



Te Kaunihera-ā-Rohe o Ngāmotu

**New Plymouth
District Council**

COUNCIL MEETING AGENDA

**Thursday 18 December 2025
at 10am**

**Council Chamber
Liardet Street, New Plymouth**

Chairperson:

Mayor Max

Brough

Members:

Cr EJ

Barrett

Cr Sam

Bennett

Cr Gina

Blackburn

Cr Gordon

Brown

Cr David

Bublitz

Cr Graham

Chard

Cr Murray

Chong

Cr Christine

Fabish

Cr Damon

Fox

Cr Moira

George

Cr Te Waka

McLeod

Cr Dinnie

Moeahu

Cr Kerry

Vosseler

Cr John

Woodward

Purpose of Local Government

The reports contained in this agenda address the requirements of the Local Government Act 2002 in relation to decision making. Unless otherwise stated, the recommended option outlined in each report meets the purpose of local government and:

- Promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.
 - Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of Council, or transfer the ownership or control of a strategic asset to or from Council.
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OPENING

The chairperson, or a person authorised by the chairperson will open the meeting.



Health and Safety Message / Te Whaiora me te Marutau

Please be mindful of the glass overhead.

If there is an earthquake – drop, cover, hold and remain where you are until further instruction is given.

In the event of an emergency, please exit through the main entrance.

Once you reach the footpath please turn right and walk uphill, towards Pukekura Park, congregating outside the Spark building, directly next door.

Council staff will guide you to an alternative route if necessary.

APOLOGIES / NGĀ MATANGARO

None noted

Elected Members Declaration of Interests (ECM 9631686)**as at 4 December 2025**

(please advise the Governance Team of any amendments)

Mayor and Councillors

Name of Member	Interest Being Declared	Nature of Interest/Transaction (includes positional or transactional interests eg funding agreements, proposals and other relationships)
EJ Barrett	Declaration not advised	
Sam Bennett	Speaking Made Easy Full Circle Bespoke Life Events Heart of Brooklands New Plymouth Operatic Society Celebrants Aotearoa (CANZ) Celebrants Aotearoa (Taranaki) Residential Property Owner APJ and DM Bennett and PJ Bennett Age Concern Justice of the Peace for New Zealand Institute of Directors Taranaki Age Concern Taranaki New Plymouth Club FENZ Taranaki Local Advisory Committee (LAC) Taranaki Chamber of Commerce	Ownership of company Ownership of Company Ownership of Company Sponsorship Manager Member Member Family Trust Board member Ministerial duties and Nominated Person Oranga Tamariki Member Chairperson Member Chairperson Member

Name of Member	Interest Being Declared	Nature of Interest/Transaction (includes positional or transactional interests eg funding agreements, proposals and other relationships)
Gina Blackburn	Te Kotahitanga o Te Atiawa Trust Te Rūnanga o Ngāti Mutunga Te Whiringa o Ngāti Mutunga Charitable Trust Te Uru o Te Rangi Waitara East School Blackburn Ventures Ltd Residential Property Interests	Employee Trustee Chairperson, Trustee Member Trustee Shareholder
Gordon Brown	Taranaki Chamber of Commerce New Plymouth Bowls Club Writing Services Ltd	Contracting work Member Director
Max Brough	Aluminium Imports (NZ) Ltd Edging Systems (NZ) Ltd Waste Minimisation (NZ) Ltd Knight Ridge Orchard Ltd Fitzroy Kiosk Ltd Max Brough Family Trust Residential properties	Director Director Director Director Director
David Bublitz	New Plymouth Boys' High School New Plymouth Golf Club Residential Property owner Bublitz Family Trust YMCA Taranaki	Employee Member Board member

Name of Member	Interest Being Declared	Nature of Interest/Transaction (includes positional or transactional interests eg funding agreements, proposals and other relationships)
Graham Chard	New Plymouth and Districts RSA NPRSA Support Trust NPRSA Poppy Trust Okato Community Trust Chardz Holdingz Ltd Chardz Investmentz Ltd Taranaki Iwi Trust New Plymouth Club Kaitake Community Sports Hub NZMCA	President Chairman, Trustee Chairman, Trustee Vice Chairman, Trustee Managing Director Director Affiliate Executive Committee Member Social Member Member
Murray Chong	ZenVest Adviser Services Ltd T2X Productions Taranaki Chamber of Commerce NZMCA	Co-Director Director Member Member
Christine Fabish	Dudley District Hall Society Hudson Essex Terraplane Club Family residence Inglewood First Trust	Member Member
Damon Fox	Salvation Army Bridge Programme ACT Local	Employee Member

Name of Member	Interest Being Declared	Nature of Interest/Transaction (includes positional or transactional interests eg funding agreements, proposals and other relationships)
Moirra George	Residential properties New Plymouth and Kairakau Beach, Central Hawkes Bay George Partnership Trust Taranaki Chamber of Commerce Govett Brewster Foundation (Purpose purchasing art for the gallery)	Trustee Member Member
Te Waka McLeod	Puna Hau Ltd Residential property interests	
Dinnie Moeahu	Institute of Directors Te Kotahitanga o Te Atiawa Te Korowai o Ngaruahine Te Kahui o Taranaki Ngāti te Whiti Ngati Moeahu Ngati Manuhiakai Puketapu Hapū Te Maruata Roopu Whakahaere Te Aroha Connections	Member Affiliate Affiliate Affiliate Affiliate Affiliate Affiliate Hapū appointed Trustee National Board Member Ownership of Company

Name of Member	Interest Being Declared	Nature of Interest/Transaction (includes positional or transactional interests eg funding agreements, proposals and other relationships)
Kerry Vosseler	PIHMS (Chef tutor) Family Trust East End Surf Club	Employee Trustee Member
John Woodward	Declaration not advised	

Community Boards Declaration of Interests (ECM 9631686)**as at 4 December 2025**

(please advise the Governance Team of any amendments)

Name of Member	Interest Being Declared	Nature of Interest/Transaction (includes positional or transactional interests eg funding agreements, proposals and other relationships)
Mike Anderson (KCB)	Taranaki Regional Council	Contractor
Mike Baker (PBBCB)	Family Residence Bowls New Zealand Waitara Bowling Club Bell Block Community Pool Charitable Trust	Taranaki Umpires Group Level One Club Member / Bar Manager Trustee
Rebecca Dearden (ICB)	Emission Insights NZ Providence Bay Farm Equestrian Stratford District Council Inglewood Pony Club Dudley Districts Hall Society Taranaki Mounted Games Association Taranaki Masters Hockey Club Residential property owner New Zealand Pony Clubs Association Sustainable Taranaki	Business owner – sole trader Business owner – sole trader Employee Member Member Committee Member Member Board Member Volunteer

Name of Member	Interest Being Declared	Nature of Interest/Transaction (includes positional or transactional interests eg funding agreements, proposals and other relationships)
Paul Lobb (KCB)	Asset Plus NZ King Salmon Residential Properties Oakura Board riders Club Kaitake Ranges Conservation Trust NZ Plant Protection Society	Life member Member Member
Trevor Dodunski (WCB)	Nil declared	
Teresa Goodin (KCB)	Lumen Gallery Teresa Goodin	
Teresa Hayston (CCB)	Urenui Beach Camp & Store Urenui Community Centre Waitara Citizens and Services Club	Joint owner Treasurer Member
Donald McIntyre (ICB)	Declaration not advised	

Name of Member	Interest Being Declared	Nature of Interest/Transaction (includes positional or transactional interests eg funding agreements, proposals and other relationships)
Lance Mephram (PBBCB)	Pride Taranaki Charitable Trust	Treasurer and Current Trustee
Dale Michielsen (WCB)	Declaration not advised	
Tyla Nickson (CCB)	Statistics NZ	Employee
Tiri Porter (WCB)	Te Kōwhatu Tū Moana Trust Te Reo Irirangi o Taranaki Charitable Trust Waitara Taiohi Trust He Rau Oranga Trust North Taranaki Sport and Recreation Incorporated	Employee Contractor Board member Board member Board member
Joe Rauner (WCB)	ANZCO Foods (Eltham) Joe's Cycles	Employee Owner
Greg Robinson (ICB)	Balance Agri Nutrients Family Trust	Employee Trustee

Name of Member	Interest Being Declared	Nature of Interest/Transaction (includes positional or transactional interests eg funding agreements, proposals and other relationships)
Murray Seamark (CCB)	MW & CJ Seamark Family Trust Tongaporutu Hall Society Inc Family residence	
Michael Self (ICB)	Declaration not advised	
Adrian Sole (PBBCB)	Red Rabbit Coffee Co Ltd Squirt Products MA & AE Sole Trust Residential Property	Director Director
Kim Sowman (PBBCB)	Frankley School Residential Property Bell Block Community Facebook Page TSB Showplace	Employee Administrator Volunteer

CONFLICTS OF INTEREST / NGĀ ARA KŌNATUNATU

1. People who fill positions of authority must undertake their duties free from real or perceived bias. Elected members must maintain a clear separation between their personal interests and their duties as an elected member. Failure to do so could invalidate a Council decision and leave the elected member open to prosecution and ouster from office.
2. An elected member is entitled to interact with the Council as a private citizen. However, they cannot use their position as an elected member to gain an advantage not available to the general public.
3. Elected and appointed members will:
 - Declare any interest whether pecuniary or non-pecuniary at a meeting where the interest is relevant to an item on that agenda.
 - Exclude themselves from any informal discussions with elected members relating to a matter they have an interest in.
 - Seek guidance from the Chief Executive if they are unclear of the extent of any interest.
 - Seek guidance or exemption from the Office of the Auditor General if necessary.

ADDRESSING THE MEETING

Requests for public forum and deputations need to be made at least one day prior to the meeting. The Chairperson has authority to approve or decline public comments and deputations in line with the standing order requirements.

PUBLIC FORUM / ĀTEA Ā-WĀNANGA

Public Forums enable members of the public to bring matters to the attention of the committee which are not contained on the meeting agenda. The matters must relate to the meeting's terms of reference. Speakers can speak for up to 5 minutes, with no more than two speakers on behalf of one organisation.

- None advised

DEPUTATIONS / MANUHIRI

Deputations enable a person, group or organisation to speak to the meeting on matters contained on the agenda. An individual speaker can speak for up to 10 minutes. Where there are multiple speakers for one organisation, a total time limit of 15 minutes, for the entire deputation, applies.

- Age and Accessibility Working Party Establishment – Tab 1
 - Victoria Coleman
 - Craig Nielsen
 - Richard Anderson
- Economic Development Reserve Proposal (Taranaki Alliance) – Tab 8
 - Grant McQuoid, Chair Venture Taranaki
- Options Report for State Highway 45 – South Road/Devon Street West –Tab 9
 - Shane Devlin
 - Carol Rhodes
 - Gary Watt
 - Sue Kelly
 - Robyn Robins
 - Suraya Sidhu Singh
 - Kyle Adams
 - Ross Davis
 - Andy Fraser
 - Sarah Roberts
 - John Rae
 - Scott McWilliams

PREVIOUS COUNCIL MINUTES / NGĀ MENETI O MUA

Recommendation:

That the minutes of the following meeting of the Council, and the proceedings of the said meeting, as circulated, be taken as read and confirmed as a true and correct record:

Council	20 November 2025	ECM 9648851
Extraordinary Council	10 December 2025	ECM 9660741

COMMITTEE MINUTES

Recommendation

That the minutes of the following meetings, as circulated be received and:

- a) Decisions made under delegated authority by the committees be incorporated in the minutes of this meeting of the Council.**

Inglewood Community Board	26 November 2025	ECM 9655541
Puketapu-Bell Block Community Board	26 November 2025	ECM 9655449
Clifton Community Board	27 November 2025	ECM 9645083
Waitara Community Board	28 November 2025	ECM 9651684
Kaitake Community Board	1 December 2025	ECM 9645184

REPORTS

- 1 Notice of Motion – Establishment of Age and Acessibility Working Party
- 2 Health, Safety & Wellbeing Quarterly Report – Period Ending September 2025 (Q1) – Due Diligence Obligations
- 3 Audit NZ Report on the Audit of NPDC and Group Annual Report for Year Ended 30 June 2025
- 4 Audited Financial Statements and Performance Reports of NPDC Council Controlled Organisations
- 5 NPDC Performance Report Q1 for Period 1 July to 30 September 2025
- 6 NPDC Treasury Report Q1 for the Period 1 July to 30 September 2025
- 7 Draft Statements of Expectation for Council Controlled Organisations – New Plymouth PIF Guardians Ltd, Papa Rererangi i Puketapu, Te Puna Umanga – Venture Taranaki Trust
- 8 Economic Development Reserve Proposal (Venture Taranaki)
- 9 Options Report for State Highway 45 - South Road/ Devon Street West
- 10 Adoption of Water Services CCO Constitution

NEW PLYMOUTH DISTRICT COUNCIL**NOTICE OF MOTION - COUNCILLOR SAM BENNETT - ESTABLISHMENT OF THE AGE & ACCESSIBILITY WORKING PARTY (2025-2028 TRIENNIUM)****MATTER**

1. The matter for consideration by the Council is whether to establish the Age & Accessibility Working Party for the 2025-2028 Triennium.

RECOMMENDATION FOR CONSIDERATION

That having considered all matters raised in the report, Council:

- a) Establish the Age & Accessibility Working Party as a subordinate advisory body under Schedule 7, cl 30 and 32 of the Local Government Act 2002.
- b) Directs that all external appointments, remuneration, and reimbursements be managed in accordance with Policy P21-006: *Remuneration and Reimbursement for External Appointments to Committees and Working Parties*.
- c) Adopts the Terms of Reference for the Age & Accessibility Working Party as set out in Appendix 2.

EXECUTIVE SUMMARY

2. The Age & Accessibility Working Party (AAWP) successfully operated during the 2016–2019, 2019–2022, and 2022–2025 triennia, providing a structured governance mechanism that strengthened Council's ability to embed accessibility, universal design, and positive ageing principles into strategic planning, project development, community engagement, and operational delivery.
3. Its absence from the current committee structure has created a governance oversight gap, particularly regarding Council's implementation of the Accessibility Strategy 2021, Positive Ageing Strategy, and the Housing for the Elderly Policy. Without the Working Party, accessibility responsibility could become fragmented, reactive, and less transparent.
4. Feedback from the age and disability sector indicates that no alternative avenue has been provided within the new committee structure to ensure an accessibility and age-friendly lens is consistently applied to Council strategy, project design, and service delivery. Establishing the Working Party restores this essential governance function.
5. Establishing the Working Party restores a proven, effective, and low-cost governance function that supports Council's statutory responsibilities, enhances equity and wellbeing outcomes, and reflects Council's commitment to its older people and people living with disabilities.
6. The Working Party has previously delivered tangible outcomes, including improvements to mobility parking, beach access, universal design in major projects, pedestrian safety, and elderly housing accessibility. The Working Party's establishment ensures these gains continue to strengthen Council's leadership in accessibility both regionally and nationally.

7. The Working Party will operate with a structured pathway aligned to Council's governance processes. Agenda items will come from the Accessibility Strategy 2021 work programme, commitments under the Positive Ageing Strategy, major Council infrastructure, facility, transport, and urban design projects, as well as matters raised by the Chair, elected members, Governance, Community Partnerships, and issues identified through sector engagement.

BACKGROUND

8. Council's commitment to creating an inclusive district is reflected across several strategies and plans, including the Accessibility Strategy 2021, Positive Ageing Strategy, and Housing for the Elderly Policy. The Accessibility Strategy explicitly states that NPDC "*will be guided by the Age & Accessibility Working Party,*" highlighting its intended governance role. There have been no amendments to the Accessibility Strategy 2021 at this time. Should future updates occur, the Working Party would naturally contribute to and help guide that review.
9. New Plymouth District Council's membership in the World Health Organisation Age-Friendly Cities and Communities Network reaffirms the district's international commitment to global best practice in accessibility and positive ageing. Maintaining this standing requires visible governance oversight, partnership with stakeholders, and consistent implementation across Council operations (Appendix 1).
10. The Working Party has previously demonstrated strong practical impact. It contributed to mobility parking redesigns including at Destination Kāwaroa. Improved layouts and signage, influenced the Tūparikino Active Community Hub accessibility features, enhanced beach access infrastructure at Fitzroy Beach, and supported accessibility and safety improvements across older people housing. These contributions show the Working Party's unique role in bridging strategic direction with on the ground delivery.

COMMUNITY VIEWS AND PREFERENCES

11. Nearly half of the district's population is directly affected by age or accessibility considerations. Council's statistics show 28% of residents live with a disability (above the national average) and 20% are aged 65 or older, (increasing to 25%) by 2040. These groups consistently prioritise independence, safety, mobility, and inclusion.
12. The Working Party's previous work has delivered improvements in mobility parking, accessible playgrounds, public toilet design, safer pedestrian links, and universal design in major infrastructure. Council's Accessibility Strategy 2021 and Accessibility Guide have informed other councils, demonstrating leadership (Appendix 1).
13. The Working Party aligns with the expectations and needs of both current and future communities. Broader consultation is not required at this stage, as views are well understood through previous engagement and the strategy development process.

ALIGNMENT WITH STRATEGIC FRAMEWORK AND COMMUNITY OUTCOMES

14. Option 1 strengthens Council's overarching strategic direction by ensuring accessibility and age-friendly principles are embedded regardless of any future adjustments to the Council's vision or committee structure.

15. By ensuring equitable access, universal design, safety, and meaningful participation across Council activity, the Working Party remains the most robust and consistent mechanism for delivering Council's long-term accessibility and age friendly commitments.

CONSISTENCY WITH POLICIES AND PLANS

16. Option 1 aligns with the Accessibility Strategy 2021, Positive Ageing Strategy, and Housing for the Elderly Policy (Appendix 1). In addition, it supports delivery of the Long Term Plan, Annual Plans, Infrastructure Strategy and relevant asset management plans. No amendments to existing policies required.
17. A Working Party would be a formal governance body established under Schedule 7 of the Local Government Act 2002. It forms part of NPDC's governance structure, is recorded in the Local Governance Statement, and provides structured advice directly to Council.
18. Because NPDC's Accessibility Strategy 2021 explicitly states that Council will be "guided by the Age & Accessibility Working Party," a Working Group or ambassadors may not meet this governance requirement, nor provide the accountability, transparency, or reporting pathway that the Strategy and the community expect.

SIGNIFICANCE & ENGAGEMENT POLICY

19. In accordance with Council's Significance and Engagement Policy, the establishment of the Working Party is assessed as low to moderate significance.

STATUTORY RESPONSIBILITIES & LEGAL CONSIDERATIONS

20. Option 1 allows Council to meet its statutory responsibilities under Section 10 of the Local Government Act 2002:
 - a) to enable democratic local decision-making and action by, on behalf of, communities; and
 - b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.
21. Option 1 supports Schedule 7 of the Local Government Act 2002 including Clause 30 (establishment of subordinate bodies), Clause 31 (role of committees and subordinate bodies), and Clause 32 (delegations).

PARTICIPATION BY MĀORI

22. Supporting accessibility and positive ageing is strongly aligned with Council's relationships with hapū, iwi, kaumātua, and Māori health and disability providers.
23. Establishing the Working Party enhances pathways for Māori input, supports equity outcomes, and reflects the Council's commitment to culturally grounded and inclusive governance.

FINANCIAL AND RESOURCING IMPLICATIONS

24. Officer advice (3 November 2025) confirms that external appointee costs are approximately \$6,240 annually, excluding extra workshops or site visits. Governance staff time is estimated at around seven hours per meeting which covers agenda preparation, logistics, attendance, and minute production. This equates to 42 hours in 2025 and 35 hours in 2024. The Best assessment (per annum) for non-governance staff time in 2025 was 96 hours and in 2024 it was 252 hours of staff time.
25. Remuneration for external members is consistent with Policy P21-006. Administrative and support costs could be absorbed within existing Governance and operational resources. No additional or new funding is required (Appendix 1).

CLIMATE INSIGHTS AND CONSIDERATIONS

26. Older people and people with disabilities are disproportionately affected by climate related hazards and disruptions, making inclusive resilience planning essential. The Age & Accessibility Working Party enhances the district's climate resilience by improving equity, safety, and accessibility in adaptation and mitigation initiatives.
27. Establishing the Working Party will strengthen Council's ability to embed accessibility and universal design into climate-resilient infrastructure, support safer mobility networks during extreme weather events, and ensure emergency and hazard planning appropriately accounts for vulnerable populations.

RISK ANALYSIS

28. The risks associated with establishing the Working Party are minimal. The greater risk lies in not establishing it, which would leave Council without a formal governance structure to implement the Accessibility Strategy 2021, Positive Ageing Strategy, or age-friendly commitments.
29. This has the potential to undermine strategic delivery, increase reputational risk, and weaken Council's inclusiveness and accessibility outcomes. Operational risks, such as minor scheduling challenges, could be managed with relative ease.

NEXT STEPS

30. If Option 1 is adopted, council officers will begin advertising for external members during January and February 2026. Appointments will then be confirmed in accordance to Council policies.
31. Following this, the Working Party will convene its inaugural meeting to establish its Work Programme and action tracking process. The work programme of the Working Party will be aligned with the Long Term Plan, Annual Plan, and relevant strategy implementation timelines.

OPTIONS FOR COUNCIL

32. There are two options:

Option 1: To support the recommendations

This option supports the establishment of the Age & Accessibility Working Party.

Option 2: To not support the recommendations

This option does not support the establishment of the Age & Accessibility Working Party.

APPENDICIES

Appendix 1: ACCESSIBILITY STRATEGY LINKS

NPDC Accessibility Strategies: www.npdc.govt.nz/community/accessibility/

Housing for Elderly Policy: <https://www.npdc.govt.nz/media/gethrcey/housing-for-the-elderly-policy.pdf>

WHO Age-Friendly Cities and Communities Network:

<https://extranet.who.int/agefriendlyworld/network/new-plymouth/>

Remuneration and Reimbursement for External Appointments to

Council Committees and Working Parties:

<https://www.npdc.govt.nz/media/v1ppm2e0/remuneration-and-reimbursement-for-external-appointments-to-council-committees-and-working-parties.pdf>

Appendix 2: AGE & ACCESSIBILITY WORKING PARTY TERMS OF REFERENCE

1. The purpose of the Council's Age and Accessibility Working Party (AAWP) is to monitor all council plans and activities relating to accessibility and age friendly matters, and to advocate to the council on these matters.
2. The Working Party will be advisory only, with no delegated decision-making powers, and working party recommendations will report to appropriate committees and to Full Council.
3. Approves a meeting frequency of bi-monthly, or as required.
4. Notes that the Working Party could be fully serviced within existing operational budgets, including staff time and administrative costs.
5. Approves the following membership structure:
 - a) **Elected Members:**
 - Chairperson: Cr Sam Bennett
 - Cr EJ Barrett
 - Cr Graham Chard
 - The Mayor - ex officio (by virtue of office)
 - b) **Community Representatives:**

Up to five members with relevant lived experience or expertise, appointed by Council on the recommendation of the Chair and Governance team in accordance with Council policies.
6. Request that council officers support the Working Party with agenda preparation, minute-taking, advisory support, and action tracking.

7. Directs that the Working Party be included in the Local Governance Statement and Council's publicly listed working party structure.

This Notice of Motion is for the consideration of Council at the full Council meeting on 18 December 2025.



Signed: Cr. Sam Bennett

Date: 8th December 2025

HEALTH, SAFETY & WELLBEING QUARTERLY REPORT – PERIOD ENDING SEPTEMBER 2025 (Q1) DUE DILIGENCE OBLIGATIONS

PURPOSE/ TE WHĀINGA

1. This report presents the Health, Safety and Wellbeing Quarterly Report for the period 1 July 2025 – 30 September 2025.

RECOMMENDATION / NGĀ WHAIKUPU

That, having considered all matters raised in the report, the report be noted.

SIGNIFICANCE AND ENGAGEMENT / TOHUTOHU KAI WHAKAHAERE

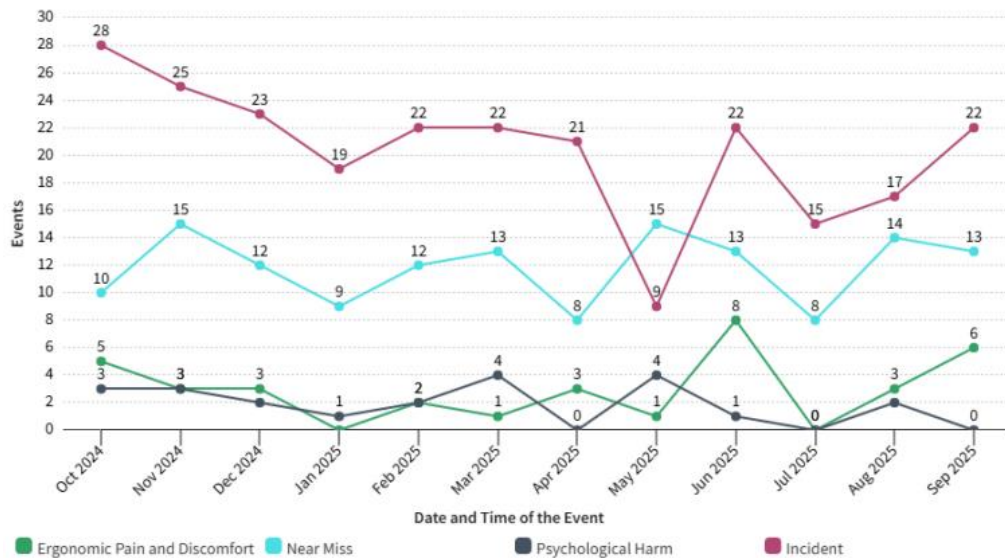
2. This report is provided for information purposes only and has been assessed as being of some importance. The material presented in this report assists the elected members, as Officers, to exercise their duty of due diligence to meet their statutory obligations under the Health and Safety at Work Act 2015.
3. The matters discussed in this report do not have implications for the Council's level of service or the financial costs for the community. Public interest in these matters is unlikely to be high.

EXECUTIVE SUMMARY / WHAKARĀPOPOTOTANGA MATUA

4. This report highlights a continued commitment to fostering a safe, healthy and resilient work environment through risk management, incident reporting and wellbeing initiatives.
 5. Quarter highlights include:
 - Zero notifiable incidents reported to WorkSafe.
 - Successful delivery of a proactive health campaign for prostate cancer, women's health, 32 pre-employment assessments and 70 wellbeing drop-ins with employees.
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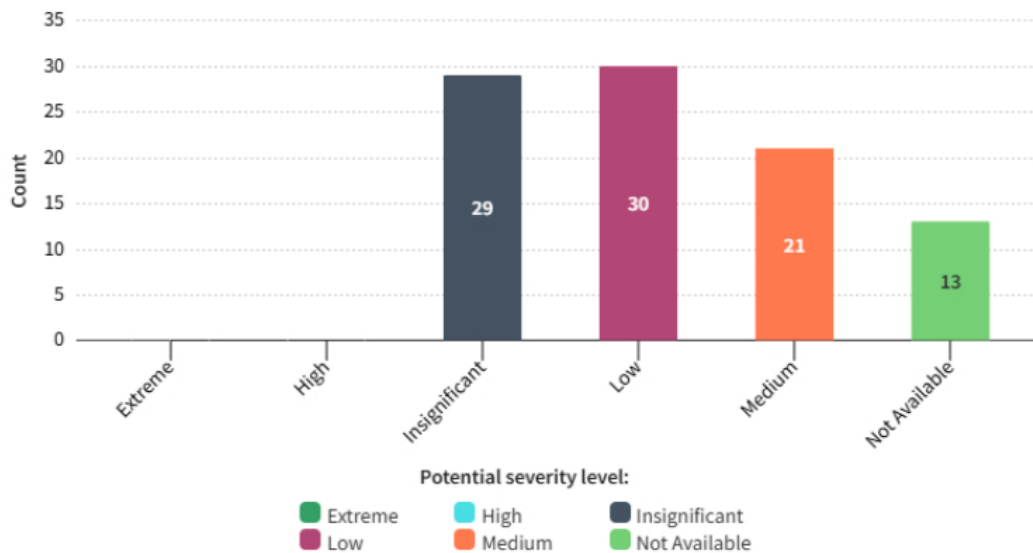
PERFORMANCE INSIGHTS

EVENT REPORTING LAST 12 MONTHS (INCLUDES CONTRACTORS)



6. Above shows the incident reporting trends for the past 12 months, reinforcing the commitment to a positive reporting culture and continuous improvement.

INCIDENTS BY POTENTIAL SEVERITY



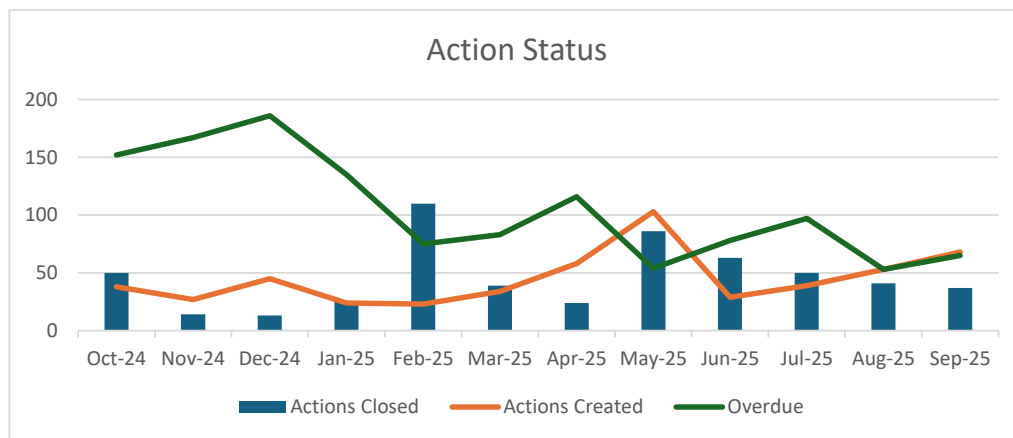
7. The medium potential incidents were in relation to a gas bottle collected in a routine kerbside collection, musculoskeletal injuries and interactions with the public.

H&S PROGRESS AGAINST STRATEGIC WORKPLAN

8. The 2025 year has seen good progress against our Health, Safety and Wellbeing workplan, this includes:

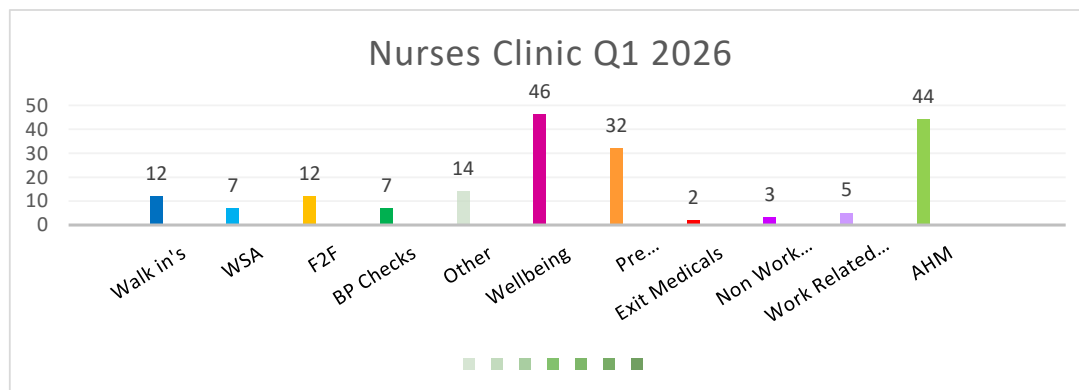
- Internal audits completed on 7 business units. There are 8 audits planned for the rest of the calendar year.

ACTION COMPLETION



9. Actions are created and captured in the Pinnacle system to provide accountability and tracking for corrective, general or improvement actions. Actions can be initiated independently or stem from safety conversations, incidents, near misses, audits and more.
10. The above graph shows all actions in the system. Analysis of this information shows in relation to events specifically, there are 2 immediate actions overdue for completion and 5 corrective actions overdue for completion. At the time of writing, the immediate actions have been closed, and the HSW team and Te Ranga Urungi are focused on closing out overdue corrective actions.

OCCUPATIONAL HEALTH SERVICES



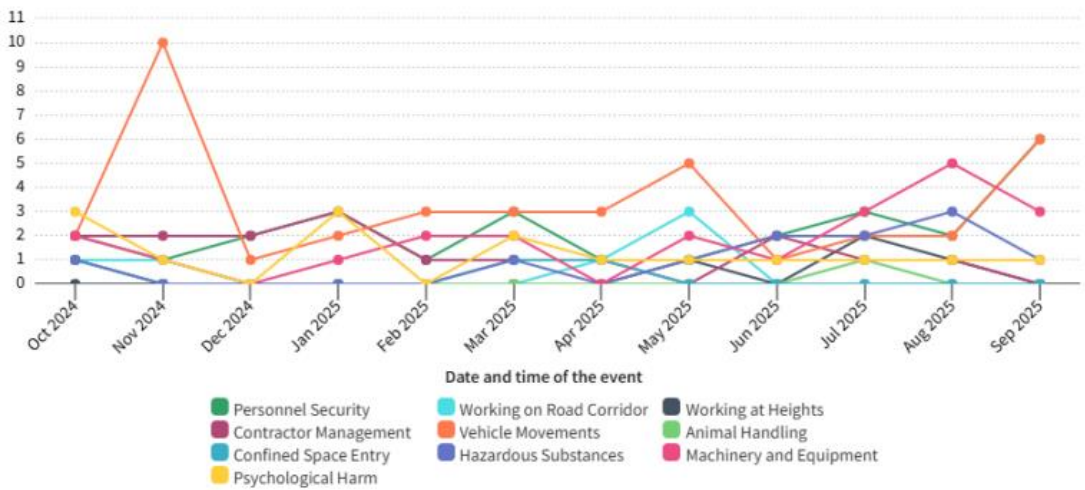
- 11. 106 employees accessed the nurse clinic this quarter. Highlights include forty-four annual health medicals (AHM), seven proactive workstation assessments (WSA) with education provided for the prevention of Repetitive Strain Injury or overuse syndrome.
- 12. The nurse clinic continues to provide health support to NPDC staff, with this quarter focusing on women’s health and prostate awareness month. This quarter the introduction of a new initiative trialling the use of the NPDC Nurses Clinic as the first point of contact for any workplace injuries. The aim is to provide timely, onsite assessment and support prior to a referral to a GP or physiotherapist.

WELLBEING INITIATIVES AND EMPLOYEE ASSISTANCE PROGRAMME

- 13. There was total of thirty-seven wellbeing applications from employees accessing the benefits of our people package.
- 14. The overall utilisation of Employee Assistance Programme (EAP) for this quarter is 2.86%, with 25 active users of EAP, the top presenting issue being stress.

CRITICAL RISKS

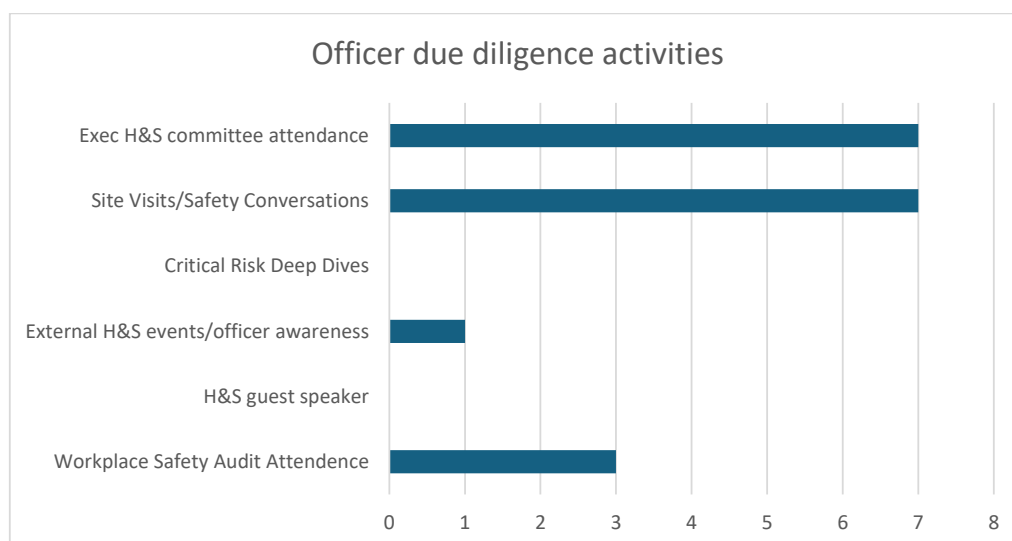
CRITICAL RISK INCIDENTS OVER THE PAST 12 MONTHS



- 15. Critical risks refer to hazards that pose a significant threat of serious harm or fatal injury in the workplace. Critical risk events are most frequently associated with the Councils operational work.

16. Machinery and Equipment, Personnel Security and Vehicle movements feature as the critical activities for the quarter.
17. System improvements have been identified including controls and verifications which will improve visibility of critical risk control effectiveness. This is intended to be implemented in week commencing 12 December 2025.

OFFICER DUE DILIGENCE ACTIVITIES



18. The inclusion of the above graph reflects a proactive approach to health and safety governance, which is consistent with the principles outlined in the Institute of Directors (IOD)/WorkSafe health and safety governance guide. This graph provides transparent evidence of officer engagement across key activities that demonstrate due diligence. The graph is a valuable addition to reporting as it shifts the focus from reactive metrics (e.g. incident rates) to proactive leadership behaviours¹.

FINANCIAL AND RESOURCING IMPLICATIONS / NGĀ HĪRAUNGA Ā-PŪTEA, Ā-RAUEMI

19. There are no financial or resourcing implications relating to the report. However, failure to meet due diligence obligations could result in fines and improvement notices.

¹ Officers referenced are those that are in the Executive Leadership Team.

IMPLICATIONS ASSESSMENT / HĪRANGA AROMATAWAI

20. This report confirms that the matter concerned has no implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made.
 - Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter.
 - Council staff have considered how the matter will promote the social, economic, environmental, and cultural well-being of communities in the present and the future.
 - Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan.
 - Any decisions made are consistent with the Council's plans and policies; and
 - No decisions have been made that would significantly alter the intended level of service provision for any significant activity undertaken by or on behalf of the Council or would transfer the ownership or control of a strategic asset to or from the Council.
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Report Details

Prepared By:	Nicola Walsh (Health, Safety and Wellbeing Lead)
Team:	Integrity and Innovation
Approved By:	Carol Malpas (Manager People and Wellbeing)
Ward/Community:	District Wide
Date:	24 November 2025
File Reference:	ECM 9635452

-----End of Report -----

AUDIT NEW ZEALAND REPORT ON THE AUDIT OF NEW PLYMOUTH DISTRICT COUNCIL AND GROUP ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2025

PURPOSE/ TE WHĀINGA

1. The purpose of this report is to present the Audit New Zealand report on the audit of the New Plymouth District Council (NPDC) and Group Annual Report for the financial year ended 30 June 2025.

RECOMMENDATION / NGĀ WHAIKUPU

That, having considered all matters raised in the report, the report be noted.

SIGNIFICANCE AND ENGAGEMENT / TOHUTOHU KAI WHAKAHAERE

2. This report is provided for information purposes only, and has been assessed as being of some importance.

BACKGROUND / WHAKAPAPA

3. Audit New Zealand has completed its audit of the NPDC and Group financial statements and service performance information for the year ended 30 June 2025. The audit is conducted on behalf of the Controller and Auditor-General under the Public Audit Act 2001.
4. The audit also includes the Council Group – including the Council-Controlled Organisations.

KEY POINTS FROM AUDIT NZ REPORT

Audit Opinion

5. Audit NZ issued an unmodified audit opinion on the financial statements, excluding the Council Services Statement.
 6. The Council Services Statement was excluded due to limitations in the prior year's performance measure relating to the percentage of non-notified resource management consents processed within statutory timeframes. This issue has been resolved and cleared in the current year. However, as the Annual Report includes both current year and prior year comparatives, the prior year finding was required to be referenced in the Audit Report.
 7. An unmodified audit means that Audit NZ found that the information they looked at is a fair reflection of what happened and reflected the appropriate standards.
-

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8. An emphasis of matter (something the auditor wanted to highlight) was included regarding uncertainties related to the Government's Local Water Done Well reforms, due to the proposal not being accepted by the Secretary for Local Government at the time the Audit Report was issued.

Corrected and Uncorrected Misstatements

9. Misstatements identified were either corrected or deemed immaterial.

Focus Areas

10. Audit NZ focused on the following areas:
- a) Perpetual Investment Fund (PIF): Valued at \$403.9 million as at 30 June 2025; audit procedures confirmed valuation accuracy.
 - b) Revaluation of infrastructure assets: Testing completed; valuations deemed appropriate.
 - c) Capital Asset Additions & Work in Progress (WIP): Accounting treatment confirmed as appropriate.
 - d) Management Override Risk: No issues identified.
 - e) Other Matters: The Government's Local Water Done Well programme creates some uncertainty, which the auditor noted in their report. The report also included the first use of updated standards for reporting on non-financial service performance (NZ AS 1), and these were applied correctly.
 - f) Judgements in Accounting Estimates: Significant areas include valuations of infrastructure assets and PIF. Overall, judgements were assessed as balanced.
 - g) Quality and Timeliness of Information: Graded as Good or Acceptable across most areas, with acceptable delays in draft financial statements and minor deficiencies noted.

CLIMATE CHANGE IMPACT AND CONSIDERATIONS / HURINGA ĀHUARANGI

11. No direct climate change implications arise from this report.

NEXT STEPS / HĪKOI I MURI MAI

12. Recommendations for improvement identified during the audit will be addressed by management and reported through the Finance, Audit and Risk Committee.
-

FINANCIAL AND RESOURCING IMPLICATIONS / NGĀ HĪRAUNGA Ā-PŪTEA, Ā-RAUEMI

13. Audit New Zealand fees of \$383,404 (excluding disbursements and GST) were charged for the 2024/25 Annual Report audit. There were no additional financial implications beyond the audit fee already incurred and which was in line with budget.

IMPLICATIONS ASSESSMENT / HĪRANGA AROMATAWAI

14. This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:
- Council staff have delegated authority for any decisions made;
 - Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
 - Council staff have considered how the matter will promote the social, economic, environmental, and cultural well-being of communities in the present and the future.
 - Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
 - Any decisions made are consistent with the Council's plans and policies; and
 - No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

APPENDICES / NGĀ ĀPITI HANGA

- Appendix 1 Audit New Zealand Report to Council for Year Ended 30 June 2025 (ECM 9600468)

Report Details

Prepared By:	Loren Moore (Manager Financial Services)
Team:	Finance and Planning
Approved By:	Kathryn Scown (Executive Director CE Office)
Ward/Community:	District Wide
Date:	24 November 2025
File Reference:	ECM9651090

-----End of Report -----

Report to the Council

on the audit of New Plymouth District Council and Group

For the year ended 30 June 2025

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Our audit report

We intend issuing an unmodified audit report

We intend issuing an unmodified audit report on the audited information, excluding the Council Services statement on 10 October 2025. We are satisfied that the financial statements present fairly the council's activity for the year and its financial position at the end of the year.

In our opinion, except for the limitation on the comparative performance measure on the percentage of non-notified resource management consents processed within statutory timeframes, we are satisfied the Council Services statement present fairly the District Council's activity for the year.

Without further modifying our audit opinion, we intend to include an emphasis of matter paragraph to draw the users' attention to the disclosure in Note 28 Local Water Done Well which outlines the inherent uncertainties with the District Council's responses to the Government's Local Water Done Well reforms.

Finalisation of the audit report is subject to us completing our reviews of the:

- signed representation letter; and
- adopted and signed annual report.

In addition to reports provided to Council we also intend to provide a more detailed report to management. This will include recommendations on areas for improvement we identified during the audit.

Corrected and uncorrected misstatements

We have discussed any misstatements that we found with management, other than those which were clearly trivial.

The misstatements that have not been corrected are listed in the representation letter. We are satisfied that these misstatements are individually and collectively immaterial.

We also identified misstatements that were corrected by management. A list of corrected misstatements is available on request.

Thank you

We would like to thank the Council, management, and staff for the assistance they provided during the audit.



Chris Webby
Appointed Auditor
10 October 2025



Focus areas from the Audit Plan

Focus area	Outcome
Valuation of the Perpetual Investment Fund	
<p>The Perpetual Investment Fund (PIF) had a carrying value of \$403.9 million at 30 June 2025 and generated income of \$40.6 million for the financial year.</p> <p>This is a significant financial asset for the District Council. Depending on the nature of the investments, the valuation of the various instruments can be complex and require significant judgement where observable market inputs are not readily available.</p>	<p>We performed audit procedures to obtain assurance that the valuation of the PIF as at 30 June 2025 was materially correct.</p> <p>Included in the PIF are investments in private equity funds valued at \$102.5 million. Private equity funds can be complex to value. For these investments we obtained the latest audited financial statements for the private equity funds.</p> <p>For private equity funds that had a balance date that differed from the District Council we also obtained quarterly reports for the interim period. This enabled us to obtain assurance that there had not been significant changes in the values of the funds since they were last audited.</p>
Revaluation of property, plant, and equipment	
<p>The District Council revalued its property, plant and equipment as at 30 June 2025. There is a risk that the valuation included in the financial statements does not appropriately reflect the fair value of these assets.</p>	<p>We have completed our testing of the valuation, engaged an auditor's expert to help review the three waters valuation, and met with the valuers. We are satisfied that the financial statements appropriately reflect the fair value of the assets.</p> <p>We will be recommending some improvements in our report to management over the revaluation.</p>



Focus area	Outcome
Capital asset additions and work-in-progress	
The District Council manages a significant capital programme. Accounting for capital projects, whether completed during the year or in progress at balance date, requires judgement which can have a significant impact on the financial statements.	We reviewed the accounting for costs incurred on capital projects. We are satisfied that asset additions and work in progress are appropriately reflected in the financial statements.
The risk of management override of internal controls	
There is an inherent risk in every organisation of fraud resulting from management override of internal controls.	We completed testing to address this risk and did not identify any matters that we need to bring to your attention.



Other matters identified during the audit



Matters identified	Outcome
Local Water Done Well programme	
The Local Government (Water Services Preliminary Arrangements) Act 2024 established a variety of requirements that Council needs to meet. A further Local Government Water Services Bill is expected to be introduced to Parliament before December 2025, detailing changes to the water services delivery and regulatory systems.	<p>The District Council has included a note outlining the process and that there is uncertainty as the Secretary of Local Government is yet to approve the Water Services Delivery Plan.</p> <p>We have included an emphasis of matter in our opinion referring to these uncertainties.</p>
Statement of Service Performance	
<p>Auditors are required to carry out our audit of service performance information prepared by Councils in accordance with NZ AS 1 (Revised): The Audit of Service Performance Information. This standard was applied for the first time for the District Council's 2024/25 audit and is closely related to the accounting standard for service performance reporting (PBE FRS 48). The standard has implications for both the auditor and the District Council, as the preparer of service performance information.</p> <p>The changes required a shift towards clearer and more meaningful language aimed at enhancing the quality and reliability of service performance reporting.</p>	We conducted our audit in line with the requirements of NZ AS 1 (Revised) and provided feedback to the District Council from the audit procedures performed. Those findings have been incorporated into the service performance reporting as appropriate.

Financial statements and service performance information

Judgements made in significant accounting estimates

Judgement areas	Misstated 	Cautious 	Balanced 	Optimistic 	Misstated
Valuation of three waters infrastructure (\$1,186m)					
Valuation of roading infrastructure (\$902.3m)					
Valuation of land and buildings (\$632m)					
Valuation of the PIF (\$403.9m)					
Useful economic lives of property, plant & equipment and intangible assets (\$58.6m)					

These are our views on the level of prudence in key judgements in this year's financial statements, relating to accounting estimates.

Judgements made in significant accounting policies, disclosures, and related matters

The judgements made in accounting policies are based on information provided by independent values, management projections, historical experience and various factors that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an on-going basis. Overall, we found the judgements made in significant accounting estimates to be balanced.

We have rated useful economic lives of property, plant and equipment as cautious as there are several assets that are fully depreciated, or their lives are extended on revaluation.



Quality and timeliness of information provided for audit

The [Council](#)'s responsibilities include understanding whether management produce quality information, and whether there are

adequate resources, skills, and expertise applied in the reporting process. Our expectations were informed by the FMA's *Audit Quality Monitoring Report* (expectations for directors) and *Guidance and expectations for keeping proper accounting records*.

Expectation	Grading	Reason
Financial statements prepared by management comply with accounting standards	🟢 Good	We did not identify any significant audit findings with the financial statements' compliance with accounting standards. We intend to give an unqualified audit opinion on the financial statements.
Quality supporting financial information is prepared and available on a timely basis	🟡 Acceptable	There were delays in receiving the initial draft financial statements from the District Council. The use of AuditDashboard assisted in the smooth provision of documents and information for audit.
Accounting records and supporting documentation reconcile to the financial statements	🟡 Acceptable	We identified some misstatements in relation to the PIF that were not adjusted by management. Overall, the amount of these misstatements was not material and did not impact our audit report.
Accounting records support the accounting treatment applied by management	🟡 Acceptable	We identified some areas where improvements could be made.
Management prepares accounting papers for unusual or more complex transactions and estimates	🟢 Good	Management has engaged the services of external valuers to revalue their infrastructure assets and land & buildings. The supporting information and calculations were prepared and submitted to us in a timely manner. They also provided us their impairment assessment for assets in a non-valuation year. We did not identify significant issues with the treatment of managements' complex transactions and estimates.



Expectation	Grading	Reason
Governors challenge the process and the outcomes of management's judgements	🟢 Good	The Council through the Finance, Audit and Risk Committee provides a robust assessment of management's judgments in the preparation of the financial statements and statement of service performance.
Service performance reporting prepared by management complies with accounting standards	🟡 Acceptable	We conducted our audit in line with the requirements of NZ AS 1 (Revised) and provided feedback to the District Council from the audit procedures performed. Those findings have been incorporated into the service performance reporting as appropriate.
Quality supporting service performance information is prepared and available on a timely basis	🟢 Good	Appropriate supporting information was received.
Reported service performance agrees to supporting records	🟢 Good	The changes made were largely to do with additional information rather than deficiencies in the underlying records.
Issues raised in our previous reports are addressed in a timely manner	🟡 Acceptable	Some previous recommendations were addressed, but others remain outstanding.

Grading	Explanation
🟢 Good	The quality and timeliness of the information was of a good standard with no significant deficiencies.
🟡 Acceptable	Quality and timeliness were of an acceptable standard but with some minor deficiencies and room for improvement.
🔴 Attention	There were numerous and/or significant deficiencies and/or delivery was significantly late.



Appendix 1 Disclosures



Our responsibilities in conducting the audit

We carried out this audit on behalf of the Controller and Auditor-General. We are responsible for expressing an independent opinion on the financial statements and performance information. This responsibility arises from section 15 of the Public Audit Act 2001.

The audit of the financial statements does not relieve management or the [Council](#) of their responsibilities. Our audit engagement letter contains a detailed explanation of the responsibilities of the auditor and the [Council](#).

Auditing standards

We carry out our audit in accordance with the Auditor-General's Auditing Standards. The audit cannot and should not be relied upon to detect every instance of misstatement, fraud, irregularity, or inefficiency that are immaterial to your financial statements. The [Council](#) and management are responsible for implementing and maintaining a system of internal control for detecting these matters.

Auditor independence

We confirm that, for the audit of the [New Plymouth District Council and Group](#)'s financial statements and statement of service performance for the year ended [30 June 2025](#), we have maintained our independence in accordance with the requirements of the Auditor-General, which

incorporate the independence requirements of the External Reporting Board.

In addition to the audit, we have carried out an assurance engagement on the District Council's Debenture Trust Deed. This engagement is compatible with the Auditor-General's independence requirements. Other than the audit and this engagement, we have no relationship with or interests in the Council or its subsidiaries.

Fees

The audit fee for the year is \$383,404, as detailed in our Audit Proposal Letter. Other fees charged in the period are \$6,400, for annual assurance engagement for the District Council's Debenture Trust Deed.

Other relationships

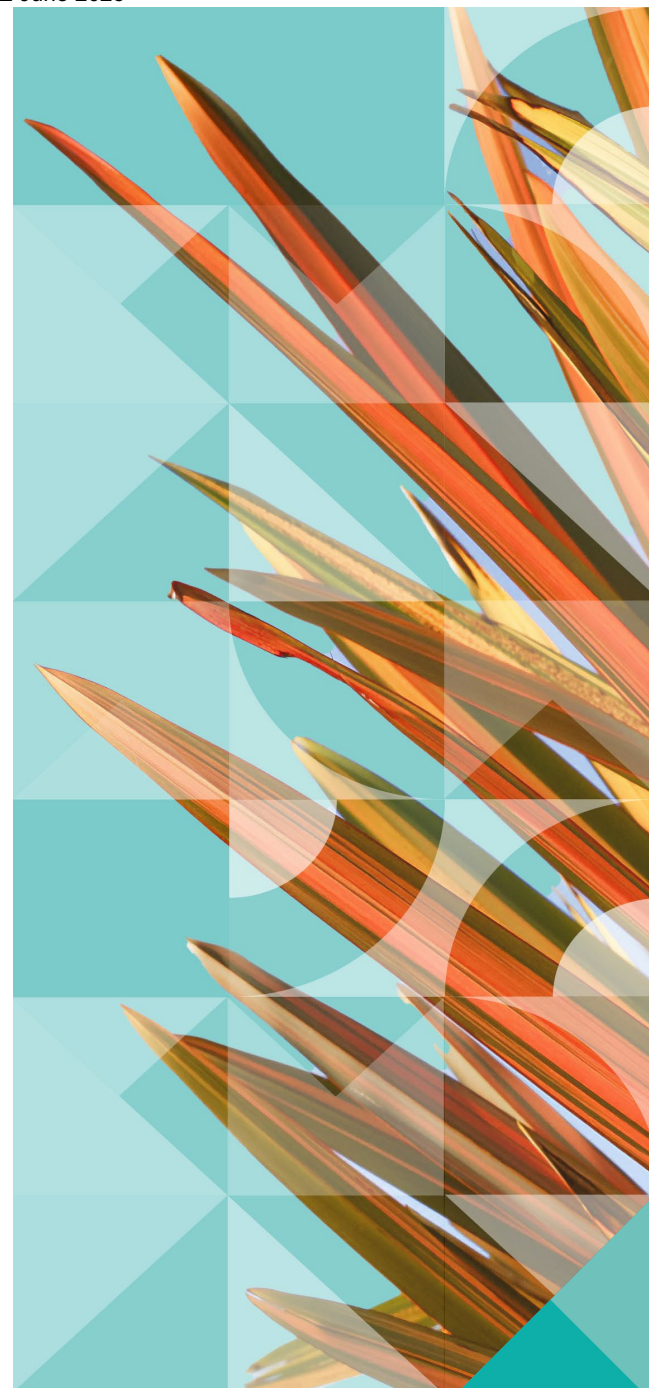
We are not aware of any situations where a spouse or close relative of a staff member involved in the audit occupies a position with the New Plymouth District Council that is significant to the audit.

We are not aware of any situations where a staff member of Audit New Zealand has accepted a position of employment with the [New Plymouth District Council and Group](#) during or since the end of the financial year.



AUDIT NEW ZEALAND
Mana Arotake Aotearoa

www.auditnz.parliament.nz



AUDITED FINANCIAL STATEMENTS AND PERFORMANCE REPORTS OF NEW PLYMOUTH DISTRICT COUNCIL'S COUNCIL CONTROLLED ORGANISATIONS

PURPOSE/ TE WHĀINGA

1. The purposes of this combined report are:
 - a) For Council to note the Audited Financial Statements for the year ended 30 June 2025 of the New Plymouth District Council's Council Controlled Organisations (CCOs) - New Plymouth PIF Guardians Limited (NPG), Papa Rererangi i Puketapu Ltd (PRIP, the Airport), Te Puna Umanga Venture Taranaki (VTT), the New Zealand Local Government Funding Agency (LGFA) and two Forestry Joint Ventures – Duthie and McKay.
 - b) To present the Quarter four 2024/25 and Quarter one 2025/26 Performance Reports for the New Plymouth District Council's Council-Controlled Organisations (CCOs) – NPG, VTT, PRIP and LGFA.

RECOMMENDATIONS / NGĀ WHAIKUPU

That, having considered all matters raised in the report, Council:

- a) **Note the Audited Financial Statements for the year ending 30 June 2025 of:**
 - i) **New Plymouth PIF Guardians Limited**
 - ii) **Papa Rererangi i Puketapu Limited;**
 - iii) **Te Puna Umanga Venture Taranaki;**
 - iv) **New Zealand Local Government Funding Agency;**
 - v) **Duthie Forestry Joint Venture; and**
 - vi) **McKay Forestry Joint Venture.**
 - b) **Note the Quarter four 2024/25 and Quarter one 2025/26 Performance Reports of:**
 - i) **New Plymouth PIF Guardians Limited;**
 - ii) **Papa Rererangi i Puketapu Limited;**
 - iii) **Te Puna Umanga Venture; and**
 - iv) **New Zealand Local Government Funding Agency.**
-

- c) **Note that all reports must be placed on the Council's website for a period of seven years**

SIGNIFICANCE AND ENGAGEMENT / TOHUTOHU KAI WHAKAHAERE

2. This report is provided for information purposes only, and has been assessed as being of some importance.

BACKGROUND / WHAKAPAPA

Audited Financial Statements 2024/25

3. NPG, PRIP, VTT, LGFA and the two Forestry Joint Ventures are CCOs pursuant to the Local Government Act 2002 (LGA 2002). The LGA 2002 requires that each CCO prepare, have audited, and adopt annual financial statements each year within three months after the end of each financial year. Attached via link to our CCO Webpage are the statements of each of NPDC's CCOs to satisfy that legislative requirement. LGFA's financial statements are published on their own website, rather than our CCO webpage.
4. These statements are for the financial year ending 30 June 2025. The statements for NPG, PRIP and Duthie and McKay Forestry Joint Ventures have been audited by Audit New Zealand and have received unmodified audit opinions. The statements for VTT have been audited by Silks Audit Chartered Accountants and have received an unmodified audit opinion. The statements for LGFA have been audited by KPMG and have received an unmodified audit opinion.

Summary of NPG's Audited Financial Statements

5. NPG operates at a break-even position and produced a net surplus of \$nil for the year. The Company achieved all of its Service Performance Indicators.
6. Actual return net of costs was 10.2 per cent for the 12-month period to 30 June 2025. The total return of the portfolio for the past five years is also 10.2 per cent p.a. which is 2.4 per cent above the rolling five-year target.
7. The 10.2 per cent after-fees fund return represented another strong return for the portfolio over the last 12 months. The returns were driven predominantly by the growth areas of the portfolio, namely overseas shares and emerging markets.
8. Audit New Zealand has issued an unmodified opinion on the financial statements.

Summary of PRIP's Audited Financial Statements

9. Revenue for the year of \$10.39 million is an increase from \$9.40 million in the previous year. This is attributed to stable passenger numbers and diversified income streams.
10. EBITDA (Earnings Before Interest, Tax Depreciation, and Amortisation) for the year is \$6.04 million, an increase from \$5.07 million last year.
11. Operating expenditure was \$326,000 higher than budgeted. Increased personnel costs and maintenance work were contributing factors and also across the board inflationary cost rises in other operating expenditure.
12. Despite better stability, passenger numbers for the year were 385,000; this is lower than the budget of 392,000. The shortfall is attributed to economic pressures affecting consumer behaviour, particularly reduced discretionary spending.
13. All interest payments were made to Council as scheduled.
14. The financial statements have been audited by Audit New Zealand. There were no material misstatements found. The company is deemed a going concern, indicating financial stability.

Summary of VTT's Audited Financial Statements

15. Venture Taranaki earned a total revenue of \$7.05 million, exceeding forecasts by \$825,000. This included \$6.85 million in grants, with a notable \$402,000 capital grant for the Branching Out project from DIA Better Off Funding facilitated via New Plymouth District Council.
 16. Assets totalled \$2.80 million, with \$1.64 million in cash and \$587,000 in property and equipment, boosted by Better Off project investments. Liabilities stood at \$1.67 million, mainly due to revenue received in advance and employee entitlements. Equity increased to \$1.13 million.
 17. The New Plymouth District Council was the primary funder, contributing a total of \$5.17 million. Additional funding came from other councils (\$48,000), MBIE (\$634,000), MPI (\$401,000 and private/government sources (\$162,000).
 18. The financial statements received an unqualified audit opinion, confirming they fairly represent the organisation's financial position and comply with accounting standards.
-

Summary of LGFA's Audited Financial Statements

19. The New Zealand Local Government Funding Agency (LGFA) delivered a record net operating profit of \$18.99 million, up 89 per cent year-on-year. Operating income reached \$35.65 million, exceeding the Statement of Intent (SOI) forecast, while expenses (excluding the Approved Issuer Levy) were slightly under budget at \$11.26 million.
20. As at year end, total assets grew to \$26.48 billion, loans to councils reached \$22.66 billion, and equity rose to \$121.8 million. Lending during the year totalled \$4.15 billion in long-term loans and \$1.05 billion in short-term loans. Funding activity included NZ\$5.26 billion in long-term bonds issued during the year.
21. Climate Action Loans advanced \$923 million during the year, and Green, Social and Sustainable loans increased by \$77 million. At year end, approved sustainable finance lending totalled \$4.12 billion.
22. LGFA met 17 of 21 SOI targets, maintained credit ratings equivalent to the New Zealand Government.
23. The audit of LGFA's 2025 Annual Report was conducted by KPMG on behalf of the Auditor-General, resulting in an unmodified opinion confirming that the financial statements and performance information were presented fairly.

Summary of Duthie Forestry Joint Venture's Audited Financial Statements

24. The entity incurred a deficit of \$260,000 compared to a budgeted deficit of \$9,000. This is due to losses on revaluation of the tree crop at year end. Due to the number of variables which can impact the valuation any gain or loss is not budgeted for.
25. Only inspection and maintenance activities were required during the period. Harvesting is not anticipated until 2026 and is dependent on tree growth and log prices.
26. Audit New Zealand has issued an unmodified opinion on the financial statements.

Summary of McKay Forestry Joint Venture's Audited Financial Statements

27. The entity incurred a deficit for the year of \$435,000 compared to a budgeted surplus of \$618,000. This is because harvesting of the tree crop planned to occur during the year was deferred to 2026 due to current market prices for harvested logs. This was exacerbated by losses on revaluation of the tree crop at year end. Due to the number of variables which can impact the valuation any gain or loss is not budgeted for.
-

-
- 28. Only inspection and maintenance activities were required during the period. Harvesting is now anticipated to take place during 2026.
 - 29. Audit New Zealand has issued an unmodified opinion on the financial statements.

Quarter 4 2024/25 Performance Reports

- 30. Each CCO prepares an annual Statement of Intent (SOI). The SOIs form the basis for performance monitoring, including the requirement for quarterly performance reports.
- 31. The fourth quarter 2024/25 performance report for each CCO must be delivered to Council within two months of the end of the quarter (31 August 2025). All reports were received within this deadline, however the election prevented reports for this quarter being presented sooner.
- 32. The fourth quarter 2024/25 performance report for Te Puna Umanga Venture Taranaki Trust (VTT) was approved by Council during the meeting held on 30 September 2025 but is included for completeness.
- 33. A summary of each CCO's fourth quarterly performance report is provided below.

Summary of NPG's quarterly report – Quarter Four 2024/25

- 34. The balance of the Fund at 30 June 2025 (end of quarter four) was \$403.9 million, compared to \$378.7 million at 30 June 2024. As at 30 September 2025 the Fund had since increased to \$422.5 million.
 - 35. The Fund achieved a 3.9 per cent return for the quarter to 30 June 2025 and a 10.2 per cent increase for the 2024/25 financial year. The Fund remains above its objective (as below) of CPI +3.3 per cent over a rolling five-year period.
-

36. Below is the Fund performance summary from Mercer New Zealand to 30 June 2025.

	Since inception (Nov 2004) per cent (p.a.)	5 years per cent (p.a.)	3 years per cent (p.a.)	1 year per cent (p.a.)	3 months per cent (p.a.)
Returns (after fees and taxes)	7.3per cent	10.2per cent	9.5per cent	10.2per cent	3.9per cent
Relative to CPI +3.3per cent	-	+2.4	+2.2	+4.2	+2.5
Relative to Benchmark	-	+0.2	-2.5	-0.4	-0.0
Equities, Fixed Interest and Cash	-	11.3per cent	13.9per cent	12.4per cent	5.3per cent
Relative to Benchmark	-	+1.1	+0.7	+0.1	+0.5
Private Equity and Alternatives	-	10.4per cent	5.0per cent	5.6per cent	2.5per cent
Relative to Benchmark	-	+1.0	-4.5	-2.0	+0.4
Distributions to Council (release payments)	\$275.1m	\$53.6m	\$34.6m	\$12.1m	\$3.0m

37. There have been no breaches to the applicable Statement of Investment Policy and Objectives (SIPO) policies and mandates.

Summary of PRIP's quarterly report – Quarter Four 2024/25

38. Te Matakupenga solar farm opened in September 2025 and is performing well.
39. Passenger numbers were down compared to last year. The Christchurch route was affected by the removal of the service, and the Wellington route continues to decline due to reduced government travel. A full recovery to pre-COVID levels isn't expected soon.
40. Financially, revenue is slightly above budget and shows strong growth from the previous year. Before tax is significantly improved and on target. Landing fees remain the largest revenue source, followed by car parking and leases. Overheads are higher than planned but are offset by strong revenue performance.
41. Stakeholder engagement remains strong, with active collaboration with NPDC, Venture Taranaki, the Chamber of Commerce, and Puketapu Hapū. Relationships and consultation efforts are ongoing and positive.

Summary of VTT's quarterly report – Quarter Four 2024/25

42. Good progress was made on the entity's performance measures as set in the Long Term Plan, with all ten indicators on target or achieved.
43. The PowerUp Accelerator Showcase Night in June brought together over 100 investors, media, and regional leaders to support six early-stage founders. The event spotlighted scalable ventures and reinforced Taranaki's reputation as a hub for innovation and entrepreneurship.
44. A major milestone was reached with the prioritisation of 25 regional actions under the Future Energy 2025/26 Action Plan. Led by a newly formed CE-level leadership group, this initiative sets the foundation for coordinated energy transition efforts and reinforces Taranaki's role as a nationally significant energy hub.
45. Strategic promotion and collaboration across the visitor economy delivered strong results. At TRENZ, the Destination team showcased regional experiences to over 50 international agents, while the formation of the North Island Tourism Alliance and the launch of the Central NZ campaign boosted trans-Tasman visibility.
46. Despite a provisional 3.1 per cent decline in regional GDP, the Quarterly Economic Monitor revealed signs of resilience, including a projected dairy payout of \$1.807 billion, increased housing activity, and renewed investment by major firms—reinforcing long-term confidence in the regional economy.

Summary of LGFA's quarterly report – Quarter Four 2024/25

47. LGFA posted a net operating gain of NZ\$18.97 million, NZ\$4.41 million above budget, driven by foreign currency bond issuance and strong returns on liquid assets. Expenses were NZ\$16.57 million, NZ\$0.26 million below forecast.
 48. Bond issuance during the quarter included NZ\$300 million in New Zealand Dollar (NZD) bonds. Lending during the quarter reached NZ\$1.547 billion in long-term loans and NZ\$1.053 billion in short-term loans.
 49. Environmental financing added NZ\$321.5 million in Climate Action Loans and NZ\$52.7 million in Green, Social, and Sustainability loans during the quarter. Total sustainable lending at 30 June 2025 represented 19.2 per cent of LGFA's loan book.
 50. Governance remained strong with 17 of 21 performance targets met, AAA/AA+ credit ratings maintained, and Christchurch City Holdings joined as the eighth Council-Controlled Organisation (CCO) member.
-

Quarter 1 2025/26 Performance Reports

51. The first quarter 2025/26 performance report for each CCO must be delivered to Council within two months of the end of the quarter (30 November 2025). All reports were received within this deadline.
52. A summary of each CCO's first quarterly performance report is provided below.

Summary of NPG's quarterly report – Quarter One 2025/26

53. The balance of the Fund at 30 September 2025 (end of quarter one) was \$422.5 million, compared to \$390.8 million at 30 September 2024.
54. The fund achieved a 5.5 per cent return for the quarter to 30 September 2025 and a 11.7 per cent return for the past 12 months, which remains above its objective (as below) of CPI +3.3 per cent over a rolling five-year period. Total release payments to Council during the 2024/25 financial year were \$12.1 million.
55. Below is the Fund performance summary from Mercer New Zealand to 30 September 2025.

	Since inception (Nov 2004) per cent (p.a.)	5 years per cent (p.a.)	3 years per cent (p.a.)	1 year per cent (p.a.)	3 months per cent (p.a.)
Returns (after fees and taxes)	8.9per cent	10.5per cent	11.8per cent	11.7per cent	5.5per cent
Relative to CPI +3.3per cent	-	+2.6	+4.9	+5.4	+3.7
Relative to Benchmark	-	-0.2	-2.5	-2.9	-0.9
Equities, Fixed Interest and Cash	-	12.2per cent	17.3per cent	17.5per cent	7.8per cent
Relative to Benchmark	-	+1.3	+0.7	+0.8	+0.3
Private Equity and Alternatives	-	10.1per cent	6.1per cent	3.0per cent	2.9per cent
Relative to Benchmark	-	-0.0	-3.9	-7.6	-1.7
Distributions to Council (release payments)	\$278.4m	\$54.5m	\$35.3m	\$12.2m	\$3.3m

56. There have been no breaches to the applicable Statement of Investment Policy and Objectives (SIPO) policies and mandates.

Summary of PRIP's quarterly report – Quarter One 2025/26

- 57. Te Matakupenga solar farm was officially opened with a dawn ceremony on 26 September. The project remains in the commissioning phase, with all aspects of this stage progressing successfully. Practical completion has been brought forward to 15 November, which is approximately two months earlier than originally planned.
- 58. Passenger numbers for the quarter have tracked in line with expectations, despite some September disruptions from fog and poor weather. Meanwhile, Air New Zealand has begun a review of its domestic and regional network strategy, the outcomes of which may influence New Plymouth's flight schedules and service levels. The review is expected to conclude by the end of 2026.
- 59. Financial performance was stable, with revenue slightly exceeding budget by 0.3 per cent. Operating expenditure was marginally over budget by 0.1 per cent, and EBITDA came in just 1 per cent below target.

Summary of VTT's quarterly report – Quarter One 2025/26

- 60. Several key performance indicators were met or exceeded targets. Notably, client satisfaction remained high, with 100 per cent of surveyed clients reporting they would recommend the organisation's services.
- 61. Taranaki's energy sector made strong progress, refining the Energy Futures Strategy and positioning the region as a national leader in biogas through the Biogas Bridge Conference. Development of an Energy Prospectus and exploration of strategic energy zones laid the foundation for future investment.
- 62. The 2026 FMG Young Farmer of the Year Grand Final was secured, projected to attract over 1,000 visitors and deliver a \$2.10 million economic boost. Campaigns and international promotions further raised the region's profile, while cruise industry engagement resumed.
- 63. Despite a 2.8 per cent GDP decline and a 2 per cent drop in employment, housing consents rose 28.1 per cent (New Plymouth up 44.6 per cent) and housing sales increased 13.2 per cent, signalling resilience and confidence in the property market.

Summary of LGFA's quarterly report – Quarter One 2025/26

- 64. The net operating gain was \$7.78 million, which was \$1.61 million below budget, primarily due to unrealised revaluation losses. Operating income reached \$12.38 million, while expenses including the Approved Issuer Levy totalled \$4.61 million.
-

-
- 65. Bond issuance during the quarter included NZ\$350 million in New Zealand Dollar (NZD) bonds. Lending reached NZ\$568million in long-term loans and NZ\$304 million in short-term loans during the quarter.
 - 66. Environmental financing added NZ\$150 million in Climate Action Loans and NZ\$35.50 million in Green, Social, and Sustainability loans during the quarter. At quarter end, sustainable loans accounted for 19.8 per cent of LGFA's total long-term loan book.
 - 67. Governance remained strong with 18 of 21 performance targets met or on track, AAA/AA+ credit ratings maintained, and Christchurch City Holdings Limited (CCHL) confirmed as the eighth Council-Controlled Organisation (CCO) member.

CLIMATE CHANGE IMPACT AND CONSIDERATIONS / HURINGA ĀHUARANGI

- 68. The CCOs are expected to consider the environmental implications of their activities, including climate change impacts.
- 69. NPG recognises the importance of climate change considerations within an investment portfolio, and will be working with the fully outsourced agent over the coming years to further embed these considerations into the portfolio. PIF investments take into account social, environmental and governance factors as stated in the Statement of Investment Policies and Objectives.
- 70. Venture Taranaki is responsible for coordinating the overall implementation of Taranaki 2050 – the roadmap to a low emissions future. The quarterly report highlights some of the work done in this area.
- 71. PRIP is conscious of the climate change implications of airport activities and has recently achieved American Carbon Accreditation (ACA) Level 2 certification.
- 72. The LGFA Board and management recognise environmental and social responsibility as key strategic priority. The LGFA recognises the risks inherent in climate change for councils and supports New Zealand's shift to a low-carbon economy.

NEXT STEPS / HĪKOI I MURI MAI

- 73. Each CCO must deliver their quarterly reports to Council within two months after the end of the quarter. The next quarterly reports for NPG, PRIP, VT and LGFA are due to be provided to the Council before 28 February 2026.
-

FINANCIAL AND RESOURCING IMPLICATIONS / NGĀ HĪRAUNGA Ā-PŪTEA, Ā-RAUEMI

74. This report was produced within existing resources and budgets.

IMPLICATIONS ASSESSMENT / HĪRANGA AROMATAWAI

75. This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
- Council staff have considered how the matter will promote the social, economic, environmental, and cultural well-being of communities in the present and the future.
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

REFERENCE LINKS / HONONGA TOHUTORO

The links to the CCO Annual Reports, Quarter One and Quarter Four reports for New Plymouth PIF Guardians, Papa Rererangi i Puketapu, Venture Taranaki Trust, McKay JV Forestry and Duthie JV Forestry are available below:

1. [New Plymouth PIF Guardians Ltd Audited Annual Report for the Year Ended 30 June 2025](#) (ECM 9589551)
2. [Papa Rererangi i Puketapu Audited Financial Statements for the Year Ended 30 June 2025](#) (ECM 9606785)
3. [Venture Taranaki Trust Te Puna Umanga Audited Annual Report for the Year Ended 30 June 2025](#) (ECM 9606787)
4. [Duthie Forestry Joint Venture Financial Statements for the Year Ended 30 June 2025](#) (ECM 9608393)
5. [McKay Forestry Joint Venture Financial Statements for the Year Ended 30 June 2025](#) (ECM 9608398)

- 6. [New Plymouth PIF Guardians Ltd Fund Performance Report to 30 June 2025](#) (ECM 9606229)
- 7. [Papa Rererangi i Puketapu Performance Report to 30 June 2025](#) (ECM 9606237)
- 8. [Venture Taranaki Trust Te Puna Umanga Performance Report to 30 June 2025](#) (ECM 9574299)
- 9. [New Plymouth PIF Guardians Ltd Fund Performance Report to 30 September 2025](#) (ECM 9641485)
- 10. [Papa Rererangi i Puketapu Performance Report to 30 September 2025](#) (ECM 9641478)
- 11. [Venture Taranaki Trust Te Puna Umanga Performance Report to 30 September 2025](#) (ECM 9641459)
- 12. [LGFA Annual Report for the Year Ended 30 June 2025](#) (ECM 9648653)
- 13. [LGFA Performance Report to 30 June 2025](#) (ECM 9606223)
- 14. [LGFA Performance Report to 30 September 2025](#) (ECM 9641474)

APPENDICES / NGĀ ĀPITIHINGA

Appendix 1: LGFA Annual Report for the Year Ended 30 June 2025 Cover Letter to Shareholders (ECM 9648662)

Report Details

Prepared By: Kerri Rattenbury (Community and Economic Development Officer) and Mathew Whitmore (Treasury Accountant)
Team: Community and Economic Development
Approved By: Damien Clark (Manager – Community and Economic Development)
Ward/Community: District wide
Date: 7/11/2025
File Reference: ECM 9639347

-----End of Report -----

28 August 2025

Dear Shareholder,

LGFA 2025 Annual Report

The LGFA Annual Report for the 12-month period to 30 June 2025 is now available from the LGFA website: [LGFA 2025 Annual Report](#)

We are pleased to highlight a strong year for LGFA that included a number of financial and non-financial achievements.

Financial performance was strong with Net Operating Profit of \$19.0 million compared to \$10.05 million for the prior year. Our total operating income was higher, and our operating expenses were lower than the Statement of Intent (SOI) forecasts.

We achieved 17 out of 21 SOI performance objectives. Sector borrowing was less than our forecast and we missed the SOI targets for loans made to the sector, market share and the number of new sustainable loans. We had one minor breach of the Foundation Policies which was regrettable but was rectified immediately without any financial loss.

We undertook several initiatives which will underpin the success of the business well into the future.

- We broadened our funding base with the establishment of a European Medium-Term Notes (EMTN) Programme. This reduces our financing and liquidity risk and delivered a cost of borrowing (on a fully hedged basis) over the past financial year below that of our comparable domestic borrowing levels.
- We negotiated a refreshed Crown Liquidity Facility that is upsized and extended in tenor.
- Our Stand Alone Credit Profile increased two notches under the revised credit ratings methodology adopted by S&P Global Ratings.
- We introduced more flexible financing for high growth councils and enabled lending to new water Council controlled Organisations.

Our Annual General Meeting (AGM) will be held on Tuesday 18 November 2025 in Wellington. We will send out a Notice of AGM by Tuesday 16 September 2025 and look forward to seeing you there.

Please do not hesitate to contact me if you have any comments or questions.

Kind regards



Mark Butcher
Chief Executive

New Zealand Local Government Funding Agency Limited

Auckland Level 7, The Shortland Centre, 55 Shortland Street

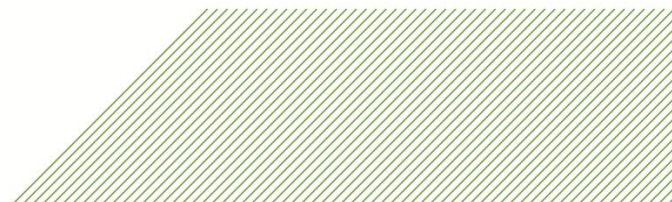
Wellington Level 11, City Chambers, 142 Featherston Street

PO Box 5704, Lambton Quay, Wellington 6145 | Phone +64 4 974 6530

lgfa.co.nz

Document Set ID: 9648662

Version: 1, Version Date: 20/11/2025



NPDC PERFORMANCE REPORT FOR PERIOD 1 JULY TO 30 SEPTEMBER 2025

PURPOSE/ TE WHĀINGA

1. The purpose of this report is to advise of the Council's performance for the first quarter of the 2025/26 financial year, from 1 July to 30 September 2025.

RECOMMENDATION / NGĀ WHAIKUPU

That, having considered all matters raised in the report, the performance report for the first quarter of the 2025/26 financial year be noted.

SIGNIFICANCE AND ENGAGEMENT / TOHUTOHU KAI WHAKAHAERE

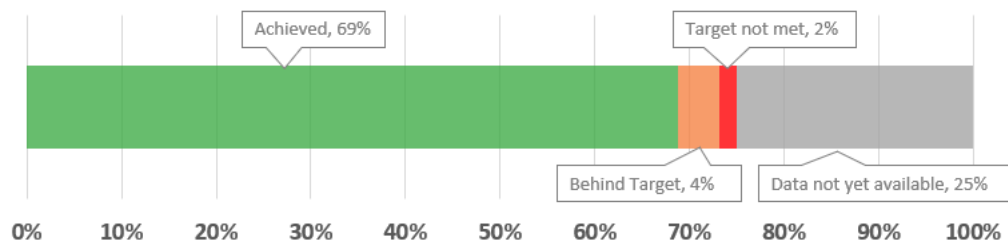
2. This report is provided for information purposes only, and has been assessed as being of some importance.

BACKGROUND / WHAKAPAPA

3. The Performance Report is presented on a quarterly basis and includes an assessment of Council's performance towards its objectives and key performance measures as set out in its Long-Term Plan 2024-2034 (LTP 2024), and its financial performance as set out in the Annual Plan 2025/26 (AP 2026).

Non-Financial Performance Measures

4. The Council has 112 non-financial performance measures of which 77 (69 per cent) have been achieved or are on track. Twenty-eight (25 per cent) do not have data available yet due to the frequency of the surveys, and will be reported in the Annual Report 2025/26.



5. Five measures (4 per cent) are behind target relating to:
 - a) Customer and Regulatory Solutions (percentage of known dogs registered) – cost of living being the most common reason for non-payment.

-
- b) Govett-Brewster Art Gallery/Len Lye Centre (percentage of customers satisfied with their overall experience at the Govett-Brewster Gallery/Len Lye Centre) – result influenced by timing of exhibitions.
 - c) Puke Ariki and Community Libraries (percentage of customers satisfied with the i-SITE Visitor Information Centre) - small sample size with one unsatisfied customer.
 - d) Waste Management and Minimisation (reduction in total waste to landfill per capita in the district and reduction in waste to landfill per household) - ongoing challenges to forecast reductions of waste to landfill.
6. Two measures (2 per cent) have not been met relating to:
- a) Customer and Regulatory Solutions (percentage of non-notified resource management consents processed within statutory timeframes). This measure has improved compared to the same period last year. Compliance with Reserve Management Act requirements continues to trend positively, supported by a reduction in the backlog of older consents, the appointment of a planning supervisor, and enhancements to IT systems that have accelerated consent processing.
 - b) Transportation (footpath length recording as failed when measured in 2022/23). This survey is measured every three years with the next condition survey to take place in Quarter 3 2025/26.

Capital Expenditure and Work in Progress

Progress on Delivery

- 7. Year to date (YTD) capital expenditure is \$19.6 million, or 14 per cent of the \$135.6 million budget for the year. Management is forecasting to spend \$110 million to \$125 million by the end of the year, or 81 per cent to 92 per cent of the capital works budget.
 - 8. The two most significant capital projects are the Thermal Dryer and the Tūparikino Hub. Detailed information on the delivery of Council's significant capital projects will be reported to the Finance, Audit and Risk Committee in the new year.
 - 9. All construction work on the Thermal Dryer (our largest project) is complete, with pre-commissioning complete and Downer having demobilised from site in September. The project has now moved into the final commissioning phase.
-

10. Progress on the Tūparikino Hub (our second largest project) is tracking well with two of the three enabling projects (demolition of the racing grandstand and relocation of tie-ups) complete. Only the civil enabling works (stormwater, wastewater, water connection and high voltage power) remain to complete. Stage 1.1 of the carpark is due to open in November, which will help ease pressure of construction activities on Racing and TSB Stadium. Detailed design for the Stadium is due early December, and submission for building consent early in the new year. Construction is forecast to start Autumn 2026, with opening planned for early 2028.

Work in Progress (WIP)¹

11. A summary of WIP by Activity, the top 10 WIP projects and asset addition accruals is provided on page 62 of the appendix.
12. As at 30 September 2025, Council's WIP balance stands at \$190.7 million, reflecting a net increase of \$18.9 million since 1 July 2025 (comprising \$20.7 million in new additions to WIP less \$1.8 million in capitalisations). At 30 June 2025, Council had accrued² \$43.3 million in asset additions. This has since been reduced by \$0.7 million, bringing the current accruals to \$42.6 million. Included in accruals are \$11.9 million of Universal Water Meter, \$2.8 million for the Oakura-Wairua main trunk renewal and \$1.5 million in IT infrastructure, all scheduled to be formally capitalised by year-end.

Financial performance

Understanding the Surplus Figures

13. Council's financial results are reported in two distinct ways:
- a) Rating Surplus/(Deficit)
 - i) Presented in the Cost of Services Statement, this reflects the surplus from Council's day-to-day operations, based solely on actual cash available. It excludes funds earmarked for specific purposes (e.g. NZTA revenue for roading projects) and non-cash items such as revaluation movements in the Perpetual Investment Fund (PIF), derivatives, vested assets, and depreciation.

¹ WIP represents the costs incurred towards assets that are still under construction or development.

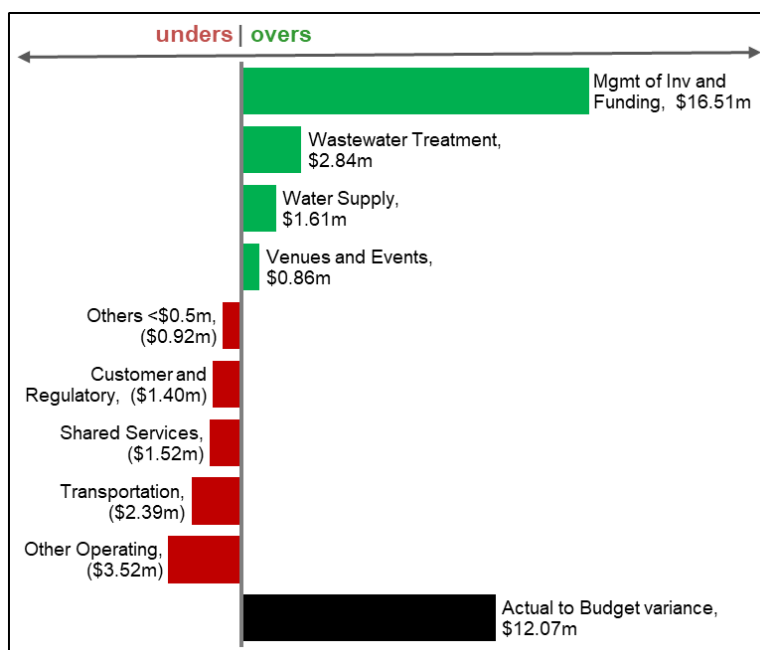
² Asset addition accruals occur when a project is complete and the asset is available for use, but an asset locator has not yet been created, preventing capitalisation in the fixed asset register. Using accruals ensures that Council is compliant with the requirements of asset accounting standards, namely that capital expenditure is transferred out of WIP to the appropriate asset class at the time the asset is available for use.

- ii) In accordance with Council's Treasury Management Policy, where a general rating surplus is recorded without a specific planned or approved purpose, it should be applied to debt repayment or offset against rates requirements for any of the first three years of the LTP. General rating deficits are addressed through future year budgets and require separate Council approval. Targeted rates surpluses are transferred to their respective reserves, while deficits are addressed through those reserves in future budgets.
- b) Accounting Surplus/(Deficit)
 - i) Presented in the Statement of Comprehensive Revenue and Expense, this provides a complete financial picture in accordance with Public Benefit Entity standards (PBE IPSAS). It includes all revenue and expenses, regardless of whether they are cash-based.

YTD Rating Deficit - Cost of Services Statement

14. Council aims to operate on a balanced budget, and therefore the AP 2026 budget was adopted to break even by 30 June 2026. However, the September quarter shows a rating deficit of \$3.7 million compared to a budgeted rates deficit of \$4.9 million for the quarter.
15. The quarterly results include an automatic rates remission of \$0.76 million that was approved by Council on 22 July 2025 to arrive at an average rates increase of 9.9 per cent for the 2025/26 rating year (full-year rates remission of \$3.1 million). If no other corresponding operational savings are found to help offset the costs during this financial year, options such as to debt fund and pay it over multiple years or make levels of service cuts will be considered as part of the Annual Plan 2026/27.
16. Several non-cash and ring-fenced items make up for the first quarter difference between the operating surplus of \$19.2 million and the rating deficit of \$3.7 million. The reconciliation between operating surplus and rating deficit is listed at the bottom of the Cost of Services Statement report.

17. The Cost of Services Statement is followed by graphs for each Significant Activity showing revenue and expenditure, listing the main items that have contributed to the Actual to Budget operating variance. The main activities contributing to this variance are presented in the graph below:



18. Noteworthy financial considerations for the quarter include:
- Management of Investments and Funding includes a \$18.6 million positive increase in the value of the PIF against budgeted gains of \$2.1 million.
 - Wastewater Treatment revenue is ahead of budget due to \$1.2 million grant funding for the Thermal Dryer Project recognised in the current financial year and more revenue received from Trade Waste charges than budgeted (\$260,000). Wastewater Treatment expenses are under budget mostly due to lower depreciation than forecast following the 2024/25 revaluation (\$470,000), plus savings due to timing of maintenance expenditure (\$365,000), Local Authority Programme insurance premiums (\$115,000) and plant operations utilities and chemicals (\$100,000).
 - Water supply revenue is higher due to timing of water by meter billing (\$185,000). Water supply expenses are under budget mostly due to lower depreciation than forecast following the 2024/25 revaluation (\$670,000), plus savings due to timing of maintenance expenditure (\$300,000), Local Authority Protection Programme Disaster.

- d) Insurance premiums (\$140,000) and plant operations utilities and chemicals (\$140,000).
- e) Venues and Events is ahead of budget mostly due to the timing of Aquatic Centre user fee revenue and event operating cost expenditure. The budget timing for both of these items will be reviewed and the budget revised for the remainder of the year if necessary.
- f) Customer and Regulatory Solutions is behind budget mainly due to lower-than-expected revenue from development contributions applications from development areas (Urban infill remains on target) (\$1.7 million). The Annual Plan 2026/27 has included a risk on the LTP Growth assumption (more Urban infill and less Greenfield development) to address this. This shortfall has been partially offset by greater revenue than forecast from building consents, levies and rebates. Expenditure for this Activity is in line with budget.
- g) Shared Services is over budget primarily due to under-recovery of internal costs. Internal recoveries are currently under review, with a new charging structure to be implemented once the review is complete.
- h) Transportation is behind budget mostly due to the timing of local roads operating and capital subsidies from Waka Kotahi (\$2.3 million). This is being actively managed, with the Finance Partners within the Finance Team meeting regularly with the Transportation team to forecast delivery and report on variances.
- i) Other operating is behind budget predominantly due to accounting entries such as unrealised losses on revaluation of derivative swaps (\$2.9 million) and distribution of proceeds from land sales under the Waitara Lands Act (\$0.6 million).

YTD accounting surplus - Statement of Comprehensive Revenue and Expense

- 19. In the AP 2026, Council adopted a budgeted accounting surplus of \$11.5 million for the year with the aim to break even in terms of rates funding by 30 June 2026.
- 20. For the first quarter, Council's Statement of Comprehensive Revenue and Expense reports an operating surplus of \$19.2 million, \$12.1 million above the \$7.1 million surplus forecasted in the AP 2026 for the same period.
- 21. Detailed explanations of the factors contributing to this variance are provided on page 60 of the appendix, as well as by activity in the Significant Activity and Expenditure section of the appendix.

FINANCIAL AND RESOURCING IMPLICATIONS / NGĀ HĪRAUNGA Ā-PŪTEA, Ā-RAUEMI

22. There are no financial and resourcing implications associated with the performance reporting.

IMPLICATIONS ASSESSMENT / HĪRANGA AROMATAWAI

23. This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:
- Council staff have delegated authority for any decisions made;
 - Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
 - Council staff have considered how the matter will promote the social, economic, environmental, and cultural well-being of communities in the present and the future.
 - Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
 - Any decisions made are consistent with the Council's plans and policies; and
 - No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

APPENDICES / NGĀ ĀPITI HANGA

Appendix 1 NPDC Performance Report for the period 1 July 2025 to 30 September 2025 (ECM 9641156)

Report Details

Prepared By:	Mitchell Dyer (Corporate Planning and Policy Lead) and Loren Moore (Manager Financial Services)
Team:	Corporate Planning and Policy and Financial Accounting
Approved By:	Helena Williams (General Manager Strategy and Planning) and Kathryn Scown (Executive Director CE Office)
Ward/Community:	District-wide
Date:	3 November 2025
File Reference:	ECM 9641148

-----End of Report -----

Quarterly Performance Report

Quarter 1

1 July to 30 September 2025



Te Kaunihera-ā-Rohe o Ngāmotu

**New Plymouth
District Council**

This quarterly performance report provides a summary of progress NPDC has made against the Long-Term Plan (LTP) 2024-2034 for Quarter 1 2025/26 (1 July to 30 September 2025).

The LTP 2024-2034 is published on the Council's website www.npdc.govt.nz



Te Kaunihera-ā-Rohe o Ngāmotu

**New Plymouth
District Council**

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Achievements during the quarter Ngā hua o tēnei wāhanga

This section provides a spotlight on work programme(s)/achievements during Quarter 1 (1 July to 30 September 2025).



Len Lye Centre marks 10-year anniversary with musical theme

To mark a decade since one of New Zealand's most iconic buildings opened, the New Zealand Symphony Orchestra - Te Tira Pūoro o Aotearoa performed *A Score for Len Lye*, by Swedish Albanian Australian artist and composer Mia Salsj. The performance was part of a weekend of events in August.



Celebrating 12 new local legends

A passionate advocate for the arts and elderly, veteran radio hosts, a devoted musician, a dedicated church leader, a passionate environmentalist and numerous community stalwarts and volunteers are among the local legends recognised with an NPDC Youth and NPDC Citizens' Award.



Clearing the way for return of native plants

Work started on a project to generate two hectares of native bush in Inglewood's Joe Gibbs Reserve, with the removal of a stand of ageing pine trees - a big step towards boosting the amount of urban native forest in our district.

A six-hectare block next to the pine forest is set to be transformed into native forest and wetland, and will host a new conservation centre established through a partnership between the Council, Pukerangiora Hapū, and the East Taranaki Environment Collective.



A grand old lady of the water network replaced

We replaced a century-old earthen ware wastewater pipe in Cutfield Road that was in poor condition.

It had a section where it dipped down when it should be straight, which meant it had a higher risk of blockage and is not doing its job of transporting sewage as well as it should.



Partnership with TSB for Stadium Taranaki secured

TSB's name is shining bright at Stadium Taranaki, with the redeveloped East Stand officially named the TSB Stand.

The naming marks a partnership that will help realise the vision of creating New Zealand's best regional stadium and is a statement of shared values and local pride.



Growing community nest egg helps build sustainable future for our tamariki

The Perpetual Investment Fund (PIF) broke the \$400 million mark this quarter, with a balance of \$409 in July.

The PIF helps to offset our rates and funds our Disaster Recovery and our Sustainable Lifestyle Capital reserves.



Preserving our heritage

Three historic buildings join our list of protected heritage structures in the latest version of the District Plan. The trio added were New Plymouth's Samoan Methodist Church, Waipuku Stream Rail Bridge and Deem and Shearer building (now Windsor Caffe) in Inglewood.



Local Water Done Well

The establishment of an NPDC Water Services Council-Controlled Organisation to deliver drinking water and wastewater services and water services plans, were approved. We also agreed to continue delivering stormwater services through an in-house mode.



Non-financial performance measures by Council Service area

Ngā tātai aronui ā te
Kaunihera



Overview

Kōrero Whakarāpopoto

Performance measures help us report back on our service performance. Targets are set for the full financial year. The table below gives an overview of how we are tracking across the 16 Council service areas for Quarter 1, 1 July to 30 September 2025 compared to the same period last year, noting a key performance indicator increase in Long-Term Plan 2024-2034.

Council Service	This period (Q1 2025/26) based on LTP 2024-2034 (112 performance measures)				TARGET NOT MET TREND compared to same period last year	Same period last year (Q1 2024/25) based on LTP 2024-2034 (108 performance measures)			
Community Partnerships	1			4	=	1			4
Customer and Regulatory Solutions	6	1	1	1	↑	3	1	4	1
Economic Development	3			2	=	5			
Emergency Management and Business Continuance	5				=	5			
Flood Protection and Control Works	3				=	3			
Governance (IN 2024/25 one measure not reported on as no triennial elections)	3				=	2			
Govett-Brewster Art Gallery/Len Lye Centre	3	1		1	↓	4			1
Management of Investments and Funding	2				=	2			
Parks and Open Spaces	2			6	=	2			6
Puke Ariki and Community Libraries	9	1		1	=	10			1
Stormwater Management	8			1	=	8			1
Transportation	2		1	5	=	2		1	5
Venues and Events	3			4	=	3			4
Waste Management and Minimisation	6	2			=	5	2		1
Wastewater Treatment	9			1	↑	8		1	1
Water Supply	12			2	=	11	1		2
Total	77	5	2	28		74	4	6	27
	69%	4%	2%	25%		67%	4%	5%	24%


● Achieved or on target

● Behind target

● Target not met

● Data not available and will be reported in the Annual Report 2025/26

Community Partnerships
Ngā rangapū ā-hapori

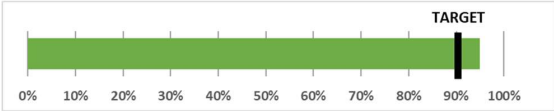
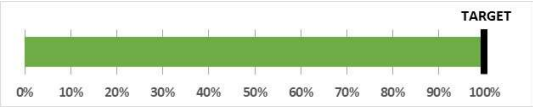
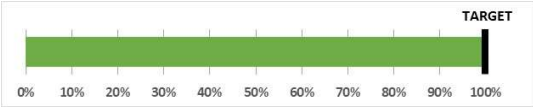
Build strategic relationships that support collaboration, capability and capacity in the community sector.		Provide a 'start-up' fund to support creativity and collaboration in new community initiatives.
<div>Not yet available</div> <div>The percentage of partners satisfied with NPDC's advice and involvement in community initiatives.</div> <div>Target: 95%</div> <div>Annual measure provided at the completion of Q4.</div>	<div>Not yet available</div> <div>The percentage of residents satisfied with NPDC's advice and support to community groups (satisfaction survey).</div> <div>Target: 90%</div> <div>Annual measure provided at the completion of Q4.</div>	<div>On target - 1</div> <div>The number of initiatives receiving 'start up' financial support.</div> <div>Target: 3</div> <div></div> <div>Consistent with same period last year. The initiative that received 'start up' financial support was a Community Leadership Development series.</div>
Provide effective funding support for community organisations and initiatives.		Effectively coordinate and administer the Housing for the Elderly service.
<div>Not yet available</div> <div>The percentage of key performance indicators achieved by recipients of the NPDC's grants (as set out in funding contracts).</div> <div>Target: 95%</div> <div>Annual measure provided at the completion of Q4.</div>	<div>Not yet available</div> <div>The percentage of tenants satisfied with the service.</div> <div>Target: 90%</div> <div>Annual measure provided at the completion of Q4.</div>	

Customer and Regulatory Solutions

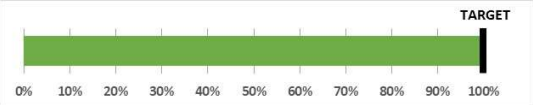
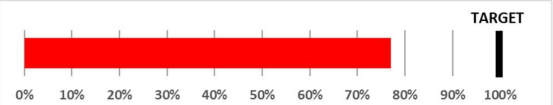
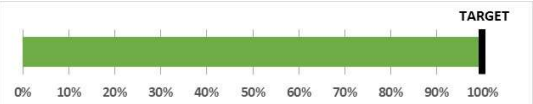
Ngā Whakatika i ngā Kiritaki me ngā Waeture

Animal control processes contribute to a safe and healthy community.		
<div><div>On target - 100%</div><div>The percentage of dog attacks responded to within two hours.</div><div>Target: 100%</div><div><div><div>0%10%20%30%40%50%60%70%80%90%100%</div><div>TARGET</div></div></div><div>Consistent with same period last year.</div></div>	<div><div>Behind target - 79%</div><div>The percentage of known dogs registered.</div><div>Target: 95%</div><div><div><div>0%10%20%30%40%50%60%70%80%90%100%</div><div>TARGET</div></div></div><div>A decrease from same period last year (85%), rounded up from 78.9%. Animal Control Officers report cost-of-living pressures as the most common reason for non-payment. With a significant portion of the financial year remaining, follow-up efforts will continue to pursue outstanding payments from dog owners.</div></div>	<div><div>Not yet available</div><div>The percentage of residents satisfied with animal control activities (satisfaction survey).</div><div>Target: 90%</div><div>Annual measure provided at the completion of Q4.</div></div>

Customer and Regulatory Solutions

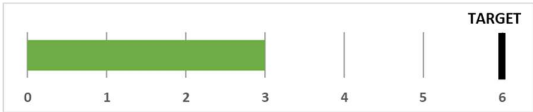
Respond to logged complaints in a timely manner.	Process requests for official information within timeframes set under Local Government Official Information and Meetings Act (1987).	Conduct alcohol licensing inspections in accordance with statutory requirements.
<div>On target - 95%</div> <p>The percentage of formal complaints that receive an interim reply or are resolved within five working days.</p> <p>Target: 90%</p>  <p>An increase from same period last year (85%). There were 41 formal complaints received this quarter compared to 72 for same period last year.</p>	<div>On target - 100%</div> <p>The percentage of requests for official information completed within statutory timeframe.</p> <p>Target: 100%</p>  <p>An /increase from same period last year (98%). There were 87 official information requests received this quarter, compared to 85 for same period last year.</p>	<div>On target - 100%</div> <p>All businesses applying for licenses under the Sale and Supply of Alcohol Act 2012 will be inspected in accordance with statutory requirements.</p> <p>Target: 100%</p>  <p>Consistent with same period last year. We have a total of 230 licensed premises in the district. All premises are inspected when new or renewal applications are received, or on a report of non-compliance. All licensing requirements have been met.</p>

Customer and Regulatory Solutions

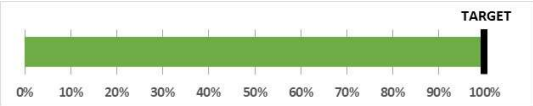
Process consent applications within statutory timeframes.		
<div><div>On target – 100%</div><div>The percentage of building applications processed within statutory timeframes (consents and code compliance certificates).</div><div>Target: 100%</div><div></div><div>An increase from same period last year (95% of 841 building applications). There has been a total of 742 building applications processed in this quarter 442 building consent applications and 300 code compliance certificates) within statutory timeframes.</div></div>	<div><div>Target not met - 77%</div><div>The percentage of non-notified resource management consents processed within statutory timeframes.</div><div>Target: 100%</div><div></div><div>An increase from same period last year (61% - 87 non-notified consents), rounded up from 76.5%. There were 115 non-notified consents processed in this quarter, 27 exceeded timeframes. Compliance with RMA requirements continues to trend positively as we see the backlog of older consents diminish, the addition of a planning supervisor and improved IT systems allowing us to process consents quicker.</div></div>	<div><div>On target - 100%</div><div>The percentage of non-notified resource management consents where decisions to extend timeframes meet the requirements of the Resource Management Act 1991 requirements.</div><div>Target: 100%</div><div></div><div>An increase from same period last year (85%). Any incorrect s37 (power of waiver and extension of time limits) issued are excluded from reporting. Recent changes to internal audit processes now allow early identification of such discrepancies before they are reported.</div></div>

5.1

Economic Development
Whakawhanake Ohaoha

Promote the New Plymouth District and the Taranaki region as a vibrant and desirable place to work, live, learn, play and invest.		Facilitate, promote, and support sustainable business growth, innovation, investment and employment opportunities in Taranaki.	
<div>On target - 3</div> <div>The number of major events attracted or retained.</div> <div>Target: 6</div> <div></div> <div>An increase from same period last year (2). The events contracted in this quarter were: Bowl event (Rock The Bowl); Americarna; Coastal Five (additional funding).</div>		<div>Not yet available</div> <div>The annual additional funding secured for the provision of regional development programmes, projects and services into Taranaki in line with regional strategy such as Tapuae Roa, subject to central government policy and funding.</div> <div>Target: 20% of total funding</div> <div>Annual measure provided at the completion of Q4.</div>	
		<div>On target – 85.40</div> <div>Client satisfaction across all business support services, events, programmes and initiatives.</div> <div>Target: Net Promoter Score (NPS) 40+</div> <div>A decrease from same period last year (93.8). This score is based on formal feedback received from Venture Taranaki events held in Q1. Only events with systematised feedback were included in the calculation. The events included were: Biotech Connect, Visitor Sector Hui, PowerUp Masterclass, Taranaki Science Symposium, and Positioning for the Future.</div>	

Economic Development

Facilitate, promote, and support sustainable business growth, innovation, investment and employment opportunities in Taranaki.	
<div>Not yet available</div> <div>Number of events, programmes or initiatives to drive change and support regional strategy objectives such as in Tapuae Roa and Taranaki 2050.</div> <div>Target: 10</div> <div>Annual measure provided at the completion of Q4.</div>	<div>On target – 100%</div> <div>Performance measures and reporting requirements of external contracts (such as with central government) are achieved.</div> <div>Target: 90%</div> <div></div> <div>Consistent with same period last year. As at the end of Q1, there are 21 external contracts, with projects and deliverables on track.</div>

5.1

Emergency Management and Business Continuance

Whakahaere Wā Mōrearea me te Tōnuitanga Pakihi

5.1

Ensure NPDC is ready for, can respond to, and can recover from emergencies.		
<p>On target</p> <p>Emergency processes and plans are reviewed and updated annually as per review schedule.</p> <p>Target: Achieved</p> <p>All plans continue to be reviewed and updated by process owners, with review dates for late 2025.</p>	<p>On target</p> <p>Recruit, train, and maintain a database of at least 150 staff and volunteers capable of responding to an emergency.</p> <p>Target: Achieved</p> <p>A decrease from same period last year (162). There are 152 recruited and trained staff and volunteers (97 trained EOC staff, 55 trained community volunteers who are aligned with Civil Defence Centre within the region). A targeted NPDC education and recruitment campaign will begin in January 2026.</p>	<p>On target</p> <p>Ensure the NPDC Emergency Operations Centre (EOC) is fit for purpose.</p> <p>Target: Complete monthly system checks and an annual EOC capability audit</p> <p>Monthly checks completed. Next scheduled annual EOC capability audit due May 2026.</p>
<p>Achieved - 2</p> <p>Develop and implement an NPDC emergency exercise programme.</p> <p>Target: Undertake two emergency exercises</p> <p>An increase from same period last year (1). One exercise completed in August on D4H training platform for NPDC staff and in September a combined Intel/GIS/Planning exercise with all three councils and TEMO.</p>		

Emergency Management and Business Continuance

Assist the New Plymouth community in becoming ready for, responding to, and recovering from emergencies.

On target - 7

Emergency Centres are identified, assessed and formalised with Memorandum(s) of Understanding.

Target: 8

Metric	Score	Target
Emergency Centres identified, assessed and formalised with MOUs	7	8

Consistent with same period last year. Seven Civil Defence centres identified, assessed and formalised with MOUs: Owae Marae, North Taranaki Sports and Recreation Waitara, North Point Baptist Church, Coastal School, Knox Church, Oakura Bowling Club and TET Stadium.

Owae Marae has been assessed under the marae resilience framework developed by Nga Iwi o Taranaki.

5.1

Flood Protection and Control Works

Tiakina Waipuke me ngā Mahinga Whakahaere

5.1

Major flood protection scheme assets and systems are maintained in accordance with asset management plans and annual works programme.		Major flood protection scheme assets and systems are repaired in accordance with asset management plans and annual works programme.
<div>On target</div> <div>Assets to be maintained to full service potential in accordance with the Dam Safety Management System and Asset Management System (T1) scheduled maintenance.*</div> <div>Target: Achieved</div> <div>Maintenance is being scheduled accordingly.</div>	<div>On target</div> <div>Dam Safety Management System is updated in accordance with Dam Safety Regulation.</div> <div>Target: Achieved</div> <div>Adhering to the new regulations.</div>	<div>On target</div> <div>Following an event, damage is identified and programmed for repair.</div> <div>Target: Achieved</div> <div>Clearing debris at several intakes to prevent damage after an event.</div>



Note: Renewal works are not included in Council's asset management plans/annual programme due to the current remaining lives of the assets.

* Flood protection assets are maintained in accordance with the maintenance scheduled in NPDC's Tech 1 system.

Governance
Kāwanatanga

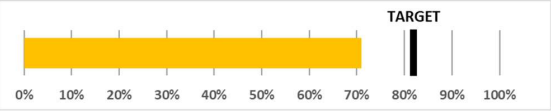
Effectively manage local elections in accordance with statutory requirements.		Ensure NPDC processes comply with statutory requirements.
<div>On target</div> <p>Elections and polls comply with the provisions of the Local Electoral Act 2001 and are without successful petitions for inquiry into the conduct of elections.</p> <p>Target: Full compliance</p> <p>2025 elections underway. Full compliance expected. No process issues raised to date.</p>	<div>On target</div> <p>The Long-Term Plan, Annual Plan and Annual Report are each adopted within statutory timeframes.</p> <p>Target: Full compliance</p> <p>Preparatory work on the Annual Report 2024/25 and Annual Plan 2025/26 continued.</p> <p>Annual Report 2024/25 was reported to Finance, Audit and Risk Committee on 30 September 2025.</p>	<div>On target</div> <p>Meeting agendas are available at least two working days before every meeting.</p> <p>Target: Full compliance</p> <p>Meeting agendas provided online within statutory timeframes. Hard copies available to members of the public on request.</p>

Govett-Brewster Art Gallery/Len Lye Centre
Te Whare Toi ā Govett-Brewster me Len Lye

Provide access to an engaging range of contemporary art from New Zealand and around the world.														
<div>On target – 0</div> <div>The annual number of exhibitions on offer.</div> <div>Target: 7</div> <div>A decrease from same period last year (2). Q1 exhibitions opened at the end of the previous financial year, with three exhibitions scheduled to be opened in Q2.</div>	<div>On target – 19,153</div> <div>The annual number of visitor entries.</div> <div>Target: 74,000</div> <div><table><tr><th>Metric</th><th>Value</th></tr><tr><td>Actual</td><td>19,153</td></tr><tr><td>Target</td><td>74,000</td></tr></table></div> <div>An increase from same period last year (17,462 – target 72,000). The Gallery received a total of 19,153 visitor entries during the first quarter – 5,902 in July, 6,728 in August and 6,523 in September.</div>	Metric	Value	Actual	19,153	Target	74,000	<div>On target - 34</div> <div>The annual number of audience engagement events.*</div> <div>Target: 65</div> <div><table><tr><th>Metric</th><th>Value</th></tr><tr><td>Actual</td><td>34</td></tr><tr><td>Target</td><td>65</td></tr></table></div> <div>An increase from same period last year (22). The Gallery delivered five audience engagement events in July, 11 in August and 18 in September as well as 43 recurring events during the quarter.</div>	Metric	Value	Actual	34	Target	65
Metric	Value													
Actual	19,153													
Target	74,000													
Metric	Value													
Actual	34													
Target	65													

* These include formal ticketed events such as the Monica Brewster evenings, free and paid gallery and exhibition tours, targeted free events such as Sense Art tours, Gallery Babes and Gallery Seniors, education programmes including Young Visionaries, family art and workshops, and other public talks, lectures, tours and workshops.

Govett-Brewster Art Gallery/Len Lye Centre

Provide access to an engaging range of contemporary art from New Zealand and around the world.	
<div>Not yet available</div> <div>The percentage of residents satisfied with the service (satisfaction survey).</div> <div>Target: 65%</div> <div>Annual measure provided at the completion of Q4.</div>	<div>Behind target – 71%</div> <div>The percentage of customers satisfied with their overall experience at the Govett-Brewster Art Gallery/Len Lye Centre (in-house surveys).</div> <div>Target: 82%</div> <div></div> <div>A decrease from same period last year (91%), rounded up from 70.8%. During the first quarter 41 visitors were surveyed, who reported to be very satisfied (61%) or satisfied (9.8%). Survey results influenced by the timing of exhibitions.</div>

5.1

Management of Investments and Funding

Whakahaere o ngā Haumitanga me ngā Pūtea Mōni

5.1

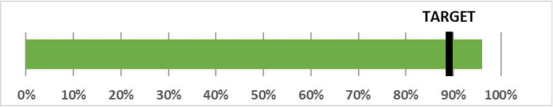
Manage the Perpetual Investment Fund (PIF) to provide sustainable NPDC revenue.	Manage NPDC's borrowing programme in accordance with the Liability Management Policy.*
<p>On target</p> <p>The annual return from the PIF received by NPDC.</p> <p>Target: 3.3% + CPI + management fees and costs</p> <p>The fund has an unrealised gain of \$18.6m for the first quarter to 30 September 2025.</p> <p>NPDC have received \$3.1m from the PIF for the year to date.</p>	<p>On target</p> <p>Debt levels comply with limits set by policy.</p> <p>Target: All measures met</p> <p>Net debt as at 30 September 2025 was \$(98.9)m.**</p> <ul style="list-style-type: none"> • Net debt of total revenue is (38.3)% - TMP maximum limit is 135%.** • Net interest expense on external debt is 5.2% of total revenue – TMP maximum limit is 10%. • Net interest expense on external debt of total annual rates income is 8% - TMP maximum limit is 12.5%. • Liquidity is 109.4% over existing debt – TMP target is to be greater than 105%.

* The Liability Management Policy is incorporated within the Treasury Management Policy (TMP) which was updated and approved by the Council on 18 June 2024.

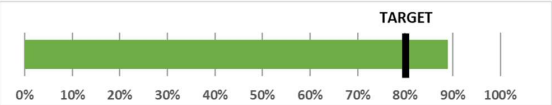
** The result for these measures are negative as the Council's net debt is nil. This is because the Council's liquid assets are greater than borrowings

Parks and Open Spaces

Ngā Papa Rēhia me ngā Wāhi Tuwhera

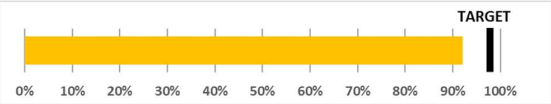
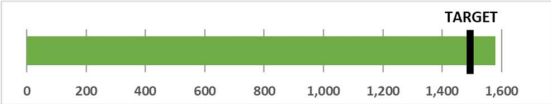
Maintain quality district parks, reserves and open spaces.		
<p>Not yet available</p> <p>The percentage of residents satisfied with the quality of the district's parks and reserves, including the Coastal Walkway and Pukekura Park (satisfaction survey).</p> <p>Target: 95%</p> <p>Annual measure provided at the completion of Q4.</p>	<p>Not yet available</p> <p>The percentage of residents satisfied with the quality of the district's urban landscapes and streets (satisfaction survey).</p> <p>Target: 90%</p> <p>Annual measure provided at the completion of Q4.</p>	<p>Not yet available</p> <p>The percentage of residents satisfied with the quality of the district's sports grounds (satisfaction survey).</p> <p>Target: 90%</p> <p>Annual measure provided at the completion of Q4.</p>
<p>Not yet available</p> <p>The percentage of residents satisfied with the quality of the district's playgrounds (satisfaction survey).</p> <p>Target: 95%</p> <p>Annual measure provided at the completion of Q4.</p>	<p>Achieved – 96%</p> <p>The percentage of compliant playgrounds with NZ Safety Standards.</p> <p>Target: 90%</p> <div></div> <p>An independent audit of playgrounds was completed in March 2024. This audit is completed every three years with the next audit due in 2027.</p>	<p>Not yet available</p> <p>The percentage of Brooklands Zoo visitors satisfied with the zoo (in-house survey).</p> <p>Target: 90%</p> <p>Annual measure provided at the completion of Q3.</p>

Parks and Open Spaces

Maintain access to the district’s parks, reserves and open spaces.	Provide quality public toilets across the district.
<div>Achieved – 89%</div> <div>The percentage of households in the district that are within 500 metres of a park, reserve or neighbourhood open space.</div> <div>Target: 80%</div> <div></div> <div>An increase from same period last year (84%). This target is measured annually in Q1.</div>	<div>Not yet available</div> <div>The percentage of the community satisfied with the quality of the district’s public toilets (satisfaction survey).</div> <div>Target: 80%</div> <div>Annual measure provided at the completion of Q4.</div>

5.1

Puke Ariki and Community Libraries
Puke Ariki me ngā Whare Pukapuka ā-hapori

Provide an accessible and informative point of contact and booking service for visitors to New Plymouth District.	Ensure library collections, including digital resources, are available to meet the needs of the community.	Ensure our libraries are accessible across the district.
<p>Behind target – 92%</p> <p>The percentage of customers satisfied with the i-SITE Visitor Information Centre (in-house survey).</p> <p>Target: 98%</p>  <p>A decrease from same period last year (100%). Small sample size of 13 with one unsatisfied customer.</p>	<p>On target – 3.0 items</p> <p>The number of items per capita is maintained.</p> <p>Target: 3 to 3.5 items</p> <p>A decrease from same period last year (3.1 items). Total number of collection items (digital and physical) is 272,288.</p>	<p>On target – 1,580 per day</p> <p>The average number of customers per day across Puke Ariki and community libraries.*</p> <p>Target: 1,000 per day</p>  <p>An increase from same period last year (1,544 per day). There were 145,348 visitors to all libraries in Q1.</p>



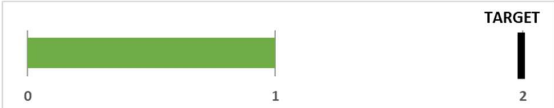
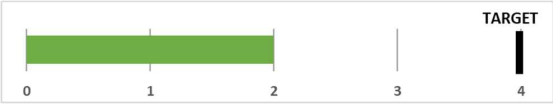
* Physical visits to Bell Block, Waitara, Inglewood, Urenui, Ōākura community libraries and the mobile library.

Puke Ariki and Community Libraries

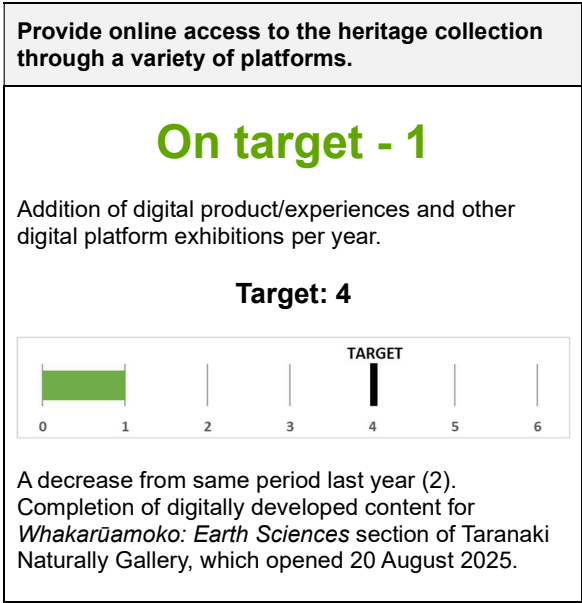
Provide access to online information using public computing devices.
<div><div>On target</div><div>Free WiFi available and access to online information using public computers and customer devices is available.</div><div>Target: Free access at all libraries</div><div>Free WiFi and access to free public computers and printing services across all libraries continues to be well used.</div></div>

5.1

Puke Ariki and Community Libraries

Offer widely accessible and engaging education programmes and public and community programmes.		
<div>On target - 623</div> <div>The annual number of programmed learning opportunities on offer.</div> <div>Target: 1,200</div> <div></div> <div>An increase from same period last year (606).</div>	<div>On target – 13,032</div> <div>The number of participants attending.</div> <div>Target: 29,000</div> <div></div> <div>An increase from same period last year (11,142).</div>	<div>Not yet available</div> <div>The percentage of participants satisfied with programmes (in-house survey).</div> <div>Target: 95%</div> <div>Annual measure provided at the completion of Q4.</div>
Provide new, dynamic exhibitions regularly to ensure visitor engagement and repeat visits.		
<div>Achieved - 1</div> <div>Refresh of permanent galleries.</div> <div>Target: 1</div> <div></div> <div>An increase from same period last year (0). <i>Whakarūamoko: Active Earth</i> exhibition opened 20 August 2025.</div>	<div>On target - 0</div> <div>Temporary exhibitions annually.</div> <div>Target: 2</div> <div>A decrease from same period last year (1). The next major temporary exhibition <i>Rescue</i> will run from 15 November 2025 to 19 April 2026. In addition, a couple of smaller temporary exhibitions are likely to be held before the end of the financial year.</div>	<div>On target - 2</div> <div>Additional exhibitions per year in other Gallery spaces.</div> <div>Target: 4</div> <div></div> <div>An increase from same period last year (0). Additional exhibitions: <i>No Sea Bed Mining</i> (Museum foyer), <i>Fanny Good</i> (Community Lounge).</div>

Puke Ariki and Community Libraries



5.1

Stormwater Management

Whakahaere Wai Marangai

5.1

Provide a stormwater management system that protects people and property.	
<div>On target – 0</div> <div>The number of flooding events in the district per financial year.</div> <div>Target: 0</div> <div>Consistent with same period last year. There have been no flooding events in the district.</div>	<div>On target – 0</div> <div>The number of habitable floors affected in each flooding event (per 1,000 properties connected to NPDC's stormwater system).</div> <div>Target: 1 or less</div> <div>Consistent with same period last year. There have been no flooding events which have flooded habitable floors.</div>

Stormwater Management

Comply with all resource consents for discharges from our stormwater system.		
<div>On target – 0</div> <div>The number of abatement notices received.</div> <div>Target: 0</div> <div>Consistent with same period last year. No abatement notices received.</div>	<div>On target – 0</div> <div>The number of infringement notices received.</div> <div>Target: 0</div> <div>Consistent with same period last year. No infringement notices received.</div>	<div>On target – 0</div> <div>The number of enforcement orders received.</div> <div>Target: 0</div> <div>Consistent with same period last year. No enforcement orders received.</div>
<div>On target – 0</div> <div>The number of convictions received.</div> <div>Target: 0</div> <div>Consistent with same period last year. No convictions received.</div>		

5.1

Stormwater Management

Respond to service requests in a timely manner.	Ensure customers are satisfied with the performance of our stormwater system.	Provide a good quality and safe stormwater system.
<p>On target – 0.40 hours</p> <p>The median response time to a flooding event (from the time that NPDC receives notification to the time service personnel reach the site*).</p> <p>Target: One hour or less</p> <p>A decrease from same period last year (0.43 hours).</p>	<p>On target – 2.60</p> <p>The number of complaints received about the performance of NPDC's stormwater system (per 1,000 properties connected).</p> <p>Target: 8 or less</p> <p>An increase from same period last year (1.05). The measure allows for 64 or less complaints for each quarter. For Q1 there were 85 complaints from 32,672 connections to the wastewater system.</p> <p>The large number of complaints was the result of the July storm event in Taranaki, which generated 63 complaints.</p>	<p>Not yet available</p> <p>The percentage of residents satisfied with the quality and safety of the district's stormwater supply (satisfaction survey).</p> <p>Target: 70%</p> <p>Annual measure provided at the completion of Q4.</p>

* The times shown for 'attendance' and 'resolution' are reported by NPDC's operation and maintenance contractor as part of their contracted responsibilities. This includes travel time. The accuracy of these times has been verified by NPDC.

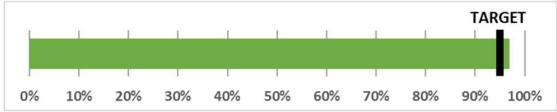
Transportation

Ngā waka kawenga

5.1

Provide a local roading network that is safe for all road users.		Provide good quality district roads.	
<p>Not yet available</p> <p>The change from the previous financial year in the number of fatality and serious injury crashes on the district's local roading network.</p> <p>Target: Reducing</p> <p>Annual measure provided at the completion of Q4.</p>		<p>Not yet available</p> <p>The average quality of ride on the district's sealed local road network, as measured by smooth travel exposure.</p> <p>Target: 85%</p> <p>Annual measure provided at the completion of Q4.</p>	
<p>Not yet available</p> <p>The percentage of residents satisfied with the overall quality of the district's roads (satisfaction survey).</p> <p>Target: 60%</p> <p>Annual measure provided at the completion of Q4.</p>			
Appropriately maintain the district's sealed roads.		Provide a high quality and safe footpath network.	
<p>Not yet available</p> <p>The minimum percentage of the sealed local road network that is resurfaced.</p> <p>Target: 5%</p> <p>Annual measure provided at the completion of Q4.</p>		<p>Achieved – 93.5%</p> <p>The percentage of footpaths that meet the levels of service and service standards in current condition surveys, as set out in the Transportation Asset Management Plan.</p> <p>Target: More than 90% of footpath length surveyed in good or excellent condition</p> <p>The footpath condition rating survey was completed in 2022/23. This survey is measured every three years with the next condition survey to take place in Q3 2025/26.</p>	
		<p>Target not met – 3%</p> <p>Footpath length recorded as failed.</p> <p>Target: 3% or less</p> <p>The footpath condition rating survey was completed in 2022/23. This survey is measured every three years with the next condition survey to take place in Q3 2025/26.</p>	

Transportation

Respond to service requests in a timely manner.	Provide a quality and safe cycle network.
<p>On target - 97%</p> <p>The percentage of roading and footpath related customer service requests responded to within target timeframes.*</p> <p>Target: 95%</p>  <p>Consistent with same period last year. For Q1 there were 1,151 customer service requests, of which 36 were responded to late.</p>	<p>Not yet available</p> <p>The percentage of residents satisfied with the quality and safety of the district's cycle network (satisfaction survey).</p> <p>Target: 85%</p> <p>Annual measure provided at the completion of Q4.</p>


* Service request timeframes:

- one day for an electrical fault with traffic signals, flooding, diesel spills, chemical spills or a slip to be cleared.
- three days for street lighting faults and potholes.
- five days for traffic counts, bus shelter repairs, road marking enquiries, culvert maintenance, rubbish bins, reinstatement of footpaths and debris in the roadside channel.
- ten days for road surface faults, kerb and channel repairs, new kerb and channel, missing road signs and vegetation clearing.



Venues and Events

Ngā hinonga me Ngā Whakaaturanga

5.1

Provide high quality pools that encourage community participation in aquatic activities.							
<div>Not yet available</div> <div>The percentage of residents satisfied with NPDC's swimming facilities (satisfaction survey).</div> <div>Target: 85%</div> <div>Annual measure provided at the completion of Q4.</div>	<div>On target – 77,465</div> <div>The number of pool patrons per year.</div> <div>Target: 390,000</div> <div><table border="1"><thead><tr><th>Measure</th><th>Value</th></tr></thead><tbody><tr><td>Pool patrons per year</td><td>77,465</td></tr><tr><td>Target</td><td>390,000</td></tr></tbody></table></div> <div>A decrease from same period last year (82,643). Q1 usually has lower numbers, reflective of winter months.</div>	Measure	Value	Pool patrons per year	77,465	Target	390,000
Measure	Value						
Pool patrons per year	77,465						
Target	390,000						

Venues and Events

Provide a range of appealing events at high quality venues.		Provide a network of high quality venues that create opportunities for the community to attend arts, cultural, sporting and recreation activities.
<p>Not yet available</p> <p>The percentage of residents satisfied with NPDC's events (satisfaction survey).</p> <p>Target: 95%</p> <p>Annual measure provided at the completion of Q4.</p>	<p>Not yet available</p> <p>The percentage of residents satisfied with NPDC's events venues (satisfaction survey).</p> <p>Target: 96%</p> <p>Annual measure provided at the completion of Q4.</p>	<p>The number of attendees and events/bookings across all venues.</p> <p>On target – 113,352</p> <p>Target: 280,000 attendees</p>  <p>On target - 286</p> <p>Target: 1,000 events</p>  <p>There has been an increase in attendees from same period last year (85,391) and an increase with number of events from same period last year (253).</p> <p>While the target for events is currently on track, we expect this will not be met over the financial year due to the closure of the TSB Showplace for eight months from October 2025 to May 2026 for refurbishment works.</p>

Venues and Events

Provide an accessible and attractive Festival of Lights event.
<div><div>Not yet available</div><div>The number of attendees at Festival of Lights</div><div>Target: 145,000 attendees</div><div>This measure will be provided in Q3 following the Summer Festival of Lights December 2025 to January 2026.</div></div>

5.1

Waste Management and Minimisation

Whakahaere Para me tāna Whakaitinga

5.1

Deliver waste services and education programmes to actively encourage our communities to continually minimise waste levels throughout the district.	
<div>Behind target – 0.5% decrease</div> <div>The reduction in total waste to landfill per capita in the district (measured as a year on year percentage).</div> <div>Target: 5%</div> <div>A total of 69.6kg per capita of waste was landfilled in the district during July to September 2025, compared to 70kg for the same period last year.</div>	<div>Behind target – 0.8% increase</div> <div>The reduction in waste to landfill per household (measured as a year on year percentage).</div> <div>Target: 5%</div> <div>A total of 67.2kg per household of waste was landfilled during July to September 2025, compared to 66.7kg for the same period last year.</div>

Waste Management and Minimisation

Enhance the environment through low waste and low emissions solutions.		
<p>On target – 0</p> <p>The number of abatement notices received.</p> <p>Target: 0</p> <p>Consistent with same period last year. No abatement notices received.</p>	<p>On target – 0</p> <p>The number of infringement notices received.</p> <p>Target: 0</p> <p>Consistent with same period last year. No infringement notices received.</p>	<p>On target – 0</p> <p>The number of enforcement orders received.</p> <p>Target: 0</p> <p>Consistent with same period last year. No enforcement orders received.</p>
Enhance the environment through low waste and low emissions solutions.	Deliver waste management and minimisation services that customers are satisfied with.	
<p>On target – 0</p> <p>The number of convictions received.</p> <p>Target: 0</p> <p>Consistent with same period last year. No convictions received.</p>	<p>On target – 0.16</p> <p>The number of complaints about the Council's waste management and minimisation service received (per 1,000 customers).</p> <p>Target: 2 or less</p> <p>An increase from same period last year (0.12). The measure allows for 16 or less complaints for each quarter. For Q1 there were five complaints from 31,000 customers.</p>	<p>Not yet available</p> <p>The percentage of the community satisfied with the kerbside rubbish and recycling collection service (satisfaction survey)</p> <p>Target: >80%</p> <p>Annual measure provided at the completion of Q4.</p>

5.1

Wastewater Treatment

Rāwekeweke Waipara

5.1

Provide an effective wastewater treatment and disposal system.		Comply with all resource consents for wastewater discharge from our system.	
<div>On target – 0.06</div> <div>The number of dry weather sewerage overflows per 1,000 connections to the wastewater system.</div> <div>Target: 1.5</div> <div>An increase from same period last year (0.03). The measure equates to 14 or less overflows for each quarter. There has been a total of two dry weather overflows to date from 31,532 connections.</div>		<div>On target – 0</div> <div>The number of abatement notices received.</div> <div>Target: 0</div> <div>Consistent with same period last year. No abatement notices received.</div>	<div>On target – 0</div> <div>The number of infringement notices received.</div> <div>Target: 0</div> <div>A decrease from same period last year (1). No infringement notices received.</div>
Comply with all resource consents for wastewater discharge from our system.			
<div>On target – 0</div> <div>The number of enforcement orders received.</div> <div>Target: 0</div> <div>Consistent with same period last year. No enforcement orders received.</div>		<div>On target – 0</div> <div>The number of convictions received.</div> <div>Target: 0</div> <div>Consistent with same period last year. No convictions received.</div>	

Wastewater Treatment

Respond to customer and maintenance requests in a timely manner.		Ensure customers are satisfied with the wastewater treatment and disposal service
<p>On target – 0.53 hours</p> <p>The median response time to sewerage overflow callouts (from the time NPDC receives notification to the time that service personnel reach the site*).</p> <p>Target: 1 hour or less</p> <p>A decrease from same period last year (0.56 hours).</p>	<p>The median resolution time for sewerage overflow callouts (from the time NPDC receives notification to the time that service personnel confirm resolution of the fault or interruption).</p> <p>On target – 1.79 hours</p> <p>Target: 4 hours or less for sewers <250 dia</p> <p>On target - 0</p> <p>Target: 8 hours or less for sewers ≥ 250 dia</p> <p>A decrease from same period last year (1.87 hours) for <250 dia, with no callouts for ≥250 dia.</p> <p>dia = diameter</p>	<p>On target – 1.59</p> <p>The total number of complaints received about sewerage odour; system faults or blockages; or NPDC's response to issues with the sewerage system (per 1,000 connected properties).</p> <p>Target: 13 or less</p> <p>An increase from same period last year (1.26). The measure allows for 120 or less complaints for each quarter. For Q1 there were 50 complaints from 31,532 connections to the wastewater system.</p>

* The times shown for 'attendance' and 'resolution' are reported by NPDC's operation and maintenance contractor as part of their contracted responsibilities. This includes travel time. The accuracy of these times has been verified by NPDC.

Wastewater Treatment

Provide a good quality and safe wastewater treatment system.
<div><div>Not yet available</div><div>The percentage of residents satisfied with the quality and safety of the district’s wastewater treatment system (satisfaction survey).</div><div>Target: 80%</div><div>Annual measure provided at the completion of Q4.</div></div>

5.1

Water Supply

Whakaputunga Wai

5.1

Provide water that is safe to drink.	Maintain the reticulated water network in good condition.	Respond to faults and unplanned interruptions to the water supply network in a timely manner.
<p>On target</p> <p>Compliance with the Water Services (Drinking Water Standards for New Zealand) Regulations 2022 and DWQAR 2022.¹</p> <p>Target: Full compliance</p> <p>No non compliances in this quarter.</p>	<p>Not yet available</p> <p>The percentage of real water loss from NPDC's networked reticulation system.*</p> <p>Target: 20% or less</p> <p>Annual measure provided at the completion of Q4.</p>	<p>On target – 0.54 hours</p> <p>The median response time to urgent callouts (from the time NPDC receives notification to the time that service personnel reach the site**).</p> <p>Target: 1 hour or less</p> <p>A decrease from same period last year (0.58 hours).</p>

¹ The Department of Internal Affairs (DIA) updated this mandatory performance measure after NPDC published its LTP 2024, which sets our statement of service. The updated measure still covers the bacterial and protozoal compliance of water supplies but now is directly referenced to the relevant rules in the Drinking Water Quality Assurance Rules 2022. Our reporting for 2025/26 is, therefore, against those rules.

* Water loss calculation: We calculate the percentage of water loss by dividing the annual volume of water loss by the total amount of treated water supplied for the year (obtained from water meter records from the Water Treatment Plant). To calculate the annual volume of water loss, we determine the minimum night flow (the average flow between 2am and 4am for the lowest 20 days of the year divided by the number of connections) and subtract the legitimate night usage per property (assumed to be six litres per property per hour). The difference is the estimated volume of water loss per property.

** The times shown for 'attendance' and 'resolution' are reported by NPDC's operation and maintenance contractor as part of their contracted responsibilities. This includes travel time. The accuracy of these times has been verified by NPDC.

Water Supply

Respond to faults and unplanned interruptions to the water supply network in a timely manner.		
<p>The median resolution time for urgent callouts (from the time NPDC receives notification, to the time that service personnel confirm resolution of the fault or interruption).</p> <p>On target – 1.61 hours</p> <p>Target: 4 hours or less for mains <250 dia</p> <p>On target - 0</p> <p>Target: 8 hours or less for mains ≥ 250 dia</p> <p>A decrease from same period last year (1.63 hours) for <250 dia, with no callouts for ≥250 dia. dia = diameter</p>	<p>On target – 27.49 hours</p> <p>The median response time to non-urgent callouts (from the time NPDC receives notification to the time that service personnel reach the site).</p> <p>Target: 70 hours or less</p> <p>A decrease from same period last year (28.88 hours).</p>	<p>On target – 67.91 hours</p> <p>The median resolution time for non-urgent callouts (from the time NPDC receives notification to the time that service personnel confirm resolution of the fault or interruption).</p> <p>Target: 116 hours or less</p> <p>A decrease from same period last year (69.96 hours).</p>

Water Supply

Ensure customers are satisfied with our water supply service.	Provide a good quality and safe water supply.	Manage demand to minimise the impact of water supply activities on the environment.
<p>On target – 3.35</p> <p>The total number of complaints (per 1,000 connections) received about any of the following:</p> <ul style="list-style-type: none">• drinking water clarity, taste, or odour;• drinking water pressure or flow;• continuity of supply; and• NPDC’s response to any of these issues. <p>Target: 16 or less</p> <p>A decrease from same period last year (5.14). The measure allows for 118 or less complaints for each quarter. For Q1 there were 100 complaints from 29,830 connections.</p>	<p>Not yet available</p> <p>The percentage of residents satisfied with the quality and safety of the district’s water supply (satisfaction survey).</p> <p>Target: 80%</p> <p>Annual measure provided at the completion of Q4.</p>	<p>On target – 263 litres per day</p> <p>The average consumption of drinking water per day, per resident, within New Plymouth District.</p> <p>Target: 300 litres per day</p> <p>A decrease from same period last year (300 litres per day).</p>

Water Supply

Manage demand to minimise the impact of water supply activities on the environment.		
<div>On target - 0</div> <div>The number of abatement notices received.</div> <div>Target: 0</div> <div>Consistent with same period last year. No abatement notices received.</div>	<div>On target - 0</div> <div>The number of infringement notices received.</div> <div>Target: 0</div> <div>Consistent with same period last year. No infringement notices received.</div>	<div>On target - 0</div> <div>The number of enforcement orders received.</div> <div>Target: 0</div> <div>Consistent with same period last year. No enforcement orders received.</div>
<div>On target - 0</div> <div>The number of convictions received.</div> <div>Target: 0</div> <div>Consistent with same period last year. No convictions received.</div>		



Financial performance

Ngā ekenga pūtea

Cost of Services Statement

		Year-to-date September 2025			
Net operating surplus/(deficit) by Activity		Actual	Budget	Variance	
Page	Activity	(\$000)	(\$000)	(\$000)	%
51	Community Partnerships	(2,188)	(2,229)	41	-2%
52	Customer and Regulatory Solutions	570	1,969	(1,399)	-71%
53	Economic Development	(2,997)	(2,619)	(379)	14%
54	Emergency Management and Business Continuance	(298)	(315)	17	-5%
55	Flood Protection and Control Works	(181)	(203)	22	-11%
56	Governance	(1,581)	(1,537)	(44)	3%
57	Govett-Brewster Art Gallery/Len Lye Centre	(1,437)	(1,488)	51	-3%
58	Management of Investments and Funding	21,571	5,059	16,512	326%
59	Parks and Open Spaces	(4,537)	(4,346)	(191)	-4%
60	Puke Ariki and Community Libraries	(3,632)	(3,759)	128	3%
61	Stormwater Management	(3,156)	(2,749)	(406)	-15%
62	Transportation	(6,726)	(4,338)	(2,387)	-55%
63	Venues and Events	(2,899)	(3,756)	857	23%
64	Waste Management and Minimisation	(3,609)	(3,440)	(169)	5%
65	Wastewater Treatment	(2,059)	(4,896)	2,837	58%
66	Water Supply	(3,431)	(5,045)	1,614	-32%
	Other Operating ⁽¹⁾ (including Rates)	37,155	40,671	(3,516)	-9%
	Shared Services ⁽²⁾ Respread Allocation	(1,372)	145	(1,517)	-1043%
NET OPERATING SURPLUS/(DEFICIT)		19,193	7,124	12,069	169%
Accounting adjustments:					
Add:	Unfunded depreciation	6,634	7,488	(854)	11%
Less:	Net unrealised gains in the PIF	(18,567)	(2,128)	(16,438)	-772%
Add:	Net unrealised losses in swap revaluations ⁽¹⁾	2,938	-	2,938	0%
Less:	Capital grants and subsidies	(6,200)	(5,515)	(685)	-12%
Less:	Waitara freehold sales transferred to reserves	-	(96)	96	100%
Funding entries:					
Less:	Debt repayments	(4,166)	(5,879)	1,713	29%
Less:	Appropriations / Add: Reserve drawdowns	(3,504)	(5,938)	2,434	41%
RATES SURPLUS/(DEFICIT)		(3,672)	(4,945)	1,273	-26%

⁽¹⁾ This predominantly includes accounting entries such as gains/(losses) on asset sales/disposals and unrealised gains/(losses) on revaluation of derivative swaps.

⁽²⁾ Shared Services includes overhead costs related to Executive, Digital Enablement, Finance & Planning and Project teams.

Key:

On target
variance is within \$100k

Minor variance to budget
variance more than \$100k and within 5%

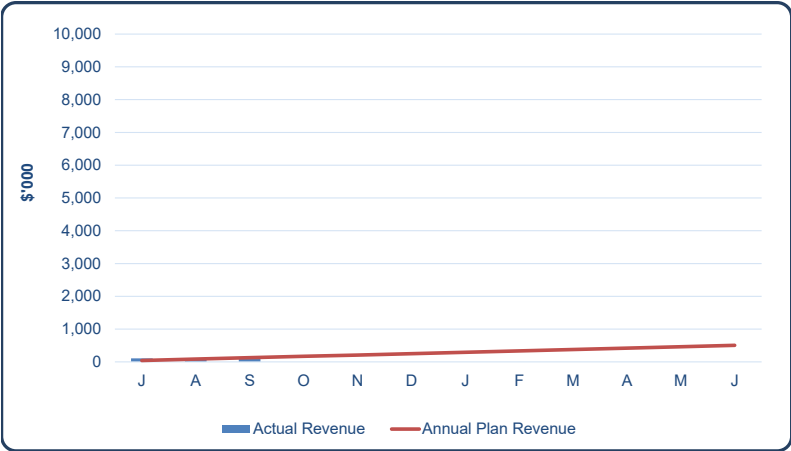
Significant favourable variance to budget
variance greater than \$100k and 5%

Significant unfavourable variance to budget
variance greater than \$100k and 5%

5.1

COMMUNITY PARTNERSHIPS

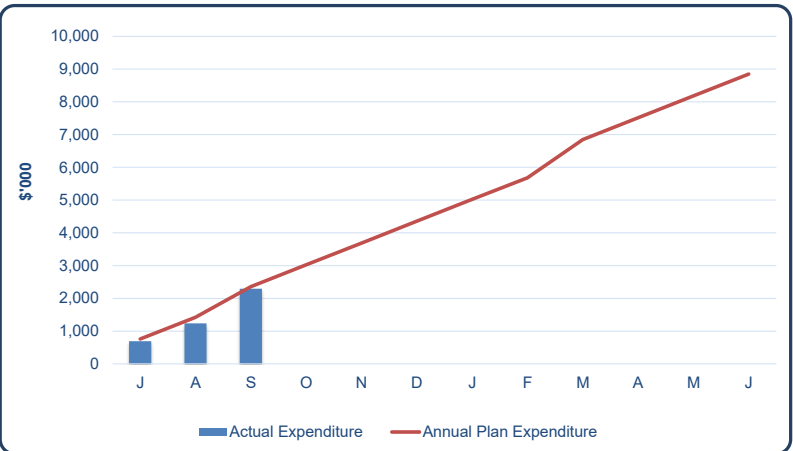
Revenue is inline with budget



Revenue is inline with budget year-to-date due to:

- No material variances.

Expenditure is inline with budget

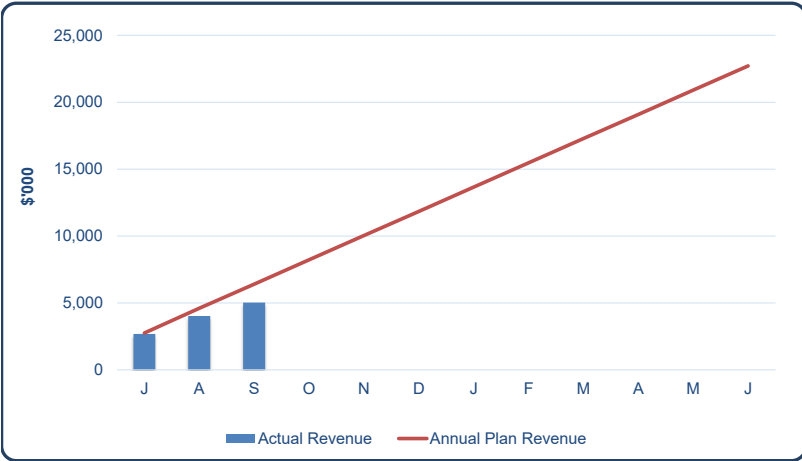


Expenditure is inline with budget year-to-date due to:

- No material variances.

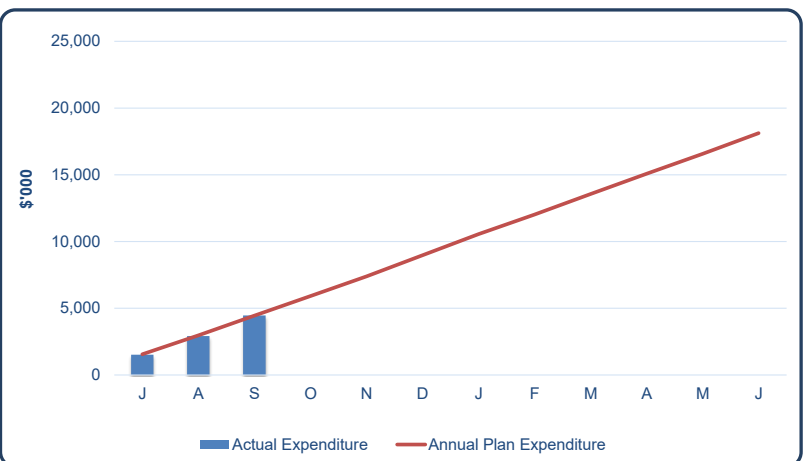
CUSTOMER AND REGULATORY SOLUTIONS

Revenue is \$1,384k (22%) less than budget



- Revenue is less than budget year-to-date due to:
- -\$1.7m Lower development contributions due to slower developments in Growth Areas.
 - +\$215k Building Consent revenue, levies and rebates.

Expenditure is inline with budget

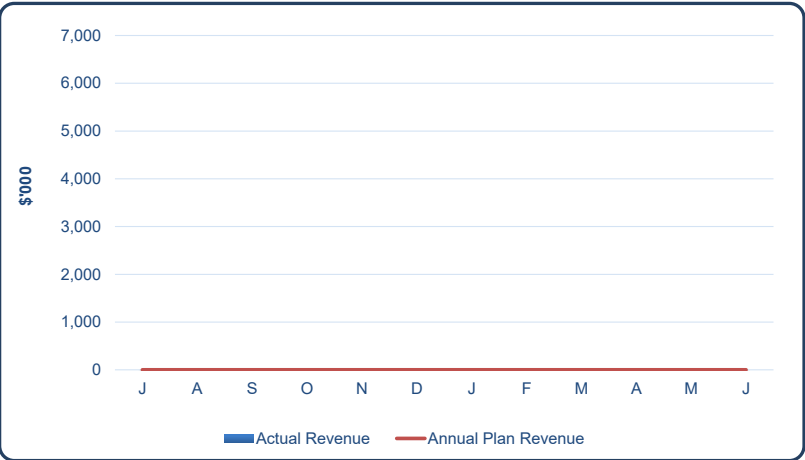


- Expenditure is inline with budget year-to-date due to:
- No material variances.

5.1

ECONOMIC DEVELOPMENT

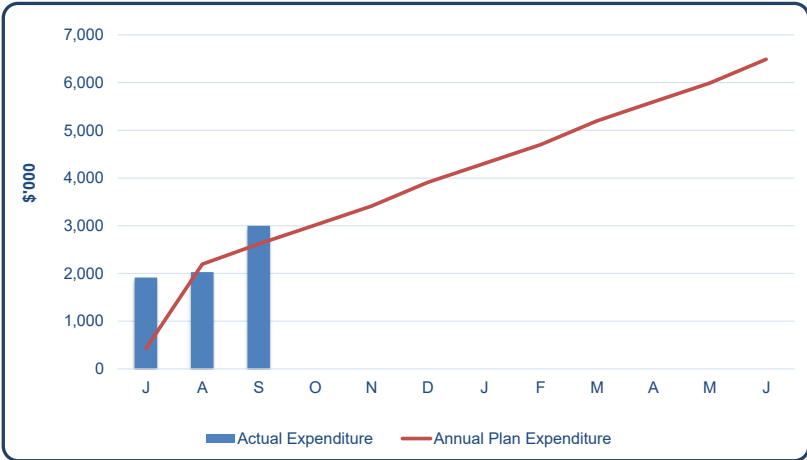
Revenue is inline with budget



Revenue is inline with budget year-to-date due to:

- No material variances.

Expenditure is \$379k (14%) more than budget



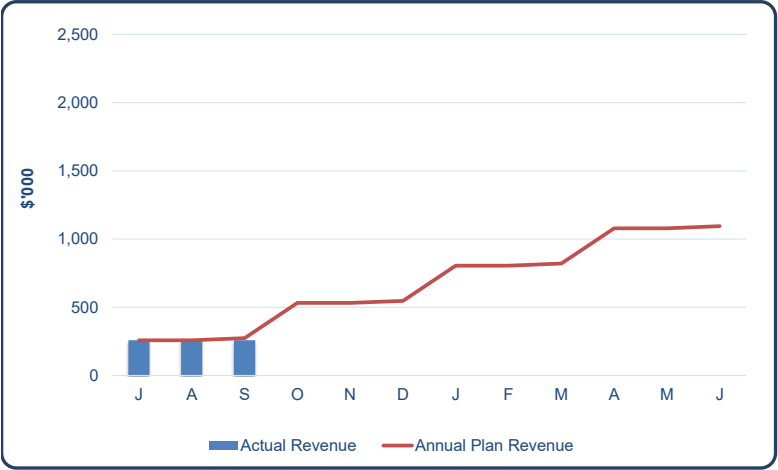
Expenditure is more than budget year-to-date due to:

- ~\$400k VTT expenditure (budgeted timing to be reviewed).

5.1

EMERGENCY MANAGEMENT AND BUSINESS CONTINUANCE

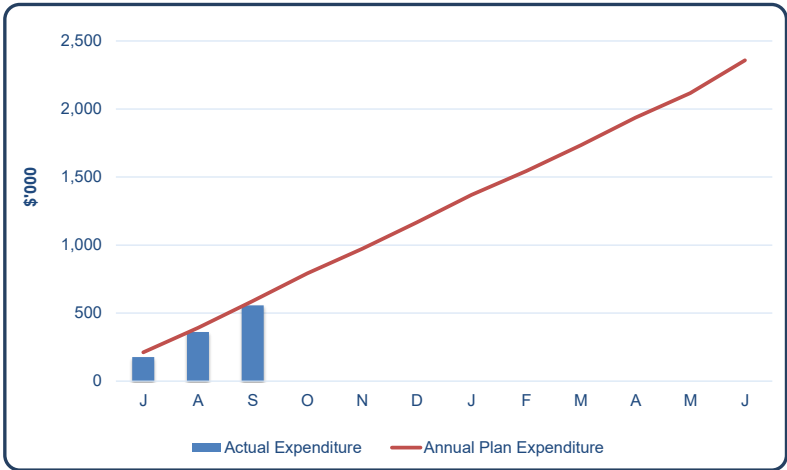
Revenue is inline with budget



Revenue is inline with budget year-to-date due to:

- No material variances.

Expenditure is inline with budget



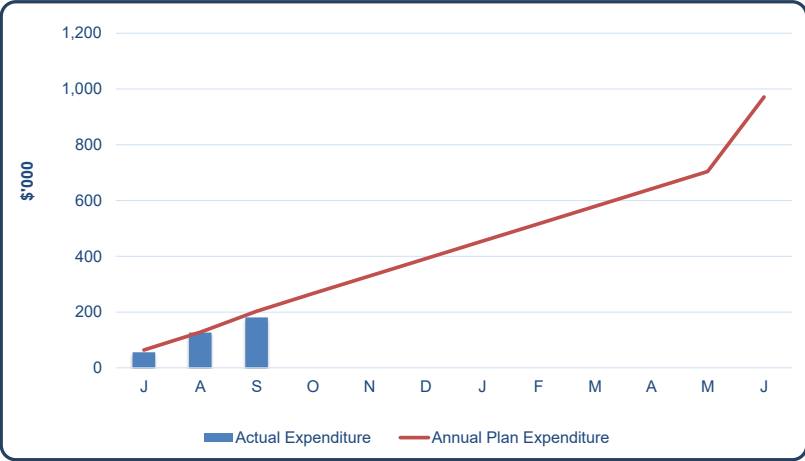
Expenditure is inline with budget year-to-date due to:

- No material variances.

FLOOD PROTECTION AND CONTROL WORKS

No budgeted or actual revenue

Expenditure is inline with budget



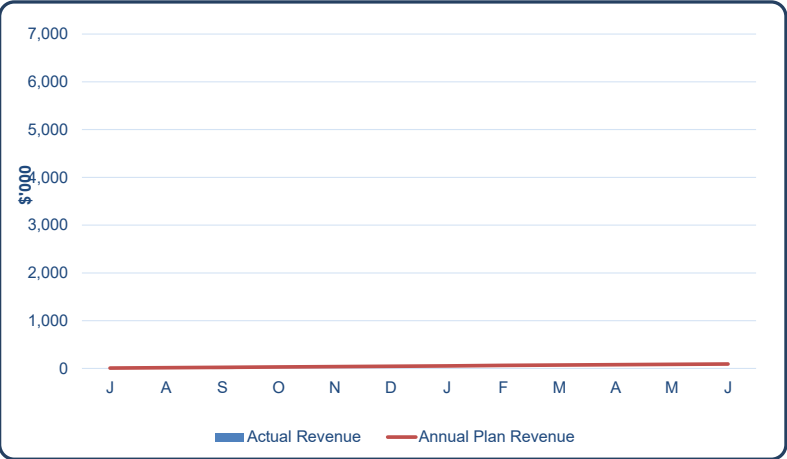
Expenditure is inline with budget year-to-date due to:

- No material variances.

5.1

GOVERNANCE

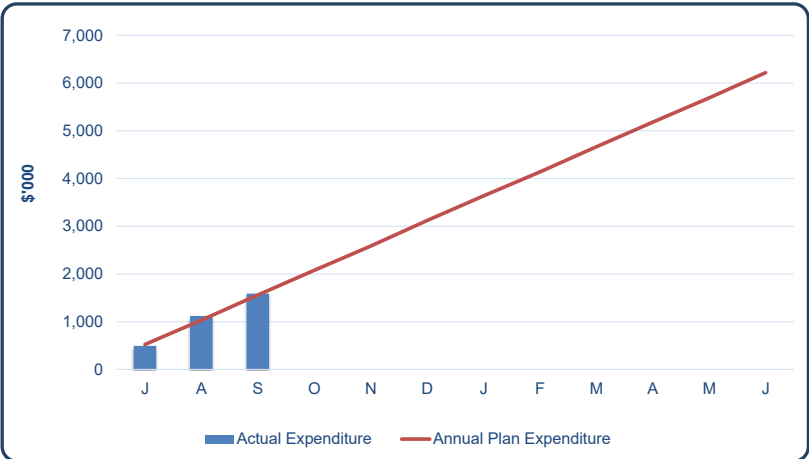
Budget and variance are immaterial



Budget and variance are immaterial.

- In line with budget.

Expenditure is inline with budget



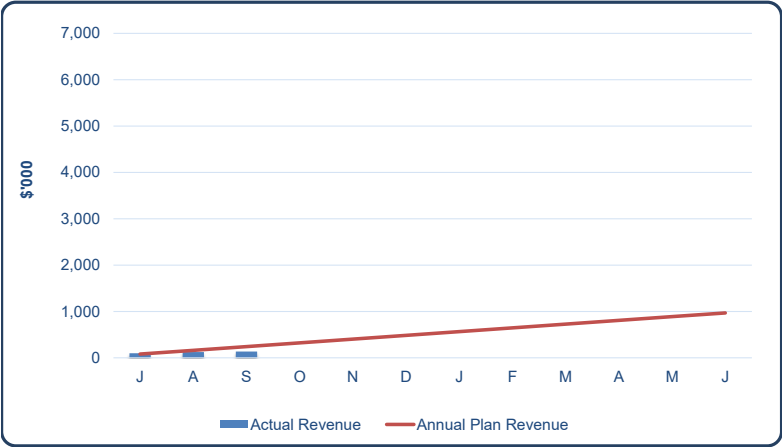
Expenditure is inline with budget year-to-date due to:

- No material variances.

5.1

GOVETT-BREWSTER ART GALLERY/LEN LYE CENTRE

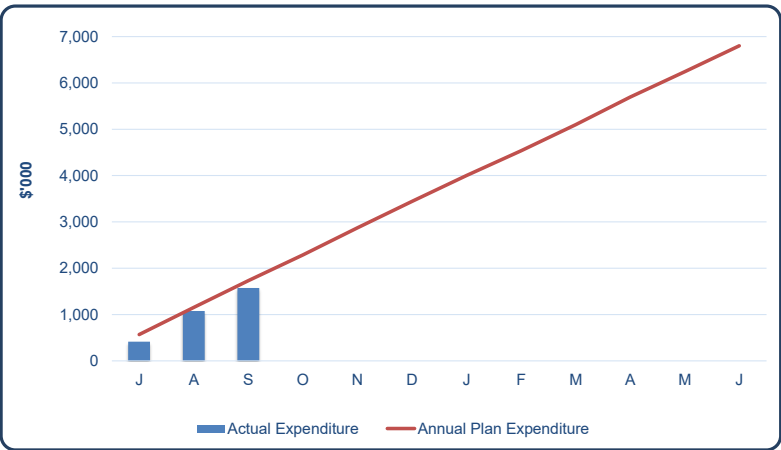
Revenue is \$105k (44%) less than budget



Revenue is less than budget year-to-date due to:

- -\$55k Lower admissions (timing only).

Expenditure is \$156k (9%) less than budget



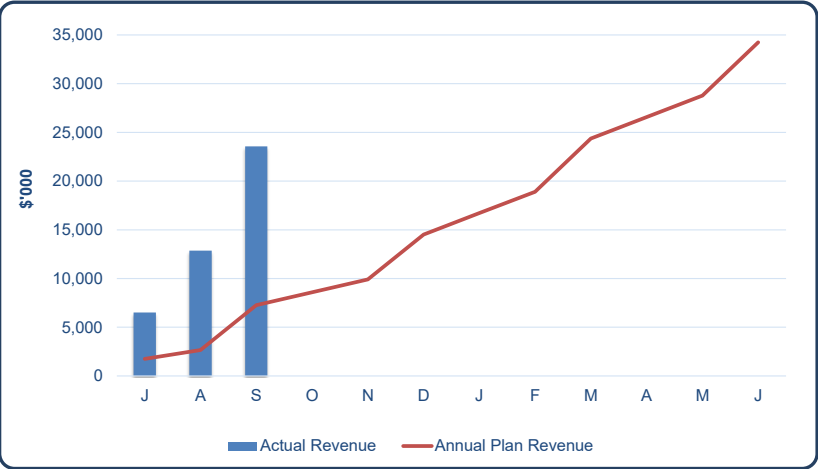
Expenditure is less than budget year-to-date due to:

- +\$150k Lower operating costs (timing only).

5.1

MANAGEMENT OF INVESTMENTS AND FUNDING

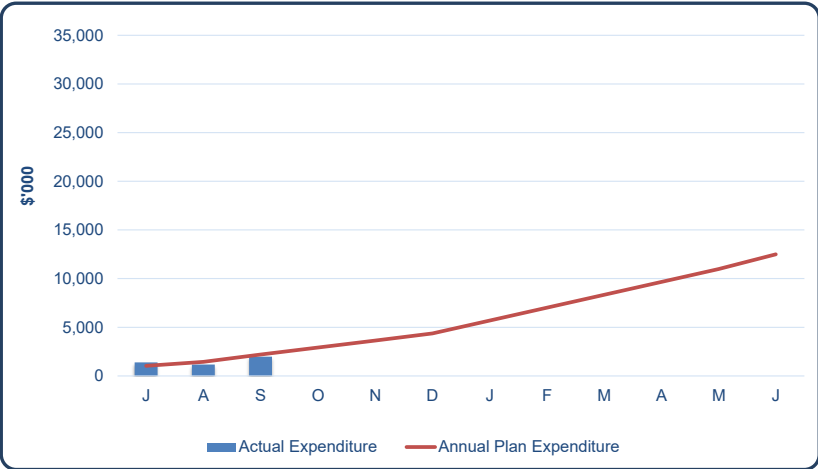
Revenue is \$16,302k (225%) more than budget



Revenue is more than budget year-to-date due to:

- +\$18.6m YTD increase in value of the PIF (vs budgeted \$2.1m growth).

Expenditure is \$210k (10%) less than budget

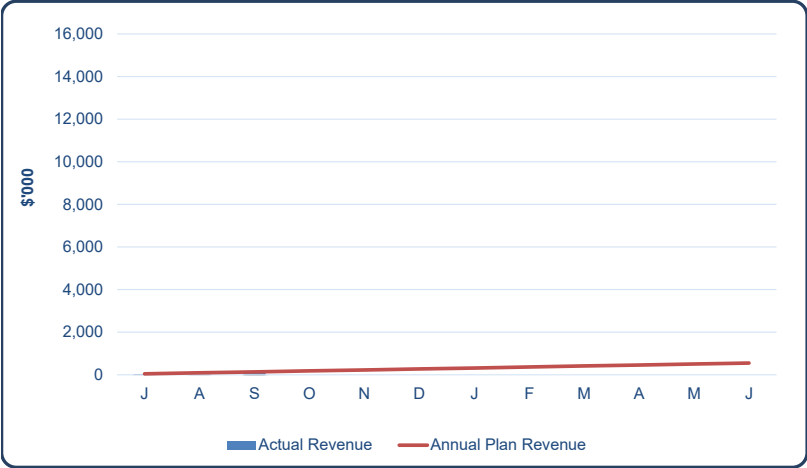


Expenditure is less than budget year-to-date due to:

- +\$0.6m Lower interest costs due to lower loan balance.
- -\$0.2m Additional PIF management fees (offset Revenue).

PUKE ARIKI AND COMMUNITY LIBRARIES

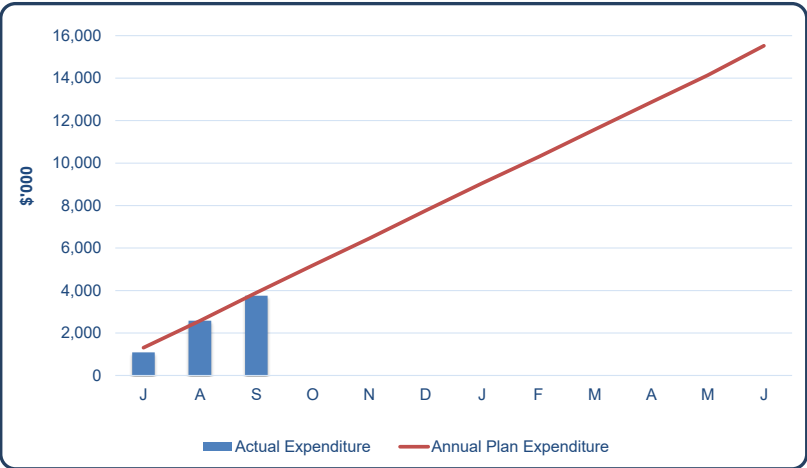
Revenue is inline with budget



Revenue is inline with budget year-to-date due to:

- No material variances.

Expenditure is \$141k (4%) less than budget

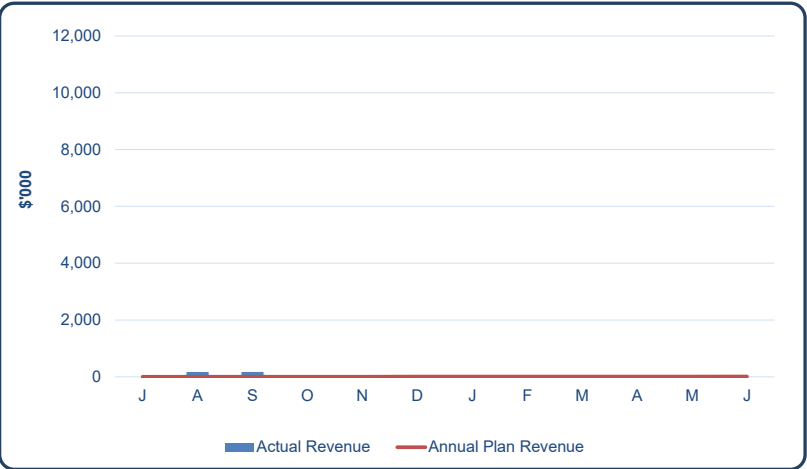


Expenditure is less than budget year-to-date due to:

- +\$110k Insurances under budget (timing only).

STORMWATER MANAGEMENT

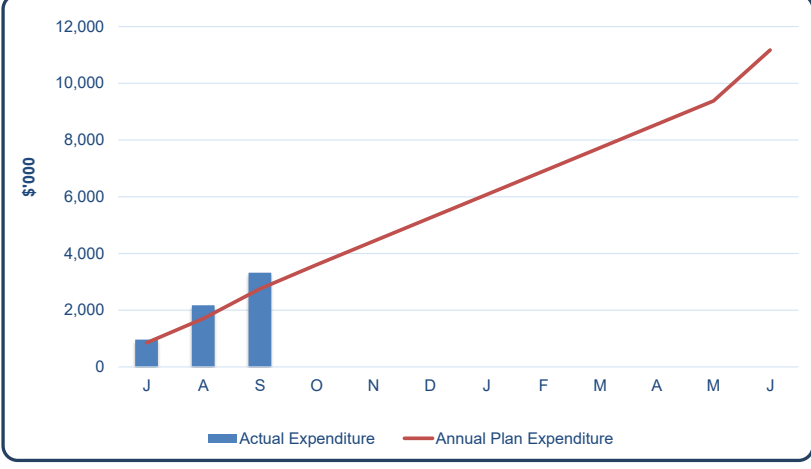
Revenue is \$165k (5,515%) more than budget



Revenue is more than budget year-to-date due to:

- +\$165k Grant recognised for Tangaroa restoration project.

Expenditure is \$572k (21%) more than budget



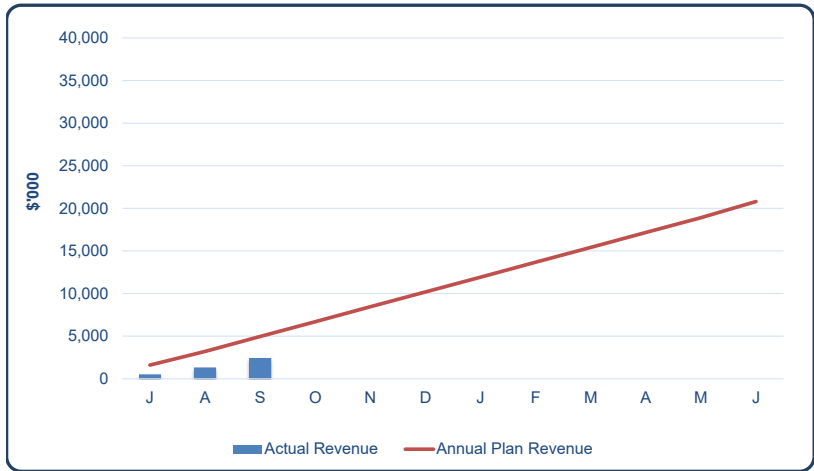
Expenditure is more than budget year-to-date due to:

- -\$495k Depreciation higher than budget (due to 2024/25 revaluation).
- -\$60k Egmont Village culvert modelling.

5.1

TRANSPORTATION

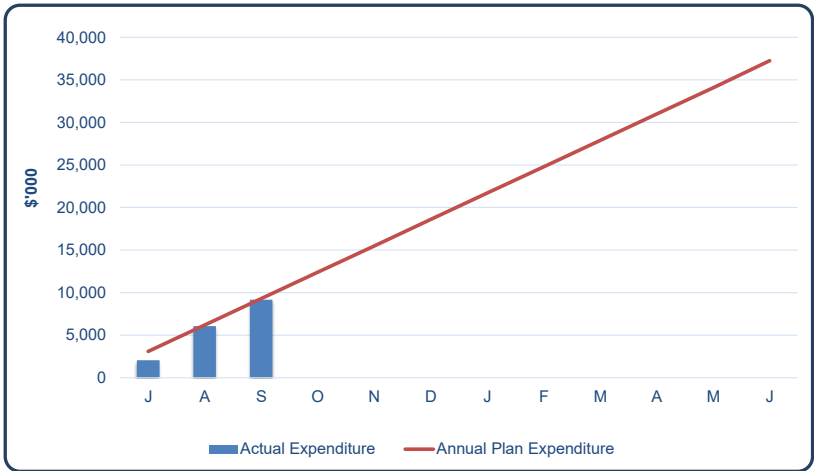
Revenue is \$2,507k (51%) less than budget



Revenue is less than budget year-to-date due to:

- -\$0.3m Local roads operating subsidy (timing only).
- -\$2.0m Local roads capital subsidy (timing only).

Expenditure is \$119k (1%) less than budget



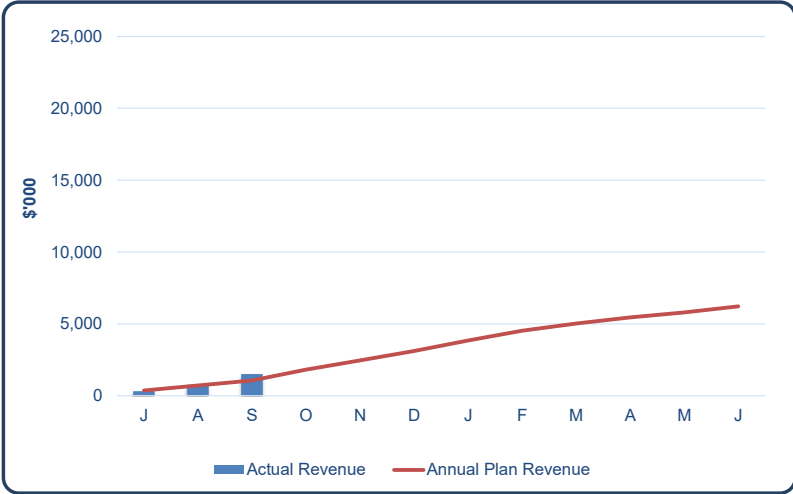
Expenditure is less than budget year-to-date due to:

- +\$0.2m Local Roads Operations & Maintenance (timing only).
- -\$0.2m Depreciation higher than budget.

5.1

VENUES AND EVENTS

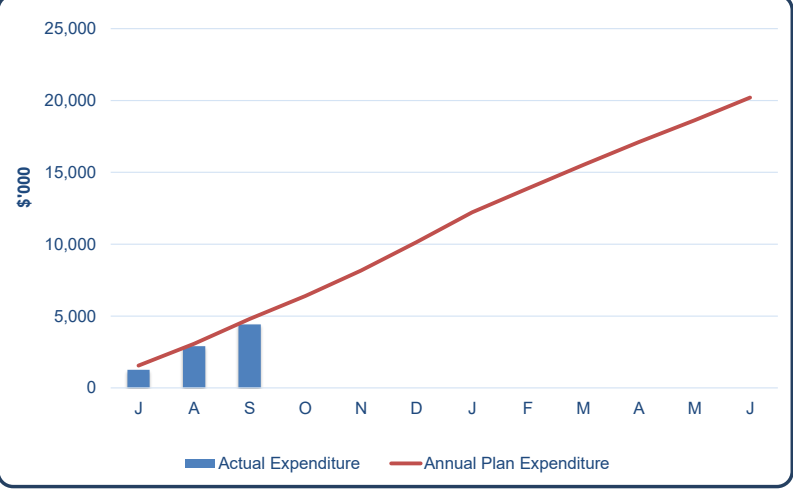
Revenue is \$460k (44%) more than budget



Revenue is more than budget year-to-date due to:

- +\$380k Aquatic centre user fees, due to budget timing not accurately reflecting patronage patterns (budget timing throughout the year has now been revised).

Expenditure is \$397k (8%) less than budget

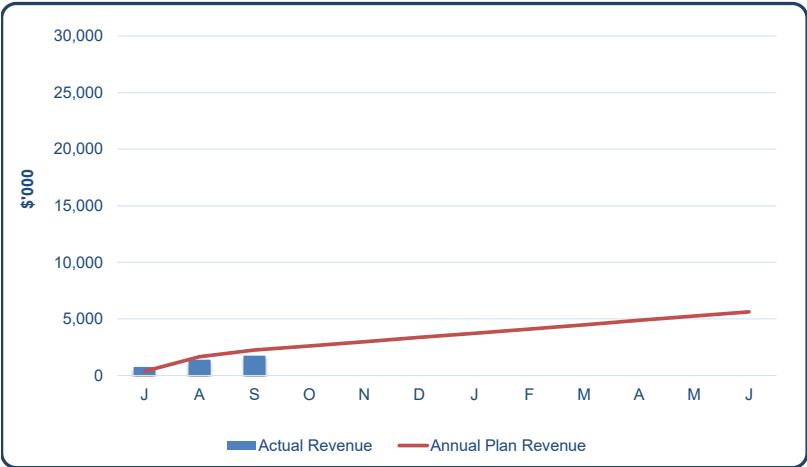


Expenditure is less than budget year-to-date due to:

- Event operating costs, due to budget timing not accurately reflecting timing of planned events (budget timing has now been revised).

PARKS AND OPEN SPACES

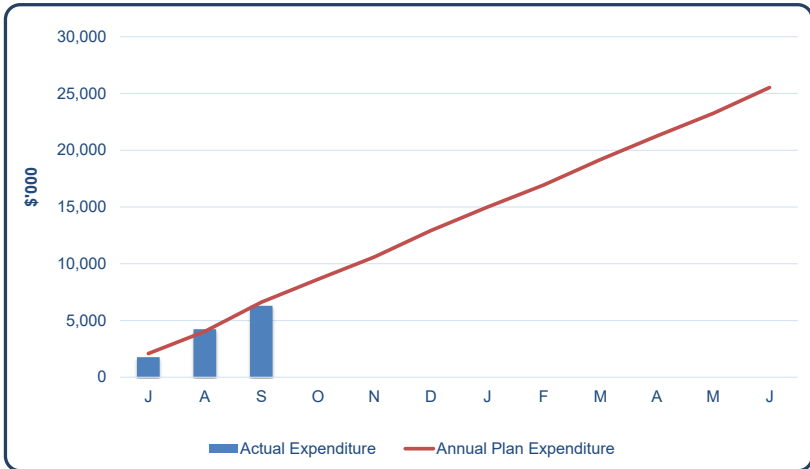
Revenue is \$496k (22%) less than budget



Revenue is less than budget year-to-date due to:

- -\$590k Timing of grants not yet recognised due to delivery of Otupaiia and Destination Play projects.
- +\$70k Additional burial and crematorium activity.

Expenditure is \$305k (5%) less than budget

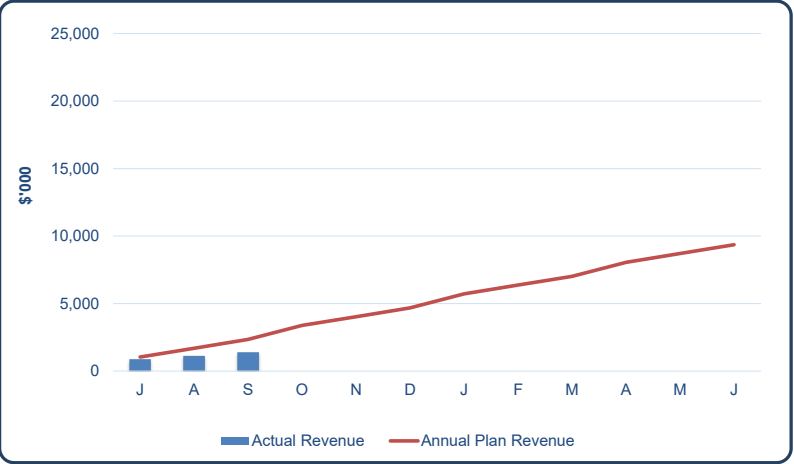


Expenditure is less than budget year-to-date due to:

- +\$175k Insurances under budget.
- Other operations and maintenance (timing).

WASTE MANAGEMENT AND MINIMISATION

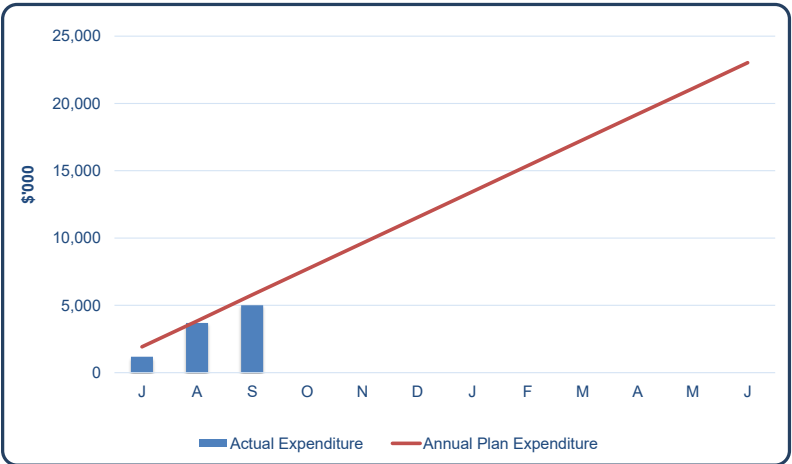
Revenue is \$948k (41%) less than budget



Revenue is less than budget year-to-date due to:

- -\$330k The Sorting Depot operations lower activity than budgeted.
- -\$570k Transfer station operations lower activity than budgeted (partially offset by reduced expenses).

Expenditure is \$779k (13%) less than budget

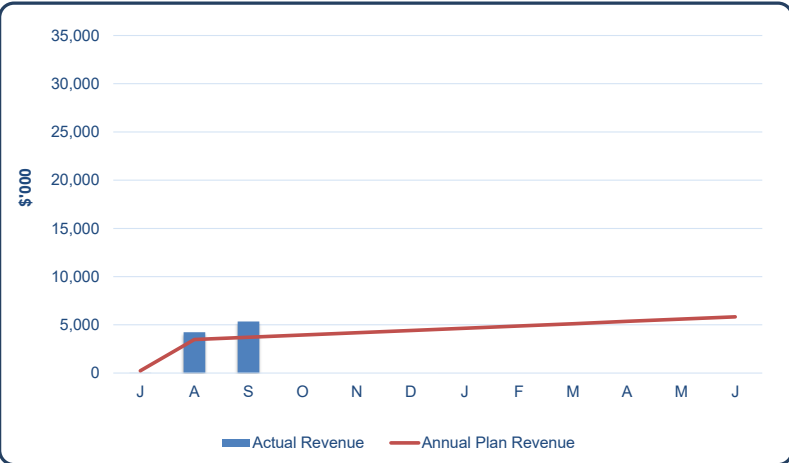


Expenditure is less than budget year-to-date due to:

- +\$390k Transfer station operations lower activity (partially offsetting reduced revenue).
- +\$180k Kerbside collection operations below budget (timing only).
- +\$110k Waste Levy activity below budget (timing only).

WASTEWATER TREATMENT

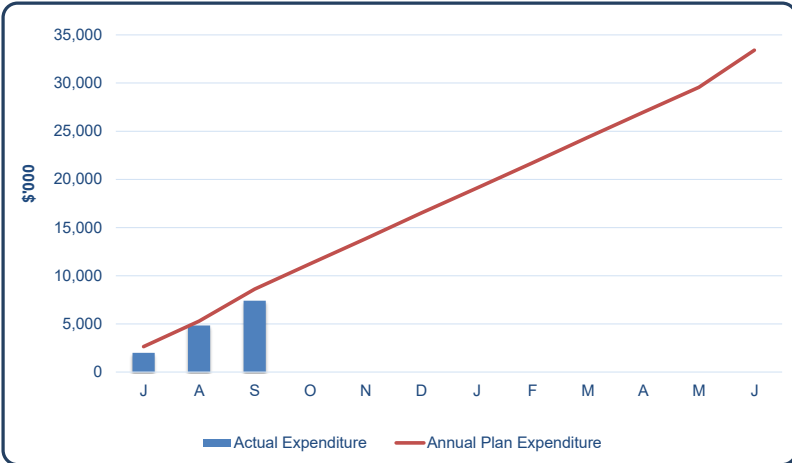
Revenue is \$1,635k (44%) more than budget



Revenue is more than budget year-to-date due to:

- +\$1.2M Crown Infrastructure Partners milestone grant recognised for Thermal Dryer Facility project. This offsets capital expenditure in WIP during the current year.
- +\$260k Trade waste charges above budget.

Expenditure is \$1,202k (14%) less than budget

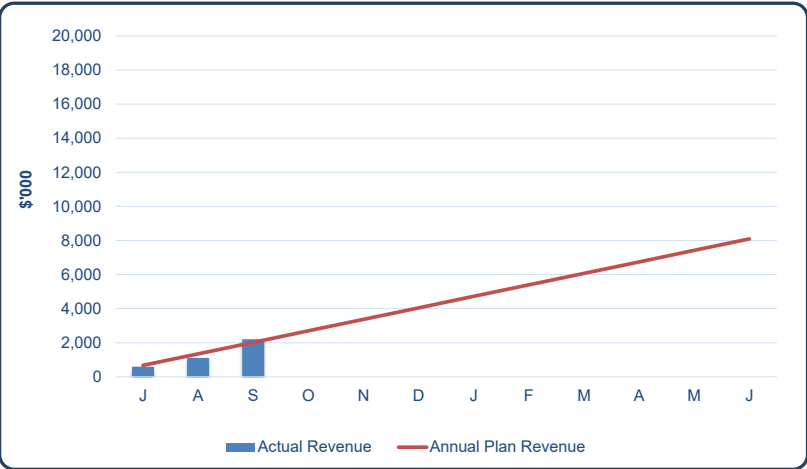


Expenditure is less than budget year-to-date due to:

- +\$470k Depreciation lower than budget.
- +\$365k Maintenance lower than budget (timing only).
- +\$115k LAPP insurance lower than budget.
- +\$100k Plant operations utilities and chemicals under budget.

WATER SUPPLY

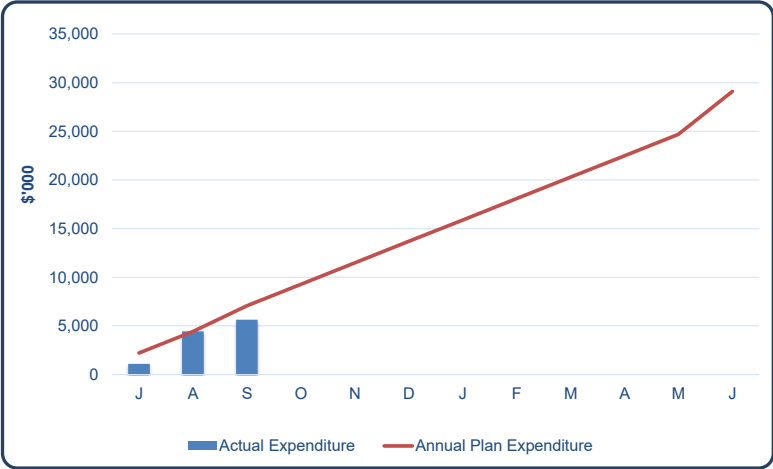
Revenue is \$177k (9%) more than budget



Revenue is more than budget year-to-date due to:

- +\$185k Water by meter billing (timing only).

Expenditure is \$1,437k (20%) less than budget



Expenditure is less than budget year-to-date due to:

- +\$670k Depreciation lower than budget.
- +\$300k Maintenance lower than budget (timing only).
- +\$140k LAPP insurance lower than budget.
- +\$140k Plant operations utilities and chemicals under budget.

Statement of Comprehensive Revenue and Expense

For the period ended 30 September 2025

		Actual (\$'000)	Budget^ (\$'000)	Variance (\$'000)	(%)
Operating revenue					
Rates	(a)	40,693	40,298	395	1%
Subsidies and grants	(b)	8,136	9,828	(1,692)	-17%
Fines and levies	(c)	330	448	(118)	-26%
Development and financial contributions	(d)	870	2,582	(1,712)	-66%
Other revenue	(e)	9,774	10,873	(1,099)	-10%
Interest revenue		736	808	(72)	-9%
Investment revenue	(f)	23,946	6,279	17,667	281%
Waitara Lands Act revenue	(g)	337	291	46	16%
Total operating revenue		84,822	71,407	13,415	19%
Operating expenditure					
Personnel costs		17,845	17,812	(33)	0%
Other expenses	(h)	24,776	25,085	309	1%
Depreciation and amortisation expense	(i)	15,581	16,439	858	5%
Interest costs	(j)	3,929	4,579	650	14%
Interest rate swaps	(k)	2,938	-	(2,938)	0%
Waitara Lands Act distributions	(g)	560	367	(193)	-53%
Total operating expenditure		65,629	64,282	(1,347)	-2%
Surplus/(Deficit) before tax		19,193	7,125	12,068	169%
Tax refund/(expense)		-	-	-	
SURPLUS/(DEFICIT) AFTER TAX		19,193	7,125	12,068	169%

^Approved figures as per AP 2026

Council reports an operating surplus of \$19.2m for the 3 months ended 30 September 2025. This is \$12.1m higher than the budgeted surplus of \$7.1m for the same period. Key variances include:

(a) Rates revenue is higher than budgeted due to water by meter billing (timing only).

(b) Subsidies and grants revenue is lower than budgeted due to:

- -\$2.3m Local Roads - only 7% claimed YTD, whereas claims budgeted at 13% YTD (timing; offsets expenses);
- -\$432k Otupaia Play Area - Phase 1 (timing of capex spend);
- +\$1.2m TDF claim (budgeted in prior year).

(c) Fines and levies revenue is lower than budgeted due to:

- -\$8k Penalties on outstanding dog registrations not yet charged;
- -\$105k Parking Infringements down YTD.

(d) Development and financial contributions revenue is lower than budget due to fewer new growth area developments than anticipated.

(e) Other revenue is lower than budgeted due to:

- -\$227k Rates Penalties (timing of budget);
- +\$213k Building Consent revenue, levies and rebates (partially offset expenses & additional personnel costs);
- +\$115k Additional consenting revenue to recover consultant expenses;
- +\$79k Dog Registrations revenue better than expected;
- +\$68k Burial fees and crematorium fees;
- -\$291k CMRF revenue budgeted at \$203k per month; however bringing in less than half of this (gate fee too low);
- -\$32k Strategic Planning additional recovery from fees and charges YTD;
- -\$21k Environmental Health (full year impact) - hairdresser registration no longer chargeable;
- -\$456k NP Transfer Station budgeting \$210k revenue per month for waste disposal; achieving 59% of budget (offset expenses);
- -\$84k GBAG revenue down overall. Admission charges down (\$55K).

(f) Investment revenue: +\$18.6m YTD Increase in the value of the PIF (vs YTD Budget \$2.1m growth) and +\$1.5m YTD increase in the value of the Waitara Perpetual Community Fund (vs YTD Budget \$0.3m growth).

(g) Waitara Lands Act revenue and distributions: Freehold sales activity is higher than budget, therefore impacting both revenue received and distributions made.

(h) Other expenses are lower than budget due to the following:

- +\$550k Material damage and cyber security insurance;
- +\$248k LAPP (Local Authority Protection Programme Disaster Fund) insurance savings;
- +\$232k Sealed pavement maintenance (timing of budget);
- -\$493k Local roads emergency works overspend due to July weather event - seeking for NZTA funding)
- -\$759k YTD rates remission approved by Council to arrive at average rate increase of 9.9% for the 2025/26 rating year (full year impact -\$3.1m).

(i) Depreciation and amortisation: Budgeted depreciation was increased by more than required match actual depreciation expense following the impact of 2024/25 asset revaluations.

(j) Interest costs: Interest costs are lower than budget due to lower floating interest rates YTD than forecast. FY impact forecast as \$2m savings.

(k) Swaps gains or losses are not budgeted for due to the inherent uncertainties of these derivative financial instruments.

Statement of Financial Position

As at 30 September 2025

		2025/26 Actual 30 Sept 25 (\$'000)	2024/25 Actual 30 Jun 25 (\$'000)	Variance (\$'000)	%	2025/26 AP Budget 30 Jun 26 (\$'000)
Non-current assets						
Perpetual Investment Fund	(a)	422,492	403,925	18,567	5%	422,730
PRIP advance	(b)	36,099	33,099	3,000	9%	33,500
Investment in CCOs and similar entities		63,139	63,746	(607)	-1%	49,190
Community and other loans	(c)	808	1,866	(1,058)	-57%	-
Intangible assets		6,231	6,459	(228)	-4%	900
Forestry assets		4,714	4,714	-	0%	3,610
Derivative financial assets	(i)	-	18	(18)	-100%	7,250
Property, plant and equipment	(d)	3,801,622	3,797,562	4,060	0%	3,855,300
Total non-current assets		4,335,105	4,311,389	23,716	1%	4,372,480
Current Assets						
Cash and cash equivalents	(e)	42,486	34,282	8,204	24%	4,050
Trade and other receivables	(f)	38,385	26,237	12,148	46%	19,680
Inventory		160	160	-	0%	150
Intangible assets		9	9	-	0%	-
Term deposits	(g)	-	8,386	(8,386)	-100%	-
Waitara Perpetual Community Fund	(h)	25,656	24,181	1,475	6%	25,000
Derivative financial assets	(i)	1	6	(5)	-83%	-
Non-current assets held for sale		-	-	-	0%	550
Total current assets		106,697	93,261	13,436	14%	49,430
TOTAL ASSETS		4,441,802	4,404,650	37,152	1%	4,421,910
Non-current liabilities						
Employee entitlements	(l)	306	311	(5)	-2%	520
Derivative financial liabilities	(i)	5,396	2,599	2,797	108%	30
Provisions		1,943	1,943	-	0%	2,240
Public debt and other loans	(j)	354,500	354,500	-	0%	389,000
Total non-current liabilities		362,145	359,353	2,792	1%	391,790
Current liabilities						
Trade and other payables	(k)	35,357	32,386	2,971	9%	65,870
Waitara Lands Act		21,075	21,092	(17)	0%	-
Public debt and other loans	(j)	39,059	29,000	10,059	35%	80,140
Employee entitlements	(l)	6,295	4,585	1,710	37%	5,050
Provisions		31	158	(127)	-80%	1,020
Derivative financial liabilities	(i)	128	-	128	0%	300
Total current liabilities		101,945	87,221	14,724	17%	152,380
TOTAL LIABILITIES		464,090	446,574	17,516	4%	544,170
NET ASSETS		3,977,715	3,958,081	19,634	0%	3,877,740
Equity						
Accumulated funds		2,310,793	2,303,631	7,162	0%	1,684,840
Other reserves		1,666,922	1,654,450	12,472	1%	2,192,900
TOTAL EQUITY		3,977,715	3,958,081	19,634	0%	3,877,740

The Statement of Financial Position is a snapshot of the Council's financial position at a particular point in time.

Total assets are \$37.1m (1%) higher compared to 30 June 2025. The increase is predominantly due to:

- (a) PIF has increased by \$18.5m since year end due to favourable investment market fluctuations.
- (b) Advance to PRIP (receivable) has increased by \$3m due to additional drawdown of funds by PRIP for completion of the solar farm construction project.
- (c) Community and other loans have decreased by \$1m due to repayments made by ratepayers towards outstanding Home Energy Scheme (VTR) loan balances.
- (d) Property, plant and equipment has increased by \$4m overall during the quarter. This is due to \$19.6m capital expenditure, which has been partly offset by depreciation recognised for existing assets..
- (e) Cash and cash equivalents have increased by \$8.2m primarily due to cash inflow from maturity of \$8.4m in term deposits. Cash held in the bank earns interest at a reasonable rate (>OCR).
- (f) Trade and other receivables have increased by \$12.1m due to outstanding Q1 rates not yet received.
- (g) Term deposits have decreased by \$8.4m due to maturity of Junction Road TD during August 2025. This is currently recognised as part of the cash and cash equivalents balance, as reinvestment is pending instructions from the Tarata Road working group.
- (h) WPCF has increased by \$1.5m since year end due to favourable investment market fluctuations.

Total liabilities are \$17.5m (4%) higher compared to June 2025. The increase is predominantly due to:

- (i) Derivative financial assets and liabilities relate to interest rate swap agreements used by NPDC to manage fluctuations in interest costs. In simple terms, we exchange floating interest rates for fixed rates. Overall, derivative financial liabilities have risen by \$2.9 million due to falling floating interest rates during Q1, which dropped further than the levels Council had locked in.
- (j) Total Public debt and loans have increased by \$10m due to borrowing from the LGFA during July 2025 in line with budget.
- (k) Trade and other payables are \$2.9m greater than 30 June 2025, primarily due to the timing of payments to suppliers.
- (l) Employee entitlements are \$1.7m greater than 30 June 2025, primarily due to the timing of fortnightly payment runs in relation to quarter end/year end.

The Council's current ratio (the ratio of current assets to current liabilities (a measure of liquidity) stands at 1.05 as at period end (30 June 2025: 1.07).

A ratio above 1 means current assets are greater than current liabilities, and indicates that Council is in a strong current position to cover its short-term obligations.

Work in Progress

As at 30 September 2025

	2024/25 30 Jun 25	2025/26 30 Sept 25	Change	(%)
Expenditure Category				
Register #1 - Infrastructural assets, including Buildings and improvements				
Civic & Democracy	271,742	378,581	106,839	39%
Emergency Management	119,666	129,326	9,660	8%
Flood Protection and Control Works	209,933	40,424	(169,509)	-81%
Govett Brewster Art Gallery	964,721	935,361.6	(29,360)	-3%
Management of Investments	206,543	527,632	321,090	155%
Parks	8,561,970	10,818,750	2,256,780	26%
Property	11,800,409	15,583,824	3,783,415	32%
Puke Ariki	1,644,970	1,843,192	198,222	12%
Regulatory Services	691,366	714,770	23,404	3%
Stormwater Drainage	8,908,804	9,060,263	151,458	2%
Stormwater Management	816,412	930,349	113,937	14%
Venues & Events	3,837,098	4,162,113	325,015	8%
Waste Management and Minimisation	7,137,631	7,912,129	774,498	11%
Wastewater Treatment	19,424,393	19,760,571	336,177	2%
Wastewater Treatment - TDF	61,245,328	65,937,656	4,692,328	8%
Water Supply	29,986,225	33,418,430	3,432,205	11%
Total	155,827,212	172,153,371	16,326,159	10%
Register #2 - Operating assets				
	3,494,965	3,552,160	57,195	2%
Includes: Fleet Operations, Digital Enablement, Procurement, Venues & Events				
Register #3 - NZTA AWM (ex RAMM)				
	12,500,280	15,024,742	2,524,462	20%
Total WIP	171,822,457	190,730,273	18,907,816	11%
Asset addition accruals	(43,253,498)	(42,564,216)	689,282	-2%
<i>Balance of completed work from prior financial years not yet capitalised; included in the Total WIP above.</i>				

Top 10 WIP projects	Current balance
Thermal Dryer Facility	65,937,656
Universal Water Metering	16,761,000
Walkway Extension to Waitara	6,828,413
Sutherland Patterson Sewer Main	5,004,064
Construction of Junction Permanent Building	4,354,681
Civil Work (Part 1) & Site Prep for Hub	3,365,923
Tuparakino Hub	3,352,879
Oakura - Wairau trunk main renewal	2,790,160
Race Day Tie-ups	2,470,168
Urenui & Onaero Sewer System	2,230,112
	113,095,056
	59%

Top 10 asset addition accruals	Current balance
Universal Water Metering (WMP)	(11,910,063)
Oakura - Wairau trunk main renewal	(2,787,796)
Pakiaka - Refresh of IT Infrastructure	(1,485,935)
Tangaroa Restoration - Section 5 Marae	(1,316,721)
Patterson Road Growth Area Water Main	(1,204,138)
Kaitake Trail	(1,009,122)
Glen Avon - Smart Road Watermain Renewal	(951,814)
Pukatea St Water Main Renewal	(866,323)
NPWWTP Inlet works wash screw press	(865,380)
Waitara Stormwater Upgrades	(840,174)
	(23,237,466)
	55%



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- 🐦 [NPDCouncil](#)



NPDC TREASURY REPORT FOR THE PERIOD 1 JULY 2025 TO 30 SEPTEMBER 2025

PURPOSE/ TE WHĀINGA

1. The purpose of this report is to advice of the Council's treasury performance for the period 1 July 2025 to 30 September 2025 of the 2025/26 financial year.

RECOMMENDATION / NGĀ WHAIKUPU

That, having considered all matters raised in the report, the report be noted.

SIGNIFICANCE AND ENGAGEMENT / TOHUTOHU KAI WHAKAHAERE

2. This report is provided for information purposes only, and has been assessed as being of some importance.

EXECUTIVE SUMMARY / WHAKARĀPOPOTOTANGA MATUA

3. The treasury report provides information on Council's significant financial assets and liabilities – specifically the Perpetual Investment Fund (PIF), Waitara Perpetual Community Fund (WPCF), borrowings and associated interest rates and account reserves. Noteworthy points for the quarter:
 - a) Council is compliant with all treasury management policy limits.
 - b) PIF recorded gains of \$18.6 million for the year as at 30 September 2025.
 - c) Council's gross external debt is \$394 million as at 30 September 2025 and is within approved limits from the Annual Plan 2025/26.
 - d) Total balance of reserves is \$1,667 million. This includes budgeted funding for the current year but excludes appropriations (transfers out) for the year to date.

BACKGROUND / WHAKAPAPA

4. The treasury report provides information on Council's significant financial assets and liabilities. For the current reporting period, this covers:
 - Key investments – the PIF and WPCF;
 - Borrowings and interest costs; and
 - Accounting reserves.
-

-
5. In addition to performance for the quarter, the report provides background to the reported financial assets, liabilities and reserves and why these are important to Council.

Compliance

6. The Council diligently oversees treasury performance, including monitoring and reporting on borrowing covenants, interest rate risk, and exposure to credit and funding risk, in accordance with the Treasury Management Policy requirements.
7. The Council remains compliant with all Treasury Management Policy limits. More information on Council's compliance against the Treasury Management Policy is included in the Treasury Report.

Investments

8. The PIF achieved a closing balance of \$422.5 million as at 30 September 2025, compared to an opening balance of \$403.9 million at 1 July 2025. This equates to a gain of \$18.6 million for the year to date.
9. To the end of the quarter, Council has drawn down \$3.1 million of distributions from the PIF to subsidise rates. Drawdowns from the PIF are calculated annually based on a release rule designed to withdraw sustainable amounts while maintaining the value of the fund in real terms against inflation. The release rule applied for the 2025/26 year is unchanged from previous years.
10. At 30 September 2025, the WPCF has achieved cumulative net gains of \$5.4 million since inception (February 2021). The closing balance of the Fund is \$25.7 million. The Treasury Report provides more information about the history of the Fund, and Council's relationship to this investment.

Borrowings

11. Council's gross external debt is currently at \$394 million, reflecting an increase of \$10 million for the year to date.
 12. Gross debt includes \$36 million on-lent by Council to council-controlled trading organisation Papa Rererangi i Puketapu, which operates the New Plymouth Airport.
 13. Total debt is currently forecast to reach \$461 million by 30 June 2026, which is within the closing debt limit of \$469 million approved by Council in the Annual Plan 2025/26.
 14. Council's weighted average cost of funds at 30 September 2025 is 3.88 per cent. Net interest costs for the year to date are approximately \$0.5 million under budget.
-

Reserves

15. Accounting reserves represent accumulated surpluses set aside for specific future purposes, or unspent funds which have been received from a particular set of rate or levy payers.
 16. Transfers into and out of Council's various reserves for the 3 months to 30 September 2025 are shown in the Treasury Report. These include budgeted funding for the current year (transfers in) but exclude appropriations from reserves for eligible expenditure incurred to date (transfers out). Further transfers will be accounted for and presented in future quarters.
 17. Council operating reserves have sufficient balances to meet commitments approved and are all currently in credit (43 individual reserves), with the following exceptions:
 - a) Operating Reserves:
 - i) TEMO Operational Fund
 - ii) Refuse Collection Operating Surplus
 - iii) Esplanade Strips
 - iv) Forestry Reserve Fund
 - b) Development Funds:
 - i) Stormwater Catchment – Mangatoku
 - c) Renewal Reserves:
 - i) Transportation
 - ii) Water
 - iii) Wastewater
 - d) Restricted Reserves, Trust & Bequest Funds:
 - i) Commercial Material Recovery Facility Reserve
 - ii) Urenui Onaero Sewer Development Fund
-

18. These reserves are overdrawn due to decisions made by Council to fund prior year operational losses from these activities.
19. More detailed reporting on Reserves will be provided in future quarterly treasury reports.

CLIMATE CHANGE IMPACT AND CONSIDERATIONS / HURINGA ĀHUARANGI

20. Mercer New Zealand, who manage the PIF as fully outsourced agent, provide six-monthly Environmental, Social and Governance (ESG) reporting regarding the Fund. Mercer undertake an active approach to sustainable investment. NPDC's PIF has a stronger ESG rating than the average rating across all investments managed by Mercer.
21. During the quarter, the Local Government Funding Agency (LGFA), who provide the majority of Council's borrowing, approved an application from Council under LGFA's Green and Social Loan programme. This programme is designed to enable green and social projects that will help drive forward ambitious environmental and social improvements in the New Zealand local government sector. Council's application relates to funding obtained from LGFA and provided by Council to council-controlled trading organisation Papa Rererangi i Puketapu for their solar farm development at the New Plymouth Airport.

NEXT STEPS / HĪKOI I MURI MAI

22. Council Officers will continue to monitor treasury performance against targets. The next treasury report, covering the six months from 1 July to 31 December 2025, will be presented to Council in early 2026.

FINANCIAL AND RESOURCING IMPLICATIONS / NGĀ HĪRAUNGA Ā-PŪTEA, Ā-RAUEMI

23. There are no financial and resourcing implications associated with the treasury reporting. Finance expenses for the year to date are within budget.

IMPLICATIONS ASSESSMENT / HĪRANGA AROMATAWAI

24. This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:
 - Council staff have delegated authority for any decisions made;
 - Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;

- Council staff have considered how the matter will promote the social, economic, environmental, and cultural well-being of communities in the present and the future.
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

APPENDICES / NGĀ ĀPITI HANGA

Appendix 1 NPDC Treasury Report for the period 1 July to 30 September 2025 (ECM 9651784)

Report Details

Prepared By:	Mathew Whitmore (Treasury Accountant)
Reviewed By:	Loren Moore (Manager Financial Services)
Team:	Financial Services
Approved By:	Kathryn Scown (Executive Director CE Office)
Ward/Community:	District-wide
Date:	17 November 2025
File Reference:	ECM 9651753

-----End of Report -----



Treasury Report

Quarter 1

1 July to 30 September 2025



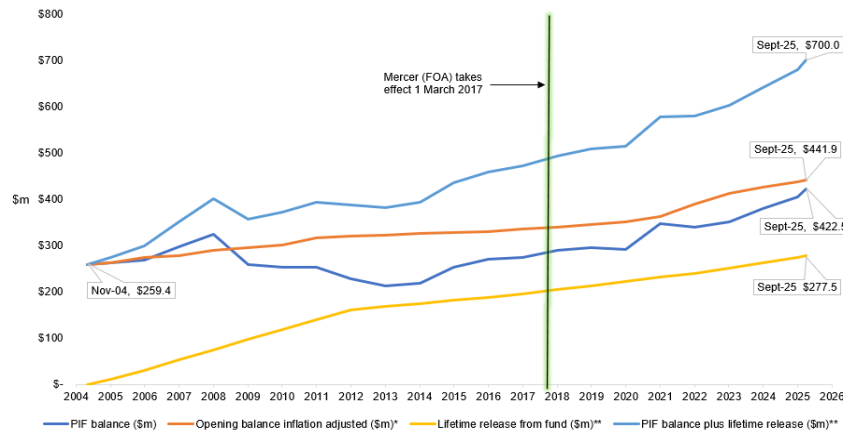
Te Kaunihera-a-Rohe o Ngāmotu
New Plymouth
District Council

Perpetual Investment Fund (PIF) For the period ended 30 September 2025

Background:

- The Perpetual Investment Fund (PIF) is owned by Council and was created in 2004 following the sale of Council's shareholding in Powerco.
- The PIF is invested through Mercer NZ in a range of different asset classes. Mercer acts as Fully-Outsourced Agent (FOA) for the fund, and manages the various underlying fund managers.
- New Plymouth PIF Guardians Limited (PIF Guardians) is a Council-Controlled Organisation which provides independent oversight of Mercer as FOA. The PIF Guardians board is made up of directors with experience in investment markets and supporting skills.
- The PIF has a target return of CPI + 3.3% measured over a rolling 5-year average. This target ensures that the Fund maintains its real value against inflation, while allowing for distributions to Council (release payments) to be made quarterly that subsidise approximately 10% rates for the district.
- The PIF is governed by Statement of Investment Policies and Objectives (SIPO). The SIPO includes a formula for calculating the value of release payments, to ensure these are sustainable over the long term.
- Starting from 2024/25 onwards, a portion of the release payments from the PIF are being set aside in accounting reserves - the Disaster Recovery Reserve (\$100k per year) and the Sustainable Lifestyle Capital Reserve (\$250k in 2024/25, with the annual amount increasing by \$250k per year to an annual total of \$2.5m in 2033/34).
- The mix of asset classes within the PIF (the PIF composition) is determined by Strategic Asset Allocation (SAA) determined by the PIF Guardians. Mercer periodically rebalances the mix of assets within the fund to align to the SAA (subject to limited liquidity for some asset classes e.g. Private Equity).

PIF balance, release payments compared to real value of initial balance to Sep-25

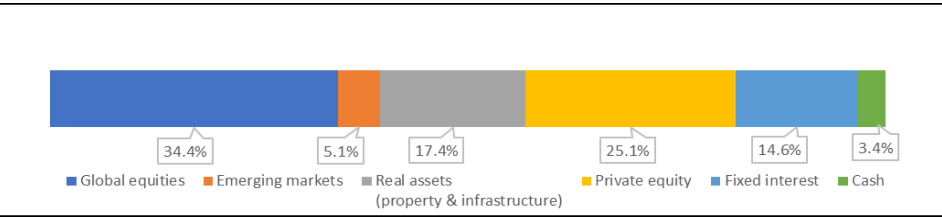


* Trend line does not include any additional investments or releases/withdrawals since the Fund was initially created.
** Trend line only adds lifetime releases from the Fund to actual balance at each year end, and therefore omits hypothetical compounding returns which would have been achieved if release amounts remained invested along with the existing balance.

PIF returns:

	Since inception (Nov 2004)	5 years	1 year
Annual returns (after fees and taxes)	7.50%	10.50%	11.70%
Relative to CPI + 3.3%	-	+2.6%	+5.4%
Distributions to Council (release payments)	\$277.5m	\$53.5m	\$11.9m

PIF composition (Sep-25):



Waitara Perpetual Community Fund (WPCF)

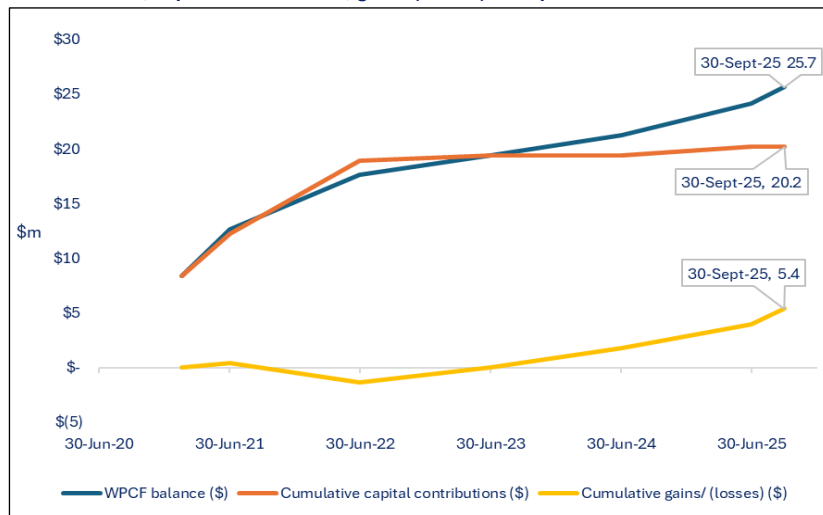
For the period ended 30 September 2025

Background:

- In 2018, the New Plymouth District Council (Waitara Lands) Act 2018 was enacted to dictate how land in Waitara confiscated during the New Zealand Land Wars and later vested to New Plymouth District Council (NPDC), as successor to a number of former local government entities, should be treated. Three funds were created by the Act - the Hapū Land Fund, the Taranaki Regional Council Waitara River Fund and the Waitara Perpetual Community Fund (WPCF). The Hapū Land Fund and the Taranaki Regional Council Waitara River Fund are not managed by NPDC, whereas the WPCF is managed by NPDC.
- The WPCF is invested through Mercer NZ in a range of different asset classes. Mercer acts as Fully-Outsourced Agent (FOA) for the fund, and manages the various underlying fund managers.
- The WPCF receives a share of income from leasehold properties and land sales in the confiscated area, and was created to benefit the Waitara community (or any part thereof) by distributing funds annually.
- Distributions from the WPCF are determined by the Te Tai Pari Board, which comprises 3 members appointed by Te Kōwhatu Tū Moana Trust and 3 members appointed by Council.
- The WPCF is governed by Statement of Investment Policies and Objectives (SIPO). The SIPO includes a formula for calculating the value of release payments, to ensure these are sustainable over the long term.
- The WPCF has a target return of CPI + 3% measured over a rolling 5-year average*. This target ensures that the WPCF maintains its real value against inflation, while allowing for distributions (release payments) to be made to the Waitara Community annually.

* For comparison, NPDC's PIF has a target return of CPI + 3.3% (5-year average). The reason for this difference is that the PIF is more aggressively structured (asset allocation within the PIF aims for 80% growth assets / 20% income assets), compared to WPCF's more conservative asset allocation of 70% growth assets / 30% income assets.

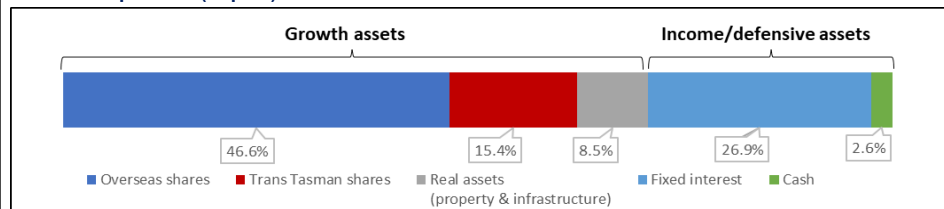
WPCF balance, capital contributions, gains/(losses) to Sep-25



WPCF returns:

	Since inception (Mar 2019)	3 years	1 year
Annual returns (before fees and taxes)	7.0%	13.2%	13.1%
Relative to CPI + 3.3%	+0.4%	+0.6%	+0.6%
Distributions to Waitara community (release payments)	\$0.8m	\$0.8m	\$0.4m

WPCF composition (Sep-25):



Borrowings
For the period ended 30 September 2025

Treasury Governance and Borrowing Framework:

- Council borrowings are managed by a Treasury Management Policy (TMP), sets out key benchmark ratios to ensure that the level of debt remains manageable and affordable for ratepayers.
- The New Zealand Local Government Funding Agency (LGFA), who provide the majority of Council's borrowing, set out similar measures.
- For strong internal governance, Council's self-imposed limits under the TMP are more conservative than LGFA. The TMP targets are more restrictive in terms of limits and which types of financial assets are considered liquid.
- Council Officers have delegated authority to borrow money up to the total approved in the Long-Term Plan / Annual Plan.

Additional Treasury Policy Requirements:

- The TMP also includes other requirements around borrowings and investments to ensure:
 - Interest rate risk is appropriately managed;
 - Investments are diversified across banks/institutions;
 - Adequate liquidity is maintained through cash, term deposits and bank facilities;
 - Debt maturities are staggered to prevent large repayments falling due in any single financial year;
 - Financial instruments/arrangements entered into without explicit Council approval are appropriate;
 - Any on-lending to Council-Controlled Organisations or other parties requires Council approval.

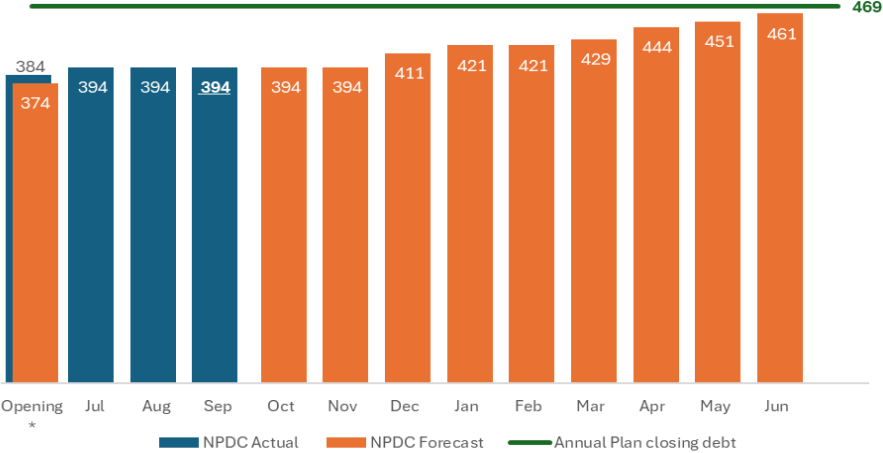
Treasury Management Policy compliance

Benchmark ratios	Internal limit	Result	Compliant?	LGFA limit
Net debt as % of total revenue*	<135%	-38%	✓	<285%
Net interest as % of total revenue	<10%	5%	✓	<20%
Net interest as % of annual rates	<12.5%	8%	✓	<30%
Liquidity over existing debt**	>105%	110%	✓	>110%

* Result is negative, since liquid assets > borrowings (i.e. net asset position).

** LGFA permits the whole Perpetual Investment Fund (PIF) to be classed as a liquid asset. For prudence, Council classes only cash investments within the PIF to be liquid assets. Therefore, although Council's internal limit for this benchmark is nominally lower than LGFA's limit, the internal limit is actually more restrictive.

2025/26 borrowings - actual/forecast \$m
(net of prefunding for debt maturing April 2026)



* Actual opening debt is higher than forecast due to additional on-lending to CCOs (PRIP) approved in the prior year after the Annual Plan budget was prepared.

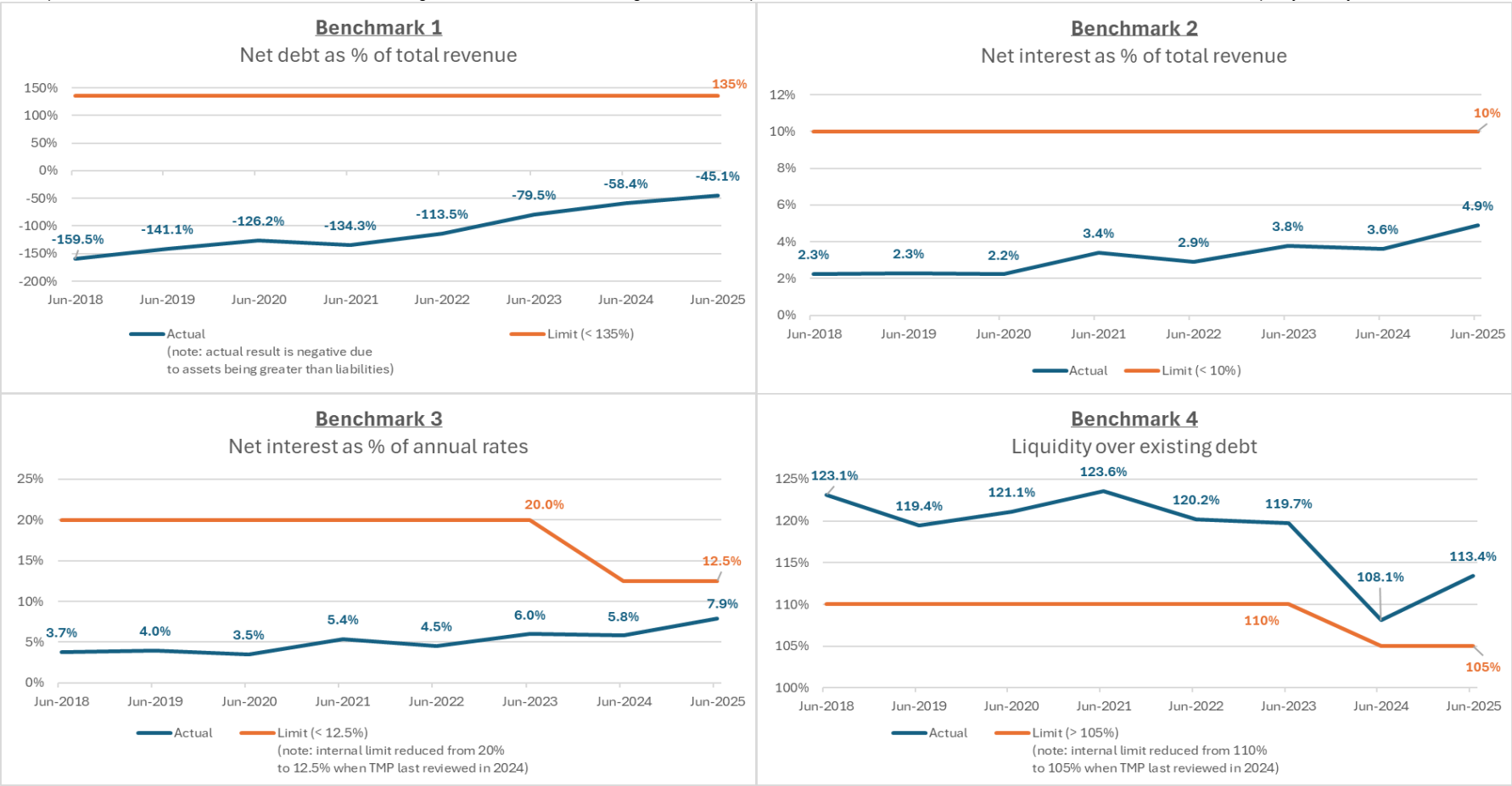
Current year borrowings - movement				
	Long-term	Short-term	Loans to CCOs	Total debt
	\$m	\$m	\$m	\$m
Opening balance at 1 July 2025	322	29	33	384
New borrowing	-	7	3	10
Repayment of debt	-	-	-	-
Total debt as at 30 September 2025	322	36	36	394
Forecast new borrowings	69	-	-	69
Forecast repayment of debt	(61)	(7)	(2)	(70)
Forecast refinancing of existing debt	68	-	-	68
Forecast debt as at 30 June 2026	398	29	34	461
Closing debt per Annual Plan 2025/26	407	29	33	469

Borrowings - Treasury Management Policy Compliance

For the years ending 30 June 2018 to 30 June 2025

Background:

- Council's Treasury Management Policy (TMP) sets out key benchmark ratios to ensure that the level of debt remains manageable and affordable for ratepayers.
- The TMP is reviewed every three years. The last review was completed in 2024 with support from Council's external treasury advisors at PWC.
- The current TMP was approved by Council on 18 June 2024. The next review is scheduled in 2027.
- As part of the 2024 TMP review, the method of calculating some benchmark ratios changed. The results presented in the charts below have been calculated based on the current policy for all years listed.

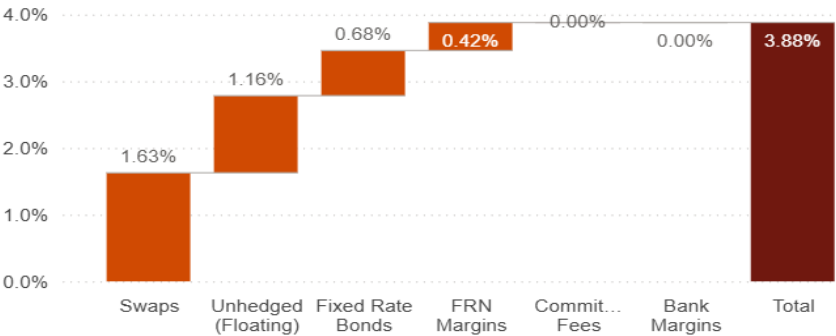


Borrowings - Interest costs
For the period ended 30 September 2025

Background:

- Council's Treasury Management Policy (TMP) requires that the risk of changes in interest rates for Council's borrowings are managed appropriately.
- The TMP sets out minimum and maximum ranges for fixed and floating interest rates, split into bands based on the time until the borrowings mature. A greater proportion of fixed interest rates are required for borrowings closer to maturity, to mitigate the risk of unexpected changes in annual interest costs.

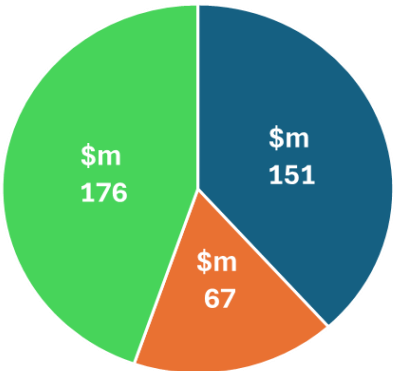
Aggregate contribution to cost of funds



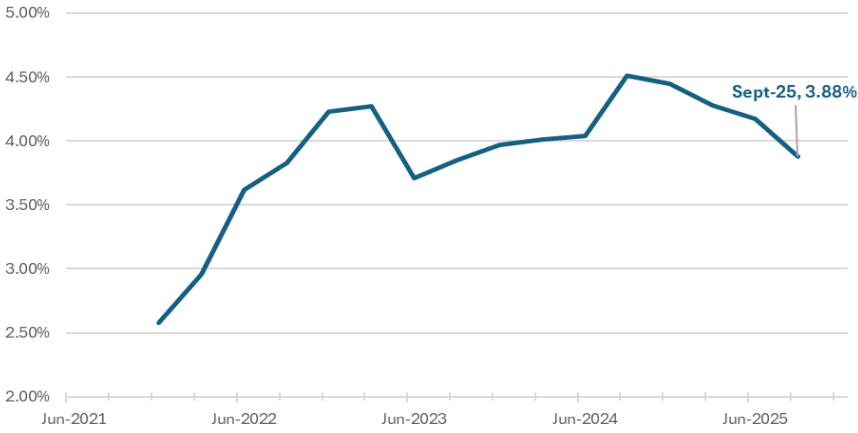
Borrowing structure - proportion of fixed/floating interest rates

- Floating rate
- Fixed rate (bond instrument)*
- Fixed rate (via swap agreement)*

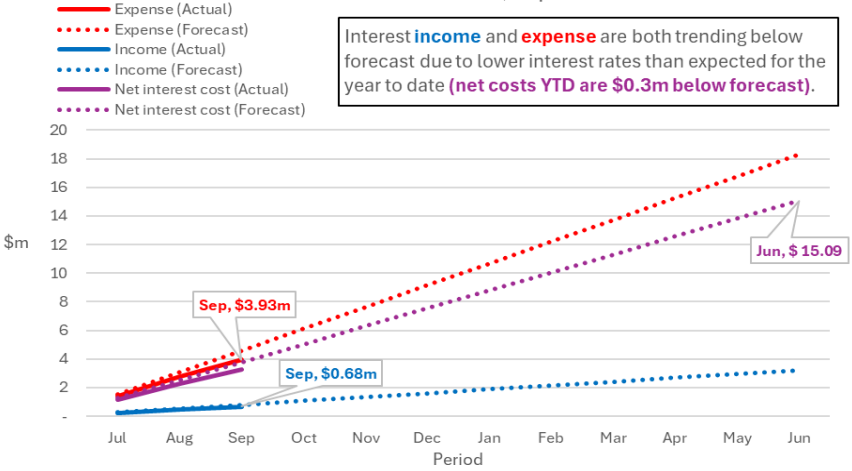
* Council obtains fixed interest rates on a portion of its borrowings through a combination of **bond instruments** and **swap agreements** (Council pays a fixed interest rate and receives a floating rate).



Average cost of funds over time



2025/26 interest income, expense



Reserves

For the period ended 30 September 2025

Background:

Council uses reserves to set aside a portion of accumulated surpluses for specific future purposes, or where funds have been received from a particular set of rate or levy payers.

Statement of Reserves:

	Balance at 1 July 25 (\$'000)	Transfers into fund (\$'000)	Transfers out of fund (\$'000)	Interest earned (\$'000)	Balance at 30 September 25 (\$'000)
Operating Reserve	2,696	425	-	-	3,121
Development Funds	5,009	870	-	-	5,879
Renewal & Disaster Funds	8,215	9,722	-	-	17,937
Restricted Reserves, Trust and Bequest Funds	(1,979)	5	-	-	(1,974)
Waitara Perpetual Community Fund Reserve	24,607	1,377	-	58	26,042
Property, Plant & Equipment Revaluation Reserve	1,615,651	-	-	15	1,615,666
Financial Assets at Fair Value through Other Comprehensive Revenue and Expense	251	-	-	-	251
Total Reserves	1,654,450	12,399	-	73	1,666,922

Purpose of each reserve:

Operating Reserve

Reserves for different areas of benefit are used where there is a discrete set of rate payers. Any surplus or deficit relating to these separate areas is applied to the specific reserves.

Significant Operating Reserves include:

	Balance 30-Sep-25 (\$'000)	Purpose
Covid-19 & Economic Development Reserve	1,041 funds available	Initially set up from historic surpluses to fund post-Covid stimulus; \$1m set aside for Central City support.
Waste Levy Operating Surplus	1,748 funds available	Levies paid from central government (Ministry for the Environment) to Council toward waste minimisation projects.

Development Funds

Arise from development contributions levied by Council to contribute to growth related capital expenditure. Funds are transferred out at year-end to repay debt.

Renewal Reserves

Funding set aside to meet the renewal of infrastructural and operating assets. Funds are transferred out each year-end to fund the CAPEX renewal programme for the year.

Disaster Fund

Maintained as part of Council's insurance strategies; this reserve can be made available for specific unforeseen events.

Restricted Reserves, Trust and Bequest Funds

Created for funds which are restricted for a particular purpose such as bequests or operations in trust. Includes Waitara Perpetual Community Fund, Sale of Junction Rd properties fund, and Waste management and minimisation fund, which was set up for works associated with the District's solid waste disposal system. Also includes Urenui/Onaero Wastewater project.

Significant Restricted Reserves include:

	Balance 30-Sep-25 (\$'000)	Purpose
Commercial Material Recovery Facility Reserve	(3,750) overdrawn	Accumulated operating deficits from the Commercial Material Recovery Facility (2022-25).
Sale of Junction Rd Properties	8,872 funds available	Proceeds from land endowment sales around the Junction Rd area; funds are to be spent on roading projects benefitting the area.
Urenui Onaero Sewer Development Fund	(10,067) overdrawn	Track expenditure on construction of the Urenui-Onaero Wastewater treatment plant until a decision is made on 'who benefits and who pays' (i.e. General rates vs Targeted rates).

Property, Plant & Equipment Revaluation Reserve

Relates to the revaluation of property, plant, and equipment to fair value.

Financial Assets at Fair Value through Other Comprehensive Revenue and Expense

Comprises fair value gains and losses on Council's shareholdings in New Zealand Local Government Funding Agency (LGFA) and Civic Financial Services Ltd.

DRAFT STATEMENTS OF EXPECTATIONS FOR COUNCIL CONTROLLED ORGANISATIONS – NEW PLYMOUTH PIF GUARDIANS LIMITED, PAPA RERERANGI I PUKETAPU, TE PUNA UMANGA - VENTURE TARANAKI TRUST

PURPOSE/ TE WHĀINGA

1. The purpose of this report is to approve the Statements of Expectations (SOEs) for New Plymouth PIF Guardians Limited, Papa Rererangi i Puketapu and Te Puna Umanga - Venture Taranaki Trust for consideration in their 2026/27 Statements of Intent (SOI).

RECOMMENDATION / NGĀ WHAIKUPU

That, having considered all matters raised in the report, Council approves the Statements of Expectations of:

- a) **New Plymouth PIF Guardians Limited**
- b) **Papa Rererangi i Puketapu**
- c) **Te Puna Umanga - Venture Taranaki Trust**

SIGNIFICANCE AND ENGAGEMENT / TOHUTOHU KAI WHAKAHAERE

2. This report has been assessed as being of some importance.

BACKGROUND / WHAKAPAPA

3. New Plymouth PIF Guardians Limited (NPG) and Venture Taranaki Trust (VTT) are New Plymouth District Council (NPDC) Council-Controlled Organisations (CCOs) and Papa Rererangi i Puketapu (PRIP) is a Council-Controlled Trading Organisation (CCTO).
4. Draft Statements of Expectations of NPG, PRIP and VTT are being presented to the Council for consideration and approval.
5. The SOEs have been prepared under the Local Government Act (LGA) 2002. The LGA allows NPDC to prepare SOEs that specify how a CCO is to conduct its relationships with the NPDC and the wider New Plymouth District community including Iwi, Hapū and other Māori organisations.
6. Draft SOEs are attached as Appendix 1, 2 and 3. SOEs require each CCO to act consistently with the statutory obligations of NPDC and NPDC's obligations pursuant to agreements with third parties. The draft SOEs have been developed in collaboration with the CCOs.

7. The SOEs outline Council's expectations in relation to community engagement and collaboration with NPDC and others in the delivery of services. The content of the SOEs is expected to be covered in the CCOs 2026/27 Statements of Intent, where appropriate.

Significant changes to Statement of Expectation

8. Minor updates have been made to all SOEs to reflect changes in practice and language currently used at Council.
9. Council has opted into the climate-related disclosures regime to enhance transparency regarding climate change risks and opportunities, developing its first disclosure report for inclusion in the Annual Report 2025/26. NPDC requests each CCO investigate what time, and resources would be required to undertake similar disclosures by 2026/27, and if appropriate, outline in its Statement of Intent when it will be able to include these disclosures in end-of-year reports.
10. Detail is included of NPDC joining the Local Government Funding Agency's Climate Action Loans to provide an interest rate discount for Council debt. This requires all CCOs to be included within NPDC's emissions boundary. Therefore, NPDC will require CCO's to monitor, report on, and reduce their operational emissions (including scope 1, 2 and 3 emission sources).
11. Venture Taranaki has explicitly been encouraged to investigate all potential sources of alternative revenue to support its activities in the delivery of economic outcomes for the Region, consistent with its purpose and trust deed.

CLIMATE CHANGE IMPACT AND CONSIDERATIONS / HURINGA ĀHUARANGI

12. Under the LGA, CCOs must achieve the objectives of their shareholder/s, both commercial and non-commercial, as specified in their SOI. Each CCO must also "exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so".
13. SOEs are the appropriate opportunity for NPDC to express any expectations related to climate change to their CCOs to incorporate into their SOIs for the following year.
14. Both PRIP and VTT have included environmental related activities and information in their reporting this year.

15. New Plymouth Guardians recognises the importance of climate change considerations within an investment portfolio, and will be working with the fully outsourced agent over the coming years to further embed these considerations into the portfolio. PIF investments take into account social, environmental and governance factors as stated in the Statement of Investment Policies and Objectives.
16. The Draft SOEs state that the CCOs must assist in the achievement of the NPDC sustainability strategic goal and Climate Action Framework.

NEXT STEPS / HĪKOI I MURI MAI

17. Councillors are able to amend the SOEs before approval.
18. Final SOEs, as approved by Council, will be sent to the CCOs for their consideration in preparation of their draft SOIs.
19. Draft SOIs must be presented to Council officers by 1 March 2026. These will then be considered by Council for feedback.
20. After the final SOEs are approved, these documents must be published on the NPDC website, as per the LGA, section 64B.

FINANCIAL AND RESOURCING IMPLICATIONS / NGĀ HĪRAUNGA Ā-PŪTEA, Ā-RAUEMI

21. All costs relating to the NPDC CCOs are included in the Long-Term Plan 2024-2034 and Annual Plan 2025-26. If a SOE is likely to have financial implications, these should be considered in the Annual Plan 2026-27.
22. CCOs are required to report quarterly to Council on their financial status.

IMPLICATIONS ASSESSMENT / HĪRANGA AROMATAWAI

23. This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:
 - Council staff have delegated authority for any decisions made;
 - Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
 - Council staff have considered how the matter will promote the social, economic, environmental, and cultural well-being of communities in the present and the future.
 - Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;

- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

APPENDICES / NGĀ ĀPITI HANGA

- Appendix 1 New Plymouth PIF Guardians Limited Draft SOE 2026/2027
ECM9640710
- Appendix 2 Papa Rererangi i Puketapu Draft SOE 2026/2027 ECM9640718
- Appendix 3 Te Puna Umanga – Venture Taranaki Trust Draft SOE 2026/2027
ECM9641068

Report Details

Prepared By: Kerri Rattenbury (Community and Economic Development Officer)
Team: Community and Economic Development Team
Approved By: Damien Clark (Manager Community and Economic Development)
Ward/Community: District Wide
Date: 4 November 2025
File Reference: ECM9641077

-----End of Report -----



20 November 2025

7.1

NEW PLYMOUTH PIF GUARDIANS LIMITED STATEMENT OF EXPECTATIONS

As part of the process of establishing the Statement of Intent (SOI) each year the Council issues a Statement of Expectations (SOE) to Council Controlled Organisations (CCOs).

New Plymouth PIF Guardians Limited's (NPG, the Company) SOE should guide the Company's strategic direction and set out the expectations that should be addressed in their 2026/27 SOI.

This SOE has been developed in accordance with the Local Government Act 2002 (LGA) Section 64b including:

- Specifying how the CCO is to conduct its relationship with New Plymouth District Council (NPDC, the Council) and the wider district including our local Iwi and Hapū and other Māori organisations; and
- Requiring the CCO to act consistently with the statutory obligations of the Council and the Council's obligations pursuant to agreements with third parties.

Expectations Specific to NPG

- 1 *Governance Deed:* The Governance Deed sets out the relationship between the Council and NPG. The Council expects that NPG will continue to comply with the terms contained within and advise officers of any breaches in a timely fashion.
- 2 *Returns:* A prime focus for the Council is to ensure that the returns from the PIF are at a level that meets its objectives. The target return of the Fund is 3.3 per cent plus NZ inflations, net of fees and costs, measured on a rolling five-year basis.
- 3 *Risk management:* Given that the PIF is an investment of ratepayers' funds, the Council's expectation is that the risk profile of investments will reflect this and the targeted rate of return. Investments will be made in line within the Statement of Investment Policies and Objectives, including the strategic asset allocation and environmental, social and governance aspects of investments, in particular the mitigation of and adaptation to climate change.

General Expectations

- 4 *Draft SOI:* All CCOs must provide a draft SOI to council officers by 1 March each year. The draft SOI will be considered by Council or appropriate Committee. Feedback will be provided at draft stage, and the final SOI is to be provided to council officers by 30 June.

5 *Reporting:*

- A quarterly report will be provided to Council Officers within two months of the end of each quarter. The Board approved Annual Report will be provided within three months of year end. All reports will be made publicly available within one month of being received.
- The half-yearly and end-of-year reports must be appropriately detailed and include updates on all measures and activities (where applicable). The quarter one and three reports may be less detailed dashboard style reports.

6 *Council / Committee Meetings:* The board Chair or in their absence a board member, must attend Council or appropriate Committee meetings to present quarterly updates unless otherwise instructed.

7 *"No Surprises" Policy:* It is expected that you will maintain a "no surprises" policy and inform council officers well in advance of any material or significant events, transactions or other issues that would be considered contentious or attract wide public interest.

8 *Sensitive Expenditure:* While noting that CCOs operate in a different market than the Council, they need to be cognisant of the fact that they are operating in a public environment and should be aware of the Council's sensitive expenditure policy.

9 *Environmental Sustainability:* NPDC has a strategic goal "Environmental Excellence Te Kounga ā-Taiao". NPDC's Environmental Sustainability Policy outlines our main environmental priorities. CCOs must be aware of these and assist in the achievement of them where and when appropriate. This should be reported on in the half-yearly and end-of-year reports.

10 *Climate change reporting:*

- NPDC requests each CCO to undertake climate-related disclosures in 2026/27. However, for NPG Council instead requests that NPG assess Mercer's disclosure and provide advice to NPDC on the key climate-related risks and opportunities in relation to the PIF, and any matters that NPG consider should be considered by NPDC that arise.
- NPDC is also in the process of joining the Local Government Funding Agency's Climate Action Loans to provide an interest rate discount for Council debt. The financed emissions from the PIF contribute to 14% of NPDC's emissions. If NPDC is able to join this scheme, we may require you to engage with Mercer on reducing these financed emissions. Further, all CCOs will be included within NPDC's emissions boundary. Therefore, NPDC will monitor and report on your operational emissions (including scope 1, 2 and 3 emission sources) and may require you to undertake any steps to reduce your operational emissions.

- 11 *Relationship with NPDC:* To ensure strong communications and alignment between the Council and its CCOs an advisor will attend, as an observer, all Board meetings.
- 12 *Relationship with New Plymouth District Community:* Council expects that NPG's decisions are for the benefit of the district.
- 13 *Relationship with Iwi, Hapū and other Māori organisations:* The Council expects NPG to advise and consult with local Iwi and Hapū.
- 14 *Obligations:* NPG must always act in a manner consistent with the statutory obligations of NPDC and also those pursuant to agreements with third parties (including Iwi, Hapū, or other Māori organisations).

Yours faithfully,

Max Brough
His Worship the Mayor



20 November 2025

7.2

PAPA RERERANGI I PUKETAPU LIMITED STATEMENT OF EXPECTATIONS

As part of the process of establishing the Statement of Intent (SOI) each year the Council issues a Statement of Expectations (SOE) to Council Controlled Organisations (CCOs).

This Papa Rererangi i Puketapu Ltd (PRIP) SOE has been developed in a collaboration with PRIP to guide their strategic direction and set out the expectations to be addressed in their 2026/27 SOI.

This SOE has been developed in accordance with the Local Government Act 2002 (LGA) Section 64b including:

- Specifying how the CCO is to conduct its relationship with New Plymouth District Council (NPDC, the Council) and the wider district including our local Iwi and Hapū and other Māori organisations; and
- Requiring the CCO to act consistently with the statutory obligations of the Council and the Council's obligations pursuant to agreements with third parties.

Expectations Specific to PRIP

- 1 *Te Matakūpenga Solar Farm Subsidiary Company:* This Statement of Expectations also applies to Te Matakūpenga, as appropriate. It is expected that the solar farm will perform as per the business case approved by Council, including debt repayments. Solar farm performance should be reported on as part of PRIP reporting.
- 2 *Puketapu-Bell Block Spatial Plan:* This is currently being developed by NPDC, Puketapu-Bell Block Community Board, Puketapu Hapū and Isthmus. PRIP should participate in this work to ensure the interests of the New Plymouth Airport are considered.
- 3 *Capital Projects:* The Council expects that the Board will have in place appropriate controls to ensure that capital projects are appropriately managed and delivered within time and on budget.
- 4 *Agreements:* There are various agreements (Service Level Agreement, Loan Facility, General Security Deed and Lease of Airport Land Deed) between the Council and PRIP regarding the on-going operation of the airport. The Council expects that PRIP will abide by these agreements in good faith and report any breaches of these agreements to council officers on a timely basis.

- 5 *Civil Aviation Requirements:* As holder of the Airport Operations Certificate (AOC), the Council is responsible for meeting aviation health and safety obligations under the Civil Aviation Authority (CAA) Rules part 139. This requirement is managed by PRIP on a day to day basis, on behalf of the Council. PRIP must keep council officers informed of any changes in the status of these obligations.
- 6 *Updated cashflow forecasts:* PRIP will provide to council officers at the end of each quarter an updated 12-month cashflow forecast, broken down by month. This forecast will include projected borrowing requirements and scheduled debt repayments.
- 7 *Loan facilities:*
 - On 30 June 2020 the Council resolved that \$22 million of debt owed to the Council by PRIP be converted to equity. If PRIPs financial position indicates that they can pay dividends on this investment, PRIP must seek clarification from Council on the best option for these funds, such as paying dividends, reducing the loan balance or investing in other activities.
 - PRIP must include expected drawdowns and repayments of the loan facility in the draft and final SOI. Any other drawdowns must meet the requirements of the loan facility agreement.
 - If the SOI signals a potential need to go above the current loan facility limits, it must be made clear that it is subject to formal approval by Council – the receipt of the SOI does not approve an increase.
- 8 *Diversification:* PRIP is to consider opportunities to grow and/or diversify its sources of income. This is to reduce the impact of flight disruptions on the organisation
- 9 *Accounting:*
 - Council officers must be provided any documentation or information required for the officers to fulfil their financial accounting duties.
 - PRIP are expected to co-operate in the company's financial audit and in resolving any audit issues raised in the "Report to the Board on the audit".
 - The signed audit opinion and audit management report will be presented to the CCOs Committee (or any other appropriate committee) after it has been reviewed by the PRIP Board. Council expects the audit opinion to be unqualified.
 - PRIP are expected to answer reasonable queries on their financial performance as and when requested by council officers or councillors via the shareholders representative or at briefings.

General Expectations

- 10 *Draft SOI:* All CCOs must provide a draft SOI to council officers by 1 March each year. The draft SOI will be considered by Council or appropriate Committee. Feedback will be provided at draft stage, and the final SOI is to be provided to council officers by 30 June.
- 11 *Reporting:*
- A quarterly report will be provided to Council officers within two months of the end of each quarter to be presented to the Council. The Board approved Annual Report will be provided within three months of year end. All reports will be made publicly available within one month of being received.
 - The half-yearly and end-of-year reports must be detailed and include updates on all measures and activities (where applicable). The quarter one and three reports may be less detailed dashboard style reports.
- 12 *Council / Committee Meetings:* The board Chair or in their absence a board member, must attend Council or appropriate Committee meetings to present quarterly updates unless otherwise instructed. The Chief Executive and/or management should attend to answer questions for clarification.
- 13 *“No Surprises” Policy:* It is expected that you will maintain a “no surprises” policy and inform council officers well in advance of any material or significant events, transactions or other issues that would be considered contentious or attract wide public interest.
- 14 *Sensitive Expenditure:* While noting that CCOs operate in a different market than the Council, they need to be cognisant of the fact that they are operating in a public environment and should be aware of the Council’s sensitive expenditure policy.
- 15 *Environmental Sustainability:* NPDC has a strategic goal “Environmental Excellence Te Kounga ā-Taiao”. NPDC’s Environmental Sustainability Policy outlines our main environmental priorities. CCOs must be aware of these and assist in the achievement of them where and when appropriate. This should be reported on in the half-yearly and end-of-year reports.
- 16 *Climate change reporting:*
- NPDC requests each CCO to undertake climate-related disclosures in 2026/27. These disclosures should be aligned to the New Zealand Climate Standard, but strict adherence to that Standard is not required and CCOs are asked to focus on fit-for-purpose reporting instead.
 - NPDC has joined the Local Government Funding Agency’s Climate Action Loans to provide an interest rate discount for Council debt. This requires all CCOs to be included within NPDC’s emissions boundary. Therefore, NPDC will require

you to monitor, report on, and reduce your operational emissions (including scope 1, 2 and 3 emission sources).

- 17 *Relationship with NPDC:* To ensure strong communications and alignment between the Council and its CCOs an advisor will attend, as an observer, all Board meetings.
- 18 *Relationship with New Plymouth District Community:* Council expects that PRIP's decisions are for the benefit of the district.
- 19 *Relationship with Iwi, Hapū and other Māori organisations:* The Council expects the PRIP Board and Airport Company to drive and maintain a strong partnership with mana whenua. This includes discussions with Puketapu Hapū at any time it is considered appropriate and at all times when future decisions will impact local Iwi and Hapū.
- 20 *Obligations:* PRIP must always act in a manner consistent with the statutory obligations of NPDC and also those pursuant to agreements with third parties (including Iwi, Hapū, or other Māori organisations).

Yours faithfully,

Max Brough
MAYOR OF NEW PLYMOUTH DISTRICT



20 October 2025

VENTURE TARANAKI TRUST – TE PUNA UMANGA STATEMENT OF EXPECTATIONS

7.3

As part of the process of establishing the Statement of Intent (SOI) each year, the Council issues a Statement of Expectations (SOE) to Council Controlled Organisations (CCOs).

This Venture Taranaki Trust – Te Puna Umanga (VT) SOE has been developed in collaboration with VT. Its purpose is to guide their strategic direction and set out the expectations that should be addressed in their SOI 2026/27.

This SOE has been developed in accordance with the Local Government Act 2002 (LGA) Section 64b including:

- Specifying how the organisation is to conduct its relationship with New Plymouth District Council (NPDC, the Council, the shareholder) and the wider district including our local Iwi and Hapū and other Māori organisations; and
- Requiring the CCO to act consistently with the statutory obligations of the Council and the Council's obligations pursuant to agreements with third parties.

Context

The Council commissioned a review of VT in 2021. The review found general satisfaction with VT and did not identify any serious concerns.

The VT review was initiated to improve the clarity of the purpose of VT, consider how it is situated in the current operating environment and to identify opportunities to further increase regional cooperation and inclusivity while optimising shareholder investment on behalf of the community.

The VTT Board have successfully responded to the review findings and are continuing to implement changes. The Board has approved a new vision and strategic framework. They have also developed a Value Creation Framework which looks at the direct economic impact of projects as well other benefits such as those related to social, cultural, environmental and wellbeing measures.

Expectations Specific to VT

1 Strategic framework:

- VT must continue to implement the strategic framework and workplan presented during the 2025/26 year.
- The VT strategic framework and direct economic impact framework should guide and prioritise the activities of VT and be reported on during the year.

This should also help frame up discussions with and reporting to the other Taranaki Councils.

2 *Communications:*

- Council acknowledges the progress made and work completed by VT to respond to the review around communications. Council encourages VT to continue promoting the value it adds to the community at all opportunities appropriate and grow engagement with the wider community through proactive communication and events.
- Stakeholder communications and strategic partnerships will continue as a focus for VT and will be reported against during the 2026/27 year. Stakeholders include, but are not limited to, customers, funders, partners and other groups with a material interest in the activities of VT.
- VT should provide early advice to Council on risks they have identified as facing the Taranaki economy or VT itself.

3 *Accountability:* An outline of budgets and spending should continue to be provided in the Statement of Intent (SOI) and half-yearly reports, showing proportional investment across programmes and performance against other appropriate indicators. This is to provide transparency of allocation of resources across programmes and the prioritisation of these.

4 *Regional strategy:*

- Council acknowledges the completed review of the Tapuae Roa Regional Economic Development Strategy. VT should continue to update the Council 6 monthly on the progress of the delivery of Tapuae Roa actions and work with the Taranaki Mayoral Forum and Ngā Iwi o Taranaki on progressing the strategy as appropriate.
- VT will support a regional development governance group if requested, in a secretariat role and in other ways as agreed with the VT Board.
- VT should collaborate with, and support, key stakeholders in the community to provide support to enterprises, where appropriate. This will ensure the best outcomes for the community and that there is not a doubling up of effort.

5 *Accounting:*

- VT are expected to meet reporting deadlines. This includes providing a trial balance and additional disclosure information to Council and delivery of fully audited financial statements to fit the Council Annual Report and Audit schedule at Financial Year End. This will be agreed annually in advance.
- VT are expected to provide a quarterly trial balance to Council Officers by the 12th working day of the month following or as agreed.
- Financial reports are expected to represent a fair view of the organisation's financial performance and position of the reporting period being presented to Council.
- VT interim and annual financial statements are expected to comply with the appropriate generally accepted accounting standards (currently being Public Benefit Entity) and the financial reporting requirements of the Local Government Act 2002.
- VT are expected to manage the trust's financial audit and for resolving any audit issues raised in the "Report to the Board" on the audit.
- The signed audit opinion and audit management report will be presented to the scheduled CCOs Committee after it has been reviewed by the VT Board. Council expects the audit opinion to be unqualified.
- VT are expected to answer queries on their financial performance as and when requested by Council Officers or elected members.
- Appropriate reconciliations of the financial accounts must comply with Audit expectations to ensure a smooth and timely audit process for the annual accounts.

6 Funding Diversification: VT are encouraged to investigate all potential sources of alternative revenue to support its activities in the delivery of economic outcomes for the Region, and pursue funding diversification or revenue generation opportunities consistent with its purpose and trust deed.

7 *Employer obligations:* A principal role of a CCO is to be a good employer as per the definition for a local authority under section 36 of the LGA. VT must meet these obligations and where and when possible and practicable align practices with Council. This is to provide equity and consistency for those with the experience and skills required to achieve the outcomes for the community.

General Expectations

8 *Draft SOI: All CCOs must provide a draft SOI to council officers by 1 March each year. The draft SOI will be considered by Council or appropriate Committee. Feedback will*

be provided at draft stage, and the final SOI is to be provided to council officers by 30 June.

9 *Reporting:*

- A quarterly report will be provided to Council Officers within two months of the end of each quarter. The Board approved Annual Report will be provided within three months of year end. All reports will be made publicly available within one month of being received.
- The half-yearly and end-of-year reports must be appropriately detailed and include updates on all measures and activities (where applicable). The quarter one and three reports may be less detailed dashboard style reports.

10 *Council / Committee Meetings:* The board Chair or in their absence a board member, must attend Council or appropriate Committee meetings to present quarterly updates unless otherwise instructed. The Chief Executive and/or management should attend to answer questions for clarification.

11 *“No Surprises” Policy:* It is expected that VT will maintain a “no surprises” policy and inform Council officers well in advance of any material or significant events, transactions or other issues that would be considered contentious or attract wide public interest.

12 *Sensitive Expenditure:* While noting that CCOs operate in a different market than the Council, they need to be cognisant of the fact that they are operating in a public environment and should be aware of the Council’s sensitive expenditure policy.

13 *Environmental Sustainability:* NPDC has a strategic goal “Environmental Excellence Te Kounga ā-Taiao”. NPDC’s Environmental Sustainability Policy outlines our main environmental priorities. CCOs must be aware of these and assist in the achievement of them where and when appropriate. This should be reported on in the half-yearly and end-of-year reports.

14 *Climate change reporting:*

- NPDC requests each CCO to undertake climate-related disclosures in 2026/27. These disclosures should be aligned to the New Zealand Climate Standard, but strict adherence to that Standard is not required and CCOs are asked to focus on fit-for-purpose reporting instead.
- NPDC has joined the Local Government Funding Agency’s Climate Action Loans to provide an interest rate discount for Council debt. This requires all CCOs to be included within NPDC’s emissions boundary. Therefore, NPDC will require you to monitor, report on, and reduce your operational emissions (including scope 1, 2 and 3 emission sources).

- 15 *Relationship with NPDC:* To ensure strong communications and alignment between the Council and its CCOs it is planned that an advisor will attend, as an observer, all Board meetings.
- 16 *Relationship with New Plymouth District Community:* Council expects that VT's decisions are for the benefit of the District and Region.
- 17 *Relationship with Iwi, Hapū and other Māori organisations:* The Council expects ongoing and meaningful relationship building to occur with Taranaki Iwi, Hapū and other Māori organisations. Opportunities to partner with Ngā Iwi o Taranaki are strongly encouraged recognising te tiriti obligations of Local Government and subsidiaries.
- 18 *Obligations:* VT must always act in a manner consistent with the statutory obligations of NPDC and also those pursuant to agreements with third parties (including Iwi, Hapū, or other Māori organisations).

Yours faithfully,

Max Brough

MAYOR OF NEW PLYMOUTH DISTRICT

ECONOMIC DEVELOPMENT RESERVE PROPOSAL

MATTER / TE WHĀINGA

1. The matter for consideration by Council is the business case proposal and application from Te Puna Umanga Venture Taranaki, as the Regional Economic Development Agency, to establish the Taranaki Alliance (TA) on behalf of the region.

RECOMMENDATION FOR CONSIDERATION / NGĀ WHAIKUPU
That having considered all matters raised in the report, Council approve the application from Te Puna Umanga Venture Taranaki for \$500,000 from the Economic Development Reserve to establish the Taranaki Alliance, and enable Te Puna Umanga Venture Taranaki to seek co-funding from national and regional partners for the establishment phase.

COMPLIANCE / TŪTOHU	
Significance	This matter is assessed as being of significant importance.
Options	<p>This report identifies and assesses the following reasonably practicable options for addressing the matter:</p> <p>1. Approve the funding proposal as requested.</p> <p>2. Do not approve the funding proposal.</p>
Affected persons	The persons who are affected by or interested in this matter are the residents and businesses in the New Plymouth District.
Recommendation	This report recommends option one for addressing the matter.
Long-Term Plan / Annual Plan Implications	No
Significant Policy and Plan Inconsistencies	No

EXECUTIVE SUMMARY / WHAKARĀPOPOTOTANGA MATUA

2. Council has allocated an additional \$500,000 funding in the Long-Term Plan 2024-2034 (LTP) in each of years one and two for an economic development reserve to refresh our strategy, increase Councils impact and drive the next phase of regional economic growth by enabling new economic development initiatives.

3. Te Puna Umanga Venture Taranaki proposes to utilise this funding to establish the Taranaki Alliance (TA) a region-wide, industry-led model that coordinates local industrial capability and connects Taranaki firms with major national and international contract opportunities across infrastructure, NZ Defence, energy transition, advanced manufacturing, and emerging technology sectors.
4. As the decline of the oil and gas sector accelerates, Taranaki faces a critical period of economic transition, with high-value engineering and manufacturing capability at risk. The TA provides a practical, time-sensitive mechanism to retain skilled jobs, diversify revenue streams, and strengthen the region's long-term industrial resilience.
5. NPDC funding will provide the foundation required to seek further regional and central government co-investment, enabling the TA to establish governance, develop shared compliance and certification systems, and position Taranaki to secure major contract activity. Industry feedback to date reflects strong commitment to seeing the Alliance established and co-led with Te Puna Umanga Venture Taranaki.

BACKGROUND / WHAKAPAPA

6. On 27 & 28 May 2024, Council approved an additional \$500,000 funding in the LTP in each of years one and two for an economic development reserve under "Support Growth and Economic Development". The purpose of the funding was to refresh the regional economic development strategy, increase Councils impact and drive the next phase of regional economic growth.
7. Taranaki faces a significant economic transition as it shifts from a reliance on current industries, such as oil and gas, towards a more diversified and sustainable economy. Economic development aims for long-term growth by investing in productivity, key industries, and resilient structures. Unlike economic activity, which provides a short-term boost, it focuses on enduring benefits through strategic investments.
8. Council approved guidelines for the allocation of the economic development reserve and a delegation for approval by the Mayor and CEO of up to \$50,000 on 5 November 2024. The purpose of the guidelines was to provide a strategic framework to accelerate the regional economy and opportunities for economic diversification and growth over the next three years.

-
9. The decision-making guidelines are:
- a) Alignment with Strategic Priorities: The project must align with the strategic priorities of the Council and should also align with regional economic development strategies such as Tapuae Roa.
 - b) Diversification of the Taranaki Economy: How does the project contribute to the diversification of the Taranaki economy by attracting and developing new industries and businesses?
 - c) Strengthening Existing Businesses: How does the project strengthen the Taranaki economy through existing businesses and industries?
 - d) Economic Development with Leveraged Investment: Does the project attract additional strategic investment and provide long-term benefits to the Taranaki economy?
10. The Economic Development Reserve currently has \$440,000 remaining detailed in the below table. Three proposals have been previously approved as per the guidelines. These were:
- a) A project to establish an Applied Innovation Centre to connect, enable, develop and accelerate Taranaki's science and technology sector.
 - b) A project to establish Taranaki as a national centre for biotechnology. This project is assessing Taranaki's existing capabilities for biotechnology industry while identifying essential steps to increase our appeal to startups and established companies for scaling and commercialisation.
 - c) Branching Out: Phase 3: New Zealand's leading, regionally led land and value chain diversification programme. The programme aims to educate and equip Taranaki landholders and value chain participants with the resources, networks, and confidence to diversify into new, high-value opportunities.
-

11. Economic Development Reserve Summary

Item	Spent	Reserve Balance
Pre LTP 2024-2034 reserve balance		\$40,000
Post LTP 2024-2034 Year 1		\$540,000
Applied Innovation Centre	\$50,000	\$490,000
Taranaki as a national centre for biotechnology	\$50,000	\$440,000
Branching Out: Phase 3	\$400,000	\$40,000
Post LTP 2024-2034 Year 2		\$540,000
<i>Taranaki Alliance (to be decided)</i>	<i>\$500,000</i>	<i>\$40,000</i>

Taranaki Alliance Funding Proposal

12. Taranaki is home to one of New Zealand’s most capable heavy-industry hubs, with world-class engineering, fabrication, construction, and manufacturing expertise. This capability—built over decades of delivering complex national projects—is now under pressure as the region’s oil and gas sector declines, creating an urgent need to retain and diversify industrial capacity.
13. The TA will act as a single, coordinated front for Taranaki’s engineering, fabrication, manufacturing, and technology firms. It will enable collective access to major national and international opportunities that individual businesses cannot secure alone. Shared systems for safety, quality, cyber security, and compliance will lift regional standards and competitiveness.
14. NPDC’s \$500,000 investment will unlock a two-year, \$1.8 million programme, leveraging additional contributions from industry and Te Puna Umanga Venture Taranaki. It lays the foundation for a self-sustaining model by Year 3, ensuring long-term regional economic resilience with a significant benefit to the New Plymouth District specifically.
15. This funding, and the wider \$1.8 million programme, will specifically pay for:
- a) People and operations to pursue and secure contracts
 - b) Governance and advisory frameworks
 - c) Compliance and security systems
 - d) Facilities and tools to sustain growth
 - e) Outreach and engagement with key stakeholders
 - f) Contingency and working capital for an effective budget
 - g) Capability development and partnership within region

-
- h) Programme management and evaluation
16. The TA aims to secure up to \$200 million in contract value within three years, generating approximately \$77 million in direct GDP and supporting around 1,260 direct full-time equivalent (FTE) jobs across Taranaki's engineering and manufacturing sectors. By creating a credible, coordinated mechanism for opportunity flow and capability development, the TA positions Taranaki as a nationally and globally competitive industrial hub.
 17. Te Puna Umanga Venture Taranaki, as the Regional Economic Development Agency, will lead the establishment of the Taranaki Alliance (TA) with industry partners. The TA has support and continued engagement at a high level from each Mayor of the region, however it will be developed through two scalable delivery scenarios, depending on the level of funding secured:
 - a) Scenario 1 – Region-Funded "Front Door" Model: A coordination and opportunity-flow model focused on capability uplift, shared standards, and securing contract opportunities into the region.
 - b) Scenario 2 – Centrally Co-Funded Contracting & Integration Model: Establishes the systems, structure, and delivery capability required to secure and manage large multi-sector national and international programmes.
 18. Across either scenario, the TA will establish shared compliance and assurance systems, coordinated market engagement, and a unified regional interface for major customers. Public investment will be matched by industry contributions, ensuring shared responsibility and long-term sustainability.
 19. The following key deliverables and key performance indicators (KPI's) for 2025 – 2027 are proposed:
 - a) Establish governance, operating frameworks, and region-wide compliance uplift.
 - b) Launch coordinated opportunity capture and market engagement functions.
 - c) Secure measurable contract activity into the region, targeting up to \$200 million in pipeline opportunities within the first three years.
 - d) Based on MBIE/BERL ratios, this scale of pipeline activity would generate approximately \$77 million in direct GDP and support around 1,260 direct FTEs across Taranaki's engineering and manufacturing sectors.
 - e) Build a sustainable funding model through commission-based revenue from contracts delivered.
-

Alignment with Economic Development Reserve Decision-Making Guidelines

20. The Taranaki Alliance proposal strongly aligns with the decision-making guidelines set for the Economic Development Reserve with the following assessment provided:
- a) **Alignment with Strategic Priorities**
The business case confirms strong alignment with NPDC’s Strategic Framework and Tapuae Roa’s “New Industry and Investment” priority. The TA directly supports regional transition, workforce development, and low-emission industries, positioning Taranaki for renewable energy, advanced manufacturing, and sovereign capability opportunities. It also aligns with NPDC’s LTP commitment to economic growth.
 - b) **Diversification of the Taranaki Economy**
The TA creates a coordinated platform enabling local firms to access national and international opportunities in Defence, renewable energy, infrastructure, and advanced manufacturing. By lifting compliance and assurance standards, it opens high-value markets and reduces reliance on the oil and gas sector, supporting a sustainable, future-focused regional economy.
 - c) **Strengthening Existing Businesses**
The proposal is built around Taranaki’s engineering and manufacturing strengths. It provides shared compliance systems, coordinated bidding, and capability uplift, enabling firms to secure larger contracts and maintain competitiveness. Workforce transition is supported through apprenticeships, micro-credentials, and training partnerships, ensuring skills retention and growth within the region.
 - d) **Economic Development with Leveraged Investment**
NPDC’s \$500,000 contribution unlocks a \$1.8 million regional programme with industry and Te Puna Umanga Venture Taranaki co-funding. If central government co-investment is secured, the programme scales to \$4.2 million. The TA proposed targets \$200 million in contracts within three years, generating approximately \$77 million GDP and support around 1,260 direct FTEs across Taranaki’s engineering and manufacturing sectors.

CLIMATE CHANGE IMPACT AND CONSIDERATIONS / HURINGA ĀHUARANGI

21. The TA supports the transition of regional industry into low-emission and green technology opportunities, strengthening capability for renewable energy infrastructure, advanced manufacturing, and climate-aligned sectors. This contributes to long-term emission reduction, sustainability, and a more resilient, future-focused regional economy.

NEXT STEPS / HĪKOI I MURI MAI

22. Te Puna Umanga Venture Taranaki will confirm additional contributions from industry partners and regional stakeholders to complete the \$1.8 million establishment programme, ensuring alignment with NPDC's funding decision and readiness for implementation.
23. Once the additional funding is secured, Te Puna Umanga Venture Taranaki will initiate formation of the Taranaki Alliance governance structure, implement compliance systems, and prepare shared standards to enable regional firms to meet national and international procurement requirements.
24. Te Puna Umanga Venture Taranaki will provide regular updates through existing quarterly reporting to the Council.

SIGNIFICANCE AND ENGAGEMENT / KAUPAPA WHAKAHIRAHIRA

25. In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as being of significant importance because it impacts the region's economic resilience, environmental sustainability, and community well-being.

OPTIONS / KŌWHIRINGA

26. There are two practical options.

Option 1 Approve the funding proposal as requested

Option 2 Do not approve the funding proposal

These options have been assessed together.

Financial and Resourcing Implications / Ngā Hiraunga ā-pūtea, ā-rauemi

27. This funding has been budgeted for and approved through the LTP. The proposed funding of \$500,000 will leave \$40,000 in reserve for the remainder of the financial year.
28. By not approving the funding proposal the reserve will remain at \$540,000 and will be available in out years, or for other projects.

Risk Analysis / Tātaritanga o Ngā Mōrearea

29. By approving this funding proposal Council would have limited funds to support other proposals until the new financial year which may disadvantage other sectors or potential proposal that may arise.

-
- 30. There is a risk that the proposed project does not reach the economic objectives outlined in the proposal, however these can be mitigated by leveraging co-investment and strong governance.
 - 31. By not approving the funding proposal there is a risk of losing critical industrial capability and skilled workforce; perception of NPDC being unsupportive during economic transition.

Promotion or Achievement of Community Outcomes / Hāpaitia / Te Tutuki o Ngā Whāinga ā-hāpori

- 32. The project proposal achieves the Prosperity and Environmental Excellence community outcomes by promoting economic resilience, diversification, and sustainability.

Statutory Responsibilities / Ngā Haepapa ā-ture

- 33. The project proposal aligns with statutory responsibilities related to local government or regional economic development.

Consistency with Policies and Plans / Te Paria i ngā Kaupapa Here me ngā Mahere

- 34. The project is consistent with Council policies and plans, including the Long-Term Plan 2024-34 and Tapuae Roa.

Participation by Māori / Te Urunga o Ngāi Māori

- 35. The project plans to and is open for participation with Iwi, Hapū and Māori businesses to support high-value employment opportunities in Taranaki.

Community Views and Preferences / Ngā tirohanga me Ngā Mariu ā-hāpori

- 36. The community, including businesses, and sector leaders, have shown strong interest and support for the project.
- 37. The business community would be in opposition towards funding being withheld given the urgency of the need to diversify the regional economy.

Advantages and Disadvantages / Ngā Huanga me Ngā Taumahatanga.

- 38. An advantage to approving this funding proposal is the opportunity for acceleration and advancement of economic diversification and community resilience.
 - 39. By not approving this funding proposal it will delay, or completely miss, the opportunity to build on early momentum of this project. The associated economic development benefits would not be realised for Taranaki; however, it could advantage other opportunities that arise in the future.
-

Recommended Option

This report recommends option one – Approve the funding proposal as requested, for addressing the matter.

APPENDICES / NGĀ ĀPITI HANGA

Appendix 1 Economic Development Reserve Business Case Proposal – Taranaki Alliance (ECM9652005)

Report Details

Prepared By:	Damien Clark (Manager Community and Economic Development)
Team:	Community and Economic Development
Approved By:	Kathryn Scown (Executive Director CE Office)
Ward/Community:	District Wide
Date:	25 November 2025
File Reference:	ECM 9651743

-----End of Report -----

New Plymouth District Council Economic Development Reserve Funding
Application
Business Case Proposal

KEY PROJECT DETAILS

Legal name of group: Te Puna Umanga Venture Taranaki

Project Title: Taranaki Alliance – Establishment and Operating Programme

Expected project start date: 1st Jan 2026

Expected project end date: 29th December 2027

Amount Requested: \$500,000

Project Summary

Te Puna Umanga Venture Taranaki seeks \$500,000 from NPDC’s Economic Development Reserve to establish the Taranaki Alliance (TA), a regional, industry driven initiative designed to retain, strengthen, and grow Taranaki’s industrial capability as the region transitions away from oil and gas.

As traditional energy activity declines, Taranaki faces one of the most significant economic turning points in its modern history. This moment demands intentional and accelerated action to safeguard our industrial capability and develop the sectors that will drive our future economy. And importantly, we have a unique opportunity to build on one of New Zealand’s most concentrated bases of advanced engineering, heavy manufacturing, and technical talent, a strength that positions Taranaki to scale rapidly.

The TA provides a time-critical, coordinated “front door” that enables the region’s engineering, fabrication, manufacturing, and technology firms to collectively access major national and international opportunities that individual firms cannot secure alone.

The TA will lift regional standards in Health Safety Quality and Environment (HSQE), Quality Assurance (QA), cyber and commercial readiness through shared systems, enabling participation in large, complex programmes across renewable energy, NZ sovereign Defence modernisation, infrastructure, advanced manufacturing and emerging technology sectors.

Importantly, the TA also supports new career pathways and workforce development, partnering with providers such as WITT and other training organisations to develop apprenticeships, micro-credentials, and industry-aligned certification programmes that prepare workers for emerging and scaling up of industry.

The model is founded on a non-competition principle: TA does not compete with local businesses; it enables opportunities that require collective regional scale, capability and assurance.

Two delivery scenarios provide a flexible pathway aligned to available funding:

- Scenario 1 – a region-funded minimum viable product (MVP) “front door” model focused on opportunity flow, coordinated market engagement, securing contract opportunities into the region, and uplifting shared capability.
- Scenario 2 – a centrally co-funded Special Purpose Vehicle (SPV)/Integrator model capable of securing and delivering major multi-sector programmes.

Industry leadership is strong. More than 60 firms attended the October 2025 workshop focused on the NZ Sovereign Defence opportunity, and 30 companies, including the region’s leading engineering, fabrication, manufacturing, electrical and logistical firms, are actively shaping and supporting the TA’s development. Early engagement with national and international companies reflects growing interest in Taranaki’s

<p>capability base already, with requests for Non-Disclosure Agreements (NDAs) pending. While trans-Tasman discussions with established alliance models are informing structural and governance design for long-term success.</p> <p>NPDC’s investment will enable the establishment of governance, compliance systems, operating structure and certification readiness, and unlock matching contributions from central government and industry. The TA is expected to be self-sustaining by Year 3 through contract revenue, assurance services and export-oriented opportunities.</p> <p>The TA is projected to deliver a return of at least 3:1 on public investment, injecting significant direct economic value into the region at a time when it is most needed. It provides Taranaki with a critical mechanism to bridge the economic transition ahead creating a platform that not only protects existing capability, but enables the region to grow, scale, and accelerate its industrial strength for the future and for our future generations.</p>
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Project Background and Rationale

<p>Please describe the background of this project and what is trying to achieve</p>
<p>By 2030, the decline in gas production is projected to significantly impact Taranaki’s GDP and supply sector. This will have a significant flow-on effect for the regional economy and household incomes. These impacts highlight the need for targeted action to retain capability and employment in our local economy.</p> <p>Taranaki’s industrial base has been built over decades of delivering complex, high-specification national projects. As the region transitions away from oil and gas, firms now face either shrinking forward work pipelines, rising compliance requirements, increasing competition for national and global contracts and contract work largely out of region. Without coordinated intervention, the region risks losing long-standing capability that underpins high-value employment, wages, exports, and overall economic resilience.</p> <p>At the same time, major opportunities are emerging across renewable energy infrastructure, NZ sovereign Defence modernisation, advanced manufacturing, aerospace, hydrogen/clean-tech, and large civil programmes. However, many regional firms, while technically capable, remain individually too small or fragmented to meet the scale, assurance, and commercial requirements needed to compete for this work.</p> <p>The Government’s Local Procurement Policy places a strong emphasis on increasing the proportion of public spend delivered by New Zealand firms, with an explicit focus on strengthening regional capability and ensuring that major contracts generate local economic and employment benefits. This shift creates a significant opportunity for Taranaki, as agencies are actively seeking suppliers who can demonstrate quality, scale, assurance, and regional economic value. Te Puna Umanga Venture Taranaki has engaged with Government Procurement, and there is strong alignment: now is the time to position Taranaki’s unique industrial capability as a credible, ready, regionally coordinated alternative to offshore or out-of-region delivery.</p> <p>The scale of opportunity, and the corresponding economic impact, is significant. Using MBIE/BERL’s sector ratios, a \$200 million contract pipeline into Taranaki’s engineering and manufacturing firms would generate approximately \$77 million in direct GDP for the region and support the equivalent of around 1,260 direct FTEs. This demonstrates the level of economic value that coordinated regional intervention, such as the TA, could unlock.</p> <p>The TA has been designed as the coordinated regional mechanism to respond to these challenges. It provides a unified interface for major customers, shared systems for HSQE/QA/cyber compliance and certification readiness, coordinated opportunity identification, and a structure that anchors capability and value within the region.</p> <p>Two delivery scenarios provide a flexible pathway aligned to available funding:</p>

- Scenario 1 – Region-Funded MVP Front Door: a coordination and opportunity-flow model focused on early wins, standards uplift, and improved access to major programmes.
- Scenario 2 – Full SPV/Integrator Model: activated with central government co-investment; establishes a contracting entity capable of securing and delivering large, multi-sector national and global programmes.

Over recent months, Te Puna Umanga Venture Taranaki has engaged with more than 60 regional businesses, including major engineering and manufacturing firm. Industry feedback has been clear:

- firms face common challenges that cannot be solved individually,
- major companies are actively supporting and co-developing the TA model, and
- there is strong demand for a coordinated mechanism to unlock new national and international opportunities.

Interest from international companies has already begun as the model has developed, with early engagement focused on future supply chain partnerships. In parallel, trans-Tasman engagement with organisations operating mature alliance and integrator models is informing structural design, governance safeguards, and future partnership pathways.

Both scenarios are supported by clear governance, defined decision gates, strong industry backing, and alignment with national and regional economic priorities.

The TA aims to leverage this collective regional strength to secure major national and international work, stabilise and grow high-value employment, and position Taranaki for long-term participation in emerging industrial, infrastructure, and export opportunities, providing a critical bridge as the region moves beyond the decline of oil and gas.

Project Implementation and Initial Operating Plan

The establishment of the TA will follow a structured, staged implementation pathway designed to ensure strong governance from the outset, rapid readiness for national and international opportunities, and a clear transition to a self-sustaining operating model by Year 3. This reflects both the urgency of the region's economic transition and the industry engagement undertaken to date.

The implementation framework supports two delivery models, aligned to the level of funding secured:

Scenario 1 – Region-Funded MVP “Front Door” Model

Under Scenario 1, the TA is established as a coordination and opportunity-flow model that can be fully delivered using regional funding alone, led jointly by Te Puna Umanga Venture Taranaki and industry. This model provides a practical, achievable pathway for the TA to operate, enabling direct engagement with national and international contract opportunities, hosting customer delegations and project sponsors in-region, and lifting the visibility, competitiveness, and readiness of Taranaki firms.

Scenario 1 is delivered through a \$1.8 million, two-year establishment and operation programme, funded collectively by NPDC, Te Puna Umanga Venture Taranaki, and industry partners and service/contract revenue. This ensures the TA can be activated and deliver regional value while broader central government co-investment is pursued.

Key activities within Scenario 1 include:

- establishing TA governance, structure, and operating frameworks
- completing strategic and market analysis across relevant sectors
- uplifting shared standards and baseline assurance, compliance, and certification readiness
- directly engaging with national and international customers, major contractors, and programme leads
- facilitating in-region hosting, site visits, and capability demonstrations
- coordinating opportunity qualification and matching firms to suitable work packages

Scenario 1 offers a region-led, achievable, and high-value foundation for the TA. It enables coordinated engagement, capability uplift, and meaningful near-term support for local firms, while establishing the strategic and operational platform required to activate central government co-investment under Scenario 2.

Scenario 2 – Full Contracting and Integration Model

Under Scenario 2, the TA progresses to a full contracting and integration model, activated only when central government co-investment is secured. This model enables the establishment of a dedicated delivery entity capable of securing and managing large, multi-sector national and international programmes across infrastructure, renewable energy, NZ sovereign Defence modernisation, advanced manufacturing, and emerging technologies. It is jointly led by Te Puna Umanga Venture Taranaki and industry, ensuring strong regional ownership and alignment with local capability.

Scenario 2 is delivered through a three-year, \$4.2 million programme, enabled by a \$3 million central government contribution. This investment unlocks the full operating model, providing the scale, systems, and contracting capability required to pursue and deliver major long-term opportunities on behalf of the region.

Key activities within Scenario 2 include:

- establishing the contracting entity and its governance arrangements
- developing advanced assurance, compliance, certification, and cyber-security systems
- implementing shared commercial, delivery, and reporting frameworks
- enabling coordinated region-wide bidding, negotiation, and programme delivery
- positioning Taranaki as a unified, credible industrial partner for major long-term national and international opportunities

Scenario 2 provides a pathway for Taranaki to secure significantly larger and longer-term programmes, embedding the region as a nationally and globally competitive industrial delivery hub and amplifying economic diversification, capability uplift, and long-term employment outcomes.

Long-term sustainability

A sustainable financial model underpins both scenarios. Once established, the TA is proposed to transition to a self-sustaining business model based on a modest commission on contracts and work packages secured for or delivered through regional firms.

This creates an aligned, performance-based revenue stream that grows as opportunity flow increases whether through coordinated introductions and facilitation under Scenario 1, or through structured programme delivery under Scenario 2.

The commission model ensures that the TA is directly incentivised to generate real economic outcomes for local firms, while providing a predictable pathway to financial independence from Year 3 onward. Additional revenue streams such as assurance services, shared compliance systems, and industry participation will further support long-term sustainability, reducing reliance on public funding and reinforcing the Alliance as a durable regional asset.

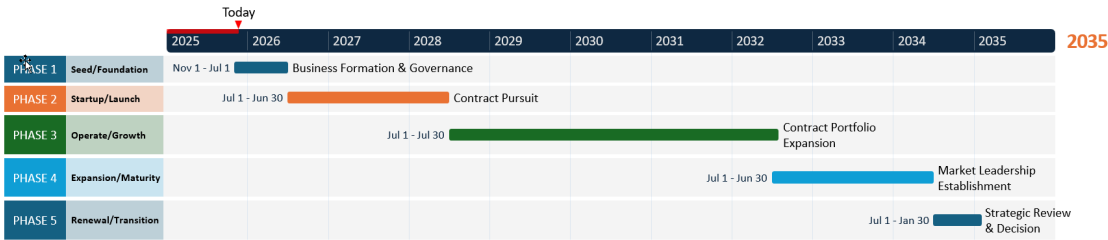
Decision-Gated Implementation

Both models are implemented through clearly defined Decision Gates, ensuring structured progression, transparent governance, and active risk management. Early stages focus on entity formation, governance, market analysis, and compliance uplift. Later stages expand operational capability, implement shared standards, and prepare firms for coordinated bidding and delivery.

This approach aligns with the TA's proposed 10-year business lifecycle, progressing from seed and foundation activities through start-up, growth, and expansion. It ensures NPDC's establishment investment unlocks central government co-funding, industry participation, and a credible pathway to financial self-sustainability by Year 3.

Figure 1: Projected 10-Year Business Lifecycle (Phases) **scaled based on funding scenario delivered*

Phase	Name	Duration	Timeline	Strategic Objective
0	Prelim Activities	8 months	Nov 2025 – March 2026	Business Case development and Funding Approval
1	Seed / Foundation		Apr 2025 – Jul 2026	Formation, governance, compliance setup
2	Start-up / Launch	2 years	Q3 2026 – Q3 2028	First contract wins, proven delivery, positive cashflow
3	Operational / Growth	3–4 years	Q3 2028 – Q1 2032	Diversified portfolio, multi-agency footprint, scaled systems
4	Expansion / Maturity	3 years	Q1 2032 – Q4 2034	Market leadership, exports, strong margins, mature governance
5	Renewal / Transition	1.5 years	Q4 2034 – Q2 2036	Strategic decision point – renew, transform, or managed exit



8.1

Assessment Criteria

1. Alignment to Strategic Priorities

How does this project align to NPDC's strategic priorities? How does it align to regional economic development strategies such as Tapuae Roa or Taranaki Regional Council's 2024/34 Long-Term Plan?

The recent update in November 2024 of Tapuae Roa (Regional Economic Development Plan) included the elevation of a new strategic priority area for the region, "New Industry and Investment". With the economy now facing significant headwinds, identification of new industry opportunities became a priority. The Te Puna Umanga Venture Taranaki team have been actively looking at new industries and investments into the region and the formation of the TA opportunity aligns directly with this work.

Within Tapuae Roa the "New Industry and Investment Future" is described as the region having "a diverse, innovative economy that is driven by investment into the region and enabled by accessible information and suitable regulatory settings".

The initiative would open up a new industrial domain for the region beyond the traditional energy and primary sectors, thereby supporting the objective of being "open for business" and attracting external investment under the "New Industry and Investment" future.

Workforce development and higher-value jobs: By shifting the region's emphasis towards higher value-added work and less commodity dependence, the initiative aligns with Tapuae Roa's mission of "Talent becomes enterprise" and the goal of a high-value economy.

The TA supports the transition of regional industry into low-emission and green technology opportunities, strengthening capability for renewable energy infrastructure, advanced manufacturing, and climate-aligned sectors. This contributes to long-term emission reduction, sustainability, and a more resilient, future-focused regional economy.

2. Diversification of Taranaki Economy

How will this project attract new businesses and industries? How will it enable a regional transition into sustainable activity?

The TA will act as a catalyst for attracting new businesses and industries by creating a coordinated, high-standards platform that lifts regional capability and competitiveness. By enabling local firms to meet national and international requirements for safety, quality, cyber security, and commercial readiness, the TA opens access to opportunities in advanced manufacturing, major infrastructure programmes, technology integration, sustainable industry development, and export-oriented supply chains.

By fostering a compliance-driven, innovation-rich ecosystem, the TA empowers local businesses to diversify into high-value domains such as composite materials, energy systems, precision engineering, and secure logistics. This positions firms to move confidently into emerging sectors and supply chains that would otherwise be out of reach.

In doing so, the TA helps reposition Taranaki from a legacy of hydrocarbons to a future defined by industrial resilience, sovereign capability, innovation, and long-term economic opportunity. It lays the foundation for sustainable prosperity, broader investment, and a more future-focused regional economy.

3. Strengthening of Existing Businesses

How will this project strengthen Taranaki businesses? Does it enable workforce transition?

The TA is built around the strength of Taranaki's existing engineering, manufacturing, and technology businesses. Its core purpose is to scale and accelerate the expertise, capability, and uniqueness that already exists in the region, enabling firms to take on larger, more complex national and international work programmes that would be unattainable individually.

By embedding shared standards in safety, quality, cyber security, and performance, the TA lifts the whole region's competitiveness and ensures local firms can meet the procurement expectations of major customers. This coordinated uplift encourages continuous improvement, reduces duplicated effort across businesses, and creates a stronger, more resilient industrial base.

At the same time, the TA enables workforce transition and development through coordinated apprenticeships, upskilling pathways, and cross-sector mobility. This ensures that local talent can move into new opportunities while retaining skills within the region. Together, these efforts strengthen existing businesses not only in scale, but in sophistication, readiness, and long-term strategic relevance.

4. Investment Attraction

Does this project have the potential to attract investment from outside of the region?

Yes. This proposal has the potential to attract significant new investment and revenue into the region. The TA demonstrates that Taranaki is open for business, presenting a unified, high-standards platform that shows the region is organised, capable, and ready to deliver major national and international work.

By coordinating industry the TA sends a clear signal to central government, investors, and global partners that Taranaki can meet the requirements of large-scale projects. This enables access to substantial external investment through joint ventures, technology transfer, international supply-chain integration, and multi-year commercial contracts.

By creating a credible single point of engagement, the TA turns regional capability into a competitive advantage, unlocking major opportunities that individual firms could not secure alone and bringing new revenue, capital, and long-term economic activity into Taranaki.

5. Long-Term Benefits

What impacts is this project likely to demonstrate after five years? Ten years?

Over a five- to ten-year horizon, this project is expected to deliver major and enduring economic benefits for Taranaki. By building the TA now, the region secures the capability needed to retain and grow high-value industrial jobs, providing long-term employment stability for local workers and apprentices. This strengthens household income, keeps skilled people in the region, and maintains the industrial base on which much of Taranaki's wider economy depends.

The establishment of a coordinated, contract-ready capability will unlock substantial new revenue streams for local firms, revenue that flows directly into the broader economy through housing demand, retail, hospitality, local services, supply chains, and community facilities. The economic multiplier effects of securing multi-year national and international work packages will support stronger rates revenue, business confidence, and regional prosperity.

Over time, the TA will enable firms to expand into export markets, form strategic partnerships, and develop scalable capabilities that lift Taranaki's profile nationally and globally. Collectively, these outcomes reposition Taranaki from reliance on a declining sector to a future-focused, competitive, and resilient regional economy, securing long-term economic wellbeing for the community.

6. Environmental Resilience

How will this project support Taranaki's response to climate change and transition to a carbon-zero economy? How will it support improved environmental impacts?

The TA supports Taranaki's climate goals by enabling local firms to transition into low-emission energy supply chains and clean industrial projects. It also supports the connection of regional engineering and manufacturing capability with emerging opportunities such as offshore wind, biofuels, green hydrogen, and other clean-tech sectors.

7. Long-term Community Wellbeing

How will this project contribute to the wellbeing of the Taranaki people? What social, cultural, educational, or health outcomes will it support?

The TA lays the foundation for long-term community wellbeing in Taranaki by securing meaningful local employment and increased revenue and investment.

By retaining and creating high-value jobs, it supports economic stability and intergenerational opportunity, allowing families to thrive without relocating. The integration of training pathways, particularly through apprenticeships and vocational programs, ensures that local talent is nurtured and future-ready.

This approach strengthens social cohesion and supports improved educational and health outcomes by creating stable jobs, clearer training pathways, and stronger local investment—helping Taranaki families build secure, healthy, and prosperous futures.

Estimated Economic Impacts- Workforce

Please estimate the potential of this project to create jobs or retain workforce

Target \$200 million contract value within first 3 years generating approximately \$77 million in direct GDP for the region and support the equivalent of approx. 1,260 direct FTEs. Model built for long term sustainability, continued growth in DEI outcomes.

Stakeholder Engagement and Participation?

Who are your key stakeholders in this project? What consultation have you carried out to inform this project? How will your stakeholders participate and benefit from this project?

Key Stakeholders

Industry (Primary Stakeholder Group)

The core stakeholders are Taranaki's engineering, fabrication, manufacturing, electrical, digital, logistics, and specialist technical firms. Approximately 30 firms are actively involved and will form the initial participation base.

National and Government Stakeholders

Key government stakeholders include Taranaki's three MPs, the Prime Minister, the Minister of Regional Development (Hon Shane Jones), and officials across agencies such as MBIE, NZDF/MoD, NZTE, and MoT.

International and Trans-Tasman Stakeholders

International companies and partners engaged through NZ business forums, as well as trans-Tasman organisations operating mature alliance/integration models, have contributed insights on structure, governance, and long-term partnership opportunities.

Future Stakeholders

Workforce and education partners (schools, WITT, training providers), iwi and hapū, and community groups will be engaged as the programme moves into capability development and workforce pathways.

Consultation Undertaken

The programme is informed by consultation including:

Industry Engagement;

- One major industry event followed by;
- Two industry roundtable discussions, each testing elements of the model and gathering direct feedback;
- Written engagement with broader industry group;
- One-on-one engagements and meetings with industry leaders to validate structure, feasibility, risks, and benefits

Across all engagement, firms consistently identified:

- the need for a coordinated regional mechanism,
- inability to access major opportunities individually for smaller companies,
- rising compliance requirements,
- strong support for an alliance-led approach.

Engagement with Major Programme Owners and Central Government

Consultation has also involved:

- engagement with Taranaki MPs,
- briefings to the Prime Minister,
- engagement with the office of Minister of Regional Development (Hon Shane Jones),
- and conversations with officials across central government departments involved in procurement, regional development, defence modernisation, and infrastructure.

This has ensured alignment with national procurement settings, investment priorities, and sector opportunities.

NZ and International Business Engagement

Te Puna Umanga Venture Taranaki has also engaged with:

- New Zealand and international businesses through national forums, summits, and industry platforms, exploring commercial interest, supply chain partnerships, and capability alignment with the TA model
- International companies who have approached VT keen to engage with this type of regional model, requests for NDAs are pending.

This work has helped validate the opportunity pipeline and confirmed strong external interest in a unified Taranaki industrial platform.

How Stakeholders Will Participate and Benefit

- Industry firms benefit through coordinated opportunity flow, shared compliance uplift, and access to contract opportunities otherwise unattainable individually.
- Workers and workforce partners gain new pathways for training, apprenticeships, micro-credentials, and transition into emerging high-value sectors.
- Community benefit through local employment, regional capability retention, and long-term economic resilience.
- Councils and government gain a structured regional mechanism aligned with national priorities in sovereign capability, energy transition, and infrastructure.
- International and NZ businesses benefit from a clear, credible regional interface for partnership and supply-chain development.

KPIs and Reporting

The TA will operate within a clear, measurable, and transparent KPI and reporting framework, aligned with Te Puna Umanga Venture Taranaki's established CCO reporting obligations to NPDC. All KPIs will be confirmed through the final Business Case (reflective of the funded scenario) and incorporated into the NPDC funding agreement.

The framework will include:

- Quarterly reporting to NPDC on progress, performance, milestones, and financial position
- Transparent tracking of Direct Economic Impact (DEI) and regional economic contribution
- Regular reporting on opportunities secured and contract value brought into the region, with performance monitoring against the projected up to \$200 million in contract revenue within the first three years
- Clear, benchmarked metrics covering industry participation, capability uplift, compliance achievements, opportunity pipeline development, and stakeholder engagement

This approach ensures councillors receive regular, reliable, and transparent visibility of outcomes, performance, and economic impact providing confidence that the TA is progressing as planned and delivering value to the region.

Decision Gates and Seed/Foundation phase milestones, ensuring transparency, accountability, and early identification of risk.

Project Risks (Phase 1)

What risks have you identified that may impact the success of this project?

Area	Scenario 1 – MVP Front Door Model	Scenario 2 – Full Contracting & Integration Model	Mitigation (Both or Scenario-Specific)
Delivery Risk	Moderate risk; TA does not hold contracts. Coordination-focused.	Higher risk; contracting entity holds delivery responsibility for multi-sector programmes.	Start with modest, well-defined packages; strong programme controls; independent assurance; readiness and acceptance criteria.
Legal & Commercial Exposure	Low exposure; firms contract directly; TA provides coordination only.	Higher exposure; contracting entity enters agreements on behalf of the region.	Clear operating boundaries; fit-for-purpose legal structure; appropriate insurances; Board-set exposure limits and approvals.
Capability & Capacity Gaps	Need for uplift across firms to meet compliance and assurance expectations.	Larger programmes require greater scale, specialist capability, and surge capacity.	Shared compliance/certification support; real-time pipeline/skills view; targeted training; trans-Tasman partnerships for specialist and surge capacity.
Financial & Resourcing Risk	Tight regional funding envelope; resourcing could limit pace or scope.	Larger operating model introduces higher overhead and complexity.	Stage gates; budget controls; prioritisation of core functions; quarterly reporting to Steering Group and NPDC; confirm central funding before activating Scenario 2.
Safety, Quality & Cyber Compliance	Shared baseline required across firms; non-compliance affects credibility.	Higher expectations for integrated programmes require robust systems.	Common HSQE/QA/cyber baseline; regular audits; stop-work authority; continuous improvement processes.
Stakeholder, Community & Public Confidence	Risk of unclear value, misalignment, or reduced confidence during early establishment.	Increased scrutiny due to public investment and the contracting role of the delivery entity.	Transparency of reporting; clear operating rules; public-facing dashboards; regular updates to councils, industry, and regional partners to maintain trust and demonstrate tangible progress.
Funding & Co-Investment Risk	Risk securing industry contributions and maintaining momentum while pursuing central government support.	Central government co-investment required to activate full delivery model.	Strong co-funding business case; early engagement with Government departments; demonstrate compliance readiness; early firm commitments.

OPTIONS REPORT FOR STATE HIGHWAY 45, SOUTH ROAD/DEVON STREET WEST

MATTER / TE WHĀINGA

1. The matter for Council's consideration arises from recent changes to State Highway 45 (South Road/Devon Street West) implemented through the Transport Choices programme. A request has been made to explore options for the modification or removal of the concrete cycleway separators.
2. This report presents the practicable options available for Council's consideration. The recommended option is for Officers to monitor the impacts of the current design and report back to Council in September 2026 to inform reconsideration of options for State Highway 45 (South Road/Devon Street West) and the cost implications, with potential for inclusion in the LTP 2027-37 process.

RECOMMENDATION FOR CONSIDERATION / NGĀ WHAIKUPU

That having considered all matters raised in the report Council:

- a) **Continue to monitor the impact of changes made to State Highway 45 (South Road/Devon Street West) implemented through the Transport Choices programme.**
- b) **Reconsider this issue in September 2026 when the infrastructure changes have had time to embed and monitoring has occurred to more accurately understand the impacts.**
- c) **Include recommendations to address issues, if any, in the Long-Term Plan 2027-37 process to enable community views to be understood and any budget requirements met.**

COMPLIANCE / TŪTOHU	
Significance	This matter is assessed as being of moderate importance.
Options	<p>This report identifies and assesses the following reasonably practicable options for addressing the matter:</p> <ol style="list-style-type: none"> 1. Officers to monitor the impacts of the current design and report back to Council in September 2026 to inform reconsideration of options for State Highway 45 (South Road/Devon Street West) and the cost implications, with potential for inclusion in the LTP 2027-37 process to enable community views to be understood and any budget requirements met. (Recommended) 2. Remove the concrete separators and reinstate physical separation with rubber or similar separators. <ol style="list-style-type: none"> a) Align with planned NZTA works in March 2026; OR b) Commence works in 2026/27. 3. Remove the concrete separators and retain the painted cycle lanes. <ol style="list-style-type: none"> a) Align with planned NZTA works in March 2026; OR b) Commence works in 2026/27. 4. Partial removal of the concrete separators. <ol style="list-style-type: none"> a) Align with planned NZTA works in March 2026; OR b) Commence works in 2026/27. 5. Removal of all cycle separators in full and reinstate parking subject to design approval from NZTA.
Affected persons	The persons who are affected by or interested in this matter are the residents/property owners, wider users of the transportation network, district ratepayers and NZTA.

COMPLIANCE / TŪTOHU	
Recommendation	This report recommends Option One - Officers to monitor the impacts of the current design and report back to Council in September 2026 to inform reconsideration of options for State Highway 45 (South Road/Devon Street West) and the cost implications, with potential for inclusion in the LTP 2027-37 process.
Long-Term Plan / Annual Plan Implications	Yes, options 2, 3, 4 and 5 will have financial implications for the Long-Term Plan 2027-37 or Annual Plan 2026/27.
Significant Policy and Plan Inconsistencies	Yes, options 3 and 4 do not align with our Council-approved Integrated Transportation Framework.

EXECUTIVE SUMMARY / WHAKARĀPOPOTOTANGA MATUA

3. This report presents an options analysis for the future of the concrete cycle separators installed along State Highway 45 (South Road/Devon Street West) as part of the Transport Choices programme. The analysis responds to community feedback and a request to consider modification or removal of the current infrastructure.
4. Five practicable options have been assessed:
 - **Option 1:** Monitor current design and report back in September 2026 (Recommended).
 - **Option 2:** Remove concrete separators and reinstate with rubber or similar separators.
 - **Option 3:** Remove concrete separators and retain painted cycle lanes.
 - **Option 4:** Partial removal of concrete separators.
 - **Option 5:** Remove all separators and reinstate car parking.
5. An independent Safe System Audit and Design Review confirm that the current layout delivers safety improvements for pedestrians, cyclists, and motorists. The current layout also aligns with Council's Integrated Transportation Framework and emissions reduction objectives. For clarification, the scheme and detailed design which was constructed were delivered by ViaStrada, Stantec and WSP. The independent Safe System Audits was delivered by Beca and the Design Review was delivered by Urban Connections.

6. Any changes that are made on State Highway 45 (South Road/Devon Street West) will require the approval of NZTA. All costs for any changes will need to be met by NPDC. NZTA has indicated that maintaining the current design (option one) is its preferred approach.
7. Option one is Officers' recommended approach for the following reasons:
 - a) **Safety:** The post-construction Safe System Audit shows reduced crash risk for all major crash types, particularly for vulnerable road users.
 - b) **Adaptation and monitoring:** Allows time for road users to adjust and for robust data collection to inform future Council decisions.
 - c) **Financial prudence:** No additional cost to NPDC under this option. All other options in this report would require unbudgeted expenditure of up to \$1.63 million and could increase rates by up to 1.1%.
 - d) **Strategic alignment:** Supports Council's long-term transport and climate objectives and maintains confidence with NZTA as a funding partner.
8. Community feedback remains mixed, with both support and opposition noted. Continued monitoring and engagement under option one will ensure any future changes are evidence-based and reflect community needs. Under option one, Officers will report back to Council in September 2026, enabling reconsideration of options and any cost implications, with potential for inclusion in the LTP 2027-37 process to enable community views to be understood and any budget requirements met.
9. There is no funding provision for options two, three, four or five in the Annual Plan 2025/26, i.e. they are unbudgeted. This report does not consider funding methods to enable these options. Where Council's chosen option requires funding, a separate Council decision will be required to determine where the funding comes from. Timing of any works will influence the funding methods available.

BACKGROUND / WHAKAPAPA

10. In December 2023, Council approved changes to parking controls on State Highway 45 (South Road/Devon Street West) to support the delivery of safety improvements along the corridor as part of the Government-funded Climate Emergency Response Funds Transport Choices Programme.
11. In April 2024, following a reduction in funding available from central government for the changes, Council resolved to prioritise funding for the safety improvements from Barrett Road to just east of Morley Street.

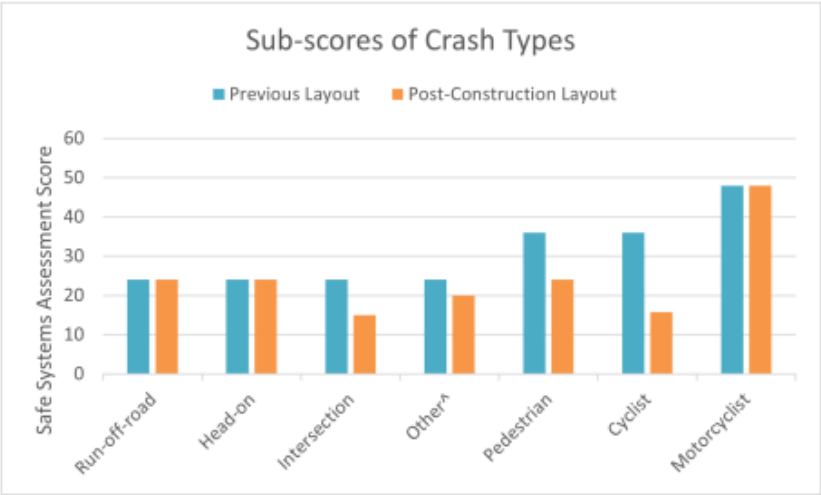
12. Construction of this work was completed in July 2025. The changes included:
 - a) The installation of approximately 3.9km of concrete cycle separators along South Road/Devon Street West where road width allowed, to improve safety for people cycling.
 - b) Side road intersection treatments at 10 side roads where there are fewer than 4,000 vehicles per day to improve safety for people walking, cycling and driving.
 - c) The improvement of three crossing points across South Road/Devon Street West and the introduction of an additional crossing point near Calvert Road.
 - d) The construction of a 1km shared pathway from Barrett Road to Belair Avenue.
 - e) Upgrades to four bus stops.
13. The report to Council in December 2023 provided significant detail and evidence to assist in the decision-making process. This report can be found [here](#).

Safety Audit and Design Review

14. Throughout the lifecycle of any transport project that creates change to the roading corridor, Safe System Audits (SSA) are required. An SSA is an independent review of a design. In this instance, the SSA was delivered during the design stage and post construction by Beca who had not previously been involved in the design or project delivery of the concrete cycle separators. The concept design was delivered by ViaStrada and detailed design delivered by WSP.
15. A SSA is a formal evaluation of projects that impact road users, including cyclists, pedestrians, and individuals with mobility impairments. Conducted by independent auditors, the audit assesses alignment with Safe System principles and identifies potential road safety concerns. It provides a qualitative analysis of safety issues and highlights opportunities for improvement across all modes of travel. It is important to note that the SSA is a crash type assessment of the network rather than a data-based assessment e.g. crash numbers.
16. The post-construction SSA was completed in August 2025. It identified that the works have delivered a significant safety improvement for people who walk and cycle, and a safety improvement for people who drive. It identified a few minor improvements, that have since been delivered along the corridor. The SSA can be viewed [here](#).

17. Graph One below shows a comparison between the SSA score before and after the works. The lower the SSA score, the better the safety outcome.
18. The key safety improvements that factored into the SSA scoring include:
- a) Improved safety for vehicles due to reduced speed at intersections.
 - b) Reduced risk due to the reduced space for people to do U-turns.
 - c) Improvements for pedestrians, particularly with additional crossing points, and reduced crossing distances at intersections.
 - d) Significant safety improvements for people cycling, given the physical protection of the cycle lane by the concrete separators, and the slower intersections reducing speed and risk of turning vehicles.

Graph One: Summary of the safe system assessment by crash type (Transport Choices South Road / Devon Street West Post construction Safe System Audit, 2025).



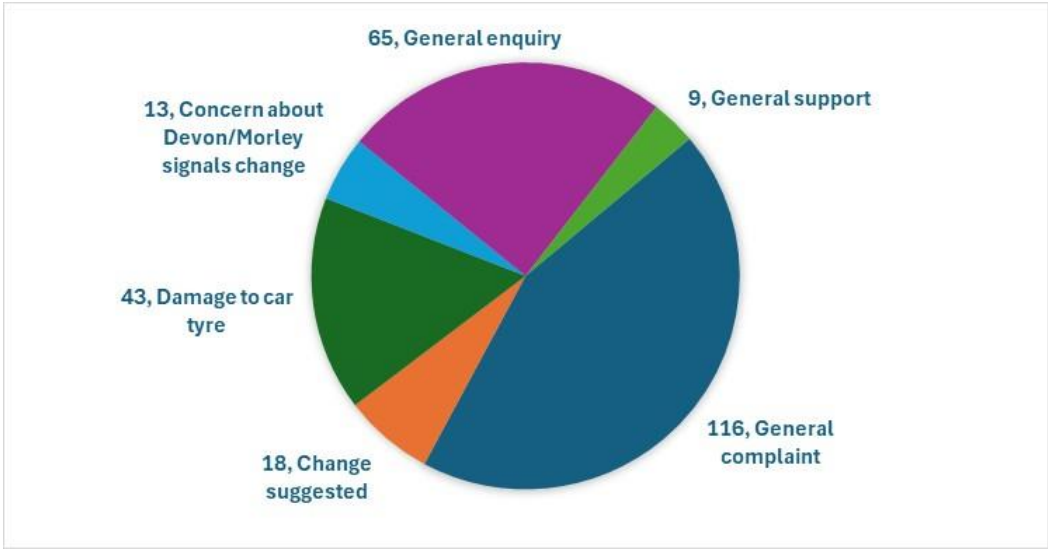
19. The SSA identified ten safety concerns of various degrees of severity. Eight of these have been actioned, with the remaining two either considered not of concern or to be addressed through alternative processes. The eight safety concerns that have been addressed are:
- a) Additional kerb work to improve visibility at the Belt Road pedestrian crossing.
 - b) Removing a separator opposite Seaview Road to improve cyclist access to the cycle lane.
 - c) Increasing red marking on top of cycle separators to be consistent along the corridor.

- d) Realigning the centre line and introducing a continuity line east of Cutfield Road – making it easier for road users to see where they should be situated in their lane.
 - e) Introducing right-turn pocket markings at the Devon/Morley intersection, providing a waiting space for those turning right (this work was pending at the time of writing this report).
 - f) Amending signage and introducing a continuity line across Devon Street West at the Morley intersection (this work was pending at the time of writing this report).
 - g) Installing the right-turn road marking approaching Morley Street (as per the drawing).
 - h) Installing additional painted buffer along the cycle lanes where there is no physical separation due to road width (this work was pending at the time of writing this report).
20. The two findings from the SSA that the design team, safety engineer and client (NZTA) agreed did not need to be actioned included:
- a) Concern of conflicting pedestrian and vehicle phasing at the Morley Street lights. It was confirmed that the pedestrian movement is protected at the signals.
 - b) Ghost marking, i.e. residual old road marking showing through on the pavement. This has been agreed to be addressed as reseals happen along the corridor.
21. In addition, an independent Design Review of the works was delivered by Urban Connections. The scope for this included evaluating the design for safety, usability, and long-term functionality and address any operational concerns. The Design Review confirmed that, in general, the corridor upgrade meets its stated design intent and delivers improved conditions for cyclists. The Design Review can be viewed [here](#).

Community feedback on key infrastructure changes on South Road/Devon Street West

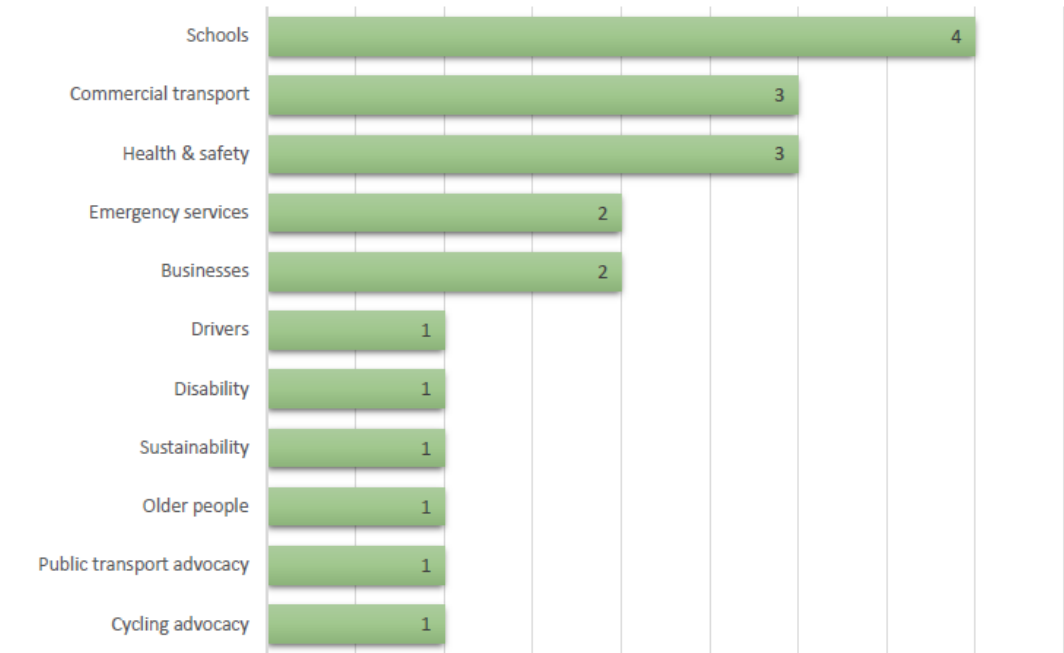
22. During and post construction (August 2025), NPDC received significant community feedback through official Council channels about the changes being delivered on the corridor. From January to October 2025, Council received a total of 264 enquiries; these have been broken down into themes in Graph Two below.

Graph Two: Summary of feedback received through Council Service Request system 2025



23. A total of 25 groups/organisations and schools were approached by NPDC to participate in post construction key stakeholder interviews. NPDC received feedback from 20 and Graph Three below demonstrates the representation achieved. This was delivered in August to meet the NZTA evaluation time frame. Subject to Councils decision on next steps, NPDC intend to re-engage with key stakeholders in 2026.

Graph Three: Key stakeholder representation profile by number of groups, organisations or schools interviewed



24. Key stakeholders were asked to identify their level of support for the infrastructure changes. Feedback is represented in the table one below and demonstrates that there has been an increase in perception of ease and safety for walking and cycling post construction.

Table One: Summary of Key Stakeholder support for key infrastructure changes on South Road/Devon Street West – August 2025

Infrastructure change	Strongly support	Support	Neither support nor oppose	Oppose	Strongly Oppose
Crossing upgrades	6	9	3	1	nil
Side Road intersection treatments	6	7	6	nil	nil
Cycle separators	5	2	6	3	3
Shared Pathway	8	10	2	nil	nil
Overall support	6	5	4	3	2

25. The Key Stakeholder Interview Summary is available in Appendix 1.
26. Council Officers met with emergency services prior to and following the installation of the safety improvements on State Highway 45 (South Road/Devon Street West). NPDC is currently working alongside NZTA and emergency services to deliver an education campaign around driver behaviour when an emergency vehicle comes up behind you. NPDC is also continuing to work with these parties to understand specific 'pinch points' along the corridor and what could be done to improve them while still maintaining the safety benefits.
27. Council Officers are aware of a survey that has been led by members of the public in opposition to the concrete cycle separators. This survey has not been shared with Council Officers.

NZ Transport Agency Waka Kotahi and planned works March 2026

28. NZTA is delivering a reseal of the section of State Highway 45, Devon Street West, from Belt Road to Cutfield Road (approximately 200 metres) in March 2026, which has been identified as an opportunity to consider changes to the road layout.

29. Council Officers have been asked to prepare an options analysis should Council decide to make changes to State Highway 45 (South Road/Devon Street West) and the current layout. Officers were requested specifically to consider rubber separators. Officers note that, during the design phase, concrete separators were specified by NZTA due to the low ongoing maintenance cost and their durability.
30. Any changes that are made on State Highway 45 (South Road/Devon Street West) will require the approval of NZTA. All costs for any changes will need to be met by NPDC.

Options to change the layout of State Highway 45 (South Road/Devon Street West)

31. Council Officers have analysed the practicable options regarding the layout of State Highway 45 (South Road/Devon Street West) with a summary provided in Table 2 below. Whole-of-life costs are based on a 30-year design life for concrete cycle separators. These costs are not included for options three and five, as these options involve paint only.

Table Two: Summary of practicable options for SH45 (South Road/Devon Street West)

Option	Option 1	Option 2	Option 3	Option 4	Option 5
Option	Monitor impact of current design and report back in September 2026 on performance, benefits, issues and options.	Remove the concrete separators and reinstate with rubber or similar separators	Remove the concrete separators, retain the painted cycle lanes	Partial removal of the concrete separators	Remove the concrete separators and reinstate car parking
Safety outcome	Highest	High	Low	Low-High	Lowest
Rough order costs to NPDC (includes 5% contingency)	\$8,000	\$1.19m	\$780,000	Between \$130,000 - \$780,000 subject to number removed	\$1.63m
Whole of life cost	\$1m to NZTA	\$3m to NPDC	Negligible	Subject to number removed	Negligible
Community consultation	Not required	May be required	May be required	May be required	Full community consultation on revised

	Option 1	Option 2	Option 3	Option 4	Option 5
					design required. ¹
NZTA view	Preferred outcome.	Rubber separators will be more of a trip hazard for vehicle passengers and pedestrians crossing the road. ² Concern with the ongoing replacement of separators and short life span. Likely to result in higher costs to maintain. NZTA will support this option, but will not pay for maintenance of it.	Enables vehicles to drive/stop in the cycle lane. As such potential for conflicts and greater exposure for cyclists. This option provides for the minimal maintenance, it is preferred that all markings use long life markings.	If separators become an issue recommend this is managed as business as usual and removed as required, rather than partial removal now.	Will require a redesign for approval by NZTA. Cyclists will be exposed to traffic and may need to ride in and out of the parking and traffic lane. Changing of lines will likely require the road to be resurfaced so that ghost markings are avoided. Resurfacing would be at NPDC's cost.

32. In addition to the above options, Officers considered the option of removing the concrete separators and using audio tactile pavement markings (rumble strips) for the buffer. However, due to the noise these create in a residential environment, they do not meet NZTA approval.
33. Regarding option four (partial removal), Officers note that the current spacing of the concrete separators was based on best practice guidance from research by WSP and guidance from ViaStrada. This advises a gap of no more than 2 metres, as the wider the gap the greater risk of vehicles swerving into the separators and doing damage to vehicles.
34. The exact scope of option four would need to be worked through with safety engineers and NZTA. Subject to the number of concrete separators removed under option four, it may not deliver on the desired outcome which may be to

¹ Public notification is required for the reinstatement of car parks as per the NPDC Traffic and Stock Control Bylaw 2025. In practice, public notification enables ratepayers and residents to provide feedback to Council on their preferred option before a final decision is made by Council.

² While this is NZTA's view, NPDC Officers consider that the trip hazard from rubber separators would be similar to the trip hazard from concrete separators.

-
- enable cars to move over the separators, if required, or turn into driveways and intersections at the speed people are accustomed.
35. Officers note that, if the separators are removed, a large amount will not be in a condition that can be re-used. Due to damage through removal and the concrete being re-enforced, removed separators will require disposal at a landfill.
 36. Council Officers were also asked to consider the option of completion of the corridor with full cycle separation. This comes with an approximate cost of \$1.3 million. Due to the cost, Council Officers did not include this option in this report's analysis. However, Council could request that this is explored further.
 37. The NZTA reseal in March 2026 could be used as an opportunity to trial alternative separators, including different materials and profiles of separators, if approved by NZTA. As part of this, work could be undertaken to experiment with effective ways to remove the concrete separators that minimises damage to the road seal. This approach would allow more accurate pricing to inform future consideration of options and would be an opportunity for collaboration between NPDC and NZTA. The outcome of the trial could be reported back to Council, potentially alongside option one in September 2026.

CLIMATE CHANGE IMPACT AND CONSIDERATIONS / HURINGA ĀHUARANGI

38. The purpose of the investment on State Highway 45 (South Road/Devon Street West) was to provide tangible options for the New Plymouth community to reduce their climate emissions. Transport is the highest personal climate emitter at 40 per cent of personal emissions. While the size of this project is unlikely to deliver significant emission reduction across the board, it will allow individuals to reduce their own personal emissions by encouraging alternative modes of transport to driving.
39. If options three, four or five are approved, NPDC may not achieve the intended outcomes of this project with respect to reducing climate emissions.

NEXT STEPS / HĪKOI I MURI MAI

40. All options except option one require approval from NZTA before they can be implemented.
 41. Should option one be approved, Officers will continue monitoring the impact of the current design and report back to Council in September 2026 on performance, benefits, issues and options.
 42. There is no funding provision for options two, three, four or five in the Annual Plan 2025/26.
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- 43. If works are undertaken in 2025/26 and funding is to be found from existing budgets, this will have impacts on work programmes.
 - 44. If works are undertaken in 2025/26 and funding is not found from existing budgets, this will likely result in a rating deficit which will need to be debt-funded initially and then addressed in a future Annual Plan or Long-Term Plan.
 - 45. Should option two, three or four be approved, Council will need to decide how funding will be allocated, and Officers will work alongside NZTA to deliver the changes.
 - 46. Should option five be approved, Council will need to decide how funding will be allocated, and a design will be submitted for review and approval by NZTA. This option will require consultation with the community and a Council decision will be required on changes to parking controls prior to any on-road changes being made, in accordance with the NPDC Traffic and Stock Control Bylaw 2025.

SIGNIFICANCE AND ENGAGEMENT / KAUPAPA WHAKAHIRAHIRA

- 47. In accordance with Council's Significance and Engagement Policy, this matter has been assessed as being of moderate importance because of the public interest in this matter and the costs to implement any changes to State Highway 45 (South Road/Devon Street West) (options two, three, four and five) are not currently budgeted.

OPTIONS / KŌWHIRINGA

Option 1: Officers to monitor the impacts of the current design and report back to Council in September 2026 to inform reconsideration of options for State Highway 45 (South Road/Devon Street West) and the cost implications, with potential for inclusion in the LTP 2027-37 process (Recommended)

Option 2: Remove the concrete separators and reinstate physical separation with rubber or similar separators.

- a) Align with planned NZTA works in March 2026; OR**
- b) Commence works in 2026/27.**

Option 3: Remove the concrete separators and retain the painted cycle lanes.

- a) **Align with planned NZTA works in March 2026; OR**
- b) **Commence works in 2026/27.**

Option 4: Partial removal of the concrete separators.

- a) **Align with planned NZTA works in March 2026; OR**
- b) **Commence works in 2026/27.**

Option 5: Removal of all cycle separators in full and reinstate parking subject to design approval from NZTA.

Officers recommend Option One – Monitor current design and report back in September 2026

- 48. Officers' recommended approach is option one, which involves continuing to monitor the impact of changes made to State Highway 45 (South Road/Devon Street West) as implemented through the Transport Choices programme.
- 49. This matter can then be reconsidered by Council in September 2026 when the infrastructure changes have had time to embed and monitoring has occurred over a longer period to more accurately understand the infrastructure's performance and impacts. Council can then address issues with the infrastructure, if any, in the Long-Term Plan 2027-37 process to enable community views to be understood and any budget requirements met.
- 50. Option one is recommended for the following reasons.
 - a) **Improved safety outcomes:** The independent post-construction Safe System Audit (SSA) found that the corridor upgrades have delivered a significant safety improvement for people who walk and cycle, and a safety improvement for people who drive. The SSA showed a reduction in risk for all major crash types, especially for vulnerable road users. The design review confirmed that the corridor upgrade meets its stated design intent and delivers improved conditions for cyclists. The infrastructure changes have not negatively impacted the overall functionality of the corridor when used appropriately.

- b) **Allows time for familiarisation and monitoring:** The SSA and Design Review both note that a period of adaptation is required for all road users to become familiar with the new layout and safety features. Ongoing monitoring is recommended to ensure any emerging issues are identified and addressed, such as particular 'pinch points' along the corridor. Option one enables Council to embed a monitoring plan and report back to Council in 9 months with more robust data and information to inform any future Council decisions.
- c) **Zero financial implications:** Option one has no additional financial implications for NPDC. Council is operating in a context of fiscal constraint and must prioritise essential and planned work. There is no provision in the current Annual Plan for changes to the corridor. Proceeding with unbudgeted work would have impacts on other work programmes.
- d) **Aligns with Council strategies and is NZTA's preferred approach:** Option one aligns with the Council's Integrated Transportation Framework and the District-Wide Emissions Reduction Plan, supporting safer, more sustainable transport choices. NZTA has indicated that maintaining the current layout is their preferred outcome and that any changes will need to be fully funded by NPDC and approved by NZTA.
- e) **Community and stakeholder feedback is mixed:** Community feedback on the layout has been mixed, with both support and opposition to the changes. Key stakeholders, including schools and emergency services, have been engaged and will continue to be part of the monitoring and review process under option one. Allowing time for the community to adapt and for further engagement ensures that any future changes are evidence-based and reflect community needs.

51. The five options have been considered together below.

Financial and Resourcing Implications / Ngā Hīraunga ā-pūtea, ā-rauemi

- 52. Any change to the current safety improvements on State Highway 45 (South Road/Devon Street West) will not be eligible for any NZTA subsidy and will have to be 100 per cent funded by NPDC.
- 53. There is no funding provision for options two, three, four or five in the Annual Plan 2025/26, i.e. they are unbudgeted.
- 54. This report does not consider funding methods to enable options two, three, four or five. Where Council's chosen option requires funding, Council will need to make a separate decision on where the funding comes from. Timing of any works is an important consideration for Council because it will influence the funding methods available.

55. If works are undertaken in 2025/26 and funding is to be found from existing budgets, then Officers will need to investigate options to source funding, including potential reductions to levels of service. In this case, Officers will provide a report back to Council for decision on where funding from existing budgets will come from.
56. If works are undertaken in 2025/26 and funding is not found from existing budgets, this will likely result in a rating deficit which will need to be debt-funded initially and then addressed in a future Annual Plan or Long-Term Plan.
57. If works are undertaken in 2026/27, then funding may be addressed as part of the Annual Plan or Long-Term Plan process.
58. The ongoing maintenance costs of the concrete cycle separators are met by NZTA. NZTA has advised that it will not cover maintenance costs of rubber separators and the approximate annual cost of \$10,000 per annum would sit with NPDC.
59. The cost implications to Council are in Table Three below. Note the construction figures are based on rough order costs rather than formal estimates from NPDC's contractor. That said, the contractor has done significant work scoping this project and Officers have the detailed breakdown of what these costs have allowed for.

Table Three: Cost estimates for options for changes to SH45 (South Road/Devon Street West)

	Option 1	Option 2	Option 3	Option 4	Option 5
Approximate internal staff time (includes monitoring, project management, engagement and reporting)	\$7,500	\$30,000	\$25,000	\$25,000	\$50,000
Design	nil	nil	nil	nil	\$50,000
Construction – OPEX	nil	\$1.1m	\$714,000	\$100,000 - \$714,000	\$1.45m
Contingency (5%)	\$375	\$56,500	\$36,950	\$6,250 - \$36,950	\$77,500
Total	\$8,000	\$1.19m	\$780,000	\$130,000 - \$780,000	\$1.63m
Maintenance costs on NPDC (per annum)	nil	\$10,000	nil	nil	nil
Rates impact over 3 years with deficit funding (para 56) (including contingency)	nil	0.8% increase (0.3% per year)	0.5% increase (0.2% per year)	0.2 – 0.5% increase (0.1 – 0.2% per year)	1.1% increase (0.4% per year)
One year rates impact if works occur in	nil	0.7% increase	0.5% increase	0.1 - 0.5% increase	1.0% increase

	Option 1	Option 2	Option 3	Option 4	Option 5
2026/27 (para 57) (including contingency)					

Risk Analysis / Tātaritanga o Ngā Mōrearea

60. Options two, three, four and five provide a progressively less safe outcome for the community. This is identified through the findings of the post-construction Safe System Audit, and in the comments from the Senior Safety Engineer from NZTA included in Table Two.
61. There is a risk that the proposed benefits of increasing cycling numbers as a result of the improved safety outcomes on State Highway 45 (South Road/Devon Street West) will not be achieved should the infrastructure be changed to something less effective and/or safe.
62. There is ongoing risk of reputational damage to NPDC from the community as there is support for and against the delivered safety improvements on South Road/Devon Street West.
63. There is also a risk of damaging the relationship with NZTA who provide NPDC with significant co-funding through the National Land Transport Plan (NLTP). NZTA has indicated that the removal of recently constructed infrastructure before it has had the opportunity to be used and evaluated is not an efficient use of very limited funding. Therefore, removing the infrastructure could impact confidence in NPDC to deliver as an investment partner when NZTA considers similar future proposals.

Promotion or Achievement of Community Outcomes / Hāpaitia / Te Tutuki o Ngā Whāinga ā-hāpori

64. Options one and two align with the Thriving Communities and Culture goals of Council's strategic framework by providing a safer road that supports active communities. These options also align with the Environmental Excellence goal by providing the opportunity for our community to reduce personal emissions, support equitable access to transport for our community, and align strongly with the vision of a Sustainable Lifestyle Capital.
65. Options three, four (subject to the amount of concrete separators removed) and five do not fully contribute to the achievement of community outcomes.

Statutory Responsibilities / Ngā Haepapa ā-ture

66. Options one and two enable Council to meet its statutory responsibility to provide efficient, effective, and appropriate infrastructure to meet the needs of the community. They also meet the purpose of local government to promote the social, economic, environmental and cultural wellbeing of communities in the present and for the future.
67. The road-marking and signage needed for the delivery of options two, three, four and five must comply with:
 - a) Land Transport Rule; Traffic Control Devices Rule 2004.
 - b) New Zealand Transport Agency; Traffic Control Devices Manual, Part 13 - Parking Control.
68. Option four must also comply with the New Plymouth District Council Traffic and Stock Control Bylaw 2025. Council is required to publicly notify the proposed changes before resolving the matter.

Consistency with Policies and Plans / Te Paria i ngā Kaupapa Here me ngā Mahere

69. The delivery of option one is consistent with the Long-Term Plan (LTP) 2024-34. There is no funding allocated to support the delivery of options two, three, four or five.
 70. Options one and two align with the key performance indicator in the LTP for the transport network supporting a reduction in the number of fatal and serious crashes in the district, and to provide a quality and safe cycle network.
 71. Investment in cycling and pedestrian facilities is also referenced in the LTP as a key response to population growth, as well as being seen as a key contributor to social, environmental and economic wellbeing in the district.
 72. One of the high-level investment objectives of the Council-approved Ngāmotu Integrated Transportation Framework (ITF) is to reduce private-vehicle reliance by increasing the use of walking, cycling and public transport. Another ITF objective is to improve the safety and attractiveness of the walking and cycling networks for all users. Options one and two align with this.
 73. The District-Wide Emissions Reduction Plan outlines that 22 per cent of the District's emissions arose from transportation in 2017/18. The Plan notes that one way for Council to support reducing community emissions is to provide a safe transport network that ensures roads are opened to welcome all transport modes. The Plan provides that the ITF will support this action. Options one and two align with the Plan.
-

Participation by Māori / Te Urunga o Ngāi Māori

74. There has been no additional engagement with Ngāti Te Whiti Hapū since the programme of works was discussed with them in 2023, where they provided support in principle for the proposal. If option five is approved, Council will re-engage with Ngāti Te Whiti.

Community Views and Preferences / Ngā tirohanga me Ngā Mariu ā-hāpori

75. No engagement has been undertaken with the community on the options in this report. Should Council approve option five, then community engagement will be required before a final Council decision is made on the matter.

Advantages and Disadvantages / Ngā Huanga me Ngā Taumahatanga.

76. All options will result in varying perceptions based on the differing viewpoints from the community.

Recommended Option This report recommends option one - Officers to monitor the impacts of the current design and report back to Council in September 2026 to inform reconsideration of options for State Highway 45 (South Road/Devon Street West) and the cost implications, with potential for inclusion in the LTP 2027-37 process to resolve the matter.

APPENDICES / NGĀ ĀPITI HANGA

Appendix 1 Key Stakeholder Interview Summary (ECM 9645210)

Appendix 2 Draft motions for all options in this report (ECM 9660841)

Report Details

Prepared By:	Jessica Stokes Manager (Delivery, Sustainability and Infrastructure)
Team:	Delivery, Sustainability and Infrastructure
Approved By:	Sarah Downs (General Manager Operational Excellence)
Ward/Community:	District wide
Date:	25 November 2025
File Reference:	ECM 9651719

-----End of Report -----

Mā Ake Your Way Key Stakeholder Interview findings summary: *Post-construction/short term outcomes*

Background

Key stakeholders were initially identified in the engagement plan/s for Mā Ake Your Way (Your Way) programme and individual projects in 2023. A comprehensive list of key stakeholders was developed, with the intention of reaching representative groups and organisations who could provide collective insights.

This process recognises that a group, organisation or school's perspectives are shaped by their specific needs, experiences or responsibilities, and that they can provide diverse and valuable insights for the project, throughout its lifecycle.

In the planning and consultation phase, insights were sought from special interest groups in the New Plymouth District who would likely have a focused concern or stake in either single or multiple of the proposed projects at the time. In 2023, a total of 17 key stakeholders were interviewed to inform the planning process, and to provide a baseline measure for change. A small number of key stakeholders declined the invitation to participate or chose to provide feedback via other mechanisms.

Summary

The list of stakeholders sought for the post-construction/short term impact phase of the project in August 2025 was largely the same as those identified in the planning phase but excluded a small number of stakeholders specific to projects that did not proceed to the construction/delivery phase. The focus was on stakeholders who could speak to the changes delivered for the South Road/Devon Street West (SH45) known as Project 1 and the Mangorei Road shared path project known as Project 2b. Stakeholders who chose not to participate in the key stakeholder interviews or withdrew feedback in the planning phase were re-approached during this phase.

These groups were contacted to request an interview, to provide feedback on:

- *Levels of support the key infrastructure changes delivered (crossing improvements, side-intersection improvements, shared path, buffered cycle lanes, protected cycle lanes)*
- *Insights into the experiences for those regularly walking and cycling on the route/s.*
- *Level of support for Your Way projects overall, along with insights and experiences*
- *Level of support for potential future walking and cycling projects*
- *Any other comments or questions*

Key Stakeholder profile

A total of twenty-five groups/organisations/schools were approached to participate in the key stakeholder interviews. Of those, twenty key stakeholders agreed to complete and submit their feedback via interviews. The remaining five either declined to participate or were unable to complete an interview. The following figure shows the representation achieved.

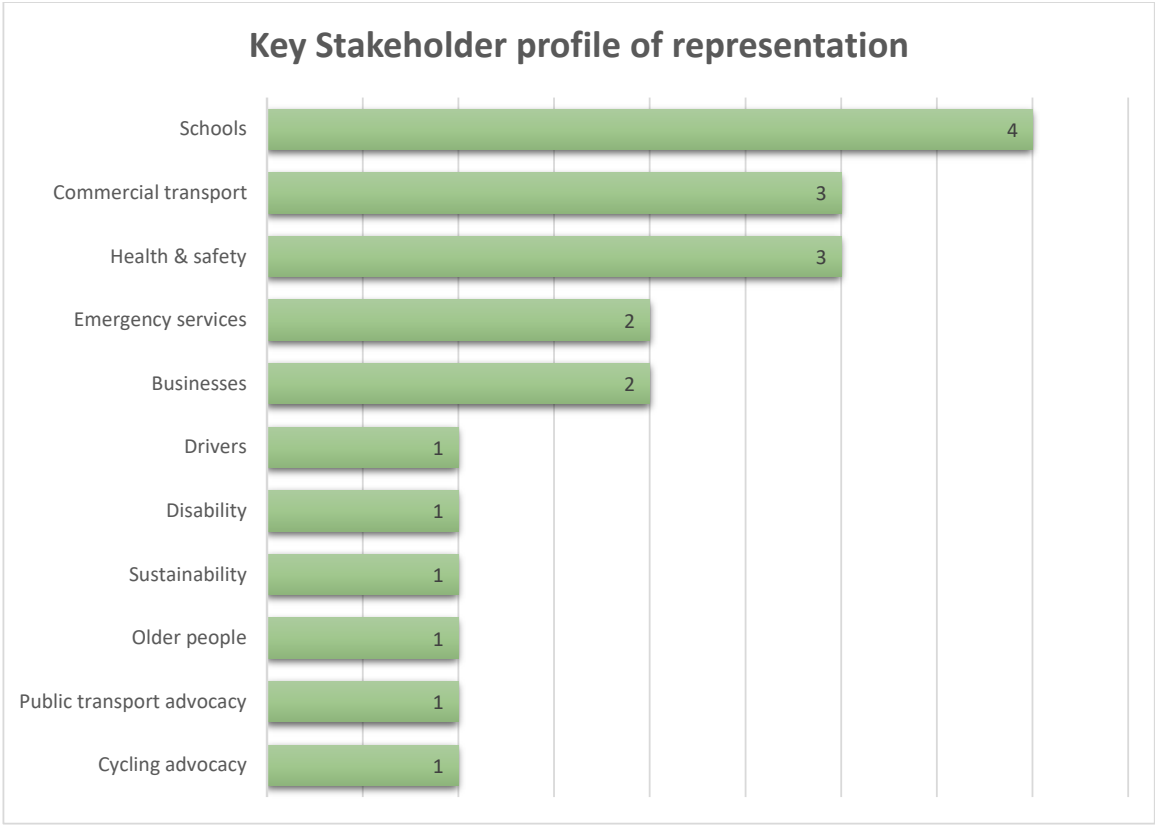


Figure 1: Key stakeholder representation profile by number of groups, organisation or schools interviewed

Road use

- All key stakeholder groups represent people who use the routes daily; many of those multiple times per day.
- All modes of travel on the routes are represented; many groups have representatives that use multiple modes (walk, drive, bike, bus).
- A quarter (5/20) of stakeholder groups represent people who drive heavy vehicles on the routes.
- Over half of the stakeholders (12/20) represent regular walkers and regular cyclists on the routes

Walking experience: Ease

- Prior to the changes, 7 of the 17 found it ‘difficult’ or ‘very difficult’ to walk on the routes, whereas 5 (less than a third) found it ‘easy’.
- Following the changes, the majority (9/12) of the stakeholders who represent regular walkers on this route report it as either ‘easy’ or ‘very easy’ following the changes.

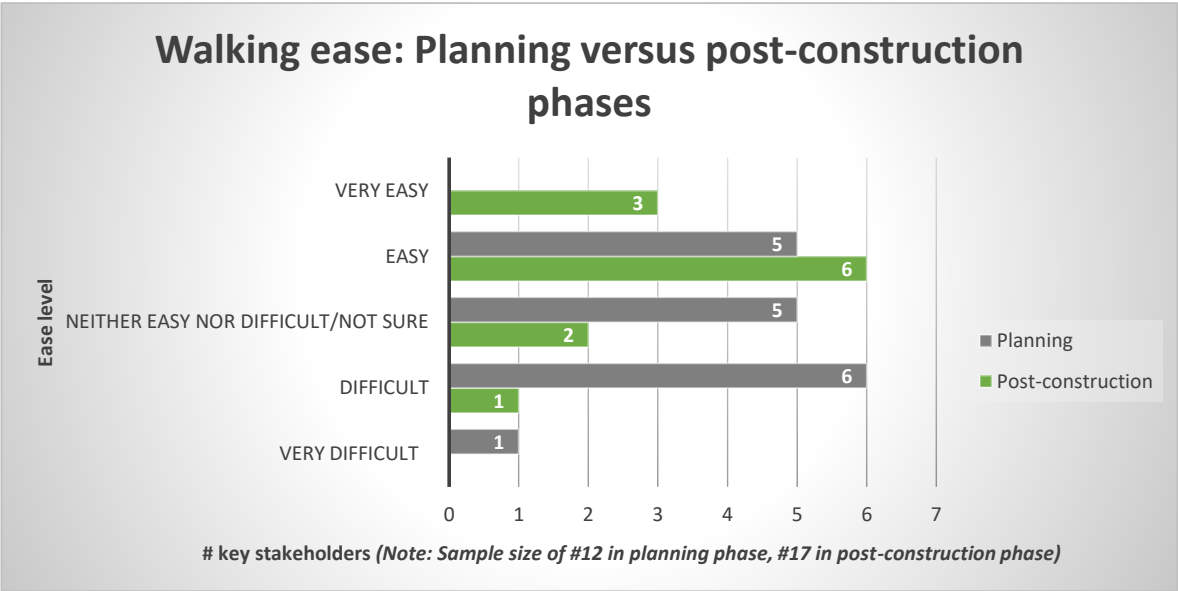


Figure 2: Comparison pre and post construction of perception and experience of walking ease

Walking experience: Safety

- Prior to the changes, half of the stakeholders reported it was either ‘unsafe’ or ‘very unsafe’ to walk the routes ¹
- Most of the stakeholders (12/20) represent regular walkers on the routes, which includes those walking to catch a bus, and those using mobility devices on the footpath.
- Of the regular walkers on this route, almost all (11/12) report the route is either ‘safe’ or ‘very safe’ following the changes (see Figure 3).

¹ In the 2023 planning interviews, all stakeholders (including non-walkers on the route) were asked their perception, whereas in 2025, only regular walkers were asked their experience. This is due to the changes only recently being completed.

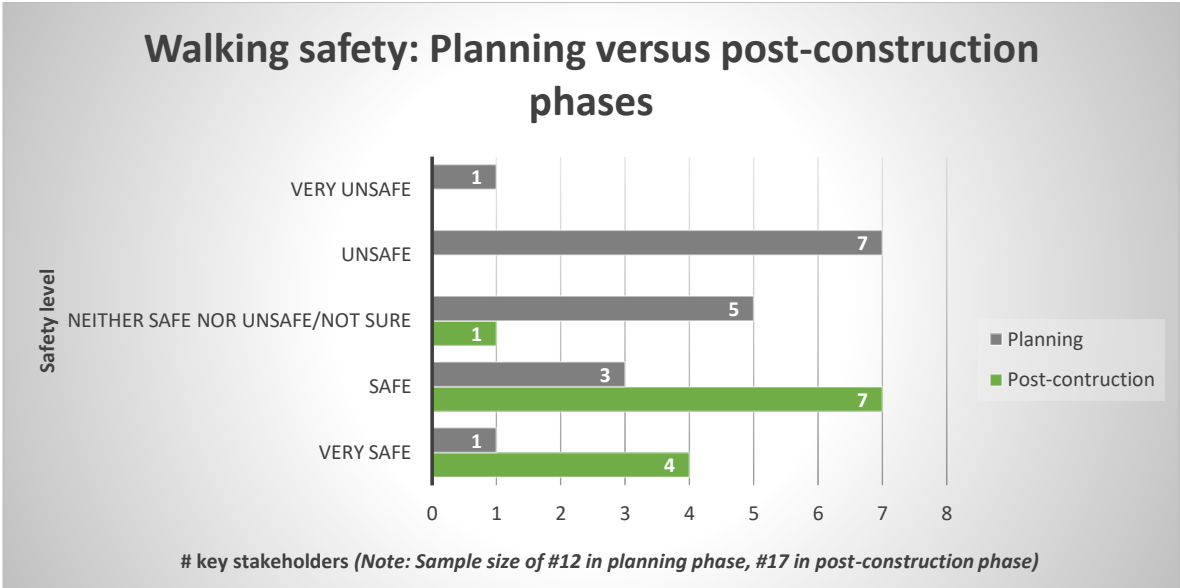


Figure 3: Comparison pre and post construction of perception and experience of walking safety

Cycling experience: Ease

- Prior to the changes, over half (9/17) found it very difficult to cycle on the routes, whereas only 4 (less than a third) found it easy or very easy.
- Of the regular cyclists on this route, almost all (9/12) report the route is either easy or very easy to cycle on following the changes.

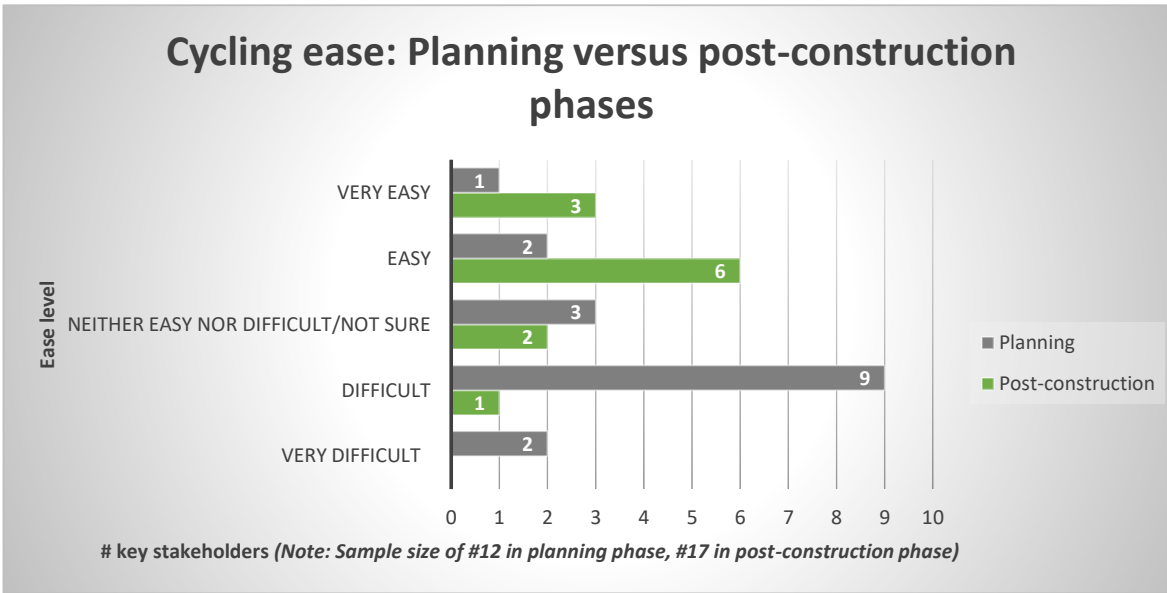


Figure 4: Comparison pre and post construction of perception and experience of cycling ease

Cycling experience: Safety

- Prior to the changes, most of the stakeholders (13/17) reported it was either unsafe or very unsafe to cycle the routes.
- Of the regular cyclists on this route, almost all (10/12) report the route is either safe or very safe following the changes (see Figure 4).

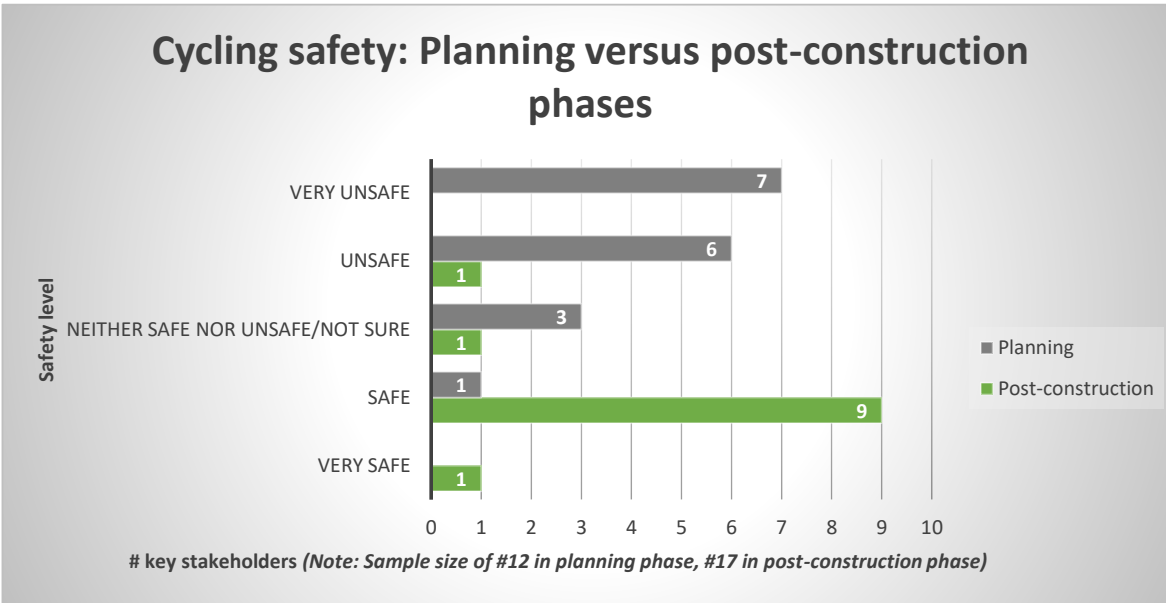


Figure 4: Comparison pre and post construction of perception and experience of cycling safety

Key infrastructure changes summary

Stakeholders were provided an overview explaining the key features and benefits of each of the 5 main infrastructure changes along with photographic examples of what has been constructed. The key features asked about differed slightly from those in the planning period, as raised crossings and in-lane bus stops were not delivered, and buffered cycle lanes were delivered.

When asked for their views on the crossing upgrades that had been delivered on the South Road/ Devon Street West (SH45), the majority (15/19) support or strongly support the changes, whilst one stakeholder opposes the change (see figure 5).

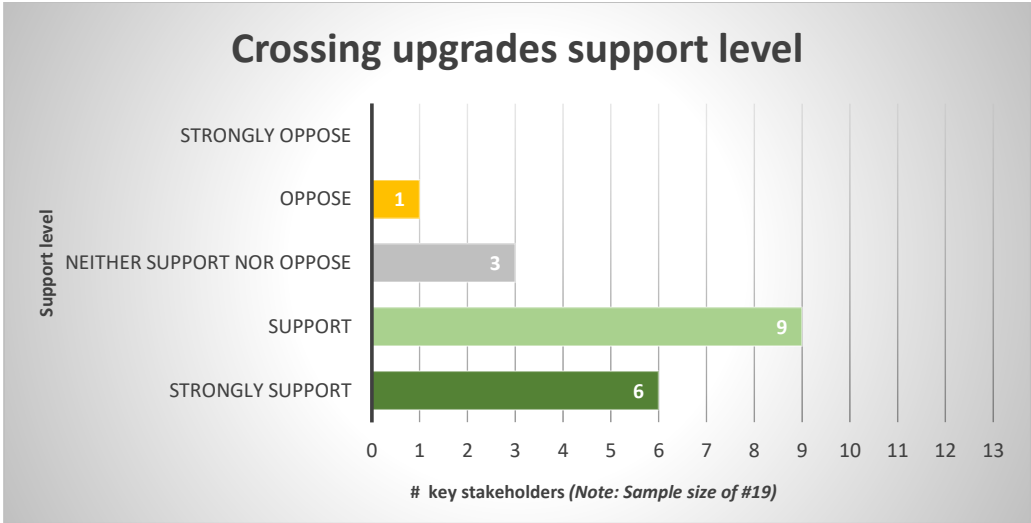


Figure 5: Support level for crossing upgrades.

When asked for their views on the side-road intersection improvements that had been delivered on the South Road/ Devon Street West (SH45), the majority (15/19) support or strongly support the changes, with a further 6 neither in support nor in opposition (see figure 6).

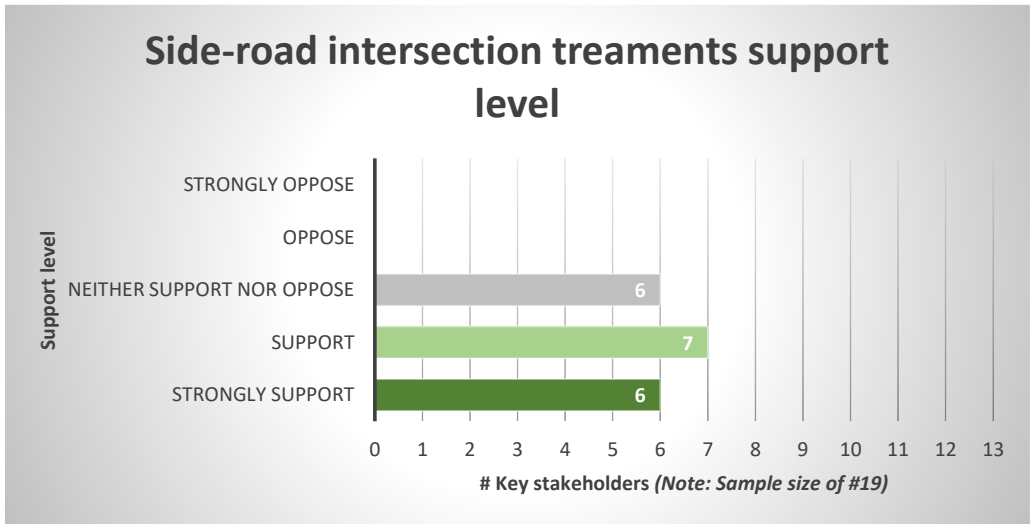


Figure 6: Support level for side-road intersection treatments.

There was wide endorsement for shared paths, with 18/20 stakeholders either supporting or strongly supporting the shared paths that had been delivered on both Mangorei Road and the South Road/ Devon Street West (SH45) project routes (see figure 7).

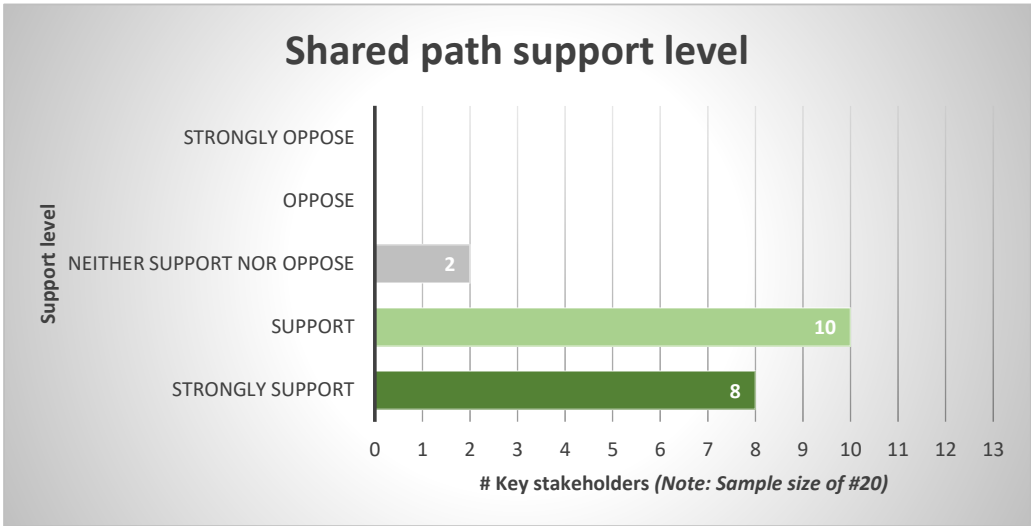


Figure 7: Support level for shared paths.

When asked for their views on the buffered cycle lane that had been delivered on the South Road/ Devon Street West (SH45), the majority (17/19) support or strongly support the changes, with a further 2 neither in support nor in opposition (see figure 8).

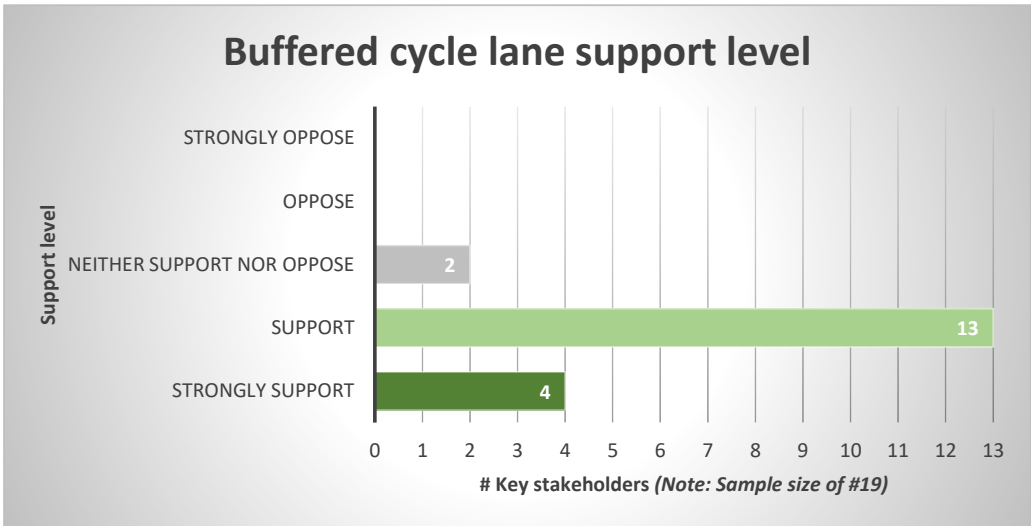


Figure 8: Support level for buffered cycle lane.

Opinion on the protected cycle lane delivered on the South Road/ Devon Street West (SH45) was mixed, with approximately one third each in opposition and support, and the remaining third in the neither support nor oppose position (see figure 9).

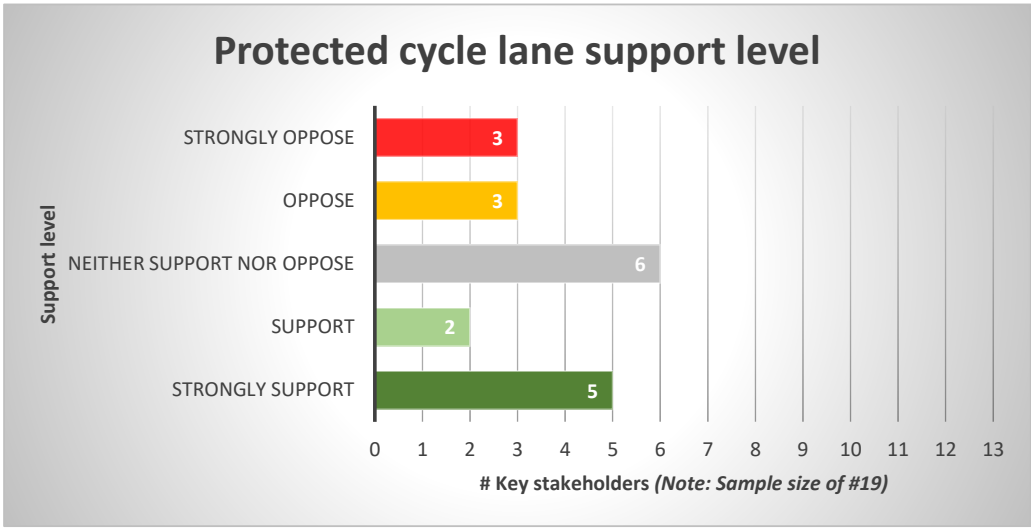


Figure 9: Support level for protected cycle lane.

Cycling mode share impacts

Key stakeholders who represented people who regularly cycle on the routes were asked if they expected to see an increase in the number of cycling trips taken on this route in future, resulting from the changes. In total, just over half (7/12) do expect to see an increase in cycling trips, whereas the rest are unsure at this early stage.

Overall project support

Although there is twice as many groups supporting (11/20) than opposing the overall project changes, a quarter of the key Stakeholders (5/20) either oppose or strongly oppose the project changes. This contrasts with the strong support during the planning phase (see figure 10).

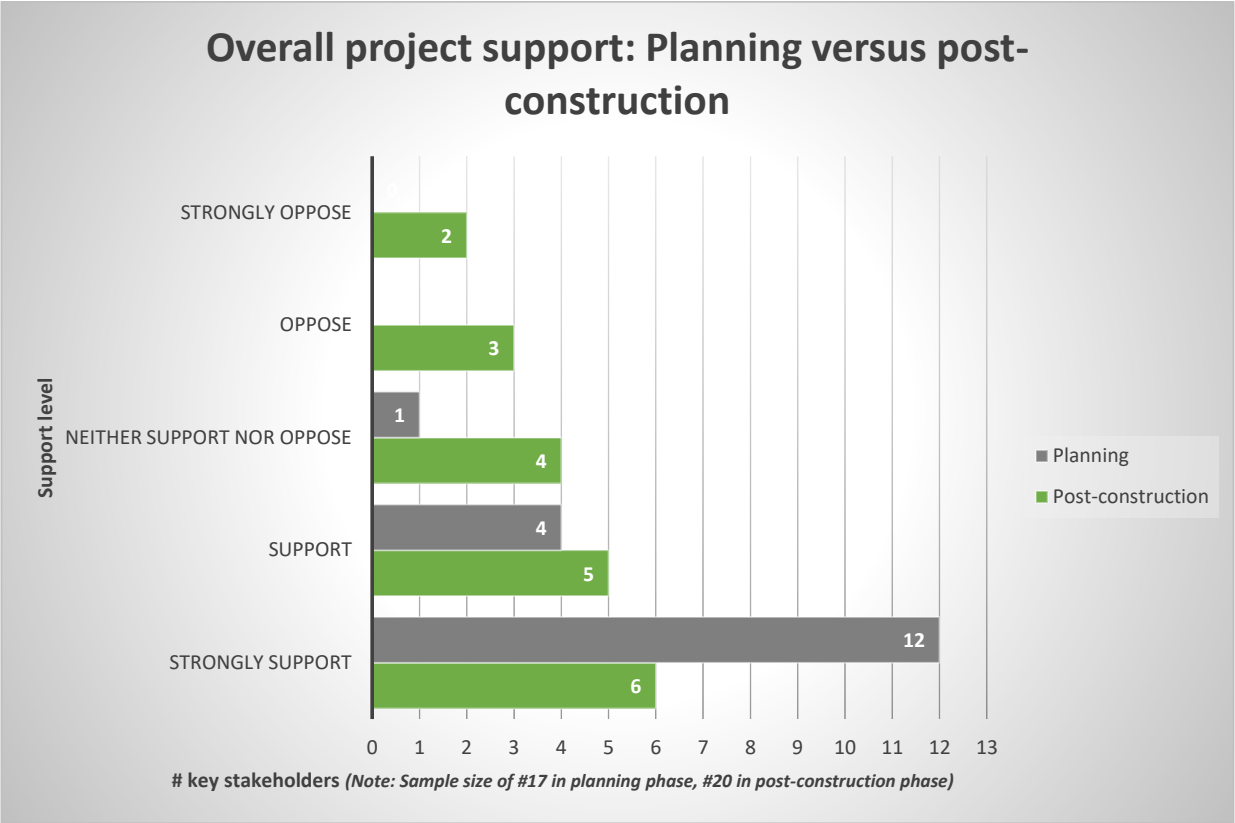


Figure 10: Comparison of overall project support level.

Overall support key themes

Key stakeholders were offered an opportunity to further comment, providing context for their overall project support rating. The comments were analysed into key themes, with most stakeholders outlining multiple themes in their feedback. The main themes to emerge from the commentary were:

Positive Community Impacts

- The project has improved safety and accessibility for pedestrians, cyclists, and bus users.
- Families, older people, and children are benefiting — it feels more inclusive now.
- New bus shelters and improved pedestrian facilities (e.g., refuges, crossings) seen as helpful.

Behavioural & Cultural Change

- Recognition that change takes time — drivers, cyclists, and pedestrians are still adjusting to very new infrastructure.
- Concern about driver impatience and rule-breaking (e.g., ignoring crossings, driving aggressively, refusing to straddle during emergencies).
- Education campaigns could help normalise safer behaviours and encourage more sustainable transport uptake.

Consultation & Engagement

- Some groups felt listened to and included noting positive experiences with Council staff
- Others felt decisions were already made, and consultation was not authentic.
- Desire for ongoing dialogue during and after construction — not just at the beginning (planning stage) and end.

Infrastructure Concerns & Gaps

- Crossing placement and safety: Some crossings felt unsafe or poorly located (especially near dairies, schools, and bus stops).
- Bus stop design: In-lane bus stops were a controversial idea which some support, some oppose².
- Car parking: Removal of spaces near CBD and shops seen as a barrier to supporting local businesses.

Business & Economic Impacts

- Strong concerns from business owners about reduced parking and traffic flow.
- Perception that projects might deter customers from visiting certain areas (esp. CBD retail and hospitality sector).
- Requests for early engagement with businesses before decisions are finalised.

Emergency Services & Accessibility

- Emergency services raised concerns about delays caused by driver behaviour reactions to road changes.
- Emphasis on need for designs that don't compromise response times.
- Suggestions for alternative separator designs to balance safety with access.

Schools & Safety

- Schools very supportive of changes that improve student safety (crossings, shared paths).
- Some highlighted that crossings still remain unsafe due to driver behaviour.

² In-lane bus stops were not delivered following consultation during the planning stage.

- General support for encouraging children and families to use active transport for health and safety benefits.

Perceptions of Council

- Some stakeholders see Council staff as helpful and professional.
- Others expressed frustration and felt feedback during consultation / planning stage was ignored and changes imposed.
- Mixed trust levels: appreciation for consultation in principle, but disappointment in follow-through.

In summary, while there is broad support for safer, more accessible infrastructure; especially for school communities, tension remains with businesses, emergency services, and some residents around design trade-offs. Mixed views remain regarding the consultation process, where some felt valued, others felt sidelined. Although it was widely acknowledged that it is very early to assess the outcomes of the changes, there is a recognition that behaviour and culture need to shift alongside physical infrastructure.

Future walking and cycling project support

Most key stakeholders remain supportive of future projects which aim to improve safety, ease and accessibility for active modes users. This is consistent with the sentiment expressed in the planning phase for the projects. However, the support was less pronounced in the post-construction phase, with more supporting rather than offering strong support.

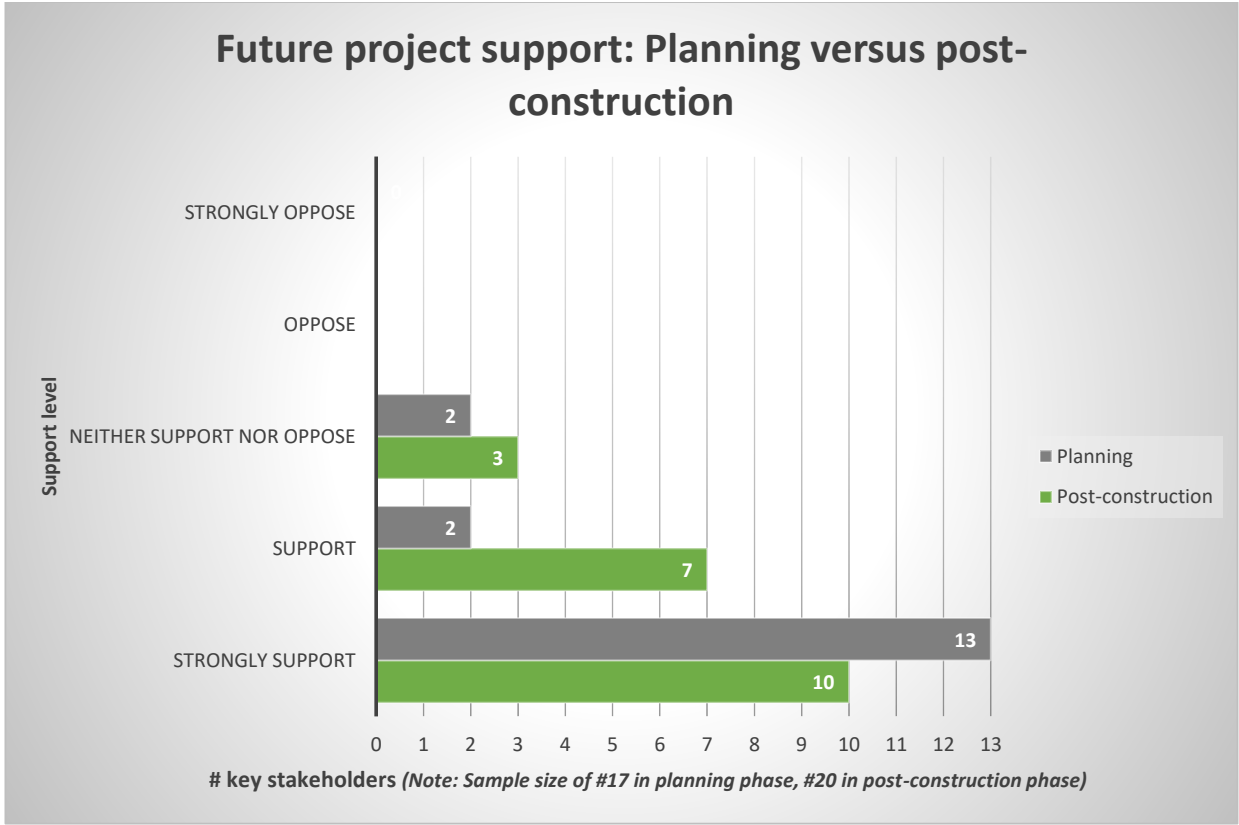


Figure 11: Comparison of future project support level.

Future walking and cycling project key themes

Key stakeholders were offered an opportunity to further comment, providing context for their support rating of future projects. The comments were analysed into key themes, with most stakeholders outlining multiple themes in their feedback. The main themes to emerge from the commentary were:

Safety as the Top Priority

- Safety for children around schools particularly at crossings and during peak-time traffic.
- Safety for cyclists and pedestrians along main routes.
- Emergency services raising concerns about design impacts on response times.
- General community desire for safer environments when walking, cycling, or busing.

Connectivity & Accessibility

- People want to get where they need to go efficiently, whatever mode they use.
- Gaps in bus routes, timing options, and connecting paths discourage use and uptake.
- More connected infrastructure enables more uptake of active and public transport.
- Calls for a city-wide strategy for transport, especially for schools and major routes.

Community Consultation & Inclusion

- Strong appreciation when consultation happens.
- Frustration when it is perceived that feedback is ignored or when decisions feel predetermined.
- Businesses, schools, and emergency services want to be involved early in the planning.
- Transport needs differ by group (families, elderly or people experiencing disability, businesses, emergency services).

Health & Wellbeing Benefits

- Active transport provides co-benefits of encouraging exercise therefore improves community-wide health and wellbeing outcomes.
- Active transport options can also help reduce congestion and car dependency (environmental health benefits).
- Perceived as positive for children, families, and future generations.

Support for Public Transport

- Desire for higher-frequency, more reliable bus services, and supporting infrastructure.
- Interest in aligning infrastructure upgrades with busy bus routes, with poor user-experience in smaller towns of the district.
- Current system seen as single occupancy vehicle-focused, rather than supporting shared or active transport.

Balance with Business & Economic Concerns

- Businesses worry about reduced parking amenity and slower traffic affecting customers.
- Hospitality in CBD particularly sensitive to parking loss.
- Supportive of cycling/walking if it doesn't hinder trade.

Common Sense & 'Fit-for-Purpose' Design

- Repeated calls for practical, sensible planning.
- Plan to avoid unintended consequences (traffic delays, barriers for emergency services).
- Ensure upgrades are well thought out, tested, and future-proof.

The overall sentiment of feedback in regards for future support, was that there remains wide stakeholder support for sustainable transport infrastructure if it is safe, well-connected, and inclusive of different needs. Frustrations arise around the consultation process and a perceived lack of consideration for businesses and emergency services. The community wants balanced solutions that protect safety, encourage active transport, and maintain accessibility.

General comments

At the conclusion of the interview, key stakeholders were offered an opportunity to offer general comments, or questions they had remaining about the projects. The comments were analysed into key themes, with most stakeholders outlining multiple themes in their feedback. The main themes to emerge from the commentary were:

Accident Perceptions & Driver Behaviour

- Scraped wheels and minor accidents seen as driver adaptation issues, not necessarily evidence of unsafe design.
- Infrastructure changes intended to prevent serious/fatal accidents, which are considered more important than minor vehicle damage.
- Calls for more driver education to address risky behaviours (e.g., not stopping at crossings, speeding past schools, frustration in queues).

Positive Collaboration & Respect

- Acknowledgement of good collaboration with contractors after initial hiccups.
- Stakeholders (e.g., older residents, schools) felt valued when consulted.
- Appreciation for efforts to involve groups often overlooked (e.g., older residents, students).

Need for Better Communication & Transparency

- Requests for clearer public communication on “why” projects are being done and their long-term benefits.
- Desire for councils to counter misinformation and negative press more proactively.
- Concern about “rumours” in the community shaping opinions.

Infrastructure Gaps & Improvements Suggested

- Requests for raised pedestrian crossings (as were proposed in the initial planning phase), digital speed signs, and zebra crossings at busy points.
- Calls for more bus shelters, better spacing of bus stops, and larger shelters where there are increasing numbers of students.
- Issues with visibility created by carparks near crossings (e.g., Belt Road Dairy).
- Suggestions for alternative cycle lane separators (e.g., rubber options) that balance safety with emergency access.

Consultation with Industry & Data Transparency

- Some heavy vehicle operators and industry associations felt left out of planning.
- Strong demand for data-driven decision making (accident stats, cycle counts, mode-share numbers).
- Concern that safety benefits for a current small number of cyclists are being prioritised over impacts to many vehicle users.

Congestion Issues Impacting Emergency Services

- Reports of new congestion points (e.g., near Belt Road and Spotswood Primary School) creating delays for emergency services.

Opposition to Further Projects

- Concern about replication of design in other parts of New Plymouth and other major transport routes e.g., St Aubyn Street -Port to CBD.
- Worries about potential ongoing/ long-term costs to ratepayers for maintenance.

Cultural, Educational & Environmental Connections

- Schools highlighted opportunities to link further active transport routes to increased access for school trips to local cultural and environmental sites, further supporting school curriculum and community connections.

Behaviour towards Council

- Concerns about public hostility towards Council staff working on the projects, and cyclists.
- Recognition that staff are “just doing their jobs” and shouldn’t face abuse.

In summary, the general comments outline support of the goals of increased safety and wellbeing, and positive feedback on some improvements. However, there is ongoing frustration with remaining gaps in infrastructure, consultation with industry, and congestion impacts. There was divided feedback in that some stakeholders see long-term benefits, while others strongly oppose replication elsewhere without better consultation, communication, and design adjustments.

RECOMMENDATION FOR CONSIDERATION / NGĀ WHAIKUPU (OPTION ONE)

That having considered all matters raised in the report Council:

- a) Continue to monitor the impact of changes made to State Highway 45 (South Road/Devon Street West) implemented through the Transport Choices programme.**
- b) Reconsider this issue in September 2026 when the infrastructure changes have had time to embed and monitoring has occurred to more accurately understand the impacts.**
- c) Include recommendations to address issues, if any, in the Long-Term Plan 2027-37 process to enable community views to be understood and any budget requirements met.**

OPTION TWO

That having considered all matters raised in the report Council resolves:

- a) To remove the concrete separators installed on State Highway 45 (South Road/Devon Street West) through the Transport Choices programme and replace them with rubber or similar separators, subject to NZTA Waka Kotahi approval; and**
- b) That this work is to be done in alignment with maintenance planned in March 2026 by NZTA Waka Kotahi to minimise costs; and**
- c) That \$1,190,000 funding (including a 5% contingency) is approved which will result in a rating deficit to be initially debt-funded with repayments considered alongside the Annual Plan 2026/27 and Long-Term Plan 2027-37 (if required).**

OR (if AP)

- c) That \$1,190,000 funding (including a 5% contingency) is included in the Annual Plan 2026/27 to undertake this work.**

OPTION THREE

That having considered all matters raised in the report Council resolves:

- a) To remove the concrete separators installed on State Highway 45 (South Road/Devon Street West) through the Transport Choices programme and retain the painted cycle lanes, subject to NZTA Waka Kotahi approval; and**
- b) That this work is to be done in alignment with maintenance planned in March 2026 by NZTA Waka Kotahi to minimise costs; and**
- c) That \$780,000 funding (including a 5% contingency) is approved which will result in a rating deficit to be initially debt-funded with repayments considered alongside the Annual Plan 2026/27 and Long-Term Plan 2027-37 (if required).**

OR (if AP)

- c) That \$780,000 funding (including a 5% contingency) is included in the Annual Plan 2026/27 to undertake this work.**

OPTION FOUR

That having considered all matters raised in the report Council resolves:

- a) To remove some of the concrete separators installed on State Highway 45 (South Road/Devon Street West) through the Transport Choices programme subject to NZTA Waka Kotahi approval; and**
- b) That this work is to be done in alignment with maintenance planned in March 2026 by NZTA Waka Kotahi in order to minimise costs; and**
- c) That up to \$780,000 funding (including a 5% contingency) is approved which will result in a rating deficit to be initially debt-funded with repayments considered alongside the Annual Plan 2026/27 and Long-Term Plan 2027-37 (if required).**

OR (if AP)

- c) That \$780,000 funding (including a 5% contingency) is included in the Annual Plan 2026/27 to undertake this work.**

9.2

OPTION FIVE

That having considered all matters raised in the report Council resolves:

- a) To remove the concrete separators installed on State Highway 45 (South Road/Devon Street West) through the Transport Choices programme subject to NZTA Waka Kotahi approval; and**
- b) That prior to the removal of the concrete separators, design work and consultation is undertaken to reinstate carparking, pursuant to the New Plymouth District Council Traffic and Stock Control Bylaw 2025, in this area where other infrastructure allows; and**
- c) That up to \$1,630,000 funding (including a 5% contingency) for the removal, and remedial works is approved in the Annual Plan 2026/27 and Long-Term Plan 2027-37 (if required).**

9.2

NEW PLYMOUTH WATER SERVICES COUNCIL-CONTROLLED ORGANISATION – CONSTITUTION FOR WATERCO1

MATTER

1. The matter for consideration by the Council is the adoption of the Constitution for the New Plymouth Water Services Council-Controlled Organisation (WSCCO), temporarily referred to as WaterCo1.

OFFICERS RECOMMENDATION FOR CONSIDERATION

That, having considered all matters raised in the report, Council:

- a) **Adopts the Constitution for WaterCo1 in the form appended to this paper.**
- b) **Delegates to the Chief Executive the power to execute any documentation necessary to give effect to the above resolution.**

MAYORAL RECOMMENDATION:

That having considered all matters raised in the report, Council:

- a) **Defer consideration of the draft WSCCO Constitution until early 2026 to enable further amendments to the draft.**
- b) **Acknowledge that deferring approval of the Constitution will compress the timeframe for the remainder of the WSCCO establishment process.**
- c) **Instruct Officers to bring forward development of the draft Enduring Statement of Expectations for consideration alongside the Constitution.**
- d) **Establish an Oversight Group, consisting of Cr George, Cr Chard, Cr Bubnitz and Cr Woodward to:**
 - i) **Support revision of the draft constitution (for subsequent consideration by Council); and**
 - ii) **Provide guidance of Council oversight (as Shareholder) to the Board**

in order to ensure an appropriate transition.

COMPLIANCE / TŪTOHU	
Significance	This matter is assessed as being administrative
Options	<p>This report identifies and assesses the following reasonably practicable options for addressing the matter:</p> <ol style="list-style-type: none"> 1. Adopt the Constitution for WaterCo1 2. Do not adopt of the Constitution for WaterCo1
Affected persons	The persons who are affected by or interested in this matter are the shareholder – New Plymouth District Council, WaterCo1 interim Chief Executive, and the New Plymouth District community.
Recommendation	This report recommends option one for addressing the matter.
Long-Term Plan / Annual Plan Implications	No
Significant Policy and Plan Inconsistencies	No

EXECUTIVE SUMMARY

2. We recommend that Council adopts the Constitution for WaterCo1 to enable its incorporation as a Water Services Council-Controlled Organisation (WSCCO) for drinking water and wastewater services in the New Plymouth District.
3. Adopting the Constitution enables WaterCo1 to be legally incorporated and continue the establishment of the Company, including governance setup, strategic planning, and engagement with regulators and stakeholders.
4. The Constitution provides the legal and structural foundation for WaterCo1 to operate as a council-controlled organisation, ensuring compliance with the Local Government (Water Services) Act 2025 and alignment with the long-term water service goals as outlined in the adopted Water Services Delivery Plan (WSDP).
5. WaterCo1 will be incorporated under the Companies Act 1993, with New Plymouth District Council as its sole shareholder. At incorporation, it must have at least one director who meets residency and legal eligibility requirements.
6. Delaying adoption would compress the time available to establish the Company and meet the commitments in the agreed WSDP.

BACKGROUND

7. On 22 July 2025, Council resolved to establish a single-council WSCCO for the delivery of drinking water and wastewater services in the New Plymouth District. Ownership of stormwater (including flood protection) was resolved to remain in-house, with the option of the WSCCO delivering this service under contract explored as part of the establishment process.
8. A key requirement of the Local Water Done Well legislation was for Council to adopt and submit a Water Services Delivery Plan (WSDP) to Central Government by 3 September 2025, outlining a commitment to deliver water services that meet regulatory requirements, support growth and urban development, and are financially sustainable.
9. The adopted WSDP sets out a staged approach to establishing WaterCo1, with full establishment via the transfer of strategic assets and liabilities scheduled for 1 July 2027. Adopting the Constitution is a key milestone in the first phase – Legal Incorporation - enabling WaterCo1 to become an incorporated company under the Companies Act 1993. See below Figure 1.
10. The plan no longer includes the Interim Statement of Expectations as a deliverable in the Legal Incorporation phase. Instead, an Enduring Statement of Expectations has been scheduled for March 2026, ensuring both the Board and Elected Members have sufficient time to review and provide input.

Figure 1. Staged Implementation Plan for Establishment

Legal Incorporation (by 31 Dec 2025)				Contract Delivery Model (by 30 June 2026)						Full Establishment (by 30 June 2027)	
Governance		Finance/Legal		Strategy		Services		People		Assets (Physical & Data)	
Est CE Recruitment	WSCCO Board Recruitment	Company Registered	Banking Facility est	Transitional Support Agreement	Transfer Agreement (no1) Services & People	Services decisions i.e. what NPDC services will be utilised	SLAs	High-level Org Structure	Union Engagement	Inventory & Condition Assessment complete	Finalise AMPs
Constitution	Interim Statement of Expectations (SoE)	Loan & Credit facility Est	Directors Deed of Indemnity		Significance & Engagement Policy	Transitional Arrangements	Stormwater Interim Contract	Supplier Contract novation	EOI & Reassignment process	Physical location & set up agreed	Operational Readiness (maintenance, insurance, contracts)
Enduring CE Recruitment	Statement of Expectations (SoE)	Interim Water billing approach confirmed	Financial Management & accounting processes	Transfer Agreement (no2) Assets	Water Services (WSCCO - SW)	Transfer of Billing Services (as/iff required)	Long-Term Shared Services Strategy (as/iff required)				
KPIs Set for WSS	Statement of Intent (Sol) (as/iff required)	Finalise Legal Asset and Liability Transfer	Water & Waste Water Charges confirmed (as/iff required)								

DEVELOPMENT OF THE WATERCO1 CONSTITUTION

11. The Department of Internal Affairs (DIA) provided Councils with a Constitution template and drafting guidance through [Water Services Templates and guidance for new water organisations](#) section of their website.

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12. The WaterCo1 Constitution was drafted by using IAWAI¹ and Selwyn District Council Constitutions as a basis. Both Constitutions have been adopted by shareholding Councils in the last few months.
 13. The Constitution has had input from the WSCCO Board of Directors, and a legal review has been completed by Council's legal advisors, Simpson Grierson.

CLIMATE CHANGE IMPACT AND CONSIDERATIONS

14. The WSCCO Constitution provides the legal foundation for incorporation but does not explicitly address climate change impacts. Its role is to establish governance and compliance structures essential for the entity's formation.
15. Climate priorities are embedded in the Statement of Expectations (SOE) that Council will consider in the New Year. The SOE sets requirements for integrating climate mitigation and adaptation into WSCCO's strategy and operations. Together, the Constitution and SOE ensure that while governance integrity is maintained, WSCCO's direction aligns with Council's commitment to sustainability and climate resilience during the transition and establishment phase.

NEXT STEPS

16. Following Council's adoption of the Constitution, the key next steps are to:
 - a) Incorporate WaterCo1 as a legal entity;
 - b) Secure Director & Officer (D&O) Liability Insurance for the Company;
 - c) Provide the Statement of Expectations to the Board and Council for review and to provide comment in the New Year;
 - d) Seek to adopt the Statement of Expectations at the March 2026 Council Meeting.

SIGNIFICANCE AND ENGAGEMENT

17. Under Council's Significance and Engagement Policy, this decision is identified as administrative. While procedural, adopting the Constitution is critical to maintaining progress against the establishment timeline set out in the WSDP.

¹ IAWAI – Flowing Waters Limited is the Water Services CCO collaboration between Hamilton City and Waikato District

-
18. The Constitution is a foundational document that formalises the governance relationship between Council and WaterCo1 as its sole shareholder. The Constitution documents have been externally reviewed to ensure legal compliance, governance integrity, and alignment with Council's strategic direction.

OPTIONS

19. There are two reasonably practicable options:

Option 1 Adopt the Constitution for WaterCo1;

Option 2 Do not adopt of the Constitution for WaterCo1.

Both options have been assessed together below.

Financial and Resourcing Implications

20. There is no budget considerations associated with the recommendations of this paper.

Risk Analysis

21. The Constitution is essential for legal incorporation under the Companies Act 1993. Delaying its adoption stalls progress on WSDP milestones, including governance setup and strategic planning, which are vital for Council's regulatory compliance and service delivery. Deferring adoption introduces the following risks:
- a) **Breach of WSDP Commitments.** Failure to demonstrate progress against WSDP commitments empowers the Secretary for Local Government to appoint a Crown Facilitator at Council's cost to accelerate delivery. This intervention would trigger central government scrutiny, erode local autonomy, damage Council's reputation, and undermine stakeholder confidence.
 - b) **Governance and Compliance Failure.** Without incorporation, governance structures remain informal, creating ambiguity in decision-making authority. This exposes Council to breaches of statutory obligations under the Companies Act 1993, legal challenges, and reputational harm.
-

- c) **Compressed Regulatory Timeframes and Non-Compliance.** Delays shorten the window to meet new regulatory obligations, including Commerce Commission disclosure requirements starting in 2026/27 financial year. These cover strategic asset management plans, financial forecasts, and alignment with the Long-Term Plan cycle by mid-2027. Reduced lead time heightens non-compliance risk and compromises planning and reporting quality.
- d) **Increased Pressure on Establishment Timeline.** The WSCCO establishment plan already targets full operational readiness by 1 July 2027. Any slippage compresses subsequent phases, creating severe pressure on governance, operational readiness, and resource allocation.
- e) **Financial Exposure:** Delays may lead to cost overruns, including unplanned expenses for external facilitation and accelerated work streams.

Promotion or Achievement of Community Outcomes

22. By adopting the Constitution, the Council initiates the legal incorporation of WaterCo1, which allows the organisation to start working towards the New Plymouth District Council's community outcomes, including:
- **Environmental Excellence:** Establishing a governance framework that supports future decisions aligned with climate resilience and environmental sustainability.
 - **Thriving Communities and Culture:** Embedding obligations to uphold Te Tiriti o Waitangi and deliver services that reflect Te Ao Māori values.
 - **Trusted:** Providing for transparent governance and accountability, supporting trusted relationships with iwi, hapū, and stakeholders.
 - **Prosperity:** Laying the foundation for efficient and sustainable service delivery that can contribute to long-term economic wellbeing.

Statutory Responsibilities

23. While the Local Government (Water Services) Act 2025 does not require a constitution to register a company, adopting one is essential for WaterCo1 to operate as a company under the Companies Act 1993.

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24. The Constitution provides the governance framework needed to meet the statutory objectives in Section 17 of the Water Services Act, including delivering water services that are safe, financially and environmentally sustainable, resilient, and aligned with Te Tiriti o Waitangi.
 25. Timely adoption ensures WaterCo1 is incorporated with the appropriate structure and obligations, enabling it to begin its establishment phase and meet the sequencing set out in the WSDP. Delaying this decision risks misalignment with regulatory milestones and undermines Council's ability to meet the planned full establishment start date of 1 July 2027.

Participation by Māori

26. Māori participation has been reflected through the composition and capability of the WaterCo1 Board of Directors. The Board has been appointed with collective competencies that underpin effective performance as a WSCCO, including Te Ao Māori capability.

Community Views and Preferences

27. The adoption of WaterCo1's Constitution is an administrative process undertaken by the Council to ensure governance and oversight of water service delivery. Community views and preferences were not specifically sought for this decision.
28. Council recognises the importance of transparency and public trust. Council will continue to provide clear information and engage with the community as the WSCCO develops.

Advantages and Disadvantages

29. Adopting the Constitution allows the formal incorporation of WaterCo1 and move into the next phase of establishment. It puts governance arrangements in place and sets clear parameters for the Board.
 30. This step aligns with the WSDP approved by the Department of Internal Affairs (DIA), specifically Phase 1 (Legal Incorporation) and supports Council's commitment to meeting the legislative requirements for water services delivery.
 31. A thorough legal review has been completed on the Constitution to ensure it meets statutory obligations.
 32. Not adopting the Constitution would delay the establishment process, create uncertainty for the Board, and increase the risk of non-compliance. It could also undermine public and stakeholder confidence in Council's ability to deliver on its water reform commitments.
-

Recommended Option

This report recommends option one *Adopts the Constitution for WaterCo1* for addressing the matter.

APPENDICES

Appendix 1: WaterCo1 Constitution (ECM 9653176)

Report Details

Reviewed By: Helen Gray, Manager Transformation
Team: Chief Executive's Office
Approved By: Sarah Downs, GM Operational Excellence
Ward/Community: District Wide
Date: November 2025
File Reference: ECM 9653168

-----*End of Report*-----

CONSTITUTION

10.1

WaterCo1 Limited

Certified as the Constitution of [Name] Limited by {name} (as the applicant for the registration of [Name] Limited) by:

Signature – [name]

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10.1

WATERCO1 LIMITED CONSTITUTION

1. DEFINITIONS AND INTERPRETATION

1.1 In this Constitution, unless the context otherwise requires:

Appointment and Remuneration of Directors of Council Organisations Policy means the Shareholder's policy for the appointment and removal of directors of council organisations, as amended by resolution of the Shareholder from time to time.

Board means Directors who number not less than the required quorum, acting together as a board of Directors.

Board Skills Matrix means a matrix setting out the skills which are required to be represented on the Board, by being held by one or more Directors in office, as adopted and amended from time to time by the Shareholder

Business Day means any day (other than a Saturday, a Sunday or a public holiday) in New Plymouth, New Zealand.

Chair means the chair of the Board appointed in accordance with clause [10.99](#).

Companies Act means the Companies Act 1993.

Company means **WaterCo1 Limited**, a company incorporated in New Zealand under company number [TBC].

Constitution means this constitution of the Company as amended from time to time in accordance with the Companies Act.

Director means a person appointed as a director of the Company in accordance with this Constitution.

Financial Year has the meaning set out in the LG(WS) Act.

Independent Director means a person who is appointed as a director of the Company and who is neither:

- a) a current elected member or employee of any Local Authority that is a Shareholder; or
- b) a current employee of the Shareholder or the Company.

LGA means the Local Government Act 2002.

LG(WS) Act means the Local Government (Water Services) Act 2025.

10.1

Local Authority has the meaning set out in the LGA.

Major Transaction has the meaning given to that term in the Companies Act.

Related Company has the meaning given to that term in the Companies Act.

Service Area has the meaning set out in the LG(WS) Act and as at the date of adoption of this Constitution is the New Plymouth district (within the meaning of the LGA).

Shares means the shares in the Company.

Shareholder means any person for the time being registered in the Company's share register as the holder of one or more Shares in the Company.

Statement of Expectations has the meaning given to it in LG(WS) Act.

Subsidiary has the meaning given to that term in the Companies Act.

Water Organisation has the meaning given to it in the LG(WS) Act.

Water Services has the meaning given to it in the LG(WS) Act.

Water Services Annual Budget has the meaning given to it in the LG(WS) Act.

Water Services Annual Report has the meaning given to it in the LG(WS) Act.

Water Services Half-yearly Report has the meaning given to it in the LG(WS) Act.

Water Services Strategy has the meaning given to it in the LG(WS) Act.

1.2 **Interpretation:** In this Constitution, the following rules of interpretation apply, unless the context requires otherwise:

- (a) headings are for convenience only and do not affect interpretation;
- (b) the singular includes the plural and vice versa, and a gender includes other genders;
- (c) another grammatical form of a defined word or expression has a corresponding meaning;
- (d) words in this Constitution have the same meaning as in the Companies Act;
- (e) a reference to a party, person or entity includes:
 - (i) an individual, firm, company, trust, partnership, joint venture, association, corporation, body corporate, estate, state, government or any agency thereof, municipal or local authority

and any other entity, whether incorporated or not (in each case whether or not having a separate legal personality); and

- (ii) an employee, agent, successor, permitted assign, executor, administrator and other representative of such party, person, entity;
- (f) a reference to a clause or schedule is to a clause or schedule of this Constitution (and each schedule forms part of this Constitution);
- (g) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (h) references to the word 'include' or 'including' are to be construed without limitation;
- (i) a reference to any form of law is to New Zealand law, including as amended or re-enacted;
- (j) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (k) "written" and "in writing" include any means of reproducing words, figures or symbols in a tangible and visible form;
- (l) any obligation falling due for performance on or by a day other than a Business Day will be performed on or by the Business Day immediately following that day; and
- (m) an obligation not to do something includes an obligation not to allow or cause that thing to be done.

1.3 Conflict: If there is any conflict:

- (a) between a provision in this Constitution and a mandatory provision in the Companies Act, the LG(W) Act or the LGA, then the mandatory provision in the Companies Act, the LG(W) Act or the LGA will prevail; and
- (b) between:
 - (i) a provision in this Constitution and a provision in the Companies Act which is expressly permitted to be altered by this Constitution; or
 - (ii) a word or expression defined or explained in the Companies Act and a word or expression defined or explained in this Constitution,

then the provision, word or expression in this Constitution will prevail.

2. WATER ORGANISATION REQUIREMENTS

- 2.1 **Purpose:** As at the date of its incorporation, the Company is a Water Organisation in terms of section 44 of the LG(WS) Act.
- 2.2 **Business of the Company:** The Company must not carry on any business other than the provision of, or preparation for the provision of, Water Services in the Service Area and activities that are related to, or necessary for, the provision of, or preparation for the provision of, Water Services in the Service Area, in accordance with the objectives set out in section 17 of the LG(WS) Act.
- 2.3 **Obligations:** The Company must comply with:
- (a) its obligations under the LGA and LG(WS) Act, including preparing, adopting and publishing its Water Services Strategy, Water Services Annual Budget, Water Services Half-yearly Report and Water Services Annual Report;
 - (b) all applicable statutory and regulatory obligations relating to Māori and the Te Tiriti o Waitangi, including those set out in the LGA and LG(WS) Act; and
 - (c) Parts 1 – 7 of the Local Government Official Information and Meetings Act 1987.
- 2.4 **Shareholder Input:** Each Shareholder is entitled to comment on the Company's draft Water Services Strategy and draft Water Services Annual Budget, and the Company must consider those comments. However, Shareholders will not have the power to require changes or approve the final Water Services Strategy or final Water Services Annual Budget. The Company must also seek input from other stakeholders as appropriate, including the Commerce Commission and Taumata Arowai (the Water Regulator), and must consider and act on that input as required.
- 2.5 **Financial Obligations:** The Company must act in accordance with the following financial obligations:
- (a) the Company must spend the revenue it receives from, and funding it receives for, providing water services on the water services it provides (including on maintenance, improvements, infrastructure renewal, servicing debt relating to the services it provides, and providing for growth);
 - (b) the Company must ensure that the revenue and funding it applies to providing water services is sufficient to sustain the provider's long-term investment in its water services while meeting all regulatory requirements;

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- (c) the Company's revenue and funding (including from charges), expenses, and dividends (if applicable) must be transparent to the public; and
- (d) the Company must be accountable for its revenue, funding, and expenses to its shareholders.

2.6 Use and Ownership of Assets: The Company must not:

- (a) use any of the assets of its Water Services networks as security for any purpose; or
- (b) transfer the ownership of its Water Services infrastructure or of any other interest in a Water Service to any third party,

except to the extent permitted by the LG(WS) Act.

2.7 Statement of Expectations: The Board must ensure that the Company gives effect to and carries out its objectives in a manner which is consistent with the Statement of Expectations provided to it by its Shareholder.

3. REPORTING REQUIREMENTS

3.1 Reporting: Subject to clause 3.2, the Board must:

- (a) Within 8 months after the start of each Financial Year, prepare, adopt, and deliver to each Shareholder a Water Services Half-yearly Report under section 248 of the LG(WS) Act, and must publish such report in accordance with section 223 of the LG(WS) Act;
- (b) Within 3 months after the end of each Financial Year, prepare, adopt, and deliver to each Shareholder a Water Services Annual Report under the Companies Act and section 246 of the LG(WS) Act, and must publish such report in accordance with section 223 of the LG(WS) Act,

and the Board must prepare any additional reports requested in a written notice given by any Shareholder, provided such notice complies with section 249(4) of the LG(WS) Act.

3.2 Exempt Information: The reports referred to in clause 3.1 need not include information lawfully withheld under the Local Government Official Information and Meetings Act 1987.

4. SHARES

4.1 Initial Shares on Issue: All shares at the time of incorporation of the Company will be fully paid, ordinary shares which are equal ranking in all respects.

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- 4.2 **Issue of Shares:** The Board may issue Shares only with the prior approval of the Shareholder and in accordance with this Constitution and the LG(WS) Act.
- 4.3 **Pre-emptive Rights:** Section 45 of the Companies Act does not apply to the Company.
- 4.4 **Transfer of Shares:** No Shares may be transferred to any person without the prior approval of the Shareholder.
- 4.5 **Shareholder Meetings:** Each Shareholder has the right to receive notice of and attend every meeting of the Shareholders.
- 4.6 **Rights Attaching to Shares:** Subject to the rights of Shares which confer special rights, each Share confers on the holder the right to:
- (a) one vote on a poll at a meeting of the Shareholders on any resolution, including any resolution to:
 - (i) appoint or remove a Director or auditor;
 - (ii) adopt a constitution;
 - (iii) alter the Company's constitution;
 - (iv) approve a Major Transaction;
 - (v) approve an amalgamation of the Company under section 221 of the Companies Act; or
 - (vi) put the Company into liquidation; and
 - (b) an equal share in the distribution of the surplus assets of the Company.
- 4.7 **Types of Shares:** Subject to this Constitution and the written approval of the Shareholder (other than in the case of the initial issue under clause [4.1](#)), the Board may:
- (a) issue Shares at any time to the Shareholder and in any number;
 - (b) issue Shares in different classes which have different rights; and
 - (c) divide existing Shares into different classes which have different rights.

5. CALLS ON SHARES

- 5.1 **Company May Make Calls:** The Company may from time to time make such calls as it thinks fit on the Shareholder in respect of any amount unpaid on its Shares and not, by the conditions of issue, made payable at a fixed time or times. The Shareholder must, subject to receiving at least 14 days' written notice specifying the

time or times of payment, pay to the Company at the time or times so specified any amount so called. A call may be revoked or postponed as the Company may determine. The Shareholder will be liable to pay, in accordance with the relevant notice, every call and will remain liable to do so notwithstanding the subsequent transfer of the relevant Shares.

5.2 **Terms of Issue:** Money payable in accordance with the terms of issue of a Share will be deemed to be a call made and payable in accordance with the terms of issue.

5.3 **Interest:** If an amount called in respect of a Share is not paid before or at the time appointed for payment, the person from whom the amount is due must pay:

- (a) interest on that amount from the time appointed for payment to the time of actual payment at such rate as the Company, acting reasonably, may determine; and
- (b) all expenses which the Company has incurred or may incur because of non-payment.

The Company may waive payment of any such interest wholly or in part.

6. **SUSPENSION OF RIGHT TO DISTRIBUTIONS, LIEN AND FORFEITURE**

6.1 **Suspension of Distributions:** If the Shareholder has defaulted in paying any money due to the Company, the Board may suspend payment of any distribution to the Shareholder until the default is remedied.

6.2 **Satisfaction of Money Due:** The Company may apply any such suspended payment in full or part satisfaction of the money due by the Shareholder to the Company.

6.3 **Liability Not Extinguished:** A Shareholder's liability for all money owing under a call made under clause 5 is not extinguished by a transfer of the Share in respect of which the money is owed.

6.4 **End of Suspension:** When the total distributions withheld and applied under clause [6.2](#) equal the amount due by the Shareholder, any suspension of the rights will end.

6.5 **Lien:** The Company has a first lien on (and on the proceeds of sale and all distributions declared in respect of) every Share registered in the name of a Shareholder, for:

- (a) all money payable to the Company by the Shareholder in respect of that Share;
- (b) all other money payable by the Shareholder to the Company; and

- (c) any money the Company may be required to pay under any statute or regulation in respect that Share or the Shareholder,

whether or not the time for the payment has arrived.

6.6 **Company May Sell Shares:** The Company may sell any Share on which the Company has a lien. The Company may not make such a sale:

- (a) unless money in respect of which the lien exists is due for payment; and
- (b) until it has given notice to the registered Shareholder requiring payment of the money in respect of which the lien exists within 20 Business Days of the notice.

6.7 **Director's Certificate:** A certificate signed by a Director stating that the power of sale in clause 6.6 has arisen and is exercisable by the Company is conclusive evidence of the facts stated in the certificate.

6.8 **Authority to Complete Transfer:** The Board may authorise any person to complete a transfer of Shares to a purchaser to give effect to any sale under clause 6.6.

7. DISTRIBUTIONS

7.1 The Company must not pay any dividend or distribute any surplus in any way, directly or indirectly, to the Shareholder.

8. COMPANY ACQUIRING ITS OWN SHARES

8.1 **Company May Acquire its Own Shares:** With the prior written approval of the Shareholder, the Company may acquire its own Shares and any Shares so acquired will be deemed to be cancelled immediately on acquisition.

9. SHAREHOLDER MEETINGS

9.1 **Annual Meeting:** The Board must hold an annual Shareholder meeting in accordance with section 120 of the Companies Act unless, in the case of any annual meeting, everything required to be done at that meeting (whether by way of resolution or otherwise) is done by written resolution in accordance with section 122 of the Companies Act.

9.2 **Special Meetings:** A special Shareholder meeting:

- (a) may be called at any time by the Board; and
- (b) must be called by the Board on the written request of the Shareholder.

- 9.3 **Proceedings at Shareholder Meetings:** The provisions of the Schedule 1 of the Companies Act, as modified by this Constitution, govern proceedings at Shareholder meetings.

10. DIRECTORS

- 10.1 **Independent Directors:** All Directors must be Independent Directors.
- 10.2 **Number of Directors:** The maximum number of Directors will be six, and from the date the Company becomes a water services provider within the meaning of LG(W.S) Act, the minimum number of Directors will be three.
- 10.3 **Board Purpose:** The Board is responsible for the strategic governance, oversight, and stewardship of Water Service delivery in accordance with the expectations of the Shareholder and the legislative framework under the LG(W.S) Act.
- 10.4 **Best Interests:** A Director, when exercising powers or performing duties in his or her capacity as a Director, must act in a manner which that Director believes to be in the best interests of the Company and consistent with section 59 of the LGA.
- 10.5 **Appointment and Removal of Directors:**
- (a) **By Shareholder:** The Shareholder may appoint, remove or replace any Director at any time by resolution in accordance with the Appointment and Remuneration of Directors of Council Organisations Policy and by notice in writing to the Company. The Shareholder will ensure that each Director is appointed on the basis of their competency to perform the role, and so that the Board collectively has an appropriate mix of skills, knowledge, and experience in relation to providing Water Services.
 - (b) **By Board:** The Board may appoint any person to be a Director to fill a temporary vacancy in (and only in) circumstances where the number of Directors falls below the minimum number set out in clause [10.2](#). This can be at any time during a three-month period prior to the next annual general meeting (but not otherwise). Subject to their earlier resignation, retirement, disqualification or removal in accordance with this Constitution, any Director appointed under this clause [10.5\(b\)](#) will cease to hold office at the commencement of the next annual meeting of the Company or at the next special meeting of the Company, whichever is earlier.
 - (c) **Removal:** Every Director will hold office subject to the provisions of this Constitution and may at any time be removed by the Shareholder under clause [10.5\(a\)](#). Section 156 of the Companies Act will not apply to the Company.

10.1

10.6 **Skills of Directors:** The Shareholder will ensure that each Director is appointed on the basis of their competency to perform the role, and so that the Board collectively has an appropriate mix of skills, knowledge, and experience in relation to providing Water Services, with the aim of ensuring that the Board as a whole has the skills required by the Board Skills Matrix.

10.7 **Term of Appointment:**

- (a) Each Director will be appointed for a **Term** which is no longer than 3 years, provided however the Directors appointed at the time of incorporation of the Company will be appointed for a term as agreed in writing with the Shareholder.
- (b) A Director may be reappointed at the expiry of their Term, provided that no Director may be appointed for more than 3 consecutive Terms.

10.8 **Tenure of Office:** Each Director will hold office as such until they:

- (a) resigns by written notice to the Company. The notice is to be effective when it is received by the Company or at a later time specified in the notice;
- (b) is removed from office in accordance with clause 10.5;
- (c) becomes disqualified from being a Director pursuant to section 151 of the Companies Act; or
- (d) dies.

10.9 **Appointment of Chair:**

- (a) The Shareholder must appoint a Chair.
- (b) The Chair will hold office until:
 - (i) they cease to be a Director of the Company; or
 - (ii) a new Chair is appointed by the Shareholder.

10.10 **Indemnity and Insurance of Directors and Employees:** The Company may indemnify and effect insurance for any Director and for any employee of the Company in accordance with section 162 of the Companies Act provided that the Board may impose any conditions in relation to any indemnity or insurance if the conditions do not contravene the Companies Act.

For the purposes of this clause [10.10](#) "Director" includes any former Director, "employee" includes any former employee of the Company and "Company" includes any related company.

10.1

10.11 **Disqualification of Directors:** A person will be disqualified from holding the office of Director if they are or become disqualified from being a Director under any provision of the Companies Act, LGA or the LG(WS) Act.

10.12 **Remuneration of Directors:**

- (a) The Shareholder will determine the remuneration of the Board each year and the Board may not exercise any of its powers under section 161 of the Companies Act without the written approval of the Shareholder.
- (b) The Board may authorise the reimbursement by the Company of reasonable travelling, hotel and other expenses incurred by any Director in attending any Board meeting, Shareholder meeting or in relation to any other Company matters.

10.1

11. PROCEEDINGS OF THE BOARD

11.1 **Board Proceedings:** The provisions of Schedule 3 of the Companies Act as modified by this Constitution, including the rules set out in Schedule 1 of this Constitution, govern proceedings of the Board.

11.2 **Disclosure of Interests:** A Director must disclose particulars of any interest which he or she has in a transaction or proposed transaction of the Company in accordance with section 140 of the Companies Act.

11.3 **Interested Directors:** A Director who is interested in a transaction entered into, or to be entered into, by the Company must not do any of the following:

- (a) sign a document relating to that transaction on behalf of the Company; or
- (b) do any other thing in his or her capacity as a Director in relation to that transaction,

provided that a Director may vote, sign documents and otherwise do any other thing in his or her capacity as a Director with regard to any matter relating to the following:

- (c) any payment or other benefit of the type referred to in section 161 of the Companies Act where this has been approved or authorised in accordance with clause [10.12](#);
- (d) the entry into an indemnity or insurance arrangement in respect of that Director in his or her capacity as a director of the Company in accordance with clause [10.10](#); or
- (e) transactions in which a Director is interested solely in their capacity as a director of a Subsidiary of the Company.

- 11.4 **Quorum:** No prohibition under clause [11.3](#) will prevent the attendance of a Director at a Board meeting from counting for quorum purposes.

12. NOTICES

- 12.1 **Service:** Notices may be served by the Company on any Director or on the Shareholder, either by personal delivery or by email to the email address of such Director or the Shareholder.
- 12.2 **Service by Email:** A notice served by email will be deemed to have been served on the day following completion of its transmission or, if such day is not a Business Day in the place of intended receipt, then on the next Business Day at that place. In proving service by email, it will be sufficient to prove confirmation of delivery to the recipient's email address from the transmitting system.

13. LIQUIDATION

- 13.1 **Distribution of Surplus Assets:** Subject to clause [13.2](#) of this Constitution, on the liquidation of the Company, the assets, if any, remaining after payment of the debts and liabilities of the Company and the costs of winding up will be distributed to the Shareholder.
- 13.2 **Distribution in Specie:** On a liquidation of the Company, the liquidator, with the approval of the Shareholder and subject to any other sanction required by law, may distribute some or all of the assets of the Company in specie to the Shareholder.

14. METHODS OF CONTRACTING

- 14.1 A deed which is to be entered into by the Company may be signed on behalf of the Company by:
- (a) two or more Directors;
 - (b) a Director, and any person authorised by the Board, whose signatures must be witnessed; or
 - (c) one or more attorneys appointed by the Company.

15. AUDITOR

- 15.1 The Auditor-General will be the auditor of the Company in accordance with the LG(WS) Act. In accordance with the LGA or the LG(WS) Act (as applicable), the Company's relevant financial or annual report will contain a report of the Auditor-General's audit report.

16. INFORMATION

- 16.1 Parts 1 to 7 of the Local Government Official Information and Meetings Act 1987 apply to the Company while it is a Water Organisation.
- 16.2 The Ombudsman Act 1975 applies to the Company while it is a Water Organisation.

17. AMENDMENT

- 17.1 This constitution may only be amended by special resolution of the Shareholder.

10.1

DRAFT

SCHEDULE 1

Board Proceedings

1. NOTICE OF MEETING

- 1.1 A Director or, if requested by a Director to do so, an employee of the Company, may convene a meeting of the Board by giving notice in accordance with this clause.
- 1.2 At least seven Business Days' notice of a meeting of the Board must be given to every Director who is in New Zealand or, if not in New Zealand, is readily contactable by the Company. The notice must include the date, time and place of the meeting and the matters to be discussed.
- 1.3 An irregularity in the notice of the meeting is waived if all Directors attend the meeting without protest as to the irregularity or if all Directors entitled to receive notice of the meeting agree to the waiver.
- 1.4 The notice of meeting must be a written notice delivered to the Director, or sent to the postal or email address which the Director provides to the Company for that purpose, or if a postal or email address is not provided, then a written notice to their last place of residence known to the Company.

2. METHOD OF HOLDING MEETINGS

A meeting of the Board may be held in any of the following ways:

- 2.1 **Physical Meeting:** by a number of the Directors who constitute a quorum being assembled together at the place, date and time appointed for the meeting;
- 2.2 **Other Means:** by means of audio, or audio and visual, communication by which all Directors participating and constituting a quorum can simultaneously hear each other throughout the meeting; or
- 2.3 **Combination:** a combination of 2.1 and 2.2.

3. QUORUM

- 3.1 At any meeting of Directors:
- (a) a quorum will only be present if at least a majority of Directors are present; and
 - (b) any resolution, unless otherwise specified in this Constitution, will be passed if a majority of the votes cast on it are in favour of it.

10.1

- 3.2 If a quorum is not present within 30 minutes of the scheduled start time of the Board meeting, the Chair can decide to adjourn the meeting to the same day and time of the following week, or to another date, time, and place. No business can be conducted if a quorum is not present.

4. VOTING

- 4.1 Every Director has one vote.
- 4.2 The Chair does not have a casting vote.
- 4.3 A resolution of the Board is passed if it is agreed to by all Directors present without dissent or if a majority of the votes cast on it are in favour of it.
- 4.4 A Director who abstains from voting is not presumed to have voted in favour of the relevant resolution of the Board.

5. MINUTES

- 5.1 The Board will ensure that minutes are kept of all proceedings at meetings of the Board.

6. RESOLUTIONS

- 6.1 A resolution in writing and signed or assented to by all Directors is as valid and effective as if it had been passed at a meeting of the Board duly convened and held.
- 6.2 A copy of every Directors' resolution must be entered in the minute book of Board proceedings.

7. OTHER PROCEEDINGS

Subject to any contrary provision in this Constitution and to any contrary rule of law, the Board may regulate its own proceedings.

CLOSING

The chairperson, or a person authorised by the chairperson, may make a statement to close the meeting.