



PAPAIOEA
PALMERSTON
NORTH
CITY

PALMERSTON NORTH CITY COUNCIL

AGENDA

FINANCE, PERFORMANCE & AUDIT COMMITTEE

9:00 AM, WEDNESDAY 13 MAY 2026

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

MEMBERS

Vaughan Dennison (Chair)
Karen Naylor (Deputy Chair)
Grant Smith (The Mayor)

Mark Arnott
Brent Barrett
Lew Findlay (QSM)
Hayden Fitzgerald
Leonie Hapeta
Lorna Johnson

Bonnie Kuru
Debi Marshall-Lobb
Billy Meehan
Orphée Mickalad
William Wood
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

FINANCE, PERFORMANCE & AUDIT COMMITTEE MEETING

13 May 2026

ORDER OF BUSINESS

1. Karakia Timatanga

2. Apologies

3. Notification of Additional Items

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

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

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

4. Declarations of Interest (if any)

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

5. 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. Confirmation of Minutes** Page 7

That the minutes of the Finance, Performance & Audit Committee meeting of 1 April 2026 Part I Public be confirmed as a true and correct record.

- 7. Quarterly Performance and Financial Report - period ending 31 March 2026** Page 17

Memorandum, presented by Scott Mancer, Manager - Finance, Glenn Bunny, Manager - Property and Project Management, Stephanie Velvin, Manager - Organisational Planning and Performance.

- 8. Treasury Report - Nine months ending 31 March 2026** Page 91

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

- 9. Tamakuku Terrace Six Monthly Update** Page 105

Memorandum, presented by Glenn Bunny, Manager - Property and Project Management and Anna Saunders, Senior Project Manager.

- 10. Internal Audit Charter** Page 117

Memorandum, presented by Emy Bastillo, Internal Auditor / Business Assurance Advisor and Desiree Viggars, Manager Legal Risk and Assurance / Legal Counsel.

- 11. Annual Internal Audit Work Programme** Page 125

Memorandum, presented by Emy Bastillo, Internal Auditor / Business Assurance Advisor and Desiree Viggars, Manager Legal Risk and Assurance / Legal Counsel.

- 12. Committee Work Schedule** Page 135

- 13. Karakia Whakamutunga**

- 14. 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

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 the persons listed below be permitted to remain after the public has been excluded for the reasons stated.

[Add Third Parties], because of their knowledge and ability to assist the meeting in speaking to their report/s [or other matters as specified] and answering questions, noting that such person/s will be present at the meeting only for the items that relate to their respective report/s [or matters as specified].

PALMERSTON NORTH CITY COUNCIL

Minutes of the Finance, Performance & Audit Committee Meeting Part I Public, held in the Council Chamber, First Floor, Civic Administration Building, 32 The Square, Palmerston North on 01 April 2026, commencing at 9.02am

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

Karakia Timatanga

Councillor Debi Marshall-Lobb opened the meeting with karakia.

11-26 Apologies

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee receive the apologies.

Clause 11-26 above was carried 12 votes to 0, the voting being as follows:

For:

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

12-26 Public Comment

Chris Teo-Sherrell made public comment on Item 11 (Draft Speed Management Plan – deliberations on submissions and adoption). He supported speed limits being reduced and encouraged Council to do so to the greatest extent possible.

Brian Hearn made public comment on Item 16 (Traffic Situation and Calming Options for Ascot and Pahiatua Streets). He referenced the petition presented to Council last year and noted petitioners were of the opinion the report and recommendations did not address the issues they raised. He urged Councillors to consider whether the report recommendations were relevant and justifiable.

Nic Mason, Principal, Winchester School made public comment on Item 16 (Traffic Situation and Calming Options for Ascot and Pahiatua Streets). He felt strongly that measures to slow traffic on the corner by the school gate needed to be implemented, as it is a difficult bottleneck area for vehicles, pedestrians and cyclists. He recommended a raised area for a crossing or a wide speed bump to reduce speed in the area.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee receive the public comments.

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

For:

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

13-26

Confirmation of Minutes

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the minutes of the Finance, Performance & Audit Committee meeting of 4 March 2026 Part I Public be confirmed as a true and correct record.

Clause 13-26 above was carried 12 votes to 0, the voting being as follows:

For:

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

14-26

Audit New Zealand 2025 Management Report

Memorandum, presented by Scott Mancer, Manager Finance and Debbie Perera, Audit Director, Audit New Zealand.

Councillor Orphée Mickalad entered the meeting at 9.25am.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee receive the memorandum titled 'Audit New Zealand 2025 Management Report' presented to the Finance, Performance & Audit Committee on 1 April 2026.

Clause 14-26 above was carried 13 votes to 0, the voting being as follows:

For:

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

15-26

Audit New Zealand 2025/26 Financial Year Audit Plan

Memorandum, presented by Scott Mancer, Manager Finance and Chris Webby, Audit Director, Audit New Zealand.

The Mayor (Grant Smith) entered the meeting at 9.42am.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee receive the Audit Plan for the 2025/26 Financial Year from our appointed auditor – Audit New Zealand, presented to the Finance, Performance & Audit Committee on 1 April 2026.

Clause 15-26 above was carried 14 votes to 0, the voting being as follows:

For:

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

16-26

Palmerston North Airport Limited - Interim report for six months ending 31 December 2025

Memorandum, presented by Steve Paterson, Manager - Financial Strategy, Murray Georgel, Chair, Palmerston North Airport Board, David Lanham, Chief Executive, Palmerston North Airport and Jonathon Baker, Chief Financial Officer, Palmerston North Airport.

Representatives from Palmerston North Airport Limited presented their interim report; presentation is appended to these Minutes.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee receive the Interim Report and Financial Statements of Palmerston North Airport Ltd for the period ended 31 December 2025, presented to the Finance, Performance & Audit Committee on 1 April 2026.

Clause 16-26 above was carried 14 votes to 0, the voting being as follows:

For:

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

17-26

Palmerston North Airport Limited - Draft Statement of Intent for 2026/27 to 2028/29

Memorandum, presented by Steve Paterson, Manager - Financial Strategy, Murray Georgel, Chair, Palmerston North Airport Board, David Lanham, Chief Executive, Palmerston North Airport and Jonathon Baker, Chief Financial

Officer, Palmerston North Airport.

Representatives from Palmerston North Airport Limited presented their draft Statement of Intent; presentation is appended to these Minutes.

Councillor Orphée Mickalad left the meeting at 10.27am.

Moved Vaughan Dennison, seconded Grant Smith.

The **COMMITTEE RESOLVED**

1. That the Committee receive the Palmerston North Airport Limited (PNAL) draft Statement of Intent for 2026/27 to 2028/29, presented to the Finance, Performance & Audit Committee on 1 April 2026.
2. That Palmerston North Airport Limited be advised:
 - (a) Council supports the proposed direction and implementation strategy;
 - (b) Council recognises the projected requirement for loans totalling \$73.4m by 30 June 2027 and that Palmerston North Airport Limited will be seeking to utilise the loan facility provided by the Council to fund a portion of this and the remainder through external bank facilities.

Clause 17-26 above was carried 12 votes to 1, the voting being as follows:

For:

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

Against:

Councillor Karen Naylor.

18-26

Draft Speed Management Plan - deliberations on submissions and adoption
Report, presented by Peter Ridge, Manager Strategy and Policy and James Miguel, Senior Transport Planner.

Councillor Barrett moved a motion seeking a report on school zone infrastructure requests to capture community feedback and enable a consolidated view across schools in the city, and provide practical suggestions as to how these can be progressed.

Councillor Orphée Mickalad entered the meeting again at 11.00am.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RECOMMENDS**

1. That Council adopt the Final Draft Palmerston North Speed Management Plan 2026 (Attachment 1).
2. That the Chief Executive is given delegated authority to approve the Final

Draft Palmerston North Speed Management Plan 2026 (Attachment 1), to include the revised technical maps and text descriptions of the proposed speed limit changes, as described in the document in Attachment 1.

3. That Council endorse the analysis of issues raised in submissions (Attachment 2), to be used as the basis for providing responses to submitters.
4. That the Palmerston North Speed Limits Bylaw 2020 is revoked.

Moved Brent Barrett, seconded Lorna Johnson

The **COMMITTEE RESOLVED**

5. That the Chief Executive report their prioritisation of school zone infrastructure requests to the Finance, Performance & Audit Committee.

Clause 18-26 above was carried 14 votes to 0, the voting being as follows:

For:

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

The meeting adjourned at 11.13am.

The meeting resumed at 11.29am.

Councillor Debi-Marshall Lobb was not present when the meeting resumed.

19-26

Central Economic Development Agency (CEDA): 6 month report 1 July 2025 to 31 December 2025 and Draft Statement of Intent 2026/27

Memorandum, presented by Katie Brosnahan, CEDA Board Member, Jerry Shearman, Chief Executive, CEDA and Jacqui Middleton, Finance & Operations Manager, CEDA.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee receive the Central Economic Development Agency (CEDA) 6 Month Report 1 July 2025 to 31 December 2025 (Attachment 1), presented to the Finance, Performance & Audit Committee on 1 April 2026.

Clause 19.1-26 above was carried 13 votes to 0, the voting being as follows:

For:

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

Moved Brent Barrett, seconded Lorna Johnson.

2. That the Committee receive the Central Economic Development Agency (CEDA) draft Statement of Intent 2026/27 (Attachment 3), presented to the Finance, Performance & Audit Committee on 1 April 2026.
3. That the Committee approve the comments outlined in the Central Economic Development Agency (CEDA) draft Statement of Intent 2026/27 (Table 1), presented to the Finance, Performance & Audit Committee on 1 April 2026.

Clause 19.2-26 above was carried 13 votes to 0, the voting being as follows:

For:

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

Moved Vaughan Dennison, seconded Karen Naylor.

Note:

On a motion 'That the Committee agree the Central Economic Development Agency (CEDA) Statement of Intent 2026/27 (Attachment 3), presented to the Finance, Performance & Audit Committee on 1 April 2026', the motion was lost 5 votes to 8, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Mark Arnott, Leonie Hapeta, Orphée Mickalad and William Wood.

Against:

Councillors Vaughan Dennison, Karen Naylor, Brent Barrett, Lew Findlay, Lorna Johnson, Bonnie Kuru, Billy Meehan and Kaydee Zabelin.

20-26

Palmerston North Quarterly Economic Update - April 2026

Memorandum, presented by Stacey Andrews, City Economist.

The City Economist presented the PN Quarterly Economic Update; presentation is appended to these Minutes.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee receive the Palmerston North Quarterly Economic Update – April 2026, including:
 - a. Palmerston North Economic Growth Indicators – April 2026 (Attachment 1), and
 - b. Palmerston North Quarterly Economic Card Spending Report – December 2025 (Attachment 2),presented to the Finance, Performance & Audit Committee on 1 April 2026.

Clause 20-26 above was carried 13 votes to 0, the voting being as follows:

For:

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

Councillor Leonie Hapeta left the meeting at 12.45pm.

21-26 Manderson Private District Plan Change acceptance and notification approval

Memorandum, presented by Simon Mori, Principal Planner and Jono Ferguson-Pye, City Planning Manager.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That Council accept the Manderson Bush Private Plan Change request in accordance with 25(2)(b) of Schedule 1 of the Resource Management Act 1991.
2. That Council approve the request for public notification under clause 5, Schedule 1 of the Resource Management Act 1991.

Clause 21-26 above was carried 11 votes to 1, the voting being as follows:

For:

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

Against:

Councillor Bonnie Kuru.

The meeting adjourned at 1.02pm.

The meeting resumed at 2.04pm.

Councillor Leonie Hapeta was present when the meeting resumed.

22-26 Plan Change Tahi - Review of Designation to Public Notification

Memorandum, presented by Haechang Kwon, Planner and Jono Ferguson-Pye, Manager City Planning.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee approve for public notification Palmerston North City District Plan: Proposed Plan Change Tahi – Designations Review under clause 5, Schedule 1 of the Resource Management Act 1991.

Clause 22-26 above was carried 13 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent

Barrett, Lew Findlay, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Billy Meehan, Orphée Mickalad, William Wood and Kaydee Zabelin.

23-26

Traffic situation and calming options for Ascot and Pahiatua Streets

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

Councillor Johnson moved a motion recommending option 2 of the report to provide an adequate response to the group of citizens who presented a petition last year.

Moved Lorna Johnson, seconded Mark Arnott.

The **COMMITTEE RESOLVED**

1. That the Committee receive the report on the investigation into traffic impacts at Ascot Street and Pahiatua Street.

Clause 23.1-26 above was carried 13 votes to 0, the voting being as follows:

For:

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

Moved Lorna Johnson, seconded Mark Arnott.

The **COMMITTEE RECOMMENDS**

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

Clause 23.2-26 above was carried 11 votes to 2, the voting being as follows:

For:

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

Against:

Councillors Karen Naylor and Billy Meehan.

24-26

Committee Work Schedule

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Finance, Performance & Audit Committee receive its Work Schedule dated April 2026.

Clause 24-26 above was carried 13 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Lew Findlay, Leonie Hapeta, Lorna Johnson, Bonnie Kuru, Billy Meehan, Orphée

Mickalad, William Wood and Kaydee Zabelin.

25-26 Strategic Risk Management Reporting October to December 2025 (Quarter 2)
Memorandum, presented by Stephen Minton, Risk Management Advisor and
Desiree Viggars, Manager Legal, Risk & Assurance / Legal Counsel.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee receive the following strategic risk assessments:
 - Strategic Risk 3: Failure to Manage and Protect Council Information;
and
 - Strategic Risk 8: Failure to Meet Legal Obligations.

Clause 25-26 above was carried 13 votes to 0, the voting being as follows:

For:

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

Karakia Whakamutunga

Councillor Kaydee Zabelin closed the meeting with karakia.

The meeting finished at 3.03pm.

Confirmed 13 May 2026

Chair

MEMORANDUM

TO: Finance, Performance & Audit Committee

MEETING DATE: 13 May 2026

TITLE: Quarterly Performance and Financial Report - period ending 31 March 2026

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

APPROVED BY: Glen O'Connor, Acting General Manager Infrastructure
Cameron McKay, General Manager Corporate Services
David Murphy, General Manager Strategic Planning

RECOMMENDATION(S) TO FINANCE, PERFORMANCE & AUDIT COMMITTEE

1. That the Committee receive the report titled 'Quarterly Performance and Financial Report – period ending 31 March 2026', and related attachments, presented to the Finance, Performance & Audit Committee on 13 May 2026.

RECOMMENDATION(S) TO COUNCIL

2. That Council approve a budget transfer for Internal Water Rates Revenue of \$933K from Organisational Performance to Water.
 3. That Council approve a budget transfer for Sludge & Biosolid disposal of \$350K from Resource Recovery to Wastewater.
-

1. ISSUE

To provide an update on the performance and financial achievements of the Council for the period ending 31 March 2026.

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.

3. THREE WATERS BUDGET CHANGES

As part of the ongoing review of budgets and cost allocation across the Three Waters activities, management has identified a small number of budget adjustments required to improve the accuracy of cost attribution between activities. These changes do not impact the overall financial position and are reclassifications to better reflect the true cost of service delivery. All adjustments have also been incorporated into the draft 2026/27 Annual Budget.

Internal Water Rates Revenue

The current budget does not reflect the allocation of internal water rates revenue of \$933K. Internal water rates revenue represents the internal recovery of costs associated with servicing Council-owned properties. The Internal Water Rates Revenue is currently budgeted within Organisational Performance, with costs budgeted appropriately within each activity that uses water from Council supply.

Sludge / Biosolid disposal

A review of wastewater sludge and biosolids costs has identified that expenditure of \$350K relating to disposal costs are currently budgeted within Resource Recovery. These costs are directly attributable to the provision of wastewater services, rather than a cost for Resource Recovery. It is proposed that the relevant expenditure budgets are transferred from Resource Recovery to Wastewater to ensure costs are reported against the activity to which they relate.

4. NEXT STEPS





The full year results are expected to be presented to the relevant Committee in August 2026.

5. COMPLIANCE AND ADMINISTRATION

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

<p>Whāinga 2: He tāone whakaihihi, tapatapahi ana Goal 2: A creative and exciting city</p> <p>Whāinga 3: He hapori tūhonohono, he hapori haumarū Goal 3: A connected and safe community</p> <p>Whāinga 4: He tāone toitū, he tāone manawaroa Goal 4: A sustainable and resilient city</p>	
<p>The recommendations contribute to this plan:</p> <p>14. Mahere mana urungi, kirirarautanga hihiri</p> <p>14. Governance and Active Citizenship Plan</p> <p>The objective is: 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 March 2026 [↓](#) 
2. Quarterly Performance and Financial Report March 2026 [↓](#) 
3. Quarterly Performance and Financial Report March 2026 Appendix 1 [↓](#) 
4. Quarterly Performance and Financial Report March 2026 Appendices 2-11 [↓](#) 

March 2026 Financial Dashboard - Profit and Loss

YTD operating position - Council

Category	YTD Actual	YTD Budget	YTD Var.	FY Budget
Operating Revenue	(35.9M)	(34.1M)	1.8M	(45.2M)
Fees and charges	(6.2M)	(6.4M)	(0.3M)	(8.2M)
Grants and subsidies received	(5.4M)	(4.9M)	0.4M	(6.8M)
Other revenues	(24.4M)	(22.7M)	1.7M	(30.2M)
Operating Expenditure	105.1M	107.8M	2.7M	143.8M
Contractors	20.4M	20.0M	(0.4M)	27.7M
Grants and subsidies paid	9.8M	9.7M	(0.1M)	12.8M
Materials	2.9M	3.8M	0.9M	5.2M
Net Internal Expenses	(5.5M)	(5.2M)	0.3M	(6.7M)
Other operating expenses	17.6M	17.4M	(0.1M)	21.7M
Professional Services	10.4M	12.3M	1.9M	17.0M
Remuneration	46.5M	47.0M	0.6M	62.4M
Utilities	3.1M	2.7M	(0.3M)	3.7M
Other operating	(102.4M)	(99.1M)	3.3M	(132.0M)
Net Interest	8.3M	10.4M	2.1M	13.9M
Rates Revenue	(110.6M)	(109.5M)	1.2M	(145.9M)
Total	(33.2M)	(25.3M)	7.9M	(33.4M)

Monthly Variance Net Controllable Operating Position

Operating Revenue & Operating Expenditure

\$0.2M

Year to Date Net Controllable Operating Position

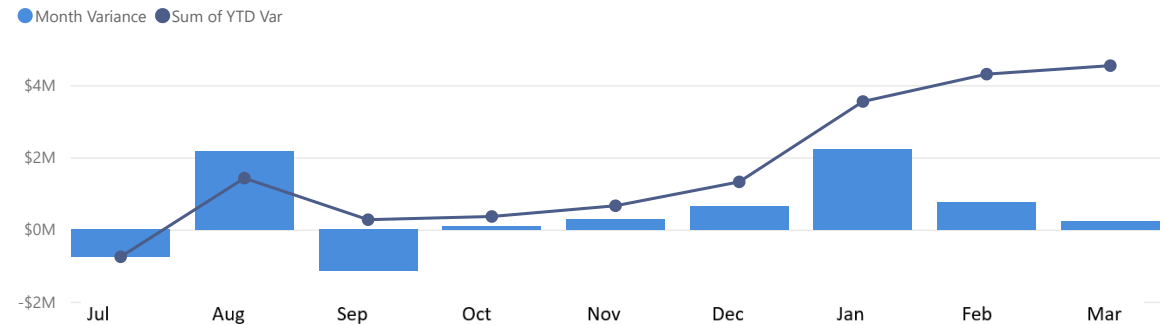
Operating Revenue & Operating Expenditure

\$4.6M

Year to Date Net Operating Position

\$7.9M

Controllable Surplus Variance to Budget



The March result continues the favourable trend seen in the first eight months of the financial year, with favourable revenue performance and ongoing expenditure control. While some variances reflect timing and delivery phasing, parking revenue and windfarm royalties remain strong contributors to the favourable position. Management are continuing to monitor key expenditure budgets, particularly contractor, professional services, fuel & capitalised remuneration as the year progresses. There are some seasonal & weather related impacts that will continue to cause some pressure in some activities.

Revenue – favourable \$1.8M

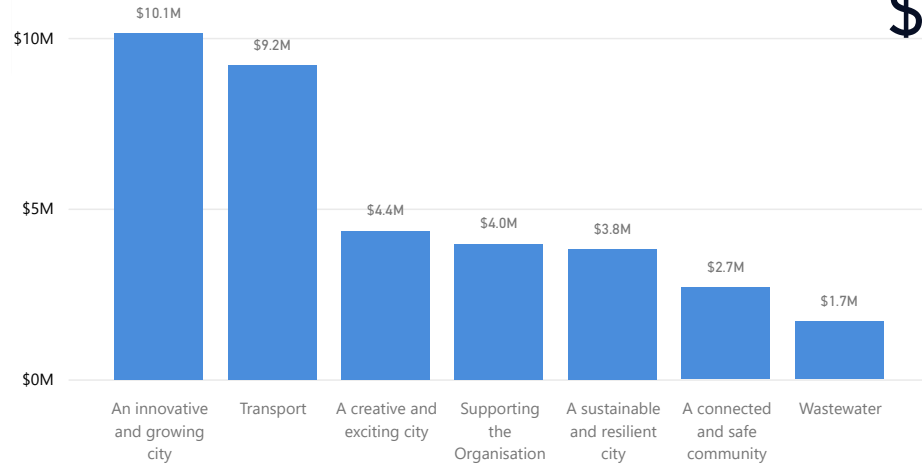
- Revenue is ahead of budget, driven by Other Revenue, which is \$1.7M favourable. This reflects higher-than-expected parking infringement revenue (\$0.7M) and windfarm royalties (\$0.6M).

Expenditure – favourable \$2.7M

- Professional services are favourable by \$1.9M, reflecting lower than anticipated spend in Transport and Digital Solutions, partly offset by increased contractor expenditure in Transport and higher software licence costs in Digital.
- Materials are favourable by \$0.9M, due to lower expenditure in Parks, largely offset by increased contractor use.
- Remuneration is favourable by \$0.6M, driven by salary savings from vacancies and a higher proportion of staff costs being capitalised, also contributing to a favourable variance in net internal expenses.
- Contractors are unfavourable by \$0.4M, due to higher maintenance activity in Transport and increased contractor use in Parks, partly offset by lower spend in Three Waters and Venues and Events.
- Other expenses are unfavourable by \$0.1M, with insurance costs \$0.9M favourable, offset by software licence costs \$1.0M unfavourable.

March 2026 Financial Dashboard - Revenue

YTD Operating Revenue (Non-Rates) - by Group of Activity



Revenue performance remains strong and continues to support the favourable operating position. The key upside is being driven by parking-related income, catering cost recoveries and windfarm revenue, with non-rates revenue concentrated in a small number of activity areas.

Key breakdowns of Non-Rates Revenue shown in the pie chart are as follows:

- Miscellaneous revenues include the MDC Building Contract (1.0M), catering cost recoveries (1.5M), resource recovery (1.0M), and Windfarm Royalties (1.5M)
- Sales include the Parking Meters (2.1M), After Hours Contact Centre (2.0M), Resource Recovery (1.8M)
- Fees and Charges includes Building Services (3.7M), Animal Control (0.9M) and Planning Services (0.9M)

Year to Date Operating Revenue
Year to Date Budget \$34.1M (Non-Rates)

\$35.9M

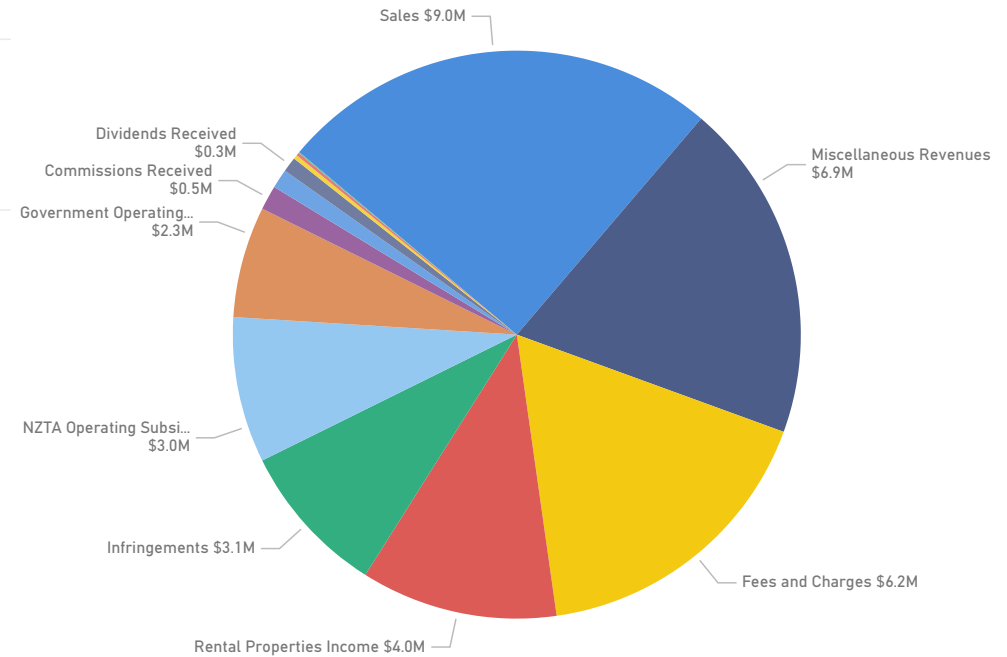
Year to Date Operating Grants Revenue
Year to Date Budget \$2.1M (Excluding NZTA)

\$2.4M

Year to Date CAPEX Revenue
Year to Date Budget \$2.4M (Excluding NZTA)

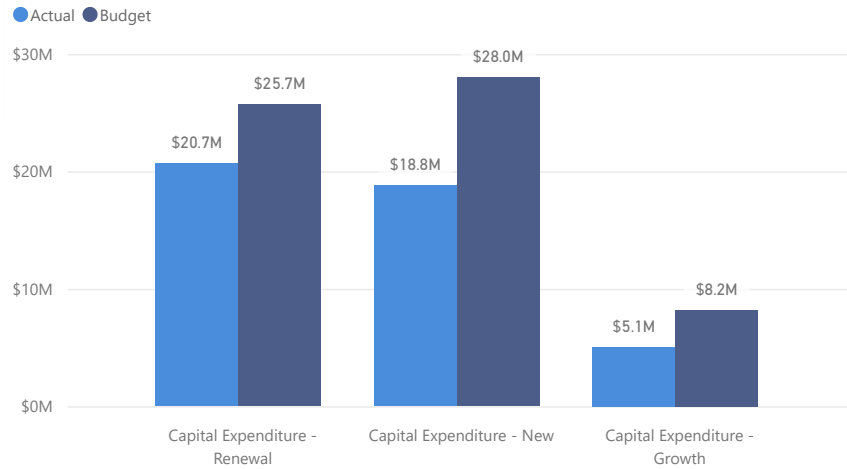
\$0.6M

Non-rates revenue YTD by resource



March 2026 Financial Dashboard - Balance Sheet

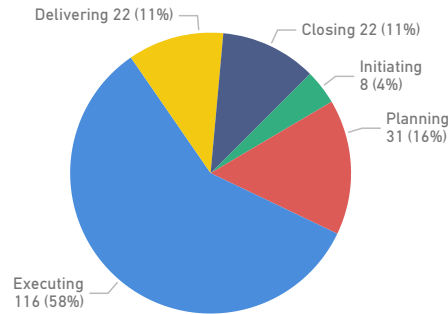
YTD capital spend



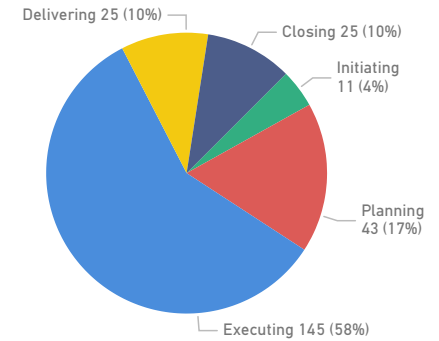
Capital programme:

- The capital spend to the end of March was 44.5M (FY2025 44.5M) against the revised budget of 61.9M (45.8% 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 3Water projects, and changes to the timing of the Pasifika Centre Expansion and Te Motu o Poutoa, which has had delays in securing external funding.
- Renewals is under budget due to timing of some 3Water programmes. The largest contributor is Programme 2411 Renewal of Oxidation Ponds and Sludge Lagoons.
- Net Debt is below budget YTD due to lower capital expenditure than budget (287M actual vs 314M budget).

Capital programme - FY25 (Infrastructure)



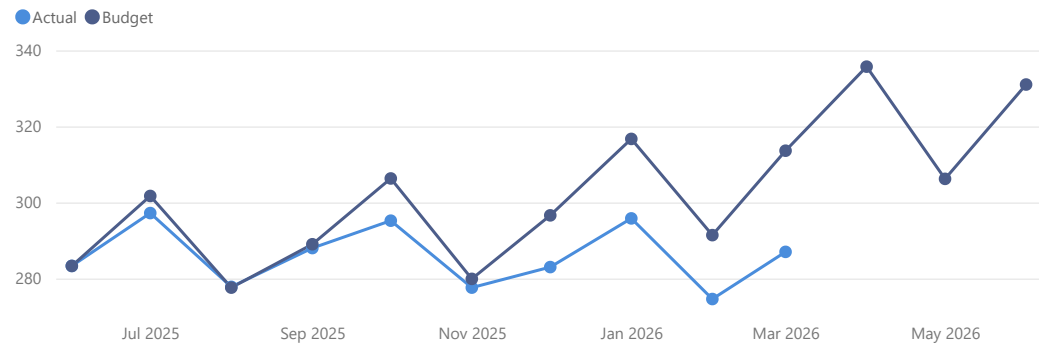
Full capital programme (Infrastructure)



YTD capital spend - all Council

Category	Actual	Budget	Variance	FY Budget	% FY Budget
Capital Expenditure - Growth	5.1M	8.2M	3.2M	14.1M	35.8%
Capital Expenditure - New	18.8M	28.0M	9.2M	47.0M	40.0%
Capital Expenditure - Renewal	20.7M	25.7M	5.0M	36.1M	57.3%
Total	44.5M	61.9M	17.3M	97.2M	45.8%

Net debt by month



Performance and Financial Report to Council

March 2026

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Chief Executive's Summary

This report covers performance for the first three quarters of the 2025/26 financial year, to 31 March 2026.

At the end of March, Council's operating controllable position was \$4.6M favourable to the revised budget. This outcome reflects higher than expected operating revenue, particularly from parking infringements and windfarm royalties revenue, together with lower-than-anticipated insurance costs and a continued focus on ensuring specified budget envelopes for professional services and remuneration are kept within.

It is also important to highlight that although parking revenue is higher than budgets (due to the higher government-imposed fees), the number of infringements that have been issued is lower than previous years.

Following the Council resolution to increase the professional services budget, the year-to-date position is \$1.9M favourable. This favourable variance is primarily driven by budget classification issues rather than reduced underlying expenditure, with costs sitting in other expenditure categories. The professional services position is forecast to narrow and is expected to be approximately \$1.3M favourable by year end. Excluding the impact of these budget structure issues, professional services expenditure is tracking broadly in line with budget.

Management continues to closely monitor the impact of fuel price increases, both on fuel purchased directly to deliver Council services and on the increasing costs faced by our suppliers delivering contracted services. These pressures have been incorporated into the operational forecast and are expected to reduce the current favourable position we have experienced to date. Sustained Fuel cost pressures is also impacting the capital programme which may require adjustments to the timing, scope, or delivery approach of programmes to ensure delivery remains within approved programme budgets.

Whilst the full year forecast remains favourable, some variability is expected in the final months of the year, with the forecast reflecting the best information available at this time.

The year-to-date net operating surplus to the revised budget has improved since the December Quarter. This has been driven by a \$3.3M improvement in the net controllable operating position, alongside a \$1.1M favourable movement in rates revenue and a further favourable movement of \$0.8M in net interest expenditure, reflecting lower-than-budgeted interest rates and debt levels.

Capital delivery remains behind the revised budget, with total capital spend of \$44.5M against a revised budget of \$61.9M at the end of March. The resulting \$17.3M variance reflects a combination of weather-related disruption, external funding dependencies, land acquisition delays, and project sequencing constraints. Management continues to review opportunities to improve capital delivery.

Of this variance, \$5.0M relates to Capital Renewal programmes, primarily within Three Waters, and \$3.1M relates to Capital Growth, largely due to land acquisition delays for new bore sites. The remaining \$9.2M variance sits within Capital New, reflecting projects on hold pending external funding decisions or delayed starts. Several of these projects, including Arena 5 Development and Te Motu o Poutoa, are unlikely to progress further in the current financial year.

As a result, carry forwards & rephasing of future budgets, including the LTP will be required to complete some of these projects. 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		Full Year
For the period to 31 March 2026	Actual	Revised Budget	Variance	Revised Budget	March Forecast	Annual Budget
Fees and charges	6.2	6.4	(0.3)	8.2	8.1	8.1
Grants and subsidies received	5.4	5.0	0.4	6.8	7.1	6.5
Other revenues	24.4	22.7	1.7	30.2	32.1	28.9
Operating Revenue	35.9	34.1	1.8	45.2	47.3	43.5
Remuneration	46.5	47.0	0.6	62.4	61.6	62.1
Other operating expenses	17.6	17.4	(0.1)	21.7	22.4	22.1
Contractors	20.4	20.0	(0.4)	27.7	28.4	27.3
Grants and subsidies paid	9.8	9.7	(0.1)	12.8	12.8	12.8
Materials	2.9	3.8	0.9	5.2	4.3	5.2
Professional Services	10.4	12.3	1.9	17.0	15.7	14.7
Utilities	3.1	2.7	(0.3)	3.7	4.1	3.7
Net Internal Expenses	(5.5)	(5.2)	0.3	(6.8)	(7.3)	(6.8)
Operating expenses	105.1	107.8	2.7	143.8	142.0	141.0
Operating Controllable Surplus/(Deficit)	(69.2)	(73.8)	4.6	(98.6)	(94.8)	(97.5)
Rates Revenue	110.6	109.5	1.2	145.9	146.5	145.9
Net Interest	(8.3)	(10.4)	2.2	(13.9)	(11.1)	(13.9)
Net Operating Surplus/(Deficit)	33.2	25.3	7.9	33.4	40.7	34.6
Depreciation and amortisation	(34.9)	(35.6)	0.6	(49.6)	(46.2)	(49.6)
Non-operating revenues	7.2	8.1	(0.9)	15.2	18.6	14.7
Non-operating expenses	2.3	0.0	2.3	0.0	2.3	0.0
Net result	7.7	(2.2)	9.9	(1.0)	15.3	(0.3)

The net controllable operating position at the end of March is 4.6M favourable against budget.

From a revenue perspective (1.8M favourable to budget in total), other revenues received were favourable by 1.7M, due to higher parking infringements as a result of increase infringement fees, windfarm royalties received and increased venues revenue.

From an expenditure perspective (2.7M favourable to budget in total):

- Professional services are favourable by \$1.9M, largely due to budget misclassification rather than reduced underlying cost. The underspend reflects lower than anticipated spend in Transport and Digital Solutions, partly offset by increased contractor expenditure in Transport and higher software licence costs in Digital. In Digital an estimated \$0.6M was budgeted in professional services instead of software licences. The budgets for software licensing has been corrected for the 2026/27 Annual Budget.
- Materials are favourable by \$0.9M, due to lower expenditure in Parks, largely offset by increased contractor use.

- Remuneration is favourable by \$0.6M, driven by salary savings from vacancies and a higher proportion of staff costs being capitalised, also contributing to a favourable variance in net internal expenses.
- Contractors are unfavourable by \$0.4M, due to higher maintenance activity in Transport and increased contractor use in Parks, partly offset by lower spend in Three Waters and Venues & Events.
- Other expenses are unfavourable by \$0.1M, with insurance costs \$0.9M favourable, offset by software licence costs \$1.0M unfavourable.

In relation to other variances:

- Rates revenue is tracking favourable to budget.
- Net interest was favourable due to both lower interest rates and debt levels 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 are favourable to budget due to derivative (interest rate swaps) being revalued.

Note: Variances may not sum precisely due to rounding to one decimal place (\$M)

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

Total capital spend to the end of March was \$44.5M against the revised budget of \$61.9M. Spend for quarter three was \$17.6M against a budget of \$24.9M.

Adverse weather conditions during the first half of the quarter, particularly the February storm events, negatively affected delivery across the core capital programme. More settled conditions through much of March enabled some recovery.

The \$9.7M variance in Capital New largely reflects projects that are currently on hold due to external dependencies. This includes Te Motu o Poutoa and the associated Cliff Road Upgrade, which are awaiting confirmation of external funding. In addition, delayed commencement of the Pasifika Community Hub and shipping delays for critical components of the Biogas System Improvements at the Wastewater Treatment Plant have contributed to the variance.

The \$2.6M variance in Capital Growth is partially down to continued delays with land purchases for the associated new bore sites. Despite this, drilling and other preparatory work has proceeded at pace. The exception to this is the Longburn bore project which is not feasible to proceed with and funding has been reallocated under delegation to be utilised on the other sites. The other major variances are for the Wyndham Street project which encountered issues with the stormwater design as well as the Kikiwhenua Roothing project which has run into difficulties around the sale and purchase of the access bridge.

The \$5.0M variance in Capital Renewal is largely due to delays in a several Three Waters programmes including Stormwater Network Renewals, Wastewater Pipe Renewals and Wastewater Pipe Relining. Apart from the Renewal of Oxidation Ponds and Sludge Lagoons we are confident these will be completed by the end of the FY. Other significant variances involve the weather issues with the Sealed Road Rehabilitation programme, delivery timings of Council Vehicle Replacements and procurement timeframes for the Arena Screen Replacement.

Despite these challenges, good progress was achieved during the quarter on a number of key projects, including Te Matai Road Shared Pathway, Main Street Rehabilitation, Multicultural Facility, Hockey Pavilion Development, and the Reseals Programme.

Looking ahead, the emerging fuel supply constraints present a potential risk to delivery in Quarter Four and beyond. Any disruption or restriction in fuel availability may adversely affect programme delivery, particularly where contractors are already experiencing cost pressures from sustained fuel price increases.

Subject to these risks, good progress is anticipated during Quarter Four on the following projects:

- Stoney Creek Road Safety Improvement
- Wyndham Street Upgrade
- Main Street Rehabilitation
- Vogel Street Reseal
- Milson Line Bore
- Kikiwhenua Wastewater
- Ihaka Street Improvement Stormwater Improvement
- Jickell Street Water Main Renewal
- Pasifika Community Hub
- Multicultural Facility
- Wikiriwhi Stormwater Pump Station Improvement

Conversely, several projects remain on hold due to funding, delivery, or external constraints and are not expected to progress materially during the remainder of the financial year:

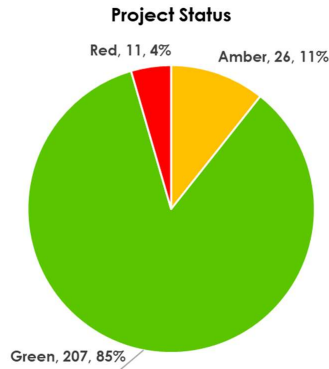
- Arena 5 Development
- Awapuni Community Hub
- Te Motu O Poutoa and Cliff Road
- MRF Upgrade and Development
- Aokautere Intersection Upgrade

Some images of the progress that was made in Q3:

<p>Te Matai Road Pathway</p>  A photograph showing a newly constructed green-paved pathway running alongside a river. The path is bordered by a concrete curb on the river side and a grassy embankment on the other. The sky is clear and blue.	<p>Milson Line Bore</p>  A photograph of a construction site for a borehole. A tall drilling rig is positioned on a dirt road. Large black pipes are laid out on the ground in the foreground. The background shows trees and a cloudy sky.
<p>Stoney Creek Road Safety Improvement</p>  A photograph of a road safety improvement project. A wide, gravel-covered road surface is visible, with a white-painted crosswalk in the distance. The road is flanked by dirt shoulders and trees.	<p>Wikiriwhi Cres Pump Station Improvement</p>  A photograph of a large-scale construction project for a pump station. The site is a deep excavation with concrete walls. A network of steel reinforcement bars (rebar) is laid out on the floor, ready for a concrete pour. A worker in an orange safety vest is visible in the distance.
<p>Main Street Rehabilitation</p>  A photograph of a street rehabilitation project. A large area of asphalt is being laid or finished. A yellow safety barrier is in the foreground. In the background, there are buildings and a covered walkway. A timestamp in the bottom right corner reads "13 April 2026 3:53 pm".	<p>Pasifika Community Hub</p>  A photograph of a large, flat construction site for a community hub. The ground is covered with a grid of rebar and concrete slabs. The site is surrounded by a fence and has a grassy area in the background under a cloudy sky.

Project Status Reporting

Monthly project reports are completed for every project 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 Q3 end 207 projects are green, 26 amber and 11 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 \$17.6M of the budget while red account for \$10.9M. Projects identified as Red include the following:

1. **Programme 1194 - Arena 5 Development:** Investigations into alternative options has delayed the project to the point that there will be significant underspend this financial year.
2. **Programme 2456 - Cliff Road Upgrade - Te Motu O Poutoa:** Currently in design, decision to progress to construction dependant on external funding confirmation.
3. **Programme 2239 - Te Motu o Poutoa** - Detailed Design and Consent, works on hold awaiting external funding
4. **Programme 2239 - Te Motu o Poutoa** – Programme Management and Reporting, works on hold awaiting external funding
5. **Programme 1895 - Te Motu o Poutoa Construction:** Delays with securing external funding mean that construction cannot commence in the current FY.
6. **Programme 2564 - Whakarongo & Aokautere Intersection Upgrade:** Business case underway which will require NZTA approval. Timeframes involved mean that construction will not occur this FY.
7. **Programme 727 - MRF Upgrade and Development:** Works on hold awaiting external funding application.
8. **Programme 727 - Bin Processing Storage Facility:** Pricing came back more than allowed in budget, therefore on hold.
9. **Programme 185 - MRF Transformer Renewal:** Dependant on MRF Upgrade and Development.
10. **Programme 649 - MRF Renewals:** Dependant on MRF Upgrade and Development.
11. **Programme 2338 - Recycling Contamination Monitoring Vehicle & Equipment.** Conversations with and lessons learned from other Councils have challenged assumptions around operational delivery. On hold while working through this.

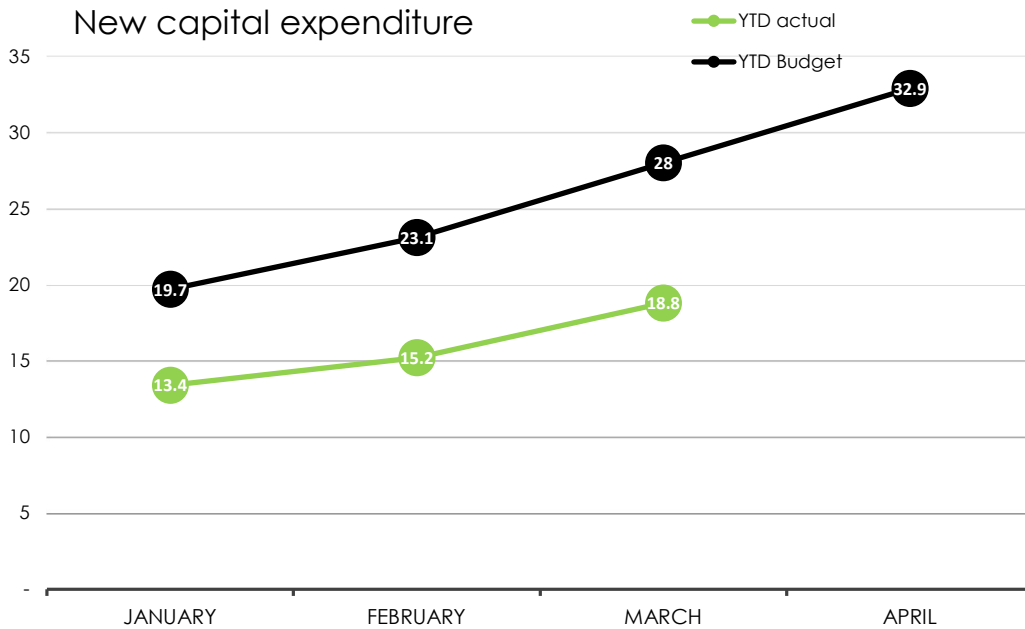
Capital Spend

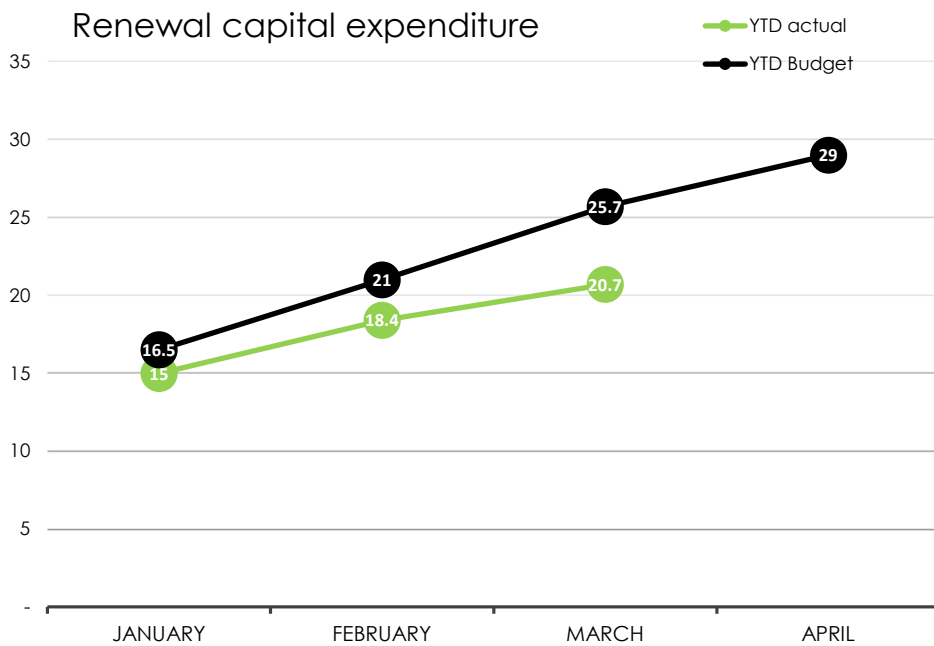
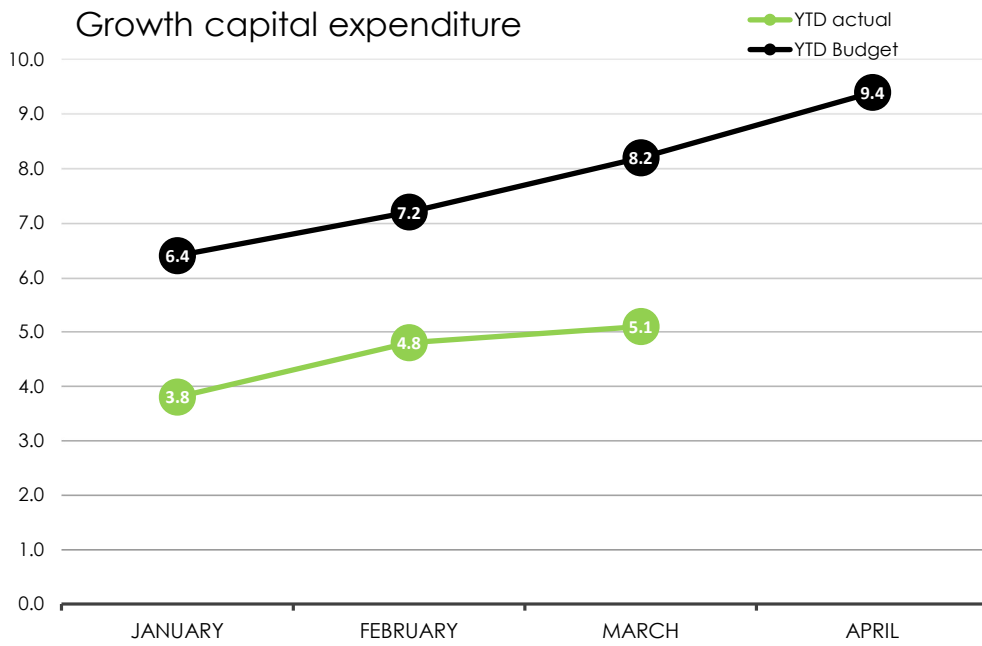
The total capital spend to the end of Quarter 3 of the FY2026 reached 44.5M as compared to 44.5M for the equivalent period of the FY2025.

	YTD Actual	YTD Budget	YTD Variance	FY2026 Revised Budget	% FY Rev. Budget
Capital Expenditure - New	18.8	28.0	9.2	47.0	40.0%
Capital Expenditure - Growth	5.1	8.2	3.1	14.1	36.2%
Capital Expenditure - Renewal	20.7	25.7	5.0	36.1	57.3%
Total Capital	44.5	61.9	17.3	97.2	45.8%

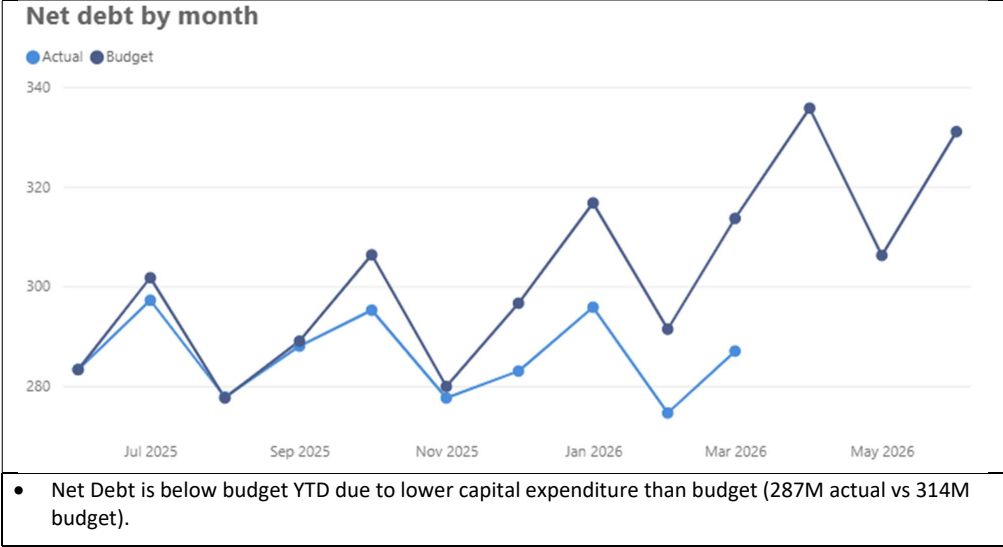
For additional information on capital delivery see:

- 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

By the end of the March 2026 quarter, \$6.6M against an assumed \$6.5M of external funding for 2025/26 has been secured (excluding NZTA). This includes windfall gains for which there were no external funding assumptions, as well as 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 totalling a further \$4M for 2025/26 and \$2.4M for 2026/27 have been submitted and Council is awaiting the outcome.

Below are updates on some of the more significant funding applications:

- **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:** Council is progressing a \$3.36M funding application to the Ministry for the Environment (MfE).
- **Civil Defence sites – Energy resilience:** Council is working with the Energy Efficiency and Conservation Authority (EECA) to facilitate a solar energy investment aimed at operational resilience and achieving environmental targets at various civil defence sites throughout the city. Funding of \$396K has been approved to support installations at six sites. An open market procurement process is currently underway, and once this is complete, finalised quotes will be submitted to EECA for approval. Installation will commence following that approval.
- **CET MoU:** Council has 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 has started this financial year and is reflected in Exhibit 1.

Applications have been submitted to access \$1M funding for FY 2025-26 under the agreed MoU. Projects include the Arena Big Screen replacement, Pasifika Community Centre expansion, Three Bridges Loop Track development, Hinds sponsorship, and community events. The application for the Big Screen includes an additional request of \$145K from the balance of the previous Arena partnership funding arrangement. Applications will be considered by the Trust in late May.

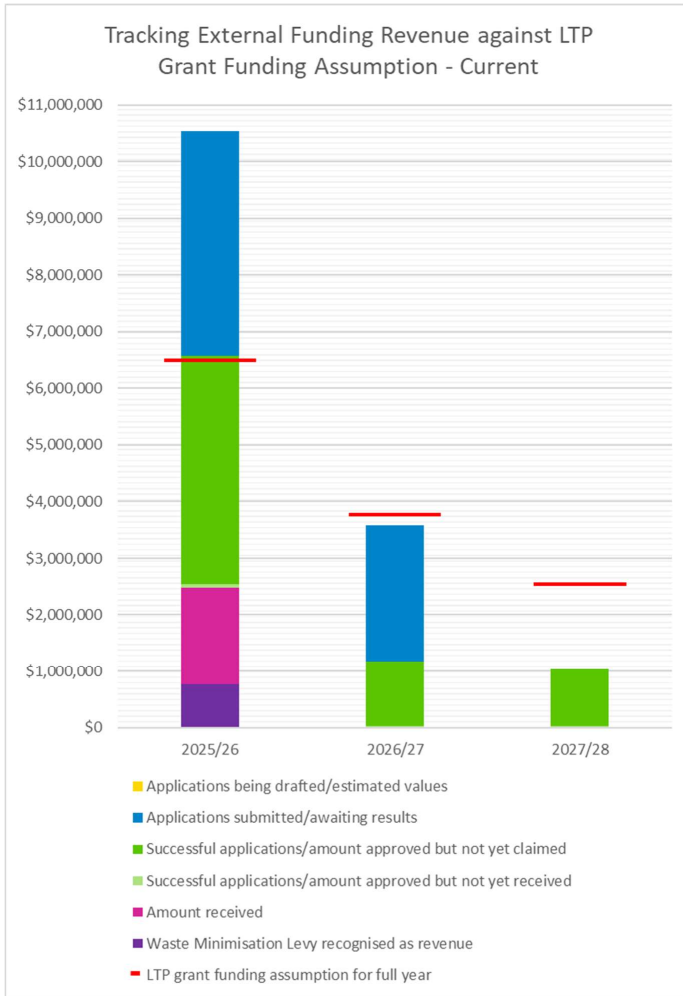
The responsibility for funding decisions lies entirely with the funders – these are contestable grants, not guaranteed allocations.

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 in the LTP. 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.

Overall, the funding environment remains difficult to secure funding for projects and operational costs. We have seen a notable increase in the number of organisations seeking financial support, while perpetual funds – those that use dividends from investments – have had weaker performance in the past six months, which has also limited the net pool of funds available for grants.

Exhibit 1: Summary of Grant and Funding Activity



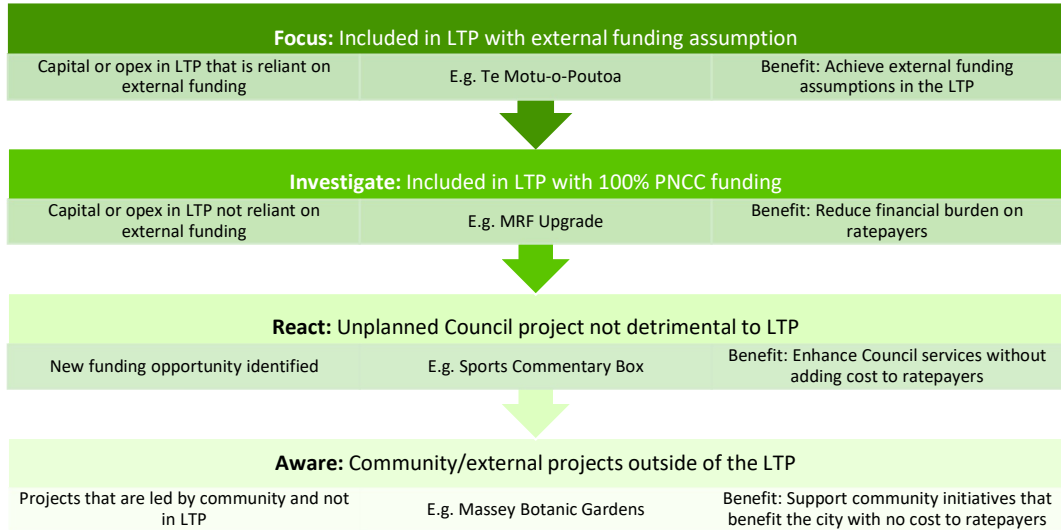
Notes:

- ~22 current/live grants – ranging from drafting stage to accountability stage.
- For projects that are deferred or carried forward, associated funding will be revised to align with updated project delivery timelines. This will occur when deferrals/carry-forwards are officially adopted.

Exhibit 2: Better Off Funding and Other Funding Breakdown



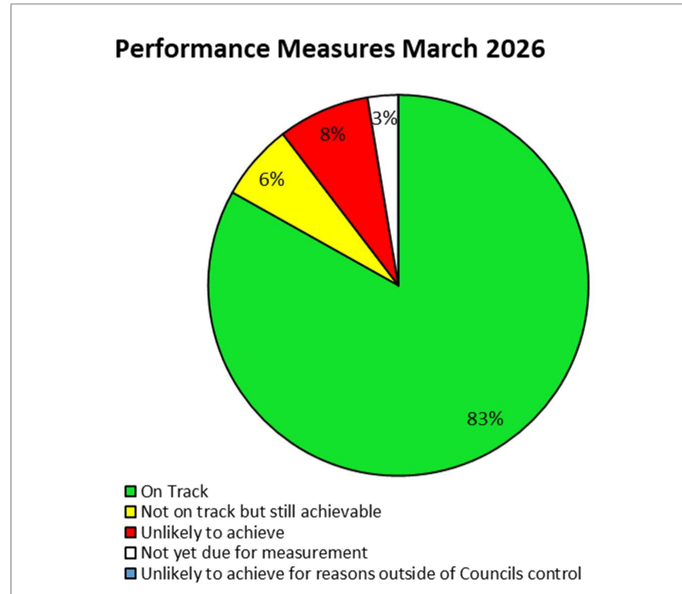
Exhibit 3: External Funding Hierarchy



Performance Measures

For 2026 Quarter 3:

- 64 (83%) of performance measures are on track
- 6 (8%) are unlikely to achieve
- 5 (6%) are not on track but still achievable
- 2 (3%) are not yet due for measurement
- 0 (0%) are unlikely to achieve for reasons outside of Council's control



The measures categorised as 'Unlikely to achieve' are:

- **Housing – Measure 01:** Infrastructure-ready serviced greenfield capacity remains below the three-year demand required under the National Policy Statement on Urban Development, making this measure unlikely to be achieved.
- **Housing – Measure 03:** Year-to-date resource consent processing performance is 53% against a target of 80%. Although performance improved to 66% in quarter three, recruitment constraints and limited access to specialist advice continue to affect timeliness, making the year-end target unlikely to be achieved.
- **Transport – Measure 03:** There were 22 fatal and serious injury crashes from July 2025 to April 2026, compared with 20 for the same period last year. A reduction on the previous year is therefore unlikely to be achieved.
- **Transport – Measure 05:** Eighty-six per cent of transport-managed footpaths with a known condition rating met Council's standard, compared with a target of 93%.
- **Recreation and Play – Measure 03:** Arena community sport and non-sport bookings remained strong in quarter three, accounting for 97% of bookings and 6,132 hours of use. However, resident satisfaction is 60%, below target of at least 70%, and is influenced by factors outside Council's control, making this measure unlikely to be achieved.

- **Water – Measure 02:** Bore supplies did not achieve 100% compliance with the bacterial and protozoal requirements due to data gaps and chlorine contact time issues at treatment facilities. As a result, this measure is unlikely to be achieved this year.

The measures categorised ‘Not on track but still achievable’ are:

- **Transport – Measure 07:** The average quality of ride on the sealed local road network was 76% smooth travel exposure for urban and rural roads, compared with a target of 80%.
- **Recreation and Play – Measure 02:** Pool usage across Lido, Freyberg and Splashhurst was 448,600 users, 0.4% below the same period last year, and average resident satisfaction over the nine-month period was 44% against a target of 85%. While not currently on track, quarter four results may improve the year-end position.
- **Community Safety and Health – Measure 03:** Resident satisfaction with the Council's provision of control of roaming dogs is 56% YTD. An internal review of Animal Management processes and procedures is underway to identify opportunities for service improvement, with an external audit to follow later in the year. The level of service for this program has also been identified for review as part of the upcoming LTP.
- **Water – Measure 01:** Council did not achieve 100% compliance with water supply requirements due to chlorine contact time issues and minor data gaps rather than unsafe water. Year-to-date resident satisfaction with the water supply is 71% against a target of 78%. Programmes remain in place to address water discolouration, and the measure remains achievable.
- **Governance and Active Citizenship – Measure 01:** Work to improve the quality of advice is continuing. However, the report template may not be updated by year end because other priority work is taking precedence. The measure is not currently on track but remains achievable.

The measures categorised ‘Not yet due for measurement’ are:

- **Transport – Measure 04:** Sealing work is continuing through quarter four and this measure will be reported at year end.
- **Recreation and Play – Measure 01:** Parks Check surveys are undertaken throughout the year and the results will be reported at year end. The target remains at least 90% satisfied or very satisfied with the overall quality of sports fields, parks and reserves.

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	543	543	562
Permanent Part-Time	112	80	72
Vacancies	48	46	54
Temporary	14	12	-
Total Number of Positions (excl. casuals)	717	681	688
Add Casual	39	12	-
Less vacancies	(48)	(46)	(27)
Total Positions	708	647	661

Quarterly Performance and Financial Report - March 2026

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 1,040 dwellings. This is a 499-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 1,147 dwellings. This is a 1,098-dwelling surplus compared to our 3-year demand. The serviced greenfield areas shortage is the reason the overall measure is unlikely to achieve. No material change is expected before year-end; the serviced greenfield position is structural and will be addressed through the Future Development Strategy review and the Plan Change work programme.	R	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 remains under appeal (Plan Change E; 0.08% of the existing urban footprint). The hearing for Plan Change I (Increasing Housing Supply and Choice; 16% of the existing urban footprint) is awaiting a decision from commissioners. Kākātangiata (6% of the urban footprint) has received a Plan Stop exemption from the Minister for the Environment. Council is waiting for an Environment Court decision on the appeal on Plan Change G Aokautere Urban Growth (9% of the urban footprint). The Manderson Bush private plan change (1.5% of the urban footprint) application has been received and consultation has opened in mid-April.	G	G	G	

Performance Measures	Comments	Sep	Dec	Mar	Jun
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 53% with 335 consents granted during the year to date. The number of days taken to process the consents that were outside statutory timeframes averaged 58 working days. It is noted that consents on-time performance in the third quarter has markedly improved to 66%, whereas working days over time was slightly up to 59. For context, the volume of consents granted to date is 335, whereas at this point in 2024/25 it was 287. The Planning Division has operated in a very challenging period that was attributed to ongoing difficulties in recruiting suitably experienced planning staff along with sourcing and obtaining timely responses from specialist advisers. However, after a very successful recruitment round, additional planners are joining the team through April which will make a significant difference to in-house capacity. Once the new staff are trained on internal systems and familiarised with the District Plan it is expected performance improvement will be made over coming months. On the technology front, a Workflow tool is currently in its build phase, due for release later in 2026, that will automate many current administratively heavy functions. It will also include a customer portal that provides the same benefits as the platform that the Building Division uses. At the development industry outreach level, it is noted another successful Build Palmy event was hosted by staff and the topic of 'Waste Minimisation' was very well attended. While Q4 performance is expected to lift further with the additional in-house planning capacity, the year-to-date result is unlikely to recover to the 80% target by year-end.	R	R	R	
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.	The District Plan provides for a range of housing types through: Minor dwellings and multi-unit housing in the Residential Zone; Use of multi-unit housing provisions for medium-density developments in the Outer and Fringe Business Zones (39% of the dwellings consented in the last quarter were multi-unit); and provision for apartments in the Inner Business Zone. Productive soils are currently being protected through: 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 affect 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 potentially the Future Development Strategy.	G	G	G	

Performance Measures	Comments	Sep	Dec	Mar	Jun
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).	For the quarter, a total of 217 building consents were granted. Of these, 211 were approved within the statutory timeframes, achieving a compliance rate of 97.2%. During the same period, we received 214 building consent applications.	G	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 has 444 Social Housing units, with an occupancy rate of 97%. We currently have 237 applicants on our high priority waitlist. The last Tenant Survey was completed in 2025 and had an overall satisfaction rate of 97%. The survey is next due to be carried out in the first half of the 2027 calendar year. The three housing workstreams — Flexi Fund, Outreach, and Housing First — continued to progress during the first quarter of 2026. Outreach services remained active, engaging with a number of whānau without shelter and working to strengthen connections with social service providers across the city. Demand for the Flexi Fund continued to increase, with a wide range of requests being received. The Housing First programme has shifted away from a collective impact approach. Te Tihi continues to lead this work and will use the PNCC Housing Security Group as the forum for providing progress updates.	G	G	G	
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 make steady progress on urban design, with strong development activity in the City Centre including continuation of TRYP Hotel development and new commercial offices. Plan changes supporting compact, connected and walkable neighbourhoods are advancing with Plan Change-E (Roxburgh Crescent) in mediation with the appellant, Plan Change-I (Medium Density Zone) awaiting Commissioners’ decision, and Manderson’s Bush Private Plan Change preparing for notification. Key projects such as the Caccia Birch Masterplan and the Pasifika Community Centre at Bill Brown Park are moving forward with the Pasifika Centre now well into construction. Kia Toa Rugby Clubrooms at Bill Brown Park is now in for consent and construction of the new Local Health Medical Centre at 602 Main Street well underway. Urban design review and advice continue across a broad range of developments. There is increased activity in Tamakuku Terrace lot design approvals and ongoing medium-density housing developments are under construction in South Street, Thames Street and Milson Line, plus a new Freightways warehouse at the Airport. Placemaking pop-up events continue to support our premier City Centre summer events, providing added public life activation and enhancing city visitor experiences. Officers remain active in public engagement through talks and walk-shops on urban design, master planning and city development, Heritage Festival Esplanade walk-shop and participating in an urban greening panel at the NZ Transportation Conference.	G	G	G	

Performance Measures	Comments	Sep	Dec	Mar	Jun
Economic Development					
01. Narrative measure showing Council has enough infrastructure-ready sections to meet National Policy Statement on Urban Development requirements.	Based on analysis of building consents across the city and our most recent Housing and Business Development Capacity Assessment, we currently have 1.6ha of land available in our business zones (0.2ha surplus compared to our 3-year demand) and 50ha of land in our industrial zones (27.1ha surplus compared to our 3-year demand).	G	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 progressing well, with current evidence indicating 33.2ha 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. The Bunnythorpe Business Park Private Plan Change (up to 48ha of industrial land supply) has been lodged and is currently being assessed for completeness.	G	G	G	
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 presented their 6-month report to the Finance, Performance and Audit Committee on 1 April 2026. The report was well received, with some commentary from EMs regarding their work with Massey University and Careers events. We have seen a continued focus from CEDA to actively connect with partners and foster inward investment opportunities that are aligned to the region's strategic objectives. This has been particularly evident with regards to the work completed on Te Utanganui, Central New Zealand Distribution Hub, where projects of this nature require a commitment to long-term relationships. We have also seen an increased focus on fostering investment in the city centre, particularly accommodation/hotels and participation in various city centre planning processes. CEDA has helped foster strong commercial interest in a further hotel in the City centre.	G	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. Attendance statistics and estimated net economic benefit to the region provided by events that have provided final reporting are included below. New Zealand Rural Games and Central Districts Field Days were again supported by Council and were successfully delivered in March with reporting and statistics to be shared next report. These join other council supported events from the year to date including Armageddon Expo, 6,000pax, \$380,000 estimated benefit. Davis Cup, 2,000pax, \$300,000 estimated benefit. Palmy Drag Fest, 2,000pax, \$190,000 estimated benefit. Salud, 3,000pax, \$120,000 estimated benefit. Manawatu Arts Trail, 20,000pax, \$150,000 estimated benefit. NZ Young Performer Awards, 2,000pax, \$327,000 estimated benefit.	G	G	G	
05. Narrative measure outlining how Council's strategic investments and advocacy are attracting inwards investment.	Staff are continuing to work with the Ministry for the Environment to achieve external funding towards the upgrade of the Materials Recovery Facility. The Ministry has placed particular emphasis on co-funding discussions with other councils and commercial operators. It has also emphasised the need to demonstrate regional buy-in for the facility. 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	G	

Appendix 1 - Detailed Performance Measures

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 marketing team has delivered two city marketing campaigns. This quarter, the focus shifted to building capability within the events sector. A series of workshops were delivered to strengthen confidence in event marketing and provide practical tools organisers can apply in promotion of their event. A total of 27 event managers participated in these workshops with a further six receiving one-on-one support for upcoming marketing activity. This quarter, we have 5 submitted bids, hosted 1 famil, and confirmed 4 conferences, continuing to build Palmerston North's reputation as a conference and events destination. Key wins this quarter include strengthened event reporting using Event Economics, providing clear insights on attendance, visitor origin, length of stay, feedback and estimated spend to support future bids and funding decisions. We've attended three industry tradeshow which has increased visibility of both the region and the support we can offer in attracting conferences, business events, expos, and events to the Manawatū, including opportunities such as international powerlifting and Blokart World Championships. Planning is also underway for an Avian Workshop in partnership with Central Energy Trust Wildbase Recovery. Year to date, the team has developed 9 bid documents, with 20 events in progress, and secured 19 conferences or meetings, generating a total of 2,597 attendees. Year to date, the isite has welcomed 86,665 visitors through the door, representing a 10.70% increase compared with the same period last year. Of those visitors 14,703 purchased products, representing an increase of 27.07% from the previous year. Year to date, reservation sales have decreased by 5% compared with the same period last year. This reflects national trends however the Palmerston North isite is seeing stronger reservation sales compared to other locations of similar size. Interislander and Bluebridge ferry cancellations and breakdowns have been the main reason for the decline in reservation sales. In contrast, retail sales have increased by 39.78% year to date, driven largely by international students, local events, and an overall better presentation and selection of products.	G	G	G	
07. Narrative measure outlining the Conference and Function Centre initiatives and how they attract and meet the needs of visitors.	The Palmy Conference and Function Centre has strengthened its approach to attracting and meeting visitor needs through a more targeted, client-focused strategy. Our refreshed social media plan is performing well, creating a clearer and more cohesive presence across Palmy Venues + Events channels. Content is now aligned to platform audiences, with business-focused material on LinkedIn and community events on Facebook, increasing engagement and visibility. Our client feedback forms have delivered strong response rates and valuable insights across the event journey. They also provide client testimonials we can share to build trust with future clients. To drive conference attraction, we currently have a targeted Business + Events campaign in market with a special offer to entice business. This is aimed at both new and returning clients to grow our reach and encourage repeat business. We will again attend the 2026 BEIA Meetings in June to connect with Professional Conference Organisers, generate new leads, and promote Palmerston North as a competitive business events destination. We are planning an updated more user-friendly website to make it easier for event planners to find information, compare options, and connect with our team.	G	G	G	

Performance Measures	Comments	Sep	Dec	Mar	Jun
<p>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>	<p>Staff continued to advance Palmerston North’s international engagement objectives by strengthening relationships with key partners and leveraging these connections to support economic growth, talent attraction, and city positioning. This quarter placed a strong emphasis on delivering tangible outcomes from established partnerships, most notably through the successful hosting of a six-member delegation from sister city Missoula under the US Embassy’s Public Diplomacy Grant. The programme reinforced strategic ties and highlighted opportunities for collaboration across trade, commerce, education, and civic exchange, while maintaining consistent engagement with international stakeholders to sustain the city’s global visibility and credibility. The city’s international profile was further elevated through the delivery of a diplomatic city tour as part of the Festival of Cultures, hosting around 20 foreign officials and diplomats and showcasing Palmerston North’s economic strengths, cultural diversity, and regional advantages. Additional high-level engagements included hosting senior diplomats from India, Sri Lanka, Colombia, Timor-Leste, and a junior minister-led economic delegation from Ireland, providing a platform to promote investment opportunities and deepen trade relationships. These engagements contributed to reinforcing trust with international partners and positioning the city as a connected and outward-looking regional centre. International partnerships were actively leveraged to support priority sectors, particularly in food export and international education. Collaboration with sister city Kunshan enabled the facilitation of a Palmerston North food pavilion at the Huaqiao Food Expo and Trade Centre, promoting export capability and strengthening commercial linkages. Engagement with the New Zealand China Council further supported trade promotion and education pathways for local providers. While international education activity aligned with the academic calendar, targeted efforts continued to maintain institutional relationships and support future student pipelines, including coordination with Japanese partners for upcoming student cohorts.</p>	G	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.	Safety initiatives progressed across the network, addressing risks for vulnerable road users and improving traffic management. This includes procurement of variable electronic speed limit signs for school environments, supporting safer travel for children and caregivers at peak times. Council also responded to customer service requests on an ongoing basis, using these insights to identify emerging risks and implement timely, practical improvements where possible. Investment in public transport infrastructure continued to support a more accessible and attractive public transport system. The bus shelter project progressed as planned, improving comfort, safety, and amenity for public transport users.	G	G	G	
02. Residents' Survey satisfaction results meet targets with Council's provision of roads (34%); provision of footpaths (45%); provision of cycling (44%); and provision of parking availability (42%).	Roads 36% - Footpaths 47% - Cycling 45% - Parking 55%.	G	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 2025 – April 2026, there were 4 fatal and 18 serious injury crashes in Palmerston North. 3 of these involved cyclists, and 1 involved a pedestrian. In the same period 12 months prior (July 2024 – April 2025), there were 8 fatal crashes, and 12 serious injury crashes. 1 of those crashes involved cyclists and 4 involved pedestrians. Crash data is cumulative; given the year-to-date figure already exceeds last year's, no material change is expected before year-end and the measure is expected to remain Red.	G	G	R	
04. More than 3.5% of the sealed local road network is resurfaced.	Sealing work continues into quarter four and this measure will be reported on at year end.	G	G	W	
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). Footpath condition reflects long-term renewal investment; no material change is expected before year-end. The level of service will be considered through the next Long Term Plan.	R	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.	G	G	G	

Performance Measures	Comments	Sep	Dec	Mar	Jun
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.)	76% smooth travel exposure for urban and rural roads. Closing the gap depends on completion of the Q4 resealing programme and the year-end condition survey result; the measure remains achievable.	R	Y	Y	
Arts and Heritage					
01. Narrative measure outlining initiatives undertaken by Council-supported organisations to promote the arts in the City.	Arts Initiative supports weekly art workshops for former refugee and migrant artists to bring their work to Square Edge Community Arts. Here they learn new techniques, meet members of the Palmy creative community, and work towards exhibiting in Art Trail Manawatū. In February Manawatū Migrant Voices exhibition by Gerry Le Roux opened at Square Edge Community Arts. Timed to coincide with Festival of Cultures, it introduced new community members to Square Edge as they visited to view the images of their friends and family. It also reflects strategic use of the Arts Initiative and Welcoming Communities budgets for high-value projects that support opportunities to celebrate our many cultures through creativity and design. The second round of Creative Communities Scheme funding for 2025/26 concluded in March with 23 of 36 applications supported with grants ranging from \$1,000 to \$4,160.	G	G	G	
02. Narrative measure summarising the results from The Regent and The Globe theatres, and Te Manawa 6 and 12 monthly reports.	Note 1: Council made the Globe and Regent Theatres exempted organisations under the LGA 2002 in February 2025, and as such, they are no longer required to present six-month reports. Officers are therefore only able to comment on the performance of Te Manawa Museum. Note 2: CCOs report six-monthly, so this information is for the period July to December 2025. Te Manawa: 'Visits to Te Manawa' (80,469) is comparable to the 2024 six-month result of 80,860 but remains higher than the target of 66,100. External Revenue of \$331,907 has been secured, which is slightly down on last year's result of \$397,619. Te Manawa is fundraising for a new Science Centre Development; funds of (\$1.25M) to achieve the 'External Revenue Science Centre only' 2025/26 target (\$1,008,697) has been pledged but has not been paid into Te Manawa's accounts yet. Payment will occur according to the requirements of each grant funder. Any funds received for the Science Centre this year, would also contribute towards achieving the 'External Revenue including Science Centre' Target of \$1,871,783.	G	W	G	

Performance Measures	Comments	Sep	Dec	Mar	Jun
03. Narrative measure outlining Council's actions supporting local history, including support for Rangitane in its kaitiaki role, and their outcomes.	The City Centre Refresh Initiative (co-funded by Council but led by Palmy BID) has supported repainting the Bryant Building at 85 The Square. This building was built in 1929 and has heritage values but is not heritage-listed. Heritage NZ is investigating heritage listing of the Ladies Rest Building. Funding for the following projects has been allocated: signage for St Andrews Church and window replacements for St Andrews Church. Advice on funding support has been provided to projects related to strengthening the Noodles and Dumplings Building and the Royal Hotel, and roof renewals for 1 The Square and the Royal Hotel. The Heritage Reference Group has provided advice on the Caccia Birch Masterplan.	G	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 eight 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), Christmas Parade (15,000–20,000), Waitangi Day (4,000), Lunar New Year (3,000), Festival of Cultures (8,000), Explore Esplanade Day (15,000) and Festival of Colours (4,000). 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. Attendance numbers remain consistent with past years. Council also continues to support a range of successful community events through contestable funding, in this period: Wacky Water Day with REACH, Aqua Day with Te Aroha Noa and Nowruz (Persian New Year) with the Iranian Society Manawatū.	G	G	G	
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	W	

Performance Measures	Comments	Sep	Dec	Mar	Jun
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 2025 to March 2026, the total number of users across the three aquatic facilities was 448,600. This represents a 0.4% decrease (1,744 users) compared to the same period last year. The Lido Aquatic Centre recorded 313,328 users, an increase of 2.68% (8,192 users) on the same period last year. While gym entries have declined, this has been offset by a significant increase in school and sports-related visits. The Freyberg Community Pool had 116,410 users, reflecting an 8% decrease (10,150 users) compared to last year. This decline is primarily due to fewer after-hours bookings, with canoe polo commencing later in February, along with the cancellation of one children's triathlon event. The Splashurst Community Pool recorded 18,862 users, a 1.15% increase (214 users) from the previous year. Increased school group attendance has contributed to this growth. Swim school participation continues to grow across all facilities, with the Lido recording its highest enrolments in March since February 2018. The decrease in After School Care attendance has continued, reflecting a broader national trend. Resident satisfaction for public swimming pools for the quarter was 43%, compared to 46% last quarter, resulting in a combined average of 44% over the nine-month period. Final user satisfaction results will be reported at year end. Closing the gap depends on Q4 satisfaction results and sustained usage growth at the Lido offsetting the Freyberg decline; the measure remains achievable.	Y	G	Y	
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 third quarter, Arena has hosted 1,869 Community Sport and Non-Sport bookings (Sport - 1,818, Non-Sport - 51), which was 97% of bookings undertaken. These accounted for 6,132 hours of use, which was 56% of total hours of use. Community Sport and Non-Sport bookings contributed to 23% 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 on the latest results. Year-end resident satisfaction is unlikely to lift to the 70% target; the measure is expected to remain Red.	B	R	R	
04. Narrative measure outlining initiatives undertaken by Council-supported organisations to provide sport and recreation opportunities (including target groups).	Let's Get Moving Workshops: Sport Manawatū (SM) held three sessions on walking, cycling, and bus use for the 55+ age group, as part of the Age-Friendly Action Plan, to promote activity and confidence. Manawatū Inter Secondary Schools Athletics (MISSA): SM partnered with Palmerston North Athletics & Harrier Club to support an event with over 500 students, promoting the 'Positive Vibes Only' initiative. Super Sevens: SM assisted Manawatū Striders via the Tu Manawa fund, providing staffing for an event with over 1,000 attendees across all ages, encouraging active participation. Explore Esplanade Day: SM collaborated with Butterfly Compassion Community to create a sensory play space in the Rose Garden, offering a welcoming retreat for neurodiverse families based on feedback about past limitations. Plans are underway to expand this for next year.	G	G	G	

Performance Measures	Comments	Sep	Dec	Mar	Jun
05. Narrative measure outlining Council's play initiatives and their outcomes.	Council supported Sport Manawatū's 4412 Summertime Get Active series (Awapuni and He Ara Kotahi), relaunched the Palmy Play Champions Network, delivered inclusive initiatives such as the Explore Esplanade Sensory Chill-Out Zone, and funded the Enabling Good Lives Family Fun Day. We've launched the Play Policy Review with targeted engagement across identified stakeholders. We presented to the Manawatū-Whanganui CDEM Welfare Forum on Sport NZ's Play during & beyond a Crisis Framework along with a demonstration of the PNCC Emergency Management Play Kits we recently developed. These initiatives increased participation, strengthened partner-led delivery models, and improved inclusive play outcomes for tamariki and whānau across the city.	G	G	G	

Performance Measures	Comments	Sep	Dec	Mar	Jun
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 Wacky Water Day with REACH at Skoglund Park and Aqua Day at Farnham Park with Te Aroha Noa and Age Friendly 'Let's Get Moving' classes in collaboration with Sport Manawatū. Support for Pasifika, Disability and Seniors Reference Groups is ongoing with a focus on preparing submissions for the upcoming Annual Budget this quarter. Contestable funding continues to be in high demand with the Community-led Initiatives Fund now fully allocated for the financial year and all other community initiatives budgets on track and well utilised. Staff continued to provide governance support to community organisations to finalise changes to their constitutions in advance of changes to the Incorporated Societies Act in April. A busy activity and event filled quarter for Youth Services with good engagement from both young people and organisations. Youth Space continue to deliver a strong programme focused on youth wellbeing. A highlight of the recent quarter has been the launch of Mayor's Taskforce for Jobs.	G	G	G	
02. Residents' Survey satisfaction with Council's provision of funding and support for community groups is at least 43%.	Resident Survey results demonstrate satisfaction stability in this measure at 48%.	G	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.	All operating community centres experienced high levels of use during the first three months of 2026, while construction of the new Pasifika Community Centre remains on track. The Community Centres Working Group met twice during the first quarter, with a focus on improving centre operations following the 2025 review of the centres' delivery model. Its current priority is updating and aligning management and lease agreements. Overall, the Multicultural Hub development is on track, with steady progress supporting MMC's participation in the project. 16 tenants occupy office spaces at Hancock Community House. Meeting rooms are being booked and used regularly. 1 tenant (Brain Injury) has sent a notice to vacate their office space, that space will be vacant from April, and Council will advertise and seek expressions of interest shortly after that.	G	G	G	
04. Narrative measure outlining user and community feedback on the maintenance of cemeteries (including Annual Residents' Survey).	Two complaints were received during the quarter about the maintenance of the grounds at Kelvin Grove Cemetery. These related to specific areas rather than the cemetery as a whole and the issues have now been resolved. Resident satisfaction for the year to date is 42%, a similar result to previous years.	G	G	G	
05. Narrative measure outlining number, type, accessibility and location of toilets, plus Annual Residents' satisfaction survey results.	Construction of a new toilet facility at the end of Albert Street, adjacent to the river walkway, is currently underway and is scheduled for completion in the first week of June. This will increase the total number of toilet locations from 54 to 55. An upgrade is also underway at the Lincoln Street toilets in Ashhurst, with completion expected in May. Public satisfaction was measured at 77% at time of last survey.	G	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.	There were 417,990 physical visits across City Library locations (up 5.6% on last year). This increase is notable as key metrics were negatively impacted by the Mobile Library being off the road for 29 days (visits for the Mobile were down 23.3% on last year). Annual visits per capita are 6.53 and the average use per collection item is 4.51 – both above the national average. The City Library website had 901,980 views; the Library App 130,794 views; Manawatū Heritage 340,773 views; Club Sandwich 14,861 user engagements; and the Tour App hosted 399 sessions. We hosted 46,634 PC sessions and 127,007 Wi-Fi sessions. There were 2,247 digital help sessions; 2,880 reference enquiries; 892 heritage enquiries; and 213 LIMS processed. Currently 110 people receive library materials through our Home Service. We delivered 2,366 programmes with 52,723 attendees (with attendees up 12.7% on last year). Our Summer Reading programme was completed by 794 children aged 4–10 years across various streams (English, Te Reo Māori and 8 other languages) through face-to-face book chats and/or Beanstack. The iRead programme was completed by 139 young people aged 11–13 years. The Heritage Festival was successful with 174 activities, 4,891 attendees (with some numbers from the final weekend yet to come), 7 exhibitions across 33 partners (compared to 94 activities, 3,026 attendees, 7 displays across 17 partners last year). The centenary of the PN War Memorial – Cenotaph was acknowledged, and a knitted wreath was crafted in commemoration. Programming included the Manawatū Writers Hub; RAD (Recycle a Device) club; and supporting U3A, Royal Society and Forest and Bird. The Readers and Writers programme included 5 author events and 2 workshops; Off the Page with Massey University; and the National Poetry/Race Relation's Day open mic poetry session delivered with the Manawatū Multicultural Council and Welcoming Communities. Community programming also included Lunar New Year, and we participated at the Festival of Cultures, Esplanade Day and Wacky Water Day. Outreach initiatives included library services at Star 2 Ward; UCOL Community Connect Day; and hosting three IPU student tours of the Central Library.	G	G	G	
02. Residents' Survey satisfaction with Council's provision of public libraries is at least 81%.	For the nine months to March, residents' satisfaction with library services is 83% (with users 89% satisfied and non-users 40% satisfied). Satisfaction by city zone: Takaro 93%, Papaioea 84%, Awapuni 89%, Hokowhitu 87% and Ashhurst-Fitzherbert 63%. Verbatim comments included: 'The libraries are the treasure of Palmy, the staff are extremely helpful in a range of ways, particularly with technology.' 'I love using the library and taking children there whom I care for. However, when the elevator is not in working order, it makes it a lot harder to access. Alternate access ways would be nice.' 'Library can always be shown more love. I don't need to use it but it's invaluable for the community compared to the other facilities listed.'	G	G	G	

Performance Measures	Comments	Sep	Dec	Mar	Jun
03. Narrative measure outlining how the archives collect and protect community stories.	<p>Additions to the Council archives this quarter included 13 publications (most external to council) transferred from Records to be assessed for retention or disposal; and 15 documents to be added to Series 50B, Legal Documents – Property Office Files. Significant work is underway to improve the detail and accuracy of the metadata for Series 50B records (Legal Documents – Property Office Files). These are the records most frequently called upon as part of LIM requests, with accurate description essential to ensure their discoverability. Donations to the Community archives this quarter included a programme and invitation to the 1971 Waitangi Day Commemorations (added to the Greenslade Papers); 20 issues of ‘Photorama’ magazine (1960-1963); records relating to Jaycee New Zealand’s 20th National Convention, held in Palmerston North in 1963; materials relating MAST (Manawatū Against the Springbok Tour); Palmerston North Town and Around newspaper, vol. 9, no. 7; the Jewell papers – family history research, documents, photographs and reminiscences relating to ‘Westmark,’ on Ferguson Street; and a WW1 era photograph of ‘Bugler Will’ taken by Harold Anderson’s Studios, Palmerston North. Content added to Manawatū Heritage this quarter included images of Women’s Cricket (Hallyburton Shield 1980-1981) - all matches played in Palmerston North at Manawaroa Park (494 images); the New Zealand v Australia Under 25s teams match in Palmerston North 1983; and the next sets of the Women’s International Cricket World Cup. Also added to Manawatū Heritage was the final upload of Berry Family Glass negatives; the Valuation Roll, Taonui Riding (Volumes 1-4); 380 images of the visit of former President and First Lady Carter in February 1984; eight new episodes of MPR radio show Manawatū Conversations; four Memory Lane articles; PalmyProud Issues 20, 21, 22 and the specialist pull-out: Food Innovation. In December the City Archivist secured the final paperwork necessary to begin processing the Ken Lush archive. Consisting principally of negatives and video content, work has begun to identify material at risk of decay or media obsolescence for immediate digitisation. Presentations included ‘Histories and Mysteries in the Collections’ featuring items from the Ian Matheson City Archives as part of the Heritage Festival.</p>	G	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’s first general preparedness of the calendar year started on 1 March; planning and preparation for our Winter and Shakeout preparedness campaigns are underway, and the Emergency Management Team has been involved in 12 community engagement and presentations during February and March. Council’s emergency management staff training remains a priority, with 87% of all staff now trained at the foundation level and 52% of people leaders trained at the intermediate level. The Emergency Management Team continues to review operational plans and implement lessons learned from the Regional Exercise in November 2025. Feedback from the exercise provider and participants identified areas for Council to consider as we improve our systems and how our staff and community are engaged in Emergency Management. The new Emergency Management Bill has been introduced to Parliament and will offer a range of improvements based on lessons learned from emergencies over the past 10-15 years. The Government expects to complete the legislative process before this term concludes. Council’s submission was lodged in February. Annual reviews of Council’s Business Continuity Plans are underway, alongside planning for Council’s response to the Fuel Crisis.	G	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	G	
03. Resident Survey satisfaction with Council’s provision of control of roaming dogs is at least 61%.	Resident Survey satisfaction with the Council’s provision of control of roaming dogs is 56% YTD. An internal review of Animal Management processes and procedures is underway to identify opportunities for service improvement, with an external audit to follow later in the year. The level of service for this program has also been identified for review as part of the upcoming LTP.	Y	B	Y	
04. Resident Survey satisfaction with Council’s provision of noise control is at least 54%.	Resident Survey satisfaction with Council’s provision of noise control is 54% YTD. The number of noise complaints received YTD averages 171 complaints per month, compared with a monthly average of 214 in FY 24/25; response times were similar year-over-year, with 46% of complaints being responded to within 30 minutes in FY 25/26 and 48% of complaints being responded to within 30 minutes in FY 24/25.	G	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 continued to work with partner agencies and community organisations to strengthen community safety. This included facilitating the Safety Advisory Board to coordinate cross agency responses to emerging issues and working with Youthline to deliver the Māngai Atawhai City Ambassadors programme over the summer period, fostering a safe, welcoming and vibrant city. Council also partnered with the Manawatū Abuse Intervention Network (MAIN) and SPG funded organisations to support prevention and early intervention services. The highlight for this quarter is support for Massey University to deliver 'Massey Night to Remember', promoting safety awareness with tertiary students.	G	G	G	
06. Narrative measure outlining how Council's venues, spaces, events and health initiatives promote community health.	At all venues and events, it operates, Council provides sunshade, sunscreen, ear protection, hydration stations, first aid, and healthy food and drink options for the public. The provision of such is determined by the scale, environmental conditions, attendance, and location of the events.	G	G	G	
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 tCO ₂ (measured annually).	Low Carbon Fund continues to deliver internal emission reductions. Community emissions likely to be significantly impacted at present by rising fuel prices. Citywide and Council annual emissions inventories to be presented to committee in September 2026.	G	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.	Work continues to support the future delivery of stormwater services through Central Districts Water. Significant improvements in civil defence training/readiness over the past several years.	G	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 continue to support community events and activities in the river park by enabling infrastructure and promotion on our website and Facebook page. Over the last quarter (January – March), the river has hosted four community events, including the ongoing Park Runs, the Weet-Bix Kids Triathlon, the Manawatū Striders Super Sevens, and the NZHL XRACE, all of which contribute to increased community engagement with the space. Our walkway brochure highlights key locations along the river, sharing their history and encouraging exploration. Alongside these initiatives, our ongoing pest management programme and native planting efforts play a vital role in enhancing the river's biodiversity, ensuring it remains a healthy and attractive environment for both wildlife and the community.	G	G	G	
02. Narrative measure outlining how Council's support and funding help organisations and communities achieve good conservation outcomes.	Council provides Sector Lead funding to Environment Network Manawatū. One of the pou supported through their Strategic Framework is the delivery of the River Source 2 Sea initiative. A portion of Sector Lead funding for ENM is used to fund the Coordinator role for River Source 2 Sea.	G	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. Specific actions last quarter were: waste minimisation officers attendance at PNCC's Esplanade Open Day stall; continued support for regional plasterboard recycling trial; and allocation of some funding through the resource recovery fund. Coming up we have two trials – one for soft plastics and one for a 360 litre kerbside recycling bin; we're preparing for more tours of the MRF; and we're continuing to allocate funds through the resource recovery fund.	G	G	G	
02. 100% compliance with resource consents measured by having no abatement notices, infringement notices, enforcement orders or convictions.	100% compliance with resource consents.	G	G	G	
03. Residents' satisfaction with Council's provision of kerbside rubbish and recycling collections is at least 79%.	Year to date satisfaction with Council's kerbside rubbish and recycling service is 89%.	G	G	G	
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. These issues are being improved over time as we work to identify gaps. 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 program over the summer has seen Palmerston North avoid water restrictions for the last four years. Level 2 water restrictions for Longburn residents will be lifted following a successful increase to consented extraction limits, and essential upgrade works on the bore. Latest Resident Survey satisfaction for the water supply was 83%, which is above the target of 78%. Programmes are in place to help mitigate the issue of water discoloration within the supplies. Resident satisfaction is already above the 78% target. Closing the compliance gap depends on programmes addressing chlorine contact time and data completeness, supported by the incoming revised Drinking Water Quality Assurance Rules; the measure remains achievable.	R	Y	Y	

Performance Measures	Comments	Sep	Dec	Mar	Jun
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 due to some missing data as well as inability to meet contact time requirements at the treatment facilities. Programmes are underway to mitigate these issues, as well as an incoming revised set of Drinking Water Quality Assurance Rules which will likely rectify this requirement. The current-year 100% compliance target is unlikely to be achieved despite mitigation programmes and the incoming revised Drinking Water Quality Assurance Rules; no material change is expected before year-end.	B	R	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.	G	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 244 litres per person per day based on total residential consumption YTD. This is well below target and has been achieved through effective communications, water conservation and renewals programmes targeting pipes that are aged, in poor condition and have had a history of faults.	G	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 21 minutes for urgent callout attendance.	G	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 59 minutes.	G	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 50 minutes.	G	G	G	
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 2 hours and 2 minutes.	G	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 ~13.8%. This is significantly lower than other major New Zealand cities; for example, Wellington peaked at around 41%.	G	G	G	

Performance Measures	Comments	Sep	Dec	Mar	Jun
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 upgrade works and design of new stormwater assets allows for the impacts of future climate change. This approach is recognised as best practice and helps mitigate flood risks. The latest resident satisfaction survey is 76%, which is above the target of 62%.	G	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. No habitable floor flooding was reported in the third quarter.	G	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 third quarter.	G	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 third quarter, resulting in stormwater entering a habitable dwelling.	G	G	G	
05. Less than 15 complaints received about the performance of the Council's urban stormwater system per 1,000 properties connected.	There were 1.8 complaints per 1,000 connections.	G	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.	G	G	G	
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. The latest resident satisfaction survey was 82%, which exceeds the 73% target. Council has shortlisted options for the Nature Calls project, which will go out for public engagement in the 4th quarter of 2026. The Water Services Authority (Taumata Arowai) has released national wastewater standards. Officers are progressing further technical reviews on the remaining options whilst continuing engagement with both Iwi and the public.	G	G	G	

Performance Measures	Comments	Sep	Dec	Mar	Jun
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.	G	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 were 2 complaints per 1,000 connections.	G	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 47 minutes.	G	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 15 minutes.	G	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 third quarter of the year. There were no abatement or infringement notices, enforcement orders or convictions.	G	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.	Ongoing improvements to quality of advice continue. Report writers continue to meet monthly on a Monday lunchtime to discuss how to improve the usefulness of their reports to decision-makers. New staff training for report writers occurs every 6-weeks. Plain English application of LGOIMA principles is now integrated in report template and training. However, report template may not be updated by end of financial year as other work is prioritised. Other quality-of-advice actions remain on track; closing the gap depends on the report-template update being progressed in Q4. The measure remains achievable.	G	G	Y	
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.	Council quarterly reports have been considered in the public committee to date. Our Annual Report will be presented to the Council for adoption in October, before being published on our website. CCOs (except for the Globe and Regent Theatres) six-monthly reports have been considered by Council throughout March and April. Note: Council made the Globe and Regent Theatres exempted organisations under the LGA 2002 in February 2025, and as such, they are no longer required to present six-month reports.	G	G	G	
03. Narrative measure outlining how Council's advocacy promotes the City's interests.	Council submitted on the Planning Bill, Building (Earthquake prone Buildings) Amendment Bill, Simplifying Local Government draft proposal, Supporting Growth through a Development Levies System discussion document, and to the Inquiry into the 2025 Local Elections. Council presented its submission on the Planning Bill to the Environment Select Committee. Submissions were also lodged on Total Mobility changes and NZTA speed limit change at SH 56.	G	G	G	

Performance Measures	Comments	Sep	Dec	Mar	Jun
<p>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>	<p>Communications and engagement activity this quarter focused on major infrastructure projects, community events, Central Districts Water, and the Annual Budget consultation. While in-person attendance at the three annual budget drop-in sessions was modest, as is typical most years, this was balanced by strong online engagement and proactive outreach to community groups. As a result, online submissions are already up 40% compared to last year, with more still coming in. Another consultation that wrapped up in this period was speed limits where we received 180 submissions on the draft plan and 33 proposals for variable speed limits. Maintaining a visible community presence remained important. Events like Esplanade Day provided valuable opportunities to connect face-to-face, with strong interest at the Council stall. Engagement also continued with residents and business owners on key roading and wastewater projects, including Stoney Creek Road, Vogel Street, and Main Street. One of the standout achievements this quarter was the launch of the Central Districts Water website and its supporting social media channels. Digital channels continue to play a central role in how we connect with the community. Social media content reached over 7 million views and generated more than 294,000 engagements, with more than 5,800 messages received and responded to. The Palmy Matters newsletter also continued to grow, now reaching more than 3,400 subscribers. New initiatives, including post-Council meeting videos with the Mayor and pre-meeting social media stories highlighting key agenda items, are helping make Council decisions more accessible and transparent. The website was visited by 151,629 people 294,707 times, with 54.95% of sessions classified as engaged. Total page views reached 486,119, with rubbish and recycling days, property and rates search, and Festival of Cultures were the most visited pages. No petitions were received this quarter. Resident survey results reflect the seasonal dip in consultation activity (we don’t typically have consultations around the Christmas/summer break as many people are away). Encouragingly, trust in Council has increased from 45% to 48%, continuing a positive upward trend. While some other measures, such as access to information and opportunities to have a say, eased slightly, this aligns with the seasonal pattern.</p>	G	G	G	

Appendix for March 2026 Report

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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 March 2026					Budget	Budget	
A connected and safe community	13,725	14,533	808	6%	19,404	19,389	
City Library	7,398	7,527	129	2%	9,994	9,987	
Community support	5,124	5,564	440	8%	7,199	7,195	
Community safety and health	1,202	1,442	240	17%	2,210	2,207	Civil Defence shows favourable YTD expenditure, with a less favourable year-end forecast; Public Health currently favourable and forecasting to remain favourable at year end.
A creative and exciting city	16,903	18,928	2,025	11%	25,034	25,020	
Arts and Heritage	7,134	7,999	865	11%	10,342	10,342	Key driver for the favourable variance YTD is Contractors and Insurance costs which are currently favourable and forecasted to remain favourable.
Recreation and play	9,769	10,929	1,160	11%	14,692	14,677	The favourable year-to-date variance is largely driven by higher-than-budgeted revenue from windfarm royalties revenue. There are also favourable variances in insurance, consumables, and hireage costs.
Supporting the Organisation	3,692	3,400	(291)	-9%	4,068	3,583	
Organisational performance	(2,449)	(2,595)	(146)	-6%	(3,824)	(4,299)	
Governance and Active Citizenship	6,141	5,996	(145)	-2%	7,892	7,883	
A sustainable and resilient city	6,751	7,372	621	8%	10,006	10,000	
Climate Change and Sustainability	933	929	(4)	0%	1,228	1,227	
Biodiversity and the Manawatu River	1,290	1,764	475	27%	2,305	2,304	The favourable variance primarily reflects the timing of track and carpark maintenance and plant pest management activities, with planned works deferred from Spring into Autumn. In addition, there has been an underspend on the operational Programme 1895 – Te Motu o Poutoa which is forecasted to remain at year end.

Activities Net Result Statement							Commentary
	YTD		YTD Bud. Var.		Full Year	Full Year	
	Actual	Budget	\$000's	%	Revised	Annual	
For the period to 31 March 2026					Budget	Budget	
Resource Recovery	4,528	4,679	150	3%	6,473	6,469	
An innovative and growing city	8,812	9,423	611	6%	12,342	12,334	
Housing	4,422	4,554	132	3%	5,903	5,894	
Economic Development	3,588	4,211	623	15%	5,560	5,560	There has been favourable net revenue year to date in multiple activities, including; conference and function centre, investment properties and international relations. There has been lower expenditure that anticipated year to date for the Gorden Kear Forest.
Urban Design	802	658	(144)	-22%	879	879	Costs have exceeded budget YTD, but are forecast to be on budget at year-end.
Stormwater	2,937	2,622	(315)	-12%	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	5,410	5,695	285	5%	7,840	7,837	
Water	5,143	5,781	638	11%	7,957	7,949	Net Internal Expenses is favourable due to the Internal Water Rates being higher than estimated during the budget. There are corresponding overspends within other activities, also in Net Internal Expenses
Transport	5,845	6,013	167	3%	8,124	7,526	
Active and Public Transport	388	597	209	35%	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.
Roading	5,457	5,416	(42)	-1%	7,260	6,662	
Activities Controllable Surplus/ (Deficit)	69,216	73,767	4,550	6%	98,601	97,466	

Appendix 3 – Operating Programme Reporting

Operating Programme	2025/26 \$000s						
Net Result Statement	Activity	YTD		Bud. Var.		FY	Commentary
For the period to 31 March 2026		Actual	Budget	\$000's	%	Revised Budget	
1401 - City-wide – Infiltration & Inflow Investigations	Wastewater	215	187	(28)	-15%	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	2,218	2,595	378	15%	3,210	This program aims to automate workflows to improve efficiency, stability, and reduce reliance on legacy systems. Human Resource Service Delivery Phase 1 is complete, with Phase 2 focused on Health and Safety. Cyber Security is addressing priority vulnerabilities. Data Insights continues developing products to support data-driven decisions, including building out of the Google Landing Zone in preparation for Anori
2023 - Community Dev Small Grants Fund	Community support	250	250	0	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	306	415	108	26%	1,060	Continuous progress is being made on implementing the Plant and Fleet Management System, due to be complete in Apr 2026. Development testing of the Oasis replacement system for Public Records Act Compliance is completed. Implementation and change management across PNCC will roll out over the next 2 quarters.
2434 - Te Utanganui Master Plan Implementation	Housing	31	166	135	81%	255	The underspend reflects the Government's plan stop announcement and vacancies within the team.
2477 - Regional Freight Ring Road Indicative Business Case	Roading	299	419	120	29%	569	This is a multi-year programme. Work is progressing well with expenditure anticipated to increase in the final quarter.
2519 - Sportsfields - Artificial Football Field (subject to external funding)	Recreation and play	0	0	0	-	434	Massey is preparing a brief for design/build to obtain quotes for the turf. External funding has not yet been secured and construction will not commence in 2025/26. The Council grant is requested to be carried forward to 2026/27.
2522 - Major Schools Sports Event Partnership Fund	Economic Development	221	221	0	0%	295	Sport Manawatū have advised that a further 5 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 March 2026	Actual	Revised Budget	Var. Rev. Budget	Revised Budget
Capital New	18,808	27,992	9,183	46,983
A connected and safe community	1,211	3,232	2,022	5,406
A creative and exciting city	1,750	1,961	211	7,044
Supporting the Organisation	103	100	(3)	284
A sustainable and resilient city	1,739	3,554	1,815	6,555
An innovative and growing city	30	9	(21)	9
Stormwater	3,241	4,452	1,211	5,312
Transport	3,196	4,441	1,245	10,360
Wastewater	4,353	6,129	1,777	6,973
Water	3,186	4,113	928	5,040
Capital Renewal	20,685	25,690	5,006	36,068
A connected and safe community	1,225	1,164	(61)	1,672
A creative and exciting city	3,394	4,025	632	5,706
Supporting the Organisation	1,007	1,350	343	2,455
A sustainable and resilient city	316	410	94	738
An innovative and growing city	1,071	1,102	31	1,649
Stormwater	140	598	458	615
Transport	7,765	8,448	683	11,677
Wastewater	2,396	4,738	2,342	6,075
Water	3,372	3,855	484	5,482
Capital Growth	5,053	8,209	3,156	14,119
A creative and exciting city	2	125	123	175
Stormwater	1,116	1,820	705	1,897
Transport	1,645	2,904	1,260	4,167
Wastewater	177	676	500	1,883
Water	2,114	2,684	570	5,997

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 Actuals	YTD Budget	Variance	Total Budget	RAG	Status
Capital New						
Biodiversity and the Manawatu River						
1895-City Reserves - Manawatu River Park - Te Motu o Poutoa Development Plan - Implementation	\$0	\$4	\$4	\$1,321	Red	Programme is currently on hold awaiting confirmation of external funding. It is proposed that the budget is carried forward to FY 2027/28.
2239-City Reserves - Te Motu o Poutoa - Design and Consenting	\$70	\$731	\$661	\$1,104	Red	Programme is currently on hold awaiting confirmation of external funding. It is proposed that the budget is carried forward to FY 2027/28.
Climate Change and Sustainability						
1888-Low Carbon Fund	\$30	\$982	\$951	\$1,098	N/A	
Community Support						
2440-Community Centres - Pasifika Centre Expansion	\$325	\$2,186	\$1,861	\$3,543	Amber	Excavations and site preparation complete ready for foundations to be poured. Remediation of changing rooms in existing structure almost complete. Cultural elements workshop planned for coming weeks with design elements to be finalised mid-May. Delays will, however, necessitate a carry forward.
Recreation and Play						
1194-CET Arena - Masterplan Redevelopment	\$380	\$821	\$441	\$5,566	Red	Programme is behind schedule due to consideration of alternative delivery options/methodologies. Limited progress is expected this financial year and a significant carry forward is anticipated.
Resource Recovery						

Activity-Programme Name	YTD Actuals	YTD Budget	Variance	Total Budget	RAG	Status
1371-Closed Landfills and Transfer Stations - Safety, Security and Development	\$1,362	\$1,384	\$21	\$1,421	Green	Shredder Chipper has been delivered and operational. Landfill forestry works are seasonal and planned for summer, therefore a small carry forward may be required to complete remaining components.
Roading						
159-Kelvin Grove Road - Safety Improvements	\$589	\$477	(\$112)	\$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	\$1,117	\$1,463	\$346	\$3,330	Green	Works underway on site including tree and vegetation clearing, culvert works and preparatory earthworks.
2380-City-wide - Transport - Emergency Reinstatements	\$219	\$301	\$81	\$1,080	Green	No recent weather events that currently require the remaining budget.
2456-Cliff Road Upgrade - Te Motu O Poutoa	\$132	\$489	\$357	\$1,847	Red	Concept design and cost estimate received significantly exceeded budget allocation. Value engineering and descoping being undertaken to meet the budget.
Stormwater						
1060-City-wide - Stormwater Network Improvement Works	\$1,689	\$1,867	\$179	\$2,519	Green	Programme is progressing, with multiple projects completed/underway.
1708-City-wide - Stormwater Flood Mitigation	\$898	\$1,080	\$182	\$1,182	Amber	Programme is progressing, with some modelling/design activities behind schedule (Ferguson Street) which may necessitate a carry forward.

Activity-Programme Name	YTD Actuals	YTD Budget	Variance	Total Budget	RAG	Status
Wastewater						
1617-Totara Road Wastewater Treatment Plant - Biogas System Improvements	\$1,407	\$1,972	\$564	\$1,974	Amber	Construction is progressing; several long lead items have delayed delivery and are expected to necessitate a carry forward.
2229-City-wide-Wastewater Pipe Improvement	\$1,128	\$1,025	(\$103)	\$1,025	Green	Programme is now complete.
628-Totara Road Wastewater Treatment Plant - Consent Renewal Upgrade	\$763	\$1,079	\$316	\$1,310	Green	Options have been shortlisted and work will proceed on the approved pathways.
Water						
2228-City-wide - Water Main Improvement	\$1,070	\$854	(\$216)	\$1,025	Amber	Spend is ahead of YTD budget due to re-timing/acceleration of projects. Remaining project will be delivered next financial year.
Capital Renewal						
Active and Public Transport						
2110-City-wide - Footpath Renewals (No Subsidy)	\$955	\$855	(\$101)	\$1,100	Green	Programme is on track for completion this financial year.
Organisational performance						
1879-Council's Plant and Vehicle - Replacements	\$121	\$553	\$431	\$1,291	N/A	
Recreation and Play						
1242-Central Energy Trust Arena - Replacement for Arena Big Screen	\$2	\$600	\$598	\$1,188	N/A	
Roading						
115-City-wide - Sealed Roads - Pavement Rehabilitation	\$1,561	\$2,531	\$969	\$3,264	Green	Delivery is progressing across multiple sites; underground asset condition and service conflicts have extended delivery timeframes (e.g., Main Street), with completion now expected mid May.

Activity-Programme Name	YTD Actuals	YTD Budget	Variance	Total Budget	RAG	Status
139-City-wide - Sealed Road Resurfacing	\$3,268	\$2,788	(\$480)	\$3,970	Green	Programme remains on schedule for completion by end of May.
Wastewater						
1714-City-wide Wastewater Trunk Mains Renewal	\$757	\$1,025	\$268	\$1,025	Green	Golf Club project is substantially complete and there are likely to be some savings in this programme.
2411-Renewal of Oxidation Ponds and Sludge Lagoons	\$277	\$1,361	\$1,084	\$1,361	Amber	Programme has experienced delays while desludging methodology is refined. Hopeful that work will be completed this FY but carry forward may be required.
54-City-wide - Wastewater Pipe Renewal	\$777	\$1,153	\$376	\$1,845	Green	Programme is progressing well with Maxwells Line having been completed. Remaining construction project and designs will utilise the remaining budget.
Water						
218-City-wide - Water Main Renewals	\$1,793	\$1,850	\$57	\$3,075	Green	Programme is progressing well.
Capital Growth						
Roading						
1681-Urban Growth - Kikiwhenua - Transport	\$486	\$813	\$327	\$1,154	Green	Detailed Design for the road and stormwater is underway. Purchase of the 2m strip on Te Wanaka Road has been completed. The purchase of the Grand Oaks extension likely to be delayed. Construction of the road will be deferred to the LTP process as growth in the area is not ready to proceed.
2124-Urban Growth - Ashhurst - New Roads	\$1,133	\$2,068	\$935	\$2,622	Amber	Delivery has shifted due to design coordination issues, pushing completion into the next financial year. Current year budget is still expected to be spent.
Stormwater						
1001-Urban Growth - Whakarongo - Stormwater	\$598	\$1,261	\$663	\$1,261	Green	Te Matai Road improvements are in final stages; Riverside Drive physical works are planned to commence in Q4 following consent.
Wastewater						

Activity-Programme Name	YTD Actuals	YTD Budget	Variance	Total Budget	RAG	Status
2511-Urban Growth - Kikiwhenua - Wastewater	\$177	\$308	\$131	\$1,361	Green	Construction has commenced and is expected to complete by end of April.
Water						
2299-Urban Growth - New Northern Water Supply Bore (Milson Line)	\$940	\$1,377	\$437	\$2,635	Amber	Enabling works and drilling are progressing, with land purchase agreement in principle which is expected to transact before the end of the financial year.
2512-Urban Growth - Kikiwhenua - Water Supply	\$704	\$483	(\$221)	\$1,053	Green	Programme is substantially complete with final works and costs to close out the programme.

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	\$439	\$207	(\$232)	\$361	Amber
2231-City-wide - Public Transport - Transport Choices - Additional Bus Shelters	\$244	\$449	\$205	\$700	Green
2548-City-wide - Shared Pathways - Slip Prevention (no Cofunding)	-	\$32	\$32	\$50	Green
Biodiversity and the Manawatu River					
1077-Citywide - Biodiversity Enhancement Through Native Planting	\$6	\$22	\$16	\$31	Green
2429-Turitea Predator Control-Self Resetting Traps	\$114	\$123	\$9	\$123	N/A
City Library					
2501-City Lib - Creative Interpretive Heritage Markers	-	\$10	\$10	\$35	N/A
Climate Change and Sustainability					
1924-Improving remote monitoring capabilities	\$46	\$9	(\$37)	\$153	N/A
Community Safety and Health					
2410-CCTV New Cameras	\$16	-	(\$16)	\$82	N/A
2416-CDEM - NZRT4 - New Safety Equipment	\$6	-	(\$6)	\$10	N/A
Community Support					
161-Public Toilets - New City-wide Toilets	\$226	\$264	\$38	\$474	Green
1833-City Growth - Cemeteries - Extensions to burial and ashes areas to meet demand	\$194	\$194	(\$0)	\$194	Green
1882-City Growth - Cemeteries - Expansion of Kelvin Grove Cemetery Roding Network	-	\$30	\$30	\$61	Green
2343-Citywide - New Community Hubs	\$52	\$50	(\$2)	\$500	Green
2350-Cultural Facilities - New Multicultural Facility	\$378	\$499	\$121	\$499	Amber
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	\$106	\$100	(\$6)	\$157	N/A
Recreation and play					
1099-Parks and Reserves - Shade Development	\$0	-	(\$0)	\$20	Green
111-Local Reserves - Roslyn - Edwards Pit Park Development	\$22	\$26	\$3	\$26	Green
1838-City Reserves - Victoria Esplanade - Exotic Aviaries	\$2	\$15	\$13	\$15	Green
1848-City Reserves - Linklater Reserve - Capital New	\$2	\$20	\$18	\$31	Green
1849-City Reserves - Ashhurst Domain - Capital New	\$45	\$50	\$5	\$50	Green
1851-Sportsfield Improvements - Capital New	\$101	\$114	\$14	\$143	Green

Activity-Programme Name	YTD Actuals	YTD Budget	Variance	Total Budget	RAG
1852-Local Reserves - Improvements to Existing Reserves to Close Identified LOS Gaps	\$216	\$199	(\$17)	\$205	Green
1853-Local Reserves - Development of Existing Reserves - Capital New	\$105	\$42	(\$63)	\$127	Green
1884-Local Reserves - Accessibility and Safety Improvements	\$109	\$113	\$4	\$118	Green
2349-Ashhurst - Te Apati Masterplan - Three Bridges Loop Development	\$306	\$365	\$59	\$480	Green
2545-Whakarongo Lagoon Landscaping Development	\$153	\$196	\$43	\$259	Green
2565-Large Trailerised Stage	\$320	-	(\$320)	-	N/A
967-City-wide - Edibles Planting	\$1	-	(\$1)	\$5	Green
Resource Recovery					
1410-Recycling - City-wide Recycling Services to Commercial/Organisational Properties Development	\$12	\$15	\$3	\$20	Green
2338-Recycling Contamination Monitoring Development	\$0	\$55	\$55	\$55	Red
2503-Collection Vehicles - Safety and Security Development	\$8	-	(\$8)	\$293	Green
506-City-wide - Public Space Rubbish & Recycling Bins Development	\$50	\$61	\$11	\$100	Green
657-Urban Growth - Recycling - City-wide Wheelie Bins and Crates	\$25	\$45	\$20	\$60	Green
727-Recycling - Materials Recovery Facility Development	\$16	\$124	\$109	\$694	Red
Roading					
1804-City-wide - Road Drainage - Additional Drainage Upgrades	\$14	\$122	\$108	\$122	Amber
2204-City-wide - Street Racer Prevention	\$71	\$41	(\$30)	\$61	Green
2428-City-wide - Street Trees - New and Replacements	\$269	\$225	(\$45)	\$300	Green
2554-School Speed Limit Signs	\$71	\$438	\$367	\$955	Amber
2555-Low Cost/Low Risk - Electronic Safety Signage	\$18	-	(\$18)	\$200	Amber
2564-Whakarongo & Aokautere Intersection - (State Highway)	\$27	\$197	\$170	\$353	Red
Stormwater					
1372-City-wide Stormwater Pump Stations Improvement	\$193	\$755	\$562	\$755	Amber
22-Citywide - Restoring Flood Capacity of Stormwater Channels	\$7	\$154	\$147	\$154	Amber
2313-Citywide - Installation of new Stormwater Assets	\$355	\$370	\$15	\$410	Green
2325-Ashhurst - Stormwater Asset Improvement	\$50	\$62	\$12	\$87	Green
2542-Longburn - Stormwater Asset Improvements	\$50	\$164	\$114	\$205	Green
Urban Design					
1330-City Centre - Placemaking Implementation	\$30	\$9	(\$21)	\$9	Amber
Wastewater					
1074-Totara Road Wastewater Treatment Plant - Earthquake Strengthening of Civil Structures	\$251	\$250	(\$2)	\$250	Green
1616-City-wide - Wastewater Pump Station - Capacity Upgrade	\$76	\$149	\$73	\$255	Green
1712-City-wide Wastewater reticulation wet weather overflow mitigation	\$128	\$156	\$28	\$250	Green
1821-City-wide Wastewater Pipeline Realignment of critical at-risk mains	\$31	\$263	\$232	\$163	Green

Activity-Programme Name	YTD Actuals	YTD Budget	Variance	Total Budget	RAG
2257-Citywide - Discharge Smart Meters for Large Tradewaste Customers	\$9	\$17	\$7	\$20	Green
2322-Bunnythorpe - Wastewater Network Upgrades	\$117	\$17	(\$99)	\$308	Green
2329-Citywide - Wastewater Pump Station H&S Upgrades	\$42	\$51	\$10	\$51	Green
2330-3 Waters Telemetry Upgrades	\$5	\$96	\$91	\$154	Green
2331-Citywide Wastewater Critical Spares	\$103	\$100	(\$3)	\$100	Green
2347-Wastewater Trunk Main - Infill Upgrades	\$126	\$287	\$161	\$313	Green
2556-Landfill Biosolids Disposal Field	\$154	\$581	\$26	\$602	Green
66-Totara Road Wastewater Treatment Plant - Resilience Programme	\$13	\$87	\$74	\$200	Green
Water					
1054-Ashhurst - Water Quality Improvements	\$453	\$500	\$47	\$500	Green
124-Turitea WTP - Drinking Water Standards Upgrades	\$53	-	(\$53)	-	Amber
132-City-wide - Water Supply Resilience - Trunk Mains	\$265	\$176	(\$88)	\$244	Green
1384-City-wide - Water Supply Resilience - City Supply Reservoir	\$33	\$125	\$92	\$150	Green
1388-Palmerston North - District Metering Areas for Water Supply	\$28	\$77	\$49	\$37	Green
1389-City-wide - Water Supply Resilience - Security of Supply	(\$6)	\$30	\$36	\$6	Green
1607-Health & Safety Water Treatment Chemical Handling	\$7	\$30	\$23	\$154	Green
1696-City-wide - Drinking Water Standards Upgrades	\$91	\$545	\$454	\$615	Amber
1697-Turitea WTP - Water Supply Resilience - Upgrades	\$46	\$105	\$58	\$106	Green
1874-Turitea Dams - Health & Safety Improvements	\$105	\$241	\$136	\$241	Amber
1883-Water Supply - Small Plant and Equipment	\$49	\$90	\$41	\$103	Green
2042-Turitea WTP - Raw Water Main Duplicate	\$195	\$199	\$4	\$250	Green
2048-City-wide - Water Toby and Manifold enhancements	\$274	\$431	\$157	\$769	Green
2060-City-wide - Commercial Water Meters	\$19	\$52	\$33	\$72	Green
2298-Bunnythorpe - Water Quality Improvements	\$35	\$228	\$193	\$284	Green
2303-Citywide - Bore Facility Improvements	\$492	\$387	(\$105)	\$444	Amber
986-Turitea Dams - Aeration Upgrade	(\$23)	\$42	\$65	\$42	Green
Capital Renewal					
Active and Public Transport					
181-City-wide - Public Transport Infrastructure Renewal	\$1	\$53	\$52	\$53	Green
2256-Bunnythorpe - Transport - Footpath Renewals	\$18	\$18	\$0	\$18	Green
2371-City-wide - Cycling Network - Renewals	\$6	\$93	\$87	\$106	Green
2372-City-wide - Streetscape - Renewals	\$35	\$18	(\$17)	\$18	Amber
2373-City-wide - Shared Pathways - Renewals	\$31	\$51	\$20	\$106	Green
2383-City-wide - Active Transport Supporting Infrastructure - Renewals	\$1	\$18	\$17	\$18	Green
Arts and Heritage					
1496-Replacement of Street Flags	\$14	\$18	\$4	\$26	N/A
213-Cultural Facilities - Renewals	\$99	\$216	\$117	\$511	Green
2420-Caccia Birch Signage Renewals	-	\$5	\$5	\$10	N/A
777-City Library- Heritage Technology, Equipment and Markers	\$23	\$23	-	\$23	N/A

Activity-Programme Name	YTD Actuals	YTD Budget	Variance	Total Budget	RAG
Biodiversity and the Manawatu River					
1136-CET Wildbase Recovery Centre - Renewals	\$16	\$16	(\$0)	\$16	Green
1825-City Reserves - Manawatu River Park - Renewals	\$25	\$33	\$8	\$42	Green
1972-CET Wildbase Recovery Digital Capacity	-	-	-	\$81	N/A
City Library					
1120-Community Libraries - Renewals	\$9	\$25	\$16	\$31	Green
1138-Technology to Supprt 21st Century Citizens (Renewal)	\$30	\$30	\$0	\$49	N/A
1139-Radio Frequency Identification (RFID) Materials Management	-	-	-	\$20	N/A
1775-Central Library - Renewals	\$56	\$51	(\$5)	\$51	Green
178-Replacement of Shelving, Furniture and Equipment	\$21	-	(\$21)	\$20	N/A
188-Replacement and Purchase of Library Materials	\$668	\$630	(\$39)	\$825	N/A
202-Central Library Interior Design Renewals	\$21	\$10	(\$11)	\$20	N/A
203-Community Libraries, Youth Space, Blueprint and Mobile Library Interior Design Renewals	\$25	\$10	(\$15)	\$26	N/A
Community Support					
1769-Community Agency Facilities - Renewals	\$11	\$47	\$36	\$51	Green
1796-Cemeteries - Building Renewals	\$27	\$26	(\$1)	\$26	Green
1828-Cemeteries - Non-Building Asset Renewals	\$110	\$98	(\$12)	\$137	Green
186-Public Toilets - Renewals	\$59	\$123	\$63	\$123	Green
265-Community Centres - Renewals	\$105	\$74	(\$30)	\$123	Green
Community Safety and Health					
1512-CCTV Replacements	\$14	-	(\$14)	\$82	N/A
1569-Replacement of Wearable Cameras	\$22	-	(\$22)	\$22	N/A
2242-Civil Defence EOC - Equipment Replacement	-	-	-	\$15	N/A
2260-Civil Defence Emergency Management - Radio and Communication Equipment Replacement	\$24	\$41	\$17	\$41	N/A
2382-CDEM - NZRT4 - Safety Equipment Replacement	\$18	-	(\$18)	\$10	N/A
Economic Development					
1166-Conference & Function Centre - Equipment Purchases	\$40	\$57	\$17	\$76	N/A
1730-Information Centre - Building Renewals	\$21	\$20	(\$0)	\$20	Green
1753-Investment Properties - Building Renewals	\$29	\$16	(\$13)	\$51	Green
1791-Parks Depot - Building Renewals	\$32	\$31	(\$2)	\$31	Green
1933-Brand and Marketing Critical Equipment	-	\$33	\$33	\$33	N/A
1970-Gordon Kear Forest Culvert Replacements	\$35	\$28	(\$7)	\$36	Green
2022-Property - Hard Surfaces Renewals	\$213	\$102	(\$111)	\$252	Green
251-Conference - Replacement of Equipment	\$69	\$113	\$44	\$134	N/A
270-Holiday Park - Renewals	\$69	\$152	\$83	\$306	Green
272-Staff Cafeteria-Replacement of Equipment	-	\$6	\$6	\$6	N/A
664-Conference & Function Centre - Renewals	\$107	\$121	\$14	\$180	Green
85-Depot - Buildings and Structures Renewals	\$100	\$115	\$15	\$115	Green
Housing					
180-Social Housing - Renewals	\$356	\$309	(\$47)	\$408	Green
Organisational Performance					
221-Print Synergy - Replacement of Print Synergy Machines	\$13	\$20	\$7	\$20	N/A

Activity-Programme Name	YTD Actuals	YTD Budget	Variance	Total Budget	RAG
281-CAB - Renewals	\$262	\$160	(\$102)	\$204	Amber
53-Computer Replacement - Rolling Replacements	\$516	\$398	(\$118)	\$480	N/A
58-Network Additions and Upgrades	-	-	-	\$77	N/A
68-Aerial Photography	\$4	-	(\$4)	\$31	N/A
784-Replacement of Council's Photocopiers/Printers	\$14	\$13	(\$2)	\$15	N/A
80-Council Small Mobile Plant and Equipment - Replacement	\$59	\$206	\$147	\$306	N/A
86-Property - Furniture Replacements	\$16	-	(\$16)	\$31	Green
Recreation and play					
1051-CET Arena - Arena Renewals	\$354	\$284	(\$70)	\$496	Green
1127-City Reserves - Victoria Esplanade Shade House	\$649	\$610	(\$39)	\$610	Green
1759-CET Arena - Grounds Renewals	\$33	\$26	(\$7)	\$41	Green
1786-Recreational Buildings - Sports Pavilion and Changing Room Renewals	\$171	\$272	\$100	\$357	Green
1827-Local Reserves - Renewals	\$749	\$606	(\$143)	\$771	Green
1829-Sportsfields and Artificial Turfs - Renewals	\$96	\$130	\$34	\$185	Green
1830-City Reserves - Memorial Park - Renewals	\$21	\$33	\$13	\$47	Green
1831-City Reserves - Te Marae o Hine - The Square - Renewals	\$21	\$30	\$9	\$34	Green
1832-City Reserves - Ashhurst Domain - Renewals	\$60	\$72	\$12	\$102	Green
1834-City Reserves - Walkways - Renewals	\$126	\$86	(\$40)	\$123	Green
1835-City Reserves - Linklater Reserve - Renewals	\$5	\$15	\$10	\$15	Green
1837-Swimming Pools - Pool Renewals	\$689	\$617	(\$72)	\$706	Green
1840-City Reserves - Victoria Esplanade - Renewals	\$80	\$69	(\$11)	\$96	Green
2396-Arena Master Key System / Access Control Improvements	-	\$153	\$153	\$153	N/A
819-CET Arena-Replacement of Equipment	\$202	\$161	(\$41)	\$214	N/A
Resource Recovery					
1368-City-wide - Public Space Rubbish & Recycling Bins Renewals	\$89	\$33	(\$56)	\$100	Green
1374-City-wide - Recycling Drop Off Facilities - Renewals	\$15	\$15	\$0	\$15	Green
1721-Composting Activity Site Renewals	\$7	\$5	(\$2)	\$10	Green
1784-Rubbish and Recycling Buildings - Renewals	\$51	\$31	(\$20)	\$72	Green
185-Closed Landfills and Transfer Stations - Site Renewals	\$43	\$164	\$121	\$180	Red
612-Recycling - City-wide Wheelie Bin and Crate Renewals	\$69	\$76	\$7	\$102	Green
649-Recycling - Materials Recovery Facility Renewals	\$0	\$37	\$37	\$120	Red
Roading					
122-City-wide - Road Drainage Renewals	\$195	\$344	\$149	\$510	Green
162-City-wide - Vehicle Crossing Renewals	\$310	\$218	(\$92)	\$343	Green
2357-Bunnythorpe - Transport - Pavement Renewals	\$206	\$204	(\$2)	\$204	Green
2376-City-wide - Traffic Services - Renewals	\$370	\$409	\$38	\$612	Green
2377-City-wide - Transport - Environmental Renewals	\$30	\$10	(\$20)	\$31	Green
2379-City-wide - Transport - Structural Component Renewal	\$181	\$297	\$116	\$612	Amber
74-City-wide - Street Light Renewals	\$468	\$454	(\$14)	\$560	Green
82-City-wide - Off-Street Parking - Renewals	\$128	\$88	(\$40)	\$153	Green

Activity-Programme Name	YTD Actuals	YTD Budget	Variance	Total Budget	RAG
Stormwater					
1062-City-wide - Stormwater Network Renewal Works	\$98	\$359	\$261	\$359	Amber
20-City-wide - Stormwater Pump Station Renewals	\$43	\$239	\$196	\$256	Amber
Wastewater					
1380-Totara Rd WWTP - Biogas Generator Major Overhauls	\$66	\$81	\$14	\$127	Green
179-Totara Road Wastewater Treatment Plant - Minor Equipment Renewals	\$139	\$306	\$166	\$405	Green
1799-Wastewater Treatment Plant - Buildings Renewals	\$51	\$24	(\$27)	\$51	Green
1801-Wastewater Pump Stations - Building Renewals	\$23	\$26	\$3	\$46	Green
1887-Wastewater Minor Equipment Renewals	\$6	\$21	\$15	\$21	Green
2323-Citywide - Relining of Wastewater Pipes	\$237	\$615	\$378	\$615	Amber
2530-Bunnythorpe - Wastewater Reticulation Renewals	\$22	\$14	(\$8)	\$410	Green
65-City-wide - Wastewater Pump Station Renewal	\$41	\$113	\$72	\$169	Green
Water					
1061-City-wide - Water Supply Reservoir Renewals	\$51	\$88	\$37	\$154	Green
1700-City-wide - Water Meter Renewals	\$249	\$218	(\$31)	\$282	Green
1701-City-wide - Water Supply Valve & Hydrant Renewals	\$26	\$158	\$133	\$256	Green
1797-Water Treatment Plant - Building Renewals	\$53	\$51	(\$2)	\$51	Green
1822-Water Pump Stations - Building Renewals	\$23	\$25	\$2	\$46	Green
199-City-wide - Water Supply Bore and Network Facility Renewals	\$318	\$173	(\$145)	\$204	Amber
207-Turitea WTP - Equipment and Facility Renewals	\$140	\$197	\$57	\$205	Green
214-City-wide - Water Toby and Manifold Renewals	\$514	\$407	(\$107)	\$410	Amber
2279-Longburn - Water Asset Renewals	\$40	\$308	\$267	\$308	Amber
2280-Bunnythorpe - Water Asset Renewals	\$125	\$205	\$80	\$205	Amber
2288-Turitea WTP - Automation and PLC Renewals	-	\$11	\$11	\$51	Green
2310-Citywide - Water Critical Spare Replacements	\$20	\$55	\$35	\$82	Green
88-Turitea WTP - Falling Main from WTP to Reservoir	\$19	\$110	\$91	\$154	Green
Capital Growth					
Recreation and Play					
2445-Urban Growth - Kikiwhenua - Reserves Purchase and Development	\$1	\$125	\$124	\$175	Green
Roading					
1003-Whakarongo - Intersection - Safety Improvements	\$25	\$24	(\$2)	\$167	Amber
201-Urban Growth - Transport - Development Contributions Top-up	\$0	-	(\$0)	\$224	Green
Stormwater					
2035-Urban Growth - Napier Rd Extension - Stormwater	\$128	\$100	(\$28)	\$100	Amber
2324-Urban Growth - Stormwater Roxborough Crescent Infill	\$99	\$152	\$53	\$228	Green
51-Urban Growth - Development Contributions - Stormwater	\$312	\$308	(\$4)	\$308	Amber
Wastewater					
210-Urban Growth - NEIZ - Wastewater	-	\$369		\$369	Green
73-Urban Growth - Development Contributions - Wastewater	-	-	-	\$154	Green

Activity-Programme Name	YTD Actuals	YTD Budget	Variance	Total Budget	RAG
Water					
1004-Urban Growth - Whakarongo - Water Supply	\$190	\$206	\$16	\$718	Green
2297-Urban Growth - Stoney Creek Road Bore (City East)	\$192	\$555	\$363	\$1,184	Green
2301-Urban Growth - New Longburn Water Supply Bore	\$77	\$60	(\$17)	\$100	Green
246-Urban Growth - Development Contributions - Water Supply	\$10	\$2	(\$8)	\$308	Green

Appendix 7 – Financial Statements

Palmerston North City Council Summary of Financial Performance	FY 2025/26				
	YTD Actual \$M	YTD Budget \$M	Prior Year Actual YTD \$M	Revised Budget \$M	Annual Budget \$M
OPERATING REVENUE					
Rates revenue	110.6	109.5	103.5	145.9	145.9
Finance revenue	1.4	0.5	2.0	0.5	0.5
Other revenue	30.2	28.8	27.8	41.6	40.2
Operating subsidies and grants	5.4	5.0	4.7	6.8	6.5
TOTAL OPERATING REVENUE	147.6	143.7	138.0	194.8	193.2
CAPITAL REVENUE					
Capital subsidies and grants	4.3	6.4	5.9	10.6	10.2
Development Contributions	2.0	1.7	3.4	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	6.3	8.1	9.3	14.8	14.4
TOTAL REVENUE	153.9	151.8	147.3	209.6	207.6
EXPENSES					
Employee remuneration	46.5	47.0	45.2	62.4	62.1
Elected members remuneration	0.9	0.9	0.9	1.3	1.3
Depreciation expense	34.9	35.6	30.9	49.6	49.6
Finance costs	9.3	10.5	10.2	14.1	14.1
Professional services	10.4	12.3	9.1	17.0	14.7
Other expenses	46.5	47.5	45.1	66.3	66.2
Other losses	0.0	0.0	0.1	0.0	0.0
Financial Instrument Valuation	(2.1)	0.0	6.8	0.0	0.0
TOTAL EXPENSES	146.3	153.9	148.3	210.6	207.9
NET SURPLUS/(DEFICIT) BEFORE TAX	7.7	(2.2)	(1.0)	(1.0)	(0.3)

Palmerston North City Council Statement of Financial Position As at 31 March 2026	FY 2025/26			2024/25
				As at 30 June
	YTD Actual \$M	YTD Budget \$M	Full year budget \$M	Actual \$M
CURRENT ASSETS				
Cash & Short Term Deposits	15	2	4	2
Trade and other receivables	22	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	2,532	2,545	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	23	20	21
Derivative financial instruments	4	2	0	2
Investment in associate	0	0	0	0
Other Financial Assets	23	12	0	12
TOTAL NON-CURRENT ASSETS	2,592	2,592	2,385	2,566
TOTAL ASSETS	2,630	2,623	2,407	2,597
CURRENT LIABILITIES				
Trade and other payables	24	20	32	28
Provisions	1	1	0	1
Employee benefit liabilities	7	8	8	8
Current Portion - Term Liabilities	46	22	0	22
Derivative financial instruments	1	1	0	1
TOTAL CURRENT LIABILITIES	79	52	40	60
NON-CURRENT LIABILITIES				
Provisions	1	1	1	1
Employee benefit liabilities	1	1	1	1
Term Liabilities	291	315	345	283
Derivative financial instruments	0	1	0	1
TOTAL NON-CURRENT LIABILITIES	293	318	347	286
TOTAL LIABILITIES	372	370	387	346
ASSETS LESS LIABILITIES	2,258	2,253	2,020	2,251
PUBLIC EQUITY				
Retained earnings	1,121	1,114	954	1,114
Other reserves	1,137	1,137	1,066	1,137
TOTAL PUBLIC EQUITY	2,258	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 March 2026			
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from rates revenues	116.6	112.5	145.9
Interest received	1.1	0.2	0.2
Dividends received	0.3	0.3	0.3
Operating subsidies and grants	5.4	4.9	6.8
Receipts from other revenue	30.5	28.4	41.6
Capital subsidies and grants	4.1	6.4	10.6
Development contributions	2.0	1.7	2.2
Receipts from tax losses	0.1	0.0	0.0
Interest paid	(9.3)	(10.5)	(14.1)
Payments to suppliers and employees	(107.1)	(114.2)	(143.7)
Goods and Services Tax (net)	(1.7)	0.0	0.0
Net Cash From Operating Activities	42.0	29.7	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	(47.0)	(59.9)	(97.2)
Net other advances repayment received/(made)	-	-	-
Net increase in investments	(13.3)	(1.0)	(1.5)
Net Cash From Investing Activities	(59.7)	(60.9)	(98.7)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term investments (4-12 months)	-	-	-
Net borrowing proceeds/(repaid)	30.0	31.0	48.9
Repayment of leases	-	-	-
Net Cash From Financing Activities	30.0	31.0	48.9
NET INCREASE/DECREASE	12.3	(0.2)	-
Cash at beginning of year	2.5	2.5	2.5
CASH AT MONTH END	14.8	2.3	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	
Operating Expenditure		
Water Services CCO Remuneration	(250)	
Kiwisaver contribution rate increase from 1 April 2026	(100)	
Environmental Health additional contractor expense	(100)	
Aokautere Business Case: Funding Options (professional services)	(400)	
Manawatū Regional Freight Ring Road - Accelerated Project Timeline	(189)	
Non-Operating (Capital revenues)		
139-City-Wide-Sealed Road Resurfacing	706	
Budget adjustments authorised by Chief Executive (delegation manual 5.4.2)		
Non-Operating (Capital revenues)		
210-Urban Growth-NEIZ-Wastewater	369	
Revised Budget 2025/26 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	
1681 - Urban Growth - Kikiwhenua - Transport	(2,622)	
2124 - Urban Growth - Ashhurst - Transport	2,622	
2564 - Whakarongo & Aokautere - Intersection - (State Hig	(1,330)	

2335 - Stoney Creek Road - Safety Improvements	1,330	
2576 - Recycling - Soft Plastics Storage Shelter	83	Yes
727 - Recycling- Materials Recovery Facility Development	(83)	Yes
Budget adjustments authorised by Chief Executive (delegation manual 5.4.2)		
210-Urban Growth-NEIZ-Wastewater	369	
2555 - Low Cost/Low Risk - Electronic Safety Signage	(150)	
2564 - Whakarongo & Aokautere - Intersection - (State Highway)	(150)	
2554 - School Speed Limit Signs	300	
2301 - Urban Growth - New Longburn Water Supply Bore	(400)	Yes
2299 - Urban Growth - New Northern Water Supply Bore (Milson line)	400	Yes
2301 - Urban Growth - New Longburn Water Supply Bore	(300)	Yes
2297 - Urban Growth - Napier Road Bore (City East)	300	Yes
1389 - Water Supply Resilience - Security of Supply	(25)	Yes
2299 - Urban Growth - New Northern Water Supply Bore (Milson line)	25	Yes
Revised Budget 2025/26 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 Finance, Performance and Audit Committee.

Below are the changes approved through the Chief Executive.

Activity	Budget/Programme	(\$000s)	New in Quarter
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	150	
	664 - Conference & Function Centre - Renewals	(150)	
Water	2512 - Urban Growth - Kikiwhenua - Water Supply	570	
	1388 - District Metering Areas for Water Supply	(40)	Yes
	2299 - Urban Growth - New Northern Water Supply Bore (Milson line)	460	Yes
Wastewater	628 - Totara Road WTP-Consent Renewal Upgrade	(570)	
	2556 - Landfill biosolids disposal field	(1,053)	
	2511 - Urban Growth - Kikiwhenua - Wastewater	1,053	
	1821 - Pipeline Realignment of at-risk mains	(100)	Yes
	2347 - Wastewater Trunk Main - Infill Upgrades	(200)	Yes
	628 - Totara Road WTP-Consent Renewal Upgrade	(120)	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	
Recreation and play	1852 - Imp. existing reserves to close LOS gaps (Roll out of electric parks tools following successful pilot)	25	
Recreation and play	1837 - Swimming Pools - Pool Renewals	25	Yes
Recreation and play	1837 - Swimming Pools - Pool Renewals	110	Yes
Economic Development	85 - Depot - Buildings and Structures Renewals	13	Yes

Appendix 9 – Elected Member training

The Elected Member training costs for the period 1 October – 31 March 2026 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
Grant Smith	NZ Military History Conference	\$544.10	Registration and accommodation
Mark Arnott	NZ Military History Conference	\$544.10	Registration and accommodation
Orphee Mickalad	WSP Making Good Decisions	\$2,477.33	Registration and travel
Kaydee Zabelin	National Freshwater Conference	\$2,170.80	Registration, travel and accommodation

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	162,356	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	18,690	26,042	7,351	34,714	32,397
Taxi Charges	879	Not separately budgeted	(879)	Not separately budgeted	3,247
Travel Subtotal	19,569	26,042	6,472	34,714	35,644
Hospitality	18,995	22,361	3,366	29,819	45,799
Training	4,294	1,854	(2,440)	2,472	2,327
Gifts	3,286	8,426	5,141	11,231	5,628
Sub - Total*	\$46,144	\$58,683	12,539	\$78,236	\$89,398
Other Expenses **	\$116,213	\$112,500	(3,713)	\$140,815	\$91,925
Grand Total	\$162,356	\$171,182	8,826	\$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	10,362
Community Functions and Events	15,010
Government	4,796
Sponsorship	0
Metro & LGNZ	2,620
Other	13,356
SUB - Total	\$46,144

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	13,300	12,258	16,336	13,472
Mayoral Relief Fund	13,321	5,105	5,105	8,700
(Donations received)	(15,666)	0	0	-9,377
TOTAL	\$10,955	\$17,363	\$21,441	\$12,795

Appendix 11 Project Completion Summaries

For large projects with a budget above \$1,000,000 project completion reports are included for Council perusal.

Project Completion Summary – Closed Landfills and Transfer Stations - Shredder Chipper

Project Name	Closed Landfills and Transfer Stations - Shredder Chipper
Project Outcomes	Purchase a shredder chipper for the purpose of chipping green waste material used in the production of compost as well as the processing of biosolid waste. Purchase had become vital as the existing machine was leased and the owners no longer wished to continue with the arrangement.
Key deliverables	<ul style="list-style-type: none"> • Scoping of specification required of machine • Procurement of machinery including shipping and duties • Commissioning and training of the new machine
Project Budget	\$1,652,000
Project Spend	\$1,630,000
Targeted Completion Date	June 2025
Actual Completion Date	February 2026
Project Duration	17 Months
Additional Comments	<p>The specialised nature of the machinery meant the options available that met specifications were limited, and the quotes higher than estimated when initial budgets were developed. Securing of additional funding and extended production lead times due to increased global demand for the machinery were the key drivers of the change in the completion time frame.</p> <p>The shredder chipper has ensured improved operational resilience and a reduction in operational costs compared to the previous leased machine. Operational staff have all expressed positive feedback on the functionality of the shredder chipper. This feedback talks to the machine’s efficiency and ability to process wetter material which previously would have had to be dried over several weeks, even months, prior to shredding.</p>



MEMORANDUM

TO: Finance, Performance & Audit Committee

MEETING DATE: 13 May 2026

TITLE: Treasury Report - Nine months ending 31 March 2026

PRESENTED BY: Steve Paterson, Manager - Financial Strategy

APPROVED BY: Cameron McKay, General Manager Corporate Services

RECOMMENDATION TO FINANCE, PERFORMANCE & AUDIT COMMITTEE

1. That the Committee note the performance of Council's treasury activity for the nine months ending 31 March 2026.
-

1. ISSUE

- 1.1 To provide an update on the Council's treasury activity for the nine months ending 31 March 2026.

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 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 17 April 2026 remains unchanged.
- 3.2 **Schedule 1** attached shows the details of Council's debt as at 31 March 2026. 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	293.3	
• Debt on behalf of PNAL	12.0	12.0	12.0	12.0	
<u>Plus:</u> new debt #2	48.2	24.0	31.9	31.9	
<u>Less:</u> debt repayments #2	0	(1.9)	(1.9)	(1.9)	
Closing gross debt balance	357.0	327.4	335.3	335.3	
<u>Comprising:</u>					
Bank advance (on call)	0	0	0	0	
LGFA stock	357.0	327.4	335.3	335.3	
<u>Less:</u>					
Deposits held for debt repayment	0	0	0	0	
Sum advanced to PN Airport Ltd	0	(16.0)	(23.5)	(23.5)	
Net Council related term debt	\$345.0	\$311.4	\$311.8	\$311.8	
<u>Less:</u>					
Cash & short-term deposits		(13.3)	(16.5)	(14.1)	
Net Council related debt	\$345.0	\$298.1	\$295.3	\$297.7	

#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 March 2026 was \$335.3m compared with \$305.3m at 1 July 2025.
- 3.5 The debt raised in the nine months to 31 March 2026 is explained further in the following table:

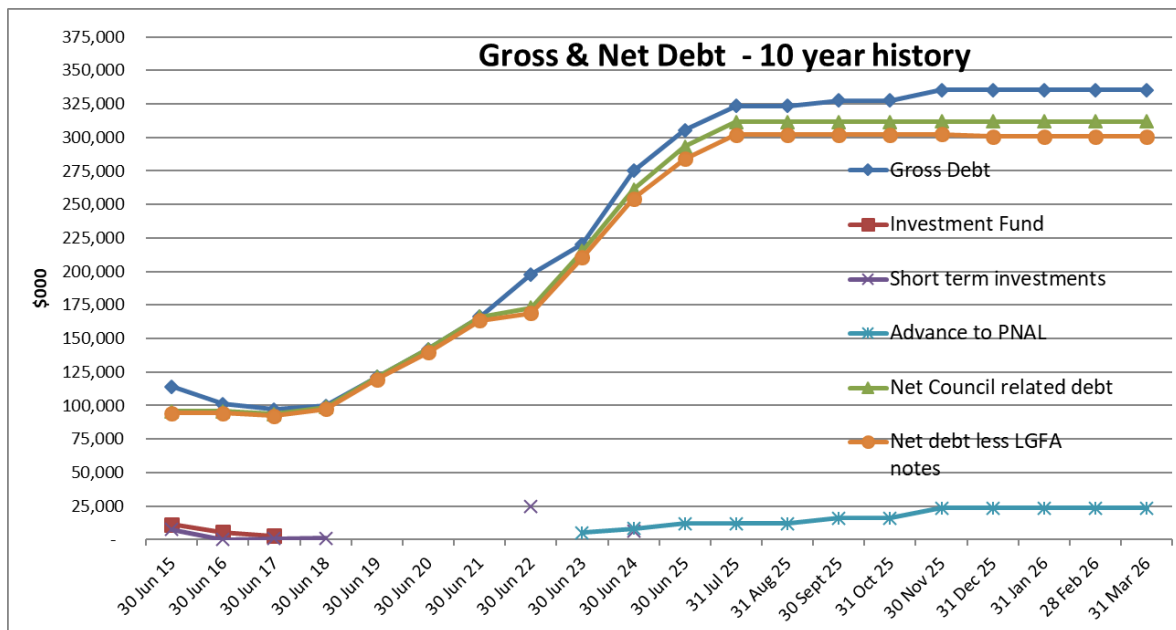
	Position as at 1 July 2025 \$m	Position as at 31 March 2026 \$m	Change YTD \$m
Gross debt	305.3	335.3	30.0
<u>Less:</u> portion relating to PNAL	(12.0)	(23.5)	(11.5)
Gross debt relating to Council	293.3	311.8	18.5
<u>Less:</u> term deposit held to repay maturing debt	0	0	0
Net Council related term debt	293.3	311.8	18.5
<u>Less:</u>			
Cash & short-term deposits	(0.9)	(14.1)	(13.2)
Net Council related debt	\$292.4	\$297.7	\$5.3

- 3.6 This shows Council related net additional term debt of \$18.5m was raised during the nine months. This compares with the authorised total sum for the year of \$49m mentioned in clause 2.1.
- 3.7 \$22m of Council debt matures on 15 April 2026 and arrangements were made with LGFA to refinance \$15m of this. A decision will be made before 30 June as to whether the balance of \$7m needs to be refinanced.
- 3.8 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%.

3.9 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 March 2026 \$m
Net Council related debt (as above)	292.4	297.7
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	\$286.7

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



3.11 Actual finance costs incurred by the Council depend on the actual debt levels and the interest rate. During the nine months gross finance costs (including interest, line fees and the effects of payments relating to swaps) amounted to \$9.3m compared with the budget for the year of \$14.1m.

3.12 The net finance cost (after considering the interest income from the advance to Palmerston North Airport Ltd) is \$8.27m compared with the budget for the year of \$13.76m.

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

- 3.14 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 March 2026. The latest valuation is a net asset of \$3.06m compared with a net asset of \$0.94m as at 30 June 2025. The increase in asset value of \$2.12m is a consequence of changing market interest rates.

- 3.15 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.

- 3.16 The position compared to the policy is illustrated in the graphs in **Schedule 3 attached**.

- 3.17 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 March 2026 61% 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 Districts Water on 1 July 2027.

- 3.18 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 March 2026 is based on the debt forecasts in the adopted Long-term Plan updated by the 2025/26 Annual Budget and the draft 2026/27 Annual Budget.

3.19 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 March 2026 is shown in **Schedule 4 attached**.

3.20 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 2029). 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 nine months to 31 March (including interest, line fees and the effect of swaps) was \$9.3m 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 \$8.27m 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 June 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

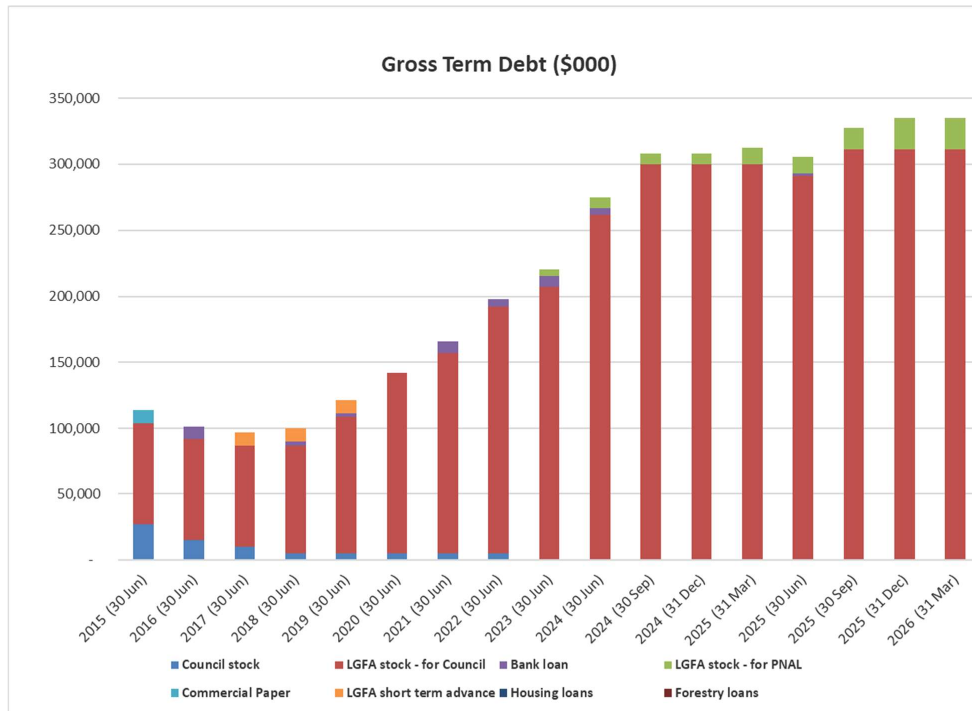
- Schedules 1 to 4 [↓](#) 

Schedule 1 - Debt levels & Prudent Borrowing Ratios

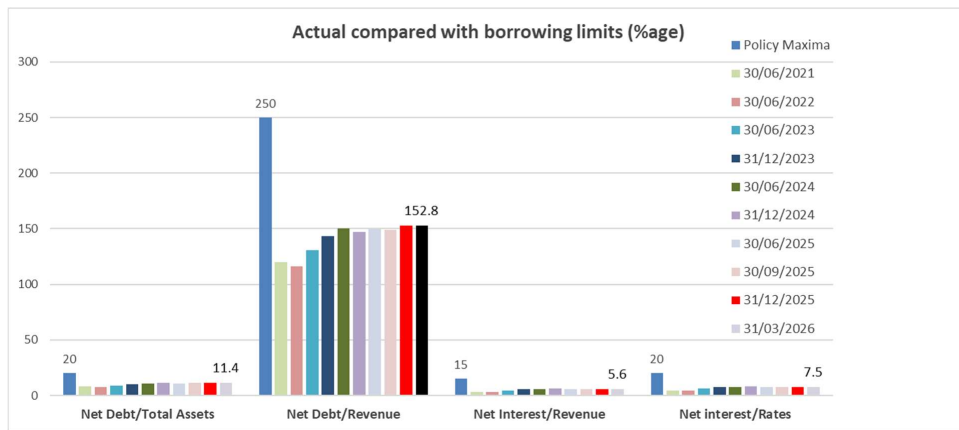
The following table shows the details of the tranches of debt on issue as at 31 March 2026:

Palmerston North City Council								
Term Debt as at 31 March 2026								
Issue Date	Term	Principal	Margin over BKBM	Interest Rate	Maturity Date	Current as at 31/03/2026	Interest Rate	Reset Date
1. Loan Stock on Issue - Borrowed from LGFA								
LGFA 22 Mar 18	8	5,000,000	0.7250%	3.2300%	15-Apr-2026	5,000,000	Floating Qtrly	15-Apr-26
LGFA 17 Jun 19	7	7,000,000	0.6525%	3.1575%	15-Apr-2026	7,000,000	Floating Qtrly	15-Apr-26
LGFA 11 May 20	6	5,000,000	0.6600%	3.1650%	15-Apr-2026	5,000,000	Floating Qtrly	15-Apr-26
LGFA 13 Jul 20	6	5,000,000	0.7225%	3.2275%	15-Apr-2026	5,000,000	Floating Qtrly	15-Apr-26
LGFA 27 Apr 23	3	10,000,000	0.5000%	3.0050%	15-Oct-2026	10,000,000	Floating Qtrly	15-Apr-26
LGFA 13 Nov 23	3	10,000,000	0.4600%	2.9650%	15-Oct-2026	10,000,000	Floating Qtrly	15-Apr-26
LGFA 16 Mar 15	12	5,000,000	0.4575%	2.9625%	15-Apr-2027		Floating Qtrly	15-Apr-26
LGFA 8 Jun 15	12	5,000,000	0.4525%	2.9575%	15-Apr-2027		Floating Qtrly	15-Apr-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%	2.9950%	15-Jul-2027		Floating Qtrly	15-Apr-26
LGFA 24 Jul 25	2	20,000,000	0.5700%	3.0750%	15-Jul-2027		Floating Qtrly	15-Apr-26
LGFA 28 Jul 22	5	5,000,000	0.5000%	3.0050%	15-Oct-2027		Floating Qtrly	15-Apr-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%	3.0940%	15-Oct-2027		Floating Qtrly	15-Apr-26
LGFA 17 Dec 18	10	5,000,000	0.7875%	3.2925%	18-Apr-2028		Floating Qtrly	15-Apr-26
LGFA 7 Oct 19	9	5,000,000	0.7100%	3.2150%	18-Apr-2028		Floating Qtrly	15-Apr-26
LGFA 11 Aug 20	8	10,000,000	0.8300%	3.3350%	18-Apr-2028		Floating Qtrly	15-Apr-26
LGFA 10 Jul 23	5	10,000,000	0.6680%	3.1730%	15-Jul-2028		Floating Qtrly	15-Apr-26
LGFA 14 Aug 23	5	10,000,000	0.6120%	3.1170%	15-Jul-2028		Floating Qtrly	15-Apr-26
LGFA 28 Jul 22	6	5,000,000	0.5500%	3.0550%	15-Oct-2028		Floating Qtrly	15-Apr-26
LGFA 14 Nov 22	6	5,000,000	0.6170%	3.1220%	15-Oct-2028		Floating Qtrly	15-Apr-26
LGFA 11 Dec 23	5	10,000,000	0.6730%	3.1780%	15-Oct-2028		Floating Qtrly	15-Apr-26
LGFA 17 Dec 18	11	10,000,000	0.8225%	3.3275%	15-Apr-2029		Floating Qtrly	15-Apr-26
LGFA 12 Jul 21	8	10,000,000	0.3950%	2.9000%	20-Apr-2029		Floating Qtrly	20-Apr-26
LGFA 8 Jul 24	5	15,000,000	0.6900%	3.1950%	20-Apr-2029		Floating Qtrly	20-Apr-26
LGFA 14 Aug 24	5	15,000,000	0.8300%	3.3350%	20-Apr-2029		Floating Qtrly	20-Apr-26
LGFA 19 Dec 22	7	5,000,000	0.6590%	3.1640%	15-Oct-2029		Floating Qtrly	15-Apr-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%	3.1670%	15-Oct-2029		Floating Qtrly	15-Apr-26
LGFA 12 Jul 21	9	10,000,000	0.4350%	2.9400%	15-Apr-2030		Floating Qtrly	15-Apr-26
LGFA 18 Oct 21	9	5,000,000	0.4590%	2.9640%	15-Apr-2030		Floating Qtrly	15-Apr-26
LGFA 8 Jul 24	6	14,000,000	0.7600%	3.2650%	15-May-2030		Floating Qtrly	15-May-26
LGFA 12 May 25	5	10,000,000	0.9750%	3.4800%	15-May-2030		Floating Qtrly	15-May-26
LGFA 14 Mar 22	9	10,000,000	0.5700%	3.0750%	15-May-2031		Floating Qtrly	15-May-26
LGFA 14 Mar 22	9	10,000,000	0.5950%	3.1000%	15-Oct-2031		Floating Qtrly	15-Apr-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-2029		Reset at any time	
				* plus line fee of 0.22%				
Westpac (\$20m)	On call			4.30%	31-Oct-2028		Reset at any time	
				* plus line fee of 0.25%				
LGFA (\$10m)	Standby				15 mths after termination notice			
				* plus line fee of 0.2%				
Total as at 31 March 2026		335,310,391				46,000,000		

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.



Schedule 2 – Interest Rate Swaps

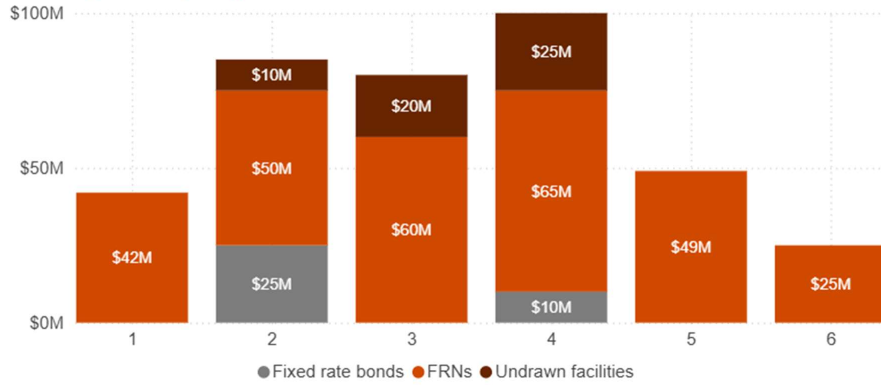
The following table schedules the swap financial instruments in place as at 31 March 2026:

Palmerston North City Council									
Interest Rate Swaps as at 31 March 2026									
Council pays fixed & receives floating on a quarterly basis								Current	
Bank	Trade Date	Deal No	Amount	Start Date	Maturity	Fixed Interest	Floating	Reset date	Value at
			\$m			rate	rate		31-Mar-26
ANZ	29-Nov-18	18984258	2.0	6-Mar-20	6-Mar-29	3.095%	2.480%	8-Jun-26	33,019
ANZ	20-Jun-14	25213652	5.0	15-Dec-21	15-Jun-29	3.3425%	2.53%	15-Jun-26	60,368
Westpac	16-Nov-21	9251755	7.0	8-Dec-21	8-Dec-28	3.190%	2.485%	8-Jun-26	79,640
Westpac	16-Nov-21	9251762	6.0	29-Dec-21	28-Sept-29	3.410%	2.540%	29-Jun-26	76,417
Westpac	16-Nov-21	9251772	5.0	10-Jan-22	10-Jan-30	3.380%	2.490%	10-Apr-26	72,142
Westpac	26-Feb-16	5013577	5.0	11-Apr-22	12-Jan-26	3.635%			
ANZ	13-Oct-20	22956802	10.0	15-Apr-22	15-Apr-28	0.4025%	2.505%	15-Apr-26	651,236
Westpac	25-Jun-21	9002142	10.0	15-Jun-22	15-Jun-28	1.8200%	2.53%	15-Jun-26	365,137
Westpac	25-Jun-21	9002154	10.0	15-Sept-22	15-Sept-28	1.9000%	2.53%	15-Jun-26	400,960
BNZ	27-Feb-20	384575543	7.0	8-Dec-22	8-Dec-28	1.3375%	2.480%	8-Jun-26	420,044
Westpac	25-Jun-21	9002127	10.0	15-Mar-23	15-Mar-28	1.9400%	2.53%	15-Jun-26	287,525
ANZ	27-Nov-17	17029213	5.0	15-Jun-23	15-Jun-27	3.7675%	2.53%	15-Jun-26	(48,703)
Westpac	25-Jun-21	9002104	10.0	15-Jun-23	15-Sept-27	1.9325%	2.53%	15-Jun-26	176,981
ANZ	27-Nov-17	17029223	6.0	29-Sept-23	29-Jun-27	3.7875%	2.54%	29-Jun-26	(57,745)
ANZ	27-Mar-18	17670295	5.0	10-Jun-24	10-Jun-32	3.935%	2.50%	10-Jun-26	36,956
ANZ	27-Mar-18	17670250	5.0	15-Jun-24	15-Jun-29	3.840%	2.53%	15-Jun-26	(15,937)
ANZ	27-Mar-18	17670276	5.0	10-Oct-24	10-Jan-31	3.920%	2.49%	10-Apr-26	(6,743)
Westpac	22-Nov-24	11632979	15.0	16-Dec-24	15-Dec-26	3.725%	2.53%	15-Jun-26	(102,691)
Westpac	8-Jul-22	9735291	10.0	15-Jan-25	15-Sept-30	3.790%	2.53%	15-Jun-26	49,214
Westpac	8-Jul-22	9735255	10.0	15-Apr-25	15-Apr-30	3.775%	2.505%	15-Apr-26	10,956
ANZ	27-Apr-23	48752829	20.0	15-Jul-25	15-Jul-30	3.8025%	2.505%	15-Apr-26	25,102
Westpac	12-Jul-24	11308228	20.0	15-Jul-25	15-Jul-30	3.965%	2.505%	15-Apr-26	(110,219)
Westpac	11-Mar-24	11045178	20.0	15-Oct-25	15-Oct-29	3.990%	2.505%	15-Apr-26	(184,365)
Westpac	25-Mar-25	11894046	20.0	15-Oct-25	15-Oct-30	3.825%	2.505%	15-Apr-26	33,711
Active total at 31 Mar 26			228.0						2,253,005
ANZ	27-Apr-23	48752826	20.0	15-Apr-27	15-Apr-31	3.905%			270,537
BNZ	18-Dec-25	13981397	10.0	15-Jan-26	15-Sept-31	3.730%			137,735
BNZ	18-Dec-25	13981414	10.0	15-Apr-26	15-Jul-31	3.770%			147,250
Forward start total at 31 Mar 26			40.0						555,522
								Total value	2,808,527

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	\$232,000,000	15% - 60%	61%
3 - 7	\$149,000,000	25% - 85%	39%
7 - 15	\$0	0% - 60%	0%
Total	\$381,000,000		100%

Liquidity Ratio

Policy: >= 110%
Actual at 31 March 2026 121%

Gross external debt at 31 March 2026:	\$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 March 2026:	\$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 March 2026:

Current fixed rate hedging
80%

Total fixed rate instruments
\$268,000,000

Weighted average fixed rate of fixed rate instruments
3.27%

Weighted average term of fixed rate instruments
3.26 years

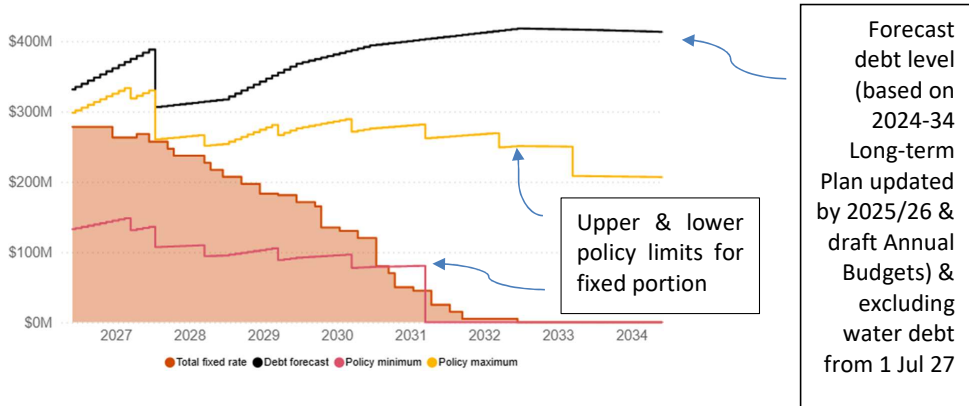
Fixed proportions each year compared with policy – based on 2024-34 Long-term Plan (updated by 2025/26 Annual budget & draft 2026/27 budget) & excluding waters debt after 1 Jul 27

Interest rate summary

#	Bucket	Min	Max	Actual	WA swap
1	0 - 12	40%	90%	79%	3.22%
2	12 - 24	35%	85%	75%	3.37%
3	24 - 36	30%	80%	62%	3.82%
4	36 - 48	25%	75%	42%	3.85%
5	48 - 60	20%	70%	20%	3.84%
6	60 - 72	0%	65%	4%	3.94%
7	72 - 84	0%	60%	0%	
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 & draft 2026/27 Annual Budgets) & excluding water activity related debt after 1 July 2027

Interest rate risk profile



Schedule 4 – Counterparty credit limits

Counterparty credit limits

Counterparty	Investments exposure	Derivatives exposure CEM	Total counterparty exposure	Total limit	Compliant?
Westpac	\$14,100,000	\$3,049,328	\$17,159,446	\$35,000,000	✓
ANZ	\$0	\$2,035,113	\$2,035,113	\$35,000,000	✓
BNZ	\$0	\$603,244	\$603,244	\$35,000,000	✓

MEMORANDUM

TO: Finance, Performance & Audit Committee

MEETING DATE: 13 May 2026

TITLE: Tamakuku Terrace Six Monthly Update

PRESENTED BY: Glenn Bunny, Manager - Property and Project Management and Anna Saunders, Senior Project Manager

APPROVED BY: Glen O'Connor, Acting General Manager Infrastructure
Cameron McKay, General Manager Corporate Services

RECOMMENDATION(S) TO FINANCE, PERFORMANCE & AUDIT COMMITTEE

- 1. That the Committee receive the memorandum titled 'Tamakuku Terrace Six Monthly Update', presented to the Finance, Performance & Audit Committee on 13 May 2026.**
-

1. ISSUE

- 1.1 During the previous term of Council, the Infrastructure Committee requested six monthly updates be provided throughout the duration of the Tamakuku Terrace project. In the 2025-28 term, updates are presented to the Finance, Performance & Audit Committee.
- 1.2 This report is the update for the period ending 31 March 2026.

2. BACKGROUND

- 2.1 Tamakuku Terrace is a new 115-section subdivision within the Whakarongo growth area. Section sizes within the subdivision range from 275m² to 810m², with the average section size being 463m².
- 2.2 The development is being delivered through two stages:
 - Stage 1 – 80 sections; and
 - Stage 2 – the balance of 35 sections.
- 2.3 Construction of Stage 1 was completed in October 2022 with titles issued in December 2022.
- 2.4 Construction of Stage 2 commenced in October 2024 with practical completion achieved in October 2025, and titles issued on 3 December 2025.

3. PROJECT UPDATE – 31 MARCH 2026

3.1 Below is an overview of the project and the various workstreams completed over this reporting period. Construction of both stages of the development is now complete, with the project transitioning solely into sales activity for the remaining lots.

Financials

3.2 Recently contracts with professional services for this project were concluded. Officers intend to provide a more detailed financial analysis in the next update now that the construction and development aspects are complete. This is a considerable piece of work that could not be provided in this reporting period due to competing priorities with the Annual Budget, quarter report, and interim audit activities occurring concurrently.

3.3 Future updates will then focus on lot sales and revenue generation. Forecasted profit margins remain consistent with previous reporting.

Sales

3.4 The table below summarises the sales and stock volumes to date at Tamakuku Terrace as well as the pricing allocated to these:

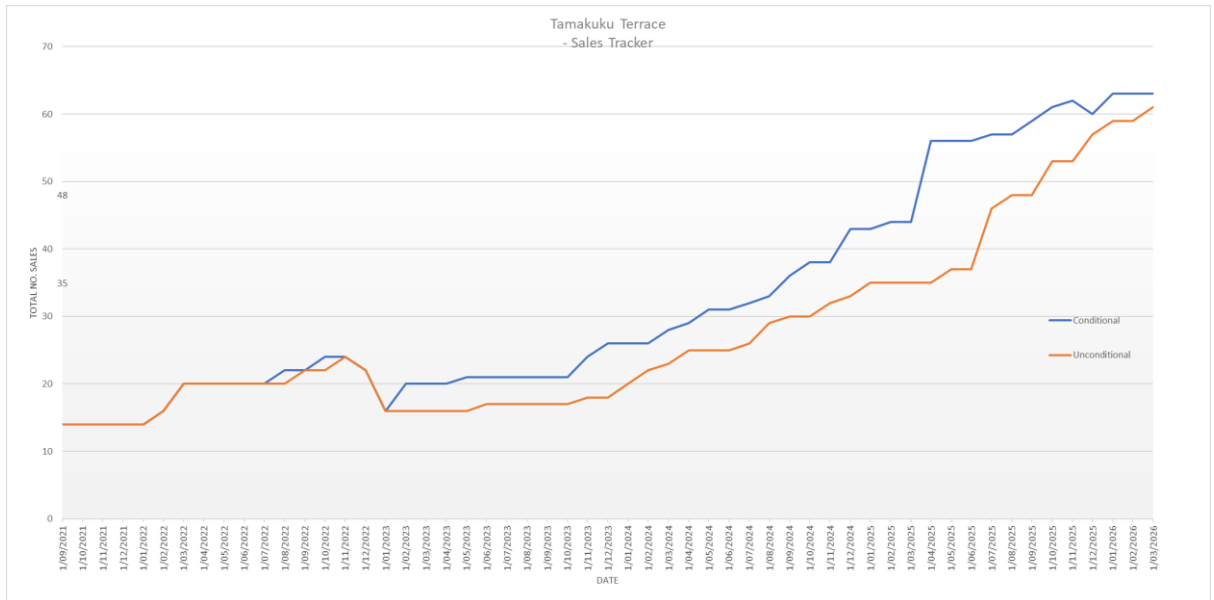
Stage 1 & 2	Unconditional Revenue (excl. GST)	Total Sales
Sold and Settled	\$13,677,221	47
Unconditional Sales (but still to settle)	\$3,830,624	14
Conditional Sales (direct)	\$256,522	1
Conditional Sales (to group builders)	\$330,435	1
Total Sold Sections	\$18,094,802	63
Unsold Stock Stage 1	\$9,733,459	28
Unsold Stock Stage 2	\$7,365,217	24

3.5 The unsold stock revenue assumes that the remaining 52 sections will be sold at their valuation prices. Final sales amounts for each lot will be market driven.

3.6 A total of 63 sections have now been sold, leaving 52 sections across Stages 1 and 2. A sales cadence of 2 sections per month on average has been maintained with 22

unconditional sales actioned in the last 12 months. Enquiries remain steady, with recent sales conversions over the summer period to back these up.

- 3.7 The graph of sales below shows the notable upward trend since November 2023 and a more recent spike in April 2025, which included Stage 2 pre-sales.



Purchaser Type

- 3.8 The buyers remain predominantly build partners having purchased 76% of all section sales.
- 3.9 The build partners have been able to provide cost certainty to buyers and guide them through the build process, which has been particularly challenging over the last two years. This trend may change, given that construction costs are no longer seeing rapid inflation. Utilising build partners also assists end-buyers with obtaining finance and ensures homes are built in a timely manner.
- 3.10 As purchasers work through these processes we are receiving extension requests on contracts which are generally approved within reason.
- 3.11 The majority of buyers from both direct and build partners have been local and owner occupiers with a mix of downsizers and first home buyers.

Updated Sales List

- 3.12 An updated table detailing the Stage 1 and 2 section sales, including the sale dates (date that the agreement is signed), settlement dates (date that settlement funds are made to Council and transferring of land to the buyer), and confirmed sale prices are given in Attachment 1. Please note that the summary table above contains the GST-exclusive values, and Attachment 1 provides GST-inclusive sale prices.

Council’s internal marketing team now manages the website. At the time this report was prepared, Officers were updating the development map to accurately reflect the status of the development and the remaining sections available for purchase.

Stage 2 Workstreams

3.13 Below is an update on the workstreams for Stage 2:

Workstream	Commencement	Comments
Civil construction	January 2025	<ul style="list-style-type: none"> • Civil works are complete with Practical Completion issued on 6 October 2025. • This commences a 12 month defects period on the contract with Fulton Hogan.
Stage 2 titles	June 2025	<ul style="list-style-type: none"> • Titles were issued on 3 December 2025. • This triggered multiple section sales in Stage 2 going unconditional, with the issue of 223/224(c) certificate.
Stage 2 blessing	December 2025	<ul style="list-style-type: none"> • In recognition of the milestone whereby all Tamakuku Terrace construction works are complete, and Council’s partnership with iwi on this project, members of Rangitāne o Manawatū lead a post-construction blessing in early December to mark the occasion.
Stage 1 further subdivision	April 2025	<ul style="list-style-type: none"> • The resource consent application was lodged in early May 2025. • The resource consent was granted July 2025. • Civil works are complete, and Titles were issued on 15 December 2025. • This triggered all 5 sections going unconditional on this contract with the group builder with the issue of 223/224(c) certificate.

Health and Safety

3.14 The health and safety incident report for Stage 2 of the project is summarised below:

	Near Misses	Incidents	Notifiable Events or Loss-of-Time Injuries	Total
Accumulative to date	1	3	0	4
This period	0	1	0	1
Total	1	4	0	5

Contingency

3.15 There was \$1,115,375 or 20% allocated for the Tamakuku Terrace Stage 2 Civil Construction contract contingency, and a net position of \$513k or 9% over the agreed contract value of \$5,576,874 was utilised.

3.16 This is the net result of contract variations and unclaimed contract items that were not required, such as provisional items relating to the construction of the haul road through the Summerset development site, and other PC sums not utilised. In other words, not all monies set aside as contingencies were expended as risks did not eventuate, or alternative cost effective solutions were identified and implemented.

3.17 As such, the unused contract contingency of \$602k will be removed from development costs now that the contract is complete and will flow through to show an increased profit margin than previously forecast.

3.18 Expanded details on the construction costs can be provided alongside other development costs in the next update report.

4. NEXT STEPS

4.1 Continue with Stage 1 and 2 section sales.

4.2 Continue to review and update marketing strategy as required, to suit the market conditions.

4.3 Six monthly update reports to the Finance, Performance, & Audit Committee will focus on sales and revenue, given the capital project aspects are complete.

5. 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?	No
Are the recommendations inconsistent with any of Council’s policies or plans?	No
<p>The recommendations contribute to:</p> <p>Whāinga 1: He tāone auaha, he tāone tiputipu Goal 1: An innovative and growing city</p>	
<p>The recommendations contribute to this plan:</p> <p>15. Mahere whare 15. Housing Plan</p> <p>The objectives are to:</p> <ul style="list-style-type: none"> • Provide infrastructure for housing growth areas. • Ensure serviced land is available to enable short, medium, and long-term for housing and business development. 	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	<p>Progressing with the Tamakuku Terrace subdivision development within the Whakarongo Growth Area will:</p> <ul style="list-style-type: none"> • Provide additional sections to the marketplace to help reduce the supply vs. demand shortfall. • Provide choice to purchasers through a variety of section sizes and provide them the freedom to choose their preferred house builder. • Provide a best practice example to the private development community showcasing the opportunities and benefits of working closely with local iwi, urban designers, territorial authorities, and local experts to achieve excellent outcomes. • Support local contractors and the employment market.

ATTACHMENTS

1. Attachment 1 – Tamakuku Terrace Section Sales List [↓](#) 

Attachment 1 – Tamakuku Terrace Section Sales List

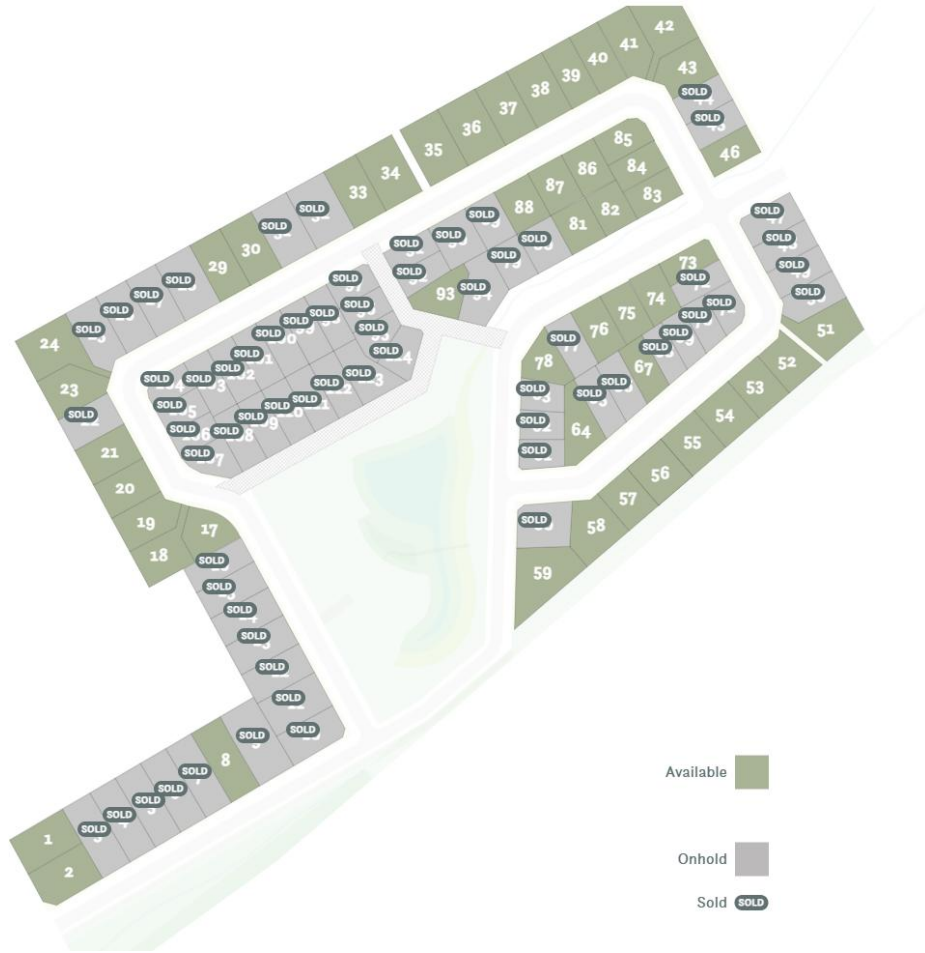
Stage	Lot	Area (m2)	Sale Date	Settlement Date	Listed Price (incl GST) As per valuation	Sale Price (incl GST)
1	1	563			\$395,000	
1	2	600			\$420,000	
1	3	600			\$420,000	
1	4	551	4/09/2022	27/01/2023	\$372,000	\$372,000
1	5	551	9/11/2021	Settled	\$360,000	\$360,000
1	6	551	9/11/2021	17/01/2023	\$355,000	\$355,000
1	7	551	9/11/2021	16/01/2023	\$361,500	\$361,500
1	8	620			\$420,000	
1	9	736	9/11/2021	Settled	\$401,000	\$401,000
1	10	503			\$370,000	
1	11	580	9/11/2021	22/12/2022	\$440,000	\$440,000
1	12	501	15/10/2025	Not yet settled	\$380,000	\$380,000
1	13	501	9/11/2021	16/01/2023	\$376,000	\$376,000
1	14	479	9/11/2021	Settled	\$362,500	\$362,500
1	15	450	18/09/2024	17/10/2025	\$355,000	\$355,000
1	16	421	13/11/2024	27/06/2025	\$340,000	\$340,000
1	17	480			\$360,000	
1	18	551			\$395,000	
1	19	539			\$395,000	
1	20	500			\$375,000	
1	21	520			\$385,000	
1	22	461	2/11/2023	17/11/2023	\$355,000	\$355,000
1	23	550			\$395,000	
1	24	704			\$450,000	
1	25 (1)	441	3/04/2025	Not yet Settled	\$400,000	\$335,000
1	26 (2)	430	3/04/2025	Not yet Settled	\$390,000	\$335,000
1	27 (3)	430	3/04/2025	Not yet Settled	\$380,000	\$335,000
1	27a (4)	430	3/04/2025	Not yet Settled	\$425,000	\$335,000
1	28 (5)	430	3/04/2025	22/01/2026		\$335,000
1	29	520			\$395,000	

Stage	Lot	Area (m2)	Sale Date	Settlement Date	Listed Price (incl GST) As per valuation	Sale Price (incl GST)
1	30	550			\$405,000	
1	31	600	22/06/2023	13/07/2023	\$430,000	\$425,000
1	32	650	22/07/2025	20/01/2026	\$452,000	\$452,000
1	33	550			\$405,000	
1	34	630			\$440,000	
1	35	650			\$445,000	
1	36	650			\$445,000	
1	56	514			\$370,000	
1	57	450			\$345,000	
1	58	613			\$415,000	
1	59	814			\$495,000	
1	60	552	15/10/2025	Not yet settled	\$400,000	\$400,000
1	61	300	18/06/2024	19/02/2025	\$290,000	\$290,000
1	62	300	25/11/2022	Settled	\$290,000	\$290,000
1	63	300	17/11/2023	26/06/2024	\$290,000	\$290,000
1	64	522			\$385,000	
1	65	400			\$335,000	
1	66	400	28/03/2022	27/01/2023	\$335,000	\$335,000
1	76	450			\$350,000	
1	77	400	16/04/2025	1/07/2025	\$325,000	\$325,000
1	78	414			\$330,000	
1	79	351	28/03/2022	27/01/2023	\$312,500	\$312,500
1	80	411	28/03/2022	27/01/2023	\$340,000	\$340,000
1	88	439			\$345,000	
1	89	375	7/08/2024	16/12/2025	\$315,000	\$315,000
1	90	474	5/09/2025	18/11/2025	\$360,000	\$360,000
1	91	300	11/07/2025	26/03/2026	\$280,000	\$280,000
1	92	300	14/12/2023	23/01/2024	\$285,000	\$285,000
1	93	450			\$355,000	
1	94	556	27/09/2024	4/12/2024	\$405,000	\$405,000
1	95	300	4/07/2024	21/03/2025	\$280,000	\$280,000
1	96	300	29/04/2024	3/12/2024	\$285,000	\$285,000

Stage	Lot	Area (m2)	Sale Date	Settlement Date	Listed Price (incl GST) As per valuation	Sale Price (incl GST)
1	97	300	25/11/2024	28/11/2025	\$280,000	\$280,000
1	98	370	17/11/2023	14/08/2024	\$310,000	\$310,000
1	99	400	7/08/2024	21/11/2024	\$325,000	\$325,000
1	100	402	20/12/2024	17/10/2025	\$325,000	\$325,000
1	101	402	23/01/2025	26/02/2026	\$325,000	\$325,000
1	102	402	5/03/2024	21/11/2024	\$325,000	\$325,000
1	103	401	29/04/2024	7/03/2025	\$325,000	\$325,000
1	104	291	25/11/2024	12/12/2025	\$275,000	\$275,000
1	105	300	14/10/2022	18/02/2023	\$285,000	\$285,000
1	106	300	7/08/2024	4/03/2025	\$285,000	\$285,000
1	107	341	29/01/2026	Not yet settled	\$295,000	\$295,000
1	108	402	25/02/2022	16/01/2023	\$345,000	\$345,000
1	109	400	25/02/2022	16/01/2023	\$345,000	\$345,000
1	110	400	14/10/2022	16/01/2023	\$345,000	\$345,000
1	111	400	27/02/2024	27/02/2026	\$345,000	\$345,000
1	112	400	2/02/2024	12/11/2024	\$345,000	\$345,000
1	113	491	27/02/2024	18/04/2024	\$380,000	\$380,000
1	114	350	14/11/2022	14/02/2025	\$320,000	\$320,000
2	37	550			\$395,000	
2	38	600			\$415,000	
2	39	480			\$360,000	
2	40	480			\$360,000	
2	41	543			\$395,000	
2	42	806			\$425,000	
2	43	585			\$415,000	
2	44	400	4/12/2025	Not yet settled	\$325,000	\$325,000
2	45	400	3/11/2025	Not yet settled	\$325,000	\$325,000
2	46	420			\$325,000	
2	47	420	24/02/2026	Not yet settled	\$335,000	\$335,000
2	48	400	3/04/2025	Not yet settled	\$330,000	\$330,000
2	49	400	3/04/2025	Not yet settled	\$330,000	\$330,000
2	50	424	3/04/2025	Not yet settled	\$340,000	\$340,000

Stage	Lot	Area (m2)	Sale Date	Settlement Date	Listed Price (incl GST) As per valuation	Sale Price (incl GST)
2	51	600			\$400,000	
2	52	455			\$325,000	
2	53	450			\$325,000	
2	54	512			\$360,000	
2	55	513			\$360,000	
2	67	400			\$330,000	
2	68	300	29/08/2025	17/12/2025	\$290,000	\$295,000
2	69	300	3/04/2025	Not yet settled	\$290,000	\$290,000
2	70	300	3/04/2025	18/02/2026	\$275,000	\$275,000
2	71	300	3/04/2025	Not yet settled	\$275,000	\$275,000
2	72	310	3/04/2025	Not yet settled	\$290,000	\$290,000
2	73	325			\$295,000	
2	74	410			\$330,000	
2	75	430			\$340,000	
2	81	402			\$330,000	
2	82	380			\$320,000	
2	83	380			\$320,000	
2	84	380			\$325,000	
2	85	377			\$325,000	
2	86	407			\$335,000	
2	87	430			\$340,000	
	115 sections	52,167	63 sold	47 settled	\$40,402,500	\$20,992,500

Subdivision Map:



Note:

- At the time of preparation of the report, Officers were underway with updating the subdivision map in line with the latest sales, as well as the inclusion of the Stage 1 further subdivision, which altered Lots 25 to 28 from four sections into 5 sections. These were sold under a single contract to a build contractor as a superblock. The next update will include these changes.

MEMORANDUM

TO: Finance, Performance & Audit Committee

MEETING DATE: 13 May 2026

TITLE: Internal Audit Charter

PRESENTED BY: Emy Bastillo, Internal Auditor / Business Assurance Advisor and
Desiree Viggars, Manager Legal Risk and Assurance / Legal Counsel

APPROVED BY: Cameron McKay, General Manager Corporate Services

RECOMMENDATION(S) TO COUNCIL

- 1. That Council endorse the Internal Audit Charter (the Charter) as enclosed in Attachment 1.**
-

1. ISSUE

The Global Internal Audit Standards require that the Internal Audit Charter must be reviewed periodically and be presented to Management and the Finance, Performance & Audit Committee for approval.

2. BACKGROUND

Councils' Business Assurance Charter was last updated and approved in August 2019 and is due for a review and refresh.

We have prepared a supplementary document entitled 'Notes on the Internal Audit Charter Updates' which shows the changes proposed from the 2019 Charter to the current form recommended for adoption, as Attachment 2.



3. NEXT STEPS

Internal Audit / Business Assurance will implement the provisions of the Charter in carrying out its work programme and report to this Committee accordingly.

4. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	No
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these objectives?	Yes
Are the recommendations inconsistent with any of Council’s policies or plans?	No
<p>The recommendations contribute to:</p> <p>Whāinga 1: He tāone auaha, he tāone tiputipu Goal 1: An innovative and growing city</p> <p>Whāinga 2: He tāone whakaihiihi, tapatapahi ana Goal 2: A creative and exciting city</p> <p>Whāinga 3: He hāpori tūhonohono, he hāpori haumaruru Goal 3: A connected and safe community</p> <p>Whāinga 4: He tāone toitū, he tāone manawaroa Goal 4: A sustainable and resilient city</p>	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	

ATTACHMENTS

- Attachment 1 UPDATED Internal Audit Charter (April 2026) [↓](#) 
- Attachment 2 Notes on the Internal Audit Charter Updates (April 2026) [↓](#) 



Palmerston North City Council

Internal Audit Charter

(Updated April 2026)

Context, purpose, and objective

Palmerston North City Council's (PNCC) Internal Audit function sits within the Legal, Risk and Assurance division as part of the Corporate Services business group.

Internal Audit aims to support the organisation to achieve its goals and objectives and meets its accountabilities by providing independent and objective assurance (such as financial, operational and compliance engagements) and advisory services (such as advice on the internal controls on system designs). This is done by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.

Authority

Internal Audit is granted full and complete access to records (manual or electronic), physical property and personnel related to a review. Documents and information given to Internal Audit will be handled with the same standard of confidentiality and prudence as that exercised by normally accountable employees.

Internal Audit may obtain and oversee the specialised assistance internally and / or externally to complete an engagement.

Independence

To preserve its independence, Internal Audit will neither have management and direct responsibility over the activities it reviews nor engage in any activity that may impair its objectivity and judgment.

Internal Audit has direct access to the Chief Executive and the Chairperson of the Finance, Performance and Audit Committee.

Finance, Performance and Audit Committee oversight

To establish, maintain, and ensure that PNCC's Internal Audit function has sufficient authority to fulfill its duties, the Committee will:

- Review and approve the internal audit charter triennially.
- Approve the Internal Audit's annual work programme

Roles and Responsibilities

Internal Audit examines and evaluates the adequacy and effectiveness of Council's governance, risk management and control processes, including review of:

- Systems established to ensure compliance with policies, plans, procedures, laws and regulations
- Operational results and whether these are consistent with established objectives and standards
- Adequacy, effectiveness, and efficiency of operational, financial, administrative processes and procedures
- Quality of internal systems, policies and procedures

Internal Audit will undertake the following in fulfilling its responsibilities:

- Design and deliver a risk-based internal audit work programme in accordance with the Standards.
- Respond to management ad hoc requests for input and advice and act as a trusted advisor.
- Follow-up on the implementation of agreed actions to address issues identified during the review.
- Be proactive and forward thinking in approach.
- Collaborate with management and staff to ensure effective and efficient delivery of internal audit engagements.

Scope, types and reporting of Internal Audit services

The scope of internal audit services covers the entire breadth of the organisation, including all PNCC's activities, assets, and personnel. The scope of internal audit activities mainly encompasses (but is not limited to):

- **Assurance services** - objective examinations of evidence to provide independent assurance to the Committee on the adequacy and effectiveness of PNCC's governance, risk management, and control processes. Assurance reports are provided to the Committee and senior management.

Internal Audit will routinely follow up on agreed corrective and improvement actions arising from Assurance engagements. Internal Audit will submit a 6-monthly report to the Senior Leadership Team and Finance, Performance and Audit Committee on the status of agreed actions.

- **Advisory services** – provision of input and/or advice primarily to management, as requested. The nature, scope and reporting of Advisory services may be agreed with the party requesting the service (Requestor), provided Internal Audit does not assume management responsibility. Opportunities for improving oversight, risk management, and control processes may be identified during advisory engagements. These improvements will be reported primarily to the Requestor and the appropriate level of management. The Requestor will be responsible for reporting any significant risks identified during an advisory engagement to the Chief Executive and the Committee. Likewise, the Requestor is responsible for monitoring the implementation of any actions or recommendations arising from Advisory engagements.

Communication with the Finance, Performance and Audit Committee and Senior Management

Internal Audit will also report:

- The Internal Audit work programme and performance relative to its programme (at least 6-monthly).
- Results of all assurance (audit) engagements
- Significant revisions to the Internal Audit work programme and any budget/resource requirements
- Potential impairments to independence, including relevant disclosures, as applicable.
- Results from the quality assurance and improvement program*, which include Internal Audit's conformance with the Global Internal Audit Standards issued by the Institute of Internal Auditors (Standards) and action plans to address any deficiencies and opportunities for improvement.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the Committee that could interfere with the achievement of PNCC's strategic objectives.
- Management's responses to risk that Internal Audit determines may be unacceptable or acceptance of a risk that is beyond PNCC's risk appetite.

***Quality assurance and improvement program**

- Internal Audit will develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The program will include external and internal assessments of Internal Audit's conformance with the Standards.
- External assessments of the internal audit function will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside PNCC, as required by the Standards.
- Internal Audit will communicate with the Committee and senior management about its quality assurance and improvement program, including the results of internal and external assessments.

Approved by the Finance, Performance and Audit Committee at its meeting on 13 May 2026.

Palmerston North City Council

Notes on Internal Audit Charter Updates (April 2026)

Category	Updates included in the 2026 draft Internal Audit Charter	Notes on 2019 Business Assurance Charter
Function name	Change from 'Business Assurance' to 'Internal Audit' Charter	
Purpose, context and objective	Includes objective statement lifted from the 2019 Business Assurance Charter	Context, purpose and objective are separate sections in the (current) 2019 Business Assurance Charter
Authority	Authority statement lifted from 2019 Business Assurance Charter	Section is called 'Access Authorisation' in the 2019 Business Assurance Charter
Independence	>Independence statement lifted from 2019 Business Assurance Charter >New committee name: Finance, Performance and Audit Committee	
Finance, Performance and Audit Committee Oversight	New section on FPA Committee oversight re: <ul style="list-style-type: none"> • Review and approval of IA Charter • Approve the Internal Audit's annual work programme 	
Roles and responsibilities	>4 of 5 items lifted from the 2019 Business Assurance Charter >Removed "Reliability, timeliness and integrity of financial and operating information, and the processes used to identify, measure and reports such information". This is captured in the bullet item below: 'Adequacy, effectiveness, and efficiency of operational, financial, administrative processes and procedures' >Responsibilities include follow-up of agreed management actions	>This section is called 'Business Assurance Scope and Responsibility' Follow-up is a separate section in the 2019 Business Assurance Charter
Scope, types and reporting of Internal Audit	New section added for types and reporting of IA services: -Assurance services -Advisory services	It's important to differentiate the 2 main categories of IA services as they differ in output, methodology, and recipient of report.

Category	Updates included in the 2026 draft Internal Audit Charter	Notes on 2019 Business Assurance Charter
Communication with Finance, Performance and Audit Committee and Senior Management	New section added	
Adherence to Audit Standards Standard	Reference to the same international internal auditing standards issued by the Institute of Internal Auditors, now called 'Global Internal Audit Standards (GIAS)	
Quality assurance and improvement program (QAIP)	Revised section to additional QAIP actions to be undertaken by Internal Audit i.e. external assessment once every 5 years and communication of results to the Committee and senior management	This section is called 'Quality Assurance and Professional Standards in the 2019 Business Assurance Charter
Relationship with the external auditor	<p>>Excluded in the current draft</p> <p>> External auditor's recommendations will be included for follow up as part of the 6-monthly Accountability Reporting</p> <p><i>Note: External Audit generally initiates/drives the engagement with Internal Audit, which is mostly ad hoc in nature.</i></p>	

MEMORANDUM

TO: Finance, Performance & Audit Committee

MEETING DATE: 13 May 2026

TITLE: Annual Internal Audit Work Programme

PRESENTED BY: Emy Bastillo, Internal Auditor / Business Assurance Advisor and
Desiree Viggars, Manager Legal Risk and Assurance / Legal Counsel

APPROVED BY: Cameron McKay, General Manager Corporate Services

RECOMMENDATIONS TO FINANCE PERFORMANCE & AUDIT COMMITTEE

1. That the Committee approve the Annual Internal Audit Work Programme FY 2026/27, included as Attachment 1.
 2. That each review from the Annual Internal Audit Work Programme FY 2026/27 be included in the work schedule for the Finance, Performance & Audit Committee.
-

1. ISSUE

To ensure the protection of leadership and the organisation, Global Internal Audit Standards require that an Internal Audit Work Programme / Plan is developed and approved by the Finance, Performance & Audit Committee, or its equivalent. This ensures robust outcomes can be confidently represented by management and governance.

2. BACKGROUND

This work programme is designed to give management and governance independent and objective assurance that there are fit for purpose processes that support the aspirations of Palmerston North City Council. In line with those aspirations and the Global Internal Auditing Standards, a systematic and disciplined approach will be taken to evaluate and improve the effectiveness of risk management, control, and governance processes. Internal Audit work encompasses both financial and non-financial operations. While risk-based, this discipline also stands to highlight opportunities for strategic enhancement.

The proposed work programme includes the indicative scope, sponsor, relevant risk/s and time frame for specific reviews. To remain flexible, the work programme will remain subject to ongoing review and adjustment to ensure Internal Audit's work remains relevant and value-adding to the Council.


3. NEXT STEPS

Internal Audit will carry out the reviews identified in Annual Internal Audit Work Programme FY 2026/27, and report back to the Finance, Performance & Audit Committee as reviews are completed.

4. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?		Yes
If Yes quote relevant clause(s) from Delegations Manual Clause 4.3.5		
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
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Internal Audit / Business Assurance aims to help the Council succeed by building trust and confidence in the processes and controls relied on by management.	

ATTACHMENTS

- Attachment 1 Annual Internal Audit Work Programme_SLT approved April 2026 [↓](#) 

EXECUTIVE SUMMARY

Background and context

The Annual Internal Audit Work Programme FY 2026-2027 has been developed in accordance with:

- The approved Internal Audit Charter¹,
- The Global Internal Audit Standards (IIA Standards)

The development of the work programme has taken place in a period of significant regulatory change and reform across New Zealand's local government sector. Ongoing and proposed reforms and evolving regulatory expectations are expected to increase both the complexity and risk profile of Council operations. As the full extent of the impact of these changes has yet to be articulated and analysed, this uncertainty extends to the nature and timing of Internal Audit's assurance or advisory services. This uncertainty has been considered in the development of the work programme.

Approach to developing the Internal Audit Work Programme

Changing environment

In developing the work programme, consideration has been given to the current operating environment and the scale of regulatory reform underway. It is expected that Council's key processes will change materially as these reforms are implemented.

Where significant change is anticipated, Internal Audit proposes to defer detailed audit or review of the process or activity until the revised processes are designed, implemented and stabilised. This approach ensures that Internal Audit's services remain relevant, add value, and avoids spending time and effort on processes that are unlikely to remain in current form.

Collaboration with management

The work programme was developed using a collaborative approach and has been informed by management input based on their current assurance or advisory needs. These are then selected and prioritised to provide assurance over Council's readiness, compliance, and operational resilience in response to a changing legislative and regulatory environment.

Subject to budget and resource allocation, the work programme proposes a mix of assurance and advisory engagements, and follow-up reviews focused on areas of higher inherent and residual risk. The proposed Internal Audit engagements focus on areas assessed as high or emerging risks.

A high-level summary of the proposed Assurance and Advisory engagements for FY 2026-2027 and indicative timing is provided in **Appendix 1**.

Appendix 2 provides a list of review topics for future consideration.

Risk-based rationale and alignment with Council objectives

The Internal Audit Work Programme was developed using a risk-based approach (high-level assessment) that included and considered:

- Council's strategic objectives and risks in line with PNCC's risk management framework
- Management input and key insights from:
 - Strategic and divisional registers
 - Regulatory and legislative requirements
 - Prior audit findings and management actions

¹ PNCC's Internal Audit Charter has been updated and will be presented to the FPA Committee for approval.

The work programme is designed to provide independent, objective assurance and advice over key risks and controls, and to support continuous improvement across the Council.

Flexibility and emerging risks

Given the pace of regulatory change and ongoing reform within the New Zealand's local government sector, the work programme will remain flexible, allowing Internal Audit to respond to Council's assurance needs as new and emerging risks, legislative changes, or reform-related issues arise.

Resourcing and delivery

The work programme has been developed within the available Internal Audit capacity². Co-sourcing and / or specialist support are proposed within the work programme, where relevant.

² In-house Internal Audit services are delivered by a sole Internal Auditor/Business Assurance Advisor operating at 0.8 FTE (32 hours per week)

Appendix 1 – High-level summary of proposed assurance and advisory engagements for FY 2026-2027

Summary

The following lists outline proposed internal audit topics identified through a high-level risk assessment, management input and emerging risks considerations.

Each proposed topic represents a high-level area of focus only. The detailed audit objective (s), scope, methodology, and timing for each engagement will be confirmed and approved prior to commencement, in consultation with management and, where appropriate, the Finance, Performance and Audit Committee. This ensures that each audit is appropriately targeted, risk-focused, and responsive to changes in operating environment.

Terms of References for each engagement will be formalised and agreed to document the following:

- **Engagement Objectives** will be refined before the start of each engagement to ensure alignment with current risks, control maturity, regulatory obligations, and management priorities.
- **Engagement Scope and Approach** will be clearly defined at the planning stage, including the processes, systems, time periods, and business units or divisions to be reviewed, while allowing flexibility to include emerging issues identified during fieldwork.
- **Timing** will be determined in advance of each engagement, considering resource availability, operational impacts, dependency on other assurance activity, and Council priorities.

The work programme will remain subject to ongoing review and adjustment to ensure Internal Audit resources continue to provide relevant and value-adding assurance or advisory services to the Council.

Table 1 – Annual Internal Audit Work Programme – List of Proposed Engagements for FY 2025-26 (Q4)

#	Review Topic	Strategic Risk Mapping	High-Level Objective	Business Group (Sponsor)	Engagement Type	Service Provider	Indicative Timing
	Lessons Learnt Exercise - Animal Management Team (Dog Complaint Review)	5,8,11 – Relationship Management, Legal and Compliance, Loss of Public Trust	Provide independent advice and support to the Animal Management Team in facilitating a lesson learnt exercise in relation to a specific dog complaint to identify strengths, gaps and improvement opportunities in animal management policies and procedures.	Development & Regulatory	Advisory	PNCC Internal Audit	Q4

Table 2 – Annual Internal Audit Work Programme – List of Proposed Engagements FY 2026-27 (Q1-Q4)

#	Review Topic	Strategic Risk Mapping	High-Level Objective	Business Group (Sponsor)	Engagement Type	Service Provider	Indicative Timing
1	Independent (External) Review of Animal Management	5,8,11 – Relationship Management, Legal and Compliance, Loss of Public Trust	Reference: Public petition for an independent formal review of the Animal Management Team focusing on: -Performance metrics and enforcement effectiveness -Public education and engagement -Resource levels and staff qualifications -Community satisfaction and feedback mechanism -Benchmarking against other Councils	Development & Regulatory	Assurance	External provider*	Q1
2	Fraud Risk Assessment	1,11 – Funding Capability, Loss of Public Trust	Provide assurance that fraud risks have been systematically identified, assessed, and appropriately managed, and that controls to prevent, detect, and respond to fraud are adequately designed and operating effectively to reduce fraud risk to an acceptable level.	Corporate Services	Assurance	PNCC Internal Audit	Q1-Q2
3	Cybersecurity (including Access Control) <i>(Note: Carried over from previously approved Business Assurance Plan)</i>	3 - Information Failure	Adequacy and effectiveness of cyber security governance, risk management and control environment and identify improvement opportunities to strengthen organisational cyber resilience	People & Capability	Assurance	External provider*	Q2

* PNCC Internal Audit will facilitate and oversee the provision of services.

Table 2 continued – Annual Internal Audit Work Programme – List of Proposed Engagements FY 2026-27 (Q1-Q4)

#	Review Topic	Strategic Risk Mapping	High-Level Objective	Business Group (Sponsor)	Engagement Type	Service Provider	Indicative Timing
4	Review of Legal Compliance Framework <i>(Note: Carried over from previous Business Assurance Plan)</i>	8 – Legal and Compliance	Adequacy, effectiveness, and implementation of the organisation’s legal compliance framework, including governance, systems, processes, and controls, to ensure that statutory and regulatory obligations are identified, monitored, complied with, and breaches are appropriately managed and reported.	Corporate Services	Assurance	External provider*	Q2
5	Payroll	Operational	Adequacy and effectiveness of key controls to ensure payroll process is robust.	People & Capability	Assurance	PNCC Internal Audit	Q3
6	Review of Contract Management Framework <i>(Note: Carried over from previous Business Assurance Plan)</i>	2,8 – Programme and Project Delivery, Legal and Compliance	Review of contract management discipline across Council, primarily in Infrastructure and its alignment with best practice.	Corporate Services	Assurance / Advisory	PNCC Internal Audit/External Provider*	Q4 – Q1 (FY27-28)

* PNCC Internal Audit will facilitate and oversee the provision of services.

Appendix 2 - List of potential review topics for future consideration

#	Review Topic	Strategic Risk Mapping	High-Level Objective	Business Group (Sponsor)	Engagement Type	Service Provider	Indicative Timing
1	AI Adoption	3,11 – Information failure, Loss of Public Trust	Review of IT framework, policies, procedures to ensure risks around the use of artificial intelligence (AI) are identified and managed.	People & Capability	Assurance	External provider*	To be confirmed (TBC)
2	Critical assets	10 - Critical Assets	Adequacy and effectiveness of processes and controls for managing critical assets	Infrastructure	Assurance	External provider*	TBC
3	International Relations	5,11- Relationship management, Public trust	Adequacy and effectiveness of processes for managing security and reputational risk relating to international relations activities	Strategy and Planning	Assurance	External provider*	TBC
4	Business Continuity	9 -Emergency Business Disruption	Adequacy and effectiveness of BC policy, framework and procedures for business continuity management <i>Note: Improvements to BC framework/processes are underway. This will inform the nature of future engagement with Internal Audit.</i>	Development & Regulatory	TBC	PNCC Internal Audit	TBC
5	Community Funding	5- Relationship Management	Adequacy and effectiveness of processes for managing and administering grants and funding for community initiatives <i>Note: Improvements to Community Funding framework/processes are underway. This will inform the nature of future engagement with Internal Audit.</i>	Customer & Community	TBC	PNCC Internal Audit	TBC
6	Revenue generation and administration processes	1 - Funding capability	Adequacy and effectiveness of processes and controls for capturing and collecting Council revenues	Corporate Services	Assurance	PNCC Internal Audit	TBC
7	Privacy Controls (Contact Centre)	8- Legal and Compliance	Adequacy and effectiveness of processes and controls at PNCC contact centre to ensure privacy of customer information.	Customer & Community	Assurance	PNCC Internal Audit	TBC

* PNCC Internal Audit will facilitate and oversee the provision of services.

COMMITTEE WORK SCHEDULE

TO: Finance, Performance & Audit Committee

MEETING DATE: 13 May 2026

TITLE: Committee Work Schedule

RECOMMENDATION(S) TO FINANCE, PERFORMANCE & AUDIT COMMITTEE

1. That the Finance, Performance & Audit Committee receive its Work Schedule dated May 2026.

SUMMARY

COMMITTEE WORK SCHEDULE – MAY 2026					
	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction
1.	13 May 2026 4 November 2026	Tamakuku Terrace six monthly update	General Manager Infrastructure		Terms of Reference
2.	13 May 2026 5 August 2026 4 November 2026	Quarterly Performance Report Q3 January to March 2026 Q4 April to June 2026 Q1 July to September 2026	General Manager Corporate Services		Terms of Reference Council 5 June 2024 Clause 104-24

3.	<p>13 May 2026</p> <p>5 August 2026</p> <p>4 November 2026</p>	<p>Quarterly Treasury Report</p> <p>Q3 January to March 2026</p> <p>Q4 April to June 2026</p> <p>Q1 July to September 2026</p>	<p>General Manager Corporate Services</p>		<p>Terms of Reference</p>
4.	<p>13 May 2026</p> <p>3 June 2026</p>	<p>City Central Indicative Business Case (CCIBC) Update</p>	<p>General Manager Strategic Planning</p>	<p>No active work with resources directed to Ring Road business case</p>	<p>19 June 2024</p> <p>Clause 42-24</p>
5.	<p>13 May 2026</p> <p>3 June 2026</p>	<p>Featherston Street – Investigate options for bus and vehicle pick-ups in green road reserve outside PNBHS</p>	<p>General Manager Infrastructure</p>	<p>Further stakeholder feedback required</p>	<p>Council 14 May 2025</p> <p>Clause 78.10</p>
6.	<p>3 June 2026</p> <p>2 September 2026</p> <p>2 December 2026</p>	<p>Strategic Risk Management Reporting</p> <p>Q3 January to March 2026</p> <p>Q4 April to June 2026</p> <p>Q1 July to September 2026</p>	<p>General Manager Corporate Services</p>		<p>Terms of Reference</p>
7.	<p>3 June 2026</p> <p>2 September 2026</p> <p>2 December 2026</p>	<p>Economic Report</p> <p>Q3 January-March 2026</p> <p>Q4 April-June 2026</p> <p>Q1 July to September 2026</p>	<p>General Manager Strategic Planning</p>		<p>Terms of Reference</p>

8.	<p>3 June 2026</p> <p>2 September 2026</p> <p>2 December 2026</p>	<p>Health and Safety Quarterly Update</p> <p>Q3 January to March 2026</p> <p>Q4 April to June 2026</p> <p>Q1 July to September 2026</p>	<p>General Manager People & Capability</p>	<p>Alignment with Committee schedule</p>	
9.	<p>3 June 2026</p> <p>2 September 2026</p> <p>2 December 2026</p>	<p>Wellbeing Quarterly Update</p> <p>Q3 January to March 2026</p> <p>Q4 April to June 2026</p> <p>Q1 July to September 2026</p>	<p>General Manager People & Capability</p>	<p>Alignment with Committee schedule</p>	
10.	<p>3 June 2026</p>	<p>Economic Profile: Agri-food (3 yearly)</p>	<p>General Manager Strategic Planning</p>		<p>30 August 2023 Clause 35-23</p>
11.	<p>3 June 2026</p>	<p>Palmerston North Airport Ltd - Final Statement of Intent for 2026-2029</p>	<p>General Manager Corporate Services</p>		<p>Terms of Reference</p>
12.	<p>3 June 2026</p>	<p>Additional lease or MaaS options to the PN City Council fleet</p>	<p>General Manager Corporate Services</p>		<p>20 August 2025 Clause 38</p>
13.	<p>3 June 2026</p> <p>2 December 2026</p>	<p>Road Maintenance Contract (six monthly report on work programme and performance)</p>	<p>General Manager Infrastructure</p>		<p>16 March 2022 Clause 4-22</p>

14.	3 June 2026	City Economic Structure Report (annually)	General Manager Strategic Planning		
15.	3 June 2026	CEDA – Final Statement of Intent for 2026-2029	General Manager Strategic Planning		Terms of Reference
16.	5 August 2026	Review of cyber security	General Manager Corporate Services	Overview of Cyber Security status was provided at June 2025 meeting; an audit to be scoped in 2026	6 March 2024 Clause 11-24
17.	5 August 2026	International Relations and Education Activities – six monthly update	General Manager Strategic Planning	Alignment with Committee schedule	Terms of Reference Council Clause 203-23
18.	5 August 2026	Business Assurance six monthly accountability report	General Manager Corporate Services	Alignment with Committee schedule	16 December 2020 Clause 68.2
19.	5 August 2026	Review of Legal Compliance Framework	General Manager Corporate Services		26 April 2023 Clause 2-23
20.	5 August 2026	2026-2027 Annual Plan – International Relations Activity	General Manager Strategic Planning		Council 5 June 2024 Clause 102-24
21.	5 August 2026	Report back on Investment options for Palmerston North Airport Ltd	General Manager Corporate Services		6 December 2023 Clause 197-23

22.	2 September 2026	Review Annual Report	General Manager Corporate Services		Terms of Reference
23.	7 October 2026	Palmerston North Airport Ltd – Annual Report 2025/26	General Manager Corporate Services		Terms of Reference
24.	7 October 2026	Revenue & Finance Policy review	General Manager Corporate Services		
25.	7 October 2026	Delegation Manual – Fees & Charges review	General Manager Corporate Services	Review alongside the Revenue and Financing Policy	8 May 2024 Clause 24
26.	7 October 2026	Review of Procurement and Investment Policies - ethical investing	General Manager Corporate Services		Council 3 September 2025 Clause 133-25
27.	7 October 2026	CEDA – Annual Report 2025/26	General Manager Strategic Planning		Terms of Reference
28.	4 November 2026	Prioritisation of school zone infrastructure requests	General Manager Infrastructure		1 April 2026 Clause 18-26
29.	2 December 2026	CEDA - Statement of Expectations 2027-2030	General Manager Strategic Planning		30 August 2023 Clause 37-23
30.	2 December 2026	Economic Profile: For purpose organisations (5 yearly)	General Manager Strategic Planning		30 August 2023 Clause 35-23

31.	Early 2026	Ratepayer Assistance Scheme - Progress of implementation	General Manager Corporate Services	Awaiting Minister decisions on business case	6 August 2025 Clause
32.	As required	Fraud and Whistleblowing Policy quarterly update	General Manager Corporate Services	When new matters arise	26 April 2023 Clause 12-23
33.	TBC	Review of Contract Management Framework	General Manager Corporate Services	To be reviewed with Business Assurance work plan	26 April 2023 Clause 2-23
34.	TBC	City Centre (Streets for People) 6 monthly update	General Manager Infrastructure	Paused until Steering Group reconvenes	Terms of Reference 28 February 2024 Clause 18-24
35.	TBC	Annual presentation: The Factory			