consultant's planning contractor/technical specialists' hourly rate/actual cost.			
Technical Specialist Charges			
Technical Specialists' and solicitors' fees associated with all work types will be charged at cost plus disbursements. This includes processing a consent or certificate (including specialist technical or legal advice where a consent involves creating legal instruments) and new notices of requirement, heritage orders, designation alterations, removal of designations and District Plan changes.			
Contractor Charges			
Where planning contractors are engaged to process overflow applications, they will be charged at the hourly rate of the comparable Council Officer.			
Charges for Hearings			
Hearings for all applications, designations, notice of requirements, private District Plan changes, development contributions and remittance fees and associated work by relevant staff will be charged at the cost of officers' time per hour, as shown below.			
Production of order papers will be at cost plus disbursements.			
Council Officer's Hourly Rates		Charge from 1 July 2025	Charge from 1 July 2026
These charges are the rates per hour for Council officers and decision-makers for processing consents, hearings, designations etc that do not have an indicative charge or where the indicative charge is inadequate to cover the actual and reasonable costs of the Council.			
Planning Technician		\$ 215	\$ 225
Planning Officers		\$ 245	\$ 255
Monitoring and Enforcement Officer		\$ 215	\$ 225
Senior Planning Officer		\$ 260	\$ 270
Principal Planner			\$ 280
Team Leader, Planning Services		\$ 270	\$ 280
Manager, Planning Services		\$ 285	\$ 295
City Planning Manager		\$ 285	\$ 295
General Manager		\$ 305	\$ 316
Team Leader, Business Support		\$ 227	\$ 235
Senior Business Support Officer		\$ 205	\$ 213
Administration or Committee Administration Staff		\$ 149	\$ 155
Technical and Professional Staff from all other Council units		\$ 245	\$ 255
Commissioner	At cost plus disbursements		
Hearing Panel of Elected Members	At cost (\$116 per hour and \$93 per hour for members) plus disbursements		

Guidance notes			
<u>The number of lots in a subdivision includes the balance lot.</u>			
The fixed charges do not include other charges that may be imposed under the RMA or other legislation such as:			
Additional charges (section 36(5))			
Bonds			
Monitoring and supervision charges expressly provided for in a resource consent			
Development contributions			
Fees Methodology:			
<p>Council now generally no longer takes deposits and instead charges fees on a monthly basis. However, provision still remains for the Council to require deposits in special circumstances. Land use and subdivision consent charges have been based on average costs of consents issued. Deposits have generally been set at rates consistent with the previous year. Indicative charges are set at an appropriate level based on historical data. Final charges will be based on staff hourly rates, technical officer or consultant planning contractor or technical specialist time and any other relevant Council fees that apply.</p>			
<u>Minor non notified land use consents usually applies to:</u>			
applications for a dwelling, or a minor dwelling, dependent dwellings, accessory buildings, home occupations and access in the residential and rural zones			
applications for non illuminated signs in the business and industrial zones.			
Consent Charges			
<p>Charges payable by applicants for resource consents, for the carrying out by the local authority of its functions in relation to the receiving, processing and granting of resource consents (including certificates of compliance [and existing use certificates] pursuant to Section 36(1)(b). We reserve the right to charge in accordance with relevant sections of future acts including but not limited to, proposed legislation such as the Planning Act or the Natural and Built Environment Act.</p>			

Palmerston North City Council	Attachment B			
Miscellaneous	Fees & Charges 2026/27			
Miscellaneous charges are for inspections, information and other services not specified in our other fees schedules. They include LIMs, swimming pool inspections, vehicle crossing applications and charges for Council staff, among other things.				
All fees and charges include GST. Effective 1 July 2026 to 30 June 2027.				
These miscellaneous charges are imposed under the Local Government Act 2002. They seek to recover the cost to Palmerston North City Council for approvals, authorities and inspections not covered by the primary legislation under which the Council operates. (These being the Resource Management Act 1991, Building Act 2004, Dog Control Act 1996, Impounding Act 1955, Food Act 2014 and Land Transport Act 1998).				
LIMS, GIS inputting, Street number changes	Fixed Fee from 1 Jul 2025	Fixed Fee from 1 Jul 2026		
These are payable when a request is made to Council for a service or for information. No additional charges will be applied.				
Land Information Memorandum	\$ 521	\$ 521		
GIS Inputting, per consent	\$ 226	\$ 234		
Request for street number changes	\$ 486	\$ 504		
Noise	Fixed Fee from 1 Jul 2025	Fixed Fee from 1 Jul 2026		
Return of seized sound equipment: First offence	\$ 223	\$ 231		
Return of seized sound equipment: Second or subsequent offence	\$ 522	\$ 541		
Disconnection of alarms under the Resource Management Act	Recovery of actual cost incurred by Council, including staff time and contractor costs			
Food control plan auditing	Fixed Fee from 1 Jul 2025	Fixed Fee from 1 Jul 2026		
These fees are non-refundable. They are charged under the Food Act 2014 and include site visits, reporting and general administration.				
Processing an application for registration or renewal of a food control plan or a national programme	\$ 345	\$ 358		
Verification, initial or follow-up site visits (including reporting) (hourly rate)	\$ 215	\$ 223		
Domestic Food Business Levy	Fixed Fee from 1 Jul 2025	Fixed Fee from 1 Jul 2026		
The Council is required to collect levies on behalf of the Ministry of Primary Industries to cover their costs associated with administering food safety legislation.				
Charge per annum for each food business for operators that are required to operate under a food control plan or a food business subject to a national programme. (note: this levy will increase to \$132.25 from 1 July 2027)	\$ 66.13	\$ 99.19		
Council administration charge for acting as collection agent	\$ 11	\$ 11		

Deposits	Charge from 1 July 2025	Charge from 1 July 2026
Charges for all services are based on the actual costs incurred by the Council. Any deposits specified below are payable before the Council starts the service. The total charge for the service will be determined when the service is completed, based on the time spent on the work by the relevant officer at that officer's hourly rate.		
Right of Way Approval – section 348	\$ 500	
Certificate of Compliance Building Code - Alcohol	Billed at the actual cost of the officer's time per hour	
Gambling venue consent	\$472 plus officer's hours after 3 hours	\$472 plus officer's hours after 3 hours

Other Charges

These fees may be applicable to a consent or may be applied as a single charge.

Photocopying or copy of scanned documents	Charge from 1 July 2025	Charge from 1 July 2026
A0, A1, A2	\$10.00/page	\$10.00/page
A3	\$0.50/page	\$0.50/page
A4	\$0.40/page	\$0.40/page
Double sided A3	\$0.60/page	\$0.60/page
Double sided A4	\$0.50/page	\$0.50/page
Single sided (colour copies)	Additional charge of \$1.70/page	Additional charge of \$1.70/page
Double sided (colour copies)	Additional charge of \$3.80/sheet	Additional charge of \$3.80/sheet
Request for Property Information	Fixed Fee from 1 Jul 2025	Fixed Fee from 1 Jul 2026
Building Work Information Request (BWIR)	At cost of officer's time per hour plus disbursements	
Certificate of Title	\$ 34	\$ 35
Swimming Pools	Fixed Fee from 1 Jul 2025	Fixed Fee from 1 Jul 2026
Initial compliance inspection	\$ 251	\$ 260
Swimming Pool reinspections (second and subsequent inspections)	\$251.00 per inspection	\$260.00 per inspection
Vehicle crossings	Fixed Fee from 1 Jul 2025	Fixed Fee from 1 Jul 2026
T1 Inspect existing vehicle crossing	\$ 268	\$ 278
T2 New vehicle crossing	\$ 494	\$ 512
T3 Alter an existing vehicle crossing	\$ 268	\$ 278
Asset bonds	Fixed Fee from 1 Jul 2025	Fixed Fee from 1 Jul 2026
Council Asset Bond, payable for each building consent above the value of \$100,000	\$1,000 (no GST)	\$1,000 (no GST)
Administration & processing fee	\$ 235	\$ 244
Asset bonds	Charge from 1 July 2025	Charge from 1 July 2026
Removal of overgrown trees or shrubbery	Recovery of actual cost incurred by Council, including staff time and contractor costs	

Charges for Council Officers and Decision Makers		Charge from 1 July 2025	Charge from 1 July 2026
Charges for Council officers and decision-makers			
These charges are the rate per hour (or part thereof) for Council staff services, by work type, for approvals, authorities and inspections that are not listed on this page as a fixed fee.			
General Manager	\$ 305	\$ 316	
City Planning Manager	\$ 285	\$ 295	
Manager, Planning Services	\$ 285	\$ 295	
Team Leader, Planning Services	\$ 270	\$ 280	
Senior Planning Officer	\$ 260	\$ 270	
Planning Officers	\$ 245	\$ 255	
Planning Technician	\$ 215	\$ 225	
Monitoring and Enforcement Officer	\$ 215	\$ 225	
Team Leader, Building	\$ 260	\$ 270	
Building Officer, Commercial Inspections & Processing (Senior Plumbing and Drainage Officer and Advanced Building Officer)	\$ 260	\$ 270	
Building Officer	\$ 240	\$ 249	
Manager, Environmental Protection	\$ 284	\$ 295	
Environmental Health Officer	\$ 231	\$ 240	
Team Leader, Business Support	\$ 227	\$ 235	
Senior Business Support Officer	\$ 205	\$ 213	
Administration staff	\$ 149	\$ 155	
Technical and professional staff from other parts of Council	\$ 245	\$ 255	
Commissioner	At cost plus disbursements		
Hearing Panel of elected members	At cost (\$116 per hour and \$93 per hour for members) plus disbursements		

PROPOSED AMENDMENTS TO FEES AND CHARGES Appendix 3b
FOR PLANNING AND MISCELLANEOUS SERVICES

SUMMARY OF INFORMATION

Pursuant to Sections 83 and 150 of the Local Government Act 2002, the Palmerston North City Council gives notice that it is commencing the Special Consultative Procedure to obtain community feedback on proposed updates to fees and charges for Planning and Miscellaneous Services. It is Council's policy to review the above fees and charges every year to ensure there is sufficient revenue to match the increase in operational costs and satisfy the requirements of Council's Revenue and Financing Policy.

As a result of the most recent review it is proposed to fees and charges based on hourly rates by approximately 3.7% to cover increasing costs. It is proposed that some charges will remain unchanged whilst others will increase materially. Details can be seen on the full fee schedules.

A copy of the Statement of Proposal including the schedule of proposed fees and charges can be inspected and/or obtained as follows:

- Through the Council's website pncc.govt.nz
- At the Customer Services Centre, Civic Administration Building or the City Library (both in the Square)
- By telephoning 356 8199.

Enquiries may also be directed to the Manager Planning Services on telephone 356 8199.

Submissions on the proposal are invited and must be received by the Council during the submission period which opens on Wednesday 11 March 2026 and closes at 5.00 pm on Friday 10 April 2026. Submissions must be in writing and may be delivered, posted or emailed to:

Manager Governance
Palmerston North City Council
Private Bag 11-034
Palmerston North 4442
Email submission@pncc.govt.nz

All submissions received will be considered. Submissions should include the name and address of the person making the submission, including a daytime telephone contact number, and also advise if they wish to speak about their submission to a meeting of Councillors.

Waid Crockett
CHIEF EXECUTIVE

Building Services Fees and Charges

Appendix 4

1. INTRODUCTION

The Council's Revenue and Financing Policy (Long-term Plan 2024-34, page 287) outlines that as the main beneficiaries of the building activity are those who use the service (i.e. property developers and building owners), a significant portion of the cost should be borne by users. For the purposes of the Policy this portion is described as medium/high (i.e. 60-79% of the costs).

Broadly the Policy is based on the belief that consents processing and inspections should be user funded with information gathering and monitoring to be publicly funded.

Fees and charges were last increased from 1 July 2025.

2. BACKGROUND

2.1 Statutory Requirements

The setting of fees and charges for Building Services is empowered by Section 219 of the Building Act 2004. As such, they can be set by Council resolution and do not require any special consultative procedures. In accordance with the spirit of the LGA it is recommended that they be publicly notified.

2.2 Factors Impacting on Setting Fees and Charges

The following factors impact on the fees and charges;

- The legislative requirements as to the nature of the work required to be undertaken by the Council
- The volume of work undertaken as some costs are fixed and do not fluctuate depending on volume

3. PROPOSED FEES AND CHARGES

The proposed amended fees and charges are contained in the attached schedule (**Attachment A**).

Increases of approximately 3.7% are proposed to many of the fees and charges to reflect the desire to cover sufficient of the estimated costs to meet Council's policy target.

Exceptions to the standard %age increase include:

- Volumes of minor consents are small and no change is proposed to the fee
- The certificate of acceptance fee of \$750 is relatively low by comparison with other surveyed councils and is proposed to be increased to a more comparable figure of \$1,200

- At the present time there is no charge made to an owner when the Council issues a notice to fix. A fee of \$660 (comparable with other surveyed councils) is proposed to be introduced to cover staff time involved.

4. DESCRIPTION OF OPTIONS

It is Council policy to review fees and charges on a yearly basis. This enables the Council to be satisfied that the fees and charges are transparent, fair and reasonable. The options available are:

- no change being made to existing fees and charges; or,
- proceeding with the recommendations set out in this proposal

5. FINANCIAL IMPLICATIONS

The proposed amended fees and charges will assist budget targets for 2026/27 being met, based on the volume of work assumed. The actual fees and charges for 2024/25 represented 72% of costs incurred and the budget for 2025/26 is 71% as shown in the following table:

\$000	Actual 2023/24	Actual 2024/25	Budget 2025/26	Draft Budget 2026/27
Expenses	6,704	6,680	7,021	7,301
Revenue	4,418	4,824	5,011	5,162
Revenue as % of Expenses	66%	72%	71%	71%

The draft budget for 2026/27 includes a 71% fee recovery assumption.

Activity	Target Policy	Budget 2026/27	Compliance with Policy?
Building services – PNCC	60 – 79% Fees and Charges	71% Fees and Charges	Within policy target band

Palmerston North City Council		Attachment A			
Building Services		Fees & Charges 2026/27			
Building Services includes building consent, building warrant of fitness and compliance schedules, and engineering checks.					
All fees and charges include GST. Effective from 1 July 2026.					
Note, building inspection fees are valid for two years from the date we issue your building consent. If you have an inspection after two years, you'll be charged the fee that applies at that time.					
Building Services charges are imposed under the Building Act 2004 to recover the cost to Council for processing applications, carrying out inspections, and related work.					
Fixed building consent fees					
The fixed fee covers all applicable fees, however a refundable asset bond may be taken. Building and BRANZ levies may also apply (depending on the project value).					
Minor Consents (minor building works)		from 1 July 2025	from 1 July 2026		
Criteria for submitting applications under minor consents are part of the application process. Criteria include: Building works complies with the District Plan and are clear of any easements with all buildings on one legal allotment . External building works on land subject to natural hazards, or on land with a high risk of liquefaction are excluded. The relevant checklist must be completed [download checklists from building consent for minor building work]. When the criteria are not met, the minor consent application will revert to a standard building consent application, at Council's discretion.					
K1	Residential: Demolition/removal of existing residential building or outbuilding. A separate consent is required to replace.	\$ 914	\$ 914		
K2	Commercial: Demolition/removal of existing commercial building or outbuilding. A separate consent is required to replace.	\$ 1,030	\$ 1,030		
K3	Conservatory (proprietary). Conventional construction placed on existing deck or platform only. No Foundations included.	\$ 867	\$ 867		
K4	External wall insulation - from removing internal linings.	\$ 1,399	\$ 1,399		
K5	Install additional sanitary fixtures into dwelling with timber subfloor - single storey.	\$ 1,399	\$ 1,399		
K6	Install additional sanitary fixtures into dwelling with concrete floor.	\$ 1,633	\$ 1,633		
K7	Remove non-load bearing wall with bracing element.	\$ 1,053	\$ 1,053		
K8	Remove load bearing internal wall.	\$ 1,703	\$ 1,703		
K9	Level entry shower - timber subfloor.	\$ 1,520	\$ 1,520		
N1	Level entry shower - concrete floor.	\$ 1,699	\$ 1,699		
N2	Stormwater to Council services.	\$ 1,100	\$ 1,100		
N3	Erect unlined proprietary garage (excluding sanitary services and/or firewall).	\$ 1,559	\$ 1,559		
N4	Freestanding wood burner - single storey residential only.	\$ 761	\$ 761		
N5	Inbuilt wood burner - residential only, within existing chimney.	\$ 1,015	\$ 1,015		
N6	Swimming pool & pool fence (barrier).	\$ 1,464	\$ 1,464		
Fast-track minor consents		from 1 July 2025	from 1 July 2026		
These are available to approved customers only. An "approved customer" must be pre-approved by Palmerston North City Council Building Services. Approved customers are those who submit applications within agreed construction parameters using a refined method, to Council's satisfaction.					
F1	Freestanding solid fuel heater	\$ 706	\$ 732		
F2	Inbuilt solid fuel heater	\$ 960	\$ 996		
F3	Proprietary garage	\$ 1,481	\$ 1,536		
Project information memorandum		from 1 July 2025	from 1 July 2026		
PIM Fixed Fee Work		\$ 159			

Processing Fees		
Private building consent authorities	from 1 July 2025	from 1 July 2026
BCA Filing Fee	\$ 136	\$ 141
Warrant of fitness and compliance schedules	from 1 July 2025	from 1 July 2026
Annual building warrant of fitness renewal	\$ 123	\$ 128
New compliance schedule	\$ 227	\$ 235
Alteration to existing compliance schedule	\$ 146	\$ 151
Building WoF site audit and reinspection	\$251 per inspection	\$260 per inspection
IQP Registration for new IQPs	\$ 471	\$ 488
IQP annual renewal	\$ 131	\$ 141
Engineering checks	from 1 July 2025	from 1 July 2026
Structural Engineering Checking	Actual cost as charged by the consultant engineer	
Advisory service	from 1 July 2025	from 1 July 2026
This applies when staff provide information in response to customer queries.	No cost for an individual enquiry of up to 30 minutes, whether this is in person or in writing. If the enquiry is for longer than 30 minutes, this will be charged based on the relevant officer's hourly rate (listed below).	
Pre-lodgement vetting	from 1 July 2025	from 1 July 2026
This applies when staff vet information before an application is lodged.	Charged based on the relevant officer's hourly rate (listed below)	

Other Fees		
Code compliance certificate	from 1 July 2025	from 1 July 2026
Residential	\$ 196	\$ 203
Commercial	\$ 634	\$ 657
Building inspections	from 1 July 2025	from 1 July 2026
Standard Building Inspection	\$251 per inspection	\$260 per inspection
Late cancellation fee (inspections that are cancelled within 48 hours of scheduled inspection)	\$ 251	\$ 260
Additional paperwork in relation to a failed or extra building inspection.	Charged at relevant officer's hourly rate, plus any additional relevant fees and charges	
Third Party Report	\$ 713	\$ 739
Section 72 certificate condition	\$ 874	\$ 906
Section 75 certificate condition	\$ 964	\$ 1,000
Removal of Certificate Condition	\$ 795	\$ 824
Application fees	from 1 July 2025	from 1 July 2026
Extend timeframe for building consent or code compliance certificate	\$ 111	\$ 115
Project Information Memorandum (PIM), building consent application, amendment to building consent, certificate of public use, exempt building work, waiver and modification applications	Charged based on the relevant officer's hourly rate, plus any additional relevant fees and charges. Officers' rates are listed below	
Small stand alone dwellings (granny flats) - includes the provision of a PIM and subsequent processes through to receipt of completion documentation and updating of the property file	Charged based on the relevant officer's hourly rate, plus any additional relevant fees and charges. Officers' rates are listed below	
Licensed building practitioner registration	from 1 July 2025	from 1 July 2026
This an additional fee for all restricted building work projects	\$ 181	\$ 188
Certificate of acceptance	from 1 July 2025	from 1 July 2026
Lodgement fee (non-refundable)	\$ 750	\$ 1,200
Processing Fee	Charged based on the relevant officer's hourly rate, plus any inspections, planning, checks and other applicable fees and charges. Officers' rates are listed below.	

Notice to fix	from 1 July 2025	from 1 July 2026
Investigation and remedy of any breaches of the Building Act 2004 that result in a notice to fix		\$ 660
BCA accreditation fee	from 1 July 2025	from 1 July 2026
Per \$1,000 of project value	\$ 1.96	\$ 2.03
Scanning fee, digital storage and file management	from 1 July 2025	from 1 July 2026
This fee is for all building consent applications other than fixed fee applications. Online building consent applications or lodging additional information online in a format that meets Council requirements does not attract scanning, digital storage and file management charges.		
A0 - A2	\$3.75/page	\$3.75/page
A3 & A4	\$2.25/page	\$2.25/page
Online consenting service and system implementation charge	from 1 July 2025	from 1 July 2026
This is a charge to use the online system, to recover the cost the council has incurred in implementing the system. It is charged against all applications we process.		
Value of work less than \$125,000	\$ 92	Actual cost as charged by the external systems provider
Value of work more than \$125,000 up to \$2.5m	0.0863%	
Value of work more than \$2.5m	\$ 2,157	
Remote inspection fee		
Earthquake-prone building charges	from 1 July 2025	from 1 July 2026
These charges are to recover the cost Council has incurred in implementing the legislative requirements under the Building (Earthquake-prone Buildings) Amendment Act 2016.		
Extension of time	\$ 111	\$ 115
Determine earthquake rating (NBS)	\$ 1,459	\$ 1,513
Exemption	\$ 446	\$ 463
Alterations to EPB. This is added to building consent fees & charges	\$ 643	\$ 667

Charges for Council Staff

Charged for processing consents that don't have a set fee.

Council Officer's Hourly Rates	from 1 July 2025	from 1 July 2026
Team Leader, Building	\$ 260	\$ 270
Building Officer, Commercial Inspections & Processing (Senior Plumbing and Drainage Officer and Advanced Building Officer)	\$ 260	\$ 270
Building Officer	\$ 240	\$ 249
Building Services Advisor	\$ 217	\$ 225
Senior Planning Officer	\$ 260	\$ 270
Team Leader, Planning Services	\$ 270	\$ 280
Planning Officers	\$ 245	\$ 255
Monitoring and Enforcement Officer	\$ 215	\$ 225
Manager, Environmental Protection	\$ 284	\$ 295
Environmental Health Officer	\$ 231	\$ 240
Team Leader, Business Support	\$ 227	\$ 235
Senior Business Support Officer	\$ 205	\$ 213
Manager, Building Services	\$ 282	\$ 292
General Manager	\$ 305	\$ 316
Technical and professional staff from other parts of Council	\$ 245	\$ 255
Administration staff	\$ 149	\$ 155

Levies

Additional to Council charges, levies are imposed by the Building Research Association of New Zealand (BRANZ) and the Ministry of Business, Innovation and Employment (MBIE) on all building consents that have a building work value of more than \$20,000 (BRANZ) or more than \$65,000 (MBIE). BRANZ levies contribute to the cost of testing and certifying building materials for use while MBIE levies contribute to the cost of building consent administration at the national level.

Current levies (subject to change)	from 1 July 2025	from 1 July 2026
Building (MBIE) levies per \$1,000 of project value, over the threshold of \$65,000 (GST inclusive)	Actual levy as charged by MBIE	
BRANZ levies per \$1,000 of project value, over the threshold of \$20,000 (no GST)	Actual levy as charged by BRANZ	

Environmental Health Fees and Charges

Appendix 5

3. INTRODUCTION

It is the Council policy to review fees and charges each year. The Council's Revenue and Financing Policy (2024-34 Long-term Plan, page 298) outlines that as licensed business' are major beneficiaries of the environmental/public health activity they should bear a significant portion of the cost of the activity. For the purposes of the Policy this portion is described as medium/low (i.e. 20-39% of the costs).

This activity consists of Environmental Health, Alcohol Licensing and Bylaws. The Policy seeks to ensure that inspections and processing of applications is generally user funded from fees and charges. Also, that the provision of information and enforcement, particularly in terms of Bylaws, be generally funded by rates.

Fees and charges were last increased from 1 July 2025. The latest review proposes that an increase of approximately 3.7% to fees and charges is needed to enable Council's targeted revenue from users to be obtained.

2. BACKGROUND

2.1 Statutory Requirements

The charges for Environmental Health Services are empowered by Regulation 7 of the Health (Registration of Premises) Regulations 1966.

Alcohol licensing fees are set through the Sale and Supply of Alcohol (Fees) Regulations 2013. The Council does have the authority to make bylaws in relation to the fees payable to it (as authorised by the Sale and Supply of Alcohol (Fee-setting Bylaws) Order 2013) in respect of on-licences, off-licences and club licences. The Council has chosen to continue to use those set by regulation at this stage.

Fees set under section 205 of the Food Act 2014 to cover the Council's activities relating to registration, verification and compliance and monitoring under the Act must be set using the special consultative procedure.

2.2 Factors Impacting on Setting Fees and Charges

The following factors impact on the fees and charges;

- The legislative requirements as to the nature of the work required to be undertaken by the Council
- The volume of work undertaken as some costs are fixed and do not fluctuate depending on volume

For 2024/25 environmental health revenue represented 50% of operating expenses which was marginally higher than the target policy band. The budgets for 2025/26 and 2026/27 assume user charges of 43% and 55% respectively will be achieved.

3. PROPOSED FEES AND CHARGES

The proposed fees and charges are contained in attached schedule (**Attachment A**). Alcohol licensing fees are not included in the schedule as they are prescribed by regulation. Charges set under the Food Act 2014 (and associated Regulations) are likewise not included. Those set by the Council under the Food Act 2014 are contained in the separate schedule of Miscellaneous Services.

4. DESCRIPTION OF OPTIONS

It is Council policy to review fees and charges on a yearly basis. This enables the Council to be satisfied that the fees and charges are transparent, fair and reasonable.

The options available are:

- no change being made to existing fees and charges,
- proceeding with the recommendations set out in this proposal; or
- changing fees by a different amount.

5. FINANCIAL IMPLICATIONS

The proposed fees and charges will enable the budget targets for 2026/27 as defined in the draft Annual Budget to be met. This is projected to generate revenue of \$622k which at 55% is marginally above the Policy band.

Activity	Target Policy	Budget 2026/27	Compliance with Policy?
Public Health	20 – 39% Fees and Charges	55% Fees and Charges	No <i>(marginally above policy band)</i>

Palmerston North City Council Environmental Health Services		Attachment A Fees & Charges 2026/27																						
All charges include GST, effective from 1 July 2026 to 30 June 2027.																								
Environmental health charges are imposed under Regulation 7 of the Health (Registration of Premises) Regulations 1966 to recover the cost to the Palmerston North City Council of providing environmental health services.																								
Fixed Charges																								
These charges cover the standard cost to Council in carrying out the work listed. However, additional charges may apply depending on the circumstances, such as additional inspections, change of ownership or interpretation services that may be incurred by the Council during or after processing the application, or carrying out related inspections.																								
<table border="1"> <thead> <tr> <th>Work Type</th> <th>Discounted fee if paid in July 2025</th> <th>Standard Fee from 1 August 2025</th> <th>Discounted fee if paid in July 2026</th> <th>Standard Fee from 1 August 2026</th> </tr> </thead> <tbody> <tr> <td>Annual Inspection of Camping Grounds</td> <td>\$ 530</td> <td>795</td> <td>\$ 550</td> <td>825</td> </tr> <tr> <td>Annual Inspection of Mortuaries</td> <td>\$ 530</td> <td>795</td> <td>\$ 550</td> <td>825</td> </tr> <tr> <td>Annual Inspection for Offensive Trades</td> <td>\$ 530</td> <td>795</td> <td>\$ 550</td> <td>825</td> </tr> </tbody> </table>					Work Type	Discounted fee if paid in July 2025	Standard Fee from 1 August 2025	Discounted fee if paid in July 2026	Standard Fee from 1 August 2026	Annual Inspection of Camping Grounds	\$ 530	795	\$ 550	825	Annual Inspection of Mortuaries	\$ 530	795	\$ 550	825	Annual Inspection for Offensive Trades	\$ 530	795	\$ 550	825
Work Type	Discounted fee if paid in July 2025	Standard Fee from 1 August 2025	Discounted fee if paid in July 2026	Standard Fee from 1 August 2026																				
Annual Inspection of Camping Grounds	\$ 530	795	\$ 550	825																				
Annual Inspection of Mortuaries	\$ 530	795	\$ 550	825																				
Annual Inspection for Offensive Trades	\$ 530	795	\$ 550	825																				
<table border="1"> <thead> <tr> <th>Activity Fees</th> <th>Fee per activity from 1 July 2025</th> <th>Fee per activity from 1 July 2026</th> </tr> </thead> <tbody> <tr> <td>Mobile Trader food permit</td> <td>\$ 250</td> <td>\$ 260</td> </tr> <tr> <td>Mobile Trader non-food permit</td> <td>\$ 134</td> <td>\$ 140</td> </tr> <tr> <td>Event or festival food inspections</td> <td colspan="2">At cost of officer's time per hour (event or festival organisers are responsible for inspection costs)</td></tr> <tr> <td>Amusement Device Inspection Fee</td> <td>\$11.50 (plus officer's time for inspection)</td> <td>\$11.50 (plus officer's time for inspection)</td> </tr> <tr> <td>Change of Ownership for a Health Licence</td> <td>\$ 267</td> <td>\$ 275</td> </tr> </tbody> </table>					Activity Fees	Fee per activity from 1 July 2025	Fee per activity from 1 July 2026	Mobile Trader food permit	\$ 250	\$ 260	Mobile Trader non-food permit	\$ 134	\$ 140	Event or festival food inspections	At cost of officer's time per hour (event or festival organisers are responsible for inspection costs)		Amusement Device Inspection Fee	\$11.50 (plus officer's time for inspection)	\$11.50 (plus officer's time for inspection)	Change of Ownership for a Health Licence	\$ 267	\$ 275		
Activity Fees	Fee per activity from 1 July 2025	Fee per activity from 1 July 2026																						
Mobile Trader food permit	\$ 250	\$ 260																						
Mobile Trader non-food permit	\$ 134	\$ 140																						
Event or festival food inspections	At cost of officer's time per hour (event or festival organisers are responsible for inspection costs)																							
Amusement Device Inspection Fee	\$11.50 (plus officer's time for inspection)	\$11.50 (plus officer's time for inspection)																						
Change of Ownership for a Health Licence	\$ 267	\$ 275																						
Other Fees																								
These fees may be applicable to an application, inspection etc or may be applied as a single charge.																								
<table border="1"> <thead> <tr> <th>Work Type</th> <th>Fee</th> </tr> </thead> <tbody> <tr> <td>Setting up premises inspection(s)</td> <td>At cost of officer's time per hour</td> </tr> <tr> <td>Interpretation service</td> <td>Actual cost plus 10% to cover Council administration costs</td> </tr> <tr> <td>Inspections for tank removal/installations</td> <td>At cost of officer's time per hour</td> </tr> </tbody> </table>					Work Type	Fee	Setting up premises inspection(s)	At cost of officer's time per hour	Interpretation service	Actual cost plus 10% to cover Council administration costs	Inspections for tank removal/installations	At cost of officer's time per hour												
Work Type	Fee																							
Setting up premises inspection(s)	At cost of officer's time per hour																							
Interpretation service	Actual cost plus 10% to cover Council administration costs																							
Inspections for tank removal/installations	At cost of officer's time per hour																							
Charges for Council Staff																								
<table border="1"> <thead> <tr> <th>Council Officer's Hourly Rates (per hour or part thereof)</th> <th>Effective from 1 July 2025</th> <th>Effective from 1 July 2026</th> </tr> </thead> <tbody> <tr> <td>Environmental Health Officer</td> <td>\$ 231</td> <td>\$ 240</td> </tr> <tr> <td>Administration Staff</td> <td>\$ 149</td> <td>\$ 155</td> </tr> <tr> <td>Team Leader, Business Support</td> <td>\$ 227</td> <td>\$ 235</td> </tr> <tr> <td>Manager, Environmental Protection</td> <td>\$ 284</td> <td>\$ 295</td> </tr> <tr> <td>General Manager</td> <td>\$ 305</td> <td>\$ 316</td> </tr> </tbody> </table>					Council Officer's Hourly Rates (per hour or part thereof)	Effective from 1 July 2025	Effective from 1 July 2026	Environmental Health Officer	\$ 231	\$ 240	Administration Staff	\$ 149	\$ 155	Team Leader, Business Support	\$ 227	\$ 235	Manager, Environmental Protection	\$ 284	\$ 295	General Manager	\$ 305	\$ 316		
Council Officer's Hourly Rates (per hour or part thereof)	Effective from 1 July 2025	Effective from 1 July 2026																						
Environmental Health Officer	\$ 231	\$ 240																						
Administration Staff	\$ 149	\$ 155																						
Team Leader, Business Support	\$ 227	\$ 235																						
Manager, Environmental Protection	\$ 284	\$ 295																						
General Manager	\$ 305	\$ 316																						
Note:																								
The Environmental Protection Services Manager is authorised to remit, reduce or refund any of these fees or part of a fee in any particular case where there are special grounds for doing so.																								

Animal Management Fees and Charges

Appendix 6

1. INTRODUCTION

It is the Council policy to review fees and charges each year. The Council's Revenue and Financing Policy (2024-34 Long-term Plan, page 298) outlines that the animal control/management activity is principally related to the actions or inactions of dog owners. These owners, and the public at large (through reduced nuisance), benefit from this. A significant portion of the costs should therefore be borne by dog owners. For the purposes of the Policy this portion is described as medium/high (i.e. 60-79% of the costs).

The Policy reflects the belief that services related to dog registration, enforcement work, housing and feeding animals be funded by user charges. Also, that the provision of education, and response to enquiries, complaints and patrolling is a public good to be covered by rates.

Registration fees and charges were last increased from 1 July 2025.

2. BACKGROUND

2.1 Statutory Requirements

Animal Management Services includes impounding fees and driving charges that are set under the Impounding Act 1955.

Animal Management Services also includes dog registration and dog control fees that are empowered by Section 37 (1) of the Dog Control Act 1996. It also includes fees for impounding dogs which are empowered under Section 68 of the Dog Control Act 1996. No consultative procedure is required to be followed to adopt the fees, but they are required to be publicly notified during June.

3. PROPOSED FEES AND CHARGES

The proposed fees and charges are contained in attached schedule (**Attachment A**).

The draft annual budget for animal management for 2026/27 assumes the following:

- The dog population will increase by 2-4% and dog complaints will increase by similar percentages
- Dog registration compliance levels will remain consistent
- Roaming dogs that are microchipped, registered and with no history will be returned free of charge on the same day
- An increase in budgeted total revenue of 2.3% to \$1.099m
- An increase in budgeted total operating costs of 4.5% to \$1.637m

The proposed schedule of fees and charges includes an assumption that most fees would be increased by approximately 3.7% to 4%. The main exception is for adoption fees where no change is proposed as these were the subject of a detailed review by Council in 2024.

4. DESCRIPTION OF OPTIONS

It is Council policy to review fees and charges on a yearly basis. This enables the Council to be satisfied that the fees and charges are transparent, fair and reasonable.

The options available are:

- no change being made to existing fees and charges,
- proceeding with the recommendations set out in this proposal; or
- changing fees by a different amount.

5. FINANCIAL IMPLICATIONS

The proposed fees and charges will help the budget targets for 2026/27 as defined in the proposed annual budget to be met.

Over recent years the actual portion of the costs of the activity funded from fees and charges has varied from 92% in 2018/19 to 77% in 2019/20, 89% in 2020/21, 90% in 2021/22, 88% for 2022/23, 73% for 2023/24 and 72% for 2024/25. The budget for 2025/26 is 69% whilst the draft budget for 2026/27 is 67%.

Activity	Target Policy	Budget 2026/27	Compliance with Policy?
Animal Control	60 – 79% Fees and Charges	67% Fees and Charges	Yes

Palmerston North City Council		Attachment A	
Animal Management Services		Fees & Charges 2026/27	

All charges include GST, effective from 1 July 2026 to 30 June 2027.

Dog registration and dog impounding fees are imposed under the Dog Control Act 1996. Driving charges and impounding fees for animals other than dogs are imposed under the Impounding Act 1955. The fees and charges are necessary to recover the cost to Council of providing these services.

Fixed Fees

These charges cover the standard cost to Council in undertaking the work listed. However, additional charges may be charged depending on the circumstances, such as additional inspection fees that may be incurred in undertaking the work noted below.

Dog Registration	Standard Fee from 1 July 2025	Total Fee (incl. penalty) if paid after 1 August (extended to 30 September)	Standard Fee from 1 July 2026	Total Fee (incl. penalty) if paid after 1 August
General Registration	\$ 182	\$ 273.00	\$ 189	\$ 283.50
General Registration (Desexed dog)	\$ 135	\$ 202.50	\$ 140	\$ 210.00
Preferred Owner	\$ 99	\$ 148.50	\$ 103	\$ 154.50
Rural Working	\$ 63	\$ 94.50	\$ 65	\$ 97.50
Disability Assist	no charge	no charge	no charge	no charge
Certified for use by Specified Agency	no charge	no charge	no charge	no charge
Preferred Owner & Multiple Dog Application - new	\$ 64	\$ -	\$ 66	\$ -

Dog registration fees are set under s.68 of the Dog Control Act 1996. Disability assist and specified agency are as defined in section 2 of the Act.

The registration fee for a dog that is declared a dangerous dog will be 150% of the level that would apply if it were not so classified (as required by section 32 (1)(e) of the Dog Control Act 1996).

Pound fees for dogs	Standard Fee from 1 July 2025	Standard Fee from 1 July 2026
When a dog is registered, microchipped, has no history with our animal management team within the past 12 months and can be returned home immediately, there is no cost.	nil	nil
When a dog is registered, microchipped, has no history with our animal management team within the past 12 months and needs to be held in the pound pending same-day collection, a holding fee will apply.	\$ 50	\$ 50
First impound	\$ 148	\$ 148
Second impound, within 12 months of first impound	\$ 222	\$ 222
Third or subsequent impound - within 12 months of previous impound	\$ 298	\$ 298
Daily Charge per dog per day or part of a day	\$ 23	\$ 24
Surrender of a dog	\$ 98	\$ 102
Adoption fee (covers microchipping, vaccination, neutering and registration)	\$ 425	\$ 425

Pound fees for all animals other than dogs		Fee Per head from 1 July 2025	Fee Per head from 1 July 2026		
First Offence		\$ 128	\$ 133		
Repeated Offence		\$ 193	\$ 200		
Sustenance and care		\$ 16	\$ 17		
Other Fees					
These fees may be added to a fixed fee type of work listed earlier or may be applied as a single charge.					
		Fee from 1 July 2025	Fee from 1 July 2026		
Supplementary feed for stock		150% of sustenance charge			
Emergency release of animals from the pound outside normal hours					
Normal hours are 8am to 5pm, Monday to Friday, excluding statutory and public holidays. Emergency release fees are in addition to the impound fees.					
Emergency release of dogs		Fee from 1 July 2025	Fee from 1 July 2026		
First emergency release		\$ 74	\$ 77		
Second emergency release, within 12 months of first impound		\$ 111	\$ 115		
Third and subsequent emergency releases, within 12 months of previous impound		\$ 149	\$ 155		
Emergency release of other animals		Fee from 1 July 2025	Standard Fee from 1 July 2026		
First emergency release		\$ 70	\$ 73		
Second emergency release, within 12 months of first impound		\$ 105	\$ 109		
Driving Charges					
Hire transport		Actual cost incurred by Council			
Council vehicles		\$2.34 per kilometer			
Microchipping		Fee from 1 July 2025	Standard Fee from 1 July 2026		
To undertake microchipping		\$ 30	\$ 31		
Charges for Council Staff					
Council Officer's Hourly Rates (per hour)		Effective from 1 July 2025	Effective from 1 July 2026		
Team Leader Animal Management & Education		\$ 231	\$ 240		
Animal Control Officer		\$ 162	\$ 168		
Administration Staff		\$ 149	\$ 155		
Manager, Environmental Protection		\$ 284	\$ 295		
General Manager		\$ 305	\$ 316		
Guidance note					
The Environmental Protection Services Manager is authorised to remit, reduce or refund the dog control fee or part of the fee in any particular case or class of dog where there are special grounds for doing so.					

Burial & Cremation Charges

Appendix 7

1. INTRODUCTION

It is the Council policy to review fees and charges each year. The Council's Revenue and Financing Policy 2024-34 outlines that as the main beneficiaries of the cemetery and crematorium activity are those who use the service, a significant portion of the cost should be borne by the users. For the purposes of the Policy this portion is described as medium/high (i.e. 60-79% of the costs). The remaining costs are funded from rates recognising there is a wider community benefit to providing cemetery and crematorium services.

Fees and charges were increased from 1 July 2025 by an average of 3%, following an increase of 7% in 2024.

2. BACKGROUND

2.1 Statutory Requirements

The Council adopted a revised Cemeteries and Crematorium Bylaw in 2018 under its statutory powers contained in the Burial and Cremation Act 1964. The Bylaw prescribes the Council may, by resolution publicly notified, set fees and charges for all services relating to the operation and maintenance of cemeteries and crematoria.

2.2 Factors Impacting on Setting Fees and Charges

The Council's Community Support Plan outlines the Council provides cemeteries and cemetery services that are culturally appropriate and responsive, with the community able to access cemeteries and easy to use services. Primary community needs are met through providing a final resting place for former residents of the city and surrounding area. Cemeteries are not just a place for burials, they hold significant social connections, historical character, along with amenity features and memorials for living residents. The other focus area for meeting community need is the burial and cremation services provided to families of the deceased.

The community has high expectations relating to the standards of presentation of cemeteries. As the cemetery expands, and the Council better meets community needs through enabling family decoration of graves in the lawn cemetery, the cost of management and maintenance of cemeteries increases.

The following factors impact on the fees and charges;

- Costs of managing and maintaining cemeteries and the crematorium
- The number of burials and cremations
- The level of charges set by other providers – i.e. private crematoria.

Cost of Service Provision: Table 1 summarises the actual results and budgets for cemeteries for 2023/24 through to 2026/27. Cemetery and crematorium revenue represented 59% of the operating costs in 2023/24, and 49% in 2024/25. The drop in recovery % was mainly due

to changes in the allocation of Council overheads. There was also a budgeted increase in energy costs as a result of increases in the price of gas.

	Actual 2023/24	Actual 2024/25	Budget 2025/26	Draft Budget 2026/27
Expenses (\$k)	1,582	1,987	1,800	2,133
Revenue (\$k)	929	967	899	919
Revenue as % of Expenses	59%	49%	50%	43% #

Table 1: Cemeteries Financial Summary

Note

The draft 2026/27 budget is based on recovery through fees and charges of 43%, well below the policy setting. The budgeted operating costs in 2026/27 are \$577K higher than the \$1,556K budgeted in Year Three of the 2024-34 LTP. \$198K of this difference relates to an increased depreciation provision (mainly related to the upgraded crematorium) and most of the remainder due to the reallocation of overheads.

The budget is based on revenue from fees and charges increasing by 3% (on average) compared to 2025/26 budget.

Demand for services: Volumes of burials have remained reasonably static over recent years whilst cremations have increased since 2020 as shown in figure 1 below:

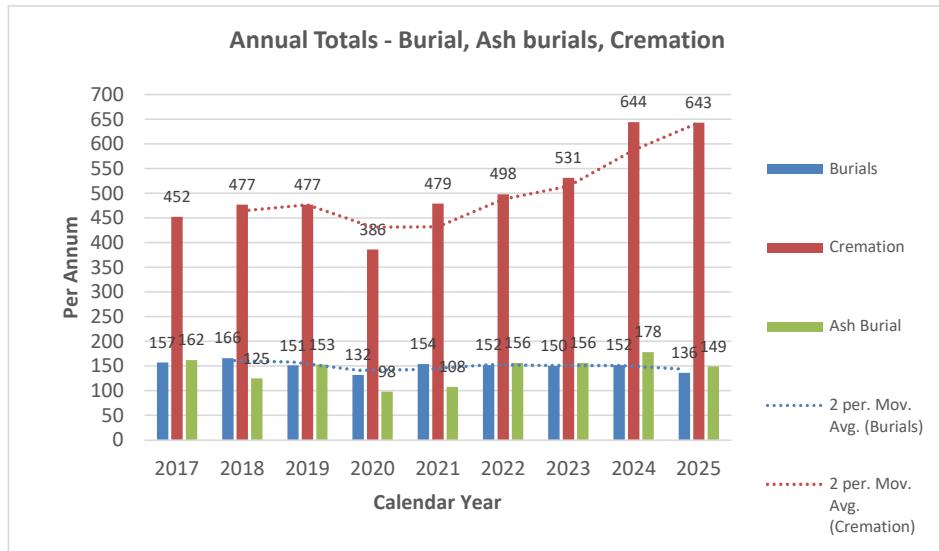


Figure 1 – Palmerston North City Council Burial and Cremation Trends (Jan- Dec.)

The high level of cremations between 2023 and 2025 is due to cremations undertaken on behalf of other parties when their cremators were out of service. We are forecasting the number of cremations will drop back in 2026/27. The budget assumption is 550 cremations and 150 burials per annum, providing fees and charges do not increase to an extent as to alter demand for services.

Level of Charges: Palmerston North City Council fees for burials, including plot purchase, are on par with Tararua and Kapiti, more expensive than Manawatu and Whanganui and cheaper than Hastings.

The Council fees for cremation are lower than Hastings, Whanganui and the local private crematoria and on par with Auckland.

3. PROPOSED FEES AND CHARGES

It is recommended that council increases fees and charges for cemetery services in 2026/27.

The budgeted revenue of \$919K has been prepared based on increasing fees and charges by an average of 3%. The rationale for an increase is that the share of the costs borne by users is well outside the policy setting for Cemeteries and Crematorium. With costs forecast to continue to increase year on year in the draft LTP, it is prudent to continue to incrementally increase the fees, to avoid the need for larger fee increases in the future to offset cost increases.

Cremation

Council increased the cost of cremation by \$50 in 2025/26 which partially offset the budgeted increase in the cost of gas. The cost of gas is directly attributable to operation of the cremator and the family of the deceased is the benefactor of cremation, not ratepayers. It is proposed that Council increases the cremation fee by a further \$50 (including GST) in 2026/27, rather than the 3% applied to other fees. A \$50 increase, less the 3% increase already included in the budget, would generate \$13K of additional revenue to offset gas costs.

Under this proposal, the new cremation fee would be \$830 (including GST). At this level, the fee for cremation in Palmerston North is still lower than in Whanganui and Hastings, which are currently \$980 and \$1,250 respectively. Increasing the fee to a similar level to Whanganui would generate an additional \$80K and increase the revenue %age by 3.5% assuming no negative impact on demand.

Ash Niches and Plots

Council has recently completed a set of new niche walls. The walls contain 50 niches, set out in 5 rows, as shown in the attached photo. Each niche can hold two sets of ashes. The niche walls are becoming increasingly popular with families. Niches are a cost-effective use of cemetery land, when compared to ashes lawn and garden plots.

Our cemetery staff have noted that niches in the bottom row are hard to sell, and some families hold onto ashes until a new wall is opened, rather than purchasing one in the bottom row. Incentivising families to purchase niches in the bottom row, would help the walls to fill up more evenly and save the administration cost of managing a waiting list. Staff recommend that Council discounts the bottom row of niches by 20%. Based on current sales volumes, the discount would reduce the overall cemetery revenue by \$2K per annum.



At the present time we charge less for ash plots than niches even though they are more expensive to maintain. Staff noted when reviewing the fees and charges of other Councils that they all charge more for ash plots than niches. It is proposed that Council begins to correct this anomaly in 2026/27 by maintaining the 2025/26 charge for niches and increasing the ash lawn and remembrance garden plot fee to the same level - \$882. This would result in the ash lawn plots and remembrance garden kerb fees increasing by 12% in 2026/27. Staff estimate that the increase in these plot charges would offset the reduction in revenue from discounting the bottom row of niches, leading to no net change in revenue.

4. DESCRIPTION OF OPTIONS

It is Council policy to review fees and charges on a yearly basis. This enables the Council to be satisfied that the fees and charges are transparent, fair and reasonable.

The options available are:

- no change being made to existing fees and charges,
- proceeding with the recommendations set out in this proposal; or
- changing fees by a different amount.

5. FINANCIAL IMPLICATIONS

The proposed changes to fees and charges (increasing the cremation fee by \$50, the ashes and remembrance plots by \$93 (including GST), discounting the bottom row of niches by 20%, and increasing all other fees by 3% on average) would result in revenue of \$932K and a forecast recovery rate of 39.7% (based on the volume assumptions). This is considerably lower than the targeted %recovery from users.

Palmerston North City Council

Burial and Cremation

Fees & Charges

(Terrace End, Kelvin Grove, Ashhurst & Bunnythorpe Cemeteries)

All fees and charges shown are GST inclusive

BURIAL FEES *See Note 1		From 1 July 2025	From 1 July 2026
Purchase of Plot			
Kelvin Grove, Ashhurst & Bunnythorpe Cemeteries (Double beam plots)	\$ 2,461	\$ 2,535	
Kelvin Grove Cemetery (Single beam areas) Section V	\$ 3,636	\$ 3,745	
Children's Section at Kelvin Grove (up to 13 years old)	\$ 1,230	\$ 1,267	
Services Section (RSA) - Kelvin Grove & Ashhurst	\$ 616	\$ 634	
NOTE: Each plot is able to be used for two burials providing that, at the first interment, an extra depth requirement is advised to the Cemetery Administration Officer			
Interment Fees (Standard hours Mon-Fri 9.00am - 4.00pm)			
Adult (14 years or over, including Services Personnel)	\$ 1,195	\$ 1,231	
Child up to 13 years	\$ 400	\$ 412	
Child up to 12 months	\$ 238	\$ 238	
Extra depth surcharge	\$ 263	\$ 271	
"Fill-your-own" surcharge (Clean-up)	\$ 302	\$ 311	
Overtime surcharge per hour or part thereof - applied if funeral activities at the cemetery have not concluded by 4pm Monday - Friday	\$242/hour	\$250/hour	
Disinterment	\$ 2,469	\$ 2,543	
Interment Fees (Saturdays) - Applies to Interment, Extra depth and "Fill-your-own" fees			
Saturday morning	Standard fee x 1.5	Standard fee x 1.5	
Saturday afternoon (By arrangement with cemetery staff) *See Note 3	Standard fee x 2	Standard fee x 2	

CREMATION AND ASH BURIAL FEES *See Note 1		From 1 July 2025	From 1 July 2026
(Standard hours: Monday-Friday 9am - 4pm)			
Adult Cremation only	\$ 780	\$ 830	
Child (1-13 years) - cremation only	\$ 340	\$ 340	
Child (up to 12 months) - cremation only	\$ 80	\$ 80	
Medical Referee's Fee	\$ 70	\$ 70	
USE OF CHAPEL - (Standard Hours: Monday-Friday 9am - 4pm)			
Committal service (total 1 hour)	\$ 145	\$ 145	
Full service (total 2 hours)	\$ 200	\$ 200	
Bond (for non-regular users)	\$ 250	\$ 250	
Cleaning Fee (for unreasonable cleaning of the chapel)	\$ 130	\$ 130	
CREMATION FEES (Saturdays)			
Saturday morning cremation	Cremation & chapel fees x 1.5	Cremation & chapel fees x 1.5	
Saturday afternoon cremation (by arrangement with cemetery staff) *See note 3	Cremation & chapel fees x 2	Cremation & chapel fees x 2	
CREMATION AND ASH BURIAL FEES (Continued)			
PURCHASE OF ASHES PLOT FOR ASH INTERMENT			
Lawn Cemetery - (Plaque) Section P/1A, (Headstone) Section T, P/2A, V/A, (Memorial Gardens) - Section T, Bunnythorpe and Ashhurst	\$ 789	\$ 882	
Remembrance Garden Kerb - Section GK 1, 2 & 3	\$ 789	\$ 882	
Niche Walls - Kelvin Grove and Ashhurst	\$ 882	\$ 882	
Services Section (RSA) - Kelvin Grove and Ashhurst	\$ 198	\$ 198	
Child - Section T/4A & Section O ash beams	\$ 625	\$ 644	
PURCHASE OF MEMORIAL PLAQUE PLOT			
Remembrance Garden Kerb - Section GK 4 - Plaques only	\$ 661	\$ 680	
OTHER CREMATION FEES			
Burial of Ashes - Weekdays *See Note 2	\$ 233	\$ 240	
Burial of ashes with no family present and no service	\$ 161	\$ 166	
Burial of Ashes - on Saturday morning *See Note 2	\$ 349	\$ 360	
Burial of Ashes - on Saturday afternoon *See Note 3	\$ 466	\$ 480	
Disinterment of Ashes	\$ 92	\$ 95	
Overtime surcharge (per hour or part thereof) will be applied if funeral activities at the crematorium have not concluded by 4pm Monday – Friday	\$100/hour	\$100/hour	

OTHER CHARGES *See Note 1		From 1 July 2025	From 1 July 2026
	Memorial permit fee (for all headstones and plaques)	\$ 45	\$ 45
	Plot cancellation fee	\$ 100	\$ 100
	Entry in Book of Remembrance	\$ 100	\$ 100
	Out of District Surcharge *See note 1	Plus 30% on all services except Chapel and Cremation. Plus 10% on Chapel and Cremation charges.	

NOTES

Note 1: "Out of District" surcharge applies to persons normally resident outside of the Palmerston North City boundary. (These people do not pay rates to Palmerston North City Council). Exemptions apply to persons who can provide evidence of residence in the City for at least 20 years or who have operated a rate-paying business in the City for at least 20 years.

Note 2: For regular ash interment the site is prepared for a ceremony. The hole is cut and tidied, soil left alongside with a shovel, and a container of sand provided. Requests for Ash interment by cemetery staff with no friends or family present will incur the reduced fee.

Note 3: Burials or cremations may be provided by arrangement, subject to availability of staff, after 12.00 noon Saturday.

Service Connection Fees

Appendix 8

1. INTRODUCTION

Service connection fees are levied on those wishing to connect to one or more of the Council's water, wastewater, or stormwater systems. The actual physical connection is made at the applicant's cost, by an approved contractor. The charges levied by the Council cover the administration of processing the application, and the researching of plans, the inspection of the finished work to ensure it meets Council's standards and the production of as built plans of the connection(s). The data gathered in the as built process is then input to Council's asset management system.

2. BACKGROUND

2.1 Statutory Requirements

The setting of fees and charges for service connections is empowered by Section 12 of the Local Government Act 2002 i.e. the general power of competence to carry on any activity or business with associated rights, powers and privileges. As such, they can be set by Council resolution and do not require any special consultative procedures.

2.2 Factors Impacting on Setting Fees and Charges

The Council's Revenue and Financing Policy (2024-34 Long-term Plan, pages 276-311) outlines Council's views about the extent to which users should bear the cost of providing particular services. The policy outlines that "an activity should be funded on a user pays basis if an individual or group of individuals directly receives benefits of the activity exclusively, and the costs of the activity can easily be attributed to that individual or groups of individuals."

As service connections is a relatively small activity the policy does not specifically address what proportion of the costs should be covered by user fees.

Service connection fees were considered in detail in 2017 and as a consequence restructured and increased. The charges have increased by an inflationary factor each year since then. The resulting fee structure included a discount for applications for multiple connections at any single property. The discount was introduced on the assumption there was a cost saving to processing and administration, but this was reassessed in 2021 and the fee structure simplified.

The current fees and charges are as follows:

Service required	Current Fees (\$) GST Inclusive from 1 July 2025		
	Application Fee	Inspection Fee	Total Fee
One connection (water, wastewater or stormwater)	125.00	201.00	326.00

3. PROPOSED FEES AND CHARGES

The proposed fees and charges, incorporating an allowance for an increase of approx. 4% are as follows:

Service required	Proposed Fees (\$) GST Inclusive from 1 July 2026		
	Application Fee	Inspection Fee	Total Fee
One connection (water, wastewater or stormwater)	130.00	209.00	339.00

4. DESCRIPTION OF OPTIONS

It is Council policy to review fees and charges on a yearly basis although a review of these particular fees and charges has been overlooked.

The options available are:

- no change being made to existing fees and charges,
- proceeding with the recommendations set out in this proposal; or
- changing fees by a different amount.

5. FINANCIAL IMPLICATIONS

It is the expectation that services such as connections to the infrastructure should be funded by users so it is important to adjust charges to reflect changing costs. The proposed charges reflect this.

Appendix 9

Resource Recovery Fees & Charges

1. INTRODUCTION

Council's resource recovery activity comprises a number of elements including rubbish collection and disposal and recycling. There are a number of sub-activities with different funding arrangements and each of these has been reviewed for the 2026/27 year and no changes to the structure are proposed.

2. BACKGROUND

2.1 Statutory Requirements

The setting of fees and charges for resource recovery is empowered by Section 12 of the Local Government Act 2002 i.e. the general power of competence to carry on any activity or business with associated rights, powers and privileges. As such, they can be set by Council resolution and do not require any special consultative procedures.

Rates for kerbside recycling and rubbish and public recycling are set through the processes contained in the Local Government Rating Act 2002.

2.2 Factors Impacting on Setting Fees and Charges

The Council's Revenue and Financing Policy (2024-34 Long-term Plan, pages 276-311) outlines Council's views about the extent to which users should bear the cost of providing particular services. The policy outlines that "an activity should be funded on a user pays basis if an individual or group of individuals directly receives benefits of the activity exclusively, and the costs of the activity can easily be attributed to that individual or groups of individuals."

The policy outlines that kerbside rubbish collection should be funded by users of the service, that costs of rubbish collection from public spaces should be funded by way of a targeted rate assessed on all properties, that recycling costs should be funded from the sale of recyclables and the balance funded by users of the services (where practicable) and the net cost of the kerbside recycling service be funded by way of a targeted rate on properties on the recycling route.

In addition to the policy fees and charges for waste management activities are impacted by:

- Volumes of rubbish & recycling material
- Costs of waste disposal (including any government waste levies)
- Prices for the products sold from the recycling process
- Plant maintenance and operating costs

3. PROPOSED FEES AND CHARGES

3.1 Current Fees and Charges

The following table summarises the current range of fees and charges for resource recovery.

Item	Current Fee (GST incl.)	Last Change	Comments
Car Seats	\$5	Jan 2018	Increase proposed - see below
E-Waste, Batteries & CFC bulbs	Varies depending on item	1 July 2018	Increase proposed - see below
Polystyrene	70 cents per 100 grams	July 2024	Increase proposed - see below
Ashhurst Transfer Station <i>Green Waste and Rubbish</i>	Varies depending on item	1 July 2023	Increase proposed - see below
Awapuni Resource Recovery Park <i>Greenwaste, Compost (Bagged and Bulk) & Mulch</i>	Varies depending on item	Bulk Compost 1 July 2023 Bagged Compost 1 July 2024	No change proposed for greenwaste or bulk compost Increase proposed for bagged compost – see below
Events Recycling	Varies depending on item	1 July 2024	No change proposed
Kerbside Rubbish Bags	60L \$3.80 40L \$2.80	1 July 2024	Increase proposed - see below

3.2 Subsidy levels for some recyclable items

3.2.1 Car Seats (accepted at Ferguson St)

The current public charge of \$5 per car seat has remained the same since the introduction of this service in January 2018. When this service was first introduced the contractor charge was \$15 per car seat. The current charge is \$35.

The number of car seats received for recycling has remained steady at 300 - 350 car seats per year.

The recommendation is for the fee to increase from \$5 to \$10 per car seat dropped off.

Based on current numbers received the net cost to provide this service in 2026/27 (with the increased fee) is expected to be \$7,400 (excl. GST). The 2026/27 draft budget includes this assumption.

3.2.2 E-Waste and Batteries (accepted at Ferguson Street)

E-Waste pricing varies on each item while some items are accepted with no charge.

A previous Council decision in March 2018 was made to move from full cost recovery to partial subsidy, to promote and encourage E-Waste Recycling.

The charges for E-Waste have remained unchanged since this decision (1 July 2018). At the time of this Council decision, Officers estimated the subsidy required would be \$25K (excl. GST) per year.

The amount of e-waste collected and recycled has slowly increased since this decision with around 8,000 items collected per annum. There have also been price increases from our E-waste contractor in the last few years.

This has resulted in a slow and steady increase in the net cost to Council in providing this service. In 2024/25 the net cost to Council was approximately \$36K (excl. GST)

Last year our e-waste contractor moved some operations to Palmerston North and this has reduced Council's costs (reduced freight costs).

It is proposed to add the following new item to the schedule for E-waste:

Large Garden Tools (e.g. weed eaters, hedge trimmers etc) with a proposed fee of \$17 (incl. GST)

In addition is proposed the fees be increased for some items (as outlined in the table below).

Based on current numbers received the net cost to provide this service in 2026/27 is expected to be \$21K (excl. GST). The 2026/27 draft budget includes this assumption.

Item	Current charge (Incl. GST)	Proposed charge (Incl. GST)
Computer monitors	\$10.00	\$11.00
Small Computer Items (e.g Speakers, keyboards, docking stations, hubs, modems, switches, routers)	\$2.00	\$2.50
Stereo/Car stereo system/Gaming	\$2.00	\$2.50
Misc consumer electronics/kg	\$2.00	\$2.50
Medium Appliances (e.g. vacuum cleaners/microwaves)	\$5.00	\$5.50
Small Appliances (e.g. heaters, fans, toasters, kettles, blenders, alarm clocks)	\$2.00	\$3.00
Large garden tools	No charge	\$17.00

3.2.3 Polystyrene

Since the introduction of this service in July 2024, we have received and recycled 5.38 tonnes. The current charge is \$70c per 100 grams which was expected to achieve 100% cost recovery.

Due to an unforeseen increase in costs from the supplier, 100% cost recovery has not occurred.

The recommendation is for the fee to increase from 70c per 100 grams to \$1.00 per 100 grams.

3.3 Kerbside rubbish bags

Previous price changes for this service was at 1 July 2024 with an increase in both the 60L and 40L option.

The proposed price increase for 1 July 2026 is outlined below:

PNCC Official Bag Size	Current Maximum Retail Price (Incl. GST)	Proposed Maximum Retail Price (Incl. GST)
Large (60L)	\$3.80	\$3.90
Small (40L)	\$2.80	\$2.90

The prices recommended above are set to achieve full cost recovery in providing the kerbside rubbish bag collection service.

3.4 Ashhurst Transfer Station

Previous price changes for this service was at 1 July 2023.

The current fees for rubbish disposal at the Ashhurst Transfer Station are set to recover the costs of transferring the waste to Matthews Avenue and subsequent disposal costs. The fees for greenwaste are set to recover the costs of transferring the material to the Awapuni Resource Recovery Park and contribute to the processing costs of greenwaste. The fixed costs of operating the transfer station are recovered via the targeted rates.

Since 2023 the costs to provide this service have increased. The costs include transport and disposal of the waste to Matthews Avenue Transfer Station, transport of the greenwaste to Awapuni, and its processing there.

No changes to the pricing structure are being proposed, whereby loads are charged by their size versus weight.

Without an increase in fees it is projected there will be a shortfall of at least \$26k for the transfer station.

The table below outlines the current charges for each load along with the proposed new charges to continue to recover the costs of transport, disposal and contribution towards processing of the greenwaste at Awapuni.

Although increases are being proposed to cover the forecast shortfall it is recognised some of the individual charges are proposed to be increased by significant proportions. For this reason, an option is provided which would enable the increase to be staged over two years.

Ashhurst Transfer Station – Rubbish Disposal

Load Size	Current Price (Incl. GST)	Proposed Price (Incl. GST)	Option 1 for year 1 of 2-year staged increase
PNCC Rubbish Bag	Free	Free	Free
60L Rubbish Bag (same as Council Bag)	\$5.00	\$10.00	\$7.00
Car Boot	\$55.00	\$90.00	\$75.00
Station Wagon/SUV/Hatch Back/Double Cab Ute	\$70.00	\$110.00	\$90.00
Van/Single Cab Ute	\$80.00	\$135.00	\$110.00
Trailer – up to 8.5' x 4.5' (maximum load height 50cm)	\$110.00	\$160.00	\$135.00
Trailer – up to 8.5' x 4.5' (load height 50cm to 150cm)	\$155.00	\$195.00	\$175.00
Trailer – over 8.5' x 4.5' (maximum load height 50cm)	\$140.00	\$180.00	\$160.00
Trailer – over 8.5' x 4.5' (load height 50cm to 150cm)	\$195.00	\$230.00	\$215.00

Trailer plus vehicle: If your vehicle also has items to be disposed of, a vehicle charge will be added to the trailer charge

Ashhurst Transfer Station - Greenwaste

Load Size	Current Price (Incl. GST)	Proposed Price (Incl. GST)	Option 1 for year 1 of 2-year staged increase
60L Rubbish Bag (same as Council Bag)	\$5.00	\$6.00	\$6.00
Car Boot	\$10.00	\$12.50	\$11.50
Station Wagon/SUV/Hatch Back/Double Cab Ute	\$20.00	\$25.00	\$22.00
Van/Single Cab Ute	\$25.00	\$32.50	\$28.00

Trailer – up to 8.5' x 4.5' (maximum load height 50cm)	\$25.00	\$32.50	\$28.00
Trailer – up to 8.5' x 4.5' (load height 50cm to 150cm)	\$35.00	\$42.00	\$38.00
Trailer – over 8.5' x 4.5' (maximum load height 50cm)	\$35.00	\$42.00	\$38.00
Trailer – over 8.5' x 4.5' (load height 50cm to 150cm)	\$65.00	\$70.00	\$68.00

Trailer plus vehicle: If your vehicle also has items to be disposed of, a vehicle charge will be added to the trailer charge

3.5 Compost Bagged (sold at Awapuni & Ferguson St.)

The previous price change for this product was at 1 July 2024.

Council sell compost that is produced at our Awapuni Resource Park in 30L bags for \$7 incl. GST. Since our last increase we have seen slight decrease in our bag sales.

The recommendation is for the price to increase to \$8 incl. GST per bag.

Our price point for bagged compost remains competitive with a wide and varied market, however, is overall very good value for the product quality.

4. DESCRIPTION OF OPTIONS

It is Council policy to review fees and charges on a yearly basis.

The options available are:

- no change being made to existing fees and charges, or
- changing fees by an amount to be determined.

5. FINANCIAL IMPLICATIONS

The two largest components of the revenue for resource recovery are the sale of rubbish bags and the sale of recyclable materials.

The revenue assumption for rubbish collection is very dependent on volumes of rubbish bag sales. Likewise, revenue from the sale of recyclables is very dependent on fluctuating market conditions. The other elements of the revenue stream are relatively small.

The net cost of the resource recovery activity is allocated to ratepayers through fixed targeted rates for rubbish & public recycling (to all ratepayers) and kerbside recycling (to ratepayers on the recycling collection route).

The draft budget will require the rubbish and public recycling rate to increase from \$69 to \$128 and the kerbside recycling rate to decrease from \$188 to \$134 i.e. an overall increase of \$5 for ratepayers charged both rates. The split of the costs between the two has been reviewed and updated to better reflect the actual position.

Parks and Reserves Fees and Charges

Appendix 10

1. INTRODUCTION

It is the Council policy to review fees and charges each year. Fees for sportsfields and swimming pools are covered by the Council's Revenue and Financing Policy, which outlines that users of sportsfields are expected to contribute a low proportion of the costs through charges (i.e. 1-19%) and swimming pools users a low proportion of the costs through entry fees.

The policy also acknowledges that either it is not practical to identify and charge users (e.g. for city-wide or local reserves) or that in some instances charges would be prohibitively high if they were set at the level which would be necessary to cover the entire cost.

In April 2019 Council reviewed the funding policy for sportsfields, concluding it would continue with its funding model of charging sportsfield users a percentage of the costs of sportsfield provision, targeting a level of approximately 5% cost recovery. Council also resolved to continue its policy of not charging for sportsfields used exclusively by junior players.

Council sets the maximum swimming pool entry fees but does not receive or account for the revenue. The operation of swimming pools is contracted to an external entity, CLM. CLM incurs day-to-day operating costs and obtains all revenue from entry fees. The management agreement provides for an adjustment to the management fee on a 3-yearly basis, based on CPI, and pool entry fees on an annual basis. These two mechanisms enable council to address ongoing increases in the cost of providing swimming pools.

Charges for sportsfields and reserves, were increased by 3% in 2025/26. Swimming pool entry fees were increased in 2024/25 by between 12.5% and 15 %. Fees for the Ashhurst Camping Ground were last increased in 2023/24.

2. BACKGROUND

2.1 Statutory Requirements

Under its statutory powers contained in the Local Government Act 2002 (LGA) the Council has power to set fees and charges for the use of reserves.

2.2 Factors Impacting on Setting Fees and Charges

The following factors impact on the fees and charges for parks and reserves, including sportsfields:

- Cost of building, maintaining and administering sportsfields and playing surfaces, and associated facilities
- Cost of administering licences and events

- The practicability of charging for some types of use
- Council's policy on the extent to which users should contribute toward the cost
- The utilisation of the sportsfield network
- The standard of playing surface provided (level of service)
- The number of fields required by various sports codes – this varies depending on changing ground allocation practices and the number of teams playing/training each year.

The following factors impact on the fees for the Ashhurst campground:

- Cost of building, maintaining and operating the Ashhurst Campground facilities
- The practicality and cost associated with administering the campground, including the ability to collect and accurately account for revenue
- The utilisation of the camping ground (demand)
- The type and standard of facilities provided (level of service)
- The level of fees charged at campgrounds with similar facilities (the market)

The following factors impact on the fees for Council swimming pools:

- Cost of building, maintaining and operating swimming pools including the management agreement with CLM
- The utilisation of swimming pools including associated programmes (demand)
- The type and standard of facilities provided and their opening hours (level of service)
- The level of fees charged at swimming pools with similar facilities (the market)

3. PROPOSED FEES AND CHARGES

3.1 Sportsfields

Fees and charges would need to be increased significantly before revenue from sportsfields increased to any significant extent compared with operating costs.

Table 1 summarises the financial position for Sportsfields for 2023/24 through to 2026/27.

	Actual 2023/24	Actual 2024/25	Budget 2025/26	Draft Budget 2026/27
Expenses (\$k)	3,670	3,656	4,491	4,113
Revenue (\$k)	139	141	166	169
Revenue as % of Expenses	3.8	3.9	3.7	4.1

Table 1: Sportsfield Financial Summary

Costs were considerably lower than budgeted in 2024/25, and the revenue received was also lower than forecast, leading to a recovery of 3.9%. Revenue in the LTP for sportsfields from 2024/25 onwards includes revenue from land leases to sports clubs and Manawatu Cricket's share of the cost of the Fitzherbert practice nets.

The budgeted revenue from sportsfields for 2026/27 is \$128K. Sports codes determine how many fields they need to manage competition for the upcoming season and enter a Service Level Agreement (SLA) with Council. The revenue forecast for 2026/27 is based on last year's allocation of senior fields.

The budgeted expenses for 2026/27 are lower than 2025/26 due to changes in overhead allocation. Revenue is budgeted to increase by \$3K, leading to a recovery of 4.1%. Fees and charges will need to increase in 2026/27 for council to achieve the \$3K budgeted increase in revenue.

Priority 5 of Council Goal 2 is to be one of the most active communities in New Zealand. Success measures include an increase in use of parks, sportsfields and playgrounds and an increase in participation rates for all adults in sport and recreation. Whilst Council fees and charges are only a small portion of the overall cost for an adult participating in organised sport, a large increase in council fees could potentially impact adversely on the attraction and retention of adult players.

Increasing sportsfields fees by 3% for the 2026/27 year will increase the budgeted income from sportsfields to \$130K and the overall income from fees and charges from \$166K to \$170K. This represents a recovery rate for sportsfields of 4.1%.

3.1.1 One- off use of Courts

Council allocates courts to sports codes based on a 22-week season and charges for senior grounds and any other services requested by the codes based on the schedule of fees and charges. The SLA with the code covers use of the fields and courts for regular play/practice.

The fees and charges schedule includes one-off fees for field bookings for pre-season games and tournaments. The schedule was developed for pre-season games or tournaments organised by codes on fields or courts they are allocated under the seasonal SLA.

Netball has begun using the back row of courts at Vautier Park during summer for netball leagues. This is possible as the back row of courts are not being used by Tennis. Two Netball Clubs are now also training on courts not located at Vautier Park. The current schedule does not cover winter netball training courts and casual bookings for netball courts out of season. Minor adjustments to the schedule are proposed to make this clearer.

3.1.2 Use of Power Boxes by Mobile Vendors

Changes to the schedule of fees and charges in the past few years have made the licence and permit fees for Mobile Vendors, trading on an ongoing or casual basis, clearer. The current schedule does not adequately detail charging for the use of Council power boxes. Minor adjustments to the schedule are proposed to allow for power to be charged based

on the number of days of use, with an associated 22% increase in the existing charges to better reflect the cost to Council of providing a power source.

3.2 Ashhurst Campground

The Ashhurst campground fees were reviewed in 2023 as part of the annual review of council fees and charges. To make it easier for campers and simplify cash handling, the ability to pay fees online was introduced. Most campers now use this option.

The adult fee is \$7 for an unpowered site and \$10 for a powered site. A child stay in the campground is \$5 per night.

Comparing the fees at Ashhurst with other campgrounds in the region with similar facilities, in semi-rural setting locations close to a village or town, the Ashhurst fees are low. Unpowered sites at other campgrounds range from \$10 to \$16 per adult, and powered sites from \$15-\$26. Typically, children stay for half the adult price.

Given the rising cost of power, and recent investments in the facilities and grounds at the Ashhurst Campground, it is recommended that Council increase the fees. It is anticipated that an average increase in the campground fees of 20% (rounded to the nearest dollar), will not impact patronage and will result in an increase in revenue of \$8K per annum.

3.3 Swimming Pools

The aquatic facilities management agreement provides for an adjustment to the management fee on a 3-yearly basis, based on CPI, and pool entry fees on an annual basis. These two mechanisms enable council to address ongoing increases in the cost of providing swimming pools.

In 2023/24 council increased the maximum pool entry fees by 15%. This was the first increase in fees since 2014. The management fee was increased by 8%, effective 30 September 2023. The combination of the additional revenue budgeted to be generated from the increase in pool entry fees (retained by CLM) and the management fee were forecast to adequately cover the cost increases over the preceding 3 years.

Council increased pool entry fees again in 2024/25 to manage a forecast increase in operating costs. The budgeted \$500K increase was largely due to escalating utility charges and labour rates. Council amended the proposed fee increases to ensure ability to pay was a factor in the distribution of the swimming pool admission fee rise. The resulting average increase in pool entry fees in 2024/25 was 12.5- 15%.

Despite increasing entry fees, CLM (Trading as Palmerston North Aquatics) recorded a further operating loss in 2024/25. Revenue from pool entries and swim school was at a similar level to 2023/24. The overall number of admissions to the three pools was 2.8% lower in 2024/25 than 2023/24, and 2023/24 admissions were 1.8% lower than the previous year. The energy costs were \$90K higher in 2024/25 than in 2023/24, and wages

are also higher. CLM is forecasting a higher operating deficit in 2026, based on current cost pressures.

Options available to Council to address escalating swimming pool costs:

- Reduce the cost of operation
- Decrease the level of service
- Increase rates
- Increase pool entry fees

Reduce the cost of Operation – CLM are incentivised to manage operational costs, whilst maintaining levels of service, as they retain the revenue and pay the costs associated with operating the pools. CLM monitor their costs very closely including energy consumption.

Energy costs at the Freyberg Community Pool are an issue. The pool is supplied from the school, and CLM are suffering from paying a spot rate for gas at the Freyberg Pool, rather than the contract rates they pay for all the other pools they manage in New Zealand. Investigations are underway on the cost effectiveness of replacing the gas boilers at the Freyberg Pool with electric heat pumps. Electricity is a more cost-effective energy source than gas, however the cost of the boilers and enabling works, including potentially upgrading the power supply, and the cost of debt servicing needs to be factored in before a decision can be made.

Through Council's Carbon Fund Council staff are pursuing the installation of solar panels on the Lido roof, to reduce day-time electricity costs. Once installed, council would be able to sell any electricity it generated to CLM at a rate higher than it would get from selling to the grid, but lower than CLM is paying their supplier. This arrangement would be beneficial to both parties.

If the projects proceed, the benefits would be realised during the 2026/27 financial year. Whilst the projects will reduce energy costs, they will not alleviate all the current energy cost pressures and do not address the escalation in labour costs.

Reducing the level of service - would reduce the cost of operation, e.g. reducing pool opening hours. Officers do not recommend a reduction in level of service. Several submitters to the draft 2023/24 annual plan requested Council increase rather than decrease access to pools. Council would have to decrease the pool operating hours considerably to make the level of savings needed. There is not a direct relationship between the hours of operation and energy costs - even when the pools are closed and the pool covers are in place, the water still needs to be heated, circulated and treated.

Rates Increase

The LTP assumes that the three yearly CPI adjustment to the management fee will be funded through rates and increases in other operating costs through user entry fees.

The draft 2026/27 budget makes provision for an increase in the management fee on 1 September 2027, in line with the management agreement. The budgeted increase is 4%. The

increase in CPI since 1 September 2023 is forecast to be 10%. There is inadequate provision in the draft budget to fund the CPI adjustment through rates. Based on the forecast CPI of 10%, the management fee will increase by \$136K. The draft 2026/27 budget provides for an increase of \$58K, leaving a shortfall of \$78K.

Options to address the budget shortfall will need to be considered prior to finalising the 2026/27 budget.

Pool Entry Fees

Council's pool entry fees are the maximum fees CLM can charge for pool entry. The present fees represent very good value for money at the Lido, when compared with other pools with a similar level of facilities. However, at Freyberg and Splashhurst the fees are approx. 20% higher than other swimming pools in the Region with similar facilities.

Officers propose that all pool entry fees be increased by 10% from 1 July.

Based on revenue from pool entries in 2024/25, this would increase revenue by approximately \$100K, assuming there is no associated reduction in demand. This would be enough to cover the increase in energy costs.

Increasing the entry fees also increases the amount Council must budget for the Under-Fives Free swimming programme. Based on the 2024/25 entry figures, the funding will need to increase from the draft budget provision of \$188K to \$206K. When the programme was first introduced the subsidy to a caregiver and pre-schooler was \$9.40 per visit. The current subsidy is \$12.50 per visit, and with the proposed entry price increase, this will rise to \$13.70. It is proposed that users of the scheme make a modest contribution to the costs of operating the pools, rather than accessing the scheme for free. Charging a supervising adult, with one or two pre-schoolers, \$3 per visit would ensure that the swimming scheme was still affordable and would generate an additional \$50K in revenue.

The changes proposed are outlined in the following table:

	Current maximum charge	Proposed maximum charge
Adult	\$7.00	\$7.70
Child	\$5.50	\$6.00
Under five-year-old and supervisor	Free	Child Free but supervisor \$3.00 for up two under 5s

3.4 Recommended changes to fee schedule

Recommended changes shown in the **attached schedules** comprise the following elements:

- An average increase of 3% on the current fees and charges for sportsfields

- Continuing to impose zero fees for fields used exclusively for junior sport (school age teams)
- Documenting the basis for charging mobile vendors for use of a Council power box, and increasing charges in line with the escalation in the cost to Council to supply power
- Introduction of seasonal fees for training courts at Takaro and Bill Brown Parks and casual fees for summer netball at Vautier Park courts
- An average increase of 20% on the current Ashhurst camping ground fees, rounded to the nearest dollar
- An average increase of 10% for all categories of swimming pool entry fees
- Introduction of a charge for a supervising adult with up to two pre-schoolers, of \$3 per visit

4. DESCRIPTION OF OPTIONS

It is Council policy to review fees and charges on a yearly basis. This enables the Council to be satisfied that the fees and charges are transparent, fair and reasonable.

The options available are:

- no change being made to existing fees and charges,
- proceeding with the recommendations set out in this proposal: or
- changing fees by a different amount.

5. FINANCIAL IMPLICATIONS

The proposed fees and charges will enable Council to achieve the budgeted increase in revenue for sportsfields of \$3K. The budgeted percentage recovery is 4.1%. This is higher than the 3.7% recovery in the 2024-34 LTP.

The proposed Ashhurst camping ground charges will enable an increase in budgeted revenue for City Reserves in 2026/27 of \$8K.

The proposed swimming pool entry fees have no direct impact on revenue in the draft 2026/27 Annual Budget. The introduction of a \$3 entry fee for a supervising adult with up to two pre-schoolers would generate \$50K in revenue to CLM, decreasing the cost of the scheme to Council. Accounting for the 10% increase in general entry fees, the new fee would reduce the amount of rates funding needed for the Under-Fives swimming scheme, from \$206K to \$156K. The draft 2026/27 budget for the scheme is \$188K, meaning \$32K would be available to offset part of the funding shortfall of \$78K for the CPI adjustment to the management payment.

Even with the introduction of a \$3 entry fee for supervisors with pre-schoolers, there remains inadequate provision within the Swimming Pools activity in the draft 2026-27 budget to fully fund the CPI adjustment to the management fee under the terms of the agreement with CLM. Consideration will need to be given to how this shortfall can be met, noting that there is limited capacity to increase the entry fees further without impacting demand.

Palmerston North City Council

Parks and Reserves Fees and Charges

All fees and charges shown are GST inclusive

Sportsfield Season Charges		Current For summer 2025/26 and Winter 2026	Proposed For summer 2026/27 and Winter 2027
Winter			
Rugby Union	per field (8,280 m ²)	\$1,472	\$1,516
League	per field (8,280 m ²)	\$1,304	\$1,343
Football	per field (7,300 m ²)	\$1,378	\$1,419
Netball (Vautier Park)	per court (665 m ²)	\$654	\$674
Lacrosse	per field (5,500m ²)	\$992	\$1,022
Skating (Memorial Park)	per rink	\$347	\$357
Winter Training Grounds			
Football	1 @ Skoglund - 3,000 m ² 1 @ Waterloo - 11,000 m ² 1 @ Takaro - 8,400 m ² 1 @ Hokowhitu - 2,500 m ² 2 @ Monrad - 5,580 m ² 2 @ Bill Brown - 6,000 m ² 1 @ Ashhurst Domain - 8,400 m ²	\$603 \$2,218 \$1,691 \$505 \$1,129 \$1,333 \$1,691	\$622 \$2,285 \$1,742 \$520 \$1,163 \$1,373 \$1,742
Rugby	2 @ Ongley - 7,000 m ² 1 @ Bill Brown - 7,000 m ² 1 @ Lincoln - 6,050 m ² 1 @ Colquhoun - 6,050 m ² 1 @ Bunnythorpe - 4,000 m ² 1 @ Coronation - 7,700 m ²	\$1,436 \$1,436 \$1,217 \$1,217 \$803 \$1,315	\$1,479 \$1,479 \$1,254 \$1,254 \$827 \$1,354
League	Per court training – Takaro and Bill Brown	N/A	\$357
Summer			
Cricket	Per field (14,320 m ²) per grass wicket per artificial wicket	\$3,187 \$302 \$229	\$3,283 \$311 \$236
Softball	per grass diamond (playing/ training) (6,013 m ²) per skin diamond (6,013 m ²)	\$979 \$886	\$1,008 \$913
Touch	per field (3,500 m ²) Coronation Pavilion	\$404 \$2,404	\$416 \$2,476
Athletics	per grass track	\$1,294	\$1,333
Tennis (669sq m)	per court @ Vautier per court @ Colquhoun per court @ Awapuni per season per court @ Takaro and Wallace	\$547 \$186 \$458 \$347	\$563 \$192 \$472 \$357
Summer Football	per field	\$690	\$711
Rugby 7's	per field	\$736	\$758
Skating (Memorial Park)	per rink	\$347	\$357
Charge Grounds			
Fitzherbert Park	Summer Winter	\$5,119 \$4,973	\$5,273 \$5,122
Memorial Park	Summer Winter	\$5,144 \$5,144	\$5,273 \$5,273

Winter Season = 2nd week April to 3rd week September. (22 weeks)

Summer Season = 2nd week October to 3rd week March. (22 weeks)

ONE OFF COSTS (Inc GST)				Current Summer 2025/26 and Winter 2026	Proposed Summer 2026/27 and Winter 2027
Sportsfields	Playing Field	Pre-Season	per game	\$107	\$110
	Playing Field	Casual	per game	\$137	\$140
	Playing Field	Casual	Per ½ day	\$250	\$250
	Touch field	Casual/Preseason	per game	\$48	\$49
			per day (excl change rooms)	\$816	\$840
	Ongley Park	Tournament	per day (excl change rooms)	\$816	\$840
	Ashhurst				
	Domain	Tournament	change rooms)	\$816	\$840
	Fitzherbert				
	Park	Casual	1/2 day	\$240	\$250
	Fitzherbert				
	Park	Casual	per day	\$460	\$500
Manawaroa Pavilion	Memorial Park	Casual	1/2 day	\$240	\$250
	Memorial Park	Casual	per day	\$460	\$500
	Cricket	Grass Wicket	per day	\$375	\$386
	Cricket	Artificial Wicket	per day	\$167	\$172
			Per court per day	\$32	\$32
	Vautier Park	Summer netball	5 courts per day	\$100	\$100
			1/2 day per week per season	\$630	\$649
			1/2 day per week per year	\$1,262	\$1,300
			1 day per week per season	\$1,076	\$1,108
			1 day per week per year	\$2,150	\$2,215
Sports pavilions/ changing rooms	Changing Room Hire	Casual	per day	\$107	\$110
	Pavilion Hire	Casual	per hour	\$32	\$33
			Serviced Rest rooms open after hours	\$66	\$68
The Square			per hour		
			Small event per day	\$192	\$200
			Large event per day	\$386	\$400
Bonds	Large commercial event	Major Event	e.g. Food & Wine Festival	\$2,000	\$2,000
	Large tournament	Large Event	e.g. NZ Touch Nationals	\$1,000	\$1,000
	All other events	Medium Event	e.g. Marching	\$250	\$250
	Weekday booking of sportsfield by		Per booking	\$250	\$250

	non- PN schools		Per Key	\$50	\$50
	Key Bond Rental of storage space				
Storage Rental Commercial	in pavilion	Non- Commercial	Per 6 months	\$150	\$150
Mobile vendor e.g. coffee cart, food truck (Note 1)	Up to 2 days – 6 months		Per site - licence to occupy – without power Additional charge for power – per site	\$500	\$500
			Per site - licence to occupy- without power Additional charge for power – per site	\$270	\$330
Mobile vendor	Each additional day - six months		Per site - licence to occupy- without power Additional charge for power – per site	\$250	\$250
			Per event – permit to trade	N/A	\$165
Mobile Vendor	One off event		Additional charge for power – per site	\$28	\$30
Tennis Coaching	Per season		Per court	\$586	\$5
	Per day		Per court	\$33	\$604
				\$34	\$34

Note 1: In line with Council policy for the use of public spaces - applies to all Council land. Vendor trading on sportsfields requires support from the sports code allocated the grounds.

Ashhurst Campground Fees per night (GST inclusive)		Current	Proposed
Powered Site	Per Adult/night	\$10	\$12
	Per Child/night	\$5	\$6
Unpowered Site	Per Adult/night	\$7	\$8
	Per Child/night	\$5	\$6

Swimming pool entry fees (GST inclusive)		Current	Proposed
Casual Entry Fees			
Adult pool entry		\$7.00	\$7.70
Child pool entry		\$5.50	\$6.00
Senior/Tertiary Student pool entry		\$5.50	\$6.00
Family pass		\$20.00	\$22.00
Under five-year-old and supervisor		Free	Child free & supervisor \$3
Concessions Entry Fees			
Adult Pool entry – 10 trip		\$56.00	\$62.00
Adult Pool entry – 20 trip		\$103.00	\$113.00
Child/ Senior/ Tertiary Student - 10 trip		\$39.00	\$43.00
Child/ Senior / Tertiary Student- 20 trip		\$73.00	\$80.00

Backflow Preventer Charges

Appendix 11

1 INTRODUCTION

Testable backflow preventers (BFPs) are required on all non-residential water connections. These prevent any contaminated water from within a property affecting the water supply and other consumers. There are in excess of 450 properties classified as requiring BFPs.

In an effort to reduce public health risks the Council, as from 1 July 2021, assumed full responsibility for repairs and renewals of all BFPs as well as for annual testing to confirm compliance. An annual charge was introduced for this work. The fixed annual fee avoids the need for large one-off fees to be recovered from property owners when major upgrade work is required for a specific BFP. It also ensures that issues are solved quickly to protect public health. The fee is only be payable on the property water connection at the boundary and not any internal connections which are dealt with under the Building Warrant of Fitness.

Costs associated with BFPs consist of:

- Regular testing
- Repairs
- Replacements
- Administration

While repairs and replacements are more expensive for larger BFPs, the uniform charge that applies to all premises spread costs, provides clarity to customers, and reduces administration cost and time for Council.

There are 455 BFPs on the Council's reticulation. These are tested annually, with the exception of 25 which are tested six-monthly. This equates to 480 total tests per year.

2. BACKGROUND

2.1 Statutory Requirements

The setting of fees and charges for wastewater is empowered by Section 12 of the Local Government Act 2002 i.e. the general power of competence to carry on any activity or business with associated rights, powers and privileges. As such, they can be set by Council resolution and do not require any special consultative procedures.

Rates for water services are set through the processes contained in the Local Government Rating Act 2002.

2.2 Factors Impacting on Setting Fees and Charges

The Council's Revenue and Financing Policy (2024-34 Long-term Plan, pages 276-311) outlines Council's views about the extent to which users should bear the cost of providing particular services. The policy outlines that "an activity should be funded on a user pays basis if an individual or group of individuals directly receives benefits of the activity exclusively, and the costs of the activity can easily be attributed to that individual or groups of individuals."

3. PROPOSED FEES AND CHARGES

It is proposed that the fees be increased by approx. 4% to cover increases in costs, as shown in the following table.

Proposed Fees and Charges for BFP testing and maintenance

Item	Current Charges (GST incl.)	Proposed Charges (GST incl.)	Unit
Annual BFP charge	\$301	\$313	Per BFP per year
Administration fee	\$31	\$32	Per BFP per year
Total charge	\$332	\$345	Per BFP per year

Note that properties with multiple BFPs pay separately for each. For example, a property with two BFPs would pay $\$345 \times 2 = \690 per year.

4. DESCRIPTION OF OPTIONS

It is Council policy to review fees and charges on a yearly basis although a review of these particular fees and charges has been overlooked.

The options available are:

- no change being made to existing fees and charges,
- proceeding with the recommendations set out in this proposal; or
- changing fees by a different amount.

5. FINANCIAL IMPLICATIONS

The draft 2026/27 annual budget includes provision of revenue of \$48k from these charges, thereby reducing the sum required to be collected from rates.

Corridor Access Request Fee

Appendix 12

1 INTRODUCTION

A Corridor Access Request (CAR) is an application to the Council for access to the road corridor in order to carry out works. It is required to ensure all work sites on roads are as safe as possible for workers, motorists, pedestrians, and cyclists. As from 1 July 2021 a fee for CARS was introduced. Prior to that the costs associated with administering and issuing CAR were funded by rates.

This user pays model is working satisfactorily and it is proposed to increase the charges to cover increasing costs.

2. BACKGROUND

2.1 Statutory Requirements

The setting of fees and charges for an activity such as corridor access is empowered by Section 12 of the Local Government Act 2002 i.e. the general power of competence to carry on any activity or business with associated rights, powers and privileges. As such, they can be set by Council resolution and do not require any special consultative procedures.

2.2 Factors Impacting on Setting Fees and Charges

The Council's Revenue and Financing Policy (2024-34 Long-term Plan, pages 276-311) outlines Council's views about the extent to which users should bear the cost of providing particular services. The policy outlines that "an activity should be funded on a user pays basis if an individual or group of individuals directly receives benefits of the activity exclusively, and the costs of the activity can easily be attributed to that individual or groups of individuals."

The policy makes no specific mention of corridor access fees.

3. PROPOSED FEES AND CHARGES

Reflecting the cost of issuing CARs there are two types of CAR charges:

- Standard CAR Charges
- Generic CAR Charges

3.1 Standard CAR Charges

The standard CAR is a one-off corridor access request. The following table contains the current charging schedule showing proposed increases to cover rising costs:

Item	Charges from 1 Jul 25 (GST incl.)	Charges from 1 Jul 26 (GST incl.)	Comment
Administration Fee	\$137	\$142	Per application
Reinstatement Inspection Fee – first 20m of trench opening	\$96	\$100	Provides for two reinstatement inspections to be made per CAR.
Standard CAR Charge	\$233	\$242	Assuming no more than two reinstatement inspections required
Additional Reinforcement Inspection fee – payable for every additional 100m of road opening >20m	\$49	\$51	An additional reinforcement fee would be payable for one additional inspection for each additional 100m of trench beyond the 20m standard fee.
Rebate for Overlap CAR and Vehicle Crossing Inspection	-\$96	-\$100	When CAR and Vehicle Crossing Inspections overlaps, a rebate payment of \$100 would apply

3.2 Generic CAR Charges

The generic CAR is a long-term permit that allow utility service contractors to work on road corridors without having to apply for a different CARs for each job. The following table contains the current charging schedule showing proposed increases to cover rising costs:

Item	Charges from 1 Jul 25 (GST incl.)	Charges from 1 Jul 26 (GST incl.)	Comment
Administration Fee	\$274	\$285	Per application
Reinstatement Inspection Fee	\$96	\$100	Provides for two reinstatement inspections
Generic CAR Charge	\$370	\$385	Assuming no more than two reinstatement inspections required
Additional Reinforcement Inspection fee	\$49	\$51	Additional reinforcement will incur an additional charge on a per visit basis.

4. DESCRIPTION OF OPTIONS

It is Council policy to review fees and charges on a yearly basis although a review of these particular fees and charges has been overlooked.

The options available are:

- no change being made to existing fees and charges,
- proceeding with the recommendations set out in this proposal; or
- changing fees by a different amount.

5. FINANCIAL IMPLICATIONS

The draft annual budget for 2026/27 includes provision for revenue of \$140k from these charges.

Parking Fees & Charges

Appendix 13

1 INTRODUCTION

The draft budget for 2026/27 assumes revenue from metered parking will be \$3m compared with the budget of \$3.33m for 2024/25.

In the report to the meeting on 10 December 2025 it was indicated that officers had assumed there would be no further increase to parking fees and charges for the 2026/27 year. Below is a brief outline of the rationale for this.

2. BACKGROUND

2.1 Statutory Requirements

The setting of fees and charges is empowered by Section 12 of the Local Government Act 2002 i.e. the general power of competence to carry on any activity or business with associated rights, powers and privileges. As such, they can be set by Council resolution and do not require any special consultative procedures.

The Palmerston North Traffic and Parking Bylaw 2018 provides that “the Council may prescribe the charges to be paid for the use of any parking place or transport station, as measured by parking meters or by a fee or permit to use the parking place or transport station, or by any other prescribed method of time measurement or payment”. Further it says, “the Council may charge a fee for receiving and processing an application and issuing a permit” and that “the Council must prescribe a fee for any permit issued under the Bylaw in accordance with the Local Government Act 2002.”

Parking Infringements are regulated by the Land Transport (Offences and Penalties) Regulations 1999 (as most recently amended with effect from 1 October 2024).

2.2 Factors Impacting on Setting Fees and Charges

The Council’s Revenue and Financing Policy (Long-term Plan 2024-34, pp 276-311) outlines Council’s views about the extent to which users should bear the cost of providing particular services. The policy outlines that “an activity should be funded on a user pays basis if an individual or group of individuals directly receives benefits of the activity exclusively, and the costs of the activity can easily be attributed to that individual or groups of individuals.”

The policy provides that “parking users should pay at levels that are appropriate to manage demand and provide a net return that can be applied to reduce the net cost to ratepayers of roading and transportation”.

3. CURRENT FEES AND CHARGES

The main parking related charge is for metered parking. This was reviewed last year and the on-street charge was increased from \$2 to \$2.50 per hour effective from 1 July 2025 following an increase from \$1.70 to \$2 per hour effective from 1 July 2024.

The primary reason for charging for on-street parking is to ensure there is a ready supply of parking within the central city.

On-street parking charges in other nearby regional centres are at similar levels to Palmerston North as shown below:

- Whanganui - \$2 per hour (except Victoria Ave which is \$3)
- Hastings - \$2.60 per hour
- Napier - \$2 per hour
- New Plymouth - \$3 per hour

From 1 October 2024 a range of parking infringement fees were increased significantly by the government. One of the anticipated outcomes from this was that parkers would be encouraged to pay for parking rather than risk incurring the much higher fees.

At this stage the outcomes of this are being monitored and but it seems parkers are still prepared to take the risk.

In the meantime it is recommended there be no change to current parking fees and charges.

4. DESCRIPTION OF OPTIONS

It is Council policy to review fees and charges on a yearly basis although a review of these particular fees and charges has been overlooked.

The options available are:

- no change being made to existing fees and charges (as proposed), or
- changing fees by an amount to be determined.

5. FINANCIAL IMPLICATIONS

Actual metered revenue was \$2.37m in 2022/23, \$2.52m in 2023/24 and \$2.58m in 2024/25. The 30c increase in the fee for 2024/25 did not translate to an increase in revenue. The budget for 2025/26 was increased to \$3.33m (to recognise the expected revenue increase resulting from the 50c fee increase from 1 July 2025). Metered parking revenue for the first six months of the year (\$1.5m) is below budget expectations and the current forecast is that revenue for the year will be between \$2.9m and \$3m. In the light of this, and as reported in December, the draft budget for 2026/27 assumes revenue of \$3m.

REPORT

TO: Council
MEETING DATE: 11 February 2026
TITLE: Funding and City Support Request from Squash NZ to host the 2027 New Zealand Squash Open
PRESENTED BY: Luke McIndoe, Manager Venues + Events Partnerships
APPROVED BY: Danelle Whakatihī, General Manager Customer & Community

RECOMMENDATION(S) TO COUNCIL

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

OR

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

OR

That Council decline the funding request (Option 3)

SUMMARY OF OPTIONS ANALYSIS FOR

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

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

RATIONALE FOR THE RECOMMENDATIONS

1. OVERVIEW OF OPPORTUNITY

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

2. BACKGROUND OF THE EVENT

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

3. BENEFIT FOR PREVIOUS HOST CITIES

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

4. PROPOSED HOSTING ARRANGEMENT FOR PALMERSTON NORTH

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



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

5. ADDITIONAL MARKETING SUPPORT

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

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

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

6. COMPLIANCE AND ADMINISTRATION

Does the Council have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these objectives?	No
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to: Whāinga 1: He tāone auaha, he tāone tiputipu Goal 1: An innovative and growing city	
Whāinga 2: He tāone whakaihiihi, tapatapahi ana Goal 2: A creative and exciting city	
The recommendations contribute to this plan:	
1. Mahere hoahoa tāone	
2. Economic Development Plan	
The objective is: Attract, fund and manage events which bring significant economic benefit to the city (through the Major Events, Art Event Fund and Sports Event Partnership Fund)	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	The Major Events Fund prioritises events that promote the economic wellbeing of the city, but which also contribute to social, environmental and cultural wellbeing.

ATTACHMENTS

1. Invitation to Host the NZ Squash Open 2027 in Palmerston North 
2. Sport Manawatu Letter of Support 

3. CEDA Letter of Support [!\[\]\(cb1b5aff628d1cd7065007d6e0106908_img.jpg\)](#)

16 January 2026

Grant Smith
Mayor of Palmerston North
Palmerston North City Council

Subject: Invitation to Host the NZ Squash Open 2027 in Palmerston North

Dear Mayor Smith,

On behalf of Squash New Zealand Poipātū Aotearoa, I am delighted to formally invite Palmerston North City Council to partner with us in hosting the New Zealand Squash Open 2027 at the Regent on Broadway in February 2027.

This prestigious event is part of our international calendar and will be delivered in joint venture with the Professional Squash Association (PSA), who will lead the operational delivery.

We are seeking Council support and funding assistance, similar to the successful partnerships we have enjoyed with Tauranga City Council and Christchurch NZ in previous host cities. Your backing will enable us to finalise a formal hosting agreement and ensure the event delivers significant economic, social, and cultural benefits to the region.

Why This Matters – Road to LA 2028: *'Three years. Three cities. One Olympic Dream.'* The NZ Squash Open is a cornerstone of our "Road to LA" series, a three year journey across three cities, building towards squash's debut at the Los Angeles 2028 Olympic Games.

By hosting in 2027, Palmerston North will play a pivotal role in inspiring the next generation of athletes, attracting global attention, and reinforcing New Zealand's reputation as a leader in international squash.

Benefits to Palmerston North

- International Exposure: Broadcast and media coverage showcasing Palmerston North globally.
- Economic Impact: Visitor spend through accommodation, hospitality, and tourism.
- Community Engagement: Opportunities for local schools, clubs, and volunteers to connect with elite athletes.
- Legacy: Strengthening the city's profile as a host for major sporting events.

We are confident that, with Council support, this event will achieve at least a break even financial outcome and create a platform for future success, including potential alignment with 2028 sponsorship opportunities.

I will follow up with a formal three-way hosting agreement and am available to attend a future Council meeting if required. Together, we can announce Palmerston North as the official host in mid-February, following Council endorsement.

Thank you for considering this exciting opportunity. We look forward to working with you and your team to bring the NZ Squash Open to Palmerston North.

Your sincerely



Martin Dowson
Chief Executive



Squash New Zealand
AUT Millennium
17 Antares Place
Rosedale, Auckland
New Zealand
Tel: (64) 9 8150970

www.squashnz.co.nz

4 February 2026



Palmerston North City Council

**everyone active.
kia mātātoa
tatou.**

Kia ora Koutou,

Re: Letter of Support – Hosting the 2027 NZ Squash Open in Palmerston North

Sport Manawatū is pleased to provide this letter of support for Palmerston North's opportunity to host the 2027 NZ Squash Open. We strongly endorse this opportunity and recognise the significant benefits it will bring to our city, our region, and the future of squash in Aotearoa.

Sport, Recreation & Community Benefits

- Inspire increased participation in squash and wider active recreation across our communities.
- Strengthen sporting pathways, enabling engagement with elite-level performance environments.
- Enhance community pride and connectedness through volunteer, school, and club involvement.

Legacy Outcomes for Squash

- Increased visibility and growth opportunities for SquashGym and regional clubs.
- Potential for facility improvements, coaching development, and participation programmes.
- Long-term momentum in membership and youth development.

Economic & City Vibrancy Benefits

- Attraction of visitors supporting accommodation, hospitality, retail, and tourism sectors.
- National and international exposure for Palmerston North.
- Strengthened positioning as a vibrant, event-friendly destination.

Kind regards

Kelly Shanks

Kelly Shanks
Mana Hautū | Chief Executive

Palmerston North (Head Office)
Arena 4 (B&M Centre)
61 Pascal St, Palmerston North 4410
06 357 5349

Feilding
Manawatū Community Hub
Feilding 4702
06 323 6900

Tararua
40 Denmark Street
Dannevirke 4930
06 374 4989

sportmanawatu.org.nz





4 February 2026

To: Palmerston North City Council

Letter of Support: New Zealand Squash Open 2027

The Central Economic Development Agency (CEDA), as the Regional Economic Agency for Manawatū, is pleased to express support in principle for the hosting of the New Zealand Squash Open in 2027.

Having a full calendar of events to attract visitors to the region is vital and we work with PNCC and MDC as part of our letter of expectation and subsequent statement of intent to meet our outputs for our shareholders including growing the regions visitor sector, increasing nights stay in our accommodation sector, and bringing economic benefit to the region. Having marquee events in the city is also important as we progress current live discussions around further CBD developments that are predicated on the basis that there's a shown and proven demand.

CEDA is able to partner with the city to activate this opportunity as a regional stakeholder. Specifically, we can:

- Work with our visitor sector providers in our role as the Regional Tourism Organisation.
- Explore synergies with our business community and partners to link them to the event team for sponsorship discussions.
- Support communications and profiling of the event through CEDA's channels to help lift awareness and accelerate ticket sales.

Our support reflects the same stance CEDA takes in other significant regional initiatives: we back projects that demonstrate alignment with strategic outcomes for Manawatū and Palmerston North and show a credible pathway to enduring regional benefit.

We wish Squash New Zealand every success as this proposal progresses and look forward to collaborating with them and the city on this event.

Nāku noa, nā

A handwritten signature in black ink, appearing to read 'Jerry Shearman', is placed over a horizontal line.

Jerry Shearman
CEO

CEDA.nz

ManawatuNZ.co.nz

MEMORANDUM

TO: Council

MEETING DATE: 11 February 2026

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

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

APPROVED BY: Cameron McKay, General Manager Corporate Services

RECOMMENDATION(S) TO COUNCIL

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

1. ISSUE

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

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

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

- That the consultation document include options to increase the footpath renewal budget by \$1.47M to align with the depreciation cost, \$1M, or \$500K, and the rating impact of these options.
- b. Capital New and Growth programmes outlined in Attachment 6, which includes programme 1681 (Kikiwhenua Transport) highlighted in clause 9.2; subject to the following:
 - Programme 2361 – That CET Arena replacement roof be moved forward into the draft 2026/2027 Annual Budget (\$2.131M)
 - Reduce Programme 902 - Seismic Strengthening from \$2,089K to \$1M in the 26/27 budget, to provide additional time for consideration of new legislative framework and how this applies to our portfolio and refer the programme to the 2027/37 Long-Term Plan
 - Reduce the following programmes to \$0 for the 26/27 budget and refer the programmes to the 2027/37 Long-Term Plan:
 - Programme 1846 - \$192K – City reserves – walkway extension.
 - Programme 1845 - \$102K – Te Marae o Hine – The Square.
 - Bringing forward Programme 2366 (Hydroslides) from 2029/30 to 2026/27 and updating the associated budgets as identified in Attachment 7
- c. Operating programmes as outlined in Attachment 4, which continue to include those highlighted in clause 9.2.
- d. Operating budgets as outlined in Attachments 1-3 subject to increasing the footpath maintenance budget by \$200K.
- e. Significant budget assumptions as outlined in Section 5.”

1.2 This report provides the information required in response to the resolutions above and seeks adoption of the content of the draft Consultation Document and Supporting Information.

1.3 Following the 10 December 2025 meeting it was confirmed that the full budget for transition to Central Districts Water could be funded from debt which is a consistent approach amongst the shareholding councils. This reduced the rates requirement by \$400K and means the increase in total rates is now 4.9% (compared with the provisional figure of 5.2% following debate decisions on 10 Dec).

2. BACKGROUND

General

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

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

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

Attachment 2 – draft of the proposed Consultation Document

Attachment 3 – draft of the submission form

Attachment 4 – depreciation budgets changes

Budget Update

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

2.9 Tables 1-3 below provide the latest summary of the draft budget compared to the Long-Term Plan.

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

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

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

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

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

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

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

Depreciation & Renewals especially related to Footpaths

2.10 As part of the preparation of the supporting information we have reviewed the reasonableness of the budgets for depreciation. Earlier in the budget preparation process this has not been a focus as the Council's financial strategy is to fund the rolling three-year average of the forecast capital renewal requirements rather than depreciation. Depreciation budgets have typically been updated later in the process and were scheduled to be completed as part of finalising the budget for the May deliberations meeting. As part of normal process, the depreciation budget will continue to be reviewed prior to the adoption of the final Annual Budget.

2.11 The funding of depreciation is a topic that will be reconsidered as the updated financial strategy is developed through the next LTP process. It has also come into focus when considering the response to the government's proposed rates funding cap regime.

2.12 Our review has highlighted the need to amend the depreciation figures for the 2026/27 budget for a number of activities. The effect of this is to either increase or decrease the budgeted operating cost for those activities but it does not impact on the rates required for them. The changes to the depreciation budgets are shown in the table in **Attachment 4**.

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

3. RATES ISSUES

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

Assumptions

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

Targeted rates

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

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

Resource Recovery targeted rates

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

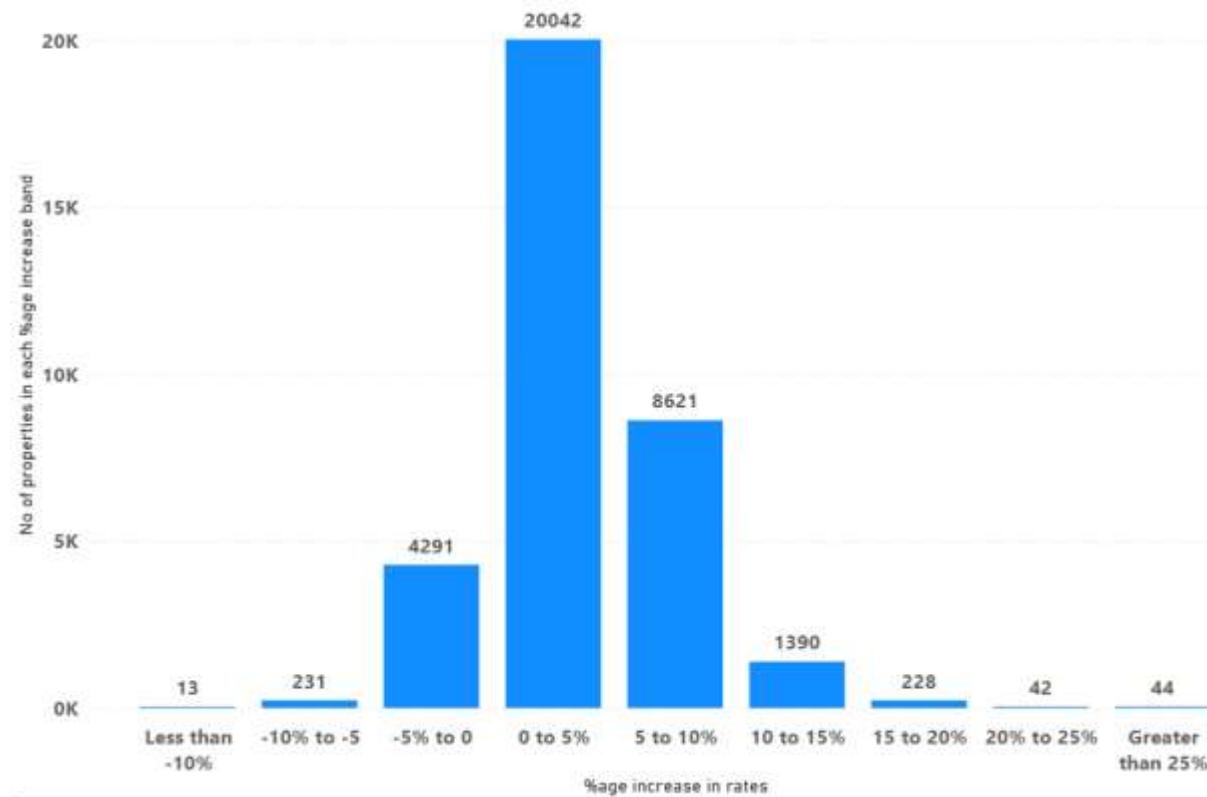
Rates Incidence

3.5 As is always the case, the change in the level of rates for individual properties will not be the same as the movement in the total rates but will vary depending on the ratio of capital to land value and whether or not they are charged all of the targeted rates.

3.6 As the rateable values used for the rates calculations for 2026/27 are the same as those used for 2025/26 (i.e. the 2024 city revaluation) there will be more predictable rates movements for 2026/27 than was the case for 2025/26.

3.7 Properties with a higher than average ratio of capital to land value will experience higher than average rates increases whilst those with a lower than average ratio will experience lower increases, or in some cases reductions.

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



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

4. NEXT STEPS

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

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

5. COMPLIANCE AND ADMINISTRATION

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

ATTACHMENTS

1. Annual Budget 2026-27 Draft Supporting Information (attached separately) [!\[\]\(9f432792e41e351c77fc2dd2918bc373_img.jpg\)](#)
2. Draft Consultation Document [!\[\]\(cbbf9a9885c97ddbed992271ef6727ad_img.jpg\)](#)
3. Annual Budget 2026-27 Draft Submission Form [!\[\]\(8c2f6362c8f19e90610cadaecfcbfe2c_img.jpg\)](#)
4. Depreciation Budget Changes [!\[\]\(2c0f63391a4deef9e66886c0b872cba2_img.jpg\)](#)
5. Rates increase graphs by differential rating category [!\[\]\(08d11de441ab0ca3d20a56914a1e5f43_img.jpg\)](#)



HAVE YOUR SAY ON OUR **DRAFT** **ANNUAL BUDGET**

Tell us what matters to **you** in the year ahead

Have your say by 4pm, 10 April 2026

2026/27

Draft for
11 February
Council



Contents

What is this document and why should I care?	03
Message from the Mayor	04
Key considerations for this year's budget	05
What's changed since the Long-Term Plan was adopted?	08
Where the proposed capital spending will go	11
Should we invest more in footpath renewals?	13
Proposed Rates for 2026/27	15
Understanding the different types of rates	16
Examples of house and business rates	17
What your rates pay for each week	19
Key dates and details to have your say	21
Contact our elected members	22



What is this document and why should I care?

This document sets out Palmerston North City Council's proposed Annual Budget for 2026/27.

Every year, we prepare an Annual Budget that explains what we plan to do in the year ahead, and how those plans affect your rates and Council's debt. It's based on our Long-Term Plan (LTP), which looks ahead ten years and sets the overall direction for Palmerston North.

Why it matters

The Annual Budget helps us decide how much money we need, where it should be spent, and how we'll pay for it. This includes funding essential services like roads, parks, water, libraries and community facilities, as well as planning for future growth. It also explains where the money comes from, including rates, fees and other funding sources.

How it fits with our Long-Term Plan

The Long-Term Plan 2024-34 sets the big picture. The Annual Budget focuses on what happens this year. It allows us to respond to changing costs, new challenges and new opportunities that have come up since the Long-Term Plan was adopted. This coming year will be year three of the LTP.

Your feedback shapes the final decisions!

Our plans and budgets are draft. We'll finalise them in June 2026, and before then we want to hear from you. Your feedback helps the Mayor and Councillors make their final decisions on behalf of the city.

Message from the Mayor

Kia ora koutou,

We know many households and businesses are still feeling the pressure of rising costs, and we've been very conscious of that as we've prepared this year's Annual Budget. While the good news is that interest rates for the Council's debt are lower than we assumed in the Long-Term Plan, costs for electricity, gas, and other essential services continue to rise. We've also had to respond to changes in central government funding and prepare for the upcoming transition of our water, wastewater, and stormwater functions to the new Central Districts Water entity in 2027.

Our focus this year has been on balancing the need to maintain the city's services and infrastructure with the community's expectation that rate increases are kept as low as possible. By carefully reviewing our operating and capital programmes, taking advantage of lower borrowing costs, and negotiating savings where we can, we've been able to reduce the impact on ratepayers. The result is a proposed overall rates increase of 4.9%, lower than the 8.5% originally assumed in the Long-Term Plan.

This year, you'll see some changes to our capital programme. Some growth and transport projects have been delayed, reduced, or had their timing adjusted. This is mainly because we didn't receive some of the NZ Transport Agency Waka Kotahi funding we had expected, and we're still waiting to hear back about other external funding applications.

At the same time, critical projects such as water and wastewater renewals, and key transport improvements will continue, ensuring our city's services remain safe and reliable.

We want Palmerston North to continue growing in a way that benefits everyone. From maintaining our community facilities to investing in essential infrastructure, these decisions reflect a careful balance between what the city needs and what our community can afford.

This document outlines the key points of the Annual Budget for 2026/27, and we want to hear from you. What matters most to you? Your feedback will help guide the Council's final decisions.

You can make a submission online at pncc.govt.nz/annualbudget, come along and chat to us at a drop-in session, or pick up a hard copy of the submission form at any of our libraries or Customer Service Centre. Please make sure you have your say by **4pm, 10 April**.



Grant Smith JP
Mayor
25 February 2026



Key considerations for this year's budget

Getting the balance right in the current environment

When preparing this year's annual budget, we have focused on:

- Keeping city services running at current levels, as much as possible;
- Looking after the community's infrastructure through an appropriate structured programme of maintaining and renewing assets;
- Being conscious of the economic climate and community and government expectations that rates increases should be kept to a minimum;
- Taking into account the Government's Local Water Done Well reforms and the subsequent decision by Council to create the new water services organisation (Central Districts Water). Our water, wastewater and stormwater functions will be transferred over to the new entity effective from 1 July 2027;
- Reducing the proposed capital expenditure programme to ensure it aligns with the latest assessments of what needs to be done, the availability of external funding and what is capable of being delivered within the resources we have.

Interest rates have gone down

In the Long-Term Plan we assumed the average interest rate for Council's debt would be 5% for the coming year. Like most homeowners the Council has some of its debt at fixed interest rates and the rest at floating rates. Because market interest rates have dropped, we reduced this assumption to 4.4% in the 2025/26 year and we can now reduce our assumed average interest rate further to 4%. This means we will pay less in interest.

Energy costs continue to rise

Like you would have noticed at home, electricity and gas prices continue to rise. They're increasing at rates that significantly exceed the consumer price index (CPI) and the assumptions we made in the Long-Term Plan. For us it's way more than fridges and lights, so thankfully we do have some renewable energy at our water and wastewater plants, which helps to operate them and save costs.

Some insurance costs have decreased

Insurance costs have risen significantly over the last two years. However, during 2025 there have been some market changes and we've negotiated reductions for some insurance types. Having comprehensive insurance on the Council's valuable infrastructure is critical, given the storm damage experienced in other regions and cities in recent times.

Less funding for transport projects

In 2024, central government changed its priorities for transport spending, and this has meant the Council will receive less from NZ Transport Agency Waka Kotahi than we had been assuming in the LTP. As a result, we have had to re-prioritise transport programmes and in particular, cut those relating to shared pathways and cycling network improvements. Our Elected Members also agreed to fund the shortfall in footpaths and costs for weather events.

Central Government reforms continue to impact us

We recognise there will be a committed effort required to enable the Council to be in a position to successfully transition its water activities to the jointly Council-owned Central Districts Water effective from 1 July 2027 and at the same time continue to deliver day-to-day services. From a budget perspective, many of the costs to be incurred during the transition process will be funded from debt and this will ultimately be transferred to the new entity.

Central government has signalled its intention to implement a wide range of other changes that will impact on the role of the Council and the way it is funded. These include:

- Changes to the way regional councils are governed
- New resource management legislation with a potential change to the roles of local councils
- Changes to the way growth is funded through development contributions, development levies and levies from separate infrastructure funding vehicles
- Capping the increases in rates that councils are able to approve.

The budget assumption is that none of these changes will be operative in the 2026/27 year.

In May, elected members will review all submissions and feedback on the proposed annual budget, along with updated information from council staff. This may include recommendations to delay some capital projects, to make sure the budget is realistic and can be delivered, based on how projects are progressing this year.





What's changed since the Long-Term Plan was adopted?

Our Long-Term Plan (LTP) is a 10-year plan that started on 1 July 2024. It sets out what Council plans to do and how it will be paid for.

When we set the budget for last year, Council made a number of changes to what had originally been proposed in the LTP due to changing circumstances. The good news is that interest rates have dropped, which has made borrowing money cheaper. The not-so-good news is that some costs went up, like insurance, electricity, and new water-related levies set by central government. Some transport projects also had to be scaled back, like shared pathways, because the government changed how much funding it would provide for these projects.

The year ahead, starting from 1 July 2026, is the third year of the Long-Term Plan. Some of the changes we made last year will continue into this year.

Below are the main ways this year's budget is different from what was in the LTP:

Operating revenue and expenses

Some key elements of the operating expenses have changed by comparison with the LTP, including:

- Lower interest rates and lower levels of debt have meant a \$6m reduction in interest costs.
- Insurance costs have also come down. However, this has been offset by higher energy costs.

Overall, these reductions mean we need \$8.8m less in rates than we originally assumed in the LTP. However, this is still \$71 million more than last year (2025/26), which means rates will need to increase by 4.9% overall.

Capital expenditure

We're also planning to spend less on new projects and growth than we first expected. For 2026/27, the proposed spending is \$53m, which is \$69m less than what was planned in the LTP.

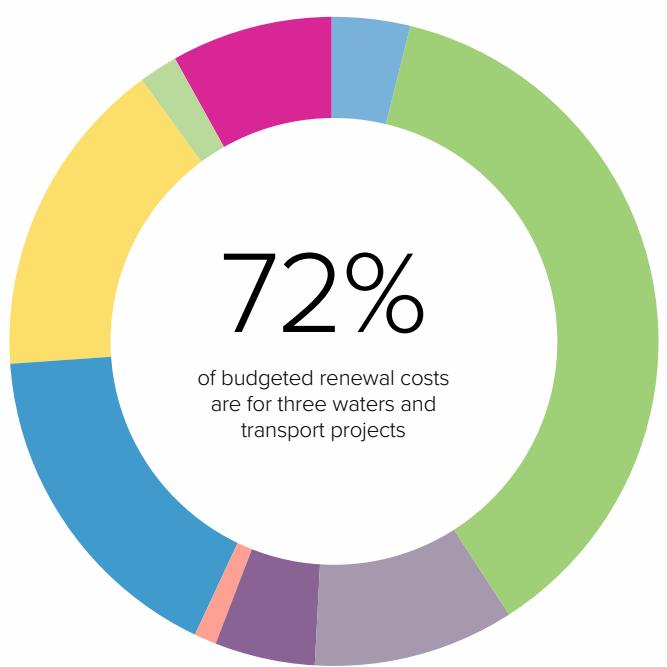
The main changes include:

Prog#	Programme	LTP (\$m)	Draft Annual Budget (\$m)	Why have we made the change
1459	New Social housing units	8.2	0.5	Deferred - awaiting decisions yet to be made by the Council about forming a new Council-Controlled Organisation to deliver its housing/ property activity
1895	Te Motu o Poutoa Civic Marae and Cultural Centre	7.3	0	Deferred - awaiting outcomes of external funding applications
2456	Te Motu o Poutoa – Cliff Road	3.8	0	Deferred until it is clear when programme 1895 will proceed
243	City Centre Transit Hub redevelopment	6.3	0	No longer funded by NZTA
1003	Whakarongo intersection improvements for growth area	5.8	0	On hold awaiting further funding commitments from NZTA
902	Seismic Strengthening of Council buildings	6.8	1.0	Portion of work deferred to enable buildings to be reassessed against new regulatory requirements
2390	Transport - Low cost/low risk improvements	4.2	0	No longer funded by NZTA
1704	Aokautere Stormwater extensions for growth area	3.2	0	On hold until developers in the area resolve land access issues & confirm intent to proceed with development
2335	Stoney Creek Road safety improvements	4.8	2.1	Construction timeline & cost amended from LTP assumption
1855	Aokautere Reserves purchase	2.7	0	Deferred for 2 years
628	Nature Calls (Wastewater treatment & disposal) consent renewal	4.3	2.0	Budget adjusted to reflect latest timeline for work

Prog#	Programme	LTP (\$m)	Draft Annual Budget (\$m)	Why have we made the change
2057	City-wide shared pathways	2.1	0	No longer funded by NZTA
2511	Wastewater infrastructure for Kikiwhenua growth area (bounded by Pioneer Highway, Te Wanaka Rd & the Mangaone Stream)	3.2	1.7	Reduced requirement for year as work brought forward to 2025/26
2301	New Longburn Water Supply Bore	1.5	0	Deferred for 2 years
2299	New Milson Line Water Supply Bore	2.6	1.5	Start to programme delayed
1616	Wastewater pump stations capacity upgrade	2.3	1.2	Programme now spread over 2 years
2514	Plant & vehicles for food scrap collection	1.0	0	Food scrap programme under review so vehicle purchase deferred
2359	Palmerston North Integrated Transport Initiative – Bunnythorpe bridge	1.0	0	No longer funded by NZTA
1681	Transport infrastructure for Kikiwhenua growth area	0	4.7	Works required to unlock growth in Kikiwhenua
159	Kelvin Grove Road safety improvements	1.0	3.1	Construction timeline & cost amended from LTP assumption
2564	Whakarongo & Aokautere intersections safety improvements (on State Highways)	0	1.9	To enable short term growth Council has agreed to fund this work on state highways as NZTA is not willing to
2231	Transport – additional bus shelters	0	0.7	Programme of installing new shelters is being staged over a number of years

Where the proposed capital spending will go

Budgeted capital renewal expenditure



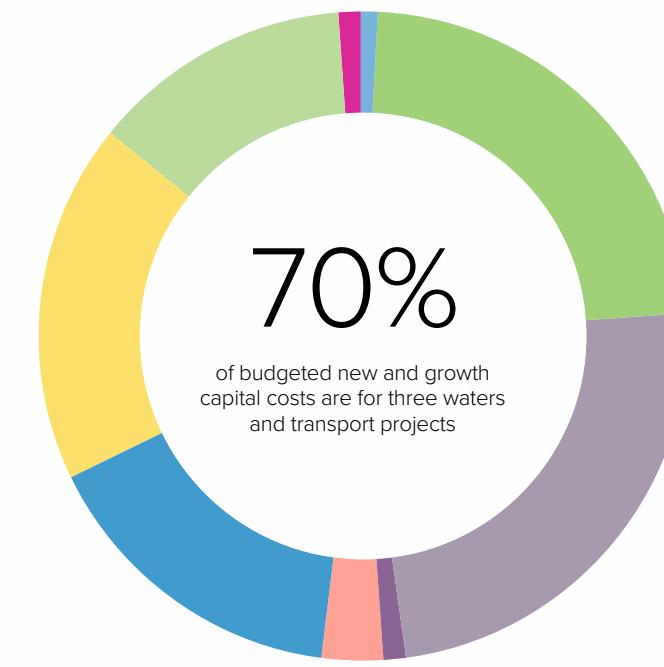
Capital renewals

renewing assets is a vital part of ensuring services can continue to be delivered at expected levels. The following chart shows the activities of the proposed \$35.4m of capital renewal expenditure.

New & growth-related capital expenditure

the following chart shows the makeup of the budgeted \$63.2m of new and growth-related capital expenditure.

Budgeted capital expenditure (new & growth)



Other than the major works required for transport and the three waters, the most significant programmes include:

- ▷ \$8.9m for the start of the construction of a planned new Arena stadium on the corner of Cuba and Pascal Streets
- ▷ \$1m for seismic strengthening of Council properties.



Should we invest more in footpath renewals?

Footpaths are an important part of how we all get around the city. We have 598 kilometres of footpaths and we often hear from the community that some parts are not in great condition.

We regularly assess the condition of footpaths using a formal inspection process. Most of the footpaths are built from materials that are expected to last a long time, provided they are appropriately maintained and renewed at the right time.

Here's what we know about the network today:

- About 33% of footpaths are rated as being in excellent or good condition.
- About 52% are in average condition.
- About 15% are in poor or very poor condition.

What would this mean for rates?

The table below shows how quickly we might be able to reduce the backlog if the funding was increased and what this might add to your annual rates bill.

Option	Amount of increased expenditure each year	Number of years it would take to reduce current backlog	Estimated increase in average residential rate per year
1	\$500,000	11 years	\$12.45
2	\$1,000,000	8 years	\$24.90
3	\$1,500,000	7 years	\$37.35

The average single unit residential rate for 2026/27 is proposed to be \$3,635 so the above sums would be in addition to this.

Have your say

Do you think we should invest more in renewing our footpaths, even if it means a small increase in rates?

Tell us what you think

by completing a submission form (see page 21 for details).

Which option do you support?



- Status quo (no increase)
- Option 1
- Option 2
- Option 3



Proposed Rates for 2026/27

This year, we're proposing to increase total rates income by 4.9 per cent.

The change in rates will be different for each property. This is because your rates are affected by:

- The levels of fixed charges for water, wastewater and resource recovery
- The third and final stage of introducing a targeted rate based on your property's capital value

You can find more information about the rating system at pncc.govt.nz/rates

Why the increase is happening

While we're paying less in interest on borrowing and less for insurance, the cost of most other goods and services we need to run the city has gone up. Also, new loans raised to fund major capital programmes in the current year need to be serviced and provision made for repayment.

What Council has done to limit the increase

The LTP assumed total rates would need to increase by 8.5% for 2026/27. Elected members and Council staff have worked hard to lower the increase required by:

- Taking advantage of lower interest rates and insurance costs
- Reviewing operating budgets and where possible limiting increases where it did not impact materially on service levels
- Critically examining the proposed capital expenditure programme to ensure what is finally approved is realistic (in the light of changing circumstances) and can be delivered with the resources we have.

Find out how much your rates could be at pncc.govt.nz/propertysearch

More of your rates will be based on your property's capital value

After public feedback during the 2024 Long-Term Plan process, Council decided to make some changes to the way rates are calculated and to introduce the change progressively over three years.

A targeted rate for Transport, Economic Development, Urban Design, and Housing was introduced and for 2026/27 this will be extended to fund part of the costs of Recreation & Play. This rate is based on your property's capital value (the value of the land and buildings).

The general rate, at a lower level, is still based on land value only.

2026/27 is the third and final year of this three-year change.

What this means for you:

- If your property's capital value is much higher than its land value, your rates are likely to increase more than average again this year.
- If your capital value is not much higher than your land value, your increase may be lower than average.
- A small number of properties will see a decrease in rates.

Understanding the different types of rates

Targeted rates

Targeted rates are paid by ratepayers who receive a specific service – for example:

- Drinking water for properties able to be connected to the city supply
- Wastewater treatment and discharge for those able to be connected to the city's network
- Kerbside and public rubbish and recycling
- Business improvement initiatives for commercial ratepayers within the central city district (known as BID).

In addition, the Council charges a targeted rate on all properties to fund economic development, transport, housing, urban design and part of the cost of recreation and play.

Some of these targeted rates are set as fixed amounts and others are based on a property's value.

Fixed charges

Rates that are set as a fixed charge are proposed to be as follows:

	Charge 2025/26	Proposed Charge 2026/27	What this pays for
Uniform Annual General Charge (UAGC)	\$300	\$300	A share of the cost of all other Council services. It acts as a way of ensuring that all properties contribute a more equal share of cost rather than it all being based on the land or capital value
Water	\$487	\$479	The cost of providing for water
Wastewater	\$397	\$433	The cost of treating and discharging of wastewater
Kerbside Recycling	\$188	\$134 ¹	The cost of your kerbside mixed and glass recycling
Rubbish and Public Recycling	\$69	\$128 ²	General rubbish and recycling costs including recycling drop-off stations, cleaning up illegal dumping and community education

¹The way budgeted resource recovery costs are split between Kerbside Recycling and Rubbish and Public Recycling has been reviewed and updated to more correctly reflect the actual position

²As for note 1

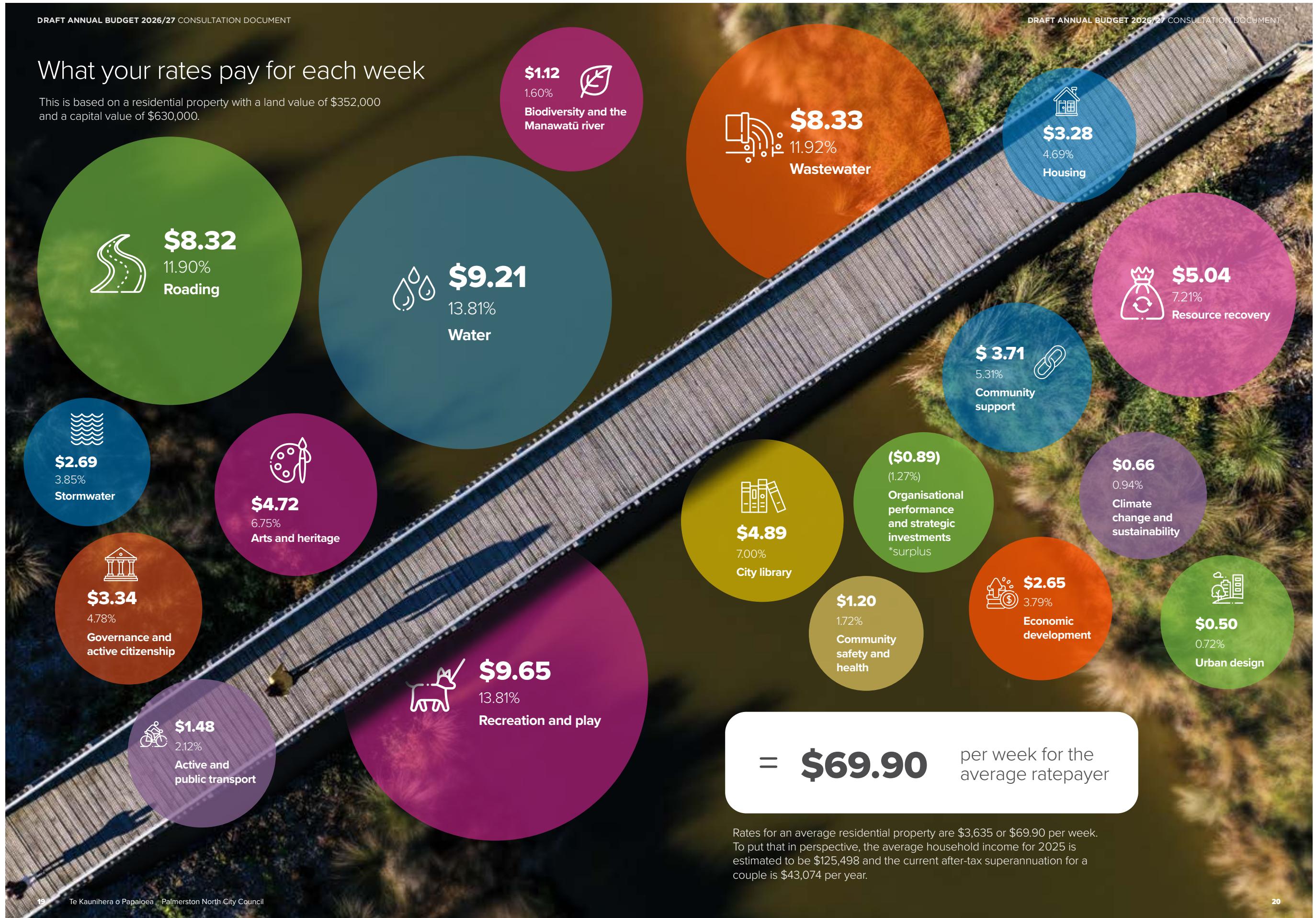
Here are some examples of rates you may pay for your home or business

Single Unit Residential				
Land value	\$260,000	\$330,000	\$352,000	\$410,000
Capital value	\$495,000	\$580,000	\$630,000	\$720,000
General Rates based on LV \$	1,147	1,374	1,446	1,635
incl UAGC of 300				
Targeted Rates based on CV \$	797	934	1,015	1,160
Targeted Rates for services \$	1,174	1,174	1,174	1,174
Total Proposed Rates \$	3,118	3,482	3,635	3,969
Increase \$ above 2025/26	103	92	103	107
% increase	3.4	2.7	2.9	2.8
Non-Residential (Commercial/Industrial)				
Land value	\$385,000	\$640,000	\$1,087,000	\$1,200,000
Capital value	\$640,000	\$1,100,000	\$2,510,000	\$2,430,000
General Rates based on LV \$	4,242	6,854	11,431	12,588
incl UAGC of 300				
Targeted Rates based on CV \$	2,702	4,644	10,597	10,259
Targeted Rates for services \$	561	561	561	561
Total Proposed Rates \$	7,505	12,059	22,589	23,408
Increase \$ above 2025/26	59	93	1,102	670
% increase	0.8	0.8	5.1	2.9
Rural/Semi serviced (between 0.2 + 5Ha)				
Land value	\$415,000	\$485,000	\$513,000	\$560,000
Capital value	\$850,000	\$1,100,000	\$1,128,000	\$1,320,000
General Rates based on LV \$	1,235	1,393	1,456	1,562
incl UAGC of 300				
Targeted Rates based on CV \$	987	1,277	1,310	1,533
Targeted Rates for services \$	128	128	128	128
Total Proposed Rates \$	2,350	2,798	2,894	3,223
Increase \$ above 2025/26	180	247	243	298
% increase	8.3	9.7	9.2	10.2

Two Unit Residential				
Land value	\$315,000	\$380,000	\$436,000	\$475,000
Capital value	\$560,000	\$640,000	\$818,000	\$781,000
General Rates based on LV \$	1719	2,012	2,265	2,440
incl UAGC of 300				
Targeted Rates based on CV \$	1,418	1,621	2,072	1,978
Targeted Rates for services \$	2,348	2,348	2,348	2,348
Total Proposed Rates \$	5,485	5,981	6,685	6,766
Increase \$ above 2025/26	219	217	319	237
% increase	4.2	3.8	5.0	3.6
Miscellaneous				
Land value	\$243,000	\$530,000	\$942,000	\$1,000,000
Capital value	\$410,000	\$750,000	\$2,144,000	\$1,535,000

Rural/Semi serviced (5Ha or more)				
Land value	\$475,000	\$680,000	\$1,284,000	\$1,170,000
Capital value	\$561,000	\$1,073,000	\$1,640,000	\$1,718,000
General Rates based on LV \$	1,295	2,471	4,158	4,396
incl UAGC of 300				
Targeted Rates based on CV \$	866	1,583	4,526	3,240
Targeted Rates for services \$	128	128	128	128
Total Proposed Rates \$	2,289	4,182	8,812	7,764
Increase \$ above 2025/26	259	75	726	184
% increase	12.8	1.8	9.0	2.4

Non-residential examples do not include any rates for wastewater based on the number of toilet pans or water charged by meter. The proposed charge per pan is \$433. Metered water is charged on the basis of a fixed amount (depending on the size of the connection) and the balance by volume used. Increases of approx. 5% are proposed for metered water charges. The examples do not include the rate for central city commercial properties to fund the Palmy BID.



HAVE YOUR SAY

We've been working through this process, now we need to hear from you.

Make a submission

Online
pncc.govt.nz/annualbudget

Visit us
Come to a drop-in session or attend a hearing

Pick up a submission form
From our Customer Service Centre at 32 The Square, or from one of our libraries

Key dates

11 March
Submissions open

10 April
Submissions close

22-23 April
Hearings

6-7 May
Council considers submissions and draft budget amendments

3 June
Council adopts Annual Budget

Our submission form includes specific questions, but we're open to hearing any ideas or feedback you'd like to share. You can pick one up from our Customer Service Centre or one of our libraries, or head to our website and fill out the online submission form.

If you prefer, you can also speak directly to elected members at a hearing or come along to one of our drop-in sessions. Once we've reviewed all submissions, we'll consider any final adjustments before approving the Annual Budget in June.

Drop-in sessions

Thursday 19 March, 12pm – 1pm
Council's Customer Service Centre, 32 The Square

Saturday 28 March, 10am – 12pm
Central Library, Te Marae o Hine – The Square

Thursday 2 April, 12pm – 1pm
Council's Customer Service Centre, 32 The Square

Contact our elected members

Grant Smith ^{JP}

Kahika Mayor
06 356 8199
mayor@pncc.govt.nz



Debi Marshall-Lobb

Kahika Mātārua Deputy Mayor
021 240 7297
debi_marshall-lobb@pncc.govt.nz



Mark Arnott

021 240 8035
mark.arnott@pncc.govt.nz



Brent Barrett

022 014 1749
brent.barrett@pncc.govt.nz



Rachel Bowen

021 167 2267
rachel.bowen@pncc.govt.nz



Vaughan Dennison

027 601 1428
vaughan.dennison@pncc.govt.nz



Lew Findlay ^{QSM}

021 615 245
lew.findlay@pncc.govt.nz



Hayden Fitzgerald

027 846 0349
hayden.fitzgerald@pncc.govt.nz



Leonie Hapeta ^{JP}

027 5307 207
leonie.hapeta@pncc.govt.nz



Lorna Johnson

021 246 0668
lorna.johnson@pncc.govt.nz



Bonnie Kuru

021 889 327
bonnie.kuru@pncc.govt.nz



Billy Meehan

021 197 2513
billy.meehan@pncc.govt.nz



Orphée Mickalad

021 539 793
orphee.mickalad@pncc.govt.nz



Karen Naylor

027 562 0470
karen.naylor@pncc.govt.nz



William Wood

021 169 2299
william.wood@pncc.govt.nz



Kaydee Zabelin

021 240 8371
kaydee.zabelin@pncc.govt.nz





Te Kaunihera o Papaioea Palmerston North City Council

pncc.govt.nz / info@pncc.govt.nz / 06 356 8199 / Te Marae o Hine – 32 The Square, Palmerston North

Annual Budget Submission Form

All submissions may be made publicly available on our website, customer service centre and some of our libraries. This means you may want to be more careful about what private information you share in your submissions about your circumstances. Your contact details (but not your name) are confidential and will not be published. Elected Members receive all submissions without contact details so they can consider the views and comments expressed.

We collect your contact information so we can keep you up to date. [For more information, see our privacy statement on our website.](#)

Have your say by 4pm, Friday 10 April

Your details

Name _____

Organisation you represent (if relevant) _____

Address _____

Phone _____

Email _____

Signature _____

If you would like to make a presentation in support of your submission at one of our hearings to the Mayor and Councillors, please select your preferred date and time:

Wednesday 22 April	Thursday 23 April
<input type="checkbox"/> Morning	<input type="checkbox"/> Morning
<input type="checkbox"/> Afternoon	<input type="checkbox"/> Afternoon
<input type="checkbox"/> Early evening	<input type="checkbox"/> Early evening

You can get your submission to us in any of these ways

Online
pncc.govt.nz/annualbudget

Email
submission@pncc.govt.nz

Phone
06 356 8199

Freepost
Annual budget submissions
Palmerston North City Council
Freepost PX33317
Palmerston North DX Sort

Deliver to
Customer Service Centre
Civic Administration Building
Te Marae o Hine
- 32 The Square
Palmerston North
or to any Council library



What are your thoughts on our proposed Annual Budget 2026/27?

What, if anything, would you like to see changed?

Are there 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?

You can read more about footpath renewals and the current state of our 598km footpath network on page 13 of the consultation document.

Below are three options showing different levels of extra spending on footpath renewals, and what each option would mean for the average household's rates each year:

Option 1	Option 2	Option 3
Spend an extra \$500,000 a year	Spend an extra \$1 million a year	Spend an extra \$1.5 million a year
Increase the average residential rate by about \$12.45 per year	Increase the average residential rate by about \$24.90 per year	Increase the average residential rate by about \$37.35 per year

The proposed average residential rate for 2026/27 is \$3,635 per year. Any increase above would be added to this amount.

Which option do you support?

- Status quo
(no increase)
- Option 1
- Option 2
- Option 3

Comments

Optional sign-ups

Receive your rates invoices by email

Would you like to receive your rates invoices by email instead of by post? Yes No

Choosing email delivery is quick, secure, and convenient - it helps you receive your invoice sooner, makes it easier to store and access your records anytime, and reduces print and delivery costs for us.

If you select Yes, please make sure your email address is included on the front page of this submission. Our rates team will contact you to confirm your property details.

Stay informed about what's happening in Palmyra.

Would you like to receive our monthly email newsletter with updates on council projects, services, and what's happening around Palmy?

Yes No

If you select Yes, please make sure your email address is included on the front page of this submission.

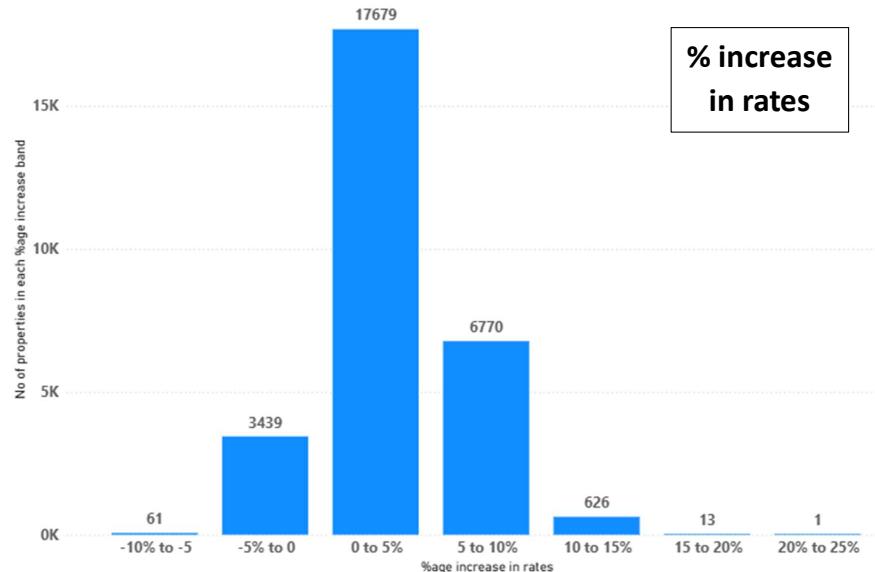
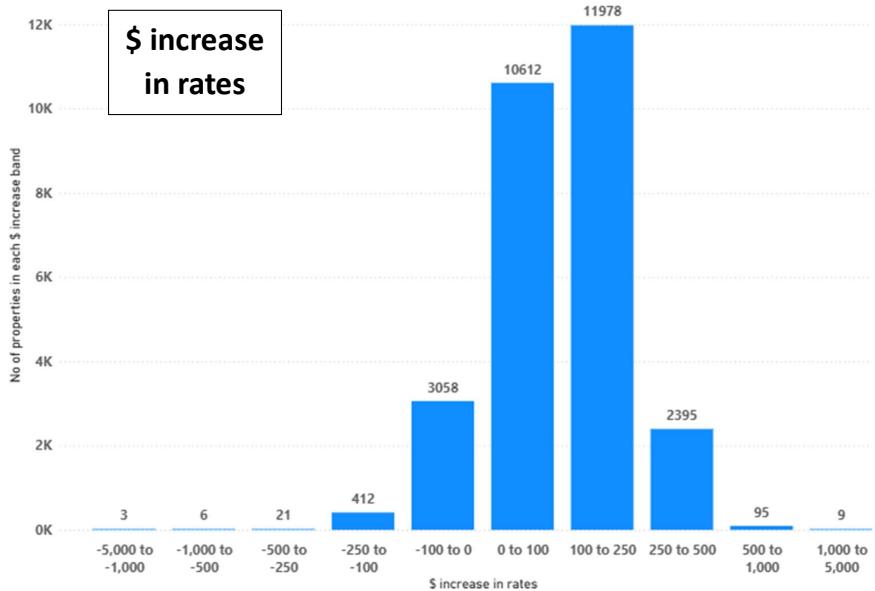
Depreciation Budgets	10th December	11th February
A connected and safe community		
Animal Control	152	175
Cemeteries	255	468
Civil Defence	78	30
Community Centres	628	797
Libraries	2,659	1,364
Public Health	15	4
Public toilets	7	14
Safer Community Initiatives	8	13
Support to community groups	1	1
Total A connected and safe community	3,803	2,865
A creative and exciting city		
Central Energy Trust Arena	3,461	3,943
City Reserves	563	1,074
Community & Commemorative Events	8	7
Local Reserves	1,285	827
Other Cultural Facilities	1,862	1,102
Sportsfields	1,520	1,041
Support to arts, culture & heritage groups	19	0
Support to recreation groups	0	0
Swimming Pools	1,065	1,487
Te Manawa	1,057	1,024
Total A creative and exciting city	10,840	10,505
A sustainable and resilient city		
Biodiversity	9	11
Central Energy Trust Wildbase	0	1
Climate Change and Sustainability	25	101
Landfill Management	71	681
Manawatu River	70	87
Sustainable Practices	0	1
Waste Management	39	40
Waste Minimisation	1,036	349
Total A sustainable and resilient city	1,250	1,272
An innovative and growing city		
Building Services	1	0
City Centre	7	18
City Marketing	140	5
Conference & Function Centre	472	427
Economic Development	0	254
Housing and Future development	0	92
Investment Property	155	1
Investments	0	1
Place activation	6	1
Social Housing	1,335	1,481
Total An innovative and growing city	2,117	2,279
Stormwater		
Stormwater Collection and Disposal	2,563	3,599
Total Stormwater	2,563	3,599

Depreciation Budgets	10th December	11th February
Supporting the Organisation		
Civic Administration Building	876	639
Councillor Meetings and Administration	5	57
Customer Services	0	0
Direction Setting	0	0
External Contracts	1	0
Financial Services	0	0
Human Resources	0	0
Information Services	1,098	522
Marketing & Communications	29	2
Plant and vehicle operations	1,786	1,808
Print Synergy	76	28
Total Supporting the Organisation	3,871	3,055
Transport		
Active Transport	6	316
Footpaths	2,669	1,386
Parking	61	223
Public Transport	7	116
Roads	8,748	8,937
Street Facilities	2,246	123
Street Lighting	1,227	1,112
Traffic Services	0	87
Total Transport	14,963	12,299
Wastewater		
Wastewater Collection	5,679	5,329
Wastewater Treatment and Disposal	129	1,494
Total Wastewater	5,808	6,823
Water		
Water Collection	515	131
Water Distribution	3,402	4,400
Water Treatment	716	1,008
Total Water	4,633	5,539
Grand Total	49,848	48,235

Palmerston North City Council

Single Unit Residential Properties

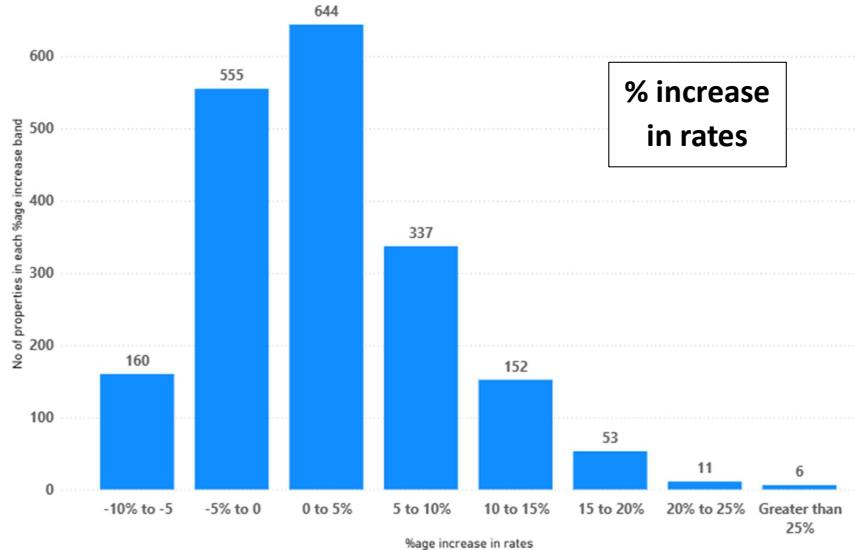
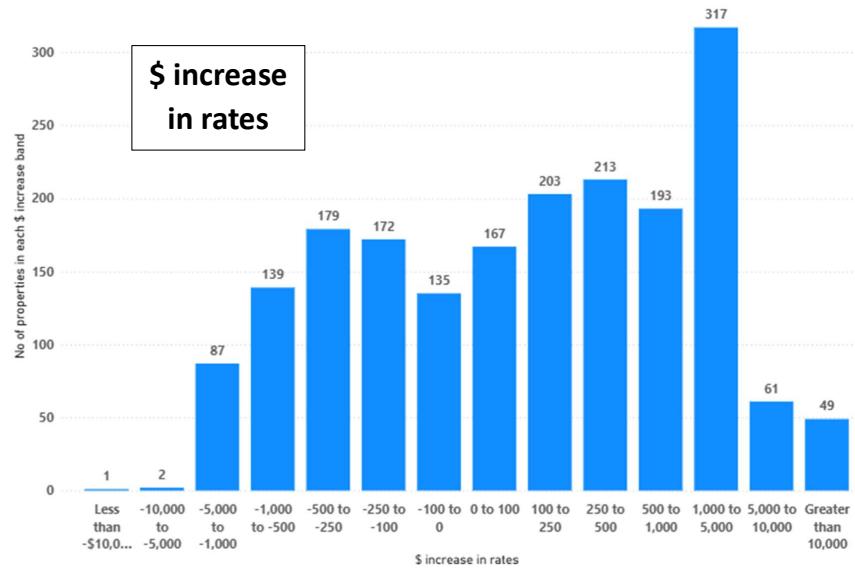
Rates increases based on proposed Annual Budget for 2026/27



Palmerston North City Council

Non-Residential (Commercial/Industrial) Properties

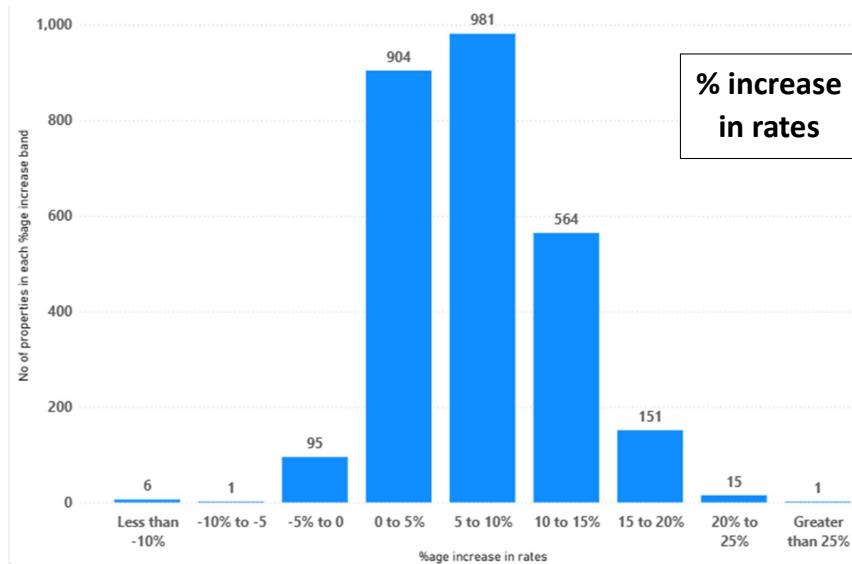
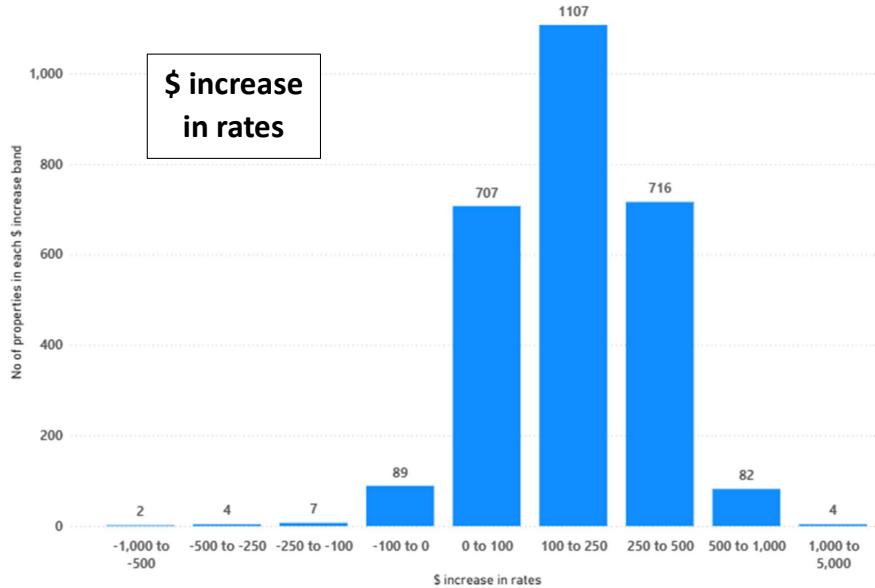
Rates increases/decreases based on proposed Annual Budget for 2026/27



Palmerston North City Council

Rural/semi-serviced Properties

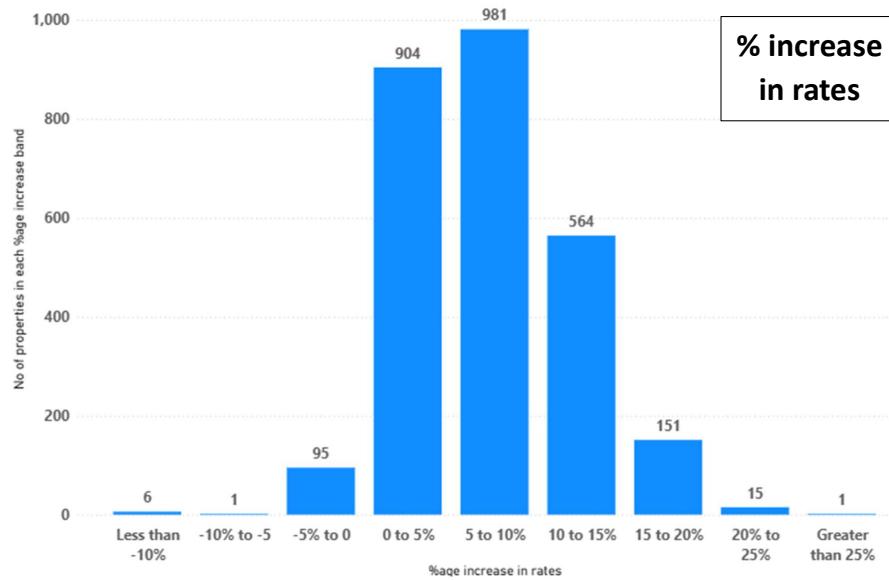
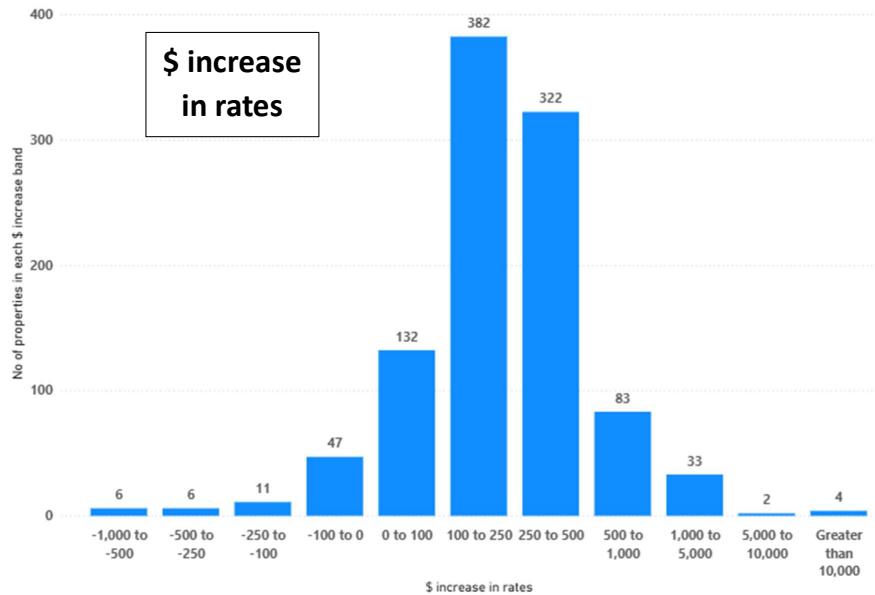
Rates increases/decreases based on proposed Annual Budget for 2026/27



Palmerston North City Council

Multi-Unit Residential Properties

Rates increases based on proposed Annual Budget for 2026/27



MEMORANDUM

TO: Council

MEETING DATE: 11 February 2026

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

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

APPROVED BY: Cameron McKay, General Manager Corporate Services

RECOMMENDATION(S) TO COUNCIL

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

1. ISSUE

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

2. BACKGROUND

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

Budget Change Requests

Planning Services

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

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

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

Property – Solar Panel Installation

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

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

3. NEXT STEPS

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

4. COMPLIANCE AND ADMINISTRATION

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

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

ATTACHMENTS

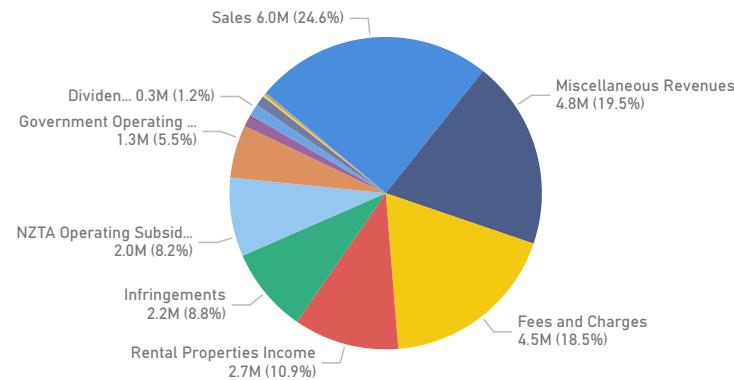
1. Council Dashboard December 2025 [!\[\]\(e14fb2d546898d6e9a5ea88d5e2c5626_img.jpg\)](#)
2. Quarterly Performance and Financial Report December 2025 [!\[\]\(2da96a62a9be228f9caa0fd5a756abec_img.jpg\)](#)
3. Quarterly Performance and Financial Report December 2025 Appendix 1 [!\[\]\(d62708e21c9ca5824311d7f10ac4b39f_img.jpg\)](#)
4. Quarterly Performance and Financial Report December 2025 Appendices 2-11 [!\[\]\(275e7a6f27dee28b4d61be7d8545aa8d_img.jpg\)](#)

December Financial Dashboard - Profit and Loss

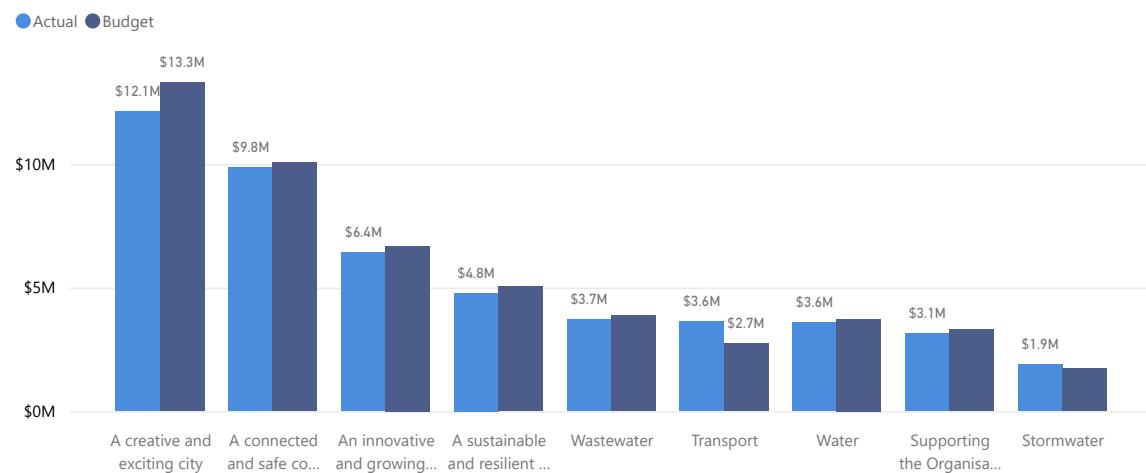
YTD operating position - Council

Category	YTD Actual	YTD Budget	YTD Var.	FY Budget
Operating Revenue	(24.6M)	(22.6M)	2.0M	(43.9M)
Fees and charges	(4.5M)	(4.8M)	(0.2M)	(8.2M)
Grants and subsidies received	(3.4M)	(3.4M)	0.1M	(6.8M)
Other revenues	(16.6M)	(14.5M)	2.2M	(28.9M)
Operating Expenditure	73.7M	73.1M	(0.7M)	142.5M
Contractors	13.6M	12.3M	(1.3M)	27.7M
Grants and subsidies paid	7.6M	7.5M	(0.1M)	12.8M
Materials	1.9M	2.4M	(0.6M)	5.2M
Net Internal Expenses	(3.7M)	(3.7M)	-	(6.7M)
Other operating expenses	13.6M	13.8M	0.2M	21.7M
Professional Services	7.7M	7.8M	(0.1M)	15.7M
Remuneration	30.8M	31.0M	(0.2M)	62.4M
Utilities	2.2M	2.0M	(0.3M)	3.7M
Other operating	(67.7M)	(66.1M)	1.6M	(132.0M)
Net Interest	5.5M	6.9M	(1.5M)	13.9M
Rates Revenue	(73.1M)	(73.0M)	0.1M	(145.9M)
Total	(18.5M)	(15.6M)	2.9M	(33.4M)

Non-rates revenue YTD by resource



YTD operating position - by Activity



Operating position:

The net controllable operating position at the end of December is 1.3M favourable against budget.

From a revenue perspective (2.0M favourable to budget in total):

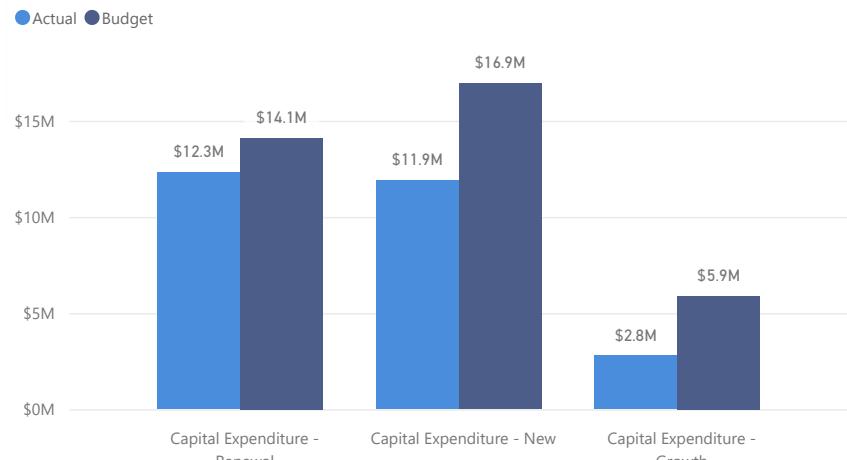
- Other Revenues received were favourable by 2.2M, mainly due to higher parking infringements (0.6M), windfarm royalties (0.5M) and planning services fees (0.4M) collected.
- Miscellaneous revenues include the MDC Building Contract (0.7M), catering cost recoveries (1.3M), waste minimisation (0.5M), and Windfarm Royalties (1.1M).
- Sales include the Parking Meters (1.5M), After Hours Contact Centre (1.3M), Waste Management and minimisation (1.2M).
- Fees and Charges includes Building Services (2.7M), Animal Control (0.8M) and Planning Services (0.6M)

From an expenditure perspective (0.7M over-budget in total):

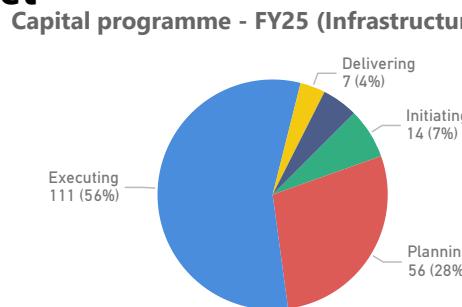
- Contractors unfavourable by 1.3M due to higher maintenance costs in Transport.
- Remuneration expenses are favourable by 0.2M, driving by savings in salaries, offset by 0.5M unfavourable variance in capitalisation of remuneration.
- Professional services are favourable by 0.1M due to Digital Solutions being under budget (\$0.5M), offset by legal and consultancy expenses relating to Plan Change G appeal (\$0.4M).
- Other expenses were favourable by 0.2M. Within this, insurance premiums are 1.2M favourable. There is likely to remain unchanged for the remainder of the year. This is offset within other operating expenses mainly by Software Licenses 0.8M, which have been budgeted against professional services.

December Financial Dashboard - Balance Sheet

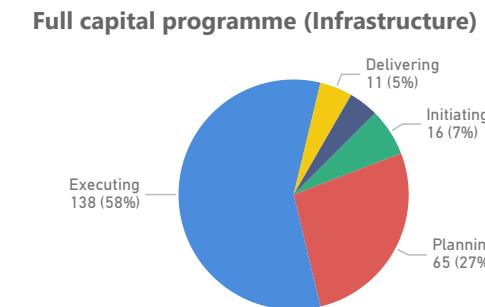
YTD capital spend



Capital programme - FY25 (Infrastructure)



Full capital programme (Infrastructure)



YTD capital spend - all Council

Category	Actual	Budget	Variance	FY Budget	% FY Budget
Capital Expenditure - Growth	2.8M	5.9M	3.1M	13.6M	20.4%
Capital Expenditure - New	11.9M	16.9M	5.1M	47.6M	25.0%
Capital Expenditure - Renewal	12.3M	14.1M	1.8M	35.9M	34.3%
Total	27.0M	36.9M	10.0M	97.2M	27.8%

Capital programme:

- The capital spend to the end of December was 27.0M (FY2025 29.5M) against the revised budget of 36.9M (27.8% of the full year budget).
- Growth is under budget mainly due to delays in factors outside Council control.
- Capital New is under budget mainly due to changes in the timing on some Stormwater projects, and changes to the timing of the Pasifika Centre Expansion.
- Renewals is under budget due to timing of some Wastewater programmes.
- Net Debt is below budget YTD due to lower capital expenditure than budget (283.0M actual vs 296.6M budget).

Net debt by month



Performance and Financial Report to Council

December 2025

Contents

Chief Executive's Summary	2
Operating Performance	3
Capital Delivery	5
Net Debt.....	10
Funding Update.....	11
Performance Measures.....	14
Resourcing.....	14

Chief Executive's Summary

This report covers the first half of the 2025/26 financial year.

At the end of December, Council's operating controllable position was 1.3M favourable against the revised budget, with favourable revenue and insurance costs being less than anticipated. Although this has helped keep us within the overall budget envelop, management are continuing to work on keeping within the specified budgets for remuneration and professional services.

Council is currently forecasting the operating controllable position to be 1.5M favourable. The current forecast has the remuneration budget being slightly favourable at 0.3M, however the professional services budget is forecasting an unfavourable position of (1.1M) at year end. This unfavourable variance is predominantly being driven by higher professional services costs in Development & Regulatory due to the inability to recruit Planning staff. These costs are, however, offset by additional revenue. There is also higher professional services within Strategic (City) Planning, relating to the Plan Change G appeal.

Although the forecast is at a current point and time, management does expect to see this move further with updated information as the balance of the year progresses and we continue to work on offsetting unfavourable costs. Due to the forecasted variance in professional services expenditure within Development & Regulatory, we are requesting Council approval for a budget increase for professional services. This increase will be fully offset by corresponding additional operating revenue.

Council's overall net operating surplus in the second quarter is 2.9M favourable, driven mainly from favourable interest costs compared to budget. This is expected to remain favourable during the year due to lower interest rates than assumed. With this in mind, we are currently forecasting the net operating position to be 4.1M favourable to budget at year-end, and as noted above, driven mainly by a forecasted 2.2M favourable variance in net interest. Key variances across operating revenue and expenditure and further information outlining operating variances is provided in subsequent sections of this report and associated appendices.

Total capital spent to the end of December was 27M against the revised budget of 37M. Renewals have been a focus for Council and are currently slightly behind the planned budget. This quarter saw a focus on continuation of planning the upcoming projects as well as delivering.

The 10M variance between actuals and the budget includes approx. 3.1M of growth programmes that have not eventuated yet; 1.8M of which is in the renewal programme and is expected to be caught up on by the end of the financial year. The remaining variance of 5.1M in the capital new budget is caused by some projects requiring external funding decisions that are outside of Councils' control. We are not expecting to catch up on all currently delayed or on hold projects in the capital new space by the end of the financial year. The capital forecast is currently signaling an underspend of 15.8M at year end.

Further information on capital delivery is also provided in subsequent sections of this report and associated appendices.

Operating Performance

Summary of Financial Performance	2025/26 (\$M)					
	YTD			Full Year		
For the period to 31 December 2025	Actual	Revised Budget	Variance	Revised Budget	Annual Budget	Forecast
Fees and charges	4.6	4.8	(0.2)	8.2	8.1	7.9
Grants and subsidies received	3.4	3.4	0.1	6.8	6.5	7.2
Other revenues	16.6	14.5	2.2	28.9	28.9	32.0
Operating Revenue	24.6	22.6	2.0	43.9	43.5	47.1
Remuneration	30.8	31.0	0.2	62.4	62.1	62.1
Other operating expenses	13.6	13.8	0.2	21.7	22.1	22.4
Contractors	13.6	12.3	(1.3)	27.7	27.3	28.0
Grants and subsidies paid	7.6	7.5	(0.1)	12.8	12.8	12.9
Materials	1.9	2.4	0.5	5.2	5.2	4.5
Professional Services	7.7	7.8	0.1	15.7	14.7	16.8
Utilities	2.2	2.0	(0.2)	3.7	3.7	4.1
Net Internal Expenses	(3.7)	(3.7)	0.0	(6.8)	(6.8)	(6.5)
Operating expenses	73.7	73.1	(0.7)	142.5	141.0	144.2
Operating Controllable Surplus/ (Deficit)	(49.1)	(50.5)	1.3	(98.6)	(97.5)	(97.1)
Rates Revenue	73.1	73.0	0.1	145.9	145.9	146.3
Net Interest	(5.5)	(6.9)	1.4	(13.9)	(13.9)	(11.7)
Net Operating Surplus/(Deficit)	18.5	15.6	2.9	33.4	34.6	37.5
Depreciation and amortisation	(23.4)	(23.6)	0.2	(49.6)	(49.6)	(47.1)
Non-operating revenues	3.7	4.5	(0.8)	15.2	14.7	16.2
Non-operating expenses	(1.2)	0.0	(1.2)	0.0	0.0	(1.2)
Net result	(2.4)	(3.5)	1.0	(1.0)	(0.3)	5.4

The net controllable operating position at the end of December is 1.3M favourable against budget.

From a revenue perspective (2.0M favourable to budget in total), other revenues received were favourable by 2.2M, due to higher parking infringements, windfarm royalties received and planning services revenue.

From an expenditure perspective (0.7M unfavourable to budget in total):

- Other expenses are favourable by 0.2M, with Insurance expenses being 1.2M favourable and Software Licenses being 0.8M unfavourable.
- Remuneration is favourable to budget by 0.2M, due to salary savings, offset by lower capitalisation of remuneration than budgeted for.
- Contractors are 1.3M unfavourable to budget due to higher levels of roading maintenance being completed.
- Professional services are favourable by 0.1M due to digital transformation being under budget, offset by legal and consultancy expenses related to Plan Change G appeal.

In relation to other variances:

- Rates revenue is tracking close to budget.
- Net interest was favourable due to both lower interest rates than budgeted for, and higher interest received from PNAL.
- Non-operating revenues were unfavourable to budget due to delays in the timing of capital works.
- Non-operating expenses were unfavourable to budget due to derivative (interest rate swaps) being revalued lower due to reducing floating interest rates.

For further information on YTD operating performance see:

- Appendix 1 - Detailed Non-Financial Performance Measures
- Appendix 2 – Activities Net Operating Cost
- Appendix 3 – Operating Programme Reporting
- Appendix 7 – Financial Statements
- Appendix 8 – Approved variations to Annual Budget

Capital Delivery

Delivery Status

Total capital spent to the end of December was 27M against the revised budget of 37M. Renewals have been a focus for Council, and are currently slightly behind of planned budget, however we expect them to catch up.

This quarter saw a focus on continuation of planning the projects as well as delivering.

The 10M variance between actuals and the budget includes approx. 3.1M of growth programmes that have not eventuated yet, 1.8M is in the renewal programme which we expect to catch up on by the end of the financial year. The remaining variance of 5.1M in the capital new budget is caused by some projects being on hold due pending decisions on external funding, along with delays which cause a knock-on effect. We are not expecting to catch up on all currently delayed or on hold projects in the capital new space by the end of the financial year.

Projects at risk of not being delivered this financial year are:

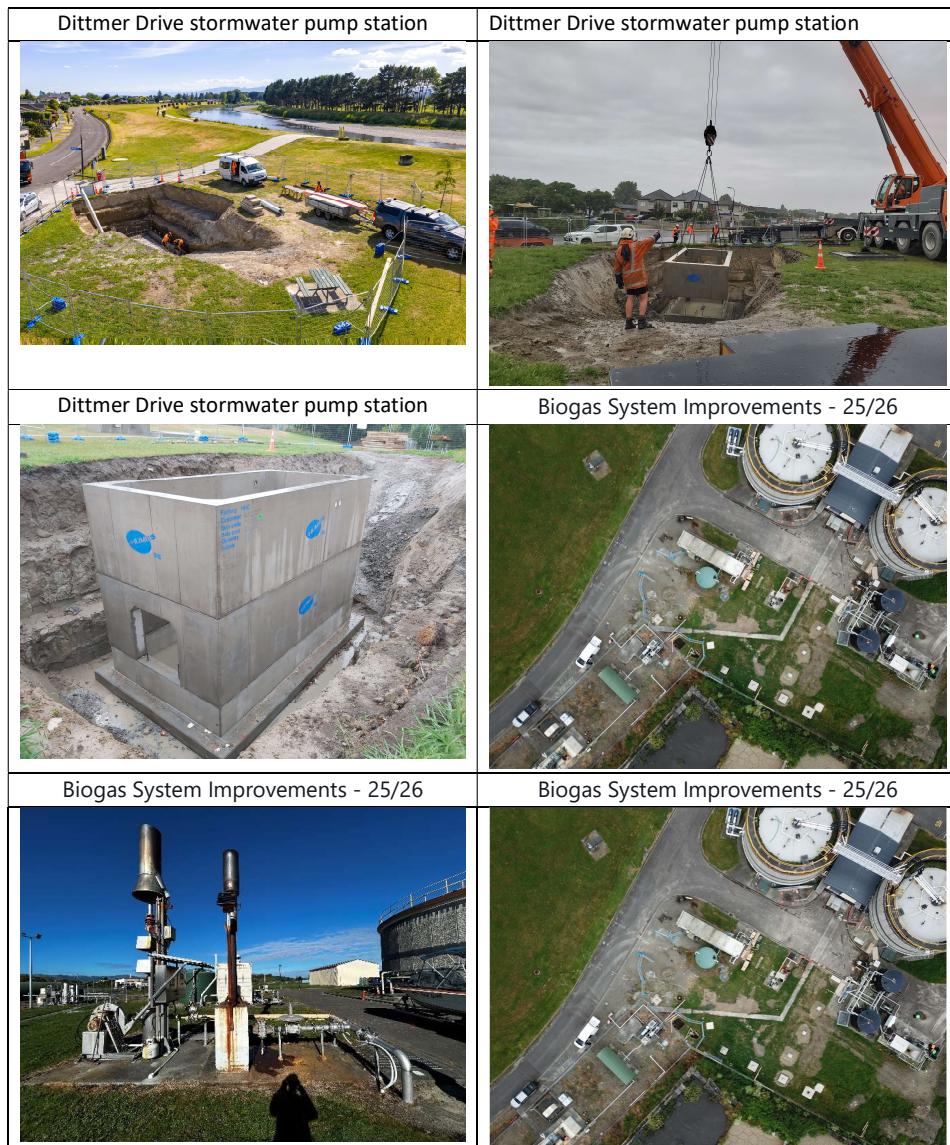
- CET Arena Masterplan due to awaiting decision around scope and design
- Te Motu O Poutoa and associated road due to awaiting external funding confirmation
- Resource Recovery Centre due to awaiting external funding confirmation and business case to confirm scope
- Wastewater BOP due to awaiting government direction

Key project highlights for the quarter include the progress on desludging the wastewater ponds, Dutton Street Stormwater Improvements being close to completion, five new bus shelters installed across the city, completion of the Victoria Esplanade Shade House construction

Q3 expected work:

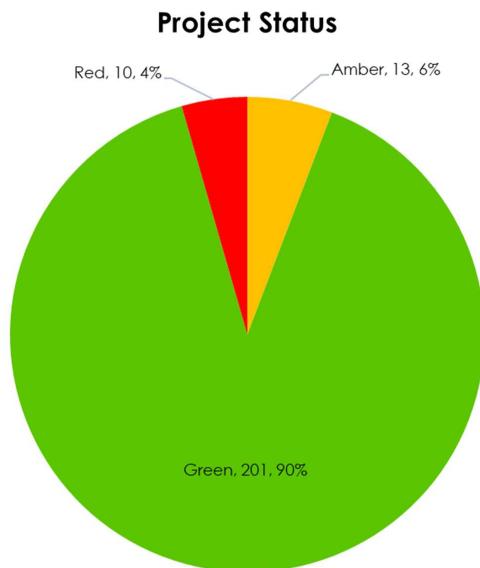
- Most projects will be in full swing for Q3
- Roading will have a busy quarter being summer which includes sealed pavement renewals
- Napier Road Bore City East will start site preparations
- Renewal programmes will continue to be delivered
- Multi-cultural Hub will be moving into construction
- Pasifika Community hub will be moving into construction
- Conference Centre Pavement Rehab will be completed
- Main Street Bus Terminal Pavement Rehab will be completed
- Whikiwhiri Street Stormwater improvements will be complete
- At least six new bus shelters being installed across the city
- Wyndham Street Pavement upgrade will be completed
- Hockey pavilion renewals will be started
- Kelvin Grove Road upgrade: Detailed design for stage one to be completed
- Centennial Drive Wastewater Main / Golf Club construction to begin

Some images of the progress that was made in Q2:



Project Status Reporting

Monthly project reports are completed for most projects to confirm project health and performance. Report requirements vary depending upon project scale and complexity. Reports include a red, amber, green (RAG) overall status assessment based on scope, cost, schedule, and resourcing. As of Q2 end 201 projects are green, 13 amber and 10 red. Projects identified as red represent realised delivery risks to cost, time, scope or quality of project deliverables. Amber rated projects have lower risk of non-delivery; however, review and mitigation are in place to ensure full delivery of the project is achieved.



Amber projects account for 6.9M of the budget while red account for 12.2M. Projects identified as Red include the following:

1. Arena 5 Development: Investigations into alternative options has delayed the project to the point that there will be significant underspend this FY.
2. Cliff Road Upgrade - Te Motu O Poutoa: Currently in design, decision to progress to construction dependant on external funding confirmation.
3. Whakarongo & Aokautere Intersection Upgrade: Business case underway which will require NZTA approval. Timeframes involved mean that construction is very unlikely to occur this FY.
4. Te Motu o Poutoa Construction: Delays with securing external funding mean that construction cannot commence in the current FY.
5. MRF Upgrade and Development: Works on hold awaiting external funding application. Programme will be referred to the 2027-37 LTP Process.
6. Valve Replacement - Upper Dam: Costs are higher and project more complex than initially thought, works need to be spread over 2 FYs.
7. Bin Processing Storage Facility: Pricing came back more than allowed in budget, therefore on hold.
8. MRF Transformer Renewal: Dependant on MRF Upgrade and Development.
9. MRF Renewals: Dependant on MRF Upgrade and Development.

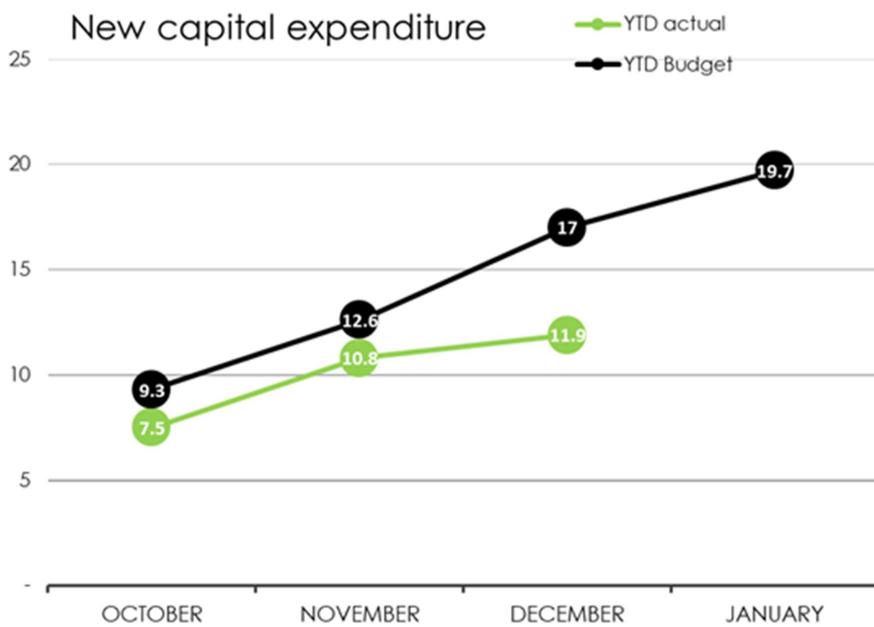
Capital Spend

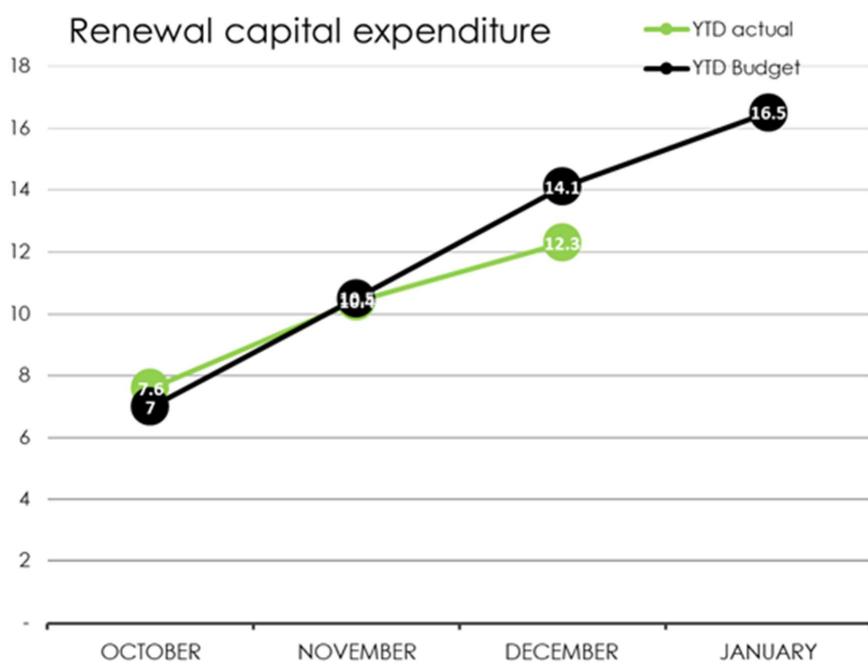
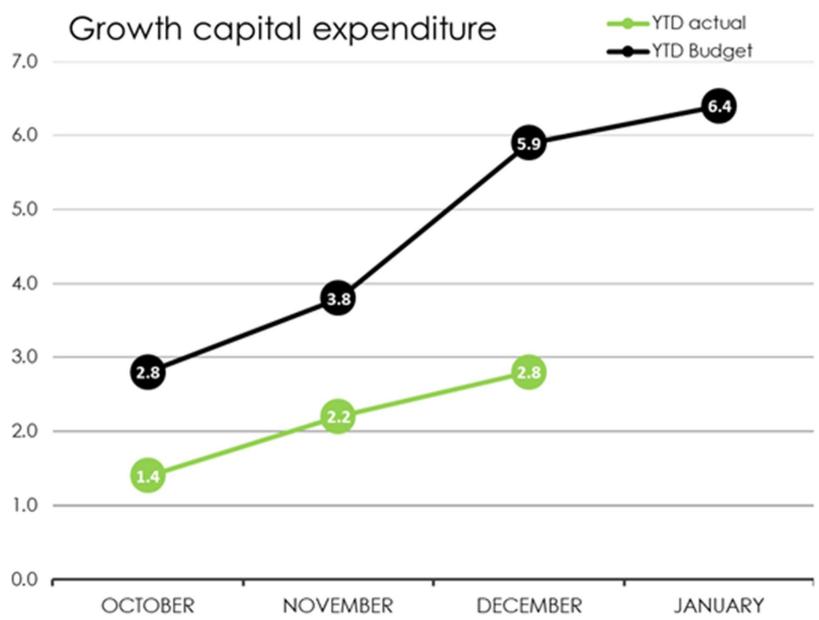
The total capital spend to the end of Quarter 2 of the FY2026 reached 27.0M as compared to 29.5M for the equivalent period of the FY2025.

	YTD Actual	YTD Budget	YTD Variance	FY2026 Revised Budget	% FY Rev. Budget	FY Forecast
Capital Expenditure - New	11.9	17.0	5.1	47.6	25.0%	34.7
Capital Expenditure - Growth	2.8	5.9	3.1	13.6	20.4%	12.5
Capital Expenditure - Renewal	12.3	14.1	1.8	35.9	34.3%	34.3
Total Capital	27.0	37.0	10.0	97.1	27.8%	81.4

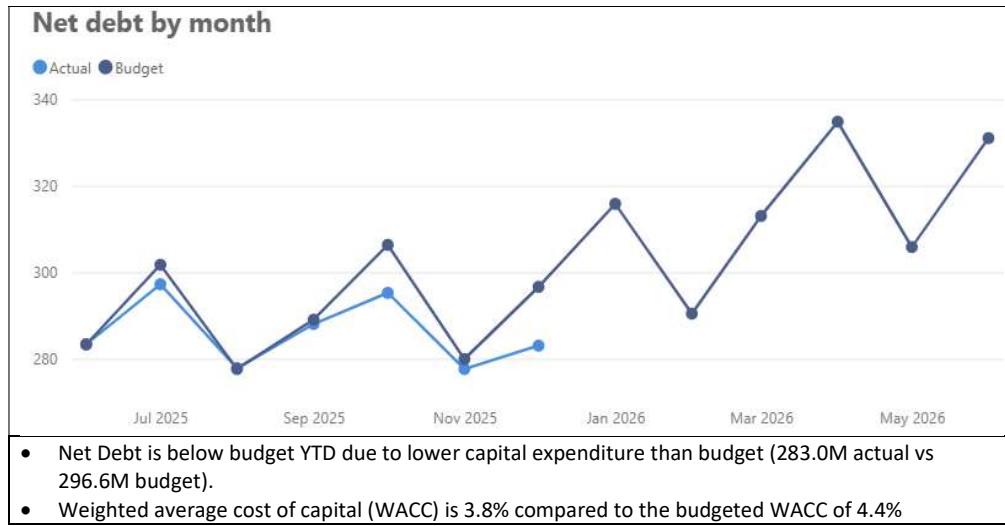
For additional information on capital delivery see:

- Appendix 4 – Capital expenditure by Group of Activities
- Appendix 5 – Capital expenditure by Programme (over \$1,000,000)
- Appendix 6 – Capital expenditure by Programme (under \$1,000,000)
- Appendix 8 – Approved variations to Annual Budget
- Appendix 11 – Project Completion Summaries





Net Debt



Funding Update

At the end of the December 2025 quarter, \$5.7m against an assumed \$6.5m of external funding for 2025/26 has been secured (excluding NZTA). This includes successful applications from prior years that are awaiting drawdown as pre-conditions are met, such as Better Off Funding and approved funding for Te Motu o Poutoa. In addition, funding applications for a further \$4.8m in 2025/26 and \$2.4m in 2026/27 have been submitted, including the following:

- **Te Motu o Poutoa Civic Marae and Cultural Centre:** In conjunction with Rangitāne, the application to the Regional Infrastructure Fund is for \$3m. This application remains on hold and is currently tabled to the Minister for consideration. This project is conditional on external funding being secured.
- **Materials Recovery Facility (MRF) upgrade:** A \$4.2m funding application has been submitted to the Ministry for the Environment (MfE) under the Waste Minimisation Fund (WMF) to support the planned upgrade. The internal assessment has been completed, and the external panel is supportive of funding the PNCC regional MRF through the WMF. The application was expected to be tabled with the Minister in Jan 2026, with an outcome anticipated in early Feb 2026. However, the proposed project deferral presents a significant risk to the funding outcome, as MfE has stated that funding will not be held if the project is delayed.

Latest update: MfE has noted that the request for \$4.2 million, for a mixed waste stream project, represented 14% of the total WMF allocation for the year. As such, the regional impact and collaboration are key factors in enhancing the project's desirability, which is currently assessed as medium value for money within the WMF framework. The moderators have outlined draft conditions for a funding offer, but we expect to be provided a brief on this in late January.

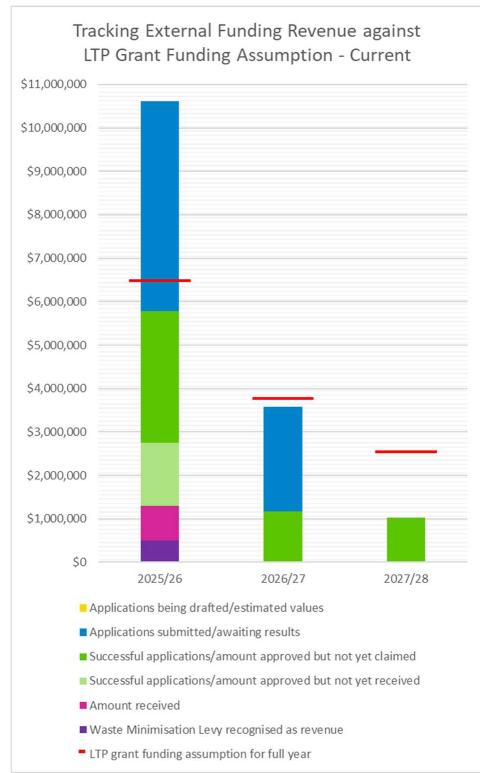
- **Civil Defence Solar:** We are working with Energy Efficiency and Conservation Authority (EECA) to facilitate a substantial solar energy investment aimed at operational resilience and achieving environmental targets at various civil defence sites throughout the city. We are a suitable candidate for this funding. Based on our initial assessments of project scale and eligibility criteria, we anticipate that the funding secured for these installations would be up to \$420,000.

The responsibility for funding decisions lies entirely with the funders – these are contestable grants, not guaranteed allocations.

Council also continues to work with project sponsors internally and funders externally to identify additional opportunities where no external funding budget assumption has been made. Exhibit 3 below highlights the four categories of projects identified by the Council and informs funding application targets and conversations.

For the Council to secure funding, a proactive and strategic approach to funder engagement is essential. This means going beyond simple applications to build robust partnerships and consistently show how Council projects align with funders' values. Through early engagement, Council can discuss projects with funders, ensuring strong alignment with their strategic initiatives from the outset. One way to achieve this is through Memoranda of Understanding (MoUs). MoUs are formal, though often non-binding, agreements that outline shared intentions and objectives between the Council and a particular funder. We have established an MoU with Central Energy Trust (CET) for \$1m each year for the next five years, incorporating the previously approved funding of \$500k from CET towards Te Motu o Poutoa. The new arrangement starts this financial year and is reflected in Exhibit 1.

Exhibit 1: Summary of Grant and Funding Activity



Notes:

- 20 current/live grants – ranging from drafting stage to accountability stage.

Exhibit 2: Better Off Funding and Other Funding Breakdown

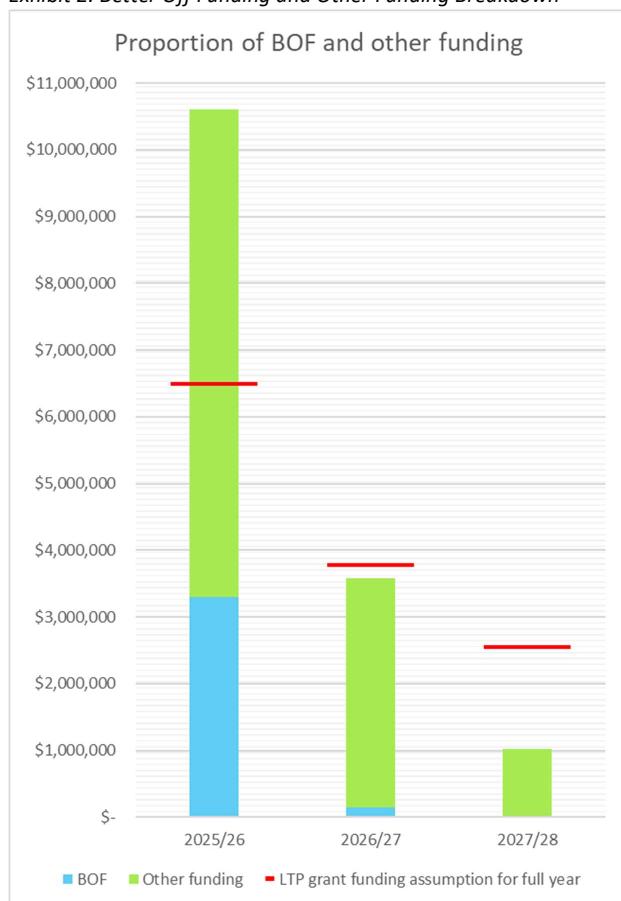
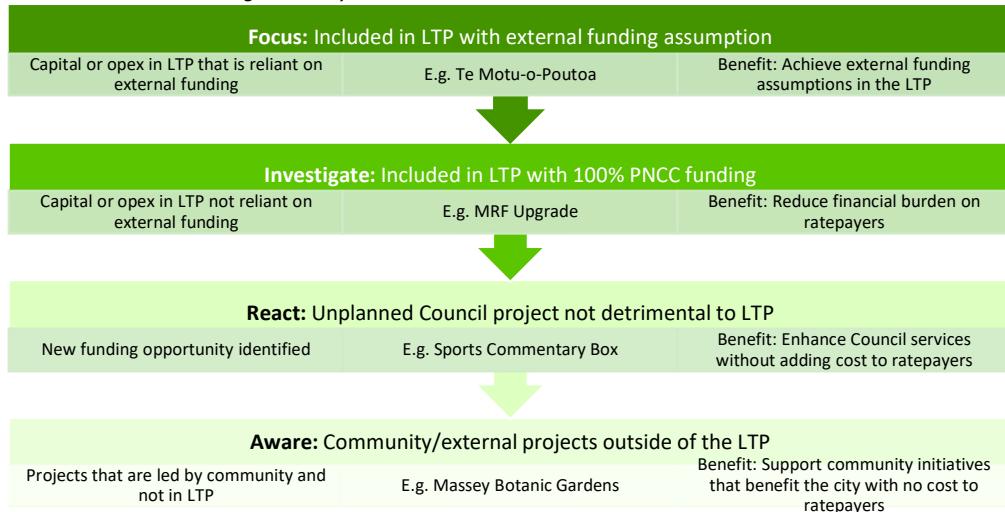


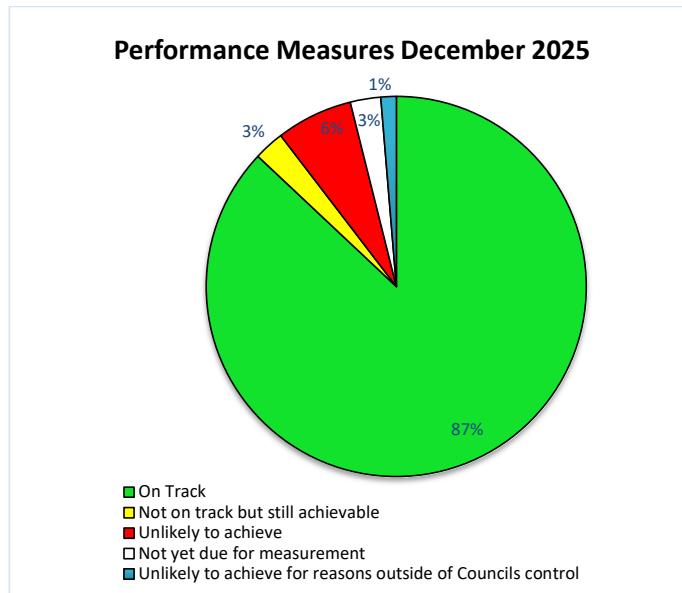
Exhibit 3: External Funding Hierarchy



Performance Measures

For 2026 Quarter 2:

- 67 (87%) of performance measures are on track
- 5 (6%) are unlikely to achieve
- 2 (3%) are not on track but still achievable
- 2 (3%) are not yet due for measurement
- 1 (1%) are unlikely to achieve for reasons outside of Council's control



The measures categorised as 'Unlikely to achieve' are:

- **Housing – Measure 01:** Unlikely to achieve having enough infrastructure ready sections to meet National Policy Statement on Urban Development requirements due to capacity for serviced greenfield areas being short compared to our 3-year demand.
- **Housing – Measure 03:** The second quarter resource consents for 2025/26 on-time performance is 47% compared to a target of 80%. This is mainly due to continued difficulties in recruitment and sourcing specialist advisers across the industry. There are process management improvements, including standardise KPIs and workflow tools, as well as increased capacity being embeded to improve efficiencies in this area.
- **Transport - Measure 05:** 86% of Transport managed footpaths with a known condition rating rated between 1 (Excellent) and 3 (Average) meet the Council's standard compared to a target of 93%.
- **Recreation and Play – Measure 03:** In the second quarter, Arena hosted Community Sport and Non-Sport bookings (Sport - 1,226, Non-Sport - 34), representing 97% of total bookings and 3,330 hours of use (46% of total usage hours). These bookings contributed 25% of total revenue. Resident satisfaction with Arena facilities is 60% – 3% higher than last year but 10% below the target. Unlikely to achieve the target based off latest results.

- ⇒ **Water – Measure 02:** Council did not achieve full (100%) compliance with the bacterial and protozoal requirements of the Water Services Regulations for Bore supplies due to technical issues with chlorine contact time and minor data gaps. Programmes are underway to address these issues, as well as an incoming new set of Drinking Water Quality Assurance Rules.

The measures categorised 'Not on track but still achievable' are:

- ⇒ **Transport – Measure 07:** The average quality of ride on the sealed local road network for the second quarter was 76% smooth travel exposure for urban and rural roads compared to a target of 80%.
- ⇒ **Water – Measure 01:** Council did not achieve full (100%) compliance with water supply due to technical issues with chlorine contact time and minor data gaps rather than unsafe water. Residents are encouraged to conserve water with targeted messaging on the Council website and a voluntary water conservation programme over the summer has seen Palmerston North avoid water restrictions for the last four years. Resident satisfaction with the water supply was 71% for the year to date, which is below the target of 78%, however the number of dissatisfied customers has reduced to 1% for the quarter. Programmes are in place to address the issue of water discolouration within the supplies.

The measures categorised 'Not yet due for measurement' are:

- ⇒ **Arts and Heritage – Measure 02:** Te Manawa will provide its 6-monthly report to Council in February 2026, which is in line with the LGA deadline. The Council agreed on 5 February 2025 to exempt the Globe and Regent theatres as CCOs under the LGA. As such, the theatres will no longer be providing 6-monthly reports. They will continue to provide Annual Reports and SOI.
- ⇒ **Recreation and Play – Measure 01:** Parks Check surveys are undertaken throughout the year with the results on how well Council's parks are meeting community expectations reported at year end. Satisfaction target is at least 90% satisfied or very satisfied with overall quality of sports fields, parks, and reserves.

The measures categorised 'are unlikely to achieve for reasons outside of Council's control' are:

- ⇒ **Community Safety and Health – Measure 03:** Resident satisfaction with the Council's provision of control of roaming dogs is 55% for the second quarter compared to a target of 61%. A review of officer response times to roaming dog complaints indicates that there has been no change to these. We continue to embed revised ways of working within the Animal Management team to increase visibility of officers in the community.

For further information on Performance Measures see:

- Appendix 1 - Detailed Performance Measures

Resourcing

A summary of PNCC Resourcing is included below for your information. The figures below include all approved positions in the structure.

Employment Status	Number of Staff	FTE	Budgeted FTE
Permanent Full-time	544	544	562
Permanent Part-Time	107	74	72
Vacancies	59	58	54
Temporary	11	10	-
Total Number of Positions (excl. casuals)	721	686	688
Add Casual	35	11	-
Less vacancies	(59)	(58)	(27)
Total Positions	697	639	661

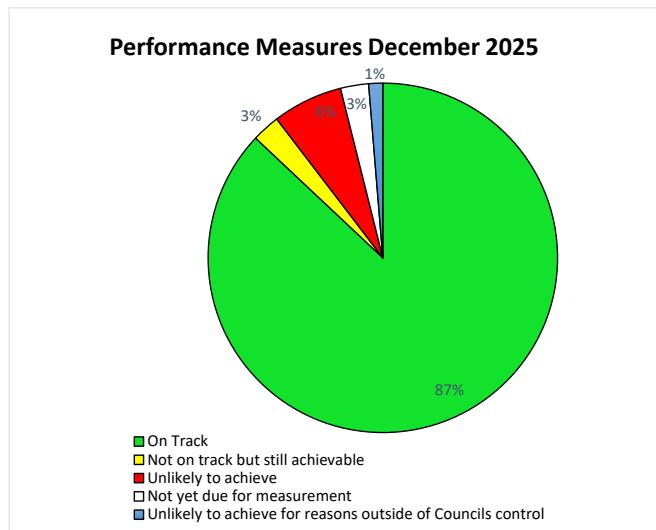
Appendix 1 – Detailed Non-Financial Performance Measures

Long-Term Plan Performance Measures

This part of the report looks at how well the Council is delivering on the performance measures.

The report is organised by Activities. Each Activity page has "traffic lights" to show progress towards the Long-term plan:

Not yet due for measurement	W
On track	G
Not on track but still achievable	Y
Unlikely to achieve	R
Unlikely to achieve for reasons outside of Council's control	B



Performance Measure Summary by Activity	G	Y	R	W	B	Total
Goal 1 - An Innovative & Growing City						
Housing	4	-	2	-	-	6
Urban Design	1	-	-	-	-	1
Economic Development	8	-	-	-	-	8
Transport	5	1	1	-	-	7
Goal 2 - A Creative & Exciting City						
Arts and Heritage	3	-	-	1	-	4
Recreation and Play	3	-	1	1	-	5
Goal 3 - A Connected & Safe Community						
Community Support	5	-	-	-	-	5
City Library	3	-	-	-	-	3
Community Safety and Health	5	-	-	-	1	6
Goal 4 - A Sustainable and Resilient City						
Climate Change and Sustainability	2	-	-	-	-	2
Biodiversity and the Manawatu River	2	-	-	-	-	2
Resource Recovery	3	-	-	-	-	3
Water	7	1	1	-	-	9
Wastewater	6	-	-	-	-	6
Stormwater	6	-	-	-	-	6
Supporting the Organisation						
Governance and Active Citizenship	4	-	-	-	-	4
Total Measures	67	2	5	2	1	77
% of measures able to be measured	87%	3%	6%	3%	1%	

Quarterly Performance and Financial Report - December 2025

Performance Measures	Comments	Sep	Dec	Mar	Jun
Goal 1: An Innovative and Growing City					
Housing					
01. Narrative measure showing Council has enough infrastructure ready sections to meet National Policy Statement on Urban Development requirements.	Based on building consents across the city and the most recent Housing and Business Development Capacity Assessment, estimated capacity in the residential zone is 1,075 dwellings. This is a 534 dwelling surplus compared to our 3-year demand. Capacity for serviced greenfield areas is 172 dwellings. This is a 221 dwelling shortage compared to our 3-year demand. Capacity in our rural zone for rural-residential dwellings is 1,150 dwellings. This is a 1,101 dwelling surplus compared to our 3-year demand.	R	R		
02. Narrative measure outlining progress on zoning and providing infrastructure for residential needs, including the proportion within the existing urban footprint.	The Roxburgh Crescent Residential Area is currently under appeal (Plan Change E; approximately 105 homes). The hearing for Plan Change I (Increasing Housing Supply and Choice/Medium Density) has been completed, and further information is due in Q3 (Jan - March 2026) to inform a decision. Kākātangiata (approximately 3,000 homes) has received a Plan Stop exemption from the Minister for the Environment. Environment Court proceedings on Plan Change G Aokautere Urban Growth (1,000 lots) are ongoing with a decision expected late 2026. The Manderson Bush Private Plan Change (up to 920 homes located west of Gillespies Line) has been lodged to Council and a further information request has been submitted to the applicant.	G	G		
03. At least 80% of resource consent applications are processed within the statutory timeframe. Consents not processed within the statutory timeframe will be identified with the actual time taken and the reason for this.	The 2025/26 year to date resource consents on-time performance is 47% with 106 consents granted during the year. The number of days taken to process the consents that were over-time was an average of 58 working days. In both cases, performance has improved slightly over first quarter results (which were 43% and 62 working days respectively). For context, the volume of consents granted to date is 230, whereas at this point in 2024/25 it was 214. The Planning Division continues to operate in a very challenging period that is attributed to ongoing difficulties in recruiting suitably experienced planning staff along with sourcing (and obtaining timely responses) from specialist advisers as a result of capacity issues in the industry. While these challenges are expected to continue through the rest of the Financial Year, it is noted an improved contractor management process with standardised KPI's, along with increased capacity is currently being embedded. And on the technology front, a Workflow tool is currently in its build phase, due for release later in 2026, that will automate many current administrative heavy functions. It will also include a customer portal that provides the same benefits as the platform that the Building Division utilise. At the development industry outreach level, it is noted another successful Build Palmy event was hosted by staff and the topic of 'Earthquake & Planning Legislation update' was very well attended.	R	R		

Performance Measures	Comments	Sep	Dec	Mar	Jun
04. Narrative measure outlining how Council's regulatory framework encourages a greater range of housing types and inner city living, while protecting productive soils and minimising development in flood-prone areas.	<p>The District Plan provides for a range of housing types through:</p> <ul style="list-style-type: none"> - Minor dwellings and multi-unit housing in the Residential Zone; and use of multi-unit housing provisions for medium-density developments in the Outer and Fringe Business Zones. 53% of the dwellings consented in the last quarter were multi-unit. This high uptake in multi-unit development is largely attributed to a large consent at the Stoney Creek Road Summerset Village being approved. - Provision is made for apartments in the Inner Business Zone. <p>Productive soils are currently being protected through:</p> <ul style="list-style-type: none"> - The District Plan, by discouraging subdivision of rural zoned land outside of existing proposed rural residential areas or the rural residential overlay; and - The National Policy Statement on Highly Productive Land, by ensuring that rezoning carefully considers the opportunity cost of urbanising highly productive land. Development in flood-prone areas is minimised through careful consideration of flood risk and the economic viability of flood protection when land is investigated for rezoning. Land with the possibility of flood risk is not relied on for short-term land supply in the Future Development Strategy until the risk is fully investigated and effects are mitigated. The review of the Future Development Strategy & Housing and Business Needs Assessment has started, and will be prepared by October 2026 to inform the next Long Term Plan. The Plan Stop legislation from the Ministry for the Environment affects 4 plan changes currently being prepared and may risk the delivery of further reviews of the residential, business, and industrial zones in the short-term. Of these 4 plan changes, 3 have received an exemption from the Minister. Recent resource management reform announced will affect the plan change work programme and scope of the Future Development Strategy. 	G	G		
05. At least 95% of building consent applications are processed within the statutory timeframe (20 working days to process applications as set out in the Building Act).	Of the 173 consent applications processed during the quarter, 166 (95.95%) were completed within the statutory timeframe. The total of 169 applications received this quarter represents a decrease from the 261 applications received in the first quarter and continues to reflect ongoing uncertainty within the construction sector.	G	G		
06. Narrative measure outlining Council's social housing actions (including the number of Council Units; Council tenants' survey results; and Council's actions to support community housing providers).	Council owns 444 social housing units which are a mix of 1, 2 and 3 bedroom units. Current occupancy rate is 99%, excluding those properties undergoing maintenance which are not ready for a new tenant yet. The most recent tenant satisfaction survey was completed in the first half of this calendar year and had an overall satisfaction rate of 97%. The next survey is due to be completed in the beginning of 2027. Council continues to support a range of community housing providers through grant funding programmes, including Strategic Priority Grant recipients for 2025-2028 Camellia House Trust, Housing Advice Centre, Legacy Housing, Manawatū Tenants' Union and MASH Trust. Coordination of the Palmerston North Housing Insecurity Response Collective is continuing, with the pilot programme now in its second year, and the three workstreams ongoing. The flexi-fund has seen 22 applications over this period (with 30 in total, year to date), the outreach workstream has included 20 engagements total (including advocacy and support), 88 year to date, with 4 whānau supported into housing, and the Housing First workstream has entered its implementation phase with a working group underway (reporting from third parties is due mid January).	G	G		

Performance Measures	Comments	Sep	Dec	Mar	Jun
Urban Design					
01. Narrative measure outlining how Council's urban design and city-making initiatives promote a connected, sustainable, accessible, safe, and interesting urban environment.	The city continues to progress positive urban design outcomes. Plan changes support compact, connected and walkable neighbourhoods are progressing, with commissioners having made a decision on Plan Change E (Roxburgh Crescent). The hearing for Plan Change I (Medium Density Zone) has closed and is close to being completed. The Caccia Birch Masterplan and developed design for the Pasifika Community Centre are well advanced, with the Pasifika Centre set for construction this financial year. Arena 5 is currently developing the principles agreement for informing the design and build contract. Part of this is confirming the spatial and functional specification for the building. Funding from the 'Delivering Change' initiative is supporting cultural detailed design for the Pasifika Centre, facilitating a design workshop with Homes for People for new housing. Urban design advice across a range of commercial, housing developments and council projects continues to be provided through internal project meetings and consent pre-application meetings. New commercial developments of Pop Eyes, Starbucks and All Road Adventures are now completed, with new further commercial and housing development in the pipeline. Placemaking pop-up events continue around the City Centre. Officers continue to be actively involved in providing talks to public on urban design matters including talks to a range of community and student groups.	G	G		
Economic Development					
01. Narrative measure showing Council has enough infrastructure-ready sections to meet National Policy Statement on Urban Development requirements.	Based on uptake analysis of building consents across the city and our most recent Housing and Business Development Capacity Assessment, we currently have estimated capacity for 1.6 hectares of land available in our business zones. This is a 0.2 hectare surplus compared to our 3-year demand, 50 hectares of land is available in our industrial zones. This is a 27.1 hectare surplus compared to our 3-year demand.	G	G		
02. Narrative measure outlining progress on zoning and providing infrastructure for residential and business needs.	Technical assessments for Plan Change N (North East Industrial Zone Areas) and A & B are halfway through completion, with current evidence indicating 33.2 hectares of developable land. Infrastructure upgrades have been identified in advance of the next Long Term Plan review. Plan Change N received a Plan Stop exemption by the Minister for the Environment to continue with the plan change prior to 2027. The Bunnythorpe Business Park Private Plan Change (up to 48 hectares of industrial land) has held an early engagement session with Bunnythorpe residents. We expect a draft plan change request to be lodged with Council in Q3.	G	G		

Performance Measures	Comments	Sep	Dec	Mar	Jun
03. Narrative measure outlining the Council-supported initiatives provided by CEDA and their outcomes, with a focus on skills, talent, and low carbon initiatives.	CEDA continues to deliver on their statement of expectations with a particular focus on Te Utanganui/Manawatū Food Strategy, inward investment opportunities, visitor sector development, sector development, business retention and expansion, business innovation and startups, talent attraction and retention and profiling the region through media. CEDA presented their 2024/25 Annual Report to Council in November 2025, which was well received and demonstrated achievement against all performance measures.	G	G		
04. Narrative measure outlining the number and range of Council supported events, including attendance numbers and economic contribution.	Several events supported by Council brought economic benefit to the city through increased visitation and spend. These events span a range of event segments such as sporting, cultural, arts and food and drink to cater to a wide range of residents and visitors. Below are attendance statistics and estimated net economic benefit to the region provided by the events. Armageddon Expo 6,000 pax, \$380,000 estimated benefit. Davis Cup 2,000 pax, \$300,000 estimated benefit. Palmy Drag Fest* 2,000 pax, \$190,000 estimated benefit. Salud* 3,000 pax, \$120,000 estimated benefit. Manawatu Arts Trail* 20,000 pax, \$150,000 estimated benefit. NZ Young Performer Awards* 2,000 pax, \$327,000 estimated benefit. (*Awaiting reporting metrics to provide final report – these figures are based on pre-event estimates).	G	G		
05. Narrative measure outlining how Council's strategic investments and advocacy are attracting inwards investment.	Staff have continued to work with the Ministry for the Environment to achieve external funding towards the upgrade of the Materials Recovery Facility (MRF). The planned upgrade will increase recovery rates and improve material purity, strengthening end-market options and helping build stronger industry partnerships. The upgraded facility could also produce additional revenue from expanded regional service offerings. Officers have previously been advised that, should the application be successful, the funding will need to be utilised promptly and will not be held if the MRF upgrade is deferred. Latest advice received is that the outcome of the funding application has been postponed to accommodate consultation on PNCC's draft budget. There has been no change in relation to the separate funding application to the Government's Regional Infrastructure Fund for Te Motu o Poutoa and the Minister's decision is still on hold.	G	G		

Performance Measures	Comments	Sep	Dec	Mar	Jun
06. Narrative measure outlining the Council's marketing initiatives (including through the Manawatu Convention Bureau and iSite Visitor Centre) and how they are promoting the City to residents and visitors.	Year to date, the team has delivered two city marketing campaigns. This quarter, the marketing team delivered targeted campaigns and initiatives to promote Palmerston North as a vibrant destination for residents and visitors. Key activity included the Summer of Events promotion, which encouraged people to attend upcoming events across the city. The campaign targeted both local audiences and those within a two-hour drive, highlighting the breadth of events available close to home. Palmy Proud magazine hit the streets this quarter, showcasing new developments in the city and experiences for people to see and visit. The team continues to strengthen the magazine's national distribution network, placing it in strategic locations to help more people discover Palmerston North. The Marketing team hosted three familiarisation visits, generated five conference bids, and successfully secured eight business events this quarter, supporting Palmerston North's position as a conference and events destination. Key wins include a strong pipeline of sector-specific conferences and ongoing bookings across 2025 and 2026. Year to date, 16 business events have been secured, bringing an additional 2,247 delegates into the region, with a further 19 conferences currently in progress. Partnerships with local venues and operators have continued to strengthen through tradeshows such as the BE Expo held in Auckland in November, as well as site visits and networking events. Year to date (YTD), the i-SITE has welcomed 53,085 visitors, representing a 9% increase compared with the same period last year. YTD reservation sales have decreased by 6.32% compared with the same period last year, reflecting national trends and reduced ferry availability. In contrast, retail sales have increased by 33% YTD, driven by a strong Christmas period and the launch of the new Palmy-specific product range.	G	G		

Performance Measures	Comments	Sep	Dec	Mar	Jun
07. Narrative measure outlining the Conference and Function Centre initiatives and how they attract and meet the needs of visitors.	<p>This year, we've strengthened efforts to attract and meet our clients where they are. Event planners increasingly search and compare online, so we've expanded our digital presence through targeted Google campaigns. A refreshed social media plan, regular newsletters, and updated website and directory listings (Venue Finder, NZ Venues, etc.) ensure our venues are appealing, and easy to find. Our national business events campaign promotes Palmy Venues + Events as a leading meetings destination through email marketing, online directories, and tailored offers—achieving engagement well above national benchmarks. We've enhanced our client feedback tools to capture insights from first enquiry to event delivery, helping us continuously improve our services. Our monthly Palmy Venues + Events emails keep clients informed and connected on upcoming events. At Meetings 2025, two days of back-to-back meetings with Professional Conference Organisers generated strong enquiries and new leads. Each enquiry is a chance to highlight our facilities, nearby amenities, and full-service offerings—including in-house AV, event coordination, catering, and free parking. Together, these initiatives strengthen our visibility, attract new visitors, and ensure every client interaction reflects the quality and professionalism of Palmy Venues + Events. Together, these initiatives demonstrate a more coordinated, data-informed, and client-centric approach. They have strengthened awareness of Palmy Conference and Function Centre, increased engagement with event planners, and ensured visitors experience a professional, well-supported event journey that reflects the quality of Palmerston North as a destination. A new social media strategy has been implemented to strengthen and add value to our online presence by consolidating Palmy Conference + Function Centre content into Palmy Venues + Events Facebook, Instagram and LinkedIn channels. This approach creates a clearer, more cohesive identity and ensures each platform has a defined purpose and audience. Professional and business-focused content, including conferences, event outcomes, attendance figures and economic impact, will primarily be shared on LinkedIn, reflecting where our key stakeholders and decision-makers engage. Public-facing and community events will be promoted mainly through Facebook, where audiences are seeking inspiration and information about what's happening in the city.</p>	G	G		
08. Narrative measure outlining the Council's international initiatives and how they are promoting the City's interests, especially for international markets, students and visitors.	<p>Staff continued to work with key partners to attract investment and talent, support local institutions and businesses, and position Palmerston North as an outward-looking, innovative regional centre, aligning with Council priorities. This quarter focused on consolidating and activating key international partnerships with Kunshan, Guiyang, and Missoula. Engagement with these sister cities and strategic partners emphasised practical collaboration in trade, tourism, education, and cultural exchange. Regular diplomatic and institutional engagement helped maintain Palmerston North's visibility with international partner cities, embassies, and high commissions, reinforcing trust and readiness for future cooperation. International connections were leveraged to support local economic interests, particularly in food export and education. The city promoted Palmerston North as a home for world-class, health-centred, and future-oriented food products for export growth. Council also highlighted the city's supportive business ecosystem, contributing to pipeline opportunities for inbound investment interest, particularly in the education sector. International education remained a cornerstone of Palmerston North's global engagement, albeit with a lighter touch during this quarter due to the academic calendar. Activity focused on maintaining relationships, sustaining the city's international profile and supporting local education providers through steady engagement.</p>	G	G		

Performance Measures	Comments	Sep	Dec	Mar	Jun
Goal 2: A Creative and Exciting City					
Transport					
01. Narrative measure outlining Council's actions within the transport network and their contribution to safe, low carbon, integrated multi-modal transport, including active and public transport needs.	During the reporting period, Council progressed a programme to install new bus shelters across the city, with 2 shelters completed and an additional 5 scheduled for the remaining financial year improving passenger comfort, safety, and accessibility, and supporting increased uptake of public transport. 43 new bike stands were procured with three installed during this period improving end-of-trip facilities and encouraging active transport for everyday trips.	G	G		
02. Residents' Survey satisfaction results meet targets. Council's provision of roads (32%); provision of footpaths (43%); provision of cycling (44%); and provision of parking availability (42%).	Residents' satisfaction with Council's provision of roads was 33%; provision of footpaths 43%; provision of cycling 46%; and provision of parking availability 53%.	G	G		
03. There is a reduction in the number of fatal and serious injury crashes from the previous year on the city's local road network (excludes state highways and private roads within the city boundary).	From July – December 2025, there was 1 fatal and 11 serious injury crashes in Palmerston North. Two of these involved cyclists, and 1 involved a pedestrian. In the same period 12 months prior (July – December 2024), there were 6 fatal crashes and 9 serious injury crashes. None of those crashes involved cyclists and 3 involved pedestrians. There was a reduction in the number of fatal crashes and number of fatal and serious injury crashes from the previous year.	G	G		
04. More than 3.5% of the sealed local road network is resurfaced.	1.36% of the local road network has been resurfaced year to date. The main resurfacing period occurs from January to April.	G	G		
05. Greater than 93% of footpaths meet Council's standard (i.e. rated 3 or above, as defined in IPWEA NAMS footpath ratings).	86% of Transport managed footpaths with a known condition rating rated between 1 (Excellent) and 3 (Average) meet the Council's standard. 6% are rated 1 (Excellent), 30% are rated 2 (Good), 50% are rated 3 (Average), 12% are rated 4 (Poor), and 2% are rated 5 (Very Poor). This is an increase from last quarter (84.23%). Next steps are to continue with the footpath maintenance programme.	R	R		
06. Greater than 95% of road and footpath safety and critical requests for service are responded to (with at least an initial response) within three working days.	100% of urgent priority road/footpath/cycleway jobs from the public dispatched, on-site, or completed within 3 working days this quarter: 9/9 dispatches and completed within 3 working days.	G	G		
07. The average quality of ride on the sealed local road network, measured by smooth travel exposure, is greater than 80%. (Smooth travel exposure means a measure of the percentage of vehicle kilometres travelled on roads that occurs above the targeted conditions for those roads, calculated in accordance with standard industry methodology).	The average quality of ride on the sealed local road network is 76% smooth travel exposure for urban and rural roads.	R	Y		

Performance Measures	Comments	Sep	Dec	Mar	Jun
Arts and Heritage					
01. Narrative measure outlining initiatives undertaken by Council-supported organisations to promote the arts in the City.	Council-supported initiatives continued to strengthen participation in the arts and celebrate the city's creative diversity. Key initiatives included Art Trail Manawatū, which returned to a decentralised trail format and recorded increased visitor numbers, enhancing visibility for local artists and studios. Council also supported the Creative New Zealand Pacific Artists in Residence programme, with Pasifika group Vatu Dei launching a Fijian language album through a series of performances in local schools and retirement villages, reinforcing intergenerational learning and cultural connection.	G	G		
02. Narrative measure summarising the results from The Regent and The Globe theatres, and Te Manawa 6 and 12 monthly reports.	Te Manawa will provide its 6-monthly report to Council in February 2026, which is in line with the LGA deadline. The Council agreed on 5 February 2025 to exempt the Globe and Regent theatres as CCOs under the LGA. As such, the theatres will no longer be providing 6-monthly reports. They will continue to provide Annual Reports and SOI.	G	W		
03. Narrative measure outlining Council's actions supporting local history, including support for Rangitane in its kaitiaki role, and their outcomes.	The Former Opera House foundation stone was installed with signage outside the former site. The Palmerston North Geopark sign was installed at Pit Park to inform the public about the city's geological history. The City Centre Refresh Initiative (co-funded by Council but led by Palmy BID) has completed its first building refresh on the Pompeii Pizza building. Council has supported Heritage NZ to initiate national listing of the Ladies Rest Building. Funding for the following projects has been allocated: seismic feasibility report for the Noodles and Dumplings building, repainting of the Noodles and Dumplings building and C2C building, repairs and maintenance on Kaingahou House, weatherproofing of the Aqaba building, and two notable trees. Advice on funding support has been provided to projects related to St Andrews Church, the former Whakarongo Railway Station, and 40 George Street. The Heritage Reference Group have provided advice on the What Really Matters report, naming policies, Support and Funding Policy, Community Groups Terms of Reference, and has started their review of the Heritage Plan. Design elements for the Pasifika Hub include reference to historical migration from the Pacific Islands. The latest Palmy Proud featured an article on the current redevelopment of the former Post Office building, with reference to rangatira Kerei Te Panau.	G	G		
04. Narrative measure outlining the number and range of Council provided and supported events, including attendance numbers and satisfaction.	Resident surveying indicates a continued general satisfaction with council-delivered and supported events. Council has delivered three large-scale and one smaller community events this year, including Diwali Mela (5,000 pax), Remembrance Day (500 pax), Palmy Christmas Festival (5,000 - 7,000 pax), and Christmas Parade (15,000 -20,000). Attendance can be hard to gauge as people come and go at different times and for the parade the spread of public throughout the CBD makes it hard to measure. New Year in the Square unfortunately had to be cancelled due to severe winds and very unsettled weather leading up to, and during New Year's Eve. This meant stage and production could not be built safely. Attendance numbers remain at past levels. Council also continues to support a range of successful community events through contestable funding, including Niue Language Week (350 attendees), Light Party 2025 (450 attendees), Te Whare Koha's 10 Year Anniversary event (400 attendees), JFK Lights (attendee data not yet available) and Christmas Eve Carols at the Regent (attendee data not yet available).	G	G		

Performance Measures	Comments	Sep	Dec	Mar	Jun
Recreation and Play					
01. Narrative measure outlining Parks Check Annual Survey results on how well Council's parks are meeting community expectations.Parks Check satisfaction of at least 90% satisfied or very satisfied with overall quality of sports fields, parks, and reserves.	Parks Check surveys are undertaken throughout the year with the results reported at year end.	W	W		
02. Usage numbers at Lido, Freyberg, and Ashhurst Pools are maintained or increased. Residents' satisfaction with Council's provision of public swimming pools is at least 65%.	From July to December 2025, the total number of users across the three aquatic facilities was 285,802, representing a 1% increase — 3,752 more users compared to the same period last year. The number of users of the Lido Aquatic Centre was 197,275. This is 4% higher than the same period last year. The number of users of the Freyberg Community Pool was 76,250, a 3% decrease in comparison to last year. The number of users of the Splashhurst Community Pool was 12,277 a 10% decrease from last year. Resident satisfaction for public swimming pools for the quarter was 54% compared to 50% last quarter, giving a combined overall resident satisfaction average of 52% for the 6-month period. The User satisfaction results will be reported at year end.	Y	G		
03. Narrative measure outlining the number of community events and hours at the Arena in comparison to total number of events and hours.Residents' satisfaction with Council's provision of Central Energy Trust Arena is at least 70%.	After the second quarter, Arena have hosted 1,260 Community Sport and Non-Sport bookings (Sport - 1,226, Non-Sport - 34), which was 97% of bookings undertaken. These accounted for 3,330 hours of use, which was 46% of total hours of use. Community Sport and Non-Sport bookings contributed to 25% of revenue. The resident satisfaction survey shows 60% satisfaction which is 3% up on last year but 10% down on target. Unlikely to achieve the target based off latest results.	B	R		
04. Narrative measure outlining initiatives undertaken by Council-supported organisations to provide sport and recreation opportunities (including target groups).	The Barber Hall at Central Energy Trust Arena was buzzing on 30 October, as 20 teams from local retirement villages gathered for the second annual Active Age Games. The overall winners were Cook Street Rest Home, with prizes also awarded to the highest-scoring teams in each activity. Sport Manawatū hosted the Palmy Play Week Bingo Challenge, a free initiative aimed at encouraging whānau to explore local play spaces and engage in playful activities throughout the week. PNCC supported by providing spot prizes and boosting visibility through social media.The Manawatū Secondary Schools Kī o Rahi Festival brought together kura from across the region, with 288 students participating in a day of sport and cultural celebration. Sport Manawatū collaborated with Tū Toa, Palmerston North Boys High , and BestCare Whakapai Hauora to design and deliver this one-day tournament hosted at Tū Toa.	G	G		

Performance Measures	Comments	Sep	Dec	Mar	Jun
05. Narrative measure outlining Council's play initiatives and their outcomes.	Council's Play programme continues to deliver high-visibility, inclusive and community-led opportunities that strengthen connection, wellbeing, and participation across the city. Palmy Play Week 2025 – Tākaro Mai was successfully celebrated locally in partnership with Sport Manawatū through the Palmy Play Challenge campaign, which included Play Chalk Trails in Te Marae o Hine, while Palmy Play Festival 2025 attracted its strongest turnout to date, with an estimated 4,000–5,000 people attending and over 25 community and multicultural groups delivering free play stalls and activities. The festival continued to embody the kaupapa of 'The Power of Play', ensuring whānau could participate without financial barriers and celebrating Palmerston North's cultural diversity. Council also continues to strengthen the city's play infrastructure and accessibility. The Waka Manaaki Community Events Trailer was fully launched in November 2025, with a live booking system and strong uptake for the summer period (25 bookings confirmed by end of November). During December, the trailer supported multiple end-of-year community and Council activations, enabling neighbourhood groups to host their own play-based and social events. In Bunnythorpe, the final Tākaro Station was installed in partnership with the Bunnythorpe school community. This location was identified through engagement undertaken as part of the Bunnythorpe Community Plan development, where tamariki highlighted a lack of fun and play opportunities at the local sportsfield. Installed alongside the newly developed basketball court and gazebo, the Tākaro Station provides an additional asset that encourages connection, informal play, and shared use of the space. Early feedback has been positive, with strong community engagement and regular use observed.	G	G		

Goal 3: A Connected & Safe Community

Community Support

01. Narrative measure outlining initiatives undertaken by Council-supported organisations to promote community wellbeing.	Council-supported organisations continue to deliver a wide range of community-led activity to strengthen connection, participation, and local leadership across Palmerston North. Key highlights this quarter included the successful launch of the 'Ducks in Row' education workshop series, delivered by Think Hauora as part of the Age Friendly programme, and a Business Information Session held in collaboration with the Network of Skilled Migrants Manawatū and CEDA as part of the Welcoming Communities programme. This programme aims to connect local skilled migrants, entrepreneurs and innovators with the right tools, resources and support networks to help them thrive in business, and was attended by over 40 community members. Demand for contestable funding increased significantly this quarter, with the Arts Event Fund now fully expended, and the Community-led Initiatives Fund nearly fully allocated for the year. Council also provided governance and capability support through Te Pū Harakeke workshops and one-on-one support for community organisations; trainings in the recent quarter included 'Using AI at work' and Te Tiriti o Waitangi workshops. Youth Services continue to deliver a strong programme focused on youth wellbeing, with 21,741 visits to Youth Space year-to-date; a highlight of the recent quarter was the Youth Space Ball, co-designed with young leaders and attended by over 60 young people, some of whom had never before had the opportunity to attend a school ball.	G	G		
---	--	---	---	--	--

Performance Measures	Comments	Sep	Dec	Mar	Jun
02. Residents' Survey satisfaction with Council's provision of funding and support for community groups is at least 43%.	Results for year-to-date show satisfaction with funding and support for community groups is 45%.	G	G		
03. Narrative measure outlining use (type and range) of community centres and Hancock House. Narrative measure outlining progress on the community hub projects.	Palmerston North's community centres and Hancock House continue to support a wide range of social, cultural, safety, wellbeing and community-led activity, with Council playing an active facilitation role. The community centres enhancement project is progressing well, with regular meetings including centre representatives; the group is developing a suite of new videos to promote the centres and improve information available to support ease of booking. The community hub projects have progressed, with community engagement for the Roslyn Community Hub feasibility study now completed, consent and tender processes progressing for the Multicultural Hub, and the Pasifika Hub ready for construction to begin in January 2026.	G	G		
04. Narrative measure outlining user and community feedback on the maintenance of cemeteries (including Annual Residents' Survey).	Overall, Council continues to receive positive feedback from visitors regarding cemetery maintenance. We received one visitor complaint this quarter about the lawns in the older area of Kelvin Grove Cemetery, which was due to the grounds being too wet to mow. Resident satisfaction year to date is 42%, which is similar to previous years.	G	G		
05. Narrative measure outlining number, type, accessibility and location of toilets, plus Annual Residents' satisfaction survey results.	We currently provide and maintain public toilets in 54 locations. The assets are continually maintained and improved where required with new public toilets being added when required to meet community needs. Public satisfaction was 82% at the time of the last survey.	G	G		

Performance Measures	Comments	Sep	Dec	Mar	Jun
City Library					
01. Narrative measure outlining use of the Library's collections, services and programmes, and showing that they are accessible and responsive to community needs.	<p>There were 284,830 physical visits across City Library locations (up 6.5% on last year). Annual visits per capita are 5.99 and the average use per collection item is 4.51 – both above the national average. The City Library website had 592,773 page views; the Library App 86,803 page views; Manawatū Heritage 186,3889 page views; Club Sandwich 3,121 user engagements; and the Tour App hosted 286 sessions. We hosted 31,444 PC sessions and 88,822 Wi-Fi sessions (up 7% on last year). There were 524 heritage inquiries; 1,475 digital help sessions; 1,764 reference enquiries; and 112 people received library materials through our Home Service. We delivered 1,613 programmes with 36,895 attendees (up 19.7% on last year). Programming included the Manawatū Writers Hub; HOW2 writing workshop; Pūrerehua: True Stories Told Live; and supporting U3A and Forest and Bird. Readers & Writers programming included Nadia Lim, Michelle Duff, Suzanne Lynch and Local Authors Day. Versions Tuaono, our initiative supporting new writers to get published, was accompanied this year by an audiobook, produced in partnership with MPR. The Latin America and Spain Film Festival showcased 8 films with 359 attendees. Collaborations included Off the Page with Massey University; Future Living Skills workshops with Environment Network Manawatū; and RAD (Recycle a Device) club with Digital Futures Aotearoa. We hosted the U3A Spring Series on linguistics & languages with speakers from Massey University's School of Humanities, Media and Creative Communication; and the Palmerston North Medical Research Foundation Symposium, their first since 2019. Heritage programming included Operation Wrapped in Remembrance; and four military history presentations delivered in partnership with the RNZE CT/ECMC & the PN Defence Heritage Advisory Group. Our winter Book Buds reading programme was offered to 955 children and the Summer Reading programme commenced with English, Te Reo and multi-language streams. Community programmes included the 51 Threads exhibition; music sessions with HUG (Horowhenua Ukulele Group); and language weeks including Tokelau, Niuean, Fijian, and Solomon Islands. Outreach initiatives included attendance at the Play Festival; library services at Star 2 Ward; support for Think Hauora CAMHS Neuro-Connect group; both VR & reading aloud sessions at Arohanui Hospice; and "Reading in Mind" sessions at Olive Tree Retirement Village for residents with dementia.</p>	G	G		

Performance Measures	Comments	Sep	Dec	Mar	Jun
02. Residents' Survey satisfaction with Council's provision of public libraries is at least 81%.	For the six months to December, residents' satisfaction with library services is 82% (with users 86% satisfied and non-users 44% satisfied). Satisfaction by city zone: Takaro 95%, Papaioea 85%, Awapuni 84%, Hokowhitu 87% and Ashhurst-Fitzherbert 61%. Verbatim comments included: "I love the library"; "My impression is that they are well used and kept in good condition. The city library is an absolute treasure"; "The only facility I use is the library which appears fit for purpose"; and "Put a barista at the main library and extend opening hours on Sunday as the current hours are not accommodating of working families".	G	G		
03. Narrative measure outlining how the archives collect and protect community stories.	Additions to the Council archives this quarter included 33 files processed into Series 50B (Legal Documents - Property Office Files); 28 volumes of Report Books (Series 22); and historical PNCC and Palmerston North Borough Council records, including additions to Series 1/5/2 and 1/5/3 (Inward Correspondence & Subject Files for 1923-1958). Donations to the Community archives this quarter included three photographs from the Palmerston North Centennial celebrations; a collection of photographs and ephemera from c.1960s-2000s; records of the Palmerston North Rotary Club covering c.2004-2008 (as an addition to the existing Rotary Club materials already held in the archives); and photographs of the PDC department store, its demolition and the construction of the Plaza. Transfers to the community archive included twelve photographs and postcards depicting early Palmerston North from Te Manawa and two Edwardian photographs showing a picnic and a Youth Rifles Camp from the New Zealand Rugby Museum. Content added to Manawatū Heritage this quarter included 96 images from the Ashhurst Historical photograph collection (1880s-1980s); 110 images from the McLennan Boman papers, c.1930s-1950s, including images of the 1937 Diamond Jubilee celebrations; and images from the Manawatū Evening Standard collection of bands, including those of Crowded House, Herman's Hermits, Herbs, and Tom Sharplin and the Rockets. Also uploaded were 79 significant plans of early (1902-1939) subdivisions and street creation from Volume 1 of the Survey Plans of Subdivisions (PNCC 7/6/5). Many of these plans were kept for the artistic touches the surveyors included, showing lagoons and waterways as they were at the time. Presentations and displays included Te Rōpū o te Matakiti, the Land March (1975) exhibition showcasing material held in the archives; a presentation on 'My father's mother's father' to the PN branch of the New Zealand Society of Genealogists; and Remembrance Day displays in partnerships with ECMC. We hosted Russell Street School - 27 students (Yrs 4-5) visited the Central Library and the Ian Matheson City Archive. Students were shown how to use microfilm and archival collections, Manawatū Heritage and had a tour of the Central Library. Students shared their favourite fact at the end of the session: that the railway went through The Square; that a whole month of newspapers could fit on one microfilm roll; and that the Central Library building was once Rosco's department store.	G	G		

Performance Measures	Comments	Sep	Dec	Mar	Jun
Goal 4: A Sustainable and Resilient City					
Community Safety and Health					
01. Narrative measure outlining Council's civil defence initiatives and their contribution to the communities' and Council's readiness for emergencies.	Council participated in the national earthquake drill 'Shakeout 2025', which also saw significant engagement from schools and businesses across the city – this contributed to the regional achievement of second highest participation in the country. Engagements with community groups continued to occur regularly with a focus on Māori, Pasifika, Disability, Seniors and Youth. Council staff emergency management training remained a priority with 87% of all staff now trained at the foundation level and 52% of people leaders trained at the intermediate level. Council took part in a regional exercise that saw full activation of the Emergency Operations Centre (EOC) with 47 staff participating, not including liaisons from partner agencies. The exercise was aimed at exposing staff to operations in the EOC and practicing processes and procedures in the event of an emergency. The exercise was extremely successful and has helped shape workplans moving forward. The new Emergency Management Bill has been introduced to parliament which the Emergency Management team are currently reviewing and preparing for submission in due course.	G	G		
02. Narrative measure outlining Council's environmental health initiatives and their impacts. (There are no successful legal challenges to Council's environmental health functions).	There is a range of policies and bylaws in place regulating environmental health matters. These include the Dog Control Policy and Bylaw, the Waste Management and Minimisation Plan, the Cemeteries and Crematorium Bylaw, the Animals and Bees Bylaw, the Alcohol Control Bylaw, and the Dangerous and Insanitary Buildings Policy. There have been no successful legal challenges to Council's environmental health functions.	G	G		
03. Resident satisfaction with Council's provision of control of roaming dogs is at least 61%.	Resident satisfaction with the Council's provision of control of roaming dogs is 55%. A review of officer response times to roaming dog complaints indicates that there has been no change to these. We continue to embed revised ways of working within the Animal Management team to increase visibility of officers in the community.	Y	B		
04. Resident satisfaction with Council's provision of noise control is at least 54%.	Resident satisfaction with Council's provision of noise control is 56%. The number of noise complaints received in quarters 1 and 2 is 40% lower than those received in the same quarters last financial year. The prevalence of there being no noise when our officers attend has increased. No noise was identified across 85% of all noise complaints received in quarters 1 and 2, this compares to 76% for the same quarters in the prior financial year.	G	G		

Performance Measures	Comments	Sep	Dec	Mar	Jun
05. Narrative measure outlining how Council works alongside other organisations to promote and support community safety.	Council continues to work alongside partner agencies and community organisations to strengthen community safety and wellbeing. The Safety Advisory Board, convened by Council, continued to coordinate local responses to emerging safety issues through collaboration between agencies. Highlights of this quarter have included a collaborative International Men's Day Breakfast event held in Te Marae o Hine in November, which saw over 400 men from all walks of life come together to connect over kai, participate in free health checks and other social supports. White Ribbon Family Fun Day, also in November, was held in Roslyn and included 30 organisations and over 1,000 attendees. Strategic Priority Grants funding for the 2025-2028 period continues, with a number of groups supported contributing towards community safety outcomes, including: Abuse and Rape Crisis Support Manawatū, Age Concern, Alzheimers Manawatū, Big Brothers Big Sisters, Camellia House Trust, Manline, MASH Trust, Safe City Hosts, Parentline, Te Manawa Family Services and Youthline. Working together with Youthline, the Māngai Atawhai City Ambassadors commenced in mid-December, ready to foster a safe, welcoming and vibrant city centre over the summer period; an additional element of this year's programme will be a series of youth-led activations supported by Council's Youth Services team and partners such as Sport Manawatū.	G	G		
06. Narrative measure outlining how Council's venues, spaces, events and health initiatives promote community health.	Council ensures that at all venues and events Council operates, that sun shade, sunscreen, ear protection, hydration stations, first aid provision, and a wide selection of healthy food and healthier drink options are available for the public. The provision of such is determined by the scale, environmental conditions, attendance, and location of the events.	G	G		

Performance Measures	Comments	Sep	Dec	Mar	Jun
Climate Change and Sustainability					
01. Narrative measure outlining how the Council's actions and information help reduce community and Council GHG emissions. City and Council Emissions Inventories show declining trends in tCO22 (measured annually).	Organisational and Citywide Inventories were presented to Council this quarter at the 8 October Council meeting. Organisation emissions continue to decline, with an 10% fall since the previous year, and an 46% reduction in gross emissions since the 2015/16 baseline. Recent reductions have been achieved largely through 'Low Carbon Fund' projects, such as the Solar Array on the Materials Recovery Facility, and the widespread electrification of tools, mowers, and heating, as detailed in the LCF report presented to the same Council meeting. Citywide emissions meanwhile have continued to stagnate, with a mild 7.5% per capita decline since the 2016 baseline. Citywide emissions are governed almost entirely by national policy, the settings of the Emissions Trading Scheme in particular.	G	G		
02. Narrative measure outlining Council's climate-related stormwater and civil defence initiatives and their contribution to strengthening the City's adaptive capacity.	A project to install solar panel and battery systems at several key community facilities is underway, with the intent to enable off-grid power solutions across the city in the event of a significant emergency.	G	G		
Biodiversity and the Manawatu River					
01. Narrative measure outlining how Council's initiatives and information encourage community use of the River, and enhance its biodiversity.	We support community events and activities in the river park by enabling infrastructure and promotion on our website and Facebook page. Our walkway brochure informs readers of places to visit and their history. Our ongoing pest management programme and native planting help enhance biodiversity.	G	G		
02. Narrative measure outlining how Council's support and funding help organisations and communities achieve good conservation outcomes.	Funding of the Strategic Priority Grants recipients for 2025-2028 continues, with support provided to the following groups contributing to environmental outcomes: Plant to Plate Aotearoa, RECAP, SuperGrants, Just Zilch, Toimata Foundation (Enviroschools), and Environment Network Manawatū (as a Sector Lead partner). Council continues to support community-led initiatives related to conservation including community gardens, kai resilience projects and planting activities.	G	G		

Performance Measures	Comments	Sep	Dec	Mar	Jun
Resource Recovery					
01. Narrative measure outlining how Council's waste and recycling collection services, initiatives and information promote waste reduction and divert waste from landfill.	The 2024 Waste Management and Minimisation Plan (WMMP) sets a target to increase the percentage of household waste diverted from landfills over the next six years: - 30% by July 2026 - 40% by July 2028 - 50% by July 2030. We operated kerbside and commercial recycling services and managed three recycling drop off points in the city. Last quarter we continued to offer tours of the MRF and officer visits to education centres, provided targeted comms on battery recycling, and attended events such as the Home and Lifestyle Expo. This quarter we held the biannual hazardous waste day, and opened up the fifth round of the resource recovery fund.	G	G		
02. 100% compliance with resource consents measured by having no abatement notices, infringement notices, enforcement orders or convictions this quarter.	100% compliant - there were no abatement notices, infringement notices, enforcement orders or convictions this quarter.	G	G		
03. Residents' satisfaction with Council's provision of kerbside rubbish and recycling collections is at least 79%.	Residents satisfaction for kerbside rubbish and recycling is 88% for this quarter as well as for year to date.	G	G		

Performance Measures	Comments	Sep	Dec	Mar	Jun
Water					
01. Narrative measure outlining how Council's water supply is safe and well-maintained and people are encouraged to conserve water. Resident satisfaction with Council's provision of water supply is at least 78%.	While Council did not achieve 100% compliance, this was not due to unsafe water. It is due to technical issues with chlorine contact time and minor gaps in some data sets. Water supply assets, from source through to reticulation, are well maintained. Residents are encouraged to conserve water with targeted messaging on the Council website. A voluntary water conservation programme over the summer has seen Palmerston North avoid water restrictions for the last four years. Longburn residents were placed under Level 2 water restrictions as we work to resolve supply versus demand issues, relating to consented extraction limits. Resident satisfaction with the water supply was 71% for the year to date, which is below the target of 78%, however the number of dissatisfied customers has reduced to 1% for the quarter. Programmes are in place to address the issue of water discolouration within the supplies.	R	Y		
02. 100% compliance with the bacterial and protozoal requirements of the Water Services (Drinking Water Services for New Zealand) Regulations 2022.	Turitea WTP 100% Compliant. Bore supplies not fully compliant mainly due to missing data as well as no ability to meet the contact time requirements at the treatment facilities. Programmes underway to address these issues, as well as an incoming new set of Drinking Water Quality Assurance Rules which would rectify this requirement.	B	R		
03. Less than 40 complaints per 1,000 connections relating to clarity, taste, odour, continuity of water supply, drinking water pressure or flow, and our response to any of these issues. (Connection = Lateral Pipe connected from mains to a property including domestic & industrial/commercial use)	There were 6 complaints per 1,000 connections this quarter.	G	G		
04. Average consumption of less than 360 litres of drinking water per day per resident.	Consumption YTD up to the end of the reporting period is calculated at 243 liters per person per day based on total residential consumption. Well below target and achieved through effective pipe failure responses and upkeep of renewals.	G	G		
05. 2 hours or less median response time for urgent callout attendance. (Urgent callout is one that leads to a complete loss of supply of drinking water)	The median response time was 24 minutes for urgent callout attendance.	G	G		
06. 7 hours or less median response time for resolution of urgent callouts.	The median response time for resolution of urgent callouts was 2 hours and 2 minutes.	G	G		
07. 10 hours or less median response time for non-urgent callout attendance. (Non-urgent callout is one where there is still a supply of drinking water)	The median response time for non-urgent callout attendance was 49 minutes.	G	G		

Performance Measures	Comments	Sep	Dec	Mar	Jun
08. 75 hours or less median response time for resolution of non-urgent callouts.	The median response time for resolution of non-urgent callouts was 1 hour and 39 minutes.	G	G		
09. Less than 20% of real water loss from the water reticulation network.	The real water loss from the water reticulation network is calculated at ~15%. This is significantly lower than other major cities in New Zealand, with Wellington at 41% as an example.	G	G		
Stormwater					
01. Narrative measure outlining how Council's stormwater system is reducing flooding risks and responding to climate change. Resident satisfaction with Council's provision of stormwater is at least 62%.	Stormwater upgrades works and design of new stormwater assets allows for future climate change impact. This approach is recognised as best practice and helps to mitigate potential flood risks. Resident satisfaction is 66% in 2025, which is above the target of 62%.	G	G		
02. Less than 5 flooding events that result in stormwater from Council's stormwater system entering a habitable floor in the urban area.	There were no recorded incidents where stormwater entered a habitable floor (which is a residential home). No habitable floor flooding reported in the last quarter.	G	G		
03. Less than 2 habitable floors per 1,000 properties within urban stormwater service areas affected by a flood event.	There were no recorded flooding events of habitable floors in the second quarter.	G	G		
04. Less than 2 hours median time to attend a flooding event.	The median time to attend a flooding event was N/A. This is because there were no recorded flooding events in the second quarter resulting in stormwater entering a habitable dwelling.	G	G		
05. Less than 15 complaints received about the performance of the Council's urban stormwater system per 1,000 properties connected.	There was 1 complaint per 1,000 connections this quarter.	G	G		
06. 100% compliance with resource consent conditions for discharge from our stormwater system measured by the number of: Abatement notices, Infringement notices, Enforcement orders and Convictions.	100% compliance achieved with no abatement or infringement notices, or enforcement orders or convictions issued.	G	G		

Performance Measures	Comments	Sep	Dec	Mar	Jun
Wastewater					
01. Narrative measure outlining how Council's wastewater system is effective, well-maintained and resilient. Narrative measure outlining progress on the Nature Calls project. Resident satisfaction with Council's provision of the sewerage system is at least 73%.	Council's wastewater systems are well maintained and provide agreed levels of service and acceptable resilience for the communities they serve. Resident satisfaction was 80%, exceeding the 73% target. The Nature Calls project has revised the long list of options to be considered for taking into a shortlisting process. The options were presented to Council, who removed a number from the list, mainly due to cost and non-alignment with draft standards. The Water Services Authority (Taumata Arowai) has released national wastewater standards. Officers are continuing to work on a no regrets basis to progress the project.	G	G		
02. Less than 1 dry weather wastewater overflows from Council's wastewater system per 1,000 connections.	There was less than one dry weather wastewater overflow from Council wastewater systems per 1,000 connections this quarter.	G	G		
03. No more than 15 complaints per 1,000 connections about: Wastewater odour, Wastewater system faults, and Wastewater system blockages. Response to issues with the wastewater system.	There was 1 complaint per 1,000 connections this quarter.	G	G		
04. Median time for attending overflows resulting from blockages or other faults is less than 1.5 hours.	The median time for attending overflows resulting from blockages or other faults was 19 minutes.	G	G		
05. Median time for resolution of overflows resulting from blockages or other faults is less than 8 hours.	Median time for resolution of overflows resulting from blockages or other faults was 4 hours and 20 minutes.	G	G		
06. 100% compliance with resource consents for discharge from our wastewater system as measured by the number of: Abatement notices, Infringement notices, Enforcement notices, and Convictions received by us in relation to resource consents.	100% compliance was achieved for the first 2 quarters of the year. There were no abatement or infringement notices, enforcement orders or convictions.	G	G		

Performance Measures	Comments	Sep	Dec	Mar	Jun
Measures Excluded from Goals					
Governance and Active Citizenship					
01. Narrative measure on actions to improve advice to decision makers, including elected member feedback, officer training on report writing and speaking in the Chamber, and report template updates to reflect sustainability and Council's direction.	Responses from Elected Members survey have been received with the Governance team analysing results to share with Elected Members in February 2026. Draft report template presented to report writers for feedback in November/December 2025. Discussion around how best to reflect sustainability in draft report template ongoing.	G	G		
02. Council quarterly reports (financial and strategic performance monitoring) and Annual Report are considered in public committee and the Annual Report published on our website. CCO six-monthly and Annual Reports are considered by committee and Annual Reports published on our website.	All CCOs' 2024/25 Annual Reports were published on Council's website after being presented by Committee with both PNAL and CEDA reports audited. As at December 2025, Audit NZ has not completed auditing the cultural CCOs' reports.	G	G		
03. Narrative measure outlining how Council's advocacy promotes the City's interests.	Council is in the process of drafting submissions on the proposed Planning and Natural Environment Bills (RMA replacement); the proposal to replace the Development Contributions system with a new Development Levy system; Earthquake Prone Buildings Amendment Bill and rates capping proposal. Staff are intending to report these submissions to Council in February. CEDA continues to deliver on their statement of intent with a particular focus on Te Utanganui, the Manawatū Regional Food Strategy, inward investment opportunities, talent attraction and visitor sector development for the quarter. This included ongoing leadership for the Regional Infrastructure Fund bid, the development of a commercial accommodation pitch, opportunities in olives and wheat being investigated, the Manawatu Garden Festival being delivered as part of the Destination Management Plan, and a refresh of the 'Live Here' pages on ManawatuNZ.co.nz to support ongoing talent attraction to the region.	G	G		

Performance Measures	Comments	Sep	Dec	Mar	Jun
04. Narrative measure outlining how Council's information and governance processes and systems encourage public participation. Narrative measure on community feedback about Council's engagement processes (including feedback from Reference Groups, Residents' Survey results, and comparative digital engagement statistics.)	<p>Communications and engagement activity this quarter focused on major infrastructure projects, elections, and improving access to council information. The most significant engagement was for the Ring Road project. Following Council's decision to accelerate the project timeline, engagement was brought forward. Four expo-style community sessions attracted more than 550 attendees, with people typically staying 30 minutes to one hour. A targeted stakeholder session for business and freight operators was also held, with more than 50 attendees. An online feedback form received 120 responses from those unable to attend, and Ring Road-related content was viewed by 3,600 people during the quarter. Other engagement included election vote-encouragement sessions, speed limits consultation drop-in sessions, and ongoing intensive engagement for infrastructure projects. This included continued work on Main Street construction and sustained engagement with residents on Stoney Creek and Kelvin Grove Roads. No petitions were received this quarter. Digital channels remained central to engagement. Social media content was seen 6.1 million times, generating 263,875 engagements. More than 5,500 direct messages were received and responded to. The website was visited by 163,480 people 321,124 times, with 58.95% of sessions classified as engaged. Total page views reached 533,242, with election results, rubbish and recycling days, and property and rates search the most visited pages. New channels were launched to improve access to information. The Palmy Matters newsletter was launched in late October and has reached 3,000 subscribers, exceeding expectations. A dedicated YouTube channel was also launched to make it easier for people to watch Council meetings. Residents' survey results improved this quarter compared to last quarter and last year. Trust increased by 3% from last quarter to 45%, up from 38% last year. Quality of information rose by 5% to 58% compared with 43% year to date, and availability of information increased by 3% to 56% from 42% year to date. Opportunities to have your say increased by 5% to 50% compared with 35% last year, and ease of having your say rose by 3% to 40% from 32% last year. Reputation decreased slightly by 2% to 53% but remains well above last year's result of 41%.</p>	G	G		

Appendix for December 2025 Report

Contents

Appendix 2 – Activities Net Operating Cost.....	2
Appendix 3 – Operating Programme Reporting	4
Appendix 4 – Capital expenditure by Group of Activities	5
Appendix 5 – Capital expenditure by Programme (programmes over \$1,000,000)	6
Appendix 6 – Capital expenditure by Programme (programmes under \$1,000,000)	11
Appendix 7 – Financial Statements.....	17
Appendix 8 – Approved variations to Annual Budget 2025/26	20
Appendix 9 – Elected Member training	23
Appendix 10 – Elected Member Expenditure	24
Appendix 11 Project Completion Summaries	26

Appendix 2 – Activities Net Operating Cost

Activities Net Result Statement							
	YTD		YTD Bud. Var.		Full Year	Full Year	Commentary
	Actual	Budget	\$000's	%	Revised	Annual	
For the period to 31 December 2025					Budget	Budget	
<i>A connected and safe community</i>	9,850	10,050	200	2%	19,404	19,389	
City Library	5,198	5,186	(12)	0%	9,994	9,987	
Community support	3,913	4,175	263	6%	7,199	7,195	
Community safety and health	740	689	(51)	-7%	2,210	2,207	
<i>A creative and exciting city</i>	12,110	13,306	1,196	9%	25,034	25,020	
Arts and Heritage	5,165	5,755	590	10%	10,342	10,342	Key driver for the favourable variance YTD is Insurance costs which are currently favourable and forecasted to remain favourable.
Recreation and play	6,945	7,550	605	8%	14,692	14,677	
<i>Supporting the Organisation</i>	2,833	3,296	463	14%	4,068	3,583	
Organisational performance	(1,278)	(1,004)	273	27%	(3,824)	(4,299)	Favourable variance is a result of lower expenditure in Insurance and Vehicle related costs (fuel and road user charges).
Governance and Active Citizenship	4,411	4,300	(110)	-3%	7,892	7,883	
<i>A sustainable and resilient city</i>	4,780	5,038	258	5%	10,006	10,000	
Climate Change and Sustainability	774	707	(67)	-9%	1,228	1,227	
Biodiversity and the Manawatu River	861	1,213	352	29%	2,305	2,304	The wet start to spring delayed our track and carpark maintenance works resulting in a favourable YTD position. This is forecasted to be closer to budget as the year progresses.
Resource Recovery	3,144	3,118	(27)	-1%	6,473	6,469	
<i>An innovative and growing city</i>	6,720	6,680	(40)	-1%	12,742	12,334	

Activities Net Result Statement							
	YTD		YTD Bud. Var.		Full Year	Full Year	Commentary
	Actual	Budget	\$000's	%	Revised	Annual	
For the period to 31 December 2025					Budget	Budget	
Housing	3,436	3,384	(53)	-2%	6,303	5,894	
Economic Development	2,497	2,855	358	13%	5,560	5,560	There has been favourable net revenue year to date in multiple activities, including; international relations, conference and function centre and investment properties. There has been lower expenditure than anticipated year to date for the Gordon Kearn Forest.
Urban Design	487	441	(46)	-10%	879	879	Costs have exceeded budget YTD but are forecast to be on budget at year-end.
Stormwater	1,898	1,725	(173)	-10%	3,827	3,827	Unfavourable due to Insurance expenses and rates for Horizons Regional Council. Insurance is forecast to be closer to budget by year-end.
Wastewater	3,721	3,882	162	4%	7,840	7,837	
Water	3,581	3,726	145	4%	7,957	7,949	
Transport	3,638	2,746	(891)	-32%	7,724	7,526	
Active and Public Transport	224	399	175	44%	864	864	The timing around completion of work means spend for this area is under budget. However, this work will be completed in coming months. Cost pressures in this area are currently being managed.
Roading	3,414	2,348	(1,066)	-45%	6,860	6,662	Earlier than expected completion of work has led to roading being unfavourable YTD. There are some cost pressures which mean that Roading is forecasted to be overspent at year end.
Activities Controllable Surplus/ (Deficit)	49,131	50,451	1,320	3%	98,601	97,466	

Appendix 3 – Operating Programme Reporting

Operating Programme	2025/26 \$000s						
Net Result Statement	Activity	YTD	Bud. Var.	FY Revised Budget	Commentary		
For the period to 31 December 2025					Actual	Budget	\$000's
					%		
1401 - City-wide – Infiltration & Inflow Investigations	Wastewater	201	125	(76)	-61%	250	Bunnythorpe I&I pilot programme has completed earlier than expected. No expectation this programme will exceed budget by end of FY.
1520 - Digital Transformation	Organisational performance	2,031	1,981	(50)	-3%	3,210	This program includes the implementation of ServiceNow, focusing on automating workflows and processes to improve operational efficiency, enhance stability, and transition away from legacy systems. Phase 1 of the Human Resources Service Delivery (HRSD) initiative has been completed. Moving forward, the focus will shift to improving resource consents. The Cyber Security program continues to address priority vulnerabilities and systems, including enhancing detection, monitoring, and response capabilities.
2023 - Community Dev Small Grants Fund	Community support	250	250	-	0%	250	The Community Development Small Grants fund is administered on Council's behalf by Te Pū Harakeke. Te Pū Harakeke have completed the assessment for this year and allocated Small Grants funding to 54 organisations.
2346 - Organisation wide - systems replacement or new systems initiatives	Organisational performance	190	195	6	3%	1,060	Continuous progress is being made on implementing the Plant and Fleet Management System, with a focus on migrating records and reporting from legacy systems to a modern records management system. This is being done in conjunction with the data platform to support data-driven decision-making
2434 - Te Utanganui Master Plan Implementation	Housing	27	119	92	77%	255	The underspend for Te Utanganui implementation was due to a revised timeline for finalising key technical assessments. The target date for notification has been moved from Nov 2025 to Mid-2026.
2477 - Regional Freight Ring Road Indicative Business Case	Roading	269	242	(27)	-11%	569	There is now a misalignment with the phased budget due to the request of Council to bring forward the completion date, and it is expected that this programme will be overspent at year end, as previously advised.
2519 - Sportsfields - Artificial Football Field	Recreation and play	-	-	-	-	434	This programme is currently planned to start spending later in the financial year. Planning is well progressed, but the project has not started yet.
2522 - Major Schools Sports Event Partnership Fund	Economic Development	147	147	-	0%	295	Sport Manawatū have advised that a further 11 events received support from the Sports Event Partnership Fund in the last quarter. Please note that these are not all school events, as the fund serves a broader purpose.

Appendix 4 – Capital expenditure by Group of Activities

Group of Activities - Capital Expenditure	2025/26 \$000's			
	Year to Date		Full Year	
For the period to 31 December 2025	Actual	Revised Budget	Var. Rev. Budget	Revised Budget
Capital New	11,894	16,949	5,055	47,616
A connected and safe community	389	1,800	1,411	5,406
A creative and exciting city	1,199	1,369	170	7,044
Supporting the Organisation	50	50	0	284
A sustainable and resilient city	1,667	2,789	1,123	6,702
An innovative and growing city	29	9	(20)	9
Stormwater	1,516	4,015	2,499	5,312
Transport	1,818	1,655	(163)	10,360
Wastewater	2,913	3,166	253	7,393
Water	2,312	2,096	(217)	5,105
Capital Renewal	12,316	14,110	1,794	35,920
A connected and safe community	905	820	(85)	1,672
A creative and exciting city	2,500	2,761	261	5,571
Supporting the Organisation	474	738	264	2,455
A sustainable and resilient city	233	153	(80)	738
An innovative and growing city	549	780	231	1,636
Stormwater	133	39	(95)	615
Transport	3,763	3,425	(339)	11,677
Wastewater	1,387	2,860	1,473	6,075
Water	2,372	2,536	164	5,482
Capital Growth	2,781	5,883	3,101	13,634
A creative and exciting city	2	120	118	175
Stormwater	1,283	1,758	474	1,897
Transport	538	1,506	968	4,167
Wastewater	150	391	241	1,883
Water	808	2,108	1,300	5,512

Appendix 5 – Capital expenditure by Programme (programmes over \$1,000,000)

The below shows status updates for all capital programmes with a budget greater than \$1M.

Activity-Programme Name	YTD		Variance	Total Budget	RAG	Status				
	Actuals	Budget								
Capital New										
Biodiversity and the Manawatu River										
1895-City Reserves - Manawatu River Park - Te Motu o Poutoa Development Plan - Implementation	\$0	\$3	\$2	\$1,321	Red	Project is currently on hold awaiting confirmation of external funding.				
2239-City Reserves - Te Motu o Poutoa - Design and Consenting	\$62	\$483	\$421	\$1,104	Red	Project is currently on hold awaiting confirmation of external funding.				
Climate Change and Sustainability										
1888-Low Carbon Fund	\$30	\$740	\$709	\$1,246	N/A					
Community Support										
2440-Community Centres - Pasifika Centre Expansion	(\$53)	\$1,031	\$1,084	\$3,543	Green	Contract has been awarded in December. Tender costs are within budget. Site currently being established. Demolition of existing building to start week of 19th January 2026, dawn blessing ceremony 21st January 2026				
Recreation and Play										
1194-CET Arena - Masterplan Redevelopment	\$385	\$513	\$128	\$5,566	Red	Project behind schedule. Next steering group meeting scheduled for February to present concept options. Six monthly update report to be presented to Council in February.				
Resource Recovery										
1371-Closed Landfills and Transfer Stations - Safety, Security and Development	\$1,349	\$1,284	(\$65)	\$1,421	Green	Shredder Chipper is working well. Safety and security improvements are underway.				
Roading										

Activity-Programme Name	YTD		Variance	Total Budget	RAG	Status
	Actuals	Budget				
159-Kelvin Grove Road - Safety Improvements	\$437	\$316	(\$122)	\$1,000	Green	Focus to the project for the current year is the completion of the detailed design of the "5-dips" and road widening between Hartwells and Ashhurst Road. Preparation and submission of resource consents for the construction will also be completed.
2335-Stoney Creek Road - Safety Improvements	\$403	\$184	(\$219)	\$3,330	Green	Contract awarded and work commencing for the first stage on 26 January 2026.
2380-City-wide - Transport - Emergency Reinstatements	\$216	\$248	\$32	\$1,080	Green	No recent weather events that currently require the remaining budget.
2456-Cliff Road Upgrade - Te Motu O Poutoa	\$131	\$390	\$260	\$1,847	Red	Concept design and cost estimate received significantly exceeded budget allocation. Value engineering and descoping being undertaken to meet the budget.
2564-Whakarongo & Aokautere Intersection - (State Highway)	\$112	\$88	(\$24)	\$503	Red	Design is progressing and is scheduled for completion within the current financial year. The programme is currently forecast to be underspent due to delays in advancing design to the construction phase.
Stormwater						
1060-City-wide - Stormwater Network Improvement Works	\$440	\$1,866	\$1,426	\$2,519	Green	Programme progressing well. *Ihaka Street Stormwater Design has been completed - Construction by the Depot is planned to take place starting from Mid Feb - May 2026 *Hull PI SW Improvement – Construction is underway and approximately 85% complete. Reported costs are currently understated due to temporary allocation to 51 - Urban Growth - Development Contributions – Stormwater and will be corrected in the next reporting period. Completion is anticipated in February 2026. *Parkland School SW improvement – construction started on 5 Jan 2026 and progressing well. Expected completion in Feb 2026.

Activity-Programme Name	YTD Actuals	YTD Budget	Variance	Total Budget	RAG	Status
1708-City-wide - Stormwater Flood Mitigation	\$835	\$980	\$145	\$1,182	Green	Programme progressing well. McGregor Street: Flood mitigation works complete. Ferguson Street: modelling work is being carried out, but is progressing behind schedule. Linklater: modelling work has been completed. McLeavy Drive: Consultant has been engaged to complete design.
Wastewater						
1617-Totara Road Wastewater Treatment Plant - Biogas System Improvements	\$726	\$1,011	\$285	\$1,974	Green	The project is currently tracking on budget, with no major financial risks identified. Challenges remain with several long-lead items which are expected to arrive on site in the coming weeks. We are monitoring closely to mitigate any impact on the construction timeline.
Water						
2229-City-wide-Wastewater Pipe Improvement	\$888	\$824	(\$64)	\$1,025	Green	Victoria Ave: construction has been completed, in closing stage awaiting confirmation on As-Builts College St: Construction has been started post Christmas by the Depot, completion is expected early Feb.
628-Totara Road Wastewater Treatment Plant - Consent Renewal Upgrade	\$505	\$626	\$121	\$1,430	Green	Wastewater Standards were released in December. The project team is reviewing these against the current long list options, with a paper to council to decide a short list. Work will then continue on those options.
Capital Renewal						
Active and Public Transport						
2110-City-wide - Footpath Renewals (No Subsidy)	\$579	\$534	(\$45)	\$1,100	Green	\$150K has been allocated for Wyndham Street upgrade. The programme is on track to spend the remaining \$410K by June.
Organisational performance						
1879-Council's Plant and Vehicle - Replacements	\$27	\$130	\$103	\$1,291	N/A	
Recreation and Play						
1242-Central Energy Trust Arena - Replacement for Arena Big Screen	-	\$600	\$600	\$1,188	N/A	

Activity-Programme Name	YTD		Variance	Total Budget	RAG	Status
	Actuals	Budget				
Roading						
115-City-wide - Sealed Roads - Pavement Rehabilitation	\$487	\$972	\$486	\$3,264	Green	Rehabilitation works for the Main Street Bus Terminal, Dutton Street, Stoney Creek, and Kelvin Grove will be delivered under this programme. Expenditure is on track.
139-City-wide - Sealed Road Resurfacing	\$1,403	\$826	(\$578)	\$3,970	Green	The programme remains on schedule for completion by the end of May. The remaining \$1.9M is expected to be fully spent within this timeframe.
Wastewater						
1714-City-wide Wastewater Trunk Mains Renewal	\$95	\$170	\$76	\$1,025	Green	Construction started on 12 Jan 2026 to coincide with Golf Club's schedule. Construction will complete in March 2026.
2411-Renewal of Oxidation Ponds and Sludge Lagoons	\$191	\$1,190	\$999	\$1,361	Green	Project will be completed this FY.
54-City-wide - Wastewater Pipe Renewal	\$671	\$1,139	\$468	\$1,845	Green	Programme is progressing well. Maxwells Line Wastewater Pipe Renewal: The project is being implemented over 2 stages by the depot; stage 1 was completed before Christmas- awaiting As-Built, Stage 2 is planned to start 23 Jan, and is planned to be completed end of January.
Water						
218-City-wide - Water Main Renewals	\$1,200	\$1,136	(\$64)	\$3,075	Green	Programme is progressing well.
Capital Growth						
Roading						
1681-Urban Growth - Kikiwhenua - Transport	\$259	\$725	\$467	\$1,154	Green	Detailed Design for the road and stormwater has commenced. Awaiting invoicing for the sale of the 2m strip on Te Wanaka Road. The purchase of the Grand Oaks extension likely to be delayed.
2124-Urban Growth - Ashhurst - New Roads	\$272	\$768	\$496	\$2,622	Amber	Construction commenced in late October, with agreed completion date set for late May. Latest programme results in a July completion due to additional work. Exploring options to accelerate programme to finish works within this FY.

Activity-Programme Name	YTD		YTD		Total		RAG	Status
	Actuals	Budget	Variance	Budget				
Stormwater								
1001-Urban Growth - Whakarongo - Stormwater	\$339	\$1,256	\$916	\$1,261	Green	Te Matai Rd Stormwater improvements: Final stages of this project with a few minor tasks to complete. Riverside Drive Stormwater improvements: Resource consent expected to be received by end of January with construction of 1500mm diameter culvert to begin in February/March and be completed before winter.		
Wastewater								
2511-Urban Growth - Kikiwhenua - Wastewater	\$150	\$22	(\$128)	\$1,361	Green	Design in final stages - Initial stage of construction of services on Te Wanaka only with projected completion date by March/April. Later stages to follow.		
Water								
2299-Urban Growth - New Northern Water Supply Bore (Milson Line)	\$240	\$1,028	\$788	\$1,750	Amber	Agreement in principal for purchase of PNAL land. Budget may not be sufficient for planned works, officers are working through options to address. Track and pad 95% complete, forecast completion of these enabling works by 23 January.		
2512-Urban Growth - Kikiwhenua - Water Supply	\$338	\$483	\$145	\$1,053	Green	Part of stage 2 of watermain construction complete end of last year 2025. To continue construction for watermain through Te Wanaka Road/State highway intersection and along pioneer highway once TMP approved.		

Appendix 6 – Capital expenditure by Programme (programmes under \$1,000,000)

The following table highlights spend against budget of the programmes with budgets less than \$1,000,000.

Activity-Programme Name	YTD Actuals	YTD Budget	Variance	Total Budget	RAG
Capital New					
Active and Public Transport					
2057-City-wide - Shared Pathways - New and Link Improvements	\$57	\$5	(\$52)	\$361	Green
2231-City-wide - Public Transport - Transport Choices - Additional Bus Shelters	\$209	\$183	(\$26)	\$700	Green
2548-City-wide - Shared Pathways - Slip Prevention (no Cofunding)	-	-	-	\$50	Green
Biodiversity and the Manawatu River					
1077-Citywide - Biodiversity Enhancement Through Native Planting	\$6	\$14	\$8	\$31	Green
2429-Turitea Predator Control-Self Resetting Traps	\$115	\$123	\$8	\$123	N/A
City Library					
2501-City Lib - Creative Interpretive Heritage Markers	-	-	-	\$35	N/A
Climate Change and Sustainability					
1924-Improving remote monitoring capabilities	\$44	\$2	(\$42)	\$153	Amber
Community Safety and Health					
2410-CCTV New Cameras	\$4	-	(\$4)	\$82	Green
2416-CDEM - NZRT4 - New Safety Equipment	\$6	-	(\$6)	\$10	N/A
Community Support					
161-Public Toilets - New City-wide Toilets	\$146	\$150	\$4	\$474	Green
1833-City Growth - Cemeteries - Extensions to burial and ashes areas to meet demand	\$142	\$79	(\$64)	\$194	Amber
1882-City Growth - Cemeteries - Expansion of Kelvin Grove Cemetery Roading Network	-	-	-	\$61	Green
2343-Citywide - New Community Hubs	\$48	\$42	(\$6)	\$500	Green
2350-Cultural Facilities - New Multicultural Facility	\$82	\$499	\$418	\$499	Green
2452-Community Gardens - Water Supply and Signage	\$2	-	(\$2)	\$8	N/A
Organisational Performance					
2499-Smart Cities / Smart Palmy	(\$3)	-	\$3	\$51	N/A
60-IM Strategic Plan - New Software Applications	-	-	-	\$77	N/A
99-New Vehicles and Plant to enable the delivery of improved Council services	\$53	\$50	(\$3)	\$157	N/A
Recreation and play					
1099-Parks and Reserves - Shade Development	-	-	-	\$20	Green
111-Local Reserves - Roslyn - Edwards Pit Park Development	\$19	\$26	\$6	\$26	Green
1838-City Reserves - Victoria Esplanade - Exotic Aviaries	\$0	\$15	\$15	\$15	Green
1848-City Reserves - Linklater Reserve - Capital New	\$15	-	(\$15)	\$31	Amber
1849-City Reserves - Ashhurst Domain - Capital New	\$44	\$30	(\$14)	\$50	Amber
1851-Sportsfield Improvements - Capital New	\$75	\$72	(\$4)	\$143	Green
1852-Local Reserves - Improvements to Existing Reserves to Close Identified LOS Gaps	\$195	\$138	(\$58)	\$205	Amber

Activity-Programme Name	YTD Actuals	YTD Budget	Variance	Total Budget	RAG
1853-Local Reserves - Development of Existing Reserves - Capital New	\$74	\$42	(\$32)	\$127	Amber
1884-Local Reserves - Accessibility and Safety Improvements	\$74	\$92	\$18	\$118	Green
2349-Ashhurst - Te Apiti Masterplan - Three Bridges Loop Development	\$305	\$315	\$10	\$480	Green
2545-Whakarongo Lagoon Landscaping Development	\$24	\$127	\$103	\$259	Green
967-City-wide - Edibles Planting	-	-	-	\$5	Green
Resource Recovery					
1410-Recycling - City-wide Recycling Services to Commercial/Organisational Properties Development	\$8	\$10	\$1	\$20	Green
2338-Recycling Contamination Monitoring Development	\$0	\$55	\$55	\$55	Green
2503-Collection Vehicles - Safety and Security Development	\$4	-	(\$4)	\$293	Green
506-City-wide - Public Space Rubbish & Recycling Bins Development	\$15	\$30	\$14	\$100	Green
657-Urban Growth - Recycling - City-wide Wheelie Bins and Crates	\$20	\$30	\$10	\$60	Green
727-Recycling - Materials Recovery Facility Development	\$12	\$17	\$5	\$776	Green
Roading					
1804-City-wide - Road Drainage - Additional Drainage Upgrades	\$8	\$2	(\$5)	\$122	Green
2204-City-wide - Street Racer Prevention	\$54	-	(\$54)	\$61	Amber
2428-City-wide - Street Trees - New and Replacements	\$120	\$143	\$23	\$300	Green
2554-School Speed Limit Signs	\$72	\$96	\$24	\$655	Green
2555-Low Cost/Low Risk - Electronic Safety Signage	\$17	-	(\$17)	\$350	Green
Stormwater	0				
1372-City-wide Stormwater Pump Stations Improvement	\$122	\$586	\$464	\$755	Green
22-Citywide - Restoring Flood Capacity of Stormwater Channels	\$4	\$102	\$98	\$154	Green
2313-Citywide - Installation of new Stormwater Assets	\$44	\$370	\$326	\$410	Green
2325-Ashhurst - Stormwater Asset Improvement	\$34	\$27	(\$8)	\$87	Green
2542-Longburn - Stormwater Asset Improvements	\$37	\$85	\$47	\$205	Green
Urban Design					
1330-City Centre - Placemaking Implementation	\$29	\$9	(\$20)	\$9	Amber
Wastewater					
1074-Totara Road Wastewater Treatment Plant - Earthquake Strengthening of Civil Structures	\$190	\$250	\$60	\$250	Green
1616-City-wide - Wastewater Pump Station - Capacity Upgrade	\$49	\$32	(\$16)	\$255	Green
1712-City-wide Wastewater reticulation wet weather overflow mitigation	\$103	\$62	(\$41)	\$250	Amber
1821-City-wide Wastewater Pipeline Realignment of critical at-risk mains	\$20	\$13	(\$7)	\$263	Green
2257-Citywide - Discharge Smart Meters for Large Tradewaste Customers	\$3	\$11	\$8	\$20	Green
2322-Bunnythorpe - Wastewater Network Upgrades	\$36	\$2	(\$34)	\$308	Amber
2329-Citywide - Wastewater Pump Station H&S Upgrades	\$29	\$39	\$9	\$51	Green
2330-3 Waters Telemetry Upgrades	\$3	\$39	\$36	\$154	Green
2331-Citywide Wastewater Critical Spares	\$103	\$74	(\$29)	\$100	Green

Activity-Programme Name	YTD Actuals	YTD Budget	Variance	Total Budget	RAG
2347-Wastewater Trunk Main - Infill Upgrades	\$119	\$56	(\$63)	\$513	Green
2556-Landfill Biosolids Disposal Field	\$128	\$125	\$26	\$602	Green
66-Totara Road Wastewater Treatment Plant - Resilience Programme	\$12	\$4	(\$8)	\$200	Green
Water					
1054-Ashhurst - Water Quality Improvements	\$416	\$500	\$84	\$500	Green
124-Turitea WTP - Drinking Water Standards Upgrades	\$28	-	(\$28)	-	Amber
132-City-wide - Water Supply Resilience - Trunk Mains	\$204	\$118	(\$86)	\$244	Green
1384-City-wide - Water Supply Resilience - City Supply Reservoir	\$16	\$47	\$31	\$150	Green
1388-Palmerston North - District Metering Areas for Water Supply	\$16	\$58	\$42	\$77	Green
1389-City-wide - Water Supply Resilience - Security of Supply	\$3	\$2	(\$1)	\$31	Green
1607-Health & Safety Water Treatment Chemical Handling	\$4	\$0	(\$3)	\$154	Green
1696-City-wide - Drinking Water Standards Upgrades	\$59	\$156	\$96	\$615	Amber
1697-Turitea WTP - Water Supply Resilience - Upgrades	\$24	\$21	(\$4)	\$106	Green
1874-Turitea Dams - Health & Safety Improvements	\$115	\$144	\$29	\$241	Red
1883-Water Supply - Small Plant and Equipment	\$33	\$50	\$17	\$103	Green
2042-Turitea WTP - Raw Water Main Duplicate	\$119	\$100	(\$18)	\$250	Green
2048-City-wide - Water Toby and Manifold enhancements	\$14	\$111	\$97	\$769	Green
2060-City-wide - Commercial Water Meters	\$10	\$37	\$27	\$72	Green
2298-Bunnythorpe - Water Quality Improvements	\$21	\$75	\$54	\$284	Green
2303-Citywide - Bore Facility Improvements	\$205	\$349	\$145	\$444	Green
986-Turitea Dams - Aeration Upgrade	(\$8)	\$42	\$50	\$42	Green
Capital Renewal					
Active and Public Transport					
181-City-wide - Public Transport Infrastructure Renewal	\$0	-	(\$0)	\$53	Green
2256-Bunnythorpe - Transport - Footpath Renewals	\$18	-	(\$18)	\$18	Green
2371-City-wide - Cycling Network - Renewals	-	-	-	\$106	Green
2372-City-wide - Streetscape - Renewals	\$31	\$18	(\$13)	\$18	Amber
2373-City-wide - Shared Pathways - Renewals	-	-	-	\$106	Green
2383-City-wide - Active Transport Supporting Infrastructure - Renewals	\$1	-	(\$1)	\$18	Green
Arts and Heritage					
1496-Replacement of Street Flags	\$14	\$12	(\$2)	\$26	N/A
213-Cultural Facilities - Renewals	\$65	\$14	(\$51)	\$511	Green
2420-Caccia Birch Signage Renewals	-	-	-	\$10	N/A
777-City Library- Heritage Technology, Equipment and Markers	\$23	\$23	-	\$23	N/A
Biodiversity and the Manawatu River					
1136-CET Wildbase Recovery Centre - Renewals	\$16	\$16	\$0	\$16	Green
1825-City Reserves - Manawatu River Park - Renewals	\$40	\$21	(\$20)	\$42	Green
1972-CET Wildbase Recovery Digital Capacity	-	-	-	\$81	N/A
City Library					
1120-Community Libraries - Renewals	\$9	\$16	\$7	\$31	Green

Activity-Programme Name	YTD Actuals	YTD Budget	Variance	Total Budget	RAG
1138-Technology to Supprt 21st Century Citizens (Renewal)	\$17	\$10	(\$7)	\$49	N/A
1139-Radio Frequency Identification (RFID) Materials Management	-	-	-	\$20	N/A
1775-Central Library - Renewals	\$54	\$51	(\$3)	\$51	Green
178-Replacement of Shelving, Furniture and Equipment	-	-	-	\$20	N/A
188-Replacement and Purchase of Library Materials	\$504	\$444	(\$60)	\$825	N/A
202-Central Library Interior Design Renewals	\$9	-	(\$9)	\$20	N/A
203-Community Libraries, Youth Space, Blueprint and Mobile Library Interior Design Renewals	\$16	-	(\$16)	\$26	N/A
Community Support					
1769-Community Agency Facilities - Renewals	\$6	\$29	\$24	\$51	Green
1796-Cemeteries - Building Renewals	\$24	\$26	\$2	\$26	Green
1828-Cemeteries - Non-Building Asset Renewals	\$121	\$39	(\$82)	\$137	Green
186-Public Toilets - Renewals	\$28	\$113	\$85	\$123	Green
265-Community Centres - Renewals	\$70	\$71	\$1	\$123	Green
Community Safety and Health					
1512-CCTV Replacements	\$19	-	(\$19)	\$82	Green
1569-Replacement of Wearable Cameras	-	-	-	\$22	N/A
2242-Civil Defence EOC - Equipment Replacement	-	-	-	\$15	N/A
2260-Civil Defence Emergency Management - Radio and Communication Equipment Replacement	\$24	\$21	(\$3)	\$41	N/A
2382-CDEM - NZRT4 - Safety Equipment Replacement	-	-	-	\$10	N/A
Economic Development					
1166-Conference & Function Centre - Equipment Purchases	\$10	\$38	\$28	\$76	N/A
1730-Information Centre - Building Renewals	\$19	\$1	(\$19)	\$20	Green
1753-Investment Properties - Building Renewals	\$23	\$11	(\$11)	\$51	Green
1791-Parks Depot - Building Renewals	\$31	\$31	(\$1)	\$31	Green
1933-Brand and Marketing Critical Equipment	-	\$33	\$33	\$33	N/A
1970-Gordon Kear Forest Culvert Replacements	\$35	\$18	(\$17)	\$36	Green
2022-Property - Hard Surfaces Renewals	\$21	\$102	\$81	\$252	Green
251-Conference - Replacement of Equipment	\$58	\$91	\$33	\$134	N/A
270-Holiday Park - Renewals	\$19	\$85	\$66	\$306	Green
272-Staff Cafeteria-Replacement of Equipment	-	\$3	\$3	\$6	N/A
664-Conference & Function Centre - Renewals	\$37	\$58	\$20	\$180	Green
85-Depot - Buildings and Structures Renewals	\$30	\$100	\$70	\$102	Green
Housing					
180-Social Housing - Renewals	\$265	\$210	(\$55)	\$408	Green
Organisational Performance					
221-Print Synergy - Replacement of Print Synergy Machines	\$13	\$20	\$7	\$20	N/A
2494-Modern Telephony Replacement	\$65	-	(\$65)	-	N/A
281-CAB - Renewals	\$95	\$102	\$7	\$204	Green
53-Computer Replacement - Rolling Replacements	\$266	\$317	\$50	\$480	N/A
58-Network Additions and Upgrades	-	-	-	\$77	N/A
68-Aerial Photography	-	-	-	\$31	N/A
784-Replacement of Council's Photocopiers/Printers	\$14	\$13	(\$2)	\$15	N/A

Activity-Programme Name	YTD Actuals	YTD Budget	Variance	Total Budget	RAG
80-Council Small Mobile Plant and Equipment - Replacement	(\$13)	\$156	\$169	\$306	N/A
86-Property - Furniture Replacements	\$5	-	(\$5)	\$31	Green
Recreation and play					
1051-CET Arena - Arena Renewals	\$226	\$198	(\$28)	\$496	Green
1127-City Reserves - Victoria Esplanade Shade House	\$573	\$608	\$35	\$610	Green
1759-CET Arena - Grounds Renewals	\$25	\$21	(\$4)	\$41	Green
1786-Recreational Buildings - Sports Pavilion and Changing Room Renewals	\$59	\$33	(\$25)	\$357	Green
1827-Local Reserves - Renewals	\$512	\$384	(\$128)	\$771	Green
1829-Sportsfields and Artificial Turfs - Renewals	\$49	\$109	\$60	\$185	Green
1830-City Reserves - Memorial Park - Renewals	\$21	\$21	\$0	\$47	Green
1831-City Reserves - Te Marae o Hine - The Square - Renewals	\$20	\$20	\$0	\$34	Green
1832-City Reserves - Ashhurst Domain - Renewals	\$52	\$45	(\$7)	\$102	Green
1834-City Reserves - Walkways - Renewals	\$125	\$49	(\$76)	\$123	Green
1835-City Reserves - Linklater Reserve - Renewals	\$1	\$15	\$14	\$15	Green
1837-Swimming Pools - Pool Renewals	\$438	\$399	(\$38)	\$571	Green
1840-City Reserves - Victoria Esplanade - Renewals	\$108	\$43	(\$65)	\$96	Amber
2396-Arena Master Key System / Access Control Improvements	-	\$60	\$60	\$153	N/A
819-CET Arena-Replacement of Equipment	\$188	\$107	(\$81)	\$214	N/A
Resource Recovery					
1368-City-wide - Public Space Rubbish & Recycling Bins Renewals	\$45	\$17	(\$29)	\$100	Green
1374-City-wide - Recycling Drop Off Facilities - Renewals	\$15	\$13	(\$2)	\$15	Green
1721-Composting Activity Site Renewals	\$7	\$5	(\$2)	\$10	Green
1784-Rubbish and Recycling Buildings - Renewals	\$31	\$18	(\$13)	\$72	Green
185-Closed Landfills and Transfer Stations - Site Renewals	\$32	\$0	(\$32)	\$180	Green
612-Recycling - City-wide Wheelie Bin and Crate Renewals	\$47	\$51	\$4	\$102	Green
649-Recycling - Materials Recovery Facility Renewals	\$0	\$14	\$14	\$120	Green
Roading					
122-City-wide - Road Drainage Renewals	\$95	\$182	\$87	\$510	Green
162-City-wide - Vehicle Crossing Renewals	\$231	\$140	(\$91)	\$343	Green
2357-Bunnythorpe - Transport - Pavement Renewals	\$145	-	(\$145)	\$204	Green
2376-City-wide - Traffic Services - Renewals	\$181	\$236	\$55	\$612	Green
2377-City-wide - Transport - Environmental Renewals	-	-	-	\$31	Green
2379-City-wide - Transport - Structural Component Renewal	\$148	\$134	(\$14)	\$612	Green
74-City-wide - Street Light Renewals	\$323	\$327	\$4	\$560	Green
82-City-wide - Off-Street Parking - Renewals	\$123	\$56	(\$66)	\$153	Green
Stormwater					
1062-City-wide - Stormwater Network Renewal Works	\$108	\$5	(\$103)	\$359	Green
20-City-wide - Stormwater Pump Station Renewals	\$25	\$33	\$8	\$256	Green
Wastewater					
1380-Totara Rd WWTP - Biogas Generator Major Overhauls	\$54	\$49	(\$5)	\$127	Green

Activity-Programme Name	YTD Actuals	YTD Budget	Variance	Total Budget	RAG
179-Totara Road Wastewater Treatment Plant - Minor Equipment Renewals	\$104	\$44	(\$59)	\$405	Green
1799-Wastewater Treatment Plant - Buildings Renewals	\$33	\$2	(\$31)	\$51	Green
1801-Wastewater Pump Stations - Building Renewals	\$7	\$3	(\$4)	\$46	Green
1887-Wastewater Minor Equipment Renewals	\$0	-	(\$0)	\$21	Green
2323-Citywide - Relining of Wastewater Pipes	\$219	\$191	(\$28)	\$615	Green
2530-Bunnythorpe - Wastewater Reticulation Renewals	\$1	-	(\$1)	\$410	Green
65-City-wide - Wastewater Pump Station Renewal	\$14	\$72	\$59	\$169	Green
Water					
1061-City-wide - Water Supply Reservoir Renewals	\$45	\$35	(\$10)	\$154	Green
1700-City-wide - Water Meter Renewals	\$158	\$145	(\$12)	\$282	Green
1701-City-wide - Water Supply Valve & Hydrant Renewals	\$21	\$60	\$40	\$256	Green
1797-Water Treatment Plant - Building Renewals	\$15	\$2	(\$12)	\$51	Green
1822-Water Pump Stations - Building Renewals	\$14	\$0	(\$14)	\$46	Green
199-City-wide - Water Supply Bore and Network Facility Renewals	\$179	\$143	(\$36)	\$204	Green
207-Turitea WTP - Equipment and Facility Renewals	\$88	\$83	(\$4)	\$205	Green
214-City-wide - Water Toby and Manifold Renewals	\$480	\$404	(\$76)	\$410	Amber
2279-Longburn - Water Asset Renewals	\$31	\$305	\$274	\$308	Green
2280-Bunnythorpe - Water Asset Renewals	\$116	\$148	\$32	\$205	Amber
2288-Turitea WTP - Automation and PLC Renewals	-	-	-	\$51	Green
2310-Citywide - Water Critical Spare Replacements	\$12	\$25	\$13	\$82	Green
88-Turitea WTP - Falling Main from WTP to Reservoir	\$15	\$49	\$34	\$154	Green
Capital Growth					
Recreation and Play					
2445-Urban Growth - Kikiwhenua - Reserves Purchase and Development	\$1	\$120	\$119	\$175	Green
Roading					
1003-Whakarongo - Intersection - Safety Improvements	\$0	\$13	\$12	\$167	Amber
201-Urban Growth - Transport - Development Contributions Top-up	\$7	-	(\$7)	\$224	Green
Stormwater					
2035-Urban Growth - Napier Rd Extension - Stormwater	\$110	\$100	(\$10)	\$100	Amber
2324-Urban Growth - Stormwater Roxborough Crescent Infill	\$67	\$94	\$27	\$228	Green
51-Urban Growth - Development Contributions - Stormwater	\$788	\$308	(\$480)	\$308	Amber
Wastewater					
210-Urban Growth - NEIZ - Wastewater	-	\$369	-	\$369	Green
73-Urban Growth - Development Contributions - Wastewater	-	-	-	\$154	Green
Water					
1004-Urban Growth - Whakarongo - Water Supply	\$4	\$2	(\$2)	\$718	Green
2297-Urban Growth - Stoney Creek Road Bore (City East)	\$147	\$536	\$389	\$884	Green
2301-Urban Growth - New Longburn Water Supply Bore	\$68	\$58	(\$10)	\$800	Green
246-Urban Growth - Development Contributions - Water Supply	\$10	\$2	(\$9)	\$308	Green

Appendix 7 – Financial Statements

Palmerston North City Council Summary of Financial Performance For the period to 31 December 2025	FY 2025/26				
	YTD Actual \$M	YTD Budget \$M	Prior Year Actual YTD \$M	Revised Budget \$M	LTP Budget \$M
OPERATING REVENUE					
Rates revenue	73.1	73.0	69.0	145.9	145.9
Finance revenue	1.0	0.4	1.5	0.5	0.5
Other revenue	20.9	18.9	18.8	40.3	40.2
Operating subsidies and grants	3.4	3.4	3.6	6.8	6.5
TOTAL OPERATING REVENUE	98.4	95.7	92.9	193.5	193.2
CAPITAL REVENUE					
Capital subsidies and grants	1.9	3.4	4.2	10.6	10.2
Development Contributions	0.9	1.1	2.8	2.2	2.2
Other gains	0.0	0.0	0.0	0.0	0.0
Vested Assets	0.0	0.0	0.0	2.0	2.0
TOTAL CAPITAL REVENUE	2.8	4.5	7.0	14.8	14.4
TOTAL REVENUE	101.2	100.2	99.9	208.3	207.6
EXPENSES					
Employee remuneration	30.8	31.0	30.2	62.4	62.1
Elected members remuneration	0.6	0.6	0.6	1.3	1.3
Depreciation expense	23.4	23.6	20.7	49.6	49.6
Finance costs	6.2	7.0	7.0	14.1	14.1
Professional services	7.7	7.8	6.0	15.7	14.7
Other expenses	33.7	33.6	33.4	66.3	66.2
Other losses	0.0	0.0	0.1	0.0	0.0
Financial Instrument Valuation	1.2	0.0	7.5	0.0	0.0
TOTAL EXPENSES	103.6	103.7	105.5	209.3	207.9
NET SURPLUS/(DEFICIT) BEFORE TAX	(2.4)	(3.5)	(5.6)	(1.0)	(0.3)

Palmerston North City Council Statement of Financial Position As at 31 December 2025	FY 2025/26			2024/25
	YTD Actual (\$M)	YTD Budget (\$M)	Full year budget	As at 30 June
				Actual(\$M)
CURRENT ASSETS				
Cash & Short Term Deposits	19	2	4	2
Trade and other receivables	18	26	11	26
Inventories	0	2	7	2
Derivative financial instruments	1	1	0	1
Other financial assets	0	0	0	0
TOTAL CURRENT ASSETS	38	31	22	31
NON-CURRENT ASSETS				
Property, plant and equipment	2,526	2,533	2,356	2,521
Inventories (non-current)	3	3	1	3
Intangible Assets	1	1	1	1
Forestry Assets	2	2	2	2
Investment Properties	4	4	5	4
Investments & Advances	23	22	20	21
Derivative financial instruments	2	2	0	2
Investment in associate	0	0	0	0
Other Financial Assets	23	12	0	12
TOTAL NON-CURRENT ASSETS	2,584	2,579	2,385	2,566
TOTAL ASSETS	2,622	2,610	2,407	2,597
CURRENT LIABILITIES				
Trade and other payables	25	28	32	28
Provisions	1	1	0	1
Current Employee Entitlements	8	8	8	8
Current Portion - Term Liabilities	46	22	0	22
Derivative financial instruments	1	1	0	1
TOTAL CURRENT LIABILITIES	81	60	40	60
NON-CURRENT LIABILITIES				
Provisions	1	1	1	1
Employee benefit liabilities	1	1	1	1
Term Liabilities	289	296	345	283
Derivative financial instruments	1	1	0	1
TOTAL NON-CURRENT LIABILITIES	292	299	347	286
TOTAL LIABILITIES	373	359	387	346
ASSETS LESS LIABILITIES	2,249	2,251	2,020	2,251
PUBLIC EQUITY				
Retained earnings	1,112	1,114	954	1,114
Other reserves	1,137	1,137	1,066	1,137
TOTAL PUBLIC EQUITY	2,249	2,251	2,020	2,251

Palmerston North City Council	Year to date		2025/26 Full Year Revised Budget \$M	
	Actual \$M	Revised Budget \$M		
Statement of Cash Flows				
For the period to 31 December 2025				
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from rates revenues	75.9	75.0	145.9	
Interest received	0.7	0.1	0.2	
Dividends received	0.3	0.3	0.3	
Operating subsidies and grants	3.4	3.4	6.8	
Receipts from other revenue	21.7	19.0	40.3	
Capital subsidies and grants	1.7	3.4	10.6	
Development contributions	0.9	1.1	2.2	
Receipts from tax losses	0.0	0.0	0.0	
Interest paid	(6.2)	(7.0)	(14.1)	
Payments to suppliers and employees	(73.8)	(72.3)	(142.4)	
Goods and Services Tax (net)	3.7	0.0	0.0	
Net Cash From Operating Activities	28.3	23.0	49.8	
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of property	0.6	-	-	
Proceeds from sale of biological assets	-	-	-	
Investment in property development	-	-	-	
Purchase of property, plant and equipment	(29.2)	(36.3)	(97.2)	
Net other advances repayment received/(made)	-	-	-	
Net increase in investments	(13.3)	(0.6)	(1.5)	
Net Cash From Investing Activities	(41.9)	(36.9)	(98.7)	
CASH FLOWS FROM FINANCING ACTIVITIES				
Short term investments (4-12 months)	-	-	-	
Net borrowing proceeds/(repaid)	30.0	13.6	48.9	
Repayment of leases	-	-	-	
Net Cash From Financing Activities	30.0	13.6	48.9	
NET INCREASE/DECREASE	16.4	(0.3)	-	
Cash at beginning of year	2.5	2.5	2.5	
CASH AT MONTH END	18.9	2.2	2.5	

Appendix 8 – Approved variations to Annual Budget 2025/26

After the Annual Budget 2025/26 was approved, the following changes were authorised by Council for the 2025/26 financial year. These also impacted the debt, or capital expenditure if it relates to capital revenue.

Variations to Annual Budget 2025/26 approved by Council

Profit and Loss	\$000	New in quarter
Annual Budget 2025/26 Net Surplus/(Deficit)	(290)	
Changes authorised by Council:		
Carry forward adjustments:		
Operating Revenue		
2539-BOF-Te Hotu Manawa o Rangitane Marae Upgrade-Government operating grant	(3)	
Operating Expenditure		
2539-BOF-Te Hotu Manawa o Rangitane Marae Upgrade-Grant expenses	3	
2346-Org wide – systems replacement or new systems	(93)	
1520-Digital Transformation	(354)	
Non-Operating (Capital Revenues)		
2057-Regional Shared Path Network Improvements	(199)	
2349-Ashhurst-Te Apiti Masterplan-Three Bridges Loop	(239)	
2380-City-wide-Transport-Emergency Reinstatements	(214)	
Other budget adjustments authorised by Council:		
Operating Revenue		
Water Services CCO Government operating grant	250	
Environmental Health additional revenue	100	Yes
Operating Expenditure		
Water Services CCO Remuneration	(250)	
Kiwisaver contribution rate increase from 1 April 2026	(100)	
Environmental Health additional contractor expense	(100)	Yes
Aokautere Business Case: Funding Options (professional services)	(400)	Yes
Manawatū Regional Freight Ring Road - Accelerated Project Timeline	(189)	Yes
Operating Expenditure		
Water Services CCO Remuneration	706	Yes
Budget adjustments authorised by Chief Executive (delegation manual 5.4.2)		
Non-Operating (Capital revenues)		
210-Urban Growth-NEIZ-Wastewater	369	
Revised Budget 2024/25 Net Surplus/(Deficit) Before Tax	(1,003)	

Balance Sheet	\$000	New in quarter
Assets		
Ratepayer assistance scheme	250	
Capital Expenditure	\$000	New in quarter
Annual Budget 2025/26	97,398	
Changes authorised by Council:		
Carry forward adjustments:		
1888 - Low Carbon Fund	380	
727 - Recycling- Materials Recovery Facility Development	6	
1001 - Urban Growth - Whakarongo - Stormwater	361	
1194 - CET Arena - Masterplan Redevelopment	38	
1372 - City-wide Stormwater Pump Stations Improvement	(11)	
1617 - WWTP - Biogas System Improvements	(38)	
1681 - Urban Growth - Kikiwhenua - Transport	516	
1708 - City-wide - Stormwater Flood Mitigation	554	
2057 - Regional Shared Path Network Improvements	(29)	
2297 - Urban Growth - Napier Road Bore (City East)	334	
2299 - Urban Growth - New Northern Water Supply Bore (Milson Line)	121	
2301 - Urban Growth - New Longburn Water Supply Bore	(200)	
2303 - Citywide - Bore Facility Improvements	(163)	
2349 - Ashhurst - Te Apiti Masterplan - Three Bridges Loop	(239)	
2349 - Ashhurst - Te Apiti Masterplan - Three Bridges Loop	325	
2350 - Cultural Facilities - New Multicultural Facility	(43)	
2380 - City-wide - Transport - Emergency Reinstatements	(420)	
2440 - Community Centres – Pasifika Centre Expansion	(47)	
2456 - Cliff Road Upgrade - Te Motu O Poutoa	(14)	
2503 - Collection Vehicles - Safety and Security Developm	3	
1837 - Swimming Pools - Pool Renewals	123	
1853 - Development of Existing Reserves	42	
1874 - Turitea Dams - Health & Safety Improvements	87	
2324 - Urban Growth - Stormwater Roxborough Crescent Infill	88	
2411 - Renewal of Oxidation Ponds and Sludge Lagoons	643	
2512 - Urban Growth - Kikiwhenua - Water Supply	483	
986 - Turitea Dams - Aeration Upgrade	42	
Other budget adjustments authorised by Council:		
1895-Te Motu o Poutoa Development	(4,331)	
1853-Development of existing reserves (Clearview Reserve)	85	
139 - City-wide - Sealed Road Resurfacing	706	Yes
1681 - Urban Growth - Kikiwhenua - Transport	(2,622)	Yes
2124 - Urban Growth - Ashhurst - Transport	2,622	Yes
2564 - Whakarongo & Aokautere - Intersection - (State Hig	(1,330)	Yes

2335 - Stoney Creek Road - Safety Improvements	1,330	Yes
Budget adjustments authorised by Chief Executive (delegation manual 5.4.2)		
210-Urban Growth-NEIZ-Wastewater	369	
Revised Budget 2024/25 Capital Budget	97,169	

Variations to Annual Budget 2025/26 approved by Chief Executive

The Delegations Manual provides that the Chief Executive may approve transfers of budgets where this will best achieve the outcome intended and savings can be made to offset the authorised increase. Where the amounts authorised cross activities, these are required to be reported quarterly to the Strategy and Finance Committee.

Below are the changes approved through the Chief Executive.

Activity	Budget/Programme	(\$000s)	New in Quarter
Capital Renewal			
City Library	1138 - City Library (all sites) Digital Technology to Support 21st Century Citizens and Service (Renewal)	(2)	
Arts, culture and heritage	777 - City Library- Heritage Technology, Equipment and Markers for Public Discovery and Access to Archives and Local History	2	
Economic Development	2022 - Property - Hard Surfaces Renewals 664 - Conference & Function Centre - Renewals	150 (150)	Yes Yes
Water	2512 - Urban Growth - Kikihwenua - Water Supply	570	Yes
	628 - Totara Road WTP-Consent Renewal Upgrade	(570)	Yes
Wastewater	2556 - Landfill biosolids disposal field 2511 - Urban Growth - Kikihwenua - Wastewater	(1,053) 1,053	Yes Yes
Net movement		0	

Low Carbon Fund

Council delegation is given to enable the the Chief Executive to action movements of 100% of the Capital Programme 1888-Low Carbon Fund. Year to date

Activity	Programme	(\$000s)	New in Quarter
Recreation and play	1051 - CET Arena - Arena Renewals (Replacement of gas space and hot water heating with heat pumps)	135	Yes
Recreation and play	1852 - Imp. existing reserves to close LOS gaps (Roll out of electric parks tools following successful pilot)	25	Yes

Appendix 9 – Elected Member training

The Elected Member training costs for the period 1 October – 31 December 2025 were:

Name	Training	Cost (incl. GST)	Details
Karen Naylor	Making Good Decisions	\$1,932	Registration- online course
Brent Barrett	Making Good Decisions	\$1,932	Registration- online course
	LGNZ Regional Induction	\$736	Registration – local
Leonie Hapeta	Economic Development NZ	\$1,163.10	Registration & travel - conference
Bonnie Kuru	LGNZ Regional Induction	\$736	Registration – local
Orphee Mickalad	LGNZ Regional Induction	\$736	Registration – local
Kaydee Zabelin	LGNZ Regional Induction	\$736	Registration – local
Grant Smith	LGNZ Mayor's School	\$1,630.85	Registration & travel
	Ethnic Xchange Symposium	\$878	Registration & travel - conference

Appendix 10 – Elected Member Expenditure

Table 1 below is a summary of relevant expenditure from the Mayoral Office, Mayor's Discretionary, Mayor's Relief Fund and Elected Member Support. The Mayoral Office budget includes items for Citizenship Ceremonies and Civic Awards. The summary presents only the controllable expenditure for these budget lines for the year to date.

Table 1: Comparative totals for the previous financial years

Financial year	Total expenditure	Budget
2023/24	181,323	199,200
2024/25	201,302	228,468
2025/26	127,019	219,051

Table 2: Mayor's Office Budgets (including sensitive expenditure)

	25/26 YTD Actual	25/26 YTD Budget	Variance Year to Date	25/26 FY Budget	24/25 Actual
Travel and Accommodation	13,675	17,361	3,686	34,714	32,397
Taxi Charges	616	Not separately budgeted	(616)	Not separately budgeted	3,247
Travel Subtotal	14,292	17,361	3,069	34,714	35,644
Hospitality	16,521	14,907	(1,614)	29,819	45,799
Training	2,904	1,236	(1,668)	2,472	2,327
Gifts	2,290	5,618	3,327	11,231	5,628
Sub - Total*	\$36,007	\$39,122	3,115	\$78,236	\$89,398
Other Expenses **	\$91,012	\$83,138	(7,874)	\$140,815	\$91,925
Grand Total	\$127,019	\$122,260	(4,759)	\$219,051	\$181,323

*Further information relating these items is detailed in Table 3

** Other Expenses includes items related to the running of the Mayor's Office activity and covers expenditure items like media support, venue hire (Citizenship/Civic Awards/Duke of Ed. Awards, etc.) as well as discretionary fund grants and donations

Table 3: Additional Information on Sensitive Expenditure in Table 2 above

Categorisation of Sub-Total from Table 2 Above	
International	5,766
Community Functions and Events	10,753
Government	4,785
Sponsorship	0
Metro & LGNZ	647
Other	14,055
SUB - Total	\$36,007

The values shown in table 3 relate to all costs associated with the sub-category including travel, hospitality and gifts. For clarification, these categories include these types of events;

International - relates to expenses incurred in meeting with international delegations for functions and events maintaining international relations outside of formal partnerships.

Community Functions and Events – relates to expenses incurred in community events and functions held and/or attended by the Mayor related to both Council business and social events.

Government – relates to expenses incurred attending events held by holders of Government roles, such as Business Chamber speaking events

Sponsorship – relates to expenses incurred where sponsorship arrangements exists for fundraising.

Metro & LGNZ – relates to expenses incurred attending business and government events held by LGNZ such as Zone 3 meeting, All of Government meetings, Metro and LGNZ Infrastructure Symposium.

Other – relates to expenses that do not fit into other categories.

Table 4: Discretionary Fund budgets (Mayor)

	25/26 YTD Actual	25/26 YTD Budget	25/26 FY Budget	24/25 YTD Actual
Mayoral Discretionary Fund	11,415	9,672	16,336	13,472
Mayoral Relief Fund	9,783	5,105	5,105	8,700
(Donations received)	(5,666)	-	-	-9,377
TOTAL	\$15,532	\$14,777	\$21,441	\$12,795

Appendix 11 Project Completion Summaries

Project completion reports for projects with budgets over \$1M are included for Council perusal. In Q2, no projects meeting this criteria were completed.

MEMORANDUM

TO: **Council**

MEETING DATE: **11 February 2026**

TITLE: **Treasury Report - Six months ending 31 December 2025**

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

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

RECOMMENDATION TO COUNCIL

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

1. ISSUE

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

2. BACKGROUND

- 2.1 The Council's 2025/26 Annual Budget forecast additional debt of \$48.2m would need to be raised during the 2025/26 year to fund the \$63.1m of new and growth capital expenditure programmes (including assumed carry forwards from 2024/25). On 4 June 2025 Council authorised the Chief Executive to borrow up to an additional \$49m for its purposes during 2025/26.

- 2.2 Council's Financial Strategy (adopted 26 June 2024) contains the following ratios which the Council has determined to be prudent maxima:

- Net debt as a percentage of total assets not exceeding 20%
- Net debt as a percentage of total revenue not exceeding 250%
- Net interest as a percentage of total revenue not exceeding 15%
- Net interest as a percentage of annual rates income not exceeding 20%

- 2.3 The Treasury Policy (embracing the Liability Management and Investment Policy), an updated version of which was adopted by the Council on 14 February 2024, also contains a number of other criteria regarding debt management.

3. PERFORMANCE

3.1 The Council's credit rating from S&P Global Rating (AA- stable) confirmed on 7 May 2025 remains unchanged.

3.2 **Schedule 1 attached** shows the details of Council's debt as at 31 December 2025. Debt levels were within the policy parameters outlined in section 2 of this report.

3.3 The summarised **term debt** movements are shown in the following table:

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

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

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

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

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

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

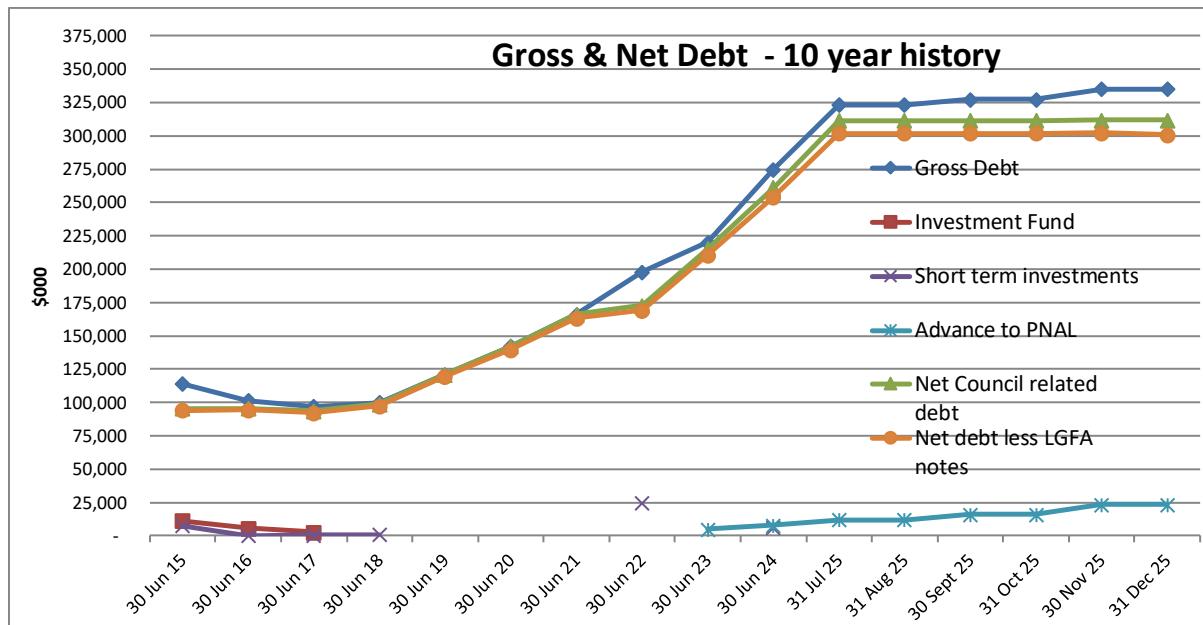
3.6 This shows Council related net additional term debt of \$18.5m was raised during the six months. This compares with the authorised total sum for the year of \$49m mentioned in clause 2.1.

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

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

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

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



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

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

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

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

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

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

3.14 The Council's Treasury Policy contains guidelines regarding the measurement of treasury risk as follows:

- Funding and liquidity risk is managed by the Council maintaining a pre-set portion of its debt in a range of maturity periods, e.g. < 3 years, 3 - 7 years, 7 years +.
- Interest rate risk is managed by the Council maintaining the ratio of debt that is subject to floating versus fixed interest rates within pre-set limits.

3.15 The position compared to the policy is illustrated in the graphs in **Schedule 3 attached**.

3.16 The funding and liquidity risk position can be summarised as follows:

- Council's liquid position complies with policy.
- Since 1 July 2025 \$31.9m of term debt has been raised and \$1.9m of bank debt has been repaid.
- Council's policy is that between 15-60% of the loans and committed facilities can mature within the period of up to three years. At 31 December 2025 63% of the maturities fall within the three-year period. The portfolio is being kept marginally shorter than policy expectations at present to provide flexibility for debt transfer to Central District's Water on 1 July 2027.

3.17 The interest rate risk position describes the portion of the overall forecast debt that is fixed versus floating and can be summarised as follows:

- There is uncertainty about forecast levels of future debt – this very much depends on a number of factors including future Council decisions on the proposed capital expenditure programme, the debt transfer arrangements for

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

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

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

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

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

4. CONCLUSION AND NEXT STEPS

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

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

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

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

5. COMPLIANCE AND ADMINISTRATION

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

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

ATTACHMENTS

 1. Schedules 1 - 4 

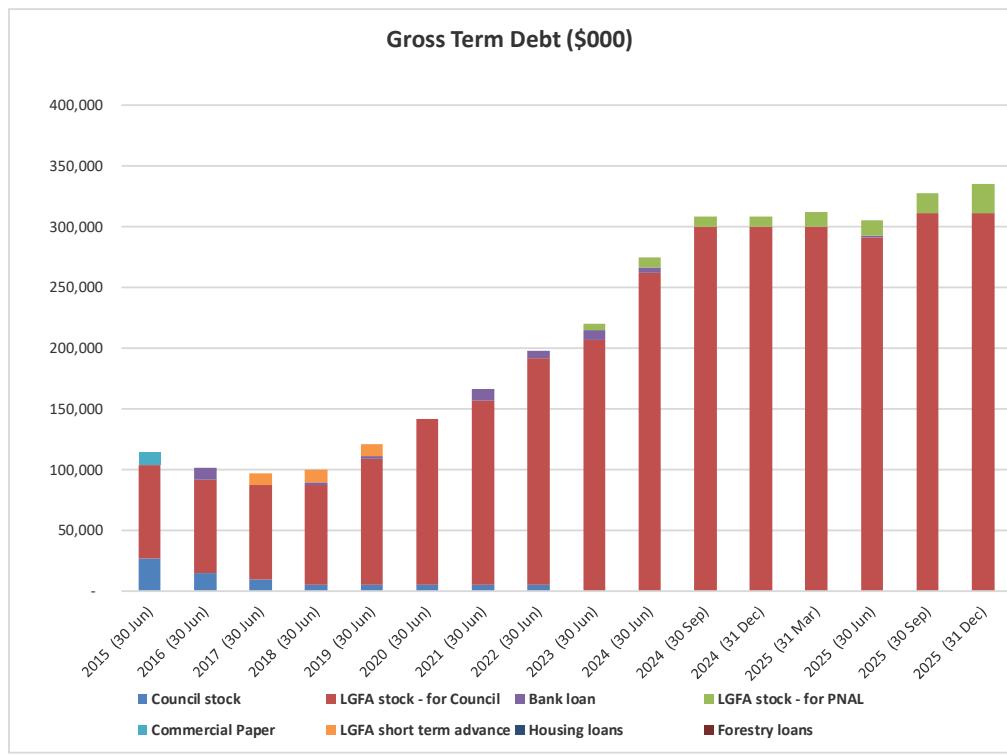
Schedule 1 - Debt levels & Prudent Borrowing Ratios

The following table shows the details of the tranches of debt on issue as at 31 December 2025:

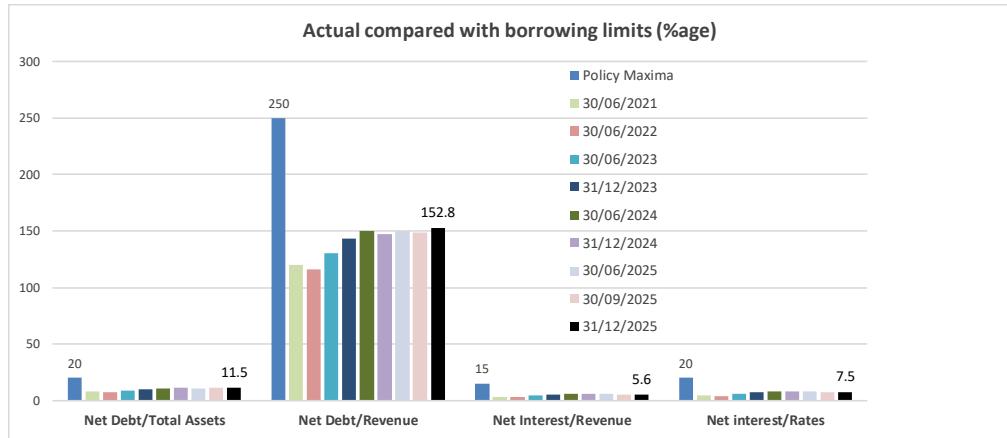
Term Debt as at 31 December 2025							Current as at 31/12/2025	Interest Rate	Reset Date
Issue Date	Term	Principal	Margin over BKBM	Interest Rate	Maturity Date				
1. Loan Stock on Issue - Borrowed from LGFA									
LGFA 22 Mar 18	8	5,000,000	0.7250%	3.2700%	15-Apr-2026	5,000,000	Floating Qtrly	15-Jan-26	
LGFA 17 Jun 19	7	7,000,000	0.6525%	3.1975%	15-Apr-2026	7,000,000	Floating Qtrly	15-Jan-26	
LGFA 11 May 20	6	5,000,000	0.6600%	3.2050%	15-Apr-2026	5,000,000	Floating Qtrly	15-Jan-26	
LGFA 13 Jul 20	6	5,000,000	0.7225%	3.2675%	15-Apr-2026	5,000,000	Floating Qtrly	15-Jan-26	
LGFA 27 Apr 23	3	10,000,000	0.5000%	3.0450%	15-Oct-2026	10,000,000	Floating Qtrly	15-Jan-26	
LGFA 13 Nov 23	3	10,000,000	0.4600%	3.0050%	15-Oct-2026	10,000,000	Floating Qtrly	15-Jan-26	
LGFA 16 Mar 15	12	5,000,000	0.4575%	3.0025%	15-Apr-2027		Floating Qtrly	15-Jan-26	
LGFA 8 Jun 15	12	5,000,000	0.4525%	2.9975%	15-Apr-2027		Floating Qtrly	15-Jan-26	
LGFA 11 Aug 20	7	10,000,000		1.1200%	15-Apr-2027		Fixed		
LGFA 9 Feb 21	6	5,000,000		1.3579%	15-Apr-2027		Fixed		
LGFA 14 Aug 23	4	10,000,000		0.4900%	3.0350%	15-Jul-2027	Floating Qtrly	15-Jan-26	
LGFA 24 Jul 25	2	20,000,000		0.5700%	3.1150%	15-Jul-2027	Floating Qtrly	15-Jan-26	
LGFA 28 Jul 22	5	5,000,000		0.5000%	3.0450%	15-Oct-2027	Floating Qtrly	15-Jan-26	
LGFA 30 May 23	4	10,000,000		5.2300%	15-Oct-2027		Fixed		
LGFA 13 Nov 23	4	5,000,000		0.5890%	3.1340%	15-Oct-2027	Floating Qtrly	15-Jan-26	
LGFA 17 Dec 18	10	5,000,000		0.7875%	3.3325%	18-Apr-2028	Floating Qtrly	15-Jan-26	
LGFA 7 Oct 19	9	5,000,000		0.7100%	3.2550%	18-Apr-2028	Floating Qtrly	15-Jan-26	
LGFA 11 Aug 20	8	10,000,000		0.8300%	3.3750%	18-Apr-2028	Floating Qtrly	15-Jan-26	
LGFA 10 Jul 23	5	10,000,000		0.6680%	3.2130%	15-Jul-2028	Floating Qtrly	15-Jan-26	
LGFA 14 Aug 23	5	10,000,000		0.6120%	3.1570%	15-Jul-2028	Floating Qtrly	15-Jan-26	
LGFA 28 Jul 22	6	5,000,000		0.5500%	3.0950%	15-Oct-2028	Floating Qtrly	15-Jan-26	
LGFA 14 Nov 22	6	5,000,000		0.6170%	3.1620%	15-Oct-2028	Floating Qtrly	15-Jan-26	
LGFA 11 Dec 23	5	10,000,000		0.6730%	3.2180%	15-Oct-2028	Floating Qtrly	15-Jan-26	
LGFA 17 Dec 18	11	10,000,000		0.8225%	3.3675%	15-Apr-2029	Floating Qtrly	15-Jan-26	
LGFA 12 Jul 21	8	10,000,000		0.3950%	2.9200%	20-Apr-2029	Floating Qtrly	20-Jan-26	
LGFA 8 Jul 24	5	15,000,000		0.6900%	3.2150%	20-Apr-2029	Floating Qtrly	20-Jan-26	
LGFA 14 Aug 24	5	15,000,000		0.8300%	3.3550%	20-Apr-2029	Floating Qtrly	20-Jan-26	
LGFA 19 Dec 22	7	5,000,000		0.6590%	3.2040%	15-Oct-2029	Floating Qtrly	15-Jan-26	
LGFA 11 Mar 24	5	10,000,000		5.2106%	15-Oct-2029		Fixed		
LGFA 6 May 24	5	10,000,000		0.6620%	3.2070%	15-Oct-2029	Floating Qtrly	15-Jan-26	
LGFA 12 Jul 21	9	10,000,000		0.4350%	2.9800%	15-Apr-2030	Floating Qtrly	15-Jan-26	
LGFA 18 Oct 21	9	5,000,000		0.4590%	3.0040%	15-Apr-2030	Floating Qtrly	15-Jan-26	
LGFA 8 Jul 24	6	14,000,000		0.7600%	3.2600%	15-May-2030	Floating Qtrly	16-Feb-26	
LGFA 12 May 25	5	10,000,000		0.9750%	3.4750%	15-May-2030	Floating Qtrly	16-Feb-25	
LGFA 14 Mar 22	9	10,000,000		0.5700%	3.0700%	15-May-2031	Floating Qtrly	16-Feb-26	
LGFA 14 Mar 22	9	10,000,000		0.5950%	3.1400%	15-Oct-2031	Floating Qtrly	15-Jan-26	
		311,000,000							
2. Loan Stock on Issue - Borrowed from LGFA to on-lend to PNAL									
LGFA 5 Sep 25	1	4,000,000		3.1600%	15-Jul-2026	4,000,000	Fixed		
LGFA 11 Jul 22	5	5,128,205		4.1100%	15-Jul-2027		Fixed		
LGFA 14 Aug 23	5	3,076,923		5.4467%	15-Jul-2028		Fixed		
LGFA 28 Nov 25	3	2,631,579		3.5500%	15-Jul-2028		Fixed		
LGFA 10 Nov 25	4	2,631,579		3.5263%	15-Jul-2029		Fixed		
LGFA 28 Nov 25	4	2,631,579		3.7600%	15-Jul-2029		Fixed		
LGFA 17 Feb 25	5	4,210,526		4.6834%	15-Jul-2030		Fixed		
		24,310,391							
3. Lines of Credit									
ANZ (\$25m)	Standby				31-Mar-2028		Reset at any time		
Westpac (\$20m)	On call			* plus line fee of 0.22%	4.30%	31-Oct-2028	Reset at any time		
LGFA (\$10m)	Standby			* plus line fee of 0.25%		15 mths after termination notice			
				* plus line fee of 0.2%					
Total as at 31 Dec 2025		335,310,391					46,000,000		

PALMERSTON NORTH CITY COUNCIL

The following graph shows the changing nature of the structure of the debt portfolio over the last 10 years:



The Financial Strategy contains a series of ratios that the Council has determined to be prudent maxima. The chart below shows the actual results since 2020/21 compared to those ratios.

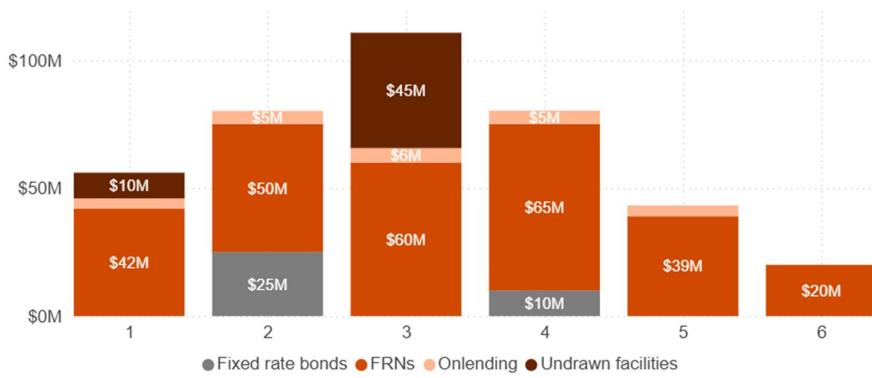


PALMERSTON NORTH CITY COUNCIL

Schedule 2 – Interest Rate Swaps

The following table schedules the swap financial instruments in place as at 31 December 2025:

Palmerston North City Council									
Interest Rate Swaps as at 31 December 2025									
Council pays fixed & receives floating on a quarterly basis							Current	Value at	
Bank	Trade Date	Deal No	Amount \$m	Start Date	Maturity	Fixed Interest rate	Floating rate	Reset date	31-Dec-25
ANZ	29-Nov-18	18984258	2.0	6-Mar-20	6-Mar-29	3.095%	2.475%	6-Mar-26	7,749
ANZ	20-Jun-14	25213652	5.0	15-Dec-21	15-Jun-29	3.3425%	2.48%	16-Mar-26	(10,523)
Westpac	16-Nov-21	9251755	7.0	8-Dec-21	8-Dec-28	3.190%	2.475%	9-Mar-26	(5,658)
Westpac	16-Nov-21	9251762	6.0	29-Dec-21	28-Sept-29	3.410%	2.510%	30-Mar-26	(14,277)
Westpac	16-Nov-21	9251772	5.0	10-Jan-22	10-Jan-30	3.380%	2.550%	12-Jan-26	(4,285)
Westpac	26-Feb-16	5013577	5.0	11-Apr-22	12-Jan-26	3.635%	2.54%	12-Jan-26	(13,633)
ANZ	13-Oct-20	22956802	10.0	15-Apr-22	15-Apr-28	0.4025%	2.545%	15-Jan-26	621,877
Westpac	25-Jun-21	9002142	10.0	15-Jun-22	15-Jun-28	1.8200%	2.48%	16-Mar-26	292,406
Westpac	25-Jun-21	9002154	10.0	15-Sept-22	15-Sept-28	1.9000%	2.48%	16-Mar-26	317,273
BNZ	27-Feb-20	384575543	7.0	8-Dec-22	8-Dec-28	1.3375%	2.475%	9-Mar-26	366,282
Westpac	25-Jun-21	9002127	10.0	15-Mar-23	15-Mar-28	1.9400%	2.48%	16-Mar-26	223,929
ANZ	27-Nov-17	17029213	5.0	15-Jun-23	15-Jun-27	3.7675%	2.48%	16-Mar-26	(71,416)
Westpac	25-Jun-21	9002104	10.0	15-Jun-23	15-Sept-27	1.9325%	2.48%	16-Mar-26	156,403
ANZ	27-Nov-17	17029223	6.0	29-Sept-23	29-Jun-27	3.7875%	2.51%	30-Mar-26	(86,325)
ANZ	27-Mar-18	17670295	5.0	10-Jun-24	10-Jun-32	3.935%	2.49%	10-Mar-26	(56,280)
ANZ	27-Mar-18	17670250	5.0	15-Jun-24	15-Jun-29	3.840%	2.48%	16-Mar-26	(92,946)
ANZ	27-Mar-18	17670276	5.0	10-Oct-24	10-Jan-31	3.920%	2.55%	12-Jan-26	(96,167)
Westpac	22-Nov-24	11632979	15.0	16-Dec-24	15-Dec-26	3.725%	2.48%	16-Mar-26	(165,256)
Westpac	8-Jul-22	9735291	10.0	15-Jan-25	15-Sept-30	3.790%	2.48%	16-Mar-26	(123,017)
Westpac	8-Jul-22	9735255	10.0	15-Apr-25	15-Apr-30	3.775%	2.545%	15-Jan-26	(156,578)
ANZ	27-Apr-23	48752829	20.0	15-Jul-25	15-Jul-30	3.8025%	2.545%	15-Jan-26	(316,752)
Westpac	12-Jul-24	11308228	20.0	15-Jul-25	15-Jul-30	3.965%	2.545%	15-Jan-26	(460,393)
Westpac	11-Mar-24	11045178	20.0	15-Oct-25	15-Oct-29	3.990%	2.545%	15-Jan-26	(512,437)
Westpac	25-Mar-25	11894046	20.0	15-Oct-25	15-Oct-30	3.825%	2.545%	15-Jan-26	(311,482)
Active total at 31 Dec 25			228.0						(511,506)
ANZ	27-Apr-23	48752826	20.0	15-Apr-27	15-Apr-31	3.905%			4,063
BNZ	18-Dec-25	13981397	10.0	15-Jan-26	15-Sept-31	3.730%			(30,010)
BNZ	18-Dec-25	13981414	10.0	15-Apr-26	15-Jul-31	3.770%			1,710
Forward start total at 31 Dec 25			40.0						(24,237)
							Total value		(535,743)

Schedule 3 - Risk Exposure Position**Funding & Liquidity Risk Position – proportions of debt within pre-set maturity bands****Funding and liquidity risk timeline****Funding summary**

Bucket (years)	Maturing in period (\$)	Policy	Actual
0 - 3	\$246,836,707	15% - 60%	63%
3 - 7	\$143,473,684	25% - 85%	37%
7 - 15	\$0	0% - 60%	0%
Total	\$390,310,391		100%

Liquidity Ratio

Policy: $\geq 110\%$
 Actual at 31 December 2025 116%

Gross external debt at 31 December 2025: **\$335,310,391**

Net debt i.e. Gross debt less pre-funding **\$335,310,391**

Net debt less PNAL related debt **\$311,000,000**

Undrawn bank/standby facilities at 31 December 2025: **\$55,000,000**

Interest Rate Risk Position – proportions of forecast debt subject to floating versus fixed interest rates within pre-set policy limits**As at 31 December 2025:**

Current fixed rate hedging
78%

Total fixed rate instruments
\$263,000,000

Weighted average fixed rate of fixed rate instruments
3.26%

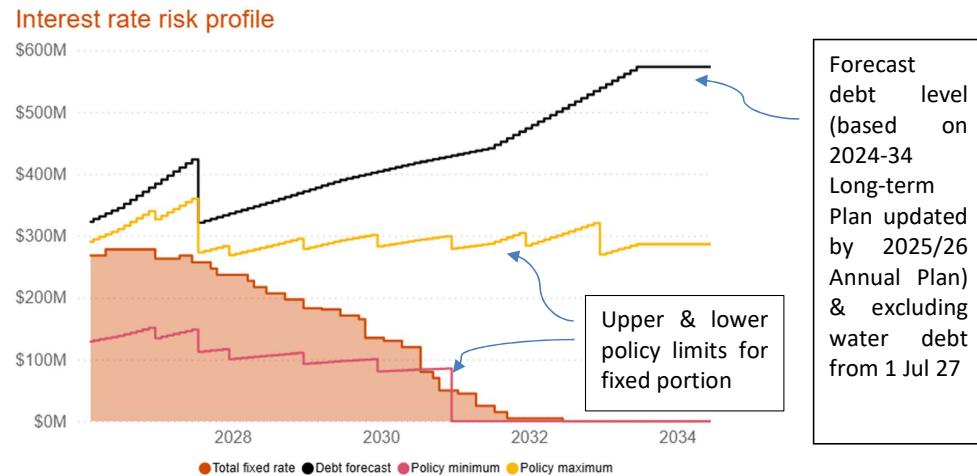
Weighted average term of fixed rate instruments
3.48 years

Fixed proportions each year compared with policy – based on 2024-34 Long-term Plan (updated by 2025/26 Annual budget) & excluding waters debt after 1 Jul 27

Interest rate summary

#	Bucket	Min	Max	Actual	WA swap
1	0 - 12	40%	90%	80%	3.21%
2	12 - 24	35%	85%	70%	3.29%
3	24 - 36	30%	80%	61%	3.81%
4	36 - 48	25%	75%	44%	3.83%
5	48 - 60	20%	70%	24%	3.85%
6	60 - 72	0%	65%	6%	3.94%
7	72 - 84	0%	60%	1%	
8	84 - 96	0%	50%	0%	
9	96 - 108	0%	50%	0%	
10	108 - 120	0%	50%	0%	

The shaded portion reflects the fixed portion of the forecast debt based on the 2024-34 Long-term Plan (updated by the 2025/26 Annual Plan) & excluding water activity related debt after 1 July 2027



Schedule 4 – Counterparty credit limits

Counterparty credit limits

Counterparty	Investments exposure	Investment limit	MIM	Derivatives exposure	Derivatives limit	Total exposure	Total limit	Compliant?
ANZ	\$0	\$35,000,000	\$1,120,113	\$10,014,949	\$35,000,000	\$10,014,949	\$35,000,000	✓
BNZ	\$0	\$35,000,000	\$568,244	\$3,989,405	\$35,000,000	\$3,989,405	\$35,000,000	✓
Westpac	\$16,500,000	\$35,000,000	\$1,987,205	\$15,618,316	\$35,000,000	\$32,118,316	\$35,000,000	✓

REPORT

TO: Council

MEETING DATE: 11 February 2026

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

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

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

RECOMMENDATION(S) TO COUNCIL

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

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

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

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

1. ISSUE

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

2. BACKGROUND AND PREVIOUS COUNCIL DECISIONS

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

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

3. ROLE AND RESPONSIBILITIES OF THE SHAREHOLDERS COMMITTEE

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

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

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

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

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

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

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

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

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

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

5. APPOINTEES TO THE SHAREHOLDERS COMMITTEE

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

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

5.2 Each Council has conducted an Expression of Interest process for its two representatives and will confirm the appointments (including the alternate) at this meeting. Collectively, the intention is to ensure the Committee has the collective skills, knowledge and experience in relation to water services decision-making. (The mana whenua selection process is addressed below, in section 6.)

5.3 Given the delegation to the Committee (explained above, section 3.2), representatives are expected to generally make decisions under the authority delegated to them by the appointing Council. As a joint Committee, meetings are subject to the provisions of LGOIMA and will therefore typically be held in public, with agendas publicly available.

5.4 The report to the three Councils on adopting the Constitution and Shareholders' Agreement for Central Districts Water considered the question whether Shareholders Committee members should be required to consult with their respective Councils and gain their endorsement before approving the Statement of Expectations. The agreed position was that there would be no specific requirement: this is a matter for the delegation given by each Council to its appointed representatives on the Shareholders Committee (so could be an instruction in that delegation), along with a general expectation that the representatives would keep the Council informed of progress by the Committee. This principle applies to all proposals being considered by the Shareholders Committee.

6. APPOINTMENT OF MANA WHENUA REPRESENTATIVE TO THE SHAREHOLDERS COMMITTEE

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

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

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

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

7. MEMORANDUM OF UNDERSTANDING

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

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

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

8. FINANCIAL IMPLICATIONS

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

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

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

- 8.2 Each Council will meet the costs of the representatives it individually appoints. This will include any representative who is not an elected member of the Council.
- 8.3 Clause 7.2 of Schedule 1 to the Shareholders' Agreement provides that the Shareholders agree that, at the required or desirable time before 'Day One' (i.e. 1 July 2027), each Shareholder will take all steps necessary, including providing any guarantee (in amounts proportionate to their shareholdings, or otherwise as may be agreed with the Local Government Funding Agency), to enable the Company to access funding through the Local Government Funding Agency.

9. DECISION MAKING PROCESS

- 9.1 This report is being considered by all three Shareholding Councils. Prior to it being included in the Council agendas, it has been reviewed by the Project Oversight Group (ie the three Mayors and Chief Executives) and the Mana whenua representative.
- 9.2 No further community consultation or engagement is required to make the decisions recommended in this report

10. APPOINTMENT OF THE INDEPENDENT CHAIRPERSON

- 10.1 The Shareholders Committee Terms of Reference sets out that there is to be an Independent chairperson, who will be non-voting. It is the role of the Shareholders Committee to make the Independent Chairperson appointment and set their remuneration.
- 10.2 To expedite the Independent Chairperson's appointment, the Project Oversight Group has been running an Expression of Interest process to identify suitable candidates and make a recommendation to the Shareholders Committee. It is anticipated this process will be completed in time for a recommendation on the appointment to be considered at the Committee's inaugural meeting.

11. NEXT ACTIONS

- 11.1 The first meeting of the Shareholding Committee will be convened by the Chief Executive of Horowhenua District Council as the Lead Council as noted in the Collaboration Agreement signed by the three Councils on 17 September 2025.
- 11.2 The agenda for this first meeting will include:
 - election of the Independent Chairperson and Deputy Chairperson (in accordance with clause 25 of Schedule 7 to the Local Government Act 2002)
 - approval of the remuneration for the Independent Chairperson,
 - approval of the reimbursement to iwi representatives on the Committee,
 - ratification of the skills matrix for the Directors,
 - update on the appointment of the Directors; and

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

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

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

12. COMPLIANCE AND ADMINISTRATION

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

[redacted] been approved by the DIA.

ATTACHMENTS

1. Attachment A - HDC, PNCC, RDC Shareholders Committee structure and processes [!\[\]\(dbc86dd389740a59fcab8025f404d57f_img.jpg\)](#)
2. Attachment B - Shareholder Committee Appointment letter from Ngā Tapuwae o Hau [!\[\]\(1598990babad8d09007d475600d3c799_img.jpg\)](#)

To Chris Dyrberg, Executive Director Central Districts Water

22 December 2025

From Mike Wakefield and Jack Apperley

Subject Role and responsibilities of the Shareholders Committee, and approach to appointments

PRIVILEGED AND CONFIDENTIAL

Introduction

1. You have asked for advice in relation to the formation of the Shareholders Committee, the nature of its decision-making role and responsibilities (including the delegations that will need to be made to it), the skills or expertise that would likely be of utility to the Shareholders Committee, and an outline of the approach to its operation. We have addressed each of these matters below.
2. We have also outlined the approach to the appointment of Mana Whenua representatives, based on the terms of the Shareholders Agreement.

Formation of the Shareholders Committee, and relevant structural options

3. The Local Government (Water Services) Act 2025 (**LGWSA**) provides little direction in relation to the governance and oversight arrangements that shareholders may adopt for water organisations, or jointly owned water organisations in particular.
4. The lack of direction in the LGWSA could be viewed as providing broad discretion for the Shareholding Councils to determine how they will provide oversight and direction to a water organisation. This could involve several options, including:
 - (a) Appointing a Shareholders Committee as a joint committee under the Local Government Act 2002 (**LGA**);
 - (b) Appointing a Shareholders Committee as another type of subordinate decision-making body under the LGA;
 - (c) Establishing a Shareholders Committee as a governance body under the constitution of and the contractual arrangements (Shareholders Agreement) between the Shareholders, and potentially iwi, without reliance on LGA provisions; or
 - (d) Deciding to maintain direct governance and oversight of the water organisation at a Council (and iwi) level, without any subordinate structure in place to co-ordinate decision-making.
5. However, other than where specified,¹ the LGWSA does not displace the LGA. As a result, the Shareholder Councils when exercising any powers or responsibilities under the LGWSA (as shareholders, or as water service providers) will also need to comply with the requirements of

¹ For example, section 40(6) which disapplies sections 57 – 60 of the LGA relating to CCOs.

the LGA (as applicable). In practice, the continued application of the LGA is a constraint that impacts on the options set out above.

6. Without traversing all of the reasons at length, our recommendation has been to establish the Shareholders Committee as a joint committee. This is for the following key reasons:
 - (a) The Shareholder Councils are generally familiar with the structure of, and statutory provisions that govern, a joint committee. In contrast, there are no default rules or requirements for the other type of subordinate decision-making body contemplated by the LGA that is not a joint committee, so these would need to be drafted “from scratch” and agreed to by the Shareholder Councils (through Terms of Agreement, or other establishment documents);
 - (b) LGOIMA will apply to the meetings of, and information held by, the joint committee, which will ensure the Shareholders Committee operates with an appropriate degree of transparency while still allowing for commercially sensitive or other information potentially protected by LGOIMA to be withheld;
 - (c) The use of a joint committee provides for the appointment of other persons or parties to assist decision-making, ie. the appointment of non-council parties, iwi, and others.

There is a requirement for delegations to be made to the Shareholders Committee

7. If a subordinate body is established (which we consider makes sense for practical workability reasons, as opposed to retaining governance at a separate Council level), and it is intended that the body has a decision-making as opposed to merely advisory role, that will necessarily require the delegation of relevant responsibilities, duties or powers conferred on shareholders under the LGWSA.
8. The relevant power of delegation is found in the LGA, and is not displaced by the LGWSA.
9. The LGWSA recognises this, with certain provisions noting the need for a delegation² and by otherwise preventing a council from delegating its role as “shareholder” or its power of delegation under the LGA (s 11, LGWSA). The LGWSA does not provide any standalone power of delegation to shareholders of a water organisation.
10. What this means is that the Shareholders Committee will need formal delegations from each of the Partner Councils. These delegations will need to be confirmed by each Shareholder at a Council meeting and align with the role and responsibilities of the Shareholders Committee, as specified in the Shareholders’ Agreement.
11. For completeness, the delegation required will be to the Shareholders Committee, as the subordinate decision-making body, with the appointed members being responsible for voting to

² See for example, s 350 WS Act, which expressly anticipates delegation by a territorial authority to a water organisation of “any of its functions or powers that relate to the administration or enforcement of a water services bylaw under the WS Act”.

make the decisions required of the Committee. In practice, each member will be voting for their relevant Council or stakeholder, but the decisions made will be on behalf of all Shareholders.

Role and responsibilities of the Shareholders Committee

12. The role and responsibilities of the Shareholders Committee are set out in the Terms of Reference in Schedule 3, clause 2 of the Shareholders' Agreement. For the purposes of this advice, the responsibilities cover:
 - (a) The appointment of Directors, as well as monitoring those Directors and determining the Board skills matrix and appointment policy for any new Directors;
 - (b) Developing a role description for any Independent Chair, and appointing that role;
 - (c) Developing and adopting the statement of expectations on behalf of the Shareholders, and approving the significance and engagement policy developed by the Company;
 - (d) Considering and providing comment on the Water Services Strategy developed by the Company; and
 - (e) Undertaking all other performance monitoring, as well as providing recommendations on various matters to the company.
13. As can be seen from the above, the responsibilities of the Shareholders Committee are broad-ranging and important, particularly in terms of their potential to shape the operations of the water organisation (in particular through the Statement of Expectations).
14. An obvious feature of the responsibilities is that they all relate to water services activities that will be delivered by the new water organisation, as an arms-length commercial entity.

Appointees to the Shareholders Committee

15. For these reasons it is critical that the Shareholders Committee is established and empowered in a way that will allow it to deliver on its role. This will involve three key features:
 - (a) First, as discussed above, the Shareholder Councils all delegating to the Shareholders Committee the substantive decision-making powers required to fulfil the identified responsibilities, which is anticipated to occur at the time the Shareholders all approve the entering into of the Shareholders Agreement;
 - (b) Second, an understanding, by the Shareholders Committee and its members, of its role as the subordinate body that will have a direct governance relationship with the new Company. This governance role is important, and will need to respect the operational independence of the Board and the shared intentions of the Shareholders for the Company, which is that the Company deliver water services on behalf of the wider community in a way that satisfies not only the Shareholders expectations, but also the relevant provisions of the new legislation and any economic or other regulation that will apply to the Company; and

(c) Third, informed membership of the Shareholders Committee, that will ideally be well-placed to inform and have oversight of the operations of the Company.

- (i) While the Board will be required to be independent and bring the requisite skills, knowledge and expertise in relation to water services, finance and other matters (as set out in the Board Skills Matrix at relevant times), it will be important for the members of the Shareholders Committee to be able to deliver on the role and responsibilities of the Shareholders Committee.
- (ii) In practice, we would expect that members should be appointed by the Councils on the basis that they can provide the collective skills, knowledge and experience in relation to water services decision-making, and community / shareholder aspirations in relation to water services.
- (iii) This balance of skills will support the Shareholders Committee to be able to provide clear strategic input into the Board's decision-making and activities, while respecting the governance vs operational role of the Shareholders Committee vs the Company.

16. In terms of how the Shareholders Committee members will be appointed, this will be governed by the Shareholders' Agreement. However, it is important to note that:

- (a) For the Shareholders Committee to be a "joint committee", it must comprise members from each of the Shareholder Councils. For this reason, the Shareholders Agreement provides for such appointments, with the decisions on Council members to be made by each Council;
- (b) The only other direct right of appointment is to "public bodies" under clause 30A of the LGA. As, in our view, iwi are not likely to be considered a "public body", they will not be able to be given an automatic right to appoint members.

17. Because of the constraint provided in relation to iwi, a workaround option has been developed, which provides for the appointment of iwi members to a joint committee. In practice, this involves the Shareholder Councils providing for iwi representation by appointing to the joint committee the person(s) put forward by their iwi partners.

18. This is clearly anticipated by clause 31(3), which provides that members of a committee need not be members of the local authority if, in the opinion of the local authority, that person has skills, attributes or knowledge that will assist the work of the committee. In relying on power, iwi members can be appointed to joint committees in the same way as non-elected members can be appointed to other committees.

19. We would generally expect a degree of collaboration between Shareholder Councils and iwi in relation to the nomination and appointment process, with iwi socialising in advance their intended appointments and alternates, and Council's then discussing that with iwi, before confirming the nominated representatives.

20. All appointments to the Shareholders Committee, whether Council members or iwi nominees, should be formalised by Council in some way, most likely by resolutions. The process for this should reflect the approach to the appointment of other council committees at the start of the

triennium, with resolutions that endorse the appointed members. In the case of iwi nominees, we would generally expect to see this confirmed by a simple resolution by the Shareholder Councils.

Appointment of Mana Whenua representatives

21. The Shareholders Agreement sets out the relevant requirements for appointing and replacing Shareholders Committee representatives, including (relevantly) that each Council must appoint an elected member to the Committee and a “representative for mana whenua”.³ In addition to the representative for mana whenua, an alternate is to be appointed “for its representative for mana whenua”.
22. The collective effect of the provisions addressing the composition of the Shareholders Committee is that there must be three representatives for mana whenua appointed by the Shareholder Councils, and three alternates for those mana whenua representatives.
23. Although clause 6.2 contemplates that the representatives appointed by each Shareholder Council may be replaced by the relevant Shareholder Council at any time, by way of written notice, the approach to appointment can, in practice, be considered across the Shareholder Councils. This could involve mana whenua agreeing, between themselves, who their three representatives and alternates will be, and nominating them for approval by the Shareholders (which, once confirmed, will be the effective appointment anticipated by clause 6.2).
24. We note that the representatives are to be appointed “*for* mana whenua”, with no reference (implicit or otherwise) that they are to be representatives for a Shareholder Council or mana whenua within any particular area, district or rohe. It follows that the key requirement is that mana whenua representatives can speak for mana whenua on any issue, which diminishes the relevance of separate Council appointments.
25. We understand that mana whenua have been discussing how they will approach their governance role in relation to Central Districts Water, and have coalesced into a group, Nga Tapuwae o Hau. Nga Tapuwae has proposed to the Shareholder Councils that it be allowed to provide its nominated representatives and alternates as a collective group to the Shareholder Councils, and that the appointment be confirmed on that basis.
26. Based on the intention that the mana whenua representatives are to speak *for* mana whenua, and that they are only required to be appointed by the Shareholder Councils to ensure compliance with the requirements of the LGA relating to joint committees, we do not see any reason why the collective appointment process would not be an acceptable or valid option, with Council resolutions made on that basis.
27. In the event that any mana whenua representative or alternate need to be considered for removal and replacement, then the Shareholder Councils would necessarily need to engage with Nga Tapuwae, as any replacement would need to be nominated by Nga Tapuwae and confirmed in the same manner as outlined above.

³ Clause 6.2.

Conduct of business by the Shareholders Committee

28. In terms of the operation of the Shareholders Committee, it will generally operate as per council committees, with due process requirements that are directed by the LGA and the Local Government Official Information and Meetings Act 1987 (LGOIMA).
29. This will involve, the preparation and notification of agendas and reports, and public (by default) meetings, albeit with the potential to discuss matters in a public excluded forum where grounds apply to justify that decision.
30. Decision-making by the Shareholders Committee will be as governed in the Shareholders' Agreement, but will generally be by majority voting of the Committee members present and voting.
31. In terms of how the members of the Shareholders Committee can present views on behalf of their Shareholder Council, or iwi (as the case may be), we expect that these issues will be determined by each Shareholder Council separately. However, it would undermine the workability of the Shareholder Committee if members were unable to participate without first reporting and receiving express permission from their Council. This would add potentially undesirable delays to decision-making and ultimately restrict the potential for the Shareholder Committee to make decisions (ie. it may lead to an inability to decide, due to the restrictive delegations / permissions provided by separate Councils).
32. In practice, we would generally expect that the more significant issues or decisions will be the subject of some advance discussions with the full Shareholder Councils, but that for the lesser significant, the members of the Shareholders Committee should be empowered and trusted to fulfil their responsibilities, and report back to their Councils at regular intervals.



29 January 2026

Central Districts Water

Attention: Chris Dhyberg

Tena koe

RE: Shareholder Committee Appointments-Central Districts Water

On behalf of Nga Tapūwae o Hau, please receive our confirmed iwi representative nominations to the Shareholders Committee for Central Districts Water:

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

Ngā mihi

Danielle Harris O.N.Z.M,LLB
Nga Tapūwae o Hau Coordinator

MEMORANDUM

TO: Council

MEETING DATE: 11 February 2026

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

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

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

RECOMMENDATION(S) TO COUNCIL

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

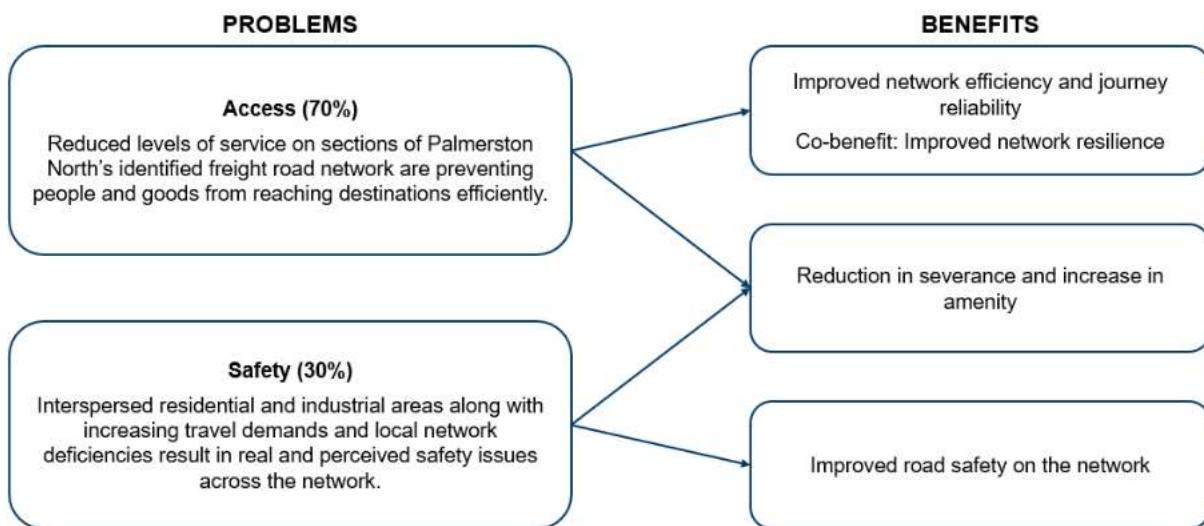
1. ISSUE

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

2. STRATEGIC CASE UPDATE

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

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



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

3. ECONOMIC CASE UPDATE AND PUBLIC ENGAGEMENT

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

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

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

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

3.4 Four community expos were held in Ashhurst, Linton, Bunnythorpe, and Longburn. These expos provided opportunities for attendees to have in-depth conversations with Council staff and technical consultants about the proposed options. The expos were designed as a walk-through experience, with multiple information stations. Station 1 was an introduction to the Ring Road and the purpose of developing a business case, Stations 2-6 then covered the options for each section of the proposed route.

3.5 Each option segment included large-format maps to support discussion, along with smaller printed copies that outlined what could occur under each option. Attendees were also able to take these printed materials home. This approach enabled people to gain a detailed understanding of the alternatives, encouraged discussion with staff, and supported informed views. Attendees could record what they liked or did not like about each option directly on the maps for others to see. Each segment also included individual voting cards, allowing people to indicate their level of support and provide comments. A summary of the [community feedback](#) is available on the Council website.

3.6 Approximately 72 people attended the Ashhurst expo, 75 attended in Linton, 250 in Bunnythorpe, and 78 in Longburn. People who attended the expos stayed for an average of 30 minutes to one hour, which demonstrates a high level of interest and that many detailed conversations took place with the project team. The majority of attendees signed in at the events and provided their email addresses so they can be kept informed as the project progresses.

3.7 Community expos were held in the four communities most likely to be affected by the Ring Road options. However, the sessions were open to the wider city and were not specific to the location in which they were held. This meant attendees could discuss all route options at any expo, regardless of where they lived. A small number of people from other parts of the city also attended out of general interest.

3.8 An online feedback form complemented the community expos. This provided an opportunity for people who were unable to attend an event to share their views. It also allowed attendees additional time to consider the information before providing feedback after the sessions.

3.9 A separate engagement session was held with the freight and business sector. This was conducted independently to better understand how these groups currently use the road network, what their needs are, and what factors might influence their use of a future route. Participants scored the options and provided qualitative feedback. 38 people attended this session.

3.10 Feedback from both the online forms and the engagement events has been reviewed by the project team. This feedback has been compiled into the community engagement report, available on the [council website](#).

3.11 The feedback will be considered as part of the wider Multi-Criteria Analysis to assess and shortlist the options.

3.12 Following this meeting, the engagement report will be published on the Council website and shared with those who attended the community expos or the freight/business sector session. This will keep participants informed and allow them to see the range of views expressed by the wider community. Stakeholders will continue to be updated at key stages of the project.

4. NEXT STEPS

4.1 The Strategic Case once completed will be peer reviewed by an external provider.

4.2 The feedback from the community, stakeholders and partners will be reviewed alongside the technical assessment to identify a recommended short list of options, to be reported to Council for approval.

4.3 Once a short list is selected, the options will undergo more detailed analysis to identify a preferred option for Council approval, as part of the overall business case.

5. COMPLIANCE AND ADMINISTRATION

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

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

ATTACHMENTS

Nil

MEMORANDUM

TO: **Council**

MEETING DATE: 11 February 2026

TITLE: Linklater Reserve - Disposal of woolshed

PRESENTED BY: Bill Carswell, Activities Manager - Property

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

RECOMMENDATION(S) TO COUNCIL

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

1. ISSUE

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

2. BACKGROUND

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

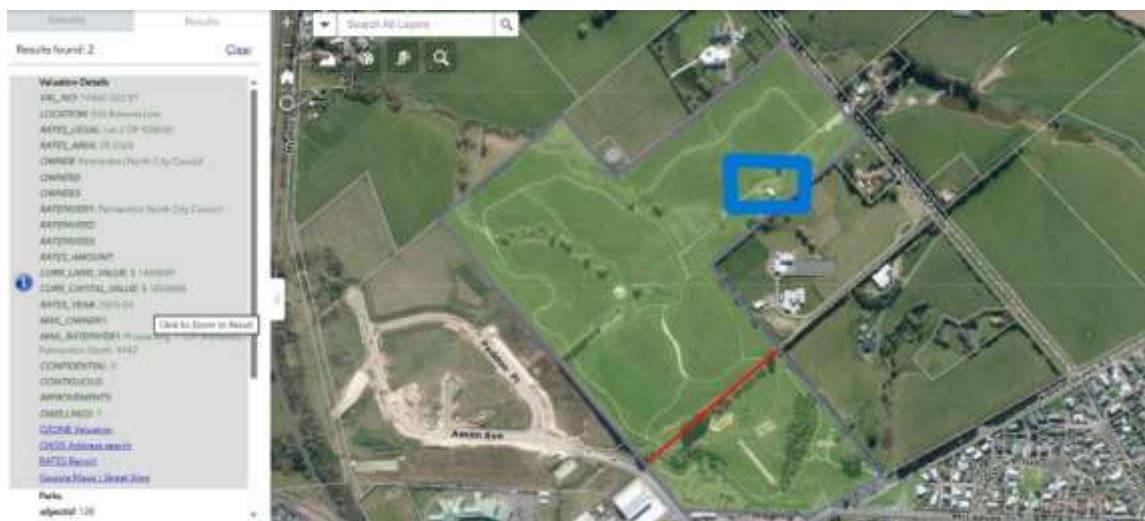


Figure 1: Woodshed location



Figure 2: Woolshed and yards

- 2.3 The woolshed has been the target of vandals and arsonists. The shed is boarded up to prevent access. It is in a poor state of repair including a significant amount of material and debris located around the structure. No operational or recreational uses have been identified that would support retaining the shed.
- 2.4 Discussions have been had with parties, including the exploration of shifting the shed. These discussions did not result in any action. Central House Movers approached Council with the offer to demolish the shed and yards.
- 2.5 The PNCC Delegations Manual (Section 1.c.) states that the disposal of assets, other than in accordance with Long Term Plan, cannot be delegated.
- 2.6 This paper seeks approval for Council to enter a contract with Central House Movers for the demolition of the shed, yards and the clearing of the site. Central House

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

OPTIONS

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

2. COMPLIANCE AND ADMINISTRATION

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

ATTACHMENTS

Nil

MEMORANDUM

TO: Council

MEETING DATE: 11 February 2026

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

PRESENTED BY: Keegan Aplin-Thane, Senior Planner

APPROVED BY: David Murphy, General Manager Strategic Planning

RECOMMENDATION(S) TO COUNCIL

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

1. ISSUE

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

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

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

2. BACKGROUND

Te Ranga Maro Charitable Trust is the housing and development arm of Te Tihi o Ruahine Whānau Ora Alliance. set up in 2019, Te Ranga Maro delivered their first urban papakainga development on Botanical Road, Palmerston North in 2021. See here for an explanation of their housing pathways programme - [20240509 Te Ranga Maro Registration & information pamphlet v1_pk](#).

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

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

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

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

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

3. ELIGIBILITY

Applications to the fund must meet the following criteria:

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

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

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

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

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

4. NEXT STEPS

Officers will notify the applicant of the decision.

5. COMPLIANCE AND ADMINISTRATION

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

ATTACHMENTS

1. Development Subsidy Fund Application Te Ranga Maro Charitable Trust



Development Contribution Subsidy 2025-2026
Development Contribution Subsidy Application Form 2025-2026
Application No. DCS25-2602 From Te Ranga Maro Charitable Trust
(Subsidiary of Te Tihi o Ruahine Whanau Ora Alliance)
Form Submitted 24 Nov 2025, 11:28AM NZDT

Development Subsidy Application Form

* indicates a required field

Applicant Details

Community group / organisation name *

Te Ranga Maro Charitable Trust (Subsidiary of Te Tihi o Ruahine Whanau Ora Alliance)

What is the legal status of your organisation? *

- Charitable trust
- Incorporated society
- Social enterprise
- Other:

NZ Charity Registration Number (CRN)

CC57814

New Zealand Charities Register Information

Reg Number	CC57814
Legal Name	Te Ranga Mārō Charitable Trust
Other Names	
Reg Status	Registered
Charity's Street Address	200 Broadway Avenue Palmerston North 4410
Charity's Postal Address	Palmerston North 4410 P O Box 2075 Palmerston North 4410
Telephone	06-560-3405
Fax	
Email	Materoa.Mar@tetih.org.nz
Website	https://www.tetih.org.nz
Reg Date	12:00am on 8 Oct 2019

Information retrieved at 4:05pm today

Must be formatted correctly.

GST number (if registered)

130-459-488

Name of the contact person for this application *

Nikki Walden

Email address for contact person *

nikki.walden@tetih.org.nz

Must be an email address.

Phone number for contact person *

s7(2)(a) PRIVACY

Zealand phone number.

Contact person's position in community group / organisation *

Development Contribution Subsidy 2025-2026
Development Contribution Subsidy Application Form 2025-2026
Application No. DCS25-2602 From Te Ranga Maro Charitable Trust
(Subsidiary of Te Tihi o Ruahine Whanau Ora Alliance)

Form Submitted 24 Nov 2025, 11:28AM NZDT

Project Lead

Eligibility

Does your community group own the land, building and/or facility that is the subject of the development contribution, building consent or resource consent? *

- Yes
- No

Please briefly explain how your organisation uses or will use the land, building and/or facility that is the subject of the development contribution, building consent or resource consent: *

Over the past 12-18 months, Te Ranga Maro has delivered 14 homes across 12 dwellings in the Highbury area, supporting 18 whānau to achieve their aspirations for home ownership. This development reflects our commitment to creating housing solutions that strengthen whānau wellbeing and community resilience.

The whenua has been developed using an urban papakāinga model, guided by kaupapa Māori principles. This approach provides intergenerational whare, enabling whānau to live collectively, while advancing and growing our community within Highbury. It also includes shared spaces designed and maintained by whānau, fostering strong connections within the development and with the wider community. These spaces support cultural practices, social interaction, and collective decision-making, ensuring the development remains a living expression of whānau values.

Te Ranga Maro has met all consent and development contribution obligations to date and is seeking reimbursement of these costs. This will allow reinvestment into future housing initiatives that continue to address whānau housing needs and aspirations.

Must be no more than 200 words.

Please describe who (which group or groups of people) in the community benefit or will benefit from the activities or services described above: *

Maori and Pasifika whanau who have want to live in an urban papakainga environment which includes options for intergenerational housing.

This development has supported 18 whanau into homes which is made up of 49 individual whanau members (26 Adults and 23 tamariki).

Must be no more than 100 words.

Please describe the community outcomes that result or will result from the activities or services which occur or will occur at the land, building and/or facility that is the subject of the development contribution, building consent or resource consent: *

Our urban papakāinga home ownership development directly advances Palmerston North City Council's strategic objectives.

The project is delivered with support from Rangitāne o Manawatū, affirming their role as kaitiaki and embedding their whakapapa and design within the urban landscape. This approach promotes cultural identity, strengthens our relationship with Rangitaane, as well as ensuring our whanau know and are connected to mana whenua.

By providing safe, healthy, and affordable housing, the development addresses critical housing needs while enabling whānau to achieve long-term aspirations. It creates a connected, growing and inclusive community where residents feel secure and supported, contributing to a resilient and welcoming city.

Development Contribution Subsidy 2025-2026
Development Contribution Subsidy Application Form 2025-2026
Application No. DCS25-2602 From Te Ranga Maro Charitable Trust
(Subsidiary of Te Tihi o Ruahine Whanau Ora Alliance)

Form Submitted 24 Nov 2025, 11:28AM NZDT

Sustainability is integral to the design, ensuring upgraded infrastructure that protects and enhances the environment. The development also educates our whanau on sustainable practices, aligning with Council's vision for environmentally responsible growth.

Through these outcomes, our papakāinga delivers housing solutions that honor whakapapa and Rangitaane, foster social cohesion, and working toward sustainability—meeting the Council's goals for a vibrant, inclusive, and future-focused community.

Must be no more than 200 words.

Additional information

Has your community group received other forms of support or funding, including rates rebates, from PNCC in the last three years? *

Yes
 No

If you answered 'yes' to the above question, please describe the other support and/or funding your group has received:

Please upload a copy of your group's most recent statement of financial position including, but not limited to, audited (or reviewed) financial accounts: *

Filename: 2025 Financial Statements with Audit Report - Te Ranga Mārō Charitable Trust SIG NED.pdf

File size: 3.4 MB

A minimum of 1 file must be attached.

MEMORANDUM

TO: **Council**

MEETING DATE: 11 February 2026

TITLE: Government Reform affecting Local Government: Council Submissions

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

APPROVED BY: David Murphy, General Manager Strategic Planning

RECOMMENDATION(S) TO COUNCIL

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

1. ISSUE

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

2. BACKGROUND

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

Planning Bill

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

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

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

Building (Earthquake prone Buildings) Amendment Bill

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

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

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

Simplifying Local Government: A draft proposal (Discussion Document)

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

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

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

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

Supporting Growth Through a Development Levies System (Discussion Document)

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

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

Emergency Management Bill (No 2)

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

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

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

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

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

Rates Target Model for New Zealand

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

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

The target range will be based on the following:

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

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

2.6 The submissions are included as Attachments 1-6.

3. NEXT STEPS

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

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

4. COMPLIANCE AND ADMINISTRATION

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

ATTACHMENTS

- Planning Bill Submission  
- Building (Earthquake-prone Buildings) Amendment Bill Submission  
- Simplifying Local Government Submission  
- Development Levies System Submission  

5. Emergency Management Bill (No 2) Submission [!\[\]\(0f520ee0377947a7db7b6110ab4ac2d6_img.jpg\)](#)
6. Rates Target Model Submission [!\[\]\(36812a60b9387b289104624fe4c725b2_img.jpg\)](#)

4/02/2026

Committee Secretariat
Environment Committee
Parliament Buildings
Wellington



Re: PLANNING BILL

Palmerston North City Council (the Council) welcomes the opportunity to submit on the Planning Bill. Given the breadth of matters traversed in this Bill and companion Natural Environment Bill, the relatively tight submission timeframe and the scope of the Council's statutory planning functions this submission primarily responds to proposals contained in the Planning Bill.

We note that this Bill, along with the Natural Environment Bill, are the final components of the three phase work programme to reform the current resource management system, the objectives of which are to:

- Unlock development capacity for housing and business growth
- Enable delivery of high-quality infrastructure for the future, including doubling renewable energy
- Enable primary sector growth and development, including aquaculture, forestry, pastoral, horticulture, and mining

While also:

- Safeguarding the environment and human health
- Adapting to the effects of climate change and reducing the risks from natural hazards
- Improving regulatory quality in the system
- Upholding Treaty of Waitangi settlements and other related arrangements

The Council acknowledges the system objectives sought and generally supports the intent of the reforms proposed in the Bill and the aspiration for a more integrated, consistent and future-focused framework. Like many of our local authority partners we recognise that the current resource management system introduced 35 years ago may no longer be delivering the environmental and land use outcomes anticipated, including adequate protection of the natural environment and enabling housing, business or infrastructure development where needed.

Against this backdrop, key structural elements of the Bill that the Council broadly supports include:

- An explicit set of goals that define the scope of the system and what is sought to be achieved through the Bill
- System architecture that introduces a hierarchy of instruments intended to inform and sequentially implement these goals (eg. national policy direction, national standards, regional spatial plans, land use and natural environment plans)
- Mandatory national direction that sets out how competing priorities and conflicts between goals (and parallel goals in the Natural Environment Bill) are to be reconciled and/or managed
- Development, in partnership with local authorities, of targeted national standards to enable effective implementation of the system goals and supporting national direction, including a mutually agreed level of plan content standardisation
- A strengthened relationship between strategic and land use planning through mandatory regional spatial plans that set the strategic direction to inform prioritisation of development and public investment within regions and delivery through land use and natural environment plans
- A single combined plan for each region comprising the regional spatial plan, a natural environment plan and land use plans for each of the districts in the region
- Independent hearing panels to hear and make recommendations on proposed spatial, land use and natural environment plans, with decision making residing with local authority elected members
- A strengthened compliance, enforcement and monitoring regime
- Introduction of the Planning Tribunal to resolve lower-level, disputes between system users and local authorities (e.g. further information requests, notification decisions, interpreting consent conditions)

Regardless of this support, the Council strongly questions whether, in their current form, several aspects of the Bill will be able to effectively deliver on the objectives sought by the system reforms without the introduction of further substantive change. These are set out and discussed in further detail below.

Structure of Submission

Given that there are both general and specific aspects of the Bill that the Council would like to submit on our submission is structured as follows:

- **Part 1:** A general overview highlighting our ‘headline’ concerns with the Bill
- **Part 2:** A more detailed, supplementary analysis of specific clauses in the Bill including suggested consequential amendments

Part 1: Headline Concerns

Outlined below are core matters of concern that the Council has identified with the overall reform package, noting that further detail and suggested changes to address these concerns is included in Part 2 of our submission.

1. Centralisation of Power

A noticeable area of concern in the Planning and Natural Environment Bills (the Bills) is the extent to which it will enable the Minister to direct how local authorities implement their associated statutory functions and duties, and the wide ranging nature of these powers. As proposed, these extend to cover such matters as 'particularisation' of the foundational goals in each of the Bills, through prescribing the governance arrangements for spatial planning committees and standardised content to be included in land use and natural environment plans.

This expansion of the regulatory powers available to the Minister represents an explicit and deliberate erosion of the 'localism' that has underpinned the development and determination of statutory instruments like district plans under both the Resource Management Act (RMA) and the preceding Town and Country Planning Act. In doing so it also dilutes the important, long-standing concept of such instruments being shaped and 'owned' by relevant communities through the role that elected representatives play in their development and subsequent decision making – something that will be lost in future with the proposed shift to increased reliance being placed on ministerial directed standardisation.

2. Overreliance on Regulation and National Instruments

Both Bills contain extensive references to various national instruments and regulations, the intent of which is to distil and expand on statutory directives in the Bills and to build in a degree of regulatory agility to enable them to adapt to changing circumstances.

Although reliance on regulation to support the implementation of primary legislation is not uncommon what is of concern in relation to these Bills is the extent to which it is proposed to be used to deliver the finer grained detail that directs how key elements of the system are intended to be interpreted and implemented (e.g. goals, spatial plans, land use and natural environment plans), with no supporting or detailed supplementary material provided as to what this is likely to contain.

This concern is further compounded by the fact that the preparation of signalled regulation and national instruments is at the discretion of the Minister, with no specific statutory requirement for local authorities to be actively consulted on their relative prioritisation and involved in their development. Given the uncertain scope of these instruments, and the corresponding level of detail that might be included, sole reliance on the ministerial discretion to 'consult on a proposal with any person who may have an interest in it' (cl.46(3)) is both insufficient and concerning. It is also inconsistent with:

- The principles of natural justice (those affected should be able to have say)

- The consultation principles that apply to local authorities under the Local Government Act 2002 (e.g. s.82)

Express provision in the Bills for local authorities to be consulted and provided an opportunity to submit or comment on the preparation of regulations, national instruments or directions is particularly pertinent regarding direction on regional spatial plan and land use and natural environment plans. If related direction is unworkable or ill conceived these plans run the risk of being highly contested during their respective plan making processes – an outcome that would be both unintended and contrary to the objectives of the system review.

3. Implementation Timeframes, Resourcing and Cost

The timeframe to implement the Bills appears to be overly ambitious and, by extension, highly unlikely to be achieved as currently proposed unless, amongst other matters, urgent priority is directed towards ensuring:

- Government departments responsible for preparing the National Policy Direction and supporting national standards are fully resourced to undertake the work required within the signalled timeframe
- There is a realistic Government funding programme approved to support timely implementation of the new system

As it stands the intended sequencing of instruments would see regional spatial plans being prepared before the environmental limits and relevant standards they are required to implement are in place. Currently, these plans are scheduled for notification by mid-2027, with National Policy Direction and an indeterminate suite of supporting national standards issued later this year – an allowance of 6 months to ‘set the strategic direction for development and public investment priorities in a region’.

This, in turn, places local authorities in an untenable position, one that not only imposes unrealistic demands on their capacity to deliver but jeopardises the effectiveness of regional spatial plans in directing next level land use and natural environment plans. To address this a more fully integrated and realistic sequencing of national direction, regional spatial plans and land use and natural environment plans is required.

Aside from issues around timing, implementation of the reform package will have significant resourcing and funding implications for local authorities. In terms of resourcing this is exemplified by the requirement for secretariats to be established to support the committees responsible for delivering spatial plans.

To meet this requirement what is likely to occur at a practical level is that local authority staff will either be transferred or seconded to secretariats to ensure they have the necessary capacity and capability to undertake their anticipated functions. However, in doing this local authorities will conceivably be left in the invidious position of having insufficient residual capacity to carry out other statutory obligations such as progressing exempted and private plan changes, processing land use and natural environment consents and meeting the enhanced compliance, monitoring and enforcement responsibilities set out in the Bills.

There is also a high degree of uncertainty concerning the cost of implementing elements of the reform package, particularly those associated with national instruments, spatial plans, land use and natural environment plans and capacity and capability building. Although the supporting Supplementary Analysis Report and Regulatory Impact Statement notes that these reforms will have a short-term financial impact on local government but that this is expected to be offset by substantial cost savings in the long-term, the extent to which this is realised is questionable. For example, the ability for the Minister to issue regulation that imposes unfunded obligations on local authorities is, as already noted, wide ranging under the Bills – something that is further compounded by the indeterminate scale and scope of national standards that might be issued to support delivery of the new system.

Additionally, expectations concerning the proportionate weight that local authorities bear in implementing the new system are currently unclear, with this dependent on the outcome of future Government funding decisions to support an associated implementation package. This is highly concerning as it poses a major implementation risk given the fiscal constraints that local authorities are currently operating under.

4. Transitioning to the New System

The Bills require local authorities to implement existing RMA planning instruments modified by a substantial set of transitional rules and altered effects tests, while simultaneously preparing for the new system. Of concern is that these proposed transitional arrangements introduce additional complexity and associated interpretive and processing challenges for local authorities with no clear guidance provided to assist them to effectively navigate the change over.

An example of this are the proposed limitations on the scope of effects that can be considered in assessing consent applications during the transition period. Given the ambiguous nature of some of the excluded effects (eg. visual amenity, any matter where the land use effects of an activity are dealt with under other legislation) there is a high likelihood that interpretive issues and subsequent litigation will arise. Further, differences in how effects are considered by local authorities during transition will create uncertainty, inconsistent outcomes and a heightened legal risk, particularly in the period prior to the signalled national policy direction and first tranche of supporting national standards being issued.

As this is a situation that the system reforms are clearly intent to avoid it is imperative that relevant and timely guidance is produced to enable local authorities negotiate and successfully manage this transition.

5. Purpose and Goals

In contrast to the explicit ‘sustainable management’ aspiration in s.5 (Purpose) of the RMA the purpose statement in the Bills conveys little more than what they are intending to establish (eg. a ‘framework for planning and regulating the use, development, and enjoyment of land’ in the Planning Bill), with more substantive, high level direction intended to be provided through their associated goals.

Given that these goals are the core foundational element that underpins the planning framework established through the Bill it is both notable and concerning that this relationship is not explicitly recognised in the purpose. Equally, although the intent of each Bill is to establish a framework the proposed wording of the purpose statement noticeably omits to clarify for whom it is being established and over what timeframe.

As for the proposed goals we note that these are non-hierarchical in both Bills with direction as to how they are to be ‘particularised’ set out in supporting, yet to be issued national instruments, particularly the proposed National Policy Direction.

Given the foundational importance of the goals in delivering the objectives sought by the new planning system and informing its implementation through national instruments, spatial plans and land use and natural environment plans the intended reliance on regulation to set the parameters around how they are to be interpreted and implemented is concerning. In particular it opens up an avenue whereby the meaning of these statutory goals or scope of their intent is able to be reframed or qualified at any time through the exercise of ministerial discretion rather than following a normal legislative process – something that in turn has the potential to undermine the certainty and consistency required to ‘bed in’ the new system.

6. Consideration of Climate Change

With the exception of a reference to the effects of climate change in the definition of natural hazard the Bills are otherwise noticeably silent on this matter – something that is in marked contrast to its explicit recognition in the RMA (s.7(i)). The notable absence of a specific reference relating to climate change or managing climate change effects in the foundational goals that underpin the new system is concerning, particularly given damage, loss and disruption from climate-driven events are expected to increase, further exacerbating risks to significant infrastructure and property already exposed to climate impacts.

Given that ‘adapting to the effects of climate change and reducing the risks from natural hazards’ is one of the stated Cabinet objectives of the system reforms and the Government’s commitments under the Climate Change Response Act it is hard to conceive how and why a related goal has been excluded. As recent events have starkly illustrated the risks and consequences associated with floods, storms and other natural hazard events is intensifying. As climate change is the underlying contributory factor influencing these events it is imperative that it is explicitly recognised in the new system.

7. Regulatory Relief Regime

A novel but concerning aspect of the Bills is the introduction of a regulatory regime designed to ‘encourage local authorities to use controls that impose significant costs or restrictions on the use and enjoyment of private property rights for wider public benefit’ in a more targeted and proportionate way. It applies to ‘specified rules’ relating to:

- Significant historic heritage sites or structures
- Outstanding natural landscapes or outstanding natural features

- Sites of significance to Māori
- Areas of high natural character in the coastal environment, wetlands, lakes, rivers, or their margins

If a specified rule in a plan or proposed plan significantly impacts the reasonable use of land local authorities are required to develop an associated relief framework that, amongst other matters, sets out the nature of relief available to affected landowners (e.g. rates relief, bonus development rights, no-fees consents, land swaps, access to grants).

Although the scope of matters to which this regime applies is relatively narrow the likely effect is that the spectre of compulsory regulatory relief will act as a significant deterrent to local authorities including rules relating to specified topics in their land use plans – something highly at odds with the clear ‘protection’ outcome mandated by relevant foundational goals (e.g. cl.11(1)(g) and (i)).

Further, this proposal sets up an unworkable dichotomy where, in performing their functions, duties and powers under the Bill, local authorities are required to achieve, for example, the protection of significant historic heritage or outstanding landscapes within their districts with this then exposing them to the prospect of providing regulatory relief if this impacts the reasonable use of land.

If enacted the proposal will impose a significant unfunded mandate on local authorities at a time when they are already contending with a raft of parallel reforms and proposals (e.g. local water done well, earthquake prone buildings, simplifying local government, financial contributions review, rates capping) while also facing continued pressure from Government to keep expenditure and rates increases under control. Aside from the financial implications relating to the form of relief offered there will also be indeterminate ongoing compliance costs associated with establishing and administering the required regulatory relief framework.

While it is acknowledged that there needs to be a strong evidential basis to justify the inclusion of provisions that could impact the reasonable exercise of private property rights it is considered that there are sufficient checks and balances available in the Bill to negate the need for an onerous regulatory relief regime to be introduced (e.g. incentives, Environment Court orders).

8. Te Tiriti and Māori Interests

Each of the Bills include a specific clause setting out how the Crown’s responsibilities in relation to te Tiriti o Waitangi are proposed to be recognised in the new planning system (cl.8), highlighting various clauses throughout where this occurs including a specific ‘Māori interests’ goal along with participation in national instruments, identification of sites of significance, and enabling Māori land development.

Although these clauses ‘recognise the Crown’s responsibilities’ in relation to the Treaty, the scope of this is significantly more restrictive than the broader Treaty principles requirement in the RMA that those exercising statutory functions and powers need to ‘take into account’ the principles of te Tiriti (s.8). This shift in obligation is concerning, particularly given the Expert

Advisory Group's recommendation that reference to the te Tiriti principles is retained in any new legislation subject to it being supplemented by greater clarity and specificity regarding how they would apply.

While it is recognised that the approach to te Tiriti adopted in the Bills needs to be considered against a backdrop of the Government's wider review of Treaty clauses in legislation and a desire for a more explicit approach on how Māori would interact with the planning system, it could well have an unintended and perverse impact relative to the status quo. Considering the strong partnership arrangements and recognition of iwi Māori interests that have evolved over the more than three decades of resource management practice and decision-making, the potential misalignment between existing settings and agreements is likely to create considerable concern amongst iwi and local authority partners as to whether current commitments can be sustained and the effect that the proposed shift will have on existing relationships.

This concern is further compounded by the fact that there is no guaranteed decision-making role for iwi in spatial planning, no co-governance mechanisms and no obligation, aside from that contained in any existing or initiated Mana Whakahono ā Rohe, for local authorities to consider or adopt Māori views or cultural assessments in preparing land use and natural environment plans. Further, while existing Treaty settlement redress or arrangements are recognised in the Bills, there is no guarantee they will be implemented, and no similar provision made for iwi Māori who have yet to enter into Treaty settlement negotiations with the Crown.

The Council trusts that the matters raised in this submission will assist the Committee's inquiry into the Bill. To reinforce these we would also like an opportunity to make a further oral presentation to the Committee.

Thank you for the opportunity to make this submission.

Ngā mihi nui,

Grant Smith
Mayor
Palmerston North City Council

Part 2: Planning Bill – Detailed Analysis

Note: Recommended text to be included is underlined, with that to be deleted ~~struck out~~

General Provisions	Clause/s	Support	Support in part	Oppose	Reason/s	Recommendation/s
Purpose	cl.4				Refer to the concerns raised in the Purpose and Goals section of Part 1 of this submission.	<ol style="list-style-type: none"> 1. Amend cl.4 as follows: The purpose of this Act is to establish a framework for planning and regulating the use, development, and enjoyment of land <u>that achieves the goals of the Act for the benefit of current and future generations</u>.
	cl.11				<p>Although most of the matters of national importance in s.6 RMA are incorporated to some degree within both Bills, virtually all of the other matters in s.7 RMA, including the effects of climate change and the promotion of renewable energy, are noticeably absent. Another notable exclusion is reference to the principles of te Tiriti in s.8 RMA.</p> <p>It is also noted that the goals are non-hierarchical, with direction as to how they are intended to be implemented contained in supporting national instruments, particularly the proposed National Policy Direction. In the absence of any weighting of the goals relative to the Government's system reform objectives an environment of uncertainty is created as to how trade-offs are intended to be managed through subsequent national policy direction. This contrasts with the RMA where ss.6 (Matters of national importance) and 7 (Other matters) explicitly set out the relative priority of outcomes sought in managing the use, development, and protection of natural and physical resources.</p> <p>Unlike the strong directive in s.6 RMA to those exercising functions and powers under it to 'recognise and provide for' the matters of national importance listed, the directive in cl.11 to 'seek to achieve' the goals listed introduces a far weaker, untested threshold relative to that currently in s.6. Given the foundational importance of the goals in delivering the objectives sought by the new planning system and informing its implementation through national instruments, spatial plans and land use and natural environment plans it is strongly considered that more directive language needs to be applied similar to that in s.6 RMA.</p> <p>The notable absence of a goal relating to climate change or managing climate change effects is also highly concerning, with the definition of natural hazard in cl.3 the only place where climate change is specifically referenced in the Bill (although reference to adaptation plans prepared under the Climate Change Response Act 2002 are included in cl.80 (Core obligations) and cl.3 & 5, Sched.2 (Spatial plans)). Given that 'adapting to the effects of climate change and reducing the risks from natural hazards' is one of the stated Cabinet objectives of the reform of the planning system it is hard to conceive how and why a related goal was excluded in cl.11. This concern is further compounded given that the NPS-UD directs that:</p> <ul style="list-style-type: none"> • Planning decisions contribute to well-functioning urban environments that, at a minimum, are resilient to the likely current and future effects of climate change (Policy 1(f)) 	<ol style="list-style-type: none"> 1. Amend cl.11(1) as follows: All persons exercising or performing functions, duties, or powers under this Act must <u>seek to achieve recognise and provide for</u> the following goals subject to sections 12 and 45: 2. Either: <ul style="list-style-type: none"> a. Include a climate change specific goal in cl.11; or b. Amend cl.11(1)(h) as follows: to safeguard communities from the effects of natural hazards, <u>including climate change</u>, through proportionate and risk-based planning 3. Include supporting definitions of 'unreasonable affect', 'significant historic heritage', 'well-functioning urban and rural areas' and 'infrastructure' in cl.3 (Interpretation). 4. Amend cl.11(1)(g) as follows: to protect from inappropriate <u>use and</u> development the identified values and characteristics of –

General Provisions	Clause/s	Support	Support in part	Oppose	Reason/s	Recommendation/s
					<ul style="list-style-type: none"> When making planning decisions that affect urban environments, decision-makers have particular regard to the likely current and future effects of climate change (Policy 6(e)) <p>Additional aspects of this clause that would benefit from further refinement or clarification include:</p> <ul style="list-style-type: none"> The proposed wording of goal 11(1)(a) seeks to ensure that 'land use does not unreasonably affect others', while goal 11(1)(g)(iii) refers to protection of 'significant historic heritage' from inappropriate development. As what constitutes an 'unreasonable affect' and 'significant historic heritage' is undefined in the Bill this void raises interpretive and legal risks given their current indeterminate, ambiguous meaning. The reference to 'well-functioning urban and rural areas' in goal 11(1)(c) is also undefined in the Bill. Although there is a related definition of 'well-functioning urban environments' in the NPS-UD, given the need for clarity and the indeterminate nature of what constitutes a 'well-functioning urban and rural area' in the context of the Planning Bill a specific definition/s of what these comprise would be helpful. Unlike the proposed wording of goal 11(1)(b) the term 'use' is absent in the proposed wording of goal 11(1)(g) and should be amended for consistency. The term 'infrastructure' is included in goal 11(1)(e), noting that there is no corresponding definition of this term in cl.3 (Interpretation) except in relation to designations. This, in turn, creates an interpretive risk given its indeterminate, ambiguous meaning. 	
System Architecture	cls.12 & 27				Although the sequential hierarchical approach to the design and implementation of the new system is conceptually supported, its overall effectiveness will be highly reliant on the quality, clarity and extent of direction provided by the higher order national instruments proposed and that they will be completed in a timely manner. This is something of considerable concern given the ambitious delivery timeframe proposed (ie. national policy direction and the first tranche of national standards by mid-2026, with a second tranche of standards by late 2027).	1. Note implementation timeframe concern raised.
Procedural Principles	cl.13				<p>In exercising or performing a function, duty, or power under this clause all practicable steps need to be taken to, amongst other matters, act:</p> <ul style="list-style-type: none"> <u>Proportionately</u> to the scale and significance of the matter <u>In an enabling manner</u> <p>Although supportive of their general intent the subjective and indeterminate meaning of the terms 'proportionately' and 'enabling' is highly likely to create interpretive and legal risks in the absence of further clarity being provided.</p>	1. Either: <ul style="list-style-type: none"> Include supporting definitions of 'proportionately' and 'enabling' in cl.3 (Interpretation); or Provide additional interpretive direction/guidance on these terms through a relevant national instrument.
Effects	cl.14				<p>Clause 14 introduces a range of effects that are to be disregarded by anyone exercising or performing a function, duty, or power under the Bill. Although the qualifier in cl.14(2) that consideration of effects does not extend to restricting management of such matters as sites of significant historic heritage and of significance to Māori and the effects of natural hazards is strongly supported, other aspects of the effects provisions are of concern. These include:</p> <ul style="list-style-type: none"> One of the key design principles agreed by Cabinet to inform development of the new system was 'narrowing the scope of the effects the resource management system controls', with this forming the basis of the range of effects listed in cl.14, 	1. Delete cl.14(1)(e) and 14(1)(j)). 2. Either: <ul style="list-style-type: none"> Include supporting definitions of new effects related terminology/concepts (e.g. 'retail distribution effects', 'internal and external layout of buildings', 'effect of setting a precedent') in cl.3 (Interpretation); or

General Provisions	Clause/s	Support	Support in part	Oppose	Reason/s	Recommendation/s
					<p>including visual amenity in cl.14(e). This clause, in particular, could have unintended consequences given the ambiguous nature of the wording and how it is intended to be implemented (e.g. is a site coverage restriction a visual amenity consideration or a stormwater management consideration).</p> <p>Although the related goal in cl.11(1)(a) of 'ensuring land use does not unreasonably affect others' is acknowledged, this needs to be weighed against the further goal in cl.11(1)(c) of 'creating well-functioning urban and rural areas'. The concept of well-functioning' is, in an urban context, extensively covered in the NPS-UD, noting that it also includes consideration of associated amenity values.</p> <p>In particular Policy 6 of the NPS-UD directs that in making planning decisions that affect urban environments, decision-makers 'have particular regard' to:</p> <ul style="list-style-type: none"> ○ The planned urban built form anticipated by those RMA planning documents that have given effect to this National Policy Statement ○ That the planned urban built form in those RMA planning documents may involve significant changes to an area, and those changes: ○ may detract from amenity values appreciated by some people but improve amenity values appreciated by other people, communities, and future generations <p>Provision therefore already exists for decision makers to consider and disregard amenity effects such as visual amenity when making decisions on plan content or consents that affect an urban environment – an outcome also sought by cl.14(e). Given this discretion the outright exclusion of visual amenity effects is highly questionable, particularly as it would fetter the ability of decision makers to arrive at a considered determination regardless of the circumstances or weight of evidence/ justification.</p> <p>Effective implementation of this sub-clause is further hampered by the ambiguous and indeterminate nature of its scope and how this will be interpreted and implemented at a practical level (e.g. is a site coverage restriction a visual amenity consideration or a stormwater/flood management response), with this unintentionally exposing local authorities to increased interpretive risk and subsequent litigation.</p> <ul style="list-style-type: none"> • Under cl. 14(1)(j) 'any matter where the land use effects of an activity are dealt with under other legislation' are to be disregarded. The effect of this clause is that certain land use effects regulated elsewhere are exempt from being considered by consent authorities (e.g. under mining, transport, or building legislation), with any associate environmental impacts identified unable to be revisited and considered under the Bill. This, in turn, leaves consenting authorities in the unfortunate position of being unable to impose conditions to mitigate broader environmental impacts, especially where those impacts are related to land use. • Clause 14 introduces new effects related terminology and concepts such as 'retail distribution effects', 'internal and external layout of buildings' and 'effect of setting a precedent' without an associated definition to provide interpretive clarity. Given the directive that the effects listed in this clause are to be disregarded and the indeterminate and ambiguous nature of these 	<p>b. Provide additional interpretive direction/guidance on these terms/concepts through a relevant national instrument.</p>

General Provisions	Clause/s	Support	Support in part	Oppose	Reason/s	Recommendation/s
	cl.15				<p>terms/concepts further definition or associated direction/ guidance should be provided to assist with implementation and to reduce exposure to legal and interpretive risks.</p> <p>Under cl.15(1) 'less than minor adverse effects' are to be disregarded unless 'the cumulative effect of 2 or more such effects create effects that are greater than less than minor'. Clause 15(4) further defines 'less than minor adverse effects' as those that 'are acceptable and reasonable in the receiving environment with any change being slight or barely noticeable'.</p> <p>There are notable issues with the wording of these clauses, particularly:</p> <ul style="list-style-type: none"> Reference to the terms 'where practicable' in cl.15(1)(a) weakens and undermines the obligation under the Bill to consider how adverse effects are avoided, minimised or remedied The definition of 'less than minor adverse effects' lacks sufficient clarity Use of the subjective terms "acceptable" and "reasonable" introduces uncertainty that is likely to result in inconsistent interpretation and increased litigation Lack of clarity as to how the cumulative impact of two or more effects that exceed the less than minor threshold is intended to be addressed <p>Clause 15(2) enables the exercise of ministerial discretion to prepare a national instrument that specifies:</p> <ul style="list-style-type: none"> How, and in what order, adverse effects are to be avoided, minimised, or remedied, offset, or compensated When it is practicable for adverse effects to be avoided, minimised, or remedied; and When it is appropriate for adverse effects to be offset or compensated Where specific effects are managed <p>An instrument of this nature could disturbingly constrain the exercise of local authority discretion regarding the nature and extent of effects that are a relevant consideration within a district, and how they are best managed based on the local context. This is further compounded by the proposed ability to specify circumstances where effects should be offset or compensated which, if introduced, would impose an additional unfunded obligation on local authorities.</p>	<ol style="list-style-type: none"> Amend cl.15(1)(a)(i) as follows: adverse effects are to be avoided, minimised, or remedied, where practicable ... Amend cl.15(5) as follows: <ul style="list-style-type: none"> Either define or provide clear criteria to determine what constitutes a 'less than minor adverse effect' Either define subjective concepts such as 'acceptable' and 'reasonable' or provide supporting interpretive guidance Clarify how cumulative effects are to be assessed, including 'less than minor' effects considered collectively Delete cl.15(2).
Ministerial Functions & Powers	cls. 201-208				<p>These clauses represent a notable extension of ministerial intervention powers relative to the RMA. In addition to the commentary in the Centralisation of Power section of Part 1 of our submission other aspects of these provisions that are of concern include:</p> <ul style="list-style-type: none"> Although the power to direct preparation of a plan, document, change or variation in cl.203 reflects that currently in s.25A of the RMA it has been extended to enable the Minister to issue a direction without a corresponding investigation where there is reasonable evidence to suggest that a TA is not exercising or performing relevant functions, powers, or duties under the Act (refer cl.203(3) and 203(4)). This is concerning as it increases the potential for ministerial overreach in the absence of a targeted investigation being undertaken under cl.203(2)(a) to justify the use of intervention powers. The new intervention power in cl.204 enables the Minister to direct a local authority to take any action considered necessary to achieve an outcome specified in the direction. The lack of any specificity as to the circumstances when this 	<ol style="list-style-type: none"> Delete cl.203(3) and 203(4). Amend cl.204 to include criteria to specify the circumstances under which ministerial intervention might be triggered.

General Provisions	Clause/s	Support	Support in part	Oppose	Reason/s	Recommendation/s
<i>Te Tiriti & Māori Interests</i>					<p>might be triggered (i.e. the nature/scope of relevant planning related outcomes) creates ambiguity and uncertainty and increases the potential that it could be exercised in an unbridled manner in the absence of clear legislative parameters.</p>	
	cls.8-10,				<p>Further to the concerns raised in the Te Tiriti and Māori Interests section of Part 1 of this submission the absence of a guaranteed decision-making role for iwi in spatial planning, no co-governance mechanisms, and no obligation for local authorities to adopt Māori views or cultural assessments is concerning.</p> <p>The omission of these matters has the potential to create a misalignment between the partnership agreement and associated relationship and process settings entered into between this Council and local iwi Rangitane o Manawatu with the risk that, were some of these settings to be retained, applicants for resource consent may find the Courts sympathetic to the notion that these settings are too onerous for developers and out of step with the level of recognition the Government is willing to endorse.</p>	<ol style="list-style-type: none"> 1. Adopt the Expert Advisory Group's recommendations and retain the relevant Part 2 provisions of the RMA in relation to the principles of Te Tiriti.
<i>National Instruments</i>	cl.189 + Sched.12				<p>The requirement that territorial authorities fulfil their obligations relating to any statutory acknowledgements is strongly supported.</p>	<ol style="list-style-type: none"> 1. Retain as proposed.
	cl.44				<p>Although the provision of more 'centralised direction' on planning policy and regulation is supported the potential span of control and indeterminate nature of national instruments, particularly national standards, is concerning.</p>	<ol style="list-style-type: none"> 1. Note the concerns raised in the Centralisation of Power and Overreliance on Regulation and National Instruments sections of Part 1 of this submission.
	cl.45				<p>Under cl.45 the Minister is required to have regard to the following principles in preparing a national instrument:</p> <ul style="list-style-type: none"> • A preference on achieving compatibility between goals over achieving one goal at the expense of another • That not all goals need to be achieved in all places at all times • That any conflicts within the proposed national instrument should be resolved in that document as far as reasonably practicable <p>However, the practical application of these principles could prove highly problematic given the competing and/or conflicting nature of the goals within and between the Planning and Natural Environment Bills and the absence of any clear direction as to their importance relative to the Cabinet objectives that have been instrumental in guiding the reform of the resource management system (i.e. enablement versus protection).</p> <p>Although resolution of conflicts between goals in preparing an instrument is acknowledged in this clause there is a noticeable absence of any consideration of the inter-relationship between instruments and how any conflicting direction within these instruments is intended to be reconciled – this will be pivotal to ensuring the effective implementation of national instruments and needs to be addressed either in the Bill itself or via targeted national direction.</p>	<ol style="list-style-type: none"> 1. Note concerns raised.
	cl.46				<p>Pre-notification consideration by Māori of national instruments is strongly supported, noting however the exemption from this requirement for the initial National Policy Direction and first suite of National Standards issued (refer transitional arrangements in cls.5, 7 Sched.1).</p> <p>It is noted that unlike iwi authorities there is no parallel provision in cl.46 for local authorities to be engaged and to provide advice on proposed national instruments prior to notification. Given the uncertain nature of the form these instruments will take, and</p>	<ol style="list-style-type: none"> 1. Amend, at a minimum, cl.46(1) as follows: Before the Minister publicly notifies a national instrument, the Minister must— <ol style="list-style-type: none"> (a) provide iwi and local authorities with a draft of the proposed national instrument or a summary of it; and (b) give iwi and local authorities what the Minister considers to be adequate time and

General Provisions	Clause/s	Support	Support in part	Oppose	Reason/s	Recommendation/s
						<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;"></td> <td style="width: 33%; background-color: #FFFF99;"></td> <td style="width: 33%; background-color: #FF0000;"></td> </tr> </table>
National Policy Direction (NPD)					<p>corresponding level of detail that might be included, it is highly concerning that no explicit provision is made for local authorities with the exception of the ministerial discretion in cl.46(3) to 'consult on a proposal with any person who may have an interest in it'. This is particularly pertinent regarding direction on regional spatial plan (RSP) and land use and natural environment plan content as this runs the risk of being highly contested during the respective plan making processes if it is unworkable or ill conceived – an outcome that would be both unintended and contrary to the objectives of the system review.</p> <p>In addition, further aspects of this provision that are of concern include:</p> <ul style="list-style-type: none"> • Although reference is made in cl.46(2)(a)(iv) to 'any report prepared under section 55' cl.55 excludes any mention of a report. • While there are specific requirements in cl.87 for territorial authorities to prepare an evaluation report to accompany any draft land use plan there is no equivalent for proposed national instruments aside from a process step requiring the chief executive of MfE to prepare a report and recommendations to the Minister on the submissions and the subject matter of the proposal. Given the prominence and importance of national instruments in the new planning system provision should also be included for new proposals, noting further that this would align with key principles of good law making in the Regulatory Standards Act, particularly s.9(j). • Unlike s.46A RMA the process in cl.46 excludes any reference to provision for consultation on an exposure draft. Again, given the prominence of national instruments in the new planning system and the value this can add to improving regulatory quality similar provision should also be included in the Bill. 	<p>opportunity to consider the document and provide advice on it; and</p> <p>(c) have regard to any advice received from iwi and local authorities on the document.</p> <p>2. Amend cl.46(1)(d) as follows: <u>prepare a report that –</u></p> <ol style="list-style-type: none"> i. <u>states the purpose of the instrument and the reasons for the proposal; and</u> ii. <u>how the instrument achieves the goals; and</u> iii. <u>describes the positive and negative impacts of the instrument; and</u> iv. <u>assesses the costs and benefits of the instrument; and</u> v. <u>states how the effectiveness of the instrument is intended to be monitored.</u> <p>3. Amend cl.46(3) as follows: The Minister may, at any time, consult on <u>either a draft proposal or a full the</u> proposal with any person who may have an interest in it.</p> <p>4. Amend cl.55 to include reference to reports intended to be notified under cl.46(2)(a)(iv).</p>
	cls.47-48				<p>Relative to the RMA a more overt range of matters that are within the scope of what a national instrument can direct territorial authorities to implement is set out in cl.47. These include:</p> <ul style="list-style-type: none"> • How land use is managed • How territorial authorities make decisions • How territorial authorities undertake processes and methodologies • The conditions that must be used for different activities • The structure and form of regional spatial plans or land use plans • The content of and types of plan provisions • That specific provisions be included in regional spatial plans or land use plans • That territorial authorities or spatial plan committees choose from a number of specific provisions to be included in plans either completely or in part <p>The proposed scope of what these instruments can direct, and extent to which they are applied, is of concern as they have the potential to severely limit the overall breadth of discretion that territorial authorities can exercise in preparing spatial and land use plans that respond to local issues and conditions. This reflects a clear legislative intent to elevate the role and priorities of central government in the planning system, something that is in stark contrast to the emphasis on localism that has been a foundational element of the RMA.</p>	<p>1. Note the concerns raised and recommended amendment to cl.46(1) set out above.</p>
	cl.53				Clause 53 requires national policy direction to be in place at all times. This directive is strongly supported, particularly given the discretionary and random nature of national direction setting that has occurred under the RMA.	<p>1. Retain as proposed.</p>
	cl.54				The intent under cl.54 is that the NPD will provide direction relating to each of the goals in clause 11, along with direction on resolving conflicts between or among goals in both	<p>1. Note the the concerns raised in the Purpose and Goals section of Part 1 of this submission.</p>

General Provisions	Clause/s	Support	Support in part	Oppose	Reason/s	Recommendation/s
						<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;"></td> <td style="width: 33%; background-color: #FFFF99;"></td> <td style="width: 33%; background-color: #FF0000;"></td> </tr> </table>
Regional Spatial Plans (RSPs)					<p>the Planning and Natural Environment Bills. Further to the concerns raised in the Purpose and Goals section of Part 1 of this submission and in relation to cl.46 above the following is also noted:</p> <ul style="list-style-type: none"> There is a lack of direction/guidance in the Bill regarding how competing priorities and conflicts between goals in cl.11, and between these goals and those in cl.11 of the Natural Environment Bill, are to be effectively reconciled and/or managed. This will be fundamental to implementing the NPD and critical to achieving a balance between environmental outcomes and the growth and development outcomes anticipated by the Bills. <p>While it is acknowledged that reconciling conflicting goals and priorities is complex, the downside is that inadequate or ineffective national and local level direction centred on resolving such conflicts is highly likely to result in:</p> <ul style="list-style-type: none"> Failure of the proposed system reforms to achieve their underlying objectives and the goals listed in clause 11 of the Bills Significant costs and delays for participants in the proposed system, contrary to the system reform objectives A risk of significant inadequacies and inconsistencies in local level practice within and across regions if limited or inadequate direction is provided Increased local authority exposure to unintended risk of legal challenge and associated litigation 	<ol style="list-style-type: none"> Amend cl.54(1)(a) as follows: to particularise implement the goals and direct how they must be achieved Either: <ul style="list-style-type: none"> <u>Provide direction or criteria in the Bill setting out how competing priorities and conflicts between goals in cl.11, and also between these goals and those in cl.11 of the Natural Environment Bill are to be reconciled and/or managed; or</u> <u>Require that national level conflicts between goals in cl.11 and also between these goals and those in cl.11 of the Natural Environment Bill, are to be resolved exclusively through either National Policy Direction or National Standards under cl.58</u>
	cl.58				<p>Clause 58 requires national standards to be in place at all times on:</p> <ul style="list-style-type: none"> Providing direction on the evidence base supporting combined plans The establishment of standardised plan provisions <p>Although this clause is supported and provides an initial start concerning matters that would benefit from mandatory standards it is considered that it would benefit from further extension to include direction relating to the following:</p> <ul style="list-style-type: none"> Detail to supplement and support the high level 'particularisation' of goals in the NPD Regional spatial plans <p>Inclusion of these additional matters will be essential to effective and timely implementation of the proposed system as well as providing the procedural, administrative and regulatory consistency sought in cl.59. Additionally, the wording of this clause would benefit from further specificity as it is unclear what 'direction on the evidence base supporting combined plans' is anticipated to cover and for whom (e.g. local authorities in relation to bespoke provisions, MfE in relation to standardised plan provisions).</p>	<ol style="list-style-type: none"> Amend cl.58 as follows: <ol style="list-style-type: none"> <u>Detail to supplement and support the high level 'particularisation' of goals in the NPD</u> <u>Regional spatial plans</u> Amend cl.58(a) to provide greater interpretive clarity as to what 'direction on the evidence base supporting combined plans' is anticipated to cover and for whom.
	cl.60				<p>Although it is noted that cl.60 enables national standards to be developed that provide direction for preparing land use plans (LUPs) it is silent on enabling similar direction to be developed for spatial plans. As this is something that has already been signalled to be included in the first tranche of national standards proposed to be issued in late 2026 this is likely an unintentional omission.</p>	<ol style="list-style-type: none"> Amend cl.60(2) as follows: National standards may give directions for the preparation of <u>regional spatial plans and</u> land use plans, including directions relating to ...
	cl.64				<p>Inclusion of a requirement that a RSP is prepared for each region is strongly supported, as is the requirement in cl.80(2) that LUPs implement RSPs. This will help to more firmly set the scene for the new planning system and underpins the intended shift to a more strategic, long-term integrated and coordinated approach to this at a regional scale. It will</p>	<ol style="list-style-type: none"> Retain as proposed.

General Provisions	Clause/s	Support	Support in part	Oppose	Reason/s	Recommendation/s
					<p>also help to 'legitimise' the adoption and implementation of a spatial approach to land use planning, provide strategic direction to help inform the development and content of land use and natural environment plans and reduce the likelihood of key matters of strategic importance being relitigated at a plan level.</p> <p>The intent to transition RSP development in advance of land use plans is also highly supported as this will help to ensure that land use controls and infrastructure spend across regions are developed and delivered in a coordinated, consistent and sequenced manner.</p>	
	cl.67				<p>The proposed purpose of RSPs in cl.67 is supported, particularly the requirement that they 'set the strategic direction for development and public investment priorities in a region'. However, there are a number of aspects of concern with this clause, including:</p> <ul style="list-style-type: none"> • There is neither a definition of 'strategic direction' nor any indication as to what this might comprise in the supporting RSP provisions in Schedule 2, with further direction on this and other relevant matters associated with the development of RSPs anticipated to be addressed in the first tranche of supporting national standards proposed for release later this year. • Given the anticipated directive nature of these standards, and that they will take the form of a regulation under cl.281(b), it is concerning that there is no provision in the Bill to ensure that LAs have an opportunity to input into their development. • There is a current lack of spatial direction at a national level to inform the development of RSPs. For example, relevant Government policy statements (e.g. GPS on Housing and Urban development, GPS on Land Transport) currently lack a clear strategic spatial element. In the absence of such direction, it is unlikely that the Government will be able to meaningfully participate in RSP development and usefully provide coherent and co-ordinated input concerning its anticipated focus and investment priorities within each region. It also raises the risk that this void will inevitably be subject to 'political whims' that undermine or compromise the intended long-term strategic direction setting role of RSPs, including a co-ordinated and integrated approach to infrastructure funding and investment. • Although there is an enhanced focus in both the Planning and Natural Environment Bills on the identification and avoidance or mitigation of natural hazard risk (e.g. cl.11(h), 14(2)(e), 3(1)(a) Sched.2 and 146) the purpose of RSPs is silent on this matter. This is notable omission given their relative importance in informing the preparation and implementation of land use and natural environment plans. • Reference to the term 'use' is notably absent in cl.67(a), noting that it is a term reflected in several of the mandatory matters to be addressed in RSPs under cl.3 Schedule 2 (e.g. infrastructure supporting activities). 	<ol style="list-style-type: none"> 1. Note the concerns raised. 2. Either: <ul style="list-style-type: none"> a. Include an associated definition of 'strategic direction' in cl.3 (Interpretation); or b. Include 'strategic direction' as a mandatory matter in cl.3, Schedule 2 and identify the key contributory elements. 3. Amend cl.281 as follows: <ul style="list-style-type: none"> (5) <u>All regulations under subsection (1)(b) must be made in consultation with local authorities and include provision for them to either comment or submit on draft content prior to being made.</u> 4. Amend 67(b) as follows: <ul style="list-style-type: none"> enable integration at the strategic level of decision making under this Act and the Natural Environment Act 2025, <u>including strategic decisions associated with managing natural hazard risk</u> 5. Amend cl.67(a) as follows: <ul style="list-style-type: none"> set the strategic direction for <u>use</u>, development and public investment priorities in a region for a time frame of not less than 30 years
	cl.68				<p>Clause 68 sets out how RSPs are intended to promote integration. Although this intent is recognised, aspects of this clause are of concern and are considered unlikely to effectively achieve the integrative outcome sought. These include:</p> <ul style="list-style-type: none"> • Although Regional Land Transport Plans are required to be consistent with RSPs under cl.68(1)(d) there is only a requirement that they be 'taken into account' in preparing and reviewing a GPS on Land Transport, noting that this is a much weaker imperative than that applying to RLTPs. Achieving a level of certainty that more substantively aligns with the 30-year development and public investment priority setting required in RSPs necessitates a strengthening of this clause, 	<ol style="list-style-type: none"> 1. Amend, as a minimum, cl.68(1) as follows: <ul style="list-style-type: none"> (d) <u>the Minister under the LTMA must take into account any relevant regional spatial plan when preparing or reviewing a Government Policy Statement on land transport prepared or reviewed the Minister under the LTMA must be consistent with any relevant regional spatial plan (see section 67(1)(b)(iii) of the LTMA)</u>

General Provisions	Clause/s	Support	Support in part	Oppose	Reason/s	Recommendation/s
					<p>particularly if the confidence of parties involved in the funding and implementation of corresponding actions is to be maintained.</p> <p>Also of note is that cl.68 is silent on additional Government Policy Statements of relevance from an integration perspective, including those relating to health, housing and urban development, water services and the electricity industry.</p> <ul style="list-style-type: none"> The absence of any reference in cl.68 to the Climate Response Act particularly given damage, loss and disruption from climate-driven events is expected to increase, further exacerbating risks to significant infrastructure and property already exposed to climate impacts. <p>The growing risks from floods, storms and other natural hazards is something that is clearly acknowledged in the recently released National Adaptation Framework, with one of the key actions directed towards amending the Climate Change Response Act to clarify requirements for local government by requiring adaptation plans in priority areas. Although this is something that appears to be foreshadowed in cl.3(1)(f) and 5(2)(a)(xi) of Schedule 2 it would be constructive if more explicit recognition of the intended inter-relationship between RSPs and adaptation plans under the Climate Change Response Act was included in this clause.</p> <ul style="list-style-type: none"> As evidenced in other sections of the Bill this clause is only intended to act as guide. Given the interpretive ambiguity this creates regarding the legal weight that it can accorded it should be deleted to avoid confusion. 	<ol style="list-style-type: none"> Amend cl.68 to also include reference to relevant Government Policy Statements relating to health, housing and urban development, water services and the electricity industry. Amend cl.68 to include explicit reference to adaptation plans as follows: <u>Climate Change Response Act 2002</u> (f) <u>an adaptation plan under the Climate Change Response Act 2002 must have regard to priority areas identified in the spatial plan</u> Delete cl.68(2) and similar 'guide' related clauses throughout the Bill.
cl.69					<p>Note that the focus of cl.69 is not, as implied, on setting out a process to be followed in preparing RSPs but instead on the matters that local authorities need to agree on as inputs to RSP preparation. As there is no further related direction or guidance in Pt.3 of Schedule 2 (Process for preparing RSPs) as to what this process might entail it creates a vacuum in the absence of relevant supporting national standards or regulations.</p> <p>Although direction concerning relevant matters associated with the development of RSPs has been signalled for inclusion in the first tranche of supporting national standards proposed for release later this year there is no guarantee that this timeframe will be met. This, in turn, will leave LAs in the invidious position of having to press on with RSP preparation in order to meet the projected mid-2027 notification timeframe</p>	<ol style="list-style-type: none"> Either: <ol style="list-style-type: none"> Insert dedicated process provisions into the Bill; or Extend the transitional timeframes relating to RSP notification in cl.4 Sched.1.
cl.71					<p>Under cl.71(3) SPCs are required to appoint a secretariat to assist with preparing and consulting on draft RSPs. Although provision for the establishment of a secretariat is broadly supported of note is the absence of guidance in Schedule 2 relating to its form and function and corresponding funding arrangements, with this likely to be addressed through subsequent regulation under cl.281. As with several other instances throughout the Bill reliance is placed on yet to be developed regulation, a situation that is highly concerning given that it is at the discretion of the Minister with no certainty as to the timeframe for delivery of regulation, the extent to which local authorities will be engaged in its development and the extent to which it could impose further unfunded obligations on them.</p>	<ol style="list-style-type: none"> Note concerns raised and those highlighted in the Overreliance on Regulation and National Instruments and Implementation Timeframe, Resourcing and Cost sections of Part 1 of this submission. Note the recommended amendment to cl.46(1) set out above.
cl.72					<p>Under cl.72 the Minister can exercise a discretion to appointment one or more representatives to SPCs. Given the key role that input from relevant government agencies will play in the successful development and implementation of RSPs it is essential that</p>	<ol style="list-style-type: none"> Amend cl.72(1) as follows: The Minister may appoint—

General Provisions	Clause/s	Support	Support in part	Oppose	Reason/s	Recommendation/s	
					there is mandatory central government representation on SPCs. This is particularly crucial to ensure that central government is an active vs passive participant in the RSP process, including commitment to any associated funding arrangements agreed through the process and brokering any conflicting or competing priorities that may arise between key agencies.	(a) <u>must appoint</u> 1 member to a spatial plan committee; and (b) <u>may appoint</u> 1 or more additional members to that committee, if the local authorities of the region agree to that additional number of members.	
	cls.1-2, Sched.2				<p>Under cl.1, Schedule 2 the form of RSPs can be prescribed by national standards and regulations, noting direction concerning relevant matters associated with the development of RSPs has been signalled for inclusion in the first tranche of supporting national standards proposed for release later this year. As earlier observed, failure to deliver within this indicative timeframe could have major implications for notification of RSPs by mid-2027.</p> <p>Further, cl.2, Schedule 2 requires, amongst other matters, that RSPs need to be consistent with environmental limits noting, as with development of RSPs, that relevant direction on how these limits are set is intended to be included in the first tranche of supporting national standards proposed for release later this year.</p> <p>Given that RSPs are anticipated to be prepared and notified by mid-2027 it is highly unlikely that local authorities will be in a position to comply with this 'consistency' requirement as there will be insufficient time between the relevant direction being issued and environmental limits being set.</p>	1. Note concerns raised and those highlighted in the Implementation Timeframe, Resourcing and Cost section of Part 1 of this submission. 2. Either: a. Accelerate the timeframe for issuing direction on environmental limits to enable sufficient time for these to be realistically set. b. Extend the timeframe for notifying RSPs along with a consequential change to the timeframe for notifying subsequent land use and natural environmental plans.	
	cls.3 & 5, Sched.2				The proposed requirements in cls.3(1)(f) and 5(2)(a)(xi) of Schedule 2 that RSPs identify priority locations for adaptation plans prepared under the Climate Change Response Act 2002 and to have regard to any plans prepared is supported.	1. Retain as proposed.	
	cl.5, Sched.2				<p>Cl.5(2) sets out the matters that SPCs are required to have regard to in preparing draft RSPs. Although the listed matters are relevant and supported an obvious omission appears to be reference to Future Development Strategies prepared under the NPS on Urban Development, particularly given that their purpose is to:</p> <ul style="list-style-type: none"> • Promote long-term strategic planning that: <ul style="list-style-type: none"> ○ achieves well-functioning urban environments in existing and future urban areas ○ provide at least sufficient development capacity over the next 30 years to meet expected demand • Assist integration of planning decisions with infrastructure planning and funding decisions <p>As their purpose and function closely aligns with the Government's system reform objectives and several of the goals in cl.11 reference to these strategies would increase the interpretive effectiveness of this clause.</p>	1. Amend cl.5(2), Schedule 2 as follows: xv. <u>any Future Development Strategy prepared under the National Policy Statement on Urban Development</u>	
	cl.9, Sched.2				<p>In preparing draft RSPs it is noted that SPCs are required to prepare:</p> <ul style="list-style-type: none"> • Scenarios for the purpose of testing options • An options assessment report that is made publicly available at the time the draft is notified <p>Similar to numerous other clauses throughout the Bill reliance is placed on yet to be developed national instruments or regulation to provide direction as to what these comprise and the process to prepare them. To provide further certainty in the absence of</p>	1. Amend cl.9, Schedule 2 to include additional provisions that broadly set out the intended nature and scope of the option scenarios and the content of the subsequent assessment reports similar to that set out in step 2, Sched.4 (Preparation of draft Regional Spatial Strategies) of the repealed Spatial Planning Act 2023.	

General Provisions	Clause/s	Support	Support in part	Oppose	Reason/s	Recommendation/s
	cls.15-17, Sched.2				associated national direction or regulation it is considered that further provision needs to be included in this clause that broadly sets out the intended nature and scope of the option scenarios and the content of subsequent assessment reports.	
					The requirement to establish independent hearing panels (IHPs) to hear and make recommendations on draft RSPs under cls.15-17, Schedule 2 is strongly supported as it is consistent with both current and proposed decision making practice applying to plan making, noting further that final determination of whether to accept or reject IHP recommendations rests with local authorities under cl.21, Schedule 2.	1. Retain as proposed.
	cl.19, Sched.2				<p>Clause 19(1), Sched.2 enables the Minister to exercise discretion to decide on recommendations made by an IHP relating to:</p> <ul style="list-style-type: none"> Matters that will have a significant positive or negative impact on the delivery, use, performance, or cost or cost-effectiveness of existing or planned infrastructure or other assets that are owned or funded (in whole or part) by central government Infrastructure or matters that support or impact matters of national interest included in national instruments, a government policy statement, or other national plan or strategy <p>As central government agencies will be a key partner in the formulation and delivery of the outcomes and actions sought by RSPs, the breadth of these executive powers is concerning as it creates a level of uncertainty that could potentially undermine confidence and progression of the strategic development and public investment priorities identified and agreed by RSP partners. This concern is further heightened by the inability to challenge a ministerial decision.</p>	1. At a minimum, amend cl.19(3) as follows: If the Minister intends to make a decision under subclause (1) , the Minister must: <ol style="list-style-type: none"> notify the local authorities and the spatial plan committee of that intention and provide them a time frame within which the Minister will make the decision on the recommendation <u>provide an opportunity for the local authorities and the spatial plan committee to comment on a draft decision</u> <u>Extending the consensus decision making requirement in cl.22(1) to include the Minister</u>
	cls.22-23, Sched.2				The dispute resolution provisions included in cls.22-23, Schedule 2 are supported, particularly the directive that all things reasonably practicable are done to achieve consensus decision-making.	1. Retain as proposed.
	cls.24-28, Sched.2				Ability to seek legal redress through the Environment Court is supported, noting though that it is proposed to be limited to: <ul style="list-style-type: none"> Points of law against a decision on an IHP recommendation Merit considerations where it relates to a decision to reject an IHP recommendation relating to infrastructure 	1. Retain as proposed.
	cl.36, Sched.2				<p>Under cl.36(1) Schedule 2 SPCs are required to prepare and adopt RSP 'co-ordination documents' in accordance with regulations. Although the definition of these documents references back to any document adopted under cl.36 there is an absence of any indication in the Bill as to the form, scope and binding nature of these documents, particularly in relation to any consequential funding implications given that they will essentially act as an implementation plan for each region.</p> <p>Once again reliance is placed on yet to be developed regulation, a situation that is particularly concerning in this instance given the uncertain funding obligations that are likely to arise in delivering on the actions set out in these documents.</p>	1. Amend Schedule 2 to include additional provisions that broadly set out the intended scope of 'co-ordination documents' similar to that in s.57 (Contents of implementation plans) of the repealed Spatial Planning Act 2023.
	Pt 4, Sched.11				Pt 4, Schedule 11 contains consequential amendments to the Local Government Act requiring local authorities to: <ul style="list-style-type: none"> Set out steps in their long-term plans to implement or progress the actions identified in a relevant regional spatial plan Include a statement in their annual reports that sets out the steps: <ul style="list-style-type: none"> Taken to implement or progress the actions identified 	1. Note concern raised.

General Provisions	Clause/s	Support	Support in part	Oppose	Reason/s	Recommendation/s
Land Use Plans	cl.75				<ul style="list-style-type: none"> ○ Intended, but not taken, to implement or progress the actions identified and the reasons why <p>These amendments are intended to increase the level of local authority accountability to deliver on actions identified in spatial plans and transparency on the extent to which these have been implemented. However, in practice they may have the perverse effect of local authorities adopting an overly cautious approach to both setting and agreeing on actions and funding to deliver on the intended outcomes and efficiencies sought by the introduction of spatial planning.</p>	
					<p>Clause 75 requires standardised plan provisions to be included in LUPs if directed by a national instrument, with no further discretion for these to be amended by territorial authorities. Further, if authorised by an instrument their discretion is intended to be limited to the following matters:</p> <ul style="list-style-type: none"> • Determine the spatial application of a standardised provision • Select which standardised provision, out of two or more alternatives set out in the instrument, it will include in its plan • Determine any content specified by the instrument from within parameters set out in that instrument • Choose not to include a standardised provision <p>Although the introduction of standardised zones and associated provisions is generally supported it is considered that caution needs to be exercised in the pursuit of simpler plans and drafting efficiencies as this is unlikely to enable adequate consideration of local nuance and conditions. If standardised provisions are too rigid it is likely that this will result in territorial authorities resorting to bespoke provisions, noting that under cl.79 they can only be included in a LUP if they are:</p> <ul style="list-style-type: none"> • Authorised in a national instrument • Not precluded by national instruments <p>If enabled, proceeding down a bespoke path would trigger onerous associated justification requirements and merits-based appeals.</p> <p>Given the anticipated directive nature of these standards and that they will take the form of a regulation under cl.281 it is concerning that there is no provision in the Bill to ensure that local authorities have an opportunity to input into their development. Also of note is that although cl.281(l) relates to the deeming of rules in LUPs there is nothing in this clause that appears to more broadly relate to prescribing content (e.g. zones, objectives, policies, standards) in land use and natural environment plans.</p>	<ol style="list-style-type: none"> 1. Note the concerns raised. 2. Amend cl.281(1) as follows: <ul style="list-style-type: none"> (c) <u>prescribing the manner and content of land use plans prepared under this Act and natural environment plans prepared under the Natural Environment Act 2025</u> 3. Amend cl.281 as follows: <ul style="list-style-type: none"> (5) <u>All regulations under subsections (1)(c) and (1)(l) must be made in consultation with local authorities and include provision for them to either comment or submit on draft content prior to being made.</u>
	cl.80				<p>Inclusion of the requirement in cl.80(2)(c) that LUPs implement RSPs is strongly supported. This will help to 'legitimise' the adoption and implementation of a spatial approach to land use planning at a regional scale, provide strategic direction to help inform the development and content of LUPs and reduce the likelihood of key matters of strategic regional importance being relitigated at a plan level.</p> <p>Although cl.80 and 81 carry forward and conflate several of the matters that need to be included or regarded in preparing LUPs, the noticeable exclusion of the following matters currently contained in s.74 of the RMA is concerning:</p> <ul style="list-style-type: none"> • Management plans and strategies prepared under other Acts 	<ol style="list-style-type: none"> 1. Amend cl.80(4)(b) as follows: <ul style="list-style-type: none"> have regard to— iii. <u>Any relevant entry on the New Zealand Heritage List/Rārangi Kōrero required by the Heritage New Zealand Pouhere Taonga Act 2014</u> iv. <u>any emissions reduction plan made in accordance with section 5ZI of the Climate Change Response Act 2002</u>

General Provisions	Clause/s	Support	Support in part	Oppose	Reason/s	Recommendation/s
					<ul style="list-style-type: none"> Relevant entries on the New Zealand Heritage List/Rārangi Kōrero Emissions reduction plans made under the Climate Change Response Act 2002 Consistency with water conservation orders Provisions in a regional plan (now natural environmental plan) except those that apply to parts of the coastal marine area that are adjacent to a relevant TA <p>The removal of these matters is not totally surprising given the Government's recalibrated position on responding to climate change and stated concerns about the perceived constraints heritage listing imposes on private property rights. Regardless, given the Government's commitments under the Climate Change Response Act and the requirement in cl.11(1)(g) that those exercising functions, duties or powers under the Bill must 'seek to protect the identified values and characteristics of significant historic heritage from inappropriate development' it is strongly considered that regard to emission reduction plans and entries on the New Zealand Heritage List/Rārangi Kōrero should be reinstated.</p>	
	cl.86				<p>Provision in cl.86 for territorial authorities to include incentives in LUPs as a method to assist landowners is supported. However, this discretion is limited to incentives specified in regulations subject to meeting prescribed criteria, the nature of these and scope of their application is once again contingent on yet to be developed regulation, the development of which is at the discretion of the Minister.</p>	<ol style="list-style-type: none"> 1. Note the concern raised and recommended amendment to cl.46(1) set out above.
	cl.87				<p>The simplified nature of evaluation reporting in cl.87 is strongly supported, particularly as it:</p> <ul style="list-style-type: none"> Is only intended to apply where territorial authorities exercise a discretion to choose between any two or more alternative standardised plan provisions Will not require every relevant objective, policy, rule, or method to be individually addressed <p>This, in turn, offers a welcome relief from the overly onerous, time consuming and costly requirements that currently apply under s.32 of the RMA.</p>	<ol style="list-style-type: none"> 1. Retain as proposed.
	cl.89				<p>Clause 89 sets out the matters that need to be assessed where a proposed plan contains a bespoke plan provision or a provision on a specified topic. Unlike the requirements relating to evaluation reports in cl.87 those applying to justification reports set a much higher bar given the perceived impact that such provisions can have on the use and enjoyment of private property rights.</p> <p>Although the need for a clear evidential basis in such circumstances is recognised and supported the impact of the requirements in cl.89, combined with the proposed regulatory relief regime in Pt.4, Schedule 3, will:</p> <ul style="list-style-type: none"> Act as a clear disincentive for TAs to include bespoke provisions in their LUPs to address specific local circumstances or conditions Deter TAs from protecting the values and characteristics of areas of high natural character, outstanding natural features and landscapes and significant historic heritage, a clear outcome sought by the new system in Goal 11(1)(g) 	<ol style="list-style-type: none"> 1. Note concerns raised.
	cl.92 + Pt.4, Sched.3				<p>Clause 92 and Pt.4, Schedule 3 introduce a proposed regulatory relief regime that applies to 'specified rules' relating to the following specified topics such as significant historic heritage sites or structures, sites of significance to Māori and outstanding natural features and landscapes. Where such a rule is considered likely to have a significant impact on the reasonable use of land, local authorities are required to:</p> <ul style="list-style-type: none"> Carry out an assessment of the materiality of the impacts 	<ol style="list-style-type: none"> 1. Delete cl.92 and Pt.4, Sched.3 2. Delete the supporting definition of 'specified topic' in cl.3 (Interpretation) 3. Include provision to appeal on a specified rule as follows: <u>Appeal on specified rule</u>

General Provisions	Clause/s	Support	Support in part	Oppose	Reason/s	Recommendation/s
					<ul style="list-style-type: none"> Develop a relief framework for inclusion in the proposed plan when notified, including the nature of relief to be provided <p>Further to the concerns raised in the Regulatory Relief Regime section of Part 1 of our submission, the following aspects of this proposal are also noted:</p> <ul style="list-style-type: none"> While it is acknowledged that there needs to be a strong evidential basis to justify the inclusion of provisions that could have impact the reasonable exercise of private property rights there are sufficient checks and balances available in the Bill to offset the need for an onerous regulatory relief regime to be introduced. These include: <ul style="list-style-type: none"> The ability to provide incentives (cl.86) The requirement to prepare a justification report (cl.11, Sched.3) The ability for affected landowners to submit on proposed provisions and be heard by an IHP (cls.17 & 23, Sched.3) The ability for the Environment Court to direct relief where a provision impairs the reasonable use of land (cl.105) To achieve the intended outcome of a more targeted and proportionate approach to 'restrictions on the use and enjoyment of private property rights for wider public benefit' other options aside from regulatory relief appear not to have been considered. If, for example, the perceived issue is local authority overreach regarding the use and application of planning controls an alternative option available to the Minister is to introduce targeted standardisation via a national instrument to moderate the impact of regulatory takings (e.g. criteria or methodologies to inform provision drafting). Reliance on the concept of 'reasonably likely to have a significant impact on the reasonable use of land' as the basis for determining where and to whom regulatory relief is to be offered is likely to create uncertainty, litigation and difficulties with implementation. Given the indeterminate and ambiguous nature of terms such as 'reasonable use' and 'significant impact' in the absence of an associated definition or guidance as to what they constitute it is highly likely that local authorities will encounter substantial interpretive and related legal challenge. 	(1) <u>A submitter may appeal to the Environment Court against a local authority's decision to include a specified rule in a proposed plan.</u> (2) <u>However, a submitter may only appeal under this clause if they referred to the subject matter of the decision in their submission.</u> 4. Include supporting definitions of 'reasonable use' and 'significant impact' in cl.3 (Interpretation).
cls.93-98					<p>Clauses 93-98 introduce a flexible land release mechanism that enables greenfield areas to be zoned subject to both 'temporary' and 'future' provisions, including rules that set requirements (e.g. infrastructure standards) that, if met, enable territorial authorities to give public notice that the future provisions apply to the area without any recourse to the Court.</p> <p>These clauses are supported as once future provisions are embedded in LUPs this mechanism will enable greenfield development areas to transition to their intended underlying zoning without the cost and delay of being subject to a plan change process. It also largely codifies current planning practice.</p> <p>Regardless, to improve interpretive clarity it would be helpful to include associated definitions of the terms 'temporary provisions' and 'future provisions'</p>	1. Include associated definitions of the terms 'temporary provisions' and 'future provisions' in cl.3 (Interpretation).
cl.15, Sched.3					Clause 15, Schedule 3 proposes a reduction of the current submission period for publicly notified proposed plans from 40 working days under the RMA to 20 working days, noting that the proposed timeframe for targeted (currently limited) notification is retained at 20 working days. Aside from a desire to truncate plan making timeframes there does not	1. Amend cl.15, Schedule 3 as follows: <u>The closing date for submissions must be at least 40 working days after the proposed plan is notified for public submissions.</u>

General Provisions	Clause/s	Support	Support in part	Oppose	Reason/s	Recommendation/s
						<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;"></td> <td style="width: 33%; background-color: #FFFF99;"></td> <td style="width: 33%; background-color: #FF0000;"></td> </tr> </table>
Designations					appear to be any clear rationale for the 40 working day reduction, particularly if proposed plans include bespoke and specified topic provisions and the Government's stated intent of 'front loading' public input into plan making instead of the consenting process.	
	cl.17, Sched.3				<p>Under cl.17, Schedule 3 persons that will generally be able to submit on publicly notified LUPs is proposed to be limited to:</p> <ul style="list-style-type: none"> • 'Qualifying residents' of the relevant district, with these defined as ratepayers and infrastructure providers within the district, natural persons whose main place of residence is within the district or non-natural persons that have an office or operate within a district • Persons with an interest in the proposed plan greater than the general public <p>Introduction of the proposed 'qualifying resident' requirement is likely to have the unintended consequence of increasing administrative costs for LAs in verifying whether submitters meet the associated definition. Equally, uncertainty as to who might qualify as having an interest greater than the general public in the absence of direction or guidance could expose LAs to unintended legal risk.</p>	<ol style="list-style-type: none"> 1. Amend 'qualifying resident' to 'any person' or similar. 2. Provide statutory guidance or criteria to assist in determining who might qualify as having an interest greater than the general public.
	cl.22, Sched.3				Under cl.22(1) local authorities are only given 20 working days to publish a summary of submissions and further submissions. Given the absence of any detail as to what form these summaries are intended to take (current wording is 'in a prescribed manner') and volume of submissions and further submission that might be received on a proposed plan this should be extended to a more realistic and workable timeframe.	<ol style="list-style-type: none"> 1. Amend cl.22(1), Schedule 3 as follows: No later than 20 30 working days after the closing date for further submissions on a proposed plan, the local authority must—
	cls.23 & 26, Sched.3				Introduction of a new requirement that IHPs hear and make recommendations on proposed LUPs is supported, particularly given that cl.4, Schedule 4 enables local authorities to assign elected members to a panel provided they have appropriate skills, experience, or qualifications.	<ol style="list-style-type: none"> 1. Retain as proposed.
	cl.27, Sched.3				Under cl.27, Schedule 3 local authorities are responsible for decision making on panel recommendations on proposed LUPs. This is strongly supported as it upholds the concept of these plans being 'owned' by, and representative of, their respective communities through the role elected representatives play in their development.	<ol style="list-style-type: none"> 1. Retain as proposed.
	cls.32-39, Sched.3				<p>Clauses 32-36 set out scope of appeals to the Environment Court on proposed LUPs, including:</p> <ul style="list-style-type: none"> • Appeals on standardised plan provisions or matters excluded from a proposed plan (eg. excluded effects in cl.14) limited to consideration of questions of law (cl.32) • Appeals on bespoke provisions open to full merits-based consideration (cl.33) • Appeals on regulatory relief provisions open to full merits-based consideration (cl.34) <p>Exposure of bespoke and regulatory relief provisions to merits-based appeal litigation is likely, in combination with the onerous justification requirements in cl.11, Schedule 3, to act as a clear disincentive for territorial authorities to include bespoke and specified topic provisions in their LUPs.</p>	<ol style="list-style-type: none"> 1. Note concern raised.
	General				<p>It is noted that the Heritage Order provisions in Pt.8 RMA have not been transferred into the proposed regime, with no recognition of existing orders in the transitional provisions in Sched.1 or similar provision being made in the Bill. This, in turn, will create legal and administrative ambiguity regarding their status if left unaddressed.</p> <p>The concept of protecting places that have 'historical significance or architectural quality as to justify its permanent preservation' through inclusion of heritage orders in plans had</p>	<ol style="list-style-type: none"> 1. Amend Schedule 5 by reinstating the heritage order provisions in ss.187-198 of the RMA.

General Provisions	Clause/s	Support	Support in part	Oppose	Reason/s	Recommendation/s
					<p>its genesis in the 1980 Historic Places Act which, via a consequential amendment, inserted a series of 'protection notice' (now heritage order) provisions into the Town and Country Planning Act 1977 (refer ss.125A-125H T&CPA). These provisions were subsequently carried forward into the RMA and form the basis of the current heritage order provisions in ss.187-198.</p> <p>Given this context, and the more than 45 year timeframe that this protective mechanism has been recognised in planning legislation, it is concerning to observe that these provisions have not been carried forward into the Bill, particularly given the goal in cl.11(1)(g) to 'protect from inappropriate development the identified values and characteristics of sites of significant historic heritage'. Retention of the provisions in ss.187-198 provide a useful alternative to sole reliance on heritage schedules and land use plan controls to protect historic heritage, noting that they also contain regulatory safeguards to mitigate their impact on private property rights including an ability for the Courts to order that the subject land is taken under the Public Works Act 1981.</p>	
	cls.13 & 24, Sched.5				<p>Under cl.13, Schedule 5 designating authorities (currently requiring authorities) are only required to undertake an assessment of effects on the 'built environment' (not the natural environment), noting that they are exempted from undertaking a strategic need assessment in circumstances where:</p> <ul style="list-style-type: none"> • A designation footprint is consistent with the project location on a RSP • The designating authority has an interest in the land sufficient to undertake a project <p>Concerningly, unlike ss.168, 168A and 171 of the RMA there is no requirement that they give adequate consideration to alternative sites, routes or methods of undertaking the work where they hold no or insufficient interest in the land subject to a proposed designation.</p> <p>This exclusion is further carried forward into the scope of recommendations that a recommending authority can make on a proposed designation (cl.24, Sched.5). As a designation effectively constitutes a regulatory taking there should be an ongoing requirement that consideration of alternatives is retained under such circumstances.</p>	<ol style="list-style-type: none"> 1. Amend cl.13(2)(h), Schedule 5 to include consideration of alternative sites, routes or methods of undertaking the work where the designating authority holds no or insufficient interest in the land subject to a proposed designation. 2. Delete cl.24(2), Schedule 5.
	cls.32-35, Sched.5				<p>Clauses 32-35, Schedule 5 offer an alternative path to securing a designation as part of the process of preparing a RSP.</p> <p>Introduction of this further designation pathway is supported as it has the potential to improve the alignment between spatial planning, infrastructure funding and delivery and LUPs, a clear outcome sought by the system reforms. Regardless, extension of the process to include indicative locations for future designations is concerning, particularly as the lack of locational certainty is likely to create unintended 'planning blight' for landowners within these indicative areas until such time as the spatial extent of a project is confirmed.</p>	<ol style="list-style-type: none"> 1. Retain as proposed noting concern raised.
	cl.37, Sched.5				<p>In addition to the current matters that need to be included in an outline plan under s.176A of the RMA, cl.37, Schedule 5 also requires that the alternatively named 'construction project plans':</p> <ul style="list-style-type: none"> • Identify any adverse effects of the construction on the built environment • Set out how the designating authority will avoid, minimise, or remedy those effects, including through associated conditions 	<ol style="list-style-type: none"> 1. Retain as proposed.

General Provisions	Clause/s	Support	Support in part	Oppose	Reason/s	Recommendation/s
						<table border="1" style="width: 100px; height: 10px;"> <tr> <td></td> <td></td> <td></td> </tr> </table>
<i>Consenting</i>					<p>The effect of this change would be that measures to manage construction effects will be managed primarily through these plans instead of conditions on the designation itself, something that is further reinforced when considering recommendations on proposed designations including any associated conditions (cls.24 & 25, Sched.5). Given that the conditions tagged to many contemporary designations are as detailed as those for resource consents this is supported as it could offer a significant process improvement relative to that currently available under the RMA.</p>	
	cl.109				<p>Clause 109 places an emphasis on ensuring information included in a consent application is proportionate to the scale and significance of the matter to which it relates – this represents a shift from the current focus on information being proportionate to the scale and significance of the potential effects of the activity on the environment (s.88(2AA) RMA).</p> <p>Although reliance on a proportional response is broadly supported debate over what constitutes a proportionate level of information relative to a proposal versus effect could unintentionally result in an applicant applying to the proposed Planning Tribunal for review under cl.115 if an application is deemed to be incomplete due to the level of detail supplied.</p>	<p>1. Note concern raised.</p>
	cl.110				<p>Clause 110(1)(b) enables an activity class to be altered after an application is lodged where, amongst other matters, it is the result of ‘any other matter’. In the absence of further qualification the indeterminate and ambiguous nature of this wording presents interpretive and associated legal risks.</p>	<p>1. Either:</p> <ol style="list-style-type: none"> Amend cl. 110(1)(b)(iii) to qualify the interpretation of ‘any other matter’; or Provide supporting direction or guidance to inform its interpretation.
	cl.117				<p>It is noted that there appears to be no equivalent to the current ss.88B-88H RMA suspension of stipulated processing timeframes (e.g. 20 w/d notification decision) for such matters as requests for further information, with any exclusions from the timeframes in cl.117 proposed instead to be addressed through subsequent regulation under cl.282. This is highly concerning given the necessity to ensure that there is adequate certainty to inform consent processing following enactment of the Bill, and that the making of regulations under cl.282 is at the discretion of the Minister.</p>	<p>1. Either:</p> <ol style="list-style-type: none"> Include an equivalent of the provisions in ss.88B-88H RMA; or Include further provision in the Schedule 1 transitional arrangements that require initial regulations relating to consent processing time frames and procedures to be made within 1 month of Royal Assent.
	cls.119-120				<p>Although these clauses generally reflect current requirements in ss.92-92B RMA there is a noticeable shift in focus regarding the basis for requesting further information or commissioning a review of information supplied. Instead of considering whether they are:</p> <ul style="list-style-type: none"> • Required for the purposes of s.104 of the RMA; and • Proportionate to the scale and significance of potential effects on the environment the provisions in cls.119 and 120 require consent authorities to be satisfied that the information is: <ul style="list-style-type: none"> • Unrelated to an effect that is outside the scope of the Bill • Sufficient to understand the implications of its decision, after considering: <ul style="list-style-type: none"> ◦ the cost and feasibility of obtaining the information ◦ the scale and significance of the matter to which the decision relates <p>This shift not only limits the scope of effects that can be considered when requesting further information but importantly may act as a deterrent given the need to justify any request on cost and feasibility grounds combined with the ability for applicants to apply to the proposed Planning Tribunal for review under cl.115 if an application is deemed to be incomplete due to level of detail supplied.</p>	<p>1. Delete cls.119(2)(b) and 120(2)(b).</p>

General Provisions	Clause/s	Support	Support in part	Oppose	Reason/s	Recommendation/s	
	cls.123-133				<p>These clauses introduce an amended notification framework relative to the RMA, including:</p> <ul style="list-style-type: none"> • Removal of public notification in special circumstances • A two-step targeted notification test focusing on the effects on environment and then affected persons • A higher effects threshold for determining an affected person for both targeted (previously limited) and public notification, with a proposed change from minor to more than minor • Defining affected persons and whether they can be identified being relevant to public notification, with this triggering targeted versus public notification • Consideration of adverse effects of an activity now restricted to people and in the 'built environment' - this introduces a major scope limitation relative to the RMA's wider focus on adverse environmental effects, particularly when considered in tandem with the proposed definition of 'built environment' which only extends to include: people and communities, land and the identified values and characteristics of land, structures and infrastructure • Limiting the scope of parties eligible to submit on publicly notified consents to from any individual identified as an affected person under cls.125 and 128 and 'qualifying residents' of the district, with these defined as ratepayers and infrastructure providers within the district, natural persons whose main place of residence is within the district or non-natural persons that have an office or operate within a district <p>Collectively these proposals have the potential to increase exposure to legal risk due to a lack of clarity and workability, noting the ability for notification decisions to be reviewed by the proposed Planning Tribunal under cl.115.</p> <p>Of particular concern are the obvious issues with public notification on the basis of whether affected persons can be identified or exist and the level of effects, but then only accepting submissions from 'qualifying residents' and affected persons (cl.131). This will have the unintended consequence of forcing territorial authorities to undertake an onerous and costly additional assessment to determine whether the submissions received in response to public notification have been received from a legitimate submitter (e.g. a qualifying resident).</p>	<ol style="list-style-type: none"> 1. Note the concerns raised. 2. Delete the term 'qualifying' in cls.131(1)(a) and (b) along with the associated definition of 'qualifying resident' in cl.3 (Interpretation). 	
	cl.136				<p>In contrast to the flexibility in the RMA (eg.s.100A) to appoint and delegate responsibility to hear and determine a notified consent territorial authorities will be required under cl.136 to delegate this responsibility to one or more hearings commissioners who are not members of the consent authority.</p> <p>Although an intended outcome of the proposed system reforms is a reduction in the volume of planning consents, the inability for Council's to exercise discretion in determining whether an independent commissioner/s should be appointed further undermines the concept of localism and local decision making while also imposing on them a further unfunded obligation.</p>	<ol style="list-style-type: none"> 1. Amend cl.136 as follows: If an application for a planning consent is notified, the consent authority must <ins>may</ins> delegate, under section 196(1), its functions, powers, and duties required to hear and decide an application for a planning consent to 1 or more hearings commissioners who are not members of the consent authority. 	
	cl.139				Although the intent of the new system places heavy reliance on the goals in cl.11 informing the higher order instruments on which consenting decisions primarily rely (e.g. National Policy Direction, National Standards, RSPs), cl.12(c) (relationship between key instruments) enables goals to be considered by decision makers when, for example, a goal	<ol style="list-style-type: none"> 2. Amend cl.139(1) as follows: Subject to subsection (2) and <u>section 12(c)</u>, the consent authority must have regard to the following ... 	

General Provisions	Clause/s	Support	Support in part	Oppose	Reason/s	Recommendation/s
						<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;"></td> <td style="width: 33%; background-color: #ffffcc;"></td> <td style="width: 33%; background-color: #ff0000;"></td> </tr> </table>
					<p>is unaddressed or particularised in a higher order instrument. Given the prominence of these goals in achieving the objectives sought by the system reforms consideration should be given to providing a clearer line of sight should be included in cl.139 to the avenue available to decision makers in cl.12(c).</p> <p>Further to the 'built environment' limitation in assessing adverse effects under cl.139 the definition of this term also restricts the scope of matters that can be considered for a consent (including for notification) to the following:</p> <ul style="list-style-type: none"> • People and communities • Land and the identified values and characteristics of land • Structures • Infrastructure <p>Similarly, the definition 'natural environment' in the Natural Environment Bill is also tightly restricted to the following:</p> <ul style="list-style-type: none"> • Land, water, air, soil, minerals, energy, plants • Plants (excluding pest species), animals (excluding humans, domesticated animals, or pest species), and their habitats • Ecosystems and their constituent parts <p>These constraints on what the environment means and includes at the consenting stage represents a major shift from the more expansive definition of 'environment' currently in the RMA. This is an element of both Bills that is highly likely to be unworkable and to create unintended interpretive and legal risks given the interdependencies between them (e.g. where a land-use activity with a significant adverse effect on the natural environment does not require a separate permit under the NEB). More fundamentally, it is unclear why a common definition of 'environment' has not been applied to both Bills, with the relevant effects being those within the scope of the particular Bill as directed by the related land use and natural environment plans.</p>	<p>3. Delete that the definitions of 'built environment' and 'natural environment' in cl.3 (Interpretation) and replace with a common definition of 'environment' that more closely reflects key components of the environment set out in the goals in cl.11 of the Bills.</p>
cls.144 & 98					<p>These clauses introduce an ability for planning consent to be granted authorising a change to the plan provisions that currently apply to an area if:</p> <ul style="list-style-type: none"> • The proposed change involves the application of standardised plan provisions (and not bespoke provisions) • The consent authority is satisfied that it would provide a significant benefit to the provision of housing, employment or infrastructure in the district • The consent includes provisions that specify the boundaries and standardised plan provisions that are intended to apply to the area <p>If these preconditions and the core obligations in cl.80 (relating to preparing and deciding on land use plan provisions) are met cl.98 enables the proposed changes to be made without going through the usual Schedule 3 (current Schedule 1) plan change process, with no further rights of objection or appeal. This is likely intended to offer an alternative approach to streamlining the plan making process and enabling plans to be more responsive to changing needs or circumstances within a district.</p> <p>Although the conceptual merits of the proposal are supported there are core aspects of this approach that require amendment based on the following further considerations:</p>	<p>1. Delete cls.144 and 98.</p> <p>2. Amend Pt.1 and Pt.2 of Schedule 3 to enable a plan change to be processed without resorting to the full requirements outlined in these schedules where the following conditions are met:</p> <ol style="list-style-type: none"> a. The proposed change involves the application of standardised plan provisions b. The LA is satisfied that the plan change would provide a significant benefit to the provision of housing, employment or infrastructure in the district c. The plan change includes provisions that specify the boundaries and standardised plan provisions that are intended to apply to the area

General Provisions	Clause/s	Support	Support in part	Oppose	Reason/s	Recommendation/s
					<ul style="list-style-type: none"> As the outcome of the proposal is essentially a proxy plan change it is unclear what the rationale is for introducing this additional consenting pathway, particularly as it could be more logically and transparently achieved through provision being made in Pt.1 and Pt.2 of Schdule 3 to enable a more nimble approach to amending a land use plan if the preconditions in cl.144 are satisfied The ability any person (refer cl.97(1)) to use the consenting process to randomly alter the strategic land use context reflected in a plan could have the unintended consequence of undermining the urban form and function of a district anticipated by a plan and the coordinated delivery of funded supporting infrastructural services 	
cls.180, 32 & 38					<p>Under cl.38 (Permitted Activity Rules) and related cl.32(2)(b) any activity subject to a permitted activity rule is only deemed to be permitted if:</p> <ul style="list-style-type: none"> The activity is registered with the territorial authority under cl.180; and The person carrying out the activity does one or more of the following: <ul style="list-style-type: none"> obtains the written approval of all persons who may be directly affected by the activity obtains a certificate from a qualified person that the activity complies, or would comply, with any specified requirement pays a fee fixed <p>Determination of applications received under cl.180 are to be processed within 10 working days and, once registered, to be monitoring by territorial authorities to ensure compliance with the permitted activity rule.</p> <p>The inclusion of these provisions is concerning as it is highly likely to increase rather than decrease the administrative burden and associated costs imposed on both territorial authorities and applicants given that a greater number of activities will be classed as permitted in future – something contrary to the 'simplifying and streamlining' objective sought by the system reforms and current settings under the RMA (i.e no requirement for permitted activities to be registered).</p> <p>Also questionable is the distinction between registration of permitted activities and certification of activities under cl.178 (certificates of compliance). As both relate to determining whether an activity can be lawfully undertaken this appears to impose an unnecessary duplication of functional responsibility on territorial authorities.</p> <p>The further requirement to monitor permitted activities will, in addition, impose an onerous, unfunded obligation on territorial authorities given the volume of applications anticipated with no certainty as to the order of costs involved in undertaking this additional function and whether they will be able to be fully recoverable.</p>	1. Delete cls.32(2)(b), 38 and 180.
cls.283 & 291					<p>Clause 283 enables the making of regulations prescribing levies on planning consents and permitted activities registered under cl.180 for the purposes of funding the development and review of national direction and preparing and maintaining the proposed system performance framework.</p> <p>Although the intent of this proposal is acknowledged, the expectation that responsibility for collecting and redistributing these levies to MfE under cl.291 rests with consent</p>	1. Delete cl.291.

General Provisions	Clause/s	Support	Support in part	Oppose	Reason/s	Recommendation/s
Compliance, Monitoring & Enforcement	cls.217-272				<p>authorities is not supported as it represents a further example of an onerous and unfunded obligation imposed by the Bill on territorial authorities.</p> <p>Clauses 217-272 retain and strengthen core enforcement and compliance provisions in the RMA and include the introduction of a number of new tools as follows:</p> <ul style="list-style-type: none"> • Adverse publicity orders • Monetary benefit orders to recover commercial gain • Enhanced financial assurances, including clean-up assurances and changes to bonds • Enforceable undertakings • A pecuniary penalty regime that provides civil accountability for situations where criminal sanctions may be inappropriate <p>The addition of these complementary provisions to the current compliance and enforcement toolkit is strongly supported as their availability should act as a useful incentive to encourage compliance.</p>	1. Retain as proposed.
	cl.272				<p>Clause 272 requires local authorities to prepare and publish a compliance and enforcement strategy, in the 'prescribed manner and setting out the prescribed criteria, that takes into account relevant Treaty settlements, and voluntary or statutory agreements with local iwi, hapū, or Māori (including Mana Whakahono ā Rohe agreements).'</p> <p>Although development of a strategy to inform and ensure how local authorities go about the discharge of their compliance and enforcement functions is supported, the fact that the 'prescribed' form and criteria required to achieve this is likely to be delivered through as yet to be developed regulation is concerning. This is compounded by the lack of clarity and certainty as to the timeframe for its delivery, the extent to which local authorities will be engaged in its development and the extent to which it could impose further unfunded obligations on them.</p>	1. Note the concern raised and recommendation to amend cl.46 (Process for making national instrument) set out above.
Transitional Arrangements	cl.5, Sched.1				<p>A material concern with the implementation timeframe set out in cl.5, Schedule 1 relates to the integration between national instruments and notification of, and decisions on, RSPs. Given the key role national instruments assume in the new system architecture any slippage in delivery in relevant direction will create a 'domino effect' in delivery of the supporting RSPs and LUPs.</p> <p>Under cl.5(4), Schedule 1 RSPs are required to be notified within either 15 months after Royal Assent or 6 months after the first NPD is issued, noting that they are also required to be consistent with national instruments and environmental limits. As noted above cl.2, Schedule 2 requires, amongst other matters, that RSPs need to be consistent with environmental limits noting that relevant direction on how human health limits are set is intended to be included in the first tranche of supporting national standards proposed for release later this year, with limits relating to ecosystem health estimated to be issued in December 2027.</p> <p>Given that RSPs are anticipated to be prepared and notified by mid-2027 the 6-month window between the issuing of national instruments and the anticipated notification of RSPs will be both unworkable and unachievable for SPCs. Given the critical interdependence between national policy direction and the ultimate shape and scope of RSPs it is imperative that notification is based on a realistic timeframe following full</p>	1. Note the concerns raised in the Implementation Timeframes, Resourcing and Costs and Transitioning to the New System sections of Part 1 of this submission. 2. Extend the timeframe for notifying RSPs along with a consequential change to the timeframe for notifying subsequent land use and natural environmental plans.

<i>General Provisions</i>	<i>Clause/s</i>	<i>Support</i>	<i>Support in part</i>	<i>Oppose</i>	<i>Reason/s</i>	<i>Recommendation/s</i>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
				<input type="checkbox"/>	delivery of relevant national direction that enables RSPs to effectively achieve their purpose and inform the subsequent development of LUPs.	

16 February 2026



Committee Secretariat
Transport and Infrastructure Committee
Parliament Buildings
WELLINGTON

Kia ora,

**Submission from the Palmerston North City Council on the
Building (Earthquake-prone Buildings) Amendment Bill**

Palmerston North City Council (Council) supports the intent of the Bill, as it is a positive step toward encouraging investment from property owners who are constrained by significant strengthening requirements with few options to viably raise capital to meet these requirements. Council supports the proportional approach taken by the amendment bill which focuses requirements on higher-risk buildings.

Council holds three roles as a submitter to the earthquake-prone building system review:

1. Council is a regulator of earthquake-prone buildings under the Building Act 2004, and regulates approximately 220 buildings currently deemed as earthquake-prone. We are yet to understand how many buildings this reduces to under the proposed system.
2. Council is the property owner of 27 buildings and structures identified as earthquake-prone under the current system.

As a property owner, the earthquake-prone building system represents over \$200 million of planned capital expenditure for Council. Under the proposed system, 12 of these buildings may be removed from the earthquake-prone building register. We estimate removing these buildings from strengthening requirements could save Council up to \$65 million. These savings represent buildings that are a lower priority on our strengthening portfolio.

Alongside the proposed Rates Capping Legislation, we expect no change in the pressure on over next Long Term Plan period to resolve priority earthquake-prone buildings, and less headroom to raise revenue to do so.

3. Council has a strong interest and key role regarding heritage management and city centre investment.

A number of heritage buildings are being actively funded to strengthen under the current EQB system in the city centre, particularly in the Northwest Square Heritage Area. Council has a range of voluntary incentives to encourage investment in heritage buildings, including rates relief, pre-application funding, incentive funds, and a specialist heritage advisory group. 43 heritage or street-character buildings are currently identified as earthquake-prone. Under the proposed bill, we estimate that only ten heritage buildings will require a targeted or full retrofit.

Palmerston North is identified in a high-risk area. Under the proposed system, Palmerston North City including Linton Village, is a defined Urban Centre to which strengthening requirements apply. Ashhurst, Bunnythorpe, and Longburn are small towns, representing approximately 20 current earthquake-prone buildings that would likely be exempt from strengthening works.

A table containing detailed submission points is included as Appendix 1 to the submission.

Council does not wish to speak to our submission.

Please contact Keegan Aplin-Thane for further information:

Keegan Aplin-Thane
Senior Planner
06 356 8199
Keegan.aplin-thane@pncc.govt.nz

Thank you for the opportunity to make this submission.

Ngā mihi nui,

Grant Smith
Mayor
Palmerston North City Council

Appendix 1: Building (Earthquake-prone Buildings) Amendment Bill – Detailed Submission Points

Headline Topic	Clause	Support	Support in part	Oppose	Reason/s	Recommendation
Accessibility	133ZF; 133ZG				<p>Council supports the intent of the changes to ensure seismic work can be prioritised without being encumbered by additional building code triggers. However, Council has endorsed the Enabling Good Lives principles that seek to improve accessibility outcomes for persons with disabilities and view these new clauses in the Bill as contrary to ensuring accessibility for all. Council's view is that the existing Building Act provisions are sufficient for ensuring these requirements are measured on a case-by-case basis.</p> <p>Council's Disability Reference Group oppose the exclusion of accessibility requirements in the amendment bill, noting that <i>"Accessibility and response times for the disabled community should be a priority in instances such as this and it is deeply concerning to see this labelled as a cost."</i> The exclusion of accessibility from activities under this amendment bill would create a precedent-setting risk for future amendments.</p> <p>The Regulatory Impact Statement (RIS) for the Bill suggests that additional accessibility triggers for strengthening works that require building consent and cost, time and complexity, but no data in the RIS is reported to substantiate this view. Council's observation is that most accessibility works triggered by building consents locally require very cost-effective changes. Council's Disability Reference Group and Council both agree that the most cost-effective time to incorporate accessibility into building works is at the point of a retrofit such as facade securing.</p>	Remove reference to <i>"and access and facilities for persons with disabilities"</i> from clauses 133ZF(3)(a) and 133ZG (2)(a).

<i>Deadlines</i>	133X			<p>Council support's the ability to extend the deadline for seismic works by up to 15 years. Providing additional time to strengthen earthquake-prone buildings will provide Council and the community with additional choice regarding the prioritisation of competing capital expenditure, especially under a tighter proposed rating system. With proposed Rates Capping Legislation, Council needs the ability to spread the costs of large strengthening projects over a longer period for this amendment bill to positively affect our priority buildings (which are 3+ storey high-risk buildings of heavy construction).</p> <p>Council is also aware that many private landowners with earthquake-prone buildings in Palmerston North will struggle to meet the current strengthening deadlines. There is a significant risk that buildings will be demolished and not replaced, or left to deteriorate, particularly protected heritage buildings that require planning approval for demolition.</p>	Retain clause 133X as proposed.
<i>Liability</i>	-			<p>While Council support the reduced regulatory burden placed on building owners under the proposed system, the proposed changes raise concerns for Council as a building owner. The proposal is unclear how the new system may impact our future liability as a building owner. While the regulatory burden has been lifted on many of our buildings, knowledge of their NBS ratings may leave us liable in an earthquake if left unaddressed. We seek further clarity on how the proposed system will make a building owner's liability any different from the current system.</p>	Provide assurances through the proposed system that liability will not be affected by building owners who choose to meet the regulatory system, but are still not meeting NBS standards.



pncc.govt.nz
info@pncc.govt.nz

Te Marae o Hine
The Square
Private Bag 11034
Palmerston North 4442
New Zealand

11 February 2026

Simplifying Local Government team
simplifyinglocalgovernment@dia.govt.nz

Members of the Simplifying Local Government team
RE: SIMPLIFYING LOCAL GOVERNMENT

Palmerston North City Council (PNCC) appreciate the opportunity to submit on the Simplifying Local Government Bill and welcome DIA's consideration.

Executive Summary

PNCC acknowledges there is a need for change for some councils, and the proposal attempts to strike a balance between top-down national direction and bottom-up localism.

However, PNCC is uncertain that the proposed approach will in practice result in a simpler system across the country. The heavy reliance on region-by-region design choices risks variable outcomes and could produce a patchwork of governance and delivery models that are difficult for communities to understand and for councils to administer.

PNCC's overarching concern is that the outcome may be a somewhat random mix of delivery arrangements (for example across unitary councils, TLAs, council-controlled structures, and shared services) with varied voting systems and unclear accountability between elected members, boards and management. This would not represent simplification in a meaningful public-facing sense.

While PNCC prefers the population-based voting adjusted by the Local Government Commission, the debate between population-based voting and one vote per council is likely to create significant tension amongst communities and the Combined Territories Board (CTB), before the work of the CTB even begins. The political tension associated with the change is likely to play out at the local level, not the national level.

PNCC is also concerned about how the significant additional workload and remuneration of local elected members is to be managed, particularly for Mayors and Deputy Mayors, and elected members required to be representatives on CTB committees.

Clarity of reform intent

A key issue for PNCC is that providing high-level direction and then leaving much of the substance to be determined bottom up can introduce challenge, risk, and a messier process. While localism matters, if reform is pursued it should be clearer and bolder about what is actually sought and what

“good” looks like. This is evidenced by the varied responses to the implementation of the Local Water Done Well reforms across the country.

CTBs and accountability

PNCC notes the proposal’s position that CTBs would create clear accountability to the public for delivery of regional services. PNCC is not persuaded this is assured, given CTB members are not elected specifically for regional governance purposes, and the CTB structure may dilute public understanding of who is accountable for what at the regional level.

PNCC also notes that CTBs may establish committees and that city and district councillors can be appointed as delegates. PNCC considers it unlikely that committees made up of councillors across multiple councils will quickly operate as a cohesive governance group without significant effort and shared discipline, which may add friction during transition.

Workload and Remuneration of Elected Members

Further clarity is required regarding the way in which the significant additional workload and remuneration of local elected members is to be managed, particularly for Mayors and Deputy Mayors, and elected members required to be representatives on CTB committees.

Elected members are facing a very heavy workload in the next five years as the cumulative impact of Local Water Done Well, Resource Management, Simplifying Local Government, Rates Capping and other related reform takes effect.

Rivers catchments vs Communities of Interest

A key challenge for CTBs to resolve in ‘step 2’ of the process when developing regional reorganisation plans will be resolving the tension between the role of river catchments and communities of interest when considering logical jurisdictional boundaries.

Many of the functions administered by regional councils rely heavily on integrated catchment management, e.g. river management, flood protection and water quality. Many of the functions managed by territorial local authorities are based around natural communities of interest, which generally do not align with river catchments.

There is a risk that separate entities or structures will be required to manage rivers, creating potential inefficiencies alongside the establishment of new or modified councils, water entities and other CCOs or shared service arrangements – all with different governance and management arrangements.

Crown involvement (Commissioners and observers)

PNCC does not support Crown Commissioners (whether with veto power, majority voting, or replacing CTBs), on the basis that these options are not democratic and are not locally accountable.

If Government retains a Crown role as an option, PNCC’s preference would be limited to an observer or advisory role only (no vote), recognising some parties may see value in a Crown presence to keep processes on track.

It is acknowledged by PNCC that a Crown observer or advisor could assist with ensuring a more consistent response across the country regarding what “good” looks like, provided all Crown observers or advisors were well briefed and operating from a consistent set of principles.

Voting rights and fairness

PNCC does not support “one council, one vote” as a fair approach, particularly where councils have very different populations and service footprints. PNCC considers this model risks outcomes that do not align with the majority of the population.

PNCC supports a voting model that is proportional and adjusted by the Local Government Commission to ensure smaller communities receive effective representation. PNCC considers this approach preferable to pure population voting (which can allow a dominant council to carry decisions consistently) and one vote per council (which can allow a minority of the population to overrule the majority).

PNCC notes there may be useful precedent in proportional voting models used elsewhere (for example, arrangements where councils have different vote allocations rather than strict population weighting).

While PNCC acknowledges the proposal attempts to strike a balance between top-down national direction and bottom-up localism, the debate between population / proportional voting and one vote per council will create significant tension amongst local communities and the CTB, before the work of the CTB even begins.

Multiple voting systems and public comprehension

PNCC is concerned that separate voting systems for different functions may further complicate the overall system and reduce public understanding. PNCC questions why some decisions would require a dual threshold and others would not, and considers it will be difficult for the public and CTBs themselves to follow different decision rules across regional functions.

Cross-boundary issues for isolated populations

PNCC agrees cross-boundary issues introduce further complexity for CTBs and the affected communities. PNCC’s preference is that additional representation for larger isolated populations is likely to be necessary, and that the Local Government Commission should play a strong role in determining a fair and workable mechanism.

Sequencing and timing of the regional council functions review

PNCC considers it critical that the Government’s review of regional council roles and functions is completed well before CTBs are required to prepare regional reorganisation plans, so that CTBs are not building plans in advance of key decisions about what functions sit where.

Community and local boards and local decision-making

PNCC notes the proposal signals that Government is considering new options for communities to make decisions on local issues, and that any new option could potentially be proposed through regional reorganisation plans. PNCC’s view is that expanding local or community board-type arrangements may

add another layer of governance and decision-making complexity, and should be approached cautiously if the objective is simplification.

Iwi and Māori relationships

PNCC notes CTBs would be required to consult iwi and Māori on draft regional reorganisation plans and that CTBs would inherit Treaty settlement commitments and arrangements currently administered at the regional level. Further clarity is sought regarding the legality and process for simply transferring Treaty settlement commitments from regional councils to CTBs.

PNCC considers there is a practical risk that CTB members will need to manage multiple iwi relationships at a broader regional scale, where those relationships are currently managed in more localised ways, and this should be explicitly considered in implementation expectations and support. The potential impact on those more localised relationships will also be an important consideration for CTBs during the preparation of regional reorganisation plans.

Conclusion

PNCC supports signalling that change is required and, if the reform proceeds, PNCC will work constructively with Government and neighbouring councils across the region to develop a regional reorganisation plan that is workable and reflects local context. However, to achieve genuine simplification, the proposal needs stronger clarity on the desired end state, more consistent accountability settings, and a voting model that is demonstrably fair across councils of different sizes. As currently proposed, the political tension associated with the change is likely to play out at the local level, not the national level.

PNCC does not support Crown Commissioners with decision rights, and is concerned that multiple voting systems and additional governance layers may increase complexity rather than reduce it. PNCC encourages Government to strengthen the design settings and sequencing of reforms to ensure regional reorganisation planning can be undertaken with certainty and with outcomes that are understandable and accountable to local communities.

Ngā mihi nui

Grant Smith JP
MAYOR
Palmerston North City Council



Department of Internal Affairs

Te Tūāpapa Kura Kāinga

development.levies@dia.govt.nz

Response to Supporting Growth Through a Development Levies System (Discussion Document)

Executive Summary

Overall, the Palmerston North City Council (the Council) is supportive of the proposed changes as they provide Territorial Authorities (TAs) with greater flexibility to respond to market led development and contribute to the easing of barriers for developers. There are, however, some risks to TAs associated with the changes as well as the resourcing required to enact the proposed changes.

The proposal to replace the Development Contribution System (DCS) with a Development Levy System (DLS) offers several positive shifts for TAs. Council support the intent to create a more flexible, transparent, and growth-aligned funding framework that better reflects the realities of urban development. The move toward levy areas, programme-level cost allocation, and clearer disclosure requirements has the potential to improve certainty for both TAs and developers, reduce ratepayer subsidy of growth, and align infrastructure funding with the Government's broader housing objectives.

However, the proposal also introduces risks and implementation challenges that must be acknowledged and addressed. These risks will materially affect TAs ability to deliver the DLS as intended.

Positive Aspects of DLS:

- *Improved cost recovery:* city-wide levy areas and programme-level costing reduce the structural under-collection inherent in the current DCS, supporting the principle that “growth pays for growth.”
- *Greater flexibility:* ability for TA's to respond to out of sequence development or changing market priorities within an urban area, rather than being constrained by pre-defined catchments or sequenced development patterns.

- *Transparency and consistency:* Standardised units of demand, clearer disclosure requirements, and regulated methodologies will improve public understanding and reduce variability between TAs.
- *Alignment with new planning system:* The DLS is better suited to a more responsive, less prescriptive land-use planning regime.
- *Support for long-term infrastructure planning:* Aggregated growth programmes and high-cost overlays allow TAs to better plan and fund major network upgrades over the long term.

Key Risks and Issues

- *Cost allocation and units of demand:* risk of over or under collection if national methodologies do not reflect local conditions and the significant modelling capability required burdening TAs.

Levy areas and high cost overlays:

- Exposure to litigation: greater transparency could increase legal challenge burdening TAs with fewer technical resources to implement the changes.
- Market sensitivity, where high-cost overlays may affect development feasibility in identified areas.
- Inequity risk if levy areas are too broad and mask localised cost differences
- *Assessment, reassessment and administration:* an increased operational burden from mandatory reassessments and quarterly interest calculations and an associated increase in dispute risk due to reassessment rules.
- *Transparency and disclosure:* High compliance workload to meet new reporting standards and data quality risks.

Transition and financial impacts:

- Complexity of a dual system between 2028-2030 with the DCS and DLS operating simultaneously.
- Risk of confusion i.e., double charging disputes if transition settings are unclear.
- The cost of resourcing the transition and increased administrative requirements at a time when Councils are under pressure to cut operational costs.

In conclusion, Council supports the intent of the proposed DLS and recognises its potential to improve infrastructure funding and support housing growth. However, the success of the system depends on clear, workable regulations, adequate transition time, national guidance and templates, and investment in TA capability.

2.

Introduction

The Council welcomes the opportunity to respond to the recently released exposure draft proposal to replace the existing DCS with a new DLS.

The Government's Going for Housing growth programme has collectively set the scene for a more enabling system for urban development. The Council *supports* the Government's broader package of proposed funding instruments to better enable TAs to recover the infrastructure costs associated with growth. The proposed DLS will provide TAs with a refined funding and financing tool to meet statutory obligations under the National Policy Statement for Urban Development (NPS-UD).

Affordability and funding of infrastructure to support urban growth is an issue the Local Government sector has been grappling with for some time. To achieve the Government's housing growth outcomes, TAs need to be given the tools to better enable integration of land use planning with infrastructure funding and financing. The Government's proposed package of funding and financing tools to better enable supporting infrastructure is critical to enabling integration of land use planning with infrastructure provision to support growth.

Focused Response

Given the breadth of the change proposed we have centred most of our attention around the overview issues identified in the discussion document as follows:

- General observations
- Development levies policy
- Levy areas and high-cost overlays
- Assessment and charging
- Bespoke levy assessments
- Use of levy revenue
- Public information disclosure requirements
- Transitional provisions
- Intangible assets
- Postponements
- Scope of community infrastructure
- Financial pressures from legislative change
- Purpose and principles
- Power to require development levies
- How levies are determined
- Development agreements
- First mover developments
- Regulations
- Crown exemption
- Postponements
- Non-standardised design
- Te Ture Whenua Māori Act 1993
- Resourcing implications

Key Observations

1. General

The Council agree the existing tools to recover the cost of growth are no longer fit for purpose, and there is a persistent gap between what TAs spend on growth capacity and what can be recovered. Meeting statutory obligations under the NPS-UD and a more enabling planning regime are likely to exacerbate the under recovery of infrastructure growth costs.

The regulatory impact statement referred to a 'high level snapshot' that indicated projected Council capital expenditure of \$19.5 billion to support additional demand, but only \$8.5 billion in recovery through existing funding tools.¹ For the Local Government sector, a financially robust DLS is even more important when considering the Government's proposal for rates-capping and Going for Housing growth objectives.

Under recovery of growth costs impacts on ratepayers as TAs turn to rating income to repay financed growth costs. The shift to a DLS will help TAs to better recover the costs of responding to growth, which supports changes to the land-use planning regime announced by the Government in December 2025. In this regard, for the outcomes of the Government's Going for Housing Growth programme to be realised on the ground, a flexible funding system needs to be in place to support a flexible planning system.

Resource management reform is proposing a new spatial planning framework in the form of Regional Spatial Plans (RSP). An RSP is required to set the strategic direction for development and public investment priorities and promote integration of development planning with infrastructure planning and investment.

Goals of the proposed Planning Bill include facilitating economic growth by enabling use and development of land, enabling competitive land markets by making land available and to plan and provide for infrastructure to meet expected demand. Tools that enable TAs to finance and fund supporting growth infrastructure are critical to delivering on the goals set out in the Government's proposed spatial planning framework and goals of the Planning Bill.

The Council *supports* the overarching approach that "growth pays for growth." The proposed DLS will better assist TAs to forecast growth related infrastructure costs for the community, deliver infrastructure, and set appropriate levies to effectively recover costs related to urban growth.

¹ Department of Internal Affairs (2025), *Supplementary Analysis Report Improving Local Government Infrastructure Funding Settings*, pg 10.

The proposed DLS shares a close relationship with the current DCS. Key differences between the two systems relating to levies charged across levy areas that cover an entire service network, charges based on aggregate cost and the increased flexibility to adjust growth programmes are elements that underpin the Council's Development Contribution Policy (DCP).

Much of the structure proposed by DLS are imbedded in Council's DCP. The Council's DCP is underpinned by a city-wide integrated network methodology for transport, water and wastewater activities. These asset groups are deemed to operate as an integrated network across the whole of City. Development contributions fees for these asset groups apply to the whole of the City's urban area, similar to how levy areas are proposed to operate under the DLS system. Many of the benefits described in the discussion document reflect Council's experience with its DCP.

2. Purpose and principles

The Council *supports* the proposed broadening of the proposed purpose statement (s 211A) to reflect the need to move away from a tight link between the cost of providing infrastructure and specific developments that would benefit, to a system that enables TAs to aggregate growth costs across whole of urban areas.

The broadening of the purpose statement is critical to shifting the causal nexus away from groups of developments and specific infrastructure project(s) to an expanded causal nexus that focuses on all development across a levy area and the aggregate growth-related infrastructure costs across that area.

The shift to a DLS seeks to enable TAs to respond to the infrastructure needs of new development in a more timely and responsive way. TAs may not be able to anticipate where exactly growth will occur in the short-term, but TAs can estimate how much growth is likely over the medium to long term. The new system will allow TAs to repurpose growth programmes sitting within development levy policies (DLP) to respond to changing strategic context and developer priorities.

Because the causal nexus of DLS is between all development and aggregate growth-related infrastructure cost across a city-wide levy area the assumption is that TA's can be more responsive in pivoting to provide growth infrastructure in the short-term.

Asset Management Responsiveness: Thought needs to be given to how responsive asset management practice will need to be to deliver a timely infrastructure response when growth priorities change. Capacity and capability of the asset management function is variable across TAs.

Supporting Principles: The six principles supporting the purpose statement largely align with current development contribution legislation. Council agree that these principles continue to provide appropriate high-level guidance about how the DLS should operate.

Council support the new economic efficiency principle that DLs should distribute growth costs in a manner that encourages the development of efficient infrastructure networks. This supports the broadening of the purpose statement that provides for an expanded causal nexus that focuses on all development across a whole levy area.

3. Development levies policy

The requirements and contents of DLP outlined in clauses 6-7 and Schedule 13B of the Bill largely align with current development contribution legislation and are supported.

Effective date for development levies policies – s 211Y of the proposed Bill proposes DLP to come into effect from the date the policy is notified for consultation. This is designed to avoid a ‘gold-rush’ effect where a large number of development applications are lodged prior to the final DLP being adopted. This removes the ability for applicants to ‘lock-in’ levy rates with an existing policy at a lower rate.

Council supports 211Y in principle. However, decisions relating to funding through the Long Term Plan (LTP) process can change. As part of its 2024/34 LTP process Council made a decision to remove development contribution growth programmes from a number of growth areas because of constrained borrowing head room. There is a risk that TAs may need to reassess applications if levies change substantially between a DLP being notified and a LTP being completed. Thought needs to be given to the extent of risk being managed given the proposal to reassess levies 3 yearly and following an amendment to a DLP.

4. Power to require development levies

New s 211K of the Bill lays out the triggers for requiring levies. These are similar to the triggers for development contributions and are *supported*.

For commercial developments a certificate of acceptance (COA) is often not applied for to avoid the payment of development contribution fee even though the building is occupied. For the DLS, it is *recommended* that a trigger is created that enables TAs to collect development levies when a building is occupied.

5. Levy areas and high-cost overlays

Council supports the ability to charge levies across city-wide levy areas (s 211H). This will enable levies to be charged consistently across a levy area to be used to meet growth costs of infrastructure across the whole of urban areas. It is agreed this approach will result in levies being more consistent over more development over time because the cost of infrastructure will be averaged over all development across a whole urban area.

Levy Area and the Cumulative Consumption of Capacity: The city-wide levy area methodology ensures the cumulative effect of development is considered from a city and system-wide perspective. In this regard, the city-wide methodology considers specific infrastructure demands created by individual developments in the context of a TA's:

- Wider community responsibilities as an infrastructure provider; and
- The need to ensure the efficient development of the whole of a network across the whole of an urban area.

When considering the full life cycle of network infrastructure, the city-wide network methodology enables a fair and equitable apportionment of the total cost of capital expenditure necessary to service growth over the long-term. The reason being that the cost of providing for growth in each part of a network will be similar over a long period of time for the whole network across the whole of an urban area.

The city-wide network methodology is a more responsive mechanism to address the combined effects of successive and incremental consumption of network infrastructure capacity than the DCS that requires a tight link between the cost of providing infrastructure and specific development(s). This is because managing the cumulative effects of development involves an aggregate view of infrastructure capacity across the whole of the City.

Related and unrelated communities – Council supports the ability to set a levy area to include related communities, or unrelated communities that rely on the same physical infrastructure network. Within Palmerston North's territorial boundary, the City has villages that are serviced by Council's integrated water and wastewater networks. Village development contribution fees sit within the city-wide fee structure of the DCP. This has made the policy administratively efficient, provides certainty to developers over time and space, and distributes cost in a proportionate and equitable manner.

Regionally significant infrastructure - Council is currently running a business case process for the preferred route of the proposed Manawatū Regional Freight Ring Road (MRFRR). The MRFRR is a critical piece of infrastructure required to support the Te Utanganui Central New Zealand Distribution Hub. The ability to collect development levies (DL) for regionally significant infrastructure that has broader regional benefit such as the MRFRR is supported by Council.

High-cost overlays – Council support the ability to include a high-cost overlay as a sub-area within a levy area where infrastructure costs are substantially higher, and additional charges apply (s 211J). There are circumstances where because of the nature of past infrastructure investment, existing urban form and function considerations, an area's environmental setting or the type of activity proposed by development that a high-cost overlay will be needed if a TA is to recover the full cost of

supporting infrastructure. However, there is a risk that market sensitivity to high-cost overlays may affect development feasibility in identified overlay areas.

There is a risk that decisions to establish high-cost overlays may become an area of legal challenge. More guidance needs to be given to decision-makers setting criteria that informs circumstances when high-cost overlays might be appropriate.

Proposed s 211J allows TAs to establish high-cost overlays where there are 'substantial' differences in growth costs of providing an infrastructure with a levy area. Guidance for decision-makers is important because TAs will be challenged on their interpretation of what constitutes a 'substantial' difference in growth costs of infrastructure relative to growth costs supporting development in the city-wide levy area. Guidance could include criteria, thresholds or procedures for assessing whether investment is considered substantial relative to other infrastructure growth decisions.

6. How levies are determined

Council *support* the DLS shifting the causal nexus away from groups of developments and specific infrastructure projects to a new causal nexus between all development and aggregate growth related to infrastructure cost across a city-wide levy area. This methodology allows for the averaging of growth costs and provides for a equitable apportionment and proportionate distribution of growth cost over time and space.

Thinking about the whole of infrastructure life cycle, the cost of providing for growth in each part of a network will be similar over a long period of time for the whole network across the whole of an urban area. Relaxing the causal nexus is a more responsive mechanism to address the combined effects of successive and incremental consumption of network infrastructure capacity and over time and space.

The way TAs set the aggregate growth costs to share across a levy payers is proposed to be set through legislation and regulations, with high-level steps in primary legislation and detail in regulations. Council welcomes the intention to consult with TAs on the methodology for aggregating growth costs and its distribution across levy payers.

Growth Costs Over the Long Term – the DLS is proposing growth programmes beyond the period of the LTP 'may' be included in the levy calculation provided there is sufficient commitment to delivering the project and sufficient connection to growth expected in the short to medium term (1-10 years). Many development contribution policies include growth programmes out to 20 years. This reflects the long-term planning lens that needs to be applied to enabling urban growth. Strategic land use planning tools like the Future Development Strategy (FDS) examine urban growth needs over a 30 year timeframe. This recognises the temporal dependencies and connections of urban growth decisions over the long term.

Funding and financing tools to support urban growth work best when they sit within a settled strategic land use setting over the long term. It is critical that projects required in the long term to support growth can be included in a DLP. The DLS methodolgy treats growth projects as a proxy for required 'capacity' to meet aggregate growth costs over the levy area. The decision of whether a programme planned for the long term should be included in a policy should not focus on whether there is sufficient commitment to deliver the 'project', but whether there is sufficient certainty about the need for that capacity across a network over time.

7. Assessment and charging

One cause of undercollection of development levies is that payment more often than not occurs at the completion of a subdivision or development. Completion can be 5-10 years after a consent was first lodged with the TA, however the development levy rate is locked in at the time of lodgement. Levies increase over time meaning TAs are carrying increased growth infrastructure costs while the applicant maintians the lower charge until the contribution is paid.

In an effort to address undercollection, Council *supports* the proposed changes outlined under propsoed s 211ZZF to 211ZZH:

- *A 3 yearly re-assessment* of a development levy from the date the application was lodged, based on the development levies currently in effect.
- *Further assessment* of the development levy following the notification of each amendment of the policy.
- *Allowing an applicant* to pay the prior levy amount within 30 days of a reassessment.

The approach is considered balanced in that it allows TAs to recover the full cost of growth while allowing an applicant to pay the prior levy amount within 30 working days of being notified of the levy being reassessed. Repayment within 30 working days of an assessment also encourages levies to be collected in a timely manner that enables TAs to repay debt used to finance growth earlier.

Quarterly interest charge – the proposal to add interest cost to development levies quarterly increases administrative resourcing of the system. Given most TAs already include the cost of capital in the core levy chrage, Council *recommend* this requirement be removed or be made optional.

Increased Admininstrative Burden – there will an increased operational burden associated with mandatory reassessments and quarterly reassessments, and potentially increased dispute risk due to reassessment requirements. This will affect smaller TAs that are less well resourced who rely on generalist staff compared to larger TAs with specialist teams.

Continued discretion – Council *supports* the continued discretion over when they issue invoices.

8. Development agreements

Council *support* the retention of development agreements and the addition of matters that must be taken into account, including the extent to which the agreement assists TA's to meet statutory land use planning obligations, support housing supply and employment.

With respect to administrative and technical costs associated with bringing together development agreements, Council *supports* introducing regulated administrative charges (s 211ZZI). Lack of clarity regarding what and how charges are calculated is likely to make this a contested area for TAs. Council recommended consideration of:

- A fixed base fee (e.g for 1 hour of staff time) and a scaleable charge for complex situations, for example development agreements or bespoke agreements.
- Clarification of when the charge is payable.
- A framework that enables consistent national practice.

9. Bespoke levy assessments

Bespoke levy assessments, alongside development agreements and IFFA levies, provide a pathway for funding and financing infrastructure for unanticipated development. Particularly for areas outside a levy area or where additional infrastructure is not planned for many years.

With respect to proposed s 211ZZ to 211ZZE, Council *supports* bespoke assessments subject to:

- *Cost Recovery*: the ability to recover reasonable costs associated with preparing a bespoke levy assessment for a developer. The nature of bespoke levy assessments seem very similar to development agreements. Council costs related to staff time and supporting expertise (legal, finance and engineering) to negotiate developer agreements can be significant. The general regulated administrative charges being proposed under s 211ZZI should also be applied to costs associated with developing bespoke agreements.
- *Preventing system gaming*: not permitting the assessment to be lower than the standard charge for a levy area the development sits within.
- *Council discretion*: TAs should retain full discretion to decline bespoke assessments. Matters that may inform declining an assessment may include financial constraints, risk exposure to TA or prioritisation of other urban growth options.

- *Timeframes*: it is recommended the legislation provides clarification of acceptable timeframes for a TA to undertake a bespoke assessment. Particularly for consents through the Fast Track Approvals Act 2024. In this situation the proposed legislation requires a TA to prepare a bespoke levy assessment without delay (s 211ZZB(3)). More specificity is required.

Factors that may influence timeframes associated with developing a bespoke assessment may include:

- The complexity of the relationship of site with the existing urban area and its reticulated services.
- The extent to which the servicing solution relies on capacity contained within upstream or downstream infrastructure networks and modelling required to understand the relationship and available capacity.
- The nature of the activity and demand on infrastructure (wet verse dry activities or activities that place high demand on transport networks).
- The extent to which third party approval is required (NZTA, Regional Council, Water Entities or other infrastructure providers)

Bespoke Assessment Verse Development Agreement – it is unclear what the difference in outcome is between a bespoke assessment and a developer agreement? The use of developer agreements under the DCS seems to be providing a pragmatic pathway for funding and financing of infrastructure for unanticipated development as is proposed by bespoke assessments.

10. First Mover Developments

Council *supports* in principle the first mover developments process that enables a developer to be reimbursed by a TA where a developer builds infrastructure that supports future development outside their own site. However, Council has the following concerns:

- *Risk transfer*: first mover transfers risk redirecting levy revenue away from TA funded growth infrastructure to reimburse developers.
- *Eligibility*: should be limited to significant, non-routine infrastructure that provides real system wide capacity, not standard site specific works associated with managing the effects of a development as part of a consent. Financial contributions under the RMA provide for these situations.
- *Levy Calculation*: legislation should clarify how transferred levy amounts are calculated. There needs to be clarity that only the cost of network capacity servicing future development outside the developer's site is levied, i.e. not the full project cost.

- *Clear Criteria:* should be developed for defining the infrastructure benefit for areas outside the first mover's development. Without targeted direction on where private benefits start and stop and where public benefit starts and stops there is likely to be contestability and disagreement between TAs and first mover developers.
- *Administrative Costs:* TAs should be able to recover all reasonable administrative costs associated with the first mover developments process.

11. Use of levy revenue

Council supports proposed s 211Q that requires levies to be applied for the purpose for which they were taken and for the benefit of the levy area. The reference to 'for the purpose for which they were taken' relates to increasing network capacity not a specific infrastructure project.

The broader approach to the causal nexus means future projects used to calculate levy fees may not be the projects which a TA delivers if growth patterns differ from what was anticipated. Flexibility around how levies are applied in the funding of growth will allow TAs to better achieve statutory obligations under the NPS-UD.

12. Regulations

Unlike the DCS, the DLS will be subject to standardisation of key elements through regulations. Regulations will play a significant role in how the new system is operationalised. As a mid-size TA, Council welcome opportunities to engage with Government to discuss the approach to standardisation through regulation (growth cost allocation, allocation of renewal costs, setting and allocation of units of demand).

Growth Cost Allocation – Council support the need for a consistent approach to cost allocation across the DLS. A standardised methodology to cost allocation needs to be responsive to changing strategic issues over time such as sequencing adjustments, technology changes and changes to the rate and distribution of growth.

Standardisation of allocation of costs to renewals – the discussion document notes that flexibility in how TAs provide growth infrastructure capacity under the DLS may mean an increase in infrastructure capacity provided out of cycle with planned renewals. A proposal to set regulations to standardise the process to determine the maximum cost to be attributed to renewals need to be developed in partnership with TAs. As noted, any standardised methodology to allocating renewal costs associated with a growth project would then need to be used to determine the cost of renewal works not associated with providing for growth.

Standardising the setting of Units of Demand Based on Development Type: Council understand for system consistency reasons the intention to develop regulations that will allocate units of demand

across different development types. The discussion document suggests regulation could require up to 7 residential and 11² non-residential development types. By contrast, Council's DCP contains 1 development type for residential and 1 development type for non-residential.

Council's allocation of units of demand over narrowed development types is related in part to the integrated network methodology that underpins the DCP and the Council focus on administrative efficiency of the Policy. The development of regulation methodology to allocate units of demand across development types needs occur in partnership and provide for the needs of all TA contexts.

13. Public information disclosure requirements

Proposed regulations setting out information that TAs must place in their annual reports about development levy collection and spending, including the establishment of a regulator, are *supported* by Council.

It is recognised that a set of clear expectations and transparent processes are established to monitor how the DLS is operating. However, this increases administrative requirements at a time when TAs are under pressure to cut operational costs and respond to proposed rates capping legislation.

14. Transitional provisions

The Council *supports* the proposed three-year phased transition (July 2027 to July 2030) from the DCS to the DLS. The transition will likely see the first assessment under the DLS from 1 July 2027, with the DCS ceasing from 1 July 2030.

The development of DLPs will involve a considerable investment of time and resource. This includes the review of revenue and financing policies, alongside giving effect to the NPS-UD and the development of RSPs by late 2028.

The transitional provisions support developer certainty and give TAs time to prepare and consult on DLP and ensure alignment with the LTP cycle. However, the following issues are of concern:

- *Temporary revenue short-fall in transition years:* where a development levy is higher than the pre-existing development contribution a phase in mechanism is proposed for increased charges under the DLS (payment of 1/3 of the increase from July 2028, 2/3 from July 2029 and full payment of increase in July 2030). While this reduces risk to developers, the discounting of development levy increases will result in a temporary shortfall in the transition years for TAs. This will either shift costs to ratepayers or to future developers when paying development levies.

² Response to Supporting Growth Through a Development Levies System (Discussion Document), tables 4 and 5, pg 37 and 39.

- *Operational complexity:* implementation of the phased discounting will introduce operational complexity when administering a new DLP. Clarity regarding the ability to charge administration fees maybe required, particularly in the context of upcoming rates capping.

Shared services support and national tools – Council encourages Government to consider transitional arrangements including shared services support and national tools to ensure the levy system is implemented consistently, efficiently and without undue burden on ratepayers.

15. Crown exemption

The DCS exempts the Crown from paying development contributions. The discussion document is silent regarding the continued exemption of the Crown from paying development levies. The Government's Going for Housing programme, cabinet paper and regulatory impact report point to the need for efficient pricing signals to drive efficient infrastructure provision and land pricing. A significant Crown development like a school or hospital consumes infrastructure capacity. Crown exemption is inequitable and inefficient in that private developers and / or ratepayers subsidise the cost of the Crown's consumption of network capacity.

16. Specifying intangible assets

Council *supports* proposed regulation making power that will allow TAs to include the cost of specified intangible assets in the calculation of development levies. Intangible assets such as water, wastewater, stormwater and transport models are essential for understanding existing network capacity and the impacts that demand generated by growth will have on requirements to provide for future capacity.

There is varying modelling capability across TAs. The operational cost of running modelling teams, updating technology and maintaining data collection programmes is expensive. Where a TA does not have modelling capability the cost of buying in expertise is high. Council contract out the operation of its transport model because of a lack of in-house capability. A stripped down transport assessment to inform a recent rezoning proposal for 3000 houses was costed at \$150k. The cost of this assessment would have been entirely driven by growth but funded by the ratepayer.

17. Deductions for non-standardised design

Proposed s 221 provides for deductions of develop levy fees for developments that use non-standard designs that reduce demand for an infrastructure service. Council *oppose* deductions for non-standardised designs for the following reasons:

- The proposal is in conflict with the averaging methodology associated with the aggregation of the cost of providing infrastructure across a city-wide levy area.

- Potentially creates a system wide under recovery of growth costs, shifting cost to ratepayers.
- Generally the scale of non-standard design proposals do not change the network wide scale of required infrastructure investment to support growth.
- A developer's non-standardised design response will not often focus on the cumulative effect of development from a system-wide perspective.
- Non-standardised designs will often not consider a TA's wider community responsibility as an infrastructure provider and the need to ensure the efficient development of the whole system.

Council recommend either the removal of s 211ZB or make reductions at the discretion of TAs where there is a demonstrated reduction to the whole of network scale investment.

18. Te Ture Whenua Māori Act 1993

The DCS includes requirements that development contribution policies must support the principles set out on the Preamble of the Te Ture Māori Act 1993 (the Act). Under the Act, TAs have the obligation to promote the retention of Māori land in the hands of its owners, whanau and their hapu and to facilitate the occupation, development and utilisation of that land for the benefit of its owners, their whanau and hapu. Council notes that no equivalent requirement is proposed for the DLS.

19. Postponements

Council note that unlike the DCS, the proposed DLS has not provided for the postponement of a development levy. While not used frequently, Council's DCP contains a clause allowing the land-based portion of a development contribution on a large balance lot to be postponed. The clause means that a developer is not unfairly charged for a balance lot that is not being developed and is not consuming infrastructure capacity. Council would *support* the introduction of postponement clauses under the DLS.

20. Scope of 'community infrastructure'

The scope of 'community infrastructure' for which development contributions can be charged has been uncertain in the past, with amendments to legislation in 2014 and 2019. Council would *support* the development of a prescriptive list of community infrastructure for which TAs can charge development levies. A list could include the following:

- Community centres or halls;
- Libraries;
- Toilets for use by the public;
- Sports fields and sports facilities;

- Swiming pools and swimming facilities;
- Improvements to public recreational outdoor space; and
- The land on which any of the above are or will be situated.

21. Resourcing and cost implications

Implementing the development levies system will require new capability, investment in systems, and additional operational resource. Under the existing DCS many larger TAs have invested in people capability, systems and have robust operational structures in place. Larger TAs will be in a stronger position to transition to the new DLS than mid-size and smaller TAs that rely on generalists that work part-time in this area. Challenges for smaller TAs include:

- Staffing and capability: additional resource required for design, development, reassessment, compliance reporting and potentially dispute management. Additional legal, GIS and asset management demands during transition.
- Systems and technology upgrades
- Training and change management
- The land on which any of the abouve are or will be situated.

22. Financial pressures from legislative change

TAs are already facing significant financial strain due to ageing assets and renewal requirements, increased regulatory obligations across multiple reform programmes, constrained revenue tools to fund operational costs and impending rates capping

The introduction of the DLS adds an additional unfunded mandate. TAs will need to absorb the upfront costs of development, consultation and implementation before levy revenue become available in 2028, placing additional pressure on rates and staff resources.

26/01/2026



pncc.govt.nz
info@pncc.govt.nz

Te Marae o Hine
The Square
Private Bag 11034
Palmerston North 4442
New Zealand

Committee Secretariat
Governance & Administration Committee
Parliament Buildings
Wellington
ga@parliament.govt.nz

Members of the Select Committee,

EMERGENCY MANAGEMENT BILL (NO 2)

Palmerston North City Council (PNCC) appreciates the opportunity to provide feedback on the Emergency Management Bill (No 2), hereafter referred to as 'the Bill'.

Introduction

PNCC has statutory responsibilities for emergency management amongst other things and its interest in the Bill extends beyond the operational management of emergency events. The Bill has implications for leadership and accountability arrangements, coordination across agencies and sectors, essential infrastructure providers, iwi Māori, and the ability for councils to support their communities through both response and recovery.

PNCC supports the Bill overall, while seeking targeted amendments and clarification in specific areas. Council considers the Bill to be a necessary and positive step toward a more modern, inclusive and resilient emergency management system.

Local Context

Palmerston North is the largest urban centre in the Manawatū-Whanganui region, and hosts critical health, defence, education, transport, and lifeline infrastructure for the lower North Island. The matters addressed in the Bill are both city-specific in their operational impacts and sector-wide across local government, particularly territorial authorities with lead local response responsibilities.

This submission aligns with PNCC's Long-term plan and its priorities for community wellbeing, safety and resilience, as well as its partnership with mana whenua, Rangitāne o Manawatū.

Clarifying roles and responsibilities

PNCC strongly supports the Bill's focus on clarifying roles and responsibilities across the emergency management system. In particular:



pncc.govt.nz
info@pncc.govt.nz

Te Marae o Hine
 The Square
 Private Bag 11034
 Palmerston North 4442
 New Zealand

1. Allowing the transfer of lead agency roles during multi-agency emergencies (clause 70) – this flexibility ensures that leadership of an event remains with the agency that is best placed to manage the predominant risks at each stage of an emergency.
2. Allocation of responsibility for Controller and Recovery functions to chief executives (clause 52) – this again allows flexibility for those territorial authorities that may be limited in resources and do not have the means to train personnel to the required standard to fill these roles. However, allowing for the roles to be delegated outside of a state of emergency, as well as the ability to delegate outside of a territorial authorities' organisation is also crucial to the success of this clause, as is the case in the current Bill (clause 55).

Local authority responsibilities

PNCC supports the objective to clarify and strengthen the role of local authorities within the Bill, however, Council also notes a significant expansion in the scope and detail of responsibilities placed on territorial authorities, particularly in relation to the previous Civil Defence Emergency Management Act 2002 (CDEM Act). The Bill sets out a substantially more prescriptive set of duties that span hazard and risk management, training, planning, engagement, mutual assistance, response and recovery.

While PNCC acknowledges the intent of these provisions, the cumulative impact of these additional responsibilities must be considered. The expanded duties will have significant resource including specialist capability, reporting and assurance processes.

Without corresponding investment in terms of funding, guidance, and capability uplift, the increased statutory expectations will place further pressure on local authorities that have ongoing cost pressures.

It is recommended that:

1. Clear implementation guidance is given that recognises differing local contexts and capacities,
2. Adequate resourcing and transitional support is provided to enable councils to meet new obligations, and
3. A proportionate approach is considered regarding compliance, that focuses on system maturity and prioritises continuous improvement over punitive enforcement.



Strengthening the role of community and iwi Māori

PNCC supports the Bill's emphasis on strengthening community and iwi Māori engagement in emergency management, however, it is suggested that there is opportunity to strengthen this even further through the following:

1. Representation of local Iwi Māori interests on Coordinating Executive Groups (CEG) – PNCC supports representation of Iwi Māori on CEGs, however, clause 39(2)(f) states “1 or more persons with local perspectives of Māori, Māori communities, and their interests and values...” which we suggest allows too much room for interpretation of what this representation might look like. PNCC recommends that this flexibility is reduced through either iwi allocation of members or explicit requirement for local iwi/hapū representation.
2. Representation at all levels – currently the Bill only requires Iwi Māori representation at the regional level. Although the Director-General must engage with and seek advice on Māori interests when developing a proposal to review the national emergency management plan (clause 86), it is suggested that the Director-General should take into consideration iwi Māori perspectives as part of their general responsibilities.

Essential infrastructure providers

PNCC supports the move from lifeline utilities to essential infrastructure providers, as well as the broad recognition of services included under this definition. However, Council suggests a key service has been overlooked in waste management facilities and services – this includes collection, treatment, and disposal services.

Waste management is essential for public health, so much so that outside of emergencies during normal business the Medical Officer of Health is required by law to approve waste management and minimisation plans created by councils. During and after emergencies the risks associated with waste management escalate drastically, including:

1. Risks to public health – accumulated waste attracts pests, increases disease vectors, and creates biohazard conditions.
2. Access to impacted areas – roads can become blocked by debris preventing movement of essential services, as well potential waste accumulation at sites such as Civil Defence Centres.
3. Environmental contamination – Waste or leachate could enter waterways which can cause long-term environmental harm.



pncc.govt.nz
info@pncc.govt.nz

Te Marae o Hine
The Square
Private Bag 11034
Palmerston North 4442
New Zealand

4. Impact on other services – waste intersects with most other essential services including but not limited to, health, waters, food, shelter, energy and transport.
5. Delayed recovery – when waste cannot be continuously removed by professionals with access to appropriate disposal pathways, significant backlogs can impact community and infrastructure recovery.

We recommend that the definition of essential services is broadened to include Waste Management. Doing so would ensure proactive planning and coordination, and make priority access available for these services, ultimately strengthening emergency response and recovery outcomes.

Conclusion

PNCC supports the intent and overall direction of the Emergency Management Bill (No 2) towards a more coherent and resilient emergency management system.

Council submits the Bill provides a stronger framework for leadership, coordination, community and iwi Māori partnership, and a modern approach to emergency management. To be effective in practice, however, the expanded responsibilities placed on local authorities must be supported by appropriate resourcing, guidance and implementation support.

We hope this submission is helpful to the Committee's deliberations.

For further details on any of the points raised in this submission, please contact Manager Emergency Management, Jason McDowell on 06 356 8199 or jason.mcowell@pncc.govt.nz

Ngā mihi nui

A handwritten signature in black ink, appearing to read 'Waid Crockett'.

Waid Crockett
Chief Executive

Submission of Palmerston North City Council

Consultation on a Rates Target Model for New Zealand

1. Introduction

Palmerston North City Council (PNCC) welcomes the opportunity to provide feedback on the Government's consultation on a proposed rates target (rates capping) model for New Zealand. We recognise the intent to improve affordability, transparency, and public confidence in local government funding.

PNCC supports fiscal responsibility and accountability. However, we have concerns that the proposed model, as currently framed, does not adequately reflect councils' real cost drivers or local differences. Evidence of similar overseas examples has lead to a reduction in service levels over time and it is important similar perverse outcomes are not experienced in New Zealand.

While changes to the Infrastructure Funding and Financing Act and Development Contributions regime are welcome, time is required to understand if these bridge the funding gap for infrastructure, growth and core services that could expand under a rigid rates band.

Additionally, PNCC is aware of and involved with the development of the Ratepayer Assistance Scheme (RAS), which is considering options to ratepayers to manage affordability by offering financing against property equity at favourable financing rates.

2. Overall Position

We acknowledge that rates nationally have increased faster than inflation in recent years, and that rates continuing to increase far in excess of inflation is not a long term financial sustainable, or affordable model. This concern has undoubtably resulted in this rates target band proposal.

Whilst PNCC's rate increases have been lower than most cities, and were not as high as many other Councils over the past 3 years, they were still above what the proposed target allows for. A significant portion of the increases were due to factors beyond the control of council, such as interest rates, insurance premiums, significant cost inflation in construction costs mainly related to transport infrastructure and 3 waters, and investing in growth and asset renewals.

For context, PNCC's rates increases have ranged between 6.6% and 10.1% over the past 3 years, and cumulative 24.9%. Excluding increases associated with water activities, this range would have been 5.2% - 8.8%. The significant components of the 10.1% increase in 2024/25 year was 6.5% attributed to increasing debt servicing costs from rising interest rates, investment in replacing and upgrading core infrastructure, and 1.1% increase due to insurance and utilities price shocks. These components alone contributed toward 7.6% of the 10.1% increase and would have resulted in significant service level reductions or a special variation request had a rate cap been in place at that time.

From our experience, we have identified the following concerns associated with the current proposal that should be considered:

- CPI (Consumer Price Index) understates council cost inflation which is more heavily driven by construction price changes, interest rate increases, and costs such as insurances and utilities increases higher than inflation. (which can be significant due to the size of councils asset book)
- Per capita growth alone is an insufficient proxy for demand particularly where infrastructure must be delivered ahead of growth or where commercial/industrial growth is significant.
- Asset condition, age, and historic under-investment differ across councils.
- Risks to prudent financial management, service sustainability, and resilience are increased under a narrow band.
- Reliance on debt to bridge the gap between income and expenses which would be unsustainable in the long term.
- The model is likely to shift funding to fees/charges which can be more regressive than rates.
- High priority community requests with strong value proportions unlikely to be able to be fulfilled.

Economic Indicators

Whilst households are more familiar with the publicly reported inflation index of CPI, this index does not reflect the nature of the goods and services consumed by local government. Local Government costs are better reflected by a mixture of indices. The CGPI (Capital Goods Price Index) or the PPI (Producers Price Index, Construction) would better reflect costs incurred by local government, particularly in investing and maintaining its assets.

As specific examples, since 2020, operating and capital costs for water and waste has increased over 40%, and civil engineering (e.g bridges) by over 35%. During this period, CPI increased by about 25%. If indexation was linked to CPI during this period, Councils would have had to reduce investment significantly at a time where increased investment is required to address the infrastructure deficit, and to meet increasing standards and expectations for service delivery.

It is unclear on how the model is going to allow for any growth and it appears that population is the current position. Our experience suggests that there isn't any 1 metric that correlates with providing for growth in a council area. For example, those councils with higher industrial/commercial growth like Palmerston North may not have a growing population at the same proportion as the level of infrastructure required for this class of property. Additionally, councils are required to be growth ready, with serviced, and serviceable land available for development. This means that the investment in infrastructure is occurring before councils receive funds from development contributions and the like. It is not yet clear within other government reforms whether this will be addressed, but it is of significant concern to the

Governments priorities if the rates band does not provide sufficiently for the investment required to support growth.

PNCC recommends using either the CGPI or PPI as inflation indicators more realistic to a local government basket of goods, rather than CPI, and further consideration of how growth will be resourced in addition to the rates cap.

Financial Prudence and Credit Implications

Independent analysis indicates that hard revenue caps could weaken councils' fiscal flexibility and credit quality, increasing the risk of service reductions or additional borrowing.

The proposed cap risks undermining statutory financial prudence obligations under the Local Government Act 2002. Credit rating agencies, including Standard & Poor's, have signaled that hard revenue caps would constrain councils' ability to balance budgets and may lead to increased debt, negatively impacting credit ratings of the sector. This in turn could lead to higher debt servicing costs.

The model does not currently take into account interest rate increases which are unavoidable for Councils and must be funded. Increases relating to interest rates should be excluded from the rates cap calculation. For context, a 1% increase in interest rates for PNCC would amount to \$3M of additional cost and represent about a 2% increase in rates required on its own.

PNCC does not hold emergency reserves and its Finance Strategy relies on creating and maintaining borrowing headroom as a risk mitigation for unexpected events. A narrow rates band would constrain strategic decisions such as accelerated debt repayment and may instead necessitate additional borrowing if costs diverge materially from CPI (as has occurred with roading and three waters). In emergency situations, more Central Government support maybe required. Councils who are already at their full borrowing capacity could be faced with more drastic service level reductions to accommodate price shocks beyond inflation.

Rates revenue is one source of funding for councils. For some services where fees and charges are collectable, councils may need to increase charges significantly to balance the budget.

Transferring the burden to users through fees and charges is regressive in nature, and for some services such as swimming pools, community sports fields etc, this could lead to the facilities/services becoming totally unaffordable.

PNCC recommends interest rate increases are excluded from the rate cap calculation to avoid unnecessary administration for special variations and to avoid undesirable impacts on service levels

PNCC also recommends removing rates limits from the financial prudence regulations (to avoid duplication) and allowing discretion for localised decision making to manage reserves, debt, and long-term resilience, provided it is consulted on as part of the financial strategy in Long Term Plan consultations.

Historic Under-funding in Infrastructure

Persistent under-investment is a documented sector-wide issue, with renewal expenditure consistently below depreciation, increasing risks to service quality. Councils have been increasing investment in renewals and new infrastructure over recent years in efforts to improve the condition and serviceability of its assets.

To continue to address the infrastructure deficit, it is important that investment increases continue to reduce the risk of expensive and/or harmful failures to the infrastructure networks. It appears that the rates cap would put significant constraints and put the brakes on councils continuing to increase investment to more suitable levels without the approval of the regulator. In areas such as transport where satisfaction across the country is very low, this could lead to negative outcomes and more expensive treatments in years to come if assets are forced to deteriorate.

Special Variation Process

It has been mentioned that there would be a process for dealing with situations such as natural disasters that would allow for rates to increase beyond the cap. It is not clear how this process is to work, but it needs to be administratively efficient. In speaking with Government officials, this process could also be used for scenarios such as having to replace an earthquake prone facility, or to deal with situations such as public requests such as upgraded swimming pool facilities.

Having clarity on what exemptions would be considered and what evidence that the regulator would expect to see in accepting or declining a special variation process is important.

Exclusions

Voluntary targeted rates (e.g., Healthy Homes schemes) should be excluded from the cap calculation because they are opt-in. Targeted rates or levies collected on behalf of third parties (e.g., IFF levies, growth area targeted rates) should also be explicitly excluded as councils act as collection agents.

Appendix 1: Response to Consultation Questions:

1. Do you agree with the proposed economic indicators to be included in a formula for setting a rates target?

No. CPI reflects household consumption patterns, not councils' cost structures. Council costs are dominated by construction and asset-related inputs better captured by CGPI and PPI (Construction).

Recent analysis demonstrates sizeable increases in infrastructure prices, including civil construction, since 2020; cumulative increases top 35%, widening the gap with CPI and placing pressure on renewal and maintenance budgets.

The proposal also lacks clarity on how growth will be calculated (actual vs projected), and population alone is an insufficient indicator of demand where investment must precede growth or where non-residential activity drives costs.

2. If not, what economic indicators do you suggest be included and why?

PNCC recommends replacing or supplementing CPI with CGPI and/or PPI (Construction), and explicitly recognising uncontrollable cost shocks (interest, insurance, energy).

Forward-looking growth measures (e.g., forecast population, serviced land area, development pipeline) should be adopted.

Q2a – Does setting the minimum of the target in line with inflation ensure councils can maintain service standards? If not, why not?

No. Indexing to CPI alone does not ensure service levels can be maintained. Councils are price-takers; recent movements in interest, insurance, fuel/energy, and construction materials have risen faster than CPI, requiring adjustments to avoid service cuts.

3. Does the maximum of the target account for council spending on core services?

It is unlikely that the proposed upper bound will adequately fund core services given the documented infrastructure deficit and observed under-investment in renewals. A constrained band will defer essential renewals and resilience investments, potentially reduce services provided to, and expected by the community, and may force a shift to more regressive user charges.

4. What spending will not be able to take place under the target range? Why?

This would depend upon circumstances being faced at any given point in time. Already councils prioritise spending in Annual Budget and LTP processes in efforts to reduce the overall rating burden.

In some cases where reductions have been sustained over a longer period of time, this has led to service failures and deteriorating infrastructure. The outcome is the need for periods of larger increases to repair and replace infrastructure often at a greater cost.

Examples highlighted in other overseas jurisdictions that have similar rates capping regimes suggest that decisions such as opening hours of libraries and pools, grants for community support, arts and culture would be at risk in order to fit within a rate cap.

Additionally, policy directives and mandates from Government inflict additional costs on Local Government. If a target range was in place, Councils would not be able to accommodate these extra demands without funding from Government to support them. Upcoming reforms such as RMA reform, and Emergency Management (Civil Defense) are likely to require funding to implement which Councils will not be able to raise in a rates constrained environment.

5. Are changes to the target needed to account for variations between regions and councils? What changes do you propose and why?

A one-size-fits-all model fails to account for differing investment stages, asset conditions, hazard risks, and roles. PNCC for example is a regional hub with facilities and services used beyond city boundaries.

Differentiated bands or council-specific adjustment factors (e.g., asset condition, dependency on growth infrastructure, hazard exposure) should be considered.

Conclusion

The factors that impact on council rates setting is highly complex, and in many cases councils are simply price takers and have limited options aside from passing cost increases on through rates.

Any rates target model must be cost-reflective, and consistent with addressing the infrastructure deficit and enabling growth, along with the needs of local communities.

Ensuring the rates target model calculation considers factors such as price increases beyond inflation (e.g utilities, insurance) and increases to interest rates is important so as the administrative process for government and councils is minimized by reducing the circumstances where an exemption maybe sought.

Solutions that diversify Council funding sources and control the escalation in costs faced by Councils would be more advantageous than the rates cap in its current form.

We welcome further discussion and can provide additional evidence or analysis to support this submission.

MEMORANDUM

TO: Council

MEETING DATE: 11 February 2026

TITLE: Wastewater Treatment Plant - Nature Calls; Quarterly Update

PRESENTED BY: Mike Monaghan - Manager 3 Waters

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

RECOMMENDATION(S) TO COUNCIL

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

1. ISSUE

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

2. FINAL WASTEWATER ENVIRONMENTAL PERFORMANCE STANDARDS (WEPS)

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

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

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

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

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

Option A: 100% to River at Opiki

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

Option B1: 100% to River at Totara Road

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

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

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

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

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

Option C: Dual River Discharges at Totara Road and Opiki

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

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

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

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

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

3. IWI ENGAGEMENT

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

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

4. NEXT ACTIONS

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

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

5. COMPLIANCE AND ADMINISTRATION

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

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

ATTACHMENTS

Nil

COMMITTEE WORK SCHEDULE

TO: Council

MEETING DATE: 11 February 2026

TITLE: Council Work Schedule

RECOMMENDATION TO COUNCIL

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

COUNCIL WORK SCHEDULE FEBRUARY 2026

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

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

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

Proactive Release of Confidential Decisions

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

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