

Planning Palmerston North's Path

Long-Term Plan 2024-34



PAPAIOEA
PALMERSTON
NORTH
CITY

This Long-term Plan was adopted by the Council on 26 June 2024 in accordance with the Local Government Act 2002.

This Plan states the Council's intentions and is based on the best information and planning at the time it was developed.

If circumstances change, the Council may have to change its intentions.

All the decisions in this document are reviewable, especially during future Long-term Plans and Annual Budgets¹.

This is made clear in the Local Government Act, section 96:

- 1** The effect of a long-term plan and an annual plan adopted by a local authority is to provide a formal and public statement of the local authority's intentions in relation to the matters covered by the plan.
- 2** A resolution to adopt a long-term plan or an annual plan does not constitute a decision to act on any specific matter included within the plan.
- 3** Subject to section 80, and except as provided in section 97, a local authority may make decisions that are inconsistent with the contents of any long-term plan or annual plan.
- 4** No person is entitled to require a local authority to implement the provisions of a long-term plan or an annual plan.

¹ The Council uses the term "Annual Budget" to represent the 'Annual Plan' required under the Local Government Act 2002



He Mihi

Tūturu Pumau meeting
house on the Te Hotu
Manawa o Rangitāne o
Manawatū Marae



Kei te mihi ake ki te pae maunga o Tararua me tōna taumata Te Ahu ā Turanga. Ko te awa e rere mai nei ko Manawatū. Ko Tānenuiarangi te tangata, ko Rangitāne te iwi, nō reira ka tuku whakamihī ki te iwi o Rangitāne e pupuri nei i te mauri o tēnei whenua. Tini whetū ki te rangi, Rangitāne nui ki te whenua.

Tihei Mauriora!

The Palmerston North City Council respectfully acknowledges the local iwi Rangitāne and their customary relationship to this area, and appreciates their manaakitanga of this City and all of the people who have made it their home.

The Council remains committed to fostering and strengthening our partnership with Rangitāne.

Contents

Introduction

A Message from the Mayor and Chief Executive	7
Auditor's Report	9

1.

Where we are heading

Here you will find out about the type of city we want to create.

Council's Strategic Direction	13
The Big Picture for Council	17
Summary of Financial Strategy	20
Summary of 30 Year Infrastructure Strategy	23

2.

Detail of how we are planning to get there

This shows what we're planning to do over the next 10 years. It shows how these things will make Palmerston North a better place to live, and how much they are expected to cost.

Groups of Activities Introduction	27
Whare Housing	35
Hoahoa tāone Urban design	42
Whakawhanake ohaoha Economic development	47
Tūnuku Transport	55
Toi me ngā taonga tuku iho Arts and Heritage	69
Rēhia Recreation and play	76
Tautāwhi hapori Community support	86
Whare Puna Mātauranga City Library	93
Haumarū hapori, hauora hapori Community Safety and Health	99
Āhuarangi hurihuri, toitūtanga Climate Change and Sustainability	106
Mō te kanorau koiora me Te Awa o Manawatū Biodiversity and the Manawatū River	112
Taumanu Resource Recovery	118
Wai Water - Wastewater - Stormwater	127
Mana urungi, kirirarautanga hihiri Governance and Active Citizenship	155

3.

Financial and rating information

Here you can see what assumptions have been made in preparing the financial information. You'll also see details about the rating system.

Financial Strategy	169
30 Year Infrastructure Strategy	194
Financial Overview and Forecast Financial Statements	264
Long-Term Plan Disclosure Statement	270
What We Provide and What It Costs The Average Residential Ratepayer	275
Revenue and Financing Policy	276
Significant Forecasting Assumptions	312
Statement of Accounting Policies	340
Rating System, Rates and Funding Impact Statements	355

4.

Additional information

Significance and Engagement Policy	383
Māori Participation in Council Decision Making	390
Council Controlled Organisations	392

Kia ora

It's been very clear while working to set our next Long-Term plan that the main focus for everyone has been striking the right balance.

On one hand, it's very clear households and businesses throughout Palmerston North (and New Zealand) are struggling with increasing costs. And on the other hand, we have a significant amount of large-scale infrastructure work that must be completed over the next decade.

As we move through the long tail of this global economic downturn striking the right balance has seen everyone at Council looking at our services, projects and associated budgets many times over. Though we've kept our vision of He iti rā, he iti pounamu - Small city benefits, Big city ambition', it has been important to recognise the increased costs we face in delivering core services and supporting our community's wellbeing.

This means that when setting the next Long-Term Plan we've needed to determine how to deliver all the things our city needs, while still moving forward, despite the economic difficulties affecting so many. In response we've reset timelines and made deferrals where we could.

During this Long-Term Plan consultation, we've asked you more questions than ever before, including weighty ones like 'Should we change our rating system' and 'How much investment should we make now, so that our community facilities meet future demand?' In response, we've had more submissions than ever before, which have confirmed the competing priorities of keeping costs down for ratepayers, while considering a growing number of funding requests. With these issues front of mind, we've worked very hard to keep Year 1's rate rise to 10.1 per cent.

Another issue at the forefront of our deliberations has been the huge investment needed for our legally required treatment and discharge our city's future wastewater. During deliberations, we've decided to take another look at the best option for the future and see how we can make this important work more affordable. We'll continue to work with our partners, stakeholders and community throughout this process.

While we have some significant challenges to navigate, our city is well-placed to weather the current turbulence. With local businesses innovating at the global forefront of food and technology and the exciting expansion of Te Utanganui our Central New Zealand Distribution Hub, we are continuing to push ahead, freeing up more space for new homes and businesses to attract more investment and talent.

Despite the challenges, we'll continue to deliver essential services while striving to improve and build toward the future. We'll also continue to work with our community to support those in need and deliver the outcomes you have asked for with this Long-Term Plan.

Thank you for having your say and helping to shape Palmerston North's Long-Term Plan 2024-34. With this city blueprint as our guide we'll continue to move forward together, resilient, and as always Palmy proud.



Grant Smith JP
Mayor



Waid Crockett
Chief Executive



Auditor's Report

To the readers: Independent Auditor's report on Palmerston North City Council's 2024-34 Long-term Plan

I am the Auditor-General's appointed auditor for Palmerston North City Council (the Council). The Local Government Act 2002 (the Act) requires the Council's Long-term plan (plan) to include the information in Part 1 of Schedule 10 of the Act. Section 94 of the Act requires an audit report on the Council's plan. Section 259C of the Act requires a report on disclosures made under certain regulations. I have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 26 June 2024.

Adverse opinion

In our opinion, because of the significance of the matters described in the basis for adverse opinion section of our report, the plan does not provide an effective basis for long-term integrated decision-making or co-ordination of the Council's resources and accountability of the Council to the community. This is because of information and assumptions underlying the forecast information in the plan that are not supportable and are highly uncertain.

Basis for adverse opinion – Assumptions over costs, timing, funding, and delivery of capital expenditure projects

As outlined on pages 17 to 22 and 32 to 34, the Council proposes a significant increase in its capital expenditure programme during the 10 years of the plan, including upgrading its wastewater treatment and disposal system, redeveloping the central library and the Te Manawa museum, and constructing new roads in Kakatangiata.

The Council has assumed the upgrade of its wastewater treatment and disposal system would cost \$480 million plus inflation, and be funded entirely through 'off balance sheet' funding under the Infrastructure Funding and Financing Act 2020 (IFFA). It has further assumed that the redevelopment of the central library and the Te Manawa museum, and the construction of new roads in Kakatangiata would cost \$262 million, and be funded by a combination of external grants, 'off balance sheet' funding under the IFFA, public private partnerships, and developers.

The Council does not have adequate evidence to support the costs of these projects, which could be significantly higher, nor the funding. The Council has not applied for funding under the IFFA, and if successful it may not get 100% of the funding, or the cost of the funding may be unaffordable to the community. Further, the council has not secured funding either from external grants or public private partnerships, and it has limited other funding options due to insufficient borrowing capacity.

In addition, it is highly uncertain whether the Council will be able to deliver the capital expenditure programme within planned timeframes, due to local government demand on the construction industry. Some projects may therefore need to be delayed or reprioritised, which could have additional cost implications and reduced levels of service.

The effects of these unsupported and highly uncertain assumptions are pervasive given the nature and significance of the projects, which warrants an adverse opinion on the plan.

Opinion – Disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014

In our opinion the disclosures on pages 271 to 274 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan on which we have given an adverse opinion.

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400 The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

We are responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act.

We do not express an opinion on the merits of the plan's policy content.

Our opinion on the plan also does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

In accordance with clause 45 of Schedule 1AA of the Local Government Act 2002, the consultation document on the Council's plan did not contain a report from the Auditor-General. The consultation document is therefore unaudited. Our opinion on the plan does not provide assurance on the consultation document or the information that supports it.

Independence and quality management

We have complied with the Auditor-General's independence and other ethical requirements, which incorporate the requirements of Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board. PES 1 is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

We have also complied with the Auditor-General's quality management requirements, which incorporate the requirements of Professional and Ethical Standard 3 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements (PES 3) issued by the New Zealand Auditing and Assurance Standards Board. PES 3 requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council or any of its subsidiaries.

Debbie Perera,
Audit New Zealand



On behalf of the Auditor-General,
Palmerston North, New Zealand

A young child wearing a red helmet with colorful patterns and a grey t-shirt is riding a blue balance bike on a dirt path in a sunlit forest. The bike has the word 'free' written on the frame. The background is filled with tall, thin trees and lush green undergrowth.

Wāhanga 1
Section 1

Te Ahunga Whakamua
Where we are heading

1.

**Here you will find out
about the type of city
we want to create.**

Council's Strategic Direction	13
The Big Picture for Council	17
Summary of Financial Strategy	20
Summary of 30 Year Infrastructure Strategy	23



Our vision, goals and plans

We know Palmerston North is a great place to be and we want people to enjoy living, working, visiting and doing business here. To ensure that's the case, we have a vision that sets the direction for all the work we do.

Our vision for the city is: He iti rā, he iti pounamu. Small city benefits, big city ambition

At the heart of our vision is ensuring every resident is able to enjoy the benefits of living in a small city, with all the advantages of a big city. That means we're known for having a great quality of life while at the same time offering the lifestyle, education and business opportunities available in much larger cities.

To ensure this is achievable, we break it down to 4 goals.

Whāinga 1: He tāone auaha, he tāone tiputipu

Goal 1: An innovative and growing city

Ngā hua | Outcomes:

- a city that fosters pride, and supports the aspirations of people and communities
- a business environment that encourages investment and delivers career opportunities in a range of sectors
- enough land and infrastructure to enable housing development and business growth
- the efficient movement of goods and services alongside safe and affordable transport options for people

- a globally connected city that fosters opportunities for local people, businesses and organisations
- an economy that embraces innovation and new ideas and uses resources sustainably
- a resilient, low carbon economy

Whāinga 2: He tāone whakaihihi, tapatapahi ana

Goal 2: A creative and exciting city

Ngā hua | Outcomes:

- a vibrant city that connects people and where creativity is built into our cityscape
- an arts community and cultural facilities that are well supported and invested in
- our unique heritage preserved and promoted
- opportunities to celebrate our many cultures
- access to exciting well-managed events and activities throughout the city and our neighbourhoods
- places across the city and its neighbourhoods for communities to participate in play and recreation

Whāinga 3: He hapori tūhonohono, he hapori haumarū

Goal 3: A connected and safe community

Ngā hua | Outcomes:

- access to services and facilities that are inclusive and appropriate for their needs
- community social services groups and facilities that are well supported and invested in
- the support they want to live healthy lives
- access to healthy and affordable housing
- opportunities to contribute to the design of their city
- access to safe and accessible community places
- opportunities to contribute to Council decision-making
- community social service groups and facilities that are well supported and invested in

Whāinga 4: He tāone toitū, he tāone manawaroa

Goal 4: A sustainable and resilient city

Ngā hua | Outcomes:

- a sustainable, low-emissions city
- natural environment-focused community groups and facilities that are well supported and invested in
- a resilient city and communities, prepared for the impacts of climate change
- a circular economy with more resource recovery and less waste
- a healthy, thriving ecosystem, including native biodiversity and food security

- the Manawatū River and waterways restored to a healthy, respected and connected state
- sustainable urban planning with a low-carbon built environment
- a safe, affordable, sustainable and resilient water supply
- effective, low-carbon, wastewater collection and treatment
- appropriate infrastructure and development to avoid and minimise the effects of flood events
- access to relevant information and education to support more sustainable choices
- natural environment-focused community groups and facilities that are well supported and invested in

Our Oranga Papaioea City Strategy describes the vision and goals in more detail.

Sitting beneath the Strategy we have 15 Plans. Each Plan is linked to an LTP Activity (section 2).

The Plans and the Activities show the detail of what we will do over the next ten years.



Our Spatial Plan



Mapping the Future

- **Sustainable Growth (Industrial)**
 1. Te Utanganui - Central NZ Distribution Hub
 2. Longburn (West Industries)
- **Sustainable Growth (Residential)**
 1. Whakarongo
 2. Aokautere
 3. Kākatangiata
 4. Ashhurst
 5. Hālangi
 6. Napier Road
 7. Urban Intensification
- **City Centre Transformation**
 1. Streets for People: City Centre Streetscape Plan
 2. Civic & Cultural Precinct
 3. Central Energy Trust Arena
 4. Heritage Support Package
 5. Palmy BID
- **Manawatū River Network**
 1. Victoria Esplanade Masterplan & Projects
 2. Manawatū River Shared Pathway
 3. Te Apiti Biodiversity & Recreation
 4. Te Motu o Poutoa (Anzac Park)
- **City-wide Partners:**
 Rangitāne o Manawatū,
 Central Economic Development Agency (CEDA)
 Massey University, Food HQ, NZ Defence
 Te Whata Ora Mid-Central, PN Airport
- **Manawatū River & Tributaries**
- **Biodiversity Corridors**
- **Urban Areas**
- + **Rail**
- Manawatū Regional Freight Ring Road**
- PN to Feilding Shared Pathway**
- City Boundary**

The Big Picture for Council

The Financial and Infrastructure Strategies within this LTP outline the challenging environment the Council faces in which to make appropriate planning and financial provisions for the next 10 years. The significant forecasting assumptions section includes assumptions about city growth, the status of the wastewater treatment and disposal project (Nature Calls) and the approach to earthquake prone buildings. The sections cover forecast costs, proposed funding risks and mitigation strategies.

The LTP assumes the following over the 10 years:

1. Total new and growth capital expenditure of \$1.6b (comprising \$300m growth and \$1.3b new) with \$1b of this funded from external sources.
2. The external funding of approximately \$1b comprises:
 - \$546m utilising the Infrastructure Funding and Financing Act (IFF) to form a special purpose funding vehicle (SPV) for Nature Calls,
 - \$148m from NZTA,
 - \$262m of subsidies, grants and developer agreements (\$125m of this for funding growth possibly partly through the use of a SPV).
3. An additional debt requirement of \$297m raising net debt to \$553m by 30 June 2034.

The Financial Strategy includes the framework for determining appropriate maximum levels of debt and annual increases in rates.

Funding operations and the on-going proposed investments will mean significant increases in the total rates requirement from \$124m in 2023/24 to \$259m in 2033/34 with increases of 10.1% in 2024/25, 8.9% in 2025/26, 8.5% in 2026/27 and between 6.6% and 7.4% over the remainder of the 10 year period.

These rates increases do not include any levies collected from ratepayers to service and repay debt raised by the SPV for the Nature Calls project. Early assessments are this could amount to at least \$1,000 per ratepayer per year over 30 years beginning from about year 5 though this sum and the way it will be distributed amongst ratepayers has yet to be considered in any detail. We will do this as part of the IFF applications process over the next 1-2 years and will be consulting specifically on this issue with the community as part of this process. A further \$125m of external funding is assumed to fund growth related infrastructure. This could be in the form of an off-balance sheet SPV and/or developer agreements. It is intended that this external funding will be ringfenced in part or whole to the new growth areas. This will be explored in more detail over the coming 2-3 years and reviewed as part of the 2027/37 LTP. If it was funded through an SPV, an additional IFF levy would be required and the amount of this would need to be determined.

The primary measure for debt is the debt to revenue ratio, with a policy maximum of 250% (similar to many other Councils) and a forecast maximum through the 10 years of 230%. The budgets include provision for funding accelerated debt repayment totalling \$150m over from years 5 to 10. This has been included in this Financial Strategy as a risk mitigation measure in recognition that there is some risk that the funding assumptions within this LTP may not fully be realised. This means that by year 10 there is potential to borrow an additional \$223m within the 250% limit or more within the maximum 280% limit operated by the Council's primary funders, NZLGFA. *Note: These projected debt levels do not include any debt that might be raised through a SPV as these are considered off balance sheet funding.*

The Council is conscious of the risks associated with its external funding assumptions and acknowledges throughout the LTP that it may face the need to re-prioritise programmes if the external funding assumptions are not achievable. It has resolved that programmes that are subject to external funding are not to proceed to the construction phase without the funding being confirmed otherwise it is to be the subject of specific consideration by the Council itself.

In response to submissions on the proposed LTP and increasing concerns about whether the community could afford the level of investment that appeared to be required to meet the standards of discharge being imposed the Council decided it wished to signal it was not prepared to commit to a budget of any more than \$480 million (in 2024 dollars) plus inflation for the Nature Calls project. This sum is what has been included in this LTP.

The Council as part of its deliberations has resolved to review the best practicable options (BPO) for the Nature Calls project previously considered and to determine whether there might be further options worthy of consideration in response to concerns around affordability being raised from the community consultation.

Despite this there is a risk the project may not be able to be delivered within the budget. If this became evident the Council would take this into account in its consideration of the sum to be sought to be funded through the SPV and it would consider other options such as re-prioritising other programmes.

The Council has assumed that 100% of the funding for Nature Calls will be provided through an SPV, however there is a risk that the full amount may not be obtained. The Council does have debt headroom (within its own debt/revenue policy limit of 250%) to consider funding a greater share from Council borrowing of up to \$51m in 2029/30 rising to \$223m in 2033/34. Whilst this would mean an increase in Council rates, it would mean a lower levy payable to the SPV, meaning the impact on ratepayers of this would likely be minor.

For the first time, the LTP assumes external funding and/or developer agreements for a range of growth programmes, including the entire Kākātangiata growth area and some infrastructure at Aokautere and Ashhurst. Land-use planning decisions regarding growth in these locations will need to carefully consider the level of certainty regarding external funding and/or developer agreements. Council would not proceed with growth in the absence of external funding commitments and/or developer agreements. The Government continues to signal new forms of funding and financing options for infrastructure to support growth.

Growth-related programmes have been prioritised in a way that means those where significant external funding has been assumed are scheduled in the later years of the LTP. This provides time for the Council to further consider where growth should be and how it will be funded as part of the development of the next LTP.

The Council has assumed high levels of external funding for the redevelopment of the Library and Te Manawa, acknowledging that these facilities are currently earthquake prone. In the event this external funding is not achievable the Council has a range of options including deferring the development further, reprioritising its capital programme, providing additional debt funding from the available headroom, or it could consider

providing the services from other premises. These alternative options would potentially have higher rating impacts than what is currently proposed in this LTP.

In summary, the Council does recognise there are risks related to its funding assumptions but believes there are a range of financially prudent options available to it to mitigate these risks within its financial strategy without causing an unreasonable impact on core city services. There is sufficient time to be able to investigate further these key programmes and consult (if required) further with the community as the detail of these assumptions becomes further developed.

Summary of Financial Strategy

The Council provides the full range of territorial local government services to its community. It has believed it to be important to fund new infrastructure and facilities just in advance of when required as a means of providing for and encouraging city growth. As a significant regional centre it has invested in community facilities to serve the wider region. From a policy perspective it has committed to maintaining and renewing those assets in a prudent manner.

With assets of over \$2.3 billion and debt projected to be \$256m as at 1 July 2024 the Council is conservatively geared. It has a S&P Global AA credit rating enabling it to borrow at the best rates available to local government and is currently operating well within its own prudent debt ratios and those of the NZ Local Government Funding Agency. The Council has been prepared to set rates and fees and charges at levels necessary to fund the delivery of these services and facilities and currently these rates and charges are comparable with other like Councils.

Key elements of the Financial Strategy

The key elements of the financial strategy underpinning this have been:

- to ensure the Council's long-term financial position is sustainable
- to recognise inter-generational funding requirements
- to manage debt within defined levels
- to maintain the infrastructure provided for the City by previous generations, for the use by current and future generations
- to ensure financial capacity for future generations so they are able to fund high-priority programmes
- timely provision of new infrastructure that builds capacity and enables the City to harness new development opportunities while avoiding the financial risks associated with over provision.

Significant Challenges

However, in determining the way forward the Council faces a number of challenges which make developing a sustainable financial strategy even more difficult than usual. Most of them introduce a very high level of uncertainty to the planning process. They include:

The requirement to update the City's wastewater treatment and disposal system (Nature Calls) provides the greatest single challenge to long-term financial sustainability of the Council. At the present time it has been assumed that the proposed option will cost approximately \$550 million (i.e. \$480 million plus inflation) but there is a high level of uncertainty about details of the proposal and its cost.

In order to fund existing Council services and key projects being proposed in the LTP, including new and growth-related capital expenditure of \$1.61 billion, Council's rates and debt levels will need to increase – rates increasing from \$124 million in 2023/24 to \$259 million in 2033/34 and debt increasing from a forecast \$256 million at 1 July 2024 to \$553 million at 30 June. The policy limit for the net debt/revenue ratio has been increased from 200% to \$250%.

The Council does not have the borrowing capacity to fund all of the proposed capital expenditure from debt. It has been assumed a number of projects will be funded using other mechanisms. In particular the Nature Calls project is assumed to be funded using a loan raised through a government agency and that it would be serviced and repaid by ratepayers through what is termed an IFF levy over 30 years. Early assessments are this could progressively increase to at least \$1,000 per property though this sum and the way it will be distributed amongst ratepayers has yet to

be considered in any detail. Any loan raised in this manner will not be recorded as part of the Council's total borrowings.

External funding of \$261.6 million has been assumed for a range of other projects including infrastructure growth programmes, Te Motu o Poutoa Anzac Park and seismic upgrades to the central library and Te Manawa. This funding can be a combination of grants, partnership agreements or private ownership. Investigating and developing these other revenue opportunities will require a concerted focus. If Council is unable to achieve these funding arrangements it could delay the particular project or if this is not possible, then re-prioritise other programmes.

An increased focus on Council's property holdings will be required over the next three years with an aim to identify further opportunities for revenue generation.

The legislation that would have seen the 3 waters activities being transferred to a new regional water entity in 2026 has been repealed and replaced with a new Local Waters Done Well regime. The new legislative framework is still being developed but it is clear there will be a requirement for Council to prepare and adopt water services delivery plans within 12 months of enactment. As part of the development of these plans there will be an assessment of whether the Council should join with other Councils for the future delivery of the waters functions. As there is no clear direction at this stage the LTP assumes Council will retain responsibility for the water function throughout the ten years of the Plan.

To help ensure Council lives within its prudent debt ratios (and in particular the net debt to revenue ratio of 250%) it is planned to fund accelerated debt repayment totalling \$150 million from rates from year 5 onward creating approximately \$223 million of headroom by year 10.

Council has been increasing its investment in asset management planning and is progressively obtaining better condition assessments of its infrastructure assets. This information has led the Council to conclude it needs to increase its investment in both asset maintenance and asset renewal.

Based on these assumptions total rates will need to increase by 10.1% in 2024/25, 8.9% in 2025/26, 8.5% in 2026/27, and between 6.6% and 7.4% over the remainder of the ten years. These figures do not include any IFF levies that might be charged in relation to the Nature Calls project.

A copy of the full Strategy is in section 3 of this Plan.

Summary of Infrastructure Strategy

One of the Council's major roles is to engage in activities that use infrastructure to provide services to the community. This infrastructure includes transport, stormwater, wastewater, water, property and recreational assets. The services that these assets provide and support economic, social, cultural and environmental well-being, so this infrastructure is vital to achieving the Vision and Goals.

The total replacement cost of this infrastructure is about \$3 billion. Over the next ten years we will spend around \$390m renewing it. Over the next 30 years renewals will cost around \$1.5b.

Council has identified three significant issues facing our infrastructure in the next 30 years:

Supporting growth, liveability and expected levels of service: As the city grows pressure increases on our existing infrastructure to maintain levels of service and new infrastructure is needed to support growth areas. Our plan is to enable infrastructure ready growth in a timely way, stimulate economic development by providing suitable infrastructure, and maintain levels of service in existing urban areas through renewals and upgrades.

Managing the deterioration of assets: Over time the condition of our assets reduces, impacting on how they perform and how resilient they are. By age, we have a backlog of assets to be renewed. Our intention is to use high quality data and work proactively to renew our assets at the right time to maintain levels of service, meet demand and increase resilience.

Responding to risks, resilience issues and compliance: Risk and resilience from climate change and hazards and increasing standards of compliance present an increasing challenge. Our response is to understand our risks so that we can be prepared and make good decisions, invest in resilience, primarily through renewals, and to review our practices and priorities to meet new compliance requirements and move towards a low carbon future.

Our plan to address these issues includes:

- Programmes to provide infrastructure to urban growth areas
- Palmerston North Integrated Transport Initiative
- Te Motu o Poutoa
- Arena Master Plan
- Social Housing Redevelopment
- Community Hubs and Centres Portfolio
- Organic (food scraps and green waste) collection
- Pedestrian and Active Transport Improvements
- Infrastructure Renewal Programmes
- Wastewater Network upgrades
- Upgrades to comply with Drinking Water Regulations
- Stormwater Capacity Upgrades
- Seismic Strengthening of Council Properties

Our biggest single infrastructure programme is Nature Calls. Our current resource consent for wastewater treatment and discharge expires in the next few years and this programme is to address this issue.

A copy of the full Strategy is in section 3 of this Plan.

An anatomical illustration of a man's face, rendered in a vibrant red and blue color scheme. The man has a beard and is wearing a dark cap. The illustration shows the underlying skeletal structure, including the jaw and teeth, and the muscular and vascular systems. The background is a mix of red and blue abstract shapes. A large blue shape on the left side of the image contains text.

2.

Wāhanga 2
Section 2

**Te Whakamahere
i te Ahunga Whakamua**

**How we are planning
to get there**

This shows what we're planning to do over the next 10 years. It shows how these things will make Palmerston North a better place to live, and how much they are expected to cost.

Groups of Activities Introduction	27	Whare Puna Mātauranga City Library	93
Whare Housing	35	Haumarū hapori, hauora hapori Community Safety and Health	99
Hoahoa tāone Urban design	42	Āhuarangi hurihuri, toitūtanga Climate Change and Sustainability	106
Whakawhanake ohaoha Economic development	47	Mō te kanorau koiora me Te Awa o Manawatū Biodiversity and the Manawatū River	112
Tūnuku Transport	55	Taumanu Resource Recovery	118
Toi me ngā taonga tuku iho Arts and Heritage	69	Wai Water - Wastewater - Stormwater	127
Rēhia Recreation and play	76	Mana urungi, kirirautanga hihiri Governance and Active Citizenship	155
Tautāwhi hapori Community support	86		



Long-Term Plan Activities

Activities are the main goods and services that the Council provides., eg Stormwater, Community Safety and Health, and Recreation and Play.

The following text sets out the purpose of each Activity and its level of service (day-to-day services). These are from the Plans that sit beneath the Oranga Papaioea City Strategy. It also shows how Council will measure its success in providing these levels of service.

Council will consider using the results of the Residents' Satisfaction Survey as further KPIs in the final Long-Term Plan.

The text shows the projects (programmes) for each Activity.

It sets out the proposed cost of providing these levels of service.

Council's Performance Framework and Rationale for KPIs

This is a new section in the Long-Term Plan. It meets the requirements of paragraph 44 of PBE-FRS 48 standards for Council to outline the rationale behind its selection, measurement and reporting of KPIs in the Long-Term Plan.

The Long-Term Plan shows what Council will do to achieve its Vision and Goals. Hence Council's Long-Term Plan monitoring is part of its overall strategic monitoring framework.

The overall purpose of Council's performance framework is to:

- allow residents to make a judgement on whether or not the Council action being measured is worth funding through rates or fees
- allow Council to take corrective actions if the expected results are not being achieved.

Council publicly reports and discusses the Long-Term Plan measures through Quarterly Reports to its Strategy and Finance Committee. Residents can look at these reports and Council's Plan monitoring through the City Dashboards to get a good overall understanding of how well Council is performing. The Residents' Survey also helps residents get a good picture of how Council is performing. The survey asks residents how satisfied they are with Council services – and some of these are used as KPIs in the 10-Year Plan. It also gives a good overall picture of how typical residents view Council's leadership and governance.

You can find the City Dashboard and Residents' Survey results on www.pncc.govt.nz – search for “Dashboard” and “Council Surveys”.

The Department of Internal Affairs sets some mandatory KPIs that all Councils need to include in their Long-Term Plans. These are marked as “mandatory measures” in the Long-Term Plan.

Some of Council's KPIs are narrative measures. Narrative measures allow Council to tell residents a brief story combining qualitative and quantitative information that shows the difference that Council is making to peoples' lives. Narrative measures are often more useful than strict quantitative measures. For example, in the KPI about Council achieving a decrease in per capita volume of waste sent to landfill, Council could have simply used a quantitative measure on the tonnage of waste sent to landfill. Instead it has chosen to use a narrative measure that will show the tonnage, assess whether it is decreasing in line with Council's aims, and outline any trends and the key reasons for them.

Council has two KPIs that measure its performance in setting how well it processes building and resource consent applications within statutory frameworks. In setting targets for these KPIs the Council acknowledges that a small number of applications will not be processed in statutory timeframes. This is because complex consent issues cannot always be resolved within statutory timeframes, particularly for large resource consents such as windfarms. Also consent applications come in peaks and troughs and Council cannot guarantee to meet peak demand without being over-resourced for more typical demand.

Activity Financial Statements											
Budget Whole of Council		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Revenue											
An innovative and growing city											
10,665	Housing	12,874	13,080	13,368	13,661	14,003	14,339	14,697	13,740	11,335	11,539
-	Urban Design	-	-	-	-	-	-	-	-	-	-
1,501	Economic Development	1,558	1,589	1,624	1,660	1,695	1,729	1,761	1,795	1,829	1,862
Transport											
1,157	Active and Public Transport	1,029	1,049	1,074	1,098	1,122	1,146	1,169	1,192	1,216	1,239
10,088	Roading	11,435	11,689	11,958	12,233	12,502	12,765	13,020	13,281	13,546	13,804
A creative and exciting city											
3,407	Recreation and play	4,001	4,081	4,171	4,262	4,352	4,470	4,833	4,921	5,014	5,104
224	Arts and Heritage	276	281	287	294	300	306	312	317	323	329
A connected and safe community											
1,574	Community safety and health	1,525	1,557	1,591	1,624	1,657	1,688	1,720	1,751	1,783	1,815
844	City Library	80	82	83	85	87	89	90	92	94	96
1,441	Community support	1,002	1,022	1,045	1,068	1,090	1,112	1,133	1,155	1,177	1,198
A sustainable and resilient city											
146	Biodiversity and the Manawatu River	95	97	100	103	83	85	87	59	60	62
3,844	Resource Recovery	4,970	5,194	5,411	5,666	6,433	6,564	6,773	6,880	7,007	7,216
Water											
101	Water	44	45	46	47	48	49	50	52	53	54
Wastewater											
1,303	Wastewater	1,573	1,203	1,235	1,267	1,299	1,329	1,359	1,389	1,419	1,448
Stormwater											
7	Stormwater	-	-	-	-	-	-	-	-	-	-
Supporting the Organisation											
230	Governance and Active Citizenship	399	510	329	229	347	238	242	378	251	255
4,653	Organisational performance	4,565	4,656	4,679	4,697	4,787	4,874	4,962	5,048	5,135	5,224
41,184 Total Revenue		45,425	46,135	47,001	47,993	49,805	50,781	52,209	52,051	50,243	51,245

Activity Financial Statements											
Budget	Whole of Council	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Expenses											
An innovative and growing city											
16,163	Housing	19,722	19,756	20,498	21,732	23,342	24,151	25,323	24,948	23,049	23,944
868	Urban Design	1,036	1,092	1,124	1,152	1,257	1,679	1,987	2,163	2,700	2,773
7,067	Economic Development	8,433	8,412	8,674	8,787	9,024	9,344	9,601	9,827	9,982	10,046
Transport											
5,129	Active and Public Transport	5,357	5,931	6,838	7,062	7,555	8,033	8,169	8,228	8,650	8,583
26,460	Roading	29,625	30,624	34,645	35,850	36,353	39,620	40,844	41,817	43,228	44,909
A creative and exciting city											
26,803	Recreation and play	26,839	28,298	28,937	32,375	32,011	32,870	35,106	35,271	35,876	36,417
12,427	Arts and Heritage	13,527	13,799	14,521	15,575	16,342	16,903	18,225	19,117	19,511	20,815
A connected and safe community											
4,446	Community safety and health	4,199	4,254	4,372	4,566	4,847	5,153	5,427	5,671	5,825	5,953
11,145	City Library	11,355	11,403	11,903	12,744	14,343	14,976	15,848	16,672	16,657	17,181
7,687	Community support	10,831	11,240	11,950	12,283	13,099	14,121	14,971	15,720	16,111	16,395
A sustainable and resilient city											
1,775	Biodiversity and the Manawatu River	2,163	2,410	2,924	3,398	3,253	3,349	3,470	3,544	3,591	3,656
10,887	Resource Recovery	10,872	11,795	11,833	12,381	13,563	14,564	15,107	15,555	15,780	16,178
687	Climate Change and Sustainability	1,353	1,450	1,650	1,807	1,968	2,134	2,295	2,458	2,595	2,715
Water											
12,476	Water	12,916	13,588	14,883	16,156	17,609	19,074	19,957	20,694	21,935	22,285
Wastewater											
12,890	Wastewater	15,481	15,932	17,418	18,522	19,777	21,521	22,883	22,908	26,278	30,148
Stormwater											
5,394	Stormwater	6,842	7,254	7,966	8,707	9,343	10,314	10,970	11,575	12,326	12,470
Supporting the Organisation											
10,285	Governance and Active Citizenship	8,071	8,341	8,728	8,466	9,200	9,582	10,021	10,725	10,992	11,016
7,185	Organisational performance	12,518	13,488	12,212	8,933	4,803	173	3,968	7,550	10,043	10,778
179,775	Total Expenses	201,140	209,066	221,076	230,496	237,688	247,560	256,237	259,343	265,042	274,704
138,590	NET OPERATING COSTS OF ACTIVITY	155,716	162,931	174,076	182,503	187,883	196,779	204,028	207,292	214,800	223,459

Activity Financial Statements											
Budget	Whole of Council	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Rating Requirement											
(43,043)	Less Depreciation	(49,417)	(50,503)	(54,289)	(57,172)	(58,998)	(63,196)	(66,291)	(67,902)	(72,574)	(75,635)
(4,181)	Less Transfers To/(From) Reserves	(5,840)	(3,961)	(2,061)	(293)	(54)	(55)	(57)	(58)	(59)	(60)
27,720	Plus Net Capital Renewal (3 Year Average)	28,632	30,941	32,218	34,489	36,392	38,688	39,978	40,274	40,890	38,196
5,160	Plus Debt Repayment	7,761	9,645	11,710	14,024	19,724	24,937	33,502	45,996	58,572	73,476
124,246	RATES REQUIREMENT	136,852	149,054	161,654	173,551	184,945	197,151	211,161	225,602	241,629	259,436
		10.1%	8.9%	8.5%	7.4%	6.6%	6.6%	7.1%	6.8%	7.1%	7.4%

Activity Financial Statements											
Budget	Whole of Council	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Capital Expenditure											
Capital Renewals											
An innovative and growing city											
531	Housing	400	408	417	426	435	443	451	459	468	476
-	Urban Design	-	-	-	-	-	-	-	-	-	-
1,301	Economic Development	823	998	1,051	963	1,043	808	688	700	713	756
Transport											
1,103	Active and Public Transport	2,050	2,091	2,191	2,242	2,346	2,395	2,500	2,550	2,601	2,650
5,424	Roading	9,120	9,404	10,404	10,750	11,805	14,726	17,975	23,027	23,902	24,477
A creative and exciting city											
3,727	Recreation and play	3,561	5,070	3,761	6,667	3,632	3,766	4,191	3,372	3,627	3,737
565	Arts and Heritage	535	546	558	666	571	581	592	603	614	625
A connected and safe community											
92	Community safety and health	102	171	205	156	152	172	165	161	243	174
1,153	City Library	1,010	1,087	1,450	1,289	1,494	1,528	1,269	1,419	1,339	1,381
864	Community support	877	459	583	429	460	446	451	490	654	480
A sustainable and resilient city											
298	Biodiversity and the Manawatu River	129	72	69	126	134	281	133	157	204	224
486	Resource Recovery	631	525	376	691	705	829	465	1,250	493	518
Water											
5,380	Water	5,010	5,482	5,931	7,215	7,240	7,704	10,218	8,308	8,124	8,285
Wastewater											
4,384	Wastewater	4,753	5,431	5,152	5,065	6,768	7,209	7,200	6,048	6,719	6,613
Stormwater											
230	Stormwater	350	615	579	351	360	368	377	326	332	339
Supporting the Organisation											
2,391	Organisational performance	3,633	3,238	3,193	3,308	3,036	3,955	3,185	4,876	3,938	3,394
27,929	Total Capital Renewals	32,984	35,598	35,921	40,346	40,180	45,211	49,860	53,746	53,971	54,129

Activity Financial Statements											
Budget	Whole of Council	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Capital Expenditure											
Capital New											
An innovative and growing city											
2,818	Housing	500	511	8,188	10,203	-	-	-	-	8,770	8,927
443	Urban Design	9	9	9	116	5,464	5,579	2,850	2,907	128	6,033
80	Economic Development	23	-	-	107	467	133	130	115	210	214
Transport											
12,455	Active and Public Transport	3,950	7,140	9,965	10,462	1,691	4,233	1,761	4,056	1,478	4,216
14,662	Roading	10,592	11,455	17,093	20,528	16,507	10,059	9,237	8,147	40,345	44,606
A creative and exciting city											
7,312	Recreation and play	2,693	9,165	11,589	3,156	3,701	5,408	6,919	6,169	2,702	2,815
3,784	Arts and Heritage	-	2,042	6,783	6,925	1,087	32,112	33,849	1,149	33,910	35,709
A connected and safe community											
-	Community safety and health	85	174	99	101	103	105	107	17	18	18
-	City Library	25	15	-	-	-	-	-	-	-	-
729	Community support	2,266	4,346	907	3,532	3,720	3,844	3,863	363	495	447
A sustainable and resilient city											
668	Biodiversity and the Manawatu River	835	7,089	7,298	32	33	33	34	34	35	36
1,136	Resource Recovery	2,080	5,943	625	3,439	1,605	1,456	407	277	282	287
1,092	Climate Change and Sustainability	1,085	1,179	1,205	1,071	1,092	1,113	1,134	1,154	1,175	1,196
Water											
6,987	Water	7,978	8,804	7,884	12,057	8,188	8,281	3,615	10,385	7,873	2,247
Wastewater											
7,077	Wastewater	9,204	14,060	15,492	76,386	80,428	88,682	135,368	102,933	48,537	21,372
Stormwater											
5,764	Stormwater	4,812	4,368	7,683	6,395	5,620	5,846	4,214	6,677	3,494	2,730
Supporting the Organisation											
138	Governance and Active Citizenship	-	-	-	-	-	-	-	-	-	-
270	Organisational performance	1,265	961	2,339	2,192	850	838	685	640	622	633
65,415	Total Capital New	47,401	77,259	97,160	156,700	130,557	167,722	204,175	145,022	150,074	131,486

Activity Financial Statements											
Budget	Whole of Council	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Capital Expenditure											
Capital Growth											
Transport											
-	Roading	6,333	3,794	5,969	235	4,986	11,495	13,259	27,373	13,795	22,911
A creative and exciting city											
-	Recreation and play	273	526	4,758	2,943	2,240	1,505	3,008	3,480	3,043	783
Water											
-	Water	4,019	3,991	7,352	8,381	8,134	8,098	10,544	8,324	2,297	3,209
Wastewater											
-	Wastewater	104	461	3,316	3,583	6,599	8,211	6,199	3,967	3,929	555
Stormwater											
-	Stormwater	4,244	3,911	3,619	4,344	7,387	18,700	19,029	2,191	1,925	432
-	Total Capital Growth	14,972	12,684	25,014	19,485	29,346	48,010	52,041	45,335	24,989	27,891
93,344	Total Capital Expenditure	95,357	125,541	158,095	216,531	200,082	260,943	306,075	244,103	229,034	213,506
Funded By											
14,546	External Revenue New / Growth	10,544	21,474	28,888	91,191	99,421	149,734	201,373	138,331	111,947	102,796
3,179	External Revenue Renewal	5,549	6,306	6,269	6,468	7,055	8,746	10,274	13,734	13,634	13,657
3,249	Development Contributions	1,961	2,211	2,958	3,711	4,710	5,593	6,175	6,388	6,558	6,626
27,720	Rates	28,632	30,941	32,218	34,489	36,392	38,688	39,978	40,274	40,890	38,196
37,171	New Borrowing / (Repayment)	48,671	64,610	87,762	80,672	52,504	58,183	48,275	45,376	56,006	52,231
93,344	Total	95,357	125,541	158,095	216,531	200,082	260,943	306,075	244,103	229,034	213,506

Whare Housing

We want everyone in our city to have access to healthy and affordable housing. We want to support the development of more housing to meet community needs.

Access to appropriate housing makes an important contribution to the wellbeing of city communities. Our role is to make sure there is enough land and infrastructure to accommodate residential growth. We need to manage the impact of this growth on the environment and protect productive land.

We want our city to have well-planned housing that encourages positive social outcomes. We will encourage development within the existing urban footprint and promote a greater range of housing types. We will continue to provide social housing and support community housing initiatives.

The Housing Activity's levels of service (see table below) will contribute to our:

Goal 1 outcomes for our communities to have: enough land and infrastructure to enable housing development and business growth.

Goal 3 outcomes for our communities to have: access to services and facilities that are inclusive and appropriate for their needs; the support they want to live healthy lives; and access to healthy and affordable housing.

Goal 4 outcomes for our communities to have: a sustainable and low-emissions city; a resilient city and communities, prepared for the impacts of climate change; sustainable urban planning with a low-carbon built environment; and access to relevant information and education to support more sustainable choices

What We Will Do (Our levels of service)	What This Means	Year 1 Targets (2024-25)	Year 2 Targets (2025-26)	Year 3 Targets (2026-27)	Year 4-10 Targets
Rezone enough land and provide infrastructure to accommodate residential growth.	More than half of city housing development takes place within the existing urban footprint, through redevelopment and infill subdivision. Our city has a constant supply of new residential sections with the infrastructure they need to meet National Policy Statement on Urban Development requirements.	Narrative measure showing Council has enough infrastructure-ready sections to meet National Policy Statement on Urban Development requirements.	Narrative measure showing Council has enough infrastructure-ready sections to meet National Policy Statement on Urban Development requirements.	Narrative measure showing Council has enough infrastructure-ready sections to meet National Policy Statement on Urban Development requirements.	Narrative measure showing Council has enough infrastructure-ready sections to meet National Policy Statement on Urban Development requirements.
		Narrative measure outlining progress on zoning and providing infrastructure for residential needs, including the proportion within the existing urban footprint.	Narrative measure outlining progress on zoning and providing infrastructure for residential needs, including the proportion within the existing urban footprint.	Narrative measure outlining progress on zoning and providing infrastructure for residential needs, including the proportion within the existing urban footprint.	Narrative measure outlining progress on zoning and providing infrastructure for residential needs, including the proportion within the existing urban footprint.
		At least 80% of resource consent applications are processed within statutory timeframe. (see Note 1) The number of resource consents not processed	At least 80% of resource consent applications are processed within statutory timeframe. (see Note 1) The number of resource consents not processed	At least 80% of resource consent applications are processed within statutory timeframe. (see Note 1) The number of resource consents not processed	At least 80% of resource consent applications are processed within statutory timeframe. (see Note 1) The number of resource consents not processed

		within the statutory timeframe will be identified, along with the actual time taken, and the reasons for this.	within the statutory timeframe will be identified, along with the actual time taken, and the reasons for this.	within the statutory timeframe will be identified, along with the actual time taken, and the reasons for this.	within the statutory timeframe will be identified, along with the actual time taken, and the reasons for this.
Provide a regulatory framework that enables more housing choices (e.g. duplexes and terraced housing), inner city living, and less housing on productive soils or in flood-prone areas.	There is a greater variety of housing choices available for city communities. Our city is more intensively developed and productive soils remain available for food production.	Narrative measure outlining how Council's regulatory framework encourages a greater range of housing types and inner city living, while protecting productive soils and minimising development in flood-prone areas.	Narrative measure outlining how Council's regulatory framework encourages a greater range of housing types and inner city living, while protecting productive soils and minimising development in flood-prone areas.	Narrative measure outlining how Council's regulatory framework encourages a greater range of housing types and inner city living, while protecting productive soils and minimising development in flood-prone areas.	Narrative measure outlining how Council's regulatory framework encourages a greater range of housing types and inner city living, while protecting productive soils and minimising development in flood-prone areas.
		At least 95% of building consent applications are processed within statutory timeframe. (see Note 1)	At least 95% of building consent applications are processed within statutory timeframe. (see Note 1)	At least 95% of building consent applications are processed within statutory timeframe. (see Note 1)	At least 95% of building consent applications are processed within statutory timeframe. (see Note 1)
Provide social housing and support	Council housing is available to older people, disabled people, and people on low incomes. Community-led housing initiatives receive	Narrative measure outlining Council's social housing	Narrative measure outlining Council's social housing	Narrative measure outlining Council's social housing	Narrative measure outlining Council's social housing

community-led housing initiatives.	support to address housing insecurity by building, providing, or improving city housing.	actions (including the number of Council Units, any Council tenants' survey results, and Council's actions to support community housing providers.	actions (including the number of Council Units, any Council tenants' survey results, and Council's actions to support community housing providers.	actions (including the number of Council Units, any Council tenants' survey results, and Council's actions to support community housing providers.	actions (including the number of Council Units, any Council tenants' survey results, and Council's actions to support community housing providers.
Facilitate new housing development and provide incentives to encourage other housing providers.	There is more housing available to meet community needs.	actions (including the number of Council Units, any Council tenants' survey results, and Council's actions to support community housing providers.	actions (including the number of Council Units, any Council tenants' survey results, and Council's actions to support community housing providers.	actions (including the number of Council Units, any Council tenants' survey results, and Council's actions to support community housing providers.	actions (including the number of Council Units, any Council tenants' survey results, and Council's actions to support community housing providers.

Note 1:

In setting the resource and building consent targets, Council acknowledges that a small number of applications will not be processed in statutory timeframes. This is because complex consent issues cannot always be resolved within statutory timeframes, particularly for large resource consents such as windfarms. Also consent applications come in peaks and troughs and Council cannot guarantee to meet peak demand without being over-resourced for more typical demand.

Housing - Activity Financial Statements											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Revenue											
3,198	Social Housing	3,261	3,326	3,399	3,474	3,547	3,618	3,687	3,757	3,828	3,897
4,950	Building Services	4,837	4,933	5,042	5,153	5,261	5,366	5,468	5,572	5,678	5,780
1,050	Housing and Future development	3,443	3,512	3,589	3,668	3,745	3,821	3,893	2,645	-	-
1,467	Planning Services - Private	1,333	1,309	1,337	1,367	1,450	1,534	1,648	1,766	1,829	1,862
10,665	Total Revenue	12,874	13,080	13,368	13,661	14,003	14,339	14,697	13,740	11,335	11,539
Expenses											
4,570	Social Housing	5,514	5,633	6,008	6,875	7,604	7,753	8,027	8,100	8,073	8,136
7,380	Building Services	6,302	6,305	6,577	6,929	7,490	8,094	8,630	9,116	9,447	9,711
1,160	Housing and Future development	5,934	5,872	5,847	5,751	5,899	5,773	5,973	4,888	2,578	3,059
1,621	Planning Services - Private	1,193	1,176	1,223	1,289	1,392	1,502	1,600	1,689	1,751	1,801
1,432	Planning Services - Public	778	770	843	888	957	1,029	1,094	1,155	1,200	1,238
16,163	Total Expenses	19,722	19,756	20,498	21,732	23,342	24,151	25,323	24,948	23,049	23,944
5,498	NET OPERATING COSTS OF ACTIVITY	6,848	6,676	7,130	8,071	9,339	9,812	10,626	11,208	11,714	12,405
Rating Requirement											
(1,471)	Less Depreciation	(1,349)	(1,349)	(1,349)	(1,565)	(1,664)	(1,664)	(1,822)	(1,822)	(1,822)	(1,997)
-	Less Transfers To/(From) Reserves										
-	Plus Net Capital Renewal (3 Year	409	417	426	435	443	451	459	468	477	487
402	Plus Debt Repayment	294	316	340	592	1,159	1,474	2,061	2,920	3,782	4,838
4,429	RATES REQUIREMENT	6,202	6,061	6,548	7,532	9,277	10,072	11,324	12,774	14,151	15,732

Housing - Activity Financial Statements											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Capital Expenditure											
531	Renewal	400	408	417	426	435	443	451	459	468	476
2,818	New	500	511	8,188	10,203	-	-	-	-	8,770	8,927
	Growth										
3,349	Total Capital Expenditure	900	919	8,606	10,629	435	443	451	459	9,237	9,403
Funded By											
955	External Revenue New / Growth	-	-	-	-	-	-	-	-	-	-
	External Revenue Renewal										
	Development Contributions										
-	Rates	409	417	426	435	443	451	459	468	477	487
2,394	New Borrowing / (Repayment)	491	502	8,180	10,194	(8)	(8)	(8)	(8)	8,760	8,916
3,349	Total	900	919	8,606	10,629	435	443	451	459	9,237	9,403

Housing - Capital Renewal												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
180 - Social Housing - Renewals	0	100%	400	408	417	426	435	443	451	459	468	476
TOTAL			400	408	417	426	435	443	451	459	468	476
Funded Externally			-	-	-	-	-	-	-	-	-	-
Funded by Council (Rates and Borrowing)			400	408	417	426	435	443	451	459	468	476

Housing - Capital New / Growth												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1459 - Social Housing - Additional Social Housing Units	0%	100%	500	511	8,188	10,203	-	-	-	-	-	-
2236 - Urban Growth - Huia Street Reserve - Community Housing	0%	100%	-	-	-	-	-	-	-	-	8,770	8,927
TOTAL			500	511	8,188	10,203	-	-	-	-	8,770	8,927
Funded Externally			-	-	-	-	-	-	-	-	-	-
Funded by Council (Rates and Borrowing)			500	511	8,188	10,203	-	-	-	-	8,770	8,927

Housing - Operational												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1613 - Kakatangiata District Plan Change	0%	100%	150	204	261	-	-	-	-	-	-	-
2433 - Aokautere District Plan Change	0%	100%	200	204	-	-	-	-	-	-	-	-
2434 - Te Utanganui Master Plan Implementation	0%	100%	250	255	261	266	272	-	-	-	-	-
TOTAL			600	663	521	266	272	-	-	-	-	-
Funded Externally			-	-	-	-	-	-	-	-	-	-
Funded by Council (Rates and Borrowing)			600	663	521	266	272	-	-	-	-	-

Hoahoa tāone

Urban design

We want our city to have great places for everyone

Our lives are connected through our common built environment. We all live and work in buildings, use public streets, open spaces, transport systems and other urban infrastructure. The way we design our city affects environmental, economic, social and cultural wellbeing.

We want our city to be connected, co-ordinated and easy to get around. We want city places to be inclusive, adaptable and interesting. This means designing our city in collaboration with city communities. We want to take opportunities to connect with nature and have positive effects on the natural environment.

This Activity's levels of service (see table below) will contribute to our:

Goal 1 outcomes for our communities to have: a city that fosters pride, and supports the aspirations of people and communities; the efficient movement of goods and services alongside safe and affordable transport options for people

Goal 2 outcomes for our communities to have: a vibrant city that connects people and where we build creativity into our infrastructure; our unique heritage preserved and promoted; opportunities to celebrate our many cultures; places across the city and its neighbourhoods for communities to take part in play and recreation

Goal 3 outcomes for our communities to have: access to services and facilities that are inclusive and appropriate for their needs; opportunities to contribute to the design of our city; access to safe and accessible community places

Goal 4 outcomes for our communities to have: sustainable urban planning with a low-carbon built environment.

What We Will Do (Our levels of service)	What This Means	Year 1 Targets (2024-25)	Year 2 Targets (2025-26)	Year 3 Targets (2026-27)	Year 4-10 Targets
Maintain and promote a connected and well-designed urban environment.	Best-practice urban design advice and information is available to everyone involved in planning our city landscape. The advantages of a well-designed, people-centred, and connected city environment are well understood and guide all our city planning.	Narrative measure outlining how Council’s urban design and city making initiatives promote a connected, sustainable, accessible, safe, and interesting urban environment.	Narrative measure outlining how Council’s urban design and city making initiatives promote a connected, sustainable, accessible, safe, and interesting urban environment.	Narrative measure outlining how Council’s urban design and city making initiatives promote a connected, sustainable, accessible, safe, and interesting urban environment.	Narrative measure outlining how Council’s urban design and city making initiatives promote a connected, sustainable, accessible, safe, and interesting urban environment.
Provide and promote connected, sustainable, accessible, safe, interesting and playful public spaces.	Communities have opportunities to contribute to city making. All council developments consider and promote safety, accessibility, sustainability and diversity.				

Urban Design - Activity Financial Statements											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Revenue											
-	Total Revenue	-	-	-	-	-	-	-	-	-	-
Expenses											
493	City Centre	677	680	686	699	776	1,223	1,505	1,655	2,175	2,235
48	Place activation	6	6	6	6	6	6	6	6	6	6
20	Placemaking	36	36	37	38	40	41	43	44	45	46
307	Urban Design	317	369	394	409	435	408	433	458	474	486
868	Total Expenses	1,036	1,092	1,124	1,152	1,257	1,679	1,987	2,163	2,700	2,773
868	NET OPERATING COSTS OF ACTIVITY	1,036	1,092	1,124	1,152	1,257	1,679	1,987	2,163	2,700	2,773
Rating Requirement											
(15)	Less Depreciation	(25)	(26)	(27)	(28)	(32)	(233)	(419)	(514)	(665)	(669)
-	Less Transfers To/(From) Reserves										
-	Plus Net Capital Renewal (3 Year Average)	-	-	-	-	-	-	-	-	-	-
91	Plus Debt Repayment	82	77	59	62	99	213	361	474	608	741
944	RATES REQUIREMENT	1,093	1,143	1,155	1,186	1,324	1,659	1,930	2,123	2,643	2,844

Urban Design - Activity Financial Statements											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Capital Expenditure											
-	Renewal	-	-	-	-	-	-	-	-	-	-
443	New	9	9	9	116	5,464	5,579	2,850	2,907	128	6,033
	Growth										
443	Total Capital Expenditure	9	9	9	116	5,464	5,579	2,850	2,907	128	6,033
Funded By											
-	External Revenue New / Growth	-	-	-	54	2,782	2,840	1,449	1,478	60	3,072
	External Revenue Renewal										
	Development Contributions										
-	Rates	-	-	-	-	-	-	-	-	-	-
443	New Borrowing / (Repayment)	9	9	9	61	2,682	2,739	1,402	1,430	68	2,962
443	Total	9	9	9	116	5,464	5,579	2,850	2,907	128	6,033

Urban Design - Capital New / Growth												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1330 - City Centre - Placemaking Implementation	0%	100%	9	9	9	9	9	9	10	10	10	10
2077 - City Centre - Cuba Street Upgrade Stage 3	0%	100%	-	-	-	-	-	-	2,841	2,897	-	-
2122 - City Centre - Streets for People Upgrade	0%	100%	-	-	-	107	5,455	5,570	-	-	118	6,023
TOTAL			9	9	9	116	5,464	5,579	2,850	2,907	128	6,033
Funded Externally			-	-	-	54	2,782	2,840	1,449	1,478	60	3,072
Funded by Council (Rates and Borrowing)			9	9	9	61	2,682	2,739	1,402	1,430	68	2,962

Urban Design -Operational												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
2054 - Funding Palmy BID group	0%	100%	250	255	261	267	273	278	284	290	296	301
2521 - Supporting Certification of Green Buildings Standards	0%	100%	-	51	52	53	55	-	-	-	-	-
TOTAL			250	306	313	320	327	278	284	290	296	301
Funded Externally			-	-	-	-	-	-	-	-	-	-
Funded by Council (Rates and Borrowing)			250	306	313	320	327	278	284	290	296	301

Whakawhanake ohaoha

Economic development

We want an innovative, resilient and low-carbon city economy, where communities prosper and achieve their goals.

Our city's economic wellbeing depends on opportunities to improve our standard of living and reduce economic disadvantage. A profitable business sector, knowledge and skills, work, health, environmental amenity, and housing, all contribute to living standards.

We will partner with agencies and organisations to improve wellbeing. We will focus on delivering the conditions needed to support economic activity in the city, now and into the future.

This Activity's levels of service (see table below) will contribute to our:

Goal 1 outcomes for our communities to have: a city that fosters pride, and supports the aspirations of people and communities; a business environment that encourages investment and provides career opportunities across a range of sectors; a globally connected city that fosters opportunities for local people, businesses and organisations; an economy that embraces innovation and uses resources sustainably; and a resilient, low-carbon economy.

Goal 3 outcomes for our communities to have: access to healthy and affordable housing.

Goal 4 outcomes for our communities to have: a sustainable and, low-emissions city; and access to relevant information and education to support more sustainable choices.

What We Will Do (Our levels of service)	What This Means	Year 1 Targets (2024-25)	Year 2 Targets (2025-26)	Year 3 Targets (2026-27)	Year 4-10 Targets
Provide opportunities and infrastructure to accommodate business growth.	The city has land and other opportunities to cater for housing and business development needs. The land is appropriately serviced and the roading network is efficient, safe and fit for purpose.	Narrative measure showing Council has enough infrastructure-ready sections to meet National Policy Statement on Urban Development requirements.	Narrative measure showing Council has enough infrastructure-ready sections to meet National Policy Statement on Urban Development requirements.	Narrative measure showing Council has enough infrastructure-ready sections to meet National Policy Statement on Urban Development requirements.	Narrative measure showing Council has enough infrastructure-ready sections to meet National Policy Statement on Urban Development requirements.
		Narrative measure outlining progress on zoning and providing infrastructure for residential and business needs.	Narrative measure outlining progress on zoning and providing infrastructure for residential and business needs.	Narrative measure outlining progress on zoning and providing infrastructure for residential and business needs.	Narrative measure outlining progress on zoning and providing infrastructure for residential and business needs.
Support sustainable business activity and labour market development.	The business sector has access to business support services through the Central Economic Development Agency (CEDA). Businesses have the skills and talent they need to thrive. They have access to information, tools, and opportunities to support them to transition to a sustainable (including profitable), low carbon future.	Narrative measure outlining the Council-supported initiatives provided by CEDA and their outcomes, with a focus on skills, talent and low carbon initiatives.	Narrative measure outlining the Council-supported initiatives provided by CEDA and their outcomes, with a focus on skills, talent and low carbon initiatives.	Narrative measure outlining the Council-supported initiatives provided by CEDA and their outcomes, with a focus on skills, talent and low carbon initiatives.	Narrative measure outlining the Council-supported initiatives provided by CEDA and their outcomes, with a focus on skills, talent and low carbon initiatives.

<p>Attract and support major events and activities.</p>	<p>Residents and visitors have opportunities to attend a range of major events in Palmerston North. Local communities and businesses benefit from the vibrancy and the economic activity that major events and activities bring to the city.</p>	<p>Narrative measure outlining the number and range of Council supported events, including attendance numbers and economic contribution.</p>	<p>Narrative measure outlining the number and range of Council supported events, including attendance numbers and economic contribution.</p>	<p>Narrative measure outlining the number and range of Council supported events, including attendance numbers and economic contribution.</p>	<p>Narrative measure outlining the number and range of Council supported events, including attendance numbers and economic contribution.</p>
<p>Manage council's strategic investments and attract external investment.</p>	<p>The community benefits from the sound management of Council's strategic investments. Advocacy by Council, CEDA, and regional partners attracts inward investment to the city.</p>	<p>Narrative measure outlining how Council's strategic investments and advocacy are attracting inwards investment.</p>	<p>Narrative measure outlining how Council's strategic investments and advocacy are attracting inwards investment.</p>	<p>Narrative measure outlining how Council's strategic investments and advocacy are attracting inwards investment.</p>	<p>Narrative measure outlining how Council's strategic investments and advocacy are attracting inwards investment.</p>
<p>Promote the city.</p>	<p>People are proud to call Palmerston North home. The city is known as a great place to visit, and for lifestyle and investment opportunities.</p>	<p>Narrative measure outlining the Council's marketing initiatives (including through the Manawatu Convention Bureau and isite Visitor Centre) and how they are promoting the City to residents and visitors.</p>	<p>Narrative measure outlining the Council's marketing initiatives (including through the Manawatu Convention Bureau and isite Visitor Centre) and how they are promoting the City to residents and visitors.</p>	<p>Narrative measure outlining the Council's marketing initiatives (including through the Manawatu Convention Bureau and isite Visitor Centre) and how they are promoting the City to residents and visitors.</p>	<p>Narrative measure outlining the Council's marketing initiatives (including through the Manawatu Convention Bureau and isite Visitor Centre) and how they are promoting the City to residents and visitors.</p>

<p>Provide services for visitors including the Conference and Function Centre, isite Visitor Centre, and holiday park.</p>	<p>Visitors, holiday makers, and delegates experience high quality visitor services and facilities in the city.</p>	<p>Narrative measure outlining the Conference and Function Centre initiatives and how they attract and meet the needs of visitors.</p>	<p>Narrative measure outlining the Conference and Function Centre initiatives and how they attract and meet the needs of visitors.</p>	<p>Narrative measure outlining the Conference and Function Centre initiatives and how they attract and meet the needs of visitors.</p>	<p>Narrative measure outlining the Conference and Function Centre initiatives and how they attract and meet the needs of visitors.</p>
<p>Support international education and promote Palmerston North's interests to global partners.</p>	<p>Palmerston North has enduring relationships with international partners. Businesses and organisations have greater opportunities to access international markets and to attract students and visitors. There are opportunities for the transfer of technology and knowledge sharing.</p>	<p>Narrative measure outlining the Council's international initiatives and how they are promoting the City's interests, especially for international markets, students and visitors.</p>	<p>Narrative measure outlining the Council's international initiatives and how they are promoting the City's interests, especially for international markets, students and visitors.</p>	<p>Narrative measure outlining the Council's international initiatives and how they are promoting the City's interests, especially for international markets, students and visitors.</p>	<p>Narrative measure outlining the Council's international initiatives and how they are promoting the City's interests, especially for international markets, students and visitors.</p>

Economic Development - Activity Financial Statements											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Revenue											
271	Investment Property	252	257	263	268	274	280	285	290	296	301
-	Investments in Companies (including Airport)	150	153	156	160	163	166	170	173	176	179
106	City Marketing	111	113	115	118	120	123	125	128	130	132
159	Economic Development	131	134	137	140	142	145	148	151	154	157
965	Conference & Function Centre	880	898	917	937	957	976	995	1,014	1,033	1,052
-	International Relations	34	35	36	36	37	38	39	39	40	41
1,501	Total Revenue	1,558	1,589	1,624	1,660	1,695	1,729	1,761	1,795	1,829	1,862
Expenses											
399	Investment Property	702	711	736	759	792	831	866	905	928	944
616	Investments	370	222	298	177	182	188	193	198	204	211
392	Investments in Companies (including Airport)	425	425	425	442	432	411	369	297	193	53
524	City Marketing	681	673	703	753	807	859	906	950	981	1,003
2,467	Economic Development	3,079	3,168	3,195	3,223	3,294	3,380	3,456	3,529	3,602	3,685
1,825	Conference & Function Centre	1,928	1,938	1,996	2,070	2,161	2,260	2,336	2,413	2,477	2,517
387	Economic Events	694	706	724	743	684	705	725	745	762	777
457	International Relations	554	567	596	620	672	711	750	791	835	856
7,067	Total Expenses	8,433	8,412	8,674	8,787	9,024	9,344	9,601	9,827	9,982	10,046
5,566	NET OPERATING COSTS OF ACTIVITY	6,875	6,823	7,050	7,127	7,329	7,616	7,839	8,032	8,153	8,184
Rating Requirement											
(662)	Less Depreciation	(790)	(790)	(790)	(791)	(795)	(817)	(828)	(835)	(841)	(859)
-	Less Transfers To/(From) Reserves	(240)	(133)	(156)	(53)	(54)	(55)	(57)	(58)	(59)	(60)
1,196	Plus Net Capital Renewal (3 Year Average)	957	1,004	1,019	938	846	732	701	723	676	630
38	Plus Debt Repayment	34	36	38	39	243	446	828	1,428	2,029	2,730
6,137	RATES REQUIREMENT	6,837	6,940	7,161	7,260	7,569	7,922	8,482	9,291	9,959	10,624

Economic Development - Activity Financial Statements											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Capital Expenditure											
1,301	Renewal	823	998	1,051	963	1,043	808	688	700	713	756
80	New	23	-	-	107	467	133	130	115	210	214
	Growth										
1,380	Total Capital Expenditure	845	998	1,051	1,070	1,510	941	818	815	924	970
Funded By											
-	External Revenue New / Growth	23	-	-	-	359	133	130	115	210	214
	External Revenue Renewal										
	Development Contributions										
1,196	Rates	957	1,004	1,019	938	846	732	701	723	676	630
2,576	New Borrowing / (Repayment)	(134)	(6)	32	132	305	76	(13)	(23)	37	126
1,380	Total	845	998	1,051	1,070	1,510	941	818	815	924	970

Economic Development - Capital Renewal												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
85 - Depot - Buildings and Structures Renewals	0%	100%	120	102	83	85	87	89	90	92	94	95
251 - Conference & Function Centre - Replacement of Equipment	0%	100%	37	134	242	142	254	170	38	39	39	70
270 - Holiday Park - Renewals	0%	100%	300	306	313	320	326	166	169	172	175	179
272 - Staff Cafeteria - Replacement of Equipment	0%	100%	6	6	6	6	6	6	6	6	7	7
664 - Conference & Function Centre - Renewals	0%	100%	50	133	104	53	54	55	56	57	58	60
1166 - Conference & Function Centre - Equipment Purchases	0%	100%	74	76	78	79	81	82	84	85	87	89
1730 - Information Centre - Building Renewals	0%	100%	20	20	21	21	22	22	23	23	23	24
1753 - Investment Properties - Building Renewals	0%	100%	50	51	31	32	33	33	34	34	35	36
1791 - Parks Depot - Building Renewals	0%	100%	30	31	31	32	33	33	34	34	35	36
1943 - Information Centre Refurbishment	0%	100%	-	-	-	48	-	-	-	-	-	-
1970 - Gordon Kear Forest Culvert Replacements	0%	100%	35	36	37	38	39	40	41	41	42	43
2022 - Property - Hard Surfaces Renewals	0%	100%	100	102	104	107	109	111	113	115	117	119
TOTAL			823	998	1,051	963	1,043	808	688	700	713	756
Funded Externally			-	-	-	-	-	-	-	-	-	-
Funded by Council (Rates and Borrowing)			823	998	1,051	963	1,043	808	688	700	713	756

Economic Development - Capital New / Growth												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
2345 - Property - Solar Panel Installations	0%	100%	23	-	-	-	359	133	130	115	210	214
2363 - Conference and Function Centre - New upgrades	0%	100%	-	-	-	107	109	-	-	-	-	-
TOTAL			23	-	-	107	467	133	130	115	210	214
Funded Externally			23	-	-	-	359	133	130	115	210	214
Funded by Council (Rates and Borrowing)			-	-	-	107	109	-	-	-	-	-

Economic Development -Operational		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	
1344 - Major Events Fund	0%	100%	241	246	251	257	262	267	272	278	283	288
1480 - Sponsorship Opportunities for Council with economic benefits	0%	100%	66	67	69	70	72	73	75	76	77	79
2249 - Rural Games Support Funding	0%	100%	75	77	78	80	-	-	-	-	-	-
2446 - Massey University Food Awards Sponsorship	0%	100%	12	41	-	-	-	-	-	-	-	-
2448 - Manawatu Jet's Sponsorship	0%	100%	22	22	23	-	-	-	-	-	-	-
2522 - Major Schools Sports Event Partnership Fund	0%	100%	295	301	307	314	321	327	333	340	346	352
2525 - Central District Hind's Sponsorship	0%	100%	20	20	21	-	-	-	-	-	-	-
TOTAL			731	774	749	721	655	668	680	693	706	719
Funded Externally			10	10	10	-	-	-	-	-	-	-
Funded by Council (Rates and Borrowing)			721	764	739	721	655	668	680	693	706	719

Tūnuku

Transport

We want a city transport system that links people and opportunities.

Managing Palmerston North's transport system is a complicated process. We need to respond to many competing demands and balance the needs of a variety of users.

As the city's population grows, congestion, road safety issues and maintenance deficits become more significant. We need to adopt a more proactive and planned approach to manage our transport network. We must prioritise safety, access, value for money, and reducing environmental impacts.

This Activity's levels of service (see table below) will contribute to our:

Goal 1 outcomes for our communities to have: the efficient movement of goods and services alongside safe and affordable transport options for people; and an economy that embraces innovation and uses resources sustainably.

Goal 3 outcomes for our communities to have: access to safe and accessible community places; and opportunities for involvement and to contribute to Council decision-making.

Goal 4 outcomes for our communities to have: a sustainable and, low-emissions city; a resilient city and communities, prepared for the impacts of climate change; sustainable urban planning with a low-carbon built environment; and access to relevant information and education to support more sustainable choices.

What We Will Do (Our levels of service)	What This Means	Year 1 Targets (2024-25)	Year 2 Targets (2025-26)	Year 3 Targets (2026-27)	Year 4-10 Targets
Provide a safe, low-carbon, integrated, and multi-modal transport network.	Palmerston North has a well-planned transport network that supports the right transport mode for the right road. The transport network is integrated with land use planning and is safe for all users.	Narrative measure outlining Council's actions within the transport network and their contribution to safe, low carbon, integrated multi-modal transport, including active and public transport needs.	Narrative measure outlining Council's actions within the transport network and their contribution to safe, low carbon, integrated multi-modal transport, including active and public transport needs.	Narrative measure outlining Council's actions within the transport network and their contribution to safe, low carbon, integrated multi-modal transport, including active and public transport needs.	Narrative measure outlining Council's actions within the transport network and their contribution to safe, low carbon, integrated multi-modal transport, including active and public transport needs.
Include active and public transport needs in all transport network planning.	There is enough space allocated to active and public transport in the network. It is safe and comfortable to use active or public transport rather than relying on private vehicles.				
Encourage communities to make active and public transport choices.	People have access to the information they need to make active and public transport choices.				
		Resident satisfaction with Council's provision of roads throughout the city is at least 32%. (see Note for all Residents Survey measures)	Resident satisfaction with Council's provision of roads throughout the city is at least 34%. (see Note for all Residents Survey measures)	Resident satisfaction with Council's provision of roads throughout the city is at least 36%. (see Note for all Residents Survey measures)	Resident satisfaction with Council's provision of roads throughout the city is at least 38%. (see Note for all Residents Survey measures)
		Resident satisfaction with Council's provision of footpaths throughout the city is at least 43%.	Resident satisfaction with Council's provision of footpaths throughout the city is at least 45%.	Resident satisfaction with Council's provision of footpaths throughout the city is at least 47%.	Resident satisfaction with Council's provision of footpaths throughout the city is at least 49%.

		<p>Resident satisfaction with Council's provision of cycling throughout the city is at least 44%.</p> <p>Resident satisfaction with Council's provision of availability of parking is at least 42%.</p> <p>The following are mandatory measures from the DIA:</p> <p>There is a reduction in the number of fatal and serious injury crashes from the previous year on the city's local road network.</p> <p>More than 3.5% of the sealed local road network is resurfaced.</p>	<p>Resident satisfaction with Council's provision of cycling throughout the city is at least 44%.</p> <p>Resident satisfaction with Council's provision of availability of parking is at least 42%.</p> <p>The following are mandatory measures from the DIA:</p> <p>There is a reduction in the number of fatal and serious injury crashes from the previous year on the city's local road network.</p> <p>More than 3.5% of the sealed local road network is resurfaced.</p>	<p>Resident satisfaction with Council's provision of cycling throughout the city is at least 44%.</p> <p>Resident satisfaction with Council's provision of availability of parking is at least 42%.</p> <p>The following are mandatory measures from the DIA:</p> <p>There is a reduction in the number of fatal and serious injury crashes from the previous year on the city's local road network.</p> <p>More than 3.5% of the sealed local road network is resurfaced.</p>	<p>Resident satisfaction with Council's provision of cycling throughout the city is at least 44%.</p> <p>Resident satisfaction with Council's provision of availability of parking is at least 42%.</p> <p>The following are mandatory measures from the DIA:</p> <p>There is a reduction in the number of fatal and serious injury crashes from the previous year on the city's local road network.</p> <p>More than 3.5% of the sealed local road network is resurfaced.</p>
--	--	--	--	--	--

		<p>Greater than 93% of footpaths meet Council's standard (ie, rated 3 or above).</p> <p>Greater than 95% of road and footpath safety and critical requests for service are responded to (with at least an initial response) within three working days.</p> <p>The average quality of ride on the sealed local road network, measured by smooth travel exposure, is greater than 80%.</p>	<p>Greater than 93% of footpaths meet Council's standard (ie, rated 3 or above).</p> <p>Greater than 95% of road and footpath safety and critical requests for service are responded to (with at least an initial response) within three working days.</p> <p>The average quality of ride on the sealed local road network, measured by smooth travel exposure, is greater than 80%.</p>	<p>Greater than 93% of footpaths meet Council's standard (ie, rated 3 or above).</p> <p>Greater than 95% of road and footpath safety and critical requests for service are responded to (with at least an initial response) within three working days.</p> <p>The average quality of ride on the sealed local road network, measured by smooth travel exposure, is greater than 80%.</p>	<p>Greater than 93% of footpaths meet Council's standard (ie, rated 3 or above).</p> <p>Greater than 95% of road and footpath safety and critical requests for service are responded to (with at least an initial response) within three working days.</p> <p>The average quality of ride on the sealed local road network, measured by smooth travel exposure, is greater than 80%.</p>
--	--	--	--	--	--

Residents Survey Notes:

- Roading - Over the last two years an average of 32% are satisfied, 22% neutral and 46% dissatisfied.
- Footpaths - Over the last two years an average of 43% are satisfied, 24% neutral and 33% dissatisfied.
- Cycling - Over the last two years an average of 44% are satisfied, 40% neutral and 16% dissatisfied.
- Parking - Over the last two years an average of 42% are satisfied, 27% neutral and 31% dissatisfied.

The Transport Activity has some significant negative effects. They are:

- Transport related deaths and injuries have a large negative impact on those involved in any crash, including their family and friends, communities, and workplaces. Accidents involving pedestrians or cyclists have a negative impact on Council's goal of getting more people using active transport
- Transport emissions and their long-term negative impact of climate change
- Travel disruption and congestion mean longer travel times, which can be frustrating and inefficient especially for businesses

- Impact of vehicles on communities. This includes community severance due to high traffic volumes on strategic and arterial roads. It also includes traffic noise and vibration. High volumes of traffic, and especially heavy vehicles, can cause increased noise, vibration, and other disturbance to adjacent land use.

These negative effects are mitigated through a range of projects and improvements to the transport network, including:

- Encouraging means of transport such as cycling, walking and public transport
- Safety improvements, education and enforcement programmes and speed management, especially around high-risk areas such as schools
- Designing the network for traffic to flow more smoothly and to make it clearer which sorts of vehicles should be using which roads. This means:
 - getting heavy vehicles out of suburban areas and travelling on roads built to carry them
 - introducing pedestrian and cycle friendly features and making it clearer where they have more priority
 - Designing the road environment to include traffic calming facilities
 - Planting street trees
 - Good local urban design, and city planning to reduce urban sprawl.

Roading - Activity Financial Statements											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Revenue											
3,976	Roads	4,160	4,243	4,341	4,441	4,538	4,634	4,726	4,821	4,917	5,011
5,522	Parking	6,657	6,815	6,972	7,132	7,289	7,442	7,591	7,743	7,898	8,048
176	Street Facilities	184	188	192	197	201	205	209	213	218	222
413	Street Lighting	434	443	453	464	474	484	493	503	513	523
10,088	Total Revenue	11,435	11,689	11,958	12,233	12,502	12,765	13,020	13,281	13,546	13,804
Expenses											
18,183	Roads	17,355	18,217	21,656	22,527	22,541	24,977	25,831	26,557	27,624	29,566
-	Traffic Services	161	164	168	171	175	179	182	186	190	193
3,287	Parking	3,586	3,561	3,689	3,811	4,088	4,388	4,652	4,898	5,073	5,208
2,920	Street Facilities	6,043	6,188	6,531	6,715	6,950	7,428	7,679	7,947	8,376	8,506
2,070	Street Lighting	2,481	2,493	2,601	2,625	2,599	2,648	2,499	2,228	1,965	1,435
26,460	Total Expenses	29,625	30,624	34,645	35,850	36,353	39,620	40,844	41,817	43,228	44,909
16,371	NET OPERATING COSTS OF ACTIVITY	18,190	18,935	22,687	23,617	23,851	26,855	27,824	28,536	29,681	31,105
Rating Requirement											
(9,086)	Less Depreciation	(12,233)	(12,398)	(13,538)	(13,832)	(14,087)	(15,613)	(15,887)	(16,169)	(18,103)	(18,695)
-	Less Transfers To/(From) Reserves										
3,264	Plus Net Capital Renewal (3 Year Average)	4,876	5,145	5,541	6,250	7,434	9,270	10,772	11,838	12,114	10,973
1,580	Plus Debt Repayment	1,334	1,548	1,696	1,899	2,895	3,855	5,618	8,171	10,721	13,777
12,130	RATES REQUIREMENT	12,167	13,230	16,385	17,934	20,093	24,367	28,327	32,376	34,414	37,159

Roading - Activity Financial Statements											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Capital Expenditure											
5,424	Renewal	9,120	9,404	10,404	10,750	11,805	14,726	17,975	23,027	23,902	24,477
14,662	New	10,592	11,455	17,093	20,528	16,507	10,059	9,237	8,147	40,345	44,606
-	Growth	6,333	3,794	5,969	235	4,986	11,495	13,259	27,373	13,795	22,911
20,086	Total Capital Expenditure	26,044	24,653	33,465	31,513	33,297	36,280	40,471	58,548	78,042	91,995
Funded By											
4,229	External Revenue New / Growth	4,361	6,008	11,548	10,371	10,926	9,082	9,027	22,406	25,066	41,960
-	External Revenue Renewal	4,503	4,645	5,152	5,324	5,859	7,345	8,999	11,573	12,015	12,305
1,022	Development Contributions	414	467	625	784	995	1,182	1,305	1,350	1,386	1,400
3,264	Rates	4,876	5,145	5,541	6,250	7,434	9,270	10,772	11,838	12,114	10,973
18,099	New Borrowing / (Repayment)	11,891	8,387	10,599	8,782	8,084	9,400	10,368	11,382	27,461	25,357
20,086	Total	26,044	24,653	33,465	31,513	33,297	36,280	40,471	58,548	78,042	91,995

Roading - Capital Renewal												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
74 - City-wide - Street Light Renewals	0%	100%	500	510	522	534	546	557	568	579	591	602
82 - City-wide - Off-Street Parking - Renewals	0%	100%	150	153	157	160	164	167	170	174	177	181
115 - City-wide - Sealed Roads - Pavement Rehabilitation	0%	100%	3,100	3,264	3,444	3,630	3,819	4,010	5,113	4,404	4,610	4,818
122 - City-wide - Road Drainage Renewals	0%	100%	500	510	574	587	655	668	1,023	753	827	843
139 - City-wide - Sealed Road Resurfacing	0%	100%	3,200	3,264	3,757	3,843	4,364	4,456	5,113	5,215	5,319	5,421
162 - City-wide - Vehicle Crossing Renewals	0%	100%	140	143	146	149	153	156	159	162	165	169
2357 - Bunnythorpe - Transport - Pavement Renewals	0%	100%	200	204	209	214	218	2,785	3,409	232	236	241
2375 - City-wide - Unsealed Roads - Resurfacing	0%	100%	100	102	104	107	109	111	114	116	118	120
2376 - City-wide - Traffic Services - Renewals	0%	100%	600	612	730	747	873	891	1,136	1,043	1,182	1,205
2377 - City-wide - Transport - Environmental Renewals	0%	100%	30	31	31	32	33	33	34	35	35	36
2379 - City-wide - Transport - Structural Component Renewal	0%	100%	600	612	730	747	873	891	1,136	1,043	1,182	1,205
2453 - City-wide - Transport - Bridge Replacements	0%	100%	-	-	-	-	-	-	-	9,271	9,457	9,637
TOTAL			9,120	9,404	10,404	10,750	11,805	14,726	17,975	23,027	23,902	24,477
Funded Externally			4,503	4,645	5,152	5,324	5,859	7,345	8,999	11,573	12,015	12,305
Funded by Council (Rates and Borrowing)			4,617	4,759	5,252	5,425	5,946	7,380	8,976	11,455	11,887	12,172

Roading - Capital New / Growth												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
159 - Kelvin Grove Road - Safety Improvements	0%	100%	1,000	1,020	1,044	2,135	2,182	2,228	2,272	-	-	-
201 - Urban Growth - Transport - Development Contributions Top-up	100%	0%	220	224	230	235	240	245	250	255	260	265
1003 - Whakarongo - Intersection - Safety Improvements	25%	75%	1,200	510	5,739	-	-	-	-	-	-	-
1681 - Urban Growth - Kikiwhenua - Transport	75%	25%	3,000	3,060	-	-	-	-	-	-	-	964
1804 - City-wide - Road Drainage - Additional Drainage Upgrades	0%	100%	120	122	125	128	131	134	136	139	142	145
1807 - City-wide - Car Park Infrastructure Improvements	0%	100%	500	-	-	-	-	-	-	-	-	-
1944 - Villages - Transport - Road Upgrades to Urban Standard	0%	100%	300	1,224	313	1,281	327	1,337	341	1,391	355	1,446
2013 - PNITI – Strategic Transport Corridor Improvements	25%	75%	-	-	-	-	-	-	-	-	33,099	36,138
2058 - Urban Growth - NEIZ - New Roads	75%	25%	-	-	-	-	-	5,013	6,363	6,490	6,620	-
2123 - Urban Growth - Kakatangiata - New Roads	0%	100%	-	-	-	-	-	-	1,704	13,907	1,773	14,455
2124 - Urban Growth - Ashhurst - New Roads	0%	100%	1,913	-	-	-	382	1,782	398	2,086	414	2,409
2204 - City-wide - Street Racer Prevention	0%	100%	60	61	63	64	65	67	68	70	71	72
2335 - Stoney Creek Road - Safety Improvements	0%	100%	500	3,264	4,800	3,416	-	-	-	-	-	-
2359 - PNITI - Bunnythorpe - Bridge Replacements	25%	75%	-	-	1,044	7,473	7,637	-	-	-	-	-
2362 - City-wide - Transport - Bridge Improvements	0%	100%	200	816	835	854	873	891	909	927	946	964
2380 - City-wide - Transport - Emergency Reinstatements	0%	100%	250	255	261	267	273	278	284	290	296	301
2389 - Urban Growth - Aokautere - Transport Improvements	49%	51%	-	-	-	-	4,364	4,456	4,545	4,636	4,728	4,818
2390 - City-wide - Transport - Low Cost/ Low Risk and Road to Zero	0%	100%	4,000	4,080	4,174	4,270	4,364	4,456	4,545	4,636	4,728	4,818
2428 - City-wide - Street Trees - New and Replacements	0%	100%	600	612	626	641	655	668	682	695	709	723
2456 - Cliff Road Upgrade - Te Motu O Poutoa	0%	100%	500	-	3,809	-	-	-	-	-	-	-
2526 - Amberley Avenue Bridge	0%	100%	2,562	-	-	-	-	-	-	-	-	-
TOTAL			16,924	15,249	23,061	20,763	21,493	21,554	22,497	35,520	54,140	67,518
Funded Externally			4,361	6,008	11,548	10,371	10,926	9,082	9,027	22,406	25,066	41,960
Funded by Council (Rates and Borrowing)			12,564	9,241	11,513	10,392	10,567	12,472	13,470	13,115	29,074	25,557

Roading -Operational												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1977 - Business Case - Milson Line Rail Overbridge	0%	100%	-	-	678	694	-	-	-	-	-	-
2001 - Business Case - Stoney Creek Road Upgrade	0%	100%	-	-	678	374	-	-	-	-	-	-
2477 - Regional Freight Ring Road Indicative Business Case	0%	100%	500	459	470	-	-	-	-	-	-	-
2478 - Palmerston North Integrated Transport Initiative Immediate Improvements Business Case	0%	100%	-	-	-	214	273	-	-	-	-	-
2479 - Regional Freight Ring Road Detailed Business Case - Section 1	0%	100%	-	-	-	-	709	1,058	-	-	-	-
2480 - Regional Freight Ring Road Detailed Business Case - Section 2	0%	100%	-	-	-	-	-	1,058	739	-	-	-
2481 - Regional Freight Ring Road Detailed Business Case - Section 3	0%	100%	-	-	-	-	-	-	1,136	1,738	-	-
2484 - Te Utunganui Transport Improvements Business Case	0%	100%	-	-	-	480	491	-	-	-	-	-
2485 - Aokautere Urban Growth Business Case	0%	100%	-	-	470	480	-	-	-	-	-	-
2487 - Parking Management Plans	0%	100%	50	51	52	-	-	-	-	-	-	-
2533 - Future Development Strategy - Technical Support - Transport	0%	100%	60	61	63	64	-	-	-	-	-	-
TOTAL			610	571	2,410	2,306	1,473	2,116	1,875	1,738	-	-
Funded Externally			255	234	479	599	751	1,079	956	887	-	-
Funded by Council (Rates and Borrowing)			355	337	1,932	1,707	722	1,037	919	852	-	-

Active and Public Transport - Activity Financial Statements											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Revenue											
868	Active Transport	872	889	910	931	951	971	991	1,011	1,031	1,050
150	Footpaths	157	160	164	167	171	175	178	182	185	189
139	Public Transport	-	-	-	-	-	-	-	-	-	-
1,157	Total Revenue	1,029	1,049	1,074	1,098	1,122	1,146	1,169	1,192	1,216	1,239
Expenses											
2,535	Active Transport	1,455	1,610	2,139	2,224	2,337	2,474	2,587	2,666	2,820	2,865
2,372	Footpaths	3,604	3,699	3,952	4,005	4,055	4,366	4,416	4,467	4,811	4,862
223	Public Transport	298	622	747	833	1,163	1,194	1,165	1,094	1,019	856
5,129	Total Expenses	5,357	5,931	6,838	7,062	7,555	8,033	8,169	8,228	8,650	8,583
3,972	NET OPERATING COSTS OF ACTIVITY	4,328	4,881	5,765	5,964	6,432	6,887	7,000	7,036	7,434	7,343
Rating Requirement											
(1,789)	Less Depreciation	(2,692)	(2,773)	(3,114)	(3,321)	(3,536)	(3,909)	(4,000)	(4,059)	(4,504)	(4,547)
-	Less Transfers To/(From) Reserves										
706	Plus Net Capital Renewal (3 Year Average)	1,034	1,066	1,107	1,140	1,183	1,216	1,249	1,274	1,302	1,565
480	Plus Debt Repayment	327	378	455	597	1,027	1,353	1,971	2,846	3,735	4,750
3,369	RATES REQUIREMENT	2,998	3,552	4,213	4,380	5,106	5,547	6,220	7,097	7,967	9,111

Active and Public Transport - Activity Financial Statements											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Capital Expenditure											
1,103	Renewal	2,050	2,091	2,191	2,242	2,346	2,395	2,500	2,550	2,601	2,650
12,455	New	3,950	7,140	9,965	10,462	1,691	4,233	1,761	4,056	1,478	4,216
-	Growth	-	-	-	-	-	-	-	-	-	-
13,558	Total Capital Expenditure	6,000	9,231	12,157	12,703	4,037	6,628	4,261	6,606	4,078	6,866
Funded By											
11,778	External Revenue New / Growth	1,913	3,537	5,082	5,335	862	2,159	898	2,069	754	2,150
-	External Revenue Renewal	1,046	1,066	1,118	1,143	1,196	1,221	1,275	1,300	1,326	1,352
-	Development Contributions	-	-	-	-	-	-	-	-	-	-
706	Rates	1,034	1,066	1,107	1,140	1,183	1,216	1,249	1,274	1,302	1,565
2,486	New Borrowing / (Repayment)	2,008	3,562	4,850	5,084	795	2,032	838	1,963	697	1,800
13,558	Total	6,000	9,231	12,157	12,703	4,037	6,628	4,261	6,606	4,078	6,866

Active and Public Transport - Capital Renewal												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
64 - City-wide - Footpath - Renewals	0%	100%	1,150	1,173	1,252	1,281	1,364	1,392	1,477	1,507	1,537	1,566
181 - City-wide - Public Transport Infrastructure Renewa	0%	100%	150	153	157	160	164	167	170	174	177	181
2256 - Bunnythorpe - Transport - Footpath Renewals	0%	100%	50	51	52	53	55	56	57	58	59	60
2371 - City-wide - Cycling Network - Renewals	0%	100%	300	306	313	320	327	334	341	348	355	361
2372 - City-wide - Streetscape - Renewals	0%	100%	50	51	52	53	55	56	57	58	59	60
2373 - City-wide - Shared Pathways - Renewals	0%	100%	300	306	313	320	327	334	341	348	355	361
2383 - City-wide - Active Transport Supporting Infrastructure - Renewals	0%	100%	50	51	52	53	55	56	57	58	59	60
TOTAL			2,050	2,091	2,191	2,242	2,346	2,395	2,500	2,550	2,601	2,650
Funded Externally			1,046	1,066	1,118	1,143	1,196	1,221	1,275	1,300	1,326	1,352
Funded by Council (Rates and Borrowing)			1,005	1,025	1,074	1,098	1,149	1,173	1,225	1,249	1,274	1,299

Active and Public Transport - Capital New / Growth												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
243 - City Centre - Transit Hub Redevelopment	0%	100%	-	-	6,261	6,405	-	-	-	-	-	-
1121 - Tennent Drive - Safety Improvements - Food HQ & Massey	0%	100%	200	1,020	-	-	-	-	-	-	-	-
1559 - City-wide - Cycling Network Improvements	0%	100%	250	2,550	261	2,669	273	2,785	284	2,897	296	3,012
1680 - City-wide - Public Transport - Network Improvements	0%	100%	500	510	522	534	546	557	568	579	591	602
2057 - City-wide - Shared Pathways - New and Link Improvements	0%	100%	2,000	2,040	2,087	-	-	-	-	-	-	-
2231 - City-wide - Public Transport - Transport Choices - Additional Bus Shelters	0%	100%	200	204	-	-	-	-	-	-	-	-
2368 - City-wide - Footpaths - New	0%	100%	500	510	522	534	546	557	568	579	591	602
2505 - City-wide - Shared Pathways - Slip Prevention	0%	100%	300	306	313	320	327	334	341	-	-	-
TOTAL			3,950	7,140	9,965	10,462	1,691	4,233	1,761	4,056	1,478	4,216
Funded Externally			1,913	3,537	5,082	5,335	862	2,159	898	2,069	754	2,150
Funded by Council (Rates and Borrowing)			2,038	3,603	4,883	5,126	829	2,074	863	1,988	724	2,066

Active and Public Transport - Operational												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
2464 - City Centre Transport Indicative Business Case	0%	100%	75	-	-	-	-	-	-	-	-	-
2473 - Roads and Streets Framework	0%	100%	-	-	63	-	-	-	-	-	-	-
2476 - Bus Hub Detailed Business Case	0%	100%	-	230	235	-	-	-	-	-	-	-
TOTAL			75	230	297	-	-	-	-	-	-	-
Funded Externally			38	117	152	-	-	-	-	-	-	-
Funded by Council (Rates and Borrowing)			37	112	146	-	-	-	-	-	-	-

Toi me ngā taonga tuku iho

Arts and Heritage

**We want to celebrate the arts and the city’s history and cultural diversity.
We want there to be lots for people to do in our creative and exciting city**

The arts bring the city to life, challenge ideas, and generate excitement. Palmerston North has a strong arts sector and thriving art scene. It is home to notable local artists, exhibitions, cultural facilities, and events.

The heritage of the city contributes to our identity and sense of belonging. Understanding and celebration of the city’s heritage shapes our city’s character.

We want our city arts and cultural facilities to be strong and resilient. We want to collaborate with our community to showcase and make our diverse city heritage more visible and understood. We want to see our heritage become part of our cityscape.

This Activity’s levels of service (see table below) will contribute to our:

Goal 1 outcomes for our communities to have: a city that fosters pride and supports the aspirations of people and communities.

Goal 2 outcomes for our communities to have: a vibrant city that connects people and where we build creativity into our infrastructure; an arts community and cultural facilities that are well supported and invested in; our unique heritage preserved and promoted; opportunities to celebrate our many cultures; access to exciting well-managed events and activities throughout the city and its neighbourhoods; places across the city and its neighbourhoods for communities to take part in play and recreation.

Goal 3 outcomes for our communities to have: opportunities for involvement and to contribute to Council decision-making.

What We Will Do (Our levels of service)	What This Means	Year 1 Targets (2024-25)	Year 2 Targets (2025-26)	Year 3 Targets (2026-27)	Year 4-10 Targets
Support community arts initiatives and organisations.	The value of the arts is evident in our cityscape. There is support for local arts organisations and creative initiatives.	Narrative measure outlining initiatives undertaken by Council-supported organisations to promote the arts in the City.	Narrative measure outlining initiatives undertaken by Council-supported organisations to promote the arts in the City.	Narrative measure outlining initiatives undertaken by Council-supported organisations to promote the arts in the City.	Narrative measure outlining initiatives undertaken by Council-supported organisations to promote the arts in the City.
Provide and support cultural facilities.	The Regent on Broadway and the Globe Theatre provide opportunities for our city communities to attend and take part in a wide variety of performances. Te Manawa is a central city museum, art gallery, and science centre for the wider region.	Narrative measure summarising the results from the Regent and Globe Theatres and Te Manawa 6 and 12 monthly reports.	Narrative measure summarising the results from the Regent and Globe Theatres and Te Manawa 6 and 12 monthly reports.	Narrative measure summarising the results from the Regent and Globe Theatres and Te Manawa 6 and 12 monthly reports.	Narrative measure summarising the results from the Regent and Globe Theatres and Te Manawa 6 and 12 monthly reports.
Promote, protect, celebrate, and share knowledge of local history.	City communities have opportunities to see and learn about the various threads of Palmerston North's history. This includes the history of Rangitāne o Manawatū, the development of the cityscape, military and railway heritage, and the stories of the many and diverse communities who live here.	Narrative measure outlining Council's actions supporting local history, including support for Rangitāne in its kaitiaki role, and their outcomes.	Narrative measure outlining Council's actions supporting local history, including support for Rangitāne in its kaitiaki role, and their outcomes.	Narrative measure outlining Council's actions supporting local history, including support for Rangitāne in its kaitiaki role, and their outcomes.	Narrative measure outlining Council's actions supporting local history, including support for Rangitāne in its kaitiaki role, and their outcomes.
Support Rangitāne o Manawatū in its role as kaitiaki of their historic heritage places.	Rangitāne o Manawatū identifies projects and initiatives of greatest priority. Council works with Rangitāne o Manawatū in support of shared and agreed outcomes to promote community wellbeing.				
Provide, fund, and support city and community events.	There is a variety of local city and community events and festivals throughout the year. Communities have opportunities to share and celebrate their	Narrative measure outlining the number and range of Council	Narrative measure outlining the number and range of Council	Narrative measure outlining the number and range of Council	Narrative measure outlining the number and range of Council

	cultural identity and interests. New and developing events attract and engage new audiences.	provided and supported events, including attendance numbers and satisfaction.	provided and supported events, including attendance numbers and satisfaction.	provided and supported events, including attendance numbers and satisfaction.	provided and supported events, including attendance numbers and satisfaction.
--	--	---	---	---	---

Arts and Heritage - Activity Financial Statements											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Revenue											
1	Community & Commemorative Events	3	3	3	3	3	3	3	3	3	3
1	Other Cultural Facilities	-	-	-	-	-	-	-	-	-	-
189	Support to arts, culture & heritage groups	240	244	250	255	261	266	271	276	281	286
33	Te Manawa	33	34	35	36	36	37	38	38	39	40
224	Total Revenue	276	281	287	294	300	306	312	317	323	329
Expenses											
1,565	Community & Commemorative Events	1,434	1,451	1,503	1,565	1,653	1,739	1,806	1,852	1,853	1,816
156	Heritage Management	250	256	264	186	190	194	198	202	205	209
2,902	Other Cultural Facilities	3,082	3,187	3,498	4,197	4,556	4,684	5,549	6,091	6,210	7,209
2,529	Support to arts, culture & heritage groups	3,203	3,148	3,282	3,474	3,686	3,913	4,106	4,306	4,463	4,601
5,276	Te Manawa	5,558	5,756	5,974	6,152	6,257	6,373	6,566	6,667	6,780	6,979
12,427	Total Expenses	13,527	13,799	14,521	15,575	16,342	16,903	18,225	19,117	19,511	20,815
12,203	NET OPERATING COSTS OF ACTIVITY	13,252	13,518	14,234	15,281	16,042	16,597	17,913	18,800	19,188	20,486
Rating Requirement											
(2,811)	Less Depreciation	(3,019)	(3,019)	(3,070)	(3,490)	(3,663)	(3,678)	(4,493)	(4,944)	(4,960)	(5,929)
-	Less Transfers To/(From) Reserves										
568	Plus Net Capital Renewal (3 Year Average)	547	590	598	606	581	592	603	614	616	619
155	Plus Debt Repayment	211	222	263	377	618	763	1,074	1,510	1,898	2,398
10,115	RATES REQUIREMENT	10,991	11,310	12,025	12,774	13,579	14,275	15,098	15,979	16,742	17,574

Arts and Heritage - Activity Financial Statements											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Capital Expenditure											
565	Renewal	535	546	558	666	571	581	592	603	614	625
3,784	New	-	2,042	6,783	6,925	1,087	32,112	33,849	1,149	33,910	35,709
-	Growth	-	-	-	-	-	-	-	-	-	-
4,349	Total Capital Expenditure	535	2,588	7,341	7,591	1,657	32,693	34,441	1,752	34,524	36,334
Funded By											
-	External Revenue New / Growth	-	-	-	-	978	28,901	30,464	1,034	30,519	32,138
-	External Revenue Renewal	-	-	-	-	-	-	-	-	-	-
-	Development Contributions	-	-	-	-	-	-	-	-	-	-
568	Rates	547	590	598	606	581	592	603	614	616	619
4,917	New Borrowing / (Repayment)	(12)	1,998	6,743	6,985	98	3,200	3,374	104	3,389	3,577
4,349	Total	535	2,588	7,341	7,591	1,657	32,693	34,441	1,752	34,524	36,334

Arts and Heritage - Capital Renewal												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
213 - Cultural Facilities - Renewals	0%	100%	500	511	522	533	543	554	564	574	585	595
1496 - Replacement of Street Flags	0%	100%	25	26	26	27	27	28	28	29	29	30
2364 - City Christmas Tree in The Square	0%	100%	-	-	-	107	-	-	-	-	-	-
2420 - Caccia Birch Signage Renewals	0%	100%	10	10	10	-	-	-	-	-	-	-
TOTAL			535	546	558	666	571	581	592	603	614	625
Funded Externally			-	-	-	-	-	-	-	-	-	-
Funded by Council (Rates and Borrowing)			535	546	558	666	571	581	592	603	614	625

Arts and Heritage - Capital New / Growth												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
902 - Property - Seismic Strengthening of Council Properties	0%	100%	-	2,042	6,783	6,925	-	-	-	-	-	-
2518 - Property - Central Library and Te Manawa Redevelopments	0%	100%	-	-	-	-	1,087	32,112	33,849	1,149	33,910	35,709
TOTAL			-	2,042	6,783	6,925	1,087	32,112	33,849	1,149	33,910	35,709
Funded Externally			-	-	-	-	978	28,901	30,464	1,034	30,519	32,138
Funded by Council (Rates and Borrowing)			-	2,042	6,783	6,925	109	3,211	3,385	115	3,391	3,571

Arts and Heritage - Operational												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
362 - Short Term Support to New Zealand Rugby Museum	0%	100%	10	-	-	-	-	-	-	-	-	-
1447 - Earthquake prone heritage building fund	0%	100%	75	78	81	-	-	-	-	-	-	-
1573 - Arts Event Fund	0%	100%	53	54	55	56	57	58	59	60	62	63
2417 - Caccia Birch Masterplan	0%	100%	54	-	-	-	-	-	-	-	-	-
2418 - Caccia Birch Service Model delivery review	0%	100%	20	-	-	-	-	-	-	-	-	-
2419 - Caccia Birch Website	0%	100%	10	-	-	-	-	-	-	-	-	-
2498 - Natural and Cultural Heritage Incentive Fund	0%	100%	50	51	52	53	54	55	57	58	59	60
TOTAL			272	182	188	109	111	114	116	118	120	122
Funded Externally			35	35	36	37	38	38	39	40	41	41
Funded by Council (Rates and Borrowing)			237	147	152	72	74	75	77	78	80	81

Rēhia

Recreation and play

We want Palmerston North to be one of the most active communities in New Zealand.

Being active supports all aspects of health, as recognised in the Māori understanding of te whare tapa whā. Our actions can help our communities to be more active and improve well-being and resilience.

We will work collaboratively with others to respond to community needs. We want to offer accessible and inclusive places with opportunities for everyone. Our activities will promote biodiversity and a healthy ecosystem.

This Activity's levels of service (see table below) will contribute to our:

Goal 2 outcomes for our communities to have: access to exciting well-managed events and activities throughout the city and its neighbourhoods; and places across the city and its neighbourhoods for communities to take part in play and recreation.

Goal 3 outcomes for our communities to have: access to services and facilities that are inclusive and appropriate for their needs; the support they want to live healthy lives; and opportunities for involvement and to contribute to Council decision-making.

Goal 4 outcomes for our communities to have: a sustainable, and low-emissions city; a healthy, thriving ecosystem, including native biodiversity and food security; the Manawatū River and waterways restored to a healthy, respected and connected state; sustainable urban planning with a low-carbon built environment ; and a safe, affordable and resilient water supply.

What We Will Do (Our levels of service)	What This Means	Year 1 Targets (2024-25)	Year 2 Targets (2025-26)	Year 3 Targets (2026-27)	Year 4-10 Targets
Provide city, suburb, and local parks and reserves, sports fields and facilities, walkways and shared paths.	There is a variety of accessible, well-maintained and affordable places for communities to be active throughout the city. The nature and design of our recreation places reflect our communities' needs and aspirations. Sportsfields are suitable for play and available for use when they are most needed. Communities have access to the support they need to be active.	<p>Narrative measure outlining Parks Check Annual Survey results on how well Council's parks are meeting community expectations.</p> <p>Parks Check satisfaction of at least 90% satisfied or very satisfied with overall quality of sportsfields, parks and reserves.</p>	<p>Narrative measure outlining Parks Check Annual Survey results on how well Council's parks are meeting community expectations.</p> <p>Parks Check satisfaction of at least 90% satisfied or very satisfied with overall quality of sportsfields, parks and reserves.</p>	<p>Narrative measure outlining Parks Check Annual Survey results on how well Council's parks are meeting community expectations.</p> <p>Parks Check satisfaction of at least 90% satisfied or very satisfied with overall quality of sportsfields, parks and reserves.</p>	<p>Narrative measure outlining Parks Check Annual Survey results on how well Council's parks are meeting community expectations.</p> <p>Parks Check satisfaction of at least 90% satisfied or very satisfied with overall quality of sportsfields, parks and reserves.</p>
Provide swimming pools and other water-based recreation facilities.	There is a variety of accessible places for communities to swim and take part in water sports and play. There is no cost to swim for children under five.	<p>Usage numbers at Lido, Freyberg and Ashhurst Pools are maintained or increased.</p> <p>Resident satisfaction with Council's provision of public swimming pools is at least 65%. (See Note)</p>	<p>Usage numbers at Lido, Freyberg and Ashhurst Pools are maintained or increased.</p> <p>Resident satisfaction with Council's provision of public swimming pools is at least 65%. (See Note)</p>	<p>Usage numbers at Lido, Freyberg and Ashhurst Pools are maintained or increased.</p> <p>Resident satisfaction with Council's provision of public swimming pools is at least 65%. (See Note)</p>	<p>Usage numbers at Lido, Freyberg and Ashhurst Pools are maintained or increased.</p> <p>Resident satisfaction with Council's provision of public swimming pools is at least 65%. (See Note)</p>

Provide community sport and sport-event facilities at Central Energy Trust Arena.	The Arena provides accessible and affordable opportunities for community sport and recreation. Opportunities for communities to take part in active sport and recreation are prioritised over other uses of Arena.	Narrative measure outlining number of community events and hours at the Arena in comparison to total number of events and hours. (See Note) Resident satisfaction with Council's provision of Central Energy Trust Arena is at least 70%. (see Note)	Narrative measure outlining number of community events and hours at the Arena in comparison to total number of events and hours. (See Note) Resident satisfaction with Council's provision of Central Energy Trust Arena is at least 70%. (see Note)	Narrative measure outlining number of community events and hours at the Arena in comparison to total number of events and hours. (See Note) Resident satisfaction with Council's provision of Central Energy Trust Arena is at least 70%. (see Note)	Narrative measure outlining number of community events and hours at the Arena in comparison to total number of events and hours. (See Note) Resident satisfaction with Council's provision of Central Energy Trust Arena is at least 70%. (see Note)
Support and fund for-purpose organisations and community partners.	Opportunities for sport and recreation are available throughout the city.	Narrative measure outlining initiatives undertaken by Council-supported organisations to provide sport and recreation opportunities.	Narrative measure outlining initiatives undertaken by Council-supported organisations to provide sport and recreation opportunities.	Narrative measure outlining initiatives undertaken by Council-supported organisations to provide sport and recreation opportunities.	Narrative measure outlining initiatives undertaken by Council-supported organisations to provide sport and recreation opportunities.
Provide and promote opportunities for play.	There are opportunities for play throughout the city for people of all ages, abilities and interests.	Narrative measure outlining Council's play initiatives and their outcomes (including target groups).	Narrative measure outlining Council's play initiatives and their outcomes (including target groups).	Narrative measure outlining Council's play initiatives and their outcomes (including target groups).	Narrative measure outlining Council's play initiatives and their outcomes (including target groups).

Note: Central Energy Trust Arena has some revenue-generating areas. The income from these reduces the cost to community users in the rest of Arena.

Residents Survey Notes:

➤ Aquatic facilities - Over the last two years an average of 63% are satisfied, 31% neutral and 6% dissatisfied.

➤ Central Energy Trust Arena - Over the last two years an average of 70% are satisfied, 26% neutral and 4% dissatisfied.

Recreation and play - Activity Financial Statements											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Revenue											
2,214	Central Energy Trust Arena	2,562	2,613	2,671	2,729	2,787	2,843	2,897	2,952	3,008	3,062
922	City Reserves	1,203	1,227	1,253	1,281	1,308	1,334	1,360	1,385	1,412	1,437
141	Local Reserves	69	70	72	74	75	77	78	79	81	82
129	Sportsfields	163	166	169	173	177	180	184	187	191	194
-	Swimming Pools	5	5	5	5	5	36	315	317	323	329
3,407	Total Revenue	4,001	4,081	4,171	4,262	4,352	4,470	4,833	4,921	5,014	5,104
Expenses											
9,168	Central Energy Trust Arena	9,867	10,147	10,833	13,573	12,608	13,118	14,771	14,686	15,166	15,821
4,736	City Reserves	5,227	5,322	5,496	5,705	5,945	5,913	5,918	5,736	5,391	4,849
6,222	Local Reserves	4,116	4,101	4,343	4,651	5,026	5,168	5,483	5,768	6,056	6,364
2,792	Sportsfields	4,024	4,956	4,540	4,660	4,615	4,734	4,801	4,896	5,031	5,098
937	Support to recreation groups	641	654	670	682	650	705	715	726	737	746
2,947	Swimming Pools	2,964	3,118	3,055	3,103	3,167	3,233	3,419	3,458	3,495	3,540
26,803	Total Expenses	26,839	28,298	28,937	32,375	32,011	32,870	35,106	35,271	35,876	36,417
23,396	NET OPERATING COSTS OF ACTIVITY	22,838	24,217	24,766	28,112	27,659	28,401	30,274	30,350	30,862	31,313
Rating Requirement											
(7,871)	Less Depreciation	(7,848)	(7,910)	(8,072)	(8,581)	(8,726)	(8,883)	(9,511)	(9,753)	(9,904)	(10,545)
-	Less Transfers To/(From) Reserves	-	(867)	(235)	(240)	-	-	-	-	-	-
2,912	Plus Net Capital Renewal (3 Year Average)	3,781	4,968	4,687	4,688	3,863	3,776	3,730	3,578	3,614	3,519
1,390	Plus Debt Repayment	1,215	1,339	1,657	1,931	3,049	4,148	6,219	9,364	12,516	15,892
19,827	RATES REQUIREMENT	19,985	21,747	22,803	25,911	25,845	27,442	30,712	33,539	37,088	40,178

Recreation and play - Activity Financial Statements											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Capital Expenditure											
3,727	Renewal	3,561	5,070	3,761	6,667	3,632	3,766	4,191	3,372	3,627	3,737
7,312	New	2,693	9,165	11,589	3,156	3,701	5,408	6,919	6,169	2,702	2,815
-	Growth	273	526	4,758	2,943	2,240	1,505	3,008	3,480	3,043	783
11,039	Total Capital Expenditure	6,528	14,761	20,108	12,766	9,573	10,678	14,118	13,021	9,371	7,334
Funded By											
351	External Revenue New / Growth	419	4	2,680	172	656	1,036	326	1,951	2,432	346
-	External Revenue Renewal	-	594	-	-	-	-	-	-	-	-
355	Development Contributions	285	321	429	539	684	812	896	927	952	962
2,912	Rates	3,781	4,968	4,687	4,688	3,863	3,776	3,730	3,578	3,614	3,519
13,245	New Borrowing / (Repayment)	2,043	8,874	12,312	7,367	4,370	5,055	9,166	6,564	2,373	2,507
11,039	Total	6,528	14,761	20,108	12,766	9,573	10,678	14,118	13,021	9,371	7,334

Recreation and play - Capital Renewal												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
819 - Central Energy Trust Arena - Replacement of Equipment	0%	100%	60	214	381	389	359	316	254	184	187	71
1051 - CET Arena - Arena Renewals	0%	100%	500	511	522	533	543	554	564	574	585	595
1127 - City Reserves - Victoria Esplanade Shade House (including Bonsai Display)	0%	100%	-	311	299	-	-	-	-	-	-	-
1242 - Central Energy Trust Arena - Replacement for Arena Big Screen	0%	100%	-	1,188	-	-	-	-	-	-	-	-
1759 - CET Arena - Grounds Renewals	0%	100%	40	41	42	43	43	44	45	46	47	48
1786 - Recreational Buildings - Sports Pavilion and Changing Room Renewals	0%	100%	200	357	209	-	-	-	113	115	117	119
1827 - Local Reserves - Renewals	0%	100%	798	871	821	830	880	879	876	890	944	917
1829 - Sportsfields and Artificial Turfs - Renewals	0%	100%	260	285	291	821	557	934	614	416	544	301
1830 - City Reserves - Memorial Park - Renewals	0%	100%	30	47	39	50	21	23	104	48	36	51
1831 - City Reserves - Te Marae o Hine - The Square - Renewals	0%	100%	69	34	79	34	23	70	67	15	109	157
1832 - City Reserves - Ashhurst Domain - Renewals	0%	100%	100	102	104	94	54	70	93	67	69	60
1834 - City Reserves - Walkways - Renewals	0%	100%	120	123	125	128	130	133	135	138	140	143
1835 - City Reserves - Linklater Reserve - Renewals	0%	100%	15	15	13	15	10	27	84	11	10	14
1837 - Swimming Pools - Pool Renewals	0%	100%	1,153	723	756	1,050	742	565	642	534	576	720
1840 - City Reserves - Victoria Esplanade - Renewals	0%	100%	217	96	81	390	268	151	599	333	264	539
2361 - CET Arena - Replacement of Grandstand Roof	0%	100%	-	-	-	2,131	-	-	-	-	-	-
2396 - Arena Masterkey System/ Access Control Improvements	0%	100%	-	153	-	-	-	-	-	-	-	-
2401 - Mobile Community Screen Upgrade	0%	100%	-	-	-	160	-	-	-	-	-	-
TOTAL			3,561	5,070	3,761	6,667	3,632	3,766	4,191	3,372	3,627	3,737
Funded Externally			-	594	-	-	-	-	-	-	-	-
Funded by Council (Rates and Borrowing)			3,561	4,476	3,761	6,667	3,632	3,766	4,191	3,372	3,627	3,737

Recreation and play - Capital New / Growth												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
111 - Local Reserves - Roslyn - Edwards Pit Park Development	0%	100%	25	26	-	-	-	-	-	-	-	-
967 - City-wide - Edibles Planting	0%	100%	5	5	5	5	5	6	6	6	6	6
1099 - Parks and Reserves - Shade Development	0%	100%	40	20	21	21	22	22	23	23	23	24
1194 - CET Arena - Masterplan Redevelopment	0%	100%	500	8,168	8,870	1,065	2,173	2,215	5,642	5,743	2,339	2,381
1560 - Sportsfields - Bill Brown Park - Additional Carparking	0%	100%	-	-	-	491	-	-	-	-	-	-
1763 - CET Arena - Property Purchase	0%	100%	840	-	-	-	-	-	-	-	-	-
1838 - City Reserves - Victoria Esplanade - Exotic Aviaries	0%	100%	100	15	16	16	-	-	-	-	-	-
1845 - City Reserves - Te Marae o Hine - The Square - Capital New	0%	100%	-	-	102	123	109	-	-	-	-	-
1846 - City Reserves - Walkway Extensions - Capital New	34%	66%	184	189	211	321	327	206	476	485	218	222
1847 - City Reserves - Victoria Esplanade - Capital New	0%	100%	34	61	81	153	39	133	68	55	7	71
1848 - City Reserves - Linklater Reserve - Capital New	0%	100%	30	31	23	-	-	-	-	-	-	-
1849 - City Reserves - Ashhurst Domain - Capital New	0%	100%	-	83	-	-	-	-	-	-	-	-
1851 - Sportsfield Improvements - Capital New	0%	100%	208	263	259	86	-	188	-	-	-	-
1852 - Local Reserves - Improvements to existing reserves to close identified level of service gaps	0%	100%	228	233	238	224	228	193	196	200	182	186
1853 - Local Reserves - Development of Existing Reserves - Capital New	0%	100%	117	85	80	33	27	9	9	9	9	10
1854 - Swimming Pools - Splashhurst Pool Enhancements	0%	100%	56	57	-	-	-	-	-	-	-	-
1855 - Urban Growth - Aokautere - Reserves Purchase	0%	100%	-	-	2,677	-	656	-	-	-	-	-
1856 - City Reserves - Manawatu River Park - Roxburgh Entrance Development	34%	66%	-	153	-	-	-	-	-	-	-	-
1857 - Kikiwhenua Cultural Historic - Reserve Purchase and Development	0%	100%	-	-	991	-	37	838	-	-	-	-
1859 - Urban Growth - Whakarongo - Reserves Purchase and Development	100%	0%	-	-	1,683	400	204	24	751	357	182	-
1860 - Urban Growth - Ashhurst - Reserves Purchase and Development	0%	100%	-	-	-	168	-	-	-	611	158	-

Recreation and play - Capital New / Growth												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1861 - Urban Growth - Matangi - Whiskey Creek - Reserves Purchase and Development	100%	0%	-	-	-	228	-	23	432	177	-	-
1862 - Urban Growth - Kakatangiata Central - Reserves Purchase and Development	0%	100%	-	-	-	-	-	-	-	1,295	340	346
1884 - Local Reserves - Accessibility and Safety Improvements	0%	100%	116	118	121	123	126	128	130	133	135	137
2043 - Urban Growth - Napier Road Extension - Reserve and walkways purchase and development	100%	0%	-	-	-	330	-	6	283	-	-	-
2349 - Ashhurst - Te Apiti Masterplan - Three Bridges Loop Development	0%	100%	394	-	-	-	-	-	-	-	-	-
2366 - Securing the Future of the Lido Outdoor Hydroslices	0%	100%	-	-	-	-	11	664	-	-	-	-
2387 - City Reserves - Design of Chinese Themed Garden - Community Initiative	0%	100%	-	-	-	16	109	183	-	-	-	-
2426 - CET Arena - Upgrade of lighting to LED	0%	100%	-	-	783	799	815	830	846	-	-	-
2442 - Urban Growth - Kakatangiata North - Cloverlea - Reserves Purchase and Development	0%	100%	-	-	-	-	-	1,036	-	46	1,084	-
2445 - Urban Growth - Kikiwhenua - Reserves Purchase and Development	100%	0%	-	-	-	1,269	-	-	304	303	-	-
2516 - Urban Growth - Kakatangiata South (excluding Kikiwhenua) - Local Reserve	0%	100%	-	-	-	-	-	-	326	-	850	-
2527 - Urban Growth - Aokautere - Reserves Development	100%	0%	89	184	188	227	1,053	209	435	207	211	215
TOTAL			2,966	9,691	16,347	6,098	5,942	6,913	9,928	9,649	5,744	3,597
Funded Externally			419	4	2,680	172	656	1,036	326	1,951	2,432	346
Funded by Council (Rates and Borrowing)			2,547	9,687	13,667	5,926	5,286	5,877	9,601	7,698	3,312	3,251

Recreation and play -Operational												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1356 - Sportsfields and Outdoor Courts - Hockey Turf Renewal Grant - Massey University	0%	100%	-	-	-	-	348	-	-	-	-	-
1424 - Active Community Access Fund - Low Income Opportunities	0%	100%	12	12	12	13	13	13	13	14	14	14
2519 - Sportsfields - Artificial Football Field (subject to external funding)	0%	100%	-	867	-	43	44	44	45	46	47	48
2524 - Feasibility study - 50 Metre Pool	0%	100%	-	102	-	-	-	-	-	-	-	-
2537 - Support for Covered Bowling Green to Bowls Palmerston North	0%	100%	-	-	235	240	-	-	-	-	-	-
TOTAL			12	981	247	295	404	57	58	60	61	62
Funded Externally			-	-	-	-	-	-	-	-	-	-
Funded by Council (Rates and Borrowing)			12	981	247	295	404	57	58	60	61	62

Tautāwhi hapori

Community support

We want a strong and connected community, where diversity is celebrated.

For-purpose organisations are strong and resilient when they have stable governance, appropriate funding, volunteer support, and time to build relationships and learn from others. We understand that communities are best placed to identify, understand, and develop solutions to meet their own needs. We will promote community wellbeing through transparent and fair access to funding and support. A community-led development approach underpins our work.

Nine community centres provide places for people to meet and take part in community activities. Each of these centres has a different operational model and meets different needs. Caccia Birch provides a place for communities to meet, and Hancock Community House is a central hub for community services.

We want community facilities to respond to community needs. We will support community centres and facilities to promote community wellbeing. We will support community initiatives and aspirations for better community outcomes, including through kai security, place-based development, events, and emerging needs.

This Activity's levels of service (see table below) will contribute to our:

Goal 2 outcomes for our communities to have: opportunities to celebrate our many cultures.

Goal 3 outcomes for our communities to have: access to services and facilities that are inclusive and appropriate for their needs; the support they want to live healthy lives; and access to safe and accessible community places

Goal 4 outcomes for our communities to have: sustainable urban planning with a low-carbon built environment; and access to relevant information and education to support more sustainable choice

What We Will Do (Our levels of service)	What This Means	Year 1 Targets (2024-25)	Year 2 Targets (2025-26)	Year 3 Targets (2026-27)	Year 4-10 Targets
Support for-purpose organisations and communities of interest, and deliver programmes to promote community wellbeing.	Local communities and communities of interest have the support they need to develop and deliver initiatives to meet their needs. For-purpose organisations have the resources they need to promote community wellbeing. Programmes supporting community wellbeing have Council support and involvement.	Narrative measure outlining initiatives undertaken by Council-supported organisations to promote community wellbeing.	Narrative measure outlining initiatives undertaken by Council-supported organisations to promote community wellbeing.	Narrative measure outlining initiatives undertaken by Council-supported organisations to promote community wellbeing.	Narrative measure outlining initiatives undertaken by Council-supported organisations to promote community wellbeing.
		Resident Survey satisfaction with Council's provision of funding and support for community groups is at least 43%. (see Note)	Resident Survey satisfaction with Council's provision of funding and support for community groups is at least 43%. (see Note)	Resident Survey satisfaction with Council's provision of funding and support for community groups is at least 43%. (see Note)	Resident Survey satisfaction with Council's provision of funding and support for community groups is at least 43%. (see Note)
Provide and support community centres and Hancock Community House.	There are suitable and accessible places for city communities to gather and take part in activities. Hancock Community House provides affordable accommodation and shared facilities for for-purpose organisations. A new multicultural hub is planned and developed with city communities.	Narrative measure outlining use (type and range) of community centres and Hancock House. Narrative measure outlining progress on the community hub projects.	Narrative measure outlining use (type and range) of community centres and Hancock House. Narrative measure outlining progress on the community hub projects.	Narrative measure outlining use (type and range) of community centres and Hancock House. Narrative measure outlining progress on the community hub projects.	Narrative measure outlining use (type and range) of community centres and Hancock House. Narrative measure outlining progress on the community hub projects.

Provide cemetery services.	City cemeteries and cemetery services are culturally appropriate and responsive. Cemeteries are accessible to communities and services are easy to use. Eco burial is supported at city cemeteries	Narrative measure outlining user and community feedback (including Annual Residents' Survey)	Narrative measure outlining user and community feedback (including Annual Residents' Survey)	Narrative measure outlining user and community feedback (including Annual Residents' Survey)	Narrative measure outlining user and community feedback (including Annual Residents' Survey)
Provide public toilets throughout the city.	There are clean, accessible and gender-neutral (where practicable) public toilets provided throughout the city within parks, reserves, the City Library, public buildings and sports pavilions. Some accessible toilets are available at all times of the day and night. There is one fully accessible accredited Changing Places bathroom in the central city.	Narrative measure outlining number, type, accessibility and location of toilets, plus annual satisfaction survey results.	Narrative measure outlining number, type, accessibility and location of toilets, plus annual satisfaction survey results.	Narrative measure outlining number, type, accessibility and location of toilets, plus annual satisfaction survey results.	Narrative measure outlining number, type, accessibility and location of toilets, plus annual satisfaction survey results.

Residents' Survey Note:

Over the last two years an average of 43% are satisfied, 42% neutral and 15% dissatisfied.

Community support - Activity Financial Statements											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Revenue											
791	Cemeteries	860	877	896	916	935	954	972	991	1,010	1,028
649	Community Centres	142	145	148	152	155	158	161	164	167	170
1,441	Total Revenue	1,002	1,022	1,045	1,068	1,090	1,112	1,133	1,155	1,177	1,198
Expenses											
1,637	Cemeteries	1,449	1,493	1,556	1,646	1,709	1,784	1,851	1,907	1,961	2,017
1,757	Community Centres	1,607	1,767	1,934	2,046	2,278	2,663	2,925	3,098	3,107	3,137
1,207	Public toilets	2,197	2,264	2,370	2,490	2,649	2,825	2,983	3,132	3,209	3,239
3,086	Support to community groups	5,578	5,717	6,090	6,101	6,462	6,849	7,212	7,582	7,833	8,002
7,687	Total Expenses	10,831	11,240	11,950	12,283	13,099	14,121	14,971	15,720	16,111	16,395
6,246	NET OPERATING COSTS OF ACTIVITY	9,829	10,218	10,905	11,215	12,008	13,009	13,838	14,565	14,934	15,197
Rating Requirement											
(886)	Less Depreciation	(859)	(894)	(958)	(998)	(1,049)	(1,104)	(1,195)	(1,253)	(1,262)	(1,318)
-	Less Transfers To/(From) Reserves	-	-	-	-	-	-	-	-	-	-
804	Plus Net Capital Renewal (3 Year Average)	631	491	491	445	452	462	532	541	530	468
157	Plus Debt Repayment	173	227	308	340	522	711	1,011	1,422	1,785	2,206
6,322	RATES REQUIREMENT	9,774	10,042	10,746	11,003	11,934	13,078	14,185	15,275	15,987	16,552

Community support - Activity Financial Statements											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Capital Expenditure											
864	Renewal	877	459	583	429	460	446	451	490	654	480
729	New	2,266	4,346	907	3,532	3,720	3,844	3,863	363	495	447
-	Growth	-	-	-	-	-	-	-	-	-	-
1,593	Total Capital Expenditure	3,143	4,805	1,491	3,962	4,181	4,290	4,314	853	1,149	927
Funded By											
-	External Revenue New / Growth	-	-	-	-	-	-	-	-	-	-
-	External Revenue Renewal	-	-	-	-	-	-	-	-	-	-
-	Development Contributions	-	-	-	-	-	-	-	-	-	-
804	Rates	631	491	491	445	452	462	532	541	530	468
2,397	New Borrowing / (Repayment)	2,512	4,314	1,000	3,517	3,728	3,828	3,782	312	619	459
1,593	Total	3,143	4,805	1,491	3,962	4,181	4,290	4,314	853	1,149	927

Community support - Capital Renewal												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
186 - Public Toilets - Renewals	0%	100%	120	123	125	128	130	133	135	138	140	143
265 - Community Centres - Renewals	0%	100%	300	123	125	128	130	133	135	138	140	143
1769 - Community Agency Facilities - Renewals	0%	100%	50	51	31	32	33	33	34	34	35	36
1796 - Cemeteries - Building Renewals	0%	100%	294	26	26	27	27	28	28	29	29	30
1828 - Cemeteries - Non-Building Asset Renewals	0%	100%	113	137	275	115	140	120	118	152	309	129
TOTAL			877	459	583	429	460	446	451	490	654	480
Funded Externally			-	-	-	-	-	-	-	-	-	-
Funded by Council (Rates and Borrowing)			877	459	583	429	460	446	451	490	654	480
Community support - Capital New / Growth												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
161 - Public Toilets - New City-wide Toilets	0%	100%	469	204	209	213	217	221	226	230	234	238
1196 - Cemeteries - Kelvin Grove - Replacement & enhancement of staff facilities	0%	100%	34	-	-	-	-	-	-	-	-	-
1833 - City Growth - Cemeteries - Extensions to burial and ashes areas to meet demand	0%	100%	216	194	225	115	235	292	244	124	253	200
1882 - City Growth - Cemeteries - Expansion of Kelvin Grove Cemetery Roading network	0%	100%	50	61	465	-	-	-	-	-	-	-
2343 - Citywide - New Community Hubs	0%	100%	1,000	-	-	3,196	3,260	3,322	3,385	-	-	-
2350 - Cultural Facilities - New Multicultural Facility	0%	100%	450	-	-	-	-	-	-	-	-	-
2431 - Community Events Trailer	0%	100%	40	-	-	-	-	-	-	-	-	-
2440 - Community Centres - Pasifika Centre Expansion	0%	100%	-	3,879	-	-	-	-	-	-	-	-
2452 - Community Gardens - Water Supply and Signage	0%	100%	8	8	8	8	8	8	9	9	9	9
TOTAL			2,266	4,346	907	3,532	3,720	3,844	3,863	363	495	447
Funded Externally			-	-	-	-	-	-	-	-	-	-
Funded by Council (Rates and Borrowing)			2,266	4,346	907	3,532	3,720	3,844	3,863	363	495	447

Community support - Operational												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
549 - Palmerston North Surf Lifesaving Club - One-off Grant	0%	100%	-	15	16	-	-	-	-	-	-	-
1448 - Welcoming Communities	0%	100%	5	5	5	5	5	6	6	6	6	6
1574 - Hancock community house management fund	0%	100%	70	72	73	75	77	78	80	81	83	84
2023 - Community Development Small Grants Fund	0%	100%	245	250	255	261	266	272	277	282	288	293
2450 - Homelessness Response Pilot	0%	100%	230	235	240	-	-	-	-	-	-	-
2531 - Community Led Initiatives Fund	0%	100%	180	184	188	192	196	200	204	207	211	215
2534 - Support youth well-being outcomes	0%	100%	33	34	35	-	-	-	-	-	-	-
2538 - Civic Fund for the Palmerston North City area	0%	100%	10	-	-	-	-	-	-	-	-	-
TOTAL			774	794	812	533	544	555	566	576	587	598
Funded Externally			-	-	-	-	-	-	-	-	-	-
Funded by Council (Rates and Borrowing)			774	794	812	533	544	555	566	576	587	598

Whare Puna Mātauranga

City Library

We want our City Library to provide opportunities for connection and learning.

We provide library services through the City Library, made up of the Central Library, four community libraries (Ashhurst, Awapuni, Te Pātikitiki Highbury, and Roslyn), the mobile library, Blueprint, and Youth Space. City archives gather and protect materials that tell our city's stories.

Our City Library's kaupapa is Te Ara Whānui o Te Ao – to inspire people to explore the pathways of the world. The City Library collects, curates and provides access to knowledge, ideas and creative works that focus on communities with the greatest needs. Programmes and services support literacy in all its forms. The City Library will minimise barriers to access and provide libraries that reflect community identities and needs.

This Activity's levels of service (see table below) will contribute to our:

Goal 1 outcomes for our communities to have: a city that fosters pride, and supports the aspirations of people and communities

Goal 2 outcomes for our communities to have: a vibrant city that connects people and where creativity is built into our infrastructure; an arts community and cultural facilities that are well supported and invested in; opportunities to celebrate our many cultures; access to exciting events and activities throughout the city and its neighbourhoods; and places across the city and its neighbourhoods for communities to take part in play and recreation.

Goal 3 outcomes for our communities to have: access to services and facilities that are inclusive and appropriate for their needs; access to safe and accessible community places; and opportunities for involvement and to contribute to Council decision-making.

Goal 4 outcomes for our communities to have: a sustainable and, low-emissions city; and sustainable urban planning with a low-carbon built environment

What We Will Do (Our levels of service)	What This Means	Year 1 Targets (2024-25)	Year 2 Targets (2025-26)	Year 3 Targets (2026-27)	Year 4-10 Targets
Provide collections, services and programmes through all City Library locations.	City Library collections, services and programmes are widely accessible and responsive to community needs. There are no fines charged for overdue City Library items.	Narrative measure outlining use of the Library's collections, services and programmes, and showing that they are accessible and responsive to community needs	Narrative measure outlining use of the Library's collections, services and programmes, and showing that they are accessible and responsive to community needs	Narrative measure outlining use of the Library's collections, services and programmes, and showing that they are accessible and responsive to community needs	Narrative measure outlining use of the Library's collections, services and programmes, and showing that they are accessible and responsive to community needs
		Resident Survey satisfaction with Council's provision of public libraries is at least 81% (see Note)	Resident Survey satisfaction with Council's provision of public libraries is at least 81% (see Note)	Resident Survey satisfaction with Council's provision of public libraries is at least 81% (see Note)	Resident Survey satisfaction with Council's provision of public libraries is at least 81% (see Note)
Collect and protect community stories through the city archives.	Manawatū Heritage and the Ian Matheson City Archives gather and protect materials that tell our city's stories. People have the resources they need to find and contribute to the historical record.	Narrative measure outlining how the archives collect and protect community stories	Narrative measure outlining how the archives collect and protect community stories	Narrative measure outlining how the archives collect and protect community stories	Narrative measure outlining how the archives collect and protect community stories

Residents Survey note:

Over the last two years an average of 81% are satisfied, 17% neutral and 2% dissatisfied.

City Library - Activity Financial Statements											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Revenue											
844	Libraries	80	82	83	85	87	89	90	92	94	96
844	Total Revenue	80	82	83	85	87	89	90	92	94	96
Expenses											
11,145	Libraries	11,355	11,403	11,903	12,744	14,343	14,976	15,848	16,672	16,657	17,181
11,145	Total Expenses	11,355	11,403	11,903	12,744	14,343	14,976	15,848	16,672	16,657	17,181
10,301	NET OPERATING COSTS OF ACTIVITY	11,275	11,321	11,820	12,659	14,256	14,887	15,758	16,580	16,563	17,086
Rating Requirement											
(2,001)	Less Depreciation	(2,656)	(2,658)	(2,660)	(2,738)	(2,738)	(2,738)	(2,842)	(2,842)	(2,842)	(2,956)
-	Less Transfers To/(From) Reserves	-	-	-	-	-	-	-	-	-	-
1,376	Plus Net Capital Renewal (3 Year Average)	1,183	1,276	1,411	1,437	1,431	1,405	1,342	1,379	1,383	1,415
17	Plus Debt Repayment	17	20	22	23	35	45	67	100	134	172
9,693	RATES REQUIREMENT	9,818	9,958	10,593	11,381	12,983	13,599	14,326	15,218	15,239	15,716

City Library - Activity Financial Statements											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Capital Expenditure											
1,153	Renewal	1,010	1,087	1,450	1,289	1,494	1,528	1,269	1,419	1,339	1,381
-	New	25	15	-	-	-	-	-	-	-	-
	Growth										
1,153	Total Capital Expenditure	1,035	1,103	1,450	1,289	1,494	1,528	1,269	1,419	1,339	1,381
Funded By											
-	External Revenue New / Growth	-	-	-	-	-	-	-	-	-	-
-	External Revenue Renewal	-	-	-	-	-	-	-	-	-	-
-	Development Contributions	-	-	-	-	-	-	-	-	-	-
1,376	Rates	1,183	1,276	1,411	1,437	1,431	1,405	1,342	1,379	1,383	1,415
2,529	New Borrowing / (Repayment)	(148)	(173)	39	(148)	64	123	(73)	39	(45)	(34)
1,153	Total	1,035	1,103	1,450	1,289	1,494	1,528	1,269	1,419	1,339	1,381

City Library - Capital Renewal												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
178 - City Library (all sites) Replacement of Shelving, Furniture and Equipment	0%	100%	20	20	31	43	98	89	102	57	23	60
188 - City Library (all sites) Replacement and Purchase of Library Materials	0%	100%	815	847	897	916	935	969	987	1,034	1,052	1,071
202 - City Library - Central Library Interior Design Renewals	0%	100%	20	20	21	21	22	78	-	115	23	24
203 - City Library - Community Libraries, Youth Space, Blueprint and Mobile Library Interior Design Renewals	0%	100%	25	26	26	53	54	55	28	29	29	30
777 - City Library- Heritage Technology, Equipment and Markers for Public Discovery and Access to Archives and Local History	0%	100%	-	20	26	11	27	28	11	29	29	12
1120 - Community Libraries - Renewals	0%	100%	30	31	31	32	33	33	34	34	35	36
1138 - City Library (all sites) Digital Technology to Support 21st Century Citizens and Service (Renewal)	0%	100%	50	51	52	80	109	111	85	86	88	60
1139 - City Library (all sites) Radio Frequency Identification (RFID) Materials Management	0%	100%	-	20	52	80	163	166	23	34	-	30
1775 - Central Library - Renewals	0%	100%	50	51	52	53	54	-	-	-	58	60
2455 - City Library- Mobile Library Replacement Fit Out (including digital)	0%	100%	-	-	261	-	-	-	-	-	-	-
TOTAL			1,010	1,087	1,450	1,289	1,494	1,528	1,269	1,419	1,339	1,381
Funded Externally			-	-	-	-	-	-	-	-	-	-
Funded by Council (Rates and Borrowing)			1,010	1,087	1,450	1,289	1,494	1,528	1,269	1,419	1,339	1,381
City Library - Capital New / Growth												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
2501 - City Library- Creative Interpretive Heritage Markers for Cuba Street Area	0%	100%	25	15	-	-	-	-	-	-	-	-
TOTAL			25	15	-	-	-	-	-	-	-	-
Funded Externally			-	-	-	-	-	-	-	-	-	-
Funded by Council (Rates and Borrowing)			25	15	-	-	-	-	-	-	-	-

City Library -Operational			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
2457 - City Library- Summer Reading Programme	0%	100%	25	26	26	-	-	-	-	-	-	-
2458 - City Library- Operational requirements for Facility Moves	0%	100%	-	-	-	-	751	516	526	622	23	-
TOTAL			25	26	26	-	751	516	526	622	23	-
Funded Externally			-	-	-	-	-	-	-	-	-	-
Funded by Council (Rates and Borrowing)			25	26	26	-	751	516	526	622	23	-

Haumaru hapori, hauora hapori

Community Safety and Health

We want to be a healthy city, where our community is safe and feels safe.

Community wellbeing encompasses all aspects of health, including the Māori understanding of Te Whare Tapa Whā. Many Council services support community safety and health. They are provided alongside Government services which aim to support everyone to live longer in good health.

We understand that people feel safe in communities that respond to their needs and concerns. We want to increase our readiness to provide core services to respond in emergencies. We also want to realise opportunities to promote everyday community safety and health through a wider range of activities. We want to work with others to make sure city services are co-ordinated, well-managed and designed to promote community wellbeing.

This Activity's levels of service (see table below) will contribute to our:

Goal 3 outcomes for our communities to have: access to services and facilities that are inclusive and appropriate for their needs; the support they want to live healthy lives; and access to safe and accessible community places.

Goal 4 outcomes for our communities to have: a resilient city and communities, prepared for the impacts of climate change; and access to relevant information and education to support more sustainable choices.

What We Will Do (Our levels of service)	What This Means	Year 1 Targets (2024-25)	Year 2 Targets (2025-26)	Year 3 Targets (2026-27)	Year 4-10 Targets
Provide Civil Defence Emergency Management	The city is prepared and equipped for civil defence emergencies and has 24/7 Civil Defence Emergency Management. Communities have the information and support they need to prepare for, respond to, and recover from natural disasters and other emergencies.	Narrative measure outlining Council's civil defence initiatives and their contribution to the communities' and Council's readiness for emergencies.	Narrative measure outlining Council's civil defence initiatives and their contribution to the communities' and Council's readiness for emergencies.	Narrative measure outlining Council's civil defence initiatives and their contribution to the communities' and Council's readiness for emergencies.	Narrative measure outlining Council's civil defence initiatives and their contribution to the communities' and Council's readiness for emergencies.
Provide environmental health services	Communities have the information they need to be responsible animal owners. Council management of food safety, building safety, gambling, and animal management all support community wellbeing. Regulatory services comply with relevant legislation and Council policy.	Narrative measure outlining Council's environmental health initiatives and their impacts.	Narrative measure outlining Council's environmental health initiatives and their impacts.	Narrative measure outlining Council's environmental health initiatives and their impacts.	Narrative measure outlining Council's environmental health initiatives and their impacts.
		There are no successful legal challenges to Council's environmental health functions.	There are no successful legal challenges to Council's environmental health functions.	There are no successful legal challenges to Council's environmental health functions.	There are no successful legal challenges to Council's environmental health functions.
		Resident satisfaction with Council's provision of control of roaming dogs is at least 61%.	Resident satisfaction with Council's provision of control of roaming dogs is at least 61%.	Resident satisfaction with Council's provision of control of roaming dogs is at least 61%.	Resident satisfaction with Council's provision of control of roaming dogs is at least 61%.
		Resident satisfaction with	Resident satisfaction with	Resident satisfaction with	Resident satisfaction with

		Council's provision of noise control is at least 54%.	Council's provision of noise control is at least 54%.	Council's provision of noise control is at least 54%.	Council's provision of noise control is at least 54%.
Promote community health	Community spaces and events are smokefree and sunsmart. Council venues, facilities and events provide for healthy food and beverage choices. Community health issues and solutions are well-understood, and communities have access to the information they need.	Narrative measure outlining how Council's venues, spaces, events and health initiatives promote community health.	Narrative measure outlining how Council's venues, spaces, events and health initiatives promote community health.	Narrative measure outlining how Council's venues, spaces, events and health initiatives promote community health.	Narrative measure outlining how Council's venues, spaces, events and health initiatives promote community health.
Co-ordinate and support community safety and harm reduction initiatives	Public spaces, facilities and events are safe for everyone. The Council works in partnership with Police and communities. Responses to emerging safety issues promote community wellbeing.	Narrative measure outlining how Council works alongside other organisations to promote and support community safety.	Narrative measure outlining how Council works alongside other organisations to promote and support community safety.	Narrative measure outlining how Council works alongside other organisations to promote and support community safety.	Narrative measure outlining how Council works alongside other organisations to promote and support community safety.

Residents Survey Notes:

Animal Control - Over the last two years an average of 61% are satisfied, 25% neutral and 14% dissatisfied

Noise Control - Over the last two years an average of 54% are satisfied, 30% neutral and 16% dissatisfied

Community safety and health - Activity Financial Statements											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Revenue											
626	Public Health	475	484	495	506	516	525	535	545	555	565
948	Animal Control	1,050	1,072	1,096	1,119	1,141	1,163	1,185	1,206	1,228	1,250
1,574	Total Revenue	1,525	1,557	1,591	1,624	1,657	1,688	1,720	1,751	1,783	1,815
Expenses											
2,004	Public Health	1,090	1,088	1,125	1,166	1,225	1,287	1,342	1,390	1,424	1,449
1,236	Animal Control	1,581	1,566	1,623	1,687	1,789	1,900	2,002	2,089	2,146	2,194
819	Civil Defence	901	901	926	981	1,055	1,140	1,212	1,288	1,335	1,375
387	Safer Community Initiatives	627	699	698	732	777	825	871	904	921	934
4,446	Total Expenses	4,199	4,254	4,372	4,566	4,847	5,153	5,427	5,671	5,825	5,953
2,872	NET OPERATING COSTS OF ACTIVITY	2,675	2,697	2,781	2,942	3,191	3,465	3,707	3,920	4,042	4,139
Rating Requirement											
(242)	Less Depreciation	(297)	(305)	(325)	(338)	(347)	(355)	(370)	(367)	(367)	(373)
-	Less Transfers To/(From) Reserves	-	-	-	-	-	-	-	-	-	-
118	Plus Net Capital Renewal (3 Year Average)	159	177	171	160	163	166	190	193	184	148
78	Plus Debt Repayment	138	160	200	228	271	303	254	277	304	336
2,826	RATES REQUIREMENT	2,675	2,730	2,826	2,992	3,277	3,578	3,781	4,023	4,164	4,251

Community safety and health - Activity Financial Statements											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Capital Expenditure											
92	Renewal	102	171	205	156	152	172	165	161	243	174
-	New	85	174	99	101	103	105	107	17	18	18
-	Growth	-	-	-	-	-	-	-	-	-	-
92	Total Capital Expenditure	187	344	304	257	255	277	272	178	261	192
Funded By											
-	External Revenue New / Growth	-	-	-	-	-	-	-	-	-	-
-	External Revenue Renewal	-	-	-	-	-	-	-	-	-	-
-	Development Contributions	-	-	-	-	-	-	-	-	-	-
118	Rates	159	177	171	160	163	166	190	193	184	148
210	New Borrowing / (Repayment)	28	167	133	97	92	111	83	(15)	77	44
92	Total	187	344	304	257	255	277	272	178	261	192

Community safety and health - Capital Renewal												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
40 - Noise Measuring Equipment for Noise Complaints - Rolling Replacement	0%	100%	-	-	48	-	-	17	-	-	54	-
1269 - Bylaw Signage - Replacement	0%	100%	7	-	-	7	-	-	7	-	-	8
1512 - CCTV Citywide - Rolling replacements	0%	100%	80	82	83	85	87	89	90	92	94	95
1569 - Replacement of wearable cameras for parking and animal control officers	0%	100%	-	22	-	-	-	-	-	-	26	-
1737 - Animal Shelter - Renewals	0%	100%	-	-	-	32	33	33	34	34	35	36
2242 - Civil Defence Emergency Operations Centre - Equipment replacement	0%	100%	10	15	16	16	16	17	17	17	18	18
2260 - Civil Defence Emergency Management - Radio and Communication equipment replacement	0%	100%	-	41	42	-	-	-	-	-	-	-
2382 - Civil Defence Emergency Management - NZRT4 - Safety Equipment Replacement	0%	100%	5	10	16	16	16	17	17	17	18	18
TOTAL			102	171	205	156	152	172	165	161	243	174
Funded Externally			-	-	-	-	-	-	-	-	-	-
Funded by Council (Rates and Borrowing)			102	171	205	156	152	172	165	161	243	174

Community safety and health - Capital New / Growth												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
2410 - CCTV Citywide - New Cameras	0%	100%	80	82	83	85	87	89	90	-	-	-
2415 - CCTV Citywide - Monitoring and Safety centre	0%	100%	-	82	-	-	-	-	-	-	-	-
2416 - Civil Defence Emergency Management - NZRT4 - New Safety Equipment	0%	100%	5	10	16	16	16	17	17	17	18	18
TOTAL			85	174	99	101	103	105	107	17	18	18
Funded Externally			-	-	-	-	-	-	-	-	-	-
Funded by Council (Rates and Borrowing)			85	174	99	101	103	105	107	17	18	18

Community safety and health -Operational												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1539 - City Ambassadors	0%	100%	74	75	77	78	80	81	83	84	86	87
TOTAL			74	75	77	78	80	81	83	84	86	87
Funded Externally			-	-	-	-	-	-	-	-	-	-
Funded by Council (Rates and Borrowing)			74	75	77	78	80	81	83	84	86	87

Āhuarangi hurihuri, toitūtanga

Climate Change and Sustainability

We want to reduce our emissions and the impact of climate change on the Council and the City. We want to make Council and community activities more sustainable

Climate change is an urgent global challenge. We need to be a low-carbon, climate resilient city within a decade to avoid worsening the impacts of increasingly unstable and unpredictable weather. At the same time, we need to work with our partners to prepare our infrastructure and systems to cope with those unpredictable impacts.

We want to be leaders in sustainability. We do this best by including climate and resource use in all our decision making and by sharing our impact and successes with our community.

We want to do more to educate and support the residents, businesses and other city partners to deliver their own greenhouse gas emissions ambitions.

This Activity's levels of service (see table below) will contribute to our:

Goal 1 outcomes for our communities to have: a city that fosters pride, and supports the aspirations of people and communities; the efficient movement of goods and services alongside safe and affordable transport options for people; an economy that embraces innovation and uses resources sustainably; a resilient, low carbon economy.

Goal 3 outcomes for our communities to have: the support they want to live healthy lives; access to safe and accessible community places; and opportunities for involvement and to contribute to Council decision-making.

Goal 4 outcomes for our communities to have: a sustainable and, low-emissions city; a resilient city and communities, prepared for the impacts of climate change; a circular economy with more resource recovery and less waste; sustainable urban planning with a low-carbon built environment; and access to relevant information and education to support more sustainable choices.

What We Will Do (Our levels of service)	What This Means	Year 1 Targets (2024-25)	Year 2 Targets (2025-26)	Year 3 Targets (2026-27)	Year 4-10 Targets
Reduce the production of greenhouse gases from Council activities (e.g. use of diesel, electricity and natural gas).	There is sound information about the greenhouse gas emissions from Council activities. This information is used to make decisions about where to act first.	Narrative measure outlining how the Council's actions and information help reduce community and Council GHG emissions.	Narrative measure outlining how the Council's actions and information help reduce community and Council GHG emissions.	Narrative measure outlining how the Council's actions and information help reduce community and Council GHG emissions.	Narrative measure outlining how the Council's actions and information help reduce community and Council GHG emissions.
Promote activities that support low-carbon city outcomes, including those that compensate for activities that produce greenhouse gases.	There is sound information about the greenhouse gas emissions from city activities. This information is used to make decisions about where to act first. The community have access to seed funding to support low-carbon city outcomes.	City and Council Emissions Inventories show declining trends in tCO ₂ e (measured annually).	City and Council Emissions Inventories show declining trends in tCO ₂ e (measured annually).	City and Council Emissions Inventories show declining trends in tCO ₂ e (measured annually).	City and Council Emissions Inventories show declining trends in tCO ₂ e (measured annually).
Encourage and promote sustainable best-practices in Council activities and the wider community.	Council shares sustainability expertise and experience with local and regional partners. Council activities support the climate goals of Rangitāne o Manawatū. Community groups delivering climate mitigation or adaptation projects are supported and celebrated.				
Strengthen our city's adaptive capacity to Palmerston North's climate-related risks.	City preparations for civil defence emergencies include assessment of likely changes to the weather as a result of climate change. Communities in current or predicted high risk areas have the information and support they need to prepare for, respond to, and recover from natural disasters and other emergencies.	Narrative measure outlining Council's climate-related stormwater and civil defence initiatives and their contribution to strengthening the City's adaptive capacity.	Narrative measure outlining Council's climate-related stormwater and civil defence initiatives and their contribution to strengthening the City's adaptive capacity.	Narrative measure outlining Council's climate-related stormwater and civil defence initiatives and their contribution to strengthening the City's adaptive capacity.	Narrative measure outlining Council's climate-related stormwater and civil defence initiatives and their contribution to strengthening the City's adaptive capacity.

The following text and graphs are from a Palmerston North City Council Carbon Neutral Feasibility Study Update, Sustainability Committee, 13 March 2024.

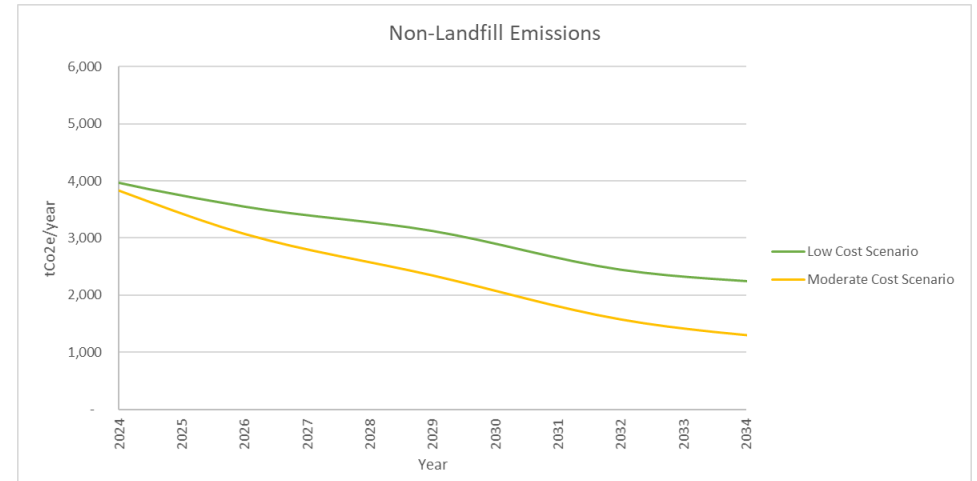
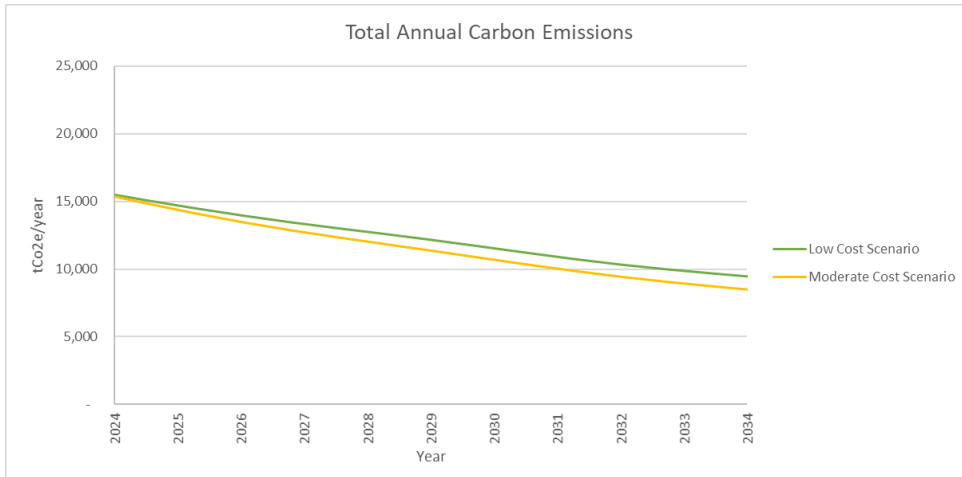
Projected emissions assuming a Low Cost (no net cost over the life of the asset) and Moderate Cost (following the projected Emissions Trading Scheme price provided by the Climate Change Commission).

When we consider how the Long-Term Plan will affect our city, one important aspect is its impact on climate change. We're committed to doing our part to lessen this impact by reducing our own emissions and encouraging others to do the same.

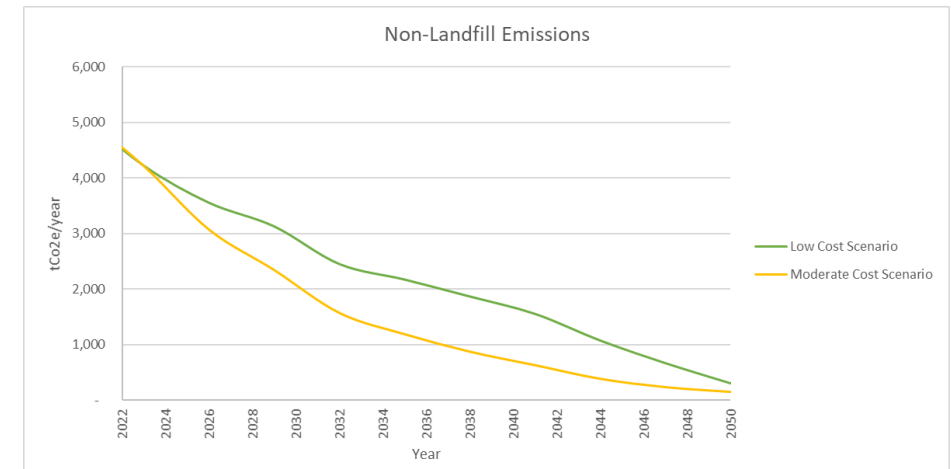
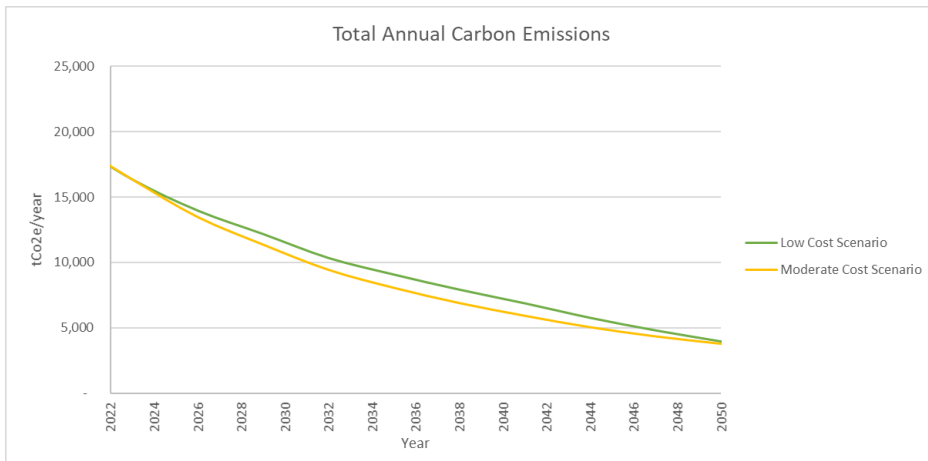
We've assessed our current CO₂ emissions, including methane from the Awapuni landfill, which makes up most of our emissions. Since it's unlikely we'll be able to reduce landfill emissions more than we currently are, we're instead focusing on whether each project featured in our Long-Term Plan will increase or decrease emissions in the long run. By tallying these effects, we anticipate an overall reduction in emissions of about 55% by 2034 and 95% by 2050 - although the farther into the future we project, the less certain these numbers become. (see graphs on the following pages). The more resources and funding we allocate to this effort, the faster our emissions reduction will be.

Even in our best-case scenario, we won't reach zero emissions by 2050 so we'll explore opportunities to offset the remaining emissions by planting native trees over time. If our estimates are correct, we expect to plant approximately one million trees to be planted in Palmerston North over the next 30 years.

2024 - 2034



2022 - 2050



Climate Change and Sustainability - Activity Financial Statements											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Revenue											
-	Total Revenue	-	-	-	-	-	-	-	-	-	-
Expenses											
173	Support to environmental groups	358	362	374	387	406	427	446	467	481	490
271	Sustainable Practices	132	132	155	155	159	165	170	175	178	182
242	Climate change mitigation and adaption	863	956	1,121	1,266	1,403	1,543	1,679	1,816	1,936	2,042
687	Total Expenses	1,353	1,450	1,650	1,807	1,968	2,134	2,295	2,458	2,595	2,715
687	NET OPERATING COSTS OF ACTIVITY	1,353	1,450	1,650	1,807	1,968	2,134	2,295	2,458	2,595	2,715
Rating Requirement											
-	Less Depreciation	(11)	(47)	(86)	(127)	(162)	(199)	(236)	(274)	(312)	(351)
-	Less Transfers To/(From) Reserves	-	-	-	-	-	-	-	-	-	-
-	Plus Net Capital Renewal (3 Year Average)	-	-	-	-	-	-	-	-	-	-
19	Plus Debt Repayment	11	44	82	123	162	204	250	300	353	409
706	RATES REQUIREMENT	1,353	1,447	1,646	1,803	1,968	2,140	2,310	2,484	2,636	2,772

Climate Change and Sustainability - Activity Financial Statements											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Capital Expenditure											
-	Renewal	-	-	-	-	-	-	-	-	-	-
1,092	New	1,085	1,179	1,205	1,071	1,092	1,113	1,134	1,154	1,175	1,196
-	Growth	-	-	-	-	-	-	-	-	-	-
1,092	Total Capital Expenditure	1,085	1,179	1,205	1,071	1,092	1,113	1,134	1,154	1,175	1,196
Funded By											
-	External Revenue New / Growth	-	-	-	-	-	-	-	-	-	-
-	External Revenue Renewal	-	-	-	-	-	-	-	-	-	-
-	Development Contributions	-	-	-	-	-	-	-	-	-	-
-	Rates	-	-	-	-	-	-	-	-	-	-
1,092	New Borrowing / (Repayment)	1,085	1,179	1,205	1,071	1,092	1,113	1,134	1,154	1,175	1,196
1,092	Total	1,085	1,179	1,205	1,071	1,092	1,113	1,134	1,154	1,175	1,196

Climate Change and Sustainability - Capital New / Growth												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1888 - Low Carbon Fund	0%	100%	1,005	1,026	1,049	1,071	1,092	1,113	1,134	1,154	1,175	1,196
1924 - Improving remote monitoring capabilities	0%	100%	80	153	157	-	-	-	-	-	-	-
TOTAL			1,085	1,179	1,205	1,071	1,092	1,113	1,134	1,154	1,175	1,196
Funded Externally			-	-	-	-	-	-	-	-	-	-
Funded by Council (Rates and Borrowing)			1,085	1,179	1,205	1,071	1,092	1,113	1,134	1,154	1,175	1,196

Mō te kanorau koiora me Te Awa o Manawatū

Biodiversity and the Manawatū River

We want a healthy Manawatū River, greater biodiversity, and a thriving native ecosystem.

The Manawatū River is of great historical, cultural, spiritual and traditional significance to Rangitāne and to our city. However, our river and the natural environment it supports and depends on, are under threat. The Manawatū River Leaders Accord reflects our commitment to improving the mauri of the whole river system.

Biodiversity contributes to and enhances climate mitigation and adaptation. Conversely, climate change can lead to further degradation and loss of biodiversity. Historic harms caused by land management practices prevent or slow down the re-establishment of native ecosystems. We need to rectify these harms and ensure that they are not repeated in the future. We want to nurture our natural resources and ecosystems as environmental stewards, promoting biodiversity and environmental sustainability.

This Activity's levels of service (see table below) will contribute to our:

Goal 2 outcomes for our community to have: places across the city and its neighbourhoods for communities to take part in play and recreation.

Goal 3 outcomes for our communities to have: the support they want to live healthy lives.

Goal 4 outcomes for our communities to have: a resilient city and communities, prepared for the impacts of climate change; a circular economy with more resource recovery and less waste; a healthy, thriving ecosystem, including native biodiversity and food security; the Manawatū River and waterways restored to a healthy, respected and connected state; and access to relevant information and education to support more sustainable choices.

What We Will Do (Our levels of service)	What This Means	Year 1 Targets (2024-25)	Year 2 Targets (2025-26)	Year 3 Targets (2026-27)	Year 4-10 Targets
Encourage and enable the community's connection with the Manawatū River.	The Manawatū River is accessible for recreation and is a focus of community activities and events. Communities have information they need to understand the environmental, cultural and historic aspects of the River.	Narrative measure outlining how Council's initiatives and information encourage community use of the River, and enhance its biodiversity.	Narrative measure outlining how Council's initiatives and information encourage community use of the River, and enhance its biodiversity.	Narrative measure outlining how Council's initiatives and information encourage community use of the River, and enhance its biodiversity.	Narrative measure outlining how Council's initiatives and information encourage community use of the River, and enhance its biodiversity.
Protect, enhance and increase natural areas (e.g. bush remnants, gardens, stream banks, and berms).	The Manawatū River supports a healthy and diverse ecosystem. Natural areas thrive alongside more managed green spaces.				
Support and fund for-purpose organisations and local communities working to help achieve nature conservation outcomes.	Local communities and for-purpose organisations communities of interest have support to promote community wellbeing through conservation initiatives and information.	Narrative measure outlining how Council's support and funding help organisations and communities achieve good conservation outcomes.	Narrative measure outlining how Council's support and funding help organisations and communities achieve good conservation outcomes.	Narrative measure outlining how Council's support and funding help organisations and communities achieve good conservation outcomes.	Narrative measure outlining how Council's support and funding help organisations and communities achieve good conservation outcomes.

Biodiversity and the Manawatu River - Activity Financial Statements											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Revenue											
136	Central Energy Trust Wildbase	95	97	100	103	83	85	87	59	60	62
10	Manawatu River	-	-	-	-	-	-	-	-	-	-
146	Total Revenue	95	97	100	103	83	85	87	59	60	62
Expenses											
1,136	Central Energy Trust Wildbase	1,135	1,138	1,188	1,285	1,390	1,472	1,543	1,615	1,671	1,707
358	Biodiversity	556	624	646	672	698	724	752	777	798	819
282	Manawatu River	472	648	1,091	1,441	1,164	1,152	1,175	1,152	1,122	1,131
1,775	Total Expenses	2,163	2,410	2,924	3,398	3,253	3,349	3,470	3,544	3,591	3,656
1,629	NET OPERATING COSTS OF ACTIVITY	2,068	2,313	2,824	3,296	3,170	3,264	3,383	3,485	3,531	3,595
Rating Requirement											
-	Less Depreciation	(12)	(44)	(231)	(446)	(447)	(448)	(492)	(493)	(494)	(542)
-	Less Transfers To/(From) Reserves	-	-	-	-	-	-	-	-	-	-
124	Plus Net Capital Renewal (3 Year Average)	90	89	109	120	123	131	165	195	236	238
38	Plus Debt Repayment	36	51	134	219	266	313	396	515	634	771
1,792	RATES REQUIREMENT	2,182	2,409	2,837	3,189	3,112	3,260	3,453	3,702	3,907	4,061

Biodiversity and the Manawatu River - Activity Financial Statements											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Capital Expenditure											
298	Renewal	129	72	69	126	134	281	133	157	204	224
668	New	835	7,089	7,298	32	33	33	34	34	35	36
-	Growth	-	-	-	-	-	-	-	-	-	-
966	Total Capital Expenditure	964	7,161	7,367	158	166	314	167	191	239	260
Funded By											
412	External Revenue New / Growth	-	1,793	2,035	-	-	-	-	-	-	-
-	External Revenue Renewal	-	-	-	-	-	179	-	-	-	-
-	Development Contributions	-	-	-	-	-	-	-	-	-	-
124	Rates	90	89	109	120	123	131	165	195	236	238
679	New Borrowing / (Repayment)	874	5,279	5,223	37	43	4	2	(4)	3	22
966	Total	964	7,161	7,367	158	166	314	167	191	239	260

Biodiversity and the Manawatu River - Capital Renewal												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1136 - CET Wildbase Recovery Centre - Renewals	0%	100%	30	31	31	32	33	33	34	34	35	36
1825 - City Reserves - Manawatu River Park - Renewals	0%	100%	99	42	37	94	101	68	99	122	169	188
1971 - CET Wildbase Recovery Signage	0%	100%	-	-	-	-	-	90	-	-	-	-
1972 - CET Wildbase Recovery Digital Capacity	0%	100%	-	-	-	-	-	90	-	-	-	-
TOTAL			129	72	69	126	134	281	133	157	204	224
Funded Externally			-	-	-	-	-	179	-	-	-	-
Funded by Council (Rates and Borrowing)			129	72	69	126	134	102	133	157	204	224

Biodiversity and the Manawatu River - Capital New / Growth												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1077 - Citywide - Biodiversity Enhancement Through Native Planting	0%	100%	30	31	31	32	33	33	34	34	35	36
1895 - City Reserves - Manawatu River Park - Te Motu o Poutoa Development Plan - Implementation	0%	100%	-	6,404	7,266	-	-	-	-	-	-	-
2239 - City Reserves - Te Motu o Poutoa - Design and Consenting	0%	100%	685	532	-	-	-	-	-	-	-	-
2429 - Turitea Predator Control - Self Resetting Traps	0%	100%	120	123	-	-	-	-	-	-	-	-
TOTAL			835	7,089	7,298	32	33	33	34	34	35	36
Funded Externally			-	1,793	2,035	-	-	-	-	-	-	-
Funded by Council (Rates and Borrowing)			835	5,296	5,263	32	33	33	34	34	35	36

Biodiversity and the Manawatu River -Operational													
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	
		Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	
835 - Biodiversity Improvements as Part of Te Apiti Project		0%	100%	45	46	47	49	50	51	52	53	54	56
TOTAL				45	46	47	49	50	51	52	53	54	56
Funded Externally				-	-	-	-	-	-	-	-	-	-
Funded by Council (Rates and Borrowing)				45	46	47	49	50	51	52	53	54	56

Taumanu

Resource Recovery

We want to minimise all waste and its impact on the environment.

The national Te Rautaki Para Waste Strategy provides a roadmap for a low-emissions, low-waste society built upon a circular economy. A circular economy is one where products are better able to be recovered, reused, repurposed or regenerated. This model is an alternative to a 'take-make-use-waste' approach to our products and purchases.

The national changes will reshape the way we manage city waste and increase our resource recovery. We want all our activities, including purchasing goods and services, to focus on waste-reduction.

This Activity's levels of service (see table below) will contribute to our:

Goal 1 outcomes for our communities to have: an economy that employs innovation and new ideas and uses resources sustainably; and a resilient, low carbon economy.

Goal 4 outcomes for our communities to have: a sustainable and, low-emissions city; a circular economy with more resource recovery and less waste; the Manawatū River and waterways restored to a healthy, respected and connected state; and access to relevant information and education to support more sustainable choices.

What We Will Do (Our levels of service)	What This Means	Year 1 Targets (2024-25)	Year 2 Targets (2025-26)	Year 3 Targets (2026-27)	Year 4-10 Targets
Promote waste reduction.	People have easy access to clear information about how to reduce waste and the impact of change.	Narrative measure outlining how Council's waste and recycling collection services, initiatives and information promote waste reduction and divert waste from landfill.	Narrative measure outlining how Council's waste and recycling collection services, initiatives and information promote waste reduction and divert waste from landfill.	Narrative measure outlining how Council's waste and recycling collection services, initiatives and information promote waste reduction and divert waste from landfill.	Narrative measure outlining how Council's waste and recycling collection services, initiatives and information promote waste reduction and divert waste from landfill.
Divert waste from landfill.	Council has high-quality information about waste. Council implements the most effective waste diversion initiatives.				
Provide support for-purpose organisations and local communities to recover, reuse, repurpose or regenerate products.	Community groups have access to funding to develop and implement initiatives that divert waste from landfill.				
Provide recycling collection services, including kerbside recycling, drop-off centres and public space recycling bins.	There is a weekly kerbside recycling collection service for all households in the urban area, alternating between general recycling (wheelie bins) and glass (crates). There are public space recycling bins throughout the city and recycling drop-off centres in Ashhurst, Awapuni, and Terrace End.				
Provide waste collection services, including kerbside collection, the Ashhurst transfer station, and public space rubbish bins.	There is a weekly kerbside waste collection service for all households in the urban area. There are public space rubbish bins throughout the city.				
Monitor and manage the closed landfills.	The closed landfills are compliant with regulatory requirements. The adverse environmental effects of the two closed landfills are well-understood and effectively managed.				

		recycling collections is at least 79%. (see Note)	recycling collections is at least 79%. (see Note)	recycling collections is at least 79%. (see Note)	recycling collections is at least 79%. (see Note)
--	--	---	---	---	---

Residents' Survey Note:

Over the last two years an average of 79% are satisfied, 13% neutral and 8% dissatisfied.

Significant Negative Effects

Waste to Landfill: Landfilling of rubbish presents an adverse effect on the environment. Council reduces this by setting goals through its Waste Management and Minimisation Plan 2019 to increase the proportion of waste diverted from landfill from 38% to 48% by 2025. (update??). Council has a long-term contract to dispose of our waste at a Class 1 Landfill, ensuring it is using the best facility available

Gas Emissions from the Awapuni Closed Landfill: Decomposition of organic material placed into landfill over time generates various gases including methane, ammonia, hydrogen sulphide and nitrogen, which are released into the atmosphere. To mitigate this Council has established a grid of collection wells on the closed Awapuni landfill, with the collected gas being used for energy generation at the Totara Road Wastewater Treatment Plant. This brings a reduction in the release of emissions.

Leachate: Leachates discharging and sediment eroding from the landfill can result in degradation of the environment if not contained. Council mitigates this through a collection system for leachate and stormwater. This is then returned to the wastewater treatment plant. Groundwater monitoring for potentially toxic substances is required by the resource consent.

Odour and noise from composting operations: Composting equipment creates noise and the decomposition of organic waste also produces odour. Council monitors and manages odour and noise through its day-to-day operations

Windblown Recycling Materials: Paper and other lightweight recycling material are prone to wind displacement, particularly at the exposed Awapuni site. Council mitigates this with a perimeter fence to intercept windblown materials. The fence is periodically cleaned to ensure visual presentation of the site.

Resource Recovery - Activity Financial Statements											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Revenue											
242	Landfill Management	920	951	977	1,002	1,027	1,051	1,075	1,099	1,122	1,146
2,085	Waste Minimisation	2,181	2,327	2,467	2,645	3,336	3,396	3,532	3,568	3,625	3,763
1,517	Waste Management	1,869	1,916	1,967	2,019	2,069	2,117	2,165	2,213	2,260	2,307
3,844	Total Revenue	4,970	5,194	5,411	5,666	6,433	6,564	6,773	6,880	7,007	7,216
Expenses											
2,156	Landfill Management	1,754	1,796	1,902	1,977	2,040	2,221	2,291	2,365	2,425	2,469
6,177	Waste Minimisation	7,035	7,787	7,631	8,010	9,032	9,755	10,122	10,400	10,481	10,743
2,554	Waste Management	2,083	2,212	2,300	2,394	2,491	2,588	2,695	2,791	2,874	2,966
10,887	Total Expenses	10,872	11,795	11,833	12,381	13,563	14,564	15,107	15,555	15,780	16,178
7,044	NET OPERATING COSTS OF ACTIVITY	5,902	6,601	6,422	6,715	7,130	8,000	8,334	8,675	8,773	8,962
Rating Requirement											
(814)	Less Depreciation	(1,060)	(1,183)	(1,438)	(1,501)	(1,628)	(1,696)	(1,818)	(1,845)	(1,872)	(1,971)
-	Less Transfers To/(From) Reserves	-	-	-	-	-	-	-	-	-	-
550	Plus Net Capital Renewal (3 Year Average)	510	531	591	742	666	848	736	754	573	605
434	Plus Debt Repayment	247	313	502	521	735	951	1,323	1,813	2,302	2,863
7,213	RATES REQUIREMENT	5,599	6,261	6,077	6,477	6,903	8,104	8,575	9,397	9,776	10,460

Resource Recovery - Activity Financial Statements											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Capital Expenditure											
486	Renewal	631	525	376	691	705	829	465	1,250	493	518
1,136	New	2,080	5,943	625	3,439	1,605	1,456	407	277	282	287
-	Growth	-	-	-	-	-	-	-	-	-	-
1,623	Total Capital Expenditure	2,711	6,467	1,001	4,130	2,310	2,285	872	1,527	775	805
Funded By											
-	External Revenue New / Growth	-	-	-	1,057	149	-	-	-	-	-
-	External Revenue Renewal	-	-	-	-	-	-	-	-	-	-
-	Development Contributions	-	-	-	-	-	-	-	-	-	-
550	Rates	510	531	591	742	666	848	736	754	573	605
2,172	New Borrowing / (Repayment)	2,201	5,937	410	2,331	1,495	1,437	136	773	203	200
1,623	Total	2,711	6,467	1,001	4,130	2,310	2,285	872	1,527	775	805

Resource Recovery - Capital Renewal												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
185 - Closed Landfills and Transfer Stations - Site Renewals	0%	100%	131	183	26	79	21	21	21	22	22	23
612 - Recycling - City-wide Wheelie Bin and Crate Renewals	0%	100%	100	102	104	320	380	498	113	115	117	119
649 - Recycling - Materials Recovery Facility Renewals	0%	100%	200	10	10	53	54	55	56	57	58	60
1368 - City-wide - Public Space Rubbish & Recycling Bins Renewals	0%	100%	75	102	157	160	163	166	169	172	175	179
1374 - City-wide - Recycling Drop Off Facilities - Renewals	0%	100%	15	15	16	16	16	17	17	17	18	18
1721 - Composting Activity Site Renewals	0%	100%	10	10	10	11	16	17	17	794	29	46
1784 - Rubbish and Recycling Buildings - Renewals	0%	100%	100	102	52	53	54	55	56	57	58	60
2341 - City-Wide - Food Scraps Bin and Caddie Renewals	0%	100%	-	-	-	-	-	-	15	15	15	15
TOTAL			631	525	376	691	705	829	465	1,250	493	518
Funded Externally			-	-	-	-	-	-	-	-	-	-
Funded by Council (Rates and Borrowing)			631	525	376	691	705	829	465	1,250	493	518

Resource Recovery - Capital New / Growth												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
506 - City-wide - Public Space Rubbish & Recycling Bins Development	0%	100%	150	153	104	107	109	111	113	115	117	119
657 - Urban Growth - Recycling - City-wide Wheelie Bins and Crates	0%	100%	90	92	94	101	103	105	107	109	111	113
727 - Recycling - Materials Recovery Facility Development	0%	100%	200	5,309	104	554	27	-	-	-	-	-
1371 - Closed Landfills and Transfer Stations - Safety, Security and Development	0%	100%	1,270	368	72	-	-	-	135	-	-	-
1373 - Urban Growth - Recycling - City-wide Drop Off Facilities - Development	0%	100%	-	-	-	-	1,195	1,218	-	-	-	-
1410 - Recycling - City-wide Recycling Services to Commercial/orgnisational Properties Development	0%	100%	20	20	21	21	22	22	23	23	23	24
1910 - City-Wide - Kerbside Food Scraps Collection and Processing Service Development	0%	100%	-	-	-	1,057	149	-	-	-	-	-
2336 - Compost Bunker Processing System Development	0%	100%	-	-	104	1,598	-	-	-	-	-	-
2337 - Tip Road Development	0%	100%	-	-	125	-	-	-	-	-	-	-
2338 - Recycling Contamination Monitoring Development	0%	100%	55	-	-	-	-	-	-	-	-	-
2342 - Urban Growth – Food Scraps - City-Wide Food Waste Bins and Caddies	0%	100%	-	-	-	-	-	-	29	30	30	31
2503 - Collection Vehicles - Safety and Security Development	0%	100%	245	-	-	-	-	-	-	-	-	-
2227 - Resource Recovery Centre Resilience Improvements	0%	100%	50	-	-	-	-	-	-	-	-	-
TOTAL			2,080	5,943	625	3,439	1,605	1,456	407	277	282	287
Funded Externally			-	-	-	1,057	149	-	-	-	-	-
Funded by Council (Rates and Borrowing)			2,080	5,943	625	2,381	1,456	1,456	407	277	282	287

Resource Recovery -Operational												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1811 - City-Wide Bi Annual Hazardous Waste Day	0%	100%	-	56	-	59	-	62	-	65	-	68
1909 - Waste Minimisation Levy - Contestable Fund	0%	100%	45	46	47	49	50	51	52	53	54	56
2328 - Resilience of the Closed Landfills - Investigation	0%	100%	-	103	-	-	-	-	-	-	-	-
2461 - Food Scraps - Detailed Analysis of Programme Delivery	0%	100%	75	26	-	-	-	-	-	-	-	-
2462 - Resource Recovery - Service Delivery Model Review	0%	100%	200	-	-	-	-	-	-	-	-	-
2506 - Resource Recovery - Data Platform to Licence Waste Collectors	0%	100%	-	-	53	-	-	-	-	-	-	-
TOTAL			320	231	100	108	50	113	52	118	54	123
Funded Externally			45	46	47	49	50	51	52	53	54	56
Funded by Council (Rates and Borrowing)			275	185	53	59	-	62	-	65	-	68

Wai

Water - Wastewater – Stormwater

We want our city to have enough safe water and to be safe from flooding during storm events. We want our wastewater to be effectively collected, treated and disposed of.

Water services have been undergoing significant reform in the past few years. The National-led Government has repealed the previous government's Three Waters programme and replaced it with 'Local Water Done Well'.

The Government is still working through the details of what this involves, but it does include local government keeping ownership of water assets. Councils will be encouraged to form regional groupings (to get the benefits of size) and Council-Controlled Organisations (to be able to borrow funds without affecting Council balance sheets). Further details will not be developed before the new Long-Term Plan is adopted. In the meantime, Council has planned and budgeted to provide water, stormwater and wastewater services for the ten years of the new Long-Term Plan.

This Activity's levels of service (see tables below) will contribute to our:

Goal 1 outcomes for our communities to have: an economy that embraces innovation and uses resources sustainably; and a resilient, low carbon economy.

Goal 4 outcomes for our communities to have: a sustainable and, low-emissions city; a circular economy with more resource recovery and less waste; the Manawatū River and waterways restored to a healthy, respected and connected state; a safe, affordable, sustainable and resilient water supply; effective, low-carbon, wastewater collection and treatment; infrastructure designed to manage projected one-in-fifty-year flood events; and access to relevant information and education to support more sustainable choices.

Water

What We Will Do (Our levels of service)	What This Means	Year 1 Targets (2024-25)	Year 2 Targets (2025-26)	Year 3 Targets (2026-27)	Year 4-10 Targets
Provide safe and readily-available water	Communities have access to a safe water supply. People have the information they need to conserve and reduce water use. Water infrastructure is well maintained and resilient.	Narrative measure outlining how Council’s water supply is safe and well-maintained and people are encouraged to conserve water.	Narrative measure outlining how Council’s water supply is safe and well-maintained and people are encouraged to conserve water.	Narrative measure outlining how Council’s water supply is safe and well-maintained and people are encouraged to conserve water.	Narrative measure outlining how Council’s water supply is safe and well-maintained and people are encouraged to conserve water.
		Resident satisfaction with Council's provision of water supply is at least 78%. (See Note)	Resident satisfaction with Council's provision of water supply is at least 78%. (See Note)	Resident satisfaction with Council's provision of water supply is at least 78%. (See Note)	Resident satisfaction with Council's provision of water supply is at least 78%. (See Note)
		The following are mandatory measures from the DIA: 100% compliance with the bacterial and protozoal requirements of the Water Services (Drinking Water Services for New	The following are mandatory measures from the DIA: 100% compliance with the bacterial and protozoal requirements of the Water Services (Drinking Water Services for New	The following are mandatory measures from the DIA: 100% compliance with the bacterial and protozoal requirements of the Water Services (Drinking Water Services for New	The following are mandatory measures from the DIA: 100% compliance with the bacterial and protozoal requirements of the Water Services (Drinking Water Services for New

		Zealand) Regulations 2022. (see Note)	Zealand) Regulations 2022. (see Note)	Zealand) Regulations 2022. (see Note)	Zealand) Regulations 2022. (see Note)
		Less than 40 complaints per 1,000 connections relating to clarity, taste, odour, continuity of water supply, drinking water pressure or flow, and our response to any of these issues.	Less than 40 complaints per 1,000 connections relating to clarity, taste, odour, continuity of water supply, drinking water pressure or flow, and our response to any of these issues.	Less than 40 complaints per 1,000 connections relating to clarity, taste, odour, continuity of water supply, drinking water pressure or flow, and our response to any of these issues.	Less than 40 complaints per 1,000 connections relating to clarity, taste, odour, continuity of water supply, drinking water pressure or flow, and our response to any of these issues.
		Average consumption of less than 360 litres of drinking water per day per resident.	Average consumption of less than 360 litres of drinking water per day per resident.	Average consumption of less than 360 litres of drinking water per day per resident.	Average consumption of less than 360 litres of drinking water per day per resident.
		2 hours or less median response time for urgent callout attendance.	2 hours or less median response time for urgent callout attendance.	2 hours or less median response time for urgent callout attendance.	2 hours or less median response time for urgent callout attendance.
		7 hours or less median response time for resolution of urgent callouts.	7 hours or less median response time for resolution of urgent callouts.	7 hours or less median response time for resolution of urgent callouts.	7 hours or less median response time for resolution of urgent callouts.
		10 hours or less median response time for non-urgent callout attendance.	10 hours or less median response time for non-urgent callout attendance.	10 hours or less median response time for non-urgent callout attendance.	10 hours or less median response time for non-urgent callout attendance.

		75 hours or less median response time for resolution of non-urgent callouts.	75 hours or less median response time for resolution of non-urgent callouts.	75 hours or less median response time for resolution of non-urgent callouts.	75 hours or less median response time for resolution of non-urgent callouts.
		Less than 20% of real water loss from the water reticulation network.	Less than 20% of real water loss from the water reticulation network.	Less than 20% of real water loss from the water reticulation network.	Less than 20% of real water loss from the water reticulation network.

Residents' Survey Note:

Over the last two years an average of 78% are satisfied, 14% neutral and 8% dissatisfied.

Note: The Non-Financial Performance Measures Rules 2013 required local authorities to report their compliance with the bacterial and protozoal contamination criteria of the New Zealand Drinking Water Standards 2005. These standards have been superceded by the Water Services (Drinking Water Services for New Zealand) Regulations 2022 (the regulations) and DWQAR (Drinking Water Quality Assurance Rules 2022) and therefore the council is reporting against these measures relying upon the relevant incorporation by reference provisions in New Zealand law.

Significant Negative Effects

Public health: Public health and quality of life would be significantly affected if the water supply could not meet water quality standards or if it could not operate fully due to damage from earthquakes and floods. Council mitigates this by:

strictly controlling water quality from the Treatment Plant with a certified Quality Assurance process

identifying and mitigating risks through a Water Safety Plan (Public Health Risk Management Plan) and a Three Waters Business Continuity Plan

Property damage: Property damage could result from a water mains failure. Council mitigates this through a renewals programme to minimise the incidence of infrastructure failures.

Environmental impact: There are several potential impacts on the environment:

the effect on the environment of damming and extraction of water from the Turitea Stream. Council's resource consents ensure that potential adverse effects are managed to acceptable levels

the effect on the environment of discharges of chlorinated water from maintenance activities or pipeline failures. In these instances, discharges of chlorinated water are of short duration, chlorine levels in the water are low, and any effects are likely to be localised and relatively minor

the effect on the environment of disposal of water supply treatment by-products. Council's resource consent ensure that the discharge of water treatment by-products have a less than minor impact.

Water - Activity Financial Statements											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Revenue											
31	Water Collection	30	31	32	32	33	34	35	36	36	37
59	Water Distribution	4	4	4	4	4	4	4	4	4	4
11	Water Treatment	10	10	11	11	11	11	12	12	12	12
101	Total Revenue	44	45	46	47	48	49	50	52	53	54
Expenses											
2,872	Water Collection	4,500	4,652	4,959	5,323	5,752	6,007	6,247	6,479	6,634	6,937
6,895	Water Distribution	7,828	8,228	9,030	9,693	10,280	11,151	11,632	11,955	12,439	12,275
2,709	Water Treatment	587	708	894	1,140	1,576	1,915	2,077	2,260	2,862	3,073
12,476	Total Expenses	12,916	13,588	14,883	16,156	17,609	19,074	19,957	20,694	21,935	22,285
12,375	NET OPERATING COSTS OF ACTIVITY	12,872	13,544	14,837	16,109	17,561	19,024	19,906	20,643	21,882	22,231
Rating Requirement											
(4,661)	Less Depreciation	(4,421)	(4,547)	(5,024)	(5,209)	(5,501)	(6,095)	(6,245)	(6,338)	(7,142)	(7,281)
-	Less Transfers To/(From) Reserves	-	-	-	-	-	-	-	-	-	-
6,432	Plus Net Capital Renewal (3 Year Average)	5,474	6,210	6,796	7,387	8,387	8,743	8,884	8,239	7,668	6,875
-	Plus Debt Repayment	669	849	1,069	1,306	2,164	2,966	4,303	6,113	7,996	10,089
14,145	RATES REQUIREMENT	14,594	16,055	17,679	19,592	22,611	24,639	26,848	28,656	30,404	31,915

Water - Activity Financial Statements											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Capital Expenditure											
5,380	Renewal	5,010	5,482	5,931	7,215	7,240	7,704	10,218	8,308	8,124	8,285
6,987	New	7,978	8,804	7,884	12,057	8,188	8,281	3,615	10,385	7,873	2,247
-	Growth	4,019	3,991	7,352	8,381	8,134	8,098	10,544	8,324	2,297	3,209
12,367	Total Capital Expenditure	17,006	18,277	21,167	27,653	23,563	24,084	24,377	27,017	18,294	13,741
Funded By											
-	External Revenue New / Growth	2,006	1,300	-	-	277	566	4,027	3,552	1,209	2,716
	External Revenue Renewal	-	-	-	-	-	-	-	-	-	-
423	Development Contributions	394	444	595	746	947	1,124	1,241	1,284	1,318	1,332
6,432	Rates	5,474	6,210	6,796	7,387	8,387	8,743	8,884	8,239	7,668	6,875
18,376	New Borrowing / (Repayment)	9,132	10,323	13,776	19,521	13,951	13,650	10,225	13,942	8,099	2,818
12,367	Total	17,006	18,277	21,167	27,653	23,563	24,084	24,377	27,017	18,294	13,741

Water - Capital Renewal												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
88 - Turitea WTP - Falling Main from WTP to Reservoir	0%	100%	-	154	-	1,782	1,827	1,869	1,912	-	-	-
199 - City-wide - Water Supply Bore and Network Facility Renewals	0%	100%	245	204	421	121	85	152	437	218	130	-
207 - Turitea WTP - Equipment and Facility Renewals	0%	100%	200	205	211	594	609	629	637	474	242	247
214 - City-wide - Water Toby and Manifold Renewals	0%	100%	400	410	421	432	443	453	463	474	484	494
218 - City-wide - Water Main Renewals	0%	100%	3,000	3,075	3,158	3,348	3,432	3,511	4,055	3,789	3,869	4,074
1061 - City-wide - Water Supply Reservoir Renewals	0%	100%	50	154	105	22	22	23	174	24	24	25
1700 - City-wide - Water Meter Renewals	0%	100%	250	282	316	108	111	113	116	118	121	123
1701 - City-wide - Water Supply Valve & Hydrant Renewals	0%	100%	250	256	263	270	166	170	116	118	121	123
1797 - Water Treatment Plant - Building Renewals	0%	100%	50	51	52	53	54	55	56	57	58	60
1822 - Water Pump Stations - Building Renewals	0%	100%	45	46	47	48	49	50	51	52	53	54
2276 - Turitea Dams - Access Road Renewals	0%	100%	-	-	263	-	387	340	348	-	-	-
2278 - Longburn - Water Bore and Treatment Renewal	0%	100%	100	-	-	-	-	-	-	-	-	-
2279 - Longburn - Water Asset Renewals	0%	100%	300	308	316	383	-	-	232	-	-	-
2280 - Bunnythorpe - Water Asset Renewals	0%	100%	-	205	211	-	-	-	290	296	302	309
2288 - Turitea WTP - Automation and PLC Renewals	0%	100%	50	51	53	-	-	-	116	-	-	-
2310 - Citywide - Water Critical Spare Replacements	0%	100%	70	82	95	54	55	57	58	59	60	62
2344 - Turitea WTP - Falling Main Rehabilitation	0%	100%	-	-	-	-	-	283	1,159	2,629	2,660	2,716
TOTAL			5,010	5,482	5,931	7,215	7,240	7,704	10,218	8,308	8,124	8,285
Funded Externally			-	-	-	-	-	-	-	-	-	-
Funded by Council (Rates and Borrowing)			5,010	5,482	5,931	7,215	7,240	7,704	10,218	8,308	8,124	8,285

Water - Capital New / Growth												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
132 - City-wide - Water Supply Resilience - Trunk Mains	10%	90%	600	1,244	1,278	123	1,107	1,133	-	-	-	-
135 - Urban Growth - Bunnythorpe Extension - Water Supply	90%	10%	-	-	-	-	-	-	87	533	-	-
246 - Urban Growth - Development Contributions - Water Supply	100%	0%	260	308	316	378	387	396	406	474	484	494
651 - City-wide - Water Supply Resilience - Seismic Strengthening	0%	100%	-	-	211	324	332	340	348	-	-	-
986 - Turitea Dams - Aeration Upgrade	0%	100%	290	-	-	-	-	-	-	-	-	-
1004 - Urban Growth - Whakarongo - Water Supply	90%	10%	200	718	1,358	2,646	3,277	1,812	-	-	-	-
1005 - Urban Growth - NEIZ - Water Supply	50%	50%	-	-	-	324	775	2,492	3,128	3,079	-	-
1054 - Ashhurst - Water Quality Improvements	0%	100%	2,500	1,538	526	-	-	-	-	-	-	-
1170 - Urban Growth - Kakatangiata - Water Supply	0%	100%	-	-	-	-	-	-	3,186	2,960	1,209	2,716
1384 - City-wide - Water Supply Resilience - City Supply Reservoir	0%	100%	500	513	1,053	-	-	-	-	-	-	-
1388 - Palmerston North - District Metering Areas for Water Supply	0%	100%	75	77	79	-	-	-	-	-	-	-
1389 - City-wide - Water Supply Resilience - Security of Supply	0%	100%	393	31	32	-	-	-	-	-	-	-
1607 - City-wide - Health & Safety - Water Treatment Chemical Handling	0%	100%	-	154	211	216	-	-	-	-	-	-
1696 - City-wide - Drinking Water Standards Upgrades	0%	100%	100	615	632	8,559	3,843	4,063	579	8,229	5,673	-
1697 - Turitea WTP - Water Supply Resilience - Upgrades	0%	100%	200	256	158	-	-	-	-	-	-	-
1841 - Urban Growth - Ashhurst - Water Supply	0%	100%	-	-	-	-	277	566	841	592	-	-

Water - Capital New / Growth												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1873 - City-wide - Water Main Upgrades - Firefighting	0%	100%	100	103	105	108	-	-	-	-	-	-
1874 - Turitea Dams - Health & Safety Improvements	0%	100%	150	154	158	108	55	57	58	59	60	62
1880 - Urban Growth - Aokautere - Water Supply	0%	100%	-	-	-	224	1,719	-	-	95	605	-
1883 - 3 Waters - Small Plant and Equipment	0%	100%	100	103	105	-	-	-	-	-	-	-
2042 - Turitea WTP - Raw Water Main Duplicate	0%	100%	200	1,179	1,211	-	-	-	-	-	-	-
2048 - City-wide - Water Toby and Manifold enhancements	0%	100%	750	769	790	810	830	849	869	888	907	926
2060 - City-wide - Commercial Water Meters	0%	100%	70	72	74	135	138	141	23	24	24	25
2228 - City-wide - Water Main Improvement	0%	100%	1,000	1,025	1,053	1,080	1,107	1,133	1,159	1,184	1,209	1,234
2283 - Turitea WTP - New Retaining Walls on Access Road	0%	100%	-	103	-	108	-	-	-	-	-	-
2286 - Turitea Dams - Installation of Dewatering Systems (both dams)	0%	100%	-	-	-	270	332	-	-	-	-	-
2297 - Urban Growth - Napier Road Bore (City East)	60%	40%	1,000	-	1,579	-	221	2,832	2,897	592	-	-
2298 - Bunnythorpe - Water Quality Improvements	0%	100%	50	564	-	-	221	566	579	-	-	-
2299 - Urban Growth - New Northern Water Supply Bore (Milson Line)	60%	40%	1,000	1,538	2,632	2,700	221	-	-	-	-	-
2301 - Urban Growth - New Longburn Water Supply Bore	60%	40%	259	1,428	1,467	2,109	1,257	-	-	-	-	-
2303 - Citywide - Bore Facility Improvements	0%	100%	900	308	211	216	221	-	-	-	-	-
2512 - Urban Growth - Kikiwhenua - Water Supply	100%	0%	1,300	-	-	-	-	-	-	-	-	-
TOTAL			11,996	12,794	15,236	20,438	16,322	16,380	14,159	18,709	10,170	5,456
Funded Externally			2,006	1,300	-	-	277	566	4,027	3,552	1,209	2,716
Funded by Council (Rates and Borrowing)			9,990	11,495	15,236	20,438	16,046	15,813	10,132	15,156	8,961	2,740

Water -Operational												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1870 - Turitea Dams - Consent Renewal - Hydroelectricity	0%	100%	-	-	-	-	-	-	-	-	-	123
1905 - Turitea Dams - Turitea Forest Harvest	0%	100%	50	51	-	-	-	-	-	-	-	-
2504 - Turitea Catchment Reserve Management Plan	0%	100%	50	-	-	-	55	-	-	-	-	62
TOTAL			100	51	-	-	55	-	-	-	-	185
Funded Externally			-	-	-	-	-	-	-	-	-	-
Funded by Council (Rates and Borrowing)			100	51	-	-	55	-	-	-	-	185

Stormwater

What We Will Do (Our levels of service)	What This Means	Year 1 Targets (2024-25)	Year 2 Targets (2025-26)	Year 3 Targets (2026-27)	Year 4-10 Targets
Protect buildings and communities from flooding.	The risk of negative impacts on the community is minimised in flood events. The stormwater system is effective and responsive to the impacts of climate change.	Narrative measure outlining how Council's stormwater system is reducing flooding risks and responding to climate change.	Narrative measure outlining how Council's stormwater system is reducing flooding risks and responding to climate change.	Narrative measure outlining how Council's stormwater system is reducing flooding risks and responding to climate change.	Narrative measure outlining how Council's stormwater system is reducing flooding risks and responding to climate change.
		Resident satisfaction with Council's provision of stormwater is at least 62%. (see Note)	Resident satisfaction with Council's provision of stormwater is at least 62%. (see Note)	Resident satisfaction with Council's provision of stormwater is at least 62%. (see Note)	Resident satisfaction with Council's provision of stormwater is at least 62%. (see Note)
		The following are mandatory measures from the DIA: Less than 5 flooding events that result in stormwater from Council's stormwater system entering a	The following are mandatory measures from the DIA: Less than 5 flooding events that result in stormwater from Council's stormwater system entering a	The following are mandatory measures from the DIA: Less than 5 flooding events that result in stormwater from Council's stormwater system entering a	The following are mandatory measures from the DIA: Less than 5 flooding events that result in stormwater from Council's stormwater system entering a

		habitable floor in an urban area.	habitable floor in an urban area.	habitable floor in an urban area.	habitable floor in an urban area.
		Less than 2 habitable floors per 1,000 properties within urban stormwater service areas affected by a flood event.	Less than 2 habitable floors per 1,000 properties within urban stormwater service areas affected by a flood event.	Less than 2 habitable floors per 1,000 properties within urban stormwater service areas affected by a flood event.	Less than 2 habitable floors per 1,000 properties within urban stormwater service areas affected by a flood event.
		Less than 2 hours median time to attend a flooding event.	Less than 2 hours median time to attend a flooding event.	Less than 2 hours median time to attend a flooding event.	Less than 2 hours median time to attend a flooding event.
		Less than 15 complaints received about the performance of the Council's urban stormwater system per 1,000 properties connected.	Less than 15 complaints received about the performance of the Council's urban stormwater system per 1,000 properties connected.	Less than 15 complaints received about the performance of the Council's urban stormwater system per 1,000 properties connected.	Less than 15 complaints received about the performance of the Council's urban stormwater system per 1,000 properties connected.
		100% compliance with resource consent conditions for discharge from our stormwater system measured by the number of: Abatement notices Infringement notices	100% compliance with resource consent conditions for discharge from our stormwater system measured by the number of: Abatement notices Infringement notices	100% compliance with resource consent conditions for discharge from our stormwater system measured by the number of: Abatement notices Infringement notices	100% compliance with resource consent conditions for discharge from our stormwater system measured by the number of: Abatement notices Infringement notices

		Enforcement orders Convictions.	Enforcement orders Convictions.	Enforcement orders Convictions.	Enforcement orders Convictions.
--	--	------------------------------------	------------------------------------	------------------------------------	------------------------------------

Residents' Survey Note:

Over the last two years an average of 62% are satisfied, 23% neutral and 15% dissatisfied.

Significant Negative Effects

Flooding of Property: Failure of the system can result in flooding of habitable residential and commercial buildings. Council mitigates this through capital works to address capacity constraints, effective building controls to set minimum building floor levels, site-specific detention and attenuation of stormwater in new growth and infill sub-divisions.

Poor water quality: Pollution and contamination of the stormwater from runoff and cross-connections with the wastewater network, can result in contaminants entering the stormwater network and discharging to streams and the Manawatū River.

Council mitigates this by

- identifying and targeting sites that are at high risk of discharging significant contaminants.
- managing runoff from industrial areas with the potential for stormwater contamination through the building consenting and trade waste regulatory processes.
- having emergency response plans (with Horizons Regional Council).to clean-up any pollution incidents
- behaviour change initiatives within the community to focus on reducing illegal dumping, littering and discharging of hazardous substances into the stormwater system.

Stormwater - Activity Financial Statements											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Revenue											
7	Stormwater Collection and Disposal	-	-	-	-	-	-	-	-	-	-
7	Total Revenue	-	-	-	-	-	-	-	-	-	-
Expenses											
5,394	Stormwater Collection and Disposal	6,842	7,254	7,966	8,707	9,343	10,314	10,970	11,575	12,326	12,470
5,394	Total Expenses	6,842	7,254	7,966	8,707	9,343	10,314	10,970	11,575	12,326	12,470
5,387	NET OPERATING COSTS OF ACTIVITY	6,842	7,254	7,966	8,707	9,343	10,314	10,970	11,575	12,326	12,470
Rating Requirement											
(2,321)	Less Depreciation	(2,545)	(2,635)	(2,913)	(3,029)	(3,134)	(3,524)	(3,770)	(3,999)	(4,463)	(4,517)
-	Less Transfers To/(From) Reserves	-	-	-	-	-	-	-	-	-	-
814	Plus Net Capital Renewal (3 Year Average)	515	515	430	360	368	357	345	333	341	350
-	Plus Debt Repayment	217	309	391	523	816	1,104	1,569	2,185	2,843	3,546
3,881	RATES REQUIREMENT	5,029	5,443	5,874	6,561	7,393	8,250	9,114	10,093	11,047	11,849

Stormwater - Activity Financial Statements											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Capital Expenditure											
230	Renewal	350	615	579	351	360	368	377	326	332	339
5,764	New	4,812	4,368	7,683	6,395	5,620	5,846	4,214	6,677	3,494	2,730
-	Growth	4,244	3,911	3,619	4,344	7,387	18,700	19,029	2,191	1,925	432
5,993	Total Capital Expenditure	9,406	8,895	11,881	11,090	13,366	24,914	23,620	9,193	5,751	3,501
Funded By											
-	External Revenue New / Growth	1,052	3,053	3,198	1,395	4,484	17,230	18,624	1,776	1,502	-
	External Revenue Renewal	-	-	-	-	-	-	-	-	-	-
166	Development Contributions	495	558	746	936	1,188	1,411	1,558	1,611	1,654	1,671
814	Rates	515	515	430	360	368	357	345	333	341	350
6,642	New Borrowing / (Repayment)	7,345	4,768	7,507	8,399	7,326	5,917	3,093	5,474	2,255	1,480
5,993	Total	9,406	8,895	11,881	11,090	13,366	24,914	23,620	9,193	5,751	3,501

Stormwater - Capital Renewal												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
20 - City-wide - Stormwater Pump Station Renewals	0%	100%	250	256	211	108	111	113	116	59	60	62
1062 - City-wide - Stormwater Network Renewal Works	0%	100%	100	359	368	243	249	255	261	266	272	278
Funded Externally			-	-	-	-	-	-	-	-	-	-
Funded by Council (Rates and Borrowing)			350	615	579	351	360	368	377	326	332	339

Stormwater - Capital New / Growth												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
22 - Citywide - Restoring Flood Capacity of Stormwater Channels	0%	100%	150	154	158	162	166	170	174	178	181	185
51 - Urban Growth - Development Contributions - Stormwater	100%	0%	250	308	316	324	332	396	406	414	423	432
197 - Urban Growth - NEIZ - Stormwater	100%	0%	-	-	-	164	1,050	1,074	-	-	-	-
1001 - Urban Growth - Whakarongo - Stormwater	75%	25%	2,500	-	-	-	-	-	-	-	-	-
1060 - City-wide - Stormwater Network Improvement Works	0%	100%	2,257	2,519	2,662	2,205	3,263	3,337	1,439	1,225	1,251	1,026
1065 - Urban Growth - Kakatangiata - Stormwater	0%	100%	-	-	-	324	554	10,193	11,866	1,776	1,502	-
1372 - City-wide Stormwater Pump Stations Improvement	0%	100%	556	566	272	347	221	117	-	-	125	395
1704 - Urban Growth - Aokautere - Stormwater	0%	100%	1,052	3,053	3,198	801	2,215	4,771	5,020	-	-	-
1706 - City-wide - Stormwater Network Resilience	0%	100%	-	-	-	324	-	-	348	-	-	-
1707 - City-wide - Land purchase associated with streams and channels	0%	100%	-	-	-	270	-	-	290	-	-	309
1708 - City-wide - Stormwater Flood Mitigation	0%	100%	1,549	428	2,737	2,331	530	1,542	1,096	3,676	1,211	74
2034 - Urban Growth - Ashhurst - Stormwater	0%	100%	-	-	-	270	1,716	2,265	1,738	-	-	-
2035 - Urban Growth - Napier Rd Extension - Stormwater	90%	10%	150	410	-	-	-	-	-	-	-	-
2240 - Longburn - Stormwater Asset Improvements	0%	100%	-	205	-	216	-	227	-	237	-	247

Stormwater - Capital New / Growth												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
2312 - Industrial Growth - Longburn Stormwater	90%	10%	-	-	105	648	720	-	-	-	-	-
2313 - Citywide - Installation of new Stormwater Assets	0%	100%	100	410	421	432	443	453	463	474	484	494
2324 - Urban Growth - Stormwater Roxborough Crescent Infill	100%	0%	293	140	-	1,813	801	-	-	-	-	-
2325 - Ashhurst - Stormwater Asset Improvement	0%	100%	-	87	1,117	108	664	-	174	770	-	-
2509 - Bunnythorpe - Stormwater Asset Improvement	0%	100%	200	-	211	-	221	-	232	-	242	-
2529 - Citywide - Data Collection Devices for Stormwater Monitoring and Planning	0%	100%	-	-	105	-	111	-	-	118	-	-
TOTAL			9,056	8,280	11,302	10,739	13,006	24,546	23,244	8,868	5,419	3,162
Funded Externally			1,052	3,053	3,198	1,395	4,484	17,230	18,624	1,776	1,502	-
Funded by Council (Rates and Borrowing)			8,005	5,226	8,104	9,344	8,522	7,316	4,620	7,091	3,917	3,162

Stormwater -Operational												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
2316 - Third Party Stormwater Flood Problem Resolution	0%	100%	15	15	16	16	17	17	17	18	18	19
2502 - Stormwater Network Resilience Study	0%	100%	100	51	26	-	-	-	-	-	-	-
2532 - Future Development Strategy - Technical Support - Stormwater	0%	100%	90	92	95	97	-	-	-	-	-	-
2536 - Future Development Strategy - Stormwater Strategy	0%	100%	103	45	-	-	-	-	-	-	-	-
TOTAL			308	204	137	113	17	17	17	18	18	19
Funded Externally			-	-	-	-	-	-	-	-	-	-
Funded by Council (Rates and Borrowing)			308	204	137	113	17	17	17	18	18	19

Wastewater

What We Will Do (Our levels of service)	What This Means	Year 1 Targets (2024-25)	Year 2 Targets (2025-26)	Year 3 Targets (2026-27)	Year 4-10 Targets
Manage city wastewater.	City wastewater is effectively and efficiently collected, treated and disposed of. Wastewater infrastructure is well maintained and resilient.	Narrative measure outlining how Council's wastewater system is effective, well-maintained and resilient.	Narrative measure outlining how Council's wastewater system is effective, well-maintained and resilient.	Narrative measure outlining how Council's wastewater system is effective, well-maintained and resilient.	Narrative measure outlining how Council's wastewater system is effective, well-maintained and resilient.
		Narrative measure outlining progress on the Nature Calls project.	Narrative measure outlining progress on the Nature Calls project.	Narrative measure outlining progress on the Nature Calls project.	Narrative measure outlining progress on the Nature Calls project.
		Resident satisfaction with Council's provision of the sewerage system is at least 73%. (see Note)	Resident satisfaction with Council's provision of the sewerage system is at least 73%. (see Note)	Resident satisfaction with Council's provision of the sewerage system is at least 73%. (see Note)	Resident satisfaction with Council's provision of the sewerage system is at least 73%. (see Note)
		The following are mandatory measures from the DIA: Less than 1 dry weather wastewater	The following are mandatory measures from the DIA: Less than 1 dry weather wastewater	The following are mandatory measures from the DIA: Less than 1 dry weather wastewater	The following are mandatory measures from the DIA: Less than 1 dry weather wastewater

		overflows from Council's wastewater system per 1000 connections.	overflows from Council's wastewater system per 1000 connections.	overflows from Council's wastewater system per 1000 connections.	overflows from Council's wastewater system per 1000 connections.
		No more than 15 complaints per 1,000 connections about: > Wastewater odour > Wastewater system faults > Wastewater system blockages Response to issues with the wastewater system.	No more than 15 complaints per 1,000 connections about: > Wastewater odour > Wastewater system faults > Wastewater system blockages Response to issues with the wastewater system.	No more than 15 complaints per 1,000 connections about: > Wastewater odour > Wastewater system faults > Wastewater system blockages Response to issues with the wastewater system.	No more than 15 complaints per 1,000 connections about: > Wastewater odour > Wastewater system faults > Wastewater system blockages Response to issues with the wastewater system.
		Median time for attending overflows resulting from blockages or other faults is less than 1.5 hours.	Median time for attending overflows resulting from blockages or other faults is less than 1.5 hours.	Median time for attending overflows resulting from blockages or other faults is less than 1.5 hours.	Median time for attending overflows resulting from blockages or other faults is less than 1.5 hours.
		Median time for resolution of overflows resulting from blockages or other faults is less than 8 hours.	Median time for resolution of overflows resulting from blockages or other faults is less than 8 hours.	Median time for resolution of overflows resulting from blockages or other faults is less than 8 hours.	Median time for resolution of overflows resulting from blockages or other faults is less than 8 hours.

		<p>100% compliance with resource consents for discharge from our wastewater system as measured by the number of:</p> <ul style="list-style-type: none"> ➤ abatement notices ➤ infringement notices ➤ enforcement notices ➤ convictions received by us in relation to resource consents. 	<p>100% compliance with resource consents for discharge from our wastewater system as measured by the number of:</p> <ul style="list-style-type: none"> ➤ abatement notices ➤ infringement notices ➤ enforcement notices ➤ convictions received by us in relation to resource consents. 	<p>100% compliance with resource consents for discharge from our wastewater system as measured by the number of:</p> <ul style="list-style-type: none"> ➤ abatement notices ➤ infringement notices ➤ enforcement notices ➤ convictions received by us in relation to resource consents. 	<p>100% compliance with resource consents for discharge from our wastewater system as measured by the number of:</p> <ul style="list-style-type: none"> ➤ abatement notices ➤ infringement notices ➤ enforcement notices ➤ convictions received by us in relation to resource consents.
--	--	---	---	---	---

Residents' Survey Note:

Over the last two years an average of 73% are satisfied, 22% neutral and 5% dissatisfied.

Significant Negative Effects

Public health risk: Wastewater may contain harmful pathogens chemicals and heavy metals. When untreated or poorly treated wastewater comes into contact with humans, it can lead to spread of diseases like cholera, typhoid, and hepatitis. Exposure to pollutants in wastewater can also cause skin irritations, respiratory problems, and other health issues.

Council mitigates this by:

- making sure all the treatment processes are running well and improving the quality of the effluent
- adding a pH probe at the outlet of WWP in addition to regular testing
- promoting more educational material on its website
- including gas meters and updating safety procedures and hazards and risks
- investigating different construction methods that do not require open trenching to avoid dealing with live sewage
- proactively addressing any health risk issue and enforce the waste and trade waste bylaws.

Environmental Impact: Improper handling or treatment of wastewater can generate foul odours and visually unappealing conditions. These issues can lead to public complaints, decreased tourism, and reduced quality of life for nearby communities.

Council mitigates these by:

- installing an advanced odour control system to improve the performance of the current odour control system
- engaging with local communities and maintaining open communication channels

Wastewater - Activity Financial Statements											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Revenue											
6	Wastewater Collection	-	-	-	-	-	-	-	-	-	-
1,297	Wastewater Treatment and Disposal	1,573	1,203	1,235	1,267	1,299	1,329	1,359	1,389	1,419	1,448
1,303	Total Revenue	1,573	1,203	1,235	1,267	1,299	1,329	1,359	1,389	1,419	1,448
Expenses											
7,896	Wastewater Collection	10,998	11,526	12,832	13,820	14,403	15,647	16,379	16,601	17,371	17,385
4,994	Wastewater Treatment and Disposal	4,484	4,407	4,586	4,702	5,373	5,874	6,504	6,308	8,906	12,763
12,890	Total Expenses	15,481	15,932	17,418	18,522	19,777	21,521	22,883	22,908	26,278	30,148
11,587	NET OPERATING COSTS OF ACTIVITY	13,908	14,729	16,183	17,255	18,477	20,192	21,524	21,519	24,859	28,700
Rating Requirement											
(5,619)	Less Depreciation	(5,702)	(5,775)	(6,349)	(6,546)	(6,658)	(7,296)	(7,419)	(7,508)	(8,268)	(8,335)
-	Less Transfers To/(From) Reserves	-	-	-	-	-	-	-	-	-	-
5,180	Plus Net Capital Renewal (3 Year Average)	5,112	5,216	5,662	6,348	7,059	6,819	6,656	6,460	7,702	7,700
-	Plus Debt Repayment	480	631	786	985	1,474	1,957	2,837	4,087	5,342	6,784
11,148	RATES REQUIREMENT	13,798	14,802	16,282	18,041	20,353	21,672	23,597	24,557	29,636	34,849

Wastewater - Activity Financial Statements											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Capital Expenditure											
4,384	Renewal	4,753	5,431	5,152	5,065	6,768	7,209	7,200	6,048	6,719	6,613
7,077	New	9,204	14,060	15,492	76,386	80,428	88,682	135,368	102,933	48,537	21,372
-	Growth	104	461	3,316	3,583	6,599	8,211	6,199	3,967	3,929	555
11,461	Total Capital Expenditure	14,061	19,952	23,961	85,034	93,795	104,102	148,768	112,947	59,185	28,540
Funded By											
-	External Revenue New / Growth	772	5,778	4,344	72,805	77,948	87,787	136,429	103,951	50,195	20,199
	External Revenue Renewal	-	-	-	-	-	-	-	-	-	-
1,283	Development Contributions	373	421	563	706	896	1,064	1,175	1,216	1,248	1,261
5,180	Rates	5,112	5,216	5,662	6,348	7,059	6,819	6,656	6,460	7,702	7,700
15,358	New Borrowing / (Repayment)	7,804	8,537	13,391	5,175	7,892	8,432	4,509	1,321	40	(621)
11,461	Total	14,061	19,952	23,961	85,034	93,795	104,102	148,768	112,947	59,185	28,540

Wastewater - Capital Renewal												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
54 - City-wide - Wastewater Pipe Renewal	0%	100%	1,800	1,845	2,105	2,160	3,321	3,398	3,012	2,723	2,781	2,839
65 - City-wide - Wastewater Pump Station Renewal	0%	100%	165	169	174	178	183	187	446	189	193	198
179 - Totara Road Wastewater Treatment Plant - Minor Equipment Renewals	0%	100%	264	200	263	270	332	340	348	355	242	247
601 - Citywide - Aeration Pond Wave Band Repairs	0%	100%	150	205	-	-	-	-	-	-	-	-
1068 - Totara Road Wastewater Treatment Plant - Replacement of Inlet Pumps	0%	100%	-	-	-	-	-	-	145	414	423	370
1380 - Totara Rd WWTP - Biogas Generator Major Overhauls	0%	100%	259	127	163	196	172	234	420	184	188	192
1714 - City-wide Wastewater Trunk Mains Renewal	0%	100%	500	1,025	1,263	1,188	1,218	1,472	1,854	592	605	1,234
1799 - Wastewater Treatment Plant - Buildings Renewals	0%	100%	50	51	52	53	54	55	56	57	58	60
1801 - Wastewater Pump Stations - Building Renewals	0%	100%	45	46	47	48	49	50	51	52	53	54
1887 - 3 Waters Minor Equipment Renewals	0%	100%	20	21	32	54	55	57	58	59	60	62
2252 - WWTP - Replacement of PLCs and SCADA	0%	100%	-	-	-	-	-	-	116	118	181	-
2268 - Biogas Engine Replacement	0%	100%	-	-	-	-	-	-	-	-	605	617
2323 - Citywide - Relining of Wastewater Pipes	0%	100%	600	615	632	648	664	680	695	710	725	741
2332 - Sedimentation Tank Remediation	0%	100%	-	-	-	-	-	-	-	592	605	-
2411 - Renewal of Oxidation Ponds and Sludge Lagoons	0%	100%	700	718	-	-	-	-	-	-	-	-
2530 - Bunnythorpe - Wastewater Reticulation Renewals	0%	100%	200	410	421	270	720	736	-	-	-	-
TOTAL			4,753	5,431	5,152	5,065	6,768	7,209	7,200	6,048	6,719	6,613
Funded Externally			-	-	-	-	-	-	-	-	-	-
Funded by Council (Rates and Borrowing)			4,753	5,431	5,152	5,065	6,768	7,209	7,200	6,048	6,719	6,613

Wastewater - Capital New / Growth												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
66 - Totara Road Wastewater Treatment Plant - Resilience Programme	0%	100%	557	256	263	270	277	283	290	296	121	123
73 - Urban Growth - Development Contributions - Wastewater	100%	0%	104	154	158	216	221	227	232	296	302	309
210 - Urban Growth - NEIZ - Wastewater	100%	0%	-	-	-	558	1,329	2,832	2,317	-	-	-
628 - Totara Road Wastewater Treatment Plant - Consent Renewal Upgrade	0%	100%	3,000	4,230	4,344	72,805	77,671	85,692	133,880	100,991	46,568	19,952
1000 - Urban Growth - Whakarongo - Wastewater	100%	0%	-	-	-	378	2,214	2,265	-	-	-	-
1055 - Urban Growth - Kakatangiata - Wastewater	0%	100%	-	-	-	-	-	340	2,317	2,368	2,418	247
1074 - Totara Road Wastewater Treatment Plant - Earthquake Strengthening of Civil Structures	0%	100%	1,000	2,563	2,632	-	-	-	-	-	-	-
1412 - Urban Growth - Ashhurst - Wastewater	0%	100%	-	-	-	-	277	1,756	232	592	1,209	-
1535 - City-Wide - Campervan Dump Stations	0%	100%	198	-	-	-	-	-	-	-	-	-
1616 - City-wide - Wastewater Pump Station - Capacity Upgrade	0%	100%	1,000	2,255	2,316	-	-	-	-	-	-	-
1617 - Totara Road Wastewater Treatment Plant - Biogas System Improvements	0%	100%	710	1,538	1,316	-	-	-	-	-	-	-
1677 - Upsizing of Kairanga Bunnythorpe Road Sewer and Storage	0%	100%	-	51	790	-	-	-	-	-	-	-
1712 - City-wide Wastewater reticulation wet weather overflow mitigation	0%	100%	500	513	526	-	-	-	-	-	-	-
1821 - City-wide Wastewater Pipeline Realignment of critical at-risk mains	0%	100%	500	513	526	540	554	566	116	118	121	123
2030 - Urban Growth - Aokautere - Wastewater	0%	100%	-	-	-	270	344	793	1,101	710	-	-
2229 - City-wide - Wastewater Pipe Improvement	0%	100%	1,000	1,025	1,053	1,080	1,107	1,133	579	592	605	617
2257 - Citywide - Discharge Smart Meters for Large Tradewaste Customers	0%	100%	40	41	42	43	44	45	46	47	48	49
2322 - Bunnythorpe - Wastewater Network Upgrades	0%	100%	300	308	316	-	-	-	-	-	-	-
2329 - Citywide - Wastewater Pump Station H&S Upgrades	0%	100%	50	51	53	54	55	57	58	59	60	62
2330 - 3 Waters Telemetry Upgrades	0%	100%	-	154	526	1,242	-	-	-	-	-	-
2331 - Citywide Wastewater Critical Spares	0%	100%	100	51	53	54	55	57	58	59	60	62
2347 - Wastewater Trunk Main - Infill Upgrades	10%	90%	250	513	737	297	664	849	342	770	954	383
2511 - Urban Growth - Kikiwhenua - Wastewater	100%	0%	-	308	3,158	2,160	2,214	-	-	-	-	-
TOTAL			9,308	14,521	18,808	79,968	87,027	96,894	141,568	106,899	52,467	21,927
Funded Externally			772	5,778	4,344	72,805	77,948	87,787	136,429	103,951	50,195	20,199
Funded by Council (Rates and Borrowing)			8,537	8,743	14,464	7,163	9,079	9,106	5,139	2,948	2,272	1,728

Wastewater -Operational												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1401 - City-wide - Infiltration & Inflow Investigations	0%	100%	491	518	546	579	613	648	684	703	746	772
TOTAL			491	518	546	579	613	648	684	703	746	772
Funded Externally			-	-	-	-	-	-	-	-	-	-
Funded by Council (Rates and Borrowing)			491	518	546	579	613	648	684	703	746	772

Mana urungi, kirirarautanga hihiri

Governance and Active Citizenship

We want to actively engage with the community to enable well-informed, transparent, and joined-up decisions. We want to work in partnership with Rangitāne o Manawatū.

As elected members and decision-makers we want to have access to information and impartial advice. This means allocating appropriate attention and resources to significant decisions. We will support systems that enable transparent decisions and accountability.

We want our communities to understand how Council decisions affect their lives. Conversations with our communities will help us make better choices. We will continue to make more meaningful opportunities for people to have their say. We want a broad range of engagement options, so we hear a greater variety of voices.

This Activity's levels of service (see table below) will contribute to our:

Goal 3 outcomes for our communities to have: opportunities for involvement and to contribute to Council decision-making.

They will also contribute to all of Council's other outcomes by ensuring Elected Members have the information, advice, and support they need to make decisions and work with partners on behalf of the city.

What We Will Do (Our levels of service)	What This Means	Year 1 Targets (2024-25)	Year 2 Targets (2025-26)	Year 3 Targets (2026-27)	Year 4-10 Targets
Base our decisions on sound information and advice.	Decision-makers will have evidence-based, impartial and timely advice based on our strategic goals and objectives.	<p>Narrative measure on actions to improve advice to decision makers, including elected member feedback, officer training on report writing and speaking in the Chamber, and report template updates to reflect sustainability and Council's direction.</p> <p>Biennial benchmarking of Local Government advice by NZIER.</p>	<p>Narrative measure on actions to improve advice to decision makers, including elected member feedback, officer training on report writing and speaking in the Chamber, and report template updates to reflect sustainability and Council's direction.</p>	<p>Narrative measure on actions to improve advice to decision makers, including elected member feedback, officer training on report writing and speaking in the Chamber, and report template updates to reflect sustainability and Council's direction.</p> <p>Biennial benchmarking of Local Government advice by NZIER.</p>	<p>Narrative measure on actions to improve advice to decision makers, including elected member feedback, officer training on report writing and speaking in the Chamber, and report template updates to reflect sustainability and Council's direction.</p> <p>Biennial benchmarking of Local Government advice by NZIER (in years 5, 7 and 9).</p>

<p>Oversee Council operations and communicate outcomes and decisions to our communities.</p>	<p>The performance of Council and Council Controlled Organisations' is reviewed and reported on our website, along with all other Council decisions.</p>	<p>Council quarterly reports (financial and strategic performance monitoring) and annual report are considered in public committee and the annual report published on our website.</p> <p>CCO six-monthly and annual reports are considered by committee and annual reports published on our website.</p>	<p>Council quarterly reports (financial and strategic performance monitoring) and annual report are considered in public committee and the annual report published on our website.</p> <p>CCO six-monthly and annual reports are considered by committee and annual reports published on our website.</p>	<p>Council quarterly reports (financial and strategic performance monitoring) and annual report are considered in public committee and the annual report published on our website.</p> <p>CCO six-monthly and annual reports are considered by committee and annual reports published on our website.</p>	<p>Council quarterly reports (financial and strategic performance monitoring) and annual report are considered in public committee and the annual report published on our website.</p> <p>CCO six-monthly and annual reports are considered by committee and annual reports published on our website.</p>
<p>Provide leadership and advocacy for Palmerston North.</p>	<p>Elected Members and staff represent the interests of Palmerston North in government, community and commercial processes and opportunities.</p>	<p>Narrative measure outlining how Council's advocacy promotes the City's interests.</p>	<p>Narrative measure outlining how Council's advocacy promotes the City's interests.</p>	<p>Narrative measure outlining how Council's advocacy promotes the City's interests.</p>	<p>Narrative measure outlining how Council's advocacy promotes the City's interests.</p>

<p>Provide clear and accessible information and opportunities for community input into Council decisions.</p>	<p>Communities have the information they need to take part in Council processes. All governance processes and systems (including meetings, workshops, reference groups, hearings, engagement and consultation processes) encourage participation.</p>	<p>Narrative measure outlining how Council's information and governance processes and systems encourage public participation.</p> <p>Narrative measure on community feedback about Council's engagement processes (including feedback from Reference Groups, Residents' Survey results and comparative digital engagement statistics.)</p>	<p>Narrative measure outlining how Council's information and governance processes and systems encourage public participation.</p> <p>Narrative measure on community feedback about Council's engagement processes (including feedback from Reference Groups, Residents' Survey results and comparative digital engagement statistics.)</p>	<p>Narrative measure outlining how Council's information and governance processes and systems encourage public participation.</p> <p>Narrative measure on community feedback about Council's engagement processes (including feedback from Reference Groups, Residents' Survey results and comparative digital engagement statistics.)</p>	<p>Narrative measure outlining how Council's information and governance processes and systems encourage public participation.</p> <p>Narrative measure on community feedback about Council's engagement processes (including feedback from Reference Groups, Residents' Survey results and comparative digital engagement statistics.)</p>
---	---	--	--	--	--

Governance and Active Citizenship - Activity Financial Statements											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Revenue											
11	Councillor Meetings and Administration	107	109	23	69	70	71	73	74	75	77
215	Direction Setting	293	299	306	160	163	166	169	172	175	179
3	Elections	-	102	-	-	114	-	-	132	-	-
230	Total Revenue	399	510	329	229	347	238	242	378	251	255
Expenses											
2,624	Councillor Meetings and Administration	2,636	2,625	2,824	2,758	2,889	3,026	3,317	3,365	3,525	3,560
6,196	Direction Setting	5,034	5,051	5,510	5,259	5,572	6,151	6,244	6,551	7,011	6,931
64	Elections	55	312	32	78	359	17	63	403	42	101
1,401	Mayoral Office	345	354	362	371	380	389	397	406	414	423
10,285	Total Expenses	8,071	8,341	8,728	8,466	9,200	9,582	10,021	10,725	10,992	11,016
10,055	NET OPERATING COSTS OF ACTIVITY	7,671	7,831	8,399	8,237	8,852	9,345	9,779	10,347	10,741	10,760
Rating Requirement											
(6)	Less Depreciation	(29)	(29)	(29)	(29)	(29)	(29)	(29)	(29)	(29)	(29)
-	Less Transfers To/(From) Reserves	-	-	-	-	-	-	-	-	-	-
-	Plus Net Capital Renewal (3 Year Average)	-	-	-	-	-	-	-	-	-	-
20	Plus Debt Repayment	7	8	8	8	9	9	10	10	11	12
10,070	RATES REQUIREMENT	7,650	7,810	8,378	8,217	8,833	9,325	9,760	10,328	10,723	10,744

Governance and Active Citizenship - Activity Financial Statements											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
	Capital Expenditure										
-	Renewal	-	-	-	-	-	-	-	-	-	-
138	New	-	-	-	-	-	-	-	-	-	-
-	Growth	-	-	-	-	-	-	-	-	-	-
138	Total Capital Expenditure	-	-	-	-	-	-	-	-	-	-
	Funded By										
-	External Revenue New / Growth	-	-	-	-	-	-	-	-	-	-
-	External Revenue Renewal	-	-	-	-	-	-	-	-	-	-
-	Development Contributions	-	-	-	-	-	-	-	-	-	-
-	Rates	-	-	-	-	-	-	-	-	-	-
138	New Borrowing / (Repayment)	-	-	-	-	-	-	-	-	-	-
138	Total	-	-	-	-	-	-	-	-	-	-

Governance and Active Citizenship -Operational												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1949 - Civic and Cultural Precinct	0%	100%	100	102	104	-	-	-	-	-	-	-
2241 - Rangitane Resource	0%	100%	143	146	149	-	-	-	-	-	-	-
2535 - Food security resilience policy implementation	0%	100%	30	31	31	32	33	33	34	34	35	36
TOTAL			273	279	285	32	33	33	34	34	35	36
Funded Externally			143	146	149	-	-	-	-	-	-	-
Funded by Council (Rates and Borrowing)			130	133	136	32	33	33	34	34	35	36

Supporting the Organisation

Organisational performance - Activity Financial Statements											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Revenue											
259	Civic Administration Building	198	202	207	211	215	219	223	227	232	236
-	Customer Services	1	1	1	1	1	1	1	1	1	1
239	Financial Services	331	334	337	340	342	345	348	350	353	356
32	Print Synergy	-	-	-	-	-	-	-	-	-	-
4,089	External Contracts	4,034	4,119	4,135	4,145	4,228	4,308	4,390	4,469	4,549	4,631
34	Plant and vehicle operations	-	-	-	-	-	-	-	-	-	-
4,653	Total Revenue	4,565	4,656	4,679	4,697	4,787	4,874	4,962	5,048	5,135	5,224
Expenses											
556	Civic Administration Building	1,113	1,089	1,077	1,129	1,116	806	759	741	1,019	1,178
-	Customer Services	1	1	1	1	1	1	1	1	1	1
414	Financial Services	2,578	2,867	3,171	3,488	3,786	4,058	4,319	4,603	4,809	5,023
-	Human Resources	2	3	-	-	-	-	-	-	-	-
1,976	Information Services	9,326	10,477	9,364	6,348	2,487	1,186	4,497	7,302	9,151	10,073
1,023	Marketing & Communications	169	153	173	156	159	156	173	155	156	152
173	Print Synergy	219	182	183	177	223	234	207	208	218	269
3,620	External Contracts	3,764	3,818	3,823	3,811	3,979	4,022	4,137	4,316	4,354	4,467
252	Plant and vehicle operations	506	637	761	797	623	197	429	1,067	1,832	1,752
7,185	Total Expenses	12,518	13,488	12,212	8,933	4,803	173	3,968	7,550	10,043	10,778
2,533	NET OPERATING COSTS OF ACTIVITY	7,953	8,832	7,532	4,236	17	4,701	8,930	12,598	15,178	16,002
Rating Requirement											
(2,788)	Less Depreciation	(3,870)	(4,123)	(4,316)	(4,603)	(4,803)	(4,916)	(4,915)	(4,859)	(4,727)	(4,720)
-	Less Transfers To/(From) Reserves	(5,600)	(2,961)	(1,670)	-	-	-	-	-	-	-
3,675	Plus Net Capital Renewal (3 Year Average)	3,355	3,246	3,179	3,433	3,392	3,718	3,615	3,685	3,473	2,605
259	Plus Debt Repayment	2,269	3,118	3,700	4,252	4,180	4,119	3,349	2,462	1,579	1,162
3,679	RATES REQUIREMENT	4,107	8,112	8,426	7,318	2,786	1,780	6,881	11,311	14,853	16,955

Organisational performance - Activity Financial Statements											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Capital Expenditure											
2,391	Renewal	3,633	3,238	3,193	3,308	3,036	3,955	3,185	4,876	3,938	3,394
270	New	1,265	961	2,339	2,192	850	838	685	640	622	633
	Growth	-	-	-	-	-	-	-	-	-	-
2,661	Total Capital Expenditure	4,898	4,199	5,532	5,500	3,886	4,794	3,870	5,516	4,560	4,027
Funded By											
	External Revenue New / Growth	-	-	-	-	-	-	-	-	-	-
-	External Revenue Renewal	-	-	-	-	-	-	-	861	292	-
	Development Contributions	-	-	-	-	-	-	-	-	-	-
3,675	Rates	3,355	3,246	3,179	3,433	3,392	3,718	3,615	3,685	3,473	2,605
6,336	New Borrowing / (Repayment)	1,543	953	2,353	2,067	494	1,075	255	970	795	1,422
2,661	Total	4,898	4,199	5,532	5,500	3,886	4,794	3,870	5,516	4,560	4,027

Organisational performance - Capital Renewal												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
53 - User Hardware - rolling replacement	0%	100%	470	480	490	501	511	520	530	540	550	559
58 - Network Additions and Upgrades	0%	100%	75	77	78	80	82	83	85	86	88	89
68 - Aerial Photography	0%	100%	35	31	42	234	43	39	51	40	58	48
80 - Council Small Mobile Plant and Equipment - Replacement	0%	100%	351	356	292	305	319	317	332	310	325	346
86 - Property - Furniture Replacements	0%	100%	30	31	31	32	33	33	34	34	35	36
221 - Replacement of Print Synergy Machinery	0%	100%	-	20	-	107	-	-	-	-	117	-
281 - CAB - Renewals	0%	100%	200	204	209	213	217	221	226	230	234	238
755 - Replacement of Parking Enforcement Hand Helds and iPhones	0%	100%	35	-	-	37	-	-	39	-	-	42
784 - Replacement of Council's Photocopiers/Printers	0%	100%	18	15	16	32	38	44	17	17	18	18
1879 - Council's Plant and Vehicle - Replacements	0%	100%	1,750	1,991	1,722	1,758	1,793	1,827	1,862	1,895	1,929	1,964
1933 - Brand and Marketing Critical Equipment	0%	100%	-	33	-	-	-	40	-	-	-	43
2027 - Video and Audio Equipment	0%	100%	9	-	-	10	-	-	10	-	-	11
2494 - Modern Telephony Replacement	0%	100%	200	-	-	-	-	-	-	-	-	-
2495 - Council Chambers refresh	0%	100%	-	-	313	-	-	-	-	-	-	-
2496 - Data Centre - Refresh	0%	100%	460	-	-	-	-	830	-	-	-	-
2513 - Renewal of CAB windows and window seals	0%	100%	-	-	-	-	-	-	-	1,723	585	-
TOTAL			3,633	3,238	3,193	3,308	3,036	3,955	3,185	4,876	3,938	3,394
Funded Externally			-	-	-	-	-	-	-	861	292	-
Funded by Council (Rates and Borrowing)			3,633	3,238	3,193	3,308	3,036	3,955	3,185	4,014	3,646	3,394

Organisational performance - Capital New / Growth												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
60 - Information Management Strategic Plan Project	0%	100%	75	77	78	80	82	83	85	86	88	89
99 - New Vehicles and Plant to enable the delivery of improved Council services	0%	100%	307	314	321	327	334	340	347	353	359	366
1875 - Fleet - Upgrade to Electric Vehicles - Capital New	0%	100%	213	163	375	133	109	83	56	-	-	-
2449 - Fleet - Upgrade R&R Fleet to Alternate Fuel - Capital new	0%	100%	-	357	470	533	272	277	141	144	117	119
2460 - Fleet - Hydrovac/Airvac unit	0%	100%	620	-	-	-	-	-	-	-	-	-
2499 - Smart Cities / Smart Palmy	0%	100%	50	51	52	53	54	55	56	57	58	60
2514 - New Vehicles and Plant to enable the collection of food scraps	0%	100%	-	-	1,044	1,065	-	-	-	-	-	-
TOTAL			1,265	961	2,339	2,192	850	838	685	640	622	633
Funded Externally			-	-	-	-	-	-	-	-	-	-
Funded by Council (Rates and Borrowing)			1,265	961	2,339	2,192	850	838	685	640	622	633

Organisational performance -Operational												
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
225 - PNCC Website Upgrade	0%	100%	-	-	-	53	-	-	-	345	-	-
1520 - Digital Transformation	0%	100%	4,900	2,246	1,044	1,065	1,087	1,107	1,128	1,149	1,169	1,190
2346 - Organisation wide - systems replacement or new systems initiatives	0%	100%	750	817	939	373	380	388	395	402	409	417
2451 - Leadership Development	0%	100%	165	168	172	53	54	55	56	57	58	60
2500 - Implementation of Waka Kotahi Asset Management Data Standards	0%	100%	160	41	-	-	-	-	-	-	-	-
TOTAL			5,975	3,272	2,155	1,545	1,521	1,550	1,580	1,953	1,637	1,666
Funded Externally			82	21	-	-	-	-	-	-	-	-
Funded by Council (Rates and Borrowing)			5,893	3,251	2,155	1,545	1,521	1,550	1,580	1,953	1,637	1,666



Wāhanga 3
Section 3

Ngā Kōrero Ahumoni, Reiti Hoki

**Financial and Rating
Information**

3.

Here you can see what assumptions have been made in preparing the financial information. You'll also see details about the rating system.

Financial Strategy	169
30 Year Infrastructure Strategy	194
Financial Overview and Forecast Financial Statements	264
Long-Term Plan Disclosure Statement	270
What We Provide and What It Costs The Average Residential Ratepayer	275
Revenue and Financing Policy	276
Significant Forecasting Assumptions	312
Statement of Accounting Policies	340
Rating System, Rates and Funding Impact Statements	355



Financial Strategy 2024-2034

Introduction

The Council is driven by a strategic approach to achieving outcomes that contribute to the its vision for Palmerston North He iti ra, he iti pounamu, Small city benefits, big city ambition. This Vision is supported by the following goals and related strategies:

Goal 1: An innovative and growing city

Goal 2: A creative and exciting city

Goal 3: A connected and safe community

Goal 4: A sustainable and resilient city

More detail about these in outlined in section 2 of the Long-term Plan.

Purpose

The purpose of the Financial Strategy is to:

- facilitate prudent financial management by Council, by providing a guide against which to consider proposals for funding and expenditure
- provide a context for consulting on Council's proposals for funding and expenditure, by making their overall effects on services, rates, debt and investments transparent

Note:

This Financial Strategy is an integral component of the Council's Long-term Plan (LTP). It should be read in conjunction with the Plan, which amplifies many aspects of the Strategy in relevant sections. The Strategy also links closely with the 30 Year Infrastructure Strategy.

Approach

This strategy is structured in the following manner:

- Summary of key issues
- The current financial position of the Council
- Desired future financial position and challenges being faced
- Guiding financial management principles
- What this means for 2024-34 including debt and rates forecasts
- Appendices:
 - Growth assumptions
 - Cost of providing for growth
 - Looking after present infrastructure
 - Policy on giving security for borrowings
 - Financial investments

Summary of key issues

The requirement to update the City's wastewater treatment and disposal system (Nature Calls) provides the greatest single challenge to long-term financial sustainability of the Council. At the present time it has been assumed that the proposed option will cost approximately \$550 million (i.e. \$480 million plus inflation) but there is a high level of uncertainty about details of the proposal and its cost.

In order to fund existing Council services and key projects being proposed in the LTP, including new and growth-related capital expenditure of \$1.61 billion, Council's rates and debt levels will need to increase – rates increasing from \$124 million in 2023/24 to \$259 million in 2033/34 and debt increasing from a forecast \$256 million at 1 July 2024 to \$553 million at 30 June. The policy limit for the net debt/revenue ratio has been increased from 200% to \$250%.

The Council does not have the borrowing capacity to fund all of the proposed capital expenditure from debt. It has been assumed a number of projects will be funded using other mechanisms. In particular the Nature Calls project is assumed to be funded using a loan raised through a government agency and that it would be serviced and repaid by ratepayers through what is termed an IFF levy over 30 years. Early assessments are this could progressively increase to at least \$1,000 per property though this sum and the way it will be distributed amongst ratepayers has yet to be considered in any detail. Any loan raised in this manner will not be recorded as part of the Council's total borrowings.

External funding of \$261.6 million has been assumed for a range of other projects including infrastructure growth programmes, Te Motu o Poutoa

Anzac Park and seismic upgrades to the central library and Te Manawa. This funding can be a combination of grants, partnership agreements or private ownership. Investigating and developing these other revenue opportunities will require a concerted focus. If Council is unable to achieve these funding arrangements it could delay the particular project or if this is not possible, then re-prioritise other programmes.

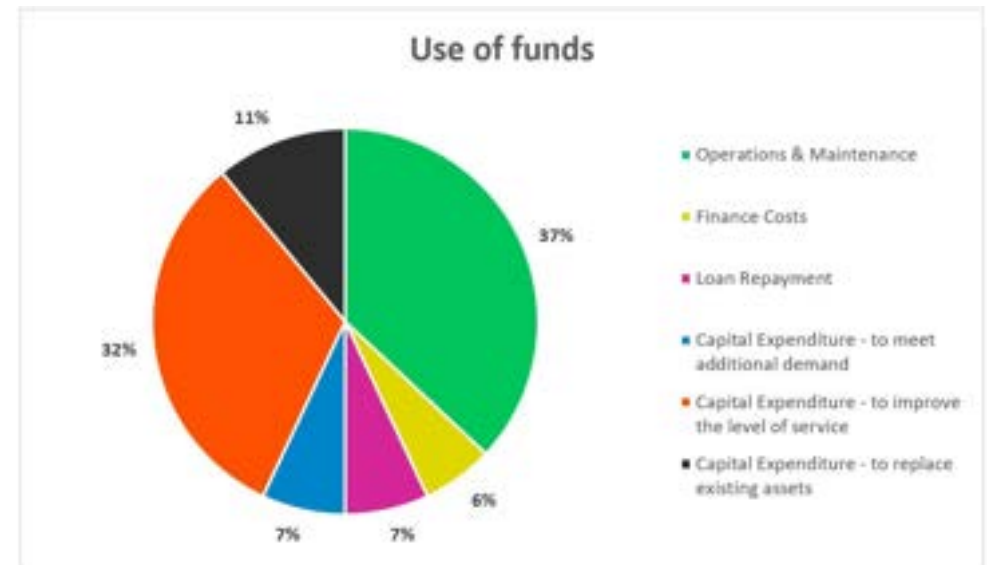
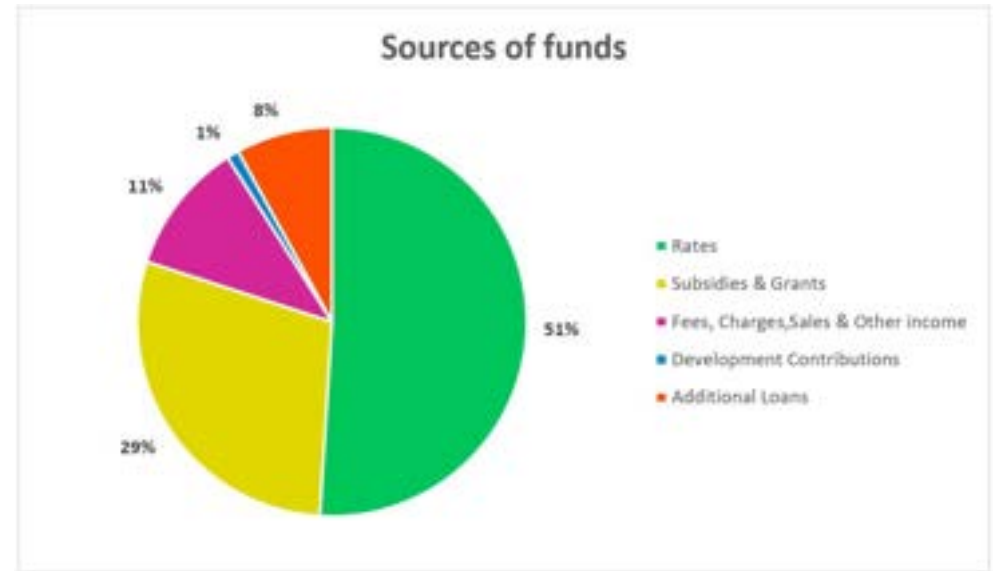
An increased focus on Council's property holdings will be required over the next three years with an aim to identify further opportunities for revenue generation.

The legislation that would have seen the 3 waters activities being transferred to a new regional water entity in 2026 has been repealed and replaced with a new Local Waters Done Well regime. The new legislative framework is still being developed but it is clear there will be a requirement for Council to prepare and adopt water services delivery plans within 12 months of enactment. As part of the development of these plans there will be an assessment of whether the Council should join with other Councils for the future delivery of the waters functions. As there is no clear direction at this stage the LTP assumes Council will retain responsibility for the water function throughout the ten years of the Plan.

To help ensure Council lives within its prudent debt ratios (and in particular the net debt to revenue ratio of 250%) it is planned to fund accelerated debt repayment totalling \$150 million from rates from year 5 onward creating approximately \$223 million of headroom by year 10.

Council has been increasing its investment in asset management planning and is progressively obtaining better condition assessments of its infrastructure assets. This information has led the Council to conclude it needs to increase its investment in both asset maintenance and asset renewal.

Based on these assumptions total rates will need to increase by 10.1% in 2024/25, 8.9% in 2025/26, 8.5% in 2026/27, and between 6.6% and 7.4% over the remainder of the ten years. These figures do not include any IFF levies that might be charged in relation to the Nature Calls project.



Current Financial Position of the Council

The Council provides the full range of territorial local government services to its community. It has believed it to be important to fund new infrastructure and facilities just in advance of when required as a means of providing for and encouraging city growth. As a significant regional centre it has invested in community facilities to serve the wider region. From a policy perspective it has committed to maintaining and renewing those assets in a prudent manner.

With assets of over \$2.3 billion and debt projected to be \$256m as at 1 July 2024 the Council is conservatively geared. It has a S&P Global AA credit rating enabling it to borrow at the best rates available to local government and is currently operating well within its own prudent debt ratios and those of the NZ Local Government Funding Agency. The Council has been prepared to set rates and fees and charges at levels necessary to fund the delivery of these services and facilities and currently these rates and charges are comparable with other like Councils.

The key elements of the financial strategy underpinning this have been:

- to ensure the Council's long-term financial position is sustainable
- to recognise inter-generational funding requirements
- to manage debt within defined levels
- to maintain the infrastructure provided for the City by previous generations, for the use by current and future generations
- to ensure financial capacity for future generations so they are able to fund high-priority programmes

- timely provision of new infrastructure that builds capacity and enables the City to harness new development opportunities while avoiding the financial risks associated with over provision.

In developing this strategy, the Council has focused on:

- what needs to be done to ensure the City's infrastructure can continue to provide desired levels of service and meet any growth in demand
- what level of rates is required to meet the infrastructure needs
- how to create sufficient borrowing 'capacity' to cope with future high-priority programmes.

As a result, the approach has been to:

- encourage staff to provide innovative and efficient delivery of services
- commit to funding capital renewals at the levels required to maintain assets
- challenge expenditure proposals to ensure they are aligned to key Council Strategies, that the proposed timing is realistic and that they are capable of being delivered
- peer-review capital expenditure budgets to ensure they are adequate in the current challenging contracting market
- make sure the expenditure required for growth is committed soon enough to enable the City to harness development opportunities and comply with the requirement of the National Planning Standards, but not too far ahead of when the infrastructure will actually be required.

Desired Future Financial Position and Challenges being faced

The Council faces a number of challenges which make developing a sustainable financial strategy more difficult than usual. Most of them introduce a high level of uncertainty to the planning process.

They include:

Increased investment in maintaining services and replacing assets

With an increasing investment in asset management planning more information is becoming available about the condition of the Council's assets although there is considerable further investment required to obtain a full picture of this. This has led the Council to understand that for a number of activities (especially roading, property, three waters and information management) there is a need to increase funding for maintenance and renewal.

Significant debt funding required for Nature Calls (wastewater treatment and disposal upgrade)

Council has determined a best practicable option for wastewater treatment and disposal and lodged a resource consent application to Horizons Regional Council. Although there is a high level of uncertainty about the final form of the project the proposed LTP included an assumption it would cost approximately \$647m (including inflation) with the bulk of this expenditure scheduled from years 4 to 9. Council acknowledges that it cannot raise this level of debt itself and will need to fund this project off balance sheet using a Special Purpose Vehicle (SPV)

under the Infrastructure Funding and Financing Act (IFF), which will need to be repaid by ratepayers through a levy payable to Crown Infrastructure Partners (CIP). Following consideration of public submissions expressing concern about the impact of these levies on them Council has decided to review the best practicable option to determine if a more affordable option can be achieved. The budget provision has been changed to \$550 million (i.e. \$480m plus inflation). (see more on pages 329 and 338)

The nature and timing of water reforms

The legislation that would have seen the Council's three waters activities transferred to a new regional entity from 2026 has been repealed and replaced with a programme focused on 'Local Water Done Well'. The detail of their approach has yet to be formulated.

Climate change

Council's previous plans have recognised the climate is changing and has incorporated design solutions to cope with this especially for the stormwater activity. Most significantly is the likelihood of a higher frequency of heavy rainfall events which would increase both nuisance surface water ponding and flood events. Council has set its own greenhouse emission reduction targets and is aware the government may also be imposing a number of new requirements that will likely impact on transport and other city infrastructure.

Earthquake-prone buildings

More of the Council's buildings than previously assumed have now been assessed as earthquake prone. Although the remediation can be staged over 15 years the potential cost (\$200 million plus) is significant. Whilst they remain assessed as earthquake prone it is not possible to obtain re-instatement insurance cover meaning the Council is exposed to significantly more risk for many of its major buildings.

Sustainable city growth

The City is projected to grow more significantly than previously assumed placing pressure on the Council to invest in infrastructure to enable and service that growth. Not only is this impacting on housing supply and affordability for city residents but a number of major government, residential and commercial projects throughout the Manawatu is stretching contractor resources and putting upward pressure on contract prices and ability to deliver.

Key forecasting assumptions

Council has made a number of significant forecasting assumptions in preparing its LTP. These are contained in section 3 of the LTP.

These assumptions range from global issues such as the worldwide pandemic and climate change, to national issues such as the magnitude and frequency of natural disasters or the level of external funding available from agencies (in particular, the New Zealand Transport Agency - Waka Kotahi) or inflation rates, to more local issues such as the conditions for resource consents (for stormwater and wastewater discharges).

Although Council believes it has made prudent assumptions in each case, there is a high level of uncertainty surrounding some assumptions. In most cases the Council has some flexibility to cope with changing circumstances. Depending on the issue, Council's response could involve reducing maintenance for a short period, postponing scheduled capital renewals, postponing new capital development or using any 'headroom' in the Council's borrowing capacity.

Guiding financial management principles

Equity between generations

Council will manage its financial operations and position in a responsible way, in the best interests of current and future generations of City residents.

This means trying to ensure the current generation pays a fair share of the costs of the City's services and facilities and that future generations are given a sound foundation to be able to address challenges and grasp new opportunities for the City.

It also means operating within a framework that assesses and tries to mitigate major risks and always strives to obtain value for money.

Levels of service, priorities and funding levels

The Council will review the levels of service to be provided within each activity at least every three years, and assets will be maintained to the standard needed to deliver the agreed levels of service.

Asset management plans will be maintained for all facilities and infrastructure, and these will contain information about asset condition and performance and any renewals required to keep them to the required standard.

A robust framework will be used to determine what expenditure should be undertaken.

This framework includes:

- ensuring the expenditure will contribute to the Council's Vision for the future, including levels of service
- assessing the whole cost of any capital development over its expected life
- considering options for achieving the desired outcome.

The level of new capital expenditure that is considered sustainable will be governed by Council's ability to service and repay debt. This will be assessed against a series of prudent guidelines, which are outlined on page 179 of this Financial Strategy.

Council will set fees, charges and rates at levels that are sufficient to balance the Council's budget over the medium term.

The Council will aim to ensure that the total rates set each year are sufficient to cover net annual operating expenses (excluding depreciation). In addition, they will cover the projected three-year rolling average cost of renewals and a contribution towards repaying debt over the effective life of the assets (to a maximum of 30 years) funded from the borrowing.

Funding and financial policies

Grants, subsidies and capital contributions will be actively sought to minimise the impact of increased capital expenditure on City ratepayers.

Alternative funding arrangements including private/public partnerships, perhaps involving the use of Council owned land for development or Council leasing, rather than owning assets will be actively investigated.

The spending needed to service City growth will be funded by development contributions set according to the Development Contributions Policy and/or developer agreements.

Council may borrow to fund capital expenditure in the following circumstances:

- as an interim measure before development contributions for growth-related expenditure are received
- to spread the costs of major developments over the generations who will ultimately benefit
- to smooth the effects of capital expenditure
- where programmes will provide a positive net present value.

Council may also borrow in limited instances to fund operating expenses and then spread the cost over the period of the expected benefit – usually five to seven years. This is particularly the case for significant enterprise-wide information management systems.

To avoid the risk of Council's borrowing headroom being compromised the Council will actively consider the use of the special purpose funding vehicle tools available under the Funding and Financing Act.

Council will operate a corporate treasury function that will allocate the costs of servicing and repaying borrowings over the activities funded from borrowing. Renewals will be funded from subsidies and grants, rates revenue and, in certain circumstances (on an interim basis), from borrowing.

To foster the sense of a single community, Council will operate a common system of charging for services throughout the City.

To ensure all residents contribute to the cost of providing City services, charges will be set on a beneficiary-pays basis where practicable, with the rationale for each activity set out in the Revenue and Financing Policy.

To enable ratepayers to plan with certainty, Council will operate a stable, easily understood method of setting rates. The Council will aim to set rates in a way that is fair and equitable for all ratepayers and classes of ratepayer, and that is consistent with Council's strategic and district planning objectives.

What this means for 2024-34

Levels of service

The aim is to maintain the current services as a minimum. New environmental and building standards, changed expectations regarding modes of transport and forms of leisure, climate change and a range of other factors outlined in the Infrastructure Strategy led to pressure to improve levels of service for a number of activities. It has also been recognised that in a number of areas additional funding needs to be committed to ensure assets and service levels are properly maintained. The LTP includes progressively increased levels of funding to bridge this gap. Council believes that, subject to the significant forecasting assumptions, there will be sufficient revenue to fund the levels of service outlined. More information about each activity is provided in section 2 of this LTP.

Asset condition

Council has assets with a replacement value of more than \$2.3 billion (mainly infrastructure like roads and pipe networks). It is committed to maintaining and renewing these in a responsible way so that they do not become run down. Recent assessments indicate an increased level of renewal expenditure is required to maintain asset condition.

Although much of the infrastructure is assumed to be in good condition, in recent times the roading network is showing signs of significant degradation and is the number one issue commented on in citizen surveys. Failure is in part due to the increased volume and size of the heavy trucks and the underlying weak clay soils. Additional focus is now being placed on

obtaining better information about asset condition and utilising that information to plan asset maintenance and renewal in a more cost-effective way.

Sustainability of long-term funding

Through a better understanding of asset condition the Council is facing increased renewals costs especially for roading, property, three waters and information management. The LTP includes provision for a significant increase in renewal funding over the next five years.

Council's present approach is to fund the net cost of capital renewals from rates. The amount funded from rates in each year is calculated using a formula that averages the expected renewal expenditure in the current and next two years. Over the 10-year period of the Plan, forecast capital renewal expenditure totals \$442 million and it is assumed that \$92 million of this will be funded from external subsidies and grants, leaving a net sum of \$350 million to be funded from rates. The Council's rolling average calculation formula achieves this aim.

The Council believes that, based on its current asset information, the amounts sought from current ratepayers are appropriate.

Level of capital development

As outlined on page 315, the Plan assumes there will be significant City growth over the 10 years and that the Council will need to provide infrastructure to support this. Council does not wish to constrain desirable City growth through a lack of key infrastructure, but in order to make the

Plan affordable, future commitments will need to be reviewed regularly to ensure the proposed investment continues to support the Vision and Goals and is financially sustainable.

The largest single programme impacting on the Council’s financial position is the requirement to upgrade the City’s wastewater treatment and disposal system. More information about this is outlined in the Infrastructure Strategy and the Significant Forecasting Assumptions.

Council’s resource consent to discharge treated wastewater from the treatment plant into the Manawatū River is due to expire in 2028. As part of the new consent process a review of the wastewater treatment and disposal options has been completed and a new consent application lodged.

For the purposes of the LTP it has been assumed obtaining the consent and implementing the solution will cost approximately \$550 million (i.e. \$480 million plus inflation) over the 10 years of the Plan. It has also been assumed this will be funded through a Special Purpose Funding Vehicle (SPV) under the Infrastructure Funding and Financing Act meaning the debt raised to fund the project will not be recorded in the Council’s books.

However, ratepayers will still need to service and repay the debt through what is termed an IFF levy. This is likely to be at least \$1,000 per property p.a. over 30 years progressively implemented from about year 5 though this sum and the way it will be distributed amongst ratepayers has yet to be considered in any detail.

¹ The Council has entered a funding agreement with Palmerston North Airport Ltd (PNAL) under which the Council raises fixed rate debt on behalf of PNAL and on-lends the sum at

There is a risk that the cost will be significantly higher and/or the full amount of the of the project will not be funded through the SPV.

The Council does have debt headroom (within its own debt/revenue policy limit of 250%) to consider funding a greater share from Council borrowing of up to \$51m in 2029/30 rising to \$223m in 2033/34. Whilst this would mean an increase in Council rates, it would mean a lower levy payable to the SPV, meaning the impact on ratepayers of this would likely be minor.

The LTP assumes there will be total capital expenditure of \$2.05 billion over the 10 year period comprising \$442 million for capital renewals, \$300 million for growth-related capital works and \$1.31 billion for other new services and facilities.

Level of debt

Council needs to borrow to fund major new capital developments in the same way individuals do when they need a new home or car. To help decide the maximum level of borrowing that is sustainable, the Council has adopted the following policy limits (based on Council’s core¹ financial statements):

<i>BORROWING LIMITS</i>	POLICY MAXIMUM	FORECAST LEVEL AT 30 JUNE 2025	FORECAST MAXIMUM DURING 10 YEARS	FORECAST LEVEL AT 30 JUNE 2034
Net external debt as a percentage of total assets	<20%	12.6%	17.2%	12.2%
Net external debt as a	<250%	169.7%,	229.5%	178.1%

fixed rates. The sums on-lent are netted off the Council’s gross debt and interest received is netted off interest paid by the Council.

percentage of total revenue				
Net interest as a percentage of total revenue	<15%	7.9%	11.5%	9.0%
Net interest as a percentage of annual rates income	<20%	10.5%	14.5%	10.8%
Liquidity	>110%	114%	114%	112%

Total revenue is defined as income from rates, grants and subsidies, user charges, interest, dividends, financial and other revenue, and excludes mark to market gains/losses on financial instruments, revaluations of assets and grants or development contributions for capital programmes.

Net external debt is defined as total external debt less liquid financial assets and liquid investments. External debt that is specifically borrowed for on-lending to a CCO/CCTO is netted (if consistent with LGFA covenant testing practice), with the corresponding loan asset)

Net interest is defined as all interest and financing costs (on external debt) less interest income for the relevant period.

Liquid financial assets are defined (for liquidity purposes) as overnight cash deposits, wholesale/retail bank term deposits no greater than 30 days and bank-issued RCDs less than 181 days. Funds on deposit in association with pre-funding activity is excluded from this definition.

Annual rates income is defined as the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 (including metered water charges).

Liquidity is defined as external debt plus committed, available bank facilities plus liquid financial assets (as defined above) divided by external debt.

The policy maximum for the net external debt as a percentage of total revenue ratio is 250% (raised from the previous level of 200%) in the previous financial strategy. This is less than the 280% level that has been set by the NZ Local Government Funding Agency for Council's with credit ratings but in the normal course of events is considered appropriate to enable Council to borrow the projected amounts needed for the proposed capital development programme.

The buffer between 250% and 280% is an important component of the mitigation strategy in the event the Council faces significant costs from uninsured events.

Budgets have assumed that as new loans are raised, provision will be made to repay them (on a table mortgage basis) over the average life (with a maximum of 30 years) of the asset being funded.

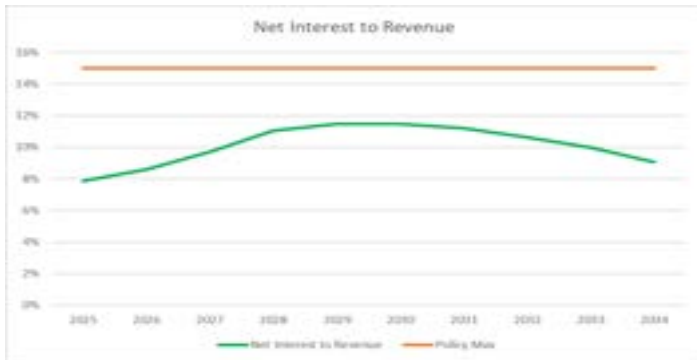
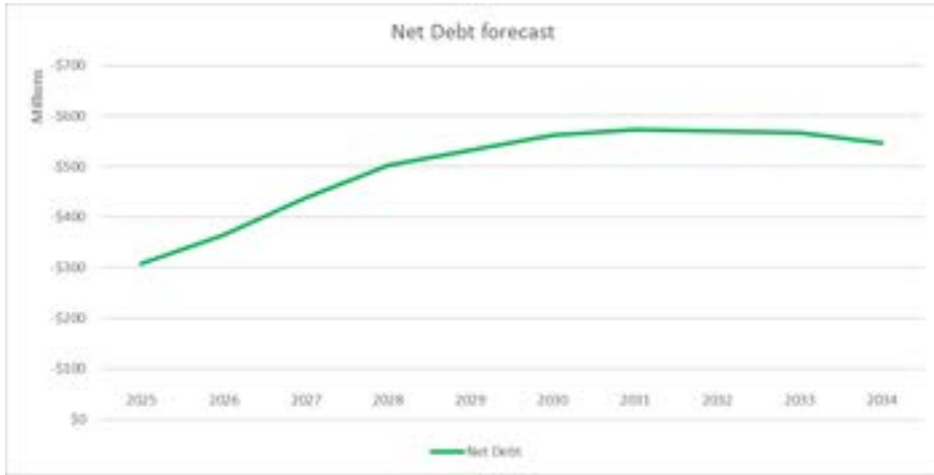
In recent years, the Council has generated operating surpluses (due in part to delays to the capital expenditure programme and the resulting savings in interest costs). As a matter of policy, Council has used these savings to repay debt early and to substitute for new debt.

To ensure the Council is capable of living within its net debt/revenue ratio this LTP includes provision for accelerated debt repayments totaling \$150 million from years 5-10. This also creates additional headroom for future generations and gives the Council the flexibility to consider further funding from debt if assumptions for external funding are not realised.

The combination of the debt repayment for present debt and the additional debt needed to fund new capital items means the following movements in the Council's debt levels are forecast over the 10-year period:

Forecast movement in debt (\$m)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	Total
Planned expenditure on new capital items	47.4	77.3	97.2	156.7	130.6	167.7	204.2	145.0	150.1	131.0	1,307.6
Planned expenditure on growth capital items	15.0	12.7	25.0	19.5	29.3	48.0	52.0	45.3	25.0	27.9	299.8
Less co-funding from NZTA Waka Kotahi	(6.3)	(9.5)	(16.6)	(15.8)	(14.2)	(12.3)	(9.3)	(10.0)	(23.7)	(30.3)	(147.9)
less subsidies and grants (including PPP/IFF but excluding NZTA)	(3.2)	(4.6)	(2.0)	(1.1)	(1.5)	(29.0)	(30.6)	(1.1)	(30.7)	(32.4)	(136.3)
less Special Purpose Vehicle (SPV) funding (Nature Calls)	0	(4.2)	(4.3)	(72.8)	(77.7)	(85.7)	(133.9)	(101.0)	(46.6)	(20.0)	(546.1)
less developer agreement/PPP/IFF funding for Growth	(1.1)	(3.1)	(5.9)	(1.6)	(6.1)	(22.7)	(27.6)	(26.2)	(11.0)	(20.2)	(125.3)
less development contributions	(2.0)	(2.2)	(3.0)	(3.7)	(4.7)	(5.6)	(6.2)	(6.4)	(6.6)	(6.6)	(46.9)
less short-term funding from rates in advance of renewal expenditure	(1.7)	(1.6)	(2.6)	(0.6)	(3.3)	(2.2)	(0.4)	(0.3)	(0.6)	2.3	(10.9)
Additional debt required to fund new capital programmes	48.7	64.6	87.8	80.7	52.5	58.2	48.3	45.4	56.0	52.2	594.3
less debt repayment funded from rates	(7.8)	(9.6)	(11.7)	(14.0)	(19.7)	(24.9)	(33.5)	(46.0)	(58.6)	(73.5)	(299.3)
plus operating expenditure spread over life of investment	11.1	0.8	(1.2)	(3.1)	(3.4)	(3.4)	(3.5)	(2.2)	0.1	0.1	(4.8)
plus Investment of LGFA Borrower Notes	1.3	1.4	1.9	1.6	0.7	0.7	0.3	(0.1)	(0.1)	(0.5)	(7.3)
Additional debt required	53.3	57.1	76.7	65.2	30.2	30.6	11.6	(2.9)	(2.6)	(21.7)	297.3

These movements result in Council's total debt increasing from \$256 million to \$553 million, as shown in the following graph:



Fees and charges for services

Council has developed policies for the proportion of costs of each activity to be paid by direct users of the service and by ratepayers. Where it is practical to identify the user, then the user will generally be expected to pay (for example, owners or developers pay for resource consents). In some cases, a subsidy from ratepayers is considered desirable so that a facility is affordable to all (for example, swimming pool entry charges do not cover the full cost). Some activities (such as civil defence) are funded entirely from rates because they benefit everyone.

Fees and charges will continue to be set at levels that are sufficient to fund the changing cost of services.

Rates

Rates will have to increase to fund the activities in the LTP.

The desire to keep rates increases as low as possible has to be balanced with the need to fund the maintenance and renewal of key City infrastructure. The need to plan for a higher level of debt repayment to be able to service debt from future high-priority capital programmes and ensure debt headroom capacity, also has to be considered.

Over the 10-year period, Council aims to limit rates as follows:

- Total rates² will increase by no more than the Local Government Cost Index (LGCI)³:
 - Plus additional rates obtained from growth⁴ in the rating base
 - plus 2% (to fund costs of higher standards and new services)
 - plus increase in funding required for interest and debt repayment⁵

The proposed increases in total rates each year are shown in the following graph:

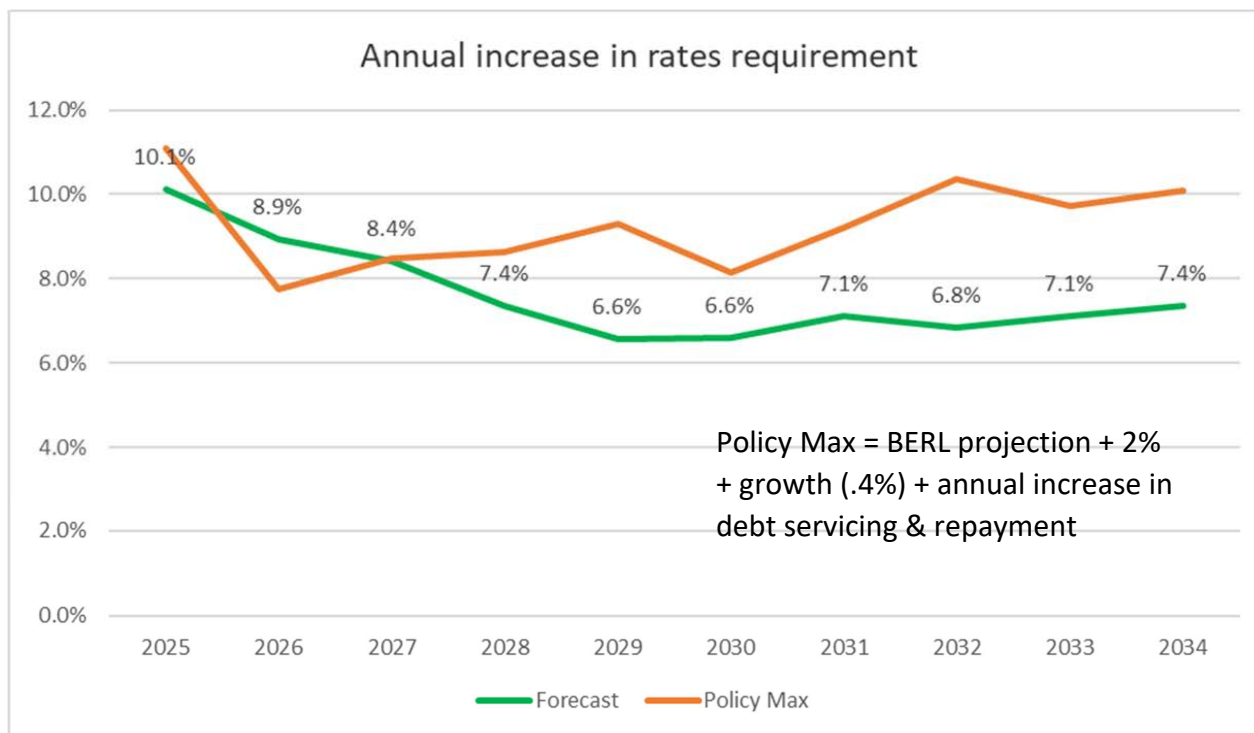
² Total rates excludes rates on Council properties but includes metered water revenue.

³ LGCI is an overall cost index developed by Business and Economic Research Limited (BERL) for local authorities. It is based on the cost structures of local authorities and includes operating expenditure and capital expenditure variables. The forecast LGCI published by BERL in October

2023 was used in this Plan.

⁴ Assumed to be 0.4% each year

⁵ Assumed to be 4.8% for 2024/25 & 3.2% for 2025/26



At this stage the proposed Long-term Plan does not achieve the policy aim for year 2. Rates requirements are reviewed annually when the annual plan is prepared. The forecast rates increases (and the policy maxima) include provision for significant debt servicing and repayment costs relating to the investments in new infrastructure and facilities.

Note:

These increases do not include any IFF levies that may be charged to ratepayers to fund the nature Calls project

The actual increase in rates each year will be determined in the light of updated circumstances and the development of each Annual Plan.

Rates are made up of two parts, a fixed component that is the same for each property and a variable component based on the property value. For 2024/25, the fixed part (\$1,185) for residential properties) is proposed to be made up of the following:

CHARGE TYPE	CHARGE	WHAT IT PAYS FOR
Water	\$415	The cost of providing water
Wastewater	\$375	The cost of treating and disposing of wastewater
Kerbside Recycling	\$144	The cost of kerbside recycling
Rubbish & Public Recycling	\$51	General rubbish and recycling costs, including transfer stations, cleaning up fly tipping, community education
General	\$200	Contributes to paying for all other Council services and helps ensure all properties contribute a more equal share of cost rather than it all being based on the land value

The Council is proposing to introduce a new targeted rate for transport, economic development, urban design and housing from 1 July 2024 and that it will be based on capital value differentiated depending on use made of the property. The general rate will continue to be based on the land value differentiated depending on use. It is intended the capital value based portion of the rates will be progressively increased over the following two years and the targeted rate will extend to cover an increasing proportion of the costs of the recreation and play and arts and heritage activities.

By year three it is planned that 50% of the rates that are based on property values will be based on the capital value and 50% on the land value.

Commercial/industrial property is charged at a higher rate than residential property. Residential property is charged at a higher rate than rural/semi-serviced property.

Council is legally required to obtain updated rating valuations at least every three years. The values from 2021 will be used again in 2024/25 and the new values obtained in 2024 will be used for the three years from 2025/26.

More details about the rating system are shown in section 3 of this LTP.

Appendix One

Palmerston North now and over the next 10 years

Strategically located in the central southern North Island, the City is ideally located as a hub for a wide range of activities, including commercial, education, health, defence, logistics and recreational activities. This location, together with the strength of the surrounding agricultural sector, has enabled the City to grow at a steady pace over the last decade. The City is the major economic hub for the Manawatū–Whanganui region.

From 2006 to 2020, the population grew at an average rate of 0.8% a year. The COVID-19 pandemic put the brakes on population growth in the City between 2000 and 2022 with population growth stagnating over the two-year period. The removal of border restrictions in 2022, and strong demand for labour, fuelled strong growth in the City with population increasing by 1.7% (+1,500) over the year. At June 2023, Palmerston North's population was estimated to be 91,800.

The Council has developed hybrid population and household growth projections that reflect a higher population growth scenario between 2022-2024 due to elevated net international migration, and recovering labour force conditions. Over the medium to long term, economic and demographic change that will impact on population and household growth are reflected in the projections as well as the assumption that net international migration will return to its long term trend of 30,000 people per year over time.

The Statistics New Zealand high growth scenario was used as a starting point for the projections with the Infometrics medium growth rates overlaid from the 2025 year onwards. The additional margins required by the National Policy Statement for Urban Development have been added to the household projections to reflect the level of growth Council is required to plan for. The projections indicate a slightly weaker growth scenario than the previous 10 Year Plan, assuming that the population will grow at an average rate of 1.1% from 2024 to 2034 (1,055 people a year). Households are also expected to grow at 1.1% (399) annually over the same period.

Projected growth in the economy will lead to more industrial, commercial and residential development, all of which require additional infrastructural capacity. Council's main role is to make sure land and infrastructure are available to accommodate growth and provide market choice, while responding to changing demographics. Council continues its focus on ensuring the district planning framework clearly shows where future growth of the City should occur, how basic infrastructure will be provided and how it will be funded. Recent District Plan updates enable a wider range of housing choice in urban areas, with more intensive development making use of existing infrastructure.

Housing growth in the city hit record levels in July 2020, with annual consents peaking at 572. Consent numbers eased as a result of weakening housing market conditions and higher interest rates from 2021 to 2023 but continue to be elevated from an historical perspective. An additional 496 housing units are also planned to be built by Kainga ora over the next four years to provide for public housing needs in the City. Strong net migration into Palmerston North, high levels of public investment and easing financial conditions is expected to drive population and household growth in Palmerston North over the 10 years to 2034.

Significant capacity is proposed to be rezoned and serviced over the first three years of the LTP. More detail about this can be found in the Infrastructure Strategy and Future Development Strategy.

The LTP makes provision for network and community infrastructure at Whakarongo, Napier Road and Matangi to support new greenfield housing, and for developing Council-owned land (Tamakuku Terrace) in the area. Provision has been made for servicing land in the first stage (Kikiwhenua) of Kakatangiata (formerly known as City West).

Limited greenfields capacity remains in Aokautere and there are other greenfields pockets that provide opportunities for development without the need for substantial infrastructure investment. Significant capacity exists within the existing urban area for infill, housing intensification and repurposing of sites (Roxburgh Crescent and Hokowhitu Lagoon).

Adequate land is available for office and retail activities in the central city and nearby business zones, with industrial development capacity in the City's north-east and at Longburn. Further large floor plate industrial capacity (Te Utanganui) is planned for the north-east in the medium to long term and additional industrial land for small to medium scale industrial development is required in the short term. KiwiRail has an

approved designation of land in the north east industrial area as a rail hub. The proposed development will not draw significant demand on water and wastewater infrastructure but will have a significant impact on transport infrastructure in the area and will place greater emphasis on the need for a regional freight ring road.

Owners of private infrastructure at Longburn are assessing options to upgrade it to the standards necessary for it to be vested in the Council. This may involve the Council undertaking some works itself to enable development and seek to recoup costs through development contributions or some other means.

The City has a uniquely diverse community, with a prominent defence workforce, large numbers of young and transient tertiary students, and a strong connection to the wider Manawatū area. The population is relatively young, with a median age of 34.9. This is 3.2 years younger than the national median age. The fastest growing group is people aged over 65.

Palmerston North is also becoming increasingly ethnically diverse. Along with the City's changing age and ethnic profile, there has been a change in household composition. The number of people per household is expected to stay above 2.6 in the City due to an increase in the number of multigenerational households and Māori and Pacifica families. At the same time, the ageing population is driving an increase in the number of one-person households in Palmerston North. The changing nature of the community needs to be considered when determining infrastructure investment.

Appendix Two

The costs of providing for growth

As a consequence of anticipated growth in population and changes in land use, Council will incur significant new capital expenditure and operating costs. For each activity, the LTP identifies the specific capital expenditure programmes it is anticipating will be required. Any operating costs associated with the programmes are incorporated in the operating budgets. These are summarised in the following table:

ACTIVITY GROUP	GROWTH-RELATED CAPITAL EXPENDITURE FOR 10 YEARS (EXCLUDING RENEWALS) (\$000)	ADDITIONAL OPERATING COSTS ASSOCIATED WITH GROWTH-RELATED EXPENDITURE (INCLUDES DEPRECIATION & INTEREST ON BORROWING) (\$000)
Creative & Exciting City	22,559	4,062
Stormwater	65,782	4,719
Transport	110,152	12,355
Wastewater	36,925	2,639
Water	64,350	8,786
TOTAL	\$299,768	\$32,561

The Council's Revenue and Financing Policy outlines how expenditure and operating costs are to be funded for each activity. The Development Contributions Policy outlines how capital expenditure incurred for growth-related network and community infrastructure will be funded, and what proportion of the costs will be funded from development contributions assessed on development.

It has been assumed that growth-related capital expenditure will amount to \$299.8 million over the 10-year period and that revenue from development contributions will amount to \$47 million over that time. The Council will try not to commit expenditure for growth too far in advance of when the infrastructure is needed. The level of development contribution revenue received will depend on the actual timing of development. The revenue forecast represents our best assessment of timing for the associated growth, and is consistent with our overall growth forecasts.

Appendix Three

Looking after existing infrastructure

In fulfilling its responsibilities as a local authority, Council is legally required to provide residents with the key components of a city’s infrastructure.

The level of service in each case depends on a combination of factors, including Council’s assessment of what the community wants and is prepared to pay for, the standards imposed by law, and resource consent conditions.

The Council’s assessment of what the community wants is determined in a number of ways, including feedback from the LTP and Annual Plan processes, obtaining residents’ views and consulting from time to time about specific issues.

To help plan and manage its large investment in City infrastructure, Council has an overall 30 Year Infrastructure Strategy and detailed asset management plans for each activity that are continuously reviewed and updated at least each three years. Once the Council has committed to deliver a particular level of service for an activity, it must ensure that assets are appropriately maintained and renewed and that sufficient funding is available for this to occur.

The LTP incorporates the following provisions for renewal of network infrastructure:

	TOTAL CAPITAL RENEWAL EXPENDITURE FOR 10 YEARS (\$000)
Sustainable & Resilient City	6,484
Stormwater	3,997
Transport	155,590
Wastewater	60,958
Water Supply	73,518
TOTAL	\$300,548

As part of the Council’s Funding Policy, capital renewal expenditure is funded directly from rates. The amount funded from rates in each year is currently calculated using a formula that averages the expected renewals expenditure in the current and next two years. Capital renewal expenditure is determined from Council’s Asset Management Plans. Council reviews longer-term capital renewal expenditure to assess whether the three-year average capital renewal funding is sustainable over the following 20 years. The forecast average level of renewals to be funded from rates will increase from \$27.7 million in 2023/24 to \$28.6 million in 2024/25, \$31 million in 2025/26, \$32.2 million in 2026/27 and between \$34.5 million and \$40.9 million each year after that. This increase will impact on the total rates requirement and place restraints on other expenditure if Council is to live within its guidelines for the maximum percentage increase in total rates.

Appendix Four

Policy on giving securities for borrowing

The security for Council debt will be the ability to levy rates. The Council will use Debenture Trust Deed security documents and appoint a professional trustee.

Council will undertake a portion of its borrowing through the New Zealand Local Government Funding Agency, and has provided guarantees to the Agency and cross-guarantees in favour of other local authorities who borrow through the Agency.

In unusual circumstances, with prior Council approval, a specific charge may be given over one or more Council assets.

Physical assets will be pledged only when:

- there is a direct relationship between the debt and the asset purchase/construction, such as an operating lease or project finance; and/or
- Council considers a pledge of physical assets to be appropriate.

Any pledging of physical assets must meet the terms and conditions of the Debenture Trust Deed and Local Government Act 2002 (which prevents water service assets from being used as security for any purpose).

Appendix Five

Financial investments and equity securities

Financial investments

The Council has no plans to undertake new investments in long-term financial instruments.

As a net borrower, Council will seldom have funds to invest but it may invest to:

- meet statutory obligations by funding certain reserves
- match retentions held 'in trust' for the benefit of contractors under the Construction Contracts Act 2002
- manage short- or medium-term cash surpluses
- maintain operating cash levels
- pre-fund refinancing of maturing debt.

Any such investments will be held in a form consistent with the anticipated funding requirement. For short-term investments, generally held for liquidity management purposes, investments are held for up to three months in the form of call deposits or negotiable instruments (that is, cash or cash equivalents) with registered banks. For investments held for periods beyond three months, government securities, LGFA or other strongly rated securities will be held.

Equity securities

The Council currently maintains equity securities in the following entities:

Entity	Category of business	Reason for holding	% of shareholding
Palmerston North Airport Limited (PNAL)	Owens and operates Palmerston North Airport	To ensure the City has an appropriate air gateway for passengers and freight	100%
Central Economic Development Agency Limited (CEDA)	Provides economic development services for the Council and Manawatū District Council	To ensure there is an appropriate entity to help create and grow economic wealth in the Manawatū and beyond	50%
Civic Financial Services Limited (CFSL)	Provides a range of risk management products for New Zealand local government	To ensure there is appropriate insurance cover for local government if the private market fails to provide the desired cover	3%
New Zealand Local Government Funding Agency (LGFA)	Provides long-term funding to local government	To help give access to cost-effective long-term funding	0.4%

Shareholder expectations for these entities are set out in the Statements of Intent prepared each year. Although Council expects these entities to operate in a business-like manner, it does not expect high financial returns as the principal reason for the investment is to achieve strategic objectives.

Present financial performance targets for these entities are shown in the following table:

Entity & ratios	Target
Palmerston North Airport Ltd (for 2024/25)	
Net surplus before interest/tax/revaluations to total assets	5%
Net surplus after interest/tax to consolidated shareholders' funds (note – significant terminal building write-off planned)	(2%)
Maintain ratio of shareholders' fund to total assets > 40%	64%
Interest cover (net surplus before interest and tax to interest) >= 2.5	5.6
Maintain a net tangible worth > \$80m	\$83.6m
Total Debt to Total Debt + Equity	29%
Net Debt/EBIDA < 4.5 (long term target)	5.2
Funds from Operations (FFO)/net Debt > 11% (long term target)	17.8%
Central Economic Development Agency Ltd	
No specific financial targets	
Civic Financial Services Ltd and NZ Local Government Funding Agency	
No specific targets	

Further capital investments in these entities will only be considered to achieve stated strategic objectives and by specific Council resolution. Sale of the investments would also require a specific resolution of Council and be subject to the requirements of the Local Government Act 2002.

It is expected that any other equity investments held by Council in future would only be as a result of a gift, through a restructuring of Council or to enable Council to participate in a central government or regional initiative to provide a key infrastructural activity. From time to time, Council will establish 'shelf' companies to be able to respond appropriately to any opportunities that arise.

10 Year Plan at a Glance		2024-34	2024-34			
Area of Spend	Capital Expenditure	Expenses	How operating expenses are funded			For every \$100 of rates this much goes on this activity
	2,049,267	2,402,354				
An innovative and growing city	74,528	335,557	Rates 29%	Other 61%		\$10
Transport	526,876	451,919	Rates 62%	Other 47%		\$15
A creative and exciting city	277,714	492,334	Rates 29%	Other 11%		\$22
A connected and safe community	44,948	330,070	Rates 90%	Other 10%		\$15
A sustainable and resilient city	51,277	189,814	Rates 52%	Other 40%		\$7
Water	215,179	179,096	Rates 100%	Other		\$12
Wastewater	690,346	210,868	Rates 54%	Other 6%		\$11
Stormwater	121,618	97,766	Rates 100%	Other		\$4
Supporting the Organisation	46,782	114,928	Rates 30%	Other 70%		\$4
TOTAL	2,049,267	2,402,354				

Infrastructure Strategy 2024 – 2054

Introduction and purpose

Legislative requirement

Our 30-year Infrastructure Strategy (“the Infrastructure Strategy”) has been prepared and adopted in accordance with Local Government Act (“LGA”) requirements that apply to all local authorities.

Purpose

The Infrastructure Strategy sits alongside our Financial Strategy and other strategic documents (including the Strategic Asset Management Plan - see Section 3 *Strategic context* for further details). In accordance with the LGA the purpose the Infrastructure Strategy is to:

- a) Identify significant infrastructure issues for the local authority over the period covered by the strategy; and
- b) identify the principal options for managing those issues and the implications of those options.

Scope of the Infrastructure Strategy (incl. 3 waters approach)

In the context of this strategy infrastructure is physical assets owned by Palmerston North City Council. We engage in activities that use the assets to provide services to the community.

This strategy goes beyond requirements of the LGA to include the following activities that we consider to be of particular importance to Palmerston North:

- Transport (e.g. roads, bridges, footpaths, cycling facilities, public transport)
- Property (e.g. social housing, community and cultural facilities, Council operational buildings)
- Recreational Assets (e.g. reserves, playgrounds, cemeteries, swimming pools)
- Resource Recovery (e.g. recycling services, rubbish collection and disposal)
- Three Waters:
 - Water supply (e.g. dams, bore sites, treatment, pipelines, property connections)
 - Wastewater (e.g. property connections, pipelines, pump stations)
 - Stormwater ((e.g. property connections, pipelines, pump stations, treatment)

Central government is in the process of developing its Local Water Done Well framework, which will form how 3 Waters services are delivered in the future. Under the framework Council is required to prepare and adopt a Water Services Delivery Plan within 12 months of enactment of new legislation. However, the timing of any steps after that are yet to be determined. The Long-Term Plan (LTP) assumes Council will retain responsibility for the 3 Waters throughout the 10 years of the Plan and we have similarly assumed that we will be responsible for the 3 Waters for following 20 years. Therefore, we have included the 3 Waters in the strategy.

Focus of the Infrastructure Strategy

There are several key infrastructure outcomes we are seeking to achieve through the Infrastructure Strategy:

- meeting the development capacity commitments for our growth planning;
- providing targeted interventions that maintain capacity and levels of service (LOS);
- continuing to stimulate economic development;
- maintaining legislative compliance.

This strategy considers the impact of the following on the provision of the activities:

- Demand for services (growth and decline)
- Level of Service (“LOS”) (increases and decreases)
- Condition (e.g. quality, responsiveness, sustainability)
- Performance (e.g. efficiency and reliability)
- Risk
- Legislative requirements and changes

Contents of the Infrastructure Strategy

The Infrastructure Strategy responds to the requirements in the Local Government Act 2002, specifically section 101B. The alignment to these requirements is described in the table below.

Topic	Section	Description	Linkage to LGA 2002 Clause 101B
Setting the Scene	1. Introduction and purpose	High level context on the Strategy and it's drivers	2 and 3
	2. Contents of the Infrastructure Strategy		
	3. Strategic context		
	4. Key drivers for the IS		
	5. How our city is changing		
	6. Planning to act at the right time		
Current state of play	7. Existing infrastructure overview	Summary of the core infrastructure in the district and how that infrastructure is doing now	4(c) and (d)
	8. Existing levels of service		
	9. Future demand for services and levels of service		
	10. Existing state of our infrastructure		
Confirming and managing our significant infrastructure issues	11. Our significant infrastructure issues	Confirming the significant issues stemming from the key issues and current state of play	4(a) and (b)
	12. How these significant issues intersect with our activities		
	13. Increasing what we know about future demand and levels of service		
	14. Continuing to grow our evidence base on the categories to help decision making and budgeting		
Our planned response	15. Significant portfolios for our significant infrastructure issues	Details Council's response to the significant issues for major programmes	4(a) and (b)
	16. Our plan		
Financial Summary	Total investment by category	Identifying the costs related with the principal options	4(a)
	Overall expenditure by activity		
	Overall renewal investment by activity		
	Overall capital expenditure by activity		
	Overall growth capital investment by activity		
Assumptions and disclosures		Assumptions can be found Section 3 of the LTP.	4(c) and (d)

Strategic context

Every asset-based service we deliver to our community contributes to achieving the Vision, Goals and Strategies that form the strategic direction our elected members have set for the city. Our strategic direction is as follows:

Our vision: Small City Benefits, Big City Ambition.

Our goals and outcomes:

Goal 1: An innovative and growing city

Outcomes:

- a city that fosters pride, and supports the aspirations of people and communities
- a business environment that encourages investment and delivers career opportunities in a range of sectors
- enough land and infrastructure to enable housing development and business growth
- the efficient movement of goods and services alongside safe and affordable transport options for people
- a globally connected city that fosters opportunities for local people, businesses, and organisations
- an economy that embraces innovation and new ideas, and uses resources sustainably
- a resilient, low-carbon economy

Goal 2: A creative and exciting city

Outcomes:

- a vibrant city that connects people, and where creativity is built into our cityscape
- an arts community and cultural facilities that are well supported and invested in
- our unique heritage preserved and promoted
- opportunities to celebrate our many cultures
- access to exciting, well-managed events and activities throughout the city and its neighbourhoods
- places across the city and its neighbourhoods for communities to take part in play and recreation

Goal 3: A connected and safe community

Outcomes:

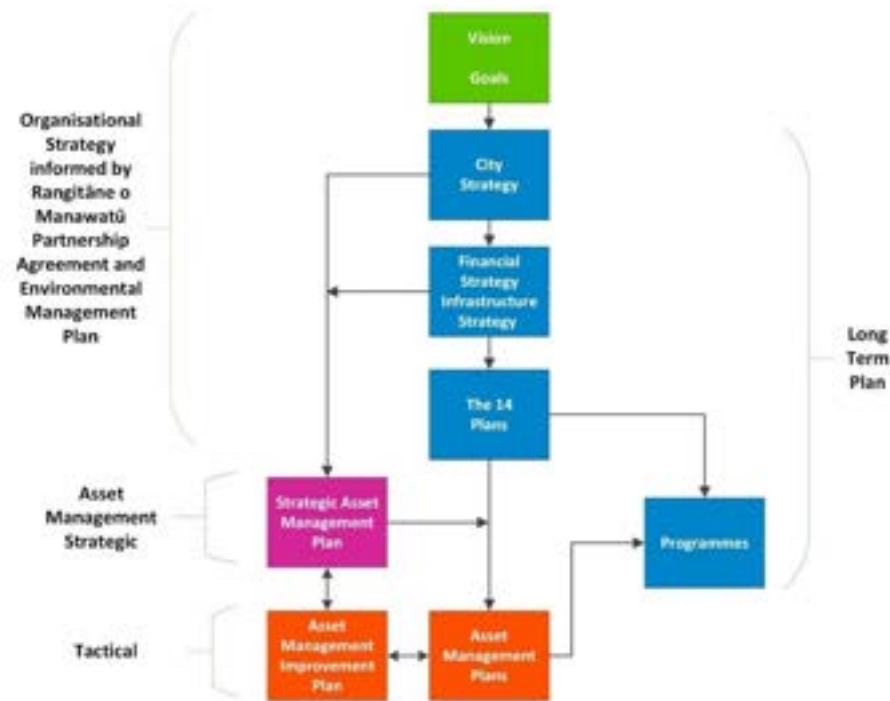
- access to services and facilities that are inclusive and appropriate for their needs
- the support they want to live healthy lives
- access to healthy and affordable housing
- opportunities to contribute to the design of our city
- access to safe and accessible community places
- opportunities to contribute to Council decision making

Goal 4: A sustainable and resilient city

Outcomes:

- a sustainable and low-emissions city
- a resilient city and communities, prepared for the impacts of climate change
- a circular economy with more resource recovery and less waste
- a healthy, thriving, ecosystem, including native biodiversity and food security
- the Manawatū River and waterways restored to a healthy, respected, and connected state
- sustainable urban planning with a low-carbon built environment
- a safe, affordable, sustainable, and resilient water supply
- effective, low-carbon, wastewater collection and treatment
- appropriate infrastructure and development to avoid or minimised the effects of flood events
- access to relevant information and education to support more sustainable choices

The relationship between this strategy and the strategic documents that form part of the Long-Term Plan are shown in the diagram below.



To acknowledge that some strategic matters are addressed in other parts of the Long-Term Plan and hence prevent duplication we have not repeated that content within the Infrastructure Strategy.

Rather, strategic content of relevance is in other parts of the Long-Term Plan as follows:

Strategic component	Location in Long-Term Plan
Our four overarching goals	Section 1
Strategic plans for key matters	Section 1
Integrated growth map	Section 1
Assumptions	Section 3

Key drivers for the Infrastructure Strategy

There are several principal external drivers that have influenced council’s decision making in this strategy. These drivers have been identified within this strategy because they are of particular relevance to managing Palmerston North’s infrastructure, but they are not unique to our city. Most represent principal external influencers for infrastructure for cities across Aotearoa New Zealand and beyond.

Our key drivers for infrastructure decision making are:

- Growth
- Climate change
- Resilience
- Sustainability
- Legislative requirements and changes
- Technology advances

A summary overview of each principal external driver is included below.

Growth

Upward change in population and-economic growth-and a growing urban environment⁶ has a significant influence on decision making for infrastructure across the city to accommodate this growth. The National Policy Statement on Urban Development (“NPS UD”) removes barriers to development to enable growth up and out in the right locations to ensure there is good access to existing services and infrastructure. Managing growth also needs to consider how people want to live, where people want to live, urban design principles, what constitutes well-functioning environments and how connectivity with the region can be optimised. All of this informs decisions on where investment in infrastructure is required and what type of infrastructure is needed.

Climate change

Climate change is a significant environmental challenge. In the future the city’s climate will be different from now and will require changes to infrastructure assets. We will consider climate change as part of our asset management planning. This includes addressing the causes of climate change and adapting to its effects on communities. This includes rainfall increases and decreases, as well as temperature increases.

The effects of climate change are global, and they are already being felt across Aotearoa New Zealand. It is important, therefore, that infrastructure provision in Palmerston North occurs in a way that enables a low carbon, climate resilient future. We need to invest in infrastructure that minimises greenhouse gas emissions and waste across the whole of the life cycle of the asset. This is essential in Council achieving its goal of a

⁶ Urban environments include: Residential, Business and Industrial land

30% reduction in emissions by 2030 and net zero by 2050. Infrastructure provision will also need to address the predicted impacts of climate change on communities. This includes rainfall increases and decreases, as well as temperature increases.

Resilience

Infrastructure resilience is the ability to reduce the magnitude and/or duration of disruptive events that affect infrastructure. Resilience in infrastructure involves not only investment in the robustness of structures, but also in the adaptation and recovery of infrastructure systems and the communities they serve. Resilient infrastructure is a key means to achieve sustainable development and requires knowledge sharing, networking, and collaboration among sectoral specialists and disaster risk management experts.

Sustainability

Sustainable infrastructure requires the development and management of infrastructure in a way that maintains the social, economic, cultural and environmental processes required to support equity, diversity, and the functionality of natural systems. Infrastructure investment decisions must be positively linked to sustainable development and should provide a synergy between climate mitigation, societal outcomes, cultural inclusion and growth.

Legislative requirements and changes

In recent years central Government has been progressing a suite of legislative reforms, including for the three waters, resource management, local government, and waste. These reforms all impact on infrastructure decision making and investment in some way with key reforms (such as those listed) having a significant impact on infrastructure decision making for the Council. Council will also need to react to other legislative change that may occur.

In addition, we have several resource consents that are due to be renewed in the next 4 –10 years across our water, wastewater, stormwater and resource recovery activities. If these were to expire, they would have direct impact on our levels of service.

Technology Advances

Advances in technology provide us with the capability to operate in a different way, managing assets and providing levels of service in more efficient, better, easier, or more cost-effective ways. Breakthrough technologies are rapidly changing the way infrastructure is built and operated, reshaping the way the infrastructure industry operates, bringing major implications for us and our customers. The Government encourages the use of new technology commissioning the development of a Digital Government Strategy to “set the direction and create the conditions to transform the way government operates in an increasingly complex and fast-changing digital world”.

We use digital transformation and smart new technology to bring about greater organisational efficiency. We aim to replace obsolete technology, along with staff training, redesigning, and updating business processes and organisational structures.

How our city is changing

Statistics NZ estimated the city population to be 90,400 in June 2022 with no change from June 2021. This compared with estimated population growth of 0.2 percent nationally, over the same period. Population growth in Palmerston North was negatively impacted by border closures in force due to COVID-19. This affected access to highly skilled international workers particularly in specialised health care roles, a decline in international student numbers and fewer refugee arrivals over the period 2020-2022. Despite this, Palmerston North's share of the total national population remained stable at 1.8% between 2016 and 2022 as population growth across other metropolitan areas were also significantly impacted by border closures.

The Palmerston North economy has proven resilient over the period of disruption created by COVID-19 and restrictions on economic activity. While economic growth has exceeded expectations, as above the population growth needed to support the city economy fell away between 2020-2022. The reopening of the New Zealand borders has driven a sharp turnaround with a record 110,200 new residents relocating to the country in the year to August 2023. The city benefited from this record net international migration, boosting the city population by 1,600 over the year to June 2023. Alongside the estimated \$8 billion in investment planned for the Manawatū region, strong population growth is expected to continue with the population of the city expected to reach 118,000 by 2054.

Population Projections

Council has developed a hybrid population and household growth model that reflects higher near-term growth than anticipated by Infometrics. This model was completed in May 2023 in preparation for the Long-Term Plan. We based the projections on both the Statistics New Zealand population projections (2022) and the Infometrics medium growth scenario for the period 2024-2054. As above, recent projections indicate a much higher growth scenario than that initially envisaged by Infometrics for 2022-2024. For that reason, the Statistics NZ high population projection has been employed as a starting point for the 2024-2034 LTP, with the Infometrics medium growth scenario (annual percentage growth) applied over the 30-year planning period.

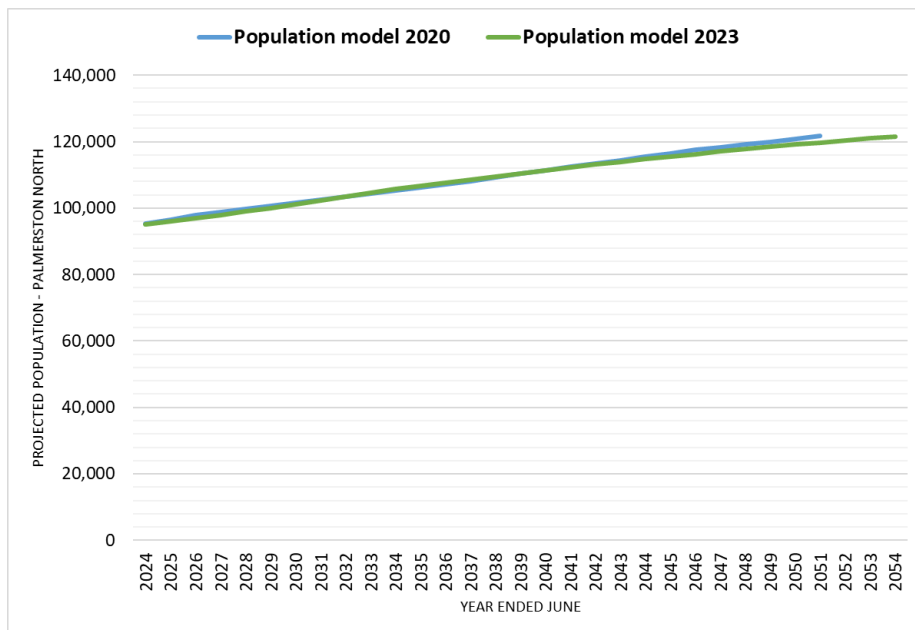
The population and the number of households in Palmerston North are predicted to grow at a moderate rate over the next 30 years (2024-2054) as shown in the graphs below. Primarily, our population is growing due to increases in international net migration with more people from overseas arriving than departing (including refugee resettlement as part of the Manawatu commitment). Natural increase is also expected to stay positive over the 30-year planning period, due to the relatively young population of the city.

For infrastructure planning purposes, the projections include an additional 20% (2024-34) and 15% (2034-54) to accommodate additional housing capacity required by the National Policy Statement on Urban Development (NPS UD).

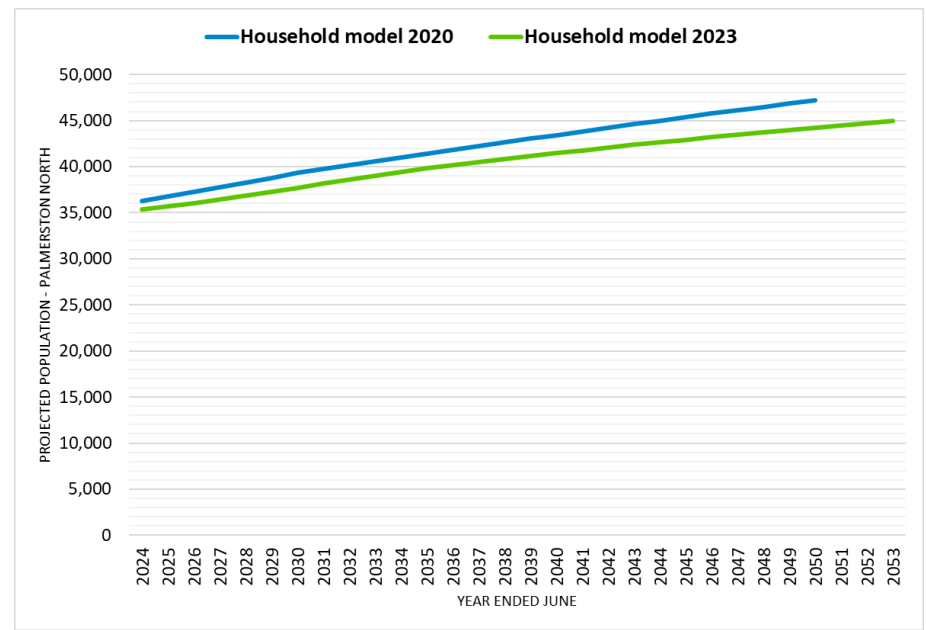
These adjusted figures for both population and households are included in the graphs below. Including the NPS UD margin, Council needs to plan for the

development of an additional **9,885** homes over the next 30 years. This demand may be higher due to factors such as overcrowding and steady economic investment and growth in Palmerston North.

Population growth model 2020 versus population growth model 2023



Household growth model 2020 versus household growth model 2023



Demographic Changes

This projected population growth, increasing diversity, changes in our city's average household size, and the number of residents in particular age groups mean that demand for the number of houses and core infrastructure services will increase. It will also change the types of housing our residents want over the next 30 years. As for business land, our commercial footprint is projected to increase with a growing population. We will need to upgrade or build new assets across all infrastructure services to ensure we can continue meeting agreed levels of service.

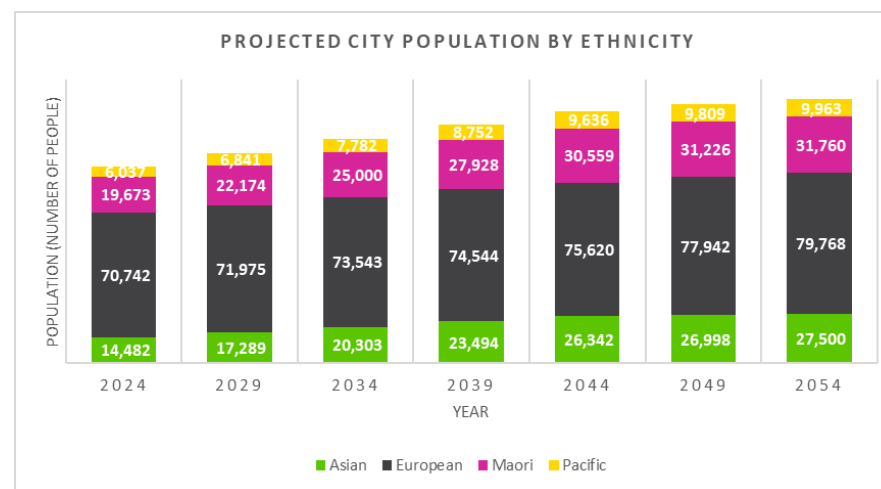
Ethnicity projections

The increasing diversity of the Palmerston North population is reflected in the ethnicity projections for 2054. As a proportion of total population, the projections indicate that, the:

- Māori population will increase by 3.6% by 2054
- Pasifika populations will increase by 1.2% by 2054.
- Asian population will increase by 5.4% by 2054.
- European population will decrease by 10.2% by 2054.

The projected change in the broad ethnicity in Palmerston North to 2054 is illustrated in the graph below.

Projected city population by ethnicity



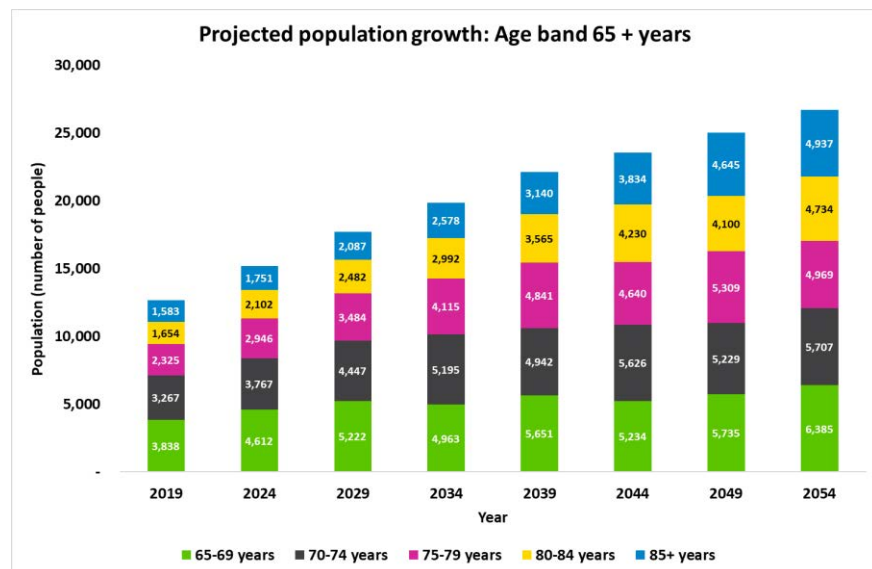
Age projections

With people living longer and easing fertility and birth rates, the proportion of city residents aged over 65 years old is expected to continue to increase to 2054. We project the city’s population over 65 years old to increase from 15,178 (16% of the population) in 2024 to 26,732 (22.7% of the city’s population) in 2054.

This represents a 76.1% increase in residents aged over 65 years old. This ageing population is defined by the ‘baby boom’ generation, which started to reach 65 years old in 2011 and is expected to continue to pass 65 years old until 2030.

The projected change in the population of the city over 65 years is shown in the graph below.

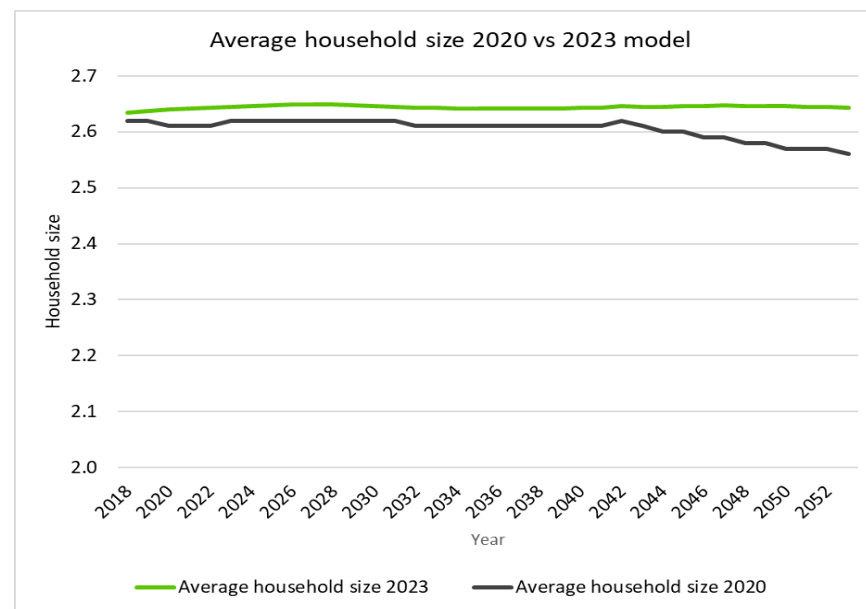
Projected population growth by age



Household size projections

The combined changes in ethnicity and age influence the average household size of dwellings in the city with the expectation of a greater number of large families driving an increase in the average household size from that projected in the 2020 households growth model. The increase in the average household size projected over time has driven a slight reduction in the city's overall number of dwellings projected to be developed (see graph below). Specifically, the 2020 household growth model projected a total of 45,750 dwellings in the city in 2053, compared to 43,289 in the 2023 household growth model.⁷

Average projected household size under the 2020 and 2023 model



⁷ These figures are based on actual figures without the NPS UD the average household size cannot be calculated on amended numbers.

Economic projections

Palmerston North has experienced a period of strong economic growth over the five years to December 2022 with Gross Domestic Product increasing by 21.5%, compared with 17.8% nationally. Strong public sector activity, elevated construction investment and substantial growth in high value services has driven economic activity over the period.

The city faced its peak growth in residential construction two years ahead of the country. Market conditions also increased residential construction with a record 572 new dwelling consents issued in Palmerston North over the year to July 2020. New dwelling consents across the country peaked almost two years later, with 51,015 building consents issued over the year to May 2022. While New Zealand is now in a period of negative growth, Palmerston North has already experienced this and is now in a positive growth period. The first four months of 2023 indicate strengthened investment in new dwellings in the city from a weak 2022. New dwelling consent numbers continue to decline nationally.

The Palmerston North economy grew by \$300.2 million (5.1%) over the year to March 2022. Some of our largest sectors saw a dip in economic activity due to factors outside of the city's control. Public administration and safety sector Gross Domestic Product contracted by \$7 million, driven by a fall in central government administration activity and a reduction in employment in the defence force. GDP in education and training fell by \$4 million due to reduced international student enrolments.

We will have strong economic growth for the next fifteen years, major development and construction projects announced for Palmerston North and the Manawatū region amount to close to \$8 billion of construction activity over the period to 2035. A major increase in public and private sector capital investment is providing a significant boost to our economic activity and population growth, including Te Utanganui Central New Zealand Distribution Hub and Palmerston North Integrated Transport Initiative (PNITI) Regional Freight Ring Road both of which are underway.

Planning to act at the right time

Responding to our city's infrastructure needs at the right time to achieve these outcomes requires integrated thinking over different planning horizons. It also requires an understanding of the function of different infrastructures to identify what infrastructure actions are required now (to enable short term growth and manage existing levels of service) and what can happen over time (to respond to future change). It is critical that housing and business land supply is adequately serviced over the short (within the next 3 years), medium (3-10 years) and long (10-30 years) term. We have completed our Housing and Business Development Capacity Assessment to provide information on the demand and supply of housing and business land. This in turn will inform our (currently draft) Future Development Strategy.

In particular, growth will play a significant role in shaping our city over the Infrastructure Strategy period. The Future Residential Development Timing Summary (homes) map, shows the expected sequencing of future residential development over the next 30 years. This sequencing has heavily informed our infrastructure investment decision making in the Strategy.

Residential growth:

We are currently progressing a range of district plan changes to support increasing future demand for homes. Over 50% of new homes are built within the existing Residential Zone. Within the existing Residential Zone, intensification will become a more common feature of the urban environment over the coming years, so we will be looking to enable intensification in our urban environment where appropriate.

More greenfield options will become available in our already zoned greenfield areas – Mātangi, Kikiwhenua, Whakarongo and the Napier Road Residential Extension Area in the short to medium term. Further greenfield

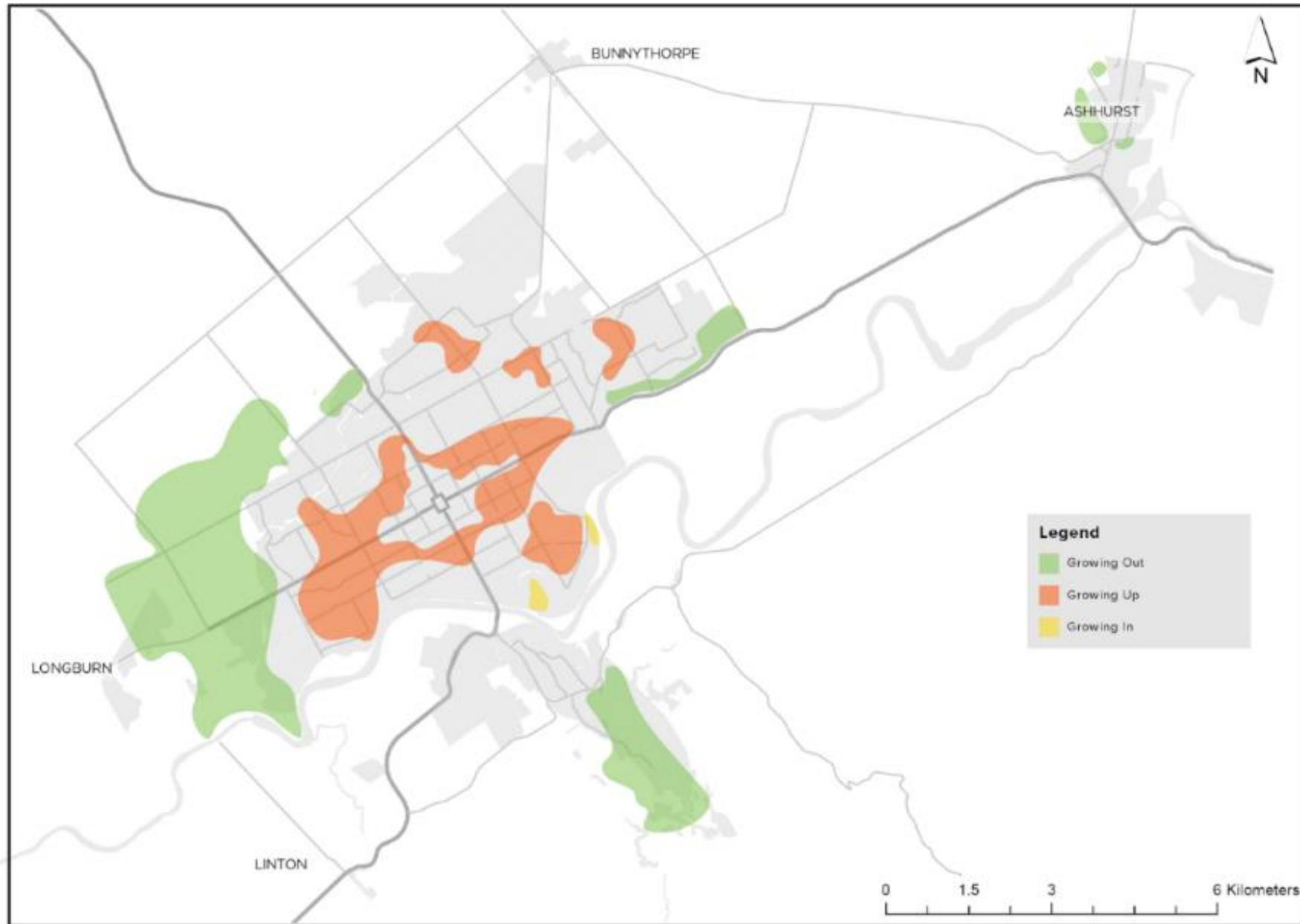
land will be rezoned for housing and will become available in Aokautere, Kākātangiata and Ashhurst in the medium to long term, however these are intended to be the final extent of greenfield growth in the city.

Development in these areas is still subject to the planning process and the construction of development and additional infrastructure which will take several years.

In the short-term, growth will need to be accommodated through infill in our existing urban environments and development of our existing greenfield areas, which has been provided for through our existing District Plan and upcoming Medium Density Residential Zone plan change.

In order to keep growth affordable, we have opted to fund only infrastructure for new growth within existing urban areas, or in areas which are already zoned, or about to be zoned for residential development. Infrastructure in areas identified for growth post Year 10 of this LTP, such as Kākātangiata (excluding Kikiwhenua), Ashhurst and some aspects of development at Aokautere, is proposed to be funded by external mechanisms such as IFF or developer agreements.

Future Residential Development Timing Summary (homes)



	Short term / within the next 3 years			Medium term / between 3 and 10 years						Long Term / between 10 and 30 years																							
	2024	2025	2026	2026/27	2028	2029	2030	2031	2032	2033	2033/34	2035	2036	2037	2038	2039	2040	2041	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	
Housing																																	
Existing Urban Environment	655			886						2,621																							
Hokowhitu Lagoon Residential Area		20						60																									
Whakarongo Residential Area	68			411																													
Napier Road Residential Area			16	34																													
Mātangi Residential Area		60		100																													
Roxburgh Crescent Residential Area			25	80																													
Kākātangiata Urban Growth Area (Excluding Stage 1)									591		2,386																						
Kikiwhenua (Stage 1 of Kākātangiata)			60	190						30																							
Kakatangiata (beyond the next 30 years a further 4,241 homes)																																	
Ashhurst Urban Growth Area									228		172																						
Aokautere Residential Area	29	20	30	250						700																							
160 Napier Road				180																													

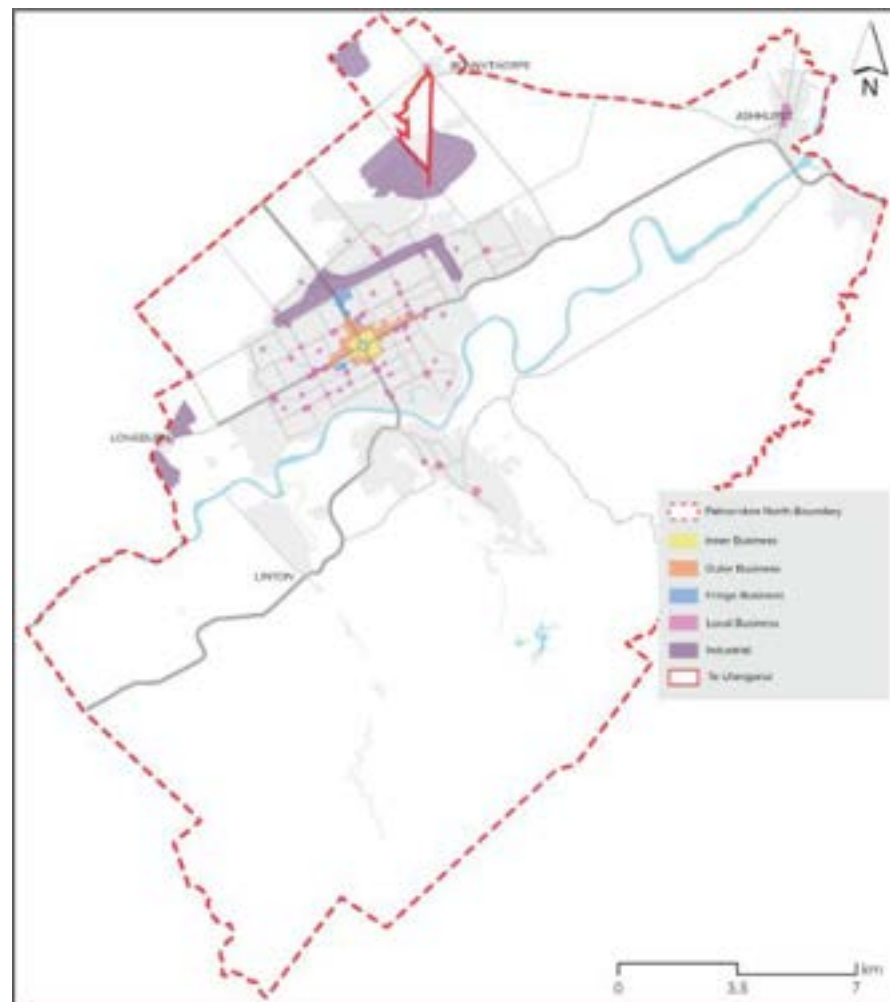
Business and Industrial growth:

Our existing Industrial Zone caters for a wide range of industrial activities. The Te Utanganui / Central New Zealand Distribution Hub is a project to create a multi-modal freight distribution hub connecting air, road, rail and sea in the lower North Island. It is anticipated the KiwiRail Regional Freight Hub will be a catalyst for further growth of freight and logistics industries in Palmerston North. The Te Utanganui masterplan provides direction to the location, timing and extent of supporting infrastructure needed to support this growth.

The City Centre Framework coordinates public and private investment and identifies strategic development sites within the city centre (Inner Business Zone). Council's vision for the city centre is to make it a place where people want to visit and live, meet up with their friends and family, be entertained, stay longer and support local retailers.

There are no plans for expanding the business zones in the next 30 years aside from the Local Business Zone in the medium term, as land is rezoned to support neighbourhood centres in the Aokautere (1.5 hectares) and Kākātangiata urban growth areas. Our business zones have sufficient capacity to support the business sector demand. To make efficient use of our business land supply, vacant sites and buildings nearing the end of their useful life should be developed and redeveloped at more intensive rates than we have seen historically.

Moving forward it will be important for our infrastructure planning to be responsive to District Plan Changes to optimise our implementation timing. Further details on the funding mechanisms that Council can use to support implementation can be found in the Financial Strategy that also forms part of the Long-Term Plan.







Future Business and Industrial Development Timing Summary (hectares)




	Short term / within the next 3 years			Medium term / between 3 and 10 years						Long Term / between 10 and 30 years																										
	2024	2025	2026	2026/27	2028	2029	2030	2031	2032	2033	2033/34	2035	2036	2037	2038	2039	2040	2041	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054				
Existing Urban Environment																																				
Te Utanganui																																				
North East Industrial Zone	78.5																																			
Te Utanganui Stage 1			26																																	
Te Utanganui Stage 2										150																										
Bunnythorpe Business Park				20																																
813-815 Roberts Line				5.5																																
129 Richardsons Line			1.6																																	

Current State of Play

Existing infrastructure overview

Council has many assets across the city. This table provides a summary of our assets across the activities covered by the Strategy.

Activity	Infrastructure Summary	Critical Assets	Replacement value (\$m)	Percentage breakdown replacement value activity
Recreational assets 	<ul style="list-style-type: none"> ➤ 7 city reserves (including walkways), ➤ 106 local reserves (including suburb reserves, neighbourhood / small neighbourhood reserves, esplanade reserves, ecological and special character reserves) ➤ 3 aquatic facilities ➤ 24 sports fields. ➤ 4 cemeteries ➤ 1 crematorium 	<ul style="list-style-type: none"> ➤ Cemeteries ➤ Crematorium 	\$176	6%
Property 	<ul style="list-style-type: none"> ➤ 33 operational properties ➤ 8 cultural properties (including libraries) ➤ 431 social housing units ➤ 8 community centres ➤ Central Energy Trust Arena multi-use events complex. ➤ Civic Administration Building and Central Energy Trust Arena 	<ul style="list-style-type: none"> ➤ Civic Administration Building ➤ Central Energy Trust Arena 	\$796	26%
Resource recovery 	<ul style="list-style-type: none"> ➤ Materials recovery facility ➤ 694 public bins ➤ Around 29,000 properties use our rubbish collection service ➤ 28,721 - 240L Wheelie bins 	<ul style="list-style-type: none"> ➤ Materials recovery facility 	\$32	1%
Transport 	<ul style="list-style-type: none"> ➤ 556 km of road ➤ 106 bridges ➤ 569km of footpaths ➤ 8,600 streetlights ➤ 33 sets of traffic signals ➤ 2,700+ central city car parking spaces 	<ul style="list-style-type: none"> ➤ Fitzherbert Ave and Saddle Road bridges ➤ Bridges to the Water Treatment Plant 	\$821	27%

Activity	Infrastructure Summary	Critical Assets	Replacement value (\$m)	Percentage breakdown replacement value activity
	<ul style="list-style-type: none"> ➤ 105km of on and off-road cycle lanes / paths ➤ 13,900+ street trees. ➤ Te Ara Kotahi footbridge ➤ Fitzherbert Ave and Saddle Road bridges 			
Stormwater 	<ul style="list-style-type: none"> ➤ 305km of piped drains ➤ 8 km of culverts ➤ 5,588 manholes ➤ 17,500+ property connections ➤ 89 floodgates and other structures. ➤ Large-diameter pipelines and major pump stations 	<ul style="list-style-type: none"> ➤ Large-diameter pipelines ➤ Major pump stations 	\$332	11%
Wastewater 	<ul style="list-style-type: none"> ➤ 433 km of pipelines ➤ 6,028 manholes ➤ 40 wastewater pumping stations ➤ Approximately 30,000 property connections ➤ Totara Road wastewater treatment plant 	<ul style="list-style-type: none"> ➤ Wastewater treatment plant ➤ Major pump stations ➤ Large-diameter pipelines 	\$498	16%
Water supply 	<ul style="list-style-type: none"> ➤ 2 Dams at Turitea Reserve ➤ 21 water supply bores and pump stations ➤ The Turitea Water Treatment Plant ➤ 586km of main distribution pipelines ➤ 196km of service distribution lines ➤ 5,167 valves ➤ 3,296 hydrants ➤ 2,097 meters ➤ 448 backflow preventers ➤ 29,817 property connections with tobies. 	<ul style="list-style-type: none"> ➤ Turitea dams ➤ Water treatment plant ➤ Water reservoirs ➤ Large-diameter pipelines ➤ 	\$407	13%

We apply different decision-making techniques throughout the lifecycle of an asset. We use professional judgement and accepted industry best practice to define the general methodology that will be used to understand the problem and define the preferred way forward. Over time we will use a more structured approach that incorporates the use of tools such as business cases, as there are some risks with the current approach. Risks in the current approach include inadvertent run to failure, which is not an intended lifecycle strategy.

We have a range of options available to deliver services associated with assets and asset management. Service delivery options range from full in-house delivery of all asset activities by our staff, to outsourcing part, or all asset services and functions. We have progressively put in place contracts with our infrastructure service providers, and we will continue to formalise these arrangements.

Further details of how we manage the lifecycle of our assets and deliver services can be found in our Strategic Asset Management Plan, and specific details in the Asset Management Plans.

Existing levels of service

Our Levels of Service are underpinned by our strategic direction. However, outside of the LTP consultation process there has not been a coordinated cross-activity levels of service engagement directly with the community since 2005. We monitor the appropriateness of current levels of service through customer enquiries and the Residents' Survey. These have shown general satisfaction with the levels of service. In determining the appropriate level of service for our customers we consider service options to balance the trade-off between risks, costs and benefits.

Our Asset Management Plans explain the levels of service, how each activity is performing against these, and the intended actions to close the gaps. As the current customer performance measures require further refinement, however, some preliminary work has been carried out by staff to draft performance measures for a wider range of service attributes.

Future demand for services

Until now there has been little demand pressure on many Council services and assets. As the city enters a growth phase, however, this may change. To help respond to any growth in demand the Council has the following existing activity demand management strategies in place and further strategies can be adopted as required:

- Water supply: Education, flow restriction, pressure reduction, and metering
- Wastewater: Education, trade waste charges, peak discharge restrictions
- Stormwater: Education regarding illegal discharges to drain, attenuation and detention requirements for new development
- Solid Waste: Education and waste fees
- Parks and Property: User fees, charges and rentals, sports field scheduling








Forecasting future demand









Forecasting future demand for infrastructure considers how future changes may impact on the demand for our assets and services. Once the implications of future changes are understood a plan about how best to meet the level of demand, or not, can be made. Understanding the key drivers of demand is the first step in forecasting future demand. Details on our key drivers is contained at section 4 of this strategy.







The draft Future Development Strategy (FDS) provides strategic direction to address growth and is intended to provide infrastructure to enable growth and a transport system that links people and opportunities. The FDS reflects our goal to provide appropriate infrastructure to support growth in a timely way and assist with the goal of an innovative and growing city. The FDS also informs the market's investment decisions regarding where growth and supporting infrastructure will occur. Our improvement focus is on supporting individual activities to improve their future demand forecasting practices and assessing and planning for the impact of growth on our networks and services, particularly transport, stormwater and resource recovery

Existing state of our infrastructure

The table below provides a high-level summary of the state of our infrastructure by activity with a focus on the condition (e.g. quality, responsiveness, sustainability), performance (e.g. efficiency and reliability) and resilience (to manage health and outcomes in response to risks from natural hazards). Condition information provides insight into where an asset is in its overall lifecycle. Understanding where an asset is in its lifecycle enables us to identify the interventions required to optimise the lifecycle performance of an asset.

Infrastructure Activity	Measure Category	Commentary	Indicative Score
Transport	Condition	We have a backlog of renewals - 40% of our roading network is in poor condition and at risk of failure. Many assets have reached a state that they can no longer be maintained and need to be rehabilitated.	
	Performance	Road deaths and serious injuries are an ongoing issue on our roading network. Poor condition assets and overdue renewals are creating performance risks.	
	Resilience	Given its urban 'grid', Palmerston North enjoys a high level of resilience in the event some roads become unusable. Six bridges are identified as critical assets with the Fitzherbert Bridge being a critical regional asset. It is the only nearby bridge across the Manawatu River, is a key transportation route and it carries several critical lifelines such as water, power, telecommunications, etc.	
Property	Condition	Overall condition is currently good but improving. This because of several projects to improve condition and gaining of a better understanding of the portfolio condition due to the latest assessment programme.	
	Performance	Portfolio reliability has improved with more proactive maintenance rather than reactive. Levels of service are being maintained.	
	Resilience	Portfolio resilience is good as we have identified our critical buildings. We are seismic strengthening our earthquake prone buildings and building for climate change where we can.	
Resource Recovery	Condition	We are working towards having formalised condition assessment programme for our plant and equipment assets.	



	Performance	We are working towards having formalised performance assessments for our plant and equipment assets.	
	Resilience	We have identified our critical plant and equipment assets and we are working towards having a preventative maintenance programme. Across the Resource Recovery activity our current staff and equipment are at or beyond capacity delivering the stated levels of service. If we do not undertake a full replacement programme of the MRF assets there is a risk that we might not always be able to meet our levels of service for our customers in the future.	
Water Supply	Condition	Water supply condition assessment is done by ad-hoc inspection. Based on their age, there is a significant amount of plant equipment, hydrants and water meters which are nearing, or past, the end of their lives.	
	Performance	Customer complaints about low pressure that have required an investigation are minimal.	
	Resilience	The need for increased operational flexibility in the network will also increase costs for both capital and operational expenditure. Improving resilience and service reliability is incorporated into capital and operational improvement programmes as part of usual business practice. However, there are some key programmes focussed on improving resilience.	
Wastewater	Condition	Wastewater pipes are the only wastewater assets for which condition assessments have been carried out and recorded (17% of all assets by value). Criticality has been used to prioritise assets that do not have a condition grade. Those with the biggest risks are inspected first and we intend to do this on a more regular basis as they age.	
	Performance	Assessed considering overflows, blockages, complaints and compliance.	
	Resilience	Improving resilience and service reliability is incorporated into our capital and operational improvement programmes as part of our usual business practice	


Stormwater	Condition	Stormwater pipes are the only stormwater assets for which condition assessments have been carried out and recorded. Annual budget has been designated for CCTV condition assessment, and a corresponding programme developed for inspecting pipes of 900mm diameter or larger. It is noted that our stormwater network is not relatively old.	
	Performance	Performance of stormwater assets is largely indicated through customer complaints, especially properties that repeatedly experience flooding issues. New GIS and modelling tools have been developed to understand the cause of issues as they are reported by customers.	
	Resilience	Where the current level of resilience is less than desired, further work is to be undertaken to determine options for increasing the resilience of the asset and managing service delivery following a seismic event. This will include a review of the desired level of resilience. The average resilience of the stormwater network as a whole is medium.	
Parks and recreation	Condition	An audit has been conducted, which has picked up gaps that are being filled in. We have some gaps where new asset information not provided in timely manner but this is being addressed. Overall condition has improved in recent years as we have applied additional resources, for example to signs and furniture.	
	Performance	Portfolio reliability has improved with more proactive maintenance rather than reactive. Significant portion of reactive maintenance is in vandalism or relating to storm events. These are dealt with as required and have been resourced appropriately. Levels of service are being maintained.	
	Resilience	We have a criticality framework in place. Cemeteries disaster recovery criteria understood and managed e.g. wired for portable generator access, earthquake strengthening prioritised.	

Confirming and managing our significant Infrastructure issues

Our significant infrastructure issues







The following three significant issues have been identified for Council’s infrastructure.



Significant Issue	Description	Key drivers	Council goals	Projected capital expenditure (capex) over 30 years (\$B)	Percentage breakdown of Projected capital expenditure by activity
Supporting growth, liveability and expected levels of service 	As the city grows pressure increases on our existing infrastructure to maintain levels of service and new infrastructure is needed to support growth areas. Our plan is to enable infrastructure ready growth in a timely way, stimulate economic development by providing suitable infrastructure, and maintain levels of service in existing urban areas through renewals and upgrades.	<ul style="list-style-type: none"> • Growth • Sustainability • Legislative changes • Technology advances 	Goal 1: An innovative growing city Goal 2: A creative and exciting city Goal 3: A connected and safe community	\$1.7B	Transport – 49% Property – 27% Parks and Reserves – 6% Resource recovery – 1% Water supply – 7% Stormwater – 5% Wastewater – 5%
Managing the deterioration of assets 	Over time the condition of our assets reduces, impacting on how they perform and how resilient they are. By age, we have a backlog of assets to be renewed. Our intention is to use high quality data and work proactively to renew our assets at the right time to maintain levels of service, meet demand and increase resilience.	<ul style="list-style-type: none"> • Sustainability • Climate change • Resilience 	Goal 1: An innovative growing city Goal 3: A connected and safe community	\$1.5B	Transport – 49% Property – 7% Parks and Reserves – 7% Resource recovery – 2% Water supply – 18% Stormwater – 1% Wastewater – 16%


<p>Responding to risks, resilience issues and compliance</p> 	<p>Risk and resilience from climate change and hazards and increasing standards of compliance present an increasing challenge.</p> <p>Our response is to understand our risks so that we can be prepared and make good decisions, invest in resilience, primarily through renewals, and to review our practices and priorities to meet new compliance requirements and move towards a low carbon future.</p>	<ul style="list-style-type: none"> • Resilience • Sustainability • Climate change • Legislative change 	<p>Goal 4: A sustainable and resilient city</p>	<p>\$1.6B</p>	<p>Transport – 28% Property – 3% Parks and Reserves < 1% Resource Recovery – 1% Water supply – 18% Stormwater – 10% Wastewater – 39%</p>
--	--	--	---	---------------	---


How these significant issues intersect with our activities

The table below confirms, at a high level, how the activities covered in the Strategy intersect with our significant infrastructure issues.

Activity	Growth, liveability and expected LOS	Deterioration of assets	Risks, resilience and compliance
			
Transport 	<ul style="list-style-type: none"> Ongoing issue of road death and serious injury on our roading network Provision of a regional freight ring road including an additional river crossing Facilities to encourage alternative transport modes (also contributes to a low carbon, climate resilient future). 	<ul style="list-style-type: none"> We have a backlog of renewals, 41% of the network is either condition grade 4 or 5 (poor or very poor) Parts of the network have been repaired repeatedly and now require rehabilitation because further repair is not possible. 	<ul style="list-style-type: none"> Risks have been identified with the transport structures assets and are to be gradually address as noted in the AMP. Additional resilience is required in the identified critical transport assets.
Recreational Assets 	<ul style="list-style-type: none"> Providing larger parks in growth areas will be critical as residential sections get smaller. There are periods of the day when we cannot meet demand for swimming pool lanes and indoor courts. 	<ul style="list-style-type: none"> Our assets are generally in good to very good condition, but some parks offer a higher level of service provision than others – investment is needed to address this 	<ul style="list-style-type: none"> Some of our walkways are located in gullies prone to slips. A warmer and wet environment as a result of climate change means we need to change the way we manage our green assets.
Property 	<ul style="list-style-type: none"> More demand for community facilities as our city grows. More demand for social housing units. 	<ul style="list-style-type: none"> Asset performance varies across the portfolio but has improved over the last few years. Our condition assessments are up to date and are scheduled accordingly. 	<ul style="list-style-type: none"> We have a seismic strengthening programme for our earthquake prone buildings. Upgrading our facilities to meet compliance requirements around fire, accessibility, weathertightness and other compliance matters

Activity	Growth, liveability and expected LOS	Deterioration of assets	Risks, resilience and compliance
<p>Resource Recovery</p> 	<ul style="list-style-type: none"> • Growth is not consistent across collection routes and requires careful planning for customers whose collection day changes. • People want kerbside rubbish bins; however, we have considerable capacity constraints around collection and processing of more material. 	<ul style="list-style-type: none"> • The condition of our assets is deteriorating faster than expected. The historic reactive approach to maintenance has not maintained our assets. • Asset performance is primarily monitored through customer service performance. 	<ul style="list-style-type: none"> • Government direction and changes in legislation. • Compliance conditions that must be met at central government level. • The Awapuni Closed Landfill has various consents that are expiring in the next 5-7 years for discharge to land, compost operations, discharge to air permits. • We need to respond to natural hazard risks such as flooding and erosion which will be exacerbated by climate change
<p>Stormwater</p> 	<ul style="list-style-type: none"> • As we grow storm water challenges include a reduced permeable area to allow water to percolate into the soil to filter out pollutants and recharge the water table, increased levels of construction site pollution, and the need for new pumps and drainage. • To understand the effect of the projected growth and development scenarios on storm water operation and maintenance the stormwater model will need to be regularly updated and maintained. 	<ul style="list-style-type: none"> • Our Stormwater network (pipes, sumps, manholes and outlet structures) and pump stations require ongoing renewal to manage deterioration. • Many older pipes are under capacity and will need to be upsized in tandem with renewal. • Renewal often requires replacement, upgrading and rehabilitation of elements of the network, pump stations and the associated outlet works which can be disruptive to the network. • There are ongoing renewals programmes for our network and pump stations. 	<ul style="list-style-type: none"> • Maintaining storm water operation and service requires us to manage distribution network risks, including climate change, associated with resilience through our capital works programme. • Unacceptable substances entering/ unwanted discharge into the storm water network represents a significance compliance risk.

Activity	Growth, liveability and expected LOS	Deterioration of assets	Risks, resilience and compliance
<p>Wastewater</p> 	<ul style="list-style-type: none"> Accommodating growth and maintaining levels of service will require targeted expansion of our existing wastewater network and greater wastewater treatment capacity. To understand the effect of the projected growth and development scenarios on wastewater the wastewater model will need to be regularly updated and maintained. 	<ul style="list-style-type: none"> Our treatment plant, pump stations and network assets require ongoing renewal to manage deterioration. A backlog of trunk and non-trunk renewals means that criticality and condition will be used to prioritise works. Plant and pump station assets which are at/near the end of their useful lives require replacement. Increased investment is required to better understand the condition and performance of our assets and optimise capital decision making. 	<ul style="list-style-type: none"> Maintaining wastewater reticulation requires us to manage distribution network resilience risks, including climate change, through our capital works programme. Equipment/ plant failure and reliance on external inputs (e.g. power) represent significant Wastewater Treatment Plant risks. Further testing, inspection and analysis is required to confirm compliance risks around unwanted discharge. Our current resource consent for wastewater treatment and discharge expires in the next few years. We have applied for a consent with Horizons Regional Council.

Activity	• Growth, liveability and expected LOS	• Deterioration of assets	• Risks, resilience and compliance
<p>Water Supply</p> 	<ul style="list-style-type: none"> • As we grow our increasing population will require new treatment plants, bores, pump stations and network (pipes, water tobies, meters, hydrants and valves). • To understand the effect of the projected growth and development scenarios on water supply the water supply model will need to be regularly updated and maintained. 	<ul style="list-style-type: none"> • Our treatment plants, bores, pump stations and network (pipes, water tobies, meters, hydrants and valves) require ongoing renewal to manage deterioration. • Watermains are nearing, or are past, the end of their useful lives and require investment. The current renewal backlog needs to be addressed. 	<ul style="list-style-type: none"> • Not all of our existing activities, bores, pump stations and other facilities comply with the Drinking Water Quality Assurance requirements and on-going improvements are required to manage quality, integrity and resilience. • There are risk and compliance issues in association our Turitea Water Treatment Plant and with the operation of the supply dams. • More broadly, there is an ongoing risk of failures within the distribution network due to aging and under capacity pipes. This is managed by our operations and maintenance teams • Renewal of resource consents for the Turitea Dams are needed over the next 5 years.

Increasing what we know about future demand and levels of service

Much of the intersect between our significant issues and our activities links to the management of future demand and levels of service. Further details are provided below on how we intend to continue increasing what we know about future demand and levels of service to support the response to our significant infrastructure issues across our activities.

Future Demand

As outlined in section 9 above, current practices for understanding future demand for different types of infrastructure assets include using forecast information prepared by the Council's Strategic Planning Unit and leveraging from the strategic direction in the City Growth Plan. Moving forward Council will strengthen these practices by implementing and revising our Future Development Strategy, and by continuing to grow our understanding of uncertainties and their associated implications.

Levels of Service

Council has existing processes in place to track levels of service for assets. While these have sufficed to date new processes are being developed to help improve the information we hold. Several new systems are being rolled out to better capture asset information, including a new project module that will incorporate provision of asset data as a task. Council will also begin working with third party partners to ensure robust data collection is included as part of their commitment to service their respective activities. In addition, Council have engaged in a proactive data collection programme that will see our Asset Information Analysts "uncovering" historical Asset information to record.

Impact of climate change

Climate change will impact on future demand and levels of service, and it is important that we increase our understanding of the potential implications as more data becomes available. The National Institute of Water and Atmospheric Research (NIWA) have produced for the Ministry of the Environment (MfE) a range of climate change predictions for the regions out to 2090. This predicts that projected impacts are likely to become more noticeable towards the end of this period. We have based our climate change scenario on these NIWA projections.

MfE/NIWA predict that over the longer term, the Manawatū-Wanganui region will become warmer and be subject to more extreme weather, with the region experiencing more frequent heavy rainfall events as well as more frequent droughts. This has significant implications for infrastructure, with many assets having life cycles of more than a hundred years, and in some cases much more.

We currently anticipate the largest impact will be on stormwater infrastructure but there are also likely to be additional peak stormwater flows in the existing network because of infill development. Changes to rainfall patterns could also lead to issues for our sports fields and walkways because there will be more heavy downpours, leading to flooded surfaces (and possibly short-term closures) and slips. In addition to more intense rainfall it is likely long dry periods, or drought events, will also occur more frequently. We will continue to grow our understanding of expected long-term changes when building new infrastructure and undertaking renewals of existing infrastructure.

Continuing to grow our evidence base to help decision making and budgeting

Our Asset Management Improvement Plan prioritises a review of our policy governing our asset condition and performance assessment. With the completion of our Condition Assessment and Performance Monitoring Policy and Criticality Framework that outlines our approach to assessing the physical condition and monitoring the performance of all assets our improvement focus is now on:



- Align processes for inspection frequency, response time and interventions to the criticality of assets, and embed into work practices.
- Develop processes for contractors and inhouse staff to collect and update static condition information in conjunction with operational and maintenance activities.


To avoid the risk of unexpected failures, which could lead to unbudgeted expenditure earlier than planned budgets have been allowed for condition assessments and we are in the process of undertaking condition surveys on all our critical assets. The scheduling and frequency of regular inspections is based on asset criticality. While unexpected failure of our water assets in the past has prompted a programme to increase the collection of condition data through physical surveys, we are developing a comprehensive condition assessment programme across all our assets. We are working towards developing processes for contractors and in-house staff to collect condition information using real time mobile data applications to increase efficiency in this area.

Our planned response

Significant portfolios for our infrastructure issues

To respond to our significant infrastructure issues we have identified a suite of significant portfolios that will best help us to meet our infrastructure needs, including maintaining expected levels of service, meeting future demand and compliance, increasing resilience and reducing risk. These significant portfolios represent our significant decisions and are timed as shown in the table in the Our Plan section of the Infrastructure Strategy. The table below confirms our significant portfolios and which significant issue each seeks to address.

Significant Issue	Significant Portfolios (groups of programmes)
<p data-bbox="107 464 689 533">Supporting growth, liveability and expected levels of service</p> 	<ul style="list-style-type: none"> • Infrastructure for residential growth at Whakarongo, Kākātangiata (including Kikiwhenua), Aokautere, Napier Road, Matangi, Roxburgh Crescent, Ashhurst and urban intensification. • Te Utanganui Central New Zealand Distribution Hub • Palmerston North Integrated Transport Initiative (PNITI) - Regional Freight Ring Road • Te Motu o Poutoa Development Plan – Implementation • City Centre Revitalisation • Arena Masterplan • Social Housing Redevelopment • Community Hubs and Centres Portfolio • Organic Waste (food scraps and green waste) Collection Introduction • Pedestrian and Active Transport Improvements
<p data-bbox="107 991 604 1026">Managing the deterioration of assets</p> 	<p data-bbox="750 991 1364 1026">Infrastructure Renewal Programmes, including:</p> <ul style="list-style-type: none"> • Citywide water main renewal • Road resurfacing • Wastewater reticulation renewal • Local reserves renewal • Cycle network renewals • Property renewals

Significant Issue	Significant Portfolios (groups of programmes)
<p data-bbox="91 151 739 223">Responding to risks, resilience issues and compliance</p> 	<ul data-bbox="739 151 1926 475" style="list-style-type: none"> • Tōtara Road Wastewater Treatment Plant Upgrade (Nature Calls) • Wastewater Network upgrades • Upgrades to comply with Drinking Water Regulations • Stormwater Capacity Upgrades • Seismic Strengthening of Council Properties • Materials Recovery Facility Development • Transport Safety Improvements

Our plan

The tables below confirm how we intend to respond to our three significant infrastructure issues through our significant portfolio programmes and other programmes.

The proposed programme of works in the likely scenario represents a significant increase over the first three years on the volume of capital work that we have delivered over the past three years. However, during that time we have been building our internal capacity and capability to deliver projects. We now have an in-house Project Management Office; we have engaged a design panel and coordinate planning, design and consent to be completed in the year prior to construction; we have major contracts with Fulton Hogan for Road

Maintenance and Max Tarr for our plant maintenance; and we regularly bundle smaller projects to make them more attractive to contractors. This proposed programme also includes several large, discrete projects such as the Wastewater Treatment Plant Upgrade, the Central Library rebuild and seismic strengthening work. These projects are likely to be delivered by large, out of town contractors, and will not impact the ability of our local in-house and external construction resources to deliver our bread and butter works. We are confident that we can deliver on the proposed programme.

Significant Issue 1: Supporting growth, liveability and expected levels of service

Urban Residential Growth

<i>Infrastructure for residential growth at Whakarongo, Kākātangiata, Aokautere, Napier Road, Roxburgh Crescent, Ashhurst and urban intensification.</i>	Year Decision needs to be Made	2024
--	---------------------------------------	------

Growth projections adopted by PNCC indicate that the city will need a significant increase in housing stock over the next 30 years. The growth areas identified for new housing growth, including growth through intensification of existing urban areas, will be serviced by implementation of the programmes and budgets listed below. It should be noted that the timing for opening of new greenfield and brownfield areas for development depends on many factors outside the control of Council. Council must balance the need for “infrastructure ready” sites, against the risk of over-investment, or too early investment.

Key Options for this decision – Preferred option in BOLD

- Do nothing. This would result in Council not enabling growth and therefore not reaping the benefits or meeting its obligations under the NPS UD.
- Concentrate on growth in just one area at a time. This would enable growth, but would not meet Council’s obligations under the NPS UD
- Adopt a “just in time” approach and fund infrastructure only for sites where development is commencing and defer funding for other areas. This approach may result in delays for developers and slowing of city growth, and may not meet Council’s obligations under the NPS UD.
- **Complete the programme as presented, making the city proactively prepared for development in all identified growth areas (preferred option).**

Key relevant projects and Programmes (\$M): 2023 cost (including inflation)

Project/Programme	Type	Y 1-3	Y4-Y10	Y11-Y20	Y21-Y30
Urban Growth - Infill and Urban Intensification	Capital Growth	8.3 (8.6))	13.3 (15.1)	24.5 (34.4)	13.9 (26.9)
Whakarongo	Capital Growth	13.5 (13.9)	13.1 (14.5)	0.2 (0.3)	5.0 (8.9)
Kakatangiata	Capital Growth	3.0 (3.2)	73.8 (84.5)	36.9 (45.3)	5.5 (7.5)
Kikiwhenua	Capital Growth	10.6 (10.8)	6.5 (7.2)	20.0 (25.0)	-
Ashurst	Capital Growth	1.9 (1.9)	18.1 (20.7)	10.9 (16.7)	20.7 (36.9)
Aokautere ⁸	Capital Growth	10.2 (10.4)	43.4 (49.4)	6.0 (8.3)	3.3 (6.9)
Roxburgh	Capital Growth	0.6 (0.6)	2.4 (2.6)	-	-
Matangi/Whiskey Creek	Capital Growth	-	0.8 (0.9)	-	-
Napier Road Extension	Capital Growth	3.0 (3.1)	6.3 (7.2)	-	-

⁸ Note that programmes for Aokautere Stormwater are required in Years 1 -3 to mitigate ongoing environmental damage from previous development, as well as to prepare for new development

Te Motu O Poutoa

Te Motu O Poutoa		Year Decision needs to be Made			2024
<p>Te Motu o Poutoa/Anzac Park is the City's most significant cultural site. Rangitāne o Manawatu and Council have been working in partnership over the past 3 years to develop a plan to restore the mana and identity of the site.</p> <p>The proposed development includes a civic marae at the site with public facilities and visitor and education attractions. Detailed design would occur in Year 1, utilising Better Off funding previously secured. Construction would commence once all external funding (\$5M) had been secured.</p>					
<p>Key Options for this decision – Preferred option in BOLD</p> <ul style="list-style-type: none"> • Development of Te Motu O Poutoa does not proceed and Council and Rangitane partnership outcomes for the site are not able to be realised. • Proceed with design and consenting, and commence development regardless of funding status • Proceed with design and consenting works in Year 1 while seeking external funding, and do not commence construction until all funding for the project has been secured (preferred option). 					
Key relevant projects and Programmes (\$M): 2023 cost (including inflation)					
Project/Programme	Type	Y 1-3	Y4-Y10	Y11-Y20	Y21-Y30
City Reserves - Manawatu River Park - Te Motu o Poutoa Development Plan - Implementation	Capital LOS	13.2 (13.7)	-	-	-
City Reserves - Te Motu o Poutoa - Design and Consenting - BOF	Capital LOS	1.2 (1.2)	-	-	-
Cliff Road Upgrade - Te Motu o Poutoa Development	Capital LOS	4.2 (4.3)	-	-	-

Te Utanganui Central New Zealand Distribution Hub

<i>Te Utanganui Central New Zealand Distribution Hub</i>		Year Decision needs to be Made	2027		
<p>Te Utanganui, Central New Zealand Distribution Hub, is a proposed regional multi-modal distribution hub envisaged to consist of rail, road, air, and sea connections. The rail hub will be constructed by KiwiRail within Palmerston North City boundaries, and the Palmerston North Integrated Transport Initiative (PNITI) will support access to this hub. In turn the hub will enable parts of PNITI. At present progress is dependent on other agencies, and there is not sufficient detail for Infrastructure programmes to be prepared. Meanwhile development of the adjacent North East Industrial Zone (NEIZ) will continue, affording improved access to the Te Utanganui site.</p>					
<p>Key Options for this decision – Preferred option in BOLD</p> <ul style="list-style-type: none"> • Decisions and options around Infrastructure to support Te Utanganui are currently unclear will not be required until the next LTP, pending progress by KiwiRail and other agencies • PNCC have already endorsed PNITI and options for that the implementations of that decision are contained elsewhere in this document. • Proceed with Business Case preparation and design in Years 1 to 3. • Ensure that development in the adjacent NEIZ proceeds and aligns with future development of the Te Utanganui site, and fund an operating programme to prepare Business Cases for New Zealand Transport Agency - Waka Kotahi (seeking co-funding) in Years 4 to 10, in preparation for physical works during the next LTP period (preferred option). 					
Key relevant projects and Programmes (\$M): 2023 cost (including inflation)					
Project/Programme	Type	Y 1-3	Y4-Y10	Y11-Y20	Y21-Y30
Urban Growth - NEIZ - Transport	Capital Growth	-	21.3 (24.5)	-	-
Te Utanganui Transport Improvements Business Case	Operating		0.9 (1.0)		

Palmerston North Integrated Transport Initiative (PNITI)

Palmerston North Integrated Transport Initiative (PNITI) - Regional Freight Ring Road		Year Decision needs to be Made	2024/2027		
<p>In 2015, the New Zealand Central Government, in consultation with Horizons and local councils, commissioned a Regional Growth Study which identified several opportunities and key enablers to help realise the economic prosperity of Manawatu-Whanganui. One of the enablers identified was investment in the regional transport network. New Zealand Transport Agency - Waka Kotahi has since developed several business cases in support of this, including the Palmerston North Integrated Transport Initiative (PNITI). Programme budgets for business cases to be prepared for the major Infrastructure works required to realise PNITI have been included in the 2024-34 LTP.</p>					
<p>Key Options for this decision – Preferred option in BOLD</p>					
<p><u>Business Cases</u></p> <ul style="list-style-type: none"> Do nothing. Not considered an option as Council has already endorsed PNITI. Prioritise Business Cases according to risk and criticality of physical works. This may have the effect of delaying parts of the overall programme. Proceed with Business Case preparation early, as shown, to understand full cost and likelihood of funding from New Zealand Transport Agency - Waka Kotahi (preferred option) 					
<p><u>Infrastructure Construction Programmes – Proposed pending outcome of Business Case work</u></p> <ul style="list-style-type: none"> Do minimum: Prioritise safety improvement programmes, such as intersection and bridge improvements and HMPV Improved Network Access programmes. The implications of deferral will be to create a disconnected network of improvements, which will not realise the intended benefits of the integrated strategy. Some PNITI programmes will not be required until the KiwiRail hub is further developed, these programmes could be deferred if the KiwiRail hub development is delayed Proceed with the full suite of proposed programmes (preferred option) 					
<p>Key relevant projects and Programmes (\$M): 2023 cost (including inflation)</p>					
Project/Programme	Type	Y 1-3	Y4-Y10	Y11-Y20	Y21-Y30
PNITI Business Case Preparation	Operating	1.4 (1.4)	6.2 (6.9)		
PNITI – Strategic Transport Corridor Improvements	Capital LOS	-	58.0 (69.2)	90.0 (124.0)	-
Enabling PNITI, Bunnythorpe bridge replacements	Capital LOS	1.0 (1.0)	14.0 (15.1)	-	-
HMPV Improved Network Access / Culvert & Bridge Structures	Capital LOS	1.8 (1.9)	5.6 (6.4)	8.0 (11.1)	8.0 (14.4)

City Centre Revitalisation

City Centre Revitalisation		Year Decision needs to be Made			
		2024			
<p>During the last 3 years Council have commenced or completed projects to rejuvenate the eastern side of the Square, whilst also commencing preparation of a Masterplan for creating a cultural precinct to the west of the Square. Plans for upgrade of the Transit Hub, which align with the PNITI group of programmes, are being prepared together with the Regional Council. This will continue the existing work to the east of the Square, and lay some groundwork for implementation of the Cultural Precinct master planning. In addition, some key buildings in the Cultural Precinct (the Library and Te Manawa) have been identified as earthquake prone. The strengthening of these building will be an important part of the revitalisation of the centre city. It is intended that during years 1 to 3 we will take the opportunity to consider potential options to seek financial partners for strengthening work in these two buildings.</p>					
<p>Key Options for this decision – Preferred option in BOLD</p> <ul style="list-style-type: none"> • Delay or cancel all works, including development and design. This will result in the parts of the centre city with a different look and feel to other parts, and the benefits of a full rejuvenation of the centre city will not be realised. • Continue with development and design in the short term, but spread implementation and construction works over a longer period. This would delay the realisation of the benefits. However recent changes to earthquake prone buildings legislated timeframes have made this option feasible (preferred option). • Proceed with programmes as planned () <p>(Note that options for earthquake prone buildings are the same as those detailed the Seismic Strengthening of Council Buildings)</p>					
Key relevant projects and Programmes (\$M): 2023 cost (including inflation)					
Project/Programme	Type	Y 1-3	Y4-Y10	Y11-Y20	Y21-Y30
Transit Hub Redevelopment	Capital LOS	6.0 (6.3)	6.0 (6.4)	-	-
City Centre Streets for People Improvements	Capital LOS	-	15.2 (17.3)	25.1 (33.8)	20.2 (35.8)
Cuba Street Urban Streetscape Improvements – Pitt to Arena (Stage 3)	Capital LOS	-	5.0 (5.7)	-	-
Property – Central Library and Te Manawa Redevelopments	Capital LOS	-	120.0 (137.8)	-	-

Arena Masterplan

<i>Arena Masterplan</i>		Year Decision needs to be Made	2024		
<p>The Arena Masterplan was originally developed in 2014 and was revised and formally adopted by Council in 2023. There are five significant projects proposed for completion during this LTP period, which are included in the Programme below;</p> <ul style="list-style-type: none"> • Constructing a second artificial pitch • New Arena 5 • Arena 6 grass fields formation, including new changing rooms and toilets 					
<p>Key Options for this decision – Preferred option in BOLD</p> <ul style="list-style-type: none"> • Do nothing. Defer or cancel all programmes. • Prioritise the project according to alignment with Council vision and goals and spread over a longer time period. • Proceed with programme as proposed (preferred option). As soon as development is complete, increased revenue is anticipated for Council as there is greater availability of facilities for hire. 					
Key relevant projects and Programmes (\$M): 2023 cost (including inflation)					
Project/Programme	Type	Y 1-3	Y4-Y10	Y11-Y20	Y21-Y30
CET Arena - Future Masterplan Items	Capital LOS	17.0 (17.5)	19.0 (21.6)	70.0 (94.6)	70.0 (118.8)
CET Arena Property Purchase	Capital LOS	0.8 (0.8)	-	-	-
CET Arena – Upgrade of lighting to LED	Capital LOS	0.8 (0.8)	3.0 (3.3)	-	-

Social Housing Development

<i>Social Housing Development</i>		Year Decision needs to be Made	2024		
<p>There is a shortage of housing in Palmerston North, particularly in the social housing space. The programme provides for the future construction of new council-owned social housing units within the city. This will either be on a greenfield site or redeveloping and increasing the density of one of Council's existing social housing complexes. Housing will be accessible and meet the Healthy Homes Standards and achieve a 4-star Lifemark Accreditation.</p> <p>The preferred option is to undertake the programme as budgeted, as it is unlikely that private providers will provide capacity required.</p>					
<p>Key Options for this decision – Preferred option in BOLD</p> <ul style="list-style-type: none"> • Do nothing. The lack of community housing will continue to create other issues within the community. • Stagger development to complete housing in one location before commencing at another site. • Complete programme as presented (preferred option) 					
Key relevant projects and Programmes (\$M): 2023 cost (including inflation)					
Project/Programme	Type	Y 1-3	Y4-Y10	Y11-Y20	Y21-Y30
Social Housing - Additional Social Housing Units (Summerhays)	Capital LOS	8 8 (9.2)	9.6 (10.2)	-	-
Urban Growth - Huia Street Reserve - Community Housing	Capital Growth	-	15.0 (17.7)	-	-

Community Hubs and Centres Portfolio

Community Hubs and Centres Portfolio		Year Decision needs to be Made			
		2024			
<p>Community Hubs provide a venue to allow community groups to meet and thereby celebrate the diversity of the city. It is proposed to transform existing Community Facilities by creating Hub models.</p> <p>A feasibility study was completed in 2023 to determine the advantages of a hub model and how this could provide services such as community libraries and community centres from a single location. This will shape how and where future community facilities will be built and designed, as we transition to this Hub model.</p> <p>The first hub to be constructed will be at Awapuni and will combine the Library and Community Centre along with other facilities. Work on a Highbury and Roslyn community hubs will follow.</p> <p>It has been decided that the Multicultural Facility will be a newly created tenancy in the ground floor of the CAB, and capital funds are required for fitout only.</p>					
<p>Key Options for this decision – Preferred option in BOLD</p> <ul style="list-style-type: none"> • Maintain existing Levels of Service. Only proceed with new Community facilities required in growth areas. • Proceed with projects within the programme noting that Awapuni will be a do minimum option as proposed (preferred option) • Proceed with programmes to deliver full feasibility study outcomes. 					
Key relevant projects and Programmes (\$M): 2023 cost (including inflation)					
Project/Programme	Type	Y 1-3	Y4-Y10	Y11-Y20	Y21-Y30
Urban Growth - New Community Hubs	Capital Growth	1.0 (1.0)	12.0 (13.2)	-	-
Cultural Facilities – New Multicultural Facility	Capital LOS	0.5 (0.5)			
Community Centres – Pasifika Centre Expansion	Capital LOS	3.8 (3.9)			

Organic Waste (food scraps and green waste) Collection Introduction

<i>Food Scrap Waste Collection Introduction</i>		Year Decision needs to be Made		2027	
<p>It is anticipated that Central Government will introduce the requirement for Councils to provide a Kerbside food waste collection service. Currently around one third of kerbside waste presented in Palmerston North is food waste. There is potential to divert a significant amount of waste from landfill by providing a food waste collection service.</p> <p>During consultation of the Waste Management and Minimisation Plan (WMMP), we also asked our community if they would like us to investigate green waste collections. The feedback was supportive and as part of the detailed investigation in Yr 1 of the LTP we will also investigate green waste collections and present options to the EM's for consideration.</p>					
<p>Key Options for this decision – Preferred option in BOLD</p> <ul style="list-style-type: none"> • Do nothing. Do not collect food waste. Accept loss of Central Government funding, failure to meet environmental standards, loss of reputation and possible fines • Wait for Central Government to legislate before proceeding with the programme • Proceed with the programme as set out below, proactively supporting waste minimisation (preferred option) 					
Key relevant projects and Programmes (\$M): 2023 cost (including inflation)					
Project/Programme	Type	Y 1-3	Y4-Y10	Y11-Y20	Y21-Y30
City-Wide - Kerbside Food Scraps Collection and Processing Service Development	Capital LOS	-	1.1 (1.2)	-	--
Compost Bunker Processing System Development	Capital LOS	0.1 (0.1)	1.5 (1.6)	-	-
Urban Growth – Food Scraps - City-Wide Food Waste Bins and Caddies	Capital Growth	-	0.1 (0.1)	0.3 (0.4)	0.3 (0.4)

Active Transport

Active Transport		Year Decision needs to be Made	2024		
Many of the active transport programmes listed are considered enablers for the PNITI Strategy. Their intention is to reduce the potential for conflicts between cyclists or pedestrians and heavy vehicles by separating cycle and shared facilities from live traffic lanes.					
Key Options for this decision – Preferred option in BOLD					
<ul style="list-style-type: none"> Do nothing. Council will not be able to access New Zealand Transport Agency - Waka Kotahi CERF (Climate Emergency Response Fund) support. Road safety risks and a high carbon environment will remain. Stage implementation particularly for programmes which cannot attract New Zealand Transport Agency - Waka Kotahi funding Proceed with the programmes as presented. This will assist Council to achieve both Carbon Reduction goals and Road Safety improvements (preferred option) 					
Key relevant projects and Programmes (\$M): 2023 cost (including inflation)					
Project/Programme	Type	Y 1-3	Y4-Y10	Y11-Y20	Y21-Y30
Cycling Network improvements	Capital LOS	3.0 (3.1)	10.7 (12.2)	27.5 (38.6)	27.5 (50.0)
Tennent Drive Improvements - Food HQ & Massey	Capital LOS	1.2 (1.2)	-	-	-
Shared Pathway Network Improvements	Capital LOS	6.0 (6.1)	-	45.0 (63.4)	50.0 (89.9)
Pedestrian Network Improvements	Capital LOS	1.5 (1.5)	3.5 (4.0)	5.9 (8.2)	6.0 (10.8)

Significant Issue 2: Managing the deterioration of assets

Infrastructure Renewals Programmes

Infrastructure Renewals Programmes	Year Decision needs to be Made	Every three years			
At each 10 year plan (LTP), Council needs to confirm the level of funding available for the renewal of assets. A full programme is developed using condition.					
Key Options for this decision – Preferred option in BOLD <ul style="list-style-type: none"> Do Nothing – not renewing core infrastructure, increasing risk of loss of service due to asset failure. Programme renewal of assets to maintain or improve levels of service over time and minimise the risk of asset failure or unacceptable deterioration. Reprioritise renewals to outer years to an affordable level – this has the potential to create or add to the current renewals backlog. That has the risk that levels of service are affected by unexpected asset failure. As a result, operations and maintenance cost may increase and/or Council may breach consent requirements (preferred option) Prioritise earlier completion of the most critical renewals – this will reduce risk of unexpected asset failure even further but may increase cost to unaffordable levels. 					
Key relevant projects and Programmes (\$M): 2023 cost (including inflation)					
Project/Programme	Type	Y 1-3	Y4-Y10	Y11-Y20	Y21-Y30
Transport Renewals (Total)	Capital Renewal	34.8 (35.50)	126.5 (145.0)	172.7 (238.0)	165.3 (297.2)
Wastewater Renewals (Total)	Capital Renewal	14.9 (15.3)	39.0 (45.2)	52.9 (77.1)	52.4 (104.5)
Water Supply Renewals (Total)	Capital Renewal	17.1 (17.6)	51.8 (59.9)	51.0 (74.5)	62.5 (124.2)
Stormwater Renewals (Total)	Capital Renewal	1.5 (1.5)	2.1 (2.5)	2.8 (4.0)	2.8 (5.5)
Parks and Reserves Renewals (Total)	Capital Renewal	8.6 (8.8)	19.9 (22.5)	23.9 (32.3)	22.1 (37.3)
Property Renewals (Total)	Capital Renewal	8.4 (8.6)	19.7 (22.2)	22.0 (29.8)	22.0 (37.3)
Resource Recovery Renewals (Total)	Capital Renewal	1.3 (1.3)	4.1 (4.6)	4.4 (5.9)	4.3 (7.2)
TOTAL RENEWALS		86.6 (88.6)	263.2 (301.8)	328.7 (461.5)	331.3 (613.1)

Significant Issue 3: Responding to risks, resilience issues and compliance

Tōtara Road Wastewater Treatment Plant Upgrade (Nature Calls)

<i>Tōtara Road Wastewater Treatment Plant Upgrade</i>		Year Decision needs to be Made		2024	
<p>Our Wastewater Treatment Plant discharge consent expires in 2028. We lodged an application for the new discharge consent in 2022. Discharge regulations and treatment standards are getting higher, and disposal options are becoming challenging, which requires a different treatment process to be implemented and new assets to be bought and constructed.</p> <p>The major difficulty faced by this programme is funding, as Council has insufficient borrowing capacity to fund the capital burden of the proposed WWTP solution. Uncertainty around Water Reform, both the timing and the structure, add to the difficulty of decision for this significant programme. The Financial Strategy contains information relating to proposed funding options for this Programme.</p>					
<p>Key Options for this decision – Preferred option in BOLD</p> <ul style="list-style-type: none"> • The option to do nothing has been discounted as the risks to both the Council in terms of reputational damage and potential prosecution are too great. • Proceed with progressing a Resource Consent for current best practicable option, including continuing with land investigations to provide critical strategic information for the future land based discharge scheme. • Review the best practicable option as instructed by a motion of Council (preferred option). 					
Key relevant projects and Programmes (\$M): 2023 cost (including inflation)					
Project/Programme	Type	Y 1-3	Y4-Y10	Y11-Y20	Y21-Y30
Totara Road Wastewater Treatment Plant - Consent Renewal Upgrade	Capital LOS	11.2 (11.5)	468.7 (537.6)	-	-

Wastewater Network Upgrades

Wastewater Network Upgrades		Year Decision needs to be Made		2024	
<p>Our wastewater network hydraulic modelling has identified that there is opportunity for improvements to the wastewater network to reduce wet weather overflows on private properties and reduce risk of discharges to waterways. We also need to improve the current operating performance of the Wastewater Treatment Plant by reducing peak flows, storm volumes and operational costs. Our at risk pipes need realignment, particularly where wastewater mains are directly built below natural stormwater gullies which pose a significant risk of stormwater entering the wastewater network. We will also need to upgrade any at risk, old or underperforming wastewater pipes.</p>					
<p>Key Options for this decision – Preferred option in BOLD</p> <ul style="list-style-type: none"> Do nothing - Leave network at its current capacity, this could lead to increased risk of overflows and not meeting levels of service. The option to do nothing has been discounted as the risks to both the Council in terms of reputational, cultural and environmental risk damage Reprioritise programmes and timing based on criticality Upgrade dedicated parts of the network and increase network storage capacity to reduce volume and probability of overflow during rainfall events. Also, realign at risk pipelines (preferred option). 					
<p>Key relevant projects and Programmes (\$M): 2023 cost (including inflation)</p>					
Project/Programme	Type	Y 1-3	Y4-Y10	Y11-Y20	Y21-Y30
City-wide Wastewater wet weather overflow mitigation	Capital LOS	1.5 (1.5)	-	7.4 (11.0)	7.0 (14.2)
City-wide Wastewater Pipeline Realignment of at-risk mains	Capital LOS	1.5 (1.5)	1.9 (2.1)	9.9 (14.6)	10.8 (21.3)
City-wide - Wastewater Pipe Improvement	Capital LOS	3.0 (3.1)	5.0 (5.7)	15.0 (22.0)	15.0 (29.8)
City-wide – Wastewater Pump Station – Capacity upgrades	Capital LOS	5.4 (5.6)	-	1.9 (2.4)	
Bunnythorpe – Wastewater Network Upgrades	Capital LOS	0.9 (0.9)	-	0.3 (0.4)	1.7 (3.4)
Wastewater Trunk Main – Infill Upgrades	Capital LOS	1.5 (1.5)	3.7 (4.3)		

Upgrades to comply with Drinking Water Regulations and improve supply

<i>Upgrades to comply with Drinking Water Regulations and improve supply</i>	Year Decision needs to be Made	2024
<p>Resilience of our water supply and water treatment is key. The Turitea Dams and the Turitea Water Treatment Plant (WTP) are critical and strategic assets for PNCC. In order to ensure their reliability now, in the future, and following a natural disaster, upgrade works are necessary. To keep in line with Drinking Water Standards we need to:</p> <ul style="list-style-type: none"> - replace our existing tobies with manifolds - upgrade and renew our water supply bores within the next three years and improve bore head security. - prioritise capital works at all bore sites to improve compliance. This may include the provision of additional storage capacity. - Investigate seismic strengthening of Ngahere Park Reservoir - current rectangular reservoir is earthquake prone. <p>To improve water supply we need to:</p> <ul style="list-style-type: none"> - upgrade water trunk mains (including around the Square and down Fitzherbert Ave) to ensure serviceable condition is maintained within our water supply network. 		
<p>Key Options for this decision – Preferred option in BOLD</p> <ul style="list-style-type: none"> • Do nothing –if we do not carry out upgrades at bore sites there will be a risk to security of water supply and of non-compliance with water quality regulations. • Only carry out work to upgrade Ngahere Park reservoir and delay timing of construction of upgrade works at bore sites, at the Turitea WTP and other proposed upgrades of city wide water supply asset (including tobies and manifolds) . • Upgrade all bore sites within the timing indicated to ensure compliance standards are met and to allow for greater resilience. Complete identified upgrade work at Turitea WTP and upgrades of city wide water supply asset (including tobies and manifolds) in the planned timeline (preferred option) 		

Key relevant projects and Programmes (\$M): 2023 cost (including inflation)					
Project/Programme	Type	Y 1-3	Y4-Y10	Y11-Y20	Y21-Y30
City-wide - Water Supply Resilience - Additional Reservoirs	Capital LOS	2.0 (2.1)	-	-	-
City-wide – Drinking Water Standards Upgrades	Capital LOS	1.3 (1.3)	27.1 (30.9)	34.0 (49.4)	11.6 (25.0)
City-wide – Water Supply Resilience - Trunk Mains	Capital LOS	3.0 (3.1)	2.1 (2.4)	12.7 (18.7)	13.6 (26.8)
City-wide - Water Main Improvement	Capital LOS	3.0 (3.1)	7.0 (8.1)	15.0 (22.0)	15.0 (29.8)
City-wide - Water Toby and Manifold enhancements	Capital LOS	2.3 (2.3)	5.3 (6.1)	-	-
Bunnythorpe - Water Quality Improvements	Capital LOS	0.6 (0.6)	1.2 (1.4)	1.6 (2.4)	-
City-wide – Reservoir Storage and Chemical Facilities Upgrades	Capital LOS	-	-	2.2 (3.3)	1.2 (2.5)
City-wide - Bore Facility Improvements	Capital LOS	1.4 (1.4)	0.4 (0.4)	0.7 (1.0)	1.4 (2.7)
3 Waters Telemetry Upgrades	Capital LOS	0.7 (0.7)	1.2 (1.2)	1.1 (1.5)	1.1 (2.2)
City-wide – Water Main Upgrades - Firefighting	Capital LOS	0.3 (0.3)	0.1 (0.1)	1.0 (1.5)	1.0 (1.9)
Ashhurst – Water Quality Improvements	Capital LOS	4.5 (4.6)	-	-	-

Stormwater Capacity Upgrades

Stormwater Capacity Upgrades		Year Decision needs to be Made		2024	
<p>We have identified areas within our city where there are issues within the storm water network or where areas are not serviced or to match in with other Council works such as roading improvements. We have also identified the need for larger/big scale mitigation projects required to alleviate and minimise flooding city-wide. Most of work here will be projects addressing issues identified in the Citywide Tuflow flood Model or CTSM.</p>					
<p>Key Options for this decision – Preferred option in BOLD</p> <ul style="list-style-type: none"> • Do nothing - No allocation for capital works to mitigate citywide flooding • Maintain current levels of service - Ensure only the current capacity and requirements are met • Carry out works as budgeted and address the issues identified in the citywide flood model. Undertake large capital projects to reduce city-wide flooding (preferred option) 					
Key relevant projects and Programmes (\$M): 2023 cost (including inflation)					
Project/Programme	Type	Y 1-3	Y4-Y10	Y11-Y20	Y21-Y30
City-wide - Stormwater Flood Mitigation	Capital LOS	4.6 (4.7)	9.1 (10.5)	16.1 (22.4)	16.9 (34.4)
City-wide - Stormwater Network Improvement Works	Capital LOS	7.2 (7.4)	12.1 (13.7)	8.1 (11.9)	7.3 (14.4)
City-wide – Stormwater Pump Stations Improvement	Capital LOS	1.3 (1.3)	1.0 (1.2)	2.5 (3.5)	2.8 (5.5)
City-wide – Stormwater Network Resilience	Capital LOS	-	0.6 (0.7)	0.5 (0.7)	0.3 (0.7)
Ashhurst - Stormwater Asset Improvements	Capital LOS	1.1 (1.2)	1.5 (1.7)	0.8 (1.2)	1.6 (3.3)
City-wide – Land purchase associated with streams and channels	Capital LOS	-	0.8 (0.9)	1.5 (2.2)	1.1 (2.3)
Citywide – Installation of new Stormwater Assets	Capital LOS	0.9 (0.9)	2.8 (3.2)	0.4 (0.5)	

Seismic Strengthening of Council Buildings

Seismic Strengthening of Council Buildings		Year Decision needs to be Made		2023, 21	
Council owns and occupies 26 buildings and structures that have been identified as earthquake prone as they have been assessed as being below 34% of the new build standard. Council has prioritised the upgrade of buildings based on the degree of risk coupled with any other works that provide synergies if undertaken at the same time. The preferred option is to undertake the programme as budgeted, as it provides for all building to be strengthened with legislated timeframes.					
Key Options for this decision – Preferred option in BOLD					
<ul style="list-style-type: none"> • Do Nothing. – This option may result in Council not complying with legislation resulting in the closure of facilities. • Strengthen existing buildings by retrofitting seismic strengthening mechanisms: <ul style="list-style-type: none"> ○ In accordance with current policy to balance maximising percentage of NBS and cost, OR ○ Revisit Earthquake Prone Building Policy – and strengthen only to minimum 34%NBS • Address earthquake prone buildings by rebuilding in accordance with current policy to balance maximising percentage of NBS and cost but address buildings that are part of the Cultural Precinct (Library and Te Manawa) separately* (preferred option) 					
Key relevant projects and Programmes (\$M): 2023 cost (including inflation)					
Project/Programme	Type	Y 1-3	Y4-Y10	Y11-Y20	Y21-Y30
Totara Road Wastewater Treatment Plant - Earthquake Strengthening of Civil Structures	Capital LOS	6.0 (6.2)	2	-	-
Property - Seismic Strengthening of Council Properties	Capital LOS	8.5 (8.8)	6.5 (6.9)	51.0 (68.0)	-
City-wide – Water Supply Resilience – Seismic Strengthening	Capital LOS	0.2 (0.2)	1.2 (1.3)	0.7 (1.0)	0.9 (1.7)

* Refer to City Centre Revitalisation

Materials Recovery Facility Replacement (plant and equipment)

Materials Recovery Facility Replacement (plant and equipment)		Year Decision needs to be Made		TBC	
<p>To continue to operate and provide an efficient recycling service we need to develop and improve the plant and equipment that we use to process and sort the recycling waste. Our current Materials Recovery Facility's processing plant and equipment is reaching the end of its useful life, with its expected lifespan being 10-15 years. Technology and the current government Policy and Strategy in Kerbside Recycling and Processing is rapidly evolving. To achieve maximum diversion of target materials at the appropriate quality level needed and to avoid equipment failure we need to upgrade the plant and equipment at the Materials Recovery Facility.</p>					
<p>Key Options for this decision – Preferred option in BOLD</p> <p>Do nothing - Continue using current equipment – which may result in reduced levels of service and not being able to meet our proposed diversion to landfill target. There is also increased of imminent failure and downtime.</p> <p>Continue with current equipment and replacement plant and equipment in increments over a longer time period</p> <p>Upgrade the Materials Recovery Facility's processing plant and equipment to increase our processing capacity. This enables levels of service increase and enables regional collaboration and increase in revenue. (preferred option)</p>					
<p>Key relevant projects and Programmes (\$M): 2023 cost (including inflation)</p>					
Project/Programme	Type	Y 1-3	Y4-Y10	Y11-Y20	Y21-Y30
Recycling - Materials Recovery Facility Development	Capital LOS	5.5 (5.6)	0.5 (0.6)	-	-
Resource Recovery Centre Resilience Improvements	Capital LOS	0.05 (0.05)			

Transport Safety Improvements

Transport Safety Improvements		Year Decision needs to be Made			TBC
Our road safety record is getting worse. The number of recorded road crashes causing injuries on our roads and streets has been generally flat over the ten-year period. However, the amount of harm from transport crashes on roads and streets in Palmerston North has been increasing resulting in more deaths and serious injuries from road crashes.					
Key Options for this decision – Preferred option in BOLD					
Do nothing - remain at current state – risk for current issues exacerbating and potential being able meet level of service target for safety.					
Reprioritise programmes based on critically and need to deliver levels of service					
Deliver all the road safety improvements in the preferred timing preferred option)					
Key relevant projects and Programmes (\$M): 2023 cost (including inflation)					
Project/Programme	Type	Y 1-3	Y4-Y10	Y11-Y20	Y21-Y30
Stoney Creek Road Upgrade	Capital Growth	8.3 (8.6)	3.2 (3.4)	-	-
Network - Low Cost Low Risk joint funded New Zealand Transport Agency - Waka Kotahi projects	Capital LOS	12.0 (12.3)	28.0 (31.8)	112.0 (157.0)	120.0 (215.8)
Kelvin Grove Road – Safety Improvements	Capital LOS	3.0 (3.1)	8.0 (8.8)		
Address Street Racer Issues	Capital LOS	0.2 (0.2)	0.4 (0.5)	0.6 (0.8)	0.6 (1.1)
Network Village – road upgrades to urban standard	Capital LOS	1.8 (1.8)	5.7 (6.5)	7.5 (10.5)	7.5 (13.6)

Other Programmes: Under the significant portfolio cost thresholds (and are not included in the tables above)

SIGNIFICANT ISSUE 1: Supporting growth, liveability and expected levels of service

Project/Programme	30 Year Total	Total including inflation
Ashhurst - Te Apiti Masterplan - Three Bridges Loop Development	\$394,000	\$394,000
City Growth - Cemeteries - Expansion of Kelvin Grove Cemetery Rooding network	\$1,448,000	\$1,888,079
City Reserves - Ashhurst Domain - Capital New	\$81,250	\$82,956
City Reserves - Design of Chinese Themed Garden - Community Initiative	\$280,000	\$307,356
City Reserves - Linklater Reserve - Capital New	\$81,600	\$83,170
City Reserves - Te Marae o Hine - The Square - Capital New	\$478,500	\$576,352
City Reserves - Te Motu o Poutoa - Design and Consenting - BOF	\$1,205,913	1,216,854
City Reserves - Victoria Esplanade - Capital New	\$2,676,000	\$3,394,495
City Reserves - Victoria Esplanade - Exotic Aviaries	\$145,000	\$146,949
Citywide - Biodiversity Enhancement Through Native Planting	\$900,000	\$1,243,479
City-wide - Edibles Planting	\$245,000	\$353,606
City-wide - Public Space Rubbish & Recycling Bins Development	\$1,770,000	\$2,196,996
Conference and Function Centre - New upgrades	\$200,000	\$215,210
Industrial Growth - Longburn Stormwater	\$1,350,000	\$1,472,945
Local Reserves - Development of Existing Reserves - Capital New	\$541,750	\$645,161
Local Reserves - Improvements to existing reserves to close identified level of service gaps	\$1,938,000	\$2,107,595
Local Reserves - Roslyn - Edwards Pit Park Development	\$50,000	\$50,525
Palmerston North - District Metering Areas for Water Supply	\$710,000	\$1,024,669
Parks and Reserves - Shade Development	\$620,000	\$848,986
Placemaking Co-created Project (capital)	\$2,099,500	\$3,279,674
Property - Solar Panel Installations	\$1,047,540	\$1,160,830
Public Toilets - New City-wide Toilets	\$6,269,015	\$8,389,860
Public Transport Network Improvements	\$18,800,000	\$27,584,670

Project/Programme	30 Year Total	Total including inflation
Recycling - City-wide Recycling Services to Commercial/orgnisational Properties Development	\$600,000	\$828,986
Securing the Future of the Lido Outdoor Hydroslices	\$610,000	\$675,247
Sportsfield Improvements - Capital New	\$964,680	\$1,004,356
Sportsfields - Bill Brown Park - Additional Carparking	\$460,000	\$491,050
Street Trees - New and Renewal	\$18,000,000	\$25,744,620
Swimming Pools - Splashhurst Pool Enhancements	\$112,500	\$113,681
Tip Road Development	\$4,240,000	\$5,411,528
Upsizing of Kairanga Bunnythorpe Road Sewer and Storage	\$800,000	\$840,775
Urban Growth - Development Contributions - Transport	\$6,600,000	\$9,439,694
Urban Growth - Kakatangiata - New Community Centre	\$2,000,000	\$2,491,400
Urban Growth - NEIZ - Stormwater	\$2,048,220	\$2,287,669
Urban Growth - NEIZ - Wastewater	\$6,217,000	\$7,035,632
Urban Growth - NEIZ - Water Supply	\$8,500,000	\$9,979,600

SIGNIFICANT ISSUE 2: Managing the deterioration of assets

All programmes are included the summary table above.

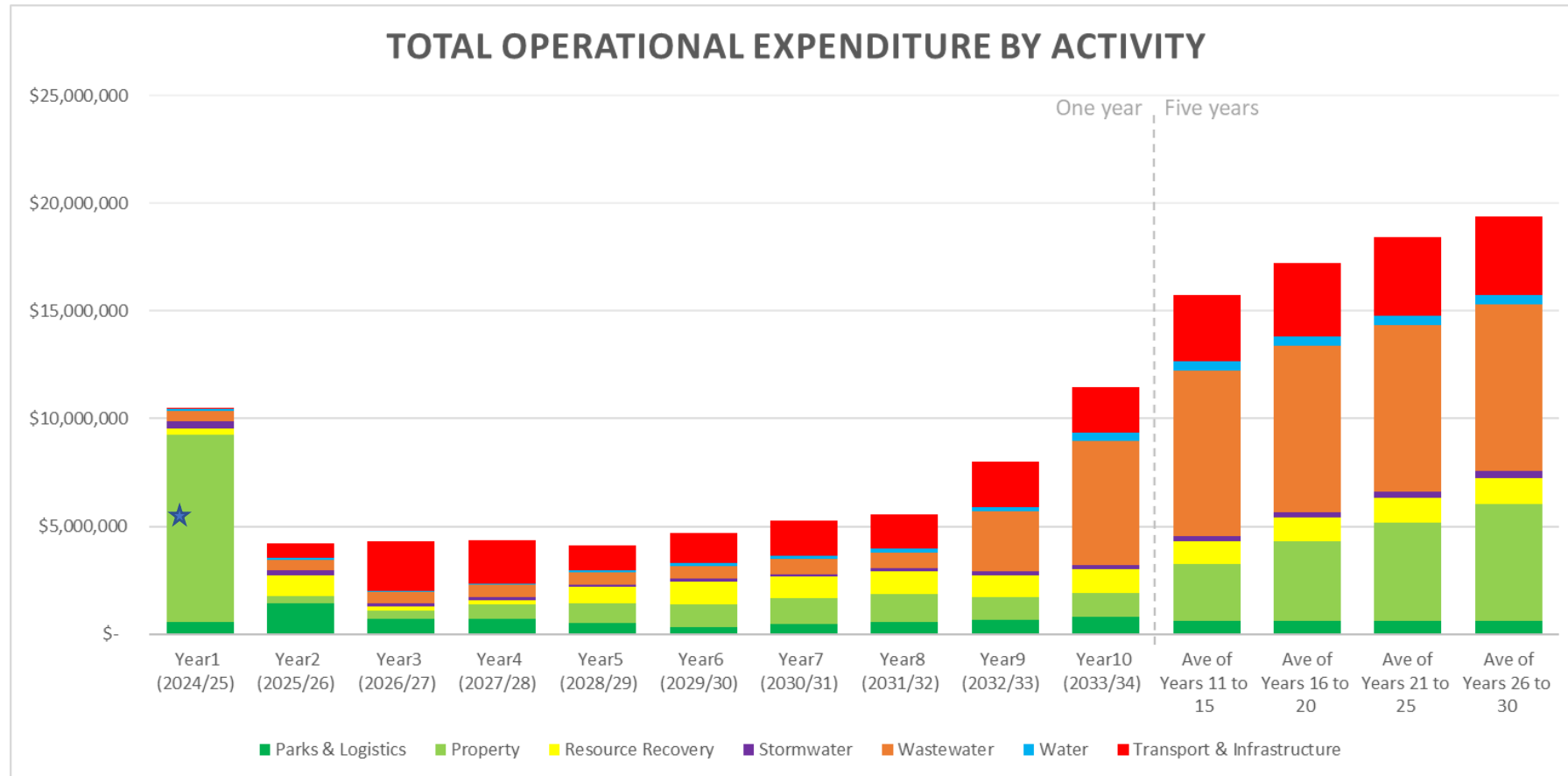
SIGNIFICANT ISSUE 3: Responding to risks, resilience issues and compliance

Project/Programme	30 Year Total	Total including inflation
3 Waters - Small Plant and Equipment	\$2,300,000	\$3,762,730
3 Waters Telemetry Upgrades	\$4,000,000	\$5,598,315
Ashhurst - Water Quality Improvements	\$4,500,000	\$4,563,850
Bunnythorpe - Wastewater Network Upgrades	\$2,845,000	\$4,702,549
Bunnythorpe - Water Quality Improvements	\$3,360,000	\$4,337,090
Citywide - Bore Facility Improvements	\$3,840,000	\$5,527,085
City-wide - Commercial Water Meters	\$1,064,727	\$1,416,827
Citywide - Discharge Smart Meters for Large Tradewaste Customers	\$1,200,000	\$1,829,328
City-wide - Drinking Water Standards Upgrades	\$73,949,000	\$106,721,685
City-wide - Health & Safety - Water Treatment Chemical Handling	\$885,000	\$1,187,282
City-wide - Land purchase associated with streams and channels	\$3,375,000	\$5,339,889
Citywide - Reservoir Storage and Chemical Facilities Upgrades	\$3,400,000	\$5,789,140
City-wide - Wastewater Pump Station - Capacity Upgrade	\$7,263,000	\$7,978,774
Citywide - Wastewater Pump Station H&S Upgrades	\$2,345,000	\$3,871,292
City-wide - Water Main Upgrades - Firefighting	\$2,400,000	\$3,870,740
City-wide - Water Supply Resilience - Security of Supply	\$5,078,172	\$6,436,786
City-wide - Water Supply Resilience - Seismic Strengthening	\$2,930,000	\$4,188,549
City-wide Stormwater Pump Stations Improvement	\$7,777,888	\$11,487,848
Citywide Wastewater Critical Spares	\$1,550,000	\$2,336,660
Closed Landfills and Transfer Stations - Safety, Security and Development	\$1,819,300	\$1,845,264
Emergency Reinstatement	\$7,500,000	\$10,726,925
Local Reserves - Accessibility and Safety Improvements	\$3,465,000	\$4,787,392
Longburn - Stormwater Asset Improvements	\$2,200,000	\$3,229,560
Recycling Contamination Monitoring Development	\$55,000	\$55,000
Road Drainage Capital Improvements	\$3,600,000	\$5,148,924
Totara Road Wastewater Treatment Plant - Biogas System Improvements	\$3,459,562	\$3,562,973
Totara Road Wastewater Treatment Plant - Resilience Programme	\$6,066,578	\$8,625,462
Turitea Dams - Aeration Upgrade	\$289,695	\$289,695
Turitea Dams - Health & Safety Improvements	\$2,390,000	\$3,663,117

Project/Programme	30 Year Total	Total including inflation
Turitea Dams - Installation of Dewatering Systems (both dams)	\$550,000	\$602,155
Turitea WTP - New Retaining Walls on Access Road	\$200,000	\$210,510

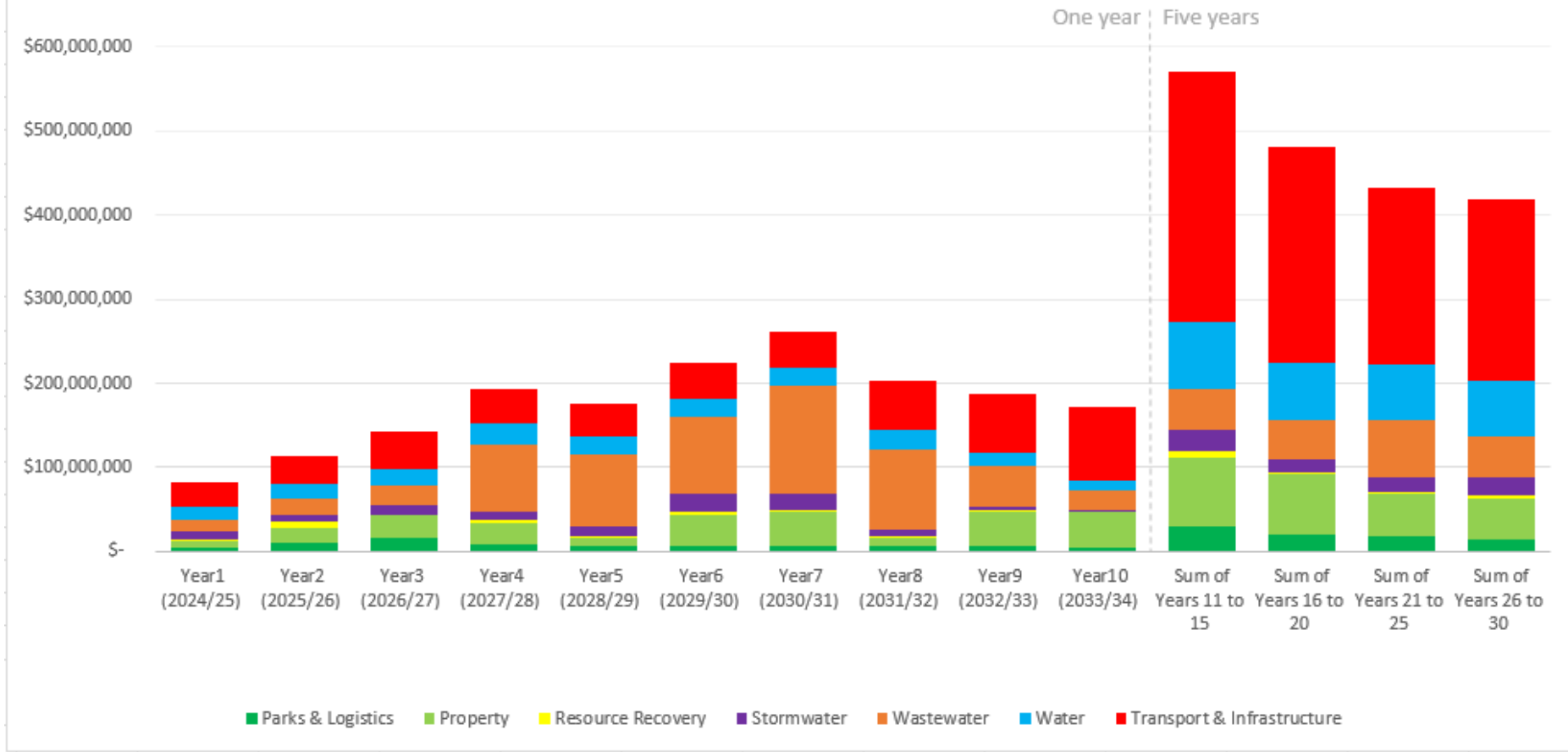
Financial Summary

Note that the information presented in this section is based around the likely scenario.

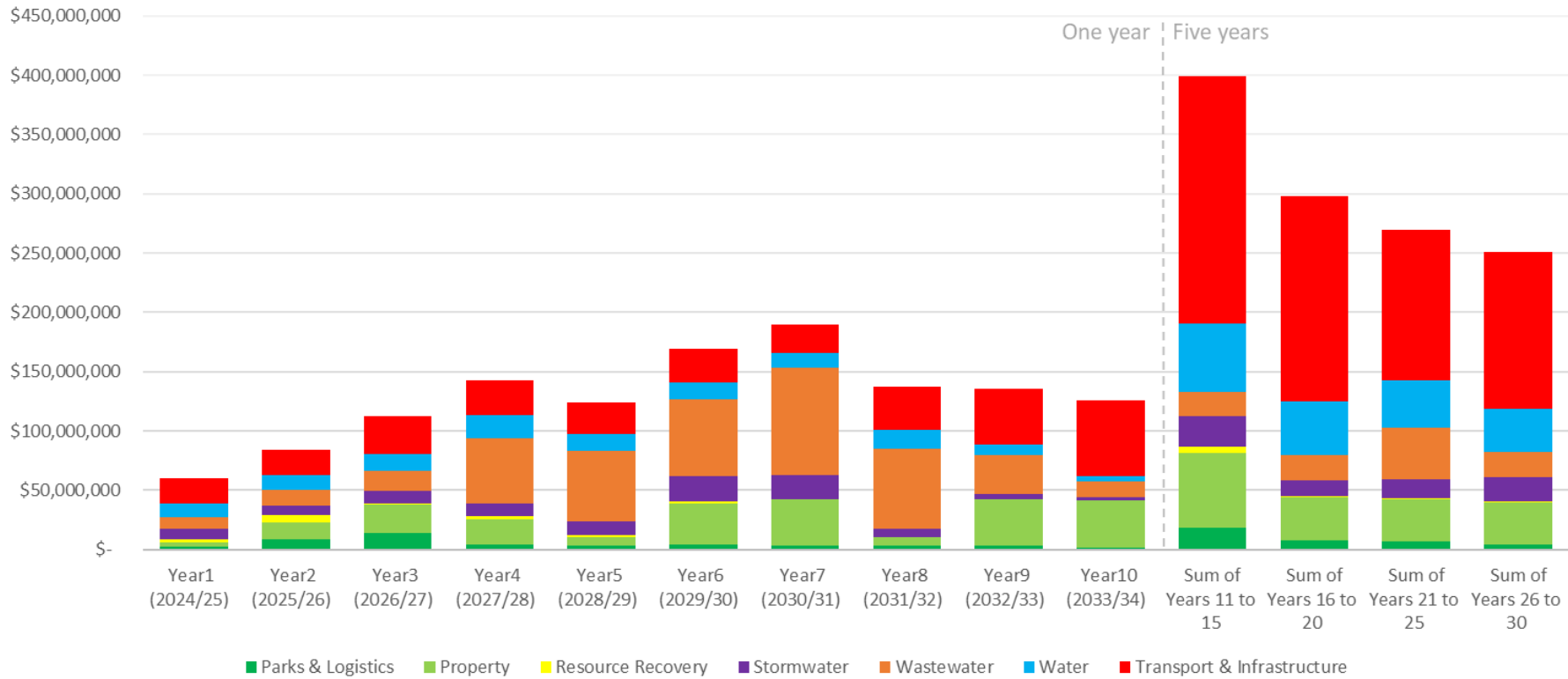


★ Year 1 Operating costs include construction of the Tamakuku Terrace subdivision, which will be transferred to Inventory on completion

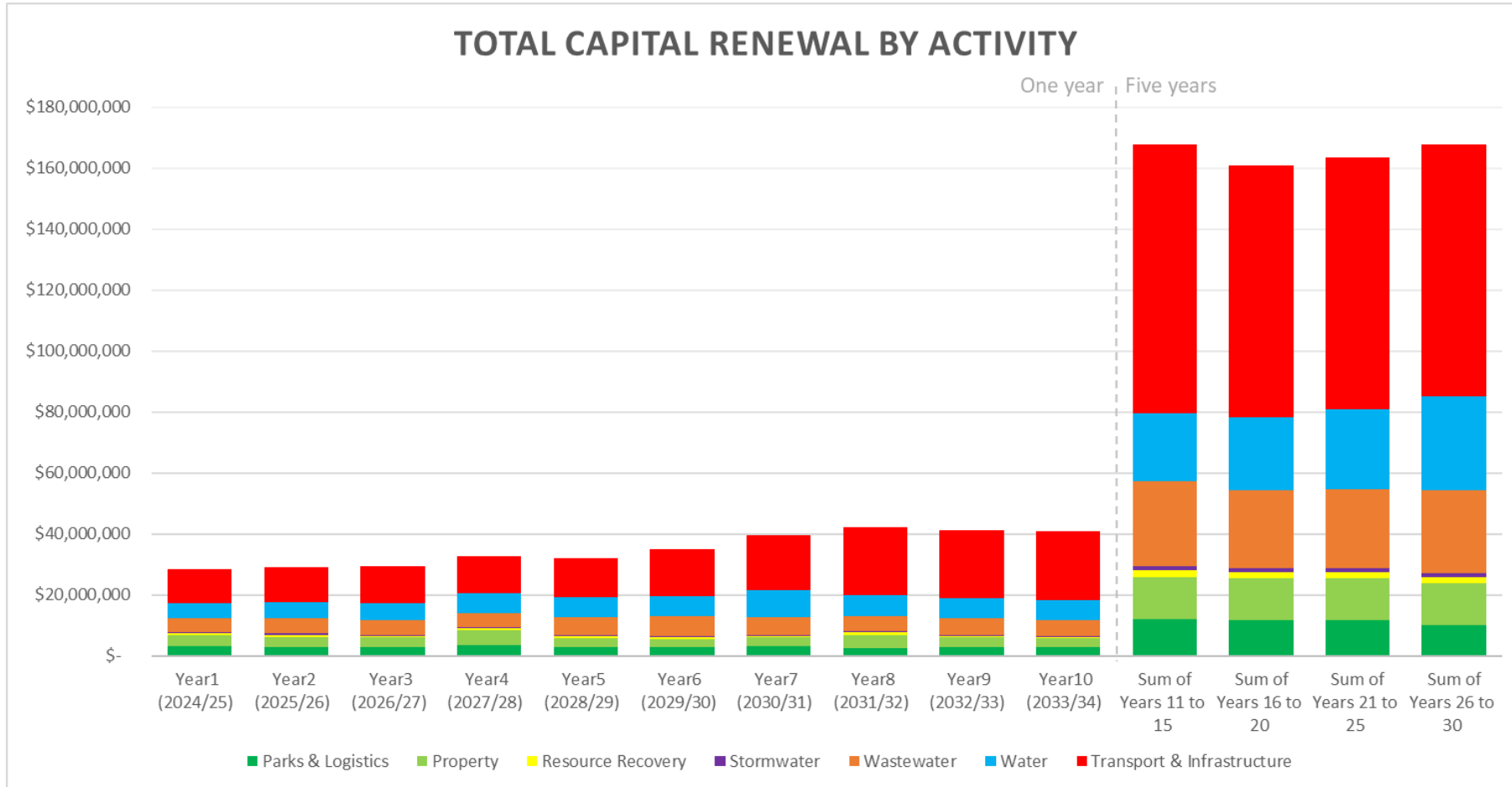
TOTAL CAPITAL EXPENDITURE BY ACTIVITY



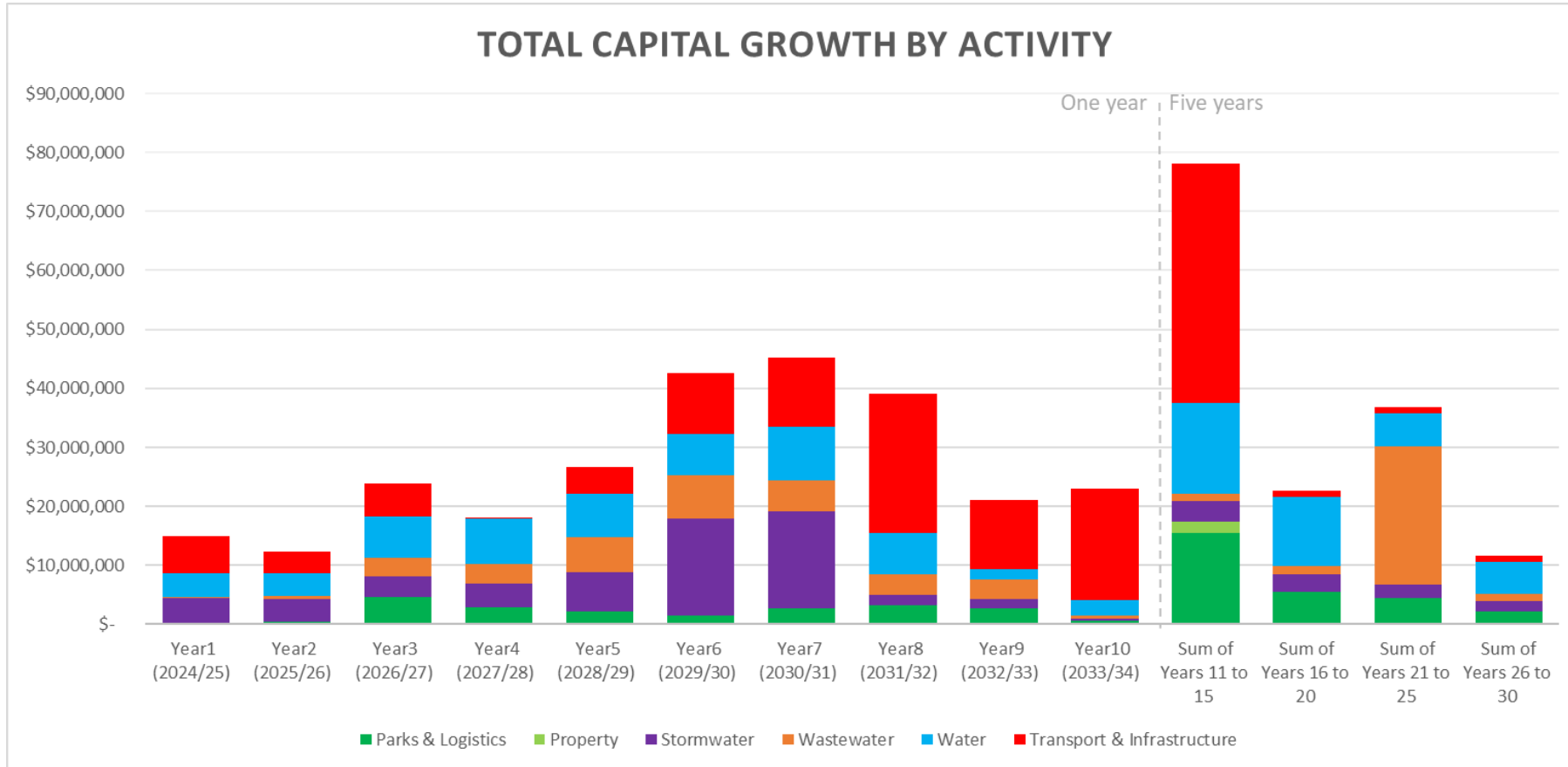
TOTAL CAPITAL NEW BY ACTIVITY (CAPITAL LOS + CAPITAL GROWTH)



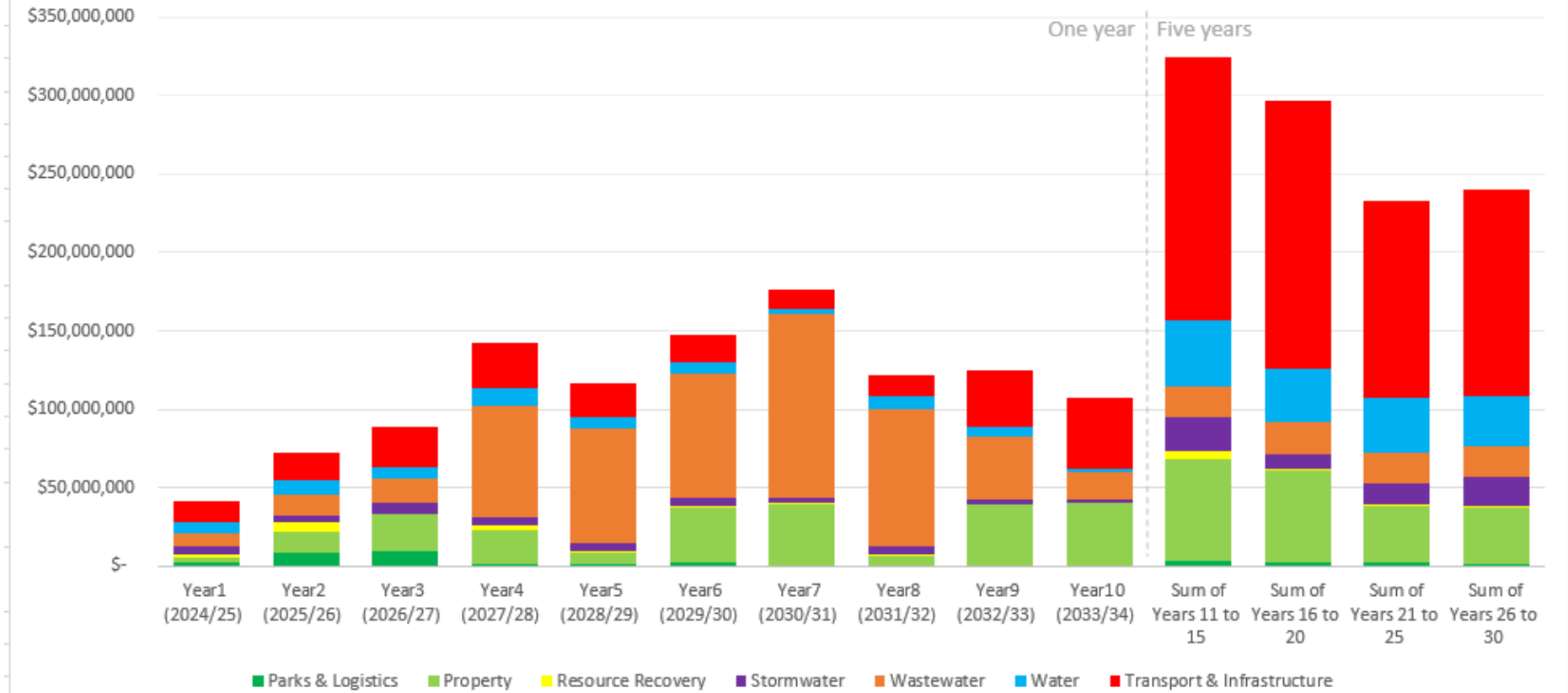
Total capital renewal by activity



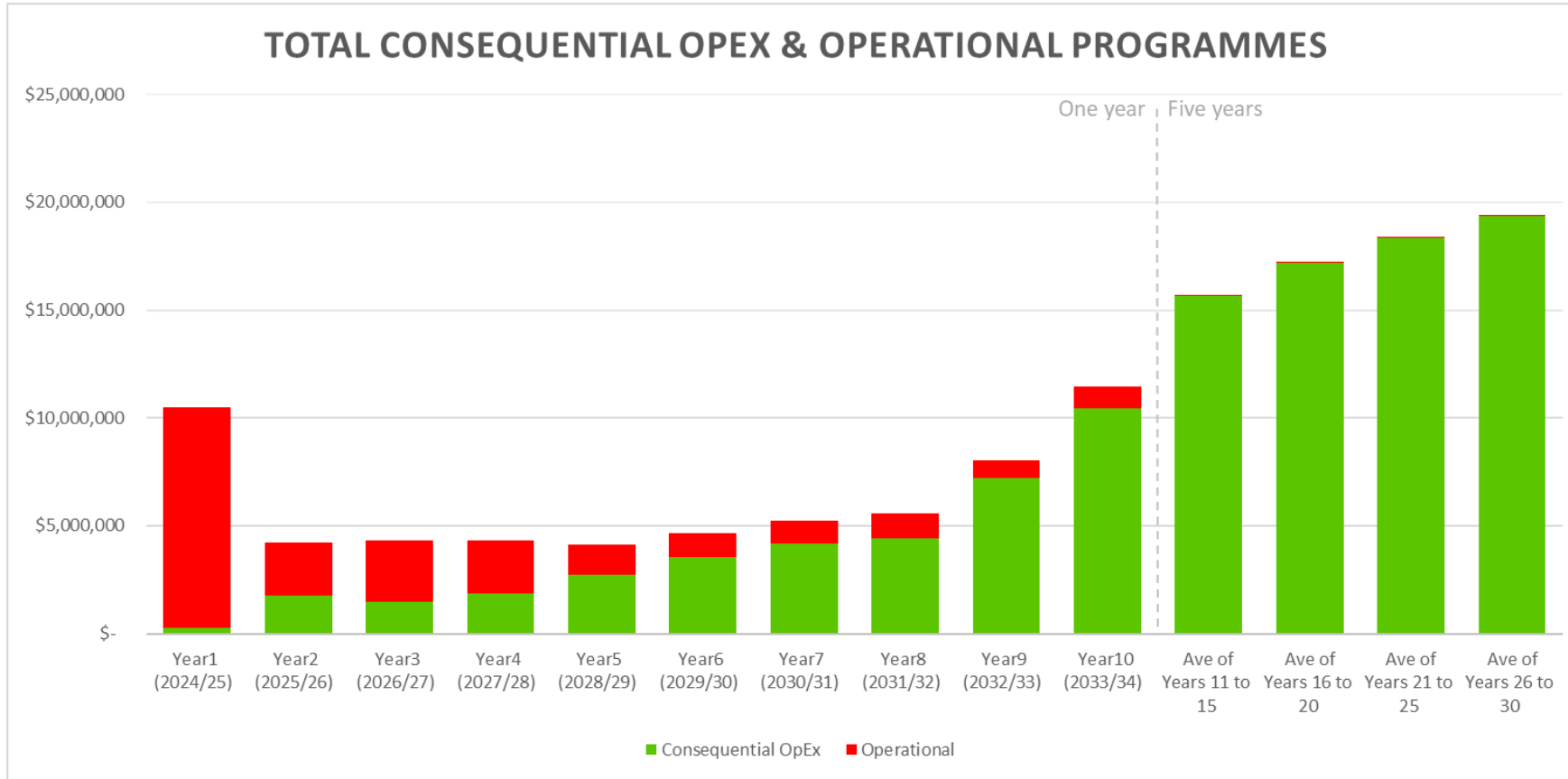
Total capital growth by activity



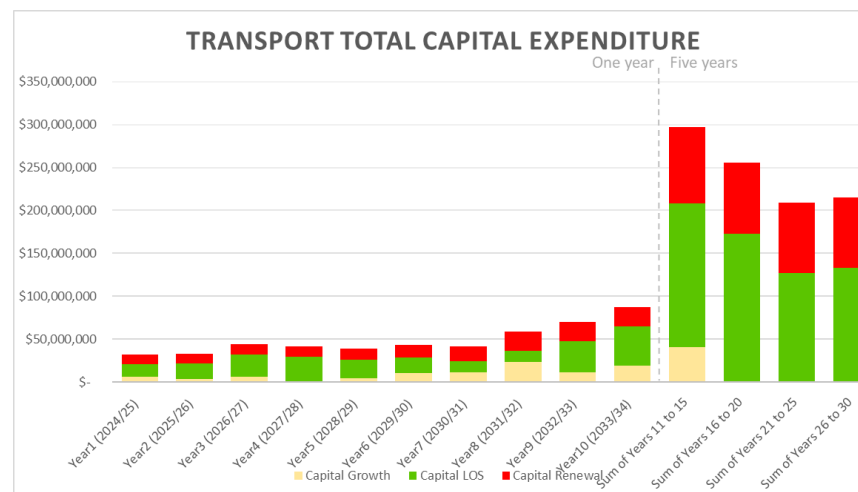
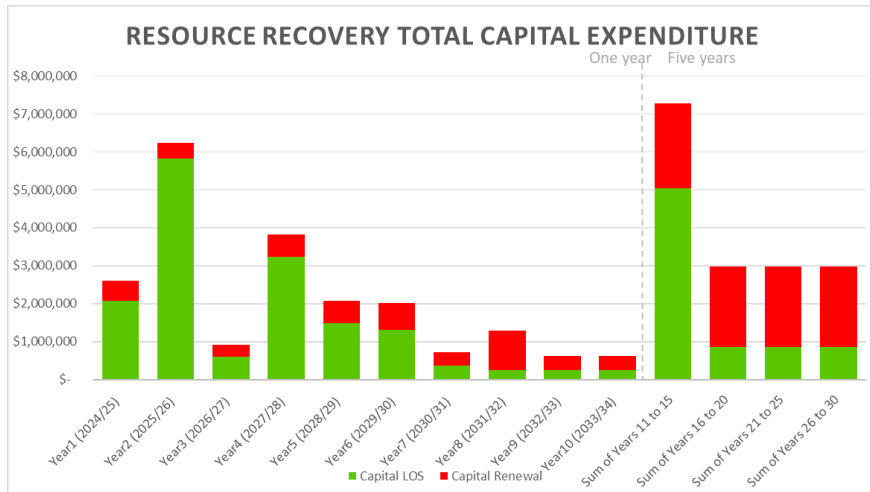
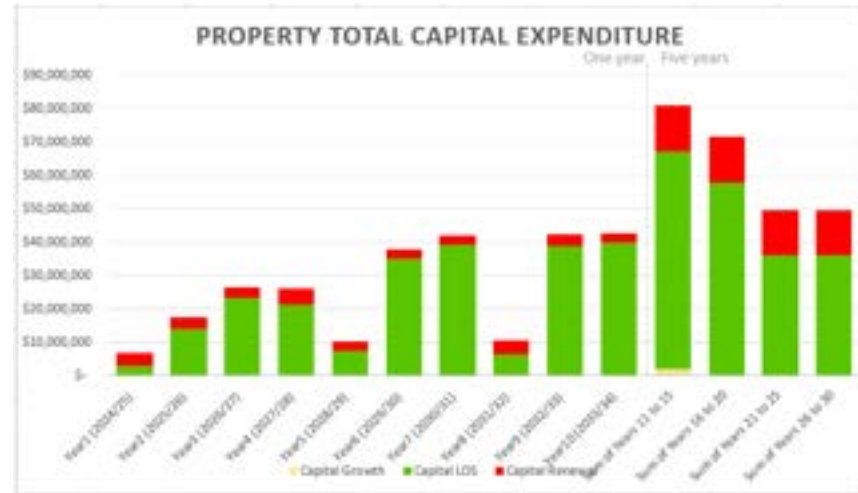
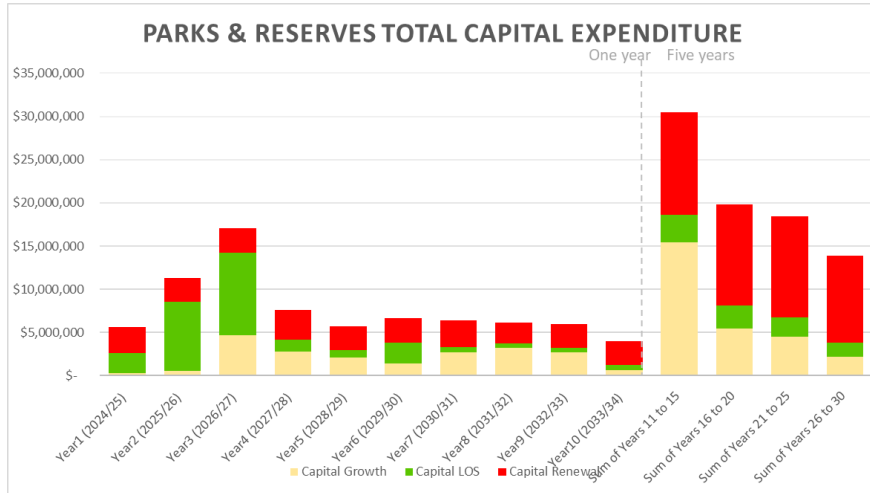
TOTAL CAPITAL LEVEL OF SERVICE BY ACTIVITY

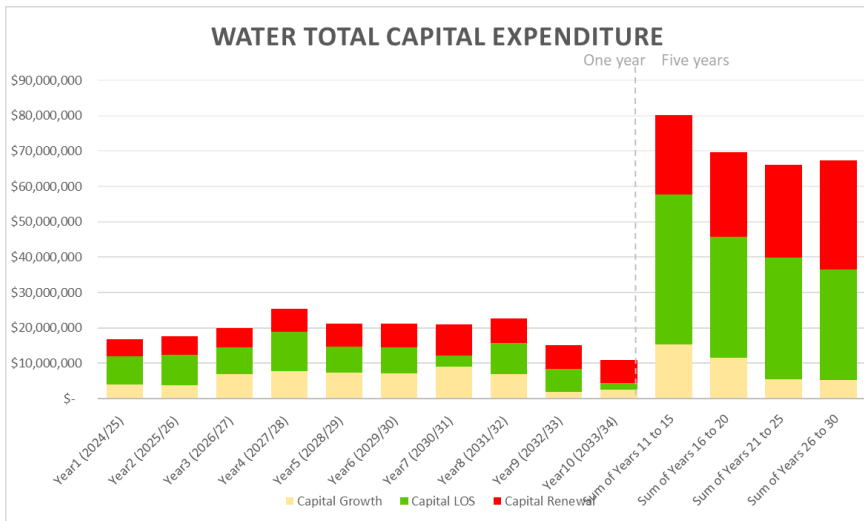
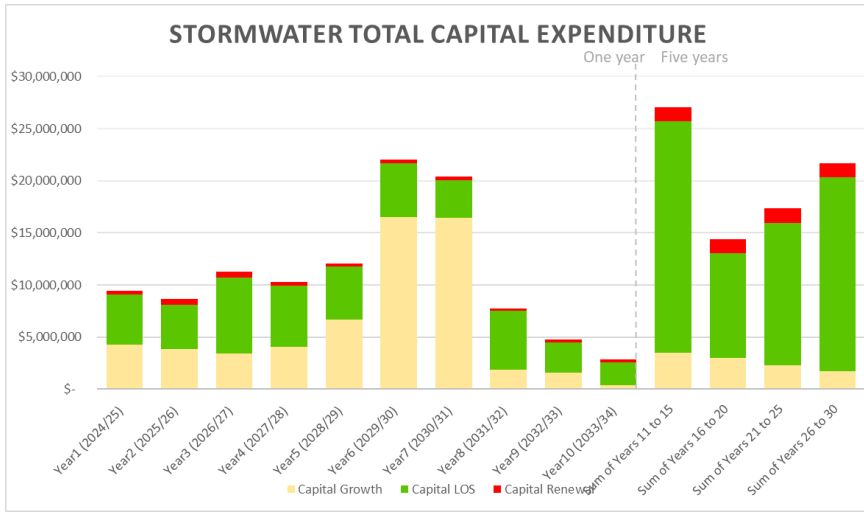


Operational programmes and consequential opex proposed budget



Capital Expenditure breakdown by Activity





Assumptions and disclosures

There is inherent uncertainty in predicting some of the issues, pressures, or risks associated with infrastructure over a long time period.

The assumptions made in this strategy are consistent with those made for the whole Long-Term Plan. The assumptions and approach to funding of the proposed capital expenditure programme are addressed in the Financial Strategy.

Financial Overview and Forecast Financial Statements

The Council's Long-Term Plan covers the period 1 July 2024 to 30 June 2034. It incorporates operating and capital expenditure for the period for the core Council entity - consolidated statements have not been prepared to include subsidiaries. In this section financial information is provided at a summary level, but more detailed information for each activity and group of activities is included throughout the document.

The financial information contained in the Long-term Plan is a forecast for the purposes of Public Benefit Entity (PBE) Financial Reporting Standard (FRS) 42. This information may not be appropriate for purposes other than those described. It has been prepared on the basis of assumptions (refer to Significant Forecasting Assumptions in section 3) about future events that the Council reasonably expects to occur, associated with the actions it reasonably expects to take, as at the date the forecast was prepared.

The actual results are likely to vary from the information presented and may vary materially depending on the circumstances that arise during the period. The Long-term Plan has been prepared in accordance with generally accepted accounting practice and the Council's accounting policies are outlined in section 3. The policies incorporate the latest PBE accounting standards and the changes have had no material effect.

The Funding Impact Statements in section 3 have been prepared in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014. The regulations are not consistent with generally accepted accounting practice.

Rates revenue is included net of any remissions granted under the Council's Rates Remission Policy. Remissions of \$0.25 million per annum have been assumed.

Legislation states that councils are required to operate a 'balanced budget' i.e. income must equal or exceed expenditure (and expenditure must include non-cash items such as depreciation). However, if a council determines that it is prudent not to have a 'balanced budget' (i.e. an operating surplus is not required), it must make a formal decision to that effect. The decision must be a prudent one and have included consideration of levels of service and useful lifespan of assets.

There are grounds for not having a surplus every year to avoid building up unnecessary cash reserves. Council's asset management plans ensure the Council is appropriately planning for renewals and its financial strategy is to make adequate financial provision to fund renewals from rates revenue. Council is making provision to fund between \$28.6 million and \$40.9 million p.a. for capital renewals throughout the 10 years of the Plan.

The Council's Prospective Statement of Comprehensive Revenue and Expense (page 266) shows that after including capital revenue of between \$20 million and \$219.8 million p.a. there is a surplus of between \$7.6 million and \$414.4 million p.a. projected throughout the 10 years of the Plan. Council interprets the position to mean it is projected to have a 'balanced budget' throughout this period. It is appropriate for there to be surpluses at this level as the capital revenue that creates the surplus is either specifically related to planned new capital expenditure or used to fund the programmed retirement of debt.

The Council does not have any reserve funds set aside for particular purposes as contemplated in clause 16 of Schedule 10 of the local Government Act.

These forecast financial statements were authorised for issue by Palmerston North City Council on 26 June 2024.

Palmerston North City Council is responsible for these forecast financial statements, including the appropriateness of the assumptions underlying the forecast financial statements and all other disclosures.

Because the figures are rounded to the nearest thousand dollars, it may appear that they do not add up, but the total represents the sum of the individual forecast amounts. For a detailed view of forecasted revenue and expenses, including a proposed schedule of programmes, see the Council's Activities – How we are planning to get there – in section 2 of this Plan.

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Operating Revenue											
124,245	Rates revenue	136,852	149,054	161,654	173,551	184,945	197,151	211,161	225,602	241,629	259,436
7,880	Subsidies and grants	6,370	6,467	6,605	6,662	7,416	7,558	7,773	7,861	8,003	8,221
150	Finance revenue	356	359	363	366	370	373	376	380	383	386
33,155	Other revenue	38,699	39,309	40,033	40,965	42,019	42,850	44,059	43,810	41,857	42,638
165,430	Total Operating Revenue	182,277	195,189	208,655	221,544	234,750	247,932	263,370	277,653	291,872	310,681
Capital Revenue											
17,725	Subsidies and grants	16,093	27,779	35,157	97,659	106,476	158,480	211,647	152,066	125,580	116,453
3,249	Development Contributions	1,961	2,211	2,958	3,711	4,710	5,593	6,175	6,388	6,558	6,626
2,000	Vested Assets	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
22,974	Total Capital Revenue	20,054	31,990	40,115	103,370	113,186	166,073	219,822	160,454	134,138	125,079
188,404	TOTAL REVENUE	202,331	227,179	248,770	324,914	347,936	414,005	483,192	438,107	426,010	435,760
Expenses											
56,161	Personnel costs	59,292	62,484	64,844	66,303	67,723	69,222	70,728	72,583	73,884	75,610
43,043	Depreciation expense	49,417	50,503	54,289	57,172	58,998	63,196	66,291	67,902	72,574	75,635
9,899	Finance costs	14,520	16,998	20,474	24,685	27,095	28,675	29,656	29,707	29,333	28,309
70,672	Other expenses	77,911	79,082	81,470	82,336	83,871	86,466	89,562	89,151	89,251	95,149
179,775	Total Expenses	201,140	209,066	221,076	230,496	237,688	247,560	256,237	259,343	265,042	274,704
8,628	NET SURPLUS / (DEFICIT)	1,190	18,113	27,693	94,418	110,249	166,445	226,955	178,763	160,968	161,056
Other Comprehensive Revenue and Expense											
5,403	Gain on property revaluations	6,422	99,394	30,340	6,683	152,318	50,162	6,905	235,645	67,169	7,146
14,031	TOTAL COMPREHENSIVE REVENUE AND EXPENSE	7,612	117,507	58,034	101,101	262,567	216,607	233,860	414,408	228,137	168,202

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
2,028,645	Balance at 1 July	2,083,728	2,091,340	2,208,847	2,266,881	2,367,982	2,630,548	2,847,155	3,081,016	3,495,424	3,723,560
14,031	Total comprehensive revenue and expense for the year	7,612	117,507	58,034	101,101	262,567	216,607	233,860	414,408	228,137	168,202
2,042,676	Balance at 30 June	2,091,340	2,208,847	2,266,881	2,367,982	2,630,549	2,847,155	3,081,015	3,495,424	3,723,561	3,891,762

PROSPECTIVE STATEMENT OF FINANCIAL POSITION											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
ASSETS											
Current Assets											
5,924	Cash and deposits	1,315	1,315	1,315	1,315	1,315	1,315	1,315	1,315	1,315	1,315
11,884	Debtors and other receivables	11,884	12,122	12,364	12,611	12,863	13,121	13,383	13,651	13,924	14,202
247	Inventories (Current Assets)	247	247	247	247	247	247	247	247	247	247
18,055	Total Current Assets	13,446	13,684	13,926	14,173	14,425	14,683	14,945	15,213	15,486	15,764
Non-Current Assets											
-	Inventories (Non-Current Assets)	22,403	19,197	15,920	12,571	9,152	5,664	2,110	189	189	189
14,500	Investment in CCOs & other similar	17,784	19,177	21,048	22,638	23,373	24,118	24,400	24,329	24,266	23,736
2,281,995	Property plant & equipment	2,366,229	2,542,662	2,678,808	2,846,850	3,142,251	3,392,159	3,640,849	4,054,695	4,280,324	4,427,340
971	Intangible assets	971	971	971	971	971	971	971	971	971	971
11,709	Investment property and other financial assets	14,249	14,249	14,249	14,249	14,249	14,249	14,249	14,249	14,249	14,249
1,571	Forestry Assets	1,571	1,571	1,571	1,571	1,571	1,571	1,571	1,571	1,571	1,571
2,328,800	TOTAL ASSETS	2,436,653	2,611,509	2,746,492	2,913,022	3,205,992	3,453,415	3,699,095	4,110,838	4,336,677	4,483,442
LIABILITIES											
Current Liabilities											
27,146	Trade and other payable	28,143	28,249	28,357	28,468	28,581	28,696	28,813	28,933	29,055	29,180
27,146	Total Current Liabilities	28,143	28,249	28,357	28,468	28,581	28,696	28,813	28,933	29,055	29,180
Non-Current Liabilities											
1,217	Provisions (Non-Current Liabilities)	1,217	1,217	1,217	1,217	1,217	1,217	1,217	1,217	1,217	1,217
6,567	Employee benefit liabilities (Non-Current Liabilities)	6,567	6,698	6,832	6,969	7,108	7,251	7,396	7,544	7,694	7,848
251,193	Borrowing (Non-Current Liabilities)	309,386	366,498	443,204	508,386	538,537	569,096	580,654	577,720	575,150	553,435
258,977	Total Non-Current Liabilities	317,170	374,413	451,254	516,572	546,862	577,564	589,266	586,481	584,061	562,500
286,123	TOTAL LIABILITIES	345,313	402,662	479,611	545,040	575,443	606,260	618,080	615,414	613,117	591,680
2,042,677	NET ASSETS (ASSETS MINUS LIABILITIES)	2,091,340	2,208,847	2,266,881	2,367,982	2,630,549	2,847,155	3,081,015	3,495,424	3,723,561	3,891,762
EQUITY ATTRIBUTABLE TO PNCC											
1,112,877	Retained earnings	1,155,118	1,173,230	1,200,924	1,295,342	1,405,591	1,572,035	1,798,990	1,977,754	2,138,722	2,299,777
929,801	Other Reserves	936,222	1,035,617	1,065,957	1,072,640	1,224,958	1,275,120	1,282,025	1,517,670	1,584,839	1,591,985
2,042,678	TOTAL EQUITY	2,091,340	2,208,847	2,266,881	2,367,982	2,630,549	2,847,155	3,081,015	3,495,424	3,723,561	3,891,762

PROSPECTIVE STATEMENT OF CASH FLOWS											
Budget		LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Cash flows from operating activities											
124,245	Rates	136,852	149,054	161,654	173,551	184,945	197,151	211,161	225,602	241,629	259,436
33,155	Other revenue received	38,699	39,309	40,033	40,965	42,019	42,850	44,059	43,810	41,857	42,638
7,880	Operating subsidies and grants	6,370	6,467	6,605	6,662	7,416	7,558	7,773	7,861	8,003	8,221
17,725	Capital subsidies and grants	16,093	27,779	35,157	97,659	106,476	158,480	211,647	152,066	125,580	116,453
3,249	Development contributions	1,961	2,211	2,958	3,711	4,710	5,593	6,175	6,388	6,558	6,626
150	Interest received	356	359	363	366	370	373	376	380	383	386
(126,832)	Payments to suppliers and employees	(142,450)	(138,360)	(143,037)	(145,290)	(148,176)	(152,201)	(156,736)	(159,435)	(163,135)	(170,759)
(9,899)	Finance costs	(14,520)	(16,998)	(20,474)	(24,685)	(27,095)	(28,675)	(29,656)	(29,707)	(29,333)	(28,309)
-	Receipts from tax losses	-	-	-	-	-	-	-	-	-	-
49,673	Total Cash flows from operating activities	43,360	69,822	83,259	152,939	170,666	231,129	294,800	246,965	231,542	234,691
Cash flows from investing activities											
(85,865)	Purchase of property, plant and equipment	(95,357)	(125,541)	(158,095)	(216,531)	(200,082)	(260,943)	(306,075)	(244,103)	(229,034)	(213,506)
	Increase (decrease) in CCOs & other similar	(1,300)	(1,393)	(1,871)	(1,590)	(735)	(745)	(282)	72	63	530
(85,865)	Total Cash flows from investing activities	(96,657)	(126,934)	(159,966)	(218,120)	(200,817)	(261,688)	(306,357)	(244,032)	(228,972)	(212,976)
Cash flows from financing activities											
36,193	Drawdown / (repayment) of borrowings	53,296	57,112	76,706	65,181	30,151	30,559	11,558	(2,933)	(2,570)	(21,715)
36,193	Total Cash flows from financing activities	53,296	57,112	76,706	65,181	30,151	30,559	11,558	(2,933)	(2,570)	(21,715)
-	Net (decrease)/increase in cash, cash equivalents and bank overdrafts	-	-	-	-	-	-	-	-	-	-
6,922	Cash, cash equivalents and bank overdrafts at the beginning of the year	1,315	1,315	1,315	1,315	1,315	1,315	1,315	1,315	1,315	1,315
6,922	Cash, cash equivalents and bank overdrafts at the end of the year	1,315	1,315	1,315	1,315	1,315	1,315	1,315	1,315	1,315	1,315

Long-term plan disclosure statement for period commencing 1 July 2024

What is the purpose of this statement?

The purpose of this statement is to disclose the Council’s planned financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings. The Council is required to include this statement in its long-term plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Rates affordability benchmark

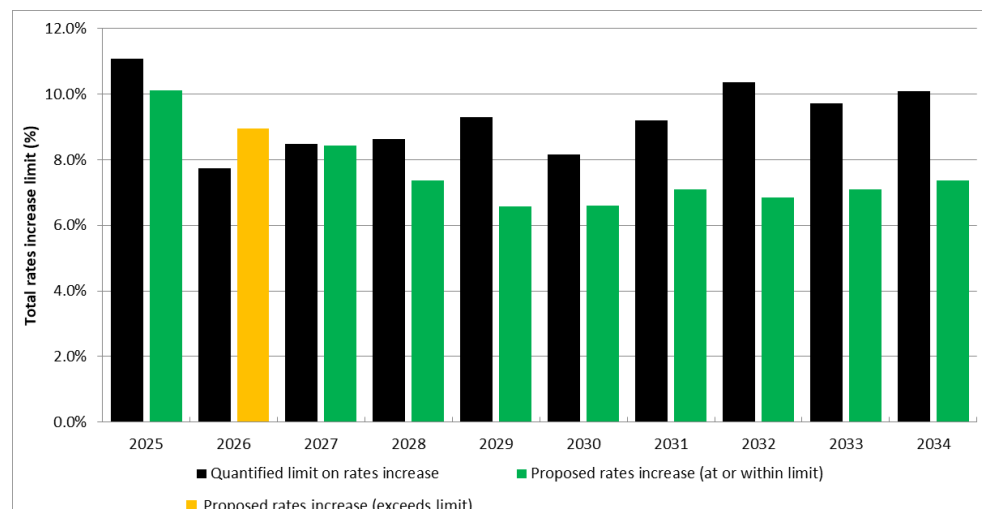
The Council meets the rates affordability benchmark if:

- its planned rates increases equal or are less than each quantified limit on rates increases.

Rates (increases) affordability

The following graph compares the Council’s planned rates increases with a quantified limit on rates increases contained in the financial strategy included in this long-term plan. The quantified limit is that total rates will increase by no more than the Local Government Cost Index (LGCI):

- plus the growth in the rating base
- plus 2% (to fund the cost of higher standards and new services)
- plus increase in funding required for interest and debt repayment.

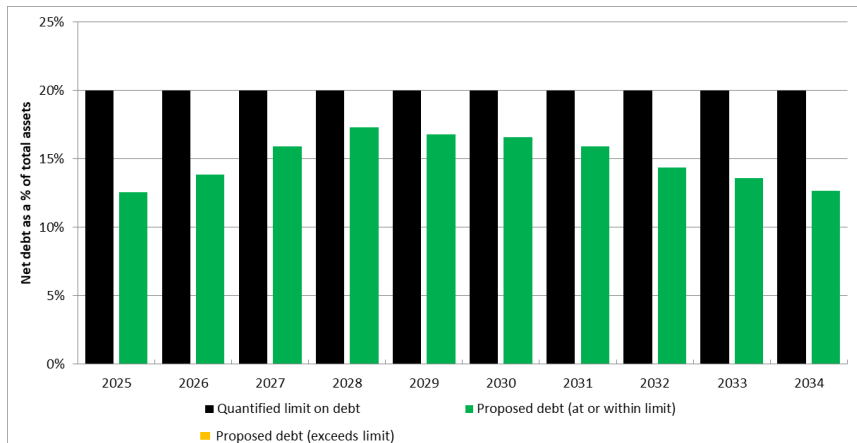


Debt affordability benchmark

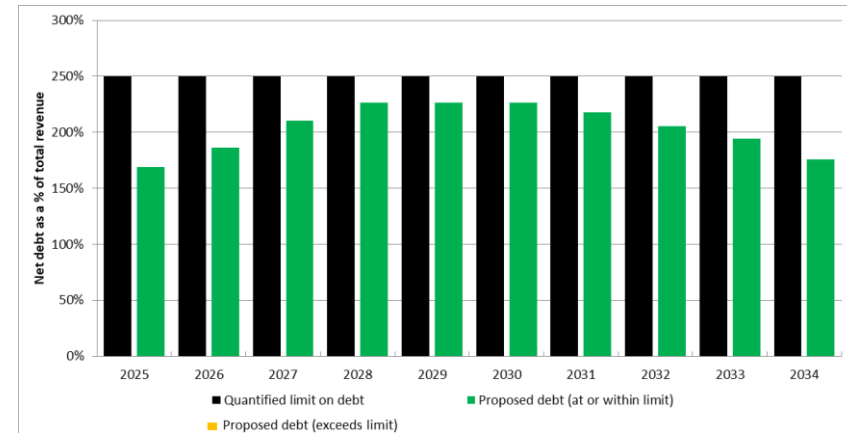
The Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

The following four graphs compares the Council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan.

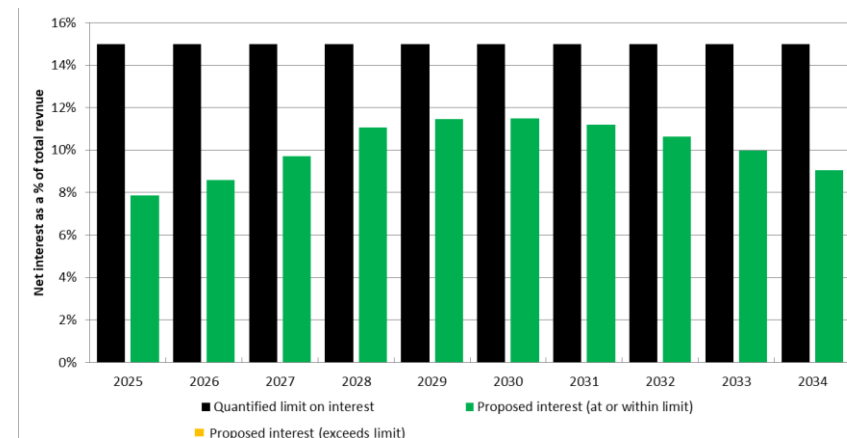
The quantified limit for this graph is that net external debt as a percentage of total assets will not exceed 20%.



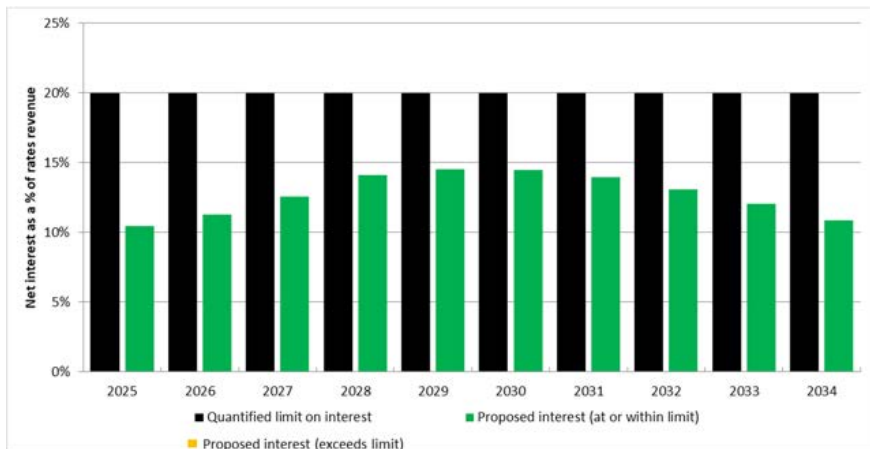
The quantified limit for this graph is that net external debt as a percentage of total revenue will not exceed 250%.



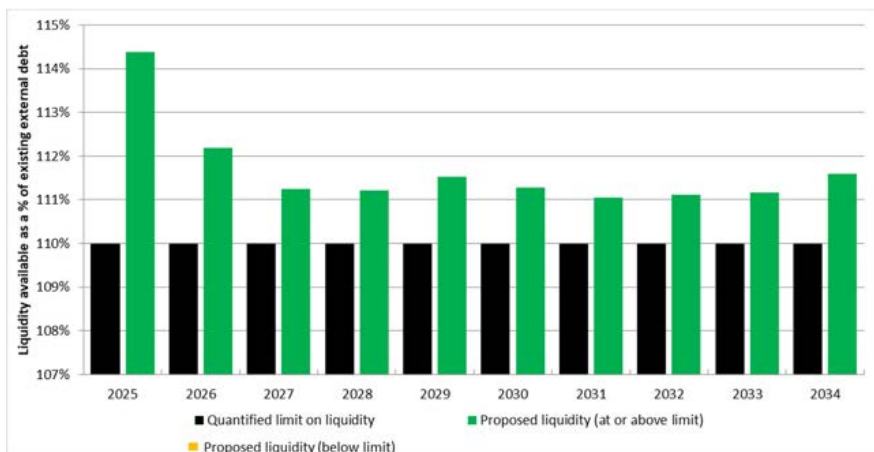
The quantified limit for this graph is that net interest as a percentage of total revenue will not exceed 15%.



The quantified limit for this graph is that net interest as a percentage of annual rates income will not exceed 20%.



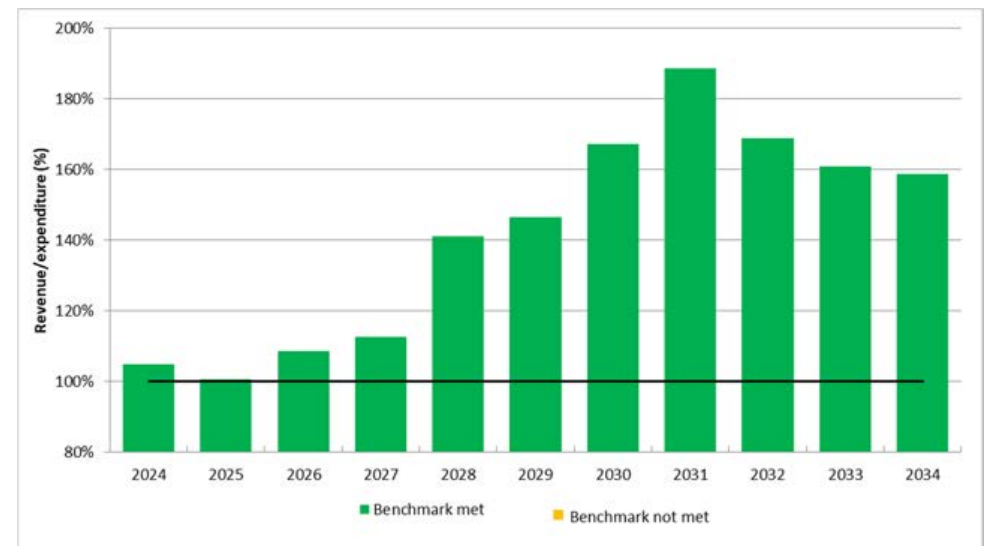
The quantified limit for this graph is that liquidity available will exceed 110% of existing external debt. Liquidity available is defined as the sum of existing external term debt, unused committed bank/loan facilities and liquid investments.



Balanced budget benchmark

The following graph displays the Council’s planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment).

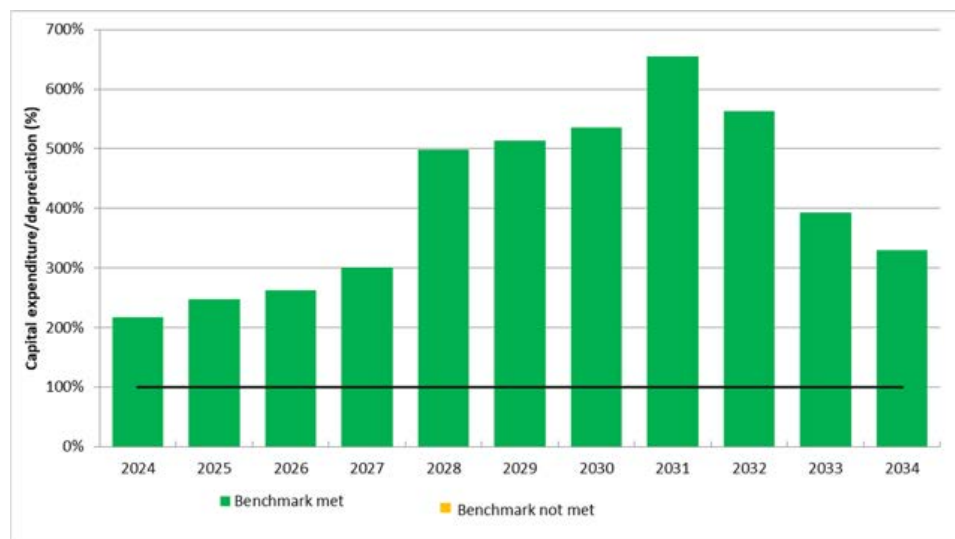
The Council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.



Essential services benchmark

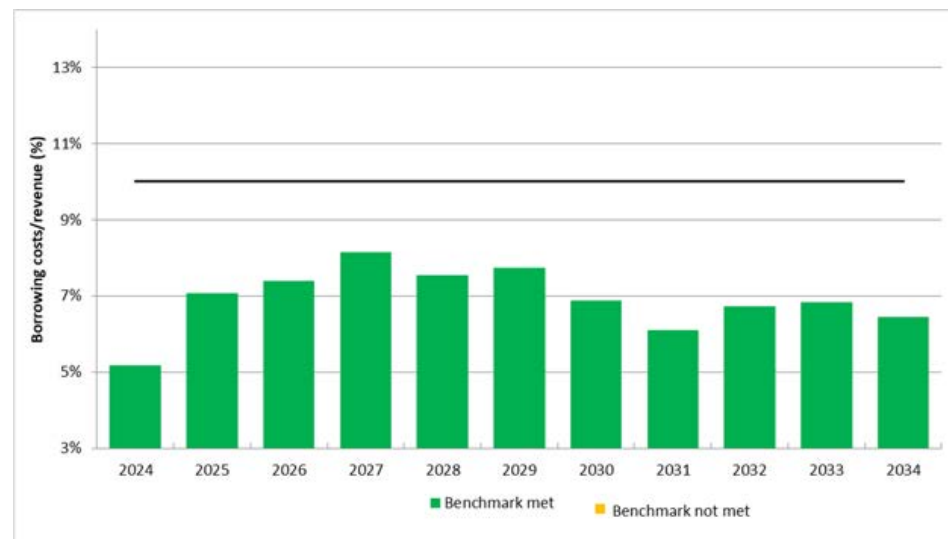
The following graph displays the Council's planned capital expenditure on network services as a proportion of expected depreciation on network services.

The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



Debt servicing benchmark

The following graph displays the Council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment). Because Statistics New Zealand projects the Council's population will grow as fast as the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.



Additional information or comment

Rates (increases) affordability

At this stage the proposed Long-term Plan does not achieve the policy aim for year 2. Rates requirements are reviewed annually when the annual plan is prepared. The forecast rates increases (and the policy maxima) include provision for significant debt servicing and repayment costs relating to the investments in new infrastructure and facilities.

The forecast increases in rates do not include any levies that would be charged to ratepayers to fund the Nature Calls project. Early estimates are this will amount to at least \$1,000 per ratepayer introduced progressively from about year 5 though this sum and the way it will be distributed amongst ratepayers has yet to be considered in any detail. There will be further public engagement about this as the project progresses through the consent approval process.

What your rates cover each week

This is based on a residential property with a land value of \$468,000 and a capital value of \$739,000.



Revenue and Financing Policy

Introduction

The Local Government Act 2002 (The Act) requires the adoption of policies that outline how operating and capital expenditure will be funded for each activity. They are aimed at providing predictability and certainty about sources and levels of funding.

The Act requires the Council to manage its finances prudently and in a way that promotes the current and future interests of the community. The Council must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses and that its long-term development programme is financially sustainable.

In deciding the most appropriate funding source for each activity the Council must consider:

- the community outcomes to which the activity primarily contributes; and
- the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
- the period in or over which those benefits are expected to occur; and
- The extent to which the actions or inactions of particular individuals or a group contribute to the need to undertake the activity; and
- the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and
- the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural well-being of the community.

- In its long-term plan (LTP) the Council identifies the Vision, Goals and Strategies that represent its desired community outcomes.

Vision

He iti ra, he iti pounamu. Small city benefits, big city ambition

Goals

Goal 1: An innovative and growing city

Goal 2: A creative and exciting city

Goal 3: A connected and safe community

Goal 4: A sustainable and resilient city

The Council's activities have been grouped into major groups of activities, as follows:

- Innovative and Growing City
- Transport (incorporating Roading and Footpaths)
- Creative and Exciting City
- Connected and Safe Community
- Sustainable and Resilient City
- Stormwater
- Wastewater
- Water Supply
- Supporting the Organisation

The relationships between these groups of activities and the identified community outcomes (Council’s Vision and Goals) are outlined in detail in each Activity page of the LTP.

Funding of operating expenses

The Council has made a determination as to the most appropriate way of funding the operating expenses for each activity. This was based on an assessment of the nature of the benefits provided from the activity, and who benefits (i.e. the whole community, identifiable groups or individuals) and for what period. Following this there was an assessment of the potential impact on the wider community well-being. Taking these into account funding source proportions were then attributed using the following scale:

High	80-100%
Med/high	60-79%
Med	40-59%
Med/low	20-39%
Low	0-19%

The specified funding source proportions are indicative only. They are not intended as an exact realisable proportion, rather as a guideline. It is recognised that within each activity there may be justification for variation from those proportions on a case-by-case basis. The basis for such variations will need to rest in the criteria outlined below.

In general terms the Council believes that:

- an activity should be collectively funded if the benefits of the activity are largely received by the broader community without differentiation, in equivalent proportions, and the costs of the activity cannot easily be attributed to an individual or group of individuals.
For example: civil defence. Everyone benefits. No individual can be responsible for the costs. Therefore it is entirely publicly funded.
- an activity should be funded on a user-pays basis if an individual or group of individuals directly receives benefits of the activity exclusively, and the costs of the activity can easily be attributed to that individual or group of individuals.
For example: Private Planning Services. Only those who seek resource consents benefit from them so they can be held responsible for the costs. Therefore it should be entirely funded by users.
- an activity should be funded by an exacerbator if the benefits of the activity are largely received by the broader community without differentiation, in equivalent proportions, but the costs of the activity can be attributed to an individual or group of individuals.
For example: parking enforcement. Everyone faces the cost of unavailability of public parking if someone parks over the time they’re allowed. The individual who parked over time can be held directly responsible for that cost. Therefore the public cost can be privately borne completely by that individual.
- an activity can be funded from other sources if the benefits of the activity are largely received by the broader community without differentiation, in equivalent proportions, but the costs of the activity can be met by other means.

For example: roading. Everyone benefits. No individual can be responsible for the costs. However, the Council is eligible for central government subsidies from organisations such as the New Zealand Transport Agency Waka Kotahi (NZTA). Therefore it is entirely publicly funded, but a proportion of the costs is recouped from 'other' sources.

- although the Council believes that it would be appropriate to charge for some activities on a user-pays basis this is not always practicable and sometimes a proxy is required.

For example: wastewater. Everyone benefits although the extent of use depends on the nature of the use of the property. Trade waste can be measured and separately charged for. It is not practical to measure other non-residential users with higher volumes, such as motels or hospitals but a proxy of the number of pans can be used. Likewise, a targeted rate in the form of a fixed annual charge for each separately occupied portion of a rating unit is seen as a reasonable proxy for residential property.

The tables that follow show this analysis for each activity within the groups of activities. A summary is provided on the final page of the policy.

The process for funding operating costs of these activities is as follows:

- Any operating grants or subsidies for a particular activity are used to reduce the gross cost.
- Where it is practical to recover the designated portion of the net operating cost of an activity from a private user or exacerbator, fees and charges are set at levels designed to achieve this, provided there are no legislative constraints.
- Where a fee or charge is not practical, targeted rates may be set in accordance with Council's rating policies.
- Any net income from investments or fuel taxes may then be applied and any residual requirement will be funded through general rates and/or uniform annual general charges (UAGC) – these latter rates and charges will be set on a differential basis according to Council's rating policies. For the purposes of this policy any reference to general rates as a funding source is considered to include UAGCs.
- Rating policies including the details of targeted rates, the level of the UAGC, the choice of valuation base for the general rate and the details of the differential system will be outlined in the Funding Impact Statement in the LTP or Annual Plan as appropriate.

Funding of capital expenditure

The Council takes a consolidated corporate approach to the management of its financial position. Through its LTP it determines what capital expenditure is sustainable within the prudent guidelines it has set itself. These parameters are contained in the Financial Strategy.

Asset management plans are maintained for all infrastructural services and these provide information about asset condition and asset renewals required to maintain desired service levels.

Routine ongoing plant and equipment purchases are funded from operating revenue and proceeds of asset sales.

Renewals are funded from subsidies and grants (when available), revenue and, in extenuating circumstances, from borrowing.

New capital developments are funded from subsidies and grants (when available), user contributions, reserves, asset sales and, where necessary, from borrowing.

If the borrowing headroom is constrained the Council will consider making use of the provisions of the Infrastructure Funding and Financing Act for projects or groups of projects that meet the legislative criteria.

Through the application of its Development Contributions policy, the Council seeks to obtain contributions to fund infrastructure required due to city growth.

Borrowing is an appropriate funding mechanism to enable the effect of peaks in capital expenditure to be smoothed and to enable the costs of major developments to be borne by those who ultimately benefit from the expenditure. This is known as the 'intergenerational equity principle' and means that the costs of any expenditure should be recovered from the

community at the time or over the period the benefits of that expenditure accrue. It is not appropriate or sustainable for all capital expenditure to be funded from borrowings. In periods of low capital expenditure borrowings should be reduced.

Te Ture Whenua Maori Principles

The Policy supports the principles set out in the preamble to Te Ture Whenua Maori Act 1993. These principles include recognition that land is taonga tuku iho of special significance to Maori, and for facilitation of the occupation, development, and utilisation of that land for the benefit of the owners, their whanau, and their hapu.

Revenue Source	Policy for Funding Operating Expenses ⁹	Policy for Funding Capital Expenditure ¹⁰
General Rates		
<p>General rates are currently set at rates of cents in the dollar of land value, calculated differentially based on the following classifications (and further sub-classifications) of property:</p> <ul style="list-style-type: none"> Single-unit Residential Multi-unit residential Non-residential Miscellaneous Rural/semi-serviced <p>Its incidence is modified by a uniform annual general charge (UAGC).</p>	<p>General rates will be primarily used to fund those activities, or parts of activities, that benefit the community in general and where no identifiable individuals or groups benefit in a significantly different way from the rest of the community.</p> <p>General rates may also be used where the use of direct charging would discourage use, when encouraging use of the service is an explicit objective, or important to achieving the community outcomes to which the activity is intended to contribute.</p> <p>General rates may also be used where it is impractical, or too administratively expensive, to fund the activity from other funding sources.</p> <p>General rates are currently apportioned according to the land value and deemed use of each property.</p> <p>National studies have concluded that capital value is a better measure of benefits received from council services and of a ratepayer’s ability to afford rates. The Council has recently reviewed the rating system and proposes to retain the land value as the base for the general rate as it helps to promote more efficient use of developed land. However, it is also proposing to introduce a targeted rate for all properties, based on the capital value, to fund activities primarily focused on delivering goal one (innovative and growing city) including transport, economic development, urban design and housing). This targeted rate will progressively increase to also fund activities focused on delivering goal two (a creative and exciting city) including recreation and play and arts and heritage. This policy would enable a change to a capital value base for the general rate following appropriate public consultation.</p> <p>Use of property is determined according to whether its primary use is single-unit residential, multi-unit residential, non-residential, miscellaneous or rural/semi-serviced. Each type of property pays different rates (cents in the dollar of land value). These differentials are designed to achieve an apportionment of rates that more closely reflects</p>	<p>General rates may be used to retire debt.</p> <p>General rates may be used to purchase assets where the Council determines that funding the assets from debt is not the preferred option.</p>

⁹. Operating expenses are those incurred to provide the day to day activities of the Council and include the costs of staff and consumables. Operating expenses are funded from the sources mentioned and for the reasons outlined.

¹⁰. Capital expenditures include those to purchase, build or acquire physical assets into council ownership. Such assets have service lives of more than one year. The principle of “intergenerational equity” says that expenditure that provides benefits over time should be funded over the same period, so that each generation of users pays a fair share. Capital expenditures also include the renewal or replacement of existing assets. These are usually funded from resources built up from the revenue sources that fund the particular activity. They also include debt repayment.

Revenue Source	Policy for Funding Operating Expenses ⁹	Policy for Funding Capital Expenditure ¹⁰
	<p>the estimated value of services received by each classification of property, after modification by the use of the UAGC and fixed charges (targeted rates). The UAGC is a fixed charge per rating unit which the Council treats as a part of the general rate. It is used as a mechanism to ensure each rating unit contributes a minimum amount of the general rate and also to moderate rates on high value properties.</p>	
Targeted Rates		
<p>Targeted rates, in the form of fixed amounts are set to cover the net cost of water, wastewater and rubbish/recycling. Targeted rates, based on the capital value and applied differentially will be set to cover part of the net cost of the activities of the Council primarily focused on achieving the goal of being an innovative and growing city (transport, economic development, urban design and housing). This rate will be progressively increased to also fund part of the net cost of the activities of the Council primarily focused on achieving the goal of being a creative and exciting city.</p> <p>Targeted rates may be set to fund the operation of</p>	<p>Targeted rates may be used to fund activities which identifiable categories of ratepayer, or ratepayers in identifiable locations, receive benefits from the activity to be funded in a significantly different way from other ratepayers. Targeted rates may be set as a fixed annual amount, or based on some other legally permissible basis such as land or capital value. They may be set differentially depending the location or classification of ratepayer or the nature of the service being provided. Targeted rates may be set for the purpose of achieving a more fair, efficient or transparent allocation of costs across the community.</p>	<p>Targeted rates may be used to retire debt, where the debt arose from the purchase of assets used for the activity funded from the targeted rate. Targeted rates may be used to purchase physical assets, where the Council determines that funding the assets from debt is not the preferred option, and the assets are to be used for the activity funded from the targeted rate.</p>

Revenue Source	Policy for Funding Operating Expenses ⁹	Policy for Funding Capital Expenditure ¹⁰
Business Improvement Districts (BIDs) if such districts are established at the community's request.		
Lump sum contributions		
These are a mechanism for enabling ratepayers to elect to pay for capital projects by lump sums instead of by targeted rates.	Operating costs are not funded from lump sum contributions.	The Council may fund capital projects in whole or part through lump sum contributions.
Fees and charges		
A wide range of fees and charges are made to cover either the whole or part of the cost of activities.	<p>Fees and charges will generally be used for services where the benefit is entirely, or in part, to the direct user of the service and where the use of the service is at the discretion of the user. This includes fees for various consents, licences, permits and property information. The user charge may recover all, including a market return on the value of the Council's investment, or part of the cost of the activity.</p> <p>Where the Council needs to ration the use of an activity, it may charge at a level above what would be necessary to recover the costs of the activity.</p> <p>Fees and charges may be in the form of fines, penalties or similar and used where the Council wishes to modify the behaviours that impose cost, or inconvenience, on other members of the community.</p>	<p>User charges may be used to retire debt, where the debt arose from the purchase of assets used for the activity funded by the user charge.</p> <p>User charges may be used to purchase physical assets, where the Council determines that funding the assets from debt is not the preferred option, and the assets are to be used for the activity funded from the user charge.</p>

Interest and dividends from investments		
The Council receives interest and dividends from its investments and short-term cash management.	Ordinary budgeted interest and dividends, along with any other investment income, is treated as general revenue.	Investment income may be used to retire debt when that income has not been budgeted for other purposes.
Borrowing		
Borrowing involves the taking on of debt and in normal circumstances is only appropriate to fund assets with long lives.	<p>Unless there are exceptional circumstances the Council will not borrow to fund operating costs.</p> <p>Some expenses that are classified as operating do provide a longer term benefit and in such situations the Council may consider borrowing to fund them (if the sum involved is significant) then repay the sum borrowed from revenue over the estimated period of benefit. Development and implementation of enterprise wide information management systems fit this criteria as does the Council's contribution to significant new community assets that will be owned by an external entity.</p>	Borrowing is the preferred means of funding capital expenditure because it promotes intergenerational fairness. What is an appropriate level of borrowing is assessed against criteria in the Council's Financial Strategy.
Proceeds from asset sales		
These are the sums received when physical assets are sold.	Operating costs are not funded from asset sales.	Proceeds from asset sales are an appropriate source for purchasing assets or retiring debt because they have a neutral effect on Council's financial position (assets versus liabilities).

Development contributions		
Development contributions are sums payable or assets transferred to Council by developers or new service users to cover the costs imposed on infrastructure and facilities by growth in numbers of users.	Operating costs are not funded from development contributions.	Development contributions will be used to fund that proportion of new asset expenditure that is made necessary by increased demand as a result of growth in the number of users. Contributions will be calculated in accordance with the Council's Development Contributions Policy.
Financial contributions under Resource Management Act		
Financial contributions are sums payable, or assets transferred to Council by developers or new service users to enable mitigation, avoidance or remedying of adverse effects arising from subdivision or development.	Operating costs are not funded from financial contributions.	Financial contributions may be used to fund that proportion of new asset expenditure that is made necessary by the effects of subdivision and development. The contribution may be required as a condition of consent, in accordance with any relevant rule in the District Plan.
Grants and subsidies		
These are payments from external agencies and are usually for an agreed specified purpose. The main source of these are NZTA subsidies for road maintenance, renewals and improvements.	Grants and subsidies will be used for operating expenses only when this is consistent with the purpose for which they were given.	Grants and subsidies will be used for capital expenditure only when this is consistent with the purpose for which they were given.

Innovative and Growing City

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
Economic development					
Economic development International relations City marketing Economic events	Individual businesses will benefit directly from specific initiatives and events Entire economy benefits from improved economic activity, choice, employment opportunities and incomes	Short-term business support initiatives, but on-going benefits of infrastructure development and flow-on effects Ongoing benefits for entire economy The benefits of events are both immediate and longer term, the latter bringing the perception of vibrancy of the city	Entire economy displays need for economic development Businesses display specific need for support services and infrastructure Need is created by those who wish to stage events	General, or targeted rates, but with business differential (high) Central government funding (low) Other territorial local authorities (low) Private sector (low)	As the entire city benefits from the economic returns from this expenditure the cost should be funded from general rates or targeted rates for all ratepayers Most businesses benefit from increased economic activity so should contribute a greater portion of the cost through the application of a differential on the general or targeted rate
Conference and function centre	Individual users benefit from the provision of the Conference and Function Centre Accommodation, food and other businesses benefit from the presence of the users of the centre	Benefits are on-going	Need is created by those who wish to stage events, functions and conferences	General or targeted rates (medium/low) Fees and charges (medium/high)	Individual users of the conference and function centre should pay market rates for its use As the entire City benefits from the economic returns from this expenditure the

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
					<p>cost should be funded from general rates Many businesses benefit from increased economic activity so should contribute a greater portion of the cost through the application of a differential on the general or targeted rate</p>
<p>Investment property Investments in companies (including airport)</p>	<p>The entire community benefits from the Council obtaining positive net financial returns on its investments The entire community benefits from the Council making sound strategic investments Lessees and users benefit from the provision of property</p>	<p>Benefits are ongoing</p>	<p>Need for strategic investments is created by community as a whole</p>	<p>General or targeted rates (high) Net cost or return from investments</p>	<p>Commercial investments are expected to generate a net return that can benefit the city as a whole and lead to lower rates, fees and charges Strategic investments benefit the whole city and so it is appropriate to fund any net cost from general rates or a targeted rate for all ratepayers</p>

Housing					
Building services	The entire community benefits from safe reliable infrastructure and resources and consistent, transparent Council procedures Developers and property owners benefit from the building services advice, information and certainty provided by the Council	Benefits of regulation in general are ongoing even though the specific regulations may change over time	Need is created by the following: entire community for structure, consistency and certainty those who do not comply with the rules (i.e. exacerbators) property developers and building owners seeking building consents Council for rules to protect its position and manage its risk exposure	General rates or targeted rates (medium/low) Fees and charges (medium/high)	As the main beneficiaries are property developers and building owners they should pay for the majority of the cost of the activity No particular group or individual benefits more than others so the residual cost should be allocated to the whole city as part of the general rate
Housing & future development	The entire community benefits from Council's efforts to provide an appropriate framework to encourage development and housing	Benefits are ongoing	Need is created by the entire community for structure, consistency and certainty and a range of options for housing	General or targeted rates (high)	As the community at large benefits from this activity it is appropriate that the costs be funded as a public good from general or targeted rates
Planning services – public (includes planning advice, information, monitoring and enforcement) Planning services – private	The entire community benefits from safe reliable infrastructure and resources and consistent, transparent Council procedures The entire community benefits from advice relating to potential	Benefits of regulation in general are ongoing even though the specific regulations may change over time Benefits of providing free information to the public and monitoring	Need for information is created by entire community Need for enforcement is created by those who do not comply with the rules (i.e. exacerbators) Need is created by developers and	Planning services – public: General or targeted rates (high) Fees and charges (low) Planning services – private:	No particular group or individual benefits more than others from the provision of information, monitoring and enforcement activities so the cost should be allocated to the whole

(resource consent processing)	resource consents or resource management as well as from resource consent monitoring and enforcement activities Developers and property owners benefit from the resource consent advice, information and certainty provided by the Council	resource consents are ongoing	property owners seeking resource consents	Fees and charges (high)	City as part of the general or a targeted rate As the main beneficiaries of processing resource consents are property developers and building owners they should pay for the cost of the activity
Social housing	People on low incomes who: are superannuitants; or have long-term disabilities; or experience barriers to renting in the private market The whole community benefits from people having access to adequate housing	Benefits accrue through the period of tenancy Benefits to the whole community are ongoing	Need is created by the housing tenants	Fees and charges (high) General or targeted rates (low) The Council recognises that fees and charges are currently not sufficient to meet this revenue target & is investigating how best to address this	As the main beneficiaries of the activity are those who use the service the cost should be borne by the users taking into account Council's rental policies for tenants which are based on a tenant's income As far as practicable it has been the intention that this activity standalone financially and is fully funded from rental income Although central government funding assistance is sought (if available) it is recognised that at times it may be

					necessary for the activity to receive support from general or targeted rates
Urban Design					
City Centre	The entire community benefits from activity that leads to increased city centre vibrancy and improved perceptions of the City It also benefits from the development of accessible, active, comfortable and social public spaces The business community benefits from spending by visitors attracted to the central city	Benefits are ongoing	Need is created by the entire community who wish live in an environment that is interesting and vibrant	General or targeted rates (high) Sponsorship/grants (low) Fees and charges (low)	A vibrant City Centre is an important component of how a city is perceived The Council actively encourages partnerships with businesses and groups to enhance public spaces and to obtain external funding to do this where practicable As the entire city benefits from these activities any residual expenditure should be funded from general rates As the entire community benefits from the application of good urban design principles the cost should be funded through general or targeted rates
Place activation					
Placemaking					
Urban design	The entire community benefits from increased citywide knowledge of the principles of good urban design				

- this proportion relates to the whole of the activity, not the individual components of it, unless stated otherwise

Transport (Incorporating Roothing & Footpaths)

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
Roothing					
<p>Roads Street facilities Street lighting Traffic services</p>	<p>The entire community benefits from accessibility of city and ease of transportation throughout the city Specific benefit to road users including cyclists and pedestrians Businesses benefit from an effective roading infrastructure Specific benefit to parking facility users</p>	<p>Ongoing benefits as long as infrastructure is maintained</p>	<p>Entire community creates the need for an accessible urban environment where transport links are readily available for both business and public use</p>	<p>Roads: Street facilities: Street lighting: Traffic services: General or targeted rates with business differential (high) NZTA subsidy (medium for qualifying expenditure)</p> <p>Parking: Fees and fines (high)</p>	<p>Roothing and related costs that meet the benefit/cost qualifying criteria should be funded from NZTA subsidies as a proxy for direct contributions from road users, many of whom are not city residents</p> <p>It is currently impractical to charge for road use by any direct mechanism such as tolls so the residual cost should be borne by the whole city through the general or a targeted rate with a differential applied to business</p> <p>Parking users should pay at levels that are appropriate to manage demand and provide a net return that can be</p>
<p>Parking</p>					

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
					applied to reduce the net cost to ratepayers of roading and transportation
Active and public transport					
Footpaths Active transport Public transport	The entire community benefits from the provision of footpaths and cycle/pedestrian pathways The entire community benefits from public transport being available	Ongoing benefits as long as infrastructure is maintained	Entire community creates the need for an accessible urban environment where walking, cycling and bus links are readily available for public use	General or targeted rates (high) NZTA subsidy (medium for qualifying expenditure)	Active and public transport costs that meet the benefit/cost qualifying criteria should be funded from NZTA subsidies as a proxy for direct contributions from users, many of whom are not city residents It is impractical to charge for footpath or pathway use by any direct mechanism so the residual cost should be borne by the whole city through the general or a targeted rate

Creative and Exciting City

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
Arts and Heritage					
<p>Te Manawa (Museum, Art Gallery and Science Centre)</p> <p>Other cultural facilities such as:</p> <p>Regent on Broadway</p> <p>Globe Theatre</p> <p>Caccia Birch House</p> <p>Creative Sounds (The Stomach)</p> <p>Support to arts, culture and heritage groups</p> <p>Heritage management</p>	<p>The entire community benefits from the educational opportunities and cultural awareness that the provision of activities and facilities brings</p> <p>The business community benefits from spending by visitors attending facilities and events</p> <p>Specific benefit to those who use facilities and attend activities</p> <p>The entire community benefits from retention of sites and buildings of significance with heritage features</p> <p>Owners of heritage buildings benefit from any support given to preserve and protect them</p>	<p>Ongoing benefits from an informed, creative and innovative population</p> <p>Benefits are ongoing</p>	<p>Need is created by the entire community for access to information about cultural heritage and creative media as well as for venues for the performing arts</p> <p>Need is created by building owners requiring assistance or support to preserve the city's heritage features</p>	<p>General or targeted rates (high)</p> <p>Some entry charges (low)</p> <p>Sponsorship/grants (low)</p> <p>Central government (low)</p> <p>Rental income (low)</p> <p>[Represents the manner in which the Council's share of the costs are funded.</p> <p>Organisations running some of these facilities also incur costs and receive any revenue associated with them]</p> <p>General or targeted rates (high)</p>	<p>Those who use the facilities should pay a reasonable charge but it is recognised that for some activities (such as Te Manawa) such a charge would be prohibitively high if set at a level to cover the entire cost</p> <p>Every effort will be made to obtain grant funding from external agencies</p> <p>As the entire city benefits from these activities any residual expenditure should be funded from general rates</p> <p>Although building owners benefit directly from the preservation of heritage sites and buildings, the entire community benefits</p>

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
					from the city retaining its heritage features so any Council contribution toward achieving this should be funded through general rates
Community and commemorative events	The entire community benefits from community events that celebrate the richness of a diverse community and bring vibrancy to the city The business community benefits from spending by visitors attending events Specific benefit for those who attend events	The benefits of events are both immediate and longer term, the latter bringing the perception of vibrancy of the city	Need is created by those who wish to stage events Need is created by the entire community who wish to have a variety of events to attend	General or targeted rates (high) Sponsorship/grants (low) Fees and charges (low)	Many events are provided for the benefit of the entire community and are held in venues where it is not possible to charge those who attend Every effort will be made to obtain grant funding from external agencies As the entire city benefits from these activities any residual expenditure should be funded from general rates
Recreation & Play					
Central Energy Trust Arena City reserves Local reserves	The entire community benefits from choice of recreational activities	Benefits are ongoing as long as facilities are maintained	Need is created by entire community for recreational facilities, activities and choice	Central Energy Trust Arena: General or targeted rates (medium/high)	Those who use the facilities should pay a reasonable charge but it is recognised that for

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
<p>Sportsfields Swimming pools Support to recreation groups</p>	<p>and a healthy active community Particular event organisers also benefit from commercial gains from activities The business community benefits from spending by visitors attending facilities and events Specific benefits for users of facilities and spectators at events</p>	<p>The benefit of events is both immediate and longer term, the latter being to the perception of vibrancy of the city</p>	<p>Event organisers create a need for infrastructure in order to hold events</p>	<p>User charges (medium/low) City-wide reserves, local reserves and sports fields: General or targeted rates (high) User charges (low) Swimming pools: General or targeted rates (high)# Support to recreation groups: General or targeted rates (high) [# Operation of the swimming pools is contracted to an external entity that incurs day-to-day operating costs and obtains all revenue from entry fees – the general rates funding represents the share of the costs incurred by Council]</p>	<p>some activities (such as swimming pools, sports fields and Central Energy Trust Arena) such a charge would be prohibitively high if set at a level to cover the entire cost Also it is impractical to charge users of some facilities such as city-wide and local area reserves Every effort will be made to obtain grant funding from external agencies As the entire city benefits from these activities any residual expenditure should be funded from general rates</p>

Connected and Safe Community

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
Community Support					
Cemeteries (including the Crematorium)	Individual users particularly families of the deceased The entire community benefits from the comfort that there is adequate provision for interring the deceased in an appropriate manner and that cemeteries are maintained as a place of remembrance	Benefits are on-going	The entire community creates the need for cemeteries and related services Families and genealogists researching cemetery records	General rates (medium/low) Fees and charges (medium/high)	As the main beneficiaries of the activity are those who use the service a significant portion of the cost should be borne by the users As there are public benefits from the service a portion of the cost should be funded from general rates As the service is partially subsidised by ratepayers a premium should be charged to non-city residents where this is practicable
Community centres	The entire community benefits from the existence of places to meet to foster community identity Specific benefits for users of facilities	Benefits are ongoing as sharing of experiences and expertise leads to community enhancement	The entire community creates the need as the more integrated members of society are, the more they contribute to the city's economic, social and cultural wellbeing	General rates (high) Fees and charges (low)	Those who use the facilities should pay a reasonable charge but it is recognised there are wider community benefits from the availability of community centres.

					The residual cost should be funded from general rates
Public toilets	The entire community benefits from the provision of public toilets	Benefits are ongoing	Need is created by the entire community for public toilets	General rates (high) Fees and charges (low)	Apart from the main central city facility it is not practical to charge individual users Costs should be funded through general rates
Support to community groups	Members of community groups and those they support	Benefits accrue for the period of the support		General rates (high) Central government grant agency funding (low)	Council's contribution is directed to community groups rather than individuals and to events and facilities that benefit the entire community so should be funded from general rates Although funding support is sought from external agencies this contribution is usually small

City Library					
Libraries	<p>The entire community benefits from choice of leisure and recreational activities, a healthy caring community, the educational opportunities the library offers and from being informed</p> <p>Specific benefits for borrowers of material</p>	<p>Ongoing educational benefits from an informed, creative population</p> <p>Benefits are ongoing as sharing of experiences and expertise leads to community enhancement</p>	<p>Need is created by the entire community for library facilities and access to information sources</p>	<p>General rates (high)</p> <p>Fees and charges (low)</p>	<p>Those who utilise some services (such as CDs, DVDs, etc) should pay a reasonable charge as should non-residents provided it is practical and cost effective to do so</p> <p>City residents take great pride in the facilities and expect the resource to be available to all regardless of whether they actually use it</p> <p>It is not practical to charge visitors of the facility nor for the lending of basic resources so the net cost should be funded from general rates</p>

Community safety and health					
Animal control	Animal control activity is principally related to the actions or inactions of dog owners - owners and the public at large (through reduced nuisance) benefit from this	Benefits of regulation in general are ongoing even though the specific regulations may change over time	Need is created by: entire community for structure, consistency and certainty those who do not comply with the rules (i.e. exacerbators) Council for rules to protect its position and manage its risk exposure	General rates (medium/low) Fees and charges (medium/high) The Council recognises that fees and charges are currently not sufficient to meet this revenue target & is investigating how best to address this	A significant portion of the costs should be borne by dog owners as the majority of the activity relates to their actions or inactions No particular group or individual benefits more than others so the residual cost should be allocated to the whole city as part of the general rate
Civil defence	The entire community benefits from having people who are trained and organised to help the community survive and cope with natural disasters	Benefits in terms of peace of mind for residents are ongoing, although direct benefits are short to medium term in the event of a disaster	Need is created by: the entire community for an action plan in the event of a disaster or emergency Council to meet legal obligations	General rates (high)	No particular group or individual benefits more than others so the cost should be allocated to the whole city as part of the general rate
Public health	Licensed businesses gain economic advantage from the public health activity of the Council and the public benefit from a healthy, safe and clean city	Benefits of regulation in general are ongoing even though the specific regulations may change over time	Need is created by: entire community for structure, consistency and certainty those who do not comply with the rules (exacerbators) Council for rules to protect its position and manage its risk exposure	General rates (medium/high) Fees and charges (medium/low)	As licensed businesses are major beneficiaries they should bear a significant portion of the cost of the activity. The public at large also benefit from the activity so the residual cost should be allocated to the whole

					city as part of the general rate
Safer community initiatives	The entire community benefits from activities that aim to keep people safe	Benefit is on-going	Need is created by the entire community, who wish to be able to feel safe, especially in public places	General rates (high)	As the benefits accrue to the entire community, the costs should be funded from all ratepayers through the general rate

- this proportion relates to the whole of the activity, not the individual components of it, unless stated otherwise

Sustainable and Resilient City

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
Climate change and sustainability					
Climate change mitigation and adaptation Support to environmental groups Sustainable practices	Entire community benefits from Council's leadership and commitment to meeting greenhouse emission targets, fostering sustainable practices and behaviours so City residents and organisations become more sustainable	Ongoing benefit	The entire community creates the need for a sustainable future	General rates (high)	As the activity being undertaken benefits the whole community the costs should be funded through the general rate
Biodiversity and the Manawatu River					
Biodiversity	The entire community benefits from activity that leads to improved environmental practices with more sustainable outcomes	Ongoing benefits	The entire community creates the need to implement more sustainable operating practices	General rates (high)	As the whole community benefits from this activity the costs should be funded from the general rate
Central Energy Trust Wildbase Recovery	The entire community benefits from seeing native wildlife rehabilitating after treatment at Massey University's Wildbase hospital	Ongoing benefits from an informed and educated population	Need is created by the entire community who wish to having an understanding of wildlife	General rates (high) Sponsorship/grants (low) (assisted by Wildbase Recovery Community Trust)	The main beneficiaries are those who visit the centre but the Council has determined that the centre will be provided as a public good.

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
	Children in particular benefit from education programmes Visitors benefit from the visitor programmes				Volunteers assist with operating the centre and donations are encouraged from those who visit.
Manawatu River (includes Manawatu River Park, Centennial Lagoon)	The entire community benefits from enhancing the River and its environs as a cultural, environmental and recreation resource	Ongoing benefits	The entire community creates the need for enhanced respect for, and use of the River and its environs	General rates (high)	As the whole community benefits from this activity the costs should be funded from the general rate

- this proportion relates to the whole of the activity, not the individual components of it, unless stated otherwise

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
Resource recovery					
Landfill management Waste management (includes kerbside rubbish collection and disposal, public space rubbish collection and disposal) Waste minimisation (includes kerbside recycling and processing, green waste, minimisation projects, recycling centre)	Entire community benefits from safe and efficient disposal of solid waste Direct households benefit from kerbside refuse collection and recycling	Ongoing benefits as long as infrastructure is maintained	The entire community creates the need for a safe urban environment where solid waste is adequately dealt with Exacerbators and individual householders	Landfill management: Targeted rates(high) Fees and charges (low) Waste management: Rubbish bag sales or similar (high) Targeted rate with fixed annual property charge (low) Waste minimisation: Targeted rate with fixed annual property charge (high – net after sales of recyclable material) Subsidies and grants (low)	To minimise the volume of waste costs should be funded by the users of the service – through rubbish bag sales or other mechanism with the same effect The costs of public space rubbish collection and disposal should be funded by all ratepayers through a targeted rate (set on a fixed annual charge basis) Recycling costs should be funded as much as possible from the sale of recyclables but as the Council wishes to encourage recycling it is not desirable or practicable to charge individual users by volume. The residual cost should be funded from a targeted rate (set on a fixed annual charge basis)

- this proportion relates to the whole of the activity, not the individual components of it, unless stated otherwise

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
Stormwater					
Stormwater collection and disposal	The entire community benefits from safe and efficient discharge of stormwater Specific benefit to owners of properties more prone to effects of stormwater	Ongoing benefits as long as infrastructure is maintained	The entire community creates the need for a safe urban environment where stormwater discharges are adequately dealt with Property owners directly affected by stormwater create a need for infrastructure to maintain adequate protection	General rates with business differential (high)	As the whole community benefits from this activity the costs should be funded from the general rate with a business differential due to the nature and volume of run-off from properties used for business

- this proportion relates to the whole of the activity, not the individual components of it, unless stated otherwise

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
Wastewater					
Wastewater collection Wastewater treatment and disposal	The entire community benefits from safe and efficient disposal of wastewater Commercial and industrial businesses benefit specifically from the provision of wastewater services Direct household benefit from the provision of wastewater services	Ongoing benefits as long as infrastructure is maintained	The entire community creates the need for a safe urban environment where wastewater is adequately dealt with Commercial and industrial enterprise create the need for wastewater services applicable to their business Property owners	Targeted rate with fixed annual charge for households and small users (medium/high) Targeted rate in form of pan charges for larger users (medium/low) Trade waste charges for exacerbators (low)	Although there is some overall community benefit from the activity, the major benefit is to those who use the facilities Volumes of trade waste are capable of being measured so those who discharge trade waste should be charged based on the nature and volume of discharge Those capable of being connected to the wastewater system are identifiable so should bear the cost through a targeted rate The cost of servicing each household is similar so a fixed annual charge is appropriate Costs are higher for those with more discharge so it is appropriate to charge non-residential users on a per-pan basis

- this proportion relates to the whole of the activity, not the individual components of it, unless stated otherwise

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
Water supply					
Water collection Water treatment Water distribution	<p>The entire community benefits from safe and efficient provision of drinking water</p> <p>Commercial businesses benefit specifically from the provision of water services</p> <p>The entire community benefits from provision of water services for fire-fighting to maintain community safety services</p> <p>Direct household benefit from the provision of water services</p>	Ongoing benefits as long as infrastructure is maintained	<p>The entire community creates the need for a safe urban environment where water services are adequately provided and health standards maintained</p> <p>Commercial and industrial enterprise create the need for water services applicable to their business</p> <p>Property owners create need for water services to aid fire-fighting services</p>	<p>Targeted rate with fixed annual household charge (medium/high)</p> <p>Targeted rate through metering of non-residential users (medium/low)</p>	<p>Although there is some overall community benefit from the activity, the major benefit is to those who use the facilities</p> <p>Volumes of water used are capable of being measured so it would be desirable to charge by metered use</p> <p>The Council does not currently support a universal metering philosophy, so only non-residential users are metered</p> <p>Those capable of being connected to the water system are identifiable, so should bear the cost through a targeted rate</p> <p>The cost of servicing each household is similar, so a fixed annual charge is appropriate</p>

- this proportion relates to the whole of the activity, not the individual components of it, unless stated otherwise

Supporting the organisation

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
Governance and active citizenship					
<p>Elections Councillor meetings and administration Mayor's Office</p> <p>Direction setting</p>	<p>The entire community benefits from the ability to elect local representatives and influence Council decisions</p> <p>Council benefits from the clarity of community needs and wants</p> <p>The entire community benefits from transparent Council goals and clear paths to meet them</p> <p>Council benefits from defined objectives and clear processes</p>	<p>Benefits of a good working relationship between the Council and the community are on-going</p> <p>Benefits of the Council being well led and operating as an effective, efficient organisation are ongoing</p> <p>Benefits of providing clear direction for city development are ongoing</p>	<p>Need is created by entire community for knowledge of and involvement in Council decisions</p> <p>Need is created by Council for guidance from the public in decision making</p> <p>Need is created by the entire community for a well-structured community infrastructure with adequate provision to cope with growth</p>	<p>General rates (high)</p> <p>Fees and charges (low)</p>	<p>No particular group or individual benefits more than others so the cost should be allocated to the whole city as part of the general rate</p> <p>Additional costs are incurred each third year to run the elections. Part of the cost is recovered from the Regional Council.</p> <p>Costs relating to processing private District Plan changes are recovered from applicants</p>

Organisational performance					
Civic Administration Building Financial services Human resources Information services Marketing and communications Print Synergy Plant and vehicle operations External contracts	The entire community benefits from access to Council information, efficient dealings with Council, and basic channel through which to communicate with Council Council benefits from clarity of community needs and wants, and efficient processing of public enquiries	Benefits are ongoing	All of the Council's activities require some corporate support Need is created by the entire community for knowledge and an accessible Council Need is created by Council for an efficient interface with the public	Costs are allocated to other activities based on appropriate drivers Net cost or return from provision of services to external entities	Organisational performance exists not for itself, but to enable the Council to provide its other activities. Support costs should therefore be reflected in the overall costs of other activities Contracts for services to external entities are expected to generate a net return to Council

- this proportion relates to the whole of the activity, not the individual components of it, unless stated otherwise

Revenue and Financing Policy

Funding source proportions for operating costs

	General Rates (note 3)	Targeted Rates (note 3)	User Fees and Charges	Other (incl. subsidies & grants)
Innovative & Growing City				
Economic development				
Economic development	High	High		Low
City marketing	High	High		Low
Conference & function centre	Med/Low	Med/Low	Med/High	
Economic events	High	High		Low
International relations	High	High		Low
Investments (including Companies & properties)	High	High		
Housing				
Building services	Medium/Low	Medium/Low	Medium/High	
Housing & future development	High	High		
Planning services – private	Low	Low	High	
Planning services - public	High	High		
Social housing	Low	Low	High	
Urban design				
City centre	High	High		Low
Place activation	High	High		Low
Placemaking	High	High		Low
Urban design	High	High		Low
Transport				
Active transport	High	High		Low
Public transport	High	High		Low
Footpaths	High	High		Low
Roads	High	High		Low
Parking			High	
Street facilities	High	High		Low

Street lighting	High	High		Low
Traffic services	High	High		Low
Creative & Exciting City				
Arts & Heritage				
Community & commemorative events	High	High	Low	Low
Heritage management	High	High		
Other cultural facilities	High	High		
Support to arts, culture & heritage groups	High	High		Low
Te Manawa	High	High		
Recreation & play				
Central Energy Trust Arena	Medium/High	Medium/High	Medium/Low	
City reserves	High	High		
Local reserves	High	High		
Sportsfields	High	High	Low	
Support to recreation groups	High	High		
Swimming pools	High	High	Low	
Connected & safe community				
Community support				
Cemeteries	Medium/Low		Medium/High	
Community centres	High		Low	
Public toilets	High		Low	
Support to community groups	High			Low
City Library				
City Libraries	High		Low	
Community safety & health				
Animal management/control	Medium/Low		Medium/High	
Civil defence	High			Low
Public health	Medium/High		Medium/Low	
Safer community initiatives	High			Low
Climate change & sustainability				

Climate change mitigation & adaptation	High			
Support to environmental groups	High			
Sustainable practices	High			
Biodiversity & Manawatu River				
Biodiversity	High			
Central Energy Trust Wildbase	High			Low
Manawatu River	High			
Resource recovery				
Landfill management		High	Low	
Waste management		Low	High	
Waste minimisation		Medium/High	Low	Low
Sustainable & resilient City				
Stormwater				
Stormwater Collection & disposal	High		Low	
Wastewater				
Wastewater collection		High		
Wastewater treatment & disposal		High	Low	
Water Supply				
Water collection		High		
Water distribution		High	Low	
Water treatment		High		
Supporting the organisation				
Governance & active citizenship				
Councillor meetings & administration	High			
Direction setting	High		Low	
Elections	High			Low
Marketing & communications	High			
Mayor's office	High			
Organisational performance	Overhead allocation			

High	80 – 100%
Med/High	60 – 79%
Med	40 – 59%
Med/Low	20 – 39%
Low	0 – 19%

The funding proportions outlined in this table represent the Council’s desired consolidated intention, that is, the share of the gross operating costs borne by each sector.

Note 1: The Council has varying levels of control over the actual revenue obtained from users of these facilities. Management and operations are contracted to other entities and revenue from entry fees is retained by them.

Note 2: Metered water is deemed to be a targeted rate.

Note 3: The Council plans to progressively increase the share of the costs of the Innovative and Growing City and Creative and Exciting City activities that are funded from a targeted rate on all properties based on the capital value

Significant Forecasting Assumptions

A forecasting assumption is defined as something the Council accepts as being true for the purposes of future decisions and actions.

The Local Government Act 2002 requires councils to disclose in their 10 Year Plan the significant forecasting assumptions they have used to develop their Plan and the risks underlying the financial estimates. In cases where the level of uncertainty is assessed as being high, this has to be disclosed as well as an estimate of the potential effects on the financial estimates.

This section contains assumptions about the following matters:

Issue	Level of uncertainty of assumption	Significance of financial impact on overall position
1. Population & Household Growth	Medium	Medium
2. City Growth – Nature, Type & Location	Medium	High
3. Pandemics	Low	Low
4. Climate Change	Medium	Low
5. Natural Disasters & Adverse Weather Events	High	High
6. Services Provided by Council	High	High
7. Continuity of External Funding	High	Low
8. Sources of Funds for Future Replacement of Assets	Low	Low
9. NZTA Waka Kotahi Subsidy	High	High
10. Airport Shareholding, Dividends & Lines of Credit	Medium	Low
11. Revaluation of Property, Plant & Equipment Assets	Low	Low
12. Asset Lives	Low	Low
13. Depreciation	Low	Low
14. Inflation	Medium	Low
15. Interest Rates for Borrowings	Medium	Medium
16. Resource Consents (especially wastewater discharge)	High	High
17. Turitea Windfarm	Low	Low
18. Weathertight (Leaky) Homes Claims	Low	Low
19. Insurance	High	High
20. Earthquake-prone Buildings	High	High
21. Regional freight ring road including an additional Road Crossing of Manawatū River	Medium	High
22. Residential Subdivision	Medium	Medium
23. Drinking Water Quality Assurance Rules	Low	Low
24. 3 Waters Reform	High	High
25. Capital Expenditure Delivery	High	High
26. Infrastructure Funding & Financing (IFF) Levies	High	High
27. Alternative funding arrangements	High	High

2024-34 Long-term Plan (LTP) assumption	Risks	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
<p>1. Population and household growth</p> <p>The population will increase as follows:</p> <ul style="list-style-type: none"> ➤ 10-year projection 2024–34, 1,055 people per annum at 1.1% ➤ 20-year projection 2024–44, 979 people per annum at 1.0% ➤ 30-year projection 2024–54, 880 people per annum at 0.9% <p>The number of households will increase as follows:</p> <ul style="list-style-type: none"> ➤ 10-year projection 2024–34, 399 households per annum at 1.1% ➤ 20-year projection 2024–44, 366 households per annum at 1.0% ➤ 30-year projections 2024–54, 329 households per annum at 0.9% <p>This is a hybrid medium growth population and household projection formulated by the Council (using Infometrics & Stats NZ data) plus the additional margins required by the National Policy Statement for Urban Development.</p> <p>These population projections assume the City will retain its status as having one of the lowest median ages (34.9 in 2023 compared with the national median age of 38.1) but, as is projected for the rest of New Zealand, there will be a gradual ageing of the population.</p> <p>Population and household growth are similar due to the assumption that the City will have an increasing number of larger households due to growing ethnic diversity. The ageing population will also increase the proportion of one person households across the City. The average household size is projected to remain above 2.6 people per household due to growth in the number of larger households resulting from the increasing</p>	<p>City growth is at significantly different rates than assumed.</p>	<p>Medium</p>	<p>If growth is less than predicted, then some projects will be deferred and expenditure will be lower than forecast. If growth is higher than predicted, then some projects will go ahead earlier than forecast and expenditure will be higher than forecast. Higher or lower expenditure will impact on debt levels, the total rates requirement and the timing of the receipt of development contributions.</p> <p>Actual growth and changes to the makeup of the city’s population will be monitored and any changes will be reflected in subsequent Annual and Long-Term Plans.</p>

2024-34 Long-term Plan (LTP) assumption	Risks	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
<p>ethnic diversity of our community. There will also be a greater number of one-person households as the over-65 population increases.</p> <p>Any change in the makeup of the city’s population in terms of ethnicity or age will have minimal impact on the activities to be provided by the Council.</p>			<p>The City already comprises a wide range of ethnicities and has programmes and events designed to cater for them.</p>
<p>2. City growth – nature, type and location</p> <p>The Strategies and Plans assume that during years 1–10, greenfields residential growth will continue at Aokautere, be centred on the Whakarongo, Napier Road and Matangi areas and make a start in the Kakatangiata (stage 1, Kikiwhenua). New industrial growth will be focused on the extended northeast area of the city and the proposed KiwiRail freight hub and in Longburn.</p> <p>Owners of private infrastructure in Longburn are well along the path to upgrading infrastructure to the standards required for it to be vested in the Council. This will involve the Council undertaking some works itself to enable development and seek to recoup the costs through development contributions or a developer agreement.</p> <p>Housing demand estimates in Council’s 2023 Housing and Business Needs Assessment estimates by type estimates short term preference being 40% greenfield, 55% infill and 5% rural. Over the medium term, 50% greenfield, 45% infill and 5% rural. Over the long term, 55% greenfield, 40% infill and 5% rural. Changes to how Council plans to fund some growth programmes</p>	<p>Privately initiated development is approved in areas other than those planned for by the Council or earlier than anticipated.</p>	<p>Medium</p>	<p>The Whakarongo and Napier Road residential areas are zoned and available for development – development is being led by the Council’s own subdivision. A decision on a plan change to rezone further land for development in Aokautere is imminent. The newly zoned Matangi residential area and the about to be zoned Roxburgh Crescent area will provide additional short-term capacity. Kakatangiata is a large area that will provide significant growth capacity for the next 30 plus years. Stage one of Kakatangiata, Kikiwhenua, is about to be infrastructure ready and</p>

2024-34 Long-term Plan (LTP) assumption	Risks	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
<p>in this LTP may mean the portion of infill or density may go up in the medium to long term.</p> <p>There will be no change to the City boundaries.</p>	<p>There will be a change to the City boundaries</p>		<p>developed in the short term. Four small urban additions are being investigated at Ashhurst, however spreading of growth programmes means Ashhurst is now a long-term option rather than medium-term. High class soils, flooding, liquefaction risks and infrastructure costs will need to be weighed up against housing demand, and the requirement for Council to ensure there is sufficient capacity to meet projected demand. This will necessitate Council enabling and promoting higher density development opportunities to ensure efficient use of land and existing infrastructure, whilst avoiding or mitigating natural hazards and productive land constraints. While KiwiRail are in the process of securing land for the proposed freight hub, they are yet to secure funding to deliver it.</p> <p>If such development is approved and Te Utanganui expands the north-east industrial area, it may result in a need for increased</p>

2024-34 Long-term Plan (LTP) assumption	Risks	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
			<p>infrastructural investment by the Council. This may lead to the Council needing to reprioritise other planned expenditure so that it can operate within its own prudent limits.</p> <p>It is difficult to predict how the market will respond to new housing choices and whether traditional infill is reaching a natural saturation point. A plan change to create a new medium density residential zone in 2024 under the NPS-UD will create significant opportunity for urban intensification.</p>
<p>3. Pandemics</p> <p>There will be no long-term significant economic or social disruption such as increased unemployment, homelessness, lack of income or reduced personal wellbeing that adversely affects residents of Palmerston North as a result of Covid-19 or any subsequent pandemic.</p> <p>There will be no lockdown for a significant period such as occurred in 2020 and if there were, the Council will continue to be able to deliver essential city services.</p>	<p>A variant of Covid-19 enters the community requiring a lockdown of the Manawatu region or more broadly.</p>	<p>Low</p>	<p>The Palmerston North economy is diverse and has significant activity funded by central and local government. To date this has helped shield the City from the worst of the economic impacts of the world-wide Covid-19 pandemic.</p>

2024-34 Long-term Plan (LTP) assumption	Risks	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
<p>Although there may be disruptions to the worldwide supply chains for some goods they will not be so significant as to disrupt the Council's ability to deliver essential services, and New Zealand's international borders stay open.</p>			<p>Although the Council's revenue was reduced during the period of national lockdown in 2020 and subsequently most revenue streams (except dividends from Palmerston North Airport Ltd) have now been restored to near previous levels.</p> <p>The Council was able to redirect staff resources to cope with working from home and continue to deliver essential city services.</p> <p>If necessary, the Council has the ability to modify its priorities through the Annual Plan process each year.</p> <p>The City is not a significant international tourist destination so it has not been significantly impacted by the closure of international borders.</p>
<p>4. Climate change</p> <p>It will be hotter and dryer in summer with more droughts, and wetter in winter with increased flood risk from very heavy rainfall events. Within these general trends, variability will increase, meaning that there could be</p>	<p>That changes to climate will be different to what is assumed. Note: New MfE</p>	<p>Medium</p>	<p>Council has a Climate Change and Sustainability Plan to reflect its leadership role in ensuring that Palmerston North becomes a low-carbon, climate resilient city. The Plan focuses on actions to reduce</p>

2024-34 Long-term Plan (LTP) assumption	Risks	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
<p>large increases in the range of temperatures and the number of extreme events.</p> <p>(This is based on the midpoint of current Ministry for the Environment projections (2018). https://environment.govt.nz/publications/climate-change-projections-for-new-zealand/)</p>	<p>projections are expected in 2024.</p> <p>That new national targets are set and become a requirement for Councils.</p>		<p>the production of greenhouse gases from Council activities and by encouraging the members of the wider community to reduce their greenhouse gas production.</p> <p>Climate change has particular implications for Council's infrastructure. This is addressed through its asset management planning. The largest impact will be on new stormwater infrastructure but there are also likely to be additional peak stormwater flows in the existing network because of infill development. Changes to rainfall patterns could also lead to issues to for our sports fields and walkways because there will be more heavy downpours, leading to flooded surfaces and slips. In addition to more intense rainfall it is likely long dry periods, or drought events, will also occur more frequently.</p> <p>Because of the increasingly unstable and unpredictable weather, there is a risk that</p>

2024-34 Long-term Plan (LTP) assumption	Risks	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
			<p>Council's actions are either too little or too much.</p> <p>Council will continue to grow its understanding of expected long-term changes from climate change and will incorporate this understanding into future Plans and asset management planning.</p>
<p>5. Natural disasters and adverse weather events</p> <p>There will be no significant natural disasters such as storms, floods, earthquakes and volcanic eruptions that damage city infrastructure.</p> <p>There will be no adverse weather events that cause significant damage to the city's infrastructure, including parks.</p>	<p>That there will be a significant natural disaster or adverse weather event.</p>	<p>High</p>	<p>The Council currently contributes to the Local Authority Protection Programme (LAPP) and has the ability to source commercial infrastructure insurance if required. The LAPP fund was designed to cover 40% of the repair costs for certain damaged infrastructure. In certain circumstances, central government may fund the remainder of the costs, although this is subject to review by the Government. Roads and bridges are not covered by this programme, with the only relief available being from NZTA, which funds some of these repair costs. In the event of a disaster, the</p>

2024-34 Long-term Plan (LTP) assumption	Risks	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
			<p>Council has the flexibility to fund uninsured repair costs by re-prioritising its capital expenditure programme and utilising available lines of credit.</p> <p>If there is an adverse weather event, the Council will need to re-prioritise its operating budgets to cope or, in the short-term, utilise established lines of credit.</p>
<p>6. Services provided by council</p> <p>Unless otherwise stated in the individual activity sections, service levels are generally assumed to remain the same. Increases to service levels are shown in the individual activity sections as operating and capital programmes.</p> <p>It has been assumed there will be no unexpected changes to legislation or other external factors that alter the nature of services provided by Council.</p>	<p>That there will be some unexpected change to legislation or other factors.</p>	<p>High</p>	<p>The new coalition government has advised it plans to repeal legislation that would have seen the Council's 3 waters (drinking water, wastewater and stormwater) activities transferred to a new regional entity – refer to assumption 26.</p> <p>The reforms of the resource management legislation that would have led to a significant review of the roles and responsibilities of the Council are also to be repealed.</p> <p>Other possible government policy changes have been signaled but it is likely to take time for these to</p>

2024-34 Long-term Plan (LTP) assumption	Risks	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
<p>The service reviews required under section 17A LGA 2002 will not lead to major changes to the governance, funding and delivery of Council's infrastructure or services.</p>	<p>That following the reviews, the Council may decide to change certain current service delivery arrangements.</p>	<p>Low</p>	<p>directly impact the Council in any significant way.</p> <p>Changes would be proposed only if they were expected to produce a more effective and efficient outcome for citizens and ratepayers. If a change is proposed, the Council will be able to decide on any transitional arrangements to be made. The nature and extent of any public consultation undertaken will be assessed against the Council's Significance and Engagement Policy.</p>
<p>7. Continuity of external funding</p> <p>Unless otherwise stated in the individual activity sections, it is assumed that external funding sources will continue at present levels for the duration of the LTP.</p> <p>It is also assumed that the Council will be able to borrow at the assumed levels.</p>	<p>That there is a material change to the way Council services are used or charged for that adversely impacts on revenue.</p> <p>That qualifying criteria or subsidy rates will be changed and/or the Council's access to</p>	<p>High</p>	<p>Any changes to the way Council services are charged for will be planned with consideration for the Revenue and Financing Policy and the impact on revenue. Use patterns are monitored and any change in use that impacts on revenue will be considered in subsequent Annual and Long-Term Plans. Lower external operating revenue would lead to an increased rates requirement.</p>

2024-34 Long-term Plan (LTP) assumption	Risks	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
	borrowing becomes restricted.		<p>Qualifying criteria and subsidy ratios have traditionally been stable and there is no indication they are likely to be changed. If they are, Council will reassess its commitment to undertaking the projects concerned.</p> <p>The Council has strong relationships with the financial markets and access to the Local Government Funding Agency to raise cost-effective funding, and will manage its financial arrangements in a manner designed to protect its AA S&P Global credit rating.</p>
<p>8. Sources of funds for future replacement of assets (renewals)</p> <p>Funding will be progressively increased to replace assets at optimum timing. The funding approach is detailed in the Revenue and Financing Policy.</p>	Lack of planned funding could lead to deterioration in asset condition and adversely impact on service delivery and increased maintenance costs	Low	As the Council operates a central treasury function, should one source of funding be unavailable for asset replacement, a further option would be available.
9. NZTA Waka Kotahi subsidy	Changes in subsidy rate and variation in criteria for inclusion	High	In the past, the Government has demonstrated a long-term commitment to funding roading

2024-34 Long-term Plan (LTP) assumption	Risks	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
<p>The present NZTA financial assistance rate for the Council is 51% of qualifying expenditure. NZTA subsidies have been assumed at this rate throughout the term of the LTP and for the 30 years of the Infrastructure Strategy. A conservative view has been taken about which programmes will meet the qualifying criteria for subsidy.</p>	<p>in subsidised works programmes.</p>		<p>infrastructure that meets the funding agency's benefit/cost ratios. However, in recent times NZTA has had revenue constraints and significant commitments to a number of very large projects throughout NZ, meaning it has been more difficult to obtain funding for capital projects in other areas.</p> <p>Over the 10 years of the LTP, it has been assumed that \$290 million of new capital programmes will attract NZTA funding of \$147.9 million)</p> <p>In the event this funding is not secured, the Council will review its priorities and may choose to delay projects until funding can be obtained.</p>
<p>10. Airport shareholding, dividends & line of credit</p> <p>Palmerston North Airport Ltd (PNAL) will pay a dividend of 10% of Net Profit after tax in 2024/25 (relating to the 2023/24 year) increasing to 20% the following year & 40% for the remainder of the LTP.</p>	<p>That PNAL's financial position will mean it does not have the financial capacity to pay dividends at the levels assumed.</p>	<p>Medium</p>	<p>PNAL's ability to pay dividends depends on the company's net surplus each year.</p> <p>PNAL has plans for significant capital development for the terminal and for development of non-airside property.</p>

2024-34 Long-term Plan (LTP) assumption	Risks	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
<p>The Council will contribute no additional share capital to PNAL over the 10 years of the LTP and that PNAL will be successful in attracting additional funding from other partners and stakeholders.</p> <p>The Council has provided PNAL with a line of credit of up to \$50m subject to review each year through the adoption of its Statement of Intent. The Council relies on LGFA’s assessment that the sums borrowed and on-lent to PNAL will not be taken into account in the calculation of Council’s net debt to revenue ratio & therefore will not impact Council’s borrowing headroom.</p>	<p>That the company requires additional capital & is unsuccessful in obtaining it from other sources.</p>	<p>Medium</p> <p>Medium</p>	<p>Current expectations are that the company will be capable of funding the terminal development through additional borrowing though servicing this will impact on the company’s operating surpluses in the short to medium term.</p> <p>PNAL is seeking funding partners for the non-airside development.</p>
<p>11. Revaluation of property, plant and equipment assets</p> <p>Property, plant and equipment assets will be revalued using the following cycle:</p> <ul style="list-style-type: none"> Community activities – years 3, 6 and 9 Roading and parking – years 2, 5 and 8 Water and waste – years 2, 5 and 8 Property – years 1, 4, 7 and 10 <p>The revaluations have been based on current industry pricing and the Business and Economic Research Ltd (BERL) forecasts of price level change</p>	<p>Actual revaluation results differ from those in the forecast.</p>	<p>Low</p>	<p>Where the actual inflation rate is different from what has been forecast, the actual revaluation will be different from the forecast. This would lead to depreciation being higher or lower than forecast, but as the Council does not directly fund depreciation, there will be no direct impact on ratepayers.</p>

2024-34 Long-term Plan (LTP) assumption	Risks	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
adjusters. Revaluation movements will be shown in the Statement of Comprehensive Revenue and Expense.			Annual Plans will reflect the outcomes of actual revaluations, as will the new LTP produced every three years.
<p>12. Asset lives</p> <p>Useful lives of assets are as recorded in asset management plans or based on professional advice. These are summarised in the depreciation note within the accounting policies. The 30 Year Infrastructure Strategy also contains summarised information about the roading, water, wastewater, stormwater, recreation and built property assets.</p>	<p>That assets wear out or are decommissioned earlier than estimated.</p> <p>Due to funding constraints there is pressure to sweat asset lives leading to unexpected asset failure.</p>	Low	<p>Asset life is based on estimates of engineers, valuers and asset managers.</p> <p>In the event that assets need to be replaced in advance of the assumption, depreciation and interest costs may increase. The extent of the increase will depend on the nature and value of the asset. The renewal programme is reviewed annually, and any changes to planned timing of renewals will be reflected in the Annual Plan, with adjustments to funding arrangements if required.</p>
<p>13. Depreciation</p> <p>Depreciation has been calculated on asset values at their latest revaluation date, and on additions at cost afterwards. It is assumed that: existing depreciation rates will continue new assets' depreciation will be the result of their estimated lives and values depreciation on new and renewal programmes will impact in the year following the capital programme.</p>	<p>That more detailed analysis of planned capital works once complete may alter the depreciation expense.</p> <p>That asset lives may be extended due to</p>	Low	<p>Council has asset management planning and upgrade programmes in place. Asset capacity and condition is monitored, with replacement works planned according to standard asset management and professional practices. Actual depreciation is calculated according to normal</p>

2024-34 Long-term Plan (LTP) assumption	Risks	Level of uncertainty of assumption	Reasons and financial effect of uncertainty																				
	new technology improving asset lives, or reduced due to assets being decommissioned sooner than originally assumed.		accounting and asset management practices, which require depreciation to start once an asset is commissioned. However, the planning assumption is considered reasonable given the level of uncertainty about the likely timing of the commissioning of each asset. Also, from a funding perspective, the Council bases its funding decisions on the forecast average levels of renewals, so the forecast level of depreciation does not affect this.																				
<p>14. Inflation Costs and revenues for 2024/25 have been predicted. Beyond this, inflation has been included in the LTP using the BERL legacy series (including waters) forecasts of cost adjustors, issued in October 2023, as follows:</p> <table border="1" data-bbox="107 1054 992 1398"> <thead> <tr> <th>Year ending</th> <th>Roading</th> <th>Planning & regulation</th> <th>Water & environment</th> <th>Community activities</th> </tr> </thead> <tbody> <tr> <td>Jun 2025</td> <td>2.9%</td> <td>2.6%</td> <td>3.6%</td> <td>2.7%</td> </tr> <tr> <td>Jun 2026</td> <td>2.0%</td> <td>2.1%</td> <td>2.5%</td> <td>2.0%</td> </tr> <tr> <td>Jun 2027</td> <td>2.3%</td> <td>2.2%</td> <td>2.7%</td> <td>2.2%</td> </tr> </tbody> </table>	Year ending	Roading	Planning & regulation	Water & environment	Community activities	Jun 2025	2.9%	2.6%	3.6%	2.7%	Jun 2026	2.0%	2.1%	2.5%	2.0%	Jun 2027	2.3%	2.2%	2.7%	2.2%	That actual inflation differs from what has been predicted and that decisions are made based on predicted inflation levels.	Medium	Where the actual inflation rate is different from what has been forecast, the cost of projects and expenditure will be different from the forecast. In the two years following the adoption of the LTP, this will be addressed through the Annual Plan process, and in the third year a new LTP is produced.
Year ending	Roading	Planning & regulation	Water & environment	Community activities																			
Jun 2025	2.9%	2.6%	3.6%	2.7%																			
Jun 2026	2.0%	2.1%	2.5%	2.0%																			
Jun 2027	2.3%	2.2%	2.7%	2.2%																			

2024-34 Long-term Plan (LTP) assumption					Risks	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
Jun 2028	2.3%	2.1%	2.6%	2.2%			
Jun 2029	2.2%	2.0%	2.5%	2.1%			
Jun 2030	2.1%	1.9%	2.3%	2.0%			
Jun 2031	2.0%	1.9%	2.3%	1.9%			
Jun 2032	2.0%	1.9%	2.2%	1.9%			
Jun 2033	2.0%	1.8%	2.1%	1.9%			
Jun 2034	1.9%	1.8%	2.1%	1.8%			
Remaining 20 years of Infrastructure Strategy	2.6%	2.4%	3.1%	2.4%			
<p>15. Interest rates for Borrowings</p> <p>Interest on term debt is calculated using an interest rate of 5% for the first three years of the LTP and 5.2% thereafter. To allow for anticipated timing of capital expenditure, interest is provided for on only 50% of forecast new loan amounts in the year of the capital expenditure, but on the full amount in each year thereafter.</p>					That the interest rate will differ from what has been used in the calculations.	Medium	This will be managed through the Treasury (incorporating Liability Management and Investment) Policy. The Council has hedging strategies to protect against upward movement in interest rates. It currently has an AA S&P Global credit rating and utilises the Local Government Funding Agency – both arrangements mean the Council has access to markets at prime rates. If the average cost of

2024-34 Long-term Plan (LTP) assumption	Risks	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
			<p>borrowing increased by 0.5% the interest expense for each year of the LTP would increase as follows:</p> <p>2024/25 \$1.45 million 2025/26 \$1.70 million 2026/27 \$2.05 million 2027/28 \$2.37 million 2028/29 \$2.61 million 2029/30 \$2.76 million 2030/31 \$2.85 million 2031/32 \$2.86 million 2032/33 \$2.82 million 2033/34 \$2.72 million</p> <p>There would be an equivalent reduction in each year if the average cost of borrowing was 0.5% lower than assumed.</p>
<p>16. Resource consents (especially wastewater discharge)</p> <p>Conditions of resource consents held by the Council will not be altered significantly, except for the discharge consent for the wastewater plant. In this case, it has been assumed that the new consent will require the Council to invest significantly to upgrade the plant with consequential ongoing operating cost impacts.</p>	<p>That resource consent conditions are altered in a way that is different from what was assumed.</p>	<p>High</p>	<p>Council's most significant resource consent is for the discharge from the main wastewater treatment plant to the Manawatū River, which is due to expire in 2028. A resource consent application has been lodged with Horizons Regional Council.</p> <p>For the purpose of this LTP, it has been assumed that a capital investment of \$550 million (i.e.</p>

2024-34 Long-term Plan (LTP) assumption	Risks	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
			<p>\$480 million plus inflation) will be required between years 4 and 8. There is a high level of uncertainty regarding this sum.</p> <p>The Council does not have sufficient borrowing capacity and it has been assumed this programme will need to be funded in another manner – refer to assumption 26.</p>
<p>17. Turitea Windfarm</p> <p>Mercury’s 60 turbine windfarm (with 30 on Council’s Turitea Reserve land) will consistently generate sufficient electricity so that Mercury will pay the Council royalties of at least \$1.2 million p.a. It is recognised this revenue assumption is at the higher end of revenue expectations.</p> <p>Any such revenue received from Mercury is planned to be used to fund operating costs for city reserves – this complies with the purposes outlined in the Reserves Act 1977.</p>	<p>That windfarm energy production is lower than assumed and/or wholesale electricity prices are lower than assumed.</p>	<p>Low</p>	<p>The windfarm assumption is the 30 turbines will generate 420 Gwh p.a. A minimum annual payment of \$0.76 million would be payable based on a 12-month rolling average wholesale price of \$62 per Mwh.</p> <p>If they generated only 350 Gwh the minimum annual payment would be \$0.63 million.</p> <p>The current rolling average wholesale price is approximately \$89 per Mwh and at this rate revenue would total \$1.1 million (for 420 Gwh) or \$0.9 million for 350 Gwh.</p>

2024-34 Long-term Plan (LTP) assumption	Risks	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
<p>18. Weathertight (leaky) homes claims</p> <p>The Council may receive claims relating to leaky homes and that it will be required to pay contributions toward settlement.</p> <p>It is expected the Council will also receive calls from RiskPool (a mutual local government insurance vehicle that the Council previously belonged to) to assist it fund deficits as a result of on-going claims relating to years when the Council was a member.</p> <p>Any uninsured claims will be an unbudgeted expense.</p>	<p>That the number of claims and/or the level of settlement per claim is significantly higher than the levels assumed.</p>	<p>Low</p>	<p>The Council's exposure to new claims is uninsured.</p> <p>For several years, the Council funded a provision for future claims. The level of the provision will be reviewed as at 30 June 2024 following the recent payment of a call from RiskPool. If the Council is faced with paying more than remains in the provision in any particular year, it will determine at the time whether it has the financial capacity to fund from operations or whether short-term borrowing will be required. The appropriateness of the level of expenditure assumed will be reviewed in each year's Annual Plan.</p>
<p>19. Insurance</p> <p>The Council will continue to be able to obtain adequate insurance cover for its infrastructure and property assets as well as for public liability and professional indemnity at terms and cost that are affordable.</p> <p>The Council will need to accept loss limits for material damage cover & accept higher levels of self-insurance than in the past.</p>	<p>That the terms of insurance cover available become unreasonably restrictive and/or the premium cost is significantly higher than assumed.</p>	<p>High</p>	<p>The significant earthquakes and weather-related events in New Zealand in the last decade have impacted on the terms and cost of insurance cover. Insurance companies are becoming less willing to provide full cover.</p>

2024-34 Long-term Plan (LTP) assumption	Risks	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
<p>Material damage re-instatement cover will not be obtainable for the Council's properties that are classified as earthquake prone.</p>			<p>To date, the Council has retained its membership of the Local Authority Protection Programme, but each year it assesses other market options for underground infrastructure insurance.</p> <p>There continues to be uncertainty about the future basis of calculating fire service levies to fund Fire and Emergency New Zealand.</p> <p>Due to the number and nature of claims against local government it is becoming more difficult to obtain affordable liability cover for professional indemnity.</p> <p>The Financial Strategy sets a debt/revenue policy limit of 250%. This is less than the present 280% covenant set by LGFA (Council's primary source of borrowing) and provides headroom in the event of needing to fund an uninsured loss.</p>
<p>20. Earthquake-prone buildings</p> <p>The Council will need to incur significant expenditure to address any shortcomings in the standard of its buildings in relation to earthquakes.</p>	<p>That when the upgrade work starts, the actual cost will be</p>	<p>High</p>	<p>All of Council's properties have been assessed and indicative assessments made of what work</p>

2024-34 Long-term Plan (LTP) assumption	Risks	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
<p>The Council will upgrade each of its buildings to a minimum of 34% of the New Build Standard (NBS) and that this will be done progressively over a 15-year period or slightly longer if legislation permits.</p> <p>Currently 26 of the Council’s buildings and facilities have been assessed as earthquake prone. Three of these are being or have been upgraded (crematorium, wastewater treatment plant and water treatment plant). It is planned that the following three critical buildings (The Regent theatre, Te Manawa & the central library) will be attended to over the next 10 years. The remainder including the Civic Administration Building & Caccia Birch house will be attended to over the following five years.</p> <p>\$124 million of funding for the programme of work will be obtained from external sources through co-funding or public private partnerships</p>	<p>significantly more than is currently contemplated.</p> <p>External funding cannot be obtained within the timeframes required to enable the buildings to be upgraded within the legislative timeframes.</p>	<p>High</p>	<p>needs to be done to at least bring them up to a minimum standard.</p> <p>At this stage it has been assumed it will cost over \$200 million to complete the work and that \$154 million of this relates to the three buildings programmed to be completed over the 10 years.</p> <p>The outcomes of the civic and cultural precinct masterplan work will influence decisions about the nature of the investments to be made in relation to the library and Te Manawa.</p> <p>At all times the Council will have regard for the safety of occupiers and public users of the properties.</p>
<p>21. Provision of a regional freight ring road including an additional road crossing of the Manawatū River</p> <p>There will be progress made with the Palmerston North Integrated Transport Initiative (PNITI) to guide investment in strategic transport.</p>	<p>That regional economic growth may be hindered by the lack progress</p>	<p>Medium</p>	<p>Council has been collaborating with NZTA, Horizons and neighbouring local councils on the proposed regional freight ring road for more than a decade. NZTA</p>

2024-34 Long-term Plan (LTP) assumption	Risks	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
	with implementing the PNITI.		<p>have developed the Palmerston North Integrated Transport Initiative (PNITI) to guide investment in strategic transport in the city. PNITI is a package of interventions to support freight and distribution potential of the region, assist in building the region’s resilience and provide a safer, more cost-effective connection between some of the regions key industrial areas whilst improving access and safety for Palmerston North residents. PNITI considers a programme of investment including a regional freight ring road, an additional Manawatu River crossing, improvements around Bunnythorpe, connections to the North East Industrial Zone, accessibility and safety improvements throughout the city.</p> <p>Council’s initial focus is on delivering the regional freight ring road. Delivering the PNITI and a further river crossing will only be viable for the Council with assistance from NZTA.</p>

2024-34 Long-term Plan (LTP) assumption	Risks	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
<p>22. Residential subdivision</p> <p>The Council will progressively sell the remaining sections in stage one of its Tamakuku Terrace residential subdivision in Whakarongo and then develop and sell the 35 sections in stage 2 – any returns (after taking into account holding costs) will be used to fund progressive renewal of the Council’s social housing portfolio.</p> <p>Options have been sought from external partners for the development for social housing on the former bowling club site in Summerhays Street and these are currently being evaluated.</p> <p>Longer term plans will assess the best mechanism for developing a further 50 or more residential units on the Council owned site on the corner of Fitzherbert Avenue and Park Road.</p> <p>Other land owned by the Council will be assessed for potential development for residential housing.</p>	<p>That development costs are higher than assumed (with additional requirements identified through detailed design or higher contracting costs).</p> <p>That the variability of the housing market will impact on the sale price and period taken to sell.</p> <p>Partners cannot be found to make further housing development financially viable for the Council.</p>	<p>Medium</p>	<p>Construction of stage 1 of Council’s subdivision in Whakarongo (Tamakuku Terrace) is complete and some sections sold. Due to market changes sales have been slower than originally assumed.</p> <p>Construction of the second stage will commence once an appropriate sales threshold for stage 1 has been achieved.</p> <p>It is currently planned that this work will begin during 2024/25.</p>
<p>23. Drinking water quality assurance rules</p> <p>The Council has made adequate financial provision to accommodate changes required as a result of the latest review of the NZ drinking water quality assurance rules.</p>	<p>That future changes to the rules will impose requirements that are more expensive</p>	<p>Low</p>	<p>The city’s water supply comes from the Turitea Dam in the Tararua ranges and a number of bores around the City. It is fully chlorinated. Provision has been</p>

2024-34 Long-term Plan (LTP) assumption	Risks	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
	and/or needed sooner than provided for.		made for programmes to add an additional layer of barrier protection (UV treatment) and additional reservoirs to some bore sites over the next year. In the meantime two bores have been switched off.
<p>24. Three Waters Reform</p> <p>Council will continue to have legislative responsibility for delivering the water, wastewater and stormwater activities over the term of the LTP.</p>	That responsibility for some or all of these activities will transfer to another entity.	High	<p>Parliament has repealed the legislation that would have seen the 3 waters activities transferred to a new regional entity in 2026.</p> <p>Further assessment of the pros and cons of more regional collaboration in the delivery of water activities and any future proposal for significant change will be the subject of future public consultation.</p>
<p>25. Capital Expenditure Delivery</p> <p>Council will have adequate resources to initiate and manage the significant capital expenditure programme within the timeframes assumed.</p>	That there will not be sufficient capacity to undertake the work within the timeframes or	High	There is a huge pipeline of projected public and private work scheduled for the region. The Council is already experiencing some difficulty obtaining contractors for programmed works.

2024-34 Long-term Plan (LTP) assumption	Risks	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
<p>The construction industry will have the capacity to undertake the Council’s programmes in addition to the other large public and private projects planned for the next 10 years.</p> <p>Interruptions to international supply chains will not materially adversely impact on the Council’s ability to complete the planned capital expenditure programme.</p>	<p>budgets that have been assumed</p>		<p>Council will be proactively working with contractors to find ways of reducing the level of uncertainty.</p> <p>Delays in undertaking capital expenditure mean there is a risk that when the work is actually done it will cost more than previously assumed and therefore require more borrowing. Council will assess the impacts of this on a case by case basis and, if necessary, reassess priorities and possibly defer other works. Such delays would mean raising new debt later than programmed with consequential short-term savings in interest expense. As borrowing is undertaken as required this is not an issue.</p> <p>Delays in undertaking capital renewal expenditure mean there is an increased risk that unplanned maintenance may be required. The Council believes this risk is manageable and that if required other works could be re-prioritised.</p>

2024-34 Long-term Plan (LTP) assumption	Risks	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
<p>26. Infrastructure Funding & Financing (IFF) Levies</p> <p>It has been assumed that the Wastewater Treatment & Disposal programme (Nature Calls) will be fully funded using the Infrastructure Funding & Financing Act (IFF). The legislation enables Council to borrow money in a way that enables the debt to remain off the Council’s financial statements.</p> <p>The funding is treated as capital revenue on receipt from the special purpose funding vehicle (SPV). Ratepayers would service and repay the debt through a levy over 30 years and this would be charged on the rates invoice.</p>	<p>That the programmes planned to be funded do not meet the qualifying criteria meaning an alternate funding arrangement will have to be developed to enable the projects to proceed</p>	<p>High</p>	<p>At this stage the cost of the Nature Calls project is a preliminary estimate and is the subject of further review.</p> <p>Once there is more certainty of the nature and cost of the project more specific funding proposals will be developed. In the meantime it is intended to discuss further with Crown Infrastructure Partners (the government agency responsible for administering the IFF arrangements) the possible terms of any funding solution.</p> <p>In an effort to reduce the sum needing to be borrowed we will be investigating alternate funding possibilities such as central government or local businesses or organisations who currently manage their own wastewater treatment and discharge, to consider joining us.</p> <p>If an IFF arrangement cannot be put in place then the project would unlikely be able to proceed in its</p>

2024-34 Long-term Plan (LTP) assumption	Risks	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
<p>It has also been assumed that a number of capital growth programmes will be partially funded under the Infrastructure Funding & Financing legislation.</p>			<p>present form and such arrangements as public/private partnerships will need to be investigated.</p> <p>If the IFF structure does not prove to be practical for the growth related project then other mechanisms such as developer agreements will need to be investigated.</p>
<p>27. Alternative funding arrangements</p> <p>That Council will be successful in making alternate funding arrangements such as public/private partnerships or leasing rather than owning some of its assets in order so that the proposed capital programmes can be delivered.</p> <p>The LTP assumes \$262m of the capital programme will be funded this way. \$124m of this relates to earthquake prone buildings.</p>	<p>That the funding arrangements are not able to be put in place</p>	<p>High</p>	<p>In the event the arrangements are not successfully implemented the project will either be delayed or other projects will need to be re-prioritised.</p>

Statement of Accounting Policies

Reporting entity

Palmerston North City Council (the Council) is a territorial local authority governed by the Local Government Act 2002 and is domiciled and operates in New Zealand.

The prospective financial statements presented are those of the Council as a separate legal entity and not of the Council group. The group financials are not published because the long-term plan relates to the Council itself, and not the group. The group financials have no impact on the funding impact statement (FIS).

The Council provides local infrastructure, regulatory services and local public services to the community and does not operate to make a financial return. Accordingly, the Council has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The prospective financial statements of the Council are for the years ended 30 June 2025 to 30 June 2034. The Council does not intend to update the prospective financial statements subsequent to presentation.

Basis of preparation

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

Statement of compliance

The financial statements of the Council have been prepared in accordance with the requirements of the Local Government Act 2002, which includes

the requirement to comply with New Zealand generally accepted accounting practice (NZGAAP).

These financial statements of the Council, with the exception of the Funding Impact Statements, have been prepared in accordance with NZGAAP. They comply with PBE FRS 42, NZ Public Benefit Entity Standards, other financial reporting standards as appropriate for public benefit entities, and are prepared in accordance with Tier 1 PBE Standards. The Funding Impact Statements do not comply with NZGAAP as they do not recognise depreciation and movements in the value of assets and also they do not show capital income (Subsidies and Development Contributions) as operating income.

Measurement base

The financial statements have been prepared on an historical cost basis, modified by the revaluation of land and buildings, infrastructural assets, investment property, biological assets and certain financial instruments (including derivative instruments).

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000), unless shown otherwise.

Changes in accounting policies

Standards that have recently been issued that are effective for the year ended 30 June 2023 are:

PBE IPSAS 41 Financial Instruments

In March 2019, the External Reporting Board (XRB) issued PBE IPSAS 41 Financial Instruments, which supersedes both PBE IFRS 9 Financial Instruments and PBE IPSAS 29 Financial Instruments: Recognition and Measurement. The main changes between PBE IPSAS 29 and PBE IPSAS 41 that are relevant for PNCC are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost; and
- A new impairment model for financial assets based on expected losses, which may result in earlier recognition of impairment losses.

The change to these has not resulted in any change to accounting policies. If any new financial assets require classification, these will be assessed at this point in time.

Standards issued that are not yet effective and have not been early adopted

The Council expects there will be minimal or no change to these accounting policies in applying any currently updated or proposed accounting standards.

Significant accounting policies

Revenue

Revenue is measured at the fair value of consideration received or receivable when it is probable that the economic benefit will flow to the Council.

Rates revenue

The following policies for rates are applied:

- General rates, targeted rates (excluding metered water), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from metered water rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

Agency revenue

Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on that transaction.

Provision of services

Revenue from the rendering of services is recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

Sale of goods

Sales of goods are recognised when a product is sold to the customer. Sales are usually in cash or by credit card. The recorded revenue is the gross amount of the sale, including credit card fees payable for the transaction. Such fees are included in other expenses.

Government subsidies and other grants

The Council receives government subsidies from the New Zealand Transport Agency, which subsidises part of the Council's costs of maintenance and capital expenditure of the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Traffic and parking infringements

Traffic and parking infringements are recognised when the infringement notices are issued, less assessed impairment losses determined by the collection history over the last year.

Vested assets

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as capital revenue when control over the asset is obtained. Fair value is determined by reference to the cost of constructing the asset or construction cost of the property developer.

Development contributions

Development and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time the Council provides, or is able to provide, the service.

Development contributions are classified as part of 'Capital Revenue' in the Statement of Comprehensive Revenue and Expense.

Interest and dividends

Interest income is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established. Dividends are recognised in surplus or deficit unless the dividend clearly represents a recovery of part of the cost of the investment.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Grant expenditure

The Council's grants awarded have no substantive conditions attached.

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are

recognised as expenditure when a successful applicant has been notified of the Council's decision.

Income tax

Income tax expense comprises both current tax and deferred tax, and is calculated using tax rates that have been enacted or substantively enacted by balance date.

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable surplus.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surpluses will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting surplus nor taxable surplus.

Current tax and deferred tax are recognised against the surplus or deficit for the period, except to the extent that it relates to a business

combination, or to transactions recognised in other comprehensive revenue and expense or directly in equity.

Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Trade and other receivables

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL).

The Council apply the simplified ECL model of recognising lifetime ECL for short-term receivables.

In measuring ECLs, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are “written-off”:

- when remitted in accordance with the Council’s rates remission policy; and
- in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2002.

Other receivables are written-off when there is no reasonable expectation of recovery.

Financial assets

Other financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- amortised cost;
- fair value through other comprehensive revenue and expense (FVTOCRE); and
- fair value through surplus and deficit (FVTSD).

Transaction costs are included in the value of the financial asset at initial recognition unless the it has been designated at FVTSD, in which case it is recognised in surplus or deficit.

The classification of a financial asset depends on its cash flow characteristics and the Council management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are ‘solely payments of principal and interest (SPPI)’ on the principal outstanding and is held within a

management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

Initial recognition of concessionary loans

Loans made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flow, discounted at the current market rate of return for a similar financial instrument. For loans to community organisations, the difference between the loan amount and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant expense.

Subsequent measurement of financial assets at amortised cost

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses (ECL). Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, community loans, and loans to subsidiaries and associates.

Subsequent measurement of financial assets at FVTOCRE

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except ECL and foreign exchange

gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit. Debt instruments in this category are the Council's listed bonds.

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council designate into this category all equity investments that are not held for trading as they are strategic investments that are intended to be held for the medium to long-term.

Subsequent measurement of financial assets at FVTSD

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit.

Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

Other than for derivatives, the Council has no instruments in this category.

Expected credit loss allowance (ECL)

The Council recognise an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to Council in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a

12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council's historical experience and informed credit assessment and including forward-looking information.

The Council consider a financial asset to be in default when the financial asset is more than 90 days past due. The Council may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

Council measure ECLs on loan commitments at the date the commitment becomes irrevocable. If the ECL measured exceeds the gross carrying amount of the financial asset, the ECL is recognised as a provision.

Shares in subsidiaries (at cost)

The investment in subsidiaries is carried at cost in the Council's parent entity financial statements.

Derivative financial instruments

Derivative financial instruments are used to manage exposure to interest rate risks arising from the Council's financing activities. In accordance with its Treasury Management Policy, the Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date.

The associated gains or losses on derivatives that are recognised in surplus or deficit.

The portion of the fair value of an interest rate derivative that is expected to be realised within 12 months of balance date is classified as current, with the remaining portion.

Inventories

Inventories (such as spare parts and other items) held for distribution or consumption in the provision of services are measured at cost adjusted for any loss of service potential.

The amount of any write-down from cost for any loss of service potential is recognised in the surplus or deficit.

When land held for development and future resale is transferred from property, plant and equipment to inventory, the fair value of the land at the date of transfer is its deemed cost.

Costs directly attributable to the developed land are capitalised to inventory, with the exception of infrastructural assets which are capitalised to property, plant and equipment.

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Property, plant and equipment

Consisting of:

Operational assets –

Include land, buildings, recreation and community facilities, landfill post-closure, library books, heritage and art collections, plant and equipment, and motor vehicles.

Restricted assets –

are parks and reserves owned by the Council which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Infrastructure assets –

are the fixed utility systems owned by the Council, including transport, water, wastewater and stormwater networks, and waste management. Each asset class includes all items that are required for the network to function, for example wastewater reticulation includes reticulation piping and sewer pump stations.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Revaluation

The following plant, property and equipment asset groups are revalued at least every three years to ensure their carrying amount does not differ materially from fair value:

- roading (except land under roads) and parking network,
- water, wastewater and stormwater networks, and
- parks, building property, recreation, sportsfields and community facilities.

All other asset classes are carried at depreciated historical cost.

The Council assesses the carrying values of its revalued assets annually to ensure they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

The Council accounts for revaluations of property, plant and equipment on a class of asset basis.

Land under roads is generally considered 'non-tradable' due to the perpetual nature of community use. As there is no generally accepted methodology for the valuation of land under roads, the Council is not revaluing this land and will carry this at deemed cost. Under the previous NZ IFRS, the Council has elected to use the fair value of land under roads as at 1 July 2005 as deemed cost.

Accounting for revaluation

The results of revaluing are included in other comprehensive revenue and expense and credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in

value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired through a non-exchange transaction, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment (except as referred to in the following paragraph), at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

Land, land under roads, restricted assets, assets under construction, investment proper ties, biological assets and heritage assets are not depreciated.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

OPERATING ASSETS

	YEARS
Buildings	50-100
Building fitout	10-50
Plant and equipment	3-25
Furniture and fittings	4-25
Motor vehicles	3-18
Computer equipment	2-7
Library books	3-10
Exhibitions	1-5
Leasehold improvements	1-30

INFRASTRUCTURAL ASSETS

	YEARS
Roading	
Bridges and culverts	25-125
Sub-base and base course	100
Surfaces	1-20
Footpaths	15-99
Kerb and channel	80
Signage	20
Signals, streetlights	10-80
Trees	100
Vehicle crossing	80

Car parks

Car parking buildings	50
-----------------------	----

Sub-base and base course	100
Surfaces	20-40

Waste management

Buildings	50-100
Safety fence, portable screens	40
Pumps	30
Sumps, drainage	100
Machinery	15-35
Wheelie bins	15

Stormwater

Pipework	100-250
Sumps	150
Laterals, manholes	120-150
Pumping station/pumps	10-100

Wastewater

Pipeworks, laterals, manholes	75-120
Pumps	15-30
Pumping stations	30-100
Buildings	50-100
Treatment plants	15-120

Water

Pipeworks, laterals	50-120
Hydrants	75
Tobies	50-70
Valves	80
Water meters	15-25
Pumping stations	15-100
Dams	15-1000
Reservoirs	100

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Intangible assets

Goodwill

Goodwill on acquisition of subsidiaries is included in Intangible Assets.

Separately recognised goodwill is tested for impairment annually and carried at cost less accumulated impairment losses. An impairment loss recognised for goodwill is not reversed in any subsequent period.

Goodwill is allocated to cash-generating units for the purposes of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use by the Council are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Costs associated with maintaining computer software and staff training costs are recognised as an expense when incurred.

Costs associated with development and maintenance of the Council's website are recognised as an expense when incurred.

Other intangible assets

Costs incurred are capitalised on assets constructed on third party land, such as an athletic track, which have long-term access available to residents.

Car park leases

Acquired carpark leases are capitalised on the basis of the costs incurred to acquire and bring to use the specific car parks.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software and licences	3-7 years
Athletic track	9 years
Carpark leases	50 years

Impairment of property, plant and equipment and intangible assets

Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use, and goodwill, are not subject to amortisation and are tested annually for impairment.

Property, plant and equipment and intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs to sell, and its value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to comprehensive revenue and expense, and increases the revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the

surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

Value in use for non-cash-generating assets

Non-cash-generating assets are those assets not held with the primary objective of generating a commercial return.

For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash-generating assets

Cash-generating assets are those assets held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

Forestry assets

Standing investment forestry assets are independently revalued annually at fair value, less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of expected net cash flows discounted at a current market-determined rate. This calculation is based on existing sustainable felling plans and assessments for growth, timber prices, felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions.

Gains or losses arising on initial recognition of biological assets at fair value less estimated costs to sell and from a change in fair value less estimated costs to sell are recognised in the surplus or deficit.

The costs to maintain the forestry assets are included in the surplus or deficit when incurred.

Compensating emission units relating to pre-1990 forest land are recorded at a nil cost. Possible deforestation penalties relating to pre-1990 forest land are not recognised.

Investment property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, the Council measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

Trade and other payables

Short-term creditors and other payables are measured at the amount payable.

Employee benefits

Short-term employee benefits

Employee benefits that the Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, time in lieu and sick leave.

The Council recognises a liability for sick leave to the extent that compensated absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that the Council anticipates it will be used by staff to cover those future absences.

Long-term employee benefits

Entitlements that are payable beyond 12 months, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information, and
- the present value of the estimated future cash flows, discounted at a current market determined rate.

Superannuation schemes

Defined contribution schemes - obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

Defined benefit schemes –

the Council belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the board of trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, because it is not possible to determine from the terms of the scheme the extent to which the scheme's surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

Provisions

The Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in 'Finance Costs'.

Financial guarantee contracts

A financial guarantee contract requires the Council to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, the fair value of the liability is initially measured using a valuation technique, such as considering the credit enhancement arising from the guarantee or the probability that the Council will be required to reimburse a holder for a loss incurred discounted to present value. If the fair value of a guarantee cannot be reliably determined at initial recognition, a liability is recognised at the amount of the loss allowance determined in accordance with the expected credit loss (ECL) model.

Financial guarantees are subsequently measured at the higher of:

- the amount determined in accordance with the ECL model; and
- the amount initially recognised less, when appropriate, cumulative amortisation as revenue.

Borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

Equity

Equity is the community's interest in the Council and measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- retained earnings,
- special reserves and funds,
- asset revaluation reserves, and
- fair value through other comprehensive revenue and expense.

Special reserves and funds

Special reserves and funds are a component of equity generally representing a particular use to which various parts of equity have been assigned. Special reserves and funds may be legally restricted or created by the Council.

Special reserves and funds are those subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in special reserves and funds are reserves restricted by Council decision. The Council may alter them without reference to any third party or the courts. Transfers to and from these reserves are at the discretion of the Council.

Asset revaluation reserves

Asset revaluation reserves relate to the revaluation of property, plant and equipment to fair value.

Fair value through other comprehensive revenue and expense

Fair value through other comprehensive revenue and expense reserve relates to the cumulative net change of fair value of financial assets through other comprehensive revenue and expense.

Goods and services tax (GST)

All items in the financial statements are stated exclusive of GST, except for trade and other receivables and trade and other payables, which are stated on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from or payable to the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to or received from the IRD including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Cost allocation

The Council has derived the cost of service for each significant Council activity using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs which cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

Critical accounting estimates and assumptions

In preparing these financial statements the Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities or the Council's financial performance are disclosed in section 3 under Significant Forecasting Assumptions.

Reporting format

These financial statements incorporate applicable amendments to legislation governing financial reporting requirements.

Rating System, Rates and Funding Impact Statements

Introduction

Rating incidence is governed by the Council's Revenue and Financing Policy and its Rating Policies. This section outlines details of the present rating system used by the Council. It also incorporates the Funding Impact Statements in the form prescribed by the Local Government (Financial Reporting and Prudence) Regulations 2014.

At various points within this section a level of rate or charge is outlined. These are indicative figures provided to give ratepayers an estimate of what their level of rates is likely to be in the forthcoming year. They are not necessarily the actual figures as these will not be known until the Council's rating information database is finalised. Rates figures in this section are GST-inclusive unless otherwise specified.

Rating Objectives

These are the Council's rating objectives:

- to encourage growth and confidence in the city by operating a stable, easily understood method of setting rates
- to set rates in a manner that is fair and equitable as between various ratepayers and classes of ratepayer, and consistent with Council's planning objectives
- to ensure that all citizens contribute to the cost of providing city services by charging on a user-pays basis where practicable
- to foster the sense of a single community by operating a common system throughout the city.

Components of the rating system - a summary

The Council's rating system, designed to meet these objectives, is utilised to fund the net cost of operations and programmes outlined in the Long-term Plan and Annual Budget (Plan). It comprises the following components:

- A common system applies throughout the city.
- Targeted rates, in the form of fixed amounts (as proxy user charges) are made to cover the costs of services that are identifiable by property (water supply, wastewater disposal, and rubbish and recycling). In addition, significant non-residential and some rural users of water are metered and some non-residential wastewater users are charged on the basis of the number of pans. A targeted rate (comprising a fixed amount and a variable amount based on capital value) is made on non-residential properties within the central city Palmy BID area.
- A Uniform Annual General Charge (UAGC) is applied as a fixed amount to every rating unit within the city. It is used as a mechanism to ensure each rating unit contributes a minimum amount of the general rate and also to moderate rates on high land-value properties.
- A targeted rate, based on the capital value, is planned to be applied to each rating unit, with different rates (differentials) applying to each differential category. In 2024/25 it is intended this rate will cover part of the costs of the delivering goal one (an innovative and growing city) and in particular transport, economic development, housing and urban design activities. In the following two years it is planned this rate will be progressively increased to cover the full costs of the above activities then in addition a portion of the costs of the delivering goal

two (a creative and exciting city) and in particular the recreation and play and arts and heritage activities. The increases in this rate will be compensated for by reductions in the general rate.

- A General Rate, based on the land value, is applied to each rating unit, with different rates (differentials) applying to each property category.

The categories in the Council’s differential rating scheme reflect differing property use and can be broadly grouped as follows:

- Single-unit residential
- Multi-unit residential
- Non-residential
- Rural and semi-serviced
- Miscellaneous.

Differential surcharges (that is, a higher rate in the dollar) are applied to multi-unit residential and non-residential properties, while lower rates are applied to single unit residential and rural/semi-serviced properties. No surcharge is applied to miscellaneous properties.

Examples of proposed rates for 2024/25

Examples of proposed rates for 2024/25 are shown in the following table:

	Land Value	Capital Value	Rates 2023/24	Rates 2024/25
Single unit residential				
Average	468,000	739,000	3,206	3,456
Median	455,000	690,000	3,149	3,380
Quartile 1	360,000	590,000	2,735	2,942
Quartile 3	540,000	840,000	3,520	3,799
Two unit residential				
Average	561,000	829,000	5,532	5,985
Median	525,000	770,000	5,313	5,736
Quartile 1	450,000	675,000	4,858	5,237
Quartile 3	625,000	920,000	5,920	6,417
Non-residential				
Average	1,022,000	2,402,000	17,518	19,783
Median	620,000	1,030,000	10,867	11,687
Quartile 1	385,000	610,000	6,979	7,456
Quartile 3	1,110,000	2,295,000	18,794	21,020
Rural & semi-serviced (5ha or more)				
Average	1,373,000	1,585,000	2,196	,2,374
Median	730,000	1,102,000	1,310	1,434
Quartile 1	520,000	551,000	1,020	1,045
Quartile 3	1,218,000	1,670,000	1,983	2,189
Rural & semi-serviced (between 0.2 and 5ha)				
Average	549,000	1,202,000	1,817	2,222
Median	520,000	1,180,000	1,737	2,131
Quartile 1	435,000	950,000	1,503	1,812

	Land Value	Capital Value	Rates 2023/24	Rates 2024/25
Quartile 3	590,000	1,390,000	1,930	2,401
Miscellaneous				
Average	916,000	1,746,000	5,355	6,074
Median	550,000	720,000	3,336	3,551
Quartile 1	295,000	400,000	1,930	2,030
Quartile 3	965,000	1,445,000	5,625	6,150

If all of the properties in the category of property were listed from lowest to highest land value, then the 'median' is the value at the half way point in the list, quartile 1 is the value at the first quarter point in the list, and quartile 3 is the value at the three-quarter point in the list.

For example, if there are 1,000 properties and they are sorted from the lowest to the highest land value then quartile 1 is the 250th property from the lowest.

The three-yearly revaluation of the city for rating purposes was undertaken in 2021 and those valuations are the base for general rates set in 2024/25.

The examples should be read with regard for the following assumptions:

- the Council's total rates revenue will increase by 10.1%
- the Uniform Annual General Charge will be \$200 per rating unit (\$200 in 2023/24)
- targeted rates in the form of fixed amounts will be applied for water supply (\$415); wastewater disposal (\$375); kerbside recycling (\$144); rubbish and public recycling (\$51) (\$407, \$306, \$148 and \$103 respectively in 2023/24)
- a targeted rate for wastewater disposal will be set on non-residential properties on the basis of the number of pans, in excess of three, on the rating unit. The charge per pan will be \$375 compared with \$306 per pan in 2023/24.
- a new targeted rate is planned to be implemented to cover the part of the costs of the goal one activities (transport, economic development, urban design and housing) and this is to be based on the capital value. As a consequence, the general rate will be lower than in 2023/24.

The examples shown for non-residential, miscellaneous and rural/semi-serviced properties do not include the charges (either fixed or metered) for water, wastewater or kerbside recycling because these vary from property to property, but they do include the rubbish and public recycling rate. They do not include the proposed targeted rates to fund the Palmy BID as these will be applied to selected properties in the defined central city Palmy BID area.

Components of the Rating System – more detail

General Rate (based on land value)

The Council proposes to set a general rate based on the land value of each rating unit in the city.

The general rate will be set on a differential basis based on land use (see description in section ‘Differential matters and categories’), with the differential factors as shown in the following table:

Differential Group		Differential Factor (expressed as % of Group Code MS)	Rate (cents in \$ of LV)
Code	Brief Description	Proposed 2024/25	Proposed 2024/25
R1	Single unit residential	Balance (approx. 79)	0.4122
R2	Two unit residential	110	0.5742
R3	Three unit residential	120	0.6264
R4	Four unit residential	130	0.6786
R5	Five unit residential	140	0.7308
R6	Six unit residential	150	0.7830
R7	Seven unit residential	160	0.8352
R8	Eight or more unit residential	170	0.8874
MS	Miscellaneous	100	0.5220
CI	Non-residential (Commercial/Industrial)	300	1.5660
FL	Rural/Semi-serviced (5 hectares or more)	25	0.1305
FS	Rural/Semi-serviced (0.2 hectares or less)	75	0.3915
FM	Rural/Semi-serviced (between 0.2 & 5 hectares)	55	0.2871

Uniform annual general charge

The Council proposes to set a uniform annual general charge of \$200 (\$200 for 2023/24) on each rating unit.

Capital Value Targeted rate

The Council proposes to set a targeted rate based on the capital value of each rating unit in the city. This rate will be used to fund part of the costs of the goal one (innovative and growing city) activities including transport, economic development, housing and urban design.

The rate will be set on a differential basis based on land use (see description in section 'Differential matters and categories'¹¹), with the differential factors as shown in the following table:

Differential Group		Differential Factor (expressed as % of Group Code MS)	Rate (cents in \$ of CV)
Code	Brief Description	Proposed 2024/25	Proposed 2024/25
R1	Single unit residential	Balance (approx. 78)	0.04625
R2	Two unit residential	120	0.07158
R3	Three unit residential	120	0.07158
R4	Four unit residential	120	0.07158
R5	Five unit residential	120	0.07158
R6	Six unit residential	120	0.07158
R7	Seven unit residential	120	0.07158
R8	Eight or more unit residential	120	0.07158
MS	Miscellaneous	100	0.05965
CI	Non-residential (Commercial/Industrial)	220	0.13123
FL	Rural/Semi-serviced (5 hectares or more)	35	0.02088
FS	Rural/Semi-serviced (0.2 hectares or less)	75	0.04474
FM	Rural/Semi-serviced (between 0.2 & 5 hectares)	55	0.03281

¹¹ Note – for the purposes of this targeted rate vacant serviced property where non-residential use is a permitted activity under the city's District Plan will be categorised as

non-residential, whereas it is categorised as miscellaneous for the purposes of the general rate.

Targeted rates (other)

For the purposes of the targeted rates proposed below the term 'residential' is defined as "having a predominant or exclusive residential use and on which one or more residential units is erected."

For the purposes of the targeted rates proposed below, a 'separately used or inhabited part (SUIP) of a rating unit' is defined as:

"Any part of the rating unit that is, or is able to be, separately used or inhabited by the ratepayer, or any other person who has the right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement.

This definition includes separately used parts, whether or not actually occupied at any particular time, which are provided by the owner for rental (or other form of occupation) on an occasional or long-term basis by someone other than the owner.

For the purposes of the definition, vacant land and vacant premises offered or intended for use or habitation by a person other than the owner and usually used as such are defined as 'used'.

For the avoidance of doubt, a rating unit that has a single use or occupation is treated as having one SUIP.

For a residential property a SUIP will have a separate entrance, kitchen facilities (including sink or cooking facilities), living facilities and toilet/bathroom facilities.

By way of example the following would be considered to have separately used or inhabited parts of a rating unit:

- A single dwelling with flat attached
- Two or more houses, flats or apartments on one certificate of title."

The Council does not have a lump sum contribution policy and lump sum contributions will not be invited for any targeted rate.

Water supply

The Council proposes to set targeted rates for water supply. For residential rating units it shall be on the basis of a fixed amount per separately used or inhabited part, and for all other properties a fixed amount per rating unit. The charge will be set on a differential basis based on the availability of the service (either 'connected' or 'serviceable'). Connected means the rating unit is connected to a Council-operated waterworks while serviceable means the rating unit is not connected to a Council-operated waterworks but is within 100m of such waterworks and Council would allow a connection. The serviceable rate will be 50% of the connected rate.

Rating units that are not connected to the scheme and are not serviceable will not be liable for this rate. The estimated rates for the 2024/25 year are:

Connected:	\$415.00
Serviceable:	\$207.50

There are situations where the Council will require water to be supplied on a metered basis. Where this occurs, the Council proposes instead of the above to set metered water targeted rates that comprise a fixed amount (estimated at \$230 per metered connection for connections of 25mm or less and \$490 for connections greater than 25mm) and a variable

amount (estimated at \$1.78538 per cubic metre) based on the volume of water supplied.

Wastewater disposal

The Council proposes to set a targeted rate for wastewater disposal. For residential rating units, it shall be set on the basis of a fixed charge per separately used or inhabited part, and for all other properties a fixed charge per rating unit. The charge will be set on a differential basis based on the availability of the service (either 'connected' or 'serviceable'). Connected means the rating unit is connected to a public wastewater drain, while serviceable means the rating unit is not connected to a public wastewater drain but is within 30m of such a drain, and Council would allow a connection. The serviceable rate will be 50% of the connected rate.

Rating units that are not connected to the scheme, and which are not serviceable will not be liable for this rate.

The estimated rates for the 2024/25 year are:

Connected:	\$375.00
Serviceable:	\$187.50

In addition, for the 2024/25 year the Council proposes to set a targeted rate for connected non-residential rating units of \$375 per pan (water closet or urinal) for each pan in excess of three.

Resource Recovery

Kerbside recycling

The Council proposes to set a targeted rate for kerbside recycling on the basis of:

- a fixed amount per separately used or inhabited part of a rating unit for residential properties receiving the Council's kerbside collection service
- a fixed amount per rating unit for non-residential and rural/semi-serviced properties receiving the Council's kerbside collection service

Where ratepayers elect, and the Council agrees, additional levels of service may be provided. These additional services could be providing more recycling bins or more frequent service. Each additional level of service will be charged at a rate of \$144. This may include charges to non-rateable rating units where the service is provided. Rating units for which the Council is not prepared to provide the service will not be liable for these rates.

The estimated rates for the 2024/25 year are:

Kerbside recycling	\$144
--------------------	-------

Rubbish and public recycling

The Council proposes to set a targeted rate for rubbish and public recycling on the basis of a fixed amount per separately used or inhabited part of each residential rating unit and a fixed amount per rating unit for all other rating units. Rating units that are vacant land will not be liable for these rates.

The estimated rates for the 2024/25 year are:

Rubbish and public recycling \$51

Palmy BID

The Council proposes to set targeted rates on those properties within the central city Palmy BID area as shown on the following map that are categorised as non-residential for the Council's general rate. The rate will fund a grant to the Palmy BID group.

The targeted rates will comprise:

- A fixed amount of \$345 per rating unit; and
- A variable amount of 0.0137 cents in the \$ of the capital value of the rating unit.

PALMY BID RATE AREA



Differential Matters and Categories

Objectives of Differentials for General Rate

The Council believes that a uniform general rate based on land value would not produce a fair and equitable allocation of rates. For this reason, it operates a system of differentials based on land use.

Descriptions of the land use categories are shown in the following section.

The Council describes the relationship between the rates charged to each group in terms of a factor expressed as a percentage of the rate that would apply if there were no differential rating in place – that is, the group described as Miscellaneous (MS). Each year, the Council reviews the differential factors applied to each land use category. The factors proposed for 2024/25 are outlined in the section ‘General Rate (based on land value)’ and are unchanged from 2023/24 except for code FM which has changed from 50% to 55% and for code FL from 25% to 35%.

The factors have been developed to address the following matters:

- rating units containing more than one residential unit will place an increasing demand on Council services as the number of units increase
- the land value for non-residential property is often driven by different influences from the land value for residential or rural land and therefore is not directly comparable as a rating base
- the Council’s Revenue and Financing Policy identifies a number of activities where it believes non-residential users gain a greater benefit than other users and should bear a greater share of the cost
- for large rural rating units a pure land value system would produce rates charges that would be unsustainable

- rural and semi-serviced rating units generally have limited or, in some cases, no access to some Council activities funded through the general rate

Differentials based on land use

The Council proposes to differentiate the general rate primarily on the basis of land use. Properties with more than one use will be placed in a category that the Council considers reflects the primary use.

The Council will consider partitioning the property into parts and allocate each part to the most appropriate category in situations such as the following:

- where there are discreet parts of the property used for different purposes such as a retail shop and a residence
- for manager’s residences associated with motel complexes
- where part of the property is used for not-for-profit or other community purposes and the remainder is used for other purposes
- where the property is not serviced and is used for commercial, industrial or business purposes but a significant part is used for farming or horticultural purposes
- where a property has a rural zoning but is serviced and has one or more residential units then the first 2ha will be classified as group code R1 and the balance as FM or FL depending on its size
- where a property that is greater than 5ha (and residential use is a permitted activity under the city’s District Plan) becomes serviced the first 5ha (or the area of the actual sub-divisional development if larger than this) will be categorised in group code R1 and the remainder will continue to be treated as not serviced for rating purposes

- where a property that is less than 5ha becomes serviced and features of the land or District Plan requirements impede subdivision the part that reflects the extent of the impediment will continue to be treated as not serviced for rating purposes

Note that, subject to the rights of objection to the rating information database set out in sections 29 and 39 of the Local Government (Rating) Act 2002, the Council is the sole determiner of the categories.

In the context of the general rate, ‘serviced’ means the property is either connected or serviceable for wastewater disposal. Connected means the rating unit is connected to a public wastewater drain, while serviceable means the rating unit is not connected to a public wastewater drain but is within 30m of such a drain, and Council would allow a connection.

The following differential categories will be used:

Single-unit residential (R1)

Every serviced rating unit not otherwise classified:

- having a predominant or exclusive residential use (excluding home occupations) and on which is erected one residential unit; or
- being vacant property where residential use is a permitted activity under the city’s District Plan.

Multi-unit residential (R2 - R8)

Every serviced rating unit not otherwise classified on which is erected:

- two residential units (R2); or

- three residential units (R3); or
- four residential units (R4); or
- five residential units (R5); or
- six residential units (R6); or
- seven residential units (R7); or
- eight or more residential units (R8).

In determining what is a residential unit, the Council will apply the same criteria as defined for a SUIP.

Miscellaneous (MS)

Every rating unit not otherwise classified of the following types:

- property used primarily for not-for-profit or other community purposes, excluding retail shops
- property owned by the Council that is used by it for parking that is available for public use
- property where the ratepayer conducts or permits to be conducted a business (a Home Occupation, as defined in the city’s District Plan), which would otherwise qualify for inclusion in group code R1
- vacant serviced property where non-residential use is a permitted activity under the city’s District Plan (note such property is categorised as non-residential for the purposes of any capital value based rate)
- property that is not serviced and would otherwise qualify for inclusion in group code FL, FS or FM but is used for predominantly commercial, industrial or business purposes (excluding farming and horticulture).
- property not specifically categorised in any of the other group codes.

Non-residential (CI)

Every serviced rating unit, not otherwise classified, used for commercial, industrial or business purposes including licensed hotel, serviced apartments or residential institution including a guesthouse, rooming house, boarding house, private hotel, motel, residential club or hostel. Network utilities in the street are categorised as non-residential.

Rural and semi-serviced (FL, FS and FM)

FL – Every rating unit not otherwise classified that is not serviced and has either

- an area of 5ha or more; or
- an area less than 5ha but on which there is no residential dwelling or non-residential improvements.

When the rating unit becomes serviced, as defined above (and provided it is zoned to permit subdivision), the property will be reclassified to the higher rated differential category in the immediately following year.

FS – Every rating unit not otherwise classified that is not serviced and has an area of 0.2ha or less and on which there is a residential dwelling.

FM – Every rating unit not otherwise classified that is not serviced and has an area greater than 0.2ha and less than 5ha and on which there is either residential dwellings or non-residential improvements.

Early payment of rates

Sections 55 and 56 of the Local Government (Rating) Act 2002 empowers councils to accept early payment of rates.

The Council will accept any payment of rates for either the current or future years in advance of the due date

Rates payable by instalment and due dates

The Council provides for rates to be paid in four equal instalments. For the 2024/25 year the due dates (that is, final dates for payment without incurring penalty charges) will be:

Instalment 1:	30 August 2024
Instalment 2:	29 November 2024
Instalment 3:	28 February 2025
Instalment 4:	30 May 2025

Ratepayers may elect to pay on a more regular basis if they choose. They may also elect to pay the full year's rates in one lump sum prior to the due date for instalment 2 without incurring penalty charges on instalment 1.

Rates may be paid using any one of a number of payment methods acceptable to the Council, including direct debit, cash or Eftpos at Council's office, direct credit and other bank transfer methods. Payment by credit card can be made using the Internet or at Council's office, subject to the payment of a fee to cover costs.

The due date for metered water targeted rates will be the 20th of the month following the invoice date as follows:

Monthly Invoicing	
Instalment	Due date
1	20 July 2024
2	20 August 2024
3	20 September 2024
4	20 October 2024
5	20 November 2024
6	20 December 2024
7	20 January 2025
8	20 February 2025
9	20 March 2025
10	20 April 2025
11	20 May 2025
12	20 June 2025

Two-monthly invoicing			
Linton, East & North Rounds		Ashhurst, South West, PNCC & Central Rounds	
Instal #	Due date	Instal #	Due date
1	20 July 2024	1	20 August 2024
2	20 September 2024	2	20 October 2024
3	20 November 2024	3	20 December 2024
4	20 January 2025	4	20 February 2025
5	20 March 2025	5	20 April 2025
6	20 May 2025	6	20 June 2025

Rates penalties

To provide an incentive for rates to be paid by the due date, penalties will be imposed when rates are not paid on time. A penalty of 10% will be added to any portion of an instalment remaining unpaid after the due date for payment, as outlined in the section above.

A penalty charge of 10% will be added to any outstanding rates (including penalties) assessed in previous years and remaining outstanding at 5 July 2024 and again on 3 January 2025.

Penalty charges will not be applied to the metered water targeted rate.

Rating base information

The following are the projected number of rating units as at 30 June each year:

2024	34,900	2029	36,400
2025	35,200	2030	36,700
2026	35,500	2031	37,000
2027	35,800	2032	37,300
2028	36,100	2033	37,600

Approximately 670 of those projected at 30 June 2024 will be categorised as non-rateable under the Local Government Rating Act meaning rates cannot be assessed on them except targeted rates for water and wastewater.

Rates Summary

Basis of rates		AB 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000	LTP 2028/29 \$000	LTP 2029/30 \$000	LTP 2030/31 \$000	LTP 2031/32 \$000	LTP 2032/33 \$000	LTP 2033/34 \$000
General rates												
General rates	rate in \$ of LV (differentiated by use)	85,661	80,492	70,085	55,867	59,462	61,969	65,471	69,823	74,889	78,923	83,743
UAGC	fixed charge p rating unit	5,792	5,852	6,200	6,552	6,910	7,273	7,641	8,015	8,393	8,777	9,167
Targeted rates												
Innovative & growing city (transport/ economic development /urban design & housing)	rate in \$ of CV (differentiated by use)		16,271	30,671	35,201	38,025	43,094	49,289	56,001	63,371	68,839	75,169
Creative & exciting city (recreation & play/arts & heritage)	Rate in the \$ of CV (differentiated by use)			4,724	23,403	24,419	22,089	19,650	17,580	15,578	14,478	13,346
Water connected	fixed charge p SUIP (residential) or p rating unit (non-residential)	10,925	11,219	12,346	13,681	15,163	17,494	19,063	20,775	22,175	23,531	24,664
- serviceable	fixed charge p SUIP (residential) or p rating unit (non-residential)	120	123	134	147	161	184	199	214	227	239	248
- metered	fixed charge p SUIP (residential) or p rating unit (non-residential)	3,100	3,250	3,575	3,960	4,387	5,059	5,511	6,004	6,408	6,799	7,125

	\$ p m3 plus fixed charge											
Wastewater												
- connected	fixed charge p SUIP (residential) or p rating unit (non-residential)	8,646	10,654	11,451	12,796	14,206	16,040	17,110	18,662	19,468	23,494	27,660
- serviceable	fixed charge p SUIP (residential) or p rating unit (non-residential)	92	112	119	132	145	162	171	185	191	229	267
- pans	fixed charge p pan charge p SUIP (residential) or p rating unit (non-residential) fixed charge p pan	2,421	3,033	3,230	3,574	3,927	4,402	4,659	5,038	5,206	6,240	7,275
Rubbish & recycling												
-kerbside recycling	fixed charge p SUIP	4,128	4,049	4,253	4,381	4,512	4,738	4,880	5,026	5,177	5,332	5,492
-rubbish & public recycling	fixed charge p SUIP	3,112	1,547	2,008	1,696	1,965	2,165	3,223	3,549	4,220	4,444	4,967
Palmy BID												
	Fixed charge p rating unit & rate in \$ of CV for commercially rated properties in Palmy BID area of central city	125	125	127	131	135	138	141	145	149	152	156
		125	125	128	132	135	138	142	145	149	153	157
Total Rates Revenue (GST Exclusive)		\$124,246	\$136,852	\$149,054	\$161,654	\$173,551	\$184,945	\$197,151	\$211,161	\$225,602	\$241,629	\$259,436

Source and application of funds statements (Funding Impact Statements)

The Local Government (Financial Reporting and Prudence) Regulations 2014 prescribe the format for statements showing the sources and application of funds for the whole of Council and for each group of activities of the Council.

These statements are designed to show where operational and capital funding comes from, and how they are used.

This information is presented in two ways, firstly at the Whole of Council level, and in a slightly different form at the “Group of Activities” level. At the Group of Activities level, internal revenue and expenditure are shown as separate items, while at the Whole of Council level they are not displayed because the amounts balance each other out.

Capital Expenditure is grouped into three broad categories based on which one the programme most relates to. The three categories are:

- to meet additional demand
- to improve the level of service
- to replace existing assets.

The categories do not clearly represent the fact that some programmes will contribute to more than one purpose.

In addition to the statements mentioned, the Council is also providing Activity Financial Statements which show the revenue and expenses for the services provided, as well as how the rates are calculated (see section 1). The Funding Impact Statements differ from the Activity Statements in that they do not include depreciation as an expense, categorise capital revenue as part of operating revenue or include movements in the value of assets. The 10 year reconciliation is shown below.

Budget	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
14,032	7,612	117,507	58,034	101,101	262,567	216,607	233,860	414,408	228,137	168,202
22,974	20,054	31,990	40,115	103,370	113,186	166,073	219,822	160,454	134,138	125,079
43,043	49,417	50,503	54,289	57,172	58,998	63,196	66,291	67,902	72,574	75,635
5,403	6,422	99,394	30,340	6,683	152,318	50,162	6,905	235,645	67,169	7,146
-	5,247	3,206	3,277	3,349	3,419	3,488	3,554	2,299	-	-
28,698	25,307	39,832	45,145	51,569	59,480	67,056	76,978	88,511	99,404	11

* as per Prospective Statement of Comprehensive Revenue and Expense on Page 266

Funding Impact Statements											
Budget	Whole of Council	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
(SURPLUS) / DEFICIT OF OPERATING FUNDING											
Sources of operating funding											
91,451	General rates, uniform annual general charges, rates penalties	86,345	76,288	62,771	66,753	69,645	73,542	78,302	83,779	88,226	93,421
32,795	Targeted rates	50,506	72,766	98,883	106,798	115,300	123,609	132,860	141,825	153,403	166,014
7,880	Subsidies and grants for operating purposes	6,370	6,467	6,605	6,662	7,417	7,558	7,772	7,860	8,003	8,222
8,022	Fees and charges	7,773	7,879	8,053	8,228	8,454	8,677	8,927	9,182	9,384	9,553
150	Interest and dividends from investments	356	359	363	366	370	373	376	380	383	386
25,133	Local authorities fuel tax, fines, infringement fees, and other receipts	30,926	31,429	31,980	32,737	33,566	34,173	35,132	34,628	32,473	33,086
165,430	Total Sources of operating funding	182,276	195,189	208,655	221,544	234,751	247,932	263,370	277,653	291,872	310,682
Applications of operating funding											
126,832	Payments to staff and suppliers	142,450	138,360	143,037	145,290	148,176	152,201	156,736	159,435	163,135	170,759
9,899	Finance costs	14,520	16,998	20,474	24,685	27,095	28,675	29,656	29,707	29,333	28,309
-	Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-
136,731	Total Applications of operating funding	156,970	155,357	163,510	169,975	175,270	180,876	186,392	189,142	192,468	199,069
28,699	Total (SURPLUS) / DEFICIT OF OPERATING FUNDING	25,306	39,832	45,144	51,570	59,481	67,056	76,978	88,511	99,404	111,613
(SURPLUS) / DEFICIT OF CAPITAL FUNDING											
Sources of capital funding											
17,725	Subsidies and grants for capital expenditure	16,093	27,779	35,157	97,659	106,476	158,480	211,647	152,066	125,580	116,453
3,249	Development and financial contributions	1,961	2,211	2,958	3,711	4,710	5,593	6,175	6,388	6,558	6,626
43,672	increase (decrease) in debt	53,296	57,112	76,706	65,181	30,151	30,559	11,558	(2,933)	(2,570)	(21,715)
64,646	Total Sources of capital funding	71,350	87,102	114,821	166,551	141,337	194,632	229,380	155,520	129,568	101,364
Applications of Capital Funding											
Capital Expenditure:-											
13,018	- to meet additional demand	14,972	12,684	25,014	19,485	29,346	48,010	52,041	45,335	24,989	27,891
52,186	- to improve the level of service	47,401	77,259	97,160	156,700	130,557	167,722	204,175	145,022	150,074	131,486
28,141	- to replace existing assets	32,984	35,598	35,921	40,346	40,180	45,211	49,860	53,746	53,971	54,129
-	Increase (decrease) of Investments	1,300	1,393	1,871	1,590	735	745	282	(72)	(63)	(530)
93,345	Total applications of capital funding	96,657	126,934	159,966	218,120	200,817	261,688	306,357	244,032	228,972	212,976
28,699	Total (SURPLUS) / DEFICIT OF CAPITAL FUNDING	25,307	39,832	45,144	51,569	59,480	67,056	76,978	88,511	99,404	111,613
-	Total Funding (Surplus) /Deficit	-	-	-	-	-	-	-	-	-	-

Funding Impact Statements											
Budget	An innovative and growing city	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
(SURPLUS) / DEFICIT OF OPERATING FUNDING											
Sources of operating funding											
9,174	General rates, uniform annual general charges, rates penalties	6,036	-	-	-	-	-	-	-	-	-
-	Targeted rates	8,096	14,144	14,863	15,978	18,169	19,653	21,737	24,188	26,754	29,200
1,050	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
6,017	Fees and charges	5,926	5,994	6,126	6,260	6,446	6,631	6,842	7,058	7,222	7,352
44	Internal charges and overheads recovered	2,156	2,189	2,290	2,424	2,571	2,716	2,850	2,972	3,070	3,150
1,631	Local authorities fuel tax, fines, infringement fees, and other receipts	8,505	8,675	8,866	9,061	9,251	9,437	9,616	8,477	5,943	6,049
17,916	Total Sources of operating funding	30,720	31,002	32,144	33,723	36,438	38,436	41,045	42,695	42,988	45,751
Applications of operating funding											
13,938	Payments to staff and suppliers	24,978	17,187	17,623	17,575	18,134	18,331	18,793	19,273	19,715	20,120
5	Finance costs	2,429	2,224	2,421	2,959	3,220	3,257	3,194	3,046	3,038	3,136
3,253	Internal charges and overheads applied	7,023	6,667	7,098	7,829	8,930	10,101	11,150	12,121	12,721	13,131
17,196	Total Applications of operating funding	34,430	26,078	27,143	28,363	30,284	31,688	33,137	34,440	35,474	36,386
720	Total (SURPLUS) / DEFICIT OF OPERATING FUNDING	3,711	4,924	5,001	5,361	6,154	6,748	7,908	8,255	7,514	9,365
(SURPLUS) / DEFICIT OF CAPITAL FUNDING											
Sources of capital funding											
955	Subsidies and grants for capital expenditure	23	-	-	54	3,141	2,973	1,578	1,592	271	3,286
39	increase (decrease) in debt	5,442	(2,999)	4,664	6,399	(1,886)	(2,759)	(5,367)	(5,666)	2,505	3,756
916	Total Sources of capital funding	5,464	(2,999)	4,664	6,454	1,254	214	(3,789)	(4,073)	2,775	7,042
Applications of Capital Funding											
Capital Expenditure:-											
- to meet additional demand											
1,070	- to improve the level of service	531	519	8,197	10,425	5,932	5,712	2,980	3,022	9,108	15,175
566	- to replace existing assets	1,223	1,406	1,468	1,389	1,477	1,251	1,139	1,160	1,181	1,232
-	Increase (decrease) in Investments	-	-	-	-	-	-	-	-	-	-
1,636	Total applications of capital funding	1,754	1,925	9,666	11,815	7,409	6,963	4,119	4,182	10,289	16,407
720	Total (SURPLUS) / DEFICIT OF CAPITAL FUNDING	(3,711)	4,924	5,002	5,361	6,155	6,748	7,908	8,255	7,514	9,365
Total Funding (Surplus) /Deficit									-	-	-

Funding Impact Statements											
Budget	Transport	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
(SURPLUS) / DEFICIT OF OPERATING FUNDING											
Sources of operating funding											
15,470	General rates, uniform annual general charges, rates penalties	6,746	-	-	-	-	-	-	-	-	-
-	Targeted rates	8,419	16,782	20,599	22,314	25,198	29,914	34,548	39,473	42,381	46,270
4,678	Subsidies and grants for operating purposes	4,927	5,025	5,141	5,259	5,375	5,488	5,598	5,710	5,824	5,935
187	Fees and charges	197	201	205	210	215	219	224	228	233	237
-	Internal charges and overheads recovered	7,919	8,303	8,639	9,083	9,668	10,286	10,859	11,420	11,816	12,107
6,380	Local authorities fuel tax, fines, infringement fees, and other receipts	7,340	7,512	7,685	7,862	8,035	8,204	8,368	8,535	8,706	8,872
26,716	Total Sources of operating funding	35,548	37,823	42,270	44,729	48,491	54,111	59,597	65,366	68,959	73,420
Applications of operating funding											
17,124	Payments to staff and suppliers	17,705	19,042	21,900	21,962	21,809	23,051	23,548	23,877	22,876	23,343
2,512	Finance costs	3,108	3,676	4,270	5,013	5,401	5,665	5,866	5,942	6,280	6,759
1,065	Internal charges and overheads applied	7,162	6,968	7,300	7,866	8,742	9,701	10,571	11,419	11,931	12,254
20,701	Total Applications of operating funding	27,976	29,686	33,470	34,842	35,953	38,417	39,985	41,238	41,086	42,356
6,015	Total (SURPLUS) / DEFICIT OF OPERATING FUNDING	7,571	8,137	8,800	9,887	12,538	15,694	19,612	24,128	27,873	31,064
(SURPLUS) / DEFICIT OF CAPITAL FUNDING											
Sources of capital funding											
16,007	Subsidies and grants for capital expenditure	11,822	15,257	22,900	22,174	18,844	19,808	20,199	37,347	39,161	57,768
1,022	Development and financial contributions	414	467	625	784	995	1,182	1,305	1,350	1,386	1,400
10,517	increase (decrease) in debt	12,237	10,023	13,297	11,371	4,957	6,223	3,617	2,328	13,701	8,629
27,546	Total Sources of capital funding	24,473	25,747	36,822	34,329	24,795	27,213	25,121	41,025	54,248	67,797
Applications of Capital Funding											
Capital Expenditure:-											
7,239	- to meet additional demand	6,333	3,794	5,969	235	4,986	11,495	13,259	27,373	13,795	22,911
19,843	- to improve the level of service	14,542	18,595	27,058	30,990	18,198	14,291	10,998	12,203	41,823	48,822
6,479	- to replace existing assets	11,170	11,495	12,595	12,991	14,150	17,121	20,474	25,577	26,503	27,128
-	Increase (decrease in Investments)	-	-	-	-	-	-	-	-	-	-
33,561	Total applications of capital funding	32,044	33,884	45,622	44,216	37,334	42,907	44,732	65,153	82,120	98,862
6,015	Total (SURPLUS) / DEFICIT OF CAPITAL FUNDING	7,572	8,137	8,799	9,887	12,539	15,694	19,611	24,128	27,872	31,065
Total Funding (Surplus) /Deficit											
				-	-	-	-	-	-	-	-

Funding Impact Statements											
Budget	A creative and exciting city	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
(SURPLUS) / DEFICIT OF OPERATING FUNDING											
Sources of operating funding											
28,847	General rates, uniform annual general charges, rates penalties	30,976	28,336	11,444	14,289	17,358	22,091	28,254	33,966	39,376	44,431
-	Targeted rates	-	4,722	23,384	24,396	22,066	19,626	17,556	15,553	14,453	13,321
568	Subsidies and grants for operating purposes	110	112	115	117	120	122	125	127	129	132
1,670	Internal charges and overheads recovered	2,876	2,934	3,045	3,182	3,436	3,583	3,774	3,956	4,087	4,190
3,563	Local authorities fuel tax, fines, infringement fees, and other receipts	4,166	4,250	4,343	4,438	4,532	4,653	5,019	5,111	5,208	5,302
34,648	Total Sources of operating funding	38,129	40,355	42,331	46,423	47,512	50,076	54,728	58,713	63,254	67,376
Applications of operating funding											
23,361	Payments to staff and suppliers	25,773	27,466	27,750	30,038	29,379	29,952	31,442	31,412	32,422	33,170
2,508	Finance costs	2,823	3,098	3,797	4,659	4,962	5,043	5,204	5,142	4,727	4,086
3,846	Internal charges and overheads applied	3,780	3,539	3,814	4,364	5,059	5,801	6,456	7,091	7,462	7,692
29,715	Total Applications of operating funding	32,376	34,103	35,361	39,060	39,399	40,796	43,102	43,646	44,611	44,948
4,933	Total (SURPLUS) / DEFICIT OF OPERATING FUNDING	5,753	6,252	6,970	7,362	8,112	9,280	11,626	15,067	18,643	22,427
(SURPLUS) / DEFICIT OF CAPITAL FUNDING											
Sources of capital funding											
351	Subsidies and grants for capital expenditure	419	598	2,680	172	1,634	29,936	30,790	2,985	32,951	32,484
355	Development and financial contributions	285	321	429	539	684	812	896	927	952	962
6,167	increase (decrease) in debt	606	10,179	17,369	12,284	800	3,343	5,247	(4,206)	(8,652)	(12,206)
6,873	Total Sources of capital funding	1,310	11,098	20,479	12,994	3,118	34,091	36,934	(294)	25,251	21,240
Applications of Capital Funding											
Capital Expenditure:-											
-	- to meet additional demand	273	526	4,758	2,943	2,240	1,505	3,008	3,480	3,043	783
7,304	- to improve the level of service	2,693	11,207	18,372	10,081	4,788	37,519	40,768	7,317	36,611	38,524
4,503	- to replace existing assets	4,096	5,616	4,319	7,333	4,202	4,347	4,783	3,975	4,241	4,361
-	Increase (decrease in Investments)	-	-	-	-	-	-	-	-	-	-
11,807	Total applications of capital funding	7,063	17,349	27,449	20,357	11,230	43,371	48,560	14,772	43,895	43,668
4,934	Total (SURPLUS) / DEFICIT OF CAPITAL FUNDING	5,753	6,252	6,971	7,362	8,112	9,280	11,626	15,066	18,644	22,427
Total Funding (Surplus) /Deficit		-	-	-	-	-	-	-	-	-	-

Funding Impact Statements											
Budget	A connected and safe community	LTP									
		2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
(SURPLUS) / DEFICIT OF OPERATING FUNDING											
Sources of operating funding											
21,984	General rates, uniform annual general charges, rates penalties	22,267	22,730	24,165	25,375	28,195	30,255	32,291	34,516	35,390	36,519
683	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
1,546	Fees and charges	1,500	1,532	1,565	1,598	1,630	1,661	1,692	1,723	1,754	1,785
-	Internal charges and overheads recovered	360	368	376	384	393	401	410	419	428	438
4,465	Local authorities fuel tax, fines, infringement fees, and other receipts	1,107	1,129	1,154	1,179	1,204	1,228	1,251	1,275	1,299	1,323
28,679	Total Sources of operating funding	25,234	25,759	27,261	28,537	31,421	33,546	35,645	37,933	38,871	40,065
Applications of operating funding											
19,375	Payments to staff and suppliers	16,208	17,049	17,748	17,932	19,221	19,702	20,223	20,893	20,870	21,398
1,091	Finance costs	746	896	1,011	1,117	1,263	1,412	1,539	1,548	1,459	1,348
4,970	Internal charges and overheads applied	5,979	5,464	5,898	6,854	8,065	9,340	10,488	11,580	12,222	12,574
25,436	Total Applications of operating funding	22,933	23,408	24,657	25,904	28,548	30,453	32,250	34,021	34,551	35,320
3,243	Total (SURPLUS) / DEFICIT OF OPERATING FUNDING	2,301	2,350	2,603	2,633	2,873	3,093	3,395	3,913	4,320	4,746
(SURPLUS) / DEFICIT OF CAPITAL FUNDING											
Sources of capital funding											
162	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
6,121	increase (decrease) in debt	2,064	3,901	642	2,875	3,057	3,003	2,460	(1,463)	(1,571)	(2,246)
6,283	Total Sources of capital funding	2,064	3,901	642	2,875	3,057	3,003	2,460	(1,463)	(1,571)	(2,246)
Applications of Capital Funding											
Capital Expenditure:-											
- to meet additional demand											
6,616	- to improve the level of service	2,376	4,535	1,007	3,634	3,824	3,949	3,970	380	513	465
2,910	- to replace existing assets	1,988	1,717	2,238	1,874	2,106	2,146	1,885	2,070	2,236	2,035
-	Increase (decrease in Investments)	-	-	-	-	-	-	-	-	-	-
9,526	Total applications of capital funding	4,364	6,251	3,245	5,508	5,930	6,095	5,855	2,450	2,749	2,500
3,243	Total (SURPLUS) / DEFICIT OF CAPITAL FUNDING	2,301	2,350	2,603	2,633	2,873	3,093	3,395	3,913	4,320	4,746
Total Funding (Surplus) /Deficit			-	-	-	-	-	-	-	-	-

Funding Impact Statements											
Budget	A sustainable and resilient city	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
(SURPLUS) / DEFICIT OF OPERATING FUNDING											
Sources of operating funding											
1,258	General rates, uniform annual general charges, rates penalties	3,535	3,856	4,483	4,993	5,080	5,400	5,763	6,186	6,543	6,834
7,240	Targeted rates	5,599	6,261	6,077	6,477	6,903	8,104	8,575	9,397	9,776	10,460
901	Subsidies and grants for operating purposes	1,190	1,184	1,200	1,285	1,921	1,948	2,051	2,025	2,049	2,154
-	Internal charges and overheads recovered	256	242	254	276	299	322	342	360	374	385
2,953	Local authorities fuel tax, fines, infringement fees, and other receipts	3,875	4,108	4,311	4,483	4,595	4,701	4,809	4,915	5,018	5,124
12,352	Total Sources of operating funding	14,454	15,651	16,324	17,515	18,799	20,475	21,540	22,883	23,761	24,956
Applications of operating funding											
9,238	Payments to staff and suppliers	10,088	10,807	10,461	10,811	11,413	12,146	12,434	12,757	12,979	13,398
418	Finance costs	571	970	1,430	1,670	1,767	1,828	1,828	1,779	1,699	1,566
1,595	Internal charges and overheads applied	2,901	2,847	3,016	3,308	3,666	4,053	4,408	4,770	4,985	5,105
11,251	Total Applications of operating funding	13,560	14,624	14,907	15,789	16,846	18,027	18,669	19,306	19,663	20,069
1,101	Total (SURPLUS) / DEFICIT OF OPERATING FUNDING	894	1,027	1,417	1,725	1,953	2,448	2,870	3,577	4,098	4,887
(SURPLUS) / DEFICIT OF CAPITAL FUNDING											
Sources of capital funding											
250	Subsidies and grants for capital expenditure	-	1,793	2,035	1,057	149	179	-	-	-	-
2,223	increase (decrease) in debt	3,866	11,988	6,120	2,576	1,467	1,085	(697)	(704)	(1,908)	(2,626)
2,473	Total Sources of capital funding	3,866	13,781	8,155	3,633	1,616	1,264	(697)	(704)	(1,908)	(2,626)
Applications of Capital Funding											
Capital Expenditure:-											
- to meet additional demand											
3,010	- to improve the level of service	4,000	14,211	9,128	4,541	2,730	2,602	1,575	1,466	1,492	1,519
564	- to replace existing assets	760	597	444	817	839	1,110	598	1,407	698	742
-	Increase (decrease in Investments)	-	-	-	-	-	-	-	-	-	-
3,574	Total applications of capital funding	4,760	14,808	9,572	5,358	3,569	3,712	2,173	2,873	2,190	2,261
1,101	Total (SURPLUS) / DEFICIT OF CAPITAL FUNDING	894	1,027	1,417	1,725	1,953	2,448	2,870	3,577	4,098	4,887
-	Total Funding (Surplus) /Deficit	-	-	-	-	-	-	-	-	-	-

Funding Impact Statements											
Budget	Water	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
(SURPLUS) / DEFICIT OF OPERATING FUNDING											
Sources of operating funding											
-	General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-
14,145	Targeted rates	14,594	16,055	17,679	19,592	22,611	24,639	26,848	28,656	30,404	31,915
50	Fees and charges	-	-	-	-	-	-	-	-	-	-
258	Internal charges and overheads recovered	3,428	3,512	3,651	3,841	4,071	4,314	4,540	4,766	4,926	5,046
52	Local authorities fuel tax, fines, infringement fees, and other receipts	44	45	46	47	48	49	50	52	53	54
14,505	Total Sources of operating funding	18,065	19,612	21,375	23,480	26,730	29,003	31,439	33,473	35,383	37,014
Applications of operating funding											
4,633	Payments to staff and suppliers	8,411	8,656	8,915	9,096	9,448	9,691	9,971	10,236	10,510	10,982
1,402	Finance costs	1,674	2,127	2,687	3,550	4,297	4,855	5,248	5,561	5,714	5,473
2,038	Internal charges and overheads applied	1,837	1,771	1,909	2,141	2,433	2,747	3,033	3,325	3,495	3,595
8,073	Total Applications of operating funding	11,922	12,553	13,510	14,787	16,179	17,293	18,252	19,122	19,719	20,050
6,432	Total (SURPLUS) / DEFICIT OF OPERATING FUNDING	6,143	7,058	7,865	8,692	10,551	11,710	13,187	14,352	15,664	16,964
(SURPLUS) / DEFICIT OF CAPITAL FUNDING											
Sources of capital funding											
-	Subsidies and grants for capital expenditure	2,006	1,300	-	-	277	566	4,027	3,552	1,209	2,716
423	Development and financial contributions	394	444	595	746	947	1,124	1,241	1,284	1,318	1,332
5,512	increase (decrease) in debt	8,463	9,474	12,707	18,215	11,788	10,683	5,922	7,829	103	(7,271)
5,935	Total Sources of capital funding	10,863	11,218	13,302	18,961	13,012	12,374	11,190	12,665	2,630	(3,223)
Applications of Capital Funding											
Capital Expenditure:-											
1,730	- to meet additional demand	4,019	3,991	7,352	8,381	8,134	8,098	10,544	8,324	2,297	3,209
5,257	- to improve the level of service	7,978	8,804	7,884	12,057	8,188	8,281	3,615	10,385	7,873	2,247
5,380	- to replace existing assets	5,010	5,482	5,931	7,215	7,240	7,704	10,218	8,308	8,124	8,285
-	Increase (decrease in Investments)	-	-	-	-	-	-	-	-	-	-
12,367	Total applications of capital funding	17,006	18,277	21,167	27,653	23,563	24,084	24,377	27,017	18,294	13,741
6,432	Total (SURPLUS) / DEFICIT OF CAPITAL FUNDING	6,143	7,058	7,865	8,692	10,551	11,710	13,187	14,352	15,664	16,964
Total Funding (Surplus) /Deficit		-	-	-	-	-	-	-	-	-	-

Funding Impact Statements											
Budget	Wastewater	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
(SURPLUS) / DEFICIT OF OPERATING FUNDING											
Sources of operating funding											
-	General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-
11,159	Targeted rates	13,798	14,802	16,282	18,041	20,353	21,672	23,597	24,557	29,636	34,849
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
6	Fees and charges	-	-	-	-	-	-	-	-	-	-
-	Internal charges and overheads recovered	2,235	2,242	2,317	2,407	2,515	2,630	2,739	2,849	2,934	3,006
1,297	Local authorities fuel tax, fines, infringement fees, and other receipts	1,573	1,203	1,235	1,267	1,299	1,329	1,359	1,389	1,419	1,448
12,462	Total Sources of operating funding	17,607	18,246	19,834	21,715	24,168	25,632	27,695	28,796	33,988	39,304
Applications of operating funding											
5,621	Payments to staff and suppliers	6,532	6,479	6,736	6,970	7,601	8,119	8,922	8,666	11,362	15,432
855	Finance costs	1,239	1,623	2,139	2,608	2,869	3,191	3,379	3,319	3,078	2,713
805	Internal charges and overheads applied	4,243	4,297	4,511	4,804	5,164	5,545	5,901	6,264	6,503	6,675
7,281	Total Applications of operating funding	12,014	12,399	13,386	14,382	15,634	16,855	18,203	18,249	20,944	24,820
5,180	Total (SURPLUS) / DEFICIT OF OPERATING FUNDING	5,592	5,847	6,448	7,332	8,533	8,776	9,492	10,546	13,045	14,484
(SURPLUS) / DEFICIT OF CAPITAL FUNDING											
Sources of capital funding											
-	Subsidies and grants for capital expenditure	772	5,778	4,344	72,805	77,948	87,787	136,429	103,951	50,195	20,199
1,283	Development and financial contributions	373	421	563	706	896	1,064	1,175	1,216	1,248	1,261
4,884	increase (decrease) in debt	7,324	7,907	12,605	4,190	6,418	6,475	1,672	(2,766)	(5,302)	(7,404)
6,167	Total Sources of capital funding	8,469	14,105	17,513	77,701	85,261	95,326	139,276	102,401	46,140	14,056
Applications of Capital Funding											
Capital Expenditure:-											
759	- to meet additional demand	104	461	3,316	3,583	6,599	8,211	6,199	3,967	3,929	555
6,204	- to improve the level of service	9,204	14,060	15,492	76,386	80,428	88,682	135,368	102,933	48,537	21,372
4,384	- to replace existing assets	4,753	5,431	5,152	5,065	6,768	7,209	7,200	6,048	6,719	6,613
-	Increase (decrease in Investments)	-	-	-	-	-	-	-	-	-	-
11,347	Total applications of capital funding	14,061	19,952	23,961	85,034	93,795	104,102	148,768	112,947	59,185	28,540
5,180	Total (SURPLUS) / DEFICIT OF CAPITAL FUNDING	5,592	5,847	6,448	7,332	8,533	8,776	9,492	10,546	13,045	14,484
-	Total Funding (Surplus) /Deficit	-	-	-	-	-	-	-	-	-	-

Funding Impact Statements											
Budget	Stormwater	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
(SURPLUS) / DEFICIT OF OPERATING FUNDING											
Sources of operating funding											
3,871	General rates, uniform annual general charges, rates penalties	5,029	5,443	5,874	6,561	7,393	8,250	9,114	10,093	11,047	11,849
-	Internal charges and overheads recovered	1,246	1,277	1,309	1,341	1,375	1,409	1,445	1,481	1,518	1,556
7	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-
3,877	Total Sources of operating funding	6,274	6,720	7,182	7,902	8,768	9,659	10,559	11,574	12,564	13,404
Applications of operating funding											
2,629	Payments to staff and suppliers	1,721	1,704	1,725	1,788	1,774	1,880	1,965	2,052	2,175	2,268
443	Finance costs	832	1,124	1,415	1,826	2,186	2,469	2,618	2,725	2,774	2,688
9	Internal charges and overheads applied	2,990	3,067	3,221	3,406	3,623	3,850	4,062	4,280	4,432	4,553
3,063	Total Applications of operating funding	5,543	5,895	6,361	7,019	7,584	8,199	8,645	9,057	9,381	9,508
814	Total (SURPLUS) / DEFICIT OF OPERATING FUNDING	731	824	821	883	1,184	1,460	1,914	2,517	3,184	3,896
(SURPLUS) / DEFICIT OF CAPITAL FUNDING											
Sources of capital funding											
-	Subsidies and grants for capital expenditure	1,052	3,053	3,198	1,395	4,484	17,230	18,624	1,776	1,502	-
166	Development and financial contributions	495	558	746	936	1,188	1,411	1,558	1,611	1,654	1,671
5,013	increase (decrease) in debt	7,128	4,459	7,116	7,876	6,510	4,813	1,525	3,289	(588)	(2,066)
5,179	Total Sources of capital funding	8,675	8,070	11,060	10,207	12,182	23,454	21,707	6,676	2,568	(395)
Applications of Capital Funding											
Capital Expenditure:-											
3,289	- to meet additional demand	4,244	3,911	3,619	4,344	7,387	18,700	19,029	2,191	1,925	432
2,475	- to improve the level of service	4,812	4,368	7,683	6,395	5,620	5,846	4,214	6,677	3,494	2,730
230	- to replace existing assets	350	615	579	351	360	368	377	326	332	339
-	Increase (decrease) in Investments	-	-	-	-	-	-	-	-	-	-
5,994	Total applications of capital funding	9,406	8,895	11,881	11,090	13,366	24,914	23,620	9,193	5,751	3,501
815	Total (SURPLUS) / DEFICIT OF CAPITAL FUNDING	731	824	821	883	1,184	1,460	1,914	2,517	3,184	3,896
Total Funding (Surplus) /Deficit		-	-	-	-	-	-	-	-	-	-

Funding Impact Statements											
Budget	Supporting the Organisation	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024	LTP 2024
2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
(SURPLUS) / DEFICIT OF OPERATING FUNDING											
Sources of operating funding											
11,096	General rates, uniform annual general charges, rates penalties	11,757	15,922	16,805	15,535	11,619	7,546	2,879	982	4,130	6,212
-	Subsidies and grants for operating purposes	143	146	149	-	-	-	-	-	-	-
215	Fees and charges	150	153	157	160	163	166	169	172	175	179
36,171	Internal charges and overheads recovered	51,007	51,659	57,411	65,750	73,969	81,768	88,308	93,734	96,532	97,468
4,938	Local authorities fuel tax, fines, infringement fees, and other receipts	4,671	4,867	4,703	4,765	4,971	4,945	5,035	5,254	5,211	5,301
52,421	Total Sources of operating funding	67,729	72,747	79,225	86,211	90,721	94,425	96,391	98,178	97,788	96,736
Applications of operating funding											
41,356	Payments to staff and suppliers	44,050	43,469	44,252	43,925	45,217	46,083	47,072	48,778	49,322	50,181
665	Finance costs	15,488	18,129	21,647	25,838	28,094	29,501	30,307	30,220	29,767	28,721
10,139	Internal charges and overheads applied	8,159	7,738	8,108	8,754	9,829	10,994	12,038	13,023	13,636	14,056
52,160	Total Applications of operating funding	67,697	69,336	74,007	78,517	83,140	86,578	89,417	92,021	92,725	92,957
261	Total (SURPLUS) / DEFICIT OF OPERATING FUNDING	31	3,411	5,218	7,693	7,581	7,847	6,974	6,157	5,063	3,779
(SURPLUS) / DEFICIT OF CAPITAL FUNDING											
Sources of capital funding											
-	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	861	292	-
3,273	increase (decrease) in debt	6,167	2,181	2,185	(604)	(2,960)	(2,308)	(2,822)	(1,574)	(858)	(281)
3,273	Total Sources of capital funding	6,167	2,181	2,185	(604)	(2,960)	(2,308)	(2,822)	(712)	(565)	(281)
Applications of Capital Funding											
Capital Expenditure:-											
- to meet additional demand											
408	- to improve the level of service	1,265	961	2,339	2,192	850	838	685	640	622	633
3,126	- to replace existing assets	3,633	3,238	3,193	3,308	3,036	3,955	3,185	4,876	3,938	3,394
-	Increase (decrease) of Investments	1,300	1,393	1,871	1,590	735	745	282	(72)	(63)	(530)
3,534	Total applications of capital funding	6,198	5,592	7,403	7,090	4,622	5,539	4,152	5,444	4,498	3,497
261	Total (SURPLUS) / DEFICIT OF CAPITAL FUNDING	31	3,411	5,218	7,693	7,581	7,847	6,974	6,157	5,063	3,779
Total Funding (Surplus) /Deficit		-	-	-	-	-	-	-	-	-	-



Wāhanga 4
Section 4

He Kōrero Āpiti Additional Information

4.

Additional information

Significance and Engagement Policy	383
Māori Participation in Council Decision Making	390
Council Controlled Organisations	392



Significance and Engagement Policy 2024

Purpose of this Policy

This Policy sets out how the Council will determine the significance (importance) of its proposals and decisions – and hence, how it will ensure that its engagement on these proposals and decisions meets community preferences. It also lists Council’s strategic assets.

It is a requirement of s76AA of the Local Government Act.

Context for this Policy

Council’s aim is to have greater community participation in decision-making. Robust decisions are made when the aspirations of all our communities are heard by Elected Members. Participation is not only voting, it is about taking opportunities to voice opinions, make formal submissions, get involved in local projects and initiatives. This is where the benefits of a small city can really be seen.

The purpose of local government is to enable democratic local decision-making and action by, and on behalf of, communities and to promote the social, economic, environmental and cultural well-being of communities in the present and for the future. The Local Government Act was amended in 2019 to make the Chief Executive of the local authority responsible for “facilitating and fostering representative and substantial elector participation in elections and polls held under the Local Electoral Act” Section 42 (2)(da). Appropriate engagement leads to good planning and effective solutions which reflect community aspirations.

A city with ‘active citizens’ is a place where residents choose to engage and serve their community; where there is access to good information; and where diverse voices contribute ideas and experience to collaborate on inclusive solutions which will benefit this generation and the next. Active citizenship contributes to a healthy democracy where individuals and communities are empowered to have a say; where elected officials are accountable; and where decisions are transparent.

The Council is also committed to engaging with Rangitāne o Manawatū.

The Council and Rangitāne signed a Partnership Agreement in 2019 that formally acknowledges the status of Rangitāne as mana whenua. This has created a reciprocal working relationship with iwi leadership to align their priorities with those of Council across the suite of strategies and policies that guide our collective decisions. It sets out how Rangitāne and Council will work together and understand each other's aspirations.

The Meaning of Community Engagement in Decision Making

Community engagement is a very important part of Council's decision making.

Community engagement means Council and people connecting together to share ideas and build understanding.

Key elements of good engagement are:

- Council involving people throughout the process
- Council giving people the time and information they need to have their say
- Council and people listening to each other and feeling listened to
- Council valuing and genuinely considering peoples' ideas
- Council giving people information about the decisions it has made and the reasons for these
- That it is purposeful and aimed at shaping the decisions and actions of Council.

In good community engagement, peoples' ideas may or may not be fully adopted, but they know that they have been genuinely listened to and that their ideas have been fully considered.

Community engagement is a planned process that occurs right through the decision-making process. Hence it is a wider process than consultation, which tends to be more formal and to happen towards the end of the decision-making process.

The Council's General Approach to Community Engagement

The Council uses a model based on the IAP2 (International Association for Public Participation) continuum to guide its engagement (see the diagram on the following page).

This shows that community engagement for decision making is a continuum. At one end of the continuum the Council gives people

information about what it is doing. At the other end Council delegates decision making to the public. In the middle it uses a range of techniques to gather community views and to involve people in making its decisions.

Most of the Council's engagement will be in the middle of the continuum - at the Consult, Involve or Collaborate levels. In general, the more important (or significant) the decision, the more the Council will work at the Involve or Collaborate level.

In some cases the Council will use engagement techniques from a mix of levels and it may use different levels at different points of the engagement. For example, when it is exploring issues and options Council could use Collaborative techniques, and then use techniques from the Consult level to get community views on these options.

		INCREASING IMPACT ON THE DECISION →				
		INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
PUBLIC PARTICIPATION GOAL		To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision making in the hands of the public.
	MESSAGE TO THE PUBLIC	We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will look to you for advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.

The Council also has a set of Community Engagement Principles to guide its community engagement. These principles sit alongside the consultation principles from s82 of the Local Government Act (see Appendix 1), and the wider decision making and consultation requirements in sections 76-90 of the Act.

The Council's Community Engagement Principles say that when it engages with local residents and organisations it will:

- Engage in a way that shows people that their contribution is valued and will be fully considered
- Be clear about the process being used and the level of influence that people have
- Encourage as many people as reasonably possible to take part from the start to the finish of the process, especially affected and interested people
- Make it easy for people to give their views to the Council
- Engage in the community by going to where people are and not always expecting them to come to the Council
- Give people time to think about the issues and respond to them
- Use honest and easy to understand information
- Listen to everybody who engages with the Council and gather other information so that it understands a reasonably wide range of peoples' views
- Tell people what it decides and why
- Use relevant information from previous engagement processes
- Take a common sense, cost effective approach.

The Local Government Act Meaning of Significance

The LG Act (s5) says that significance means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for:

- a) the district or region;
- b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter;
- c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.

Significance is a continuum that ranges from decisions of low significance to decisions of high significance. The Act says that a decision of high significance is 'significant' (s5). The legislation does not contain any specific criteria to distinguish between significant and non-significant decisions. Instead, the legislation says that that is a decision for each Council to make in each instance.

The Council will ensure that its community engagement and decision making is appropriate for the significance of each decision it makes, irrespective of whether or not the decision is significant.

If a decision is significant (under s5) then the Council will meet a higher standard of engagement and (as required by s76(3) of the LG Act) will ensure that the decision making and consultation principles of s77, 78, 80, 81 and 82 have been appropriately complied with.

Council's Approach to Significance

Based on the above definitions the Council will determine the significance of a decision by assessing:

- Its impact on the achievement of the Council's Long-term Plan (10 Year Plan). The Long-term Plan sets out what the Council is aiming to achieve (see the following table). In general, a significant decision is one that has high and ongoing impact on the achievement of the Council's Long-term Plan
- Its impact on those persons who are particularly affected by or interested in the decision. In general, a significant decision is one that has high and ongoing impact on or interest from many people across the community
- Its impact on the Council's resources and capacity to perform its role. In general, a significant decision is one that has high and ongoing cost.

It is the Council that decides whether or not a decision is significant. In making this decision the Council will take into account community views.

The Council has no pre-set triggers or thresholds to determine what is high or ongoing.

In making its decision the Council will take into account all three of the above criteria - a single criterion on its own does not necessarily determine significance. The Council will also consider the cumulative impact of closely related decisions.

Council's 2024 Long-term Plan Vision and Goals

Vision:

He iti ra, he iti pounamu.

Small city benefits, big city ambition

Goals:

He tāone auaha, he tāone tiputipu
An innovative and growing city

He tāone whakaihiihi, tapatapahi ana
A creative and exciting city

He hāpori tūhonohono, he hāpori haumarū
A connected and safe community

He tāone toitū, he tāone manawaroa
A sustainable and resilient city

All reports that go to Council will contain an assessment of the significance of the recommended decisions. If the recommendations are considered to be significant a recommendation confirming this and that the Council has engaged appropriately will be included. A statement showing how the Council will (or has) appropriately observe(d) the applicable sections of the Act will also be included.

Whether or not a decision is significant, the Council will still engage appropriately. Most recommended Council decisions will not be significant.

If the Council substantially changes the report's recommendations, then it will have to assess the significance of the new recommendations before it adopts them.

Council's Strategic Assets

The Significance and Engagement Policy must list Council's strategic assets.

A strategic asset is any "asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community" (LG Act s5).

The Act also says that any housing Council owns to provide affordable housing as part of its social policy and any airport company shares are strategic assets.

In general, if Council is making a decision about a strategic asset it will use a greater degree of engagement than it will for a non-strategic asset. In particular, the Council cannot transfer ownership or control of a strategic asset unless it has first consulted with the community through a Long-Term Plan Consultation Document (LG Act s97).

The Council's strategic assets are:

- social housing as a whole (for low-income older people or people on low incomes with additional needs)
- public rental housing as a whole
- shares in Palmerston North Airport Ltd
- roading and traffic network as a whole (including footpaths, street lighting & parking)
- wastewater reticulation network and treatment plant as a whole (see note)
- water supply, treatment, storage and reticulation network as a whole (see note)
- stormwater network and land drainage system as a whole (see note)
- Turitea Reserve (the portion used for used for electricity generation and transmission and flora and fauna)

- Te Marae o Hine - The Square as a whole
- reserves zoned for recreation purposes or subject to the Reserves Act as a whole
- the Esplanade, Ongley Park, Fitzherbert Park and Manawaroa Park as a whole
- aquatic facilities as a whole
- Te Motu o Poutoa
- Central Energy Trust Arena as a whole
- Shared pathways as a whole
- Ashhurst Domain as a whole
- Memorial Park as a whole
- the parts of the Manawatū River Park owned by Council, as a whole
- Linklater Park as a whole
- Arapuke Forest Park
- Te Manawa
- the Regent Theatre
- the Globe Theatre
- Caccia Birch
- City Library (including community libraries and mobile library) as a whole
- archives as a whole
- Square Edge
- Creative Sounds
- community centres as a whole
- Hancock Community House
- cemeteries and crematorium as a whole
- that portion of the Civic Administration Building sited on The Square - Te Marae o Hine.

The Council considers each asset and groups of assets listed above as a single whole asset. This is because the asset or group of assets as a whole delivers the service.

“Strategic assets” therefore refers to the whole asset or group of assets and not individual components unless that component substantially affects the ability of the Council to deliver the service. If the Council is considering a decision on any individual component of a strategic asset that substantially affects the ability of the Council to deliver or promote its services then that component will be treated as strategic.

The Council recognises that there will be some assets that, although not fitting the legal definition of strategic asset, are of high community importance and interest. The Council will appropriately engage with the community on issues relating to these assets. In these cases proposals or decisions regarding these assets may be significant.

Note: The strategic status of the 3 waters networks may need to be reconsidered as part of Council's decisions in light of Central Government's Local Water Done Well reforms.

Monitoring and Review

This Policy will be reviewed every three years through the 10 Year Plan.

It will be monitored as part of Council's monitoring of the Good Governance and Active Citizenship Plan.

Appendix 1:

Local Government Act s82 Principles of Consultation

- (1) Consultation that a local authority undertakes in relation to any decision or other matter must be undertaken, subject to subsections (3) to (5), in accordance with the following principles:
- a. that persons who will or may be affected by, or have an interest in, the decision or matter should be provided by the local authority with reasonable access to relevant information in a manner and format that is appropriate to the preferences and needs of those persons:
 - b. that persons who will or may be affected by, or have an interest in, the decision or matter should be encouraged by the local authority to present their views to the local authority:
 - c. that persons who are invited or encouraged to present their views to the local authority should be given clear information by the local authority concerning the purpose of the consultation and the scope of the decisions to be taken following the consideration of views presented:
 - d. that persons who wish to have their views on the decision or matter considered by the local authority should be provided by the local authority with a reasonable opportunity to present those views to the local authority in a manner and format that is appropriate to the preferences and needs of those persons:

- e. that the views presented to the local authority should be received by the local authority with an open mind and should be given by the local authority, in making a decision, due consideration:
- f. that persons who present views to the local authority should have access to a clear record or description of relevant decisions made by the local authority and explanatory material relating to the decisions, which may include, for example, reports relating to the matter that were considered before the decisions were made.

Māori Participation in Council Decision Making

The Council acknowledges Rangitāne o Manawatū as mana whenua – the original custodians and stewards of this whenua.

The Local Government Act 2002 provides Councils with direction regarding their role as obligatory stewards of Treaty Partnership on behalf of the Crown. The contribution of Māori to local government decision making processes is integral to inter-generational well-being of all citizens. In line with Treaty principles Councils are required to create systems and pathways that contribute to that well-being through partnership, representation, and meaningful consultation with mana whenua and wider Māori communities.

Council is committed to its formal kawenata with Rangitāne whilst also committed to building greater participation and engagement with the wider Māori community. This will ensure that Rangitāne and Māori interests are reflected and contributions to positive Māori development are captured in the Long-term Plan.

Rangitāne o Manawatū Partnership

The Council signed a Partnership Agreement in 2019 that formally acknowledges the status of Rangitāne as mana whenua. This has created a reciprocal working relationship between Iwi leadership and Council to align priorities across the suite of Council Strategies and Plans.

Council has a Rangitāne o Manawatū Committee. This considers matters relating to the wellbeing of Māori in Palmerston North and has a strong focus on the ongoing development of Te Motu o Poutoa. Three Rangitāne representatives (and two Māori ward Councillors) sit as appointed members on this committee providing Rangitānenuiarawa expertise.

The Council has established a Māori Ward called Te Pūao, held by two Councillors that sit alongside Rangitāne appointees to Committees and represent the specific interests of the wider Māori community.

Council staff and management meet regularly with Iwi leaders regarding a very broad set of projects and programmes. In particular there is a monthly hui called Te Whiri Kōkō where collaboration, information sharing and advice is provided and shared on a range of activities and projects. The Council provides capacity funding to support this engagement and acknowledges the significant contribution that mana whenua bring to the City. This is augmented by early engagement between Rangitāne and Elected Members on the Long-term Plan and other major programmes and projects.

The Council also maintains a Māori advisory function to ensure Elected Members and staff understand Māori mātauranga (practices and principles) so that Rangitāne and wider Māori are appropriately involved in Council decisions.

The need to understand and work alongside the relationships that can assist Council to reach the Māori community is key. For Council to know when to adopt the role of facilitator, supporter or leader where appropriate is vital to a connected sector that is making a difference to the aspiration of Māori development and participation in local government decision making processes.

The visibility of Rangitāne in the landscape of Te Papaioea is increasing rapidly and this can be directly attributed to that partnership and spaces where Rangitāne have representation and contribution. Visibility of Iwi provides a strong signal to our community that Iwi and Māori perspectives are relevant and valued and this has a connection to levels of Māori engagement.

Rangitāne continue to provide leadership as partners with the Manawatū River Framework and the establishment of the working group Te Ohunga Mauri. This ensures Council staff and Rangitāne continue to work together to create an engaging and inspiring environment as well as affirm and share cultural and historical narratives. Rangitāne are also often represented on other advisory and working groups to ensure input and influence at an appropriate level.

Council Controlled Organisations

The Council provides some of its services and facilities through Council Controlled Organisations (CCOs). These organisations are run by independent boards that manage Council facilities or deliver specific services and developments on behalf of residents.

Council controls at least 50 percent of the CCO's voting rights or has the right to appoint at least 50 percent of its directors or trustees.

CCOs bring business and community expertise that Council may not be able to access easily. They can also attract funding from sources other than ratepayers.

Each year (or in some cases every three years) the Council works with the CCO Boards to develop Statements of Intent. These set out the services each CCO will provide, along with appropriate performance measures. Council then provides funding so the Boards can implement their Statements of Intent.

[Note: this section is based on the CCOs' draft Statements of Intent. If necessary, it will be update once Council adopts the final Statements.]

Council's CCOs are:

- Central Economic Development Agency (CEDA). This is a joint CCO with the Manawatu District Council.
- Globe Theatre Trust Board
- Te Manawa Museums Trust
- The Regent Theatre Trust.

Council also has one Council Controlled Trading Organisation:

- Palmerston North Airport Ltd (PNAL).

A Council Controlled Trading Organisation is a CCO that operates with the intention of making a profit.

Council can exempt small CCOs from the planning and reporting requirements of the Local Government Act. These are called exempted organisations.

Exempted Organisations are:

- Palmerston North Performing Arts Trust
- Manawatū-Wanganui Regional Disaster Relief Fund Trust

Central Economic Development Agency (CEDA)

CEDA's Statement of Intent Outcomes are to:

- Attract, retain, and develop, business and investment in the region.
- Attract, retain, and develop talent in the region
- Profile the region to attract people, business, and investment

Its major performance targets are:

Performance Measures	Actual 2023-24	Target 2024-25	Target 2025-26	Target 2026-27
Identify and develop inwards investment opportunities	tbc	At least 15 opportunities	At least 15 opportunities	At least 15 opportunities
Talent: Develop integrated sector approaches		Develop at least 4 initiatives	Develop at least 4 initiatives	Develop at least 4 initiatives
Profile Manawatū locally, nationally, and globally		20 features profiling the region	20 features profiling the region	20 features profiling the region

The Globe Theatre, Te Manawa Museums and Regent Theatre Trust Boards all primarily contribute to Council's Goal 2: A creative and exciting city, and, in particular to these Goal priorities:

- Celebrate the city's history and diversity and build on the strength of being a city of many cultures and languages;
- Be a creative city that nurtures and celebrates the arts;
- Develop a national reputation as an exciting city with plenty to do at night and on weekends.

Globe Theatre Trust

The Globe Theatre's strategic objectives are:

1. Ensure that there are more, and more visible, arts and activities at the Globe that contribute to the Council's aspirations as a creative and exciting city.
2. Support the local performing arts community to showcase their diverse talents at the Globe.
3. Maintain and develop facilities that enable our communities to produce and enjoy the very best performing arts that can be offered, ensuring that the Globe remains a cutting edge, visible and resilient cultural institution/facility.

Its major performance targets are:

Performance Measures	Actual 2023-24	Target 2024-25	Target 2025-26	Target 2026-27
No. of usages	329*	579	608	638
No. of performances	173*	251	264	277
No. of audience members	15,521*	17,735	18,622	19,553
No. national / international visiting productions	22*	25	26	27

*Note current performance is for the 6 months to 31/12/23

Te Manawa Museums Trust

Te Manawa’s strategic objectives are:

1. Innovative Experiences that Engage Visitors.
2. Enhanced Learning and Development.
3. A collaborative and future-focused organisation.

Its major performance targets are:

Performance Measures	Actual 2023-24	Target 2024-25	Target 2025-26	Target 2026-27
Physical visits	84,401*	131,000	132,300	134,000
Online engagement	32,333*	97,200	104,900	113,300
External Revenue	\$290,037*	\$668,200	\$572, 984	\$611,021
Visitor Satisfaction	98%*	95%	95%	95%

*Note current performance is for the 6 months to 31/12/23

The Regent Theatre Trust

The Regent Theatre’s strategic objectives are:

1. To be a venue for hire for exciting community and performing arts experiences for the people of Palmerston North and the wider Manawatū region including recognising the role of local Tangata Whenua and heritage status of the building.
2. To engage in effective collaboration with our stakeholders and clients, enabling the best customer experience.
3. To engage with diverse audiences via a marketing and promotion strategy that is continually developing and responding to regional demographics and artistic/cultural trends.

Its major performance targets are:

Performance Measures	Actual 2023-23	Target 2024-25	Target 2025-26	Target 2026-27
Total main auditorium hires (no. of days)	185	Not less than 190	Not less than 210	Not less than 215
Total No. national / international hires*	35	Not less than 33	Not less than 38	Not less than 39
Total No. school concerts / prize-givings	Not less than 20	Not less than 23	Not less than 23	Not less than 23
Audience ratio community / commercial events	80/20	70/30	70/30	70/30

* Includes all touring shows from both Overseas and NZ Artists. (Actual live performances).

Palmerston North Airport Ltd (PNAL)

Palmerston North Airport Limited owns and operates Palmerston North Airport. The Council is the 100% shareholder of PNAL.

Objective:

To ensure the City has an appropriate air gateway for passengers and freight.

Performance measures (Summarised for 2024/25)	Target
Net surplus before interest/tax/revaluations to total assets	5%
Net surplus after interest/tax to consolidated shareholders' funds (note – significant terminal building write-off planned)	(2%)
Maintain ratio of shareholders' fund to total assets > 40%	64%
Interest cover (net surplus before interest and tax to interest) \geq 2.5	5.6
Maintain a net tangible worth >\$80m	\$83.6m
Total Debt to Total Debt + Equity	29%
Net Debt/EBIDA < 4.5 (long term target)	5.2
Funds from Operations (FFO)/net Debt > 11% (long term target)	17.8%
Airport carbon accreditation level 4	Maintain
CAA part 139 certification	Maintain
Lost time work injuries to those who work within the airport community	Zero
Net promotor score as close as reasonably practical to tourism industry benchmark of 45	Achieve



Te Kaunihera o Papaioea

Palmerston North City Council

pncc.govt.nz / info@pncc.govt.nz / 06 356 8199

PALMY[®]
PAPAIOEA
PALMERSTON
NORTH
CITY